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Socrates and Business Ethics
Considerations on the ethical origins of responsibility*

Abstract

The presented work attempts to show a link between business and global responsibility, and the Socratic idea of self-knowledge.

Today’s ethics discusses the fundamental issues of man’s place in the world. The human existence is one of the causes of the contemporary crisis. This crisis between man and the world obliges us to raise a radical question of the ethical origins of individual and global responsibility for the quality of life and the future of human generations. This question requires going back to the historical and ethical considerations about the Socratic project of the good life. The starting point for Socratic ethics is an inter-personal and inner-personal dialogue; the subsequent result is man’s practical wisdom of how to build his life with others. Socrates argues that the key issue of responsibility is the awakening of self-awareness and the way to achieve this objective is through dialogue.

Keywords: Socrates, responsibility, business ethics

JEL Classification: B11, Z13

* The article is an updated version of the paper published in Polish in the Annales. Ethics in Economic Life, 11(1), 55–63.
1. Introduction

In this article, I wish to examine the contemporary perspectives of business ethics in terms of sustainable development and the corresponding lifestyle postulated by global ethics. This subject combines reflection on the scope of business ethics and the possibilities of its study with the question concerning our personal, social, institutional, international and global responsibility for integral and sustainable development. Behind the idea of sustainable development, raised for the first time by Aurelio Peccei, the founder of *Forum Humanum*, a certain ethical condition of man is hidden. It is most often described by means of the category of responsibility, due to its universal dimension. As stated by Lewicka-Strzalecka (2006, p. 10), “[r]esponsibility should [...] be attributed to both sides of market exchange, albeit the sources and nature of responsibility are varied. [...] Selected responsibility constituting business responsibility is associated with a certain amount of knowledge, competence, and individual characteristics.”

We are responsible for someone, to someone, jointly and to others as beings aware of ourselves and our own history, free and competent. The issue of responsibility is taken up by all types of specific ethics. It is also developed in numerous kinds of ethical advice in the form of certain general directives and suggestions on how to behave in conflict situations, what decisions to make, etc. Moral and ecological aspects of economic activity concern the responsibility of individuals or groups for the effects of their actions. These include certain patterns of behaviour, for example, of decency and social norms. Their advisory role comes down to two main functions:

1. the indication of other, alternative possibilities of using the existing technology,
2. the impact on reducing or eliminating the cases of instrumentalisation of interpersonal relations.

We may add that in these multithreaded, diverse considerations, a reflection on the responsibility associated with a specific strategy of action emerges. In this way, ethical theses are combined with the morality of principles, i.e. the issues of the good life with considerations for the general rules of conduct.

Within this framework, three areas of responsibility can be distinguished corresponding to three different attempts to interpret it:

1. Ethical area—responsibility is understood as the need to accept the consequences of the way the subject participates in his or her own life and in the lives of others based on the choices made, the preferences of values and the accepted hierarchy of goods. This responsibility includes the debt of gratitude to the past generations and an obligation to the next generations.
2. Moral area—responsibility applies to the observance of universally and collectively binding moral standards (professional codes) on a societal and global scale.
3. Strategic area—relates to the institutional implementation of various forms of responsibility, e.g.: poverty or ecological degradation.
These three models of responsibility remain closely related to the civilisational, cultural, technical, and economic context. The models present various intertwined threads: utopian and realistic, idealistic and pragmatic. These set two complementary horizons of expectations: a radical change in the ethical condition of man and the improvement of the operational strategy of national and international institutions. They find their validation, as well as justification, in the growing belief among ethicists about a deepening crisis of civilisation. It is accompanied by various raising tensions, anomalies, threats, and global conflicts. An interdisciplinary reflection on these issues allows ethicists to understand how people’s attitudes towards themselves, others, and the world—considered in the sphere of preferred values, goods and goals, outlooks, styles, and quality of life—are changing. What does the good life mean for most of us today and how do we pursue it? What obstacles and inhibitions affect our negative life-balance in the private and public? How do this impact our cultures, professions, ecology, consumption, politics, and, healthcare? Clearly, such investigations must include business ethics and global ethics. It is only from the perspective of global ethics that in many cases detailed evaluations can be made in the field of business ethics, especially when these evaluations concern the nature of relationships that exist between economic activity and its societal effects. The idea of sustainable and equitable development combines them, creating the theoretical and strategic foundations for the ethics of future-oriented responsibility. One task of such an inquiry is the ethical question concerning the condition of man and the necessary goods. This is the focus of first part of the article: the appeals of ethicists for a responsibility for the future. The second part will outline the Socratic project of conscious and a responsible life, the sources for these reside in man’s interest in his own good life.

2. The idea of sustainable development and the ethical condition of man

The attempt to overcome the current crisis must, on the one hand, go beyond existing practices and, on the other hand, adopt a global dimension. In this spirit, one of the most important texts entitled *The Limits to Growth* was written in the framework of reports prepared for the Club of Rome. One of such texts is the treatise of Aurelio Peccei entitled *One Hundred Pages for the Future* (1987). In this famous text, the author indicates the existence of a direct relationship between the material crisis and the spiritual crisis of man. This crisis extends not only to the scope of growing needs and individual desires but above all leads to the blurring of valuable interpersonal relations. From the point of view of the

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1 Future-oriented ethics is meant to answer the question that is fundamental to our civilisation (Mayor & Bind, 2001, p. 491).

2 The subject of this first and the most important report prepared in the framework of the Club of Rome was the analysis of five components that shape the quality of life: investment, population, environmental pollution, natural resources and food production. Cf. King & Schneider, 1992.
history of ideas, concepts such as solidarity, compassion, and human unity are based on two primary assumptions. The first one adopts a certain origin-related order of the world which connects all beings with one another, determining their pluralistic unity. The other one refers to the common humanity that binds all people for which the Kantian idea of moral law is the highest measure. The concept of responsibility introduced by the author of Hundred Pages for the Future, on the one hand, assumes the existence of these primeval, transcendental ties, and on the other, postulates new forms of human activity, suitable for civilizational and technical threats, aimed at developing interpersonal bonds and intergenerational solidarity in the global dimension. It requires from the actors a fundamentally new way of understanding themselves and their attitude towards the world. Consequently, the change in the self-awareness of man—as a being originally linked with other beings—is associated with a new interpretation of the world as a commonplace of residence and development. To justify this position, Peccei refers to the anthropological ideas rooted in European culture that reveal the full spiritual dimensions of life. In their light, such categories as freedom and autonomy, individuality and dignity assume a different meaning. We have forgotten that man does not possess these but gains these qualities by working with others, developing them along with all his entire moral condition. This new axiological awareness is meant to lead individuals to accept responsibility for their own fate and the fate of others. A fate that includes fundamental, informed decisions and conscious choices, competence, the project of life, strategies of action, and planning. Therefore, it combines practice and reflection, understanding and emotional experience, cognitive doubts, and emotional dilemmas. Thus, the ultimate balance of life and a sense of fulfilment are determined by practical intelligence which enables man to develop harmoniously, maintaining cognitive contact with himself and the world. To achieve this state, the subject must constantly learn how to live, how to think and how to act under specific conditions. It is necessary to possess comprehensive knowledge which allows for the expansion of the practical field of activity and professional competencies along with the capacity for an in-depth reflection on the universal problems of the world. It is possible to achieve through dialogue, exchange of information and participation in various forms of community. The relationship between science and ethics, practice and the culture of thinking and acting consists in the fact that “[t]he world of life is a medium through which […] we contact with the results of empirical and technical scientific work reducing its qualitative and quantitative complexities to the things within our reach in the world of life” (Krämer, p. 206).

Ethicists are therefore interested in creating such a pattern of an individual’s activity which has a broad and diversified community-related dimension, i.e. group, social, national, international and global. On the other hand, attention is drawn to the need to acquire, both by individuals and communities, practical skills of self-limitation in the use of various widely available goods and services, since they lead to environmental degradation as well as human harm to the same extent.
For ethicists, issues such as lifestyle, practical and technical knowledge as well as self-awareness of subjects determine not only the possibility of overcoming the current crisis but also the further direction of technical and civilisational development. From this perspective, looking at global issues, one sees responsibility as an attitude resulting directly from the consciously adopted model of life. Such a project implies not only good intentions and right reasons but also adequate knowledge along with a desire to understand more and act in a better, more effective manner. This is possible thanks to practical intelligence, which, surmounting various degrees of reflection, indicates alternative forms of activity. For this purpose, the subject must have appropriately developed skills (i.e. cognitive dispositions) in the form of specific competencies that determine the system and hierarchy of life preferences. They are based on fundamental principles that express what individuals approve of as the best and most important in their lives. Achieving a certain optimal perfection in how a man lives, thinks and behaves determines his ethical courage. Ancient thinkers saw in courage not only the ethos of humanity but also the essence of all upbringing, knowledge and acquired virtues. This moral courage determines the ethical quality of responsibility and its scope. Its axiological horizon is delineated by practical intelligence, i.e. the ability acquired and developed by an individual to plan and act appropriately.

Let us try to confront the concept of courage with the idea of new humanism raised by the founders of the Club of Rome. In its fundamental content, it refers to the harmoniously integrated, spiritual condition of man. Its relationship with the theory of sustainable and integral development is based on the belief that man has a natural ability to transcend towards the things that are different and possible, including emancipation from here and now, both with the reference to herself and the world (Krämer, 2004, p. 251). This idea of self-aware, committed subject results from a vast legacy of philosophical, religious, aesthetic and scientific theories, historiosophical concepts, etc. Today, the proponents of the concept of global sustainable development are asking the question about the origins of the current crisis. Are they rooted in economic processes and mechanisms or in the transformation of people’s spiritual attitudes, or perhaps these elements should be considered together? Such considerations lead to the idea of responsibility for the future of the past, since the past is present in the future and, at the same time, what is current is leaning towards the future. And that means that the sources of the crisis go back to history and consequently include the present and the future. That is why research on the crisis, conducted from the perspective of global ethics, strives to reveal all its sources and foundations. These issues also include the ecological crisis and indications on how to protect the environment, and thus effectively protect the quality of lives of future generations. In Agenda 21 (i.e. the Global Action Programme), the meaning of sustainable and equitable development is explained as “development that is economically efficient, socially equitable and responsible and environmentally sound” (Ciążela, 2006, p. 177).

Authors of works in the field of business ethics seek to determine who, how and why should bear responsibility for further economic development which is acceptable ecologically, socially desirable and economically justified. Questions
about sources, foundations, and essence are of a philosophical nature. They provide a certain point of reference for the issues of responsibility raised in global ethics and business ethics. It relates to several issues important from the point of view of ethics which are the subject of an ongoing philosophical discourse. They are centred around the Socratic question: how should we live in the best and most wisely manner? Greek tradition considered these issues at a heuristic and practical level, and thus in the framework of dialogue. It concerned key concepts and techniques of living in conjunction with the collective and individual order concerning their choice and preference. The dialogue was conducted about the original intuitions and fundamental dilemmas which can be found in the language of hidden meanings. They were recorded in Plato’s dialogues, which are not only the roots of our culture but also sources of basic ethical categories. Let us add at this point that they are present in every form of ethics, both practical and practicing. Since “[…] ancient philosophy is for the contemporary philosopher, on various levels, the source of his own thoughts” (Skarga, 2007, p. 45).

It is worth considering how, in the light of Socrates’ teachings, one can understand more about the ethical courage of man and his ability to bear responsibility: for, to, before and together with others. I think that the most important element, even the core of Socratic ethics, is an attempt to reveal the dialogical sense of human life. What leads to it is the constantly renewed effort to get to know oneself (i.e. to talk to oneself) which is associated with the appropriate art of living. This orientation towards oneself, according to Socrates, determines the rational relationship of man to his own life, to the world and to those events of which he is a participant or a witness. Foucault’s commentary on the dialogue between Socrates and Alcibiades emphasises what from the perspective of business ethics and global ethics is the most important for developing responsibility (2001). And these threads of consideration will be developed in the next part of the article devoted to the philosophy of Socrates.

3. Responsibility and the Socratic care for self

The person of Socrates and his actions are a source of two-fold inspiration for us. The first type of inspiration concerns the place, meaning, and function of dialogue, while the other leads to the very roots of Socratic philosophy, and thus to the idea of practical wisdom. It covers all spheres of human activity, which the Greeks basically reduced to three, that is, to theoretical, practical and productive activity. These three categories define different relationships and forms of human activity in the world, among other people, and for oneself. These can be studied from many angles, but for ethics, the most important is practical wisdom contained in them. From it flows not only man’s ability to act but also his capability for self-assessment, since man achieves the fullness of his creative, i.e. cognitive, abilities when he knows what he does, understands how to act best in a given situation, and why he should behave in such a manner. Practice, cognition and valuation consti-
tute the state, scope and measure of wisdom. Gaining wisdom, man changes his attitude towards himself and his own actions, strives for perfection, aptly identifies goals, and prefers credibility and justice to immediate benefits. He submits to self-discipline, and a kind of asceticism accompanies him through life as a necessary condition and a natural manifestation of wisdom. At the same time, asceticism is not treated by Socrates as an end or a specific negative reaction to “temptations of the world.” It concerns three types of goods which are most often equated with life pleasures. Their value is determined by the attitude of man to himself and to his life—whether it is directed at wisdom or pleasure. The three goods are represented by:

1. **Body**—exaggerated concern with appearance and experiencing sensual pleasures in excess.

2. **Food, drink, and sumptuous lifestyle** that makes man sluggish, lazy and vain.

3. **Chasing after wealth**; the lust of gold which destroys man’s creative force and enslaves his body and soul.

Let us add that Socrates did not encourage man to mortify himself, fast or embrace poverty. He only taught a certain strategy of life in which the care for the soul (in other words: for the awareness of self) is the fundamental principle of all actions. It sets preferences and a general, harmonious direction of human activity. What is this care for the soul and why does the value of our life depend on it? Socrates sought to explain it in numerous ways, referring to the daily practice and religious beliefs of his interlocutors, providing numerous metaphors or analogies. The knowledge that man acquires about himself and about the world has numerous and diverse roots and cannot be covered by one experience or a specific event, as they are always embedded in a context that imposes their immediate interpretation. Everything that has a true, universal value goes beyond the context and must be considered in its entirety. In fact, caring for the soul is a model of life that is born gradually out of reflection and a certain inclination towards poetical and religious discourse. This ability is characteristic of courageous people who feel responsible for knowing and choosing what is important and valuable. For Socrates, neither wealth nor pleasure and even fame determines courage but a pursuit of wisdom and the accompanying conviction that only a wise man is rich.

This conviction originates in the belief that a reflection on oneself is the beginning of ethical life. Based on practical intelligence, developed in dialogue, it leads to practical wisdom. Knowledge about how to live is the best indication not only of the state of self-awareness but also of the chosen model of life. Socrates constantly emphasises that an individual effort is needed to learn how to live according to the revealed essence of goodness. Successive generations of ethicists will see in this approach an unprecedented revolution in understanding ethics as a sphere of caring for self.

The most important function of the soul is the ability to think (reflect on), and not only to learn, about specific objects. Thanks to this ability, man can challenge existing standards of life and seek new values and goals. Nevertheless, we are limited by our own experience, and our knowledge does not encompass all
dimensions of morality. For this reason, Socrates, in exceptional situations, trusts in his daimonion, or inner voice. It is worth considering why Socrates refers to gods and the daimonion. Why did he not seek explanations by referring to collective practice? In conversations with the sophists, Plato’s teacher repeatedly emphasises that what is just and morally good is not given experimentally. It is included in concepts, definitions, and reflections. Two important moments are repeatedly encountered in these conversations:

1. the confrontation of what we do with our beliefs that we act in a right and good manner, which can be best seen in dialogues between the representatives of sophists and Socrates. The sophists are pragmatic, they use clear and obvious arguments and refer to facts confirmed by the sanction of common sense. They are far removed from the poetic and religious rhetoric of Socrates. Their ideals of education focus on two assumptions: that everything that is commonly considered beneficial is recommended as morally good and right and that man’s career is based on acquired skills. There are no things or ideas inherently good or evil as human practice indicates what is beneficial to us and what is harmful;

2. in his dialogues, Socrates continues to emphasise the ambiguity, or rather a multi-aspect nature, of moral judgements that can lead to many different types of behaviour. Whenever Plato’s master ponders the nature of virtue, it turns out that the attempt to answer the question of what the good is and how it exists outside the context must lead to dilemmas and further, insoluble issues, as Socrates, in contrast to the sophists, considering what goodness is, above all, tries to find who a good man is. The conviction of this philosopher that only a just man can act justly radically changes the sense of ethics since the original task of ethics is providing a reflective insight into the soul and the ideal of life recommended consists in ethical courage. As everything we do, all our activity, has its source in the soul, therefore, according to Socrates, it determines who we are and how we live.

On this basis, Socrates argues that:

1. We are guided by our convictions without bothering with a more in-depth reflection, especially a reflection on ourselves not on our utility, pleasures, etc. which have a relative value. We should act in harmony with our inner “self”, and therefore with the soul;

2. What is just and good has one and unchangeable basis, regardless of the circumstances and prevailing customs. Only ethically courageous people want and can take care of themselves and their lives. For Socrates, as well as for his successors, courage was associated with acquiring an appropriate culture of thinking and being by an individual. It involves the adoption of such rational principles of action that find confirmation in our inner “self”, i.e. the soul. Evil lies in ignorance, in mindless acceptance of prevailing norms and customs, in the passive imitation of others.
The culture of thinking manifests itself in the need to understand oneself and communicate with others, which means the necessity of maintaining a constant dialogue with oneself and with others. If we want to understand ourselves, we must learn how to talk, as Buber says, how to chat others up in order not to fall into routine or lasitude. The conversation always occurs “between”, referring to different experiences, arguments, opinions, attitudes, and judgements. We talk to others as we speak to ourselves and speak to ourselves as we talk to others. This way, we can distance ourselves from our own views, critically evaluate and problematise them. Only such a meeting with oneself can free man from ignorance and all flaws (including bestiality and wickedness), as it opens him to a world of possibilities of actions, of being, and knowing. In this quest to go beyond the closed world of everyday hustle and bustle lies the Socratic idea of ethical courage. Such a wider circle of discussion requires a deeper reflection, the emergence of questions in which the relationship between the performer of the act and the act itself is of an ethical nature. Courage means a life based on harmony and internal agreement between speech, thought, and action. It is associated with freedom but above all with the ability to recognise what is important in life. A free man does not give in to temptation, can resist trinkets and is able to control his emotions. He also finds no pleasure in humiliating others and exalting himself. He wants as much wealth as he can handle, believing that value lies in man, not in accumulated goods, as real power comes from acquired virtues, not currently held power. This attitude of Socrates is not dominated by asceticism but rather by the belief that caring for the soul is man’s highest challenge. It allows the man to understand who he is, what he is capable of, what is essential, important and valuable, and thus corresponds to his courage. The ethical condition of man flows not from any external need but from the spiritual necessity of being responsible for himself and for others. The Socratic belief that ethics is not a social or historical compulsion—in contrast to morality—still provides a challenge for many prominent modern ethicists such as Spamann and Taylor, Nussbaum and Ricoeur, Elzenberg and Tischner.

This combination of practice and knowledge as well as public and professional activity to which the Socratic dialogue referred shapes the culture of an individual and society. It is defined by principles, adequate to the logic of action and cognition. All the virtues, qualities and abilities of an individual or social group are judged by ancient thinkers based on their ethical courage which determines the practical wisdom of a particular individual. It is dominated by prudence as knowledge of life, accumulated based on experience in various situations and circumstances, as well as complemented and enriched by poetry, drama, and mythology which are different forms of a depiction of human fate. A reflection on what we or others have experienced expands the field of self-experience and self-understanding. For Socrates, the good is the factor that links the prudential dimension of cognition with the subjective care for one’s own identity. Knowledge about the good becomes equivalent to a good act. In other words, for Socrates to know the good means to be a good man, as the good has three interrelated properties: cognition, acquired skills (i.e. virtues) as well as the art of living and acting.
Certainly, the most important of these properties is associated with knowing that the good is of a dialogical nature, i.e. we can consider its essence only when our practical opinions and beliefs are subject to criticism. Socrates treats the good also as knowledge that leads to the purification of our consciousness from false beliefs or erroneous judgments. The third property of the good relates to its creative nature, as the good not only “enlightens” but also shapes harmonious human development. Thus, it combines man’s self-knowledge with his actions, i.e. the good (goodness) of man with his capability of good action. This can only be done by overcoming one’s weaknesses and habits so that man can be guided in life only by practical wisdom. The good has its source in the soul, and as we deepen our self-knowledge, we become more aware of how we should live, whereas human courage consists in acquiring virtues because of our own attempts and efforts.

Simply put, it can be said that Socratic ethics raised several new issues which during historical processes took on different forms of narrative. The most important ones include:

(1) The dialogue between people, which enables a reflection on oneself and one’s life experience, is an inspiration and a background for ethical considerations. The basis of such a dialogue is human experience related to a specific activity and its subject is, among others, an attempt to order the values, norms and responsibilities that we follow in our lives in accordance with the state of our self-awareness. On many occasions, Socrates emphasises that nobody, apart from gods, has full knowledge of these matters. He repeatedly insists that “I know that I know nothing”.

(2) The ethical condition of man requires him to be able to determine his own stance, understand other people’s arguments and refer in a discussion to rational arguments.

(3) Courage means going beyond the current standards of action and breaking with the existing customs if they are contrary to the essence of the good.

(4) Practical wisdom assumes a creative attitude, fully responsible for the implementation of the good and not only for eliminating the negative effects of actions undertaken.

(5) Thus, a dialogue with oneself is part of a broader ethical discourse that we conduct with others—thanks to this dialogue, the subject becomes aware of the complexity of problems related to moral practice.

They have two complementary sides; on the one hand, we have the contingency and unpredictability of situations that force us to make moral decisions in a state of deep ignorance. On the other hand, the attitude towards the world of a subject relates to this subject’s project of life, aspirations and identity which have a dynamic and open structure. Ethicality arises when man, being aware of the uncertainty of his fate, wants and can take responsibility for how and what for he lives. The implementation of this ethos requires ethical courage which is based on the conscious pursuit of internal harmony between what we think (self-understanding), what we seek (self-fulfilment) and what we do (self-actualisation). It is a continuous and spiral process that includes all significant relations which
occur between the “self” and the world. In contact with the world, in a dialogue with others and ourselves, we find out who we are, and we pose a question who we should be. Socrates is convinced that it is only when man can problematise his existence that he can determine his own capabilities and preferences. This is the prerequisite for taking responsibility for how we live and influence the quality of life of others.

4. Conclusions

If we look at business ethics as a kind of human activity that is subject to rational, thought-out decisions, then it is easy to find a practicing sphere of ethics of responsibility within it. The term “practicing ethics” itself goes back to the Socratic intuition, as—according to this philosopher—getting to know oneself comes with an attempt to understand the world in which we function and create a network of social, political, economic relations, etc., on a local and global scale. Then in this field, we must face our own decisions, preferences and forms of self-actualisation in their technical and civilisational context. Its contemporary version refers to the concept of sustainable, integral development and points to the catastrophic effects of the present economy on a global scale. This state demands not only radical changes in the marketing strategy of large corporations, companies and international institutions but above all a profound transformation of self-awareness of individuals and the growth of individual responsibility in the global dimension. Consequently, it is about accepting a different project of the good life, fundamentally separate from the current consumer model. These issues were raised for the first time by Socrates, clearly, separating morality in the sphere of existing customs, i.e. established standards of behaviour, from ethics understood as an internal dialogue with oneself. According to this thinker, if we want and can talk to ourselves and others about our common issues, we can change our relationship to ourselves and to the world. In the primary, ethical sense, we as individuals are responsible for maintaining this public dialogue, its course and credibility. Open questions about the form and content of this discourse, its more immediate determinants, etc. lead to today’s understanding of matters that belong to the eternal issues of how to ensure the good life for oneself and others.

References


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Business Ethics in Poland: A metatheoretical analysis*

Abstract

From the beginning of the 1990s, a considerable interest in business ethics has been observed in Poland. It seems that the legacy of Polish researchers concerned with this academic discipline is already rich enough, and at the same time so diverse, that it is worth making an attempt to systematise it, exploring and appropriately naming the basic approaches to deal with business ethics in Poland.

The carried-out analyses allowed to determine the following leading methods in the formal aspect: firstly, metaethics of business ethics; secondly, business ethics practised in the framework of various modifications of normative ethics (mostly deontology, utilitarianism, virtue ethics and ethics of responsibility; on the other hand, it has been observed that there is a complete lack of clear references to personalistic ethics); thirdly, business ethics practised as descriptive ethics in economic life.

Keywords: business ethics in Poland, method, metaethics, normative ethics, descriptive ethics

JEL Classification: A13

*The article is an updated version of the paper published in Polish in the Annales. Ethics in Economic Life, 12(1), 119–128.
1. Introduction

Dynamically growing interest in business ethics has been observed in Poland since the transformations of 1989. It seems that the legacy of Polish researchers concerned with this academic discipline is already rich enough, and at the same time so diverse, that it is worth making an attempt at its systematisation, exploring and appropriately naming the basic approaches to deal with business ethics in Poland. The aim of the article, however, is not only the presentation of these key approaches but also an attempt at their evaluation.

Determining what the main formal approaches to business ethics in Poland are, i.e. how—in the methodological sense—it is usually practised is of key importance for discerning certain characteristic trends in its development. Essentially, ethics is divided—based on the generality or specificity of analysed moral issues as well as the justifications for advocated directives, standards and recommendations—into two broad fields: general ethics and specific ethics. In the framework of the latter, personalistic ethics, which normalises lives of individuals, and social ethics, related to the social dimension of moral life, are also distinguished (cf. Sulek & Świński, 2001, p. 35). In order to determine the main methods of dealing with the issue of business ethics, it is worth referring to the existing—on the basis of moral philosophy—division into theoretical ethics (metaethics), normative ethics and descriptive ethics (aetiology)\(^1\), since such differentiation is clearly reflected in the approach to practising business ethics in Poland. The article, therefore, will be focused on showing the approaches to dealing with ethical and economic issues based on thus differentiated types of ethics.

2. Metaethics of business ethics

Quite often business ethics in Poland is practised in a metatheoretical manner.\(^2\) In general, it can be said that metaethics of business ethics consists in exploring business ethics as a scientific discipline. It aims at searching for an answer to the question what business ethics is, pointing to its main sources, determining the scientific method and establishing linkages with other scientific disciplines. This kind of reflection also analyses in the philosophical-methodological manner, the norms and moral judgements characteristic of economic activity and assesses the suitability of different types of ethical systems for resolving moral issues in economic activity.

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\(^1\) This type of division of ethics is referred to in the literature, among others, by Klimczak (2003, pp. 37–38), Nogalski and Śniadecki (2001, pp. 49–53), Sulek and Świński (2001, p. 35), and Tomczyk-Tołkacz (1997, pp. 10–11).

\(^2\) Among publications concerning meta-reflections on business ethics as a scientific discipline found in the Polish market, the works by Filek (2004b), Klimczak (2003), Porębski (1997), and Zadroga (2009) are worth mentioning.
In addition, in business ethics practised in accordance with theoretical ethics, axiological issues concerning types or areas of values related to economic activity are an important subject. Therefore, economic, utilitarian and praxeological values need to be analysed above all due to their relationship to other types of values, especially moral ones, as they can often come into conflict. Another question requiring consideration in this field of ethics is the question of values (particularly ethical values) the implementation of which determines the virtues (courage) of business people. Values that mark economic activity as good or evil (in the moral sense) require some reflection. In this respect, such values as honesty, justice, loyalty, reliability, etc. are mentioned (cf. Daszkiewicz & Gierasimczuk, 2003, pp. 39–40; Maciuszek, 2002, p. 75).

However, one should consider the point of metatheoretical deliberations on business ethics. Why is this kind of reflection needed? Is it associated with other types of exploration in the area of ethical aspects of economic life? What is the possible significance of these interrelationships for the integral practice of business ethics? It is also worth confronting the objection raised against metatheoretical approaches to business ethics formulated by one of the Polish authors concerning the fact that these approaches are becoming devoid of the character of practical science in favour of the theoretical dimension. Arkadiusz Jabłoński (1999, p. 88) states that such

[b]usiness ethics must deal with […] two problems: 1. How to formulate at the level of metaethical considerations the principle that determines moral activity in the business including the motive of self-interest. 2. How to influence personal motivations of individual participants of business activity from the level of general and impersonal ethical theses.

Another author—Ryszard Wiśniewski—in his article *Three Types of Ethical Theories and Business Ethics* [Trzy typy teorii etycznych a etyka biznesu] observes that:

[p]ractising business ethics raises many preliminary questions concerning the sense, possibility, and scope of transferring the entire theoretical and methodological structure of ethics, along with the divisions and doubts surrounding it, into the area of a specific type of life activity, subject to principles other than ethical ones. This creates not only the need for business ethics but also for a kind of “business metaethics”. What has been happening in ethics for centuries sometimes plays out with a particularly dramatic effect in the area of its application in economic relations, management, and trade. There are serious metaethical issues behind serious moral dramas. At the same time, understanding morality often happens only when dealing with professional problems in the work environment. Business ethics may thus prove to be not only a translation of general ethics but an opportunity to stimulate morality and ethical awareness. (2002, p. 38)

Karol Wojtyła wrote in his *Ethics Primer* [Elementarz etyczny] about the issue of mutual relations between theory and practice in the following way:
ethics is a science; it is a collection of assertions, judgments, which are indubitably set forth to direct actions; nevertheless, their relation to these actions is like the relation of a particular theory to practice. Above all, particular human acts always have a concrete, strictly individual character, and the principles formulated and justified in ethics have a general and abstract character. There arises the problem of how these general principles are to be joined with concrete acts if these principles are to form these acts or if from these principles we are to evaluate particular human acts. This application of general principles to concrete acts is the concern in part of so-called casuistry (the word originates from casus, a case or instance, for the object of this knowledge is particular facts, i.e., moral “cases”). (2017, p. 23)

It would seem that the above-mentioned statements explain to a large extent the methods of dealing with business ethics and the interrelationships existing among these methods. However, it turns out that in the field of business ethics there is a lack of in-depth methodological analysis for the casuistic approach and that it functions as an approach detached from a number of metaethical considerations (cf. Jabłoński, 1999, p. 88). This lack of theoretical justifications—as Aniela Dylus observes (2002, pp. 362–380)—may constitute its weakness and lead to a crisis, as was the case in the 17th century casuistic moral theology. In addition, it seems that in the field of business ethics “deliberations on particular examples are based on the assumption that in everyday life […] conventional knowledge and conventional wisdom allow one to resolve moral dilemmas” (Sójka, 1995, p. 108). It is a manifestation of a cultural situation defined by a lack of absolute moral norms.

In the context of emerging doubts about the participation of the theoretical element in the search for thoroughly practical solutions to moral dilemmas of economic life, it should be emphasised (after Karol Wojtyła) that:

[t]he starting point of morally good activity must be a theoretically true view of reality, a view which will enable one to determine the purposes of activity. Any practice without the establishment of such aims, which are true goods properly arranged in a hierarchy, would be a blind practice. Man would then run the risk of being engaged in his activity at random. Practice, which is joined with the philosophy of appetition, the philosophy of activity, of creativity, of realization, is of itself not yet a reflection upon the good which is the aim of this activity. (Wojtyła, 2017, p. 57)

Wojtyła (2017, pp. 57–59) also writes that:

Keeping all this in view, the following conclusion may be set forth: a. the theory is no substitute for practice, b. practice in separation from theory can become to some extent a mechanical activism, and sometimes it will be a waste of effort, c. in a certain way practice corroborates theory, and to a certain degree, it lets us perfect the theory. All these conclusions are of greater significance for the technique of activity, but they also have a bearing upon ethics. Of particular significance for ethics is that the aims of activity should be well thought out. The need
to think them through is born of the needs of morality as practice, yet it is realized on the foundation of a view on the world, and what follows this—an honest philosophy of being.

Ryszard Wiśniewski makes a similar statement concerning the need to combine theoretical ethics and applied ethics:

I cannot imagine an effective, creative approach of ethics to moral problems of business and all economic practices without the assumption that there is a connection between ethics of principles and empirical ethics, between ethics in the proper sense and the ethos of business. The pool to be raked encompasses the field that can become common ground for both perspectives. The failure of these perspectives to meet leads to the flourishing of futile moral philosophy—on the one hand, and to simple utilitarianism—on the other. (2002, p. 54)

3. Normative business ethics

Normative ethics—in general—deals with the construction and justification of moral systems regarded by their creators as valuable or right. Therefore, it is a reflection on values, norms and models on which an internally cohesive ethical system is built. In addition, normative ethics seeks basic principles from which evaluation methods and specific norms can be derived; it also deals with their justification (cf. Klimczak, 2003, pp. 37–38).

Danuta Miller in her article Ethics in the Economy from a Methodological Perspective [Metodologiczne spojrzenie na zagadnienia etyki w gospodarce] states that

In normative business ethics, principles, guidelines and rules are formulated by perceiving business from an idealistic perspective. Selected areas of knowledge that are considered important, correct, and cognitively-established are referred to. Basic ethical norms commonly accepted in society, universally recognised as overriding norms, are also taken into account. Business conduct standards are formulated from this perspective. It can be said that these standards are to a large extent created outside the business area. It is worth asking the question who is the creator of rules and guidelines in the field of normative business ethics and who gives these people a sufficiently high level of authority to create ethical standards in business. (2005, p. 50)

In Polish business ethics, we can distinguish several dominant ethical doctrines3 determining directions of normative business ethics. They are particularly

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3 Based on the criterion of the highest good (Latin: summum bonum), at least twelve ethical doctrines are distinguished: ethical intellectualism, eudaemonism, hedonism, epicureanism, stoicism, theocentrism, personalism, perfectionism, rigorism (also called deontology), utilitarianism, evolutionism, and reverentism (cf. Nogalski & Śniadecki, 2001, pp. 55–57; Sulek & Świnarski, 2001, pp. 38–39). The highest good is always "the sum of all goods and their generalisation in some value from which individual goods can be implied. All other goods are subordinate to this good. It is the normative apex of ethical systems. At the same time, it is the autotelic good, i.e. one that should not be sacrificed for instrumental goods. All other goods subordinate to the highest good are seen as instrumental goods and virtues that can be sacrificed and disposed of, especially for

The leading ethical systems to which Polish business ethicists refer to, i.e. deontology, utility, utilitarianism, ethics of responsibility, and virtue

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4 Business deontologies manifested in codes of conduct are a good form of ethical regulations for communities willing to pursue legitimate conduct respecting only formalised rules. In addition, professional (sectoral) codes of conduct constitute a formal basis for punishing the kind of behaviour that violates the good name of a given profession or company. However, it should be remembered that they represent the minimum of professional morality, expressing the fundamental needs and moral experience related to the functioning in a given profession (cf. Wiśniewski, 2002, p. 47).

5 Utilitarianism is a controversial concept. On the one hand, it is worth noting that it is universal as it implies that all people are equal and equally important. On the other hand, however, it raises a number of doubts. The basic objection to utilitarianism is that the utility principle is practically worthless. Besides, the most problematic and perhaps the most criticised element of utilitarianism is the identification of pleasure with the good. This concept is also criticised for the fact that in its moral evaluation only the consequences of action are taken into account, while man and his motives are not judged (cf. Klimczak, 2003, p. 46).

6 In the field of business ethics, the perspective of ethics of responsibility is promoted and developed primarily by Janina Filek. Her main work in this field is the book entitled *On Freedom and Responsi*
ethics, present a different perspective of creating, justifying, teaching and practising ethics. On their basis, different ways of practising business ethics, resulting from a varied moral-axiological rank, are possible.

However, it must be pointed out that it is necessary to link different types of ethics. As Bożena Klimczak says (based, among others, on views of L. S. Paine, 1999):

> [c]orrect ethical analysis does not necessarily entail ethical conduct. Knowledge of ethical systems and the ability to apply them to various situations will not replace the so-called personal character, which consists of virtues ensuring the moral integrity of the entrepreneur. [...] Virtue ethics cannot [however – A.Z.] exist without the deontological justification of a moral choice made by a free person. Entrepreneurs have to filter their basic decisions using the analyses proposed by formal ethical systems. Integrity, however, can be very helpful both in the case of minor choices and situations requiring a rapid response. Virtue ethics provides knowledge of the content of virtues and binds them to systems that serve to achieve the desired goals. (Klimczak, 1999, p. 119)

It must be said in this context that the notion of moral obligation (norm), which consists in indicating what should or should not be done on the basis of adopted ethical criteria, is essential for normative ethics. However, it ought to be

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It seems that ethics of responsibility has a great advantage in the form of adaptability of various types of ethics. As emphasised by Wiśniewski, in the case of ethics of responsibility “this is not simply a replacement of regulatory ethics or value systems by autonomous ethics of conscience driven by the need to represent the absent ones but a new dimension and a new challenge, a demand for imagination and moral sensitivity. Only on this basis, it is possible to construct a personality model of the entrepreneur who, along with the values related to professional competence, has a moral competence—responsibility” (Wiśniewski, 2002, p. 51).

7 Although nowadays the concept of “virtue” is considered old-fashioned and not compatible with the present times, one can find references to virtue ethics in Polish business ethics. One should note references to the concept of Aristotle, who understood virtue as a moral merit (in a narrower sense) but also (in a broader sense) as a permanent disposition to the right, rational action (cf. Klimczak, 1999, pp. 119–121; Tomczyk-Tołkacz, 2000, p. 184), as well as to contemporary search in this field, i.e. the work of Alisdair MacIntyre entitled After Virtue: a Study in Moral Theory (1981), the publication on the theory of virtues written by Maria Ossowska (1970), or the book of Jennifer Jackson An Introduction to Business Ethics (1996).

While assessing the method of practising business ethics in accordance with virtue ethics, it is worth mentioning the opinion of Jadwiga Tomczyk-Tołkacz, who, recognising the possibility of building professional ethics on the basis of virtues, states that “to organise and improve the professional practice of people, also in business, the rules of correctness and efficiency are not enough—also, and perhaps above all, special dispositions of man are necessary. These dispositions are the said virtues” (2000, p. 184). The author first of all points to wisdom and justice but regards integrity in the sphere of intentions, declarations, actions (including competition), settlements and negotiations as the cardinal virtue in business (p. 185).
noted that there is a kind of “dependability” of norms, as these norms require justification (cf. Maciuszek, 2002, p. 75). Hence, Ingarden in his book *Lecture in Ethics [Wykłady z etyki]* emphasises that

[w]hoever builds or wants to build normative ethics that aims to establish a certain set of normative statements can do so under the condition that at the same time they will supply some kind of theoretical system in which the justification of the given norms will be provided. (1989, p. 167)

Thus, once again the need to connect different types of ethical reflection (in this case, theoretical ethics and normative ethics) can be seen.

The individual norms are justified by the values to which they refer. Thus, when constructing ethical codes to regulate some area of economic activity which is one of the fundamental goals of normative business ethics (cf. Lewicka-Strzalecka, 2002, p. 61), it is necessary to refer to the results of analyses (especially axiological ones) carried out on the basis of theoretical ethics (cf. Maciuszek, 2002, p. 76). Roman Ingarden refers to this issue in the following way:

Ethics, which strives to establish certain moral norms, must have theoretical ethics at its foundations as the justification for these particular and not other norms, must have a theory of moral values and must know the ranks of individual moral values along with various relationships between them (dependencies, superiority or inferiority relations, etc.), and it must also have a further theoretical element, i.e. assessment criteria. And only on this basis, a certain system of norms can be constructed as normative ethics. (1989, pp. 166–167)

4. Descriptive business ethics

When the methods of descriptive ethics are adopted for business ethics, the moral convictions and the actual conduct of business people become its subject (cf. Daszkiewicz & Gierasimczuk, 2003, p. 40). Danuta Miller (2005, p. 50) states that:

[d]escriptive business ethics perceives the state existing in reality, examines and analyses social relations, attitudes, motives of action, as well as cultural determinants, and on the basis of such knowledge describes business conduct. […] Based on the analysis of the knowledge about «what the situation looks like», guidelines, regulations, and directives concerning conduct deemed as correct, right and efficient in business are formulated.

Practising business ethics in such a manner requires the use of empirical research and an interdisciplinary approach in which the research methods derived from, among others, sociology or psychology are applied (cf. Maciuszek, 2002, pp. 76–77).
There are two basic models of analysis that are relevant to descriptive ethics. In the first model, the main categories are costs and benefits, and the criterion of the ethicality of actions is bringing the greatest benefit to the largest number of people. In the other model, however, the ethicality of actions is considered through rights and obligations, emphasising the conflict of rights and the obligation of decision-makers to consider these rights. It can, therefore, be concluded that in the first model the greatest importance is attributed to the final result, while in the other the greatest emphasis is placed on the method of reaching the final result (cf. Hall, 1993; Lewicka-Strzalecka, 2002, pp. 61–62).

In the field of descriptive business ethics, one of the most important issues that need to be explored and described is the question of what factors determine the behaviour of people involved in economic activity, in particular when choosing between ethical and profitable actions. Depending on the assumptions made about the human nature, one can mention at least two different positions concerning this issue (Lewicka-Strzalecka, 2002, p. 62).

The proponents of the assumption that man is autonomous in his choices and responsible will believe that it is impossible to predict, much less to determine, such choices only on the basis of situational (environmental) factors. Man can make these choices freely in accordance with the adopted hierarchy of values. Some stress that only such situations in which morally good conduct is not profitable from the economic point of view for the entrepreneur are a true moral test.8

The representatives of situationalism provide a different answer to the question about the possibility of predicting and influencing the behaviour of people in situations of choice between ethical and profitable actions. In their opinion, human decisions are determined strictly by external conditions. They even assume polydeterminism of these decisions, i.e. they claim that decisions are determined both subjectively and situationally. If one adopts the assumption about the relationship between environmental factors and ethical choices, then these relationships can be studied. For example, from the point of view of business ethics, the most important factors affecting the unethical behaviour of business people include a lack of competition, asymmetry of information or chance occurrences of transactions (cf. Lewicka-Strzalecka, 2002, p. 63).

It should be noted that descriptive ethics (including its application to business ethics) brings one fundamental advantage in the moral area as it provides

[i]n-depth knowledge about a human being which does not fit into the field of either psychology or sociology. Thus, it contributes to a better understanding of the complex moral condition of man, his historical, cultural, environmental and psychological determinants. […] It allows us to untangle these threads that only

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8 At this point, the important role of normative business ethics is revealed, as it allows for the construction of the appropriate hierarchy of values, pointing to values such as honesty, goodness and freedom through codes of professional ethics. It should be emphasised that these values are constitutive attributes of man and not only measures leading to possible multiplication of profits (cf. Lewicka-Strzalecka, 2002).
seemingly give a uniform view of the morality of a given environment and inspires further ethical research initiated in close connection with specific reality, and thus determines the need to revise outdated thought systems and the proper development of the field of morality. (Rosik, 1992, p. 23)

On the other hand, it should be emphasised that the role of descriptive ethics in moral life is only an auxiliary one. It cannot replace the normative ethical system, which, in contrast to descriptive ethics, satisfies the need for definitive knowledge of how to proceed in a given situation, providing appropriate information about the structure and function of moral obligation (cf. Rosik, 1992).

5. Conclusions

The analysis of the selected literature on business ethics allows one to conclude that in Poland the normative style of practising business ethics prevails. There are also many publications of a metaethics nature, while the least numerous are works referring to the methods of descriptive ethics. In the framework of normative business ethics, authors usually refer to four ethical systems—utilitarianism, deontology, ethics of responsibility and virtue ethics.

In this context, the question arises as to how this diversity of approaches to business ethics in Poland should be understood. Anna Lewicka-Strzalecka (2002, p. 59) believes that:

[...] the roots of business ethics are undoubtedly philosophical, but at present, it is not a purely philosophical field. Business ethics is an eclectic discipline; the works included in its framework differ significantly due to research methods, basic assumptions, the level of generalisation of the research subject, assessment criteria, language, etc. [...] It is important to realise that in business ethics, there are not only different answers to the same questions but that there are also different ways to obtain these answers. Certain business ethics theses may have a different meaning depending on which approaches were used in their formulation since there are significant terminological and conceptual differences between these approaches. In principle, the methods used for justifying or proving these theses also differ significantly.

Nevertheless, as Dudek states:

the issues of business ethics should be considered in connection with all forms of practising ethics—one should not resign from the experience of a particular field of ethics or only occasionally reach for the necessary [...] justifications, but ought to seek the right proportions. (2001, p. 305)
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The crisis of social market economy in the context of globalisation processes*

Abstract

In the context of globalisation processes, the social market economy (SME) is in crisis. A reflection on the features of this model is closely related to the scientific dispute over its designation. It could be perceived as a theory, a political programme, a sort of economic order, a structure, a model or a system of economic and social development. Sometimes it is perceived as an idealistic vision or even a political utopia (Niklas Luhmann). Others (e.g.: Peter Koslowski) argue that this system has come to an end. To support this thesis, they refer to various arguments: a lack of consensus on redistribution, a demographic crisis, the depletion of solidarity resources, an intergenerational imbalance that threatens retirement systems and many others. Despite the range of these arguments, it appears that the SME still has a certain potential that could be freed. Combating difficulties associated with globalisation processes, such as the dominance of the economy over politics, ‘tax starvation’ of the welfare state, marginalisation of trade unions, dispersion of ownership and its detachment from responsibility, “financialisation” of economy, or dominance of ‘casino capitalism’, could help to heal the SME. The crisis in financial markets might be paradoxically an opportunity to return to the ethical foundations of the SME.

Keywords: social market economy, crisis, globalisation

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1. Introduction

In the country where ordoliberalism was born, the debate around the successive versions of ‘open system’, i.e. the system of social market economy (SME), has continued since the times of Ludwig Erhard. It gained momentum in revolutionary periods, such as the unification of Germany, or during the changes in economic conditions. Recently, in the context of globalisation, doubts have arisen if this system will stand the test of time. The directions of modification of the economic and social systems, especially the interdependence between these systems, have been considered. Also, in the face of the growing importance of “environmental issues”, the redefining of this system and the transition to the “eco-social market economy” have been suggested. In connection with the recent financial and economic crisis, the issue of “regulatory policy” (Ordnungspolitik) is being revived once more.

In Poland, immediately following the systemic transformation, the first Prime Ministers of the Third Polish Republic (Tadeusz Mazowiecki, Hanna Suchocka, and Waldemar Pawlak) promised the creation of the SME, and the newly emerging political parties included it in their programmes. Moreover, pursuant to the provisions of our Constitution, the SME should form “the basis of the economic system of the Republic of Poland” (Art. 20). It seems that this Article goes even further than the “social state principle” included in the Constitution of Germany. It does not mean, however, that this clear declaration related to the political system in Poland has been consistently implemented.

Problems with implementing the principles of “Rhine capitalism” are not, however, only uniquely Polish. It seems that in the context of globalisation processes, this model of the political system, so extremely effective after World War II, is undergoing a visible crisis: in Germany and in other European countries.

It is therefore worth asking the question what the said crisis consists in. Should the end of the SME be expected in the context of globalisation? Is the idea no longer relevant partially or in its entirety? What elements of this system have not stood the test of time? If, however, the SME still retains a certain potential, one should identify the challenges that processes of globalisation generate for this system. Moreover, in view of the sometimes-encountered hypothesis of its utopian nature, it is advisable to first determine what the formal status of the designation of the term “SME” is.

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1 Ordnungspolitik and Ordnungsoekonomik—as it seems—are the trademarks of German economic sciences. Not only the Polish language but also English lacks convincing analogues of these terms. This does not mean that the issue itself, i.e. regulatory policy and constitutional (regulatory) economics, is not the subject of analysis conducted by such eminent economists as James Buchanan or Amartya Sen. Cf. Goldschmidt, Wegner, Wohlgemuth & Zweynert, 2009.

2 The series of articles published by the opinion-forming, conservative daily “Frankfurter Allgemeine Zeitung” under the common title The Future of Capitalism presented opinions of eminent modern scholars, politicians and intellectuals, e.g.: Martin Walser.
2. The formal status of the SME

As a result of scientific reflection of Freiburg ordoliberal school dating back to the 1930s and 1940s, the SME is a certain theoretical concept or a political and economic theory. The SME was put into practice by Ludwig Erhard (the monetary reform of June 20, 1948 is seen as its initiation) and, with the support of CDU/CSU, became Germany’s long-term Christian Democrats programme, and finally—its economic and social order. Anchored in the Constitution and embedded in the legal framework of regular legislation, it has become a system. Such organising of the sphere of economic and social activity into one entirety allows us to speak of a theoretical model or the SME system functioning in reality. It is, of course, a system open to changes, modifications and adjustments—depending on changing economic conditions and forms of social life. Such a status is granted to the SME by various encyclopaedias, dictionaries and textbooks (cf. e.g.: Schlecht, 2002, pp. 646–647; Dardziński, 2004, pp. 1292–1302). In some of these reference books, its identification is weaker, for example, in the term “political and economic ideal” (Leitbild) (Schlecht, 1987, p. 568).

Undoubtedly, from the very beginning, the SME has also been a vision with a strong appeal, evoking positive associations of a successful combination of market freedom and social balance, economic rationality and social justice. As such, it has consequently mobilised people to become involved. Niklas Luhmann even identifies the SME as a “political utopia,” attempting to reconcile the systemic goals of capitalism and socialism in one system. In his opinion, however, it was utopia sui generis, as it did not contain any components of criticism of political and economic reality. It was not—like other utopias—a contrasting image of the existing reality. The utopian elements of the SME are associated by Luhmann with the ambiguity of the word “social”. On the one hand, since all communication, including the one taking place through the market, from the simplest buying-selling operations to sophisticated forms of mafia blackmail, has a social character, the “SME” formula is a tautology. On the other hand, the word ‘social’ evokes positive associations of a friendly attitude towards others. It relates to the long modern tradition of almost equalising the terms “social” (sozial) and “moral” (moralisch). Therefore, in the “SME” formula, there is an embedded suggestion about the moral good of this tautology. At the same time, the semantic ambiguity makes the SME an invisible utopia (cf. Luhmann, 1994, as cited in Bergsdorf, 2010, p. 38).

Regardless of the accuracy of these original considerations, political scientists and philosophers indicate today that in the postmodern times the demand for utopia is decreasing. The dream of utopia ended with the implosion of the communist system. Utopian ambitions have been discredited to the point that the very word “utopia” has almost disappeared from the political dictionary. In this place, a rhetorical phrase “vision” has appeared, but also this term does not hold a great appeal. Undoubtedly, the vision of united Europe, once mobilising Europeans to
act, has lost its glitter, as has the SME vision. In the context of globalisation processes, and more recently—of the global crisis in financial markets, there has been some doubt about the regulatory power of this system (cf. Bergsdorf, 2010).

3. The end of the SME?

In the discourse around the SME, the opinions can be often encountered that the conditions of modern economic and social life are so far removed from the conditions in which this system originated that its principles require such fundamental modifications that it is actually hard to speak today of its further existence. For example, the well-known philosopher and economist Peter Koslowski (2006) announced 12 years ago The End of the Social Market Economy. It is worth quoting his arguments for such a radical thesis.

If it is a system based on consensus, he notes that any modifications of the system would require such a consensus. Although when the majority of those who earn less carries out fiscal exploitation of the better-earning minority—through progressive taxation, formal democratic procedures are not violated, it is difficult to speak of the universal legitimacy of the SME. The same applies to the social security system, which de facto leads to the exploitation of the minority of large families by childless families and masses of single people. In general, most redistributive projects are coerced by majority decisions.

What is disturbing is the long-growing imbalance between the rights of employees and owners. The so-called parity participation in management (paritätische Mitbestimmung), characteristic of German corporationism, violates the property right which is the foundation of the SME.

An even more powerful argument that indicates “the end of the SME” is the gradual depletion of solidarity resources. Many factors lead to the wastage of this “rare good”: a demographic crisis, the individualistic spirit of the times, wrong political decisions, and finally—migrations, intensified by globalisation processes. Without solidarity, social security systems, especially pension schemes, which are the core of the SME, really break down. Solidarity is based on the expectation of reciprocity, which in turn is based on the feeling of belonging, on shared historical experiences and on the political long-term guarantee of this reciprocity. This, in turn, raises the awareness of being a community of fate—and the willingness to participate in this community. Immigrants do not have access to all this. They are unable to fulfil the conditions of participation in the social security system based on long-term national solidarity.

A proper relationship between the number of employees and retirees is a prerequisite for the functioning of the pension system. Violation of this relationship results in the disturbance of the generational order in the family. This touches upon probably the most fundamental issue: intergenerational justice. Before, all traditional societies had sanctions for reciprocity avoidance that would violate the intergenerational balance. This applies to, for example, bachelorhood, homosexual
relationships, divorces, or abortion. The resignation of modern societies from the application of sanctions for such behaviour is an extremely risky decision from the point of view of the pension system. Equal taxation of homosexual couples and families and their equal entitlement to pensions are based on the premise that both communities equally implement intergenerational justice. However, this is a false premise. Disturbing the proportion between generations must give rise to a sense of injustice, and thus to the weakening of readiness for reciprocity.

It is hard to deny Koslowski’s insightful observations. A consensus deficit in redistribution, a demographic crisis, the depletion of solidarity resources, and the disturbance of the intergenerational balance that undermines the pension system—these are social facts. Some of these issues have become more pressing as a result of intensified migration processes in the era of globalisation. While for some people changes in the social context, including changes in social customs, and economic changes connected with globalisation are so far-reaching that they practically mark the end of the SME, for others they are only a challenge to modify its principles.

4. **Challenges related to the globalisation of the economy**

Problems with the continuation—under the conditions of globalisation—of the social and economic policy in accordance with the SME principles have been growing for a long time. The sudden financial crisis of 2008 only revealed these difficulties and made them more evident. Without undertaking in-depth economic analyses here, it is worth, however, synthetically highlighting the most important of these problems.

Perhaps the most visible feature of globalisation is the deepening disproportion between the sphere of economy and politics. The dynamic economy “defies” state regulations. Transnational corporations are increasingly less dependent on the rules set by nation states. Establishing branches in various corners of the globe, they are the ones setting conditions for states to meet. Servicisation, deterritorialisation and dislocation of the global economy mean such its mobility that the state is not always able to follow. Whereas the SME system assumes an active role of the state in the economy. In addition to the long-term regulatory policy, the state’s “discreet presence” in the economy is desirable to prevent crises and stimulate market processes. The attempts made to set the transnational political “framework conditions” in this situation, e.g.: under the WTO, the G20 arrangements etc. are far from successful.

Disturbing the proper relationship between the global economy and politics, and sometimes even the subordination of the “social state” to transnational enterprises, also hinders the implementation of social policy. If the state is “tax-starved” (Peter Drucker) by corporations, it will not be able to fulfil its redistributive function well in line with the SME principles. In this situation, it is difficult to
accept debt for financing various social programmes. It means living at the expense of future generations, which is against the principles of intergenerational justice.

In accordance with its assumptions, the SME is supposed to be a “peace system” based on harmonious cooperation and dialogue between social partners. Under the conditions of globalisation, at least one of these partners is experiencing a serious crisis, i.e. trade unions. Contrary to Peter Koslowski’s fears, it is their position that has been deteriorating. The already mentioned business mobility, multinationalism and multiculturalism of employees as well as the decline in the importance of industry are not conducive to the consolidation of trade union organisations. Statistical data clearly signal a decline in trade union membership, especially among employees of global companies.

Contrasting Anglo-Saxon capitalism with Rhine capitalism, Michel Albert (1994) pointed out years ago that the first is based mainly on the capital market, while the other is based on the banking system. For over the quarter-century that has passed since those analyses, turnover in global financial markets, including speculative operations, has increased many times. Therefore, for several decades the global economy has slowly become “a colossus with clay feet,” which—as predicted—sooner or later must break down (cf. Kern, 1997, pp. 145–146). The gaping shears between the huge dynamics in financial markets and the much slower growth of “real economy” have been signalled with concern. This means the formation of “capitalism without owners”, i.e. a system in which property is so dispersed that the once obvious coincidence of ownership and responsibility disappears altogether. Depending on the market situation, mobile capital is in constant motion. Capital flows, acquisitions and mergers take place quickly and frequently. It is no longer the socially useful, responsible, though of course self-interest-oriented, the creation of goods and provision of services to meet human needs that determine economic success but instead the poker risk of the financial game.

The so-called financialisation of the economy3 means de facto a fundamental systemic change. “Casino capitalism” appears. This happens when the financial sector becomes independent, i.e. it ceases to perform its ancillary macro-economic function towards the real economy, consisting in converting savings into investments. Risk-based and profit-driven casino gambling is a zero-sum game. Success depends in this case on luck and misleading the other participants of the game. They are not customers or business partners that can be trusted but opponents on whom one can at most enforce compliance with the “rules of the game.” It has little to do with responsible economic activity aimed at meeting people’s needs. Actually, there is a complete change in the economic paradigms. Traditional capitalism is based on transactions. These, in turn, are hard to imagine without relationships based on the mutual trust of parties involved and without the adherence to the unwritten rule: pacta sunt servanda.

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3 An insightful analysis of this phenomenon has been conducted by Paul H. Dembiński (2011).
The key category of the SME is active market participation. Therefore, innovative entrepreneurs basing their success on traditional bourgeois virtues, without avoiding responsibility towards stakeholders, could count on support from the economic policy. Whereas globalised “casino capitalism” requires above all smooth navigation of financial markets. This type of capitalism rewards not so much staid entrepreneurs as speculative behaviours, which are sometimes called the apostasy of entrepreneurship (cf. Sadowski, 2008, p. 6).

Without trust-based transactions and entrepreneurship, in the long run, probably no capitalism, including Rhine capitalism, will survive. Perhaps the recent crisis that has exposed this banal truth, paradoxically, is a chance to return to the roots, i.e. to the ethical foundations characteristic of the SME. The verification of this assumption through the exploration of the question concerning the relevance of the SME in the new socio-economic context requires, however, a separate analysis.

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Social economy as a new challenge*

Abstract

The article discusses the concept of the social economy. In the first part, some essential historical sources of the subject matter are described. The second part deals with the concept of social economy, taking into special consideration its definitional problems, founding values and characteristic principles as well as the dilemmas and difficulties connected with its implementation.

Keywords: social economy, catholic social teaching

JEL Classification: A13, B55, L31

If the realm of making has invaded the space of essential action, then morality must invade the realm of making, from which it has formerly stayed aloof, and must do so in the form of public policy.

Hans Jonas, “The Imperative of Responsibility”

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1. Instead of an introduction—a few beginnings

1.1. The first beginning, or the beginning of beginnings

In an attempt to grasp the concept of the social economy, let us begin our journey with one of the oldest sources of religious and social thought—the Old Testament.

You are to sow your land and gather its crops for six years, but you are to let it rest the seventh year, leaving it unplanted. The poor of your people may eat from it [...]. You are to do the same with your vineyards and olive groves. (Ex 23: 10–11)

If your relative becomes so poor that he is indebted to you, then you are to support him. You are to let him live with you just like the resident alien and the traveler. You are not to take interest or profit from him. (Lev 25: 35–36)

You must cancel your debts at the end of every seventh year [...] [...] Every creditor must cancel the loan that his friend borrowed, and he must not pressure his friend or brother to repay it [...]. You may exact payment from a foreigner, but cancel whatever your brother owes you. Moreover, there will be no poor person among you... (Deut 15: 1–4)

As Peter Berger points out, in contemporary Catholic thought, this central theme of Christian ethics has been conveyed in the formula of “the preferential option for the poor”, which means that the assistance given to the poor is a religious obligation, and that the situation of the poor in a given society is one of the basic criteria for the moral evaluation of that society (cf. Berger, 1994, p. 7).

1.2. The second beginning, or the beginning of the discussion

Let us pause our journey towards the idea of social economy and look at the beginning of the modern discussion concerning the best social model. Generally speaking, the origins of this debate go back to the publication of Thomas Hobbes’ works; yet, other great philosophers contributed to the discussion as well. They were split into two camps: a position granting all humans the right to freedom (John Locke, Adam Smith, Bernard de Mandeville), and thus the conviction that the free market system (Smith) is the best self-regulatory mechanism, and the stance grounded in the belief that interventionism and top-down control of human actions are necessary (Hobbes, and later also statists of different types). Proponents of both positions, praising the advantages of the sociopolitical model

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1 To avoid misunderstandings, it should be noted that in the Pentateuch, a friend or a brother [Polish version: bliźni] is every person who becomes closer “to us.” Thus, the literal understanding of a brother as one connected with blood ties should be ruled out.

2 Elementa philosophiae was published between 1642 and 1658, while Leviathan was published in 1651.
proposed by themselves, provide a remarkable insight into the negative effects of implementing the model of their opponents. Nonetheless, they hardly ever—if ever—realize the negative consequences of applying the principles of the model that they support. The advocates of liberalism do not notice that their version of the economy becomes “a sphere that is autonomous in relation to society, and which operates paying no heed to social problems and demands” (Skąpska, 2007, p. 30). On the other hand, the supporters of interventionism, i.e., the concept according to which the state should take over a significant part of duties (including economic affairs and security, but also welfare responsibilities), do not recognize the dangers that arise from restricting the rights of an individual and decreasing the efficiency of business activity, which follow from their model, or the threat of transferring too many responsibilities to the institution of the state.

1.3. The third beginning, or the problem of dualism in Adam Smith’s thought

The next stop on our journey to the idea of social economy is the emergence of economics as a new discipline of humanistic thought as well as a new form of management.

The moral philosopher Adam Smith opened one of his earlier books entitled *The Theory of Moral Sentiments* by stating:

How selfish soever man may be supposed, there are evidently some principles in his nature, which interest him in the fortune of others, and render their happiness necessary to him, though he derives nothing from it, except the pleasure of seeing it. Of this kind is pity or compassion, the emotion which we feel for the misery of others, when we either see it, or are made to conceive it in a very lively manner. That we often derive sorrow from the sorrow of others, is a matter of fact too obvious to require any instances to prove it. (1989, p. 5)

And on subsequent pages of the same book, the then father-to-be of economics wrote:

How amiable does he appear to be, whose sympathetic heart seems to re-echo all the sentiments of those with whom he converses, who grieves for their calamities, who resents their injuries, and who rejoices at their good fortune! [...] And for a contrary reason, how disagreeable does he appear to be, whose hard and obdurate heart feels for himself only, but is altogether insensible to the happiness or misery of others! (1989, p. 29)

And towards the end of the book, he noted:

Though our effectual good offices can very seldom be extended to any wider society than that of our own country; our good-will is circumscribed by no boundary, but may embrace the immensity of the universe. We cannot form the idea of any innocent and sensible being, whose happiness we should not desire, or to whose misery, when distinctly brought home to the imagination, we should not
have some degree of aversion. The idea of a mischievous, though sensible, being, indeed, naturally provokes our hatred: but the ill-will which, in this case, we bear to it, is really the effect of our universal benevolence. It is the effect of the sympathy which we feel with the misery and resentment of those other innocent and sensible beings, whose happiness is disturbed by its malice. (1989, p. 350)

He went on:

The wise and virtuous man is at all times willing that his own private interest should be sacrificed to the public interest of his own particular order or society. He is at all times willing, too, that the interest of this order or society should be sacrificed to the greater interest of the state or sovereignty, of which it is only a subordinate part. He should, therefore, be equally willing that all those inferior interests should be sacrificed to the greater interest of the universe, to the interest of that great society of all sensible and intelligent beings, of which God himself is the immediate administrator and director. (1989, p. 351)

Seventeen years later, however, in his unquestionably most famous work entitled An Inquiry into the Nature and Causes of the Wealth of Nations, Smith put forward the view that was entirely dissimilar to his previous deliberations:

It is not from the benevolence of the butcher, the brewer, or the baker that we expect our dinner, but from their regard to their own interest. (1954, Vol. 1, p. 5)

In the light of his thoughts conveyed in The Theory of Moral Sentiments, even more surprising (in a certain interpretation) seems to be the sentence found on the next pages of the “bible of economists”:

I have never known much good done by those who affected to trade for the public good. (Smith, 1954, Vol. 1, p. 45)\(^3\)

The analysis of what happened later with Adam Smith’s philosophy clearly indicates that the attitude from The Wealth of Nations, which laid the foundation of economics, turned out to be of more importance to the socioeconomic thought, which was at the time in the phase of development, than the approach adopted in The Theory of Moral Sentiments. The founder of economics defeated the moral philosopher, and for centuries to come, the victorious stance determined the perception of a human being (as \textit{homo economicus}) and the objective relation between persons.

\(^3\) The problem with the interpretation of this sentence lies in the word “affected”—if understood literally as “pretended, faked”, it is trivial; and if not literally, then Smith might have been concerned that economic activity undertaken in the name of good does not bring benefits.
1.4. The fourth beginning, or the pioneers of social economy

The praise of poverty and the motto *miser res sacra*, which are typical of the Middle Ages, allowed a support system to be developed in which “mercy and salvation acted as an incentive, while alms and funding—means to provide the support” (Frączak, 2006, p. 7; cf. Leś, 2001).

A good example of such a support system was the fraternal fund of diggers founded by Seweryn Boner, who donated the famous golden horn of Wieliczka—a masterpiece of Renaissance goldsmith’s art. The fund operated as a mutual insurance organization, providing handouts in the event of an accident or illness, and sometimes also pensions for the poorest. It functioned for over 400 years, until the times of socialism (cf. Bratkowski, 2000, p. 199).

The corporate system that was popular in the Middle Ages was grounded in a philosophy which resembles the ideas of social economy. Hospitals and religious orders were some of the social enterprises of those times. Medieval man lived mostly in collectives, in rural and urban communities such as guilds or fraternities.

As Maciuszko observes:

probably the whole problem of welfare in the modern era could be summarized in defining the transformation of Christian charity into public charity (at least in terms of organizational and institutional forms). (1999, as cited in Frączak, 2006, p. 8)

Nowadays, the fight against exclusion is undeniably one of the positive outcomes of Christian charity changing into public good. Without a doubt, the process was also rooted in the modern idea of democracy and the Reformation, which assumed that well-performed work is a manifestation of fulfilled Christian responsibility towards society.

In this spirit, Germany introduced the “social market economy” policy in 1948, and thus created the Rhine variety of capitalism (cf. Albert, 1994), whereas France launched an experiment with the socialization of capitalism, called the “social economy” [Polish: *ekonomia socjalna*] as a sector of the economy, which is neither private nor public, but organized around cooperative ownership. Concepts related to the social economy can also be found in the social teachings of the Church (cf. the papal encyclicals *Rerum Novarum* (1891) and *Laborem exercens* (1981)).

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4 We shall omit in our deliberations the negative consequences of alms in the form of beggary, which led to the creation of so-called “beggar’s quotas” (cf. Leś, 2001).

5 In 1914, 3,745 cooperatives were in operation in the Polish lands, uniting 1,458,562 members. Their shares totaled 1 million “gold francs”, while their saving accounts amounted to 1 billion “gold francs”.
2. What is the social economy?

2.1. Growing pains

When a new research area emerges, various names and definitions of it are proposed, numerous attempts are made to put its essence into words. It was no different in the case of social economy. However, thus far no clear definition of it has been offered. The concept is still in the phase of being developed, emerging from the depths of civic consciousness, which are not yet fully explored, as well as from the social needs that are becoming increasingly palpable. Social consciousness is formed when a community encounters an impenetrable barrier, when without a new perspective or a new solution, further social development appears hampered, and its stability is put at risk.

Those interested in social economy observe that since the development of this concept is still in its initial phase, some scholars may speak of its chaotic nature, inconsistent image (cf. Szopa, 2007, p. 4) and banality.

2.2. Definitional ambiguity

The problem that the field of social economy faces is the multitude of terms. In Poland, just as in other countries, there is an ongoing discussion over the most accurate name for the emerging phenomenon. While some apply the term ekonomia społeczna [social economy], others believe that gospodarka społeczna [social economy] or społeczna gospodarka rynkowa [social market economy] are more suitable expressions [in Polish, the term ekonomia stands for both, “economy” and “economics”; gospodarka stands for “economy”—translator’s note]. There are also those who would opt for ekonomia socjalna [social/welfare economy] or the concept of “sustainable development.”

Unlike their colleagues from the social field, mainstream economists are usually unwilling to accept the term ekonomia społeczna (regardless of how it might be defined) for fear that the concept may replace traditional eco-

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6 Izdebski upholds, however, that calling the social economy a chaotic concept is an exaggeration since “thus far, not even a chaotic concept of the social economy exists, but numerous—sometimes maybe chaotic—attempts to define what the social economy exactly is and can be” (2007, p. 49).

7 “Economy, as witnessed by the origins of both the concept itself and the scientific discipline named by it, is essentially a social science. So maybe ‘social economy’ is a pleonastic and banal expression? In fact, the concept of social economy can be accused of banality from ‘both sides,’ so to speak: to say that economy is essentially a social science or that economic activity is obviously a social process (with its social origins and implications) is equally unenlightening as to say that social activity (constructed as activity aimed at social change, even on a very small scale) has its economic aspects (in the sense that it, in general, requires gathering and spending of financial resources, employing people, etc.)” (cf. Wygnański & Frączak, 2006, p. 4).

8 From the linguistic point of view, given the foreign-language versions of the term, some people believe that the name gospodarka społeczna should be used (cf. B. Szopa, 2007, p. 4). “The use of the term social economy [here: ekonomia społeczna — translator’s note] is disputable. [...] It became widespread and probably in Poland we will keep using this unreflective translation” (Hausner, 2007, p. 9).
nomics. And when they do use the term, many of them assert that “social economy is not a branch of economics (and thus a new scientific discipline), but a sector of the economy distinguished due to its specificity, in which economic activity is seen as closely related to social goals” (cf. Szopa, 2007, p. 4) or that “it is not so much about a new approach to the economy or its separate branch, but about a specific segment of economic activity inscribed in a triangle whose sides are marked out by a market economy, civil society and a democratic state” (Hausner, 2007, p. 9). The author of the latter statement suggests positioning it in the following manner: firstly, as an alternative to both pure market solutions and excessive statization of the economy (it encompasses forms of exchange that can offer a radical alternative to the already existing ones). Secondly, the social economy can be seen as a specific method of market participation (it is a response to market failures).

Generally speaking, the social economy is a type of venture in which a community is to provide services or produce goods, while ensuring that human capital is greater than the financial capital, maintaining (at least partial) independence from the public sector and the democratic way of functioning. Examples of entities that undertake economic activity and operate in the sphere of the social economy include cooperatives, provident funds, foundations, associations, insurance companies, self-help groups and social enterprises.

2.3. Social economy and the preferential option for the poor

Going back to the considerations from “the first beginning”, it should be stressed that the notion of the social economy does not coincide exactly with the concept of the preferential option for the poor, though in a way it contains the concept in itself (even if just historically). The social economy is a much broader concept, in which the emphasis is placed not only on the phenomenon of poverty and the methods of its eradication, but first and foremost on the phenomenon of social exclusion and its elimination.

Thus, the liberal arguments used against the preferential option for the poor cannot be advanced in the critique of the social economy. It cannot be done since the idea of the social economy does not originate from the premise of the “bucolic harmony” of the world (which, after all, we are not experiencing), or from the pre-modern image of humanity as an agricultural community (which no longer exists), and surely it is not based on the naively understood idea of equality or distributive justice (i.e. ideals impossible to attain, mainly due to the lack of adequate

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9 At the same time, the author notes: “in order to be social, it cannot substitute or displace the market, and the same goes for the public economy.”

10 Among more specific and debatable issues related to the social economy are the following questions: Is this idea more of a social problem or rather an economic issue? Is it a subject of the new economy or a new element of the old economy? Is it a part of the third sector or does it simply make use of its inherent potential? Does it fall within the scope of the broadly defined social assistance or only serve such a function?
production methods). It directly stems from the democratic idea of “equality of access” as well as human and civil rights, and it relates to the mechanisms of the free market. What is more, it is rooted in the belief that a large part of the excluded persons found themselves in this situation not so much due to a lack of talent or disabilities (in which case the nature would be at fault), and not because of too low motivation to work or addictive tendencies either (which would be mainly their own fault), but as a result of faulty market mechanisms and the weakness of the democratic system. The point is that the mechanisms created by humans “push” part of the population to the margins of society, irrespective of their will. The social economy is also grounded in the conviction that, in the long run, the “army of the excluded” will slow down the rate of economic growth and hence social development, while the feeling of resentment that builds up among the excluded people may threaten the socioeconomic stability over time. And so the best way to avoid these threats is to manage rationally the “potential of the excluded.”

What does not apply to the social economy either is the claim made against the preferential option for the poor, to which Berger (1994, p. 8) draws attention: “if one affirms a preferential option for the poor, one must ask which ‘modes of production’ (to use Marx’s handy term) are most conducive to the mitigation or the eradication of poverty,” meaning that since no method of production was found effective in solving the problem, it seems impossible to adhere to this principle in any society. This allegation is unfounded in the case of the social economy as it is precisely the attempt to find the production methods that would allow the problem of social exclusion to be solved or its scope limited, without sticking to the preferential option that involves various forms of handouts.

2.4. The social economy and the economy

Being founded on values is what sets the social economy apart from other economic activities (free market economy). Supporters of the social economy agree that the values constituting the distinguishing features of social economy are solidarity and social cohesion, social responsibility and commitment, democracy and participation, and autonomy and independence (for more on the subject cf. Mazur & Pacut, 2006). In addition, activities undertaken in this field are based on local activity, and therefore they remain culturally differentiated as their undertaking results from the type and nature of exclusion. They reflect the specific needs of a particular socially excluded group (which are frequently different from the needs of the rest of society).

The mentioned values are not the only distinguishing features of the social economy. Other include specific rules according to which the activity in the area of the social economy takes place. These are:
(1) the precedence of service to its members or the community over profit (social utility);
(2) autonomous management;
(3) a democratic decision-making process;
(4) the primacy of people and work over capital in the distribution of revenue;
(5) being locally rooted.

Then, what distinguishes a social enterprise from an enterprise of the market economy or of the public economy is first of all, the question of profit, the scale of economic activity, localness, employed people as well as the type of competitiveness, and secondly—the type of control (for more on the subject of a social enterprise: Hausner, Laurisz & Mazur, 2006).

2.5. The objectives of the social economy

In the discussion on the social economy, one of the arguments for developing this form of management is the benefits it brings: first, it prevents exclusion thanks to employment support programs; second, it enhances social capital; third, it recreates the local public space; fourth, it encourages putting the idea of citizenship into practice; fifth, it facilitates the reformation of the public service sector; sixth, it fits perfectly with the idea of building participatory democracy; seventh, it is part of the employment growth; eighth, it strengthens the process of social integration.

In the context of the social economy, it is worth considering what the historically distant but also more direct causes for the concept to appear were. In a nutshell, it can be said that firstly, the social economy is an answer to the split between the concept of civil society as a political society (with its inalienable rights and political freedoms) and the society of independent and autonomous economic entities (equipped with economic rights and freedoms). Secondly, it emerged as a consequence of the regression of the welfare state and, thirdly, due to the fall of the idea of state interventionism.

To understand the full scale of the problem, one should refer to the numbers. At the beginning of the 21st century, the social economy sector constitutes about 8% of European entities (enterprises and producer organizations), 10% of GDP and 10% of total employment in the economy (for more on specific solutions, cf. Borzaga & Santuari, 2005).

Some people refer to this type of economy as “democratic capitalism, which operates based on widely available property rights and broadly defined economic freedoms, and which makes use of all forms of social capital, and thus includes into economic circulation all types of group ownership: the cooperative, the communal and the employee stock ownership” (Hausner, 2007, p. 9).
2.6. Dilemmas and difficulties

No matter how we conduct the discussion on the concept of the social economy and its dynamically growing sector, some dilemmas and difficulties present themselves—as is always the case with social matters—in the sphere of theoretical considerations as well as of a specific practice.

As for dilemmas, the following issues come to the fore:

(1) What should be the nature and scope of cooperation between activities in the area of the social economy and the traditionally understood economy?
(2) What should be the level of competitiveness of social economy entities?
(3) What should be the scope of dependency and support that social economy entities receive from the state?
(4) What should be the nature and scope of legal changes that foster the development of social economy entities?\(^{11}\)

Regardless of the answers, today it is already clear that apart from the support for those in need (the excluded), society needs “enlightened, morally unwavering individuals,” who are able to pave the way for a new organization and implement the centuries-old idea of brotherhood. Moreover, if the undertakings of the social economy are to involve more economy than social welfare, the entities operating in its sphere cannot be completely dependent on the state, though undoubtedly some kind of patronage is necessary in order to create favorable conditions for their activity.

3. A full circle

According to David Novak, the biblical solutions—which were mentioned in “first beginning”—take on the character of “the prime responsibility containing the following lower-level responsibilities: responsibility for the land, responsibility for others, responsibility for one’s own future” (Novak, 1994, p. 48). Yet, it is the idea of the social economy, as well as its practice developed in European countries, that truly and fully implement the idea of responsibility. It is the perspective of the social economy that gives all of us the opportunity to take responsibility for others and, even more importantly, provides the excluded ones with real opportunities to shoulder responsibility for themselves and their fate.

We may say that the original thought on supporting the “needy” has gone full circle and has returned in a new form, to which we refer today as the social economy, grounded in the idea of responsibility that was “lightened up” in the 20\(^{th}\) century by the adherents of existentialism and the philosophy of dialogue. Now, the whole economy and all people face the challenge of implementing this idea properly in the sphere of the social economy.

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\(^{11}\) For more on the dilemmas associated with a social enterprise, cf. Filek, 2008.
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Moral dilemmas of the development of postmodern societies

Abstract

The aim of the article is to present tensions that occur in social, cultural, political, and technological spheres as a result of the development of postmodern societies. The changes that have been taking place in those areas involve, along with unquestionable benefits, a type of risk which, without any moral reflection, can cause a serious global crisis. The postmodern times should be understood as a continuation of the modern formation where all typical features of modernism take a more radical form. The postmodern specific style of life is characterised by uncertainty, the unpredictability of the future, as well as a decline of traditional values and morals. Moreover, the present postmodern tendencies in the area of morals can hinder the right course of development of society, economy and ecology.

Keywords: postmodernism, economic development, post-modern societies

JEL Classification: Q01, Z1

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1. Introduction

One of the most important topics of recent years emerging in discussions of representatives of social sciences has been the issue of the pace of development and changes occurring in contemporary society. The popularity of concepts bearing the prefix post, e.g.: postmodernism or post-modernity, is a manifestation of the ongoing transformations in the cultural, social, political, economic and technological sphere in the countries of the Rich North. The aforementioned terms were used, mainly in the 1980s and 1990s, in an effort to describe the social directives of late capitalism. These concepts are, however, incorrectly treated as synonyms.

Postmodernism refers in fact to criticism in the field of literature, art or architecture. In this context, it means aesthetics that breaks with the modernist avant-garde, promoting more popular means of expression, directed more towards the embrace of ecologicalism and the use of pastiche (Kowalska, 1997, p. 5). The term was used as early as in the 1930s by Federico de Onis in order to express his disapproval of contemporary poetry of modernism.¹ The main features of postmodern art include the blurring of the boundaries between an artistic work and the aesthetics of everyday life, the disappearance of the previously existing division between high and mass culture, the popularity of superficiality, the decrease in the importance of the imperative of originality, and the assumption that art can only be an imitation or a modification of earlier works.

Post-modernity, however, is not a response to the emerging impasse of artistic modernism but instead refers to the crisis of modernity as a civilisation project. However, it is not a complete departure from the values of the modern era. Freedom of choice, diversity, and the possibility of expressing criticism were characteristics of modernity which remained in post-modernity. Post-modernity stands in opposition to the idea of a unified and standardised culture typical of modernity, which is a joint creation of all representatives of the human species. In place of modern tendencies to build a unified identity, the concept of irreducible differences in the area of interests, beliefs and values forming a background for interpersonal relations is introduced. The description of social reality indicates a clear lack of a unified vision of the world and a breakdown of “great narratives” that were meant to give meaning to and set a direction of historical development (Bauman, 1999, p. 353). The transition from deprivation values to post-materialist values (cf. Inglehart, 2005, pp. 334–348) among which the ideology of consumerism plays a significant role, is becoming a clearly visible feature of postmodern conditions.

¹ The publication of the work of Robert Venturi in 1972 entitled Learning from Las Vegas, which in a spectacular way presents the demolition of a modernist building in Saint Louis in the same year, is seen as a breakthrough moment in the field of architecture. Examples of postmodernism manifested in music include pieces of John Cage, Philip Glass, and Terry Riley, while in the field of novel writing—works by John Barth, Alain Robbe-Grillet or Thomas Pynchon, and in the filmmaking—productions of Jean-Luc Godard, David Lynch and others.
2. Postmodern division of the world

Postmodern society is not particularly interested in the recruitment of either a massive industrial labour force or a conscripted army, but instead needs its members as consumers (Bauman, 2000, p. 95). The way in which citizens of this society are shaped is subordinated to omnipresent consumption. It is a kind of expression of human existence defining a specific human identity. The world that revolves around consumption is governed by temptations, growing desires and fleeting cravings. There is no mean value to which one could relate seeking uniform values that give meaning to human life. The main virtue of consumer society is the ability to respond to an emerging opportunity and to arouse the desire to achieve new, previously unknown sensations (Bauman, 2006, p. 119).

Contrary to appearances, consumerist society aims at assimilating individual groups of people into certain wholes. Post-modernity is even called the age of neo-tribalism. A desire to create new communities or tribes for various ethnic, racial and political groups emerges. Each of these communities seeks acceptance from other communities, as well as from the society as a whole. An example of such a need for recognition may be the popularity of consumer niches, gathering sets of subcultures around a particular type of music, model of means of transport (i.e. a motorcycle, a car, a yacht, a water scooter or a bicycle), form of spending free time or sophisticated clothing (Wątroba, 2006, p. 33). In this case, consumption becomes an important element in shaping the social bond. Nevertheless, the tolerance characteristic of postmodernity does not necessarily lead to group solidarity, as it is easily eroded by the egocentrism of rich people (Wątroba, 2006, p. 33), which continues to deepen the division into those who have easy access to socially valued goods and those who are marginalised.

The social impairment that occurs in the countries of the Rich North is becoming more and more acute and it impacts the populations beyond the small groups within local communities. Data from 1990 included in The New England Journal of Medicine indicate that that in the 35–55 age group, the African-American death rate is 2.3 times higher than the corresponding rate for the white population in the same country, and that only half of this difference can be explained by purely economic determinants (quoted after Sen, 2000, p. 137). The phenomenon of intra-group diversity is to a large extent also dependent on factors that create a given social environment, such as a shortage of medical facilities, violence prevailing in large cities, a lack of social welfare, etc. (quoted after: Sen, 2000, p. 137). Political problems associated with the administration of health care and disparities in social welfare can seriously impair individuals and create social inequalities, even when the personal income of people is not low compared to international standards.

The postmodern division of the world also runs along the line which is determined by the degree of human mobility in space. Only individuals that maintain a certain level of consumption allowing them to “publicly show themselves without embarrassment” have an unquestioned freedom of changing their place of
residence. They can always afford to leave famine and disease-threatened areas of the world, while those who cannot afford such a relocation are left behind. However, this does not apply only to third world countries. In the centres of many western metropolises, there is an invisible demarcation line which their inhabitants are not likely to cross. The experiences of people living on both sides of this boundary are so different that if they were to meet and exchange a few sentences, they probably would not know what to talk about.

Postmodern society is divided into two worlds. In the affluent portions of the world, an individual is realistically and virtually mobile without hindrance in time and space. This world is cosmopolitan, extraterritorial, managed by business and cultural managers. In the less privileged segments, the individuals are limited by local ties demanding their passive acceptance of imposed changes. This separation becomes acuter as the mass media magnify the differences making the distant realities closer to home. An abundance of time is the common element in both segments of the world. In the world of those that have, its consequence is boredom, in the world on the have-nots—frustration and aggression. However, the postmodern times do not have to generate mutual avoidance and intra-group separation; they can also be a plane for seeking a new identity.

3. The world of generated risk

The symptomatic feature of postmodern times is the emergence of new forms of risk. Uncertainty, threats and accidents have accompanied man since the dawn of history, but the emergence of the post-industrial civilisation, the goal of which is to make practically all areas of human life to be technology driven, is associated, apart from undisputed benefits, with a dose of alarming risk. Currently, not all people realise it or are able to assess the present or potential growing threats. In the postmodern era, which Ulrich Beck (2004) calls directly the era of risk society (Risikogesellschaft), a new quality of risk emerges. The fear and apprehension coming to the fore are not related to threats posed by the forces of nature, but instead are a consequence and a price of civic and technical progress.

The risk situation appears not only as a result of decision making but has a somewhat broader philosophical and historical context. It turns out that the Enlightenment project of human domination over nature has not been entirely possible to realise. The conviction that, thanks to the unique predispositions of human reason in the field of science and technology, it is possible to master all irrational elements of nature that could jeopardise human safety and well-being has been an illusion (Kiepas, 1999a, p. 58). This conviction has led to the belief in unlimited possibilities of the instrumental reason, the intention of which is to achieve world domination (Horkheimer & Adorno, 1994, p. 19). The more man desires to dominate nature, the more it escapes man’s control, which usually leads to the activation of a destructive potential, at least equally powerful as the desire to achieve well-being and safety.
In postmodern society—as Anthony Giddens observes—the risk profile changes significantly, in the objective sense, understood as a global expansion of growing threats, as well as in the subjective sense, indicating the increasing perception and human awareness in the face of emerging threats (Giddens, 2006, pp. 150–197). Global risk expansion affects millions of people, regardless of ethnic or national affiliations, and the extent of its consequences is usually found post factum, i.e. after the explosion of the nuclear reactor in Chernobyl, after the leak of toxic substances from the Union Carbide chemical plant in Bhopal in India, after the emergence of the AIDS epidemic in Africa, after the greenhouse effect and climate change, and after the announcement of the news about the crash on stock exchanges. Such risks are universal and threaten both the rich and the poor, politicians and ordinary citizens, show business celebrities and social outcasts indiscriminately. No one is safe from such risks as these appear all over the world and affects everyone. It is frightening, however, that global risk expansion, and especially its effects, are still far beyond control not only of individuals but also of experts and even entire organisations.

In the subjective dimension, the new risk profile is a result of several reasons that cause greater perception and awareness of threats. Undoubtedly, the mass media play an important role in this respect, especially television that thrives on catastrophes, accidents, epidemics and other tragic events to increase its commercial attractiveness. The growing awareness of risk in the postmodern world is also closely related to the disappearance of psychological remedies, i.e. defence mechanisms referring to magical procedures or religious faith, characteristic of traditional societies. Secularisation of the Western civilisation has produced a lonely man left to his own devices having to face life threats. The source of growing awareness of the perceived dangers is also the increasingly common helplessness of highly educated technical experts and medical professionals who have lost social trust as a result of media coverage of their failures.

The belief about the emergence of risk generated in the postmodern times should prompt us to carry out an effective reflection on the need to anticipate, forecast, evaluate, control and prevent emerging threats and dangers that cannot be ignored when the quality of life not only of current but also future human generations is at stake. Technology, which is one of the main risk generators, cannot be an axiologically neutral system, as not all effects of its use and dissemination can be associated with the noblest intentions on the part of technology deploying entities.

4. Opacity of social situations

Postmodern society is characterised by significant opacity, fluidity and uncertainty of social situations in which modern man has come to live. No-one questions the fact that the present diversity of values and interests of individuals as well as entire social groups contributes to the disappearance of universally accepted patterns and schemes coordinating human activities. The essence of postmodern times is
the heterogeneity of numerous discourses and the diversity of language games that create the social world. Reality is like one big text that can only be interpreted, it is not possible to ever formulate general laws governing the world, as in the opinion of postmodernists there are no such laws. In other words, the world does not exist by itself and independently of the human process of cognition; it is actually a product of constant interpretation and reinterpretation. What seems to be a permanent fact, an indisputable method, is only a cultural creation with a limited scope of existence in both historical and geographical sense. The postmodern man is entangled in the constant process of demystification and deconstruction, forcing him to be suspicious of all rules, norms and systems, even those he himself follows and those that he wants to create. In life, man goes through subsequent stages of “disenchancing the world” which deprive him of illusions, but always condemn him to some other kind of game. The aim of this game is not actually finishing the work begun but continuous fun, art, performance (Borkowski, 2003, p. 18).

Uncertainty and a sense of helplessness are the most common terms by which interpersonal relations are described in the most developed and wealthiest societies in the world. The following concepts express the feelings experienced in the postmodern times: 1) impermanence—of social positions and human rights; 2) instability—of material goods and means of subsistence; 3) security threats—both to personal security and security of a given community, neighbourhood and country (Bauman, 2006, p. 249). A significant feature of present times is a lack of predictable relationship with sources of livelihood, especially with their most important aspect, i.e. a decent job and permanent employment. In highly developed countries, despite many optimistic promises of politicians about creating new jobs, unemployment is beginning to take on a “structural” character (Rifkin, 2003). Technological progress, apart from all its benefits, promises a drop rather than an increase in employment. Today, a secure job in a stable company seems like a dream. In postmodern societies with their changing labour markets, everybody is vulnerable to a loss of employment, although not equally, as the best-qualified employees are still the most sought after, but they too cannot be sure of their professional security. “No-one therefore”—according to Zygmunt Bauman (2006, p. 250)—“can feel irreplaceable—not those who have been fired or those whose job it is to do the firing.”

In the face of long-lasting lack of a sense of security, there emerges a tempting desire to achieve immediate satisfaction from the tasks undertaken. Postponing fulfilment for later has lost its appeal. No-one can be sure that attitudes and products that are trendy at the moment will not become a subject of mockery and jokes soon. Man must be aware that his strengths can change in the blink of an eye into his weakness.

Opaque and uncertain socio-economic situations gradually make people accustomed to treating life as a conglomerate of disposable things. The world seems to be built of components that are not repaired but replaced.

In the world where a reflection on the future is absolutely pointless, as the future appears as something misty and vague, planning towards distant goals and sacrificing one’s self-interest in their name do not seem as reasonable actions for
representatives of postmodern society. The word “now” is the key to the implementation of life strategies, regardless of what these strategies concern and what their results are. Permanent obligations change into fixed-term contracts. Interpersonal ties and relationships are already treated as consumer goods. As in the market, the goods sold are offered for a “trial period”, accompanied by the assurance that the customer receives a cash refund in the absence of full satisfaction with the purchased product.

The postmodern panorama of societies is an intricate mosaic of subcultures of tastes, attitudes and values, many of which have an ephemeral life. Impermanence, fluidity and opacity of social situations in the present world do not paint an optimistic picture, especially for those groups of people that have been marginalised as a result of current modernisation processes. Living one’s life among many competing lifestyles, without solid and reliable guarantees of their justification, may prove to be extremely dangerous in the long run.

5. Conclusions

Due to the threats emerging in the postmodern times, it seems necessary to emphasise the ethics of human activity. Separation of various areas of human activity from morality is one of the causes of risk characteristic of contemporary culture. The challenges faced by mankind today create a new situation for ethics, different from what existed in the modern times. Postmodern ethics seems to stand out not so much because it concerns problems different from those that society of modern times faced, but rather because it has a new way of perceiving and interpreting these problems. Post-modernity in the axiological sphere is defined by the following features: 1) morality is aporetic; 2) moral principles cannot be promulgated; 3) moral phenomena are inherently irrational and people constituting their subjects are ambiguous (Kiepas, 1999b, pp. 197–198).

The search and need for new ethical paradigms are evident. Modern technology enables man to act with such a huge time-space scope and consequences that the framework of an individualist and traditional ethics seems insufficient. It is necessary to make a decisive step towards universal ethics, and it seems particularly important in this respect to see the role and significance of the principle of responsibility. The emphasis on responsibility, which is an integral part of being human in the world, is a measure of social risk awareness. The disappearance of a clear, transparent and easily formulated diagnosis defining the attitude of man to the world usually leads to the emergence of risk situations. Political practice, however, is still lagging behind the intellectual thought and alarmist voices of experts. Rescue operations so far still have a local scope. These limitations are often a result of the scarcity of funds allocated for this purpose, and sometimes they are just a consequence of the lack of interest on the part of the main strategists of the global economy and socio-political life.
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Intricacies of modern consumption:
Consumerism vs. deconsumption*

Abstract

The subject of considerations in the paper is a reflection on modern consumption. The author, in search of an answer to the question what main orientations determine consumer behaviour in the market, formulates the hypothesis that deconsumption may become a permanent trend in the development of modern consumption. In order to verify this hypothesis, consumerism along with its main styles and deconsumption as a response to excessive consumption are analysed. The author presents forms of deconsumption, i.e. sustainable consumption, green consumerism, ethical consumption, anti-consumption and consumer movements promoting such forms of consumption. In the conclusions, he points to the development potential of deconsumption manifested in a growing number of consumers who are changing their consumption habits into more socially and environmentally friendly ones.

Keywords: consumerism, consumption styles, deconsumption, anti-consumption, sustainable consumption

JEL Classification: M30

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1. Introduction

In highly developed capitalist societies, called consumer societies, focus on the acquisition of an increasing number of new products is dominant. This orientation is supported by manufacturers, profiting from permanent growth in demand for new products, as well as the state, benefiting from taxes on consumer goods and services. Various actions have been taken to encourage people to make purchases, such as marketing campaigns (e.g.: advertising, special offers) and financial solutions stimulating sales (e.g.: lower VAT, preferential loans, etc.). All this leads to the development of hyper-consumption. One should, therefore, agree with the thesis of Zygmunt Bauman (2005) that life in the consumer society consists in the constant acquisition, consumption, use and waste disposal, only to begin everything anew the next day. This kind of behaviour results in, on the one hand, overproduction of consumer goods, and on the other hand, increased environmental risks.

The development of hyper-consumption draws criticism which points to dangers associated with its expansion in the modern world. New forms of behaviour and consumption, in particular, sustainable consumption, voluntary simplicity in consumption, slow life, etc. are becoming widespread.

The main aim of the paper is a reflection on modern consumption. The author seeks an answer to the question what main orientations determine consumer behaviour in the market. In reference to this question, the author formulates the hypothesis that deconsumption may become a permanent trend in the development of modern consumption. In order to verify thus formulated a hypothesis, the literature review method has been used.

2. Considerations on the concept of consumerism

Consumerism is a multidimensional concept, hence different researchers point to its various aspects. It is used, firstly, to explain the growing importance of consumption as a factor of social change (Bylok, 2013), secondly, it serves to explain excessive consumption of goods which is related to the insatiable desire to purchase an increasing number of new consumer goods (Sklair, 1991), thirdly, the concept of consumerism is associated with globalisation, in particular, with global culture (Ger & Belk, 1996), fourthly, consumerism is associated with a certain type of social system (Bauman, 2009), and fifthly, it is recognised as a compass guiding people’s lives (Miles, 1998). In all its meanings, consumerism is becoming one of the main factors determining the functioning of an individual in modern society.

Consumerism is becoming a certain way of life which is associated with excessive purchase and consumption of goods. Shopping is considered a characteristic pattern of behaviour. It is understood in the following two ways: as making
spontaneous purchases in shopping centres or as a form of sensual consumption associated with admiring shop window displays and products in shops without the intention of buying any of them (Hellmann, 2008, p. 36). According to the first interpretation, it can manifest in the form of making a purchase with a specific purpose or without. This sort of shopping has a utilitarian character as it is connected with the acquisition of goods or services necessary to meet one’s needs, and it is often seen as a kind of “work”. Whereas shopping without a specific purpose is a hedonistic activity in which pleasure and fun are paramount. According to the latter interpretation, shopping means having fun while strolling and browsing in shops. The consumer takes a walk to hear, smell, taste, i.e. to experience a variety of sensations among the exhibits from the world of dreams displayed in shopping centres. Such a consumer becomes a postflaneur, that is, a person who visits shops in order to experience the pleasure of looking at shop displays (Wątroba, 2008, p. 83).

The use of consumption to create one’s individual identity is an important element of a lifestyle based on constant consumption of new products. According to Kai-Uwe Hellmann (2008, p. 41), consumerism is a programme that people use for constructing a (post)modernist identity by selecting it from many different options. Such an identity is not expressed in one form; it exists in different variants without any major fundamental differences. An individual can freely choose different identities depending on a social situation. In this case, one can speak of a kind of fluidity of identity.

Consumerism is also understood as an ideology of consumer society which is supposed to deliver new visions of life for people. According to Robert Bocock (1993, p. 48), consumerism is an active ideology that suggests that life is based primarily on the purchase of things and experiencing sensations supplied as part of consumer goods. He indicates that consumption is becoming the most important goal for an individual. Leslie Sklair (2010, p. 135) believes that consumerism is an ideology that contains a set of beliefs and values associated with capitalist globalisation the purpose of which is to persuade people that happiness is best achieved through consumption and possession of goods. Along with global culture, it is becoming one of the main factors causing changes in social life. As noted by Steven Miles (1998, p. 3), consumerism is gaining control over masses of consumers all over the world. It permeates everyday life and structures of people’s everyday experience. Due to the continuous change of its form, consumerism is becoming more attractive, increasing its influence over people.

Analysing consumerism, Craig Bartholomew (1988, pp. 6–9) distinguishes its following characteristics. Firstly, he points to a culture of consumption, in which values are associated with consumption, as the basis of consumerism. Secondly, consumerism is equated with an individual choice. Freedom of choice in terms of product, lifestyle or one’s identity is the binding principle in the modern consumer society. Thirdly, consumer culture creates needs that seem to be unlimited and at the same time insatiable. Consumerism offers ways to meet these needs, but, oddly enough, there always emerge some new needs, which evoke a sense of insatiability, forcing consumers to find new consumer goods.
The power of consumerism lies in the fact that it supplies tools (consumer goods and consumption patterns) that are used to create an individual and collective identity for all individuals, at any time and place in the world. The advantage of this ideology is that it offers new forms of social life and identification that are widely available. It can be said that consumerism provides the illusion of equality in inequality, i.e., people have equal access to consumer goods, but only those that have matching funds can actually buy them.

3. Styles of consumption promoted by consumerism

Consumerism, despite the fact that it does not have clearly defined objectives or means of dissemination of ideas, is expansive. This expansion is manifested in promoting different styles of consumption that are attractive to people. The most important styles include hedonistic consumption, conspicuous consumption, symbolic consumption and spontaneous consumption. An attempt to describe the most important elements of the individual styles of consumption is presented below.

3.1. Hedonistic consumption

In the consumer society, the desire to experience pleasure has become one of the most important goals in people’s lives. Consumers not only pose the question of how to achieve something in life but also the question what they expect from life. The answer is a pleasant life, full of adventures and surprises. Gerhard Schulze (1992), in search of an answer to the question about cultural determinants of human life in a welfare society, indicates that the meaning of modern man’s life is determined by the desire to experience pleasure and adventure. Consumer goods with a content of pleasure are a means of achieving life goals thanks to which the consumer’s life makes sense.

The consequence of this approach is the development of orientation towards pleasure, which means that not the utility functions of a given product, but above all, its symbolic functions have an impact on the act of purchase. From this point of view, the functionality and quality of a given object are important, but what is essential is the hidden potential of satisfying the need for pleasure and adventure. Products with a hidden content of pleasure influence the consumer’s subjective sense of satisfaction. The content of pleasure in the product can be its appearance (design), packaging, the material from which it is made, its colour, smell, etc. The semantic content is often associated with hedonistic values, which affects the subjective sense of pleasure. The main source of consumption stimulated by hedonistic values is an imaginary use of dream goods. Products that contain the potential of dreams are the most sought after. However, after buying such goods, consumers lose interest in their purchases because they begin to dream about other goods. Colin Campbell (1987, p. 84) explains this process using a modified consumer choice model: longing—acquisition—use—disappointment. In this model, the need was replaced with longing (dream). Satisfaction of desires is the indicator of achieving pleasure.
Studies of consumer behaviour show that the consumers’ pleasure comes from the search for new products on the market, the pleasure that comes from watching the commercials, admiring display windows and browsing in large shops, as well as through the act of purchase. The group of consumers focused on achieving pleasure consists of individuals who live according to the principle of “novelty is the best,” i.e. the best, most fashionable equipment is the kind of good which is the most desirable by this group of consumers. Consumption and practising sports are used to create their identity (Bylok, 2005, pp. 376–378).

To sum up, the growing importance of hedonistic orientation in social life means the creation of a certain collective mentality of hedonism in which the feeling of pleasure is an important indicator of the quality of life.

3.2. Conspicuous consumption

In highly developed societies, most people do not have problems with meeting basic needs. Most individuals are focused on their actions on the search for goods that will satisfy their secondary needs associated with social life. One of the main motives of such behaviour is the desire to stand out among others through demonstrating the possession of consumer goods that are considered socially important. This style of consumption can be called conspicuous consumption. For the first time, the manifestations of this type of consumption were described by Thorstein Veblen (1971), who, analysing the nineteenth century society, characterised conspicuous consumption. He pointed out that consumption was a means to gain prestige in the upper class and among the aristocracy. In order for consumption to be appreciated by others, it was necessary to show what one had in excess, what could not be fully consumed, and those goods needed to be visible to individuals with whom one wished to be compared.

In modern society, conspicuous consumption is characterised by the shift in the focus from acquiring and demonstrating goods to experiencing goods and their symbolic image. Customers do not want to emphasise their position through extravagance and high expenses but through more subtle types of market behaviour. In the words of Pierre Bourdieu (2005, p. 237), it can be said that what distinguishes man is taste associated with social class. Taste is an indicator of social class because individual choices, which are based on the principle of taste, are always a form of class practices. Goods associated with consumption patterns through which the consumer communicates his membership in a particular social class are the attributes of his taste. Specific patterns of tastes, consumption preferences and lifestyle practices make it possible to build a map of tastes and lifestyles in a society which to a greater or lesser extent reflects the existing class division. Based on this map, individuals can classify their own tastes and tastes of others to a specific social class.

Conspicuous consumption is associated with the snob effect. It was first described by Leibenstein (1950), who indicated that the consumer who wants to stand out socially when buying goods takes into account, on the one hand, the personal and emotional desire to own prestigious brands, and on the other hand,
the potential of the impression which a given product can make on other people. The public context of demonstrating the product is important. The greater the audience, the stronger the desire to create a style of consumption that distinguishes one individual from the other. Various events such as concerts, charity balls, theatrical performances and places such as shopping arenas (shopping centres, shopping arcades) are often used for this demonstration.

Today conspicuous consumption still has a significant influence on consumer behaviour not only of members of upper classes but also lower classes. The poorest people also want to stand out socially, which is why they often spend their limited financial resources on luxury goods. Karl H. Hörning (1970) believes that in a situation when low income is accompanied by high-level aspirations, a phenomenon of asymmetry of styles of money spending occurs. A person wanting to belong to the upper class thus makes “immoral appropriation” of goods that are symbols of consumption available to the upper class.

To sum up, in today’s society one can point to the duality of forms of conspicuous consumption. On the one hand, there is the development of the strategy of conspicuous consumption of luxury goods, and on the other hand, the strategy of striving for external expression through an individual lifestyle. People want to express their “self” through consumption. With the help of goods with a symbolic content, they can communicate their identity to others.

3.3. Symbolic consumption

Another style promoted by consumerism is symbolic consumption aimed at goods with a symbolic content, i.e. those which represent a certain style of life of an individual, a social group or the whole society (Stihler, 1998, p. 204). For a consumer good to be considered a product containing symbolic content, it must have “visibility” (visibilät) and “significance” (signifikant) (Wiswede, 2000, p. 48). “Visibility” means symbols and signs that particularly stand out, while “significance” is unambiguity of distinction as well as a collectively widespread belief about a particular significance of a given good. Visibility and significance endow goods with a communicative character. For a product to be considered prestigious, it needs to be visible and recognised as long-lasting. In other words, products do not become luxurious in the public mind because of their physical properties but because of their image in society.

Most often, goods with a symbolic content create a specific, consistent set of symbols, e.g.: a lifestyle associated with social roles. Consumer goods with a symbolic content tend to be complementary to each other. Grant McCracken (1998, p. 123) defines this situation as Diderot unity. Symbolic matching of goods is the result of links between cultural categories and categories of goods.

Symbolic consumption means the acquisition of products based on their symbolic value. Symbols connected with social status are becoming less and less important. On the other hand, the importance of the potential of emotions attached to consumer goods is growing. Rifkin describes this phenomenon as “cultural capitalism”, in which intangible goods such as experiences or an atmosphere are
noticeably becoming goods for sale (cf. Ullrich, 2006, p. 46). Schulze (1992, p. 427) also points out to the development of this phenomenon. According to the German sociologist, there is a shift happening from the utility and status symbol value of products to emotional and fictional values. This is the result of the transition from consumption-oriented outwards to inwards oriented consumption. Experiences which the consumer buys are closely associated with goods. For example, there are restaurants that are meant to provide culinary experience, clubs offering unusual attractions, tourist offices selling holidays full of adventures, and shopping centres providing various forms of entertainment. A common feature of these ventures is the offer to provide hitherto unknown to the consumer experiences and a unique atmosphere. In these places, people can fulfil their fantasies. Unusual experiences and an extraordinary atmosphere have become symbols of limitless consumption.

To sum up, in the modern world, symbolic consumption has become an important element of consumerism, stimulating consumer behaviour aimed at purchasing goods with a symbolic and emotional content. Consumers do not seek goods only because of their usefulness but because the products offer an additional symbolic value, e.g., wearing a certain label. The situation is aptly described by Wolfgang Ullrich (2006, p. 45), who indicates that modern developed welfare society is characterised by the transition from the production of goods to the production of the image.

3.4. Spontaneous consumption

The next style promoted through consumerism is impulsive consumption which is characterised by irrationality which manifests itself in the spontaneous acquisition of goods. Impulse shopping differs from rational shopping by the fact that decisions about the purchase of a given product are made quickly, under the influence of emotions, and without any in-depth reflection. On the basis of research, Rolf Haubl (1996, p. 218) came to the conclusion that the majority of consumers make purchases on an impulse, though paradoxically “impulse shopping” is planned, but not by the consumer but by the seller. Shop owners arrange a situation in which consumers lose control over their decisions. To this end, they apply various marketing techniques, for example, hospitality, gifts, discounts, etc. In addition, they use shop decorations and attractive music to create a pleasant atmosphere conducive to spontaneous purchases. Manfred Prisching (2009, p. 122) believes that the purpose of the producer and this kind of offer is putting a potential buyer into a trance of consumption which consists in perceiving the world of consumer goods as the most significant. The act of buying becomes a pleasure in itself, a release of psychological stress, a dream come true.

Spontaneous consumption is based on the focus on “here and now”. Research on consumer behaviour shows that spontaneous consumers are people making decisions about purchasing a given commercial good on the spur of the moment, without controlling their consumer spending. In the absence of money to buy more expensive, more luxurious items, consumers take a loan or borrow money from
friends or family. This type of consumer is characterised by a fascination with consumption and focus on “here and now” (“no matter how much it costs I must have it”). Spending money is more important to such individuals than earning it. They often buy things because of their symbolic functions, not paying attention to their utility functions (Bylok, 2005, pp. 375–376).

4. Deconsumption

In modern societies, focused on excessive consumption inadequate to actual needs, types of behaviour and attitudes aimed at the moderate consumption of goods and services appear. In this case, one can speak of the creation of a new trend in consumption, the so-called deconsumption, which is becoming an alternative to consumerism. This concept has various definitions in the literature. Annie Leonard and Ariane Conrad (2011, p. 145) understand deconsumption as avoidance of excess, which is an important step towards “conscious consumption”. Deconsumption is defined by Czesław Bywalec and Leszek Rudnicki (2002, p. 143) as a conscious limitation of consumption to a rational size, arising from natural, individual, physical and mental characteristics of the consumer. Elżbieta Szul (2012, p. 318) sees deconsumption as rational, conscious, responsible and ethical consumption. Its slogan is “less is more”.

Deconsumption is connected with the limitation of previous excessive consumption for various reasons, such as an economic crisis, a lifestyle change, increased uncertainty, greater awareness related to responsibility, an ethical approach to consumption, etc. It can take various forms, such as sustainable consumption, green consumerism, ethical consumption, anti-consumption and movements promoting reduced consumption. The most often described form of deconsumption is sustainable consumption. There are three ways of defining the category of sustainable consumption: as an alternative way of life, as eco-consumption and as a holistic approach (Dąbrowska et al., 2015, pp. 83–84). The first approach assumes the departure from the current form of consumption focused primarily on meeting secondary needs. The basic tenets of this approach include: living in small self-sufficient communities in order to minimise the environmental impact associated with transport, limiting the fulfillment of needs to the minimum required for survival, and taking action against those that cause environmental degradation. The second approach assumes that the main goal should be ecological consumption (eco-consumption). The conceptualisation of this notion is based on the assumption that environmental protection can be achieved by increasing demand for environmentally friendly products. From this point of view, the key to sustainable consumption is an increase in rational and informed environmental attitudes and types of behaviour based on deep values (Ottman, 2003). When making the decision about choosing a particular product, the consumer takes into account not only the fulfillment of personal desires and satisfaction but also the consequences for the natural environment. According to Rob Harrison,
Terry Newholm and Deirdre Shaw (2005, p. 2), at the time of purchase of goods, the eco-consumer is not taking into consideration him or herself, but, above all, the surrounding world. The third approach, holistic, assumes that the consumer when deciding on purchasing a particular product takes into account not only its environmental impact but also its social (including human rights, e.g.: fair wages for employees), inter-generational and economic impact. A change in consumer behaviour aimed at sustainable consumption is becoming more and more popular given the rise of awareness associated with responsible consumption.

Green consumerism is associated with involvement in environmental activities. The operational definition of green consumerism includes a list of actions that are taken to promote a positive impact on the natural environment. The most important of these are purchasing energy-saving equipment, buying green products, turning off electrical appliances when not in use, or taking shorter showers to save water (Sachdeva, Jordan & Mazar, 2015, pp. 60–65). It is also assumed that eco-consumers’ choices are not always made only on the basis of the alleged positive consequences for the environment. For example, purchasing decision concerning organic food items may be also affected by such factors as taste, quality or health (Grunert, Hieke & Wills, 2014).

Ethical consumption is associated with the idea of promoting ethical values in consumer behaviour. As shown by Andrew Crane and Dirk Matten (2007), the essence of the concept of ethical consumption is the conscious and deliberate decision to make consumer choices based on personal moral convictions and ethical values. Ethical behaviour includes the kind of conduct in which the consumer is guided by ethical values in the process of acquiring, using and disposing of products. It can manifest in reducing consumption of goods associated with a consumption-oriented lifestyle, caring about the natural environment, boycotting manufacturers not complying with labour rights, supporting fair trade, etc. In the discussion on ethical consumption, issues related to fair trade, fair pay, observance of human rights by companies producing consumer goods, non-employment of children, the scale of pollution and post-consumer waste, animal welfare, etc. are important.

Anti-consumption can be understood as the abandonment of forms of consumption that are typical of the so-called western way of life and the acceptance of such forms that are environmentally friendly (Black & Cherrier, 2010, p. 439). The concept of anti-consumption is associated with refraining from consumption of certain products and brands that are considered harmful to the environment but also represents a kind of lifestyle which allows individual expression and provides a sense of self-esteem and self-efficacy (Zavestoski, 2002). It is also a way of life typical of subcultures, for example, political movements whose aim is the destruction of the formal political structure.

Consumer social movements play an important role in the dissemination of deconsumption-related ideas. The most important of such movements are environmental ones which promote pro-environmental consumption. Ecological consumption is an element of eco-consumption consumer movement whose aim is to stop through changes in the sphere of consumption negative processes degrading
the natural environment and deteriorating the quality of human life. This movement postulates changes that should take the form of the rational use of consumer goods; adopting an attitude consistent with the principles of environmental protection; consuming ecological goods (mainly food); limiting consumption of goods that create dangerous post-consumer waste; preferring consumption of goods that “generate” small amounts of post-consumer waste; reducing the use of resources and energy used for the production of consumer goods, and minimizing consumption of natural resources through the use of clean consumer goods manufacturing techniques (Bylok, 2013, pp. 224–228).

Another social movement that promotes the ideas of sustainable consumption is the movement of voluntary simplicity in consumption whose goal is the reduction of material consumption and changing the current lifestyle through “removing the clutter from one’s life” into a way of life based on simplicity associated with the reduction of purchase of many unnecessary consumer goods (Ballantine & Creery, 2010). In general, the movement seeks to limit the purchase of goods and encourages the use of alternative consumption possibilities, for example, the use of second-hand products, focus on the usefulness of purchased goods rather than on their number, the exchange of goods and services between consumers, which allows them to build new channels of communication, and the creation of consumer communities. People who adopt a lifestyle based on voluntary simplicity are to varying degrees involved in activities aimed at limiting consumption. Firstly, their actions can be associated with the resignation from certain consumer goods (for example, the ones considered a luxury) while retaining the current consumer lifestyle; secondly, a significant limitation of current consumption and a change in the current way of life; and thirdly, adapting life patterns to the ethos of simplicity. People who adopt this form of lifestyle move from more affluent areas to small towns, rural areas, or farms with the aim of pursuing a simpler life (Etzioni, 1998, pp. 620–623). Limitation of this movement is its relatively small scope that includes only highly developed countries in which its members belong most often to middle-class and middle-upper class (Belk & Ger, 2011). Relatively fewer members come from lower social classes.

Another consumer movement worth presenting is ethical consumerism promoting ethical consumption in which treating a purchase as an ethical choice plays an important role. Consumers connected with this movement seek to make people aware of global consequences of excessive consumption, make them pay attention to the conditions in which products are manufactured and to their composition, as well as promote companies that comply with human rights and labour rights (Lewicka-Strzalecka, 2003, p. 136).

Anti-consumption understood as a withdrawal from forms of consumption that are typical of the so-called western way of life and the adoption of such forms that are environmentally friendly, has been dynamically developing (Black & Cherrier, 2010). This movement is based on the assumption that consumerism is a threat to the spirituality and system of values of modern man. The forms of activities related to this movement include: firstly, the organisation of radical consumer boycotts, secondly, the rejection of the ownership of goods, the withdrawal
from the world of consumption and living in a kind of communes, the so-called squats, which become centres of promoting a way of life based on anti-consumption, and thirdly, the spread of new models of consumer behaviour, for example, the self-manufacture of goods or repair of goods owned, giving up car transport in favour of riding a bike, the rejection of the consumption of products made of living beings, dumpster diving and the acquisition of goods without paying (shop lifting) (Portwood-Stacer, 2012, p. 92).

The effectiveness of actions carried out by consumer movements in order to limit consumption threatening the natural environment largely depends on their forms of impact on producers. As Pope Francis (2015, p. 164) notes in his encyclical on environmental issues, consumer movements that manage to make sure that some products are not purchased effectively change the functioning of enterprises, forcing them to consider their impact on the environment and to rethink their production models.

All the presented forms of deconsumption are characterised by the desire to rationalise people's actions in the area of consumption. This process promotes the growth of consumer awareness related to the perception of the threat to the environment and lasting interpersonal relations resulting from excessive consumption.

5. Conclusions

A reflection on contemporary consumption leads to a conclusion about the existence of a paradox. The spread of consumerism in the poor societies is becoming increasingly attractive. At the same time, an awareness of excessive consumption is also developing in a new orientation, the deconsumption. Despite many indications of a change in the views on modern consumption, consumerism, which offers a mirage of happiness and pleasant life in the world of consumption, remains the most important orientation. The main result of consumer behaviour under the influence of consumerism is the lack of moderation in purchasing, i.e., “consumption for consumption’s sake”.

Is there an alternative to lifestyles promoted by consumerism? It would seem that sustainable consumption may be such an alternative. Along with the increase in excessive consumption, criticism of consumerism manifested in the pursuit of moderation in the acquisition of new products as well as in the search for and consumption of goods that do not harm the environment, can be observed. People who articulate such attitudes take as a reference point values related to responsibility and fairness. This morality impacts the formation of the attitude of co-responsibility of the consumer for the degradation of the environment. The social doctrine of the Church takes a firm stance on this issue. Pope Francis routinely criticises excessive consumption leading to environmental degradation. He emphasises the need to “replace consumption with sacrifice, greed with generosity, wastefulness with a spirit of sharing, an asceticism which entails learning to give, and not simply to give up” (2015, p. 9).
In conclusion, a gradual increase in the number of consumers who, aware of the harmful effect that excessive consumption has on the natural environment, will be changing their consumer habits into ones that are friendly towards the environment and other people can be expected.

References


INTRICACIES OF MODERN CONSUMPTION…


Ethical model of lobbying: An analysis of the codes regulating lobbying activity*

Abstract

Self-regulation initiatives are undertaken by many lobbying circles in various countries. The key element of those initiatives are codes of ethics including a postulated model of lobbying activities, a specific pattern of ethical standards of lobbying. The aim of the article is a reconstruction of this pattern on the basis of the analysis of eight codes representing American, Polish, British, European and German lobbying.

The analysis leads to the following conclusions. An axiological base of the lobbyist profession is created by such values as honesty, reliability, integrity, trust, professionalism, civic responsibility, openness, transparency, loyalty, respect, courtesy. Norms included in the codes are concentrated on the following issues: legality, transparency of actions, care of reputation and dignity of the profession, avoiding corruption, conflict of interest, customer relationship, duties toward society, public relations. A weak element of lobbying self-regulation is a system of norm execution.

Keywords: lobbying, code of ethics, self-regulation

JEL Classification: D72

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1. Introduction

Self-regulatory initiatives are undertaken by many lobbying groups in various countries, including the Association of Professional Lobbyists in Poland. The key elements of these initiatives are ethical codes containing a postulated lobbying model, a specific pattern of ethical lobbying standards. The aim of the article is to reconstruct this pattern based on an analysis of the eight codes representing American, Polish, British, European and German lobbying:

(1) Principles for the Ethical Conduct of Lobbying—a draft code developed by Woodstock Theological Center (2002);
(2) Code of Professional Ethics of the Association of Professional Lobbyists in Poland (Jasiecki, Młoędą-Zdziech & Kurczewska, 2006);
(3) Code of Conduct—The Association of Professional Political Consultants (the largest association of British consulting companies);
(4) Code of Ethics—The American League of Lobbyists (American association of professional lobbyists);
(5) Code of Conduct—The Society of European Affairs Professionals (a European association of lobbyists based in Brussels);
(6) Code of Conduct—CLAN Public Affairs (one of the largest lobbying companies based in Brussels);
(7) Code of Conduct for Interest Representatives—European Commission;
(8) Code of Conduct—German Association of Political Consultants (a German association of consultants operating in the field of politics).

The numbers assigned to particular codes will be used for a short reference to them in the following analyzes.

2. Code form

All codes considered, except one (1), regulating the lobbying activity, have a rather concise form, limited to the formulation of several—a dozen or so principles, generally covering one page. They differ fundamentally from professional codes of the profession with established tradition, such as the code of ethics of a doctor, or codes of legal professions. The clerical nature of the codes proves that the profession of a lobbyist has a not yet fully formed identity. Many activities carried out by lobbyists can be attributed to other professions, as illustrated by the fact that some people and companies avoid this term. The conciseness of the codes is naturally related to the relatively high level of generality of the standards contained in it. The slightly larger volume of the Code (1) than the others shows a certain direction of extending the ethics of lobbying activities. It rather depends on adding certain general rules and repeating them in a slightly different, more complex style than on the formulation of more specific standards of conduct.
Most of the codes have an introductory part—the preamble, in which the addressees of the code, the lobbying mission in contemporary society, and the basic values are generally defined. Codes (1) and (4) are targeted at professional lobbyists. The addressees of the Code (2) are “all persons appearing on behalf of the organization or representing their interests in relation to the policies, programs or legislative proposals discussed, adopted or implemented by widely understood institutions and public authorities in the Republic of Poland. These organizations include interest groups, government and non-governmental organizations, associations and trade and professional unions, business organizations and industry associations, corporations and advisory and consulting companies.” Codes (3), (5) and (8) are addressed to members of relevant associations, code (6) to CLAN and its employees, and the Code (7) is to apply to members of organizations that have adopted the rules proposed by the European Commission. In the following analyses, recipients of all codes are referred to as lobbyists.

A highlighted place in all codes, especially in the preamble, but also in further parts is the reference to values.

The lobbyist-client relationship must be based on candor and mutual respect. (1)

Signatories of this Code commit to comply with its provisions, always acting in a dignified, responsible and reliable manner. (2)

APPC member organisations are determined to act at all times with the highest standards of integrity and in a professional and ethical manner reflecting the principles applied by this Code. (3)

A lobbyist should conduct lobbying activities with honesty and integrity. (4)

European affairs professionals when making representations to the EU institutions shall act with honesty and integrity at all times, conducting their business in a fair and professional manner. (5)

Interest representatives are expected to behave in line with the principles of openness, transparency, honesty and integrity, as expected of them by the citizens in a democratic system. (7)

A commitment to being truthful to clients, political institutions, the media and the public: de'ge'pol members work solely with information that, to the best of their knowledge, reflects the truth. (8)

3. The axiological basis of the lobbyist’s profession

An overview of all norms in the codes allows for the reconstruction of values to be the axiological basis of the lobbyist’s profession. These values are honesty, reliability, integrity, trust, integrality, professionalism, civic responsibility, frankness,
transparency, openness, clarity, loyalty, respect, kindness. The codes draw attention to the lack of value that could be considered as constituting the profession of a lobbyist, i.e. the value like human life and health is for physicians, truth for scientists, and justice for lawyers.

Some of the codes emphasize that lobbying should sustain and strengthen public trust, as well as create a mentality oriented towards the common good. The last one is clearly emphasized in the code (1, p. 84).

The pursuit of lobbying must take into account the common good, not merely a particular client’s interests narrowly considered. Because the purpose of lobbying is to influence the making of public policy, lobbyists should recognize that their responsibilities are different from those of an advocate in a purely private controversy between two adversaries, such as the parties to a lawsuit. By its nature, the lobbying process is designed to influence policymakers whose decisions and choices will have much broader political consequences. Therefore, in deciding whether to undertake an engagement or assignment and in determining what arguments to advance in support of, or in opposition to, a position, lobbyists should weigh the implications of their efforts for the well-being of the country as a whole; and they should inform both their client and the policymaker of the probable economic, social, and political consequences of the policy objectives being pursued. The lobbyist should give special attention to the effects of government action or inaction on the least advantaged and most vulnerable citizens. While serving as an advocate for a client’s position, the lobbyist retains a personal responsibility as a citizen for the fairness, integrity, and effectiveness of the policymaking process, as well as for the substantive political outcomes to which it leads.

Perhaps civic responsibility understood in this way could play the role of this missing value which is of paramount importance to the profession of a lobbyist.

The codes draw attention to the important place lobbying takes in democratic processes and emphasizes the role that ethical advocacy of interest can play in strengthening democracy. However, in no code can we find an explanation of what this role would be, which, considering the capacity of the concept of democracy, which houses many ideas, leaves these statements at the level of ambiguous slogans.

4. The normative basis of the ethical codes of the lobbyist

Analysis of the content of individual norms contained in the codes indicates that they focus on the following issues.

4.1. Legalism

A common feature of most codes is the recognition that the law is an ethical minimum. This is manifested in the declaration of legalism, and therefore in compliance with the law in all circumstances. The signatories of the Code (2) commit
themselves in all undertaken actions to comply strictly with the provisions of law in force in the Republic of Poland. This Code prohibits the use of illegal methods to obtain information from representatives of institutions and public authorities. The Code (4) requires lobbyists to know the law and all regulations related to lobbying, and prohibits not only violation of the law in any form but contributing to the violation of the law by persons holding public functions. The Code (3) prescribes compliance with the regulations of all the parliaments operating in Great Britain, as well as with Nolan’s rules of public life.

4.2. Transparency of action

The norm in all codes is the order for lobbyists to reveal their own and their organization’s identity. It is reprehensible to suppress one’s identity, pretend to be someone else, to mislead about the interests that are represented. Some codes contain an order to inform about the represented client and his interest, however, the recipients of this information are not specified.

4.3. Care for reputation and the dignity of the profession

The codes recommend avoiding all activities that could negatively affect the image of the profession or degrade its dignity. A lobbyist should be aware that his compliance with ethical standards contributes to creating a positive image of the entire profession and strengthening public trust.

He should treat other lobbyists, including those who work for competitive interests, as well as his colleagues representing the same profession, not hurt their good name and treat everyone with respect. Out of concern for the good name and dignity of the profession, a lobbyist who obtains information that another professional is performing his duties breaking the law, using corruption, violating trade secrets, harming the public good, should report it to the appropriate institutions dealing with such matters.

4.4. Avoiding corruption

Most codes prohibit lobbyists from offering and transferring any benefits to representatives of institutions or public authorities, members of parliament, office staff, and families. This applies to direct and indirect benefits, immediate and deferred in time, material and non-material. At the same time, it is prohibited to accept such benefits.

4.5. Conflict of interest

Almost all codes contain an order to avoid conflicts of interest. Conflict of interest occurs when a person (or organization) is obliged—as a result of external circumstances or own actions—to double loyalty, that is, he should achieve goals that cannot be achieved at the same time in a certain situation (Lewicka-Strzalecka, 2006). A conflict of interest in the activities of a lobbyist takes place when his
personal interest is contrary to the interests of the client, or when he also represents clients whose interests are incompatible. Negative effects of conflicts of interest are reduced by avoiding or revealing conflicts and monitoring. Some codes specify conflict of interest situations and recommend appropriate behaviours. According to the Code (2), the conflict of interests consisting in combining professional activity with performing functions in public authorities and institutions should be avoided. A similar recommendation is contained in the Code (8). The code (3) prohibits lobbying companies from employing members of all parliaments and political assemblies operating in the United Kingdom and giving prizes in any form to them or to related persons. Any financial links between lobbyists and decision makers are forbidden. Lobbyists cannot combine the role of advisors of local authorities with services provided to clients with the aim of influencing the decisions of these authorities. Lobbyists must very clearly separate their professional activity from political involvement.

According to the Code (4), lobbyist shouldn’t accept or continue orders that lead to a conflict of interest without the client or potential client accepting this situation. He should disclose to the client all potential conflicts of interest and consider possible solutions. If a lobbyist works for a client in a case that can have significant consequences for another client, then even if he does not represent another client in this case, he should inform him about it and get his acceptance for this situation. The lobbyist should inform the client about any paid orders related to the client’s case, performed by external entities and about the costs of these orders. Codes (5) and (7) advocate limiting conflicts of interest by recommending that when recruiting former EU officials, they are only those who meet the formal conditions and respect their obligation to comply with applicable rules and confidentiality requirements.

4.6. Customer relations

All analyzed codes formulate numerous obligations regarding the behaviour of the lobbyist towards the client. On the one hand, these duties are oriented towards the client’s good or interest, and on the other—they point out that this interest cannot be pursued at any price, in violation of the basic principles. Therefore, a lobbyist should only undertake such tasks, entrusted to him by the client who wants to implement those using ethical methods. He should inform his client about the possible negative effects of the goals, tactics and strategies that are being considered. This applies not only to the consequences for the client’s interest and reputation but also for the common good and other groups of citizens, especially the poor and those who don’t have their representation. The lobbyist should clearly inform what actions may be illegal, immoral or unprofessional and do not undertake to perform them.

When trying to get a job, a lobbyist should not overstate his skills, previous experience and potential contacts. If he doesn’t have sufficient resources or appropriate political contacts to represent the client, he should inform him about it. He should also inform him about all previous efforts that were made in a given case.
A lobbyist should try to represent his client’s interests in a competent and professional manner. The condition for this is excellent knowledge of legislative processes, political orientation and specialist knowledge that should be improved through systematic education, participation in training, seminars and sessions.

All information provided to customers must be reliable and accurate. The lobbyist should loyally, conscientiously and diligently act in the interests of his client, devoting a sufficient amount of time, attention and resources to it. He should systematically and thoroughly inform the client about the progress of the task and give him the opportunity to choose between different options and strategies.

An important requirement is a prohibition of disclosure of the client’s confidential information without their consent. The lobbyist should not use the client’s internal information to act against him or for any other purpose not mentioned in the contract between them.

The Code (4) recommends the conclusion of a written agreement between the lobbyist and the client, which will specify all terms and conditions of order execution as well as the amount and rules of remuneration.

In its code, CLAN sets norms (6) for relations with customers in even more detail. It commits to providing “tailored” services that is adapted to the individual requirements and parameters of the client. Analyses made for a large corporation will be completely different from those that were commissioned by a medium or small company. CLAN does not discriminate against any client, but if it is aware that it cannot help him, it does not accept the order. CLAN clearly defines the rules of payment: it can be a fixed remuneration, pay per hour, or dependent on the achieved results. Customers have access to the company’s work schedules.

Exceptionally, in one of the analyzed codes (1), there was also a standard addressed to the client saying that the client who is considering the involvement of a particular lobbyist should take into account his ethical image. Knowing that there are some reservations about the ethical side of the work of a lobbyist or company, the client should not engage them without clarifying these reservations.

4.7. Relations with decision-makers and public institutions

The goal of lobbyists’ contacts with public officials is to influence their decisions, but at the same time, ethically responsible lobbying should play important educational and social functions, because honest, well-informed lobbyists provide decision-makers with important information and arguments that can be decisive in public debate. Most of the codes emphasize that the decision-maker has the right to expect the lobbyist to disclose accurate and reliable information about the client’s identity, the nature and consequences of the goals he wants to achieve. The information provided should always be truthful, up to date and accurate. A lobbyist shouldn’t deliberately mislead anyone. He should not skip or conceal any information that is important for making a decision. According to the Code (4), if the lobbyist gains knowledge that the information he has given to the decision-makers is inaccurate or untrue, he should inform them as soon as possible and do
everything to provide reliable and accurate information. He should behave similarly if it turns out that the information provided, on the basis of which public decisions are made, ceases to be current.

If the lobbyist knows about the risks associated with the solution he has been advocating and realizes that the decision-maker will not be informed about it by anyone, then the Code (1) puts him under strong pressure to do so. The Code also contains a norm stating that the strategy of exerting influence on a decision-maker cannot be based on attempts to deprive it of its independence, such as suggestions regarding possible support for an election campaign or influencing the deterioration of his public image.

The Code (4) emphasizes the duty of a lobbyist to act in a way that does not undermine trust in the public sphere and the belief that power is being exercised in a democratic manner. A lobbyist should not show disrespect for public institutions.

A common norm is the obligation to comply with the rules and regulations defining the principles for obtaining and disseminating parliamentary and governmental documents. Formulated in the Code (2) the obligation to “not sell copies of documents obtained from representatives of institutions and public authorities for profit to third parties,” is in an appropriate form also in other codes. The Code (3) formulates in some detail the rules for using access passes for government buildings to prevent the use of passes obtained for a specific purpose for other purposes.

Codes require lobbyists to comply with the rules and internal regulations of public institutions with which they cooperate in any way. It is forbidden to use employees employed in these institutions and their technical infrastructure for their own purposes. The codes also indicate the ban to persuade politicians and public officials to violate the rules and standards that apply to them.

4.8. Obligations to society

A fairly common social misunderstanding of the essence of lobbying puts a special educational mission on lobbyists. It consists of raising awareness of the public role of lobbying in a democratic society and promoting behaviour that strengthens trust in this activity. At the same time, a lobbyist who performs an extremely important role in making political decisions should inform and educate both his clients and decision-makers.

According to the Code (7), lobbyists should ensure, in accordance with their best knowledge, that the information they provide is objective, complete, current and not misleading. According to the Code (1), it is reprehensible to create campaigns aimed at distracting public attention from its actual goals and directing interest towards phantom or substitute phenomena.
4.9. Relations with entities shaping public opinion

Influencing decisions taken in government institutions by influencing public opinion is acceptable in lobbying activities but must be subject to certain rules. The principles of media campaigns must be clearly defined, their goals and potential benefits must be clear. All information provided to the media must be true and accurate, not misleading or concealing relevant information. The lobbyist should keep the confidential information about his client secret, but it is reprehensible according to the code (1) to manipulate or counteract the efforts of journalists trying to reach information that is crucial for decisions in the public sphere, and to want to present them objectively and genuinely. In the creation of media campaigns, it is reprehensible to use strategies oriented towards making decisions in the public sphere which bring unfair benefits to clients commissioning these campaigns. These are campaigns that do not reveal the real goals they serve, which are a form of hidden advertising, manipulating people’s emotions, opinions and views, engaging huge financial resources, disturbing the balance on the media market. A lobbyist who pursues his client’s goals should equally respect the rights of citizens and public officials to reliable and true information.

The comparison of norms contained in individual codes shows that there are no conflicting norms, despite the fact that the codes represent different lobbying cultures. It can be assumed that this results from the aforementioned high level of generality of standards, because an attempt to interpret them in specific situations may lead to different solutions. For example, the concept of improper influence, the exertion of which on EU officials is prohibited by the norm contained in the Code (5), is understood by the authors of this Code as “something given with the intention of causing the recipient to act in a way that they would not have done without the inducement.” It can be presumed that if the impact isn’t created with such intention, the impact is not inappropriate, i.e. inviting a member of the European Parliament to a dinner may be (and often is) regarded as a normal business. Meanwhile, according to the American Code (4) requiring fair treatment of decision-makers and respect of the law, payment by the lobbyist for the congressman’s dinner is unacceptable regardless of the intent of the one inviting.

The highest risk of conflict between standards occurs in the case of a norm that requires informing about the represented client and his interest, and a norm that requires respect for the client’s secret. If lobbying means influencing the decision-making process undertaken by the authorities, then the first norm results from the right to public information. The second standard results from a contract concluded between a lobbyist and a client who entrusts their secrets in the belief that they will not be revealed. The codes do not show any direction of settling the conflict between the transparency of lobbying and the protection of privacy or commercial secrecy of the client.
5. Enforcement of codes

As mentioned earlier, codes of conduct are a very important, but not an integral element of the self-regulation of the environment. Efficient self-regulation also requires the implementation of a system that ensures compliance with the principles contained in the code. An analysis of such a system in relation to the above codes leads to the following conclusions. The Code (1) is only a draft of certain rules and does not provide for sanctioning at all. Acceptance of the Code (2) is a prerequisite for joining the Professional Lobbyist Association in Poland. The non-compliance of a member of the Association with the principles contained in the Code (2) may be a reason to exclude him from the organization, and in the event of breaking any provisions of the Code, a member of the Association commits to voluntarily relinquish membership of the Association. However, there is no provision for an institution that has to adjudicate that the standards contained in the Code have been violated. In turn, APPC established a very extensive and accurate procedure for handling complaints about breaking the rules contained in the code (3). This multistage procedure for examining any breach is to guarantee the reliability of the services provided, ensure customer satisfaction and safeguard the reputation of lobbyists. The examination will be dealt with by a special committee, the possibility of mediation and appeal is envisaged. It turns out that this system does not fulfil its function because it has never been used. Acceptance of the Code (4) is a condition of joining the American League of Lobbyists. The offer of the League includes obtaining a certificate of a professional lobbyist based on training, among which training in the field of lobbying ethics providing knowledge about the interpretation of the principles contained in the code is obligatory.

The lack of a system for sanctioning the rules contained in the Code (5) was most often the reason for its criticism, so the SEAP association modified its code and established a procedure for reporting violations of its principles. Sanctions start with a written warning and end with removal from the association. Each member of the association, along with joining it must commit himself to comply with the rules contained in the code and participate in a seminar on the content of these principles. During this 90-minute seminar, it explains how rules should be interpreted in practical situations and what procedures will be implemented in the case of a violation of the rules. At the end of the seminar, each participant receives a certificate that he is a full member of the SEAP. The Code (6) does not provide for any means of sanctioning the standards it contains, but since CLAN has also committed to complying with the SEAP Association Code (5), it can be assumed that it also accepts its enforcement system. Acceptance of the Code (7) is a condition for submitting to a voluntary register for representatives of interest groups established by the European Commission, but there is no system sanctioning compliance with the standards contained therein. Persons applying for admission to the German association of consultants operating in the policy area must pledge to comply with the principles contained in the Code (8) and are also informed about the types of penalties for violating these principles.
The analysis of the above examples of the self-regulation of lobbying indicates that the weak link of these self-regulations is the systems of enforcing the norms contained in the codes. Most of these codes are only declarative and there are no procedures for their implementation. In two cases, the association of lobbyists enables training on the interpretation of the principles contained in the code. However, there are usually no procedures for reporting violations, no sanctions system, and where such a system has been established, it is not used.

6. Conclusion

The analysis conducted on ethical codes regulating lobbying activities leads to the following conclusions.

The axiological basis of the lobbyist’s profession is formed by the following values: honesty, reliability, integrity, trust, integrality, professionalism, civic responsibility, frankness, transparency, openness, clarity, loyalty, respect, kindness.

The standards contained in the lobbying codes focus on the following issues: legalism, transparency of action, concern for the reputation and dignity of the profession, avoidance of corruption, conflict of interest, relations with clients, relations with decision-makers and public institutions, obligations to society, relations with entities shaping public opinion.

A weak link in the self-regulation of lobbying is the enforcement of norms contained in the codes.

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Lobbying in Polish law and practice*

Abstract

This article presents both the legal regulations concerning lobbying in Poland and an evaluation of lobbying practices. It refers to the results of the sociological research conducted among the members of the Polish Parliament, professional lobbyists and journalists who cover parliamentary issues. The research was conducted in cooperation with the Stefan Batory Foundation’s Anti-Corruption Programme from May to July 2008.

Keywords: formal lobbying, informal lobbying, Act on Lobbying Activities, enactment of legislation

JEL Classification: D72, D73, K41

1. Lobbying—characteristics of the concept

Lobbying is a fuzzy concept as well as a complex, diverse and variously assessed phenomenon. The word *lobbying* itself means actions undertaken in a place called *lobby*. In the British House of Commons and other parliaments, it is the entrance hall or the room available to the public which can be used for contacts between deputies and non-members of the parliament. The Oxford Dictionary (1989,

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* The article is an updated version of the paper published in Polish in the *Annales. Ethics in Economic Life*, 16, 131–144.
p. 1074) records the first example of the use of the word “lobby” in this sense in 1640. In the American tradition, a lobby is associated with the Congress building. In America, lobbying emerged two hundred years later than in England, but it is the USA that is considered a country where lobbying has developed most fully and where very diverse forms and variants of lobbying have been created (Wiszowaty, 2010, p. 148). There, a lobby means not only a corridor in the parliament building but every “entrance hall” where casual meetings of politicians with businessmen, journalists or spokespersons representing group interests, primarily interests of industrialists, can take place. The English understanding of lobbying as a practice closely related to the activities of the parliament has been expanded in the United States to also include activities directed at the executive branch. In the Anglo-Saxon tradition, this type of practice has gained the name “behind-the-scene diplomacy.”

Historically, the phenomenon of looking after the interests of various groups and circles dates even further back – to the organisation of social relations by the state. Since ancient Greece, citizens and their various organisations, later court camarillas, informal groups based on the client-patron relations have sought to influence political and legislative decisions (Jasiecki, Mołęda-Zdziech & Kurczewska, 2006, p. 13). Nowadays the connotation of this concept has expanded, gaining new meanings and content. It encompasses all activities affecting decisions of various centres of power. Thus, the circle of people and institutions engaging in lobbying has expanded, along with a set of problems associated with lobbying occurring at various levels: from the supranational level to the state, local government, corporate, non-governmental and media level.

However, there is no universally accepted definition of lobbying. In the classic definition of Philip Kotler, lobbying is defined as contacting and persuading members of legislative bodies and public officials to adopt specific legal and administrative solutions (1994, p. 621). Lobbying is also treated as a kind of instrument for formulating and conveying arguments to decision-makers—it is important therefore to establish direct, personal contacts between individuals or lobby groups and representatives of the power apparatus. Thus, mutual communication on the political, economic or social level gains importance. Such relationships can appear in various interpersonal contexts: between individuals, groups or organisations. One of the most important aspects of lobbying is “persuading, providing and obtaining information in order to promote specific decisions” (Jasiecki, Mołęda-Zdziech & Kurczewska, 2006, p. 18). Lobbying is sometimes compared to other forms of exerting pressure, such as public relations or marketing (there is even a definition of lobbying as the marketing of ideas), but its specificity lies in the fact that the target audience consists primarily of decision-makers representing the public sphere and interests at various levels. What is also characteristic of lobbying is the presence of an intermediary—a lobbyist—who is a link in the process of communication between citizens or interest groups and various types of institutions making decisions in their matters. The literature distinguishes several areas of lobbying activities (Jasiecki, Mołęda-Zdziech & Kurczewska, 2006, p. 58):
(1) a lobbyist makes efforts to influence various government decisions concerning e.g.: awarding grants, entering into contracts, appointments to various positions, development of strategies;
(2) a lobbyist is a full-time employee of a private enterprise in the department responsible for contacts with the government;
(3) a lobbyist works for groups established to deal with and support one issue;
(4) a lobbyist is employed in third sector organisations;
(5) a lobbyist is employed in companies that run advertising campaigns in various mass media;
(6) a lobbyist is employed in companies engaged in lobbying the government and the parliament.

A lobbyist usually represents various interest groups, i.e. different types of organised associations, with specific goals. Their creation is the effect and expression of the ability and readiness of citizens to organise themselves independently and influence legislation, institutions of power and public opinion (Marshall, 2005, p. 108). Sometimes the term “organised interests” is used instead of the term “interest group” to emphasise that the membership is not always clearly formalised. The terms “pressure group”, “impact group”, “organised interests”, and “stakeholders” are often used interchangeably (Kurczewska, 2011, p. 19).

In modern systems of representative democracy, two models of lobbying are usually distinguished: “pluralistic”, referring mainly to Anglo-Saxon countries, primarily to the United States, and “corporatist”, characteristic of Western European countries. In the US model, lobbying and pressure groups are treated as a normal, natural manifestation of democratic life, and organised defence of interests is an element of participatory democracy. In this model, it is recognised that political institutions, such as the parliament or political parties, are not enough to satisfy the needs of the sovereign—the nation, hence it is necessary for there to be other intermediaries between citizens and elected government officials. In the “corporatist” model, basic decisions, in the sphere of economics as well as politics or culture, are made because of arrangements between the state and various organisations, associations or unions, and therefore politics is based on negotiations between groups, often associated in the form of corporations, not only business ones but also professional or environmental ones, and the government.

In the “pluralistic” model, a change in lobbying practices has been postulated and partially implemented. Until the beginning of the 20th century, lobbying activities were dominated by corrupt practices such as bribes and blackmail, nowadays, because of the enactment of several legal acts, efforts are being made—with varying effectiveness—to limit such practices. More “civilised” forms of lobbying are being introduced in which the provision of information and the use of various types of persuasion are prevalent. Nowadays, in the “pluralist” American model, three models of lobbying can be distinguished:
(1) parliamentary—lobbyists contact senators and representatives of the Congress seeking to convince them to their way of thinking;
(2) technical—a lobbyist is perceived as an expert in a given field whose task is to provide specialist knowledge that is needed to understand the consequences of adopting specific legal solutions;
(3) procedural—related to the operations of the administration when each new project must undergo evaluation by the public.

Lobbyists dealing with procedural lobbying prepare opinions and information on behalf of groups of people or interest groups which these projects may concern. It is believed that it is through lobbyists that organised groups of citizens participate in public life, which in turn facilitates obtaining support for state-run policies. It is recognised, therefore, that at least some lobbying activities contribute to the democratisation of social life.

In the European tradition, it is difficult to speak of one model of lobbying. Above all, there is more scepticism concerning lobbying activities, as lobbying is mainly associated with the pursuit of vested interests, sometimes at the expense of public interest, in a way that often raises both legal and ethical concerns. Decisions in countries using elements of the corporatist system are a result of negotiations and bargaining in which political and lobbying institutions, as well as various professional and industrial corporations, participate, but the decision process on both sides is more centralised (Kubiak & Krzewińska, 2010, pp. 420–421).

Regardless of tradition in the approach to lobbying, in various countries its positive as well as negative aspects are pointed out. Among the positive ones, the following can be mentioned:

(1) filling the gap between the individual and the state, thus creating premises for the development of civil society;
(2) drawing attention to significant problems and new emerging challenges;
(3) enforcing access to public information;
(4) providing a chance to balance the positions of various groups, including the enhancement of the status of weaker groups;
(5) creating a plane for contacts between citizens and elites;
(6) pragmatising discourse over political or ideological divisions.

Among the negative features of lobbying, the following can be indicated:

(1) contributing to the erosion of the democratic order—the freedom of presenting interests may favour the strongest impact groups at the expense of other, weaker, less organised and poorer groups. Oligarchisation resulting from their strength may lead to the imposition of their interests, contrary to the common good;
(2) uncontrolled or unsuccessfully controlled lobbying can lead to the pathologisation of social life through the corruption of representatives of authorities by lobbyists;
(3) in weaker, less organised states, there is a danger of making state interests dependent on strong international pressure groups operating to promote the interests of strong global corporations or foreign investors.
2. Lobbying—formal and legal solutions

Lobbying activities are regulated in various ways in individual countries and at the level of the European Union. A detailed discussion of these issues can be found in the literature (Jasiecki, Molenda-Zdziech & Kurczewska, 2006, pp. 77–102). These regulations have a twofold character: legal and ethical. The legal dimension is associated with the introduction of detailed rules, sometimes statutory. Such solutions have been introduced in the USA, Canada, Australia, Germany, the European Union, as well as in Poland. The ethical dimension of lobbying focuses on the issue of self-regulation, i.e. the analysis to what extent a given group implements various measures to regulate and standardise its activities. This applies to both groups and people performing public functions as well as various corporations and organisations engaging in lobbying in a variety of forms. The ethical dimension of lobbying is as important as statutory solutions, since not all activities, especially in the public sphere, can be regulated in accordance with the law. Ethical behaviour—decency in actions—is an asset whose importance cannot be stressed enough, and which is difficult to substitute.

In Poland, the Act on Lobbying Activities limited to the law-making process was adopted in 2005. Previously, there were regulations in Polish law focusing on the targets of lobbyists, i.e. persons occupying various public positions. There were, therefore, ethical codes for various groups, ethics committees for parliamentarians, rules for the operation of individual offices, and supervisory institutions. Partially, those issues were regulated by the Act on Exercising the Mandate of Deputy and Senator (Journal of Laws of 1996, No. 73, Item 350), the Act on Limitation on Conducting Business Activity by Persons Performing Public Functions—the so-called Anti-corruption Law (Journal of Laws of 1997, No. 106, Item 679) or the Civil Service Act (Journal of Laws of 1999, No. 49, Item 483). In the 1990s, in the face of a growing list of negative examples of inappropriate and often pathological relations between the sphere of politics and economy accompanied by a high level of corruption (cf. Kubiak, 2003), demands were made to introduce legal regulations directly concerning lobbying. After several years of discussions among politicians, experts and representatives of various circles, following unfinished legislative attempts, the scope of the 2005 Act in its final version was limited to legislation at the level of central institutions. The Act, consisting of 24 articles, defines the principles of transparency of lobbying activities in the legislative process, rules for the performance of professional lobbying activities, forms of supervision over these activities as well as rules governing keeping a register of entities engaged in professional lobbying activities. Pursuant to the Act, lobbying activities comprise any activities carried out by legally permitted methods aimed at influencing public authorities in the law-making process, and professional lobbying activities comprise paid lobbying activities conducted for third parties to have the interests of these parties considered. The Act also imposed on the Council of Ministers the obligation to publish in the Public Information Bulletin plans for the enactment of regulations and all documents related to works.
on draft laws and regulations. The Act also introduced a new institution of a public hearing into Polish law, which allows various entities to participate in law-making. The chairmen of the parliamentary clubs and groups, as well as the ministers, have been obliged to provide information regarding the employees of the deputies’ and senators’ offices as well as employees working in the ministries’ political offices.

As in the case of many Polish legal acts, the Act on Lobbying Activities immediately after its adoption was treated as a “trial act”, a pilot act which, after evaluating its functioning, may be subject to amendment. Most experts assessed it very critically (Wiszowaty, 2006, pp. 47–54). It was even considered a “defective law”, “an act prepared in a hurry, without the necessary analyses, and ill-adapted to the real needs of Polish public life” (Zbieranek, 2010, p. 142).

3. Perception of lobbying and lobbying activities

The perception of lobbying and lobbying activities, also in the light of the provisions of the Act on Lobbying Activities, was the subject of research carried out under my direction at the request of the Anti-Corruption Programme of the Stefan Batory Foundation in 2008, at a time when it was possible to assess the functioning of the law in practice.\(^1\) The research focused on lobbying in the law-making process. This phenomenon was thus narrowed down to various relations with and influences directed at the lawmakers in the parliament. The study covered a quarter of the randomly drawn—in proportion to the number of seats—parliamentarians (115 deputies and 25 senators) to which an anonymous survey was addressed. Interviews were also held with journalists working as parliamentary reporters who had previously participated in discussions on lobbying in the Stefan Batory Foundation and agreed to participate in the research (15 free interviews were conducted regarding their professional biography, contacts with lobbyists, assessment of lobbying in Poland, definition and perception of lobbying and the lobbying pathologies that they had observed or heard about). The respondents with the most extensive knowledge concerning the impact of lobbying on the law-making process were the lobbyists registered in accordance with the Act on Lobbying Activities in the Sejm, Senate and Ministry of the Interior, carrying out various activities: business or promotional consultancy, legal and expert services provision, and image creation. Twelve in-depth free interviews were conducted with the lobbyists about their work-related experiences, their opinions about overt and hidden lobbying in Poland, the restrictions placed on lobbyists and the opportunities provided by the Act on Lobbying Activities, and development prospects of this type of activity in Poland.

\(^1\) A detailed description of the research and its results is presented by Kubiak (2008, pp. 63–163).
Lobbying in its popular understanding is perceived as a negative phenomenon, corruption-related, even pathological. It was interesting to check how lobbying was defined by people interested in it professionally in various ways.

The parliamentarians were asked to provide their own definition of lobbying (in response to an open question: what is lobbying and what is lobbying associated with?) along with the assessment of 18 statements describing lobbying in various ways. Most of the parliamentarians presented their own suggestions for understanding lobbying (79%), but 21% did not write anything on the subject. The terms which I called positive-neutral (50% of all the responses) dominated, presenting lobbying as a form of influence of some entities (individuals, groups, institutions) on others. They said, for example, that lobbying “is a professional activity consisting in influencing the shape of law in the interest of specific groups, exerting pressure on decisions of public authorities in order to obtain a favourable decision”, “actions of interest groups directed at government bodies in order to obtain desired decisions, consisting in the provision of reliable information and education”, “professional, transparent activity of professional intermediaries between interest groups and centres of administrative and political power”, “actions aimed at obtaining support for a specific solution, addressed to the power-wielding entities, politicians”, “one of the ways of presenting their arguments”, “influencing deputies and councillors through social and economic organisations and groups of citizens in order for the Sejm and municipal councils to adopt solutions promoted by these groups”.

Providing their own proposals for the definition of lobbying, nearly 1/5 (17%) of the parliamentarians drew attention to both positive and negative features of lobbying, pointing to their ambivalent stance towards this matter. Here are some examples of answers provided: “in the positive sense, it is associated with activities of specialised groups or people aimed at presenting arguments and positions (of entities represented) in the law-making process; in the negative sense, it is associated with influencing decision-makers in order to obtain decisions beneficial for a given group or entity in an informal manner, often supported by non-substantive arguments”; “influencing decisions in a formal and informal manner in the interest of the group that the lobbying person represents”; “two definitions of lobbying function in political life: (1) as a professional, transparent activity, presenting arguments of various professional and social groups, promoting their solutions, (2) as dysfunctional lobbying activities aimed at politicians in order to satisfy one’s own selfish interests”; “in Poland lobbying is associated with making suspicious business deals, but it does not have to be that way”.

In addition to positive-neutral and ambivalent statements, 12% of the parliamentarians surveyed assessed lobbying negatively, for example: “lobbying is a system of cliques (cronies) or family connections aimed at unfairly achieving financial benefits and satisfying one’s own desires, which in turn inevitably leads to camouflaged corruption, and consequently to economic and moral losses and crimes”, “it is a mediation between certain not entirely transparent deals. I associate lobbying with acting as an intermediary in such business deals between two
entities.”; “in Poland, lobbying is associated with a form of pressure, often supported by financial means, so it has a rather negative connotation”; “unfair influence exerted by business on politics”.

Apart from the spontaneously formulated definitions, the surveyed parliamentarians also presented their position by accepting (“I agree strongly” and “I quite agree”) or rejecting (“I rather disagree” and “I strongly disagree”) 18 statements defining lobbying in various ways. The most commonly accepted statements were the statements of a neutral-descriptive nature (in brackets the percentage of responses expressing the acceptance of a given statement):

1. Lobbying is a professional activity of professional intermediaries between interest groups and centres of administrative or political power (83%).
2. Lobbying allows large corporations to legally pursue their interests (80%).
3. Lobbying is an activity that makes politicians better informed about a given matter (75%).
4. Lobbying facilitates access to politicians (71%).
5. Lobbying civilises “a vicious fight for one’s own interests” (68%).
6. Lobbying means exerting pressure on politicians to obtain favourable statutory solutions (66%).

The most frequently rejected statements are the statements directly related to politicians:

1. Lobbying blocks ordinary people’s access to politicians (79%).
2. Lobbying is an activity aimed at buying the vote of a given politician (70%).
3. Lobbying is the “fifth power” (64%).
4. Lobbying leads to abuse of power and obtaining only private benefits (63%).
5. Lobbying means selling influences (62%).

The responses provided by the journalists were dominated by a rather positive image of lobbying, as they most often referred to it as an overt influence exerted on people who make decisions in the institutions of power. In their opinion, lobbyists provide the deputies with information, convince decision-makers with their arguments, and “fight” for support of their own solution. Persons professionally engaged in lobbying monitor legislative work on an on-going basis, sometimes detecting inappropriate solutions. The journalists also pointed to “the other side” of lobbying—informal, hidden activities that result in great “scandals” (Rywin or Dochnal scandal), which cements the negative image of lobbying and hinders the development of legal, professional lobbying. Although the professional lobbyists registered in the Sejm (32 professional lobbyists were registered in 2012) or the Ministry of Administration (227 lobbyists or institutions of professional lobbyists were registered) decidedly opposed associating professional lobbying with its common, scandal-related definition, they were also aware of the negative atmosphere around lobbying. Defending the good name of professional lobbyists, they emphasised the important role of lobbying in the law-making pro-
cess—mainly providing decision-makers with information and knowledge as well as analysing decision-making processes, thus fostering their transparency and enforcing access to public information. Based on the material derived from the free interviews conducted, several types of lobbying can be distinguished. On the basis of the journalists’ statements, the following types of lobbying can be indicated: “political” lobbying—when politicians through individual and party contacts attempt to influence legislative decisions (hence many entrepreneurs wish to employ former politicians because they know that they will “have a clout” with current politicians) and “journalist” lobbying—when journalists play the role of secret and informal lobbyists, writing to order or “to please the sponsor”.

Sometimes, officials serving in the parliamentary committees and subcommittees or officials from the various ministries act as lobbyists—this kind of lobbying was described as “legislative”. “Tactical” lobbying is used in these cases when lobbyists have developed a strategy of “disseminating” some information using the most modest means—they know which politician to turn to so that he or she can effectively “pass” on messages that they convey. Official lobbying can be done not only by professional companies that carry out the instructions entrusted to them but also by associations, professional organisations and trade unions that lobby for specific provisions in legal acts—this type of lobbying was defined as “lobbying by organisations”. Journalists also mentioned lobbying which can be described as “unidentified”—when it is not known who takes part in committee or subcommittee meetings, who is a consultant, and who advises the parliamentarians, this is an obvious example of hidden lobbying. The journalists also provided examples of lobbying which could be described as “parliamentarian” lobbying—when the deputies promote a solution because it will benefit particular people, usually someone from their family, their friends or close acquaintances (e.g.: lobbying for specific solutions regarding biofuels, reflective vests, or hands-free car phone systems).

The professional lobbyists surveyed mentioned completely different types of lobbying such as:

1. passive (receptive) lobbying—used when the government holds consultations with an interest group, i.e. the initiative comes from the lawmakers;
2. active lobbying—used when a group lobbies for a specific solution; the initiative remains on the side of those who will benefit from the solution;
3. “soft” lobbying—used when a lobbyist creates the right atmosphere around a given problem or phenomenon but does not encourage the adoption of a specific solution;
4. substantive lobbying—related to the preparation of arguments and making legislators aware of a given issue by using these arguments in persuasive actions.

Common in the statements of both the journalists and professional lobbyists is the distinction of overt lobbying, also referred to as permitted or transparent lobbying. It is practised by people who openly act as advocates of someone’s

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2 Various other types of lobbying, e.g.: professional lobbying, “ad hoc” lobbying”, “wild” lobbying, also known as “guerrilla” or “cowboy” lobbying, are described by Jasiecki (2000, pp. 35–67).
interests. Their main tasks include monitoring the course of legislative processes and, at the right moment, presenting arguments that would convince decision makers to adopt solutions favourable for their clients. The existence of many such entities which present different points of view in a given matter allows a consensus to be reached and, as a result, a good law to be written. Hidden lobbying is its opposite—the process of influencing lawmaking is secret in the sense that the person who exerts pressure does not act openly as a lobbyist. Such a person often “hides” because, formally, he or she officially acts as a journalist, expert, adviser, parliamentary assistant or employee who works for the parliament. The conduct of such “crypto-lobbyists” does not violate criminal law, as they do not use corruption or lies—they act like open lobbyists do but in a different capacity.

Unacceptable lobbying may be conducted by both open and hidden lobbyists—it is a matter of the type of action taken: inviting for trips, lending expensive items (a laptop for a deputy), or seeking private contacts with a parliamentarian. And finally, there is illegal lobbying—breaking the law, characterised by corrupt activities.

Hidden and unacceptable lobbying is not only contrary to decency but also illegal. The parliamentarians rarely admit that they have encountered hidden, unofficial lobbying. These forms of lobbying, as indicated, are most commonly used by:

1. trade unions—16%,
2. local government authorities—19%,
3. social and non-governmental organisations—15%,
4. sectoral associations, sectoral interest groups—13%.

Most of the parliamentarians surveyed declared that they had never encountered any instances of unofficial, hidden lobbying by any of the above-mentioned entities and that they had also rarely encountered lobbying by “classic” entities lobbying in the economic field, such as law firms, companies providing consulting and advisory services or business associations. The parliamentarians are subjected to various pressures, their favour is sought, and they are asked for interventions. It can even be said that this is an integral part of their social role. As they pointed out, they had been asked, for example, for help in finding a job (as declared by 42% of the respondents) and for assistance in dealing with specific matters important for residents of their district or matters important for a given town (50%). Repeated requests in the form of informal lobbying were indicated even much less often—only 3% of the respondents indicated that they had been repeatedly asked to support legislative solutions favourable for some companies or entrepreneurs and 16% had been asked to support solutions beneficial to some specific professional groups.

As far as the forms of influencing or exerting pressure on the parliamentarians are concerned, they most often encountered the provision of information, sending petitions and letters or extending invitations to participate in the presentations of arguments by various economic and social entities. These are legal or even recommended forms of contact with parliamentarians. In the course of legislative procedures, during the work of parliamentary committees and subcommittees, the respondents most often encountered attempts to influence the content of
the prepared acts on the part of persons acting as experts (often—21%, seldom—44%), parliamentarians from other parties (often—19%, seldom—40%), parliamentarians from their own party (often—15%, seldom—47%), persons invited to meetings as guests (often—15%, seldom—35%), officially registered lobbyists (often—4%, seldom—31%), and persons cooperating with the deputies as assistants and advisors (often—3%, seldom—16%). In addition, 10% of the respondents pointed to other, previously unmentioned persons, for example, officials, company presidents, ministers, representatives of professional corporations, the Church representatives, employees of the Sejm legislative office, foreign parliamentarians, and diplomats from other countries. Choosing from the indicated list of factors conducive to unacceptable lobbying, the parliamentarians pointed out as the most important:

1. no verification of lists of parliamentary experts—70% of responses,
2. conflict of interest affecting public officials—70% of responses,
3. too narrow list of parliamentary experts—69% of responses,
4. conflict of interest arising from experts’ professional activities—57% of responses,
5. commissioning expert opinions from people outside the list of official experts—55% of responses,
6. lack of knowledge about occupations and interests of assistants, advisers, and co-workers of the parliamentarians—54% of responses.

As remedial measures, improving lawmaking procedures and protection against unacceptable lobbying, the following solutions were most frequently indicated: amendment to/inclusion of more specific provisions in the Act on Lobbying Activities (46%) and adoption of the Act on Legislation (29%). Only 6% of the parliamentarians surveyed indicated a total ban on lobbying.

In the opinions of the parliamentarians, the following organisations were considered as the most effective in their lobbying activities (presented in the order of indications): trade unions—62% of responses, local authorities—38%, sectoral associations, groups of sectoral interests, e.g.: shipyard workers, miners—34%, international corporations—32%, business associations—28%, large domestic enterprises—22%, law firms—17%, social and non-governmental organisations—17%, companies providing consulting and advisory services—15%, professional corporations—14%, the Church—12%, and managers of state-owned companies—8% (percentages do not add up to 100, as three answers could be selected).

On the other hand, according to the respondents, the most effective among the groups of lobbying people are: people who act as experts—57% of responses, guests invited to participate in the work of committees and subcommittees—32%, journalists—29%, officially registered lobbyists—27%, other parliamentarians from their own party—21%, parliamentarians from other parties—9%, and people cooperating with the parliamentarians, e.g.: their assistants, advisers—8% (percentages do not add up to 100, as two answers could be indicated). The parliamentarians, unlike the journalists and professional lobbyists, are quite positive in their assessment of the Act on Lobbying Activities (it is worth noting, however, that the majority of them adopted the law). Most of the parliamentarians believe that the
Act: established a clear, transparent framework of contacts between lobbyists and the parliamentarians (60%), created opportunities to present one’s own interests to various groups and institutions (77%), and made law-making more transparent at the Sejm (59%) and government level (53%). However, the minority (48%) of the surveyed parliamentarians believe that the Act limited unacceptable, illegal lobbying and that is also reduced (45%) the ability of groups or institutions without the proper organisational structure and adequate financial resources to exert influence.

This “trial”, the i.e., the pilot act, is much less positively assessed by the professional lobbyists and journalists participating in the survey. They draw attention to a few of its significant flaws. The provisions of the Act can be easily bypassed. This is due, among others, to the narrow definition provided for in the Act—legal lobbying can only be carried out for third parties. In practice, this means that people acting for their own organisation or association are not lobbyists pursuant to the Act and they can engage in actual lobbying activities without entering the register of lobbyists. Also, external experts invited by various organisations—companies or associations of entrepreneurs—can freely lobby for them. This is also confirmed by the journalists surveyed—part of lobbying activities might have gone “underground”. The narrow definition of lobbying in the Act means its limitation to the legislative process, and thus the actions and procedures carried out in the parliament. Meanwhile, a lot of lobbying activities take place in other institutions, including the ministries, whose procedures and actions are not covered by the law. Moreover, these procedures are not uniform, although individual ministries introduce their own solutions, for example, monitoring meetings with lobbyists and registering these meetings, including also meetings with stakeholders who formally do not have the status of lobbyists. These are actions implemented as part of the anti-corruption strategy. As a result, most lobbying companies and lobbyists do not register, especially since professional lobbyists are obligated to wear special badges in the parliament. In the face of a negative image of lobbying, this fact hampers the work of official and registered lobbyists—it can even be said that they are “marked”. As noted during monitoring the law-making process, the number of people participating in these proceedings in no way corresponds to the number of people who, pursuant to the Act, have submitted the information that they wish to participate in the work of a given committee. Also, a very important procedure introduced by the provisions of the Act on Lobbying Activities, i.e. a public hearing (which provides the opportunity for all interested parties to present their arguments, including—which is very important—organisations and groups of citizens considered as weaker, for example, financially), is used very rarely and with great difficulties (see Przejrzystość procesu stanowienia prawa, 2008, p. 46).

On the plus side of the law, it should be noted that it has sorted out the “lobbying element”, hampered ad hoc lobbying, enforced the professionalisation of lobbying companies in Poland, and made many decision-makers aware of the importance of lobbying in the legislative process.
Lobbying in Polish Law and Practice

The research discussed here briefly aimed at presenting the issue of lobbying as an important instrument of social communication, information exchange and law enactment, as well as its functioning in Polish practice. As it can be seen, a great deal remains to be done in this area, and the Act on Lobbying Activities of 2005 remains a "pilot" law that has yet to be amended.

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*Ustawa z dnia 7 lipca 2005r. o działalności lobbingowej w procesie stanowienia prawa* (Dz.U. z dnia 6 września 2005) [*Act of July 7, 2005 on Lobbying Activities in the Legislative Process (PL)*].


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Entrepreneurship of Poles in the light of changes in value systems*

Abstract

Poland’s transformation is occurring in individuals’ attitudes and behaviour. Several years ago, the entrepreneur was associated in Poland with corruption and borderline legal activities. Today, many entrepreneurs are looked upon as positive role models. Social acceptance of entrepreneurial attitudes in Poland is growing. Increased susceptibility to entrepreneurial behaviour in society will increase the rate at which new businesses are established, enhancing market dynamics and accelerating innovative changes. In Poland, however, entrepreneurs are not seen as a positive example, unlike in the United States. Willingness to take risks, self-expression and independence are not met with social acceptance, especially if rewarded with high incomes. The research undertaken by the author is aimed at analysing the essence of entrepreneurial attitudes and changes in the social acceptance of entrepreneurial behaviour.

Keywords: entrepreneurial attitudes, systemic transformation, value systems

JEL Classification: J23, L26, P31

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1. Introduction

Interest in entrepreneurial activities has been visible from the dawn of economics. This topic is still valid and constantly taken up in works of economists as well as sociologists, psychologists or representatives of other social sciences. The results of these studies reveal the multifaceted and ambiguous nature of entrepreneurship, which makes it difficult to build a universal and widely acceptable theory of this phenomenon. On the other hand, the complex nature of entrepreneurship is an inexhaustible source of inspiration in scientific research.

Along with the systemic transformation, studies of entrepreneurship have acquired special significance. The release of “hidden” entrepreneurship in various areas of society’s functioning was of great importance for the dynamics of economic growth and development in the first half of the 1990s. The “explosion” of economic activity led to a radical institutional change. The character of the institutional and legal environment changed completely over the period of a few years. The legal solutions fundamental for developed market economies were “implanted” into the economic system in Poland and other countries of Central and Eastern Europe. And although initially many of those rules and regulations were inefficient, incomplete and contradictory to each other, they gradually began to work in the desirable direction—supporting entrepreneurship. Invisible changes taking place in the mentality of society, i.e. the transformation of informal institutions, formed the basis of the formal changes in the economic system (see more in Gruszewska, 2012). This institutional subsystem is most strongly rooted in society’s actions and it works automatically based on professed values and beliefs. People do not even realise that they make decisions guided by informal institutions, as these institutions almost imperceptibly influence their behaviour.

To present entrepreneurship and the sources of its changes in Poland, the article aims to conduct a study on the impact of the system of values (constituting the basis of the institutions) on the economic activity of Poles. It is worth answering the question which values/informal institutions are conducive to high dynamics of economic activity in Poland and which tend to hinder this dynamic. The analysis concerning the impact of selected components of value systems on the propensity for acting, i.e. entrepreneurial intentions, constitutes the axis of considerations.

2. The scale of the “birth” of entrepreneurship in Poland

Entrepreneurship is an attitude towards the outside world expressed in undertaking activities by individuals and groups. It can also be a human feature which embodies the relationship between man and the environment. Without intentions, followed by the implementation of these intentions, actions cannot take place. Progress in the econosphere, and in other spheres of human life, is impossible without the entrepreneurial behaviour. Undoubtedly, it is entrepreneurship that lies at the heart
Entrepreneurship is an integral component of rational economic man and difficult to consider in isolation from decisions and actions that are its manifestation. Entrepreneurship is inextricably connected with every activity (Mises, 2007, p. 219). Defining this category requires a multi-faceted approach. Entrepreneurship can be perceived as: a character feature and element of human personality, a kind of behaviour and mode of action, a competence component, as well as a synergistic effect of character traits, behaviours and competences (Kwarcia, 2003, pp. 146–147). Measurement of all its aspects is impossible, which is why entrepreneurship research is usually carried out indirectly: through the analysis of the dynamics of new enterprises, the scale of investments or entrepreneurial intentions (the number of people who have established or plan to set up a business).

When examining entrepreneurship in the Polish economy, it is impossible not to notice a huge increase in the number of companies that was recorded in the 1990s (Figure 1). The TEA (Early-stage entrepreneurial activity) index from the Global Entrepreneurship Monitor reports was used in the study. It encompasses (PARP, 2016, p. 14):
(1) nascent entrepreneurs—people who are in the process of establishing and starting up their business in whose case owners’ remuneration payment period does not exceed 3 months;

(2) owner-manager of a new business—people who established their business at least 3 months ago but not earlier than 42 months ago.

Most of those newly established enterprises were small entities, often sole proprietorships. The peak of business expansion was observed in 1996, when approx. 640,000 new companies were established. The largest growth in the number of enterprises (the number of new business entities minus the number of deregistered ones) was observed in 1998 (approx. 460,000 companies net). In the years 1994–2016, the enterprise sector grew by over 2.5 million business entities. In the period 2004–2016, the increase in the number of companies amounted to over 730,000. In the second decade of the 21st century, the growth rate of the number of newly established companies is lower, although a gradual increase in the “birth” rate of companies is noticeable (Figure 2). The establishment of 360,000 new companies annually (approx. 9% of existing companies) should be seen as an achievement. This is one of the best results recorded among European countries (Figure 3). It is also worth adding that the analysis of the size of self-employment indicates that a higher percentage of self-employed is recorded in Poland than in the European Union (17.7% in Poland and 14% in the EU) (OECD, 2017, p. 216).

Figure 2. Dynamics of the “birth” rate of enterprises in Poland and selected countries, 2001–2016

Entrepreneurship is an active attitude of people which manifests itself in actions aimed at creating a new reality. Entrepreneurs, through their activity, change the world, contributing to the creation of a new order (Knudsen & Swedberg, 2009, p. 16). The aim of these processes is to achieve greater individual benefits. The transformation of the Polish economy into a market economy provided the choice of a legal way to look after one’s own interests. In the previous system, private business activity was undesirable, and all its manifestations were officially limited and combated (Winiecki, 2012, pp. 204–205). The release of the entrepreneurial potential started in a very intensive manner, however, with time the dynamics has decreased. Nevertheless, Poland is currently still considered to be a country with high dynamics of establishing enterprises, and the percentage of people who want to start their own business is one of the largest in European countries (Figure 4).
This is also confirmed by other studies. It is an untapped potential which could be used to a much greater extent with appropriate stimuli and under appropriate conditions. Data reveal a relatively high share of Poles who have set up a business recently (8.9% in the last 42 months). More than 52% of Poles believe that they have entrepreneurial abilities and almost 69% see possibilities of operating in the market. However, for more than 34% of people the fear of failure is an obstacle to initiating business activity (data for 2017) (Global Entrepreneurship Research Association, 2018, p. 84).

Raising the level of entrepreneurship requires providing support for appropriate personal qualities and strengthening entrepreneurial attitudes. It seems that activities undertaken by entrepreneurs are the manifestation of “desirable qualities of modern man, i.e., one who actively participates in the process of social, economic and political changes, who functions in a permanently changing world with full awareness and without fear, systematically exceeding his current capabilities” (Witkowski, 2011, p. 25). One can indicate a set of the so-called predictors of entrepreneurship that are personality and temperament-related as well as of a cognitive, motivational and cultural nature (Witkowski, 2011, pp. 44–45). Additionally, appropriate formal institutions should be established and informal institutions developed. An individual who receives support from other people and operates in a fostering environment of informal institutions can more effectively take up any activity and obtain benefits (Manic, 2009, p. 143). However, in the absence of appropriate “endowment” of man with the internal determinants of entrepreneurship, it is necessary to use external stimuli. They will enable the initiation of activity from the perspective of an individual and enable the said individual to be incorporated into the economic machine.
3. Value systems. To what extent do they support entrepreneurship in Poland?

The induction of entrepreneurship along with the dynamics and directions of economic activity are determined by the institutional and legal environment. Institutions, such as property rights, create a framework for undertaken activities and affect costs as well as benefits of transactions made. High-quality legal institutions, efficiently protecting property rights, ensuring protection of contracts and enabling effective enforcement of rights, exert a strong influence on enterprises’ activities (Zakaria & Ardalan, 2016, p. 31). Such institutions create incentives to stimulate productive entrepreneurship—increasing benefits not only of those entities that undertake business activity but also others. Thus, they have an impact on GDP growth. Therefore, it can be viewed as a desirable effect of the institutional system. However, it should be noted that such systems may be inefficient. Institutions, such as property rights, provide the framework for entrepreneurial activity by structuring the costs and benefits of exchange. Institutions either (1) encourage productive entrepreneurship and technological innovation, or (2) direct activity into unproductive entrepreneurship and a politicized redistribution of property rights (Boettke & Candela, 2017, p. 149).

When considering the issue of unproductive or destructive activities, it should be noted that some of such activities are forced by the existing institutional environment, while some of them are undertaken at the initiative of entrepreneurs, i.e. voluntarily (Dominiak, Wasilczuk & Starnawska, 2016, p. 76).

One could also analyse the relationship between such activities and informal institutions, for example, the acquiescence to non-compliance with the law or the preference for achieving one’s own benefits at the expense of others (by limiting the access of other individuals to information). “The opportunistic behaviour of some entities creates the risk of opportunism in others” (Staniek, 2017, p. 174). A sequence of similar types of behaviour may appear, which is difficult to eliminate. This is the premise for introducing an effective formal institution.

Institutional systems of societies, based on shared values, may influence entrepreneurial attitudes in various ways. The dominant beliefs expressed in the norms and principles of operation form the so-called entrepreneurial culture. People’s activity, economic or other, is always embedded in a cultural context. Without a properly developed (and continuously developing) system of values, beliefs and norms which shape the perception of the world, it is impossible to undertake activities defined as entrepreneurial. Szomburg (2005, p. 13) emphasised the importance of professed and universally accepted values by saying that:

[...] we will not build an effective political and economic system in Poland if we do not understand ourselves and do not define a system of values on which we would like to base our future.
Economists point out that countries with greater cultural diversity can achieve a higher level of entrepreneurship (Sobel, Dutta & Roy, 2010, pp. 282–284). This relationship is not, however, unambiguous. Other studies have shown that the relationship between entrepreneurship and cultural diversity is more U-shaped and is still not fully defined (Nikolova & Simroth, 2013, pp. 19–20).

The political transformation was the trigger that set off the explosion of entrepreneurship. It was primarily the change of formal institutions, the “transplantation” of market rules into the Polish economy, that triggered a wave of Poles’ business activity which had been hindered by the previous system. Due to several institutional barriers, Poles showed no inclination for self-employment. The previous system had had a devastating impact on entrepreneurial attitudes. The most frequently revealed types of behaviour were: passive-productive-anti-individualistic and defensive-conservative-entitlement-driven. Under such conditions, one could not speak of the spirit of capitalism expressed in the pursuit of individual goals, the propensity for self-actualisation, the departure from traditional thinking and the search for new, creative solutions. Anyway, in a society where a job in state-owned institutions was highly valued and the term “private entrepreneur” was associated with scheming, greed and fraud, entrepreneurship could not grow to the rank of the foundation of the economy. Among the reasons for the lack of respect for entrepreneurs at the time, the belief that people working in that profession were dishonest, exploiting others for their own profit and earning more than others because of their good connections should be mentioned (Cierniak-Szóstak, 2008, p. 401). The radical change that took place in Polish society after 1989 was caused by deep dissatisfaction with the economic situation at the time and, despite the reforms undertaken, the constant lack of prospects for its improvement. Gradually, entrepreneurial and subjective attitudes, relating to individuals striving for subjectivity in every sphere of life and showing a propensity for being self-employed and participating in decision-making concerning changes in the political, economic and social spheres, have strengthened (Koralewicz & Ziółkowski, 2003, pp. 179–181).

With the change of formal institutions, latent values have begun to come to the fore, and the scale of self-employed activities has increased. Greater freedom in the economy has allowed a greater variety of choices as well as a greater number of opportunities and possibilities. A departure from traditional behaviours and existing patterns has allowed to achieve greater benefits. One can point out some basic elements of value systems that foster or inhibit entrepreneurship (Table 1). It is worth analysing, therefore, to what extent values considered to be conducive to entrepreneurship or elements of conservative culture can be seen in Polish society.
Table 1. Types of mentality: progress-conducive cultures and conservative cultures

<table>
<thead>
<tr>
<th>Characteristics of progress-conducive cultures</th>
<th>Characteristics of conservative cultures</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Forward-oriented thinking</td>
<td>1. Past and present-oriented thinking</td>
</tr>
<tr>
<td>2. Work as the basis of a good life</td>
<td>2. Work is a burden</td>
</tr>
<tr>
<td>3. Savings as a source of investment and financial security</td>
<td>3. Savings as a threat to the egalitarian status quo</td>
</tr>
<tr>
<td>4. Education as the basis for development</td>
<td>4. Marginal role of education</td>
</tr>
<tr>
<td>5. Competences as a source of a change for the better</td>
<td>5. Connections and family as necessary conditions for a change for the better</td>
</tr>
<tr>
<td>6. Wide range of identification and trust that extends beyond the family</td>
<td>6. Small range of identification and trust with the family marking the boundaries of the community</td>
</tr>
<tr>
<td>7. Rigorous code of ethics</td>
<td>7. Less rigorous code of ethics</td>
</tr>
<tr>
<td>8. Fairness and honesty in interpersonal relations</td>
<td>8. Fairness, similarly to a personal career, is dependent on connections and personal wealth</td>
</tr>
<tr>
<td>10. Little influence of religious institutions on secular life</td>
<td>10. Orthodox thinking and conformity supported by religious institutions</td>
</tr>
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For entrepreneurship to surface in the actions of individuals, these individuals should perceive a given object or activity as attractive. The adoption of an active attitude towards the environment and the implementation of decisions should potentially bring them desired benefits. On the other hand, a person undertaking a given activity cannot feel rejected or isolated in society because of this fact. Individuals considering potential benefits and costs of pursuing desired results (in accordance with their preferences) consider the expectations and opinions of others. The pursuit of self-interest “consists in fulfilling one’s own preferences to a satisfactory degree but also in avoiding condemnation or in gaining recognition derived from social networks” (Ząbkowicz, 2016, p. 406). Social norms regarding a given behaviour should be perceived as conducive to or at least indifferent in relation to a given action or lack thereof. Thanks to this kind of informal environment, the individual undertaking activities will exhibit trust in others, including the state/government. This may result from the individual’s previous experience, formulated expectations and beliefs (Stanieck, 2017, p. 44). The individual must have a sense of control over the course of action and be aware of barriers that may hinder the achievement of desired results, taking them into consideration while making decisions about starting a given activity, its intensity or direction (Kurczewska, 2013, p. 140).

Social norms that constitute an element of the institutional system change gradually in the face of changes in economic conditions. Institutions unfavourable to entrepreneurship can change their character and become a relatively weaker rier in its path. Such a process certainly took place during the systemic transformation in Poland and other countries of Central and Eastern Europe. Changes in thinking and behaviour that can be seen in Polish society reflect the relatively permanent direction of the cultural evolution (for example: Inglehart & Welzel, 2005, 2010).
that can be observed in many societies. In countries with a high level of economic development, societies are characterised by a high degree of rational-lay and post-materialist-individualistic values (Jasińska-Kania, 2012b, p. 336). Analyses of surveys conducted in these countries allow us also to observe the existence of an upward trend in terms of activity, openness and freedom of making individual decisions. Actions taken because of decisions based on rationalism and secular models of behaviour are also becoming popular.¹

Figure 5. Survival and self-expression values as well as traditional and secular-rational values in the G8 countries and Poland in the years 1981-2006


²Poland and Russia 1990–2006.

In comparison with the societies of the G7 countries, Poland has recorded lower dynamics of departure from traditional and conservative values (Figure 5). At the same time, the level of rigorism concerning the assessment of violation of social norms has decreased (even though among European societies it is relatively high), while the degree of permissiveness of moral principles has increased (Jasińska-Kania, 2012b, p. 115). The change in the value systems of Poles includes an increase in expansiveness expressed in a greater propensity for self-actualisation and focus on one’s own goals. At the same time, there is a gradual departure from the conservative values that characterise societies living in conditions of high instability. It seems that there is a real basis for the growth of entrepreneurship. Nevertheless, it should be noted that Poles are still more conservative than resi-

¹ Among the G8 countries, Russia, in which the departure from the rational-secular values in favour of traditional ones and from self-expression values in favour of conservative ones is observed, stands out.
dents of highly developed countries. They are also characterised by a strong attachment to traditional values at the core of which lies great religiousness. This relates to low trust in other members of society and uncertainty. An increase in the rational-lay value ratio would mean greater individuality and independence in activities undertaken, greater openness to changes and new stimuli, as well as a greater propensity for taking risks. The increase in the importance of individualism as a socially acceptable feature (especially in entrepreneurs) enables the acceleration of economic growth even in the face of weak formal institutions (Zakaria & Ardalan, 2016, p. 32). However, it should be noted that there are countries that successfully combine high dynamics of economic activity and an attachment to traditional values, for example, the USA.

There is no doubt, however, that a gradual re-evaluation of social norms has been occurring and the way Poles think has been changing. An increasing number of professed values are evolving in the direction dominant in Europe. In this process, a shift in the way of thinking about business activity and individuals that undertake it can also be observed. The entrepreneur ceases to be assessed very negatively\(^2\), as a schemer and exploiter, and is perceived as a person who generates jobs and creates new products. In the opinion of Poles in the early 1990s, private companies were established mainly by people having connections and contacts in various institutions (approx. 60%), followed by individuals having an idea for their own business (30%). In 2014, those preferences were different: 48% of the respondents believed that establishing companies was associated with creativity and effort. Only 39% associated it with having connections (Centrum Badania Opinii Publicznej, 2014, pp. 8–9). A study from 2012 shows that 89% of Poles (87% of EU27 residents) believed entrepreneurs gave work to others and 87% (79% of EU27 residents) that they created new products and services that everyone benefited from. However, there is still a persisting belief in the exploitation of employees by employers (91% Poles, 57% EU27) and that they only want to line their own pocket (56% Poles, 52% EU27) (European Commission, 2012, p. 11).

The undertaking of business activity is determined by the popularisation of the propensity for acting and taking risks, perseverance in achieving goals, flexibility, creativity and originality. The freedom of conducting activity is also important. Individuals should have the ability to cooperate with other market participants. This is a prerequisite for their survival (Nassif, Gobril & de Silva, 2010, p. 223). Elements of value systems such as: risk-taking, creativity, freedom of choice or safety may account for between 23% and 54% of the volatility of entrepreneurial intentions (Figure 6). In Poland, the possibility of making independent decisions, not directed by anyone, is much more important.

\(^2\) Poles, however, still do not show a highly positive attitude towards entrepreneurs, compared, for example, to the USA, where positive evaluations of entrepreneurs are more than double (Gallup Organization, 2010, pp. 24–30).
Figure 6. The influence of certain chosen components of the value system on the entrepreneurial intentions\(^a\) (2010–2014)


\(^a\)Risk-taking: Does the person think that adventures and risk-taking are important (want to have an exciting life)? Creativity and originality: Does the person consider important: having new ideas and being creative, doing things his/her own way?
Safety: Is it important to live in a safe environment and avoid everything that can be dangerous? Free choice: To what extent does the person have the freedom of choice and control over his/her own life? (1–10-point scale, the higher the index, the more freedom and control over his/her own life the person has). Entrepreneurial intentions=the percentage of the population of non-entrepreneurs aged 18–64 who intend to start business activity within three years.

The survey covered 33 countries in the world for which observations were obtained in the GEM report (average data from 2010–2014) and World Values Survey Wave 6: 2010–2014.
In search of institutional determinants of entrepreneurship, among the informal ones, it is worth analysing motivations of people who set up companies. Compared to entrepreneurs from other countries, Poles indicate more often the economic aspects behind undertaking such activities. The fact that the establishment of a company was prompted by the desire to improve the quality of life testifies to a sense of uncertainty and inability to make a positive difference in the status of individuals and families. The independence of decision making or the passion for entrepreneurship are less important (Figure 7).

![Figure 7. The main motivations for setting up companies](image)

*a The survey was conducted among successful entrepreneurs. The respondents were asked to provide the three most important reasons for setting up a business. Other reasons than listed in the above-presented figure included: desire to innovate (10% of responses from Poland), no chances on the labour market (11% Great Britain).

The conducted analyses show that economic security seems to be the main reason for engaging in the process of setting up a company and launching business activity in the market. Approx. 40% of entrepreneurs indicate that the reason for establishing a company was precisely the desire to achieve security in the future. Next reasons included: the need to work (33%) and the desire to achieve a balance between work and private matters (33%) (Klimczuk, 2017).

It is worth pointing to one more aspect that determines the entrepreneur’s activity, namely a low level of trust. The low level of trust in business activity has many manifestations. The current level of trust of Poles³ in others makes it difficult to seek business partners and engage in wider cooperation outside of the current area. Polish society is characterised by a culture of distrust, i.e. a shared suspicion towards other people and institutions. It results in the necessity of ongoing monitoring of activities of other members of society for fear of fraud, abuse, lies, unreliability, scheming and

³ The CBOS survey (January 2016) indicates that only 23% of Poles say that they trust others. 74% think that caution should be exercised in dealing with other people (Centrum Badania Opinii Publicznej, 2016).
conspiracy. This is one of the institutional barriers to the growth of entrepreneurial activity, including the reduction of the entrepreneurial gap (the difference between entrepreneurial intentions and their implementation). The state-driven actions stimulating investments will not generate the desired effect without increasing Poles’ level of trust (Sztompka, 2012, pp. 353–354).

Table 2. Entrepreneurs and trust

<table>
<thead>
<tr>
<th>Statement</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>The person is not satisfied with the conditions of running a business in Poland...</td>
<td>28.4%</td>
</tr>
<tr>
<td>The person is cautious about dealing with others...</td>
<td>73.5%</td>
</tr>
<tr>
<td>The person earns less due to the perceived risk of transactions...</td>
<td>47.1%</td>
</tr>
<tr>
<td>The person sometimes has the impression that other entrepreneurs do not trust him/her...</td>
<td>35.2%</td>
</tr>
<tr>
<td>The person does not use the vendor selection process in his/her company...</td>
<td>41.7%</td>
</tr>
<tr>
<td>The person trusts the recommendations of others</td>
<td>83.9%</td>
</tr>
<tr>
<td>The person believes in credibility of opinions on the Internet</td>
<td>64.1%</td>
</tr>
<tr>
<td>The person is afraid of “construction”</td>
<td>51.3%</td>
</tr>
<tr>
<td>The person is afraid of not receiving payment for services/products offered</td>
<td>56.6%</td>
</tr>
<tr>
<td>The person does not always believe in his/her own credibility...</td>
<td>59.7%</td>
</tr>
</tbody>
</table>

Note. Adapted from „Przez brak zaufania przedsiębiorców polska gospodarka traci 280 mld zł rocznie” by J. Fazlagić, 2016, Forbes.

73.5% of entrepreneurs in Poland believe that one should be constantly cautious so as not to be cheated. It is not surprising then that almost half of people (47.6% in 2016) (Global Entrepreneurship Research Association Database) that intend to set up a company will ultimately not realise these plans. Entrepreneurs attribute high importance to connections and interpersonal relations. Approximately 84% of the respondents say they trust entities recommended by another person (Table 2). It means assigning a higher rank to connections than to market valua-
tion. The lack of trust results in the resignation from almost half of transactions and causes the emergence of alternative costs in the amount of more than PLN 280 billion.

47.1% of entrepreneurs declare that part of transactions does not take place because there is no trust in potential partners. 27.1% of entrepreneurs go a step further and refuse to deal with unverified clients. In turn, 35.2% claim that many of their own transactions fail because they are treated by others as untested or unknown. (PAP, 2015)

In business relations, entrepreneurs believe that caution should be exercised, and the principle of limited trust should be applied. It seems, therefore, that this aspect is of great importance in intensifying (or rather in not intensifying) entrepreneurial attitudes.

4. Conclusions

The outlined image of the entrepreneur shown from the perspective of cultural and institutional determinants seems to be not entirely transparent. Establishing and launching companies in Poland is limited by the belief on the part of potential entrepreneurs about the existence of an environment unfavourable for business activity. Although the last 30 years has been a period of intense changes, also in value systems, no coherent standards (formal or informal) that would facilitate the realisation of entrepreneurial intentions have been developed. The article draws attention to the increase in the expansiveness of Polish entities, individualism and self-determination, as well as the greater importance of rational-secular values in undertaking business activities and launching new companies. However, economic security and the conviction that the competitive environment and potential partners seek opportunities to cheat and obtain benefits for themselves still seem to be more important. The widespread belief in the opportunism of all, or almost all, entities in the interaction space results in a higher level of distrust of the environment and a fear of failure. Many entrepreneurial initiatives implemented because of necessity and not perceived market opportunities provide an image of rather fragile foundations of entrepreneurial activity. This results in an unfavourable picture of the future of entrepreneurship whose intensity is going to decrease further as prospects for the establishment of new enterprises depend on the development of a favourable and balanced institutional environment.

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The feminisation of precarity
Poland compared to other countries*

Abstract

Precarity applies to people who, in order to survive, need to work in a low-quality job, which is uncertain, temporary, low-paid, with no prospect of promotion, no security and no contract. In this sense, the precariat is a category related mostly to the secondary segments of the labour market according to the concept of the dual labour market. It is also the universal feature of Post-Fordism and the modern working conditions in which women, more often than men are located in the “worst” segment of the labour market.

In this context, it is worth noting that since the beginning of the era of globalisation, women have mostly worked in the sectors more uncertain and unstable e.g., in the service industries and trade. It has been feminisation in a double sense of the word: there have been more and more working women, on the one hand, and on the other hand, women have usually taken the flexible jobs. Most of these jobs are precarious work. Precarity combined with job insecurity and low wages leaves the workforce in this group unable to plan for their future or afford a decent life.

This article attempts to prove that the threat of precarity is more probable for women than men. This claim is supported by the OECD and Eurostat data on precarity for Poland and other European countries.

Keywords: precarity, feminisation, dual-market theory, Post-Fordism

JEL Classification: E24, J83

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Precarity applies to people who, in order to survive, need to work in a low-quality job, which is uncertain, temporary, low-paid, without any prospect of promotion, security, or contracts. People in such jobs live with uncertainty for the future, an inability to do any long-term planning or afford a decent life. A member of the precariat is a person suspended between prosperity and poverty, deprived of material security and constantly faced with social failure.

The phenomenon of precarity has been of interest to sociologists, economists and political scientists for over a dozen years. Until now, however, it has been mainly associated with the Euro May Day parades and the anarchist community or grassroots, small-scale protests. The situation, however, is changing dynamically, and recent years have brought mass protests from the members of the precariat in Spain and Greece, which translates into the huge popularity of the Podemos party in Spain and Syriza in Greece. Among contemporary researchers studying the phenomenon of precarity, Judith Butler, Guy Standing, Leah Vosko, Arne Kalleberg, Brett Neilson and Ned Rossiter, and Isabell Lorey deserve a special mention. Precarious work is most often analysed at the national level, e.g., analyses concerning Japan (Amamiya, 2009; Vij, 2013), Canada (Vosko, 2005) or the European Union countries (Mrozowicki, Roosalu & Bajuk-Sencar, 2013; Potter & Hamilton, 2014), however, international comparisons are undertaken less frequently (Duell, 2004).

Robert Castel (2000, 2002) holds that precariat is one of the most important social issues of our time, and the “precariat zone” distinguished by him is still growing. Contemporary approaches to precarity emphasise creativity, freedom and autonomy for the non-permanent workforce as well as the ability to make decisions about their employment, including self-employment (especially in the creative professions). At the other extreme, there is precariat work treated as inferior, temporary, incomplete, affecting, in particular, the worst performing social groups, such as migrants and workers (Amamiya & Beck, 2010). Precarity also applies to women who have to cope with the increasingly difficult labour market burdens and taking care of the home and children.

The problem of feminisation of the precariat is best framed in the context of feminisation of poverty (Blicharz, 2014, pp. 39–46; Charkiewicz, 2010; Tarkowska, 2009). As women are more at risk of falling into poverty, they are more prone to join the ranks of the precariat. However, analyses regarding the feminisation of poverty is not included here.

This article puts forward the hypothesis that the phenomenon of precarity largely affects women—which is a consequence of women’s difficult situation in the labour market. Based on the analysis of Eurostat, OECD and European Commission data, this paper describes the women’s position in the labour market in Poland as compared to some selected European countries.
2. Dual labour market

Many theoretical approaches are useful in investigating precarity. Karl Marx, in his classic works addresses the issue; Max Weber also refers to the issue. Contemporary researcher, Guy Standing (2011), points to the social structure as the basis of analysis. However, research into the social structure in Poland is based on the classification and scale of professions (Domański & Karpiński, 2012) mostly omitting the issues related to the concept of the precariat and treating various aspects of job security and uncertainty as non-key issues (Szarfenberg, 2015). The most popular in contemporary analyses of this topic is the socio-economic approach, in particular referring to the theories of the labour market.

Considering the situation of people in the precariat from the perspective of the labour market theories, the assumption is that the labour market is internally heterogeneous (Kryńska & Kwiatkowski, 2013, p. 205). The concept of segmentation is used in the theories of the labour market for the description of the process caused by this heterogeneity. In the theories of labour market segmentation, it is recognised that the market is divided into partial markets, which justifies the diversification of the functioning of these parts (segments).

One of the main theories, particularly important from the point of view of the issues being addressed, is the concept of the dual labour market. The basic hypothesis of the concept of the dual labour market assumes that the labour market is divided into two parts in which employees and employers operate on completely different rules of conduct that are characterised by identifiable characteristics (Kryńska, 1996, p. 95). The labour market is perceived not as a unified area but as a multiplicity of markets with different structures and features. In sociological explanations, this division of the labour market is, to a decisive extent, a result of employees having specific traits (race, gender, age) that affect their work and living environments (Kryńska & Kwiatkowski, 2013). According to this concept, the labour market is divided into two segments— the primary one and the secondary one. Because of this division, the core sector is classified as the primary segment, while the peripheral sector is assigned the term secondary segment. This concept introduces the distinction between “good jobs”—generally assigned to the primary segment—and “bad jobs”—associated with the secondary segment (Kryńska, 1996).

The primary segment offers jobs in large profitable enterprises that are largely covered by the supervision and influence of trade unions. Employees in this sector are protected against the lawlessness of employers, have a guarantee of job security, promotion prospects, opportunities to expand professional knowledge and stable working conditions. These jobs offer better wages and the employees prefer these jobs (Kryńska & Kwiatkowski, 2013, p. 213). Free access to jobs in the primary market is limited by strictly defined criteria for hiring employees at the precisely defined levels of professional advancement, etc. The selection at the
entrance to the primary job market is to avoid employing people that are unable to perform their tasks properly in the manner imposed by the nature of a given segment.

At the other extreme, there are jobs in the secondary market. They are unattractive: relatively low wages, modest working conditions, poor career advancement opportunities, no ability to raise qualifications and no guarantee of permanent employment. The described jobs are characterised by high rotation of employees and ease of transferring from one job to another. In employee group-oriented analyses, the secondary segment is identified with a group of “wronged” people that have worse employment conditions. The essence of the problem is, however, not the existence of the dual labour market as such, but the low permeability for employees. Starting with a job in the inferior segment can largely determine the career of an individual (Bednarski, 2012).

As regards the work of women, they are often a part of the secondary segment due to various factors. First, women more often than men find jobs in the services sector, which is temporary, uncertain and prone to cyclical changes. Secondly, women have breaks in employment due to child bearing and childcare, thus pushing the women into the secondary segment. And thirdly, women have greater difficulties than men in reconciling work and family life making them are less “attractive” employees for the employers.

3. Precarity indicators in the literature

In the ongoing debate on the precariat in Poland, there are voices that dispute the point of distinguishing such a category, while at the other extreme, there are activists calling the precariat to unite and fight for better working conditions. It is, therefore, necessary to examine the features that are, and are not, indicative of being a member of the precariat. It is also worth recognising the precariat as a certain community as pointed out by Guy Standing. (Since several approaches to defining the category of the precariat have been presented in the literature, e.g., in analyses of Luin Goldring and Patricia Landolt (2011), these authors will not include it here).

The first approach, often used by Polish researchers, assumes that the precariat/precarious workers are all temporary contract employees (Knapińska, 2014). Taking into account the scale of the phenomenon in Poland (27%), hence every fourth employee is a member of the precariat. It is all the more problematic because many employees take up employment based on temporary contracts and are very happy that they are not permanently attached to a given employer (it is the opinion of, e.g. Leah Vosko).

The other approach, adopted, among others, by Guy Standing (2011, p. 49), assumes the indication of some features (quite difficult to measure) testifying to being a member of the precariat. He described them as seven safeguards the lack of which defines the individual as a precariat representative. He included the fol-
THE FEMINISATION OF PRECARITY…

lowing: labour market security, employment security, job security, work security, skill reproduction security, income security and representation security. Members of the precariat are those who live in the uncertainty of tomorrow. This uncertainty prevents them from planning anything (for example, due to forms of employment—temporary, “junk” contracts). In most cases, these features are quite difficult to measure, and relate largely to the subjective assessment of being a member of the precariat.

Paweł Pławski (2012) presents a similar approach, as he refers precarious forms of employment to, among others, long-term employment security, the degree of control over working conditions, the degree of protection of the workplace and working conditions by the relevant regulations, and the possibility of claiming their rights and determining the earnings by employees. Other researchers, e.g.: Rogers and Rogers (1898), add a number of additional features into the characteristics and methods of precarity measurement: non-pay employee benefits, autonomy in performing tasks at work, compliance of employment with qualifications, physical safety and health conditions, or the possibility of reconciling work and family life.

Another group of researchers analyses the phenomenon of the precariat in terms of social movement and associates it with activities of trade unions (Mrozowicki, Roosalu & Bajuk-Sencar, 2013; Urbanśki, 2014; Woolfson, Fudge & Thörnqvist, 2014). In the works of this research community, a member of the precariat is understood very specifically—as an employee who opposes the “exploitation” carried out by the entrepreneur or employer. This is an employee fighting for a better tomorrow for all those working on the so-called junk contracts (in Poland).

To sum up, there is no single way of analysing and defining the phenomenon of precarity, and there are several other ways to describe precarious work in addition to the above-mentioned ones (Gerry Rodgers, Arne Kalleberg, Leah Vosko, to name just the most-quoted researchers). Secondly, some authors focus on the precariat as a certain population, and others on features of precarious work (or even precarious employment). And thirdly, we should bear in mind that regardless of whether we talk about the precariat or precarious work, it is always a situation of uncertainty, insecurity and increased risk in relation to work.

Although it is relatively easy to create a catalogue of indicators pointing (or not) to the existence of a separate segment of the precariat in the social structure (it can be supplemented with field research) at the level of a given country, it is difficult to indicate the same in comparisons between countries. In the case of international comparisons, it is therefore appropriate to use such databases that collect information from individual countries in a similar way. Using Eurostat and OECD databases, we obtain relatively complete comparable data. Unfortunately, their disadvantages include the lack of all the information that is of interest to the researcher, which I took into account while starting the analysis.
4. Feminisation of labour

In the face of increasing globalisation and due to the necessity of functioning under the conditions of the Post-Fordist order, the emerging phenomenon of feminisation of labour is largely a consequence of the massive entry of women into the labour market. The feminisation of labour is coupled with the phenomenon described in the literature as occupational segregation, which can be considered in its horizontal or vertical variant.

Horizontal segregation means the domination of women and men in specific occupations and industries (e.g., women in health care, men in construction). Professions dominated by women are less well paid and less appreciated than those in which most employees are men (Borowska & Branka, 2010). A similar tendency to group women in specific industries (lower paid, less prestigious), e.g., healthcare, social welfare, and education, occurs in most European countries.

Vertical segregation means low participation of women in decision-making processes, disproportions in the representation of women and men in managerial positions in business, administration, education, health care, politics, etc., as well as difficulties for women in access to promotion and occupying managerial and decision-making positions. Vertical segregation is associated with such concepts as glass ceilings, glass escalators, glass walls, or sticky floors (Titkow, 2003).

A feminisation of labour has occurred due to two reasons: starting with the 19th and early 20th century, large numbers of women have entered the labour market, and since the 1970s, women have accepted flexible work. The increase of flexible forms of employment is linked with the global development of services that, unlike agriculture or industry, often require non-standard employment. In many of the services sectors, due to their cyclical nature, the employers prefer worker that are willing to accept non-permanent work and accept that the employment will end with the season/cycle. To reduce the costs further, many employers prefer non-employment contracts (civil law contracts). According to Guy Standing (2011, p. 71):

The jobs that were spreading led to a rising demand for women […]. If flexible labour means more short-term jobs, then there is little premium placed on employment of men, perceived correctly or not—to offer long term commitment. Fears that women might involve employers in high non-wage costs, because they might become pregnant or withdraw to look after children, are less relevant if jobs are set only to last a few months, if the arrangement is non-binding or contingent on fluctuating demand, or if there is no cost to intermittent labour.

Women in the labour market became competition for men. Many good, prestigious and “secure” jobs had been already “occupied” by men, hence, as a matter of necessity, women took the most precarious jobs receiving short-term contracts or a civil-law contract, which resulted, among others, in differences in earnings between women and men or inequalities at a later time in regard to the retirement benefits.
5. The feminisation of the precariat

The key question is: what evidence is there that women are more prone to join the ranks of the precariat than the men? To verify this hypothesis, Indicators are used that show an increased risk of facing uncertainty in the labour market and being in a worse situation as compared to men. Other indicators such as, part-time employment, temporary employment, remuneration, the share of women and men among the management staff (vertical segregation), the participation of women and men in individual sectors of the economy and occupational groups (horizontal segregation) contribute to the problem. This set of indicators allows one to make international comparisons. The selection of these indicators results from the characteristics of precarity phenomenon mentioned by the researchers. To have a more complete picture of the phenomenon of precarity, it would be necessary to conduct in-depth analyses at various levels in all the examined countries (including field studies).

Six countries were selected for the analysis: the UK, Sweden, Finland, Belgium, Germany and Poland. Such selection of countries results, on the one hand, from the fact that they represent different models of social policy (welfare regimes), and on the other hand, raises the issue of equality in the labour market (Korpi, 2000). Differences in institutional support for the family in each of these systems indicate to what extent women are encouraged to be professionally active and to what extent these systems allow them to combine motherhood with paid work. This translates into how much the state supports women in undertaking a professional activity and to what extent they are on their own in this respect. It also affects their situation in the labour market and the sustainability of their employment.

Considering these dependencies, three main systems and countries representing them were identified: (1) general family support model—Belgium and Germany; (2) dual-earner support model—Finland and Sweden, and (3) market-oriented model—the UK. And, Poland as an example of a post-socialist state.

The analyses should start with the presentation of basic data on the situation of women and men in the labour market in the EU countries using the economic activity rate, employment rate and unemployment rate.

The first table presents data on the economic activity rate, employment rate and unemployment rate in selected EU countries broken down by gender. In all the countries, the value of the economic activity rate for women is lower than for men. The biggest differences are recorded in Poland (13.7 pp) and the UK (10.4 pp), slightly smaller in Germany (8.6 pp) and Belgium (9.4 pp). At the opposite extreme, one can find Finland (3.8 pp) and Sweden (3.7 pp). At the same time, it is worth noting that the female participation rate is the lowest in Poland and Belgium, and the highest in Sweden. The data also show how many women (especially in Poland and Belgium) are economically inactive—38.0% and 37.1%, respectively.

As for the employment rate, similarly to the previous case, its values in all the countries are lower for women than for men, with the highest value in Sweden and the lowest in Poland and Belgium. As far as the differences between men and women are concerned, the greatest difference is again observed in Poland (12.9 pp.) and the smallest in Sweden (2.7 pp).
Table 1. Economic activity rate, employment rate and unemployment rate in selected EU countries (%), 2016

<table>
<thead>
<tr>
<th>Country</th>
<th>Economic activity rate</th>
<th>Employment rate</th>
<th>Unemployment rate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>men</td>
<td>women</td>
<td>men</td>
</tr>
<tr>
<td>Belgium</td>
<td>72.3</td>
<td>62.9</td>
<td>66.5</td>
</tr>
<tr>
<td>Finland</td>
<td>77.9</td>
<td>74.1</td>
<td>70.8</td>
</tr>
<tr>
<td>Germany</td>
<td>82.2</td>
<td>73.6</td>
<td>78.5</td>
</tr>
<tr>
<td>Poland</td>
<td>75.7</td>
<td>62.0</td>
<td>71.0</td>
</tr>
<tr>
<td>Sweden</td>
<td>83.9</td>
<td>80.2</td>
<td>77.5</td>
</tr>
<tr>
<td>UK</td>
<td>83.4</td>
<td>73.0</td>
<td>79.1</td>
</tr>
</tbody>
</table>

Note. Adapted from OECD Employment database.

The unemployment rate is also a measure of the situation in the labour market. In all the analysed countries, this ratio was lower for women than for men. The only exception is Poland, where the unemployment rate for women exceeded the male unemployment rate by 0.1 p.p. Women in the labour market in Germany (3.8%) and the United Kingdom (4.8%) are in the best situation in this respect. Further analysis will answer the question about the reasons for this state of affairs.

As noted earlier, precarious work is determined by various characteristics of the position of women and men in the labour market. The catalogue of selected indicators is not finite, but in my opinion, the features selected for the analysis will allow us to determine whether in selected European countries the phenomenon of feminisation of the precariat occurs.

First, data on part-time and temporary employment will be analysed. Table 2 presents data on part-time employment (less than 30 hours per week) in selected EU countries broken down by gender.¹

Table 2. Part-time employment, 2016

<table>
<thead>
<tr>
<th>Country</th>
<th>Men</th>
<th>Women</th>
</tr>
</thead>
<tbody>
<tr>
<td>Belgium</td>
<td>6.9</td>
<td>30.0</td>
</tr>
<tr>
<td>Finland</td>
<td>10.6</td>
<td>17.7</td>
</tr>
<tr>
<td>Germany</td>
<td>9.1</td>
<td>36.9</td>
</tr>
<tr>
<td>Poland</td>
<td>3.4</td>
<td>9.0</td>
</tr>
<tr>
<td>Sweden</td>
<td>10.1</td>
<td>17.8</td>
</tr>
<tr>
<td>UK</td>
<td>11.6</td>
<td>37.5</td>
</tr>
</tbody>
</table>

Note. Adapted from OECD Statistics.

The data show, first, that in all the analysed countries, the share of women working part-time is larger or much larger than the share of men. The highest percentage of part-time women workers is in the UK (37.5%), Germany (36.9%) and Belgium (30.0%), while the lowest in Poland. It can be noted that in Poland, both women and men rarely work part-time compared to other countries. Indicators for part-time employment for men in the analysed countries (except Poland)¹

¹ The data refer to the frequency of part-time employment expressed as a percentage of total employment, taking into account a common definition of such employment for all the analysed countries.
are at a similar level and range from 6.9% in Belgium to 11.6% in the United Kingdom. The smallest differences between part-time employment of women and men are found in Poland (5.6 pp), Finland (7.1 pp) and Sweden (7.7 pp). In the remaining countries, these differences amount to over 20 percentage points (in Germany even 27.8 p.p.).

However, the data on part-time work can be misleading in view of the worse situation of women in the labour market and the greater odds of women joining the ranks of the precariat. This is because the majority of those women voluntarily accept under-employed. Therefore, the data on part-time employees who accepted such employment because they could not find permanent jobs is interesting in this context. The information presented applies only to those who are involuntary part-time employees (the share of involuntary part-timers as a percentage of part-time employment).

Table 3. Share of involuntary part-timers as a percentage of part-time employment, 2016 (%)

<table>
<thead>
<tr>
<th>Country</th>
<th>Men</th>
<th>Women</th>
</tr>
</thead>
<tbody>
<tr>
<td>Belgium</td>
<td>14.1</td>
<td>7.6</td>
</tr>
<tr>
<td>Finland</td>
<td>33.3</td>
<td>34.7</td>
</tr>
<tr>
<td>Germany</td>
<td>18.3</td>
<td>10.3</td>
</tr>
<tr>
<td>Poland</td>
<td>26.5</td>
<td>25.5</td>
</tr>
<tr>
<td>Sweden</td>
<td>36.6</td>
<td>25.2</td>
</tr>
<tr>
<td>UK</td>
<td>27.4</td>
<td>11.7</td>
</tr>
</tbody>
</table>

Note. Adapted from OECD Statistics.

Table 3 presents data on the percentage of people dissatisfied with part-time employment among all part-time employees (the involuntary part-time employment indicator). The data leaders to interesting conclusions. In all the countries except Finland, men are more dissatisfied than women with their part-time employment. In the UK, it is every fourth person working in this form of employment (while for women it is only 11.7%). The Belgians are the most satisfied with this form of employment—both women and men, and the most dissatisfied are the Swedes and Finns (both women and men). There are quite many dissatisfied people also in Poland, taking into consideration how few Polish men and women work part-time. Among those who decided on this form of employment, every third did it involuntarily, most often due to a lack of full-time work.

Another important indicator, often referred to while discussing the issue of the precariat, is temporary employment. Detailed data are presented in Table 4.

Based on the above-presented data, it can be concluded that temporary employment rates are higher for women than for men in most of the analysed countries. The exception is Germany, where the share of women and men is the same. The case of Poland is particularly important in this context. In comparison with the other analysed countries, the share of temporary contracts is much higher. In the case of men, it is almost twice as high as in Sweden and almost five times higher than in the UK. The lowest rates are recorded in the UK and Belgium. It is difficult to estimate
the number of members of the precariat in individual countries based on this indicator. Nevertheless, Poland compares unfavourably with the other analysed countries, but this disadvantageous comparison applies to both women and men.

Table 4. Share of persons employed temporarily among all employed persons, 2016 (%)

<table>
<thead>
<tr>
<th>Country</th>
<th>Men</th>
<th>Women</th>
</tr>
</thead>
<tbody>
<tr>
<td>Belgium</td>
<td>8.4</td>
<td>10.0</td>
</tr>
<tr>
<td>Finland</td>
<td>13.2</td>
<td>18.4</td>
</tr>
<tr>
<td>Germany</td>
<td>13.1</td>
<td>13.1</td>
</tr>
<tr>
<td>Poland</td>
<td>27.3</td>
<td>27.7</td>
</tr>
<tr>
<td>Sweden</td>
<td>15.1</td>
<td>18.4</td>
</tr>
<tr>
<td>UK</td>
<td>5.5</td>
<td>6.6</td>
</tr>
</tbody>
</table>

*Note. Adapted from OECD Employment database.*

When analysing the situation of women in the labour market, in particular, their positions related to the precariat, it is important to refer to the issue of occupational segregation. It has two dimensions: horizontal and vertical. The existence of inequalities, both horizontal and vertical, indicate a worse situation for women in the labour market in relation to men. **Horizontal segregation of the labour market** means the dominance of women in sectors with lower earnings and lower prestige, along with the low participation of women in sectors strategic for the development of the country, and at the same time low participation of men in “caring” professions. Consequently, this means that the sectors of the economy and professions are divided into “masculine” and “feminine”.

Table 5 presents the share of women and men in particular sectors of the economy (services, industry, agriculture), and additionally in Table 6 the self-employed in the analysed EU countries is shown.

Table 5. Share of women and men in the economic sectors of individual EU countries, 2014

<table>
<thead>
<tr>
<th>Country</th>
<th>Services</th>
<th>Industry</th>
<th>Agriculture</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>men</td>
<td>women</td>
<td>men</td>
</tr>
<tr>
<td>Belgium</td>
<td>69.9</td>
<td>92.2</td>
<td>28.4</td>
</tr>
<tr>
<td>Germany</td>
<td>62.2</td>
<td>86.8</td>
<td>35.9</td>
</tr>
<tr>
<td>Poland</td>
<td>46.0</td>
<td>73.5</td>
<td>41.5</td>
</tr>
<tr>
<td>Finland</td>
<td>58.2</td>
<td>88.5</td>
<td>35.2</td>
</tr>
<tr>
<td>Sweden</td>
<td>65.4</td>
<td>90.9</td>
<td>31.4</td>
</tr>
<tr>
<td>UK</td>
<td>73.6</td>
<td>92.7</td>
<td>24.4</td>
</tr>
</tbody>
</table>

*Note. Adapted from Eurostat Database.*

Data from Table 5 show that women are more often than men employed in the services sector in all the analysed countries. At the same time, the men are employed more frequently than women in the industrial and agricultural sectors. The largest share in the services sector among women is found in the UK (92.7%) and Belgium (92.2%), while the lowest in Poland (73.5%). Women in Poland, much more often than women in the other analysed countries, work in the industry
(16.3%) and agriculture (10.2%). The share of women in the latter sector is particularly significant—sometimes exceeding the share in the other analysed countries by a factor of ten.

Data on self-employment also renders interesting insights. See Table 6.

Table 6. Self-employment, 2016 (%)

<table>
<thead>
<tr>
<th>Country</th>
<th>Self-employment</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Men</td>
<td>Women</td>
</tr>
<tr>
<td>Belgium</td>
<td>18.44</td>
<td>10.63</td>
</tr>
<tr>
<td>Germany</td>
<td>12.84</td>
<td>7.65</td>
</tr>
<tr>
<td>Poland</td>
<td>23.87</td>
<td>16.83</td>
</tr>
<tr>
<td>Finland</td>
<td>18.37</td>
<td>9.37</td>
</tr>
<tr>
<td>Sweden</td>
<td>13.54</td>
<td>6.11</td>
</tr>
<tr>
<td>UK</td>
<td>19.44</td>
<td>10.85</td>
</tr>
</tbody>
</table>

Note: Adapted from OECD Statistics.

Data in Table 6 show that self-employment is the most popular in Poland, and the least in Sweden and Germany. In all the analysed countries, women run their own business less frequently than men. It is worth noting that Poles prevail significantly in the number of single-person companies among the analysed countries, especially large differences can be seen among women (Polish women—16.83%, Swedish women—6.11%). In the context of the precariat, the question of voluntary self-employment remains open (especially in Poland).

Apart from employment broken down into individual sectors of the economy, it is equally important in the perspective of occupational segregation to compare the share of women and men in the main groups of occupations. Tables 7a and 7b show data (in thousands) on the number of women and men in the nine main occupational groups. Since the data on some occupations such as the Armed Forces is incomplete, these occupations are not included in the present analysis.

Table 7a. Participation of women and men in the main groups of occupations, 2017, part 1 (in thousands)

<table>
<thead>
<tr>
<th></th>
<th>Belgium</th>
<th>Germany</th>
<th>Poland</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>men</td>
<td>women</td>
<td>men</td>
</tr>
<tr>
<td>Legislators, senior officials and managers</td>
<td>234.0</td>
<td>121.6</td>
<td>1,320.7</td>
</tr>
<tr>
<td>Professionals</td>
<td>553.4</td>
<td>633.5</td>
<td>3,929.6</td>
</tr>
<tr>
<td>Technicians and associate professionals</td>
<td>356.5</td>
<td>304.5</td>
<td>3,761.9</td>
</tr>
<tr>
<td>Clerks</td>
<td>213.8</td>
<td>342.4</td>
<td>1,921.1</td>
</tr>
<tr>
<td>Service workers and shop and marker sales workers</td>
<td>196.3</td>
<td>400.8</td>
<td>2,093.0</td>
</tr>
<tr>
<td>Skilled agricultural and fishery workers</td>
<td>44.1</td>
<td>8.0</td>
<td>390.5</td>
</tr>
<tr>
<td>Craft and related trades workers</td>
<td>447.7</td>
<td>28.7</td>
<td>4,468.9</td>
</tr>
<tr>
<td>Plant and machine operators and assemblers</td>
<td>260.5</td>
<td>45.0</td>
<td>2,133.9</td>
</tr>
<tr>
<td>Elementary occupations</td>
<td>177.2</td>
<td>277.0</td>
<td>1,284.6</td>
</tr>
</tbody>
</table>

Note: Adapted from Eurostat.
Table 7b. Participation of women and men in the main groups of occupations, 2014, part 1 (in thousands)

<table>
<thead>
<tr>
<th></th>
<th>Finland men</th>
<th>Finland women</th>
<th>Sweden men</th>
<th>Sweden women</th>
<th>UK men</th>
<th>UK women</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legislators, senior officials and managers</td>
<td>57.6</td>
<td>26.5</td>
<td>184.9</td>
<td>114.3</td>
<td>2,191.9</td>
<td>1,226.8</td>
</tr>
<tr>
<td>Professionals</td>
<td>310.3</td>
<td>298.4</td>
<td>574.5</td>
<td>788.1</td>
<td>3,876.5</td>
<td>3,814.8</td>
</tr>
<tr>
<td>Technicians and associate professionals</td>
<td>197.6</td>
<td>268.4</td>
<td>507.3</td>
<td>384.4</td>
<td>1,880.4</td>
<td>2,026.4</td>
</tr>
<tr>
<td>Clerks</td>
<td>35.3</td>
<td>108.8</td>
<td>122.4</td>
<td>187.0</td>
<td>1,007.9</td>
<td>2,058.4</td>
</tr>
<tr>
<td>Service workers and shop and marker sales workers</td>
<td>128.1</td>
<td>327.2</td>
<td>301.8</td>
<td>630.9</td>
<td>1,806.3</td>
<td>3,943.3</td>
</tr>
<tr>
<td>Skilled agricultural and fishery workers</td>
<td>41.4</td>
<td>24.2</td>
<td>45.8</td>
<td>18.3</td>
<td>288.9</td>
<td>46.1</td>
</tr>
<tr>
<td>Craft and related trades workers</td>
<td>242.8</td>
<td>16.8</td>
<td>413.1</td>
<td>34.7</td>
<td>2,373.5</td>
<td>164.0</td>
</tr>
<tr>
<td>Plant and machine operators and assemblers</td>
<td>153.1</td>
<td>24.2</td>
<td>241.2</td>
<td>40.0</td>
<td>1,327.0</td>
<td>185.5</td>
</tr>
<tr>
<td>Elementary occupations</td>
<td>65.4</td>
<td>74.7</td>
<td>112.0</td>
<td>112.9</td>
<td>1,450.8</td>
<td>1,161.0</td>
</tr>
</tbody>
</table>

Note. Adapted from Eurostat.

Due to the data format contained in Tables 7a and 7b, precise international comparisons are not possible. However, when analysing the above-presented information, certain regularities are easily observable. In all the analysed countries, women outnumber men in the categories of clerks, personal service workers and salespersons. In Belgium, Poland and Sweden, women constitute the majority in the group of professionals. In Germany, Poland, Finland and the United Kingdom, they also dominate in the group of technicians and associate professionals. In all the analysed countries (except for the UK), women outnumber men also in relation to the group of “elementary occupations”. On the other hand, when it comes to groups such as legislators, senior officials and managers; skilled agricultural and fishery workers; craft and related trades workers; plant and machine operators and assemblers, in all the analysed countries, men largely outnumbered women.

Based on the present analyses, one can see that women are generally found in those groups of professions that are less paid and less prestigious, and hence this is one of the reasons for their worse situation in the labour market compared to men. In addition, the prevalence of women in occupational groups such as elementary occupations or service workers and shop and marker sales workers promotes the precarisation of these professions. The high turnover of employees, short-term contracts (or employment based on civil-legal contracts), low wages, and a lack of opportunities for career advancement confirm the assumption regarding the feminisation of the precariat in this respect.

An important indicator of the position of women in the labour market is their participation in the top positions. This is connected with the phenomenon of vertical segregation, i.e. with access to the highest managerial and decision-making positions for women and limited promotion opportunities.

Data collected by the European Commission were used for the analysis. First, the information on the percentage of women and men in the highest positions in companies listed on the stock exchanges of the analysed countries is presented.
Three types of positions are analysed: presidents of companies (president), members of the board/supervisory boards (members) and managing directors (chief executive officer). Detailed data are provided in Table 9.

Table 9. Share of women and men in the highest positions in companies listed on the stock exchanges in individual countries (%), 2017

<table>
<thead>
<tr>
<th>Country</th>
<th>President</th>
<th>Members</th>
<th>Chief executive officer</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>men</td>
<td>women</td>
<td>men</td>
</tr>
<tr>
<td>Belgium</td>
<td>94.1</td>
<td>5.9</td>
<td>69.3</td>
</tr>
<tr>
<td>Finland</td>
<td>95.8</td>
<td>4.2</td>
<td>67.2</td>
</tr>
<tr>
<td>Germany</td>
<td>96.7</td>
<td>3.3</td>
<td>68.1</td>
</tr>
<tr>
<td>Poland</td>
<td>70.0</td>
<td>30.0</td>
<td>79.9</td>
</tr>
<tr>
<td>Sweden</td>
<td>92.6</td>
<td>7.4</td>
<td>64.1</td>
</tr>
<tr>
<td>UK</td>
<td>100.0</td>
<td>0.0</td>
<td>72.8</td>
</tr>
</tbody>
</table>

Note. Adapted from European Institute for Gender Equality.

The data contained in Table 9 show that women occupy the highest management positions much less often than men. When it comes to the positions of CEOs of the largest companies, the best situation is in Poland. Almost every third president of the companies listed on the Polish stock exchange is a woman (30%). The worst situation is in the UK, where there is no female president. The situation is slightly better in relation to the position of board members/supervisory board members of such companies. Women’s share ranges from 20.1% in Poland to 35.9% in Sweden. No women in Germany and Poland hold the positions of CEO. In contrast, in the other analysed countries, the share varies from 4% to 7.4%.

The information in Table 9 is supplemented with data on the positions of the presidents of national banks. In 2014, men were the heads of the banks of six analysed countries (in the entire European Union only in Cyprus the president of the National Bank of Cyprus was a woman). Women are also not the presidents of any of the most important EU financial institutions (the European Central Bank, the European Investment Bank or the European Investment Fund). As regards managerial positions in public administration at the highest EU level, on average 15% of women were in the positions of CEO or their deputies (data from the European Commission). It is evident that in all spheres of life where there is a hierarchy of positions men predominantly hold the highest positions.

All the data prove the existence of “glass ceilings”—invisible barriers to women’s promotion to senior management positions in the company, independent of the level of education, experience, internship, etc. (Branka & Borowska, 2010, p. 35).

Another important feature pointing to the worse situation of women in the labour market, and at the same time confirming their greater membership in the precariat category, is the gender pay gap. This is an important indicator used in the framework of the European Employment Strategy (EES) to monitor inequalities in pay between women and men. The gender pay-gap is defined as the difference between the average gross earnings per hour of work by men and women expressed as a percentage of the average gross hourly salary of men.
The reasons for, and the size of, the pay-gap can vary widely between countries. This is due to the different situation of women and men in the national labour markets, which in turn is a result of many factors (e.g.: institutional facilitation regarding the reconciliation of work and family life or flexible forms of employment).

Nevertheless, the Eurostat data shows that in 2016, women’s earnings (measured as average gross hourly earnings) were 16.2% lower than the earnings for men. Among all the EU countries, the largest differences in earnings were in Estonia (25.3%), the smallest, in Romania (5.2%) and in Italy (5.3%). In 2016, among the countries included in the study, the largest differences in remuneration between women and men were in Germany—21.5%, the UK stood at 21%, Finland at 17.4%, and Sweden at 13.3%. The lowest differences were in Belgium (6.1%) and Poland (7.2%).

The feminisation of the precariat is also often manifested by the nature of women’s employment. They have more breaks in work (related to, for example, having and bringing up children), which makes them more vulnerable to the discontinuity of employment. Moreover, the necessity to perform household duties by women (unpaid work of women) often prevents them from taking any permanent employment. Women are expected to do most of the work related to taking care of the home and children and looking after older relatives combined with simultaneous activity in the labour market. All this makes more stable employment increasingly less available for women, which further pushes them towards the precariat.

This information is supplemented with data on unpaid women’s work. By definition, it is the production by household members of such goods and services that are not sold on the market. There is a significant difference in time spent on unpaid work by women and men. Table 10 presents the detailed data on activities other than work.

Table 10. Time allocated for various activities outside of work during the day in minutes, 2003–2010

<table>
<thead>
<tr>
<th>Country</th>
<th>Unpaid work①</th>
<th>Personal hygiene②</th>
<th>Rest③</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>men</td>
<td>women</td>
<td>men</td>
</tr>
<tr>
<td>Belgium</td>
<td>151</td>
<td>245</td>
<td>671</td>
</tr>
<tr>
<td>Finland</td>
<td>159</td>
<td>232</td>
<td>631</td>
</tr>
<tr>
<td>Germany</td>
<td>164</td>
<td>269</td>
<td>636</td>
</tr>
<tr>
<td>Poland</td>
<td>157</td>
<td>296</td>
<td>642</td>
</tr>
<tr>
<td>Sweden</td>
<td>154</td>
<td>207</td>
<td>573</td>
</tr>
<tr>
<td>UK</td>
<td>141</td>
<td>258</td>
<td>574</td>
</tr>
</tbody>
</table>

Note. Adapted from OECD Indicators of Gender Equality in Employment.
①Routine household chores, shopping, taking care of children and the elderly, volunteering, travel related to house-work and more;
②Sleep, food, drink, doctor visits and related travel;
③Sports, participation in parties and events, visiting friends, watching TV at home.
The data show that, first, in all the analysed countries, women spend more time than men on unpaid domestic work. Women from Poland and men from Germany spend the most amount of time on unpaid work. Regarding sleeping, eating or visiting a doctor, there are no significant differences between men and women. As for rest, a slight (though occurring in all the analysed countries) regularity can be seen: women rest less during the day than do men. Women in Sweden get the shortest rest breaks, while women in the UK get the longest rest breaks.

6. Conclusions

Employment insecurity affects largely those who have a relatively worse position in the labour market. The precarious segment of the labour market is a segment of the excluded, functioning on its periphery and not rooted in industrial labour relations.

A universal feature of Post-Fordist order and the modern labour market is employment uncertainty and insecurity. Employment security has given way to a lack of security, temporary contracts and growing self-employment. Formal wage differences have deepened and the unemployed are forced to rely on insufficient benefits, disability pensions and informal gainful activities at the borderline of legality.

Considering the literature on precarity and the analyses presented, one may conclude that this is a multidimensional phenomenon. Factors determining the emergence of precarious employment differ in individual countries and depend on the characteristics of a given labour market and its institutional context.

While it is undeniable that the situation of women in the labour market is worse, it is difficult to state clearly whether this fact is decisive when it comes to greater vulnerability of women in terms of joining the ranks of the precariat. If one were to compare the situation of Poland with the other countries, one would see a higher rate of inactivity and a higher percentage of people employed on temporary contracts. Women in Poland are more likely to join the precariat. When variables such as the pay-gap, part-time employment, and involuntary employment are considered, it turns out that the position of Polish women in the labour market is stronger than the women in the other analysed countries. There are also data that can be interpreted in various ways, such as the high share of women in the agricultural sector and the relatively low share in services. On the one hand, it shows a worse situation for these women in the labour market, and on the other hand, it can also be interpreted as beneficial, due to the fact that the precariat is to the greatest extent “embedded” in services.
The present analyses do not indicate unequivocally that in the analysed countries odds are that women will have more precarious jobs than men. The women’s worse situation in the labour market in comparison with men is not a sufficient reason for including women in the precariat. The thesis on feminisation of the precariat adopted at the beginning of the article is therefore not confirmed.

References


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The phenomenon of the precariat in the Polish labour market during Poland’s membership in the European Union*

Abstract

Studies of the scale of unemployment in Poland and in Europe conducted in recent years lead to the conclusion that one of the largest and growing problems of the modern labour market is the unemployment rate among young people. An unfavourable phenomenon related to this issue, which is increasingly often appearing in public debate, is the rising unemployment of graduates. Therefore, it is important to attempt to identify related phenomena in today’s job market, and one of such phenomena is the emergence of a new type of employee in the labour market, a member of the precarious class.

The analysis aims to present the origins, nature and scale of the precariat phenomenon in Poland. The issue is described from the perspective of the labour market position of a selected social group, i.e. young people entering the labour market after finishing their education. The study attempted to identify factors that affect this phenomenon and the characteristics confirming the sense of its separateness in the labour market.

Keywords: precariat, labour market, non-standard forms of employment

JEL Classification: E24, J31

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1. Introduction

Studies of the scale and structure of the phenomenon of unemployment conducted in recent years have often led to the conclusion that unemployment among young people, including university graduates, is one of the largest and fastest growing problems. An important reason for undertaking the analysis of this issue is the increasing scope of this phenomenon, both in Poland and abroad, and the formation of a new class of employees, especially among people just entering the labour market, which can significantly affect the social and economic development of the country.

In the first part of the article discusses the terminology issues related to the precariat, precarious work and members of the precariat. The second part presents the scale of the precariat phenomenon in Poland and possible changes in the Polish labour market in the context of this phenomenon. The research hypothesis is that there is a problem of precarious employment in Poland. In view of the above, the aim of the article is to present the origins, nature and scale of this phenomenon in the Polish labour market. The implementation of this aim will be possible based on studies of domestic and foreign literature as well as statistical analysis of selected labour market indicators obtained from the European Statistical Office database (Eurostat).

2. The precariat and precarious work—terminology issues

The concept of precariat appeared for the first time in social sciences in the 1980s in order to describe the situation of temporary and seasonal workers,\(^1\) although it became more popular in the first decade of the 21st century. It was formed by combining two words, i.e. precarious (uncertain) and proletariat (poor working class), and in this foreign form it has permanently entered the Polish language dictionary.

One of the proponents of this concept, which is increasingly often appearing in the public discourse, is Guy Standing. The precariat is a population that is difficult to define, as Standing emphasises in the book entitled The Precariat: The New Dangerous Class (2011a), where he puts forward the hypothesis about the emergence of a new, separate, highly internally diverse socio-economic group with a global reach called the precariat.\(^2\) The precariat is defined as a social class\(^3\)

\(^1\) The term has been used, among others, by: Paul Michel Foucault—a French philosopher, historian and sociologist, Antonio Negri—an Italian ethicist, philosopher and writer, Pierre-Félix Bourdieu—a French sociologist, anthropologist and philosopher, as well as Jürgen Habermas—a German philosopher and sociologist.

\(^2\) In the Polish magazine “Polityka”, in his article entitled Prekariusze wszystkich krajów [The Precariat of the World] of September 2011, Smoczyński wrote: “A new social class is growing in Europe, without prospects for prosperity and advancement. It also exists in Poland and has its name: the precariat.”

\(^3\) However, this is not a social class in the Marxist or Weberian sense.
THE PHENOMENON OF THE PRECARIAT…

whose characteristic feature is uncertainty (English: *precarious*, French: *précarité*). Filip Vostal, who associates the concept of precariat with a state that is uncertain, insecure or unstable, supports this position (2014, p. 39). It should be emphasised, however, that Standing does not reduce the state of uncertainty only to “poor occupational content, insecure and low-paid work” (Kozek, 2013, p. 145), but he draws attention to other, equally important issues distinguishing the precariat from other social classes. Additionally, stability and security of employment or minimum work protection (which concerns the people temporarily unemployed, supporting themselves from temporary jobs, employed on the basis of short-term contracts, or migrating in search of income), there is a more important issue regarding the lack of career opportunities as members of the precariat are deprived of a sense of professional identity. In his opinion, the so-called precarious work does not provide development opportunities because people

[…] are in career-less jobs, without traditions of social memory, a feeling they belong to an occupational community steeped in stable practices, codes of ethics and norms of behaviour, reciprocity and fraternity. The precariat does not feel part of a solidaristic labour community. This intensifies a sense of alienation and instrumentality in what they have to do. (Standing, 2011a, p. 12)

In contrast to Standing, many disagree with the idea that the precariat is to be a new social class that because of its growing numbers is becoming increasingly dangerous (Jourdan, 2012). Ryszard Szarfenberg argues that creating an analogy between the precariat and the proletariat is not entirely justified. His position is because today we are not dealing with a situation that “would contribute to the creation of a class or a cohesive group around which one builds one’s identity, as was the case with the proletariat” (Hanyga, 2012).

Thus, it seems reasonable to ask the question of what is actually the relationship between the precariat and the proletariat, between the representative of the first and the latter group. Standing (2011a, p. 137), claiming that anyone, regardless of age, job seniority or education, can become a member of the precariat. In other words, all social groups—feed the precariat by those who are precarised, i.e. “subject to pressures and experiences that lead to a precariat existence, of living in the present, without a secure identity or sense of development achieved through work and lifestyle” (p. 60). To sum up, according to Standing, a member

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4 “[…] Precarious forms of employment are defined (Rodgers, 1989) with regard to the certainty with which employment may be maintained in the long-term perspective, the degree of control over working conditions, the degree of protection of the workplace and working conditions by the applicable provisions, and the possibility of claiming one’s rights and determining one’s earnings. Various additional features, such as non-pay employee benefits, autonomy in performing tasks at work, compliance of employment with qualifications, physical security and health conditions, or the possibility of reconciling work and family life are part of various characteristics and ways of measuring precarity […] In a slightly different convention (referring to the work of U. Beck), the risk of re-qualification, deterioration of working conditions, loss or reduction of income and dismissal as well as chances of representation, etc. are characteristic of precarious employment” (Poławski, 2012, p. 16).

5 This awkward word is analogous to “proletarised”, describing the forces leading to the proletarianisation of workers in the 19th century (Standing, 2011a, p. 60).
of the precariat is a member of the proletariat of the 21st century, i.e. a person who operates under conditions of constant uncertainty. The uncertainty he writes about is not one-dimensional. On the contrary, it is expressed in attitudes characteristic of the precariat, the so-called “4a”, including (Standing, 2011b):

1. Anxiety: “Uncertainty creates uninsurable risks for them. The satisfaction and fulfilment known to others, through vocation, is unknown to the precariat. The idea that a job gives an identity to be proud of is hollow and false to the precariat. The idea of a job as a key route to fulfilment, meaning identity, wellbeing and happiness is a mirage for the precariat. Their experience of employment is just the opposite.”

2. Anomie: “There is despair, in the lower reaches of the group, that escape to a better life is not possible. Prospects are low in the precariat, social mobility rare, and the possibility of improved and secure material living standards seems remote. Thus the group is increasingly excluded from the mainstream of society. This process of exclusion is giving rise to a particular mindset among the precariat. The combination of exclusion and uncertainty cause the precariat to flit around activities to keep options open by multiplying networks and activities, a process which is known to be stressful and associated with a number of social illnesses.”

3. Alienation: “Members of the precariat are forced to do too many things which they do not want to do in the sphere of employment. These combine to present an image of self which is contrary to a more desirable idea of self as an autonomous entity with some say over the major dimensions of how to live one’s life. Such aspirations are dashed in the everyday lived experience of low pay and economic insecurity. Simultaneously, members of the precariat are not able to undertake roles and activities which do help to produce the possibility of a coherent and autonomous self. This also means that the precariat are at the same time over-employed, working long hours in low paid insecure jobs in the struggle to make ends meet and underemployed, and such jobs not requiring many of the skills, aptitudes or enthusiasms which characterise a flourishing human being. Thus the precariat are alienated from themselves, from each other and from others outside the precariat.”

4. Anger: “Unsurprisingly, the combination of the above factors is causing increasing anger among the precariat, turning to seething anger.”

These attitudes lead to negative effects felt in the social and economic dimension.

Quoted earlier Standing (2011b, pp. 102–116) distinguished seven separate classes in the contemporary social structure: global citizens, salariat, proficians, working class/manual employees, the precariat, the unemployed, and a group of socially ill misfits. The division is based on studies carried out recently in the UK, which were based on the traditional occupational classification and scales of professions (Savage, 2013). Similarly, to Standing, seven social classes were distinguished, including the precariat as a separate class. These analyses, contrary to the ones conducted by Standing, do not include issues related to the concept of precariat and do not deal with the aspects of job uncertainty and security as key issues.
It can be said that the precariat is classified as the secondary, and not primary, segment of the labour market:

The precarious segment of the labour market is a segment of excluded people operating on its periphery and not rooted in the corporate or industrial order of collective labour relations [...]. Precarious employment is—consistently—present in various segments of the social structure and occurs in various occupational groups, although to a different degree. Precarity in this sense is also a feature of the creative class and relatively well-educated and qualified workers, specialists or independent experts employed on the basis of contracts who share not so much the small amount of earnings with employees of the secondary labour market but rather, related to the temporary nature of employment, instability of income and relaxation of social protection guaranteed by appropriate regulations for full-time employees. In the corporate realities, also those categories that are classified in the Polish statistics as non-manual workers and in English-language literature as white-collars are subject to precarity. (Polawski, 2012, pp. 16–17)

Prof. Jolanta Szaban from Leon Kozminski Academy in Warsaw described the “white-collars” in Poland:

[...] officeariat – i.e. people doing simple office work for a low salary. Such work can be performed by anyone without special preparation. It is even said that it is usually done by the so-called “duci” (from the words “do it”), people desperate to take up any work and struggling to support themselves with this type of activity. In a number of other European countries, this category is less frequent due to the specificity of the situation of officials whose status is sometimes very high compared to Polish ones (e.g.: in Germany, France, Portugal, Greece). (2013, p. 23)

In Poland, the discussion on the precariat phenomenon began at the time of publishing of the report entitled Młodzi 2011 [Youth 2011] by Prof. Krystyna Szafraniec from Nicolaus Copernicus University in Toruń. This multidimensional diagnosis was created because of the work of the interdisciplinary team that in 2010–2011 met in the Chancellery of the Prime Minister under the direction of Minister Michał Boni. One of the main problems discussed in the report is the situation of young people in the Polish labour market. The document shows that there is an increase in the number of temporary employment contracts in Poland.

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6 The publication is a detailed study of the results of research and analysis of many areas of life and functioning of young people in Poland: “The report shows the needs, problems and internal potential of the young generation. The basis of Młodzi 2011 [Youth 2011] report was the assumption that youth is one of the main resources on which the strategy of building modern society and state can be based as well as the thesis about a great innovative potential inherent in youth, especially when [...] society faces challenges to carry out deep, thorough reforms. The above-presented words refer to a new, strategic view on the socio-economic development of Poland which was initiated by another report prepared also under the direction of Minister Michał Boni, i.e. ‘Polska 2030 – wyzwania rozwojowe’ [Poland 2030 – Development Challenges].” Cf. Kancelaria Prezesa Rady Ministrów, 2011.
According to statistical data, the percentage of such contracts in Poland is twice as high as in the European Union, which slowly leads to the creation of the dual labour market in our country:

One market (internal) is taken by full-time employees focused on permanent employment and career providing an opportunity for advancement and growing income (the so-called insiders). The other market comprises temporary employees who live in an uncertain situation, are at risk of unemployment and have poor career prospects (the so-called outsiders). The dual labour market is becoming a particularly serious problem for young people as it may mean to them a permanent balancing act as an employee who is a perpetual apprentice. (Kancelaria Prezesa Rady Ministrów, 2011, p. 169)

The authors of “Młodzi 2011” (Youth 2011) report emphasise that temporary forms of employment have advantages and disadvantages: “they provide a chance to start in a profession [...] but at the same time they do not bring satisfaction in the form of a consistent, balanced career path, training participation, adequate insurance or guarantee of adequate income, or—which is even more important—long-term income certainty, which would be a sign of creditworthiness for banks” (Kancelaria Prezesa Rady Ministrów, 2011, p. 394), especially important are the mortgage loans. The authors of the report, comparing the status of the young people in the 20th and 21st century, conclude that contemporary youth entering the labour market is, on average, older, definitely better educated, has richer social and cultural experience and a different attitude to life and work.

In summary, the precariat combines several features. These include the young age, temporary employment or unemployment, low income, a lack of housing, and often a lack of family or reluctance to start one due to financial instability. These add up to a lack of life prospects and formulation of financial plans for the future.

3. The scale of the precariat phenomenon in the labour market in Poland compared to the European Union

This part of the article will provide an overview of the socio-economic aspects of the precariat. However, the analyses will focus primarily on the situation and scale of the precariat in Poland.

If we assume that at present the precariat is young, it means that these are people aged 15–34. The data compiled in Table 1 indicate that in Poland over the last thirteen years, the employment rate of working age people systematically increased, i.e. from 51.4% in 2004 to 66.1% in 2017 (close to the EU average). Despite this fact, the employment rate of people aged 15–64 in 2017 was still lower than in the EU-28 (by 1.5 pp). However, it is worth noting that even during the economic crisis, the employment rate in Poland increased—in 2017, it reached 66.1% (the highest rate since the accession to the European Union). In the EU-28, an opposite trend can be observed. Since the beginning of the economic crisis in
2008, this indicator systematically dropped to reach approx. 64%. The downward trend reversed in 2015, when it reached the highest recorded increase in the employment—65.6%, which is the closest to that of 2008 (see Table 1). The situation improved for the young people. Although in Poland the percentage of employed persons aged 15–19 compared to the EU-28 is still lower (see Table 1), in the case of other age groups it is at par, and in some cases even higher (in the age group of 25–29 and 30–34 years since 2008).

Table 1. Average annual employment rate by age in Poland and the EU-28 in the years 2004–2017 (percentage)

<table>
<thead>
<tr>
<th>Category</th>
<th>15–19</th>
<th>20–24</th>
<th>25–29</th>
<th>30–34</th>
<th>15–64</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>PL</td>
<td>EU-28</td>
<td>PL</td>
<td>EU-28</td>
<td>PL</td>
</tr>
<tr>
<td>2004</td>
<td>6.0</td>
<td>18.2</td>
<td>35.0</td>
<td>52.4</td>
<td>65.6</td>
</tr>
<tr>
<td>2005</td>
<td>6.2</td>
<td>18.5</td>
<td>37.2</td>
<td>52.5</td>
<td>67.6</td>
</tr>
<tr>
<td>2006</td>
<td>5.9</td>
<td>18.5</td>
<td>40.1</td>
<td>53.6</td>
<td>70.8</td>
</tr>
<tr>
<td>2007</td>
<td>6.2</td>
<td>19.2</td>
<td>43.4</td>
<td>54.8</td>
<td>73.7</td>
</tr>
<tr>
<td>2008</td>
<td>6.1</td>
<td>19.0</td>
<td>46.6</td>
<td>54.9</td>
<td>76.3</td>
</tr>
<tr>
<td>2009</td>
<td>5.6</td>
<td>17.1</td>
<td>46.1</td>
<td>51.6</td>
<td>75.0</td>
</tr>
<tr>
<td>2010</td>
<td>5.7</td>
<td>16.0</td>
<td>44.7</td>
<td>50.4</td>
<td>73.8</td>
</tr>
<tr>
<td>2011</td>
<td>4.9</td>
<td>15.5</td>
<td>42.3</td>
<td>49.5</td>
<td>73.9</td>
</tr>
<tr>
<td>2012</td>
<td>4.5</td>
<td>15.0</td>
<td>41.9</td>
<td>48.3</td>
<td>73.1</td>
</tr>
<tr>
<td>2013</td>
<td>4.2</td>
<td>14.8</td>
<td>41.0</td>
<td>47.8</td>
<td>73.0</td>
</tr>
<tr>
<td>2014</td>
<td>4.3</td>
<td>14.8</td>
<td>43.8</td>
<td>48.5</td>
<td>74.7</td>
</tr>
<tr>
<td>2015</td>
<td>4.0</td>
<td>15.1</td>
<td>44.4</td>
<td>49.7</td>
<td>75.8</td>
</tr>
<tr>
<td>2016</td>
<td>4.5</td>
<td>15.7</td>
<td>48.4</td>
<td>50.7</td>
<td>77.7</td>
</tr>
<tr>
<td>2017</td>
<td>4.8</td>
<td>16.1</td>
<td>50.7</td>
<td>52.1</td>
<td>78.5</td>
</tr>
</tbody>
</table>

*Note. Own elaboration based on the Eurostat database: Employment rates by sex, age and nationality (%).*
Table 2. Structure of employment by education level and age in Poland in 2016 (%)

<table>
<thead>
<tr>
<th>Age</th>
<th>Total (%)</th>
<th>Tertiary</th>
<th>post-secondary and secondary vocational</th>
<th>General secondary</th>
<th>Basic vocational</th>
<th>Lower secondary and primary</th>
</tr>
</thead>
<tbody>
<tr>
<td>15–24</td>
<td>6.9</td>
<td>13.9</td>
<td>35.9</td>
<td>23.3</td>
<td>18.0</td>
<td>8.9</td>
</tr>
<tr>
<td>25–34</td>
<td>26.6</td>
<td>47.3</td>
<td>24.7</td>
<td>11.0</td>
<td>13.6</td>
<td>3.4</td>
</tr>
<tr>
<td>35–44</td>
<td>27.7</td>
<td>39.5</td>
<td>24.2</td>
<td>7.1</td>
<td>25.0</td>
<td>4.2</td>
</tr>
<tr>
<td>45–54</td>
<td>21.4</td>
<td>25.3</td>
<td>27.2</td>
<td>5.9</td>
<td>36.4</td>
<td>5.2</td>
</tr>
<tr>
<td>55–64</td>
<td>15.5</td>
<td>21.4</td>
<td>32.3</td>
<td>5.6</td>
<td>33.0</td>
<td>7.6</td>
</tr>
<tr>
<td>65+</td>
<td>1.9</td>
<td>39.2</td>
<td>25.2</td>
<td>4.5</td>
<td>20.1</td>
<td>11.0</td>
</tr>
<tr>
<td>total</td>
<td>100.0</td>
<td>34.0</td>
<td>27.0</td>
<td>8.7</td>
<td>25.1</td>
<td>5.2</td>
</tr>
</tbody>
</table>


In the recent years, due to the economic crisis, the situation of people in the most difficult position in the market has deteriorated. Table 3 presents data describing how the average annual unemployment rate evolved among young people (from 15 to 34 years of age) in Poland and in the EU-28 over thirteen years, i.e. from 2004 to 2017. It can be seen that until the beginning of the crisis in 2008, this indicator was gradually decreasing, reaching lower values in each of the distinguished age groups. Compared to the EU-28, Poland is doing well, as this indicator decreased by more than 10 percentage points in four years (from 11.6 pp for the 30–34 age group to 26.3 pp for the 20–24 age group). In 2009, the situation changed and for about four to five years, the average annual unemployment rate increased. However, Poland is still lower than it was at the beginning of the first decade of the 21st century, while in the EU-28 it is higher than in the previous years. The young people are among the most affected by the economic crisis (cf. Centrum Badania Opinii Społecznej, 2015).

The unemployment rate in the EU-28 for people in the 15–64 age group dropped to the level of 7.1% in 2008 and then started to grow, reaching 11.0% in 2013. In Poland, the changes were more favourable. The unemployment rate dropped from more than 19.4% in 2004 to 7.2% in 2008, and then it increased to 10.5% in 2013. The situation of people under 25 was much worse. In this age group, the unemployment rate in the EU-28 fell from over 18.7% in 2004 to less than 15.6% in 2008, and then it increased to 23.7% in 2013. In 2017, it was at the level similar to that of 2004—16.8%. In turn, in Poland, the unemployment rate of the youngest participants in the labour market decreased from almost 40.1% in 2004 to 17.3% in 2008 and then increased to over 27.3% in 2013. In 2017, the lowest unemployment rate—14.8%—since the accession to the European Union was recorded. It should be added that probably the unemployment rate among this age group in Poland would have been higher, however, these are mostly people born in the period of a drop in the birth rate.
Table 3. Average annual unemployment rate by age in Poland and the EU-28 in the years 2004–2017 (percentage)

<table>
<thead>
<tr>
<th>Category</th>
<th>15–19</th>
<th>20–24</th>
<th>25–29</th>
<th>30–34</th>
<th>15–64</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>PL</td>
<td>EU-28</td>
<td>PL</td>
<td>EU-28</td>
<td>PL</td>
</tr>
<tr>
<td>2004</td>
<td>37.8</td>
<td>20.6</td>
<td>40.4</td>
<td>18.0</td>
<td>22.6</td>
</tr>
<tr>
<td>2005</td>
<td>35.7</td>
<td>21.5</td>
<td>37.0</td>
<td>17.7</td>
<td>20.2</td>
</tr>
<tr>
<td>2006</td>
<td>30.8</td>
<td>21.4</td>
<td>29.6</td>
<td>15.9</td>
<td>15.3</td>
</tr>
<tr>
<td>2007</td>
<td>22.2</td>
<td>20.0</td>
<td>21.6</td>
<td>13.9</td>
<td>10.6</td>
</tr>
<tr>
<td>2008</td>
<td>20.1</td>
<td>20.4</td>
<td>16.9</td>
<td>13.9</td>
<td>8.2</td>
</tr>
<tr>
<td>2009</td>
<td>27.4</td>
<td>24.9</td>
<td>19.8</td>
<td>18.2</td>
<td>9.8</td>
</tr>
<tr>
<td>2010</td>
<td>30.5</td>
<td>26.4</td>
<td>22.8</td>
<td>19.3</td>
<td>12.0</td>
</tr>
<tr>
<td>2011</td>
<td>33.5</td>
<td>27.4</td>
<td>24.9</td>
<td>19.9</td>
<td>12.0</td>
</tr>
<tr>
<td>2012</td>
<td>37.7</td>
<td>28.7</td>
<td>25.3</td>
<td>21.5</td>
<td>13.1</td>
</tr>
<tr>
<td>2013</td>
<td>37.0</td>
<td>28.3</td>
<td>26.3</td>
<td>22.3</td>
<td>13.6</td>
</tr>
<tr>
<td>2014</td>
<td>35.9</td>
<td>26.7</td>
<td>22.7</td>
<td>20.9</td>
<td>11.8</td>
</tr>
<tr>
<td>2015</td>
<td>32.9</td>
<td>24.7</td>
<td>19.7</td>
<td>19.0</td>
<td>10.1</td>
</tr>
<tr>
<td>2016</td>
<td>32.2</td>
<td>22.8</td>
<td>16.3</td>
<td>17.4</td>
<td>8.1</td>
</tr>
<tr>
<td>2017</td>
<td>23.0</td>
<td>21.0</td>
<td>14.1</td>
<td>15.5</td>
<td>5.9</td>
</tr>
</tbody>
</table>

Note. Adapted from the Eurostat database: Unemployment rates by sex, age and citizenship (%).

The data compiled in Table 4 show how the average annual long-term unemployment rate developed in recent years (45.2% in 2017—an increase of 8.1 percentage points from 2008). Until 2014, it showed an upward trend; only since 2015, the trend has reversed. It is worth noting that almost half of unemployed people in the EU-28 remain unemployed for more than 12 months. In Poland, this percentage increased between 2009 and 2014 from 30.3% to 42.7%. As in the EU-28, a reverse trend can be observed from 2015.

Another important problem, referring in particular to the situation of young people in the labour market, is related to the time limitations of employment (see Table 5). In recent years, a clear increase in the number of temporary employment offers, i.e. non-standard forms of employment (including the so-called junk jobs), can be seen. This trend and its socio-economic consequences are the subject of controversy because the question arises as to whether temporary work should be treated as an opportunity or a threat. Increasing the flexibility of labour markets, work organisation and labour relations, while taking into account the reconciliation of work and private life, employment security and social protection in line with the concept of flexicurity (Cymbranowicz, 2014, pp. 203–212; 2015, pp. 17–28) is an opportunity, especially for young people who start their careers, but only if the so-called non-standard forms of employment are a solely transition-

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7 “There has been a dispute between researchers over the years whether fixed-term work is an introduction to stable employment or rather a dead end. On the one hand, there is the argument that fixed-term contracts allow the employer to test a new employee before hiring this person permanently. On the other hand, a lack of a long-term relationship between the employer and the employee may make it unprofitable to invest in the professional development of a person working for a fixed period of time, which would result in a lower chance of promotion. As a result, temporary employment could become for the employee a trap which over time it would be even harder to escape” (Kiersztyn, 2014, p. 6).
al stage on the way to obtaining permanent employment under a full-time employment contract for an indefinite period.\(^8\)

Table 4. Average annual long-term unemployment rate as a percentage of all unemployed by age in Poland and the EU-28 in the years 2004–2017 (percentage)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>EU-28</td>
<td>EU-28</td>
<td>EU-28</td>
<td>EU-28</td>
<td>EU-28</td>
</tr>
<tr>
<td>2004</td>
<td>31.7</td>
<td>21.0</td>
<td>45.6</td>
<td>35.2</td>
<td>51.1</td>
</tr>
<tr>
<td>2005</td>
<td>22.5</td>
<td>20.1</td>
<td>47.8</td>
<td>35.4</td>
<td>56.6</td>
</tr>
<tr>
<td>2006</td>
<td>16.2</td>
<td>20.6</td>
<td>46.1</td>
<td>34.3</td>
<td>53.6</td>
</tr>
<tr>
<td>2007</td>
<td>13.6</td>
<td>18.0</td>
<td>37.3</td>
<td>30.7</td>
<td>45.5</td>
</tr>
<tr>
<td>2008</td>
<td>NDA</td>
<td>15.8</td>
<td>24.1</td>
<td>26.6</td>
<td>29.4</td>
</tr>
<tr>
<td>2009</td>
<td>NDA</td>
<td>11.3</td>
<td>17.8</td>
<td>22.7</td>
<td>25.8</td>
</tr>
<tr>
<td>2010</td>
<td>NDA</td>
<td>11.7</td>
<td>20.5</td>
<td>21.9</td>
<td>32.1</td>
</tr>
<tr>
<td>2011</td>
<td>NDA</td>
<td>15.4</td>
<td>21.0</td>
<td>28.0</td>
<td>34.0</td>
</tr>
<tr>
<td>2012</td>
<td>NDA</td>
<td>13.0</td>
<td>22.3</td>
<td>33.2</td>
<td>36.6</td>
</tr>
<tr>
<td>2013</td>
<td>NDA</td>
<td>15.4</td>
<td>22.2</td>
<td>34.0</td>
<td>38.5</td>
</tr>
<tr>
<td>2014</td>
<td>NDA</td>
<td>17.2</td>
<td>22.6</td>
<td>33.3</td>
<td>40.5</td>
</tr>
<tr>
<td>2015</td>
<td>NDA</td>
<td>20.0</td>
<td>23.3</td>
<td>32.3</td>
<td>37.2</td>
</tr>
<tr>
<td>2016</td>
<td>NDA</td>
<td>18.0</td>
<td>27.6</td>
<td>34.1</td>
<td>32.3</td>
</tr>
<tr>
<td>2017</td>
<td>NDA</td>
<td>16.4</td>
<td>23.3</td>
<td>33.0</td>
<td>27.2</td>
</tr>
</tbody>
</table>

Note. Adapted from the Eurostat database: Long-term unemployment (12 months or more) as a percentage of the total unemployment, by sex, age and citizenship (%), NDA—no data available.

There are particular reasons for concern in Poland, as the percentage of employees working under fixed-term contracts is high and exceeds the EU average by approx. 45%. In the EU-28, among all people working in the 15–64 age group, approx. 14% of people were working temporary jobs. This trend is maintained, as in the years 2004–2017 from 13.2% to 14.3% of people aged 15–64 had fixed-term contracts. In Poland, more than 1/4 of employees had the same type of contract, with the lowest percentage reported in 2004 (22.5%) and the highest in 2014 (28.3%).

In this respect, it is worth emphasising that the precariat class is the most strongly represented in the youngest age groups. Undoubtedly, work based on a fixed-term contract dominates among young people because they accept it. It is because young people are just entering the labour market, and they are \textit{de facto} learning to practise their profession, i.e. “learning the ropes” (cf. Centrum Badania Opinii Społecznej, 2014). Such employment is considered an introduction to the full-time job, but as evident in Table 5; this form of employment is currently be-

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\(^8\) “For many employees, non-standard forms of employment are a dead end rather than a transitional stage on the road to getting a permanent job—state the authors of the POLPAN report, showing changes in the labour market. The experts checked in 2013 what was happening with people who in 2008 had had a non-standard form of employment. It turned out that after five years of working under civil or temporary contracts only less than 37% of the respondents received a contract for an indefinite period and 5% became self-employed. And the remaining ones—almost 60 percent!—were still becoming acquainted with the charms of civil and temporary contracts or did not work at all (21%)” (Popiołek & Kiełbasiński, 2014).
coming the norm. Over the last thirteen years, in the EU-28, with the exception of 2007–2009 and 2012–2013, there has been a steady increase in the proportion of workers employed for short terms. For people under the age of 25 in the EU-28, this rate is maintained at the level between 37.6% and 44.2%. Against this background, Poland definitely looks worse because an upward trend has persisted since 2008 and the proportion of workers employed for a fixed-term is above the EU average—growing from 60.6% in 2004 to 68.2 in 2017 (the highest level was recorded in 2015—72.7 percentage). Referring to the data compiled in Table 3, a very high percentage of people working under such contracts in the youngest age group (15–19 years and 20–24 years) can be explained, on the one hand, by a lack of need for stable employment on the part of young people, and on the other hand, by an abuse of this form of employment by employers. However, real anxiety can be caused by almost twice higher in Poland than in the EU-28 percentage of people in the age groups above 20 and 25 years of age, because at this age, job and income stability become one of the basic professional and life needs.

Table 5. Employees with a fixed-term contract as a percentage of all employees by age in Poland and the EU-28 in the years 2004–2017 (percentage)

<table>
<thead>
<tr>
<th>Category</th>
<th>15–19</th>
<th>20–24</th>
<th>25–29</th>
<th>15–64</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>PL</td>
<td>EU-28</td>
<td>PL</td>
<td>EU-28</td>
</tr>
<tr>
<td>2004</td>
<td>84.5</td>
<td>50.8</td>
<td>58.1</td>
<td>33.3</td>
</tr>
<tr>
<td>2005</td>
<td>88.0</td>
<td>53.3</td>
<td>62.8</td>
<td>35.7</td>
</tr>
<tr>
<td>2006</td>
<td>89.6</td>
<td>54.3</td>
<td>65.0</td>
<td>36.5</td>
</tr>
<tr>
<td>2007</td>
<td>86.2</td>
<td>55.6</td>
<td>63.6</td>
<td>36.6</td>
</tr>
<tr>
<td>2008</td>
<td>85.7</td>
<td>54.2</td>
<td>60.4</td>
<td>35.6</td>
</tr>
<tr>
<td>2009</td>
<td>91.4</td>
<td>55.6</td>
<td>59.1</td>
<td>35.8</td>
</tr>
<tr>
<td>2010</td>
<td>86.8</td>
<td>56.8</td>
<td>62.4</td>
<td>38.0</td>
</tr>
<tr>
<td>2011</td>
<td>88.8</td>
<td>56.9</td>
<td>63.7</td>
<td>38.4</td>
</tr>
<tr>
<td>2012</td>
<td>89.5</td>
<td>56.1</td>
<td>64.7</td>
<td>38.3</td>
</tr>
<tr>
<td>2013</td>
<td>91.6</td>
<td>56.9</td>
<td>66.8</td>
<td>38.3</td>
</tr>
<tr>
<td>2014</td>
<td>93.5</td>
<td>58.1</td>
<td>69.6</td>
<td>39.1</td>
</tr>
<tr>
<td>2015</td>
<td>93.8</td>
<td>57.2</td>
<td>71.2</td>
<td>39.4</td>
</tr>
<tr>
<td>2016</td>
<td>92.5</td>
<td>58.1</td>
<td>69.1</td>
<td>39.6</td>
</tr>
<tr>
<td>2017</td>
<td>91.1</td>
<td>59.1</td>
<td>66.4</td>
<td>39.9</td>
</tr>
</tbody>
</table>

Referring to the Polish realities, Kaleta, in his article entitled *Prekariat to ogromny problem: Kto utrzyma ludzi po umowach śmieciowych, gdy przyjdzie czas ich emerytur?* [The Precariat Is a Huge Problem: Who Will Support People Working on Junk Contracts When Their Retirement Time Comes?] says that young people are often employed on “prolonged internships, trial periods or under fixed-term contracts” (Kaleta, 2015). This is a common practice, as it is treated as “testing” an employee in a new workplace and teaching this employee to perform specific duties. The assumption behind doing this kind of work is the long-term “promotion”, i.e. an offer of the so-called full-time employment. In reality, how-
ever, after the time specified in the contract the employee is not “promoted”—the employer offers another contract under the same conditions as the previous one or resigns from services of this particular employee, dismissing the person. In such cases, young people not only remain without a perspective for a permanent job which could stabilise their life situation but are deprived of a job altogether. This is a dangerous phenomenon that leads to the deepening of economic (inactivity, short- and long-term unemployment, poverty) and social problems (marginalisation, exclusion).

Another problem faced currently by people taking up employment is related to full-time and part-time work. In this respect, the situation in Poland looks better than in the EU-28 (see Table 6).

Table 6. Part-time work by age in Poland and the EU-28 in the years 2004–2017 (percentage)

<table>
<thead>
<tr>
<th>Category</th>
<th>15–19</th>
<th>20–24</th>
<th>25–29</th>
<th>15–64</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>PL</td>
<td>EU-28</td>
<td>PL</td>
<td>EU-28</td>
</tr>
<tr>
<td>2004</td>
<td>57.0</td>
<td>40.5</td>
<td>15.1</td>
<td>18.3</td>
</tr>
<tr>
<td>2005</td>
<td>59.7</td>
<td>40.5</td>
<td>17.0</td>
<td>19.3</td>
</tr>
<tr>
<td>2006</td>
<td>56.0</td>
<td>42.3</td>
<td>14.4</td>
<td>19.7</td>
</tr>
<tr>
<td>2007</td>
<td>50.4</td>
<td>42.4</td>
<td>13.0</td>
<td>19.9</td>
</tr>
<tr>
<td>2008</td>
<td>42.7</td>
<td>44.4</td>
<td>10.8</td>
<td>20.4</td>
</tr>
<tr>
<td>2009</td>
<td>43.8</td>
<td>46.4</td>
<td>11.0</td>
<td>22.2</td>
</tr>
<tr>
<td>2010</td>
<td>47.5</td>
<td>48.1</td>
<td>12.0</td>
<td>23.7</td>
</tr>
<tr>
<td>2011</td>
<td>49.7</td>
<td>49.0</td>
<td>12.0</td>
<td>24.4</td>
</tr>
<tr>
<td>2012</td>
<td>53.5</td>
<td>50.7</td>
<td>13.4</td>
<td>25.8</td>
</tr>
<tr>
<td>2013</td>
<td>50.0</td>
<td>50.7</td>
<td>13.3</td>
<td>26.9</td>
</tr>
<tr>
<td>2014</td>
<td>50.2</td>
<td>49.9</td>
<td>12.5</td>
<td>26.8</td>
</tr>
<tr>
<td>2015</td>
<td>46.1</td>
<td>51.0</td>
<td>11.8</td>
<td>27.0</td>
</tr>
<tr>
<td>2016</td>
<td>46.7</td>
<td>51.4</td>
<td>10.7</td>
<td>27.0</td>
</tr>
<tr>
<td>2017</td>
<td>54.6</td>
<td>51.6</td>
<td>11.2</td>
<td>26.8</td>
</tr>
</tbody>
</table>

Note. Adapted from the Eurostat database: “Part-time employment as percentage of the total employment, by sex and age (%)” and “Part-time employment as percentage of the total employment for young people by sex, age and country of birth (percentage). No data available for people in the 30–34 age group.”

In the EU-28, since 2004 an upward trend in the share of people aged 15–64 years employed in part-time work has been observed, from 16.7% in 2004 to 19.4% in 2017, i.e. an increase of 2.7 percentage points over the last thirteen years (the highest rate was maintained in 2013–2015, i.e. 19.6%). On the other hand, there is a reverse trend observed in Poland—from 9.6% in 2004 to 6.6% in 2017, i.e. a decrease of 3 percentage points. The structure of young people working full-time and part-time is of significant importance from the perspective of identifying the precariat in Poland. If we consider only these people, it turns out that their situation in Poland is better than in the EU-28. Although in Poland the percentage of people employed part-time at the age of 15–19 compared to the EU-28 is still slightly higher (which can be explained by the fact that this age group remains outside the labour market due to education), in the case of other age groups it is significantly lower (see Table 6).
The analyses presented above concerned mainly the situation of the young people in the labour market in Poland compared to the other EU Member States over the past thirteen years. The conducted analysis attempts to draw attention to the issue of precarity of employment within the framework of the so-called non-standard forms of employment and the consequences that this phenomenon brings. Opportunities and threats in the socio-economic dimension related to the occurrence of the precariat phenomenon in the labour market in Poland are, however, a topic that merits a separate study.

4. Conclusions

The problem formerly described simply as “youth unemployment” in the course of the deepening global economic crisis has taken on a much wider dimension and earned its own name: the precariat. The similarity to the famous term proletariat is obviously not accidental. However, this word and the related phenomenon have relatively recently become permanent in social and economic terminology, hence it is not yet possible to determine if the precariat class can also have such a great impact on modern reality as the working class once had.

The emergence of the precariat in the modern labour market is undoubtedly a negative phenomenon. From the perspective of the future development of the labour market not only in Poland but also in the European Union, issues related to the further fate of the class known as the precariat can become extremely important. This phenomenon concerns a broad social group, consisting most often of people just starting their professional career, who in the near future will begin to dominate the labour market exerting the greatest influence on it. In this case, the acquired experience and professional skills, or their deficit, resulting from discouragement caused by a lack of development prospects and the chance to perform a permanent, profitable job or even by the inability to secure stable private and family life, may be crucial. The deepening social divisions can lead to an increase in the precariat class, which will be joined by new young people after the end of their education. This phenomenon, therefore, deserves special attention not only due to the current situation of employees but also as a potential threat to the stabilised labour market in the future.

References


