

GETTING EUROPE BACK TO WORK
CRISIS (RE)PRODUCTION
AND CRISIS OVERCOMING IN EUROPE

Edited by
Tomasz Brańka and Joanna Skrzypczyńska



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and
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**Adam Mickiewicz University in Poznań
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Table of contents

Introduction	5
Maciej WALKOWSKI, Technological Unemployment as a Result of the Fourth Industrial Revolution: Challenges Facing Europe and the Rest of the World	9
Jarosław JAŃCZAK, Cross-border Cooperation and Economic Growth in the Post-Crisis European Union: Economic, Social and Normative Dimensions	23
Joanna SKRZYPCZYŃSKA, “Made in China” – Market Protectionism in the Post-Crisis European Union	33
Hanna KELM, Welfare States’ Reforming in the Post-crisis European Union	45
Rafał SZYMANOWSKI, NEETs, North South Divergence and Economic Security in the Euro Area in the Aftermath of the Crisis	55
Dariusz LESZCZYŃSKI, The Problem of Workers’ Rights and Freedoms in Multinational Corporations in Terms of Legal Conditions in the European Union and International Records	73
Krzysztof HAJDER, The Relationship between Level of Education and Career Opportunities for Young People in the EU and EFTA ..	91
Michał KUBIAK, Community Houses as an Example of Social Innovation in Europe	103
Dorota HALICKA, Improving the Efficiency and Competitiveness of Organisations in a Post-crisis Environment – the ISO 9001: 2015 Model	121
Tomasz BRAŃKA, The Åland Islands as an Example of Economic Development in a Peripheral Region of Innovative Europe	129
Maciej GÓRNY, Policies towards Social Exclusion in the Post-crisis United Kingdom	143
Magdalena KACPERSKA, The Importance of Family Policy for the Birth Rate and Activity Rate of Young European Females. An Analysis of France and Poland	155

Iwetta ANDRUSZKIEWICZ, Eliza KANIA, The Process of Precarisation of Labour and the Labour Market in Poland in the Period of Political Transformation	175
Wojciech NOWIAK, Poland – the leader of social Europe. The implementation of family policy through the example of the “Family 500+” programme – a survey of the local population in a region of Wielkopolska	195
Authors (in the alphabetical order)	205

Introduction

Unemployment in the European Union seems to be one of the most important economic, social and political challenges nowadays. Young Europeans are particularly affected by this problem. The 2008 financial and economic crisis has undermined not only the economies of many of the member states, but also the integration project itself. The European Union and its capacity to create a “better world” has been called into question, especially by the young generation. Overcoming the crisis, the acceleration of economic development and, consequently, political recovery are the aims that are especially relevant for young Europeans. Additionally, these objectives should be achieved through the inclusion of the social dimension and also by an innovative approach (also on an individual level), with a special role for education, employment and small and medium enterprises.

The aim of this publication is to discuss the current determinants generating economic growth in the European Union, which is still a challenge in the post-crisis context. It has been investigated globally, continentally and regionally. At the same time, the key question is whether this economic growth is compatible with the social dimension and social values, which is one of the main considerations of young Europeans, who were most adversely affected by the crisis.

We start the research by presenting these issues from the international, regional and local perspectives, with a particular focus on Poland. In this context we explore the problem of digital exclusion, unemployment among young Europeans, the effectiveness of the European welfare state models, and the problem of workers’ rights and freedoms in multinational corporations. We also present the EU’s protection policy in trade with China. Then we explore these problems by examining case studies, such as social exclusion in the post-crisis United Kingdom, economic growth in the Åland Islands, community houses as an example of social innovation, and young people entering the labour market in the EU and EFTA countries. The final three articles are focused on Poland, in particular on family policy and the problem of unemployment.

Maciej Walkowski argues that the effective elimination of digital exclusion is a requirement to enter a much higher level of technological advancement, especially for the young generation of Europeans. Additionally, there is no doubt that unemployment is a complex phenomenon and technological unemployment is one of the results of the Fourth Industrial Revolution. On the other hand, in the past, technology has always ended up creating more jobs than it destroyed. Automating a particular task so that it can be done more quickly or cheaply increases the demand for human workers to do the other tasks around it that have not been automated.

Recognising the importance of the problem of cross-border cooperation and economic growth in the post-crisis European Union, Jarosław Jańczak argues that, in the post-crisis European Union, remote areas, especially border areas, have seriously suffered due to the fallout from the crisis. At the same time, fuelled by the European Union's instruments supporting cross border collaboration, border regions and border towns are equipped with an additional set of tools helping them to overcome the crisis. He explores the INTERREG programme, which, despite concentrating on economic growth, also stresses the social and normative dimensions of collaboration.

Joanna Skrzypczyńska demonstrates the importance of market protectionism, especially in trade with China. She evaluates the trade policy of the EU after the crisis in the context of EU relations with China. Due to increasing Chinese exports to the EU, EU leaders must protect the European economy, but their national interest and good relations with China are also relevant. She argues that this issue is another problem which divides EU countries into the "North" and "South." Another economic issue is discussed by Rafał Szymanowski in his paper "North-South Divergence and Economic Security in the Euro Area in the Aftermath of the Crisis." It starts with a brief history of the euro debate in the EU. This paper examines this divergence by looking at one crucial indicator: the number of young people who are unemployed and inactive "NEETs" (NEET stands for "Not in Employment, Education or Training") in the northern and southern countries of the eurozone, before and after the financial crisis. In this context, Krzysztof Hajder explores the relationship between the level of education and career opportunities for young people in the EU and EFTA. As a result of his research, he confirmed that higher education improves one's position on the labour market, in particular for the 15–24 age group. The best

opportunities on the labour market in the European Union still require a university degree.

Hanna Kelm examines the impact of the economic crisis on the efficiency and equity of the European welfare state models. She argues that member states' increasing protection of their respective populations, which manifests itself in taking over responsibility for the implementation of social policy objectives, is bringing other member states closer to the Nordic model. Maciej Górny's paper "Policies towards social exclusion in the post-crisis United Kingdom" offers an interesting perspective on this viewpoint. The article presents the problem of social exclusion and ways to combat social marginalisation through social entrepreneurship in the United Kingdom in the period after the financial crisis of 2007–2013. Community houses as an interesting social innovation are analysed by Michał Kubiak.

Tomasz Brańka deals with an unusual topic in his article, "The Åland Islands as an example of economic development in the peripheral region of innovative Europe." He argues that dynamic economic development is possible despite a peripheral location, small territory size and modest population. He also identifies the factors which have led to this success.

A very relevant issue in times of increasing unemployment is demonstrated by Dariusz Leszczyński, who has analysed the problem of workers' rights and freedoms in multinational corporations. In this context, Dorota Halicka explores the problem of the efficiency and competitiveness of organisations in a post-crisis environment in terms of the ISO 9001: 2015 model.

Magdalena Kacperska evaluates the importance of family policy for young women through the examples of Polish and French family policies. In another paper, Wojciech Nowiak examines the "Family 500+" programme in the Wielkopolska Region. This paper presents the results of a survey into the attitudes to the "Family 500+" programme expressed by a selected group of people. Iwetta Andruszkiewicz and Eliza Kania explore the problem of labour precarisation and the labour market in Poland in the period of political transformation. This paper opens an interesting question of to what extent the work precarisation process can be observed in Poland. They argue that the specific legacy of the economic transformation and the resulting great economic shifts due to the specificity of said economic transformation prompt a look at the process of precarisation of work in Poland, considering a slightly different social and economic context.

We believe that this research on “The European Union – Economic Development, Young Europeans and Innovations in Overcoming the Crisis and Ensuring the Union’s Sustainability,” conducted within the Jean Monnet Chair at the Faculty of Political Science and Journalism of Adam Mickiewicz University, has resulted in an important publication for the local as well European markets, which will contribute to the debate on the issue in Poland, and the European Union as a whole. Additionally, it should inspire further academic interest, especially among young researchers in the subject area.

Tomasz Brańka
Joanna Skrzypczyńska

Maciej WALKOWSKI

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Technological Unemployment as a Result of the Fourth Industrial Revolution: Challenges Facing Europe and the Rest of the World

1. Definition of the problem

There is no doubt that unemployment is a complex phenomenon. As Ricardo Campa rightly points out, economists distinguish between frictional unemployment involving individual mobility of workers between jobs; structural unemployment, resulting from the decline of particular sectors or occupations; and cyclical unemployment, resulting from general but temporary fluctuations in economic activity. To this list, one can add “technological unemployment” (Campa, 2017).

“Technological unemployment” (TU) is caused when the individuals lose their jobs due to the technological advances. It is a form of structural unemployment in which the structure of the economy changes, accompanied by shifts in demand for labour due to the introduction of new machinery, time-saving technology and improved methods of production. TU means the substitution of labour by technology (*Business Jargons*, 2019).

Another dictionary defines technological unemployment as “[u]nemployment that occurs because advances in machinery renders workers redundant... it is the result of a disparity between the collective skills of the workforce of an economy and the skills necessary to perform the available jobs. As such, it is a type of structural unemployment” (*Farlex Financial Dictionary*, 2012).

It is also popular to define TU as “unemployment caused by technological advances. This includes machines and software substituting for human labor, advances in efficiency negating the need for friction-based jobs, and increased data availability undermining professions that rely on information asymmetry” (*Your Dictionary*, 2019).

The Oxford Dictionary of Economics defines technological unemployment as “unemployment due to technical progress. This applies to

particular types of workers whose skill is made redundant because of changes in methods of production, usually by substituting machines for their services. Technical progress does not necessarily lead to a rise in overall unemployment.” Technological unemployment can be studied at different levels of the economic system: at the level of individual actors, companies, sectors, countries, or the global economy (Campa, 2017).

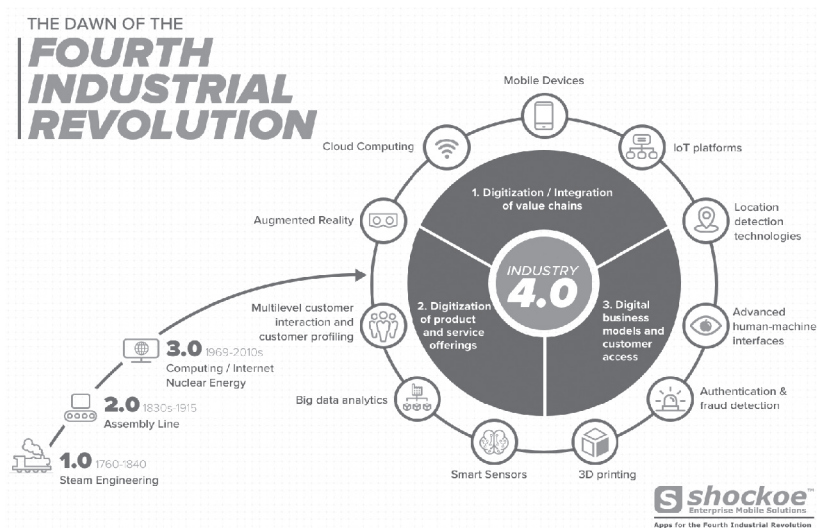
2. The fourth industrial revolution and its effects in the employment dimension

Technological unemployment is closely related to the so-called “fourth industrial revolution” (Industry 4.0 model). The world over the last two decades has seen revolutionary advances in science and technology – artificial intelligence (AI), gene editing, robotics, automation and so on. World-renowned economist Klaus Schwab, Founder and Executive Chairman of the World Economic Forum, explains in his book, *The Fourth Industrial Revolution*, that we have an opportunity to shape the “fourth industrial revolution,” which will fundamentally alter how we live and work. Characterised by a range of new technologies that are fusing the physical, digital and biological worlds, these developments are affecting all disciplines, economies, industries and governments, and even challenging ideas about what it means to be human.

Schwab argues that this revolution is different in scale, scope and complexity from any that have come before. The “fourth industrial revolution,” says Schwab, is more significant, and its ramifications more profound, than in any prior period of human history. He outlines the key technologies driving this revolution and discusses the major impacts expected on government, business, civil society and individuals (*3 ways to be...*, 2019).

Klaus Schwab underlines that “AI is already all around us, from supercomputers, drones and virtual assistants to 3D printing, DNA sequencing, smart thermostats, wearable sensors and microchips smaller than a grain of sand. But this is just the beginning: nanomaterials 200 times stronger than steel and a million times thinner than a strand of hair and the first transplant of a 3D printed liver are already in development” (ibid.).

Graph 1.



Source: Otañez, 2017.

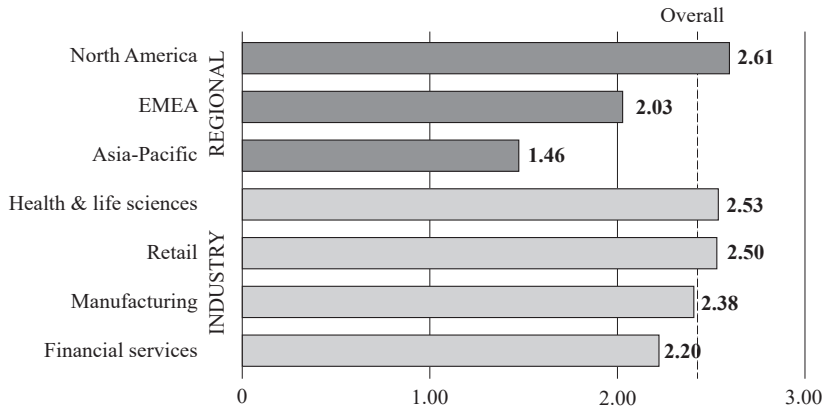
According to analysts from The Economist Intelligence Unit (EIU), the term “Artificial Intelligence” refers to a set of computer science techniques that enable systems to perform tasks normally requiring human intelligence, such as visual perception, speech recognition, decision-making and language translation. Machine learning and deep learning are branches of AI which, based on algorithms and powerful data analysis, enable computers to learn and adapt independently. AI refers to machine learning, deep learning and other related techniques and technologies (*Artificial intelligence...*, 2016).

The authors of the special report from *The Economist*, titled *Artificial intelligence in the real world: The business case takes shape*, underline that AI is no longer in the future. In their opinion, many business leaders certainly expect AI to be disruptive. Research shows that more than 40% of those surveyed for the study anticipate that AI will start displacing humans from some jobs in their industry within the next five years. Slightly more think their own role will be changed by AI in the same time frame. But they see this more as augmentation than marginalisation. An overwhelming majority believe AI will make their job easier and help improve their own performance. They clearly believe it will do the same for the businesses they manage. Based on a global survey of 203 senior

executives, it was found that, especially in North America, companies in health and life sciences, in retail, in manufacturing and in financial services are ready to be changed. Amongst this group, AI technologies and applications are in the exploratory phase at around one-third of companies, but another third have moved on to experimentation, and one-tenth have begun to utilise AI in limited areas. A small handful (2.5%) have even deployed it widely. AI will be “actively implemented” in their companies within the next three years, according to 75% of surveyed executives. Another 3% say this is already the case. The pace will remain the quickest in North America (active implementation in 84% of firms there) and, in industry terms, in retail (also 84%) (*Artificial intelligence...*, 2016¹).

North America and the health sector lead the way. The business case takes shape with AI (implementation score of 2.61) with health and life sciences (2.53) and retail firms (2.50) in the lead. Europe, as part of the group known as EMEA, is the second in the world after North America in terms of the implementation of AI.

Graph 2. AI implementation score: regional vs. industry comparison



Scale: 1 – nascent; 2 – exploratory; 3 – experimental; 4 – applied; 5 – deployed.

Source: https://eiuperspectives.economist.com/sites/default/files/Artificial_intelligence_in_the_real_world_1.pdf*.

¹ *Artificial intelligence in the real world: The business case takes shape* is a report from The Economist Intelligence Unit (EIU) sponsored by Wipro Limited. The report was written by Denis McCauley and edited by Charles Ross. It draws upon a survey conducted in the second half of 2016 of 203 executives around the globe. Respondents were evenly split among the financial services, manufacturing, retail, and the health and life sciences industries.

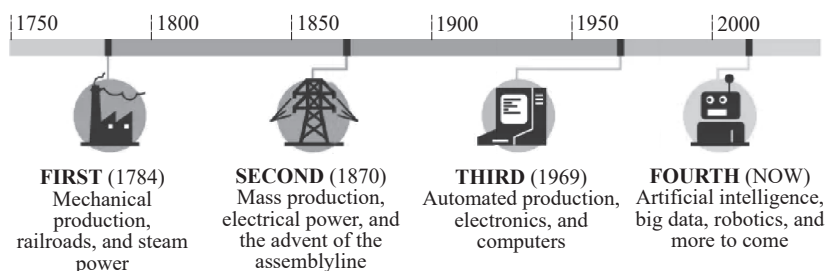
Explanation: *EMEA is an acronym that stands for Europe, Middle East and Africa. This region includes all of the countries in Africa, Europe, and the Middle East. This acronym is used by government, marketers, and business. The total estimated population of the EMEA region is between 2.1 and 2.2 billion people occupying the land from the most northern parts of Europe all the way to the southern tip of Africa. EMEA makes up about \$27.5 trillion in Gross Domestic Product every year. This is about 38% of world GDP. The European countries which are part of EMEA include: Russia, Germany, Turkey, France, United Kingdom, Italy, Spain, Ukraine, Poland, Romania, Kazakhstan, Netherlands, Belgium, Greece, Portugal, Czech Republic, Hungary, Sweden, Azerbaijan, Belarus, Austria, Switzerland, Bulgaria, Serbia, Denmark, Finland, Slovakia, Norway, Georgia, Ireland, Croatia, Bosnia and Herzegovina, Moldova, Armenia, Lithuania, Albania, Macedonia, Slovenia, Latvia, Kosovo, Estonia, Cyprus, Montenegro, Luxembourg, Malta, Iceland, Northern Cyprus, Jersey, Isle of Man, Andorra, Guernsey, Faroe Islands, Liechtenstein Monaco, San Marino, Gibraltar, Aland Islands (Finland), Svalbard, Jan Mayen, Vatican City.

Thus, the concern that Artificial Intelligence will take over everyone's jobs is becoming increasingly urgent as recent AI breakthroughs (like AlphaGo, IBM Watson, self-driving cars) attract public attention. As AI progresses, some believe that it will steadily and inevitably take over large sectors of the workforce and will bring about mass unemployment and social unrest. In a widely noted study published in 2013, Carl Benedikt Frey and Michael Osborne examined the probability of computerisation for 702 occupations and found that 47% of workers in America had jobs at high risk of potential automation. In particular, they warned that most workers in transport and logistics (such as taxi and delivery drivers) and office support (such as receptionists and security guards) "are likely to be substituted by computer capital," and that many workers in sales and services (such as cashiers, counter and rental clerks, telemarketers and accountants) also faced a high risk of computerisation. They concluded that "recent developments in machine learning will put a substantial share of employment across a wide range of occupations at risk in the near future." Subsequent studies put the equivalent figure at 35% of the workforce for Britain (where more people work in creative fields less susceptible to automation) and 49% for Japan (*The Impact...*, 2016).

More recently Bank of America Merrill Lynch predicted that by 2025 the annual creative disruption impact from AI could amount to \$14–33

trillion, including a \$9 trillion reduction in employment costs thanks to AI-enabled automation of knowledge work; cost reductions of \$8 trillion in manufacturing and healthcare; and \$2 trillion in efficiency gains from the deployment of self-driving cars and drones. The McKinsey Global Institute, a think-tank, says AI is contributing to a transformation of society “happening ten times faster and at 300 times the scale, or roughly 3,000 times the impact” of the First Industrial Revolution (INDUSTRY 1.0) (*The Impact...*, 2016).

Graph 3. The four Industrial revolutions



Source: *The impact on jobs. Automation and anxiety* (2016), Special Report: The Return of the Machinery Question, “The Economist”, 25.06.2016, <https://www.economist.com/special-report/2016/06/25/automation-and-anxiety>, 25.06.2016.

Economists are already worrying about “job polarisation”, where medium-skilled jobs (such as those in manufacturing) are declining but both low-skilled and high-skilled jobs are expanding. In effect, the workforce bifurcates into two groups doing non-routine work: highly paid, skilled workers (such as architects and senior managers) on the one hand and low-paid, unskilled workers (such as cleaners and burger-flippers) on the other. Also, Martin Ford, a software entrepreneur and the bestselling author of *Rise of the Robots* (business book of the year 2015 WINNER McKinsey Global Institute) and *Architects of Intelligence*, warns of the threat of a “jobless future”, pointing out that most jobs can be broken down into a series of routine tasks, more and more of which can be done by machines (*ibid.*; see also: Ford, 2016; Rifkin, 1996).

On the other hand, in the past technology has always ended up creating more jobs than it destroys. Automating a particular task so that it can be done more quickly or cheaply increases the demand for human workers to do the other tasks around it that have not been automated. There are many

historical examples of this, such as in weaving. During the Industrial Revolution more and more tasks in the weaving process were automated, prompting workers to focus on the things machines could not do, and then tending multiple machines to keep them running smoothly. This caused output to grow explosively. The same pattern can be seen in industry after industry after the introduction of computers. Rather than destroying jobs, automation redefines them, and in ways that reduce costs and boost demand. As was rightly pointed out by another scientific authority in this field, David H. Autor, “more computer-intensive jobs within an industry displaced less computer-intensive ones. Computers thus reallocate rather than displace jobs, requiring workers to learn new skills.” This is true of a wide range of occupations, not just in computer-related fields such as software development but also in administrative work, health care and many other areas (*ibid.*; Autor, 2015).

Generally, most economists and analysts argue that the impact of AI on jobs in the near future will (most likely) not be significantly more disruptive than the impact of automation has been in the past. The number of jobs created by AI and automation in general will likely outnumber the jobs displaced by them. However, because workers of different countries, sectors, and income-levels will be affected differently, we still need governments to proactively enact prescriptive labour policies to facilitate smooth workforce transitions (*ibid.*²).

Analysts Jacky Liang, Ben Ramanuskas and Andrey Kurenkov argue that “it is true that automation of existing jobs has been a fact of life for centuries. In the twentieth century, the proportion of the workforce in agriculture decreased from 40% in 1900 to just 10% in 1950. Now, that figure is even lower – 2%. With more efficient tools, machines, and better understanding of science, agriculture’s productivity has soared in the last century – fewer people were needed to do the same amount of work, and many agriculture jobs were lost. (...) Sometimes automation leads to worker displacement – decreased employment as many workers are replaced by a few machines. Other times the increased productivity may actually create more jobs in the sector that is being automated, via a process called worker augmentation. Automation improves productivity in other sectors and can grow the economy as a whole. The Industrial Revo-

² The theory about the need to tax robots was popularised by Bill Gates and Elon Musk. For more on this subject see: <https://www.theguardian.com/business/2017/mar/22/robots-tax-bill-gates-income-inequality>; <https://asia.nikkei.com/Editor-s-Picks/Interview/Robot-taxes-will-help-keep-humans-employed-Bill-Gates-predicts>.

lution saw the introduction of new labor saving devices and technology which did result in many jobs becoming obsolete. However, this led to new, safer, and better jobs being created and also resulted in the economy growing and living standards increasing” (Liang, Ramanuskas, Kurenkov 2019; *Jobs Lost, Jobs Gained...*, 2017).³

The analysts cited above emphasise that jobs displaced by automation form only one part of the net employment equation. Automation can create new jobs directly through the production, maintenance, and sales of its products and services. But it creates even more jobs indirectly by improving the productivity of other industries. Automation can also create new jobs by enabling efficient, scalable marketplaces for sharing people’s previously unused resources (e.g. Uber, Airbnb) and paying people to do previously unpaid work. Domestic work such as cooking, childcare, and cleaning will see greater participation by paid labour, and this trend has already been observed in advanced economies (ibid.).

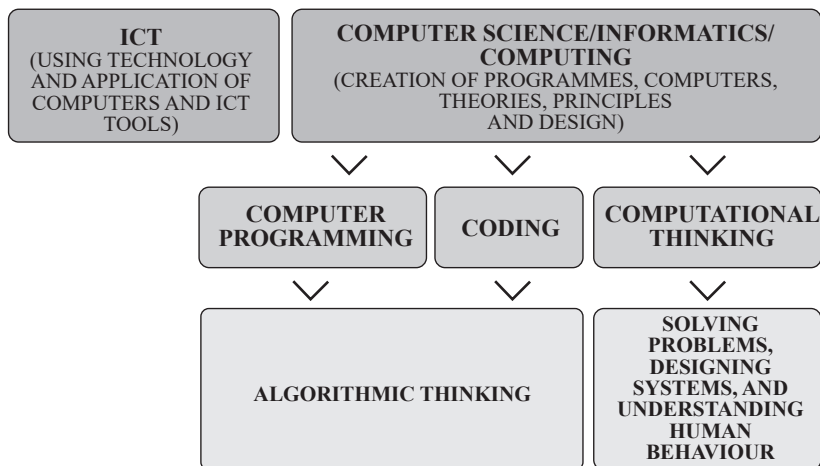
Sonia Livingstone and Leslie Haddon, researchers from London School of Economics, were absolutely right in arguing that the scale of technological unemployment can be effectively limited only by properly adapting the workforce, allowing them to acquire digital skills and competences relevant to the new technical requirements for the industrial revolution 4.0. The role of proper education cannot be overestimated here. Greater internet use is associated with higher levels of education at both the national and individual levels. Improving educational achievement in general may therefore be expected to increase the extent and sophistication of internet use. Beyond this, and to foster the wider take-up of online opportunities, media education should be recognised and resourced as a core element of school

³ Research conducted by Deloitte revealed that, between 2001 and 2015, technology had displaced over 800,000 jobs in the UK alone, but it had created approximately 3.5 million new ones. Technology-enabled automation displaces some workers and augments others. Displaced workers transition to new jobs, some of which are created by automation. The jobs most susceptible to automation are the ones in data keeping (e.g. record clerks, office assistants), low-level customer interaction (e.g. hotel/travel booking, cashiers, food service workers), and other jobs with predictable, highly routine tasks (e.g. assembly line workers, dishwashers, drivers). McKinsey estimates that, by 2030, automation will only displace 15% of workers worldwide, and at most 14% of the global workforce will need to switch job categories, even though 60% of jobs will be vulnerable to automation. A study by the OECD reports similar statistics: about 14% of jobs across OECD countries will be highly automatable, while 50–70% of jobs will have a third of their tasks vulnerable to automation. Another study by the University of Mannheim gives an even lower estimate – only 9% of jobs in the U.S. are at high risk of automation.

curricula and infrastructure. Schools are best placed to teach children the digital and critical literacy skills required to maximise opportunities and minimise risks. Schools are also best placed to reach all children, irrespective of socioeconomic status and other forms of inequality. For both these reasons, schools have a key role to play in encouraging and supporting creative, critical and safe uses of the internet, crucially throughout the curriculum but also at home or elsewhere (Livingstone, Haddon, 2009).

Digital competences and skills are one of the main conditions for the success of the digital transformation in Europe, its growth, and the wellbeing of citizens and society. The challenge for the education sector is to up-skill the future workforce, but more importantly to empower young people with the competences to master and create their own digital technologies and thrive in the society of today. Many educators, as well as parents, economists and politicians in Europe and worldwide are starting to think that students need some computing and coding skills. One rationale is the shortage of ICT-skilled employees: by 2020, Europe may experience a shortage of more than 800,000 professionals skilled in computing/informatics. Another important rationale is that coding skills help to understand today's digitalised society and foster 21st century skills such as problem-solving, creativity and logical thinking (*Computing our future*, 2015).

Graph 4.



Source: *Computing our future. Computer programming and coding. Priorities, school curricula and initiatives across Europe*, European Schoolnet (EUN Partnership AIBSL), Brussels, Belgium, October 2015.*

Explanation: *Graph above illustrates the distinction between ICT and technology on the one hand, with a focus on the use of ICT and its applications, and computer science on the other, with a focus on the creation of programmes and computer solutions and acquiring understanding about underlying theories and principles. “Computer programming” is treated as a process of developing and implementing various sets of instructions to enable a computer to perform a certain task, solve problems, and provide human interactivity. These instructions (source codes which are written in a programming language) are considered computer programmes and help the computer to operate smoothly.

3. Conclusions

There is no doubt that digital transformation (knowledge-based transformation leads to Industry 4.0 model) has emerged as the crucial megatrend in modern civilisation. Cloud computing, augmented reality, smart sensors, machines and autonomous vehicles, the Internet of Things (IoT platforms), financial technology (Fin/Tech), smart investing, analysis and processing of big data or 3D printing are the most recent manifestations of this trend, but not the only ones. All of these phenomena have led to the emergence and continuing development of the so-called “Information Society” (IS), which refers to a new type of social organisation that is clearly distinct from the earlier forms of society typical of previous industrial revolutions. In this new society, information and knowledge play an essential role in facilitating the Knowledge-Based Economy (KBE), where information is collected, transmitted and processed in a faster and more effective manner, and can subsequently be used to foster accelerated economic growth. Unfortunately, the problem of digital exclusion still occurs, even in the EU. People who are fully or even partly digitally excluded find it much more difficult to overcome psychological, rather than technical, barriers to having access to learning the basic computer skills necessary to operate robots and carry out more computer-intensive jobs. This situation calls for urgent improvement. In the modern information society, a lack of basic knowledge about computers translates into partial or total digital illiteracy and makes it difficult to perform a range of everyday tasks. It is therefore essential to prevent digital exclusion in Europe. People who do not use computers are socially and professionally limited, or virtually handicapped, which results in quantifiable economic

losses. This translates to lower creativity and innovativeness, higher technological unemployment rates, reduced revenue for the state budget, and impediments to the competitiveness of the economy and the development of a post-modern, post-industrial social model (Negreiro, 2015).

Research studies commissioned by the European Parliament fully confirm that digital technologies play an important role in the everyday life of most Europeans; the internet allows people, businesses and governments to transform the ways they communicate and engage with one another. Yet some parts of the population are still excluded from using these new methods. Improving the EU fast broadband internet infrastructure is as important as upgrading the digital skills of citizens: a 10% increase in broadband penetration may raise gross domestic product (GDP) by 1–1.5%, and by 2020, 90% of jobs will require some digital skills. The European Commission is working to improve the situation under the Digital Agenda for Europe and the Digital Single Market (DSM) strategy. Among the main EU support actions in place are proposals for legislation, different broadband funding mechanisms and support for multi-stakeholder partnerships and research projects to improve digital inclusion and assistive technologies (ibid.).

The effective elimination of digital exclusion must be related to the ability to enter a much higher level of technological advancement, especially of the young generation of Europeans. The programming of machines and devices, taught in an evolutionary method and adapted to the age of the student, must become a permanent element of education even in primary school. According to the *Computing Our Future* report, in most countries of the European Union programming has already been introduced into education curricula. The leading countries in this respect include Great Britain and Denmark. Since 2017, with the new core curriculum, teaching of this subject has also improved in Poland. Additional educational programmes, run by NGOs and commercial entities, should support programming in schools. The effect should be to minimise the threat of a serious increase in technological unemployment and skilful adaptation to the new post-industrial social and economic reality of Industry 4.0. A specific motto for politicians in European countries should become words of MIT scholars Erik Brynjolfsson and Andrew McAfee, who, in a research paper titled *The Second Machine Age*, cited by David H. Autor, rightly argue that “rapid and accelerating digitization is likely to bring economic rather than environmental disruption, stemming from the fact that as computers get more powerful, companies have less need for some

kinds of workers. Technological progress is going to leave behind some people, perhaps even a lot of people, as it races ahead. There's never been a better time to be a worker with special skills or the right education, because these people can use technology to create and capture value. However, there's never been a worse time to be a worker with only 'ordinary' skills and abilities to offer, because computers, robots, and other digital technologies are acquiring these skills and abilities at an extraordinary rate" (Autor, 2015; Brynjolfsson, McAfee, 2014).

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Cross-border Cooperation and Economic Growth in the Post-Crisis European Union: Economic, Social and Normative Dimensions

1. Introductory remarks – European integration, crises and cross-border cooperation

The European Union is without doubt the most important political, economic and cultural project that has been designed and implemented in post-war Europe. It not only brought peace and stability to millions of Europeans, but also contributed to economic reconstruction and wealth dissemination throughout Europe, from Lisbon to Tallinn and Athens. At the same time, however, the current debate on the integration process seems to concentrate on high politics, with national and Brussels elites being accused of being alienated from the problems of “ordinary Europeans”. The problem is reflected, *inter alia*, in the debate on the “democratic deficit” (Sorace, 2018) in the European Union and Europeans’ feelings of being excluded from the debate about current problems and the future of the continent. These feelings tend to strengthen in a situation of uncertainty, as illustrated in the time of economic crisis of 2008 and the post-crisis period.

Despite the fact that European integration has led to outcomes strongly visible in the everyday life of the European public, it was the economic crisis (Frieden, Walter, 2017) that recently has framed the perception of the EU. Imported from the United States of America across the Atlantic Ocean, it strongly affected not only the European project itself, but first of all the lives of Europeans, becoming one of the most important political and economic challenges for both state leaders and EU institutions. One of its most striking outcomes was the economic recession, which resulted in high levels of unemployment that particularly affected young

Europeans – those who were entering the labour market after completing their education after 2008. At the same time, however, this problem has not been evenly distributed across the European Union and its member states. Some countries, especially those located in the European South, have been more severely affected than others. But, also, another spatial dimension of the crisis can be detected. Some of the regions within the EU member states, regardless of their northern or southern location, experienced difficulties more than others. They were usually the less developed provinces. A more general picture reveals that the more remote areas are usually (but not always) more underdeveloped than the central ones tend to be. National centres represent spots of resource concentration, whereas national peripheries often suffer from underinvestment, remoteness and, consequently, underdevelopment. They are very often located along state borders.

Border provinces, counties and towns often experience economic difficulties more intensely than national centres. The crisis of 2008 – in many cases – much more significantly affected them than other regions, with consequences for the prospects of young people and, especially, the migration of the young to other, more dynamic regions.

At the same time, however, the European Union has been supporting the economic development of the border territorial units. The INTERREG programme has been one of its most efficient instruments, aiming not only to equalise opportunities by enhancing economic development, but especially to propose cross-border collaboration as the main tool of better usage of (co)existing potential and, consequently, of achieving (more dynamic) economic progress.

The aim of this article is to investigate cross-border collaboration as a source of economic growth. The author claims that, in the post-crisis European Union, remote areas, especially border areas, have seriously suffered due to the fallout from the crisis. At the same time, fuelled by the European Union's instruments supporting cross border collaboration, border regions and border towns are equipped with an additional set of tools helping to overcome the crisis. Moreover, the INTERREG programme, despite concentrating on economic growth, also stresses the social and normative dimensions of collaboration.

This text is divided into five sections. After the above-presented introductory remarks, the economic crisis is approached from the border perspective, and the relationship between cross-border cooperation and economic development is described. Then, the INTERREG programme

is presented as an instrument of overcoming crises, and the text is completed with conclusions.

2. Economic crises from the border perspective in the European Union

Numerous studies have tried to understand the economic crisis of 2008 in the European Union (Esposito, 2014), attempted to resolve it (Kundera, 2015) and designed measures to prevent a similar crisis from developing in the future, usually concentrating on political and macroeconomic instruments (Višnjički, Bosna, 2015). Very few have employed the border perspective at the same time. Yet, as stated by François Bausch, the EU is “facing huge challenges, such as migration, climate change and a financial and economic crisis, which need a better shared understanding, shared interpretation and policy coordination in particular in cross-border areas” (Bausch, 2015). Márton Pete claims that “the financial crisis of 2008 exercised its most painful effects on the (...) peripheral regions, [due to] the economic convergence formerly experienced at member state level ceasing or at least slowing down.

However, the *disappearance of borders* has likely opened up the opportunity for regional and local entities at state borders to benefit from the economic potential of their neighbourhood rather than depending only on the economic performance of their own country” (Pete, 2014, p. 34). At the same time, removing political borders and tariffs is not a sufficient factor to facilitate economic integration. Infrastructure is needed, alongside knowledge, standardisation and the reduction of economic disparities (Anderson, Wever, 2003, p. 36). Sometimes the crisis situation serves as a push factor to look for new solutions, including cross-border development, as in the case of Copenhagen-Malmö and economic difficulties in the 1980s and 1990s (Hansen, Serin, 2007, p. 54). Sometimes, as in the case of Vienna, cross-border metropolisation resulted from its cross-border “territorial capital” (Giffinger, Hammedinger, 2013).

Some researchers, however, stress another aspect of the situation: the booming economy of the 2004 EU enlargement states, which are developing mainly in central/capital regions, much faster than in their peripheries. This factor is stressed as even more important than the crisis of 2008 in sustaining the underdevelopment of border regions in this

part of Europe (Pete, 2014, p. 34). For example, research on business networks in cross-border regions after the eastern enlargement in 2004 shows that they have hardly appeared, and peripheral regions have benefited less from the integration process than expected (Leick, 2012).

This short overview of key arguments in the debate on the relationship between economic crises and borders can lead to investigating cross-border cooperation and its main instrument, the INTERREG programme, as methods of overcoming negative effects of economic recession and enhancing economic development in the peripheral areas of the European Union.

3. Cross-border cooperation and economic development

As argued in the official publications prepared by the European Union, “185 million EU citizens, or 37% of the population, live in border areas. These are often peripheral, underdeveloped or marginalised areas: sometimes the borders are historical scars. The main aim of cross-border cooperation is to reduce the effect of borders as administrative, legal and physical barriers, tackle common problems and exploit untapped potential” (*European*, 2011, p. 12). At the same time, a survey conducted in 2015 by the European Commission suggests that there are several obstacles for cross-border cooperation declared by people living in the border areas, in particular language differences (57%), social and economic differences (46%), legislative and administrative differences (45%) and cultural differences (32%) (Eurobarometer, 2016, pp. 5–6).

What really are the main motives of cooperation across borders? Numerous analyses show that socioeconomic reasons are behind many cross-border activities (Wastl-Walter, Kofler, 1999, p. 43). Together with the free market construction and erosion of internal borders within the European Union, state edges wanted to be transformed from territorial “ends” within their national economies, to new “centres” (Hansen, 2000, p. 97). Joan Anderson and Egbert Wever remark, however, that “while the forces of globalisation are working to erode borders, the nature of increased economic interaction across borders varies significantly” (Anderson, Wever, 2003, p. 35).

For some local authorities, joining Euroregions has been motivated by economic interests, for others by other ethnic-cultural ones (Medve-Bálint, Svensson, 2013, p. 26). At the local level they are often border



Figure 1. NUTS III border regions in Europe

Source: DG Regio, 2011.

towns and cities trying to take economic, as well as social and cultural, advantage of border disappearance (Castanho, Loures, Cabezas, Fernández-Pozo, 2017). The efficiency of cross-border projects requires not only well-defined goal identification (Kurowska-Pysz, Castanho, Loures, 2018, p. 21), but is also to a great extent determined by social and cultural factors, especially the principles of equality, transparency and mutuality (Kurowska-Pysz, Szczepańska-Woszczyna, 2017, p. 20). Most of the afore-mentioned aspects are present in the main instrument of the European Union to support cross-border development, the INTERREG programme.

4. INTERREG as a tool for overcoming crisis in border context

The key instrument of the European Union's focus on border areas is European Territorial Cooperation, that, in the form of the INTERREG programme, has been supporting the development of the EU since 1990, with a special focus on its economic, social and territorial dimensions. Its three components concentrate on cross-border (A), transnational (B), and interregional (C) aspects, of which this text will mainly investigate the first. Until now, the programme has been implemented in five steps, as INTERREG I in 1990–1993, INTERREG II in 1994–1999, INTERREG III between 2000–2006, INTERREG IV in 2007–2013, and the current INTERREG V in 2014–2020. Over the years it has not only increased its budget from €1 billion to over €10 billion, but has also undergone significant organisational and political change. In the current form, designed for 2014–2020, the main principles of the Europe 2020 strategy have been incorporated. The central element is growth, which should be of a smart, sustainable and inclusive character. In the A component, 38 internal EU borders have been covered with 60 programmes, and consumed almost 70% of the INTERREG funds (*INTERREG*, 2019). They aim, *inter alia*, to enhance the economic and social convergence of both sides of the border (Järviö, 2011, p. 4). But the programme also concentrates on improving “the implementation of regional development policies and programmes, in particular” (*INTERREG*, 2016).

The original goals of INTERREG were designed to reduce obstacles to cross-border cooperation, but in practice it moved towards becoming an additional financial source of economic development for the border areas. Later, this changed, due to pressure from the EU, towards well defined aims related to the reduction of the dividing role of borders (Medeiros, 2019, p. 486). As stressed by several authors, the border-related policies of the European Union have been successfully incorporated into its structural policies (Pete, 2014, p. 33).

Today, resources pumped into cross-border projects “are considered to be one of the main EU instruments for achieving territorial cohesion and therefore promoting growth and employment” (Garcia-Duran, Mora, Millet, 2011, p. 358). The NUTS III regions in particular “account for some 60% of the EU area and 41% of the EU population, while 37% of these areas are included in the convergence objective, making their socio-economic support vital for EU territory development” (Medeiros, 2013). NUTS III regions located directly on the border are entitled to

benefit from INTERREG A (Figure 1), when designing and implementing projects alongside partners from the other side of the border. Economic growth is additionally one of the priorities of the Cross-Border Cooperation component of the European Neighbourhood Policy Instrument (*A Selection*, 2014). Territorial units consequently employ the strategy of Euroregions or Eurocities (Castanho, Naranjo Gómez, Kurowska-Pysz, 2019). INTERREG is the main source of financing cross-border projects in Euroregions (Durà, Camonita, Berzi, Noferini, 2018, p. 73). Moreover, “the Territorial Agenda 2020 underpins the territorial dimension of the Europe 2020 strategy. In this context INTERREG EUROPE can contribute by enabling regions to develop place-based responses to the Europe 2020 challenges of smart, sustainable and inclusive growth” (*INTERREG*, 2014, p. 5). Inclusive growth itself is described as “policies supporting the development of SMEs as the main creators of new jobs, programmes promoting female and young entrepreneurship, and skills development for the knowledge economy” (*INTERREG*, 2014, p. 9).

5. Interpretation and conclusions

As declared in the official documents of the EU, “INTERREG EUROPE is one of the instruments for the implementation of the EU’s cohesion policy. With this policy, the EU pursues harmonious development across the Union by strengthening its economic, social and territorial cohesion to stimulate growth in the EU regions and Member States” (*INTERREG*, 2014, p. 5). The question, however, is how efficient for achieving its goals this tool is.

In their investigation from 2011, Patricia Garcia-Duran, Toni Mora and Montserrat Millet tested the impact of EU financial support on cross-border regional cooperation: institutional links and economic functional connections. They found empirical evidence confirming the interrelation between this support and institutional relations, but it is not as clear as one might expect, and neither is its influence on economic and functional cross-border links (Garcia-Duran, Mora, Millet, 2011, p. 359). At the same time, numerous studies show that further strengthening of the INTERREG programme is necessary, especially with regard to resources available. As Eduardo Medeiros claims, “by implementing stronger relational and morphological networks and synergies between both sides of the border, [INTERREG] contributes to a more polycentric territory. It has also been

an important socioeconomic development factor, by supporting economic activity on the EU borders, in areas such as tourism, culture, training and skills” (Medeiros, 2013, p. 29). Especially cross-border tourism has been seen as an element of economic activation of the border areas with the help of INTERREG (Nilsson, Eskilsson, Ek, 2010).

Additionally, research on INTERREG III results suggests that in many cases “the history of cooperation matters predominantly for European Union cross-border economic integration, while the strength of cooperation in terms of strategic partnership or the common understanding of needs for cross-border regional development seems not to matter. Apart from history, the major determinants for cross-border economic integration and cross-border regional disparities are forces outside INTERREG, namely the intra-industry trade of the national economies, Economic and Monetary Union and Schengen” (Bergs, 2012, p. 345). There are however numerous studies on INTERREG B demonstrating its role in strengthening economic and social cohesion, as in the case of the Central Europe Programme (Astrov, Grieseson, Hanzl-Weiss, Hunya, et al., 2018), mobilising resources and creating investments in specific sectors (*Impacts*, 2009), or on INTERREG C, as demonstrated by the city twinning initiatives (Płoszaj, 2013). Also (a)symmetries between opposing sides of the border result in the varying effects that INTERREG-financed projects have on their implementation mode (Martín-Uceda, Jańczak 2018). An analysis of INTERREG-financed projects implemented on selected EU internal borders shows that the most common category was economic development, ranging from one third to half of the total number of projects (Castañer, Jańczak, Martín-Uceda, 2018, p. 81).

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“Made in China” – Market Protectionism in the Post-Crisis European Union¹

Introduction

China is an important strategic partner for the European Union. The relationship between the EU and China has changed and developed over the past forty years. The opening of China's international trade has been a strong impetus for the growth of exports from that country. According to Caira “Th EU and USA were a strong supporter of China's accession to the WTO, arguing that a WTO without China was not truly universal in scope. For China, formal accession to the WTO symbolized an important step of its integration into the global economy” (Caira, 2010, p. 267).

China is currently the second largest trade partner of the European Union (after the United States), and the EU is China's most important trade partner. EU trade with China accounts for almost 14% of all EU trade. China is the largest source of EU imports and its second largest export market. The EU mainly imports industrial and consumer goods, machinery and equipment, clothing and footwear from China. The main products exported from the European Union to China are: machinery and equipment, motor vehicles, aeroplanes and chemicals (the European Commission's data²).

In the same time the European Union is facing a growing trade imbalance with China. In 2016, the EU's trade deficit with China surpassed \$260 billion (UN Comtrade³). Imports from China amounted to over \$450 billion, and EU exports to China totalled less than \$190 billion (UN

¹ The first version of this paper was presented at the *IPSA 24th World Congress of Political Science*, Poznań, Poland, July 23–28, 2016 and then was published in the “Yearbook of European Integration” (“Rocznik Integracji Europejskiej”) in November 2017.

² <http://ec.europa.eu/trade/policy/countries-and-regions/countries/china/>.

³ UN Comtrade is a repository of official international trade statistics and relevant analytical tables, <https://comtrade.un.org/>.

Comtrade). Among the EU member states, the Netherlands is the largest importer of goods from China (€83 billion) while Germany is the largest exporter of goods to China (€87 billion).⁴

The aim of this paper is to analyse the European Union's trade policy in the context of the changes related to the end of China's transitional membership of the WTO in December 2016. The end of this transition period has forced the European Union to change its policy regarding market protectionism. In particular, these changes concern anti-dumping proceedings. To achieve this, it has been assumed that granting market economy status (MES) to China or not is a political decision that requires the European Commission to effectively balance the conflicting interests of EU member states while maintaining good relations with China. The sectors threatened by excessive Chinese imports – namely the steel, chemical and metal industries – are important for some EU member states such as France, Italy and Poland. Therefore, any conflict over the market protection policy towards China constitutes a part of the overall problem of the future functioning and shape of the European Union. By extension, the division between member states that are opposed to relaxing EU policy towards Chinese imports and those that are willing to somehow revise it is clear. This division is mainly related to the importance of the threatened industries in the national economies of individual EU member states. The European Commission stands somewhere between these positions, and formally determines the shape of any changes. This paper argues that the aim of the European Commission is to soften the importance of market economy status in anti-dumping proceedings and replace it with another formula that will continue to provide protection for the EU's industry in sensitive sectors but will be less controversial for Chinese partners.

China's WTO Accession Protocol provides for a transitional period of 15 years to grant market economy status to China (Messerlin, 2004). However, it is debatable how to interpret Section 15(D) of China's WTO Accession Protocol and whether or not it automatically grants market economy status to China after December 2016 (Puccio, 2015, p. 1). Some authors claim that this provision does not automatically require China to be granted market economy status by the end of 2016 (e.g. O'Connor, 2011, 2016; Miranda, 2014). On the other hand, some authors state that, according to China's WTO Accession Protocol, China should gain

⁴ https://ec.europa.eu/eurostat/statistics-explained/index.php/China-EU_international_trade_in_goods_statistics#Overview.

market economy status by the end of 2016 (e.g. Tietje, Nowrot, 2011; Rao, 2013).

Furthermore, China is referred to as a non-market economy (NME) in China’s WTO Accession Protocol. This means that China’s economy is considered centrally-controlled, with substantial government influence on prices, exchange rates and other aspects of the economy (Lou, 2010). A country recognised as a market economy should exhibit floating exchange rates, a free market and a clear definition of property rights and insolvency law (Gajdos, Bendini, 2013). Non-market economy status facilitates the application of anti-dumping procedures against China. It also means that the normal price can be considered the price of dumped goods on a market other than the Chinese market (Snyder, 2010, pp. 252–253).

According to the authors of the frequently cited report from the Economic Policy Institute (EPI), a think-tank linked to US trade unions, granting market economy status to China poses a direct risk of losing between 1.7 million and 3.5 million jobs in the EU (Scott, Jiang, 2015). The key shortcoming of this report, as analysts from the Centre for Eastern Studies point out, is that it does not take into consideration the historical trends in EU anti-dumping procedures against Chinese manufacturers over the last 15 years. In particular, losses in the industries listed by EPI as the most risky, such as clothing and textiles, furniture and electronics, with regard to which anti-dumping proceedings have been taking place only sporadically, seem to have been overestimated (Jakubowski, Kaczmarek, 2015).

Trade Protection Instruments in the European Union

Anti-dumping and anti-subsidy measures, as well as procedures against excessive imports, are currently much more effective trade policy measures than the so-called classic instruments of trade policy, including customs duties. The fact that China can be treated as a non-market economy in anti-dumping investigations means that the European Union compares the prices of Chinese goods exported on the European market with the prices of the same or similar goods on the markets of third countries with market economy status. This way of calculating whether or not dumping is taking place makes it easier for the European Union to prove China’s use of dumped prices.

The European Union generates 15% of global imports (the second largest proportion after the United States), while EU trade protection

measures represent only 7.8% of such measures applied worldwide and concern only 0.21% of imported goods (COM(2016) 690). Regarding the analysis of anti-dumping proceedings, 1170 anti-dumping proceedings were initiated against China between 1995 and 2016, and 840 of them ended with the imposition of anti-dumping duties (WTO data). In this period, the European Union conducted a total of 485 anti-dumping proceedings, including 128 against China. EU anti-dumping proceedings against China most often concerned metals and metal products (183 proceedings), chemical products (93 proceedings) and machinery and mechanical devices (53 proceedings) (WTO data). The best-known trade disputes between the EU and China at the WTO forum were related to rare earth metals and solar panels.⁵

On the other hand, between 1995 and 2016, China conducted 231 anti-dumping proceedings, including 26 against EU manufacturers (WTO data). Over half of the Chinese proceedings concerned the chemical industry.

The EU anti-dumping procedure is in line with the WTO rules in this regard. Dumping is defined in the Agreement on Implementation of Article VI of the GATT 1994 (The Anti-Dumping Agreement) as the introduction of a product into the commerce of another country at less than its normal value. The sale of goods below their manufacturing cost, so-called “extreme dumping”, is a relatively rare form of dumping. The anti-dumping procedure is governed by Council Regulation (EC) No 1225/2009, which authorises the imposition of anti-dumping duties when the following conditions are fulfilled simultaneously.

First of all, dumping must cause or threaten injury to domestic industry, in this case the industry of the European Union. An anti-dumping investigation can be initiated in response to a complaint lodged by European manufacturers affected by dumped imports or at the request of an EU country. The injury sustained by any industry must have an EU dimension, and the companies requesting the initiation of the procedure must demonstrate at least a 25% share in the manufacturing of a given product in the EU. This request may be submitted by a single company but also by associations thereof, and companies from different EU countries. Determining the extent of the injury requires examining the volume

⁵ For example, in the case of solar panels, the price at which they were exported from China was compared to the price in South Korea. In practice, the application of this analogue country method has given the EU the possibility of imposing higher customs duties on Chinese goods.

of imports and dumped prices and their impact on an EU industry. The Commission therefore examines whether there has been a significant increase in imports at dumped prices, both in terms of the volume of imported goods and in terms of their share of the European market.

From a legal point of view, the European Union has five criteria for granting market economy status. These are as follows: allocation of economic resources by the market, removal of barter trade, corporate governance, property rights, an open financial sector and a floating exchange rate (Vincentini, 2016).

The question is how the EU should deal with the asymmetry between Europe, the world’s biggest market, and China, the world’s biggest industrial producer (Godement, 2016, p. 1). EU regulations set a maximum limit on the level of anti-dumping duties, which has been criticised by some EU member states. This is caused by the use of the so-called lesser duty rule, which means that anti-dumping duties are imposed at the level of the dumping margin or at a level which allows for the prevention of injury to domestic industry, whichever is lower (“lesser duty,” see Table 1).⁶

Table 1

Examples of the ‘lesser duty rule’

Case examples	Dumping margin	Injury margin	Dumping duty applied to firm
Certain aluminium road wheels (China)	67.6%	22,3%	22,3%
Monosodium glutamate (China)	39,7%	63,7%	39,7%

Source: L. Puccio (2016), *Calculation of dumping margins*, EPRS, European Parliament, May, p. 4.

The dispute regarding the lesser duty rule effectively blocked the reform of EU market protection measures proposed by the EC in 2013 for over three years. Scandinavian countries, the Netherlands and the United Kingdom, which were more liberally-orientated towards trade with Chi-

⁶ EU law applies what is known as the lesser duty rule (LDR), which compares the dumping margin and the injury margin (i.e. the level of duty required to remove the injury), and takes whichever is lower to offset the injury. If the injury margin is lower than the dumping margin, the EU’s AD/AS measures will be based on the injury margin as the latter is considered sufficient to remove the injury. By contrast, if the dumping margin is lower than the injury margin, the duty is set at the level of the dumping margin as requested by WTO law. G. Grieger (2018), *Modernising trade defence instruments*, EPRS – European Parliamentary Research Service, July, p. 3.

na, were against the abolition of this rule. They have claimed that higher EU AD duties could harm the EU industry's competitiveness and exports at a global level. The lesser duty rule effectively prevented the EU from imposing high anti-dumping duties. By contrast, China and the United States do not impose the lesser duty rule, and impose full duties. Although there are other differences in the methodology of calculating AD duties between the EU and the USA⁴ the non-application of the LDR contributes significantly to overall higher AD duties imposed by the USA (Grieger, 2018, p.4). For example, in the anti-dumping case regarding hot-rolled coils, the dumping margin was 102% and the injury margin was 19%, and the duty was ultimately imposed on the basis of the lesser duty rule. In practice, this means that for comparable imports at dumped prices and originating from China, such as some flat cold rolled steel products, the EU average anti-dumping duty was 21.1%, whereas in the case of the United States, the average anti-dumping duty amounted to 265.8% in 2015 (COM(2016) 690).

Divergent interests of the EU member states

The debate on granting market economy status to China is another issue that has divided EU member states. This division is roughly the same as in the financial crisis where the "North" supported granting this status in 2016 and the "South" was clearly against. Germany stood in the middle. The United Kingdom, the Netherlands and the Scandinavian countries support China's efforts to be granted market economy status, and in 2014 they successfully blocked the EC proposal on the reform of market protection instruments. Their position, however, was weakened by the result of the United Kingdom's European Union membership referendum in June 2016. Germany, in turn, allows China to be granted this status but, at the same time, it is interested in providing additional security to sensitive industries. Italy, Spain, Poland and France strongly opposed granting market economy status to China automatically in December 2016 (Wnu-kowski, 2016). The Commission's preliminary findings point to the biggest losses in Germany, Italy, and Spain, followed by France, Poland, and Portugal (Godement, 2016, p. 5).

Alongside textile and ceramics manufacturers, the steel industry is most involved in lobbying for not granting market economy status to China. It is represented by Eurofer – the European Steel Association which

is active in the media and is lobbying in the European Parliament and the European Commission against China. The European steel industry is the world leader, with a turnover of about €170 billion and headcount of approximately 330,000 highly skilled workers, producing an average of 170 million tonnes of steel a year.⁷ Eurofer’s experts claim that granting market economy status to China will mean that European manufacturers will have to work under “constant price pressure” and excessive imports of Chinese steel has already caused prices to fall by c. 40% in comparison with 2013 (COM(2016)). EU steelmakers also point out that Chinese manufacturers use government export subsidies to boost their competitiveness on foreign markets.

European steel associations also argue that China’s steel production may soon reach 400 million tonnes – nearly double European production. China has also announced an increase in employment in industry from around five to six million jobs in the next three years, of which 1.8 million will be in the steel and mining industries. Eurofer argues that opening up the European market to Chinese steel clearly jeopardises 330,000 European jobs in this sector. AEGIS Europe – the organisation of 30 European manufacturers’ associations from various industries, including traditional industries, consumers, SMEs and the renewable energy sector – is also opposed to granting market economy status to China.⁸ There is also another perspective. China is a huge market for foreign firms, and while it is the world’s biggest exporter, foreign firms benefit from these exports. China’s low prices can be a good thing for other economies. Its industrial production alone is now 50 percent higher than that of the US. China generates low prices as an assembly plant for the world’s consumer goods – that make up two-thirds of its exports – which benefits final users elsewhere (Godement, 2016, p. 4).

When debating the change of methodology for calculating dumping margins in anti-dumping proceedings against China and adjusting EU trade protection instruments to a new economic and legal reality, the European Commission took into account three scenarios: (1) leaving EU rules unchanged, (2) removing China from the list of countries with non-market economy status and using the standard methodology for calculating dumping margins, and (3) replacing the anti-dumping method with a new approach that would maintain a strong trade protection sys-

⁷ <http://www.eurofer.org/About%20us/Eurofer%20Portrait.fhtml>.

⁸ <http://www.aegiseurope.eu/about/>.

tem while, at the same, time ensuring the effectiveness of the EU's international commitments. The proposal of new solutions for EU market protection and calculating a dumping margin set out in July 2016 by the European Commission was in line with scenario 3 outlined above. The European Commission proposed a common methodology for calculating a dumping margin for all WTO members, which in practice meant eliminating the division between countries with and without market economy status. As a result, the EC proposed a new method for calculating dumping margins for imports from countries with market distortions or where the state has a dominant impact on the economy. The new arrangements also provide for a transitional period in which anti-dumping measures and anti-dumping proceedings applied so far will remain in force until their expiry (COM (2016) 690 final). In May 2017, EU ambassadors approved the Council's position on a new, country-neutral methodology for assessing market distortions in third countries.⁹ Political agreement was achieved in December 2017. The text was formally adopted by the European Parliament in May 2018 (EU) 2018/825) and entered into force as a Regulation on 7 June 2018.

Conclusion

The interests of China and the European Union with regard to trade policy are contradictory.

However, trade defence instruments (TDIs) play a vital role in countering unfair trade practices from third countries and in levelling the playing field for EU companies, notably in times of mounting global overcapacity in a number of sectors (Grieger, 2018, p. 1). Anti-dumping duties are not an economy-wide phenomenon but are highly concentrated in specific sectors, and granting a market economy status for China was not a zero-sum game. However, the European Commission was aware that any aggravation of trade relations with China in terms of trade protection measures can have a negative impact on all economic relations between the European Union and the PRC. On the other hand, by removing the possibility of protecting the EU market, the European Union is exposed to the threat of job losses and deeper recession in the sectors that are

⁹ Anti-dumping methodology: Council agrees negotiating position, PRESS RELEASE 231/1703/05/2017, http://www.consilium.europa.eu/press-releases-pdf/2017/5/47244658414_en.pdf.

unable to compete with low-cost Chinese imports. The financial crisis and recession of 2007 contributed to the greater popularity of economic nationalism understood as a “set of practices to create, bolster and protect national economies in the context of world markets” (Pryke, 2012, p. 281). This issue was often used in discussion of market protection in the European Union. To sum up, dumping and anti-dumping is a mixed picture and there is no simple solution to this problem. This issue is sensitive and relevant for a number of reasons. It is a serious challenge for both EU governments and other global leaders. EU leaders have to protect the European economy but, on the other hand, their national interests and good relations with China are also important.

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Welfare States' Reforming in the Post-crisis European Union

The distribution of responsibility for the implementation of social policy objectives between the market, the state and the family in a country determines its position in the classification of welfare states, which is related to the use of various models of social policy in these countries.

EU member states, as a result of their policies and historical experience, have developed various forms of support for their citizens, which can be attributed to specific models of social policy (welfare states). The most well-known typologies of welfare states were presented by Titmuss (1974), Furniss, Tilton (1977) and Esping-Andersen (1990).

Taking into account criteria such as access to services and their level and quality, the selectivity and universality of assistance, the scope and objectives of labour market policy, the role of public authorities in meeting the basic needs of citizens and the methods of financing social programmes, three main models of social policy have been distinguished:

- liberal (marginal, positive state, residual state);¹
- conservative-corporate (conservative, motivational, social security, corporate);
- social-democratic (institutional-redistributive, social welfare, social).

In the liberal model, social support is strictly dependent on the level of income, and benefits remain at a low level. The state sees its role mainly in strengthening the market. Social security instruments are provided by the private sector, and the state limits itself to possible co-financing of certain goods and services (Ederveen et al., 2003, p. 5).

The conservative model is characterised by a moderate level of social transfers, although the state partly assumes responsibility for provid-

¹ Nomenclature varied depending on the author of the typology. In order: Esping-Andersen, Titmuss, Furniss and Tilton.

ing social security (which is offered by the private sector in the liberal model).

In the social-democratic model, social transfers are much higher than in the previously described models and are addressed not only to people in difficult economic situations, but also to the middle class. The state is guided by the principle of providing its citizens with equal access to public services at the highest possible level.

The above classifications, however, apply to highly developed countries, not taking into account the specificity of the European Union countries. Currently, the most commonly used division among EU member states, which is the result of improving the aforementioned classifications of social policy models, includes four main models of social policy (Sapir, 2006):²

- Nordic,
- Anglo-Saxon,
- Continental,
- Mediterranean.

Aiginger (2006, p. 6) also proposed a similar classification including five models of social policy: Scandinavian, Anglo-Saxon, Continental, Mediterranean and the catching-up model, which includes the countries of Central and Eastern Europe (the so-called “catching-up countries”).

The Nordic model, which includes Denmark, Sweden, Finland and the Netherlands, is a type of welfare state in which social policy is very extensive. In this model, the state takes the main responsibility for supporting citizens in building their well-being, partly taking away the burden from the family. The state offers its citizens free services in the form of free health care and education, relatively high pensions and extended support system for families, the disabled and people at risk of social exclusion. The benefits offered in the Nordic model are provided to all participants in the system, regardless of income. The rule prevails that every citizen has the right to live at an appropriate level, which results in, *inter alia*, small differences in disposable income within the society. To be able to finance such a generous support system, taxes in these countries are high. However, this is done with the consent of citizens, who thus achieve a high level of social security.

² This article will only take into account the so-called “Old” EU member states, because the analysed classification by definition included only the EU15 countries. It was not possible to carry out the analysis for all EU member states due to restrictions in the volume of this study.

The Anglo-Saxon model is characteristic of Great Britain and Ireland. The social security system is not strongly developed, and the main responsibility for achieving well-being rests with families who strive for a high material standard of living by earning an income on the market and purchasing goods and services. The state intervenes only in the case of a serious threat of social exclusion (e.g. poverty³ and unemployment). Some of the functions that are assigned to the state in the other models of welfare states have been taken over by the market, for instance providing care services for children and the elderly. Expenditure on social policy in the Anglo-Saxon model, measured as a percentage of GDP, is significantly lower than in the Nordic model, but this also means that citizens are less burdened with taxes. This is one of the reasons for significant differentiation in the standard of living of citizens.

Countries such as Germany, Austria, France, Belgium and Luxembourg implement the Continental model of a welfare state. In this model social policy is highly developed, but is focused mainly on employment protection. This means that the state finances high benefits and pensions, and strong trade unions guarantee the safety of employees. On the other hand, in the Continental model, the family also plays a significant role, fulfilling its social functions – mainly caring – financed by the state to a much lesser degree than in the Nordic model. With the current tendency in Western European countries to reduce the importance of the family in shaping the welfare state, some of these responsibilities have also been taken over by the market. The distribution of income is more equal here, due to employment protection and relatively high taxes.

The Mediterranean model is characteristic of Italy, Greece, Spain and Portugal. In this model, the state's involvement mainly covers employment protection and an extensive retirement system, allowing the option of early retirement. Other state benefits, as part of social policy, are relatively modest. The family plays a significant role, especially in the area of caring for children and the disabled. This model of social policy, although quite expensive for the state, is directed only at selected social groups (employees, pensioners). This is partly due to the existence of strong trade unions.

³ The poverty line was adopted in the EU-SILC study at 60% of the median income.

Table 1

Welfare states characteristics

	Nordic	Anglo-Saxon	Continental	Mediterranean
Labour market policy	Active	Diverse	Passive	Passive
Legal protection of employment	Moderate	Low	High	High
Wage structure	Flat	Diverse	Flat	Flat
The scope of social security	Universal	Limited (mainly poverty and illness)	Universal	Average (mainly retirement)
Access to public services	Wide	Low	Rather wide	Average
Taxes	High	Low	Average/High	Average

Source: H. Tendera-Właszczuk, M. Szymański, *Realizacja koncepcji państwa dobrobytu w państwach Europy Środkowo-Wschodniej*, in: *Nowe państwa członkowskie Unii Europejskiej. Diagnoza i perspektywy*, ed. H. Tendera-Właszczuk, Difin, Warszawa 2015, p. 43, based on D. K. Rosati (ed.), *Europejski Model Społeczny. Doświadczenia i przyszłość*, PWE, Warszawa 2009, p. 29.

EU social policy is a competence shared with the member states. Member states differ in terms of the way in which the European Social Model is implemented, which is the result of different experiences, traditions and development conditions, but it is possible to define common goals that they set themselves in the course of their activities for social policy. The report of the High-Level Group on the Future of the Social Policy in the Enlarged⁴ EU indicates the common directions of the activities of member states (European Commission, 2004):

- full employment,
- effective social security system,
- combating social exclusion,
- supporting couples starting a family,
- a new immigration policy.

In 2006, Sapir suggested a typology exercise for the efficiency and equity of existing welfare state models. He managed to prove that the models differ in performance in terms of the employment rate and poverty rate of their citizens. The Mediterranean model is neither economically effective (which is visible in the low rates of employment) nor socially equitable (which is visible in a high poverty rate). The Continental model is socially just (low poverty rate) but not efficient, resulting in a low employment rate. The Anglo-Saxon model is the opposite of the Continental model, with high poverty rates (lack of equity) and high employment

⁴ This refers to the 2004 enlargement.

rates (efficiency). The best results can be seen in the Nordic model which is both efficient and socially equitable.

Table 2

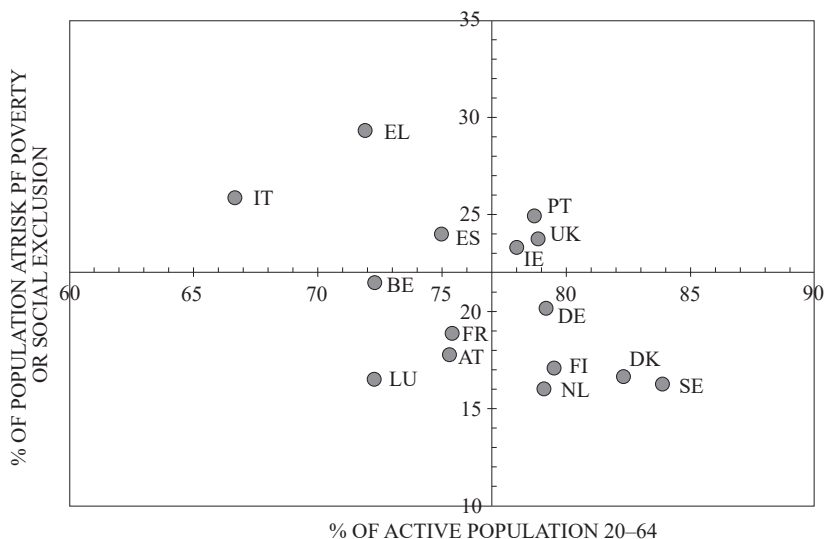
Efficiency and equity of the four European welfare state models

Social equity	Economic efficiency		
		low	high
	low	Mediterranean	Anglo-Saxon
	high	Continental	Nordic

Source: A. Sapir, *Globalization and the Reform of European Social Models*, JCMS 2006, vol. 44, no. 2, p. 380.

When looking at data on the risk of poverty or social exclusion⁵ and the percentage of the population which is economically active for 2006 (Chart 1), Sapir's classification is quite clear, with only two exceptions, namely Portugal (which falls into the category of the Anglo-Saxon model) and Germany (which falls into Nordic category, displaying both equity and efficiency).

Chart 1. European welfare state models in 2006



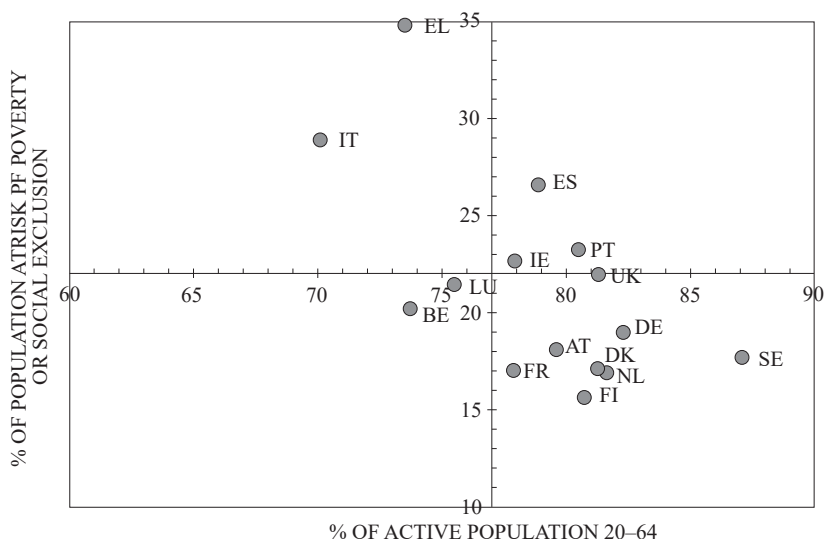
Source: Author's own computation based on Eurostat data.

⁵ Sapir, in his research used poverty rate as an indicator, which is no longer supported by Eurostat. It was replaced with the rate of people at risk of poverty or social exclusion.

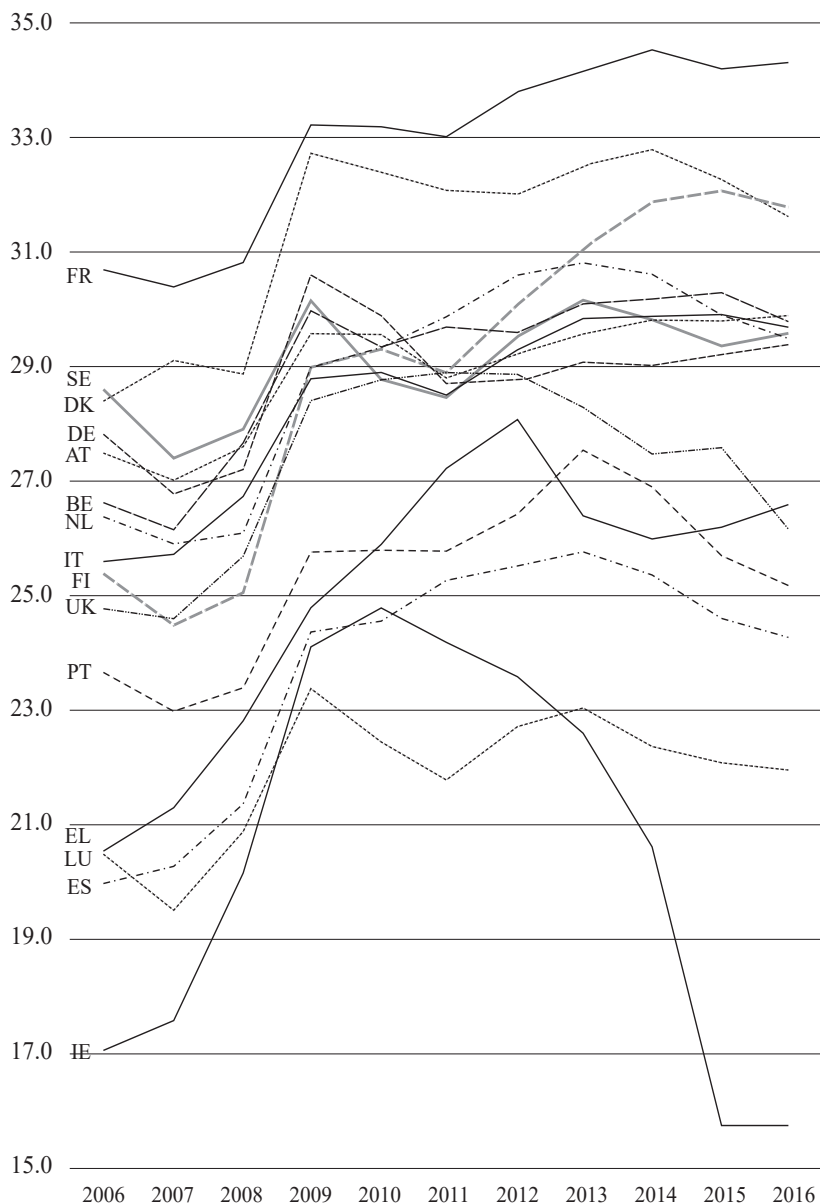
Sapir's classification based on the criterion of social justice and economic efficiency proved to be correct back in 2006. According to this analysis, the efficiency of the welfare state model is measured by the level of employment, and equity by the percentage of people affected by poverty. But what about the European welfare states now, a couple of years after the economic crisis? In 2008 and the following years, EU member states experienced a massive crisis which affected national budgets and the economic conditions of EU citizens. Both poverty and unemployment rates increased. The crisis also forced the EU member states to increase social expenditure in order to protect their citizens from its negative effects.

Chart 2 shows the location of EU member states, and the percentage of their populations at risk of poverty or social exclusion and the percentage of their population which is economically active (aged 20–64) in 2017. Over a decade after establishing the classification, significant changes can be seen. In most cases, EU member states became both efficient and socially equitable. Sweden, Denmark, the Netherlands and Finland kept their status, characteristic of the Nordic welfare state model. They were joined by Austria, France and the United Kingdom. Germany

Chart 2. European welfare state models as in 2017

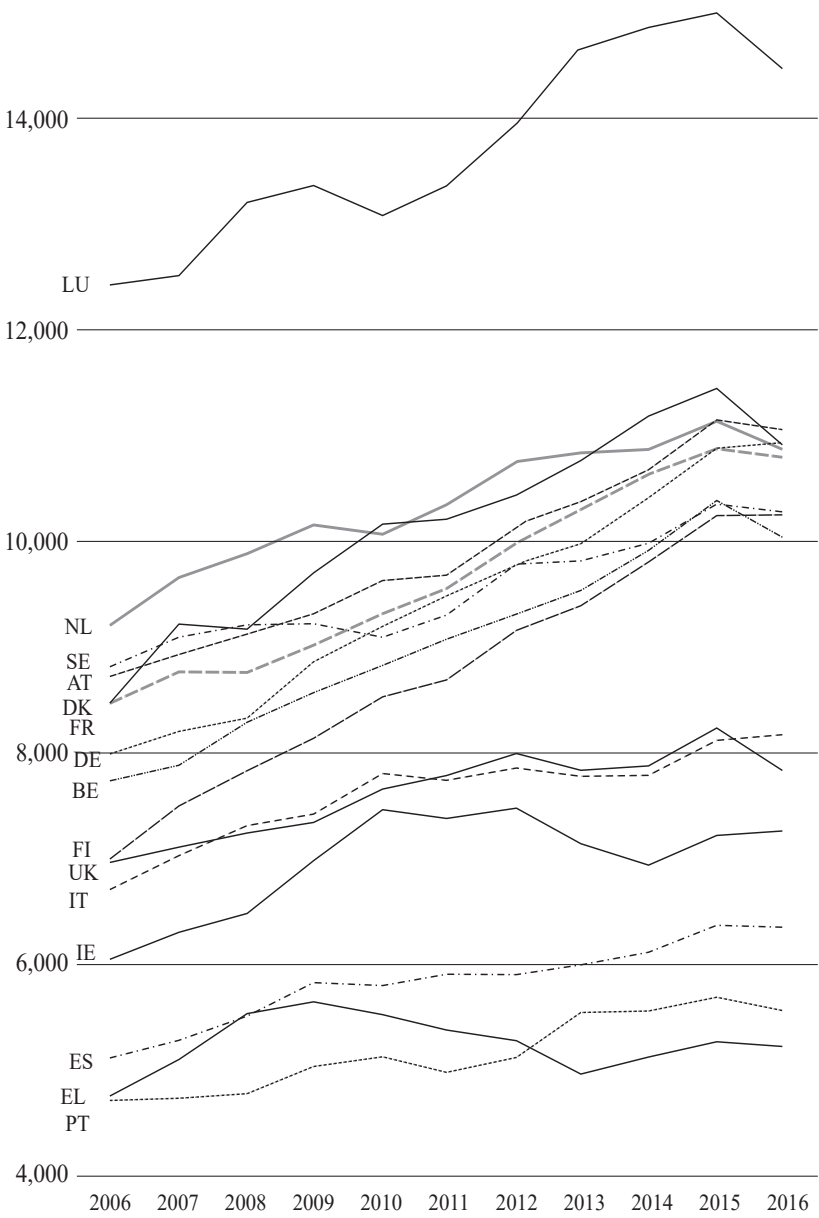


Source: Author's own computation based on Eurostat data.

Chart 3. Social expenditure as a percentage of GDP

Source: Author's own computation based on Eurostat data.

Chart 4. Social expenditure PPS per inhabitant



Source: Author's own computation based on Eurostat data.

also kept its place in this group. Regarding the rest of the analysed member states, Belgium and Luxembourg kept their places in the classification as socially equitable but lacking economic effectiveness. Italy and Greece also remained in the group of states in which social policies are both inefficient and socially inequitable.

The comparison of Chart 1 and Chart 2 shows quite clearly the efforts of the majority of the EU15 member states to increase economic efficiency and social justice within the models of welfare states implemented. Positive results both in terms of combating poverty and increasing employment among citizens have so far mainly been found among the member states within the Nordic model, which allocated significant resources to social policy.

Analysing changes in social expenditures among the EU15 member states (Chart 3 and Chart 4), an increase in these expenditures is noticeable (both per capita and as a percentage of GDP) in all member states during the economic crisis (i.e. from 2008 onwards). This is fully justified by the need for the state to support its citizens in the deteriorating economic situation. Thus, it can be said that the economic crisis has become to some extent a driving force for changes in the functioning of welfare states in the "old" European Union. Member states, wishing to support citizens during the crisis, increased expenditure for social purposes, which had a positive impact on economic efficiency and social equity (through increasing professional activity and reducing the risk of poverty and social exclusion).

The increasing protection of member states, which manifests itself in taking over responsibility for the implementation of social policy objectives, brings member states closer to the Nordic model. Maybe, in the incoming years, the Nordic model will become a common model of the welfare state among the EU member states.

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NEETs, North South Divergence and Economic Security in the Euro Area in the Aftermath of the Crisis

Introduction

The euro was intended to bring more economic and political convergence between European countries. This was the main promise of the French Monetarists during the founding debate on European monetary integration, as well as European leaders who decided to permanently fix exchange rates and introduce the euro. Moving forward on the path towards “ever closer union” was the greatest hope of both the architects of the common currency and its political supporters.

However, as a result of the eurozone crisis, European countries actually diverged from each other. The main argument of this paper is straightforward: the financial and banking crisis in the euro area gave rise to the dangerous divide between the core “surplus” countries in the north and peripheral “deficit” countries in the south. In this paper, I examine this divergence by looking at one crucial indicator: the number of young people who are unemployed and inactive (NEET) in the northern and southern countries of the eurozone, before and after the financial crisis.

I follow the convention adopted in the literature and identify the core of the eurozone as Austria, Finland, Germany, the Netherlands and Luxembourg. Alternatively, I refer to this group as “northern countries,” “coordinated market economies”² (CMEs) or “surplus countries.” I consider Greece, Spain, Italy, Portugal and Ireland to be at the periphery of the eurozone. I also refer to this group as “southern countries,” “mixed market economies” (MMEs) or “deficit countries.”

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² On the distinction between coordinated and liberal market economies see: Hall, Soskice, 2001; Hall, 2014; Hall, 2018.

With regard to Ireland, an important clarification is needed: Ireland is obviously not in the south of Europe, and in terms of its economic profile, it has some characteristics of the liberal market economy (LME). However, in the literature on the eurozone crisis, Ireland is usually described alongside Greece, Spain, Italy and Portugal as “the south” due to its strong exposure to the crisis in its first phase and its substantial housing bubble (Pisani-Ferry, 2014; Matthijs, 2016; Hall, 2018; Mody, 2018). This approach has only been strengthened by the international financial press and the widespread use of the acronym “PIIGS,” which stands for Portugal, Italy, Ireland, Greece and Spain. Finally, I treat Belgium and France as the centre of the eurozone.

The paper proceeds in three sections. The first section looks at the original arguments made by the euro’s intellectual forefathers and the founding debate between German Economists and French Monetarists in order to analyse how the common currency was framed as an instrument for convergence, peace and stability on the Old Continent. Section two examines north/south divergence in the eurozone after the euro crisis by looking at one crucial indicator: the number of NEETs (“Not in Employment, Education or Training”) in five northern and five southern countries of the eurozone. Section three discusses the impact of the eurozone crisis on economic security and ongoing political disagreements within the EMU with regard to future reform of the euro.

1. The euro as an instrument for convergence, peace and stability

The euro was presented as an instrument to bring about more convergence between European countries. This was the hope of many intellectuals, technocrats and politicians.

Among the main architects of the euro were Robert Triffin, Robert Marjolin, Raymond Barre, Pierre Werner, Roy Jenkins, Hans Tietmeyer, Karl-Otto Pöhl, Tommaso Padoa-Schioppa, Jacques Delors and Alexandre Lamfalussy. They were not in any way a homogenous group, although they had some things in common. Most of the intellectual architects of the euro had deep personal memories of the First World War and the Great Depression in the 1930s (Dyson, Maes, 2016) and wanted to escape the horrors and political turmoil of the first half of the 20th century (Szász, 1999). They grew up during the pinnacle of the postwar golden era and the rise of the welfare state (see more in: Marglin, Schor, 1992), and

had observed how European nation states had created what Paul Collier (2018) referred to as an unprecedented array of reciprocal obligations in a magnificent epoch of ethical purpose. They saw the first steps towards European integration, the European Coal and Steel Community and the European Economic Community, as instruments of strengthening the nation state (Milward, 2000; Judt, 2005).

In the second half of the 20th century, they experienced the events of the crisis decade of the 1970s (see more: Hobsbawm, 1995) and lived through the economic turmoil after the oil shocks, which resulted in stagflation and the collapse of the Bretton Woods system (McNamara, 1998). Many of them conceived of the future European currency union as a smaller Bretton Woods on a regional scale. In the early 1990s, the reunification of Germany only strengthened their dream of a United Europe (see more in: Ash, 1994). They perceived further unification of Europe resulting from the introduction of the euro as the next necessary step after the reunification of the Federal Republic of Germany (West Germany) and the German Democratic Republic (East Germany). They were filled with a yearning for peace and economic security, and hoped that euro would fulfil this goal.

In policy circles, the promise of economic convergence resulting from monetary integration and fixed exchange rates appeared as early as the 1970s, sparked by the publication of Werner Report (Werner, 1970; Kaldor, 1978). The founding debate between European Monetarists³ and Economists gave rise to the notion of a common currency as an instrument for deeper political integration. Monetarists believed that the establishment of monetary rules and single currency would lay the ground for general economic convergence and ultimately closer political cooperation between European nations (James, 2012). For them, the right way to achieve economic convergence lay in a common approach to monetary issues. Monetarists agreed that there is a problem with the financial disequilibrium between the European core and periphery, but they perceived a currency union as a tool to close this gap. They also assumed more political cooperation in the form of stronger “surplus” countries supporting weaker nations through currency intervention and the pooling of foreign exchange reserves. Monetarists were especially influential within the French, Belgian and Luxem-

³ In the context of the European debate on the EMU, the term “Monetarists” means something completely different than the school of economic thought founded by the Chicago economics professor and Nobel-prize winning economist Milton Friedman.

bourgeois administrations, but also in European institutions, in particular the European Commission (Marsh, 2009). Technocrats working for European institutions to a large extent shared the beliefs of the euro's architects (see more in: European Commission, 1990).

Among the most prominent Monetarists in this debate was Robert Triffin, a Belgian-American economist and policy adviser to Jean Monnet and the European Commission (Maes, Bussière, 2016). In 1957, in his book *Europe and the Money Muddle*, Triffin outlined what would soon become a key argument of the monetarist camp in the debate on the Economic and Monetary Union (EMU): “monetary unification would not require, in any manner, a full unification of national levels of prices, costs, wages, productivity, or living standards (...) The problem of monetary unification is therefore a political rather than an economic problem” (Triffin, 1957, p. 288). For Triffin, convergence in terms of crucial economic indicators was not a necessary precondition for a currency union; rather, convergence was supposed to come afterwards, as a direct result of monetary unification. Another architect of the European single currency, the Italian banker, economist and Minister of Economy and Finances (2006–2008) Thommaso Padoa-Schioppa saw monetary integration as an instrument to build a genuine and multi-layered federal system in Europe (Masini, 2016). For him, EMU was not a goal in its own right, but rather a necessary step on the path towards a system of shared sovereignties.

The German elites never subscribed to the French notion that monetary integration would be the magic wand that would generate convergence at first in national budgets, growth rates and incomes, and then in living standards among European countries (Sinn, 2014). They were proud of the deutschmark (D-mark) and deeply sceptical towards the euro (Marsh, 1993). In the opinion of the German Bundesbank, the common currency should be the culmination of the integration of the continent – the final step on the path to the European integration, rather than a means to achieve it. The euro should be the last stage in a long process of convergence between European economies, which would eventually lead to political union. This concept was known in Germany as a *Krönungstheorie* (“crowning theory”).

Although, on the face of it, the Economists/Monetarists debate looked like a minor disagreement on the right sequence of steps towards the common currency, in essence it was a fundamental conflict about the most appropriate vision of the political economy of monetary cooperation and European integration in general.

2. North/South divergence in the euro area

On its first major anniversary, the euro seemed to be a success story (Maćkowiak et al., 2009). Ten years after its introduction, the European single currency was thought to have proved French Monetarists right and the sceptics wrong. In June 2008, the president of the European Central Bank, Jean Claude-Trichet, announced that the euro had been a remarkable success (Trichet, 2008). In the view of some observers, deep scepticism towards the euro on the part of most US economists had been proved wrong by history. American analysts who warned that EMU countries were far from an optimum currency area⁴ supposedly used a static, ahistorical approach by comparing the fully-fledged US monetary union with Europe prior to monetary unification, and ignored the evolutionary dimension of the EMU (Jonung, Drea, 2009).

On closer inspection however, after its first decade, the euro hardly looked like an unequivocally successful venture. Below the surface of the booming housing market and rising living standards in the south, dangerous imbalances of a potentially explosive nature were building. Germany and a few other northern countries had spent a decade implementing labour market reforms, restricting wage increases and improving international competitiveness (Hassel, 2014; Fratzscher, 2018). Their largest companies had also moved large parts of their production chains to low-cost locations in Eastern Europe. At the same time, the southern countries lagged behind in implementing structural supply-side reforms and experienced an increase in labour costs, in particular in the non-traded sectors of their economies, above productivity growth (Johnston et al., 2014).

In part this divergence was home-grown. The European single currency area is an incomplete monetary union, in which each member country maintains its own independent budgetary policy (De Grauwe, 2016). In such a union, a one-size-fits-none interest rate might contribute to serious macroeconomic dislocations. The core problem lies in the fact that a member state which is under threat of deflation needs a different interest rate from a country with an inflation level significantly above the ECB's inflation target (Skrzypczyńska, 2012). The role of monetary policy should be to respond to these divergent needs; that is, to prevent the boom from becoming unsustainable and to minimise the pain of the

⁴ For the pioneering work on the optimum currency area (OCA) see: Mundell, 1961. See also: Wojtyna, 1998.

recession (Friedman, 1968). However, in the euro area, the ECB cannot have two different interest rates.

As a result, monetary policy in the eurozone did not mitigate the boom, especially in the period 2004–2007. The ECB's main policy rate (the main refinancing operations rate; MRO rate) fitted a few northern countries well but was generally too high for Germany and much too low for southern economies (Vermeiren, 2017). However, much of this divergence was driven by global forces. In the words of Martin Sandbu (2017, p. 24), “the euro had the great misfortune of being born into the greatest private credit bubble of all time.” What happened in the construction sector of many southern economies to a large extent resembled the housing bubble in Florida and California before the credit crunch in 2007 (Bayoumi, 2017; Tooze, 2018). In particular, the Spanish and Irish economies were brought to the verge of collapse, not due to too much government spending but through private credit bubbles (Royo, 2013).

Taken as a group, the eurozone countries did poorly against the backdrop of other economies in the first decade of the 21st century. In 2000–2010, the world economy grew by 43%, while eurozone members grew by 12% (Sinn, 2014). The weakest growth was found among the large regions. Even before the crisis, the euro had not brought any significant boost to economic growth (Stiglitz, 2017; Kawalec, Pytlarczyk, 2016). It neither fostered significant economic nor political convergence between European countries.

When the global financial crisis hit, the euro area slid into recession. At first, it seemed that European leaders were trying to put the blame solely on the US financial markets, and to downplay the significance of the crisis and its potential impact on the European economy (Tooze, 2018). The German policy elite saw the financial crisis above all as a crisis of Anglo-Saxon capitalism, which demonstrated the misguided US focus on the new economy and financial services⁵ (Kundnani, 2015).

European countries were unprepared to face the North Atlantic global financial crisis and its spillover in the form of the banking and debt crisis in the eurozone. The result was the first “real” crisis in the EU (Parsons, Matthijs, 2015) – a prolonged and systemic recession that put the

⁵ This view is very convenient for many European politicians, since it focuses solely on the malpractice of US financial markets while ignoring the involvement of many European banks (like Deutsche Bank and Commerzbank) in the securitisation pipeline and risky subprime mortgages on the US housing market. See more in: Tooze, 2018; Bayoumi, 2017.

whole European project in danger. Instead of the promised convergence, as a consequence of the eurozone crisis the European countries actually diverged from each other. What were the most worrisome symptoms of this divergence?

In this part of the paper, I look at the number of NEETs in the northern and southern countries of the eurozone. The figures below present the numbers of NEETs in twelve eurozone member states. NEETs stands for “Not in Employment, Education or Training.” It is a popular term for young people who are unemployed and inactive. The “unemployed” are usually defined as people who are looking for a job but cannot find one. The “inactive” are not looking for a job and are not in an educational or training program. The measure presented below includes young people between 15 and 34 years old. This wide definition allows for the fact that young people remain in education for longer, and includes the beginning of family formation (OECD, 2016). The time frame is 2008–2017. 2008 was the first year of the global financial crisis. The most recent data in the Eurostat database are from 2017.

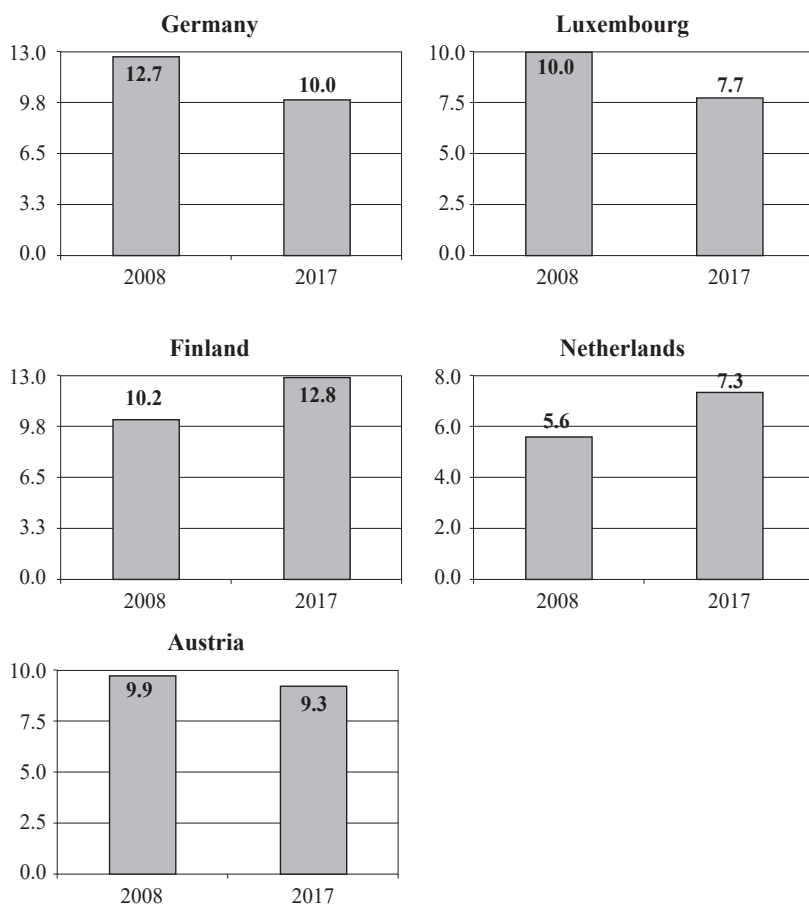
As is well-known, many young people have struggled in the labour market for quite a long time. However, the problem of youth unemployment and inactivity was starkly exacerbated by the global financial crisis. Today’s younger generation is at risk of ending up poorer than their parents (Dobbs et al., 2016). This risk includes young people in the affluent European countries which were hit by the financial and banking crisis in the euro area in 2010. Young and less educated workers were hardest hit. According to the OECD (2016), in 2015 the number of young people not in employment, education or training (NEETs) was still higher than before the onset of the crisis in nearly all OECD countries (40.0 million).

The labour market divides people into two major groups: active (which includes both employed and unemployed individuals) and inactive. As emphasised by Krzysztof Szewior (2016), from the social point of view, the problem of the economic and social inactivity of young people and people entering the labour market is of the utmost importance, which is why I decided to concentrate on this particular group.

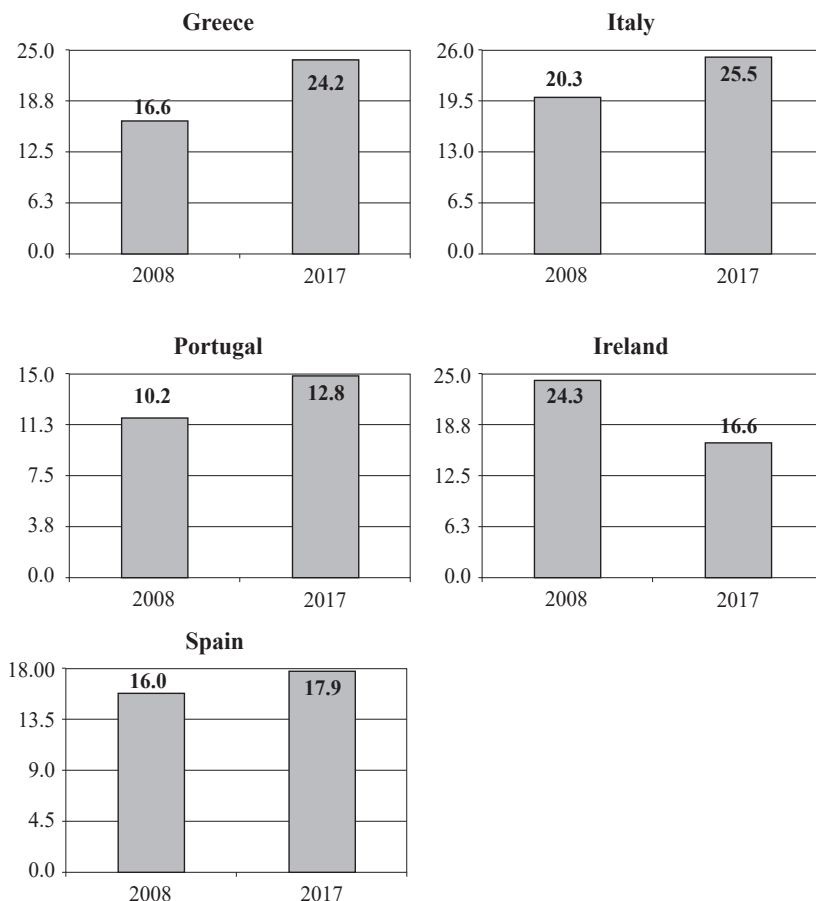
The number of NEETs is one of the best measures to assess the current predicament and economic conditions of young people (OECD, 2016). Unlike the conventional unemployment rate, it takes into account not only those who are looking for a job and are still on the labour market, but also includes “inactive” individuals – young people who are not in an

educational and training program, do not work and have stopped looking for a job. Also, the number of NEETs is a particularly well suited indicator to make predictions with regard to the future career paths of young Europeans. Empirical economic analyses show that the inability to find employment in the first few years after college or high school graduation damages the whole future career path. It is almost certain that today's NEETs will earn lower wages than their more successful peers even ten or twenty years from now.

Figure 1. NEETs in the eurozone northern countries



Source: author's own analysis based on Eurostat [edat_lfse_21].

Figure 2. NEETs in the eurozone southern countries

Source: author's own analysis based on Eurostat [edat_lfse_21].

This data presents the striking north/south divergence in the euro area with regard to the young Europeans who struggle to find a job and start a professional career.

In most of the northern “core” countries (three out of five) the number of NEETs fell following the outbreak of the global financial crisis in 2007 and subsequent eurozone crisis. Despite harsh economic conditions in Europe, the majority of northern countries managed to contain the rise of NEETs in the first phase of the crisis and actually reduced their overall

numbers during the subsequent decade. In Germany – which at the beginning of the 21st century was still struggling with the economic consequences of reunification, its overstretched welfare state and record levels of unemployment during the chancellorship of Gerhard Schröder – the number of NEETs fell from 12.7% in 2008 to 10% in 2017.

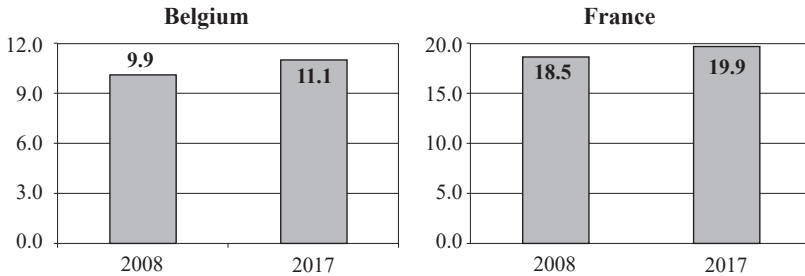
Similar processes occurred in Luxembourg (a drop from 10% in 2008 to 7.7% in 2017) and – to a lesser extent – in Austria (drop from 9.9% in 2008 to 9.3% in 2017). The number of NEETs modestly increased only in Finland and the Netherlands. In general, the number of NEETs in the northern countries remains at a relatively low level. In 2017, in all but one of northern countries it did not exceed 10%. It reached 12.8% only in Finland.

In the south, the opposite is true. In most of the southern “deficit” countries (three out of four), the number of NEETs rose as a result of the crisis; in the case of Greece and Italy, to worryingly high levels. In Greece, the number of NEETs rose from 16% in 2008 to 24.2% in 2017. In Italy, it rose from 20.3% in 2008 to 25.5% in 2017. This means that in both of these countries roughly every fourth young person is either unemployed or inactive. After almost a decade of financial turmoil, there are also now more NEETs in Portugal, although the rise in this case was not so dramatic. Despite this moderate increase, Portugal scored the best among southern countries with the lowest rate of NEETs (12.8%). All other southern countries have larger – usually much larger – numbers.

However, when benchmarked against the eurozone north, even Portugal fares poorly. The Portuguese “best” score among southern countries is equal to the “worst” score in the northern group (also 12.8%, in the case of Finland). One cannot escape the conclusion that the best that the South can hope for is the least satisfactory score among northern countries.

In the group of crisis-ridden countries which suffered the most after 2007, only Ireland has made a visible improvement in terms of the needs of the young. The number of NEETS fell from 24.3% in 2008 to 16.6% in 2017.

Finally, France – a pivotal country for the future of the eurozone – offers a bleak picture. Once the crucial part of Franco-German engine of European integration, recently it has become what Mark Vail (2015) called “Europe’s middle child,” trying to mediate between austerity champions in the north and debtors in the south. By virtue of its “mixed” economic model and unique traditions of *dirigisme*, France used to differ substantially both from the “export-led growth” economies in the north

Figure 3. NEETs in the eurozone centre

Source: author's own analysis based on Eurostat [edat_lfse_21].

and “demand-led growth” models of the south. However, the eurozone crisis seemed to have moved France decisively from the north to the south of the EMU. France’s traditional political clout and international competitiveness declined. Its labour market is in increasing need of reform. Social unrest intensified as the political movement of the “yellow vests” took to the streets in order to protest against the labour market reforms proposed by President Emmanuel Macron.

The data on NEETs presented here supports the claim that France is now part of the eurozone south. The number of NEETs in France rose from 18.5% in 2008 to 19.9% in 2017. As a result, almost every fifth young person is neither in employment nor in education or training. The number of NEETs in France situates this country clearly in the southern group.

The general conclusion that can be drawn from this analysis is the following: in terms of the fortunes of the young people, there is no longer one eurozone but two; the northern one that, despite the harsh economic conditions during the crisis, successfully managed to educate their youth and find them a place on the labour market, and the southern one that suffered the most during the crisis and remains unable to respond to the basic needs of their youngest citizens.

3. Economic security in the EMU and divergent views on the euro

The eurozone crisis was a unique crisis. Although it shared some of the features of previous debt and balance-of-payments crises, it was set within a monetary union that strongly constrained the policy options avail-

able to policy makers (Walter, Frieden, 2017). From the point of view of European integration, it was the first “real” crisis since the origins of the European project.⁶

The asymmetry between the political and economic power of eurozone member states resulted in a situation in which the costs of crisis resolution have been borne almost exclusively by the debtor countries and their taxpayers. As a consequence, the eurozone crisis has significantly altered the traditional continental balance of power. Germany has become more powerful than it has been since the end of the Second World War (Beck, 2014; Kundnani, 2015; Matthijs, 2016a). France is lagging behind both economically and politically (Vail, 2015). The gap between the “surplus” north and “deficit” south is much bigger than before the crisis. Instead of bringing about progress towards “ever closer union” among Europeans, the euro and its crisis in fact revived old animosities, created new dividing lines and ultimately pulled European nations further apart.

Since 2010, northern and southern eurozone member states have had increasingly divergent views on how to solve the eurozone crisis. Germany has repeatedly stressed the importance of austerity measures, i.e. limiting public spending, balancing budgets and reducing excessive debt (Blyth, 2013). The ECB’s “easy money” policies, in the form of liquidity facilities and special programmes such as the Securities Market Programme (SMP) and Outright Monetary Transactions (OMT), met with strong criticism in the northern countries (Fratzscher, 2018; Brunnermeier et al., 2016). Former German Finance Minister Wolfgang Schäuble from the CDU publicly blamed Mario Draghi, the President of the European Central Bank, for the electoral gains of the far-right *Alternative für Deutschland* (AfD). According to Schäuble, low returns on German pensioner’s savings, which resulted from the ECB’s quantitative easing (QE), made older Germans more willing to vote for the populist and anti-European AfD (Wagstyl and Jones, 2016). He added that the ECB’s monetary policy was causing extraordinary problems for Germany and is not reasonable.

⁶ The eurozone crisis was the first “real” EU crisis because it required decisive intervention, in the absence of which the single currency and the EU itself would not have survived. In the case of past crises, whether it was the “empty chair crisis” of the 1960s, or the subsequent crises of the European “snake in the tunnel” in the 1970s, or “Euro-sclerosis” in the 1980s, or the collapse of the Soviet Union in the early 1990s, the EEC or the EU could have stood by and done nothing without any major calamity. For more on this argument see: Parsons, Matthijs, 2015.

It is worth mentioning that the AfD originated as a result of a split within the CDU over its policy towards the eurozone crisis and financial support for the southern countries (Siri, 2018). Its initial message was not the opposition to the German *Willkommenskultur* and Merkel's open migration policy, but a demand to put an end to financial transfers to crisis-ridden countries and possibly take Germany out of the eurozone. In the party manifesto for the European elections in 2019, the AfD for the first time mentioned the idea of Dexit – Germany's exit from the EU (*Leitangtrag der Bundesprogrammkommission*, 2019).

In 2017, Minister of Finance of the Netherlands and President of the Eurogroup Jeroen Dijsselbloem commented on the predicament of the southern countries and decided to give their citizens the following advice: “You cannot spend all the money on women and drinks and then ask for help” (Khan, McClean, 2017). Dijsselbloem's comment was emblematic of the will of many European politicians, mostly from northern countries, to put all the blame for the eurozone crisis on the “profligate and irresponsible” south, in particular Greece, and, in a way, hellenise the story of the Europe's economic troubles (Krugman, 2012). Debtor countries in the eurozone's periphery were lumped collectively into one general flawed category, in spite of the fact that they have very different crisis etiologies (Fourcade, 2013). In response, Portugal's Minister for Foreign Affairs, Santos Silva, called on Mr Dijsselbloem to resign. Silva said that “it seems that the president of the Eurogroup has spent all these years without understanding what really happened to countries like Portugal, Spain or Ireland” (Khan, McClean, 2017).

Southern countries proposed different policies in order to overcome the crisis. Austerity measures imposed on many of them in response to the crisis hit many unionised workers and other lower income groups, while protecting some powerful lobbies that were the biggest beneficiaries of pre-crisis boom years (Hopkin, 2015). They were in general supportive of the accommodative stance of the ECB and its “easy money” monetary policy, as well as a common euro area fiscal pool and public investments aimed at stimulating demand and reviving economic growth after the recession. What they were not able to do was to build a political coalition in support of these proposals and convince the northern countries to move from the politics of austerity towards a more demand and investment-oriented approach.

Conclusions

The European countries were unprepared to face the North Atlantic global financial crisis and its spillover in the form of a banking and debt crisis in the eurozone. The institutional weaknesses of the EMU, initial negligence and a series of non-decisions on the part of European leaders contributed to transforming what was at first a relatively manageable double-dip recession into a prolonged and systemic crisis that put the whole European project in danger. As this paper has argued, the euro crisis gave rise to the dangerous divide between the core “surplus” countries in the north and peripheral “deficit” countries in the south. A striking divergence with regard to the career prospects and economic conditions of young Europeans emerged as a result of the euro crisis. The northern countries were relatively successful in educating their youth and allowing them entry to the labour market, while the southern economies seemed to be unable to respond to the basic needs of their youngest citizens.

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The Problem of Workers' Rights and Freedoms in Multinational Corporations in Terms of Legal Conditions in the European Union and International Records

When talking about the functioning of the workers' organisations in the environment of transnational corporations, one should start from the rights which regulate the creation and functioning of these entities. One of the most important rights is the provision concerning freedom of association, which is among the fundamental rights enshrined by acts of international public law, generally classified as "soft law," by which the signatories are bound provided that they have ratified them (however, there are no mechanisms to enforce these obligations if a given country does not comply with them) or may, in the case of recommendations of international bodies, recognise them as appropriate, but are not obliged to respect them.

The issue of compliance with union freedoms in multinational corporations (MNCs) is much more complicated, since they are not regulated by any "hard" act of public international law that directly obliges transnational enterprises to respect fundamental rights guaranteed by the laws of the countries in which they operate. As a result, there are no enforcement mechanisms in this field. The need to regulate this issue has been stressed for many years by international organisations which are interested in either broadly-defined issues of defending human rights or the protection of workers' rights. The United Nations began to take an interest in this subject as early as the 1970s.

In its agencies, it attempted to develop international standards for the activities of MNCs, which all countries in which these economic entities undertook their activities would be obliged to respect. However, these efforts did not lead to a binding result. Indeed, there were many discrepancies between highly developed and developing countries. In addition, the main purpose of these activities was to prevent multinational corporations from interfering in the internal politics and economic interests of the host

countries. Over time, the focus of the UN began to move towards seeking solutions that would maintain balance in the relations between MNCs and developing countries, so that they would promote mutual benefits and minimise the dangers of potential conflicts or the MNCs imposing conditions on the host states that would not be beneficial to the latter (Meżykowska, 2010, p. 240).

Thus, within the UN the trend emerged to combine the issue of MNC's activities with the protection of human rights (Wasiński, 2010, pp. 170–172; Żenkiewicz, 2010, pp. 108–115). The premise of such an approach was the numerous cases of violations of human rights by MNCs in developing countries, including oil companies in Colombia and Nigeria, where the MNC leadership encouraged the use of force against protesters; in India and Burma, where MNCs evaded responsibility for causing an environmental disaster (Bhopal); in Guatemala, where an MNC operating there contributed to the overthrow of the legal government (ibid., pp. 158–159).¹ Therefore, the issue of the legal responsibility of MNCs for breaches of national and international law with respect to the protection of human rights arose.

The issue of the establishment of international standards for the operation of MNCs and regulating them in “hard” acts of international public law (at the treaty level) returned to the UN at the end of the 1990s, thanks to the then-Secretary General Kofi Annan. As a result of his initiative, the Global Compact (GC) emerged. On 31 January 1999, Annan addressed representatives of big businesses from around the world gathered at the annual World Economic Forum in Davos and urged them to respect nine fundamental principles in the field of human rights, labour standards and environmental protection (Wasiński, 2010, p. 172). The GC operational phase was marked by the official inauguration, which took place on 26 July 2000 at the headquarters of the United Nations. During the Global Compact Leaders' Summit in June 2004, a new, tenth principle of the GC was announced. It referred to counteracting corruption in all its forms, including extortion and bribery (Wrońska, 2013, p. 478).

¹ More on the subject of human rights violations by MNC see: M. Żenkiewicz, *Problem odpowiedzialności korporacji wielonarodowych w prawie międzynarodowym za naruszenia praw człowieka*, “Revista Crítica de Historia de las Relaciones Laborales y de la Política Social” 2010, nos 1–2 (diciembre 2010/enero 2011), pp. 65–67. See also: K. Piórko, *Reakcje społeczności międzynarodowej na „władzę” korporacji transnarodowych*, “Annales Universitatis Mariae Curie-Skłodowska”, Lublin-Polonia vol. XIII Sectio K 2006, pp. 19–33.

The third standard in the group of labour standards referred to the issue of union freedoms, which is of interest to us. According to this standard “companies should support freedom of association and in practice recognise the right to collective bargaining” (Rok, 2014, p. 327). This group includes a total of four standards drawn from the GC Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work (hereinafter: ILO Declaration) of 1998, which were gathered within the annual International Labour Conferences (hereinafter: ILC) – tripartite meetings of government representatives, employers and employees from 177 countries. Within ILC there is a consensus that “all countries, regardless of their level of development, local conditions and ratification of individual ILO Conventions, are obliged to observe, implement and disseminate the fundamental principles and rights of the Declaration” (Global Compact, 2004). This point of view, at least declaratively, is shared by the richest countries. During the G8 summit in Evian-les-Bains, the leaders of these countries encouraged big business to cooperate in implementing the principles of the ILO Declaration. One of the major global initiatives in the field of compliance with labour standards is the Child Labour Platform (*ibid.*).

The aforementioned GC is a document which is open to any company that is willing to subscribe to it, including MNCs which recognise sustainable development as a basic principle and defining feature of a modern civilisation, and obliges them to respect these ten standards in its activities. In fact, as Marek Wasiński correctly notes, GC “is not a (...) document, but a partially institutionalised platform within the UN framework for cooperation between representatives of business, international employers and employees’ organisations and other non-governmental organisations. (...) The formation of GC as an instrument to progressively influence the social perception of the problem and practice is manifested, *inter alia*, in opening it to entities that do not run a business; declarations of accession (which oblige certain activities to promote GC principles) may be submitted, *inter alia*, by higher education institutions” (Wasiński, 2010, p. 172). Currently, the GC platform brings together approx. 8000 companies and approx. 4000 non-business signatories from 140 countries (Rok, 2015, p. 6). When compared to the requirements for implementing GC standards, the scale of involvement of business entities is insufficient. According to Georges Kell, director of the UN Global Compact, “the sustainable development movement of companies only contributes to slow changes. Too many companies do nothing or contribute to the intensifica-

tion of problems. Together with around 80,000 international and millions of smaller enterprises, much remains to be done to achieve a significant change” (ibid., p. 7).

GC is an initiative aimed at highlighting Corporate Social Responsibility (hereinafter: CSR) in areas such as respect for human rights, including trade union freedoms and collective bargaining rights, the elimination of forced labour and the most severe forms of child labour, and respect for basic standards in the field of environmental protection. Responsible behaviour among large transnational corporations should be something more than mere philanthropy, but should constitute part of the concept of “global corporate citizenship” and therefore “one should advocate (...) strengthening the effectiveness and credibility of such activities through the introduction of an independent monitoring and enforcement system (including sanctions), and commonly accepted basic standards in the field of human rights, employment and environmental protection” (Wrońska, 2013, pp. 478–479). If GC’s range is modest, the fulfilment of these plans seems to require many years of effort, assuming an unchanging upward trend in compliance with GC standards.

This initiative does not mean that it was only at the turn of the millennium that the UN noticed the problems that this initiative tried to address, including the problem of the MNCs’ impunity in many developing countries and the resulting need to protect these countries using public international law provisions. By 1977, the UN Commission for Multinational Corporations had already developed a draft code of conduct for multinational corporations entitled *UN Standards on the Responsibility of Transnational Corporations and Other Companies with regard to Human Rights* (hereinafter: *Standards*). However, it was not published until 1990, and took its final form on 14 August 2003 in the form of Resolution 2003/16 (Żenkiewicz, 2011, p. 109). These standards refer to the Universal Declaration of Human Rights (hereinafter: UDHR) and a number of international treaties and instruments listed in the preamble, in the field of human and labour rights, humanitarian law, environmental law and international criminal law. The aim of this strong legal foundation was, on the one hand, to contribute to the establishment of standards for the responsibility of MNCs for the effects of their activities, and, on the other, to develop a mechanism to hold those entities accountable for unlawful activities by instruments of international public and criminal law. In general, the *Standards* obliged MNCs to respect them and promote human rights within the scope of their activity, while guaranteeing compliance in

six codified areas including the most important, namely labour rights and trade union freedoms. The violation of the *Standards* by an MNC was the basis of their liability and potential application of instruments of international public and criminal law.²

The standards proved to be the next stage of the discussion on the implementation of the international legal practice with regard to the responsibility of MNC for violation of human rights, including employee rights. As argued by Maciej Bernatt, standards “did not meet with (...) recognition among representatives of states and entrepreneurs; and did not gain acceptance in the UN Human Rights Commission. The greatest criticism referred to the standards, which resulted in imposing direct obligations on entrepreneurs under international law and imposition of the principles that are not widely accepted in the sphere of economic activity” (Bernatt, 2009, p. 78).

The next stage of these discussions was related to the report prepared by the Special Rapporteur on the protection of fundamental rights by MNCs, John Ruggie. The origins of this report lay in the initiative put forward by the UN Human Rights Commission in 2004, which asked the Office of the UN High Commissioner for Human Rights to prepare a report on the legal initiatives already proposed and the standards already established regarding the issue of human rights within MNCs and affected by MNCs. On 22 February 2006, Ruggie presented the *Preliminary Report on Human Rights and Multinational Corporations and Other Companies*, which less than a year later, on 9 February 2007, was joined by another one, which discussed international standards and companies' responsibility. The final report on the issues discussed here was published on 7 April 2008 (Żenkiewicz, 2011, pp. 111–113). However, work on these issues continued, and resulted in a document entitled *Guidelines for Business and Human Rights: Implementation of the Framework Document of the Nations United States “Protect, Respect and Repair.”*³

² For a detailed description of the Standards see: M. Żenkiewicz, *Najważniejsze inicjatywy...*, pp. 111–113; M. Bernatt, *Społeczna odpowiedzialność biznesu. Wymiar konstytucyjny i międzynarodowy*, Warszawa 2009, pp. 77–78; M. Wasiński, *Odpowiedzialność przedsiębiorstw wielonarodowych...*, pp. 171; I. Wrońska, *Korporacje transnarodowe...*, pp. 480.

³ The full name of this document is *Report of the Special Representative of the UN Secretary General for Human Rights and International Corporations and other Business Entities, John Ruggie. Guidelines on business and human rights: implementation of the United Nations framework document “Protect, respect and repair”* (hereinafter: *Guidelines*), and take into account the results of work on the Ruggie

It consisted of three parts that match three last phrases: I. The state's duty to ensure the protection of human rights; II. Corporate responsibility with regard to the respect of human rights; III. Access to solutions.

Each of them was divided into basic principles (protected values are included in a subjective way – that is “who is obliged to be protected?” – and an objective way – “what values are protected?”) and operational rules (methods of protection and measures used). The duties of responsible entities, signatory states and MNCs were included as an obligation. Signatory states are obliged, as part of their jurisdiction, to clearly define, in the form of relevant legal acts, their expectations with regard to the observance of human rights by MNCs operating in their area of application and to establish and effectively apply enforcement mechanisms. MNCs are obliged to respect human rights and comply with the laws of the host country/countries in which they conduct their activities. By the implementation of tasks related to the protection of human rights, both states and MNCs should cooperate with each other and promote human rights. All decisions should be made in a dialogue mode that takes into account the position and opinion of stakeholders (in this case the representatives of employees). Above all, however, all should carry out their responsibilities mandated by the basic rules, that is, provide means to protect human rights (states), take responsibility for compliance (MNCs) and access to solutions, i.e. complaint mechanisms (states providing appropriate legal and institutional measures; MNCs accepting honest, legally binding requirements to respect human rights, submission to complaints procedures).

The complaint mechanism includes a specific early warning system based on the possibility of filing complaints at the operational level, that is as part of the implementation of the UN Guiding Principles on Business and Human Rights (hereinafter: UNGPs). This refers to the possibility of an *ad hoc* response to a particularly flagrant violation of human rights by an MNC, which therefore requires urgent, immediate responses from the law and institutions appointed by it, regardless of the field of human rights in which this violation took place. Reaching for this extraordinary measure cannot, however, close the way to systemic solutions regarding the resolution of complaints and satisfaction in the event that they prove justified. As we can read in the explanation of guideline no. 29, which

report of 2011. Polish text of *Guidelines* developed under the substantive editorship of Beata Faracik, was published by the Polish Institute of Human and Business Rights in Częstochowa, 2014.

covers the labour rights relevant to the subject of this work: “mechanisms for handling complaints at the operational level may be an important supplement to the processes of broader stakeholder engagement and collective bargaining, but they cannot replace any of them. They should not be used to undermine the role of legitimate trade unions in matters related to labour disputes or to exclude access to judicial or other out-of-court complaint mechanisms” (Faracik, 2014, p. 45).

Also, the *Guidelines*, like the earlier *Standards*, so far only have the status of proposals to regulate the issue under consideration and are not binding. *Guidelines* refer to this issue insofar as the issue of workers' rights are a component of human rights. Generally speaking, this document obliges MNCs to comply with the laws in the countries in which they operate, which includes regulations governing the functioning of trade unions and other employee representations.

The International Labour Organisation, on the other hand, in its documents concerning the functioning of MNCs, focuses solely on the issues of employees. It was already focused on them in 1977, as demonstrated by the adoption of the Tripartite Declaration of Principles on Multinational Enterprises (revised in November 2000 and 2006 and 2017, further: MNE Declaration) (*Tripartite...*, 2017).

When calling on the numerous ILO Conventions and Recommendations on the broadly-understood issue of workers' rights, the ILO urged MNCs to respect the ILO convention and its recommendations, including in the context of human rights. It also encouraged member states of the ILO which have not yet ratified the above-mentioned conventions to do so as soon as possible, or at least to include them in their internal policies to the fullest possible extent. The MNE Declaration is a document consisting of the *Introduction* and the main text, which includes the *Preamble* and five chapters, which divide employee issues within MNCs into the following groups: *General Policy*, *Employment*, *Training*, *Conditions of work and life*, and *Industrial Relations*. In the first of these chapters, it was pointed out that MNCs are obliged to (*Tripartite...*, 2017, pp. 4–5): (a) respect the law of the countries in which they conduct their activities; (b) respect local practices; (c) respect the norms of the international law that are set out in the Universal Declaration of Human Rights (hereinafter: UDHR), as well as the norms and principles related to workers' issues defined in the international pacts adopted by the UN and the Constitution of the International Labour Organisation and its principles, “according to which freedom of expression and association are essential to

sustained progress” (ibid., pp. 4); (d) contribute to the implementation of the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and its complementary activities adopted in 1998; (e) honour commitments that they have voluntarily adopted, in accordance with national legislation and accepted international obligations (ibid., pp. 4).

In this context, it is worth recalling the Declaration on Fundamental Principles and Rights at Work adopted by the ILO in June 1998. Once again, taking into account the contemporary state of social and labour relations and the requirements that arise from them, this document addresses the issue of the involvement of ILO members in respect for and promotion and implementation of the following principles and rights at work: (a) freedom of association and effective recognition of the right to collective bargaining; (b) the elimination of all forms of forced and compulsory labour; (c) the effective abolition of child labour; (d) the elimination of discrimination in respect of employment and occupation (ibid., pp. 4).

From the point of view of the objectives of this study, the first of the above-mentioned issues is of particular importance.

If MNCs respect the above-described obligations, they can make a positive contribution to “economic and social progress, as well as reducing and resolving the number of difficulties that may arise as a result” (Trójsronna..., 2017, pp. 3) of their various activities, bearing in mind the resolutions of the United Nations supporting the establishment of a New International Economic Order as well as subsequent development within the framework of the United Nations, for example the Global Compact and the Millennium Development Goals.

The issue of freedoms of trade unions and the creation of employee representatives are mentioned by the MNE Declaration in a chapter entitled *Industrial Relations*. The document distinguishes four thematic threads in this regard (ibid., pp. 13):

- 1) trade union freedoms and the right to organise (Articles 42–49):
 - (a) non-discriminatory (on a par with employees of other domestic companies) access for MNC employees to union freedoms and other forms of employee association, and the same legal protection as national employees;
 - (b) full independence and autonomy of trade union organisations and employee organisations within MNCs from other organisations and bodies operating within its framework;
 - (c) the possibility to join international trade unions by organisations active in the

MNC at their own discretion (hence the call for governments to ratify the ILO Convention 87 as soon as possible, Article 5 of which refers to this issue); (d) the policy of attracting foreign direct investment carried out by the state should in no way result in any limitation of the freedom of trade union workers or the right to organise and collective bargaining; (e) the bodies of the MNCs should in no way restrict the freedom to organise training, consultations or deliberations by trade unions and employee associations, as long as this does not harm the company's operations and the normal procedures governing relations with employee representatives and their organisations; (f) governments may not in any way restrict contact between local and national trade union organisations and the international organisations within which they are associated;

- 2) collective bargaining (Articles 49–56): (a) employees of MNCs, as well as employees of domestic companies, should have the right, in accordance with national legislation and practice, to recognise their freely-selected representative organisations in order to conduct negotiations on the conclusion of collective agreements; (b) the idea of collective agreements should be supported as the most appropriate way to regulate labour relations in enterprises, including MNCs; (c) trade union organisations and employee representative offices operating in the MNC should have an influence on the content of collective labour agreements, similar to those that operate in domestic companies; (d) MNCs may not resort to the threat of withdrawal of capital from the country in which they operate, nor transfer employees from branches operating in that country abroad, to hinder or prevent employees from exercising their freedom of association and affiliation rights, or to make it difficult or impossible to conclude collective labour agreements; (e) MNCs are obliged to provide employee representatives with all the necessary data to conduct all permissible negotiations under the law and collective bargaining agreements in matters of employment, so that they may adequately formulate their position and expectations in negotiations; (f) governments should provide representatives of workers' organisations, when it is permitted by national legislation and practice, with information on the industries in which the company operates, which will help to define objective criteria in the collective bargaining process; as feedback, the MNC should provide reliable and comprehensive information on its activities to specific state authorities, unless there are legal or other obstacles to this;

- 3) consultations; MNCs should participate in the system of social consultations which functions in the state in which they operate, according to the same principles as domestic companies, whereas consultations cannot replace collective bargaining in employee matters;
- 4) consideration of complaints; every employee of an MNC has the right to submit an individual complaint or a group complaint, together with other victims, without prejudice to their position in the company, which is particularly important in countries that are not bound by the principles of ILO Convention No. 87 on freedom of association and ILO Convention No. 98 provisions, concerning the right to organise and collective bargaining, or conventions concerning the prohibition of discrimination, child labour and forced labour;
- 5) settlement of industrial disputes; MNCs should strive to establish a mechanism for collective reconciliation on similar terms to domestic companies, based on local laws and traditions of collective dispute resolution (*Tripartite...*, 2017, pp. 16).

The MNE Declaration has, as has already been suggested, a completely voluntary nature, so nothing obliges an MNC to apply to it and thus to be bound by its provisions. Unlike the ILO Convention, the MNE Declaration is a soft law act, which the ILO, as noted in literature, uses increasingly often (Markiewicz-Stanny, 2010, pp. 130–131). This is a fundamental weakness of the document discussed above, which shows the way and directions of the ILO thinking about resolving issues of trade union freedoms and employee representation within a corporation, as well as shaping labour relations within its scope. In the light of the provisions of the MNE Declaration, MNCs should be required to fully respect the freedom of trade unions and employee representatives, both at the level of fundamental rights and at the level of national legislation. They should also abstain from all forms of pressure on the countries in which they undertake their activities which are aimed at limiting trade union freedoms and labour rights granted by either international and domestic law. Generally, these issues should be resolved in MNCs in the same manner as for domestic companies, which means that union freedoms and the scope of employee rights in MCNs cannot be less than in domestic companies.

Based on the MNE Declaration, international framework agreements (IFA) have been concluded between multinational enterprises and international trade unions (Adamowicz, 2009, p. 36), whose European variant became the European Framework Agreements (EFA) concluded with MNC authorities by European Works Councils (EWCs) and/or European

Trade Union Federations (ETUF), with European coverage (EURECTA, 2013).

The trend set by the MNE Declaration stays in line with another act of soft law, which was used by the ILO in relation to the issue of workers' rights compliance in MNCs – the Declaration on Social Justice for a Fair Globalization (ILO, 2008) (hereinafter: the 2008 Declaration). The development of acts of this kind was an expression of a specific strategy of this organisation, which at the end of the last century, influenced by the dynamisation of globalisation processes,⁴ “began to move towards making international labour law more flexible. The new aspect here is not so much the creation of strategic and program documents, but giving them a high level of importance, as well as the concentration of the efforts of the ILO structures around their implementation” (Markiewicz-Stanny, 2010, pp. 130–131). Acts of “soft law” can therefore be more effective, as they do not require ratification but they have a strong persuasive influence on their addressees, especially governments, but also MNCs, which are under strong pressure from the above-mentioned CSR principles and mechanisms. The issue of trade union freedoms and the appointment of employee representatives that is of interest in this article applies to point IA and IV of the 2008 Declaration, which states that “freedom of association and effective recognition of collective bargaining rights are of particular importance for the implementation of the four strategic objectives.” This task is an integral component of a broader intention, including specific goals such as: (a) the promotion of employment by creating a sustainable institutional and economic environment; (b) developing and extending social protection measures; (c) promoting social dialogue and tripartite contracts between employers' organisations, trade unions, and the government of a country; (d) observance, promotion and implementation of fundamental principles and rights at work.

⁴ “The global economic and social processes taking place in recent years – as noted J. Markiewicz-Stanny – caused such profound changes in the nature of employment that the problem of the actual protective value of the standards developed by the ILO became a key issue. The organisation itself seems to recognise the need to redefine the methods of implementing its mandate, which has found its formal expression, *inter alia*, in the adoption in 2008 of the Declaration on Social Justice for a Fair Globalization” (Markiewicz-Stanny, 2010, p. 127). The change of strategy was probably also dictated by the limited effectiveness of enforcing ILO conventions as acts of international labour law. Difficulties in this respect occur at the level of the supranational executive, as well as at the level of national courts, which insufficiently take into account the declarations of these acts, even when the state has ratified them (Świątkowski, 2008, pp. 294–296).

In order to attain these goals a holistic, rather than partial or episodic approach to the issues which the 2008 Declaration refers to is required. Therefore, the document “emphasises not only the parity of strategic goals, but also the fact that they are inseparable, interdependent and mutually supportive, and that a lack of support for any of them is a threat to progress in other areas. (...) Freedom of association is undoubtedly part of the third and fourth strategic goals, although trade unions as a social partner can also effectively participate in the implementation of the first and second goals” (Markiewicz-Stanny, 2010, pp. 130–131). Due to the fact that MNCs are entities that both emerged as a result of globalisation and actively shape processes that constitute it, they seem to be the key recipient of the 2008 Declaration, including with regard to the matters which lie at the centre of this study.

Significant activities aimed at the protection of trade union freedoms and free association of employees, with consequences which potentially might involve MNCs, were also undertaken by the EU. The standard basis for EU legislation in this area is, as well as the international law instruments discussed above, Article 28 of the Charter of Fundamental Rights of the European Union (hereinafter: the CFR). According to its provisions, “workers and employers, or their respective organisations, have, in accordance with Union law and national laws and practices, the right to negotiate and conclude collective agreements at the appropriate levels and, in cases of conflicts of interest, to take collective action to defend their interests, including strike action” (Official Journal 2012/C 326/02, 2012, Article 28). Among the EU legal acts which are relevant to the issue under consideration, the following should be mentioned (Wrońska, 2013, p. 481):

- 1) Directive 2009/38/EC of the European Parliament and of the Council of 6 May 2009 on the establishment of a European Works Council or a procedure in Community-scale undertakings and Community-scale groups of undertakings for the purposes of informing and consulting employees (Recast) (Text with EEA relevance) (hereinafter: Directive 2009/38/EC);
- 2) Council Directive 2001/86/EC of 8 October 2001 supplementing the Statute for a European company with regard to the involvement of employees (hereinafter: Council Directive 2001/86/EC);
- 3) Directive 2002/14/EC of the European Parliament and of the Council of 11 March 2002 establishing a general framework for informing and consulting employees in the European Community – Joint declaration

of the European Parliament, the Council and the Commission on employee representation (hereinafter: Directive 2002/14/EC).

According to the provision of Art. 1(2) of Directive 2009/38/EC, in order to “improve” the right to inform and consult employees of enterprises (“undertakings”) or “groups of undertakings” which operate throughout the European Community, it is possible to create European Works Councils (EWC) in these companies or provide other forms of information. According to Art. 5(1) of the Directive, the establishment of an EWC is initiated either by the company’s central management or a group of at least 100 employees or their representatives from at least two companies or establishments located in at least two member states, which may only concern the establishment of an information procedure and consultation in a given company or group of enterprises. Regardless of the way in which the above-mentioned initiative is announced, a special negotiating team is established which works on the implementation of the application submitted.

The essential condition for the creation of EWCs or the implementation of the information and consultation system is the fulfilment, in accordance with Art. 1 of Directive 2009/38, by a single company of the criterion of a “Community-scale undertaking,” i.e. any undertaking conducting statutory activity in at least two member states. The objectives of Directive 2009/38 can also be implemented in the “group of undertakings” (Florek, 2010, pp. 223–230),⁵ understood as a controlling undertaking and its controlled undertakings, where “controlling undertaking” is defined as an undertaking which can exercise a dominant influence over another undertaking (“the controlled undertaking”) by virtue, for example, of “ownership, financial participation or the rules which govern it” (Directive 94/45/EC, Article 3(1)); in the case at hand, the relevant legislation is the legislation of the state in which the parent undertaking

⁵ For more on European Work Councils, see: J. Wratny, *Partycypacja pracownicza w prawie europejskim. Rozwój wśród przeciwności*, Warszawa 1994; J. Gardawski *Korporacje transnarodowe a Europejskie Rady Zakładowe w Polsce*, Warszawa 2007; D. Skupień, *Europejskie Rady Zakładowe*, Toruń 2008; K. Skorupińska, *Rola rad zakładowych w krajowych i transnarodowych przedsiębiorstwach europejskich*, Łódź 2009; J. Wratny (2010), *Europejskie Rady Zakładowe oraz inne przedstawicielstwa pracownicze w organizacjach gospodarczych o zasięgu wspólnotowym*, in: *Związki zawodowe a niezwiązkowe przedstawicielstwa pracownicze w gospodarce postransformacyjnej*, eds. J. Wratny, M. Bednarski, Warszawa 2010; R. Jagodziński, *Europejskie Rady Zakładowe. Po piętnastu latach – sukces czy porażka*, „Dialog” 2011, no 2.

has its head office (Florek, 2010, pp. 252). “A group of enterprises is Community-scale in nature if it fulfils the following conditions:

- 1) the employment of at least 1000 employees in the member states;
- 2) the operation of at least two undertakings in different member states;
- 3) the employment by at least one undertaking of at least 150 employees in one member state;
- 4) the employment by at least one other undertaking from the group of at least 150 employees in another member state” (Florek, 2010, pp. 252).

EWCS, along with works councils authorised to represent employees in the process of information and consultation in the company, are forms of employee representation which are preferred by EU legislation, transposed by the mechanism of implementation into the national legal systems of the EU member states.

The standards of the Organisation for Economic Cooperation and Development (OECD) are relatively low in terms of the protection of trade union freedoms and employees’ rights of association. The OECD now includes 34 of the most developed and, most importantly, democratic countries⁶ in the world, and its fundamental objective is “to achieve the highest possible sustainable economic growth and employment and a rising standard of living in the Member States, while maintaining financial stability and thus contributing to the development of the global economy” (Journal of Laws of 1998 No. 76, item 490, p. 2899).⁷ From the point of view of the issues discussed in this article, the most important issue is that the OECD is an intergovernmental organisation which works closely with so-called social partners: trade unions (in the forum of the Trade Union Advisory Committee, TUAC) and business (in the Business and Industry Advisory Committee, BIAC forum), as well as with non-governmental organisations (NGOs) (Ministerstwo Spraw Zagranicznych, 2018). For this reason, the OECD has also made significant legal achievements in shaping standards for the protection of trade union freedoms and employees’ rights to association, including in MNCs. In this context, it is worth mentioning, first of all, the *Guidelines for Multinational Enterprises* is-

⁶ According to the data posted on the official website of the Ministry of Foreign Affairs of the Republic of Poland, at the Internet address: https://www.msz.gov.pl/pl/polityka_zagraniczna/organizacje_miedzynarodowe/oecd/. Poland was admitted to the OECD on 22 November 1996.

⁷ On the issue of the OECD see more: A. Nowak, *Organizacja Współpracy Gospodarczej i Rozwoju*, in: *Organizacje w stosunkach międzynarodowych. Istota – mechanizmy działania – zasięg*, ed. T. Łoś-Nowak, Wrocław 2004, pp. 364–365.

sued by the OECD in 1976, “whose aim was to ensure that international corporations act in accordance with the policies of the countries in which they operate” (Wrońska, 2013, p. 478). These include issues such as: (a) labour relations; (b) the right to form trade unions; (c) abolition of child labour; (d) abolition of forced labour; (e) elimination of discrimination; (f) cooperation between employers and employees; (g) providing security; (h) employment of local staff; (i) organising training; (j) information on results; (k) fair negotiation of collective agreements (Rok, 2004, pp. 10–11).

Of the above-described issues, the topic of guarantees for the establishment of trade unions and employee representations within MNCs is of particular interest to us.

The guidelines were supplemented in 2000 (OECD Guidelines..., 2000) and today they constitute an integral part of the OECD *Declaration on International Investments and Multinational Enterprises*. According to Wrońska (2013, pp. 478), “they are currently the most widely used set of standards relating to corporate responsibility and human rights.” In the OECD document, the guidelines are defined as “recommendations addressed by governments to multinational enterprises (...) provide voluntary principle and standards for responsible business conduct consistent with applicable laws” (OECD Guidelines..., 2011 pp. 13), aimed at “ensure that the operations of these enterprises are in harmony with government policies, to strengthen the basis of mutual confidence between enterprises and the societies in which they operate, to help improve the foreign investment climate and to enhance the contribution to sustainable development made by multinational enterprises” (ibid. pp. 13), and refer primarily to “the treatment under their laws, regulations and administrative practices, consistent with international law and no less favourable that accorded in like situations to domestic enterprises” (ibid., pp. 8).

By describing this collection as “recommendations” and “principles,” their “soft,” non-obligatory character was underlined. Their strength lies in the prestige which stems from membership of the OECD, strengthened by respect for the common values that this organisation stands for. As stated in the *Guidelines* themselves, they express common values promoted by the governments of states in which many direct international investments arise, and by states that are the headquarters of the largest “multinational enterprises.” Additionally, the function of the document itself is “to promote a positive contributions by enterprises to economic, environmental and social progress” (OECD Guidelines..., 2011, p. 3).

For the above-described reasons, OECD documents are one of the most frequent reference points for implementation by MNCs, referring in this respect to CSR, freedom and trade union rights under constitutional guarantees and statutory regulations for their employees.

All of the above-described solutions and recommendations in the field of international law are aimed at minimising the effects of global capitalism and globalisation processes which are unfavourable to labour relations. One of the characteristic features of contemporary globalisation is a growing number of unfavourable practices in MNCs, especially with regard to trade union freedoms and workers' rights to organise and act in an organised manner in defence of their own interests. This problem is particularly visible in countries which are at a lower level of economic development, which, as part of their development strategies, focus on attracting foreign capital. Lowering protections for workers' rights is often the price they pay for the inflow of foreign investment. This is not the only issue, however, which should be seen as threats to union freedoms. One should also bear in mind the relatively low effectiveness of international law in this area. This law often has "soft law" status. The signatory states are bound by its provisions, but not obliged to implement them into national law systems. The ultimate effectiveness of the regulation of international legal acts with regard to trade union freedoms is determined by national regulations, the shape of which depends in turn on the economic and social policy of a given state and the legal model adopted by this state. The above considerations do not apply to EU member states only to the extent that they are subject to EU law. In their internal legal obligations, they are obliged either to directly apply EU law (regulations) or to implement (directives and decisions) or take into account the legal effects of EU acts (recommendations and opinions) (Ahlt, Szpunar, 2005, pp. 28–32). The real determinant of standards for the protection of trade union freedoms and employees' rights to associate in order to defend their own interests is therefore national law.

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The Relationship between Level of Education and Career Opportunities for Young People in the EU and EFTA

Introduction

Employment and unemployment are the two main determinants characterising the situation on the labour market. Increasing levels of employment and limiting levels of unemployment is one of the most important priorities of European Union policy, although it is member states that have the main responsibilities in this area. Nevertheless, the countries of the European Union and the European Free Trade Association (EFTA)¹ allocate significant financial resources to supporting labour market policy programmes addressed at the 15–24 age group. Most of these boil down to increasing the qualifications and competences of young people entering the labour market. Therefore, the following research hypothesis should be formulated and verified: an increase in the level of education is conducive to employment growth.

One of the main determinants of the situation of young people on the labour market is the state of education, which is also one of the basic indicators of the levels of societal development. Analysis of the impact of education on an individual's position on the labour market is not only quantitative in nature and is focused more and more on qualitative aspects, which is becoming increasingly important as a higher level of education is not always directly reflected in an improvement in one's situation on the labour market. The most important factor is the knowledge, qualifications and competences possessed by graduates, and those most desired by employers. This does not mean, however, that general employment and unemployment rates do not contain relevant information, which should

¹ Iceland, Switzerland, Norway and Lichtenstein, [http://ec.europa.eu/eurostat/statistics-explained/index.php/Glossary:European_Free_Trade_Association_\(EFTA\)/pl](http://ec.europa.eu/eurostat/statistics-explained/index.php/Glossary:European_Free_Trade_Association_(EFTA)/pl).

be an impulse for public authorities and private education institutions to adapt educational courses and programmes to the needs of the economy.

Young people entering the labour market in the EU and EFTA countries face similar problems. First and foremost, employers expect professional experience that cannot always be successfully acquired during the formal education process. Employers also want to “try out” new employees and try to do this for as long as possible without signing a permanent contract with a young employee. There is also often a shortage of jobs in line with the level and profile of education and, especially in the countries of the former Eastern bloc, the jobs offered to young people are among the lowest paid, which often does not provide the minimum acceptable standard of living necessary to start a family. Finally, the youth employment rate is usually much lower than that of other age groups, and the unemployment rate for the young is among the highest.

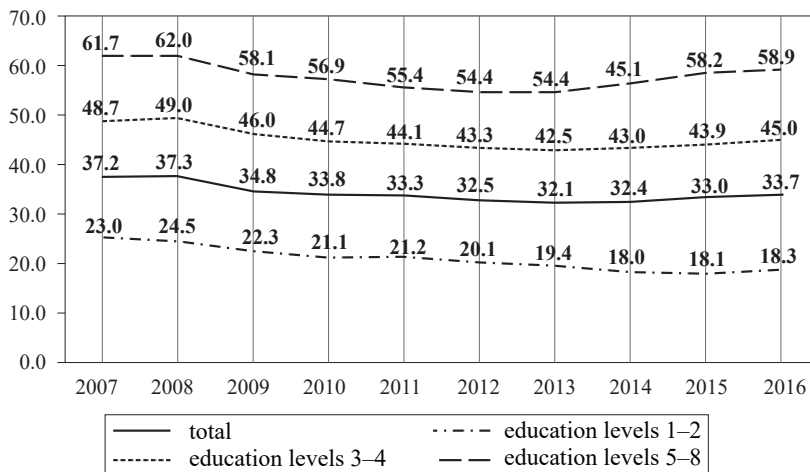
Analysis of the relationship between level of education and employment rate

Turning to the employment rates of people aged 15–24, it should be noted at the outset that they are at a much lower level than for the 15–64 age group. This does not mean, however, that the low rates in this ranking necessarily indicate problems for graduates in individual labour markets. In this case, improving qualifications by extending the period of education (in particular in a stationary mode) reduces the employment rate in this group, and in turn, usually contributes to improving their position on the labour market. At the same time, at present, combining the continuation of formal education with undertaking various types of employment (not always included in quoted indicators) is gaining popularity.

Taking into account the youth employment rate, it is difficult to accurately assess the situation on the labour market. However, the level of education is a very important factor affecting this indicator, and it is to a large extent true that, in the long term, it determines the position of graduates on the labour market. In the analysis, I will use the division into groups based on educational level formulated by the International Standard Classification of Education (ISCED)² (Chart 1).

² This indicator is calculated by dividing the number of employed persons aged 20–64 who have reached a certain level of education by the total population of the same age group and with the same level of education. The level of education is coded

Chart 1. Employment rates in the 15–24 age group in European Union countries (EU 28) in 2007–2016



Source: Own study based on: <http://ec.europa.eu/eurostat/web/lfs/data/database>, 28.07.2018.

Analysing trends in the employment rate of the 15–24 age group in the European Union, taking into account the level of education, the highest educational graduates universally achieve the highest values. At the same time, it is worth noting that, as a result of the financial crisis, which turned into an economic crisis, the employment rate was reduced until 2013. It should be added that the increased employment rate for people with higher education (ISCED 5–8) compared with those with medium levels of education (ISCED 3–4) decreased slightly from 13 percentage points (p.p.) in 2007 to 11.1 p.p. in 2012. However, along with the recovery of the EU economy, this difference again significantly increased in 2016, reaching almost 14 p.p.

However, the largest differences are found between employment rates among the highly educated and among those with the lowest level

according to the International Standard Classification of Education (ISCED). Data for 2013 are classified according to ISCED 1997 and data from 2014 according to ISCED 2011:

- lower than primary, middle and junior high schools (ISCED 0–2 levels);
- secondary and post-secondary education (ISCED levels 3 and 4);
- higher education (ISCED level 5–8) (ISCED 1997: level 5 and 6);

<http://ec.europa.eu/eurostat/web/products-datasets/-/tsdec430>.

of education (ISCED 0–2). In this case, trends were almost parallel to the above comparison. The difference between the analysed indicators in 2007 was close to 37 p.p., then dropped to just over 34 p.p. in 2011, and then reached almost 41 p.p. in 2016. The highest employment rate in the European Union in the 15–24 age group was recorded by the Netherlands – 60.8% in 2016. In this case, the differences in employment rates between groups of holders of particular levels of educational qualifications are significantly lower than in the EU as a whole. However, some changes can be observed; for example the employment rate among the best educated exceeded that of holders of the average level of education in 2007 by 5.5 p.p., and by only 3.2 p.p. in 2016.³ Nevertheless, it should be emphasised that the Netherlands and the EU as a whole have failed to return to pre-crisis employment levels since 2008.

Another country that distinguishes itself in the analysis is Greece. This state was the most severely affected by the economic crisis, which clearly translated into a strong reduction in employment rates (in particular among the young) in this country. Employment rates in Greece even before the crisis were among the lowest in Europe. However, the scale of the fall in employment among young people was also very high – 11 p.p.⁴ This situation meant that, despite the economic recession ending and the appearance of certain symptoms of recovery, in Greece the labour market is still in the worst condition of all the European countries. This is accompanied by the phenomenon of “insider – outsider,” which places young people in the most difficult position.

Poland, on the other hand, is the only country in the European Union that has not formally experienced the economic crisis (there has only been a slowdown in the GDP growth rate). Nevertheless, the effects of the crisis in the EU and the slowdown in the Polish economy led to a certain reduction in the employment rate, especially among young people. This reduction was almost imperceptible among the medium- and least-educated, which resulted in a reduction in the differences between indicators among these groups compared to people with a higher level of education. This does not mean, however, that, as in the rest of the European Union, people with higher education (5–8) are in the most favourable situation. It should be stated, however, that, in 2007, the differences between the employment rates of education groups 3–4 and 5–8 amounted to 17.3 p.p., and in 2008

³ Own calculation based on: Eurostat, <http://ec.europa.eu/eurostat/web/lfs/data/database>, 30.07.2018.

⁴ Ibid.

reached 17.9 p.p., which is more than the EU average. However, in 2013, these differences dropped to just 4.7 p.p., before slowly increasing in subsequent years. Undoubtedly, in 2007–2016, the employment rate among people aged 15–24 with secondary education increased by 6.7 p.p., and among people with higher education, as in other EU countries, it did not regain pre-crisis levels and decreased by 5.1 p.p. (significantly more than in the European Union in general, where the drop in this index was 2.8 p.p. in the analysed period).⁵

It turns out, however, that higher education in Poland is losing importance in shaping one's position on the labour market, but it still increases employment opportunities. In other EU countries, higher education has not depreciated in value as much as in Poland and still plays a leading role. This does not give a good verdict on Polish economic policy, nor a good outlook for the chosen direction of policy development. This means that the small Polish economy (in comparison with other EU countries) is developing in innovative areas, which requires highly educated employees. GDP growth is due to the advantage typical of extensive economic development, i.e. cheaper labour than in the western part of the EU, which mainly favours investments that do not require the highest qualifications, making Poland the „assembler” of Europe. The second reason is the high demand for the medium-qualified in the construction and assembly sector, related to the development of infrastructure using cohesion funds. Both of these factors favour the development of the demand for unskilled and medium-skilled graduates.

Summing up the analysis of the employment rate in the 15–24 age group, it should be stated that in 2007–2016 (Table 1), the greatest improvement in the situation in this respect was in Hungary (7 p.p.). An increase of 5.4 p.p. was recorded in Lithuania, in Estonia 3.4 p.p., in Iceland 3.3 p.p. and in Poland 2.6 p.p. The situation of graduates deteriorated to the greatest extent in Spain during the period under consideration – by 20.8 p.p., followed by Ireland (18.9 p.p.), Cyprus (11.3 p.p.) and Greece (11 p.p.) (Lewiński, 2014, s.1).

When analysing employment rates in general as a background for the situation of young people, it should be noted that in the examined group of EU and EFTA countries, people with higher education (5–8) most often found employment (84%). The lower, average employment rate in this group (also parallel to the situation of young people) was recorded among

⁵ Ibid.

people with secondary education (3–4) at – 73.5%, and the lowest for the least-educated (0–2) – 52.9%.⁶

Table 1

**Ranking of countries in terms of the employment rate dynamics
in the 15–24 age group in the EU and EFTA in 2007–2016**

		2007 (%)	2008 (%)	2012 (%)	2013 (%)	2016 (%)	Dynamics in 2007–2016 (p. p.)
The highest positions in the ranking							
1	Hungary	21.1	20.2	18.4	20.1	28.1	7.0
2	Lithuania	24.8	26.0	21.5	24.6	30.2	5.4
3	Estonia	34.1	35.9	32.3	32.4	37.5	3.4
4	Iceland	74.3	71.7	65.4	69.7	77.6	3.3
5	Poland	25.8	27.3	24.7	24.2	28.4	2.6
6	Luxembourg	22.5	23.8	21.7	21.9	24.9	2.4
The lowest positions in the ranking							
27	Portugal	34.4	34.1	23.0	21.7	23.9	–10.5
28	Greece	24.0	23.5	13.0	11.8	13.0	–11.0
29	Cyprus	37.4	38.0	28.1	23.5	26.1	–11.3
30	Ireland	51.0	46.2	28.2	29.0	32.1	–18.9
31	Spain	39.2	36.0	18.4	16.8	18.4	–20.8
	European Union (28)	37.2	37.3	32.5	32.1	33.7	–3.5
	Eurozone (19)	37.5	37.3	31.6	30.9	31.2	–6.3

Source: Own study based on: <http://ec.europa.eu/eurostat/web/lfs/data/database>, 28.07.2018.

The highest employment rate among people with higher education (5–8) was recorded by Iceland and Norway, followed by Lithuania, Sweden and Switzerland. A similar employment rate for people with secondary education was found in these countries, as well as Malta. In terms of the employment rate of the least-educated people, the Nordic countries, Switzerland and Portugal yielded similar results. The final positions in the ranking are again occupied by almost the same countries that are located at the bottom end of the youth employment ranking. The last place belongs to Slovakia, and Poland is third from the bottom.⁷ This proves, among other things, that in these countries, even in positions requiring the simplest qualifications, employers are more willing to employ those

⁶ Own calculations based on: Eurostat, <http://ec.europa.eu/eurostat/web/lfs/data/database>, 31.07.2018.

⁷ Own calculations based on: Eurostat, <http://ec.europa.eu/eurostat/web/lfs/data/database>, 30.07.2018.

with at least secondary education. This results in a significant increase in the percentage of students educating themselves to secondary level. However, regardless of the results achieved by school graduates in European rankings, the level of requirements at each stage of education has deteriorated.

In Poland, although women are better educated than men, the employment rates are much lower among females than males.⁸ One of the reasons for the low level of employment among women in Poland is the lack of institutional childcare, as well as the low level of motivation to take up part-time employment due to the relatively low level of wages compared to social benefits, unlike in Western Europe. The Family 500+ programme introduced in Poland from April 2016 is a certain type of motivation. Financial support for mothers for having children results in more ability to take advantage of private childcare (babysitter) or private kindergartens, which is an effective incentive to take up employment. This is confirmed by statistical data (despite the allegations of opponents of the programme, who suggest that it disincentivises women from entering the labour market), indicating an increase in female employment since the reform was implemented. At that time, i.e. between the first quarter of 2016 (before the introduction of the reform) and the first quarter of 2017, the employment of women increased by 115,000, and the employment rate by 0.9 p.p. (Labor, 2017).

Among people with the lowest levels of education, growth in employment in 2000–2016 was the highest in Estonia, Hungary and Latvia. These results may be a dubious reason to be proud of these countries, all the more so because increases in the levels of employment among the better-educated were already significantly lower. One can also try to formulate conclusions about possible positive connotations, e.g. that economies in the growth phase should generate jobs for every category of people. Unfortunately, the end of the ranking suggests that the former conclusion is correct. The largest decrease in the employment rate among the lowest educated was recorded by Romania (–15.8 p.p.) and Iceland (–9 p.p.). Romania, however, recorded a fall in this indicator also in the medium-skilled group and a slight increase among highly educated, which does not allow the development of the Romanian labour market to be positively assessed. The Icelandic example is also a dubious counter-

⁸ In 2014, the employment rate was only 55.2% (among men – 68.2%), <http://ec.europa.eu/eurostat/web/lfs/data/database>, 25.07.2018.

argument to the top of the ranking, as Iceland experienced a very serious financial crisis in 2008, which resulted in a reduction in the employment rate among people in each educational category (to the highest degree among those with the lowest levels of education), and the impact in this case was related to the high base effect. Other countries that have experienced reductions in employment among the least-educated people are the other victims of the 2008–2009 crisis, namely Greece, Portugal and Ireland. Among the medium-educated, the most progress in the employment rate was recorded in Germany – 9.3 p.p., Bulgaria – 7.4 p.p. and Estonia – 7 p.p. The weakest were Greece, Cyprus and Ireland, which were also the most affected by the crisis. In the latest ranking, Lithuania is the leader with respect to the dynamics of the employment rate among the best educated people, with an increase of 11.1 p.p. compared to the EU average of 0.9 p.p. The top three of the ranking is completed by Latvia (6.9 p.p.) and Bulgaria (6.8 p.p.). The last places were taken by the PIIGS countries (with the exception of Spain, making them PIIG countries) and yet another specific victim of the crisis, Cyprus as well as Slovakia.⁹

The above data could suggest that education has a minor influence on the employment rate. However, looking more closely at indicators and not only places in the ranking, we can formulate different conclusions. The effects of achieving a certain level of education determine the employment rate in a very clear way. In total, taking into account the averages for the EU and EFTA countries, people with higher education record an employment rate over 31 p.p. higher than that of the least-educated people. Raising the level of education from the lowest to the average improves the employment rate by more than 20 p.p. Raising qualifications by completing higher education increases the employment rate by more than 10 additional percentage points.¹⁰

The above calculations clearly indicate that increasing the level of education decisively improves one's position on the labour market. However, in some countries, the impact of education on employment is even greater and the differences in the levels of the discussed indicators are as much as double the average for all the countries surveyed.

In the ranking of differences in employment rate due to the highest and the lowest level of education, Slovakia is the leader – 47.3 p.p., ahead of

⁹ Own calculations based on: Eurostat, <http://ec.europa.eu/eurostat/web/lfs/data/database>, 30.07.2017.

¹⁰ Own calculations based on: Eurostat, <http://ec.europa.eu/eurostat/web/lfs/data/database>, 30.07.2017.

Poland – 47 p.p., and Lithuania – 46.2 p.p. This proves that the converging economies of the former Eastern bloc countries are striving to make up the gap in terms of education level and modernisation of the economy, which results in a much more favourable situation on the labour market for the best educated people. Differences between those with higher and lower levels of education have the smallest impact on the situation on the labour markets of countries such as Iceland, Switzerland, Portugal and Greece, where the differences in employment rates due to education are respectively: 13.1 p.p., 19.4 p.p., 19.7 p.p. and 21.6 p.p.¹¹ This combination of countries may seem surprising. On the one hand, we are dealing with the highly developed, technologically modern economies of Switzerland and the dynamic economy of Iceland, and on the other with the still-serious crisis in Greece and only a slightly better economic situation in Portugal. The explanation for these results may be the very high employment rates recorded in Switzerland and Iceland, which shows that even low-skilled people are effectively accommodated in the economy, and, on the other hand, the example of Greece and Portugal shows that economies largely based on tourism and with little modern industry to a much greater extent report a demand for low-paid, low-skilled workers.

Secondary education improves one's labour market situation in Slovakia to the greatest extent (similarly to higher education), where the employment rate was higher by more than 38 p.p. compared to those with the lowest level of education in 2015 (nearly twice the average for all surveyed countries). The next positions in the ranking are occupied by the Czech Republic – 34.6 p.p., and Bulgaria – 31.1 p.p.¹² The smallest increase of qualifications, from the lowest to the medium level, improves one's situation on the labour markets of those countries in which higher education played a relatively small role.

Analysing the differences in the employment rates of people with higher and secondary-level education, it can be concluded that Poles should be the most eager to study, as the difference is over 20 p.p. and is almost twice as high as the average difference for all EU and EFTA countries. Poland is followed by Lithuania (20 p.p.), Croatia (17.9 p.p.) and Romania (15.6 p.p.). This proves that, in these countries in particular, expectations related to the modernisation of the economy and the expectations of

¹¹ Own calculations based on: Eurostat, <http://ec.europa.eu/eurostat/web/lfs/data/database>, 30.07.2017.

¹² Own calculations based on: Eurostat, <http://ec.europa.eu/eurostat/web/lfs/data/database>, 30.07.2017.

employers relating to the qualifications of employees mandate the highest possible education.¹³ The next country in this ranking is Greece (14%), which is evidence that this group of people has suffered the economic crisis the least. The smallest impact on the position on the labour market due to obtaining higher education was again found in Iceland, Portugal, Switzerland and Sweden.¹⁴

The situation of people aged 15–24 differs significantly, which also reflects a gradual change in the trend among the workforce as a whole (Table 2).

Table 2

Ranking of countries according to the employment rate of people aged 15–24, taking into account the level of education, in the EU and EFTA countries in 2016 (%)

	Country	ISCED 5–8 do 0–2	Country	ISCED 5–8 do 3–4	Country	ISCED 3–4 do 0–2
The highest positions in the ranking						
1	Lithuania	73.5	Lithuania	34.6	Sweden	44
2	Ireland	61.5	Malta	31.5	Czech Republic	42.8
3	Latvia	59.0	Greece	27.1	Slovakia	41.6
4	Hungary	58.0	Cyprus	26.7	Poland	41.2
5	Finland	55.5	Spain	25.7	Estonia	40.3
The lowest positions in the ranking						
27	Denmark	21.3	Italy	–3.6	Romania	15.8
28	Slovakia	21.0	Sweden	–4.0	Greece	11.5
29	Netherlands	20.2	Czech Republic	–8.9	Iceland	8.1
30	Italy	16.2	Croatia	–9.3	Malta	5.2
31	Iceland	13.0	Slovakia	–20.6	Spain	3.0
	European Union (28)	40.6	European Union (28)	13.9	European Union (28)	26.7
	Eurozone (19)	34.3	Eurozone (19)	11.1	Eurozone (19)	23.2

Source: Own study based on: <http://ec.europa.eu/eurostat/web/lfs/data/database>, 28.07.2018.

¹³ For example, in Poland in recent years there has been significant pauperisation of the effects of higher education and secondary education with the high school final exam (by reducing the requirements related to matching European rankings). It could also be said that comparing the participation of people with a specific level of education is not very reliable, because when education at any level (especially higher) becomes a commodity, schools (especially universities, including public ones), in order to gain a larger number of students, reduce the requirements for admission.

¹⁴ Own calculations based on: Eurostat, <http://ec.europa.eu/eurostat/web/lfs/data/database>, 30.07.2017.

The largest differences between the employment rates of people with higher education and the lowest level of qualifications in the 15–24 age group are found in Lithuania, Ireland, Latvia, Hungary and Finland. Out of this group of countries, only Lithuania was in the „top 5” overall, which recorded the largest deviation from the discussed differences listed in the 15–64 age group (30 p.p.). The countries with the next highest deviation in terms of the impact of the studied differences in education between age groups for young people are Ireland, Slovakia and Croatia. The smallest impact on the employment rate of graduates compared to the impact of qualifications on general employment in the 15–64 age group can be found in Iceland, Latvia, Luxembourg and the Netherlands.

The analysed differences in the surveyed indicators in the groups of holders of higher and secondary education suggest that it is most profitable to study for higher education qualifications in Lithuania, Malta and, surprisingly, Cyprus, Greece, Spain and Hungary. Thus, in the era of a very unfavourable situation on the labour market, obtaining higher education is of great value for the young generation of Greeks and Spaniards, as it creates a significant competitive advantage on the highly pauperised labour market.

Referring to the „profitability” of studying for young people, in relation to the impact of higher education in achieving a higher level of employment in the 15–64 age group, the young people of Malta, Cyprus, Hungary, Lithuania and Spain can gain the most.

Conclusion

Cedefop’s forecasts indicated that in the EU in 2013–2020 one should expect a 1.5% increase in the workforce (women: 1.8% and men: 1.2%). By 2020, the number of professionally active people aged 15–44 should decrease, while, in the 45+ age group, the study also foresees an increase in the number of professionally active people with a high level of qualifications (16%) on the one hand and a decrease in economically active people with low education (13%) on the other. The dynamics of professionally active people in 2020–2025 would stabilise at a similar level. The forecasts also indicated that in the coming years the number of highly qualified workers will increase (e.g. distribution sector, transport, services for enterprises, managers, technicians). On the other hand, the number of employees will be reduced, in particular those with low education in

the areas of primary production, services of general interest, agricultural production, fisheries, clerical and craft work (Cedefop, 2013).

This analysis confirmed the assumption that higher education improves one's position on the labour market, in particular for the 15–24 age group. The best opportunities on the labour market in the European Union still require a university degree. In Poland, however, after the post-crisis period, the importance of higher education has been significantly reduced, and the employment rates of graduates have clearly dropped and approached the levels recorded among people with secondary education qualifications only. Interestingly, in the 15–64 age group, it is in Poland that the holders of higher education achieve the highest rates of employment in relation to people with secondary-level qualifications. Similarly, significant benefits of higher education are enjoyed by Lithuanians, Croatians and Romanians. Taking into account young people, Lithuanians and Maltese gain the most on the labour market from having higher education. The most is „lost” (in terms of lower employment rates) by Slovaks, Croatians and Czechs. When compared to the lowest and secondary education, higher education is the most profitable for the young Swedes, Czechs, Slovaks and Poles.

In conclusion, the above analysis has positively verified the research hypothesis formulated in the introduction and states that, despite dynamic changes in the structure of labour demand in Europe, raising one's level of education still leads to an improvement of one's situation on the labour market in most cases.

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Community Houses as an Example of Social Innovation in Europe

The idea and genesis of community centres (community houses)

Historically, the first community houses (community centres, settlement houses) were set up in London in the mid-19th century. The increase in the number of inhabitants of large industrialised cities, resulting from migrations from the countryside, had an impact on poverty and the stratification of society. Samuel and Henrietta Barnett were precursors of the social movement and organisers of help in one of the poorest (and most deprived) districts of London. Working with the residents, they organised help for them, setting up evening schools and providing cultural events and other such activities. Samuel Barnett was also a researcher in the field of poverty, and the process and conclusions of his study became the basis for a series of lectures delivered at UK universities, which caused changes in social thinking about ways to combat poverty. As a result of cooperation with the scientific community, specifically with university lecturer Arnold Toynbee, Barnett's ideas gained significant support and wider involvement in the activities he organised. One idea that was propagated was to settle students in deprived areas so that they would live and cooperate with the local population. This gave rise to community centres providing services in the field of education, culture, sport and others. Examples of the oldest centres/houses in the United Kingdom date back to 1884, the oldest of which is Toynbee Hall, which worked to reduce the differences between polarised parts of society. The idea of this kind of centre gained traction in the United States over time, where it was applied in practice, *inter alia*, by Stanton Coit, who, after a few month's stay at Toynbee Hall and being inspired by the idea, founded a similar institution, known as the University Settlement House, in New York in 1886. In turn, in 1889, Jane Adams founded Hull House in Chicago, where, like

in New York, a comprehensive approach to improving living conditions in the neighbourhood was carried out on the basis of the conviction that social change was made by local leaders and organisations. Over time, these ideas and practices have spread across Europe and the United States on a wider scale.

The movement associated with the development of community centres led to the development of many initiatives in social policy and innovative ways of working to improve the conditions of the most excluded members of society. In the history of social work, this movement represents the idea of social justice, in contrast to the tradition of charity. Contemporary community centres do not continue the tradition of settling in them. However, like their predecessors, they continue to focus on building social capital on the basis of trust, reciprocity and respect. Contemporary houses strive to build a fellowship of neighbours and a wider community that transcends cultural, economic and social boundaries. These are places that involve residents in activities aimed at improving the situation of their community.

The essence of operations of contemporary local centres in Poland

A low level of social trust results in low social and political involvement of city residents. Therefore, supporting the creation of civil society and increasing social capital have become a priority for many local governments. The aim is, by creating conditions for the development of civic activity, self-organisation, implementation of social innovations, shared responsibility and social solidarity, to increase the role of residents, organisations and other entities in the creation of urban policies, as well as to expand the role of volunteering as a social activity. Being an active citizen means being interested in the life of your own municipality and your own district. One example of such social innovations are community houses, which are places of activity and mutual help for the local community. They use both external resources and those of the local community, and give residents an opportunity to participate in a variety of activities. The idea of community houses is a form of open space in which all age groups integrate – families, seniors and children, participating in many activities that take the form of intergenerational social, cultural and artistic initiatives. Community houses play an important role in particular

because they engage the local community directly in solving problems, supporting but not replacing residents in meeting their needs. The activities carried out within their framework contribute significantly to intergenerational integration and social activation. On the basis of specific examples of the functioning of community houses, it can be stated that an increase in this activity is a long-term process that requires work, but it brings positive results.

The idea of community houses has an innovative character in Poland, because, until recently, there were no model solutions indicating how to create and develop places that stimulate activity and integrate the local community. Work on the development of local communities is a long-term process, while many forms of activation of local communities are characterised by one-off actions, which is a barrier to building social capital. In this respect, community houses are places that stimulate and strengthen activity in the long term, and integrate the local community progressively, not only on one occasion.

In Poland, a community house was developed and implemented for the first time at the local level in Gdańsk in 2010. Since then, such places have been set up in several other cities in Poland, although sometimes other names have been used to describe them. Currently, they are also in operation in Sopot, Gdynia, Elbląg and Warsaw. Sopot community houses are a social programme financed from the city budget, which since 2015 have offered a wide range of classes, meetings and workshops for various age groups. The aim of community houses is to create meeting places and mutual inspirations for city residents and to contribute to intergenerational integration and social activation. Although the programme of classes was initially based on public consultations, ultimately the residents themselves decide what goes on there (Kozłowska, 2015). This is one of the oldest, in demographic terms, community houses in Poland, that has also become one of the components of the *Strategic Programme for Seniors until 2020* (<http://www.rynekseniora.pl>). Currently, in Sopot, five community houses are in operation, and many different types of meetings take place, according to the class schedule (www.miasto.sopot.pl). It turns out that they play a significant role in strengthening the local community, and the initiatives implemented in them are a response to many residents' needs (different needs depending on the specificity of the district). In the first quarter of 2019, the sixth branch of the community house will open its doors (<https://radiogdansk.pl>). In nearby Gdynia, as part of the revi-

talisation programme, there is a plan to create three community houses in the districts of Chylonia, Witomino and Oksywie (where the building of the former school of handicrafts and trade has been rebuilt for the needs of the facility). Their objective will be to integrate the local community and offer activities for each group of people. There will be rooms for games, gymnastics, conferences and open meeting places. Everyone will be able to create something with their neighbours for the benefit of themselves and other inhabitants of the district (Szczერba, 2017; Dzierżak 2017).

An open place can be also a tool for pursuing one of the objectives of social policy, namely the inclusion into society of people from environments threatened with exclusion, as is implemented in Elbląg (as part of the continuation of the *Active Zawodzie* project). The leader of the project (implemented since 2016 with a time horizon until 2020) is the Elbląg Association for Supporting Non-Governmental Initiatives and the Social Cooperative *Idea* in cooperation with the Municipal Social Welfare Centre and the Elbląg Centre for Mediation and Social Activation (funds come from the European Union Social Fund) (Łebek-Obrycka, 2016, pp. 13–15; Malicki, 2018).

In the Warsaw Social Communication Centre, whose employees have developed the idea of open places and within a few years created a network of Local Activity Places (LAP), being in the network gives them an opportunity to receive support from the City Hall (they are financed or co-financed by the Warsaw City Hall), e.g. through various types of training, and it also involves some kind of standardisation regarding the coherence of the philosophy of action, although not the appearance or details of the undertaken actions. Community houses are specific LAPs, public places where residents themselves can be hosts or co-hosts (with the employees of the institution/organisation running the community house). Out of seventy LAPs operating in Warsaw, only seventeen have the status of community house (Borkowska, Majer, 2018, p. 12). In the community house, residents can learn new things from one another (neighbourly workshops and training, organising meetings) or just spend time together. The community house is not only a place, but also a community of people connected with this place and engaging in its activities (e.g. through neighbourly mutual help). The community associated with such a house should also go outside in order to bring its activities to local residents of the area (Dutkiewicz, 2018).

The model and implementation of community houses in Gdańsk

As mentioned above, the model of Polish community houses was established in Gdańsk as an initiative of the coalition of the Gdańsk City Hall and non-governmental organisations acting for the benefit of local communities. In April 2009, the Gdańsk Network of Local Partnerships was created as a platform for cooperation and exchange of experiences, with the intention of reviving social activity in the area of districts and building local identity and civil dialogue mechanisms. The establishment of the community house was developed by a partner group consisting of representatives of Gdańsk non-governmental organisations, the City Hall in Gdańsk, business, the Ashton Community Trust from Belfast, and the Discover Children Centre from London. Among the most important aspects of the community house model were: a place open to diversity of people and activities; a place created by the community for the purpose of long-term strengthening of its activity and identity; a philosophy of action common to all community houses, but preserving the individual character of each of them; provision of services in response to identified needs (a mission preceded by analysis of the environment involving direct research, social fora, and data analysis) (*Model Domu Sąsiedzkiego*, 2011, pp. 15–18). It was also assumed that the involvement of various groups in the activities of the community house was important. The establishment of a community house depends on the potential of a given community, as well as on the level of awareness of community action. In general, it is an entity operating in the local environment: a non-governmental organisation or an organisational unit of local government (e.g. a cultural centre, a library) that sets up a community house. It uses its own resources and external resources as well as those of the local community. In practice, community houses in Gdańsk are most often run by non-governmental organisations knowledgeable about their environment as part of their activities. They carry out this function on the basis of an open tender for the implementation of public tasks set out in the programme of cooperation with the city for each year (Zarządzenie nr 1913/18 Prezydenta Miasta Gdańska). The necessary components are: the potential of the local community (cultural and historical heritage, common interests), human resources (residents, leaders, social animators, volunteers), material resources (a building/premises – space for residents' activity), involvement of various groups (a community house should not focus its activities on a selected group).

Gościnna Przystań in Gdańsk (in the district of Orunia) was the first community house set up in Poland – within the framework of the organisational structure of the Gdańsk Foundation for Social Innovation. Relying on ten years of work experience in the district, in partnership with the Association of Local Initiatives Orunia (operating since 1999), the Gdańsk Foundation prepared a programme and launched this facility in a building requiring major renovation (lent by the Salesian Society). The Foundation obtained funds for the renovation and annual operation of the community house from the Velux Foundations grant and the City Hall of Gdańsk (funds for the recreational space around the building and the annual remuneration of the house manager) (<http://www.mojaorunia.pl>). Moreover, a social animator, two educators, a custodian of an internet café, a cleaner, activity organisers and a group of fifteen volunteers were recruited. Local residents were involved in the creation of programmes for the community house. It should be added that this district of the city, currently inhabited by several thousand inhabitants (<https://bip.gdansk.pl>), was until recently a deprived area of the agglomeration with many social problems, and residents were characterised by a low level of activity. The district was revitalised some time ago, which was accompanied by the revival and involvement of the community. The positive qualities of the Orunia district are its heritage and the strong identity of the inhabitants, as well as interesting recreational places (Orunia Park, Radunia River Channel) and institutional resources (schools, kindergartens, churches). Currently, in the two-story building of the community house there are three utility rooms, a computer room, offices, and an elevator (no architectural barriers). The facility is open from Monday to Friday (from 8:00 to 20:00), and during special activities in the evenings and at weekends. Activities held there include: regular computer classes for children and seniors, modelling and dance classes for children, rehearsals of a music band, thematic meetings and dance classes for seniors. Additionally, there is a newspaper reading area. It hosts an office of the district council and aldermen have office hours there. As well as these regular activities, meetings are organised in cooperation with the Municipal Office on the revitalisation of the district and helping the local community in the construction of playgrounds and organisation of festivals and events, thanks to which the public space and the involvement of residents (public and civic participation) change positively.

The good practice of operation of *Gościnna Przystań* and the model proven therein encouraged both NGOs and the Gdańsk City Hall to broaden their involvement in the process of establishing community houses in Gdańsk as a significant element of supporting the development of local communities (the other cities mentioned above have followed this example). The strategic goals in the social areas in Gdańsk are increasing the role of residents, organisations, institutions and other entities in the creation of urban policy, as well as the expansion of the role of volunteering as a social activity. In the strategic plan for the city (*Gdańsk 2030 Plus*), the most important development challenges to which the Operational Programme of Social Integration and Civic Activity (*Gdańsk programy*, 2015, pp. 88, 93–101) is to respond are: increasing social cohesion and support for people excluded and at risk of exclusion; an increase in residents' involvement in the city's affairs and in the level of identification with it; improving health and raising the level of physical activity. One of the aspects of operational objective III (1.2.) is the development and maintenance of a network of district, family and neighbourhood initiatives and activities. According to the *Programme of Cooperation of the City of Gdańsk and Non-governmental Organisations*, significant resources (almost 1/3) are stipulated to support the development of local communities, and more than half of the funds allotted to supporting the development of local communities were allocated (in 2019: PLN 500,000) for the integration of communities in the districts of the city – in particular, the operation of local centres, including community houses and clubs (Załącznik do Zarządzenia 1913/18, p. 13).

At the same time, over several years and in the course of further work, Gdańsk refined detailed standards for the operation of community houses working for the local community – individually determined on the basis of its needs and potential, creating accessible and citizen-friendly places, using available tools in order to animate neighbourly co-operation and activate local leaders. The centres are used by all residents or groups of various ages, interests, life situations, and degrees of social exclusion. In 2018, there were twenty-three such facilities in Gdańsk in three organisational models (<https://www.gdansk.pl/urzad-miejski/wydzial-rozwoju-spolecznego>). There are the following types of local centres: a community club, a community house operating on the basis of a one-year contract, and a community house operating on the basis of a three-year contract (criteria for individual forms of local centres are characterised in Table 1).

Table 1

Organisational standards of individual types of local centres in Gdańsk

Criterion	Community Club	Community House (1 year contract)	Community House (3 year contract)
1	2	3	4
Infrastructure	1 room	2 rooms, toilets, ancillary area	2 rooms, toilets, ancillary area
accessibility	limited time	long access hours	long access hours
territorial range	justification for the range	justification for the range, such as residents' limited access to such services, unfavourable population structure, social exclusion, etc.	justification for the range, such as residents' limited access to such services, unfavourable population structure, social exclusion, etc.
The operator's experience in local activities	experience in specific social activities, it does not have to be broad or long	experience (varied) in specific and regular social activities, to various groups of recipients, it does not have to be long	experience (varied) in specific and regular social activities, to various groups of recipients, long (min. 3 years)
Analysis of the community situation	knowledge about the community, indicated partner entities	knowledge about residents, knowledge about partners and the concept of cooperation, the analysis shows rooting in the community, the potential to reach different groups of residents	knowledge about residents, knowledge about partners and the concept of cooperation, the analysis shows very good rooting in the community, long experience (at least 3 years) in reaching different groups of residents
Competences of the team	experience in activating and organising the local community, sufficient managerial competence to account for club operation and grant settlement	experience in activating and organising the local community, as part of the team consisting of a manager and an animator of the local community, experience in raising and managing funds	experience in activating and organising the local community, as part of the team consisting of a manager and an animator of the local community, experience in raising and managing funds
Operation concept	regular activities for the recipients min. one target group of recipients, various methods of work	daily activities (accessibility minimum 35h/week, 5 days a week including Saturdays), range of activities based on previous experience, min. 3 groups of recipients	daily activities (accessibility minimum 35h/week, 5 days a week including Saturdays), range of activities based on previous experience, min. 3 groups of recipients, various methods of work, specialist activities, e.g. social assist-

1	2	3	4
Information activities	defining the method of informing the local community about the undertaken activity	defining the method of informing the local community about the undertaken activity, various methods of communication, monitoring, flexibility in responding to current ideas	ance, law, education, etc., plans and forms of the annual evaluation defining the method of informing the local community about the undertaken activity, various methods of communication, monitoring, flexibility in responding to current ideas
Management method, including evaluation of activities	consistent description adapted to the scope of community club management	consistent description adapted to the scope of community house management, including the issue of looking for additional resources for the organisation and its activities	consistent description adapted to the scope of community house management, containing the issue of looking for additional resources for the organisation and its activities, with the attached budget/cost estimate for carrying out the task for a period of 3 years

Source: Prepared on the basis of Annex 3 to Regulation No. 1913/18 of the Mayor of the City of Gdańsk of 21.11.2018.

Research results from local centres in Gdańsk

The aim of the research conducted in Gdańsk was first of all to analyse the activities of community houses (local centres) and their principles of operation in practice. Efforts were made to identify the mechanisms and tools used in building the neighbourhood community. The demonstration of similarities and differences in the operation of facilities with slightly different organisational standards (in relation to the assumptions of the City Hall – Table 1) but the same philosophy of operation was another issue. The empirical research was conducted from 3rd December 2018 until 25th January 2019 and covered two entities in Gdańsk (a Community House *Biskupia Górka* and a Community Club – *Świetlica Krytyki Politycznej* in the Tri-City area). In terms of methodology, the research was inspired by a study carried out in Warsaw (Szostakowska, Leszczyńska, 2016), in which the case study approach was also used, which allows us to look at every community house as a separate case operating in its own territorial, social and demographic context. As indicated in the introduction, for the purposes of the research, an analysis of strategic and reporting documents for Gdańsk was carried out, study visits were made to the selected institutions and interviews with their coordinators were conducted (as the basis for empirical research). The collected data made it possible to compare the two facilities in several key areas in a wider systemic context (the conclusions from the study visits are presented systematically in Table 2).

The Community House in Biskupia St. is run by the WAGA Association on the basis of a three-year contract with the City Hall (2017–2019), while the Community Club *Świetlica Krytyki Politycznej* in the Tri-City area is run by the Stanisław Brzozowski Association on the basis of a one-year contract. The facilities that were selected for the research are located in the city centre and have been in operation for a similar period of time. Both have their headquarters in old buildings in the very centre; their accessibility is therefore a great asset – they can be reached using public transport (buses, trams, city rail). In the Community House in Biskupia St. there are two rooms available for the activities, as well as a kitchenette, a toilet and two storage rooms (it should be noted that on the first floor, after the currently ongoing refurbishment, an identical layout of rooms will be made available in 2019 to a nursing home, which will enable wider specialist

activities in the field of social assistance). In the Community Club *Krytyka* (since a recent refurbishment) there are two rooms (one of them large), a library and a bookshop, an administrative room, a toilet and a storage room. In both cases, the premises facilitates the undertaking of many types of activities, and, in addition, the community house also has a yard where outdoor parties and events take place in the summer. Both in the case of the Community Club and the Community House, no classic analysis of the environment was carried out at the beginning of their operation, but the associations running the facilities prepared proposals which they used to build a programme for the local community. A necessary condition for applying to carry out a public task (and participation in a tender for co-financing by the Gdańsk City Hall) of running a community house or club is that the applicant has to make their own contribution. In this respect, in both analysed cases, non-governmental organisations (entities applying for a subsidy for running a local centre), indicated, *inter alia*, accessories such as projectors, printers, computers, and payment for the premises as their own contribution. The annual needs of the Community House in Biskupia St., since 2017 operating on a three-year contract with the City Hall, are estimated to be around PLN 70,000. In turn, the Community Club *Krytyka*, the activity of which is less complex, has to take part in a tender for the implementation of the public activities every year in order to continue its mission (for example, in 2018 a subsidy of PLN 30,000 was granted, and in 2019 – PLN 35,000). Neither of these facilities hires employees on the basis of an employment contract, they sign a contract of mandate (Pl.: *umowa zlecenia*). Moreover, volunteers (permanently or occasionally) are involved in the work, which in fact fits into the assumptions of the model approach. The Community House in Biskupia St. also employs one animator (who is also involved in another project implemented by the operating NGO). Both in the case of the Community Club and the Community House, residents can choose from a wide catalogue of activities that they can participate in at will. Starting from culture (exhibitions, lectures, literary evenings), through handicrafts, sports (yoga, Nordic walking, table tennis), to personal development (mind training, memory training, psychological workshops and others). In addition, in the Community House theatre, workshops and rehearsals take place (run by a director and playwright), during which the participants learn acting and put on shows for an audience from time to time. In turn, in the Community

Club *Świetlica Krytyki Politycznej*, alongside the classical schedule of classes, there are also screenings of political cinema, thematic discussions, rehearsals of the choir *TAK* and occasional meetings. This results largely from the character of this place, which was supposed to become a kind of “intellectual trap” (i.e. “whoever comes here will bound to this place”), addressed to people interested in books, meetings with authors, discussions on socio-political issues, meetings of a philosophical and political nature, screenings of political cinema, social activities and the promotion of women’s activity. According to the Club’s coordinator, the majority of the participants in terms of gender are women (about 80%) and most are seniors (from Circle 11 of the Polish Pensioners and Invalids Association), who meet once a week at a bingo club (run by a social animator) while drinking coffee and tea, as well as at physical activity classes. In this regard, the Community House in Biskupia St. is characterised by more intergenerational attendees, because seniors constitute about 2/3 of participants (the Senior Club *Senioryci* has its headquarters there), and 1/3 are adults and children. We should also pay attention to the way the community house/club carries out its tasks and stress the role that the participants play in this process. It should be emphasised that, both in the case of the analysed house and club, at the beginning the NGOs that run them came up with the proposals on the basis of which they built the programme, and only after some time did the participants complete evaluation questionnaires (or were questioned in direct conversations) and start to have an impact on the creation of the programme according to their needs. Therefore, it can be stated that they are currently both recipients and authors of the programmes of activities implemented in them – in line with the assumptions of the model.

If community houses are to play the role of places of long-term stimulation and strengthening of the activity and integration of the local community, then it is important what they do in practice. It should be noted that, while the Community House in Biskupia St. has a (more) local character and that mainly people from the district meet there (but also about 30% from other parts of the city come to selected classes), in the Community Club the opposite is true. Therefore, it is a meeting place primarily for people from other parts of the city, which constitute about 60% of participants. This probably results from the immediate vicinity of the club, where many institutions are located (courts, a municipal office, hospitals, a museum) and where the local community is not very well

developed, and also from the fact that the majority of club members share a common idea focused on promoting activity and activating women, and intellectual interests focused on personal and intellectual development (as well as social activity).

One of the requirements of the standard for community houses in Gdańsk is that they should be accessible to those interested for at least 35 hours a week, including Saturdays. In this regard, the operation of the Community House in Biskupia St. is consistent with this organisational chart – the facility is open from Monday to Friday (from 10:00 to 19:00, and on Tuesdays and Thursdays to 20:00), when various activities take place, including German lessons, IT consultations, yoga (for seniors), theatre workshops, and artistic workshops for children. During these hours, the reading room and the library are also open, the activity of which is coordinated by a volunteer. Additionally, on Saturdays, there are regular yoga classes (for everyone), table tennis and special events which take place from time to time. In turn, in the Community Club, in accordance with the assumptions of the standard, only the regularity of classes for the attendees is a requirement (thus the minimum number of hours and days is not specified). In practice, the Community Club is open every weekday for four hours from Monday to Friday (13:00–17:00), and classes and meetings must take place regularly (included in the plan one month in advance) – sometimes it is open until as late as 20:00. While conducting the research, questions were also asked about ways of promoting the activities of both institutions and very similar answers were obtained in this regard. In order to inform the community about their activities, both the Community House and the Community Club use announcements in the windows of their headquarters (weekly/monthly schedule), posters, and leaflets (usually in connection with specific actions), Facebook (fan page), and text messages – notifications/reminders about meetings (most frequently in the case of special events). Among the ways of attracting new attendees, one commonality is that in both cases word-of-mouth is the most effective, when the participants themselves personally recommend (legitimise) activities to other people. In the case of people regularly attending classes (both the Community House and Club), there is a sense of attachment. It can be stated that, while in both cases there is a certain group of regular attendees who meet, use and help in the organisation of various projects, attracting new people proceeds very slowly and with difficulty.

Table 2
Comparison of the operation of the Community House and the Community Club in Gdańsk

Area	Community House in Biskupia Górka (3 year contract)	Community Club – <i>Świetlica Krytyki Politycznej</i> in Tri-City
1	2	3
Operator	WAGA Association	Association of Stanisław Brzozowski
Space and functions of rooms	an old building in the city centre, very good transport links, 2 rooms, a toilet, an office, 2 storage rooms, shared space, a yard – an open area with a view (outdoor parties and events) many activities possible, after the refurbishment on the first floor an identical layout of rooms will be available for the needs of a daily nursing home	an old building in the city centre (near a municipal office, courts, a park), very good transport links, 2 rooms, an office, a library and a bookshop, shared space, a toilet, a storage room, many activities possible
Analysis	no classical analysis was made, presentation of proposals on the basis of which the programme was built	no classical analysis was made, preparation of proposals on the basis of which the programme was built
Source of financing required own contribution	Gdańsk City Hall (2017, 2018, 2019) own contribution: accessories (including a projector, computers, printers), payment for the premises	Gdańsk City Hall (2016, 2017, 2019) own contribution: accessories (including a projector, computers, printers), payment for the premises
Annual cost	Gdańsk City Hall (Social Development Department) full service (needs) approx. PLN 70,000 annually	Gdańsk City Hall (Social Development Department) 2018 – subsidy PLN 30,000 2019 – subsidy PLN 35,000
Employees	an animator (from another project), volunteers (8 constantly cooperating) conducting classes on an ongoing basis (contracts of mandate)	conducting classes on an ongoing basis (contracts of mandate) volunteers (in the case of special events) involvement of volunteers
Role of residents in shaping the programme	residents filled questionnaires investigating their demands thereby becoming both the recipients and authors of the programme	at the beginning, the association prepared the programme, in the long-term the participants themselves build the programme according to their needs (ongoing testing of the programme) recipients/authors
Main groups of recipients	2/3 seniors 1/3 adults and children	with regard to gender, 80% are women (the idea of promoting women's activity), and most are seniors (an organised group: bingo classes and physical activity once a week)

1	2	3
Methods of promotion	posters, leaflets, Facebook (fan page), text messages, word-of-mouth	posters, leaflets, Facebook (fan page), text messages, word-of-mouth, a person responsible for communication (for the whole association)
Programme – types of classes and activities	culture (exhibitions, lectures, literary evenings, theatre workshops, etc.), arts (handicraft), sport (yoga, dance, table tennis), personal development (mind training, German language, IT tips) artistic workshops for children	culture (exhibitions, lectures, thematic discussions, political cinema screenings, promotion of reading, etc.), arts (including making banners for demonstrations, workshops), sport (yoga, Nordic walking), personal development (psychological workshops, memory training)
Locality (people from the neighbourhood or other places)	mainly people from the district, about 30% also from other parts of the city	mainly people from other parts of the city (about 60%), the neighbourhood of institutions (courts, a municipal office, hospitals, a museum), lack of a well-developed local community
Reporting	reports on activities every six months to the Social Development Department of the City of Gdańsk	reports once a year to the Social Development Department of the City of Gdańsk
Opening hours	Monday-Friday 10:00–19:00 (Tuesdays and Thursdays to 20:00) also the library and the reading room (coordination – volunteering). Saturdays: (10:00–14:00) yoga, table tennis and special events	Monday–Friday 13:00–17:00 and during meetings usually 11:00–20:00 (special events)
Planning of work	cyclical classes, monthly class schedule	cyclical classes, monthly class schedule
Adaptation to the needs of disabled people	ground floor, entrance from the street (90% adapted)	second floor; narrow corridor and stairs architectural barriers (unadapted)
Sense of bond	participants very bonded willing to cooperate and organise (especially seniors)	attachment of regular attendees

Own study: based on study visits and interviews with coordinators of facilities in Gdańsk (Anna Butrym, Community House in Biskupia Górka, Elżbieta Rutkowska, Community Club – *Świetlica Krytyki Politycznej* in Tri-City).

In order to establish the identifiability (recognisability) and reception of the Community House/Club, a street survey (20 people in total) was carried out in their respective immediate vicinity (this was carried out on 6–7 December 2018 around Biskupia Street and on 13–14 December 2018 – around Nowe Ogrody in Gdańsk). In the area of the Community House in Biskupia St., three people knew nothing about it and seven people had positive associations with the activities of the association running the Community House (each of them had had contact with these activities, but only three of the individuals interviewed had attended systematic classes organised at its headquarters – two elderly and one middle-aged). Four other people who knew about the activities of the association participated in local events organised by the association (including the picnic of Biskupia St., Gdańsk Days of Neighbours) but never took part in regular classes. Among the answers to the question about the reasons for not taking up the offer of classes they said: “I do not have time for this,” “I work professionally,” “family responsibilities do not allow me,” “my husband would not like it.” Generally, however, the recognisability of the Community House (and especially of the non-governmental organisation running it) is significant. In turn, in the area of the Community Club *Świetlica Krytyki Politycznej* in Gdańsk, ten people were asked and none of them had heard about its activity, while one person identified the title “Krytyka Polityczna” (*Krytyka Polityczna* is a leftist journal published by the Association of Stanisław Brzozowski), but knew nothing about the activities of the Community Club. On one hand, one could recommend further dissemination of the Club’s activity in this situation, but on the other it should be emphasised that it has its regular attendees. They systematically take part in various undertakings, screenings of political cinema and discussions, are focused around a certain idea and it can be said that they have fallen into a kind of “intellectual trap” intentionally set for them in accordance with the idea of the creation of the Club. Therefore, it conducts activities addressed to more sophisticated recipients, who mostly come from further parts of the city, not from the area in which the Club operates (a very good location in the city centre and a developed transport network are conducive to this).

Both NGOs and local governments in large cities notice that many residents can actively participate in the local community and want to do so. Community houses established in Poland create such an opportunity (especially in Gdańsk), which both involve residents in the integration process and connect generations, and help in the fight against social ex-

clusion. They offer the participants, free of charge (regardless of their material status), classes with a broad subject profile (lectures, workshops, advice of specialists in various fields, sports, arts, crafts and others), where practically everyone can find something interesting, but also influence the programme content (sharing their experience, interests, hobbies, etc.). Therefore, both the needs and the creativity of the participants are important in community houses. It is worth emphasising the desirable intergenerational character of community houses. Although they sometimes have activities addressed to specific groups, in general they apply the intergenerational principle and classes are directed to both younger and older people, who, thanks to this, have an opportunity to share their experiences and feelings. It is important that they fulfil the function of a place where something is “always” going on and the participants have an influence on the class schedule. In addition to educational and intellectual values, visits to community houses are conducive to integration and spending time actively, and are an opportunity to get to know people “from the surrounding or distant neighbourhood.

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Improving the Efficiency and Competitiveness of Organisations in a Post-crisis Environment – the ISO 9001: 2015 Model

Introduction

With 193 UN member states' assumption of the 2030 Sustainable Development Goals, in which one of the basic requirements is a thriving economy, implementing standards in organisations around the world has become very useful and beneficial. The term "quality" itself appears in the global objectives several times, i.e. in quality of life, quality of education and quality of work. The term ISO, which in Greek means "equal," seeks to equalise opportunities for all organisations, with a view to streamlining not only technical standards, but also standards for processes taking place within organisations. By 2017, over 1.2 million organisations worldwide had implemented one of the most widespread standards, ISO 9001: 2015. Poland has implemented this standard in over 12,000 institutions. The aim of the article is to analyse the implications of ISO 9001: 2015 certification in organisations in terms of standardising business language around the world. The subject of the research is related to the specifics of standardisation in connection with the changing political and economic situation of countries. Referring to the goals set by the UN member states in the Sustainable Development Goals, standardisation should be a driver of better efficiency for the organisation of individual states, rather than hindering it. The main hypothesis is that the implementation of ISO standards will continue to be popular, but some large powers, such as Russia, may strive to move away from its requirements, creating entirely new quality standards based on their state requirements, without taking into account the requirements of the international economy. Other large countries, such as China, adhere to the requirements of world markets and implement standards for the needs of the international economy, but only in the area of services and the production of goods, without yielding to social standards.

The achievement of the research goals and the verification of the hypothesis was supported by research methods allowing for a better analysis of the issues being addressed. The genetic method was used to find causal connections in political and economic history, and trace the issue from a historical perspective. The institutional and legal method was used to depict and characterise the legal bases that set the standardisation framework around the world.

History of the creation of standardising organisations

The development of the industrial economy in the 19th century sparked the formation of organisations that manage production standards. What was the role of these organisations? It consisted of the unification of product parameters between manufacturers, with a view to ensuring the usability, compatibility and interchangeability of these products. In connection with the booming development of the electro-technics industry, it was established at the beginning of the 20th century, precisely in 1901, by the Standardisation Committee of Technology in the UK. It was the first to standardise various aspects of technological products, creating technical norms. This led to the creation of new federations in other countries, which standardised parts of products, creating production standards to participate in a joint global economy, e.g. the German Standardisation Organisation in 1917, and the Normalisation Committee in the United States and the British Standardisation Organisation (transformed from the Normalisation Committee for Technology) in 1918. In 1924, the Polish Standardisation Organisation was established at the Ministry of Industry and Trade, which under this name has survived to the present day. In connection with the formation of national standardisation organisations, it was decided to create one organisation associating all standardisation committees around the world. In 1926, the International Federation of Standardisation Committees was formed in Switzerland, which fulfilled this function until the outbreak of World War II, and, two years after the end of the war (1947), it changed its name to the International Organisation for Standardisation (ISO), which brings together 164 countries from around the world. The abbreviation of this organisation (ISO) has become the prefix of all international ISO standards, such as ISO 9001: 2015, ISO 37001 or ISO 14001: 2015.

The concept of standardisation

Based on the PN-EN 45020: 2009 standard, Normalisation and related fields, a general definition of standardisation was developed, as the activity of obtaining the optimal (in given circumstances) degree of order in a given area, by setting provisions intended for common and repeated use in relation to existing and possible problems. The goals of standardisation are mainly related to the improvement of functionality, i.e. the ability of the product, process or service to meet specific requirements under given conditions. Standardisation is aimed at increasing the safety of people and material assets, and the protection of life, health and the environment (Kobylińska, 2014, p. 12). It is also intended to protect consumers' interests, increase economic efficiency and make trade easier, e.g. by removing technical barriers on the European and international market, and facilitating communication by the standardisation of terminology and markings.

To understand the meaning and concept of standardisation, it is enough to give the simple example of an A4 sheet, which is standardised all over the world. It is thanks to the ISO (International Organisation for Standardisation) standard that the size of the sheet of paper has the same meaning everywhere. It is no different with the use of currency naming around the world. The ISO standard unified currency names according to one standard which is binding in all countries, e.g. PLN, EUR, GBP, and CHF. Thus, in almost every place in the world, giving the currency symbol will mean exactly the same. Such norms refer to technical standards (describing the technical parameters that should be met by a product or service). ISO also consists of standardising not only technical standards, but also selected processes in organisations. The ISO 9001: 2015 standard is one of them.

Standardisation of business language around the world

ISO 9001: 2015 aims to standardise the language of business, regulating at the same time the principles of the organisation to ensure the quality of services/products, thus the processes of product and service creation will be characterised by the highest quality and will have the same values in each country. Managing a modern organisation should meet several criteria: providing services and goods at the highest level, building a motivational system, skilfully managing risk and development opportunities, and skilfully implementing a process approach based on

the Deming cycle principle: Plan-Do-Check-(Study)-Act.¹ Organisations around the world strive for the standardisation of management, taking into account the changing business conditions, economy and requirements of the modern market (Szrednicki, 2000 p. 68).

The changing economic and political conditions of countries cause the institutions to cease to implement systems according to ISO standards (the principle of voluntary use operates, according to which the obligation to apply the norm cannot be imposed, apart from in special cases and under another law). Based on the example of several countries, not only in Europe but across the world (Table 1), we can see how the changing conditions have affected the certification of systems in organisations over the past years. Unlike other standards, interest in the ISO 9001: 2015 standard has suffered the largest drop (–4%).

Table 1

Difference of issued certificates in 2016/2017

Africa	–2.168
Central America	–6.553
North America	–6.034
Europe	–6.193
East Asia	33.297
Central and South Asia	–1.483
Middle East	–2.526
Total: –47,433	

Based on ISO Survey <https://www.iso.org>.

Compared to recent years, the number of organisations certified in compliance with the ISO 9001: 2015 standard has decreased, and the reasons for this vary. The most common are deciding against re-certification due to the implementation of the new edition of the standard (earlier ISO 9001: 2008) and the requirement to prepare and implement quality management – again – according to the new edition. Another factor is related to the exhaustion of EU funds for co-financing 50% of the cost of obtaining certificates. The last issue that contributed to the decline in certification involves the unstable political situation in many countries, which leads to economic crises. This connection can be observed in the example of two countries: Belarus and Russia (Table 2).

¹ Deming's cycle is based on a process approach of continuous improvement/perfection.

Table 2

**Number of certificates issued for compliance
with the ISO 9001: 2015 standard in individual countries**

	2016	2017
Poland	12,152	11,846
Germany	66,623	64,658
Portugal	7,160	7,150
Italy	150,143	97,646
Belarus	175	3,909
Russia	(2015: 9,084) 5,083	3,490
France	23,043	21,808

Own elaboration based on ISO Survey <https://www.iso.org>.

In the last two years, Russia has given up on raising its quality standards, and since 2015 the number of issued certificates has decreased by more than 5,500. The reason for departing from the standardisation of business language in Russian organisations is certainly, in this case, unrelated to the implementation of the new edition of the standard. It consists of a number of various factors, such as the establishment of the Eurasian Union in 2015, whose main goal is to harmonise economic standards under the aegis of Russia, the Russian embargo on food from European markets, or EU economic sanctions against the Russian state for aggression against Ukraine. Russian enterprises do not have the opportunity to cooperate with other organisations from outside Russia, hence the certification of management systems is not a priority for them. However, this path is not the path of economic development for everyone. A number of companies from Russia, wanting to maintain business relations with other enterprises from outside Russian borders, create and register their activities in Belarus and maintain ISO standards or certify compliance with it, thus being able to participate in tenders with other organisations in which having a certificate for compatibility with ISO 9001: 2015 is one of the main requirements. Therefore, there is a large number of certified institutions in Belarus. In 2016, the number of certificates granted for compliance with the ISO 9001: 2015 standard was only 175, but in 2017 the number of Belarusian enterprises that joined the certification sector was around the 3,500 mark. Bearing in mind the worldwide drop in certificates granted according to ISO 9001: 2015, Belarus has recorded a significant increase (with the most certifications in tobacco and food products).

The rapid growth of certified institutions in East Asia is also noteworthy. The markets of China, Japan, Korea and Taiwan are following

the profit path and adapting to the needs of the global market. Wanting to participate in this economic game, East Asia is quickly standardising its processes to achieve economic efficiency and facilitate its trade path by removing technical barriers on the international market. The number is growing from year to year. Since 2014, East Asian organisations have continuously increased the number of certified organisations.

Conclusion

Intergovernmental organisations should fully understand the benefits of voluntary international standards and other opportunities offered by the ISO. It should be remembered that the ISO itself brings together members from 157 countries, inhabited by 97% of the world population, and accounts for 98% of global economy revenues (Piasecka, 2015, p. 34). This shows that ISO is a global organisation. In order to contribute to the development of the economy, it is worth starting from a common business language and standardising it all over the world, thereby joining the leaders in international economic development. Standardisation should benefit from up-to-date, proven achievements in science and technology, while taking into account the public interest, which is extremely important today.

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The Åland Islands as an Example of Economic Development in a Peripheral Region of Innovative Europe

The challenges of economic development for small communities, especially island communities, have been addressed in the literature and analysed from various points of view. The challenges of an unfavourable, remote location, a small population, a modest territory, a lack of or a small amount of available natural resources, and finally greater vulnerability to climate change were studied (*Entrepreneurship...*, 2015; *Sustainable...*, 2016; *Lessons...*, 2000; *Small...*, 2017).

In the last decade, the European Union has also paid increasing attention to geographical particularities within the EU, where the persistence of regional and intra-regional inequalities affect the development of some regions. Also significant is the fact that the territorial dimension has been included in the recent cohesion reports.

The Åland Islands are often cited as an example of the effective application of territorial autonomy, finally becoming known as the “Islands of Peace.” Equally telling is the economic development of the archipelago. During the latter half of the last century, Åland developed from a peripheral agricultural and fishery-based hinterland into a modern service economy with a high standard of living, low unemployment and a growing population (Kinnunen, 2016).

The activities of small nations in international relations

The autonomous territories do not have the possibility to participate fully in international relations. This does not mean, however, that in this area they are fully dependent on the decisions of the central authorities, especially on matters of particular interest to them.

The Nordic autonomous territories, including the Åland islands, form small island communities. As in the case of mini-states, there are therefore

questions about the effectiveness of such actors on the international arena. The discussion on the participation of “ultra-small peripheral” regions (Efimova, Kuznetsova, 2012) in international relations raises the argument that small communities such as the Åland Islands, whose territory is modest and located in such peripheral regions of the world, are not able to conduct an effective international policy. In particular, this impotence is supposed to affect economic independence, the conduct of foreign policy and defence policy. Opponents of this line of reasoning point to examples of mini-states which, despite similar inconveniences, have been able to find a place in contemporary international relations, and in their priority areas could play an important role in the modern world. The limitation of some of its sovereign powers also does not deprive the mini-state of its independent legal status.

For the purpose of this article, it is assumed that mini-states have an area of less than 10,000 km² and a population not exceeding 1 million. Taking into account the criterion of population, there are currently more than forty fully sovereign states in the world which would fall into the category of mini-states. According to the adopted breakdown in terms of territory and population, Åland would be considered a mini-state.

The active participation of mini-states in international relations is a phenomenon of the second half of the 20th century. After the end of the First World War, Liechtenstein and San Marino applied to the League of Nations for membership. In order to examine the application of Liechtenstein (San Marino withdrew its application), the League set up a special committee which considered that the transfer of external relations powers and the lack of armed forces constituted an obstacle to a member of the League of Nations carrying out the duties associated with its membership. This was *de facto* a negative opinion (Kwiecień, 2004, p. 133). Later, only Luxembourg was among the founding states of the United Nations, and Iceland became a member one year later. The remaining mini-states were on the margins of “big politics,” only occasionally being able to participate in specialised agencies of this organisation. The UN denied Liechtenstein membership, explaining that as a mini-state it would not be able to fulfil its obligations under the UN Charter. Among the mini-states, until 1960 only Luxembourg and Iceland participated on an equal footing in international relations (Bartmann, 2014, p. 102). However, these European mini-states were seen as an exception to the general principle that small size and population in principle preclude effective action on the international scene.

1960, when two small states – Gabon and Cyprus – gained independence, should be taken as the beginning of the change of such views. Another breakthrough moment was the Maldives' application for accession to the UN. It was the first time that a country with a population of less than 100,000 had applied for membership of the organisation, which was tacitly regarded as an acceptable lower limit. At present, from the point of view of international law, the size of the territory does not play a role.

The difficulties in building an independent economy are also due to the fact that some mini-states, especially in the first years after independence, have benefited from financial assistance from their former capitals. Similar dependence on former rulers is often found in terms of trade. Special relations with the former colonial state are maintained long after independence. Similarities in the construction of administration, identical cultural patterns, family ties and – often – a common language are conducive to this.

Mini-states can have an impact on international arrangements which far exceeds their small size. The best examples are: Malta's activities in the field of the law of the sea and in promoting environmental protection in the Mediterranean region, the activities of Nauru, Kiribati and Tuvalu within the United Nations in the fight against global warming, and the role of the Åland Islands in promoting autonomy as a potential tool for mitigating ethnic conflicts.

An important challenge for mini-states is to ensure external representation, which is linked to large financial expenditure. Only a minority of mini-states have more than ten embassies around the world (like San Marino, Monaco, Malta, Brunei, among others). Mini-states such as Kiribati and Nauru have only one embassy. As a consequence of their small territory and small population, a physical presence in international relations is not possible, which is why representation is often transferred to another country, or representatives are placed in the diplomatic missions of other countries – most often those belonging to former rulers.

Over the last half-century, mini-states have been recognised as full members of the international community and actively participated in international relations. However, their position is specific and results from their small territory and/or small population and often peripheral geopolitical location. Mini-states actively participate in the work of international organisations, develop diplomatic relations, albeit usually to a limited extent, and conduct a relatively independent foreign policy. A small territory and a small population do not always allow them to perform

state functions on their own: this applies primarily to defence and security matters and the maintenance of diplomatic representations. In such a situation, some competences are often exercised by the neighbouring state (Łazowski, Zawadzka, 2003, p. 87).

An analysis of the position of mini-states in modern international relations leads to the conclusion that, in the case of the Åland Islands, a small area and a small population do not constitute a significant obstacle to active economic policy-making and wider participation in the international system. Even in the case of a possible quest for full independence or re-definition of their relations with their home countries, the characteristics of mini-states may at best hinder, but not prevent, such activity.

The Åland Islands as autonomous province of Finland

Åland is self-governing (autonomous), demilitarised, Swedish-speaking province of Finland. The Åland Islands consist of more than 6,500 islands, islets and reefs, with a population of 29,500 people living on 65 islands. The capital of the archipelago – Mariehamn – is Åland's only town, with 11,500 inhabitants, while Sottunga, with some 100 inhabitants, is Åland's and Finland's smallest municipality (ÅSUB 2018). The total area of the Åland Islands is 13,325 km², although only 1,554 km² of this is land.

The status of the Åland Islands is unique from both a Finnish and a European perspective. The autonomy of Åland was primarily guaranteed by a decision of the League of Nations in 1921. The Act on the Autonomy of Åland, which regulates the division of legislative powers between Åland and the State of Finland, has been completely revised twice, in 1951 and 1991.

Under the Act on the Autonomy, islanders have their own parliament (*Lagtinget*) and government (*Landskapsregeringen*). Extensive autonomy allows the regional parliament to legislate in areas related to the region's internal affairs and to exercise power over its own budget. Finnish legislation is in force in strictly defined areas concerning foreign policy, most branches of civil and criminal law, the judicial system, customs and the state tax system.

The position of the Åland Islands within the European Union is governed by Protocol 2, also known as the Åland Protocol, which forms an integral part of the Finnish Treaty of Accession. Article 2 of the Protocol excludes the Åland Islands from the EU rules on VAT, excise duties and other forms of indirect taxation. In other words, the Åland Protocol states

that Åland shall be regarded as a third territory with respect to indirect taxation, which enables the sale of tax free goods to passengers travelling between the Åland Islands and other EU member states, even though the tax exemption in the traffic between EU member states ended as of 1 July 1999. This exception also makes tax free sales possible for passengers travelling between the Åland Islands and mainland Finland (Åland, 2013). The Protocol also allows for other derogations from the general tax rules in force in the EU, which is reflected, *inter alia*, in lower rates of taxation and excise duties than those described in the EU directives (Fagerlund, 1997, p. 109).

The so-called *security clause* is embodied in Article 2b of the Protocol. It states that the purpose of the agreed derogations is “maintaining a viable local economy” (*Protocol...*, 1994) and the application of specific arrangements shall not have any negative effects on the interests of the Union nor on its common policies. Moreover, it was considered that once these derogations were no longer justified, particularly in the interests of fair competition, the Commission could “trigger” this clause and make a proposal to the Council of the European Union for a change. However, it is not clear what measures could in practice be applied by the Commission on the basis of this clause and what consequences they could have (Fagerlund, 1997, p. 110).

The fact that the Åland Islands are not subject to the Union’s taxation law arrangements also has some drawbacks: burdensome customs bureaucracy makes it more difficult to import daily consumer goods from the mainland, which is reflected in the prices of these goods. The trade in goods between the islands and other EU countries is based on the Single Administrative Document (SAD), i.e. as part of the trade in goods between EU countries and third countries. The exception is the Åland Islands’ trade with Finland, where there is no SAD but a highly simplified exchange regime.

For the Ålanders, the words in the Preamble to the Åland Protocol are of particular importance. It states that the derogations are granted “taking into account the special status that the Åland Islands enjoy under international law.” It is worth pointing out that Finland had previously rejected a similar statement proposed by the Ålanders and did not include it in its proposal to the EU (Fagerlund, 1997, p. 109).

The Åland Protocol is an integral part of the Finnish Accession Treaty. Consequently, the granted derogations are part of primary law in the EU and can only be amended or repealed after ratification by all national parliaments. Finland, on the other hand, cannot ratify such an amendment or

repeal it on its own without the consent of the Åland Islands Parliament, as the matter falls within the competence of the autonomous authorities. In this way, the Åland Islands have been given an extremely strong legal basis for their special status. It is worth stressing that this archipelago is the only territory whose special rights are guaranteed by primary rather than secondary EU legislation. At the same time, while adopting the Åland Protocol, the Finnish Government had to declare that it had no intention of transforming the Islands into a 'tax haven'.

Two referendums were held in Finland on accession to the European Union. The first was nationwide and the second – consultative – on the Åland Islands themselves. In a general referendum, held on 16 October 1994, 57.0% of Finns voted in favour of EU accession. On the Åland Islands alone, there were fewer supporters of accession: only 51.9%, with a turnout of 61.2% (Suksi, 1995, p. 32). The low level of support for accession in Åland, as in the rest of the country, can be largely explained by the concerns of the rural population.¹ An analysis of votes by place of residence clearly showed a rupture on the Åland Islands between urban and agricultural areas. Only two districts – Mariehamn (capital) and Lemland – were won by EU integrationists; in all the other 14 districts, a majority was against membership.

The first referendum made the Ålanders aware that, whatever their decision, Finland would become a member of the EU. In this situation, staying outside the EU structures could prove to be much less advantageous. If the Åland Protocol was rejected and Åland remained outside the EU, Finland would have to negotiate a separate trade agreement for Åland (similar to the Faroe Islands) or a customs union agreement (similar to San Marino or Andorra). The time needed to conduct these negotiations and their outcome could not be foreseen. Farmers and fishermen would be severely affected by being cut off from Community markets, and their organisations were therefore urging them to vote in favour of joining the Union. Similar recommendations were received from representatives of the shipbuilding and maritime transport industries, who were guaranteed the maintenance of duty-free shops. The outcome of the accession referendum in Sweden was an additional stimulus for the people of the Islands in favour of integration with the EU. On 13 November 1994, more than 52% of Swedes voted in favour of joining the organization. Therefore,

¹ It is a fact that, after joining the Union, food prices have fallen, and small farms have no chance of competing with the Community giants. However, staying outside the EU is unlikely to bring greater benefits to Finnish and Ålander farmers.

when the Åland Islands held a consultative referendum on 20 November 1994, 73.6% of the population voted in favour of EU membership, with a turnout of 49.1%. This decision was approved by the local parliament. In the 30-member *Lagtinget*, 26 MPs gave their consent to integration, while 4 were against.

For the Åland Islands, the deepening integration of Finland with the European Union and the process of transferring competences to the organization is also a challenge (Brańka, 2017, *passim*). Moreover, the Ålanders do not have their own representative in the European Parliament, as Finland has filled all of its seats on its own, which has been severely criticised by the islanders. The proposal to guarantee one seat in the European Parliament for Åland was revived as a consequence of the discussion on the distribution of seats in connection with the expected withdrawal of Great Britain from the EU. In line with EU decisions, Finland will be given an additional seat (from 13 to 14). However, handing over this 'extra' seat to the Ålanders seems highly unlikely. The interests of the region are therefore the sole responsibility of the representative of Åland Islands in the Committee of the Regions, elected by the regional Government. The Islands also have an adviser to the Finnish Permanent Mission in Brussels.

In the case of Åland there is no strong support for pro-independence movements. In this Baltic archipelago, after autonomy had been established, supporters of breaking away from Finland and creating an independent state never gained a majority. It is remarkable that the party in favour of the independence – *Ålands Framtid* (The Future of Åland) – was not founded until 2001 and entered the regional Parliament after the 2003 election, gaining 6.5% of the vote. In the last parliamentary elections in 2015, this party, which wants Åland to become a sovereign, neutral and demilitarised microstate, won 7.4%. This result translated into two seats, which meant a loss of one seat compared to the 2011 election result.

It should be stressed that the autonomy of the islands initially concerned mainly the cultural and linguistic spheres and that economic matters were in principle the responsibility of Finland. It was only a revision of the 1993 Act on the Autonomy that led to the Åland Parliament gaining control over its expenditure (Lindström, 2000, p. 111). According to Chapter 7 (Section 44) of the Act, the Åland Parliament passes a budget for Åland and has the right to legislate on taxes and the bases of the dues levied by the Åland administration. The archipelago every year receives a sum of money from Finland which covers the costs of autonomy. The

sum (the so-called ‘amount of equalisation’) is equal to 0.45% of the Finnish income for the appropriate year, excluding new state loans. If the income and property tax levied in Åland during a fiscal year exceeds 0.5% of the corresponding tax in the entire country, the excess is retributed to Åland. In other words, Åland has only limited authority to collect taxes and it is the Finnish state which levies taxes and other duties and fees on the archipelago in return for lump sum. In the economic field, Finland and Åland operate on the basis of various guidelines: at the national level, regional interests can be taken into account or ignored depending on the guidelines on which the development of the national economy is based.

The ‘fourth generation’ of the Autonomy Act

The need to amend the Autonomy Act currently in force has been present in Finland’s political discourse with Åland for several years. As mentioned above, the Ålanders (unlike Greenland and the Faroe Islands) are not calling for the creation of an independent state. This is due to the fact that the vital interests of the Ålanders coincide to some extent with those of Finland as a whole. The majority of local politicians stress that the key issue in mutual relations remains the maintenance of the Swedish character of the islands and securing a special status within the European Union. However, talks are currently under way and are expected to lead to another revision of the Autonomy Act. Between 2010 and 2017, three parliamentary committees worked on this issue: Åland’s (regional), Finnish (national) and joint committee. The need to review the existing provisions stems both from the new development needs of the islands, the globalisation of the economy, deepening integration with the European Union and the new Finnish constitution, which entered into force in March 2000 (the last major revision of the Autonomy Act took place in 1991). One symbolic objective is the adoption of the fourth generation of the Act of Autonomy for the celebration of the centenary of the introduction of autonomy in the Islands (Simolin, 2018, p. 17).

In 2013, a joint Finnish-Ålander Committee for the revision of the Act of Autonomy – the so-called Åland Committee – was set up. It began its activities under the chairmanship of the former president of the country, Tarja Halonen. The work focused on the two previous reports. The first, prepared by the Ålanders under the leadership of Gunnar Jansson, a member of the *Lagtinget* and the Finnish Parliament, was published in 2010.

The second, so-called “state report,” developed under the leadership of Ambassador Alec Aalto, was completed in 2013. The report of the Åland Joint Committee was published, in the form of a government proposal, in June 2017 (Simolin, 2018, p. 18).

The Åland Committee itself described its remit in this way: “The main task of the committee was to propose reforms in the autonomy deal and the Act on the Autonomy of Åland necessitated by changes in society and to draft a proposal for up-to-date autonomy legislation. The Committee was also tasked with proposing measures on how the economic autonomy of Åland could be developed. Furthermore, the committee was mandated to review the allocation of competences between Åland and the Finnish government and to propose changes in competence provisions that have involved problems of interpretation” (Simolin, 2018, p. 43).

In terms of changes in economic life, the most far-reaching proposals are understandably to be found in a report drawn up in Åland. The islanders have proposed looking again at the tax equalisation system. They explain that the current system is excessively dependent on changes in the economic policy of Finland itself. In addition, they raise the argument of taking into account the growing population of the Islands. Between 1991 and 2017, the population of the archipelago increased from 24,800 to 29,500 inhabitants (by 19%). More importantly, however, the islanders are demanding that greater control over tax policy be transferred, so that the tasks carried out by autonomous institutions are covered by its own revenue. However, the government’s proposal, which asserts that the current system has passed the test and requires only minor adjustments, does not support this approach. The Joint Committee’s report is therefore also far from unanimous on the economic development of autonomous Islands. It is stressed that the system must be designed in such a way as to ensure that the two Parliaments, both the autonomous one in the Islands and the national one, are in a real position to exercise their competences. The final proposal will probably provide for greater flexibility in the calculation of tax equalisation, but competences regarding taxation remain with the central state (Simolin, 2018, pp. 29–30).

Pillars of economic success of the Åland Islands

The Ålanders are one of the richest communities in Europe. Gross domestic product per capita in 2016 was over €43,800. This places the archipelago

just below Sweden, at €46,700, but significantly above Finland, at €39,300. Interestingly, unlike the Faroe Islands and Greenland, the autonomous territories of Denmark, the Åland Islands are not dependent on transfers from Finland. This is even despite the transfer of fewer economic competences to the Baltic archipelago compared to the Danish autonomous territories.

Most islanders are employed in public services (33%), transport (11%) and trade (14%). There are more than 2,600 private companies in the archipelago, but only 12 of them (shipping companies, banks and insurance companies) employ more than 100 workers. Nearly 85% of these companies have four employees or less. Åland is heavily dependent on energy imports. Domestic production meets only 18% of total demand and comes entirely from wind turbines. The main energy supplier is Sweden (76.5%) and, to a much lesser extent, Finland (5.5%) (Leichthammer, 2016, p. 75). Unemployment in Åland stood at 3.5% in 2018 and is currently on a slight upward trend. In the same year, inflation fell below 1% (ÅSUB, 2018).

Undoubtedly, the basis for Åland's success is to be found in the location of the archipelago. The archipelago is close to the large Swedish and Finnish markets and, being located in the central part of the Baltic Sea, it is a natural intersection of transport routes between southern Finland, St. Petersburg and central Sweden. The ability to offer competitive shipping services (especially for passenger ferries) is a direct result of the revenue generated by duty-free shops, mainly from the sale of alcohol, tobacco products and cosmetics. There is no doubt that this attracts a significant number of visitors to the Islands, and the fact that most of them do not spend a single night in the archipelago confirms this.

The main source of revenue is the sale of transport services, mainly shipping. Revenues from the maritime economy account for as much as 20.3% of GDP, and the transport sector as a whole employs 11% of the employees. The Åland (or Finnish) flag is flown by 28 vessels (including 6 large car-passenger ferries and 8 smaller archipelago ferries). The total tonnage is over 340,000 GT (ÅSUB, 2018). A further 15 units are owned by Ålander entities but have been registered under other flags. As many as three shipowners are based in the Islands: Viking Line,² Eckerö Linjen and Birka Line. By the end of the 20th century, the share of transport services in the island's GDP was even higher. Since the beginning of the 21st century, however, this part has been steadily declining. This process

² Viking Line remains by far the largest employer in the archipelago. The company employs more than 2,000 people. The second largest company on the list – the Finnish Ålandsbanken – employees only 384.

is compensated for by the development of activities also located on land, including economic, legal and logistical services for the maritime sector (Fellman et al., 2015, p. 66).

Fellman et al. list four main reasons for the successful long-term development of transport services in Åland:

- a) geographical location: in the central part of the Baltic Sea, at the entrance to the Gulf of Bothnia and within the dynamic regions of Helsinki and Turku on one side, and Stockholm on the other;
- b) culture and history: centuries-old maritime transport traditions and socially rooted entrepreneurship;
- c) institutions: since 1954, Denmark, Norway, Finland and Sweden have had a common labour market, reinforced by strong integration in communication, customs and passports, including the abolition of internal border controls after 1954;
- d) markets: potentially high demand from external markets for transport services, especially since the 1960s (Fellman, 2015, pp. 68–69).

Due to a well-developed network of ferry connections, tourism is playing an increasingly important role in the regional economy. More than 20 ferries depart daily from Åland ports during the winter months to Sweden and Finland, which doubles in summer, and, in addition, connections with Estonia have also been launched. While less than 500,000 people visited the Islands in the 1970s, they hosted almost 1,800,000 tourists in 2000, which had risen to almost 2,100,000 by 2017. The majority of visitors to the archipelago – more than 82% – are Swedish tourists. Another 17% are Finns and only 0.5% are from other countries. Visitors have at their disposal well-developed holiday infrastructure, but most of them leave the archipelago on arrival day. In most cases, they only go ashore for a very short time, or do not leave the ferries at all, waiting for the return cruise (Kinnunen, 2016). It is estimated that only about 10% of visitors spend at least one night there. This trend is also visible in the statistics of nights spent on the archipelago in tourist facilities – since 2000, there has been a slight but steady decline. In 2000, the tourism sector saw more than 562,000 overnight stays, but by 2017 this figure had fallen to 416,000 (ÅSUB, 2018). Interestingly, although Swedish tourists outnumber Finnish when it comes to the statistics on visitors to the Islands, the figures are evenly distributed in terms of the number of nights spent in the archipelago. In 2017, Swedes accounted for 46% of the nights spent on the Islands and the Finns for 40%. The extent to which tourism is limited to these two countries can be seen in a comparison of the actual numbers.

Out of just over 416,000 overnight stays on the island, 192,000 were by Swedes, 168,000 by Finns and only 12,000 by Germans in third place (ÅSUB, 2018). This tourism model is undoubtedly related to the operation of duty-free shops on ferries. Estimates indicate that abolishing duty-free shops would result in a decrease in gross earnings in passenger shipping by more than 50%, which would translate into a decrease in GDP of about 20% (Kinnunen, 2016; Lindström, 2000, *passim*).

Agriculture is of little importance for the economy of the Islands, employing only 4% of the inhabitants of the archipelago. This sector accounts for 2.1% of gross domestic product. Due to their small farms and high transport costs, Åland's farmers are unable to compete with either Finnish or EU farmers. The low profitability of the agriculture in Åland is due to the cold climate and poor, thin soil. In contrast, islanders see opportunities in organic farming, the value of which is increasing significantly. Over the last twenty years, the amount of land devoted to this kind of cultivation has risen more than ten times: from 333 ha in 1995 to 3800 ha in 2016, which represents almost 30% of the total arable land in the Islands (ÅSUB, 2018).

The reasons behind the economic success of the Åland Islands are explained by three simultaneous processes (Fellman et al., 2015, pp. 67–69). The first is based on the skilful transformation of the archipelago's particular location – which could also have impeded the development of the Islands – into an economic advantage. The Ålanders have seized the opportunity to build both passenger and freight transport services and maximise the tourist potential of the archipelago. The second opportunity was focusing on offering high quality goods and services, often rooted in the island's traditions, instead of trying to compete in mass production. The third factor leading to prosperity is the exploitation of the special political and international status of the islands. Despite the fact that, as mentioned above, the autonomous government's competence in the field of economic management is not particularly extensive, the regulations concerning e.g. membership in EU gives an advantage to *inter alia* shipping services.

The example of the Åland Islands therefore shows that dynamic economic development is possible despite a peripheral location, small territory size, modest population and limited competences placed in the hands of the autonomous government. The explanation of the Åland Islands' success can therefore be found in a set of other factors, which would include trade traditions, relations with the home country, access to potential markets and geographical location. As far as Åland Islands are concerned,

the development of the economy has been decoupled from political issues, seeking to make the most of the opportunities available under the special relationship with Finland (Lindström, 2000, p. 115). The economy of the Islands is heavily dependent on the transport sector, especially the maritime sector, and the associated increase in tourism. However, statistics show that this is mainly due to duty-free shopping opportunities. As a matter of fact, Åland's economy is more dependent on shipping than most other nations and regions which host various kinds of shipping clusters around the world (Fellman et al., 2015, p. 66). A key demand for the preservation of the economic position of the archipelago is maintenance of the special position of the Åland Islands in the European Union. The development of the autonomous archipelago and the current structure of the economy is more akin to that of a 'metropolitan economy' than to underdeveloped, peripheral areas dependent on agriculture and industrial production (Lindström, 2000, p. 113).

The history of the Åland Islands shows the way to success, from the initial struggle to preserve one's own culture and language, through development and safeguarding of the competences conferred, to economic self-determination. This does not mean, however, for the time being at least, demanding full independence, separation from Finland and building a state of its own.

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Policies towards Social Exclusion in the Post-crisis United Kingdom

Introduction

Social exclusion is commonly identified with isolation, exclusion, marginalisation and the lack of acceptance of an individual or a specific social group (Młyński, 2012, p. 63). However, for Janusz Sztumski, it was worth noting that “social marginalisation and social exclusion are terms sometimes used interchangeably, although they do not mean the same” (Sztumski, 2017, p. 21). Sociologists point out that social exclusion is preceded by marginalisation, which was first characterised as part of the Chicago school. The man who identified this sociological trend – Robert E. Park – indicated that marginalisation is “the basic strategy that closes the group’s access to its resources and opportunities at its disposal.” Exclusion means, therefore, social marginalisation (Młyński, 2012, p. 64). This term was introduced by Park to signify people situated on the margins, on the edge of specific classes or social groups, and to this day the term is used in this way in social sciences. The frivolity with which this term is used in public debate has been criticised by Sztumski, who stated that the concept of social marginalisation became “a magical term used to attempt to explain or outline the social range of various negative social phenomena. It is said, for example, that (...) phenomena included in the so-called margins of society appear and exist only in the so-called ‘marginal character,’ even if they are rather common in a given society” (Sztumski, 2017, p. 22). This means that the term “marginalisation” should not be used as a synonym for social exclusion, which is a broader term. Marginalisation is a shift to the “social peripheries” of a specific individual or social group, due to their being different according to specific subjective or objective criteria. “This kind of individual is sometimes shown as a negative example of a member of a given group that should not be imitated” (ibid., p. 23). Only when, for specific reasons, a particular unit or individuals are removed from members of a given group do they become

excluded (ibid., p. 24). Despite the fact that researchers point to the distinction between the concept of social exclusion and social marginalisation, it is commonly accepted that these are synonymous concepts. This is confirmed by, *inter alia*, the establishment of the Social Exclusion Unit in Great Britain in 1997, as well as a number of EU documents and reports.

Due to the above, the author, despite methodological objections, has allowed himself to use the concepts referred to in the above paragraph synonymously. Therefore, the subject of the author's deliberations is the policy pursued against social exclusion in the United Kingdom in the period after 2013, which is considered the end of the economic crisis in Europe.

The concept of social exclusion

The phenomenon of social exclusion became the subject of debate for the first time in France. The term was introduced in 1974 by the French Minister of Social Welfare René Lenoir, in the context of people unfit to live in an "industrial society" and outside the social security system (Nogowski, 2015, p. 55). However, it was only from the beginning of the 1980s and the introduction of the national assistance law (*Le Revenum Minimum d'Insertion*) that this concept became widely used (Jehoel-Gijsbers, Vrooman, 2008, p. 2). The concept of social exclusion appeared in the documents of the European Union in 1990 in the anti-poverty programme developed by the European Commission (Nogowski, 2015, p. 55). People were also interested in social exclusion in the United Kingdom relatively early. This was due to the fact that the UK was home to the largest percentage of teenage pregnancies and children growing up in households in which all members were unemployed in Europe. As David Batty points out, "[c]hild poverty had trebled between 1979 and 1995; notified drug addicts quadrupled in the decade to 1996, and in the early 90s there were about 2,000 people sleeping rough in London every night. Within a few months of coming to power in 1997, New Labour launched the social exclusion unit (SEU) in a blaze of publicity to analyse the reasons behind these trends." The Social Exclusion Unit prepared a number of reports whose conclusions were very critical of the policy of central and local government in relation to groups affected by exclusion, and social programs targeted at them turned out to be a waste of public funds due to the lack of coordination of local and national activities (Batty, 2002).

Social exclusion has thus been present in political discourse for years and is increasingly the subject of scientific research. However, there is still no universally accepted conceptualisation of this phenomenon, nor a method of measurement, as the phenomenon is so complex in nature. This is confirmed by Martin Kronauer, who pointed out the existence of the following dimensions of social exclusion:

- professional (long-term unemployment without employment opportunities);
- economic – understood as poverty in relation to the socio-cultural conditions in a given community;
- cultural – marginalisation of people with different systems of values, worldviews, behavioural patterns;
- isolation – the marginalised individual establishes relations only with-in the marginalised social group;
- spatial – excluded people occupy a specific area;
- institutional – denying the inclusive form of public assistance to the socially marginalised (Młyński, 2012, p. 67).

The above proves how difficult it is to create a definition of social exclusion. For this reason, indirect explanation is very often used, which indicates the factors determining a specific phenomenon, and does not define the phenomenon itself strictly. An example of this is the description given by the Social Exclusion Unit: “Social exclusion is what can happen when people or areas suffer from a combination of linked problems such as unemployment, poor skills, low incomes, poor housing, high crime, poor health and family breakdown. In the past, governments tried to deal with each of the problems of social exclusion individually, but there was little success in tackling the complicated links between them, or preventing problems from arising in the first place” (*The Social Exclusion Unit*, 2004, p. 2). Social exclusion is defined here as a “potential consequence of a number of risk factors, without that consequence being spelled out” (Jehoel-Gijsbers, Vrooman, 2007, p. 11). Directly, the most frequently indicated is the alienation of individuals or social groups from the dominant “trend” of society. The substrate can be, *inter alia*, material deprivation, low levels of social participation, a lack of normative integration, disability, old age, long-term unemployment, or health problems (*ibid.*, p. 7). It should be noted that the importance of particular factors for the occurrence of social exclusion varies depending on cultural, social, political and economic factors. It is also worth noting that “[a] low income or

absence of paid work does not by definition lead to social exclusion, and conversely people may be socially excluded without having a low income or being unemployed” (ibid., p. 12).

Researchers point to the existence of several different traditions of defining social exclusion, but all have three common levels, namely:

- it is a relative concept that can vary depending on the reference point;
- marginalisation is a dynamic phenomenon – individuals and social groups experience various forms of exclusion and mutually exclude each other;
- it is multidimensional – it varies depending on economic, cultural, political and social factors (Walsh, Scharf, Keating, 2016, p. 83).

In addition, the level of social integration, as established by the European Commission in 2002, is influenced by: “low income, unskilled labour, poor health, immigration, low education levels, dropping out of school, gender inequality, discrimination and racism, old age, divorce, drug abuse, alcoholism and living in a ‘problem accumulation area’” (quoted after Jehoel-Gijsbers, Vrooman, 2008, p. 3).

It is also worth mentioning the consumer society in the context of the “subclass,” the term to which considerable attention was devoted by one of the architects of the concept of postmodernism, Zygmunt Bauman. He criticised contemporary consumer society, which imposes a specific standard of living on individuals. “From the cradle to the coffin, we are trained to accept shops for pharmacies filled with medications that heal, or at least alleviate all ailments and ills of their own and common life (...) the feeling of withdrawal from shopping is the festering wound and humiliating burden of an unfulfilled life, and therefore of its own insignificance and inefficiency; not only and not so much pleasure as human dignity and sense of life. In the final analysis – it is the lack or shortage of humanity and any other attitude of respect for and respect from others around us” (quoted after Iwasiński, 2015, p. 3). Each of us combines the personality traits of a stroller, a wanderer, a tourist, or a player, and faces a liquidity in which everything is unpredictable. At the same time, this involves obtaining social subjectivity through the implementation of obligations resulting from belonging to the consumer society, thus becoming one of the goods. As Łukasz Iwasiński (2015, p. 3) sums up correctly: “I am consuming, therefore, I am (a full member of society), but also: I am consumed, so I am (a full member of society).”

The social pressure associated with the above means that many individuals lose faith in themselves when they are unable to pursue a consumerist model and standard of living. Such individuals, according to Bauman, are removed from places of consumption, becoming members of the “subclass” (Iwasiński, 2015, p. 9) which is described as follows: “The only meaning of the term ‘subclass’ is to ‘exclude individuals from any meaningful,’ i.e. function-based, position, classification. The ‘subclass’ may be and is in society, but it obviously does not belong to it: it does not provide anything that society needs for its self-preservation and well-being; in fact, society would do better without it. The status of a ‘sub-class’ (...) is the status of ‘internal emigrants’ or ‘illegal immigrants,’ ‘foreign in their own country’ – deprived of the rights that are granted to recognised members of society; in short, being a foreign body that does not belong to the group of ‘natural’ and necessary elements of society. As for a cancerous growth, the most reasonable treatment method is excision, and, if not, a forced, artificial isolation and/or weakening of its symptoms” (Bauman, 2012, p. 9).

All of the above findings lead to the conclusion that social exclusion is an extremely complex problem – starting from social pressure to achieve a particular lifestyle, to the difficulty in matching forms of help (exclusion results from innumerable factors so how can institutions adapt to every scenario possible in liquid post-modernity?) and the frequent lack of adequate social empathy.

The United Kingdom and the economic crisis

The economic crisis initially concerned American banks, in particular one of the largest investment banks in the world – Goldman Sachs. At the beginning of the 1990s, there was a reorientation of corporate culture towards maximising current profits, which in turn led to an irrational increase in the number of high-risk operations. To this should be added a crisis in the US real estate market, which was the result of a policy based on the idea that every adult American should own a house. This was connected with supporting public loan guarantees for people with low incomes (Adamowicz, 2013, p. 10). This coincided with the “bursting of the internet bubble,” i.e. the collapse of the stock exchange due to the long-term overestimation of companies from the technology industry. The Federal Reserve’s response was to lower interest rates, which led

to seeking areas for investment. This became real estate. Tomasz Adamowicz describes it as follows: “Increased demand for houses and flats resulted in higher prices. This, in turn, led to the increasingly common purchase of real estate using a loan, with a view to quickly selling with a profit of a dozen to several dozen percent. Thus, a vicious circle was set in motion – property was bought because it was easy to make money from the increase in prices, and the prices increased because properties were bought.” It should be noted that people who were not able to afford real estate very often purchased it thanks to loans guaranteed by public financial institutions (*ibid.*, p. 11) – subprime mortgages. From 2003 to 2006, interest rates increased, so millions of Americans were required to pay higher instalments. Since these people were often low-wage earners, the banks took over and put thousands of homes up for sale. This contributed to a decline in house prices, which led to the breakdown of the development and construction industry, and, additionally, consumption decreased through higher loan instalments (*ibid.*, p. 12).

The largest group of buyers of securities, which were based on the mortgage loans referred to above, were foreign banks, which meant that the crisis gained a global dimension (Józwiakowski, 2015, p. 13). “The International Monetary Fund estimated that in 2007–2010, allowances of the banking sector for the so-called ‘bad loans’ reached \$2,276 billion. The share of banks in these allowances amounted to c. 39% for American banks, nearly 20% for British banks, 29% for eurozone banks, 7% for other European banks, and 5% for Asian banks” (quoted after Józwiakowski, 2015, p. 13). The crisis led to, *inter alia*, Greece “standing on the precipice” – i.e. on the brink of bankruptcy – and it was only thanks to the European Union’s aid programme that this did not come about.

The financial crisis led to debate on the conceptualisation of reasons, the definition of major causes, and so on. Some researchers point out that there were two parallel crises: the subprime mortgage crisis and the crisis of British economic growth (Kirkland, 2015, p. 2). Colin Hay described it as follows: “Though it is tempting to see the UK’s longest and deepest recession since the 1930s as a product of contagion – the consequence of financial interdependence more than anything... is both profoundly wrong and profoundly dangerous. It is wrong because this is just as much a crisis (if crisis it is at all) of the Anglo-liberal growth model as it is a specifically American crisis; it is dangerous because it may lead us to overlook the endogenous frailty at the heart of the Anglo-liberal growth model that has

been exposed” (quoted after Kirkland, 2015, p. 2). The basis for the crisis of British economic growth was the long-term consequences of “Thatcherism,” which weakened the importance of labour relative to capital and its owners. This model revived the economy in the 1990s; however, as Andrew Gamble notes, it became a way to pursue growth which was based on the freedom of financing in each of the sectors of the British economy (Kirkland, 2015, p. 15).

The purpose of this article is, however, only to indicate how the fight against social exclusion was carried out in the post-economic crisis period, hence the time period seems to be important, not the doctrinal resolution of the above distinction between two economic crises. For this reason, the basic macroeconomic indicators of the UK economy, which will show the socio-economic situation during the crisis, will be briefly analysed below.

Table 1

Basic microeconomic indicators of the UK economy in 2007–2013

Economic indicators	Years						
	2007	2008	2009	2010	2011	2012	2013
GDP dynamics in %	2.4	−0.5	−4.2	1.7	1.5	1.5	2.1
Purchasing power parity (current international \$)	2.2	2.3	2.2	2.5	2.4	2.4	2.5
Unemployment rate (% of total labour force)	5.26	5.62	7.54	7.79	8.04	7.89	7.53
Poverty rate (%)	22.5	22.1	22.2	21.1	21	21	21.1
Social contributions (% of revenue)	20.9	20.9	22.4	21.7	21.4	21.2	20.8

Source: Author’s own study based on: World Bank, <https://data.worldbank.org>, 23.03.2019; *UK Poverty Statistics*, https://www.jrf.org.uk/data?i%5B0%5D=field_taxonomy_poverty_indicator%3A867, 23.03.2019.

In addition, the number of people employed in industry decreased in 2006–2012 by 14%. The British government implemented austerity policies while striving to increase employment, but employment became less secure from the point of view of labour rights. The level of real wages has fallen by 6% compared to the beginning of the economic recession, and for people running their own businesses, the drop has been as much as 22%. In 2008–2015, only Greece recorded a lower wage growth (Pettifor, Mason, Shaheen, 2017). Analysis of the data in the table shows that the culmination of the economic crisis took place in the United Kingdom in 2009, when the GDP growth rate was negative at −4.2. Also in this year,

unemployment increased, abruptly, by nearly 2 p.p., which reached 8% in 2011. For 2009, there was also a percentage increase in the share of social expenditure in the total national income. The reason for this is both the increase in the number of people in need of help from the state and the economic recession. According to researchers from the Joseph Rowntree Foundation, from 1994/1995 to 2004/2005, poverty decreased by about 20%, and this phenomenon persisted at the same rate into the next decade. Until 2015–2016, an increase to 22% was noted, although it should be pointed out that the level of poverty varies greatly between groups of excluded people. For example, over the years, the poverty rate among pensioners has significantly decreased, while it has consistently increased among adults of working age who do not have children. It is currently at 26% (*Poverty rate...*). However, the group with the highest risk of poverty are single parents; in 1994–1995 the poverty rate was as much as 58%, which fell to 41% in 2010/2011, and increased again to 46% in 2015/2016 (*Working-age...*).

Social entrepreneurship in the post-crisis United Kingdom as a form of combating social exclusion

Social entrepreneurship is not a novelty in the United Kingdom – philanthropy and charity was an important part of social life in the 19th century. This was considered a natural stage in the development of the state, when organisations we would now call non-governmental organisations (NGOs) began to implement specific services that in time were taken over by the state. For example, in 1884, the National Society for the Prevention of Cruelty to Children was founded, and numerous organisations sprung up in the 20th century as a response to the state's ineptitude in terms of certain social services – including the Child Poverty Action Group in 1965, and Shelter in 1966. However, the rise of social entrepreneurship took off in the 21st century, when social economy entities became the distinguishing feature of the organization of the so-called “third sector” and now constitute an increasingly important element of the British government's policy towards eliminating social exclusion and providing social services (Buchanan, 2017, p. 7). The social enterprise has been defined by the UK Government as: “a business with the highest social interest” (*A guide...*, 2011).

The United Kingdom belongs to a group of countries with an average level of legal recognition of social economy entities. This means

that there is no overarching legal framework regulating the entire sector of the social economy, and solutions are created as part of separate legal acts depending on the needs (Liger, Stefan, Britton, 2016, p. 46). Social enterprises are not limited to a specific form of running a business – they can choose the model that suits them best. There are charitable organisations, trust funds, foundations, cooperatives, and mutual insurance societies, although it should be added that entrepreneurship adopts various legal forms, among which the following can be distinguished.

- Company limited by shares (CLS) – the most common form of doing business in the United Kingdom which can also be used as a social economy entity (ibid., p. 51).
- Company limited by guarantee (CLG) – more than half of social enterprises operate under this legal form, which is characterised by the fact that it has members, not shareholders, and therefore cannot derive additional profits while increasing the value of the company. This model usually means that the company is only focused on economic profit, with limited significance for social profit. It can, however, apply for charitable status if it has only social goals. This needs to be done in order to apply for subsidies and other forms of financing (Doherty, Horne, Wootton, 2014, p. 203).
- Community interest company (CIC) – a legal form characteristic of social enterprises, as it must, in principle, serve the public interest, and assets must be used for the needs of the community.
- Industrial and provident societies (IPS) – this form is mainly used by social security societies, social associations and cooperatives (Liger, Stefan, Britton, 2016, p. 51). This form was created especially for social economy entities to guarantee them the possibility of managing with limited liability (Doherty, Horne, Wootton, 2014, p. 203).
- Charities and charitable incorporated organisations (CIOs) – a legal form that does not involve business. You can register a charity in this way without having to register at Companies House.
- Sole trader or partnership – a legal form that does not give legal personality, but grants, *inter alia*, certain tax breaks.

The post-crisis development of the social economy started with the adoption of a number of legal norms that promote the social economy and allow social enterprises access to public financing. The Social Value Act of 2013 introduced the requirement to take into account social values in all public procurement (Liger, Stefan, Britton, 2016, p. 51). In

2014, a tax allowance of 30% of a given social investment was introduced (ibid., p. 52).

Social Enterprise UK research from 2018, presented in the report entitled *The Hidden Revolution*, shows that government stimulus activities bring positive results. An independent analysis showed that social enterprises account for £60 billion of British GDP. There are nearly 100,000 social enterprises that employ nearly 2 million people (5% of total employment). They are worth 3% of the GDP of the United Kingdom, which is three times more than agriculture (*Hidden...*, 2018). Lord Victor Adebowale, Chair of Social Enterprise UK, accurately summarised the data expressed in the report: “The public, politicians and experts all agree that we need to find a different way of doing business if we are going to balance growth with the needs of society. Fortunately, we have 100,000 social enterprises that are working to transform our society while boosting the UK’s competitiveness. Their £60bn contribution to the UK is too big to ignore and is just the start of something that the government must get behind. If it doesn’t, there is a real risk that the UK will get left behind as other countries recognise social enterprise as the future of business” (after Kay, 2018).

The promotion of social enterprises is not limited solely to legal solutions, as they are also social actions that promote social economy. An example may be the campaign inaugurated in 2015 entitled “Social Investment is GREAT,” which aimed to promote the United Kingdom as a global centre of social investment (*Minister...*, 2015).

Conclusion

Social exclusion is an extremely complex phenomenon, and this means that activities aimed at integrating individuals back into society are complicated. The renaissance of the social economy seems to have coincided with the end of the financial crisis, because, as seen in practice, social assistance implemented exclusively through social benefits does not solve the problems that are the basis of marginalisation (excluding poverty). Social entrepreneurship seems to be a comprehensive solution, which allows one to develop a new work habit and, above all, to choose a new life goal. The British example shows how to successfully implement these assumptions despite the lack of an overarching legal framework regarding the forms of running a social enterprise.

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The Importance of Family Policy for the Birth Rate and Activity Rate of Young European Females. An Analysis of France and Poland

In recent decades, many European countries have faced the problem of aging populations. This is the outcome of extended average life expectancy on one hand, and the considerably falling birth rate on the other. There are diverse reasons for this declining birth rate, which is addressed in different ways in different countries. This study presents a brief definition of social policy and its models, as well as family policy and its tools. On account of the length of this paper, the evolution of social policy in Europe, extensively discussed by Golinowska (Golinowska, 2018), is not analysed. The author of this paper will concentrate on analysis of the family policies implemented in France and Poland and their effectiveness, measured in terms of birth rate. The article also addresses the issue of the importance of family policy for young Europeans, first and foremost in terms of female professional activity.

The family policy discussed herein is one of the elements of social policy and is defined as one of the public policies aimed at improving market mechanisms for the purpose of the general wellbeing of the public, taking into account socio-economic inequalities and inequalities of power. The state pursues the economic objective of generally raising the standard of living, and the social objectives of ensuring universal and evenly distributed prosperity and supporting the weakest groups (Szarfenberg, 2007, p. 34). Social policy is frequently perceived in terms of solving specific social problems which have a direct bearing on a considerable proportion of society and an indirect influence on the whole of society, and which breach the standards and values that society respects. Due to the structural nature of social, problems they cannot be expected to solve themselves. They require orchestrated steps taken by the state in order to contain their scale and socially adverse outcomes (Rymsza, 2015, pp. 27–41). Nevertheless, the sole objective of social policy is not, or should not be, seeking

the solutions to social problems, achieving general prosperity or providing social security. Instead, the implementation of social policy should pursue a specific variation of social order complying with determined values, such as freedom, equality and solidarity, in order to ensure human dignity (Zgliczyński, 2017, p. 38). Such variations in the social order determine both the instruments and the scope of implemented policies. States differ in terms of the range and scope of their social policies, but in every case social policy is implemented through individual detailed policies, such as policies regarding social security, healthcare, employment, education, labour protection, family, accommodation and culture (*Encyklopedia PWN*, <http://encyklopedia.pwn.pl>, 1 March 2019). The subject of this study is, however, family policy, which cannot operate in separation from the other social or economic policies of the state.

Definition of family policy

As mentioned above, family policy is one of the crucial elements of social policy. The term “family policy” was first used in Europe in the 1940s during discussions on social policy (Myrdal, 1941). Activities addressed at families were initiated in France and Sweden as early as the turn of the 19th and 20th centuries. Family policy is defined in various ways. Family policy is a separate part of state policy, aiming for long-term outcomes and comprising a system of legal solutions adopted and implemented by public authorities for the benefit of the family, which is perceived as the fundamental unit of society (Durasiewicz, 2009, p. 57). A generally accepted definition describes family policy as a set of legal regulations, activities and resources employed by the state in order to provide adequate living conditions to families, and facilitate their establishment, proper functioning and the fulfilment of all significant social roles of families (Kamerman, 1994, p. 12). Family policy objectives can be defined as providing general conditions that are conducive to the emergence, development and fulfilment of existential and cultural needs of families, optimal conditions for the education and upbringing of the young generation and for ensuring equal opportunities at the beginning of adult life and professional opportunities, or equal life opportunities (Kurzynowski, 1991, p. 96). Defined as such, family policy is founded on the following tenets: family is the fundamental and crucial institution of society, which therefore should be supported by the state, and family

policy should encompass a multitude of policies¹ rather than a single act of law.

Depending on the objectives pursued by the broadly understood social policy addressed at families, the colloquial register features an evaluative term, “family-friendly policy” (literally: pro-family policy: Polish: *polityka prorodzinna*), which is absent from the literature on the subject. This term implies that state policy should provide the conditions that will be conducive to the emergence and existence of families by offering them some form of assistance in child rearing and other activities promoting the establishment of families and having children (Dragan, Woronowicz, 2013, p. 3). In the face of challenges posed first and foremost by demographics or, more precisely, by the process of population aging and the continuously shrinking population due to the drop in birth rate (for more on this topic see: *Proгноза*), modern states are somewhat forced to pursue family-friendly policies. The lack of instruments capable of increasing the birth rate² to what is called “replacement level fertility” (namely at least 2.1 children per woman) may translate to serious problems, mainly because the number of people of working age will not be able to support the elderly through the current pension system in the future.

The objectives and instruments of family policy

As mentioned above, the objectives of social policies in modern economies are dictated by demographic as well as socio-economic processes and cultural factors. Family policy in developed countries is formed mainly in response to population aging, changes in family structure and the professional activity of women. The fundamental obstacles for families are related to the cost of child rearing and fear of poverty. Given the

¹ There are two types of family policy: “explicit policy” overtly addressed at families, and “implicit policy.” The former encompasses the activities intended to attain specific objectives for the benefit of family as a whole or its individual members (e.g. population policy, social benefits related to child care, etc.). The latter involves the activities performed under other fields of state policy which impact families (e.g. unemployment prevention policy, taxation policy).

² Central Statistical Office (GUS) defines this as the number of children an average female could have throughout the entire reproductive period (15–49 years of age) assuming that in different stages of this period she would give birth at the rate recorded in a given year, that is assuming that partial fertility rates in a given period are permanent.

high volatility of the labour market, this fear may be a serious impediment when deciding whether to start a family and have children. Other factors include the change in the family model and the importance of having a professional career, growing richer and enjoying life (for more on birth rate determinants see: Duszczyk, Fihel, Kiełkowska, Kordasiewicz, Radziwinowiczówna). Therefore, the state should exercise influence on procreation-related decisions and take steps to promote starting and enlarging families, possibly by mitigating the inconveniences and sacrifices required of young families with children. Ensuring high birth rate is in the best interest of the state, and can be achieved by proper, effective family-friendly policy (Dragan, Woronowicz, 2013, p. 4).

Depending on the definition of family policy, different objectives can be identified (for more on this topic see: Kłos, Szymańczak). The most general objectives of family policy involve promoting a balance between family and professional life, increasing family income and aiding children, through social benefits, supporting families in performing their social functions, the development of foster care and providing access to health and education services. These functions are performed through adequate instruments skilfully selected by the state, such as legal measures, financial allowances, benefits in kind, benefits in the forms of services rendered and tax relief.

European states employ different portfolios of family policy instruments. Due to the limited size of this study, only the instruments applied in France and Poland are reviewed below. This follows from the fact that Polish policy changes have taken the tack of increasing both the repertoire and amount of benefits offered within the family-friendly sphere, while France takes pride in having the highest birth rate in Europe. The instruments of family-friendly policy applied in France are discussed below.

Maternity leave

Maternity leave is obligatory; it starts six weeks before and continues for ten weeks after the birth of the first and second child.³ Fathers are entitled to ten days of paternity leave which they can take within four months of the child's birth. During this leave, fathers receive benefits analogous

³ 8 weeks before and 18 weeks after the birth of the third child, 34 weeks (12 before birth) in the case of twins and 42 weeks (24 weeks before birth) for multiple births.

to those mothers on maternity leave are eligible for. Either parent who has worked for at least one year is eligible for **parental leave** (Fr.: *Allocation de base*) until the child's third birthday. The parent who stays at home with the child is entitled to a monthly care allowance of €560.40. With the first child, parents are eligible for this allowance only for six months after maternity leave ends (Wybrane..., 2013, p. 12). For the duration of maternity leave, women are entitled to receive **maternity allowance** equal to 100% of their salary, but not more than €2,516 monthly (this limit does not apply to public sector employees and employees of some private companies where the employer pays the difference). A similar income-related cap also applies in the case of the basic allowance granted until the child's third birthday, provided that regular medical check-ups are carried out. This allowance amounts to €184.62 monthly (Praktyczny..., 2015, p. 11).

Allowances and benefits

Mothers who have given birth are entitled to a **one-time allowance** (similar to the "baby allowance" in Poland) at the amount of €941.66, provided that the mother was under medical care during pregnancy and that the total annual income of the family does not exceed €33,765 when one person works and €44,621 when both parents work (Wybrane..., 2013, p. 13).

Regardless of their income, parents with two or more dependents under the age of twenty receive a monthly **family allowance** of €129.78 for the second child, €295.05 for the third child and €165.72 for successive children. The allowance is automatically granted to all families who file tax returns (Praktyczny..., 2015, p. 12). There is also a **family benefit** granted to families with three or more children over the age of three, provided that the income of the family does not exceed a determined level which is annually reviewed and depends on the situation of the family. This monthly benefit amounts to €168.35 (the Family Allocations Office (CAF) determines the amount of the family benefit and pays it automatically on the basis of tax returns).

In France, there is also an **allowance for the beginning of the school year** granted to individuals in households whose annual income does not exceed €23,687.00 (1 child), €29,153.00 (2 children), €34,619.00 (3 children) and €5,466.00 (for each successive child). This allowance is auto-

matically granted once a year, in September, to children aged 6–18. The allowance increases as the child gets older and amounts to €367.73 (6–10 years of age), €388.02 (11–14), and €401.47 (15–18) (*Praktyczny...*, 2015, p. 12). These allowances are the main instruments, but there are also additional solutions available to families or single parents with low incomes.

Tax relief

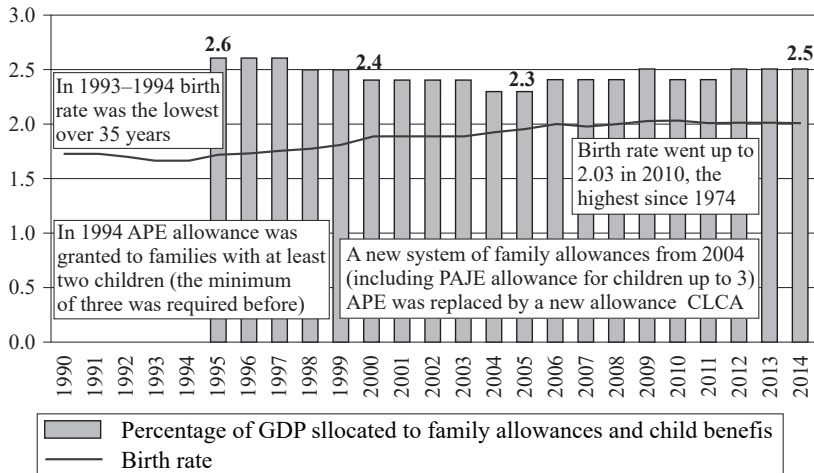
The taxation system in France applies specific solutions related to the taxation of natural persons, and approaches families as economic entities. The so-called family quotient is applied to account for the fact that families with many children bear higher costs of child rearing. Every family that files a tax return is allowed a determined number of “fiscal parts” related to the family financial status and the number of children. One individual constitutes one part, spouses or partners constitute two parts, the first child accounts for 0.5 part, the second child accounts for another 0.5, and every successive child for one part. This means that a family with two children accounts for three “fiscal parts” and with four children – four fiscal parts. The number goes up by one with every successive child. The family quotient (Fr. *quotient familial* (*Praktyczny...*, 2015, p. 10) is thus determined. The tax base is constituted by the income generated by all family members which is subsequently divided into the relevant number of “parts” attributable to this family. This results in considerably less tax payable by families (in particular by families with many children).

Nurseries and kindergartens

France offers also an efficient child care system which meets the needs of parents. Kindergartens are free of charge, and practically all children in the 3–6 age bracket attend them. The system of pre-school care is well developed, comprising nurseries, kindergartens and registered carers. The largest proportion of children (two-thirds of children below three years of age whose parents both returned to work) are taken care for by the latter. The majority of registered carers are financed from public funds; for instance, social security is partly or wholly covered and parents receive

a special allowance at an amount related to family size and income. This system allows the systemic employment of women aged 25–54 to exceed 80%, compared to 71% in other OECD countries (Wybrane, 2013, p. 13) which will be discussed below.

Graph 1. Birth rate in France compared to the percentage of GDP allocated to family allowances and child benefits.



Source: *Finansowe wsparcie rodzin: awans Polski do czołówek państw UE*, analysis by PwC Polska, November 2016.

Outlay on family policy has remained very high in France (the highest in Europe). The appropriate selection of instruments (such as the taxation system) has allowed France to achieve the highest birth rate in the European Union, which has at times even exceeded 2 (currently 1.92).

Below, the most important economic indicators are presented with respect to the labour market in France, divided into sexes and age groups.

The above-presented statistics show that the situation on the labour market in France is favourable for neither males nor females, which may be a result of the economic situation, *inter alia* (the pace of GDP growth was not high in the period studied). The low rate of total employment accompanied by low activity rates in both groups, and especially among young females, results in a high level of unemployment (9.4% in 2017),

Table 1
GDP and selected labour market indicators divided into sexes and age groups in France, 2007–2017

	France	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
1	2	3	4	5	6	7	8	9	10	11	12	13
TOTAL	Real GDP	2.4	0.3	-2.9	1.9	2.2	0.3	0.6	1.0	1.1	1.2p	2.2p
	Employment rate (% population aged 15–64)	64.3	64.9	64.1	64.0	63.9	64.0	64.0	64.2	64.3	64.6	65.2
	Employment rate (% population aged 15–24)	31.2	31.4	30.5	30.1	29.6	28.6	28.4	28.4	28.4	28.2	29.1
	Self-employed (% total employment)	10.3	10.0	10.3	10.9	11.1	11.0	10.8	11.2b	11.2	11.4	11.3
	Part-time employment (% total employment)	17.2	16.8	17.2	17.6	17.6	17.7	18.1	18.5	18.3	18.2	18.2
	Temporary employment (% total employment)	12.0	11.9	11.2	12.0	12.5	12.2	12.6	12.2	13.0	13.3	13.8
	Activity rate (% population aged 15–64)	69.3e	69.4e	69.8e	69.8e	69.7e	70.3e	70.7e	71.1	71.3	71.4	71.5
	Activity rate (% population aged 15–24)	38.4	38.5	39.6	38.9	37.9	37.4	37.4	37.1	37.3	37.2	37.2
	Unemployment rate (% labour force)	8.0	7.4	9.1	9.3	9.2	9.8	10.3	10.3	10.4	10.1	9.4
	Youth unemployment rate (15–24)	19.5	19.0	23.6	23.3	22.6	24.4	24.9	24.2	24.7	24.6	22.3
	Employment rate (% population aged 15–64)	69.2	69.7	68.4	68.3	68.2	68.1	67.8	67.7	67.5	68.0	68.9
	Employment rate (% population aged 15–24)	34.2	34.4	32.6	33.2	32.5	31.0	31.1	30.6	30.3	30.2	31.5
	Self-employed (% total employment)	13.9	13.2	14.0	14.7	14.9	14.6	14.3	14.6b	14.6	14.8	14.3
MALE	Part-time employment (% total employment)	5.5	5.6	5.8	6.4	6.5	6.4	6.7	7.3	7.3	7.4	7.6
	Temporary employment (% total employment)	12.0	11.9	11.2	12.0	12.5	12.2	12.6	12.2	13.0	13.3	13.8
	Activity rate (% population aged 15–64)	74.7	74.7	75.0	74.9	74.6	75.3	75.5	75.4	75.5	75.6	75.9
	Activity rate (% population aged 15–24)	41.9	42.2	42.9	42.6	41.3	40.8	40.8	40.5	40.5	40.0	40.6
	Unemployment rate (% labour force)	7.6	7.0	9.0	9.0	8.9	9.8	10.4	10.5	10.8	10.3	9.5
	Youth unemployment rate (15–24)	19.0	19.2	24.7	22.9	22.0	24.8	24.6	25.1	25.8	25.1	23.1

1	2	3	4	5	6	7	8	9	10	11	12	13
FEMALE	Employment rate (% population aged 15–64)	59.6	60.3	59.9	59.8	59.7	60.1	60.4	60.9	61.1	61.4	61.7
	Employment rate (% population aged 15–24)	28.1	28.5	28.3	27.1	26.7	26.1	25.7	26.2	26.4	26.3	26.8
	Self-employed (% total employment)	6.3	6.4	6.3	6.7	6.9	7.0	7.0	7.5b	7.6	7.8	8.0
	Part-time employment (% total employment)	30.3	29.4	29.9	30.0	29.9	30.0	30.4	30.6	30.1	29.8	29.6
	Temporary employment (% total employment)	15.0	15.2	14.8	14.9	14.8	14.9	14.8	14.7	15.1	15.1	15.8
	Activity rate (% population aged 15–64)	64.9	65.2	65.7	65.8	65.7	66.3	66.9	67.4	67.6	67.9	67.9
	Activity rate (% population aged 15–24)	34.9	34.7	36.2	35.2	34.5	34.0	33.9	33.7	34.2	34.3	33.7
	Unemployment rate (% labour force)	8.5	7.9	9.2	9.5	9.6	9.8	10.2	10.0	9.9	9.9	9.3
	Youth unemployment rate (15–24)	20.1	18.8	22.3	23.7	23.3	23.8	25.2	23.1	23.3	24.1	21.3

Source: Own analysis based on *Employment and Social Developments in Europe 2018, Annual Report*, European Commission, 2018.

in particular among the young (22.3% in 2017). Interestingly, the differences appear to be in favour of women, whose rates of unemployment are consistently lower (9.5% of males and 9.3% of females, 23.1% of young males and 21.3% of young females).

The reduction in the activity rate among young women may imply that greater social security has deterred them from professional work.

Poland is among the states with the lowest birth rate, despite the fact that, after 1989, the socio-economic system in Poland witnessed numerous changes and a number of new solutions have been launched, including in the field of social policy. As conditions have changed over the years, so have these solutions, which have nevertheless failed to reverse adverse demographic trends, including the declining birth rate in Poland. In recent years, family policy has dramatically changed, taking the tack of expanding its toolbox and increasing the scope and amount of allowances.

Maternity leave

Maternity leave is obligatory and granted to every employee who has a baby, regardless of the type of contract under which they are employed. The length of maternity leave depends on the number of children born per pregnancy; it stands at 20 weeks when one child is born, 31 weeks if two, 33 weeks if three, 35 weeks if four and 37 weeks if five or more children are born simultaneously. Women are entitled to no more than 6 weeks of leave before the birth. After the birth, a mother is obliged to take 14 weeks of leave.⁴ During the leave, mothers are entitled to **maternity allowance** equal to 100% of the allowance assessment basis. Mothers who, within 21 days of giving birth, apply for **parental leave** of 32 weeks to be granted upon the end of maternity leave are entitled to maternity allowance equal to 80% of the allowance assessment basis for the entire period of both leaves. During paternity leave and the first six weeks of parental leave, an allowance equal to 100% of the assessment basis is granted. The allowance during parental leave (exceeding 6 weeks) amounts to 60% of the allowance assessment

⁴ Mothers may choose not to use the remaining 6 weeks of the leave and return to work provided that the father will use the remaining part of maternity leave, or that for the period of the remaining maternity leave personal care of the child is taken by the insured – child's father who suspends his work in order to exercise this care.

basis. Social security premiums are calculated based on the amount of maternity allowance paid (the employer, Social Security) (<https://www.gov.pl>, 22 March 2019).

Post-maternity leave is not paid and can be taken at any time by the end of the calendar year in which the child turns 6. It cannot exceed 36 months and can be divided into a maximum of five parts. This leave can also be taken by the child's father if mother is on maternity or parental leave. It is obligatory to divide the post-maternity leave between parents and at least one month is given to the other parent.

Allowances and benefits

The purpose of **family allowance** is to partly cover the costs of child rearing. The recipients of the allowance include both parents, one parent, the legal guardian of the child, the actual guardian of the child, or student,⁵ until the child turns 18 or finishes their school education. Students are entitled to this allowance until the age of 24, provided that they continue their education at school or a higher education institution. Monthly family allowance amounts to PLN 95.00 (c. €22) per child by the age of 5; PLN 124.00 (c. €29) per child aged 5–18, and PLN 135.00 (c. €31) per child aged 18–24. Compared to allowances in France, those in Poland are considerably lower; additionally, families are entitled to this allowance or not on the basis of their income, which is not the case in France. Allowances are granted if the family's average monthly income per person, or the income of a student, does not exceed PLN 674.00 (c. €157), or PLN 764.00 (c. €178) in the case of a child with a disability certificate (<https://www.gov.pl>, 22 March 2019). The person entitled to family allowance may also apply for a variety of other benefits.

Another allowance involves a **one-time allowance for the birth of a living child** of PLN 1,000 (c. €233) per child, paid to the child's mother or father, legal guardian or actual guardian if family income per person does not exceed PLN 1,922 after tax (c. €448). This allowance is granted provided that the child's mother was under medical care from at least the tenth week of pregnancy to the day of birth.

⁵ Adult student who is not dependent on their parents due to their death or in connection with a court judgment or court settlement of the right to alimonies from them.

The catalogue of allowances in Poland also includes nursing allowance, special care allowance and nursing benefit. **Nursing allowance** is granted in order to partly cover the expenses related to the necessary care and aid provided to another person who is unable to live independently. **Special care allowance** is granted to individuals who are not employed and do not work (or give work up) in order to take permanent care of a holder of a disability certificate for whom permanent or long-term care from another person has been recommended due to their inability to live independently. An income cap of PLN 764.00 after tax (c. €178) applies in order to obtain this allowance; the monthly allowance is PLN 620.00 (c. €144) (<https://www.gov.pl>, 23 March 2019). **Nursing benefit** is granted to individuals who give up employment and other work and is paid to the mother, father, actual guardian of the child, a relative providing foster care and other individuals who do not take up or give up employment or other work in order to take care of a holder of a disability certificate who requires permanent or long-term care. The amount of nursing benefit is PLN 1,477.00 (c. €344) (<https://www.gov.pl>, 23 March 2019).

The mother or father of the child, actual guardian, foster family (with the exception of professional foster families) and individuals who have adopted children are entitled to **parental benefit**. This amounts to PLN 1,000.00 (c. €233) monthly, is not taxable and is granted regardless of income for a period of 52 weeks for the birth of one child, 65 weeks for twins, 67 weeks for triplets, 69 weeks for quadruplets and 71 weeks for quintuplets. An individual eligible for this benefit is entitled to receive one benefit regardless of how many children they rear (<https://www.gov.pl>, 23 March 2019).

There are more allowances available. In 2016, a **parenting benefit** was launched under the **Rodzina 500+** [Family 500+] programme, providing PLN 500.00 (c. €116) monthly for each second and successive child in the family, regardless of family income.⁶ Families with low incomes (up to PLN 800.00 after tax, or PLN 1,200.00 in the case of families with disabled children) are also granted support for the first or only child. In 2016, the “Pro life” (Pl: *Za życiem*) law on aiding pregnant women and families entered into force. It provides for comprehensive support to be granted to families with disabled children, including a one-time allowance of PLN 4,000.00 (c. €932) if a child with severe and irreversible

⁶ The government announces that as of 1 July 2019 the benefit will be granted also to the first child in the family on these conditions.

impairment or an incurable disease threatening his or her life is born (for more on this topic see: https://www.gov.pl/documents/1048151/1060973/Informator_Za_zyciem.pdf/d349b7d1-f7c9-ef8a-e91c-4bc80e0cc9c5, 23 March 2019). Such families may also apply for sheltered housing and family assistants.

As stated before, the current government has considerably enhanced the portfolio of instruments and resources allocated to family policy financing. Another government programme can be mentioned, namely **Maluch plus** [Toddler plus] (2017), which promotes the development of care institutions for children under 3 – nurseries, children’s clubs and day carers (interested entities can receive subsidies for up to 80% of project costs), and the **Dobry Start** [Good start] programme whereby a one-time benefit of PLN 300.00 (c. €70) is paid to all young people beginning a school year regardless of family income. Other projects which may have a positive impact on the decision to enlarge a family include the government **Mieszkanie+** [Flat+] programme, available to all Poles, but primarily intended to aid those who are unable to get a mortgage under market principles, and **Karta Dużej Rodziny** [Big Family Card] providing a system of discounts and additional rights for families with three or more children in both public institutions and private enterprises.

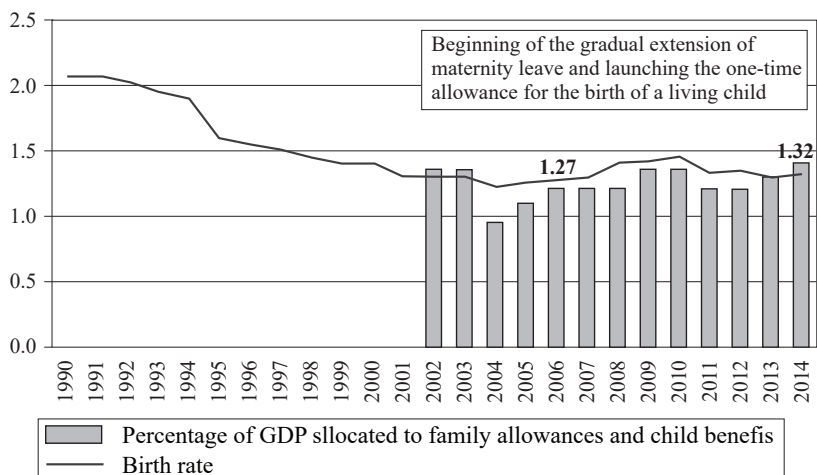
Tax relief

The taxation system in Poland provides for family relief when calculating the annual tax liability. The condition under which relief is granted is the exercise of parental authority over a minor child (exercising custody and raising a child). The relief applies without an income cap for families with more than one child. In families with one child, an income cap of PLN 112,000.00 (c. €26) per annum applies. The relief amounts to PLN 92.67 (c. €22) monthly (which translates to PLN 1,112.04 – c. €259 annually), PLN 92.67 again for the second child, PLN 166.67 (c. €39) monthly (which translates to PLN 2,000.04 – c. €466 annually) for the third child, and PLN 225.00 (c. €53) monthly (which translates to PLN 2,700 – c. €629 annually) for the fourth. In theory, this tax relief system may encourage people to have more children. What needs to be considered, however, is whether this type of incentives and their amounts – compared to those in Europe – can actually influence decisions to increase the size of one’s family in Poland. Society in Poland, especially young women,

pursue a slightly different model of personal development than was the case even a decade or so ago. Alongside a changed family model, this has resulted in a considerable drop in the number of children born in Poland (for more on this topic see: Duszczyk, Fihel, Kielkowska, Kordasiewicz, Radziwinowiczówna).

How do the above instruments influence the birth rate in Poland? Statistics presented in the graph below do not take into account the new family-friendly instruments, the outcomes of which can only be assessed in a longer term.

Graph 2. Birth rate in Poland compared to the percentage of GDP allocated to family allowances and child benefits



Source: *Finansowe wsparcie rodzin: awans Polski do czołówki państw UE*, analysis by PwC Polska, November 2016.

Before 2014, outlay on family policy in Poland was among the lowest in the European Union, which was reflected in the birth rate. After the new instruments were launched, spending on family policy in 2017 accounted for c. 2.5% of GDP, thereby lifting Poland to one of the top positions in this respect. Birth rate went up to 1.35 (<https://www.indexmundi.com/>, 23 March 2019), which did not improve our position in any considerable sense. As mentioned above, the outcomes of these changes need to be waited for and carefully examined. This will also have an impact on the labour market indicators discussed below.

1	2	3	4	5	6	7	8	9	10	11	12	13
FEMALE	Employment rate (% population aged 15–64)	50.6	52.4	52.8	52.6b	52.7	53.1	53.4	55.2	56.6	58.1	59.5
	Employment rate (% population aged 15–24)	22.4	23.7	23.2	22.1b	20.0	19.9	19.5	21.3	21.3	23.7	25.2
	Self-employed (% total employment)	15.0	14.5	14.3	14.5b	14.6	14.2	13.7	13.3	13.4	13.0	12.3
	Part-time employment (% total employment)	11.7	10.9	10.9	10.9b	10.5	10.6	10.4	10.3	9.9	9.7	10.0
	Temporary employment (% total employment)	22.3	22.2	21.4	21.8b	21.1	21.3	21.6	23.2	23.1	23.1	22.5
	Activity rate (% population aged 15–64)	56.5	57.0	57.8	58.5b	58.9	59.7	60.1	61.1	61.4	62.0	62.6
	Activity rate (% population aged 15–24)	29.3	29.6	29.4	29.6b	28.1	28.4	27.9	28.7	26.9	28.9	29.7
	Unemployment rate (% labour force)	10.3	7.9	8.6d	10.0	10.4	10.9	11.1	9.6	7.7	6.2	4.9
	Youth unemployment rate (15–24)	23.7	19.7	21.1d	25.4	28.8	30.0	30.1	25.5	20.9	18.0	15.1

Source: Own analysis based on *Employment and Social Developments in Europe 2018, Annual Report*, European Commission, 2018.

What is evident when analysing these indicators in Poland is the fact that the aftermath of the global crisis actually manifested itself three or four years later in Poland than in France. This is seen in both GDP and labour market statistics. Focusing on the data on the activity rate of men, it can be seen that Poland is not much behind France (75.5% and 76.6% respectively). Unfortunately, the differences between women are greater: 67.9% in France and 62.6% in Poland. Differences among young people are insignificant: 40.6% in France and 39.7% in Poland. Unfortunately, the activity rate of women in general and young women in particular is among the lowest in Europe: 67.9% and 33.7% in France and 62.6% and 29.7% in Poland. In contrast, unemployment is markedly lower in Poland, which enjoys one of the lowest unemployment rates in the European Union: 4.9% both for males and females, whereas in France it is 9.4% (9.5% for men and 9.3% for women). The low unemployment rate among women in Poland is to a large extent the outcome of an immense growth in both the employment rate (19.4% in 2007 and 39.3% in 2017) and the activity rate (from 20.6% in 2007 to 40.5% in 2017) among women aged 55–64. The unemployment rate of young women is high: 21.3% in France and 15.1% in Poland (which recorded a considerable drop from 23.7% in 2007).

When comparing France and Poland, the lower activity rates (especially when compared to other countries) could possibly result from more comprehensive social policy, but this observation would require further studies to be confirmed.

Spending on family-friendly policy is among the highest in France (c. 2.5% of GDP) which can also take pride in having one of the highest birth rates – 2.07 in 2017, which is close to replacement level fertility. Unfortunately, labour market rates and the activity rates of women and young women are far from optimal, especially concerning unemployment rates. It is difficult to talk about the outcomes of the new family-friendly policy in Poland at this stage because the two years of its operation could not yet have led to measurable results, in terms of a considerable increase in the birth rate. Auxiliary programmes have also been launched, the total impact of which will only be possible to examine in the future. Compared to 2014, spending on family-friendly policy has gone up from 1.4% to nearly 2.5% of GDP; and the birth rate increased from 1.32 to 1.35 in 2017, which is a marginal increase. So far, the situation on the labour market in Poland has been advantageous, but much remains to be done with respect to the employment rate and activity rate of women, particularly young women.

There is an extremely important relationship between the cost of the implementation of family-friendly policy and the number of children born, or, in other words, what cost each child born generates for the state. The Family 500+ programme cost approximately PLN 17 billion in 2016, and contributed to the number of births increasing by over 13,000. This means that Poland paid no less than PLN 1.3 million for each child born (<https://oko.press>, 23 March 2019). However, it would be difficult to look for rationale in such calculations, as the necessity of taking adequate steps in order to improve the demographics in all European Union countries, and elsewhere, seems indisputable. The models, concepts and strategies can differ, but one must take into account and examine all the factors that have an impact on young people (and not only young people) deciding whether or not to enlarge their families. This may result in the emergence of new and original instruments promoting an increased birth rate, which is a challenge faced by modern demographics.

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The Process of Precarisation of Labour and the Labour Market in Poland in the Period of Political Transformation

Who are the people who lead a “precarious existence on the periphery of societies” (Chomsky, 2013, p. 32)? They are the social group (and research category) which has gained considerable publicity in the social sciences in recent years – the precariat. This phenomenon can be observed mainly in the most developed countries of the “rich North,” accustomed to a certain standard of living and social security. Although the process of precarisation of labour began several decades ago, discussion of its effects reverberated during the analysis of the damage caused by the “crime of mass economic extermination” that was the economic crisis of 2008 (Ruggiero, 2013, p. 10). What has changed? On the wave of social protest,¹ public attention to the problem of insecure livelihoods, growing unemployment and economic inequalities, the precariat ceased to be a peripheral group and became a concept defining the essence of the majority of the modern societies (Chomsky, 2013, p. 32).

In this context, the question should be asked whether, and to what extent, all the factors influencing the process of precarisation of labour can be identified in the countries of Central and Eastern Europe. Can the Polish experience, connected with the specificity of economic transformation, be a factor which, to a large extent, shapes our perception of the political transformation? Significant changes that took place on the labour market in Poland in the 1990s are related to the transformation of the Polish economy which began at the end of 1989.

Communist economies were characterised by full employment or over-employment. There was no safety net for the unemployed, because there

¹ It can be stated that it was a breakthrough year in terms of the scale of social protests, opposing the authorities or the so-called “system.” Demonstrations in Greece, Spain, Italy and Great Britain and the Occupy Wall Street movement – although each had a slightly different background – created a significant precedent, the fate of which remains an interesting topic for political, economic and social research.

was no need for it anywhere (apart from Yugoslavia). Therefore, it had to be created from scratch (Kołodko, 1999, p. 125). However, before the appropriate changes were implemented, as well as the inappropriate allocation of capital, an inappropriate allocation of the labour force was also revealed, as there was not yet a proper framework for launching a flexible and deregulated labour market (Kołodko, 1999, p. 125). As a result, Poland found itself in a period of serious recession, i.e. a drop in production and national income and the liquidation of many businesses, which led to the emergence of mass unemployment on an unexpected scale (Wallas, 1993, p. 49). The abandonment of the command and control system and the commencement of building the foundations of a free market economy resulted in a number of changes in social and economic life:

- the CMEA and the mechanisms governing it fell apart;
- there was a “shift” in trade with neighbouring countries towards the US dollar, which resulted in a reduction of trade in goods and a decrease in production in some industries, as the contractors did not have access to the currency;
- the liberalisation of foreign trade, combined with the low quality and price of new products, put domestic products at a disadvantage;
- trade with Poland’s most significant trading partner – the USSR – collapsed, and, with the use of dollar settlement, Polish production turned out to be uncompetitive in terms of price and quality compared to the Western output;
- fixed capital, i.e. antiquated production assets, an outdated structure of employee qualifications and existing debt made it impossible to introduce rapid changes;
- the above-mentioned phenomena contributed to a decrease in production. However, the actions of the World Bank’s stabilisation programme also had an impact on the reduction in internal demand.

The developing labour market faced new challenges, such as high unemployment among both women and men, a lack of appropriate jobs for jobseekers, and the problem of unemployment among people newly entering the labour market. Oleksyn claims that unemployment in Poland in the above-mentioned period was mainly influenced by the following factors:

- a decrease in purchasing power and the related global decrease in demand for labour, as a side effect of suppressing inflation through impoverishment of the general population; in economic theory, unemployment caused in this way is called unemployment resulting from the lack of demand;

- opening up the market to imports and international competition in the conditions of insufficient efficiency and competitiveness among Polish economic entities;
- overstaffing, particularly in the public sector, in relation to what, how much and how things were carried out; this could not be maintained in conditions of the withdrawal of subsidies and the need to manage them;
- organisational and educational maladjustment to functioning in a market economy, psychological barriers and stress hindering individual and social adjustment processes;
- weakness of labour market institutions, especially in the first phase of the transformation, and the lack of a modern system of information on work and related requirements;
- changes in the legal system, in particular the legalisation of unemployment and the establishment of the social safety net system, which partly resulted in inflated levels of unemployment, especially in 1990–1992, due to an excessively liberal law regulating access to social benefits (Oleksyn, 1994, p. 5).

Unemployment, as a public, registered phenomenon, was in this period regulated by the Act on Employment and Unemployment of 29 December 1989 (Dz. U. 1989, No. 75, item 446). The programme of transformation of the economic system in Poland, initiated at the end of 1989 (Balcerowicz, 1997), assumed that the creation of the labour market was one of the most important institutions of the market economy. In 1989, the Council of Ministers adopted a document called “The Balcerowicz Programme.” The fifth chapter of this document takes into account the problem of social benefits for the unemployed, providing funds for training and retraining, as well as the creation of new jobs. It was assumed that the social safety net introduced should cover all the unemployed, while ensuring special protection for those who were made redundant by bankrupt or liquidated companies and who lost their jobs as a result of employment reduction, i.e. also for individuals subject to group lay-offs.

One of the causes of unemployment in the initial period of the transformation was mass redundancies in companies. The period of systemic transformation found various businesses, mainly state-owned and cooperative enterprises, to be operating in conditions of significant over-employment in relation to the scale and effects of economic activity. These enterprises, forced to compete internationally in an open economy, had to give up economically unjustified employment (Oleksyn, 1992, p. 13). It should be em-

phasised, however, that in 1990–1991 there was a much stronger decline in the level of production than the number of employees in that period, which resulted in a decrease in labour productivity. At the same time, this situation implied an increase in hidden unemployment, which had already reached a particularly high level at the end of the 1980s, constituting 25% of total employment (Kwiatkowska, Kwiatkowski, 1993, p. 3).

The relatively smaller decline in employment than in production can be explained by the strong position of the trade unions in state-owned companies. Trade union pressure on the management of these companies led to other alternative employment adjustment methods being found, in the form of reduced labour costs (Kwiatkowska, Kwiatkowski, 1993, p. 3).

In industrially “young” countries undergoing radical changes, unemployment is often a shock to both society and the economy. Strzałkowski perceives the issue of unemployment in a slightly different way, suggesting that Polish unemployment resulted from the fact that people who had not yet worked to obtain specific benefits were activated.

The scale of unemployment in Poland in the 1990s was greatly affected by legal regulations. Thus, in the initial period of transformation, the above-mentioned regulations were exceptionally liberal in nature. In 1992, benefit payments were reduced to 36% of the average salary and the process of tightening the criteria for the right to receive benefits was initiated. In 1996, a reduction in the number of the unemployed was influenced by two factors: firstly, the checks on the readiness of unemployed benefit recipients to take up employment increased in frequency² and – in the case of refusal of a job offer – the right to receive benefits could be revoked; and, secondly, the right to receive benefits for graduates of schools to whom scholarships were offered was removed. These proceedings resulted from the amendment of the Act on Employment and Counteracting Unemployment of 1995 (Dz. U. 1996, No. 5, item. 34).

Reforms to the Polish labour market took place in three main directions. These were, firstly, reforms consisting of the creation of the foundations of market mechanisms, including the liberalisation of the economy, liberalisation of prices and foreign trade; secondly, the shaping of the principles of the state’s economic policy – i.e. the withdrawal of the state from setting wages and minimum wages, adjustment of income taxation to the requirements of the market economy, and employment agency ser-

² 950,000 people were written off the list because they did not confirm their readiness to work.

vices; and, thirdly, privatisation, which was to have a positive impact on the allocation of resources and their economic management, and thus, on the economic management of labour (Sztanderska, 1992, p. 5).

The consequences of the phenomenon of unemployment for the economy are enormous. Dach lists the following as the most frequent (Dach, 1993, pp. 12–18):

- on a macroeconomic scale, unemployment is a drain of public finances due to the cost of benefits and programmes to counteract this phenomenon;
- unemployment results in a reduction in state budget revenues, as the unemployed do not pay income taxes or social security contributions;
- mass unemployment leads to the under-utilisation of labour, which is an important factor in the production process;
- the lack of job opportunities encourages young, educated people to emigrate for work;
- unemployment adversely affects the physical and mental health of society;
- unemployment can generate an increase in the crime rate, especially in regions affected by high unemployment.

An extremely important issue in light of the above is the market of migrants in Poland. It can be concluded that the migrant labour market will continue to play a significant role as long as it remains profitable to hire foreign workers while paying benefits to unemployed native citizens (Rajkiewicz, 1998, pp. 92–95).

Rajkiewicz argues that the claim that migration is an unavoidable consequence of market forces or schemes independent of labour market institutions should not be accepted (Rajkiewicz, 1998, p. 94). According to the data quoted by him, external migratory movements in Poland are, and in the foreseeable future will be, a mass phenomenon, which is related to the migratory past (numerous and dispersed diaspora), geopolitical location (on the east-west transit route), demographic situation (increasing numbers of young people seeking employment), unemployment and poverty.

What is the precariat? Definitional challenges

The notion of “precarisation of work” refers to a growing trend in recent years – increasing uncertainty in employment and the deterioration of social security, which translates into increased existential anxiety and

the radicalisation of social sentiments. Guy Standing, who, in 2011, published *Precariat – New dangerous class?* (Standing, 1999) is the scientist who, in recent years, has started a broader discussion on the emergence of the result of this process – the precariat. Researchers much earlier than Standing, however, “tried to keep up with reality and describe all the negative social phenomena that emerged for economic reasons. They wrote about the working poor, seasonal workers, emigrants, etc. In Poland, we started to talk about ‘garbage contracts’” (Woś, 2014).

If we look at the genesis of the linguistic notion of precarity, we get the English term precarity or French *precarité*; the word “comes from the Latin root ‘caritas’ (mercy, love for one’s neighbours, care) and describes the condition of something (or someone) that needs to be taken care of” (Sowa, 2010). One of the first direct references of this term to the sphere of work can be found in the 1950s in the works of an American journalist and Catholic social activist – Dorothy Day (1952). The notions of precarious work and the precariat attracted the attention of sociologists at the end of the 1960s (due, *inter alia*, to the action of Italian autonomous Marxists) and since then, there have been several waves of increased interest. According to many researchers and analysts, especially those with strictly free-market views, it is still a controversial concept. Researchers dealing with this subject called the precariat both the “*in statu nascendi*” (Standing, 2011) social class and a “non-class;” the legacy of the proletariat and, at the same time, “its denial” (Bauman, 2011). The common feature of the precariat is the lack of a permanent identity based on work. Some commentators combined this issue with a lack of control over their own work (use and development of skills, amount of time required to work, management of working time, intensity of work, equipment, raw materials). Currently, the notion of the precariat most often refers to young people who are educated but with uncertain futures, deprived of guaranteed employment. They are either unemployed or employed on so-called “garbage contracts,” at risk of poverty. In spite of this, there are many doubts as to its definition. Theories concerning the precariousness of work are said to be insensitive to significant exclusions. The three most frequent allegations are: (a) a question about the characteristics of the precarisation of work in the era of globalisation, in relation to other parts of the world, including developing countries – a post-colonial perspective; (b) a Marxist perspective; and (c) a feminist perspective.³ How-

³ Taking into account post-colonial theories of the precariousness of work, it is often blamed for “Eurocentrism” or, in a broader perspective, of focusing on the problems of the so-called “rich North” countries. Researchers such as Massimiliano

ever, due to the limited scope of the text, we will focus on the genesis of the process of the precarisation of work, basic components of the theories concerning the precariat and precarisation, and on taking into account the Polish perspective.

Genesis – echoes of Fordism

In the countries of the so-called “rich North,” the starting point for discussions on the genesis of the process of the precarisation of work itself is the era of Fordism⁴ in the most industrially developed countries.

Tomba, Immanuel Wallerstein and Michael Husson note that this makes it impossible to take into account the issue of the transfer of “traditional” pre-cognitive forms of exploitation to the territories of less developed countries. Moreover, the perspective proposed in the consideration of the precariousness of work or non-material work can be considered elitist, since its scope covers, to a large extent, the consideration of the problems of the middle class in the most developed countries in the world. This factor is intertwined with Marxist criticism. In this context, however, the topicality of Marxist theories is also addressed. Both Husson and Tomba suggest that processes which are considered new by many theoreticians were predicted by Marx. In their opinion, the German philosopher had already predicted the takeover of cognitive work by capital in the 19th century, so it may seem unreasonable to attribute new, unnamed properties to cognitive capitalism. The first plane combining precepticism with feminist criticism is the claim that capitalism, as the framework supporting the functioning of patriarchal societies, “will probably collapse at some point, which will free up the opportunities that have developed inside of it.” One of the main allegations addressed to theorists of capitalism or the instability of employment is the alleged gender neutrality of the discussed issues. Neither the progress nor the redefinition of the model of work are considered in terms of gender. Considering Silvia Federici’s maxim that in capitalism “development is always synonymous with underdevelopment,” one may wonder where the main axis of the problem lies in this case (from: M. Tomba, *Zróźnicowanie wartości dodatkowej we współczesnych formach wyzysku*, in: *Wieczna radość*; I. Wallerstein, *Nowoczesny system-świat*, Warszawa 2006; M. Husson, *Kapitalizm bez znieczulenia*, Warszawa 2011; S. Federici, *Precariat – perspektywa feministyczna*, <http://www.ekologiasztuka.pl/pdf/f0096federici.pdf>; L. Fantone, *Precarious changes: Gender and Generational Politics in Contemporary Italy*, “Feminist Review” 2007, no. 87; A. Mitropoulos, *Precari-Us?*, “European Institute for Progressive Cultural Policies”, March 2005, <http://eipcp.net>).

⁴ The symbolic date of the advent of the Ford era is considered to be 1914, when the most modern technological solutions were combined with such organisational methods as the specialisation of work and the use of the automatic production line. The symbol of this model was the infamous five-dollar assembly tape, and the whole system of early Fordism was described as “authoritarian”. The category of Fordism

It is understood as a system of production organisation introduced at the beginning of the 1910s by Henry Ford, initially in the United States. Researchers such as Zygmunt Bauman, David Harvey, Paolo Virno, Michael Hardt and Antonio Negri associate this stage mainly with the decades of the 1940s and 1960s. They point out that despite the routine of many occupations and mass production, the so-called late Fordism was a period in which the working class reached a considerable amount of rights and privileges – notwithstanding the dark sides of the beginnings of Fordism, which was based on advanced control methods – guaranteeing in this short period (a) a job for life, (b) a stable identity based on permanent employment, (c) access to state support during periods of unemployment (Brophy, Pauter, 2007, pp. 177–191), (d) a predictable work schedule, (e) the confidence of the working class and class awareness, and (f) the interdependence of capital holders and workers. We can see how dangerous such a generalisation can be if we look more closely at the specificity of this idealised model of work and production organisation. It is worth remembering that, already at its source, the concept of Fordism was complex and “disturbingly diverse” (Jessop, 2013)⁵ – it is therefore necessary to exercise considerable research caution in order to properly outline the meaning and evolution of this term, which, at first, was a new and improved form of exploitation, which subsequently led to the stabilisation of the position of the working class and to mass consumption.

The concept of Fordism has many dimensions. It can be defined – in a narrower sense – as the work of semi-skilled workers at an assembly line, or, more broadly, as “the spread of the American way of life under the influence of mass production and mass consumption” (Jessop, 2013). This distinction leads us to at least four interpretations of Fordism: as a process of work, as a system of accumulation and as its modes of regulation and socialisation (Jessop, 2013).⁶ For the purposes of this text, the most interest-

was popularised in the United States of America by “Henry Ford himself and became part of the scientific and social consciousness in North America and Europe” (D. Harvey, *Neoliberalizm. Historia katastrofy*, Warszawa 2008; F. Gambino, *Krytyka fordyzmu w wydaniu szkoły regulacjonistycznej*, in: *Pisma rewolucyjne...*; B. Jessop, *Fordism and Post-Fordism: a Critical Reformulation*, 5 November 2013, <http://bobjessop.org/>).

⁵ B. Jessop, *Fordism and Post-Fordism: a Critical Reformulation*, 5 November 2013, <http://bobjessop.org/>.

⁶ Fordism, understood as a distinct form of capitalist work process, refers to the introduction of mass production of standard goods and the division of labour organised around the guidelines of Taylorism. Fordism, understood as a system of accumulation,

ing for us will be the last distinction, the level of analysis of the dimensions of Fordism, in which it is treated as a model of socialisation. As a result of the changes initiated by the introduction of the Fordist model of work organisation, the existence of the vast majority of society began to depend on the individual or social wage, which was supposed to satisfy individual needs “from the cradle to the grave” (Jessop, 2013).⁷ Thus, first and foremost, Fordism introduced, for the first time in history, an articulation of the relationship between mass production and mass consumption, applied in practice. Society should be organised in such a way that, as well as working time, there is also time and money available for leisure, in which the money earned can be used for the consumption of the produced goods. The legacy of Fordism, which has systematically spread across other highly industrialised countries, popularised the policy of promoting the urban consumer lifestyle as an ideal for the nuclear family, symbolised by a suburban home, a television or radio set and private cars.

At present, in the discussion on the process of precarisation of work or the increase in its uncertainty, a tendency to idealise the period of Fordism is emerging among some theoreticians. It is presented as a period in which the capitalist system enabled the formation of a balance of power between capitalists and the working class. One of theorists who strongly contrasts the certainty of the Fordist era with the uncertainty of modern employment is Zygmunt Bauman. He defines Fordism as a time in which “the 20th century contemporaries of Henry Ford Senior, Morgan or Rockefeller were deprived of the miraculous weapon of uncertainty” (Bauman, 2011). According to Bauman, at the beginning of the 20th century, mass industrial production gained a hegemony in the global economy,

i.e. a macroeconomic system that maintains extended reproduction, is in turn based on the effect of a growing spiral, based on the interdependence between mass production and mass consumption. Fordism is considered a mode of social economic regulation, i.e. a set of norms, institutions, organisational forms, social networks and modes of conduct that support and constitute the Fordist accumulation regime. The location and position of the workforce according to this approach are based on the wage relationship, organised around the key role of semi-skilled workers in large companies. Moreover, in this context, management recognises the right of trade unions to collective bargaining, while unions grant the right of management to organise the work process and define corporate strategies.

⁷ Jessop stresses also that these developments contrasted with the pre-Fordist model of work organisation, whereby the labour force was mainly involved in capitalism as producers and met consumer needs to a small extent, mainly on the basis of small goods.

especially in the United States, even if it remained a minority method of production (Negri, Hardt, 2004, p. 108). Facing this, societies themselves had to industrialise. The rhythm of life, work, family relationships, the education system and the army were subject to industrialisation (Bauman, 2011). In these circumstances, “just like the workers who were hired at the factories, their capital was *glebae adscripti* – assigned to a place: drowned in heavy and bulky machinery that is resistant to moving and locked behind high factory walls. The employees and their employers were condemned to unlimited co-presence. The relationship was mutual, which was a secret of Polichinelle” – this is how Bauman describes this situation (Bauman, 2011). In this context, reference is made to “natural barriers” which were supposed to protect against exploitation and inequalities. These barriers were supposed to set in motion the machinery of a welfare state “ensuring that the labour force was fit for sale and that capital could afford to buy it” and protecting “the capitalist order from the deadly consequences of capitalists’ inclinations for quick and maximised profits” (Bauman, 2011). Hence, the numerous protections: minimum wages, limitation of working time, or consent to the action and protection of trade unions and other workers’ organisations. According to Bauman, the source of this state of affairs was, first and foremost, two issues; firstly, a model of work that had not yet passed through the magnitude of the technological revolution, and, secondly, the alleged guarantee of stability that was brought about by the impossibility of transferring capital or production to other places where wage and working conditions were much lower than in the so-called “old Europe.”

It is worth remembering, however, that in the initial stage of Fordism – so-called trade unionism – there were many abuses against workers, and this system of work organisation was one of the most ruthless methods of intensifying the exploitation of workers. Factories using Ford’s solutions were described as “large concentration camps, built on fear and physical humiliation” (Bernstein, 2013). The system of work and production organisation initiated by Ford provided huge profits for capitalists, but also it exploited workers at an accelerated rate. Under the guise of increasing productivity, Fordism led to the alienation of the workforce by splitting it into numerous sub-divisions, based on ethnic origin or other differences. It was not until many decades after Henry Ford’s introduction of the network that social security, the establishment of fair labour standards, the legitimacy of trade unions, the establishment of minimum hours of work or the introduction of unemployment insurance began to be considered on

a wider scale. Thus, “with the success of trade unions organising workers in mass production sectors, Fordism was seen as a system that strengthened rather than weakened workers” (Silver, 2009, p. 27).

A big change? Post-Fordist upheaval, debate on non-material work

According to some researchers, in the 1970s the energy crisis, the progressing economic recession and the technologicalisation of work resulted in the emergence of a large section of the labour force deprived of the social security that had been developed over decades. Since then, the question of precarity has become apparent in “sociological analyses, but it has also been reflected in the rationale of social movements” (Berardi, 2009, p. 30). At the same time, the 1970s was a period in which the capitalist system was presented by the authorities and the owners of capital as a model to which there is no alternative, as Margaret Thatcher used to say. In this sense, it was understood as a period in which the “advancement of the average man” was associated with the “advancement of the commonwealth” on which the entire industrial revolution was based. One could read such things as: “The people, who in all previous centuries had created hosts of slaves and serfs, the poor and beggars, became the buying public sought by the entrepreneurs” (Mises, 2012, p. 4). However, the political and economic situation of the 1970s and the shift in the approach to work shook the foundations of a well-established system. There was fear and uncertainty about the loss of privileges for white and middle-class workers. The echoes of the oil crisis and the intellectual legacy of 1968 anchored precarity in discourse. The most important turn of the post-Fordist era was therefore the change in the production system. The emphasis was shifted to flexible forms of employment, the service sector, technologicalisation, and the entry of women into the labour market. More attention was also paid to customer-consumers than to social classes.⁸

⁸ One of the earlier analyses of the changes that took place within the working class during the decline of the industrial society was made by Andre Gorz. He noted that the changes led to a paradigm shift, “it is no longer a question of gaining power as a worker, but of no longer functioning as a worker.” Gorz claimed that the class that had previously been described as the proletariat entered a period of crisis. In his opinion, however, the source of this crisis was not a crisis of the class itself, but a crisis of “myth and ideology.” As he showed, this idea “is now as obsolete as the proletariat itself, since the place of a productive collective worker has been occupied by a non-

Antonio Negri and Michael Hardt describe the period of technological change, the end of the 1980s and 1990s, as the caesura of the intensification of the process of precarisation. It was a time when “TINA – an informal neoliberal and partly neo-conservative ideology – in the 1990s completely dominated western thinking about politics and economy” (Żakowski, 2001, p. 28). At the same time, it was a period during which the “natural guarantees” offered by the system known as “Fordism” in the “rich North” countries had already evolved considerably. From the perspective of reflection on the genesis of precariousness and precarity, it is important to consider a number of concepts that Hardt and Negri drew attention to in the initial phase of their joint work. The first of these categories is the result of the evolution of capitalist work – non-material work, i.e. the effect of the departure from the industrial model of employ-

class of non-labour workers, announcing a non-society within an existing society in which castes will be abolished as well as work itself and all forms of dominance.” As early as in 1982, Gorz defined the concept of the neo-proletariat, created as a result of automation and the computerisation of intellectual work. This was the embedding of the information society theory within the class framework. In this context, in his opinion, “the traditional working class is now nothing more than a privileged minority.” In his opinion, the majority of the population belongs to the “post-industrial neo-proletariat with no job security or a defined class identity, which fills the space for probationary, contractual, casual and part-time employment.” Pierre Bourdieu, on the other hand, points in a rather general way to “the globalisation of the financial markets combined with the advancement of information technology and unprecedented mobility of capital,” or something that he describes in other words as “transplanting the Darwinian world to companies and employment realities,” as features that can be considered characteristic in a shift in the employment model. Bourdieu believes that companies, operating in an environment of merciless global competition, must adapt to the requirements imposed by the markets for fear of losing confidence. They can, and therefore must, more and more effectively impose their will on managers, outline their modalities and shape their employment, salary and recruitment strategies. As Bourdieu points out: “This leads to absolute flexibility, with all that it entails: part-time recruitment or temporary but repeated employment, regular redundancies and the creation of rivalry between autonomous profit centres within the company.” To these factors, Bourdieu adds the individualisation of objectives, competencies, skills and payroll and an individual responsibility strategy. Although the French researcher does not directly call the process described by him precariousness or increasing the sense of precarity, he writes that “fear of redundancy or unemployment generates uncertainty, demoralisation or conformism,” as well as weakening collective ties and a sense of solidity (from: A. Gorz, *Farewell To The Working Class, An Essay On Post-Industrial Socialism*, London 1982; Bourdieu, *Acts of Resistance Against The Tyranny of the Market*, New York 1998, p. 97).

ment (Hardt, Negri, 2005, pp. 280–290). Intangible work is most often defined by them as a result of the computer and IT revolution. In line with this trend, at the present stage of capitalism, it is work that does not produce physical objects but information, ideas, states, knowledge, information, communication, interpersonal relations or managing emotions (Negri, Hardt, 2004, p. 108).⁹ Hardt and Negri distinguished two basic types of non-material work. The first one refers to the strictly intellectual/linguistic: production of ideas, symbols, codes, texts, and linguistic figures. The second is the so-called affective labour which, unlike emotions, refers to both body and mind. Affective work therefore manipulates feelings such as relief, relaxation, satisfaction, excitement or passion (Negri, Hardt, 2004, p. 108).

As a result of the production restructuring process, according to Hardt and Negri, the skills and knowledge of the workers, rather than their bodies, are now what counts (Federici, 2010). For “workers such as computer graphic designers, translators, teachers, etc., the essential factors required for the performance of their work are aspects of themselves. It can be said that variable capital takes the form of fixed capital” (*Przegląd...*). Cognitive and informational work is less dependent on the permanent physical presence of the worker. The flow of work is more fluid, impermanent, intermittent – it is precarious. It is also worth noting that the basis of intangible work is not so much the immateriality of the work process itself as the immateriality of its products. Interestingly, unlike the majority of researchers dealing with this issue, Hardt and Negri did not give an unambiguous negative opinion of the effects of this transition to the post-Fordist model of capitalism, claiming that this type of employment may seem attractive, especially for people working cognitively. Hardt and Negri refer directly to the notions of precarious work only in their later works; in their opinion, it is “a control mechanism that determines the timeliness of workers by destroying the distribution of working time and non-working

⁹ It can be said that the appearance of non-material work was predicted as early as in the 19th century by Karl Marx. In his *Outline of a Critique of Political Economy*, Marx presented his reflections on the role of intellect, and, in particular, scientific knowledge and technical skills at the present level of capitalist production, as well as its possible future variants. Marx also introduced the term “universal intellect”, which essentially lies in the fixed capital in machines and objective production factors. At the end of the 20th century, this idea was developed, referring to the role of reason with regard to variable capital. From: “Przegląd Anarchistyczny”, *Słownik*, <http://www.przegląd-anarchistyczny.org/słowniczek/80-powszechny-intelekt>.

time, requiring workers not so much to work all the time, but to be constantly ready for it” (Negri, Hardt, 2012, p. 248). Nowadays, what once seemed to be a marginal and temporary state, or a momentary whim of the system, “has now become the dominant form of employment. Precarisation is no longer marginal and temporary, but has become the main form of employment in the productive, digitalised, networked and complex sphere” (Berardi, 2009). The current situation does not resemble that of a few decades ago, “while employees are still limited in their choice of strategies and demands, their employers got rid of restrictions. Interdependence, mutual until recently, has become one-sided now. Therefore, the proletariat is transformed into a precariat” (Bauman, 2011).

Precarisation and precariat – analysis of concepts

Recently, studies by Judith Butler, Zygmunt Bauman and Guy Standing have been the most widely discussed theoretical approaches to the precariat. Judith Butler distinguishes between three concepts related to uncertainty – socially, economically and politically. The first of these, the most strongly related to the precariat theory, is precarisation, i.e., according to Butler, a process usually triggered and reproduced by governmental and economic institutions, which accustom societies to the sense of uncertainty and hopelessness. The broadest of the notions cited by Butler is precarity as a structure of influence, an escalation of a sense of unpredictability or dependence that is spread differently throughout society. The third concept distinguished by Butler is precariousness (uncertainty) – a concept that characterises every human being. It is not a mere understanding of the existential truth that each of us may suffer deprivation, injury, weakening or death due to events or processes beyond our control. It is, above all, a feature of social bonds, of different relationships that are based on our mutual interdependence (Butler, 2011).

Zygmunt Bauman in his works analysing the concept of the precariat points, first of all, to atomisation, a sense of dependence („being on the grace and disfavour of someone else”) (Bauman, 2011) and helplessness („Regardless of their origin and rank, all precarians suffer – but each and every one of them suffers alone and the suffering of each of them is a deserved, individual punishment for individually committed sins: a lack of cunning and effort. Individually endured suffering is strikingly similar, regardless of whether it is caused by a growing pile of bills and invoices

for college, or the miserable level of the salaries associated with the uncertainty of the available jobs and the unavailability of the descent and reliable ones”) (Bauman, 2011). These factors boil down to a sense of meaninglessness and indignity („In addition, there is also the vagueness of perspectives and the intrusive spectre of job loss or official degradation – all of which together make up the chronic state of existential uncertainty. This incredible *mélange* of ignorance and impotence, which, in turn, results in a loss of dignity due to a sense of humiliation”) (Bauman, 2011). Bauman also emphasises that “in the semantic field of the notion of the ‘precariat’ there is a group of people affected by the uncertainty or fragility of their social position and harassed by fear of its loss (loss of job or income, bankruptcy, degradation, rejection).” Precarians form part of the so-called “middle class” circles and constitute a rapidly growing faction of this class (Kania, 2013, pp. 24–29). Bauman puts emphasis on the individual suffering of the precarians, contrary to the proletariat that endured oppression collectively. Using Hegel’s claim, which was also adopted by Marx, I can state that the precariat has “a weak view of how to transform from ‘class in itself’ into ‘class for itself’ – thus, into a compact political power. The principle of competition, not solidarity, governs the relations between precarians – whether they earn a living in an office, public institution, ‘on their own’ or in a factory” – concludes Bauman (Kania, 2013).

The pioneer and populariser of the concept of precariat – Guy Standing – distinguishes between two ways of defining this concept. In relation to the classic theme, Standing maintains that the precariat is a separate socioeconomic group, a social class *in statu nascendi* („In this spirit the precariat can be described as a neologism linking the adjective ‘precarious’ with the associated noun ‘proletariat’”) (Standing, 2011). He argues that concepts such as “working class,” “workers” and “proletariat” have taken root over several centuries in our mentality and culture. People had the opportunity to define themselves in class categories. Today, however, Standing writes, such categories are nothing more than suggestive labels (Standing, 2011). The second way of defining precariat refers to the lack of a permanent identity based on work. Some commentators have combined this issue with a lack of control over their own work (use and development of skills, amount of time required to work, working time management, intensity of work, equipment, raw materials).

One of the main objections to the concept of precariat is its wide range and ambiguity: “No matter how we define it, the precariat is far from be-

ing homogeneous. A teenager, who makes a living by doing casual job and moving between Internet cafes, is not the same as a migrant using his own reason to survive, getting to know people who can help him, while at the same time, being afraid of the Police. Nor is it similar to a single mother worried about where to get the money to get food next week, or to a sixty-year-old man taking casual work to pay the bills for medical treatment. But they all share the feeling that their work is instrumental (to survive), opportunistic (to take whatever comes) and precarious (uncertain)” (Standing, 2011).

In this context, it is worth distinguishing concepts – based on Marxist terminology – which precisely delineate the boundaries of the precariat. Most often, it is indicated that precarity – as well as unstable conditions on the labour market – is a hybrid of three sensations: alienation, dissonance and relative deprivation. According to Standing, the state of alienation arises “if our life seems meaningless to us and we ourselves feel worthless, or if we are able to preserve our sense and self-esteem only through illusions about ourselves or our position;” it is a “dead end street” when it comes to the development of life with meaning, “the awareness that what we do does not serve purposes that are valued and respected” (Sowa, 2010, p. 221). On the other hand, the state of dissonance is felt by people with a relatively high level of education, who are forced to accept work with a status or wages below their expectations and qualifications. Precarians, in this context, are characterised by a sense of unused potential and wasted opportunities. Relative deprivation is the third notion outlining the precariat. Deprivation is generally understood as the feeling of lacking something, while relative deprivation is the feeling existing in an individual or social group that feels that it deserves more than it possesses, or that people similar to a given individual have more than he/she does. The feeling of relative deprivation is also associated with comparing the situation on the labour market of people living in the post-Fordist era with the much more stable situation of their parents or grandparents. It would be a significant omission to ignore the factor of minimum horizontal trust in capital („we feel more and more that we are not at home, because, in fact, only capital is at home today. It knows no borders, national identities, ethnic divisions, skin colours or gender identities. The more capital is at home, the less we are at home”) (Sowa, 2010, p. 221) and states that are no longer able to perform their social functions on the basis of the model we know from previous decades. The precariat thus includes people who are temporarily unemployed, living on casual jobs, employed

on short-term contracts, migrating in search of income, and those who work part-time or are forced to sign a blank check together with their employment contract (this practice is quite common in large corporations) (Sowa, 2010, p. 221). For the sake of honesty, it should be stressed that – as Standing wrote – “some prefer to be nomads, travelers, not settlers, not all precarians should be perceived as victims” (Standing, 2011).

Poland's specificity in the process of precarication of labour

The question should be asked as to what extent the work precarisation process can be applied in Poland, especially due to the specific experience brought about by the economic transformation. First of all, one can consider how much of the Fordist model of production organisation was reflected by the work set-up of the communist era. While the Fordist model is associated with mass production, its social consequences are not fully reflected in the Polish society. The second factor is the difficulty in fully translating the relative deprivation factor into Polish conditions. The period parallel to the triumphs of Fordism is considered in Poland to be a source of economic backwardness and mostly carries negative associations. The concept of relative deprivation in Poland has a more complicated trajectory (the recognition of the communist era as a more favourable time for the economic security of workers is a rather rare and controversial view; in popular discourse, the transformation is associated with victory and the restoration of economic freedom). However, the unemployment rate in Poland in the period after the economic crisis (10.1% generally, and 27.4% among people under 25) (Eurostat, 2013) and the increasing number of people working in the service sector (Kawa, 2010) went hand-in-hand with an increase in the number of “garbage contracts.”¹⁰ Although civil law contracts in some situations are beneficial for both employer and employee, the State Labour Inspectorate warns that the number of violations of the Labour Code by employers is increasing.¹¹ Moreover, despite

¹⁰ The number of civil law contracts is also increasing in other European Union countries, but, at the same time, legal regulations are being created to protect employees against abuses by employers. *Jak wyglądają umowy śmieciowe w Europie?*, <http://serwisy.gazetaprawna.pl/praca-i-kariera/galerie/796382,duze-zdjecie,2,jak-wygladaja-umowy-smieciowe-w-europie.html>.

¹¹ PIP alarms: They should hire on a full-time basis, not give people “garbage contracts,” PAP from: puls.HR.pl, 3 November 2014.

the increasing number of narratives concerning these abuses and the consequences of the economic crisis, the wave of social incidents related to the economic crisis was actually marginal in Poland. This may be related to the fact that, during the economic crisis, despite the inevitable economic consequences, recession was avoided (Kapiszewski, 2014). Many analysts indicate that the reason for this was, *inter alia*, low labour costs in Poland or an increase in precarious employment conditions. As a result, it should be emphasised that the specific legacy of the economic transformation and the great economic shifts due to the specificity of economic transformations shown at the beginning of the text have prompted a look at the process of precarisation of work in Poland, taking into account the slightly different social and economic context.

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Poland – the leader of social Europe.¹

The implementation of family policy through the example of the “Family 500+” programme – a survey of the local population in a region of Wielkopolska

1. Introduction

Since 2015, family policy has been a crucial element of the political platform pursued by the governing alliance (United Right – *Obóz Zjednoczonej Prawicy*). The “Family 500+” (*Rodzina 500+*) programme, launched in 2016, has been both symbolically and materially the most important aspect of this policy. The programme aroused, and continues to arouse, considerable concerns and controversies about its universal nature, as well as the expenditure incurred relative to the capacity of the state’s budget.

Launching family benefits at such a high level has clearly made Poland one of the European Union countries offering the highest benefits compared to the EU average, and as a proportion of GDP allocated to family support.

This paper presents a survey which examined the attitudes of the residents of Wielkopolska from the former region of Konin to the “Family 500+” programme, when it was first announced and after its implementation. The survey was carried out in the first stage of the programme, in 2016, when Polish citizens received the benefits for the first time. The survey employed the direct interview method, enabling conclusions to be made regarding both levels of approval for the programme and its as-

¹ According to data available from the European Commission, the benefit offered under the Family 500+ programme was roughly 12% of the average gross wage in Poland in 2016. See: *First results of Poland’s Family 500+ programme released*, <https://ec.europa.eu/social/main.jsp?catId=89&furtherNews=yes&newsId=9104&langId=en>, 18.09.2018.

assessment after nearly two years of operation. The interviewees came from the former region of Konin and represent the demographic which are the primary beneficiaries of the programme, namely the residents of smaller towns and the rural population.

Comparable surveys were conducted by the Centre for Public Opinion Research (CBOS) on samples of c. 1,000 respondents. The results presented below refer to groups of over 500 individuals, which makes them representative not only of the former region of Konin.

2. Research methodology and characteristics of the surveyed community

The survey was conducted among the residents of the former region of Konin, which constituted a state administrative unit (*województwo*) in 1975–1998, and comprised 18 towns and 48 municipalities before the administrative reform.

Public debate before the 2015 presidential and parliamentary elections convinced the author that it was necessary to review public opinion on social security, as this was one of the issues repeatedly featured in politicians' speeches at the time.

The research was undertaken as a long-term study aiming to assess the attitude of residents of Wielkopolska to the proposed and implemented social reforms, including the flagship "Family 500+" programme, and its fundamental research problem examined whether the reforms were justified and what the attitude to their general (universal) nature was.

The survey employed the method of direct interviews. The main survey technique used in order to collect information was a questionnaire; the number of questions in the questionnaire was different in every survey cycle. In every case the questionnaire comprised the following three elements:

- 1) socio-demographic questions (respondent profile);
- 2) content-related questions on security;
- 3) content-related closed and open-ended detailed questions.

Taking into account the political debate at the time, the questions asked addressed the issues of the general security of individuals and families, and separated the category of social security from the other categories.

The survey was conducted in a group of 540 people in 2016, several months after the "Family 500+" programme had been launched.

A considerable proportion of respondents might have been either the beneficiaries of the programme or its direct observers.²

3. 2016: practical verification of the implementation of the declarations of social reforms several months after their launch

The 2016 survey was conducted in the area of the former region of Konin.

It included 540 people, with a slight majority of women over men (248 males and 292 females), as illustrated below.

Table 1

Number of survey participants in 2016

Sex	Number	Percentage
Women	292	54.0
Men	248	46.0
(N)	540	100.0

Source: Own elaboration.

Regarding the age of participants, the majority were in the age groups whose views may have been impacted by their own eligibility for the programme at the time of the survey or in the near future. This is illustrated below.

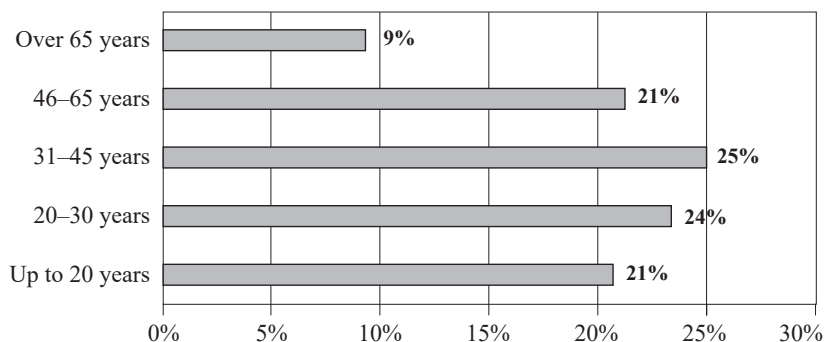
Table 2

Age of survey participants in 2016

Age	Number	Percentage
Up to 20 years	112	21.0
20–30 years	127	24.0
31–45 years	135	25.0
46–65 years	115	21.0
Over 65 years	51	9.0
(N)	540	100.0

Source: Own elaboration.

² In 2017, the Centre for Public Opinion Research (CBOS) conducted a nationwide survey of 1,020 people See: CBOS (2017), *Ocena programu „Rodzina 500 plus” po blisko roku od jego wprowadzenia*, Warszawa.

Figure 1. Age of survey participants as a percentage

Source: Own elaboration.

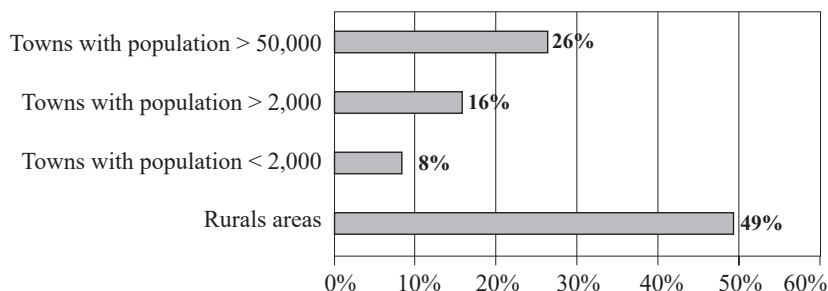
Regarding respondents' place of residence, the distribution resembled that in the previous year, with residents of villages and small towns predominating. Konin was the largest urban centre, as illustrated below.

Table 3

Place of residence of survey participants in 2016

Place of residence	Number	Percentage
Rural areas	266	49
Towns with population < 2000	45	8
Towns with population > 2000	86	16
Towns with population > 50000	142	26
(N)	540	100

Source: Own elaboration.

Figure 2. Place of residence of survey participants as a percentage

Source: Own elaboration.

The questions on how security was understood were repeated in 2016, an important one being whether priorities had changed in this respect. Since emotions related to the electoral campaign had died down, it could be assumed that priority would be given to individual security and the security of one's own family. The results are presented in the table below.

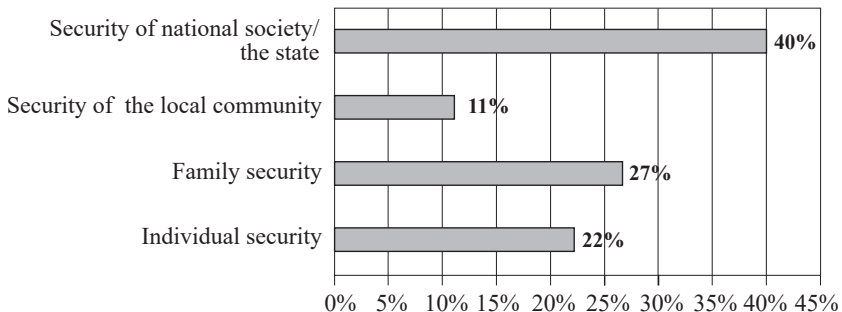
Table4

Understanding of security as a percentage

Understanding of security	Number	Percentage
Individual security	111	22.0
Family security	133	27.0
Security of the local community	55	11.0
Security of national society/the state	201	40.0
(N)	500	100.0

Source: Own elaboration.

Figure 3. Understanding of security as a percentage



Source: Own elaboration.

500 respondents opted for one category only; 18 indicated all the categories as their priorities; two indicated family and individual security, and nine indicated family and state security. This shows the continued prevalence of the opinion that the most important category of security is that of society/the state. Family and individual security ranked second and third respectively, as they had done one year earlier. The survey did not support the assertion that priorities have changed to emphasise individual and family matters, as these two categories were prioritised by less than half of respondents (47%).

Having collected the data on the importance of security and the way in which security is understood, the “Family 500+” programme was investigated. It had been in operation for several months at that time, so participants were able to see its scope; they could potentially have benefited from it themselves. The survey encompassed the following three important questions:

1. Do you feel more secure on account of social support such as Family 500+, medicines for senior citizens, tax relief, etc.?
2. If you do, do you feel safer because you are personally eligible to obtain them?
3. Should social programmes be available to everybody or only the poorest?

This time, the hypothesis was that people’s sense of security would be enhanced by the fact that the legislation regarding the programmes was in place and benefits paid out. Another assumption was that the majority of respondents would support benefits being universal, possibly on account of their being the beneficiaries or observers of such benefits, living mainly in rural areas and small towns. What was also important was the fact that after the Law and Justice party (*PiS*) had won the elections, the opposition began to argue that the programme should be extended and encompass the first child in the family as well. This would make it even more universal. The results of the survey presented below examine those hypotheses.

Table 5

Sense of security after launching the “Family 500+” programme

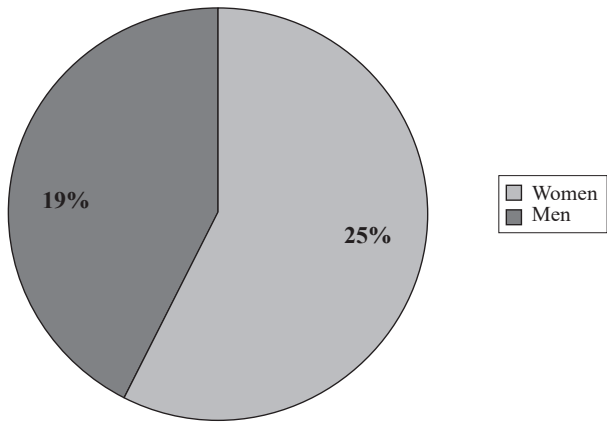
Sex	Number		Percentage	
	Yes	No	Yes	No
Women	136	156	25.0	29.0
Men	101	147	19.0	27.0
(N)	540		100.0	
Place of residence	Number		Percentage	
	Yes	No	Yes	No
Rural areas	125	141	23.0	26.0
Towns	112	162	21.0	30.0
(N)	540		100.0	

Source: Own elaboration.

The above statistics show that the hypothesis assuming that the reform would have a definite impact on the sense of security was not supported by the data either for men or women, or for the residents of rural or urban

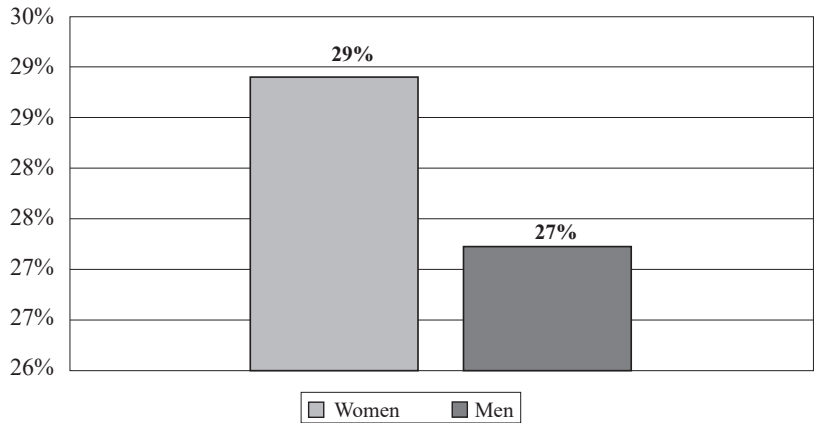
areas. The most likely reason for this could be people’s continued concerns about the budgetary capacity of the state to run the programme.

Figure 4. The reforms have increased the sense of security – sex (%)



Source: Own elaboration.

Figure 5. The reforms have not increased the sense of security – sex (%)



Source: Own elaboration.

Regarding respondents who were beneficiaries of the programme, 110 admitted that their positive assessment of the programme was related

to that. A generally positive outcome of the programme and its impact on their sense of security was expressed by 237 respondents. This can be interpreted as a positive approach to the programme by more than just its beneficiaries, meaning that it is positively evaluated for more than just self-interested reasons.

As has already been mentioned, a crucial question was asked about the universal nature of the benefit and whether it should support only a selected group (the poorest) or everybody, or should not have been launched altogether. The results of the survey are presented below.

Table 9

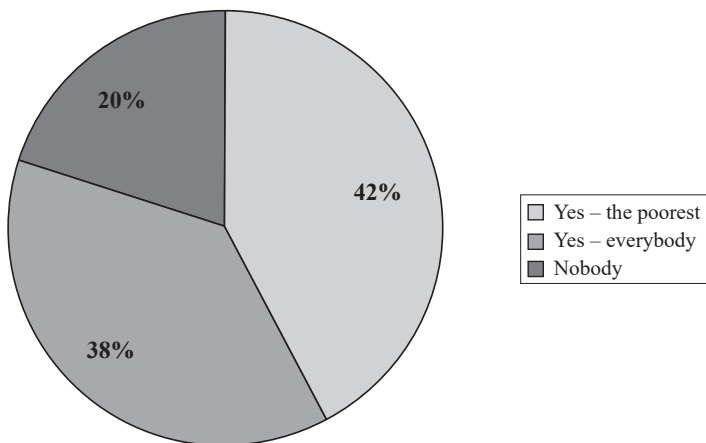
**Respondents' attitude to the universal character of the benefit
(total, sex, place of residence)**

	Yes – the poorest		Yes – everybody		Nobody	
	number	%	number	%	number	%
Total	229	42	203	38	108	20
(N)	540	100	540	100	540	100
Women	126	43	111	38	55	19
(N)	292	100	292	100	292	100
Men	103	42	91	37	54	22
(N)	248	100	248	100	248	100
Rural areas	130	49	93	35	43	16
(N)	266	100	266	100	266	100
Towns	99	36	110	40	65	24
(N)	274	100	274	100	274	100

Source: Own elaboration.

The vast majority of survey respondents have a positive attitude to the “Family 500+” programme. Only 20% of respondents were against social programmes being available to any group. This attitude was expressed by 19% of female and 22% of male respondents. A slightly more negative attitude to social benefits was found among urban residents (24%) than among those in rural areas (16%). It should be borne in mind that a considerable proportion of respondents in this survey come from small towns with a population of less than 50,000, which makes it justified to say that they represent mixed rural-urban society. The opinion that benefits should be offered only to the poorest is the most common – 42% of answers, which is 4% more than the number who assert that the benefits should be offered universally. This general attitude is illustrated in the graph below.

Figure 6. Respondents' opinions about whether to offer social benefits and, if so, to whom



Source: Own elaboration.

The opinion that social benefits should be universal predominates only among urban residents – 40% of answers, which is 4% more than the number of opinions that the benefits should be offered only to the poorest. Both a majority of women (43%) and men (42%) believe that the benefits should be available only to the poorest. Interestingly, residents of rural areas are the largest group opposing the universal nature of these social benefits. No less than 49% of respondents are of the opinion that they should only be available to the poorest.

Regarding the hypotheses so far put forward, the 2016 survey confirmed a positive attitude towards social benefits, while no direct relationship was found between a positive attitude and whether or not a given individual personally benefits from them. Social benefits did not increase the general level of security experienced by the survey participants. The vast majority of respondents were in favour of social benefits, but the hypothesis that they would be in favour of their general availability was not supported. This attitude was particularly common among the rural population, which might have been related to their direct observation of beneficiaries and their needs, and inspired further surveys in 2017.

This next survey should include more questions about the operation of the “Family 500+” programme and its influence on its beneficiaries, and assessment of how the benefits are spent once obtained.

4. Conclusions

The above-presented statistics constitute a partial report on the surveys that were conducted in 2015, 2016, 2017, 2018 and 2019. The author intends to continue them in successive years.

The results demonstrate that the residents of Wielkopolska from the former region of Konin approved of the “Family 500+” programme being launched, despite expressing initial concerns when it was announced. Support for the universal character of social benefits was investigated to show that a majority of respondents are in favour of some criteria of eligibility being applied. This is related to perception of this benefit as support for the poor rather than a universal support related to child rearing, as it is in most other countries offering similar benefits.

Undoubtedly, the public, in particular residents of rural and rural-urban municipalities, have an insight into how these benefits are utilised, which is the source of their opinions that the character of this social benefit should be changed.

The author intends to continue further, more detailed surveys. A more elaborate discussion of the collected material used in this paper will be presented in a monograph.

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The aim of the publication is to debate current determinants of generating economic growth in the European Union, which is still a problem in the post-crisis environment. It is investigated globally, continentally but also regionally. At the same time, the key question is if economic growth is combinable with social dimension and social values, being one of the main considerations of the young Europeans, who belong to the group most adversely affected by the crisis. The publication was prepared within Jean Monnet Chair “European Union - Economic Development, Young Europeans and Innovations in Crisis Overcoming and Union's Sustainability” held by the Faculty of Political Science and Journalism at Adam Mickiewicz University, Poznań.



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