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PREFACE

The thirteenth issue of Review of Applied Sciences is of a general nature and combines various thematic areas. The first of them is "Education, motivation, labor market". It consists of five articles, two of which are concerned with education market as well as factors motivating teachers to work, while the other three are devoted to the subject of remuneration and labor market.

The first article elaborates on the issue of an institutional approach to the reform of the education system with regard to the process of European integration in Ukraine, in the context of foreign experience. The author of the article reflects on the national and international experience in terms of education system reforms and presented from the perspective of European integration processes. In the article, the thesis is formulated that an effective reform of an education system requires the development of autonomy that will meet the demands of a modern democratic society, which becomes understandable in relation to the political situation in Ukraine. In the article, the attention is also given to the process of building a strategy for education development, taking into consideration the membership of this country in the European Union structures, which is planned in the future. According to the author, in order to achieve the desired objectives, it is necessary to analyze the European trends in education reforms.

The second article also deals with issues related to education. It focuses, however, on internal resources such as teachers and factors motivating them to work. The author of the article carried out the research on the incentives which motivate teachers to work. The author collected the primary data on the basis of conducted interviews as well as the secondary data based on the internal documents provided by the headteachers of the schools which participated in the study. The subject matter discussed in the article focuses on a broad range of topics relating to the essence of motivation and selected motivation models, among other things, the Traditional Model, the Human Relations Model and the Human Resources Model. The author examined also theories, including Herzberg's Two Factor Theory or Reinforcement Theory. In the conclusion it has been underlined that a current state of motivational system does not entirely reflect teachers' needs.

The next article endeavours to answer the question how changes in the economic situation influence employment in flexible forms in the countries of Central and Eastern Europe. The theoretical fundamentals of flexible employment forms as well as specific labor market characteristics enhancing the popularity of such forms have been discussed. The range of studies and their results, which are presented in the article, should also be highlighted. 11 countries of Central and Eastern Europe (Bulgaria, the Czech Republic, Estonia, Croatia, Latvia, Lithuania, Hungary, Poland, Romania, Slovenia and Slovakia) were covered by the study which was based on the statistical data published by Eurostat for the 2004-2015 period. The detailed analysis of secondary data was carried out using the correlation coefficient and the coefficient of determination. The obtained results

indicate that the level of employment in flexible forms depends on an economic situation only to a small extent.

The fourth article presents regional differences in the level of a remuneration structure in Poland. The authors performed an interprovincial analysis of remuneration differentiation according to gender and education level. The analysis was based on the secondary data obtained from the reports of GUS1. The reports (conducted biennially) related to the remuneration structure according to a profession, for the year 2008 and 2014. On the basis of the results of the performed analysis, the following conclusion has been drawn: remuneration increased the most in the group of employees with lower secondary (gymnasium) education (they were the employees who earned the least) as well as in the group of employees with higher education with, at least, a doctor's degree (the group with the highest remuneration).

The last article in that thematic area also deals with the subject of remuneration but in relation to foreign employees who take up legal employment in Poland. In the article, the author presents selected issues which were examined by the survey conducted among 263 entrepreneurs from Opole Province. The study analyzed the employment of foreign employees by entrepreneurs. It has been found, among others, that wages offered to foreign labour force differ according to the size of an enterprise - i.e. the lowest remuneration was offered by micro-entrepreneurs, while the representatives of medium-sized enterprises were willing to pay the highest remuneration. Labour market segment in which a foreigner was employed also had an influence on the amount of remuneration. Factors affecting an employer-foreign employee relationship are presented in the conclusion.

The second thematic area of this issue of Review of Applied Sciences is "Tourism business management". It consists of two articles. The first one is concerned with innovative, business and marketing management strategies as well as the development of recreational tourism enterprises in Poland and Ukraine. The article presents an overview of tourism business in both countries as well as the analysis of the secondary data, on the basis of which a cohesive presentation of the Ukrainian and Polish market of tourist and recreational services has been made. The aim of the presentation is to define the most effective and cost-effective, innovative, business and marketing strategies used for the management and development of tourism business in mentioned countries.

The second article in that subject field presents legal regulations of tourist services management in Poland and Ukraine in the conditions of a dynamic growth and in the context of domestic policy. The authors made an attempt to carry out a comparative and normative analysis in the field of tourism. The author discussed the methods, forms and features of legal regulations of tourist services as well as the possibilities and perspectives of development which are

[1] GUS – Polish: Główny Urząd Statystyczny; Central Statistical Office

included in de lege ferenda postulates related to the management of tourist services in Poland and Ukraine.

The first article in the third part of the issue includes a discussion on methodological problems related to measuring quality of life. The author discusses the controversy over the terminology connected with the notion of quality of life, quoting the definitions proposed by the recognised authorities on the subject. What is more, the author elaborates on the basics of axiological measurement and the problems connected with the selection of specific rates describing quality of life. Typical, objective and subjective rates used to measure quality of life as well as the methods of quality of life measurement used internationally have also been discussed. In the summary, the author concludes that a holistic nature of quality of life precisely corresponds to the paradigms of sustainable development.

The last article is devoted to the subject of organisation and etiquette of business-related meetings in Chinese culture. This subject is extremely absorbing in terms of increasing Chinese investment in European markets. The article presents Chinese business-related meetings whose the main aim is to build relationships between involved parties. It is an excellent source of knowledge which describes how to act when contacts with Chinese business partners are concerned.

I hope that, closing the year 2016, the issue of Review of Applied Sciences will provide the readers with engaging and varied reading material and that the subject matter offered by the Authors will meet with the approval of a scientific community.

Małgorzata Adamska

PART I

Education, motivation, labor market

Galtsova Olga Leonidivna

INSTITUTIONAL APPROACH OF THE REFORMING OF EDUCATION SYSTEM IN THE CONTEXT OF EUROPEAN INTEGRATION'S PROCESSES IN THE NATIONAL ECONOMY: FOREIGN EXPERIENCE AND PROSPECTS FOR UKRAINE

Abstract: The national and international experience of reforming educational systems in the context of the institutional approach is considered. The influence of European integration processes on the formation institutional approach to the national education system is analysed. The effective reform of the education system needs university autonomy, which meets the requirements of a modern democratic society. The development of the education system should be built in accordance with modern processes of integration that oblige more analyze global and European trends in education reform and according to this to transform development strategy education in Ukraine.

PODEJŚCIE INSTYTUCJONALNE DO REFORMY SYSTEMU EDUKACJI W KONTEKŚCIE PROCESÓW INTEGRACJI EUROPEJSKIEJ W GOSPODARKACH KRAJOWYCH: DOŚWIADCZENIA ZAGRANICZNE I SZANSE DLA UKRAINY

Streszczenie: Rozważaniu poddaje się doświadczenia krajowe i międzynarodowe reform system edukacji w kontekście podejścia instytucjonalnego. Analizie poddany jest wpływ procesów integracji europejskiej na kształtowanie się podejścia instytucjonalnego w systemie edukacji narodowej. Efektywna reforma systemu edukacji wymaga wykształcenia autonomii, która będzie spełniać wymagania współczesnego społeczeństwa demokratycznego. Rozwój systemu edukacji powinien być budowany w zgodności ze współczesnymi procesami integracji, które zobowiązują do analizy europejskich i globalnych trendów w reformach edukacji co stanowi podstawę do transformacji strategii rozwoju edukacji na Ukrainie.

Keywords: institutional approach, reforming of education system, European integration, the national economy, state support.

Słowa kluczowe: podejście instytucjonalne, reforma system edukacji, integracja europejska, gospodarka krajowa, wsparcie państwa.

1. INTRODUCTION

The process of democratization of Ukrainian society requires a qualitatively new mechanism for managing all levels, types and components of the national

educational system. Ukrainian system of vocational education faced a number of challenges: first, globalization, which leads to fierce competition in the fight for resources; secondly, information society, speed up the pace of development and osvity; third, demographic changes, requiring rapid adaptation of educational institutions to the activities in the new demographic and social realities. Under these conditions, all educational organizations move to the use of innovative models of development. A prerequisite of this process is the development and implementation of new principles, forms, methods and technologies of management of teaching and educational institutions.

2. THE BASIC PART

The economic development of Ukraine largely depends on the quality of training. This is due to the introduction of the newest technologies, modernization of material resources, etc. That is why in the developed world (USA, Japan, Germany, France, UK, Canada, South Korea, etc.) much attention is paid to training of highly qualified personnel; create an effective system of professional learning that requires engagement with the contingent of teachers, able to provide the necessary quality of specialists training. Over the past few decades in many countries implementing large-scale reforms were aimed at improving the efficiency of public administration. Not coincidentally, all changes have been defined as a «managerial revolution».

The education system of various countries differs from each other on a number of factors. Among them, the most important is State and social system of the State. Practical methods of functioning of the education system may change from time to time, but the basic principles of social development are typical of a historical period in the life of society, change very slowly and have considerable stability [Galagan 2006].

During the formation of the education system in foreign countries was taken into account that the specificity of these systems is determined by geographical, historical, demographic, and socio-political conditions in a particular country. A significant impact on the education management system lead processes of supranational integration, which significantly intensified in recent years on the European continent. The advantage of the first or second system largely determines the state focused on its standardization or differentiation. So, for countries with a centralized system typical high level of standardization of the educational process and for the countries with a decentralized system are increased differentiation of education according to the aptitudes, interests, academic performance of students. Not see that the most striking example of a country with a standardized education is France, and the country with a deep and differentiated education is the United States. In countries with centralized educational administration, as a rule, most of the funds for education comes from the Central state budget, however, they can be isolated and local and regional budgets and social funds, industrial enterprises, obtained from individuals (for example, tuition fees).

Finand offers good opportunities for learning various specialties in higher educational institutions of the country. In political and economic terms, Finland is a stable country with good governance and quality education system. The main strategies in the development of Finland are the desire to create an information society with a high level of education and allocation of sufficient funds for research and development. The country received international recognition in many fields of knowledge, and higher education institutions have the appropriate background for the job. In Finland consider it important to give everyone the same opportunities for education, therefore, training in higher educational institutions free of charge. In Finland there are 20 universities and 28 institutions, whose network covers the entire territory of the country. All Universities maintain active international links and offer good conditions for foreign students. Among Finnish universities 10 many of the optional and 10 specialized universities, including three Polytechnic University, three of the higher economic educational institutions and four art universities. All universities are educational and research institutions. They can pass and graduate with obtaining a post-gradable degree. Many of the institutions are closely linked to working life and base their activities. In these schools you can obtain a bachelor's degree and master's degree. They are often in close cooperation with the business life of the region. In the curriculum is always included and professional practice. Most of the institutions — diversified. For many higher education institutions of Finland characterized by specialization of related conditions of this region of the country. Different regions of Finland can be very different from each other, in particular, environmental conditions, local industry, and in the border areas and the characteristic features of the neighbouring countries. According to the results of higher education institutions in education and research activities monitor, assess them, and depends on Universities receive funding. All Finnish universities are state-owned and their activities are monitored by the Ministry of Education of Finland.

Finland takes part in the so-called Bologna process, which are studying in universities, two-stage system of education. For bachelor studies require an average of three years and master's degree five years of full-time study, i.e. two years after bachelor's degree. An intensive full-time study during one academic year corresponds to 60 credits (test units) by the ECTS system (European Credit Transfer System). Doctoral training involves approximately four years after obtaining a master's degree. In institutions training for award of the degree (i.e. bachelor's degree) requires 3.5 to 4.5 years. Before enrolling in the master's degree requires a bachelor's degree in relevant specialty and working experience at least three years. Training in magistracy lasts an average of two years.

At the end of the school's graduates pass the Finnish Matriculation exam, the total exam, which allows you to test the knowledge of several disciplines: mathematics, native and foreign language and other subjects? This test is both the only national graduation and entrance test. Annually Finnish universities annually determine the number of students they are willing to accept. The ranking of applicants based on the marks obtained in the exam and points for the entrance

test which is conducted individually by each higher education institution [Tkachenko 2014]. Additional conditions may be made requirements for the internship in the chosen specialty, work experience. Is no exception and interviews with the candidates? Current expenditures of the universities in Finland are funded directly from the state budget. Of the total amount of allocated funds «basic funding» is 90%; 5% - incentive fund for good performance, educational activities and a 5% target funds for new research and education projects of national importance. The share of available state funds in the budgets of the universities is about 70%, about 15% from the provision of fee-based services. In addition, the Finnish Academy of science provides funds for fundamental research and the training of scientific personnel. Thus, revenues from paid services are in the budgets of universities 15%, revenues from other external sources - 15-16%, and direct public funding - 69-70% [Deen 2007].

Te higher education in Sweden 1993 is funded directly from the state budget. Its distinctive feature is the mapping achieved for the previous period indicators of the educational institutions with the size of the allocated funds. One of the main indicators — academic achievement (total number of students «credit score»), which determines up to 60% of the total amount of the subsidy. The remaining share is calculated based on the number of students enrolled full-time or the number of students of all forms of education, but in terms of full-time. Absolute income is also correlated with the objectives and goals set for the University and enshrined in a three-year contract with the public authorities [*Structures of the education…* 1995].

The educational reform that took place in the early 90-ies, the result has led to the fact that the state reserved the right to establish the structure of the education system and to regulate the types of steps and to control the quality of the education. At the same time, educational institutions were given complete freedom in shaping the curriculum from the point of view of their content according to their own needs, but using a standard credit system. As a result, the structure and types of curricula, on the one hand, correspond to requests of the student audience and the requirements of the labour market, and on the other the results of scientific research and development in the shortest time become the property of the various sectors of the economy. All this became possible as a result of government policy of promoting the ideas of cooperation between higher education institutions, the business community, industry, culture and public sector.

In accordance with the General laws of Germany, the most important authority for the organization, control and financing of educational institutions is vested in the regions of the earth. The Federal Ministry of education was created only in 1969. By this time, the coordination of educational policy at the Federal level was carried out by the Permanent conference of the Ministers of Education and Cultural Affairs of the States. This body has kept many of their powers and after the establishment of the Federal Ministry of Education. Adopted by consensus by the decision of the standing conference shall be mandatory for all land included in the Germany.

Especially decentralization of education's state management of Italy due to the tendencies expands the autonomous rights of the universities. Established in 1989, the Ministry of Universities, Science and Research limited the right to accept acts of nature guide» and «software agreement», giving the Autonomous universities the authority for the formation of specific educational programmes, curricula and so on.

Universities in Sweden through specialized agencies can coordinate their actions on the admission of applicants [Tkachenko 2014]. The main requirement is the presence of full secondary education or less than four years of experience at the age of 25 years. It's carried out tests with English and Swedish language. As an additional requirements is the document that specifies about listening to the particular course connected with his future profession. The University based on academic performance in high school, essay writing, tests, interviews, various works has the right to construct a ranking of applicants. A common practice is the holding of School test for suitability.

In 2003 in Sweden, a Commission was formed to develop recommendations regarding the reform of the educational system and requirements for students of Universities, the results of which established a uniform system of selection of students. According to the developed system of Universities were obliged to select students on the basis of grades, test results, and the third criterion determined by the University individually. Moreover, «at least 30% of the seats in a particular program should be allocated on the basis of estimates, at least 30% - according to the test results, and at least 10% by the third individually defined criteria» [Deen 2007].

Given the fact that higher education in Sweden and Finland is free, there is a system of financial assistance, provide meals, textbooks, a library, a gym, stay [Vossensteyn 2004:25-26]. The student has the right to receive a financial package including grant (the amount that charge is transferred to the account of the student) and credit [Tkachenko 2014]. The loan program provides deferred payment, and annual payments are usually 5-7%. For students thanks to the financial support with grants and loans, there are ample opportunities of studying abroad. Also in the Scandinavian countries for foreign students there is a specially designed learning system, which indicates the internationalization of higher education. In the Universities the first two years of study normally completed intermediate certification to obtain the relevant evidence. In further education completed qualification for higher education, the title of which refers to the provisioning profile. These qualifications broadly correspond to the 3-year bachelor qualification in UK or licensee in France. The graduates of the first (of three) stage of higher education can continue their education for an additional year on the second line, which ends with a master's degree or equivalent to her professional qualifications. A diploma or degree are awarded only when the student gaining a certain number of points (credits). For the academic year need to score 40 points, two 80, to obtain a bachelor's degree is 120, and master's degree respectively - 160.

Education Swedish universities and colleges is a set of targeted educational programmes leading to a relevant qualification. Of the total number of these programs (there are 53) 3 belong to the University: after two years of study at a College or University issued an interim diploma of General higher education» after three years - diplomas of qualification level of bachelor and master. In parallel the training of 50 professional programs with duration from 2 to 5.5 years by assigning the appropriate level of qualification. Vocational programmes are grouped in 5 fields in the following areas: economics and management, technology, culture and information, health care, education. The training program concludes with a vocational diploma, if the training is conducted in a specialized Institution for 3-5 years, or obtains similar qualifications if the training is conducted at the University. The traditional structure of the University consists of faculties and departments. Institution headed by the rector and the Vice-presidents on directions [Wasiliew 2001:76]. Methods of teaching are generally defined by each institution independently, and the student chooses what subjects they want to visit: the main thing that all the required work was completed on time and tests are obtained [Wasiliew 2001:77]. In the case of absenteeism, the student must submit separate written work.

Sweden has an educational system where in priority to the open, informal relations between students and teachers, where personal initiative is valued and creative thinking. Training often is conducted in small groups where dialogue is encouraged and collaboration and communication with teachers is available for students after lectures. This informal atmosphere is designed to foster in students the social and intellectual development. Swedish universities have a high degree of independence and, consequently, flexibility in decision-making. This allows them to quickly adapt to the changes of time, to develop and implement new curricula that more adequately meets the demands of the market.

The rapid growth of centrifugal tendencies in state educational administration in many countries is due, first, transfer of some management responsibilities from the centre to local territorial control, and secondly, increased autonomy of educational institutions, which have broader powers. An example of an extremely decentralized system of education is Canada. The Constitution of Canada gives the province the subjects of the Federation the exclusive right in the field of education. As a result, Canada was formed 10 (number of provinces) Autonomous educational systems. The jurisdiction of the Federal government are only issues of indigenous education, Canada (Indian and Northern peoples), the solution of which is vested in the Department of Indian Affairs and Northern development. In 1967, at the initiative of the Ministers of Education of the provinces was established by the Council of Ministers of Education, Canada, which included discussion of the most important issues related to education, the organization for cooperation and consultation on matters of education between provinces and territories, and interaction with the Federal government and representation at the international level.

Canada has about 100 universities, which is about 175 public and private colleges. The quality of teaching is monitored by representatives of the Association of regional colleges of Canada, and similar associations. The canadian Council for accreditation in engineering and technology is a subdivision of the Canadian Council of professional engineers, responsible for the accreditation of engineering programmes in accordance with the requirements [Canadian Engineering Accreditation Board].

The higher education system in Iceland is very young and has historically been developed around the University of Iceland, opened in 1911. Until now, this University is the main and largest in the country. Over the past 30 years, there were other institutions offering education in various fields. All Universities are administered by the Ministry of culture and education. Colleges offer technical and vocational courses, often specializes in any one area (physics, social pedagogy, preschool pedagogy, drama, music, arts and crafts, informatics, management, engineering, technology, agriculture, and others) [Tkachenko 2014: 32]. Currently there is 9 universities, 6 public and 3 private in Iseland. Most are located in the capital city of Reykjavik. For a small fee, higher education is accessible to all residents, and in the country today, nearly 12 thousand students which is a lot, considering that the total population of 270 thousand people.

The system of education management in the United States diversified. There are over fifty regional education authorities (often called councils or departments), which determine the educational policies of the States and at the same time they are agents of the Federal budget funds allocated for the specific needs of all these regional systems. The U.S. Department of education has the authority in management and control over the targeted and efficient use of means of the Federal budget of the United States. However, in this case, we can talk about the substantial replacement of administrative-legal mechanism for regulating relations in the sphere of education, financial and legal, in many cases, not only means reducing the effectiveness of the U.S. Department of Education as an administrative entity, but rather to improve the handling. The majority of schools, higher educational institutions, and also all States because of insufficient own financial resources are the recipients of Federal budget funds. Thus, the Federal government is additional funding require recipients of funds from the Federal budget of the United States compliance with Federal standards and uniform rules governing many aspects of the educational relationship.

The analysis of the experience of education systems in foreign countries, showed the presence in these countries such University autonomy, which meets the demands of modern democratic society. As a state and public institution, education implies the responsibility of the state and society for the state of its functioning. Therefore, changing approaches to public administration education is a prerequisite for effective reform of the national education system. The main characteristic qualities of the state education are: the presence of the management bodies endowed with certain powers that work on specific objects of the education sector; the existence of managerial ties, relationships, and organizations as

subjects and objects of management; managerial functions related to ensuring the functioning and development of the industry. The State Department of Education is the system of state management, the components of which are strategic management, government regulation and administrative control (Figure 1).

Figure 1. Components of the system in management education

Strategic management education the theoretical activities of leading cadres of higher education, Central education authorities, aimed at the elaboration of the development strategy of the education sector, its individual subsystems
State regulation of education this is a deliberate impact on the education system, primarily through legislative acts, regulations, by establishing a streamline, improve overall rules and norms of behavior, preventing negative phenomena in the educational environment
Administration of education activity specially created regulatory bodies that have Executive and administrative in nature and is argentosoma regulating and coordinating influences on the education system through the application of state powers

The aim of the reform of the education system is to increase the competitiveness of Ukrainian education, integration of Ukrainian education into the common European educational space. To achieve this purpose for the period of reform following objectives: to create a unified educational space, improve the system of education management; to improve the quality of education; to ensure the availability of quality education, continuity of education levels (preschool, primary, secondary, extra-curricular, vocational, higher, postgraduate, education for life); improve efficiency of education funding [Reform of the education system].

Reforming the system of state management of education is a very complex process that requires substantial legal, institutional, technological, financial security, namely [Decree of the President of Ukraine 27 Aprile 2011]:

1. Improving the system of education management: implementation of a unified educational policy; ensuring continuity between levels of education; increasing the school autonomy in the management of the financial resources; optimizing the network of educational institutions taking into account the demographic and economic realities and the need to improve the quality of education (creation of educational districts, the optimization of the school network; reforming the system of residential care institutions; the office of the vocational schools at the local level; creation of enlarged regional Universities); the revision of outdated standard regular standards.
2. Improving the quality and competitiveness of education: creation of new state standards of primary, basic and complete secondary education; introduce standards based on competences in vocational education; development of a national system of education quality assessment; establishing independent qualification centres including for the confirmation of qualification in the European system of standards; encourage the establishment of independent na-

tional ratings of schools, vocational schools, colleges and Universities; the introduction of compulsory preschool education of children pereskia age; creating conditions for early identification of creative aptitudes of the child; provision in schools environment conducive to the preservation of health; medical examination of pupils of educational institutions; the widespread introduction of information and communication technologies in educational institutions; approval of qualifications, standards and curricula at the education and qualification requirements of jobs; the motivation of employers to participate in training programmes, the coordination with them of educational and professional standards, reorienting teaching plans to increase practical components; large-scale introduction programs internships in the workplace; the distribution of Universities academic programs academic and practical profile development of professionally oriented higher education.

3. Ensuring access to education: increased state support for the development of the network of preschool and school institutions; development and implementation of new approaches to solving problems of integration into society of children with features of psychophysical development; the introduction of profile education in General secondary schools; the introduction of a National qualifications framework; the promotion of the development of the education system throughout life.
4. Improving the efficiency of education financing: development of and transition to a single standard cost of education per pupil/ student; the shift in the financing of educational institutions from the principle of detention institutions to the principle of their budgets on the basis of the number of students and standard cost of education per pupil/student; empowering educational establishments to raise additional funds through legalization of the Institute of «investment» – a charitable non-profit trust funds; the use of grant support for research projects and educational innovations; expanding the list of paid services provided by educational institutions; empowerment schools, vocational schools to dispose of material, financial and human resources; the changing approaches to the formation of the state order for training of specialists through the implementation of the forecast needs of the economy (of the region).

Unlike state control, which is the socio-political function of the state conditioned by the objective needs of preserving the integrity of society, its functioning and progressive development of state-public management of education, that is the combination of two components – the state and public components. State and public components have their advantages and disadvantages. The advantages of the state component can be attributed to the resource base and practices of administrative management, which together creates maximum stability of the system. The disadvantages include: authoritarianism managerial positions; bureaucracy in making and implementing the decisions; bet on administrative regime and the pressure on public initiative, the desire to limit its role and reduce its value; the tendency to growth of the management structure; the use of public

resource in determining and implementing educational policy; respect for hierarchy; the rejection of the position of the minority. The benefits of public involvement include: the independence of local authorities and joint management; broad social basis of public participation in the singing of the management and the activities of the school; the practice of open and public discussions and decision-making; encouragement of initiative; taking into account the views of the minority. The shortcomings of the social component are: a lack of resources and funding development projects; the insufficient level of professionalism of the majority of participants; as well as a wide set of disadvantages associated with a low level of readiness of the new system and its attractiveness for companies. Under the state-public education management refers to management based on common "complement" and "mutual assistance" the activities of state bodies and the public in the field of education, the distribution between subjects of the powers, rights and responsibilities for their implementation to ensure the functioning and development of the education system [Educational reform in Ukraine].

As evidenced by international experience in state management of education, range of diverse strategies of reforming with the aim of improving transparency and accountability are combined in such main directions: the creation and support of regulatory systems (governance mechanisms) of education; improving the capacity of managers and encouraging them to increase responsibility, information ("e-governance"). To obtain an adequate model of public administration it is necessary to collect the fullest possible information about the object. A heuristic for this research is, in our opinion, the scheme of the algorithm of analysis of the implementation of reforms, which was used by the PHARE programme, aimed at pre-entry post-socialist countries of Central and Eastern Europe in the EU [*Secondary Education Systems in* ... 2006].

Regarding the analysis of the development of the education system, this scheme-the algorithm has the following measurements:

1. **Legislation**. In Ukraine for years of independence has basically formed an independent branch of law – educational, which regulates public relations in sphere of education of Ukraine. There is a growing gap between the educational realities and their legislative base. In this regard there is an urgent need to codify uncoordinated and contradictory Ukrainian legislation in the field of education through the development and adoption of the Educational code of Ukraine. There is a growing gap between the educational realities and their legislative basis [Zhilyaiev]. In this regard there is an urgent need to codify uncoordinated and contradictory Ukrainian legislation in the field of education through the development and adoption of the Educational code of Ukraine.
2. **Institutions**. The state national program «Education» in 1993, in the section «Managing education» [A national program of education 1994: 52-54], is outlined the task of creating in Ukraine «a new system of education management» and, in fact, filed a thesaurus of public administration education. The main institutional problems of state management in the sphere of General

secondary education: l too much concentration of power in the MES of Ukraine according to the list of powers of MES of Ukraine according to the Law of Ukraine «On education», which is contrary to the declared intentions regarding the approval of the state-public system of education management; l the duplication of MES of Ukraine and functions of local and regional authorities; the subordinate bodies of Executive power actually duplicated the functions of the controls above. However, such a hierarchical chain of command without the functional distribution of responsibility leads to the fact that local education authorities are not able to ensure the normal operation of the industry; l uncertain in the Law of Ukraine «On education», the horizontal distribution of powers and functions between different agencies; l the difficulty of coordination between these departments for so many «add-ins management»; l a large number of commitments of local authorities, for which the existing distribution of powers remain without appropriate organizational resources; l the district education departments «are not engaged in development education and are not the organizers of horizontal communication. They are not able to provide data collection and analysis of educational problems in their area, to establish cooperation between schools, between school and community, between schools and agencies (and different branches) of government and local self-government» [Problems and prospects of development of secondary education in Ukraine 2004].

3. **Infrastructure**. During the years of independence failed to form an optimal network of educational institutions and its infrastructure, which would have been adequate socio-economic conditions of particular areas. The demographic downturn has exacerbated the problem of network performance, as the system of institutions did not undergo the required optimization [National state and prospects of development of education in Ukraine 2011].
4. **Funding**. The results of the first quarter of 2016 in relation to the financing of educational institutions show the imperfection introduced by the Budget Code of Ukraine and Law of Ukraine «On State budget of Ukraine for 2016» changing the funding system [www.proftekhosvita.org.ua].
5. Organizational learning.

The problem of quality assurance is the most outstanding issue of the national higher education after two decades of reform in the conditions of independence of Ukraine, while the main priority of modernization at the present stage and future prospects [Talanova 2010; Focus on Higher Education in Europe:]. The current state of the country is such that almost all of its citizens receive complete General secondary education and broad access to higher education, and therefore Ukraine is a world leader in the number of students and higher education institutions [Global Education Digest 2011]. Given the quantitative indicators of education in the country is quite respectable. But the economic achievements of the disappointing labour productivity is several times worse than in advanced countries, life expectancy is also low, not to mention its quality, through the increased morbidity and mortality [Statistical Yearbook of Ukraine 2009]. The evidence of

poor quality of higher education varied. For example, local higher educational institutions do not fall in the 500, and even 1000, the best in the world [The Bolona Process: European and national qualifications frameworks 2009; The Bologna Process 2020 2009]. Low as indicated by the fact that preparing is very cheap experts: much cheaper than in developed countries and regions of the world [Talanova 2010; Education at a Glance 2012]. Was formed called the requalification of the labor market [Informational and analytical materials... 2010; Report of higher education institutions... 2011; Report of higher education institutions... 2010]. To greatly improve research and innovation potential of education in Ukraine needs strong and consistent, legally defined and financially supported government policy on higher education reform as a key condition of its competitiveness

The national strategy of education development in Ukraine for the period until 2021 concretizes main ways of implementing the conceptual ideas and views of development education identified by the National doctrine of education development [http://zakon0.rada.gov.ua/laws/show/347/2002].

On the current state of education development in Ukraine, we can state that in recent years the improvement of the legislation of Ukraine on preschool and General secondary education, in particular, mandatory preschool education for children of preschool age, installed the 11-year period of training for obtaining complete General secondary education, approved the new state standards of preschool and General secondary education, the regulation on education district, the regulation on secondary school, the procedure for the organization of inclusive education in secondary schools, the regulation on distance learning, the concept of literary education, the concept of development of inclusive education, etc.

In order to accelerate the process of reforming the education system to implement the Programme of economic reforms for 2010 - 2014 years «prosperous society, competitive economy, effective state» approved by extremely important for the development of education of the state target program, in particular State targeted social development program of preschool education for the period until 2017, State targeted social programme of development of extracurricular education for the period up to 2014, The state target program of development of vocational education in 2011 - 2015 years, The state target social program of improvement of quality of school natural and mathematical education for the period until 2015, The state target program of implementation in the educational process of secondary schools ICT «one Hundred percent» for the period up to 2015.

In recent years a number of measures for the implementation of the ideas of the National doctrine provide reforming education, improving its quality, availability and competitiveness. Upgraded content and improved organization of all parts of education, created new textbooks, the beginning of inclusive education of children with special educational needs, introduced specialized education in high school, improving the independent external evaluation of educational achievements of graduates of secondary schools, and continued provision of education and vocational training institutions with modern educational computer

systems, connecting them to the Internet, in higher education implemented the principles of the Bologna process, the credit-modular system of training. At the same time, the current level of education in Ukraine does not give her the ability to fully function as a key resource for socio-economic development of the state and improve the welfare of citizens.

The main problems facing the development of modern education is the development of a national system of education which requires critical reflection on progress and focuses efforts and resources on solving the problems constraining development, make it impossible to ensure new quality of education. Among these problems are the following: the mismatch of educational services to the requirements of society and needs of labour market; limited access to education of certain categories of the population; the lack of an integrated system of development of children and young people; lack of focus the structure and content of vocational, higher and postgraduate education to the needs of the labour market and the current economic challenges; newapartment system of employment of graduates; the inadequate monitoring and evaluation of quality; slow implementation of innovative information and communication technologies; insufficient level of social and legal protection, low wages; low level of financial-economic, material-technical, educational-methodical and information support of educational institutions; inefficient use of financial and material resources; insufficient development of public self-government of educational institutions; economic instability; the negative impact of the difficult demographic situation; the lack of preparedness of education authorities to complex challenges in ensuring coordination of all services and institutions, and the like.

Development strategy of the education system should be built in accordance with modern integration processes and meet the requirements of the transition to post-industrial civilization. The strategic directions of the state policy should be the reform of the education system; updating the regulatory framework; modernization of the structure, content and organization of education; creation of educational institutions of various types and forms of ownership; ensuring access to education; improving the quality of education on the basis of innovation; improvement of information and resource provision of education; ensuring quality monitoring of the educational system; raising the status of scientific-pedagogical staff; creation of a modern material-technical base of the education system.

For the implementation of the stable development of the national education system is necessary (Table 1).

Table 1. Activities for the development of national education

In preschool education	– the reopening of the closed schools; – creation of optimal conditions for the functioning of preschool education establishments; – improvement of the network of educational complexes "kindergarten - secondary school"; – opening groups and preschool institutions of different types and forms of ownership; – updating the content, forms, methods and means of training, education and development of children with the requirements of the Basic component of preschool education and programs for the development of the child.
In secondary education	– compulsory complete General secondary education; – implementation of optimization of the network of secondary schools; – a variety of models of education institutions, creation of conditions for the development of a network of schools based on private ownership; – update the organization of the educational process; – improving the efficiency of the educational process; – strengthening of professional orientation, providing relevant training.
In vocational education	– development of state standards of vocational education in professions broad qualifications; – the statement of the optimal list of occupations for training of skilled workers; – optimization of the network of vocational educational institutions of different types; – improvement of the mechanism of formation of state order for training of working personnel; – improving the system of training, retraining and advanced training of engineering pedagogical personnel for vocational and technical education.
In higher education	– bring the network of higher educational institutions in accordance with the development needs of the economy and the labour market requirements; – expanding the autonomy of higher education institutions; – review and approval of a new list of professions of scientific and pedagogical workers; – the development of standards of higher education; – attracting employers to cooperate with higher education institutions; – improvement of procedures and technology external evaluation of graduates; – retrofitting of educational, scientific-methodical and material-technical base of educational institutions;
In graduate education	– improvement of normative-legal support; – modernization of system of retraining, advanced training and internship of pedagogical, scientific-pedagogical staff and school leaders; – improvement and skills upgrading of scientific-pedagogical and managerial personnel of the education system; – ensure the advanced nature of professional development of pedagogical, scientific-pedagogical and managerial personnel in accordance with the needs of reforming the education system, challenges of modern social development.

Improving the structure of the education system includes:
- development of scientific approaches to efficient optimization of the network of educational institutions;
- improvement of the network of preschool educational institutions of different ownership forms;
- a variety of models of educational organization;
- differentiation and optimization of the network of vocational, higher educational establishments and institutions of postgraduate education;
- systematic reform of the structure of higher education;
- introduction to vocational-technical schools two-level training;
- reform of the system of postgraduate education in accordance with the demands of the economy;
- development of a network of extracurricular educational institutions.
- modernization of content of education includes:
- implementation of updated Basic component of preschool education, new state standards of General secondary, vocational, higher and postgraduate education;
- coordination of educational qualification characteristics and curricula;
- modernization of curricula, programmes and textbooks;
- providing more early learning the basics of Informatics;
- development of the core content of adult education and new educational programs in areas of adult education;
- development of the State list of occupations for training of skilled workers in vocational schools;
- updating the content of training, retraining and advanced training of teachers for vocational schools and vocational colleges;
- expansion of training of pedagogical workers;
- definition of professions, specialties and qualifications for training specialists for the sphere of information and communication technologies.

Priority development of education is the introduction of modern information and communication technologies. Activities aimed at ensuring the informatization of education, meeting the educational information and communication needs of the participants of the educational process involve:
- development and implementation of information educational environment, along with traditional tools and technologies;
- development of individual modular training programs of various levels of complexity;
- creation of information support system of the educational process;
- full maintenance of educational institutions educational computer complexes;
- creation of electronic textbooks and encyclopaedias;
- development of a network of electronic libraries;
- creation of distance learning system;
- providing the educational process by means of information and communication technologies;

– creation of information-analytical support in the management of educational institutions, information technology security monitoring of education.

Modern society requires improvement of teaching and postgraduate education of pedagogical and scientific-pedagogical workers in accordance with the terms of socially oriented economy and integration of Ukraine into European and world educational community. It is necessary to create effective system of state-public management of education, which will provide intensive development and the quality of education. It is necessary to optimize the education authorities, to decentralize governance in this area, and the redistribution of functions and powers between the Central and local education authorities. You also need to develop a system of measures on introduction of the idea of autonomy of educational institutions, expanding their rights and opportunities in relation to financial independence. It is imperative to implement training competent managers, able to think and act systemically, including in crisis situations, managerial decisions in all spheres of activities, efficient use of available resources.

3. CONCLUSIONS

The research of problems of development of education in Ukraine in context of European integration processes is possible in terms of comparative analysis of education systems of different countries have specific content, structure, and function, but is aimed at overcoming a narrow national borders, diversification of educational and research programs, integration of higher education into world and Europe.

The development of the education system must be built in accordance with modern integration processes, requires more time analysing global and European trends of educational reform and in accordance with this, to transform the strategy of education development in Ukraine. The strategic directions of the state policy should be the reform of the education system; updating the regulatory framework; modernization of ownership; ensuring access to education; improving the quality of education on the basis of innovation; improvement of information and resource provision of education; ensuring quality monitoring of the educational system; raising the status of scientific-pedagogical staff; creation of a modern material-technical base of the education system.

The effective ways of ensuring monitoring and evaluating the quality of education in Ukraine should be: improvement of the system of external independent evaluation and monitoring of education quality; development of models for monitoring studies; develop a system of indicators of education quality; monitoring of the quality of the resource provision of the educational processes and outcomes; modernization and upgrading of educational statistics; provision of accurate information regarding the conditions and efficiency in the functioning of the education system at various levels; publication of the results of monitoring of the education system.

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FACTORS AFFECTING TEACHERS WORK MOTIVATION ON THE EXAMPLE OF THE OPOLE VOIVODESHIP

Abstract: Nowadays the teacher's authority is not well respected, low salary and loads of paper work to do trigger the situation where the teacher does not pay as much attention as supposed to be paid to pupils. Not to mention, poor equipment of schools, poor working conditions and constant modifications in teaching system, which in the effect hinder the work with pupils. The level and range of teacher's motivation depends on many factors, among which one can distinguish: personal traits and current stage of occupational career. Therefore it can be suggested that the most motivated are young teachers, at the beginning of their career. However, the level of motivation does not suggest the quality of the teacher. There are also other factors which are highly important such as specialist competences – the knowledge and skills that are acquired throughout occupational career. The factors mentioned above will be verified on the basis of the analysis of documents and interviews with teachers in selected primary schools in the Opole Voivodeship. The main aim of this article is to present incentives for teachers to work on the basis of interviews and internal documents of the institutions provided by the directors of the surveyed schools.

CZYNNIKI KSZTAŁTUJĄCE MOTYWACJE NAUCZYCIELI DO PRACY NA PRZYKŁADZIE WOJEWÓDZTWA OPOLSKIEGO

Streszczenie: W obecnych czasach autorytet zawodu nauczyciela nie jest zbyt wysoki, niskie wynagrodzenie oraz sporo pracy papierkowej powoduje, że nauczyciel mniej czasu poświęca na jakość uczenia. Nie bez wpływu pozostaje, również wyposażenie szkoły i warunki pracy oraz ciągłe wprowadzanie nowych zmian, które zazwyczaj utrudniają a nie ułatwiają pracę z uczniami. Stopień i zakres przejawianej przez nauczycieli motywacji zależy od wielu czynników, wśród których można wymienić indywidualne cechy charakteru oraz bieżący etap ich kariery zawodowej. Można zatem wnioskować, że najbardziej zmotywowani są nauczyciele młodzi rozpoczynający pracę. Oczywiście sam poziom motywacji nie świadczy o tym, że jest się dobrym nauczycielem. Równorzędną rolę odgrywają kompetencje specjalistyczne, czyli wiedza i umiejętności, które nauczyciele nabywają w zasadzie przez cały okres swojej pracy. Wymienione czynniki zostaną zweryfikowane na podstawie analizy dokumentów oraz wywiadów z nauczycielami w wybranych szkołach podstawowych na terenie województwa opolskiego. Podstawowym celem artykułu jest zaprezentowanie bodźców motywujących nauczycieli do pracy na podstawie przeprowadzonych wywiadów oraz dokumentów wewnętrznych placówek udostępnionych przez dyrektorów badanych szkół.

Key words: motivation, competence, efficacy, motivation theories.

Słowa kluczowe: motywacja, kompetencje, skuteczność, teorie motywacji.

1. INTRODUCTION

Motivation plays an important role in every human being life. Its importance is particularly seen in one's engagement, deeds and effectiveness while performing working duties. At work, people are guided by various motives that lead to satisfy one's needs. The way we are motivated strictly correlates with our inner state of mind. Motivation is connected with particular man's activity at work and is a basis of engagement in realization of work duties, more or less interesting, as well as better execution of work duties. The manager who wishes to effectively influence the workers should be acquainted with workers motives and needs. McClelland distinguishes four fundamental, learnt needs: need for achievement, need for power, need for affiliation and need for security [Borkowska 2014:321]. They appear with different intensity depending on person. Moreover, McClelland suggested that the need for achievement is conditioned on high efficacy at work. Therefore it is not possible to motivate all workers with the same incentive. Repeatedly performed researches, unambiguously proved that persons who are appropriately motivated, better discharge their work duties since they can accept the sense of work and work effectively with the benefit for their firms and for themselves.

The function of motivation has specific meaning in the school environment, where teacher has a sense of justice and objectivity, at the same time they do know that teacher's authority and prestige are invaluable. The main aim of this article is to present the incentives that appear in the theory, those resulting from the law and teachers' opinions. Moreover, the author strived to determine the correlation between the level of motivation of teachers and their occupational promotion.

2. THE IDEA AND THEORIES OF MOTIVATION

The idea of motivation stems from Latin word *movere,* which means motion, stimulation and encouragement [Armstrong 2014: 170]. This term is variously defined, which is based on the terminology of particular theories. Generally, motivation means activation of goal-oriented behavior [Koźmiński, Piotrowski 2013: 401]. However, motivation to work can be determined as a stimulation process of a man to satisfying one's needs by achieving and realization of organization actions connected with performed work [Bartkowiak 1999: 120]. Therefore it can be suggested that motivation is one of the key factors which encourage people to work. Motivation can also influence our attitudes, and its process is conditioned on that what we are eager to achieve.

The process of motivation is often characterized by energization, activation of goal-orientated actions, focusing on the most important issues and periodical repetition of specific action as long as its conditions will be stable. The proper realization of this process is conditioned on realizing that particular goals are needed and easily achievable. Provided that, there are stimuli, the process of motivation can be activated. The higher the motivation levels the higher attrac-

tiveness of stimulus. In the sphere of working activity and creative work, motivation for achievement is important factor. Motivation for achievement can be determined as a need to achieve success and avoid failures as well as wish to develop one's efficacy and competences. This process has its source, power and course. The sources of motivation to work are various social, economic and mental needs.

Contemporary motivation theories can be characterized in the aspect of content, strengthening and process. Content theories explain human needs and goals as a motives of human activity. Strengthening theories focus on consequences of human behaviour and acting in the further perspective. Process theories put an emphasis on how and why some things are motives for people. Those theories stem from three motivation models [Bugla 2002: 102-103]:

1. Traditional model assumes that work for most of the people is tough and unpleasant, therefore workers need to be motivated in economic aspect (objective treatment of workers).
2. Cooperation model puts an emphasis on motivational influence of job satisfaction. The most important assumption is the thesis that worker wants to work in particular organization and at the same time, is willing to create it.
3. Model of human resources which emphasize high correlation between efficacy andjob satisfaction. It results from the fact that people want to have their contributionin realization of significant goals and usually can perform even better than the work requires it.

Among the most important content, strengthening and process theories one can distinguish the following:

– Maslow Theory of Needs (assumes that all human needs are segregated into a pyramid, the basic needs as food and water are at the bottom, as the pyramid ascends human reach the most important needs which are on the top [Zając 2007: 38]).
– Herzberg Two Factor Theory of job satisfaction (assumes that job satisfaction is based on content and context of it).
– McClelland Theory of Entrepreneurial Activity (points at correlation between need for achievement and efficacy at workplace and correlation between financial award and the level of motivation).
– Expectancy Value Theory (the level of worker realization of work duties depends on worker's ability, skills, motivation and effort).
– Equity Theory (assumes strict correlation between worker's results and input into work and achieved awards [Ratyński 2005: 51]).
– Modification of Behaviour Theory (assumes that previously acquired experiences and skills have significant influence over human behaviour [Bugla 2002: 114], which means that workers are more willing to repeat those behaviour which is associated with positive feelings).
– Theory of Setting Goals (represents the opinion that setting goals is important element of individual motivation, thanks to which it is easier to specify its role and meaning in the co-workers team).

3. TYPES OF INCENTIVES IN THE ASPECT OF PSYCHOLOGICAL ASPECTS OF MANAGING

Motivation is inhered in human, at the same time it is human's individual power which occasionally can be compared to physical power. Every person has characteristic for itself stimulus which evokes particular motif. Therefore, it is assumed that both incentive activities and corresponding motivational situations can have compulsion character or incentive one. Among incentive activities we can classify those actions thanks to which social goals achieve gratuity value. Their division is strictly connected with the division of needs. Among significant motivational stimuli we can distinguish [Ratyński 2005: 25-26; Borkowska 2014: 336-342]:

1. Basic, serving to satisfy basic needs such as e.g. hunger. Among them there are positive (those fulfilling needs) and negative (those which determine ability to dissatisfy needs as the effect of various internal and external factors).
2. Material (so called economic), the benefit received by the workers in the material form (salary, bonus, prizes, bailout, discounts).
3. Non-material (so called moral), this term determines the incentives that are not financial, these are: commendation, reprimand, promotion, honors as well as creation of appropriate working conditions, proper human relations, proper division of work duties, increase of work attractiveness.
4. Direct, those allowing achieving satisfaction from performed duties, the joy of creation, and the joy of success.
5. Indirect, appear when intended goals are easily to access, no matter how long it takes.
6. Positive, appear in the situation where human activity is conditioned on particular prize or other material or non-material benefit.
7. Negative, appear only in situations which are unfavorable for people, even though they evoke particular actions, as failure brings more loss than benefit.

All above mentioned motivational stimuli are characterized by individual moral or economic factors, which are the basis of motivational system.

4. APPLICATIONS OF MOTIVATIONAL STIMULI INTO SCHOOL SYSTEM RESULTING FROM THE LETTER OF LAW AND THE MOST COMMON INCENTIVES

Many various factors have motivational functions, according to need and specification of the given occupation. Among them one can distinguish those which result from the law as well as others (e.g. birthday wishes).

According to common law there are many motivational stimuli (both positive and negative) for teachers[1]:

– Medal of Commission of National Education.

[1] Developed on the basis of information obtained in the Board of Education in Opole

- Headmaster's award (e.g. for didactical and educational achievements), School superintendent's award and Award of Minister of National Education.
- Jubilee Award (granted after working at school for given period of time).
- Motivational allowance, which is granted by the school's headmaster on the basis of school statute, in accordance to Teacher's Card.
- Participation in managing of school (e.g by giving opinion to various decisions connected with the organization of school).
- Social benefits (bailout for summer vacations).
- Disciplinary penalty (e.g reprimand, admonition, dismissal).

In practice, there are number of motivational stimuli for teachers. Many of them are the same as above mentioned (e.g. Medal of Commission of National Education, or headmaster's award). Moreover, among the most often used positive incentives there are:

- Expressing thanks in the written form.
- High motivational allowance (e.g. for introducing innovative ideas in school).
- Distinction at the teaching staff meeting (for the properly conducted lesson at the headmaster's evaluation).
- Permission for conducting additional lesson.
- Prospects for further development of skills and professional training (free of charge).
- Development of school which is correlated with the quality of work.
- Decent working conditions (e.g. small classes).
- Decent working hours (according to teaching load and vacations), especially for women.
- Integration meetings.
- Opportunity to take longer vacation during the semester after working off number of lessons.

Until recently the feeling of security and stability of work has also been one of the motivation factor (so called secure employment). Unfortunately, alongside with the second and now third stage of educational reforms, baby bust and indelible situation on the labour market, the guarantee of employment has strongly decreased, especially in the small villages schools.

Among negative motivational stimuli used towards teachers the most common is admonition (e.g. for not writing down topic of the lesson in a class register). Those activities usually have preventive character, at the same time they do not discourage the teacher to work more effectively.

Opinions were gathered on the basis of data acquired in schools form Opole region. The outcome is similar to polish research in that matter.

5. INTERNAL AND EXTERNAL MOTIVATION IN THE SCHOOL SYSTEM

The level of motivation among particular teachers is conditioned on their individual features and stage of the occupational career. Usually more active are those teachers who just begin their work and want to maintain it as well as those

ones who wish to achieve the next level of promotion. However, often in the first years of career, the first signs appear that decrease motivation. It is a result of time consuming work that leads to the next level of career and it is also connected with the necessity to accumulate documentation confirming the plan of occupational development. The situation of teachers who are employed only for certain period of time is slightly different. In their case the incentives are less significant, as the perspective of job is short-term. Generally, the level of motivation concerning the teachers in prospective years of career is shaping differently. There are three most common groups which can classify the teachers[2]:

1. First – the teachers with increasing level of motivation, as they want to realize the particular aim and after achieving it, the level of motivation decreases.
2. Second – the teachers with minimal motivation, usually after achieving the highest stage of career. That particular situation causes discouragement, lack of motivation for further development and perspective of low salary.
3. Third – also concerns the teachers at the highest stage of career, but for those teachers the motivation for further work is satisfaction of their students and pupils. It means that even after short time of lack of motivation, and then the level of motivation stabilizes, which ensures effective work.

Belonging to particular group is conditioned on the basis of internal or external motivation [Burkiewicz et al. 2011: 6]. Internal motivation is based on needs; therefore it is activated during performing working duties mainly as a result of particular interests and personal aims. Owing to that, teacher is satisfied and the effort put into the work seems lower than in reality. On the other hand, external motivation occurs when the realization of the aims stems from external needs, such as awards or penalties. Therefore it can be easily strengthen or lower. In practice, the teacher should be motivated both by internal and external motivation, because only in that situation one can achieve certain level of motivation.

6. THE MOTIVATIONAL SYSTEM IN THE TEACHERS' OPINIONS (SELF-STUDY)

The subject of research are the opinions of teachers on the use of school incentives. The cognitive aim of research is the diagnosis of the current motivation system of teachers and evaluation of its impact on the involvement of teachers in their work. The survey was conducted in four primary schools located in the Opole district in May 2016. The research covered 80 teachers, including 22 men.

Analyzed facilities are rural schools which in its standard do not deviate from typical urban schools. The smallest school has 6 branches, and the largest 10. 520 pupils attend these four schools in total. All considered schools, thanks to funding from the EU funds, have at their disposal the modern multimedia and language classrooms. Moreover, they have well-equipped gyms, playing fields and school canteens.

[2] Developed on the basis of information obtained in the Opole Board of Directors and the observations of 65 schools in the Opole region.

The teachers with long job experience, over 10 years experience and 35 - 55 years old, were the majority of respondents (almost 78%). Young teachers (age below 35) were in minority only 10%. Moreover, around 75% of respondents were at the highest stage of their career (certified teacher), and less than 12% in the middle of their promotion.

In the surveyed schools, the incentive system was included in the regulations adopted by the internal organs leading a school. The incentive systems are based on the basis of the educational law and work organization plans adopted by the directors of schools. In the paper fundamental research instruments such as interview and data provided by the headmasters were used.

The surveyed teachers assessed the motivational stimuli in the field of evaluation of the quality of work during the school year of 2013/2014. Each motivational stimuli was assessed in the scale from 1 (the lowest grade) up to 5 (the highest grade). On the basis of analysis of data it can be stated that examined teachers had positive opinion towards working conditions and their school's equipment (the average grade – 4.7). Such a high note is strictly correlated with the fact that in in recent years, all schools were renovated. The respondents also positively assessed relations and atmosphere at schools (the average grade 4.2). In indirect conversation, the teachers admitted that relations among them are friendly and easy-going. Moreover, the teachers were satisfied of their work and duties, which gave the feeling of safety and security (3.7).

The lowest note was given in the field of system of awards and promotion (2.8). The teachers thought that the criteria weren't clearly stated and that granting awards was often not objective. Moreover, the awards were granted too rarely. Relatively the lowest note was given when assessing the salary. The respondents suggested that salary was not correlating to the effort they put into their work.

The controversial issue, that strongly divided the group of teachers, was the question about relations with the headmasters and their attitude towards work. The answers were divers from 1.4 up to 4.0 (the average grade is then 2.7). Some of the respondents thought that relations with their headmasters were proper and respectful, whereas others thought that the headmasters paid to less attention to school maters (e.g. usually he did not attend lessons) and sometimes undertook wrong decisions.

Presented information does not allow to define the model of the incentive system at the same time. However, one can conclude that the approach to teachers in the surveyed schools is very similar, not giving them the guarantee of complete satisfaction with their profession.

The interviews with teachers on the motivating factors and the level of theirmotivation were also carried out in the surveyed facilities. Most respondents believe that the best motivator is the performance of their students, convenient working hours and good interpersonal relations. In the same time in the group of certified teachers, most of persons were slightly discouraged and they saw lack of motivation towards further career development. Those teachers were aware of

the fact that they had already achieved the highest stage of educational career. Therefore, they did not see the necessity to take part in training or to acquire new skills and experiences. Usually it is connected with the fall of efficacy in teaching. Only few persons from that group thought that teaching pupils is their final aim above their own ambitions.

Definitely different attitude towards teaching could be seen while speaking to six teachers who were in the course of promotion for appointed teacher. Those were young people at the beginning of their teaching career, who wanted to do their best for pupils, other teachers, the headmaster and parents. They actively participated in the school actions and took part in various trainings. For them the significant incentive was the perspective of higher salary after achieving promotion for appointed teacher.

7. CONCLUSION

On the basis of conducted research, it can be stated that contemporary motivational system is not fairly mirroring the needs of teachers. And it is widely known that only proper motivation leads to achievement of intended aims. Additionally, motivation is strictly correlated with creating of good atmosphere at work place and deeper engagement of teachers, pupils and their parents. The profession of the teacher has specific character, and is one of the professions where there are not many perspective of promotion. This situation discourages young people who graduated the university. The lack of perspective for pay raise is also acting discouraging especially in the light of constant improvement of qualifications. Moreover, the fact that certified teachers have no motivation for further work is also depriving. Therefore, the changes in Polish higher education system are a necessity, and they which will enable the use of full potential of teachers.

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ECONOMIC SITUATION AND FLEXIBLE EMPLOYMENT IN THE CENTRAL AND EASTERN EUROPEAN COUNTRIES

Abstract: The paper attempts to answer the question how changes in the economic situation influence on employment in flexible forms. The research encompassed 11 Central and Eastern European countries (Bulgaria, the Czech Republic, Estonia, Croatia, Latvia, Lithuania, Hungary, Poland, Romania, Slovenia and Slovakia) on the basis of statistical data published by Eurostat for the period of 2004 to 2015. Data analysis was performed using the correlation coefficient and coefficient of determination. The results indicate that the level of employment in flexible forms in a small extent dependent on the economic situation (responds poorly to periods of recession and recovery).

SYTUACJA EKONOMICZNA A ELASTYCZNE ZATRUDNIENIE W KRAJACH EUROPY CENTRALNEJ I WSCHODNIEJ

Streszczenie: W pracy podjęto próbę odpowiedzi na pytanie, w jaki sposób zmiany sytuacji gospodarczej wpływają na zatrudnienie w elastycznych formach. Badaniami objęto 11 krajów Europy Środkowej i Wschodniej (Bułgarię, Republikę Czeską, Estonię, Chorwację, Łotwę, Litwę, Węgry, Polskę, Rumunię, Słowenię i Słowację), bazując na danych statystycznych publikowanych przez Eurostat za okres 2004 do 2015. Analiza danych została przeprowadza za pomocą współczynników korelacji i współczynnik determinacji. Otrzymane wyniki wskazują, że poziom zatrudnienia w elastycznych formach w niewielkim stopniu zależy od sytuacji gospodarczej (słabo reaguje na okresy recesji i ożywienia gospodarczego).

Keywords: economic growth, employment in flexible forms, Central and Eastern European countries, European Union.

Słowa kluczowe: wzrost gospodarczy, zatrudnienie w elastycznych formach, kraje Europy Środkowej i Wschodniej, Unia Europejska.

1. INTRODUCTION

The scale of reaction of the economy to changes in economic conditions in the form of changes in the employment level and structure depends on, among other factors, legal regulations concerning the regulation of labour market functioning. The greater the legal protection is for employment relationships, and the higher the share of standard employment is in the particular economy, the more difficult it is to adjust the employment level to the current company's needs in a short period of time. The challenges of international competition connected with glob-

alisation processes induced the need for labour market deregulation in the countries of Western Europe that occurred in mid-1980s [Koutentakis 2008: 220], which consisted of increasing the significance of market mechanisms through the reduction of regulations related to employment relationship protection (among others, extending the possibilities of using flexible forms of employment), minimum wages, social security systems, privileges of trade unions, etc. [González, Miles-Touya 2012: 833-834]. The increase in labour market flexibility was supposed to support the competitiveness of companies, facilitating them in adjusting of the employment level and structure to the current needs, not only during economic fluctuations but also in times of such events as reorganisation, technology changes, and sales market changes [Cappelli, Neumark 2001: 1-8].

The assessment of the influence of the pace of economic growth on employment in flexible form on the labour markets of Central and Eastern European countries (Bulgaria, the Czech Republic, Estonia, Latvia, Lithuania, Hungary, Poland, Romania, Slovenia, Slovakia) was performed on the basis of data published by Eurostat. The introduction to the considerations is the presentation of changes in the level of economic growth in EU28 and in the examined countries during the research period. The calculations are performed based on chain indices (which change year to year) of the employment levels in the analysed sections.

Flexible forms of employment are used by companies to adjustments in labor demand to the current needs. Because one group of companies can respond to changes in economic situation limitation of the use of flexible employment while another group of companies increases employment flexibility, in macroeconomic scale their decisions can be balanced. Therefore, the hypothesis of the article is that in the macroeconomic scale changes in economic situation have little impact on changes in the level of flexible employment. The article analyzes three forms of flexible employment: self-employment, fixed-term employment and part-time employment. The research period encompassed the years 2004-2015.

2. FLEXIBLE EMPLOYMENT –THEORETICAL BACKGROUND

The effects of deregulation (flexibility increase) for the labour market depend to a great extent on the economic situation [Eamets, Jaakson 2014: 747-750]. In conditions of rapid economic growth, flexible forms of employment allow for a rapid reduction in the scale of unemployment. For example, the extension of the range of use of temporary employment enabled a considerable decrease in the unemployment rate in Spain in the 1990s [Amuedo-Dorantes, Serrano-Padial 2010: 632-633, González, Miles-Touya 2012: 834-835]. Unfortunately, a large share of temporary contracts has translated into a rapid increase in unemployment in this country since 2008. In the case of Spain, a “strong and positive (negative) relationship between GDP and transition rates from unemployment to temporary employment (from temporary employment to unemployment)” was noted [Silva, Vázquez-Grenno 2013: 161-163].

After changing the economic system, the Central and Eastern European countries suffered from a decrease in professional activity and increases in unemployment, income inequality, and underemployment (low-productivity employment and hidden unemployment), as well as deterioration of the situation of groups discriminated against on the labour market (groups with unfavourable social-economic characteristics from the point of employers view) [Rutkowski et al. 2005: 4-9; Kornai 2006: 228-231; Winiecki 2008: 378-385]. To reduce the disequilibrium in the labour market, in most of the countries in the region, it was decided to increase labour market flexibility, adopting a Western European model of labour market functioning [Cazes, Nešporová 2004: 50-52; Hölscher et al. 2011: 272-275].

The rate of change in economic growth translates into change in the situation of the labour market in a short time, depending on the level of the market's flexibility. On the macroeconomic scale, it is assumed that an increase in labour market flexibility contributes to an increase in economy competitiveness. Deregulation induces deepening of labour market segmentation, which is heterogenic both on the demand and supply sides; additionally, it functions under the condition of incomplete information regarding offers on both sides of the market [Babos 2014: 40-42].

The company can conduct segmentation of the internal labour market and divide the present employees into at least two groups: 'core' and 'periphery' resources [Zieliński 2012: 62-64]. Core resources consist of employees who are necessary for realisation of the basic company functions that require adequate experience and competencies; therefore, their workplaces are stable and are characterised by good work conditions, high wages and prospective promotion. The peripheral part of the staff is employed depending on the economic situation with low working and pay conditions, often in flexible employment forms. Using standard employment relative for the core group and nonstandard employment for the peripheral group, the company is able to provide employment stability for key posts and employment flexibility at the expense of the peripheral group at the same time [Atkinson 1984: 28-31; Kalleberg et al. 2000: 257-262; Burgess, Connel 2006: 130-132].

In general, people employed in nonstandard forms constitute the secondary labour market segment [Amuedo-Dorantes, Serrano-Padial 2010: 633-634; Silva, Vázquez-Grenno 2013: 163]. Among people working in flexible forms, skilled professional and technical contingent knowledge workers are also present; however, low-skilled workers dominate, and empirical research has confirmed the discrimination that they experience (worse work conditions, fewer development possibilities, lower wages, high unemployment and the probability of professional inactivity) [Leschke 2009: 692-694; Redpath et al. 2009: 74-76]. The possibility of employees transferring from flexible employment to permanent employment depends on their social-economic features (human capital that they have at their disposal) and on labour market institutions [Costain et al. 2010: 9-12; Babos 2014: 39-42].

A very important element of labour market deregulation, from the perspective of the possibility of adjusting the employment level and structure to the current company needs, is a possibility of using nonstandard (flexible) employment. The increase in labour market flexibility improves its functioning and is linked to moving a part of the economic risk, previously borne by the companies, onto employees [Regini 2000: 6-10; Zieliński 2012: 67-70]. From the employer's perspective, flexible forms of employment also facilitate agreement termination, in addition to reducing labour costs (costs of welfare, social benefits, holiday and time off work) [Hauseman 2001: 150-154]. From the perspective of employees, making the labour market flexible, on the one hand, causes an increased risk of job loss and/or hindered access to the so-called primary sector (better workplaces). On the other hand, the time spent looking for a job shortens, and flexible employment is a stage that facilitates the obtaining of permanent employment because the employee has contact with the employer and has access to the vacant post in the company, and s/he improves his/her qualifications while working [Koutentakis 2008: 221-222].

Employers use the particular forms of nonstandard employment depending on the legal regulations affecting a given market and on the current economic situation. These forms can easily decrease peripheral personnel employment in times of economic downturn, assuming another increase in employment in the time of increased economic growth [Cahuc, Malherbet 2004: 197-200]. It should be added that the research results concerning the effects of increasing employment flexibility on the part of the companies are not straightforward. Internal flexibility supports efficiency, but it only occurs for a certain period of time because employee efficiency starts to decrease with excessive flexibility [Vela-Jiménez et al. 2014: 916-920].

Nonstandard employment includes self-employed, temporary, part-time, seasonal, contracts and agency workers. Some tasks performed by periphery resources can be selected for servicing by external subjects within the frames of outsourcing. The companies use outsourcing to reduce the costs of activity, improve the management of key activities, improve quality and innovativeness, increase adaptive abilities, and avoid the emergence of workplaces without a full and stable task burden, as well as to support restructuring processes [Zieliński 2012: 63]. The increase in the range of outsourcing triggers an increase in the number of self-employed people and employers in the economy because workers appear who service the tasks earlier performed within the company. Self-employment is a specific form of employment flexibility that increases as, from the legal perspective, the person performing the tasks commissioned works on his/her own account. Presumably, self-employment includes highly specialised jobs that require no supervision. In practice, self-employment might apparently be used to avoid the burden of job agreement, which is unlawful [Hölscher et al. 2011: 272-282]. During times of economic downturn, some employers reduce tasks commissioned outside (which reduces the self-employment level); however, some of them, under the conditions of restructuring, reduce permanent em-

ployment to commission the tasks outside, including to previous employees who launch their own businesses (which increases the scale of self-employment). In periods of economic upturn, these self-employed people attempt to obtain permanent employment, resigning from conducting economic activity. That self-employment is the result of compulsion by employers (situation on the labour market) is proved by its growth in periods of economic downturn and the low income of the self-employed, for whom it is a form of avoiding unemployment [Blundell et al. 2014: 378-387].

Temporary employment enables greater flexibility of demand for work: the employer does not have to extend job agreements with employees, and s/he does not have to bear any financial costs either. It often occurs that temporary workers are offered lower wages. Fixed-term contracts are concluded mainly with employees in their probationary periods and with replacement and seasonal workers, who balance the personnel needs of the company in times of increased demand for its products and services [Hauseman 2001: 150-159]. Some employers, especially those functioning in a balanced labour market (or under the conditions of an employees' market), might increase their share of temporary employment in periods of economic downturn and decrease it in periods of economic upturn. During economic downturns, they obtain additional personnel; however, being concerned with the deepening of recession, the companies conclude fixed-term contracts. The economic upturn results in stabilising of the staff, and the employers change the employment form into permanent, which is in the employees' interest [Silva, Vázquez-Grenno 2013: 162, 168].

Part-time employment is usually initiated by the employer when there is a lack of demand for full-time work. Part-time employment might also come from the employee (for example, in times of economic growth, part-time employment increases the effective work supply in cases of people who cannot or do not want to accept full-time employment). Such attitudes also cause changes in the part-time employment level, in agreement with the direction of economic changes. In periods of recession, the company might decide to divide work (employing a greater number of employees at the same posts who share the pay and benefits), which allows for maintaining qualified personnel and avoiding mass redundancy, owing to a periodical reduction of work hours. This type of activity triggers changes in the part-time employment level in the opposite direction from changes in the economic situation. From the perspective of employees in the Central and Eastern European countries, divided jobs are unwillingly taken due to relatively low wages [Cazes, Nešporová 2004: 26-27]. The group of employees interested in part-time employment often consists of women, who connect family duties with professional activity (multiple roles in the household and in the labour market) [Russo, Hasink 2008: 145-147]. In the years preceding the crisis that occurred in 2008, most Central and Eastern European countries had a specifically small low share of nonstandard employment [Farkas 2011: 21-23].

3. EMPIRICAL ANALYSIS

In all 11 of the countries analysed (the research encompassed Bulgaria, Czech Republic, Estonia, Croatia, Latvia, Lithuania, Hungary, Poland, Romania, Slovenia and Slovakia) in the period of 2004 to 2007, there was economic growth noted (Table 1). During this period all economies grow faster than the average of the EU 28, the exception was Hungary, which in 2007 received only 0.4% GDP growth. In the 2008 recession occurred in the EU 28, as well as in Estonia and Latvia. The next year brought recessions in all analyzed economies except Polish.

– Similar to EU28, in part of the analysed countries, there was a double economic bottom line in 2009 and in 2012-2013. The occurrence of periodic recessions differed analyzed economies. In Poland, recession did not at all. In Bulgaria recession occurred only in 2009, in Romania in the period 2009-2010 (but in 2010 the recession was very shallow). In the Czech Republic, Slovenia, Hungary and Slovakia, recession occurred in both bottom lines. The first two of these economies recorded a recession in 2009 and 2012-13 years, Hungary in 2009 and 2012 and Slovakia in 2009 and 2014 year. In Lithuania the second bottom line did not occur, recession appears only in 2009, but it was the deepest of the observed economies, reaching almost 15%. In Estonia and Latvia, deep recession has already occurred in 2008 and lasted until 2009 (Estonia) and 2010 (Latvia). The worst situation occurred in Croatia, where the recession lasted for the period of 2009 to 2014. Economies included in the analysis achieved a much lower rate of economic growth after 2008 than in the period 2004-2007. Total employment changes according to the business cycle (employment growing at the time of relatively high economic growth, while decreasing in periods of recession and low growth).

Table1. Change indexes in the real GDP growth

Country	Year											
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
EU 28	102.5	102.1	103.3	103.0	100.4	95.6	102.1	101.7	99.5	100.2	101.5	102.2
Bulgaria	106.4	107.1	106.9	107.3	106.0	96.4	101.3	101.9	100.0	100.9	101.3	103.6
Czech	104.9	106.4	106.9	105.5	102.7	95.2	102.3	102.0	99.2	99.5	102.7	104.5
Republik	106.3	109.4	110.3	107.7	94.6	85.3	102.3	107.6	104.3	101.4	102.8	101.4
Estonia	104.1	104.2	104.8	105.2	102.1	92.6	98.3	99.7	97.8	98.9	99.5	101.6
Croatia	108.3	110.7	111.9	109.9	96.4	85.7	96.2	106.2	104.0	102.9	102.1	102.7
Latvia	106.6	107.7	107.4	111.1	102.6	85.2	101.6	106.0	103.8	103.5	103.5	101.8

Lithuania	105.0	104.4	103.9	100.4	100.9	93.4	100.7	101.7	98.4	102.1	104.0	103.1
Hungary	105.1	103.5	106.2	107.0	104.2	102.8	103.6	105.0	101.6	101.3	103.3	103.6
Poland	108.4	104.2	108.1	106.9	108.5	92.9	99.2	101.1	100.6	103.5	103.1	103.7
Romania	104.4	104.0	105.7	106.9	103.3	92.2	101.2	100.6	97.3	98.9	103.1	102.3
Slovenia	105.3	106.8	108.5	110.8	105.6	94.6	105.0	102.8	101.7	101.5	99.3	100.2
Slovakia												

Source: Eurostat database: Economy and finance, Annual national accounts, GDP and main components

– From the perspective of article topic we are interested in response to changes in economic growth in flexible forms of employment. Table 2 contains data on the correlation coefficient and coefficient of determination for GDP changes and changes in self-employment, changes in fixed-term employment and changes in part-time employment. When analysing the correlation coefficients between the GDP changes and the employment level in flexible forms, it should be noted that the relationship between these variables is relatively low. Moreover, in some economies, the correlation coefficient is negative, indicating that in periods of economic upturn, employment in these forms decreases, and it increases in periods of economic downturn.

The correlation coefficient between GDP changes and the level of self-employment indicates an important relationship only for Slovakia with a significance level of $p<0.05$. In the remaining economies, this relationship is not statistically significant, and in four of them (and in Slovakia), the correlation coefficient is negative. The decrease in self-employment in periods of economic upturn and the increase in self-employment in periods of economic downturn in five of the analysed economies might suggest that self-employment is a form used to prevent unemployment (from the employees' side) and to decrease the costs of labour for employers in difficult periods. These analyses pay attention to the very low coefficients of determination for self-employment divided by GDP (except 49.13% in Slovakia, where the relationship was statistically significant). For four countries, they are less than 10%, and for two of them, they are close to zero (less than 2%).

The correlation coefficient between GDP changes and fixed-term employment level indicates the positive statistically significant relationship for Romania and Slovenia at the significance level of $p<0.05$. In the remaining economies this relationship is not statistically significant, and in four of them, the correlation coefficient takes a negative value. The decrease in fixed-term employment during the economic upturn and the increase in fixed-term employment during the economic downturn result from similar premises to the case of self-employment in four of the analysed economies. The coefficient of determination for fixed-

term employment divided by GDP is relatively low, the highest coefficient is 37.05%. For three economies included in the table, this coefficient was close to zero (less than 2%).

The correlation coefficient between GDP changes and the part-time employment level indicates the negative statistically significant relationship for Bulgaria and Slovakia at the significance level of $p<0.05$. It should be noted that, for three economies under analysis, this relationship is positive (although statistically insignificant).

Table 2. Correlation coefficient and coefficient of determination for GDP changes and changes in self-employment, changes in fixed-term employment and changes in part-time employment

Specification	GDP change-self-employment change		GDP change-change of fixed-term employment with limited duration		GDP change-change of part-time employment	
	correlation coefficient	coefficient of determination	correlation coefficient	coefficient of determination	correlation coefficient	coefficient of determination
EU28	0.3591	12.9%	0.4647	21.59%	-0.1982	3.93%
Bulgaria	0.3870	14.98%	0.5561	30.92%	-0.6864*	47.11%
Czech Republic	-0.4637	21.5%	0.1456	2.12%	-0.4430	19.62%
Estonia	0.1218	1.48%	0.2092	4.38%	-0.3238	10.48%
Croatia	0.3172	10.06%	-0.0388	0.15%	0.2794	7.81%
Latvia	-0.1279	1.64%	0.4591	21.08%	-0.1838	3.38%
Lithuania	0.4182	17.49%	0.5148	26.5%	0.2233	4.99%
Hungary	0.1487	2.21%	-0.0790	0.62%	-0.2417	5.84%
Poland	0.4228	17.88%	-0.1161	1.35%	0.4992	24.92%
Romania	-0.3781	14.3%	0.5888*	34.67%	-0.1402	1.97%
Slovenia	-0.2579	6.65%	0.6087*	37.05%	-0.4926	24.27%
Slovakia	-0.7009*	49.13%	-0.3745	14.02%	-0.6356*	40.4%

* significance level of $p<0.05$

Source: own work based on Eurostat database: Population and social conditions, labour market, employment and unemployment

The decrease in part-time employment in the period of economic upturn and increase in such employment in the period of economic downturn probably result from employers' decisions in most of the analysed economies. In the period of economic downturn, they employ people part-time due to uncertain demand for

their products, and they might also divide workplaces (in agreement with employees, they reduce work hours to avoid redundancy). After the economic upturn, the employers return to full-time employment, offering it to the part-time employees first. Similarly, as in case of other flexible forms of employment, the coefficients of determination are relatively low for part-time employment divided by GDP (apart from Bulgaria and Slovakia where coefficients of determination were 47.11% and 40.4%). For six countries, they are less than 10%.

To summarise, it should be stated that the changes in the economic situation has little effect to the employment level in nonstandard forms, which is the result of companies reacting to changes in the economic situation in different manners. During the economic crisis, on the one hand the level of flexible employment is lower because of limitation of the fixed-term employment, limitation of working part-time jobs and limitation of outsourcing (the transfer of outsourcing tasks to own employees). On the other hand, the level of flexible employment may rise during the economic crisis due to the increase in the share of temporary employment among new employees, job sharing (under-employment of current employees in order to reduce redundancies) and increase of outsourced activities (resulting in an increase the level of self-employment in economy). In the period of economic recovery appear opposite phenomenon, which offset the changes in the level of flexible employment at the macroeconomic level (the data in Table 2).

4. CONCLUSIONS

The study indicates that the level of employment in flexible forms in a small extent dependent on the economic situation. Statistically significant negative correlations occurred in the case of self-employed in one of the analyzed countries and part time in the two countries. Statistically significant positive correlations occurred in the case of fixed-term employment in the two of the analyzed countries. In all cases the coefficient of determination was less than 50% and in 15 cases (out of 33) was lower than 10%.

The hypothesis of the article is positively verified, indicating that in the macroeconomic scale changes in economic situation have little impact on changes in the level of flexible employment**.** This result arises from the decisions of the individual employers and employees concerning offering and accepting flexible employment, which are balanced on the macroeconomic scale.

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REGIONAL DIFFERENTIATION OF SALARIES STRUCTURE IN POLAND BY EDUCATION LEVEL AND SEX

Abstract: The primary objective of this article is inter-regional analysis of salaries differentiation according to educational level and sex. Particular attention was paid to the development of salaries depending on the level of education. In order to emphasize the changes in time of salaries distribution the coefficient of structural differences in relation to the average values in the country was applied. The primary source of statistical data in publications is information and data obtained from CSO on the structure of salaries by occupation (implemented with a two-year frequency). The time range analysis covered the period 2008-2014.

REGIONALNE ZRÓŻNICOWANIE STRUKTURY WYNAGRODZEŃ W POLSCE

Streszczenie: Podstawowym celem niniejszego opracowania jest międzywojewódzka analiza zróżnicowania wynagrodzeń według poziomu wykształcenia oraz płci. Szczególną uwagę zwrócono na kształtowanie się płac w zależności od poziomu wykształcenia. W celu uwypuklenia zmian w czasie rozkładu wynagrodzeń zastosowano współczynnik różnic strukturalnych w odniesieniu do przeciętnych wielkości w kraju. Podstawowym źródłem danych statystycznych w publikacje są informacje dane uzyskane ze sprawozdawczości GUS w zakresie struktury wynagrodzeń według zawodów (realizowanej z częstotliwością dwuletnią) za 2008 i 2014 rok.

Keywords: salaries, education level, regional differentiation, human capital.

Słowa kluczowe: wynagrodzenia, poziom wykształcenia, zróżnicowanie regionalne, kapitał ludzki.

1. INTRODUCTION

Human capital is connected with the concept of knowledge-based economy (KBE), according to which knowledge is a factor which determines the pace and level of economic development and it replaces the capital in the traditional sense of the word. According to this concept the human capital described, among others, by residents access to all levels of education, the quality and level of education, as well as a resource of knowledge, skills and formal education acquired in the education system, is the foundation of economic success and sustainable

development [see, among others Knowledge Management in the Learning Society, 2000: 71 and Przybyszewski, 2007: 43].

The concept of human capital, whose role has recently been significantly exposed, was founded in the late fifties and sixties of the twentieth century on the basis of neoclassical economics (developed in the 70s). The creators of this theory are: T. W. Schulz, G. S. Becker, B. Weisbrod, J. Mincer, W. L. Hansen. In later years, a contribution to the development of this theory was brought S. Bowles, Y. Weiss, F. Welch and J. Tirbengen, G. Stiller, F. Modigliani and R. J. Lucas and others [see, among others Blaug, 1995: 16]. From the point of view of the individual, a resident, education gained can be regarded as a form of investment which potentially provides a source of future incomes, it increases a chance for a better position in the labor market. Skills and qualifications, not only enrich an individual intellectually, but they may be a kind of reflection in the form of remuneration for work. In many works on human capital one pays attention to the relationship between an extension of education period and an increase in remunerations earned by employees [Mincer, 1974: 46], and if average salaries depend on the level of education [Welfe, 2000: 483-497; Florczak, 2007: 120]. Empirical studies conducted by A. Majchrowska and S. Roszkowska showed a statistically significant correlation between remunerations and the level of formal education and between remunerations and work experience [Majchrowska, Roszkowska, 2013: 235-240].

The primary objective of this article is to analyze the regional differences in the size of salaries by the level of education and by sex. An analysis was done taking into account inter-regional differentiation of salaries in total, structural differences in distribution of salaries and the identification of territorial units with the most/least favorable remuneration conditions.

Regional differentiation of salaries by education level was determined over time, taking into account the years 2008 and 2014. The choice of years for the analysis resulted from the specificity of CSO survey on the structure of salaries. In addition, the selected time interval covers the years of the Operational Programme Human Capital 2007-2013 (OP HC)[1].

In order to highlight changes over time of salaries distribution, the structural differences coefficient in relation to the average values in the country was applied. Additionally, the analysis highlighted the persistent disparities in salaries between men and women in various categories related to the level of education. The difference in remunerations between men and women is a very complex

[1]The programme aims to enable the use of the full potential of human resources through increased employment and adaptive potential of enterprises and their employees, raising the level of education in society. The programme provides support in the following areas: employment, education, social integration, development of adaptive capacity of workers and enterprises [Programme Human Capital, 2015].

issue and it caused by a number of interrelated factors. Due to the considerable breadth of these issues, this study did not examine the reasons of disparities[2].

2. DATA SOURCES AND METHODS OF DATA ANALYSIS

The primary source of statistical data in the analysis is information obtained from the CSO on the structure of salaries by occupation (on the Z-12 form). This reporting is carried out with a frequency of two years, it is of a representative nature and it includes enterprises employing more than 9 persons.

The subject of the research are persons employed on a full and part time, who worked the entire month of October in 2008 and 2014 (without converting part-time employees into full-time ones).

The data on salaries given are converted into full-time jobs, for 23 working days. Information that shows the amount of total gross monthly salaries for the given month include: a) personal salaries b) 1/12th part of annual: awards, bonuses and fees paid to own employees on a contractual basis, additional annual salaries for budgetary employees, payments from share in the profit or surplus of the balance sheet; c) the amount of contributions for pension and sick leave paid by the insured payroll[3].

In order to assess the spatial differentiation in a provincial size of the average monthly salaries (for each level of education) two measures were applied: the range and the weighted variation coefficient. The range is the difference between the maximum and the minimum characteristics, i.e. for the given year *t*.

$$R_k^t = x_{\max k}^t - x_{\min k}^t ,$$

where

$x_{\max k}^t$, $x_{\min k}^t$ represent respectively the maximum, minimum characteristics value in the voivodships in *t* year (*t* = 2008, 2014),
k - the number of the next level of education, *k* = 1, ..., 8 (primary and incomplete primary - 1 lower-high school- 2, vocational - 3 secondary schools - 4 secondary vocational - 5; post-secondary - 6; higher with the title of engineer, bachelor, certified economist or equivalent - 7, higher with the academic degree of PhD, with the title of master, doctor of medicine or equivalent - 8).

The variation coefficient V_k^t indicates what percentage of the average value of the average characteristics is its average diversity (for the k-th level of educa-

[2] There are many studies that, based on various empirical studies, analyze these imbalances and their causes, including [Cichomski 2006; Goraus, Tyrowicz 2014; Słoczyński 2012; Grajek 2003; Sztanderska, 2007].

[3] Compare: Methodological notes on the form of the 12-2015. - and the methodological description of the CSO survey on the structure of remuneration - the publication entitled „Struktura wynagrodzeń według zawodów w październiku 2014", GUS, Warszawa, 2016, pp.10-17

tion). The study takes into account the heterogeneity of voivodships in terms of the number of employees (in particular in each of the groups of education level) and for the period *t*, the variation coefficient V_k^t is calculated by dividing the standard deviation s_k^t and the value of the weighted average of the average monthly salary $\bar{x}_k^t$ (equal to the average gross salary in the country scale), using the formula:

$$V_k^t = \frac{s_k^t}{\bar{x}_k^t} \cdot 100\% .$$

For each *k of* this level of education (*k* = 1, 2, ...8) and the weighted arithmetic mean $\bar{x}^t$ of the weights w_i^t for each i-th voivodship and the standard deviation s^t can be presented in the form of:

$$\bar{x}_k^t = \sum_{i=1}^{16} w_{ik}^t \cdot \bar{x}_{ik}^t = \bar{x}_{PL_k}^t \ , \ s_k^t = \sqrt{\sum_{i=1}^{16} w_{ik}^t \cdot (\bar{x}_{ik}^t - \bar{x}_k^i)^2} \ , \text{ where}$$

$\bar{x}_{ik}^t$ – value characteristics (average salary) for the *i*-th province (*i* = 1, ..., 16) and the *k*-th level of education in year

$\bar{x}_{PL_k}^t$ – average value of the coefficient in the country in year *t*,

w_{ik}^t – weight for the *i*-th province in year t, which is equal to the share of the number of people working for this category (i.e. for education) of the province in the total number of people working for this category (i.e. for education).

In addition, for each province an attempt to determine changes in the structure of salaries from 2008 (t_0) to 2014 (*t*) was done using the coefficient calculated on the basis of absolute differences in individual coefficients of salary relation for a given level of education to the average:

$$W_i^{t-t_0} = \frac{1}{8}\sum_{k=1}^{8}\left|u_{ik}^t - u_{ik}^{t_0}\right| , \text{ gdzie } u_{ik}^t = 100 \cdot \frac{\bar{x}_{ik}^t}{\bar{x}^t}, u_{ik}^{t_0} = 100 \cdot \frac{\bar{x}_{ik}^{t_0}}{\bar{x}^{t_0}} , \ i = 1,\ldots, 16, \ k = 1,\ldots,8.$$

The more different remunerations dynamics in each categories - groups, level of education, and the more different (unlike) the structure of the analyzed population are, the higher the coefficient. However, in the case of similar salaries dynamics and stability of structures in time, the lower, close to zero value of the coefficient.

3. AVERAGE GROSS SALARIES BY EDUCATION AND BY VOIVODSHIPS

In the light of the CSO data, in the regional division one can notice remains various levels of remuneration. In 2014, as in previous years, the highest salary was recorded in the Mazowieckie Voivodship - 5158 PLN, which is over 25% higher than the average for the country, amounting to 4108 PLN (2008 4235 PLN by about 31% higher). The lowest salaries were recorded in the Podkarpackie - 3399 PLN, i.e. 17% lower than the national average (in 2008 - 2664 PLN by about 18% lower). The difference between the provinces with the highest and lowest salaries amounted to approx. 1760 PLN (2008 – 1571 PLN)

Employees in the Mazowieckie Voivodship received an average salary of 1050 PLN higher than the national average, and in the Podkarpackie - about 709 PLN lower.

Table 1. Average gross salary according to education - basic statistical parameters

A) in 2008

EDUCATION	**Poland** $\bar{x}^t$	Division into voivodships			
		maximum value x^t_{max}	minimum value x^t_{min}	range R^t	variation coefficient V^t_S
	in PLN				
Total	3232.07	4234.92	2664.31	1570.61	16.0
The higher with the academic degree of at least PhD, with a master's degree, doctor of medicine or equivalent	4568.80	6033.09	3584.21	2448.88	18.5
Higher with the engineer, bachelor, chartered economist or equivalent	4327.74	5572.54	3288.14	2284.40	17.4
Post-secondary	2915.65	3616.71	2519.74	1096.97	12.2
Secondary vocational	2892.96	3319.44	2455.22	864.22	9.4
Secondary	2682.24	3251.22	2297.47	953.75	12.6
Vocational	2415.88	2838.10	2088.05	750.05	9.0
Lower-secondary	1862.35	2206.89	1335.64	871.25	11.6
Primary and incomplete primary	2253.90	2658.72	1899.04	759.68	8.4

B) in 2014

EDUCATION	**Poland** $\bar{x}^t$	Division into voivodships			
		maximum value x^t_{max}	minimum value x^t_{min}	range R^t	variation coefficent V^t_S
	in PLN				
Total	4107.72	5157.97	3398.79	1759.18	14.1
The higher with the academic degree of at least PhD, with a master's degree, doctor of medicine or equivalent	5730.43	7314.20	4540.56	2773.64	16.9
Higher with the engineer, bachelor, chartered economist or equivalent	4818.52	5716.74	3761.86	1954.88	13.3
Post-secondary	3462.77	3972.80	2894.19	1078.61	9.1
Secondary vocational	3474.14	3785.40	2996.59	788.81	7.7
Secondary	3294.04	3710.59	2725.83	984.76	9.2
Vocational	2960.00	3469.76	2616.06	853.70	8.4
Lower-secondary	2553.01	2942.28	2095.15	847.13	8.9
Primary and incomplete primary	2762.51	3319.60	2539.40	780.20	7.8

Source: Own calculations based on data from CSO and Statistical Office in Wroclaw.

Salaries of employees of companies surveyed by CSO have a significant disproportion because of the level of education. Generally, in recent years, both in the whole country, and in particular provinces, there is a - the higher the education level, the higher the level of monthly salaries for employees. The highest level of average salaries achieved employees with the highest education - university with a degree at least PhD, master's degree, doctor of medicine or equivalent - in 2014. Their earnings averaged across the country 5730 PLN and were higher by 39.5% than average salary of all employees in the country (in 2008 4569 PLN, respectively, which gave more than 41% more than the national average)[4].

The lowest average salary was obtained by employees without professional qualifications, i.e. with lower secondary education and primary education and incomplete primary education. Vocational education, which prepares students take up a job, is no better paid than primary education. In 2014, as in recent years, employees the highest qualifications, who are holders of higher education, with a PhD degree at least received the remuneration approximately two times higher than workers with basic vocational education. Taking into account the cross-section of the provinces one received the greatest disparity in salaries of

[4] Included the employed with university degree of at least PhD - 6752 PLN (64% more than the national average), and with a master's degree, doctor of medicine or equivalent - 5675 PLN (38% more); for 2008 and previous years there is no such distinction.

these two levels of education, which proves, in some way, the highest rate of return from education in the Mazowieckie Voivodship, and the smallest - in Ślaskie Voivodship. In the Masovia employees with highly qualifications received an average monthly salary of 2960 PLN higher (i.e. approx. 2.5 times higher) than those with vocational education, and in Silesia - 1878 PLN higher (i.e. approx. 1.5 times higher).

The calculated values of the variation coefficient (see Table 1) indicate that the largest regional differentiation in monthly salaries occurred in the groups of people with the highest level of education (the highest salaries). The difference between the provinces with the highest and lowest salaries among employees with higher education, with a PhD degree at least was in 2014 approximately 2774 PLN (variation coefficient 16.9%) and university graduates with engineering degrees, bachelor, certified economist or equivalent - 1955 PLN (variation coefficient 13.3%).

4. AVERAGE GROSS SALARIES BY EDUCATION AND SEX

In light of CSO on remuneration structure of employees in October 2014, as in previous years, on average, men earned significantly more than women. The average monthly gross salary of men was at 4482 PLN, and women - at the level of 3718 PLN. The difference between the salary of employees of both sexes was 764 PLN (in 2008 it was 665 PLN). Therefore, the calculated ratio of salaries between men and women shows that the average salary of women constituted approx. 83% of men's salary.

Considering the province it was found that the smallest disparity between the salaries of men and women occurred in the eastern provinces, including 2014, especially in the Podlaskie Voivodship, where women earned by approx. 165 PLN, i.e. 4.5% less than men (in 2008, especially in the Podkarpackie - approx. 236 PLN, i.e. 8.5% less). The worst situation of women salary against men invariably occurs in the Silesia province, in which women received an average salary of approx. 1187 PLN lower than men's, i.e. 25.5% lower (in 2008 about 998 PLN, i.e. 26.4 % less).

In each of the selected groups of employees considering the level of education, women earned on average less than men, with the largest gap between salaries of women than for men was in the case of groups of people with the highest level of education (the highest salaries). Among employees with higher education with a PhD degree at least, or with a master degree, or a doctor of medicine or equivalent salaries of women were on average about 2173 PLN lower than men's, while in the case of employees with secondary education - an average of about 273 PLN lower.

Table 2. Average gross salary according to education and sex
- basic statistical parameters

A) in 2008

EDUCATION	**Poland** $\bar{x}^t$	Division into voivodships			
		maximum value $x^t_{\max}$	minimum value $x^t_{\min}$	range R^t	variation coefficient V^t_S
	in PLN				
MEN					
Total	3557.24	4691.47	2778.32	1913.15	17.1
The higher with the academic degree of at least PhD, with a master's degree, doctor of medicine or equivalent	5694.86	7476.36	4108.90	3367.46	19.9
Higher with the engineer, bachelor, chartered economist or equivalent	5311.50	6770.34	3896.20	2874.14	17.3
Post-secondary	3252.72	3971.13	2532.40	1438.73	13.4
Secondary vocational	3184.45	3554.07	2578.25	975.82	10.0
Secondary	2975.78	3618.73	2456.44	1162.29	13.8
Vocational	2696.18	3239.60	2261.24	978.36	10.3
Lower-secondary	1913.38	2265.19	1335.64	929.55	12.7
Primary and incomplete primary	2573.96	3122.84	2097.35	1025.49	10.4
WOMEN					
Total	2892.88	3779.40	2542.12	1237.28	15.3
The higher with the academic degree of at least PhD, with a master's degree, doctor of medicine or equivalent	3904.77	5012.04	3304.31	1707.73	15.4
Higher with the engineer, bachelor, chartered economist or equivalent	3455.89	4499.01	2757.59	1741.42	17.6
Post-secondary	2783.38	3454.42	2473.66	980.76	11.6
Secondary vocational	2557.13	3027.02	2309.15	717.87	9.3
Secondary	2499.59	3002.16	2161.84	840.32	11.6
Vocational	1799.08	1940.31	1650.53	289.78	5.0
Lower- secondary	1653.88	1987.68	1200.00	787.68	21.0
Primary and incomplete primary	1798.83	1974.01	1600.57	373.44	5.9

B) in 2014

EDUCATION	**Poland** $\bar{x}^t$	Division into voivodships			
		maximum value x^t_{max}	minimum value x^t_{min}	range R^t	variation coefficent V^t_S
	in PLN				
MEN					
Total	4481.75	5719.27	3557.94	2161.33	15.8
The higher with the academic degree of at least PhD, with a master's degree, doctor of medicine or equivalent	7092.27	9008.27	5180.13	3828.14	18.3
Higher with the engineer, bachelor, chartered economist or equivalent	5736.73	6805.95	4261.68	2544.27	14.0
Post-secondary	3954.22	4457.86	3069.45	1388.41	10.9
Secondary vocational	3814.38	4297.88	3229.04	1068.84	9.1
Secondary	3746.17	4164.54	3061.51	1103.03	9.2
Vocational	3244.00	3964.64	2804.89	1159.75	10.5
Lower-secondary	2618.72	3093.79	2115.44	978.35	10.1
Primary and incomplete primary	3052.95	3843.29	2718.72	1124.57	10.0
WOMEN					
Total	3717.57	4592.50	3143.38	1449.12	12.5
The higher with the academic degree of at least PhD, with a master's degree, doctor of medicine or equivalent	4919.15	6087.93	4048.39	2039.53	13.6
Higher with the engineer, bachelor, chartered economist or equivalent	3942.74	4684.35	3193.67	1490.68	13.2
Pst-secondary	3207.61	3693.73	2796.81	896.92	8.4
Secondary vocational	3011.28	3373.33	2672.97	700.36	6.8
Secondary	2929.91	3329.37	2475.71	853.66	9.1
Vocational	2324.08	2442.45	2158.02	284.43	3.6
Lower-secondary	2345.97	2863.11	1777.23	1085.88	11.9
Primary and incomplete primary	2367.22	2541.39	2217.65	323.74	3.9

Source: Own calculations based on data from CSO and Statistical Office in Wroclaw.

In regional terms, women's salaries are less volatile than the salary of men (as evidenced by the calculated variation coefficients and reports on the size of wages in relation to the average size of the country) - cf. Fig.1.

The difference between the voivodships with the highest and lowest salaries of women amounted to 1449 PLN; in case of men’s remuneration the value of the salary range reached the level of 2161 PLN.

5. CHANGES IN THE STRUCTURE OF GROSS SALARIES BY EDUCATIONAL LEVEL IN THE YEARS 2008-2014

For many years a systematic increase in the amount of the average gross salaries (in nominal terms) has been observed. This trend is also present in the individual provinces, although on a different scale. Total in Poland in the period 2008-2014, the average monthly gross salary increased by 27%. The highest percentage increase in the size of salaries occurred, as in previous years, in Dolnoślaskie Voivodship (35.6%) and Łódzkie Voivodship (33.9%), while in the Mazowieckie Voivodship and Lubelskie Voivodship was the smallest (by 21.8% and 22.1% respectively).

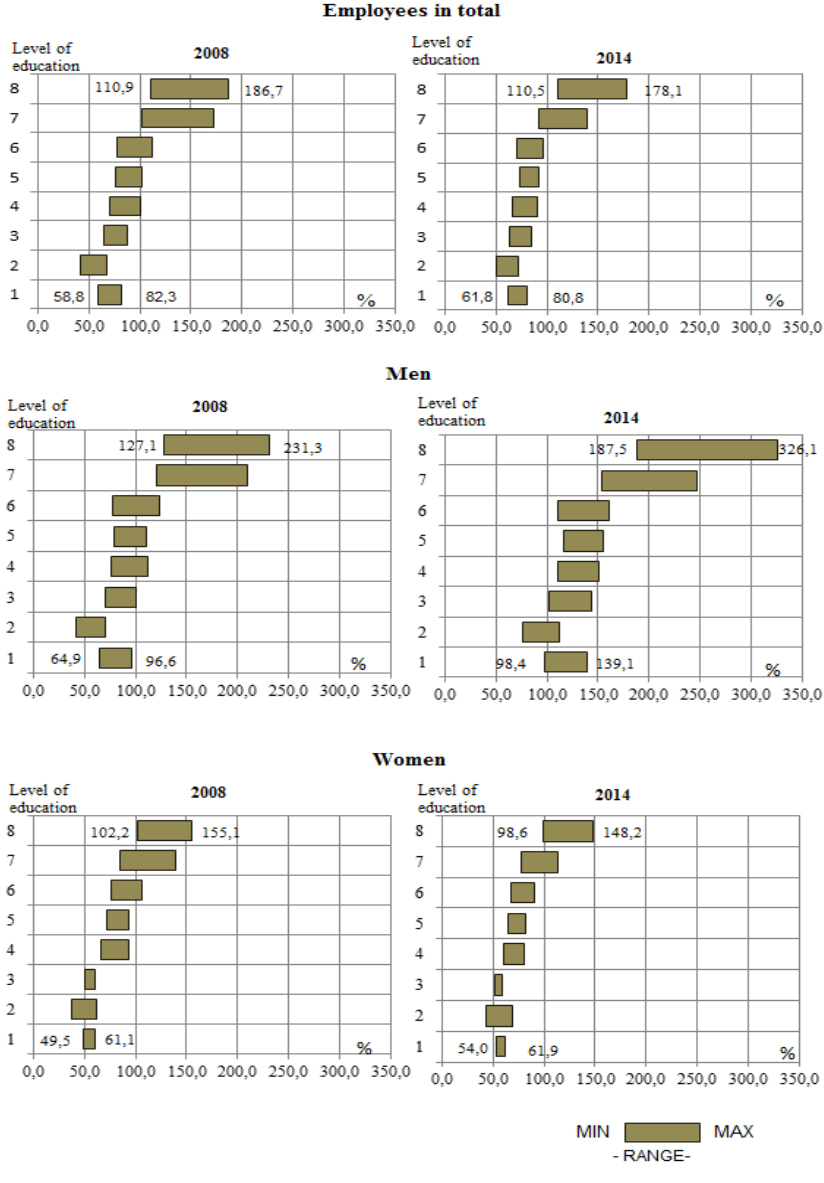
Considering salaries according to the level of education one can say that the greatest increase in salaries was among workers with lower secondary education, i.e. the lowest-paid employees (37.1%). Subsequently, one can mention a group of employees with higher education with a PhD degree at least, with a master's degree, doctor of medicine or equivalent, i.e. with the highest salaries (25.4%). In that period the salaries of people with vocational education (secondary or primary) increased than with of those higher education with the title of engineer, bachelor, chartered economist or equivalent.

A small increase in salaries of people with university education was especially recorded in the voivodships: Śląskie and Lubuskie and Mazowieckie, but compared to other voivosdships the largest was in Dolnoślaskie. At the same time, disparities in salary growth in the regional breakdown were significantly higher among workers with higher education with the title of engineer, bachelor, chartered economist or equivalent than university graduates with a PhD degree at least, with a master's degree, doctor of medicine or equivalent.

As a result of different levels of salary growth by voivodships, the relations for a given level of education compared to the average size in the country changed – see fig 1. The provinces with the highest values of structural changes (see. Table 3) were: the Masovia and Lubuskie. In the case of these provinces a very weak salary growth among people with higher education, with the title of engineer, bachelor, chartered economist or equivalent caused that salary relationship of workers with this level of education to the national average decreased significantly: in the Mazowieckie Voivodship from 139.2% in 2008 to 172.4% in 2014 (in Lubuskie from 123.7% to 102.1%).

The smallest structural changes were recorded in the Dolnośląskie and Łódzkie, but only in Dolnośląskie in the case of people with higher education, there was a slight increase in the size of the average salary in relation to the national average (in the remaining provinces there was a fall). Salaries of employees with the PhD degree at least, with the master's degree, doctor of medicine or equivalent in 2014in the Lower Silesia accounted for 141.1% of the national average (in 2008 – 137.5%), and the engineer, bachelor, chartered economist or equivalent – 131.4% (in 2008 – 127.7%).

Fig. 1 Differentiation of average gross salaries by education level and sex in provinces in 2008 and 2014. (National average Poland= 100)



1-primary and incomplete primary, 2- lower-high school, 3- vocational, 4-secondary schools, 5- secondary vocational, 6-post-secondary, 7-higher with the title of engineer, bachelor, certified economist or equivalent, 8-higher with the academic degree of PhD, with the title of master, doctor of medicine or equivalent.
Source: Own calculations based on data from CSO and Statistical Office in Wroclaw.

6. CONCLUSIONS

In this study a comparative analysis of the structure of salaries by education and sex was presented in the inter-regional context. In the light of the CSO data for the years 2008 and 2014 the varying level of salaries in the regional breakdown was observed. The highest salaries were in the Mazowieckie Voivodship and the lowest in the Podkarpackie. Remuneration inequalities in the spatial arrangement may result in an increased outflow of people (especially young educated people), from the region with the worst payment conditions. Salaries of employees of companies surveyed CSO were marked by a considerable disparity due to the level of education and sex. In general, in the individual provinces it was observed that the higher level of education, the higher level of monthly salaries, i.e. the higher the rate of return on education. This relation in the labor market is evidenced by the demand for high qualifications, acquired knowledge, and it can be an important incentive motivator to start learning. Men still earn more than women. This is related with many factors, among which, in case of women, there are difficulties in reconciling work and family life (including parenting), or mismatch of the education system for the needs of employers.

For many years, a systematic increase in the amount of the average gross salaries (in nominal terms) remains, both in the whole country, as in the individual provinces. Considering salaries according to the level of education it can be concluded that salaries among workers with lower secondary education, who are the lowest-paid workers, and employees with higher education with a PhD degree at least, who have the highest salaries, increased the most.

As a result of different levels of salary growth in the provinces, the size of salary relationship for a given level of education compared to the average size in the country changed. For most provinces a relation of employees' remuneration with higher education to the national average decreased slightly.

Table 3. Average gross salaries by province and level of education in 2014 – times of the national average

VOIVODSHIPS	Education level*								Coefficient
	8	7	6	5	4	3	2	1	$W_i^{t-t_0}$
	average in the country = 100								
POLAND	139.5	117.3	84.3	84.6	80.2	72.1	62.2	67.3	5.2
Dolnośląskie	141.1	131.4	88.3	90.6	82.6	76.0	59.4	64.8	3.2
Kujawsko-pomorskie	119.3	106.2	78.3	78.9	75.6	67.7	61.5	61.8	5.6
Lubelskie	110.5	93.6	75.6	76.2	68.4	65.4	52.8	63.6	6.8
Lubuskie	121.5	102.1	79.5	80.7	79.5	69.4	55.2	68.1	8.4
Łódzkie	122.9	110.3	82.4	79.3	78.1	67.1	57.9	66.8	3.2

VOIVODSHIPS	Education level*								Coefficient $W_i^{t-t_0}$
	8	7	6	5	4	3	2	1	
	average in the country = 100								
Małopolskie	133.4	108.4	82.6	79.9	72.4	69.6	57.0	66.0	6.4
Mazowieckie	178.1	139.2	96.7	92.2	90.3	72.9	64.6	70.3	11.0
Opolskie	121.8	112.4	83.7	81.4	79.6	72.2	64.9	69.3	4.8
Podkarpackie	111.5	98.8	70.5	73.0	66.4	63.7	56.7	64.6	4.2
Podlaskie	113.2	91.6	73.6	75.8	70.8	64.5	57.5	66.8	5.3
Pomorskie	138.4	121.1	81.8	87.5	85.8	74.3	71.6	68.9	4.9
Śląskie	130.2	111.6	88.0	91.5	80.8	84.5	71.3	80.8	6.5
Świętokrzyskie	117.9	91.7	74.1	77.6	71.0	68.3	51.0	61.9	3.5
Warmińsko-mazurskie	117.2	96.5	81.1	76.8	70.0	67.7	59.8	63.2	4.7
Wielkopolskie	133.2	108.1	81.0	83.0	78.1	70.2	57.9	64.1	5.9
Zachodnio-pomorskie	120.6	111.4	77.9	79.6	73.9	67.0	65.1	63.1	7.9
MEN									
POLAND	256.7	207.7	143.1	138.1	135.6	117.4	94.8	110.5	33.7
Dolnośląskie	258.3	231.4	153.3	152.1	140.6	125.4	88.5	109.2	42.0
Kujawsko-pomorskie	208.7	186.1	128.7	127.2	124.7	108.1	92.9	98.4	32.3
Lubelskie	189.4	158.7	127.8	120.2	114.0	105.7	79.9	101.5	29.9
Lubuskie	216.8	174.4	135.0	125.9	130.6	110.2	82.1	107.1	29.5
Łódzkie	225.5	200.3	136.2	128.4	132.3	109.0	87.5	108.0	36.4
Małopolskie	240.4	186.1	139.0	131.6	124.9	114.6	86.7	107.1	30.2
Mazowieckie	326.1	246.4	161.4	148.0	150.8	118.4	100.3	114.3	30.7
Opolskie	223.0	202.1	142.9	133.8	135.3	119.6	98.8	113.2	39.5
Podkarpackie	196.7	174.8	111.1	116.9	110.8	101.6	88.6	101.8	31.8
Podlaskie	187.5	157.2	115.2	120.0	118.0	101.5	86.2	106.8	31.2
Pomorskie	259.0	218.2	131.1	141.4	143.9	118.9	107.2	113.3	32.8
Śląskie	236.1	206.0	159.1	155.6	142.1	143.5	112.0	139.1	40.4
Świętokrzyskie	216.1	154.3	125.0	124.4	118.0	107.2	76.6	99.6	29.3
Warmińsko-	203.2	163.6	131.1	124.7	111.8	107.7	86.9	99.7	30.9

VOIVODSHIPS	Education level*								Coefficient $W_i^{t-t_0}$
	8	7	6	5	4	3	2	1	
	average in the country = 100								
mazurskie									
Wielkopolskie	248.8	193.2	139.2	134.9	131.7	112.6	91.0	105.1	31.7
Zachodnio-pomorskie	208.5	196.6	130.8	126.9	128.3	109.0	94.2	105.9	30.8
WOMEN									
POLAND	139.5	117.3	84.3	84.6	80.2	72.1	62.2	67.3	5.2
Dolnośląskie	141.1	131.4	88.3	90.6	82.6	76.0	59.4	64.8	3.2
Kujawsko-pomorskie	119.3	106.2	78.3	78.9	75.6	67.7	61.5	61.8	5.6
Lubelskie	110.5	93.6	75.6	76.2	68.4	65.4	52.8	63.6	6.8
Lubuskie	121.5	102.1	79.5	80.7	79.5	69.4	55.2	68.1	8.4
Łódzkie	122.9	110.3	82.4	79.3	78.1	67.1	57.9	66.8	3.2
Małopolskie	133.4	108.4	82.6	79.9	72.4	69.6	57.0	66.0	6.4
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Wielkopolskie	133.2	108.1	81.0	83.0	78.1	70.2	57.9	64.1	5.9
Zachodnio-pomorskie	120.6	111.4	77.9	79.6	73.9	67.0	65.1	63.1	7.9

* 1-primary and incomplete primary, 2- lower-high school, 3- vocational, 4-secondary schools, 5- secondary vocational, 6-post-secondary, 7-higher with the title of engineer, bachelor, certified economist or equivalent, 8-higher with the academic degree of PhD, with the title of master, doctor of medicine or equivalent.
Source: Own calculations based on data from CSO and Statistical Office in Wroclaw.

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THE AMOUNT OF REMUNERATION OFFERED TO FOREIGN EMPLOYEES TAKING UP LEGAL EMPLOYMENT IN POLAND ON THE EXAMPLE OF THE OPOLE VOIVODESHIP

Abstract: The following paper discusses selected results of a survey conducted among 263 entrepreneurs from the Opole Voivodeship, which concerned the employment of foreigners. One of the goals of the analysis was to determine whether and by how much wages of immigrants differ from the salary earned by the native workforce. It was determined, that the wages offered the foreign workforce depend on the size of the enterprise - the lowest wages were proposed by micro-entrepreneurs, while representatives of medium-sized companies were willing to pay the most. Also the segment of the labour market has impact on the size of the remuneration. Organizations who employ a foreigner in the primary labour market segment declared a salary close to a half higher than respondents representing the secondary labour market. Results of the study were also opposed to the average salary in the Opole Voivodeship, which turned out to be higher than the salaries offered to foreigners in the questioned companies.

WYSOKOŚĆ WYNAGRODZEŃ OFEROWANYCH ZAGRANICZNYM PRACOWNIKOM PODEJMUJĄCYM LEGALNE ZATRUDNIENIE W POLSCE NA PRZYKŁADZIE WOJEWÓDZTWA OPOLSKIEGO

Streszczenie: W artykule omówiono wybrane wyniki badania przeprowadzonego wśród 263 przedsiębiorców z województwa opolskiego, które dotyczyły zatrudnienia przez nich cudzoziemców. Jednym z celów analiz było ustalenie czy i o ile wynagrodzenia imigrantów różnią się od pensji uzyskiwanych przez rodzimą siłę roboczą. Ustalono m.in., że wysokości płac oferowane zagranicznej sile roboczej różnią się w zależności od wielkości przedsiębiorstwa – najniższe wynagrodzenia proponowali mikroprzedsiębiorcy, natomiast najwięcej skłonni byli zapłacić przedstawiciel firm średnich. Wpływ na wielkości wynagrodzenia miał także segment rynku pracy, w który zatrudniano obcokrajowca. Pracodawcy zatrudniający zagranicznego pracownika w segmencie pierwotnym deklarowali wynagrodzenia blisko połowę wyższe niż respondenci reprezentujący segment wtórny rynku pracy. Uzyskane wyniki badań odniesiono do średnich wynagrodzeń w województwie opolskim, które okazały się być wyższe niż pensje jakie obcokrajowcom oferowano w badanych przedsiębiorstwach.

Keywords: immigration, labour market, remuneration, Opole Voivodeship, foreigners.

Słowa kluczowe: imigracja, rynek pracy, wynagrodzenia, województwo opolskie, cudzoziemcy.

1. INTRODUCTION

Nowadays a growing interest of employers in hiring foreign workforce can be observed in Poland. It is estimated that in 2015 approximately 1 million Ukrainian citizens who are the largest group of foreigners, undertook employment in Poland [Chmielewska et al. 2016: 6]. The increasing demand for foreign workforce results from socio - demographic changes i.e. the decrease of labour resources and the decline in interest of the native workers to take up employment in occupations perceived as less prestigious (usually associated with physical work).

Therefore the interest in immigration issues in the context of the labour market is steadily growing. One of the important aspects of migration research is the issue of remuneration of foreign workforce in the host country. In Poland, studies related to the influx of foreign workers, in particular on the economic aspects of immigration including, among others, the offered remuneration are relatively rare and are being carried out in only a few research centres, among which one can indicate inter alia Warsaw [Golinowska 2004; Grabowska - Lusińska, Żylicz 2008], Olsztyn [Organiściak-Krzykowska et al. 2013, Piotrowski, Organiściak – Krzykowska 2014], Lublin [Kaczmarczyk 2008], Łódz [Klimek 2014] and Opole [Jończy, Kubiciel 2010; Kubiciel - Lodzińska 2012; Kubiciel - Lodzińska 2013; Kubiciel - Lodzińska 2016].

Numerous studies in this field have been carried out in Europe and the United States. They focus mainly on the impact of the presence of immigrants on the salaries of native workforce [DeNew Zimmermann 1994; Zimmermann 1998; Chistwick, Hatton 2002; Borjas 2003; Card 2007; Ottaviano, Peri 2008; Foged, Peri 2015], but also on the wages of the immigrants themselves [Borjas 1985; Borjas 1987; Borjas 1989]. Among others, it was determined, that the wages of immigrants from developed countries are different from the wages of immigrants from underdeveloped countries [Chistwick 1994], as well as the employment of migrants affects to a greater extent the salaries of foreign workers already residing in the country than of native workers [Gefin, Kaiser 2010].

The following paper discusses the results of a survey carried out on 263 employers from the Opole Voivodeship concerning, among others remuneration, which the employers offer or would be willing to offer to foreign workers. The main goal was to determine whether and by how much wages of immigrants differ from the salary of the native workforce.

2. RESEARCH AREA AND METHODOLOGY

The following paper presents selected results of a study carried out from 2014 to 2015 in enterprises in the Opole Province. This region is characterized by a long-standing tradition of departures (usually abroad) having social, demographic and economic consequences, one of which is the growing depopulation of the region. Migrations of the inhabitants of the Opole Region are one of the key factors influencing the socio – economic development of the Voivodeship and

make the Opole Region unique in comparison to other regions. Data from the 2011 Census confirmed that the most intensive outflow of population in Poland (counting migrants per capita) was recorded in the Opole Voivodeship (10.8%) [National Census 2011]. The significant scale of the emigration from the region results from, among others, a large share of the population's structure of people with German ancestry. It favoured both definitive departures, mainly to Germany, as well as stimulated periodic, labour migration, because it allowed people with dual nationality to take up legal work in the countries of Western Europe already in the 90's. XX. Departures from the Opole Region and their socio – economic consequences were the subject of numerous studies [Rauziński 1999; Heffner, Solga 1999; Solga 2002; Jończy 2003; Jończy 2010; Rostropowicz - Miśko 2007; Krasnodębska 2008; Szczygielski 2010; Rokita - Poskart 2014]. One of the consequences of, among others, emigration is a decrease in population in the region.

According to demographic forecasts of the Central Statistical Office (GUS), the Province may expect the most extensive decline in population throughout Poland. The number of inhabitants of the region in 2050 is expected to drop by 1/4 in comparison with 2013. The Opole Province has become a kind of a "laboratory" for studies of migratory processes, in particular economic migration. For several years, this has also been a region where research work on foreign migration, mainly economic, has been carried out [Jończy, Kubiciel 2010; Kubiciel – Lodzińska 2011a,b; Kubiciel – Lodzińska 2012; Kubiciel – Lodzińska, Ustrzycki 2013; Kubiciel – Lodzińska 2014; Kubiciel – Lodzińska 2016] and also about immigration of foreign students [Kubiciel - Lodzińska, Ruszczak 2016]. The Opole Viovodeship thus became a region where both emigration abroad, and immigration from abroad have been analysed. Furthermore, it was concluded that this second area, because of the growing role, particularly for the regional labour market, requires further, more detailed analysis. It was decided that it is important to determine the demand for work of foreigners in the Opole Region.

For the purpose of the study purposive sampling has been chosen. The selected sample of enterprises was not expected to be representative in relation to the population of enterprises in the region. In case of migration studies involving employees, it is possible to draw a representative group of companies that employ foreigners and a group that does not use foreign workforce; however, convincing employers to participate in the study is, in most cases, ineffective and the return rate on surveys is very low [Golinowska et al. 2004: 167]. This is the first study carried out in the Opole Region including both: employers having experience with foreign workforce and employers without such experience. Previous analyses carried out in the region incorporated only those entities that employed foreign workforce [Jończy, Kubiciel 2010].

Respondents were contacted in several ways. First of all a CAWI survey was sent to all members of the Opole Chamber of Commerce (479 companies), Klub 150 (199 companies), participants of the international research project pursued

by the Opole University of Technology and the University of Opole (200 companies)[1], and those featured in the database of the Opole Province Office as entities that obtained work permits for foreigners in 2014 (30 entities). The survey was sent to over 900 companies. However, only 44 filled out and returned it, i.e. less than 5% of the group. Therefore contacting respondents by email was found to be ineffective. The second method used in the study was PAPI conduced at meetings and trainings organized for the enterprises[2]. It is worth noting that not all enterprises taking part in such meetings consented to participating in the study. On average, about 1/3 (in some cases 1/2) of participants refused to talk to the interviewer in order to complete the questionnaire. This shows that studies in the business community are quite difficult. Finally 263 employers were included in the study.

The sample consisted mainly of micro-enterprises (43%, i.e. 113 entities). Over 1/3 of the sample were small companies (88 respondents). Medium and large enterprises were a much smaller part of the group and included respectively 17.1% (45 companies) and 6.4% (17 companies) of the sample.

The respondents were divided according to the segment of the labour market they represented, in line with the theory of the dual labour market. A distinction was made between employers hiring foreigners in the primary and secondary sector of the labour market. The literature notes that the inclusion in the relevant segment of the labour market has not always been obvious and has made empirical analysis difficult [Massey et al. 1998: 54; Dickens, Lang, 1984]. In the completed study, the inclusion in the relevant segment depended on the profession (nature) in which the company has hired or would be willing to hire a foreigner. The business profile of the company was taken into consideration in case of companies that definitely did not intend to use migrant work in the future. Most of the companies involved in the study were included in the secondary labour market. Enterprises from this segment accounted for 81% of the respondents (213 entities, inter alia from construction, metal industry, wood and furniture industry, agriculture and services), while the share of companies from the primary labour market amounted to 19% (50 entities, inter alia from medical services, food industry, chemical industry and transportation and logistics), as presented in detail in Table 1.

[1] It refers the EU-funded project “Effective Transfer of Knowledge from Science to Industry in the Opolskie Voivodeship”.

[2] One of the authors of the study was a participant at business meetings organized incooperation with: Opolskie Centrum Rozwoju Gospodarki, Opolska Izba Gospodarcza, Consulting company "Zaga". The authors received assistance from the Cech Rzemiosł i Przedsiębiorczości in Opole.

Table 1. Enterprises by the Employment Size and the Labour Market Segment

Labour market segment	Micro-enterprises		Small enterprises		Medium-sized enterprises		Large enterprises		Total	
	quantity	%	quantity	%	quantity	%	quantity	%	quantity	%
Primary labour market	20	17.7	14	15.9	11	24.4	5	29.4	50	19.0
Secondary labour market	93	82.3	74	84.1	34	75.6	12	70.6	213	81.0
Total	113	100	88	100	45	100	17	100	263	100

Source: own study.

3. REMUNERATION OFFERED TO FOREIGN EMPLOYEES BY EMPLOYERS IN THE OPOLE VOIVODESHIP

One of the goals of the conducted research was, among others, the determination of the remuneration offered to foreigners (in the case of companies employing foreigner) or what they would be willing to pay (in the case of companies not employing foreigners). The question of the amount of monthly wages for foreign workers proved to be quite sensitive, resulting in the fact, that only half of the employers questioned replied to it. However, due to the importance of the issue, it was decided to analyse and present the collected data, because to some extent, it shows the amount of remuneration that is being offered to foreigners. The results are summarized in Table 2.

Average gross monthly salary offered by the analysed employers amounted to slightly more than 2750 PLN. Distribution of enterprises due to the size of employment shows that the highest wages were offered by medium-sized companies (over 3370 PLN gross) and large (approx. 3150 PLN gross). Slightly lower wages were declared by small and micro entrepreneurs - respectively close to 2900 PLN gross and slightly more than 2300 PLN gross.

Table 2. Gross monthly remuneration offered to foreigners by enterprises by the size of employment

		Micro-enterprises	Small enterprises	Medium-sized enterprises	Large enterprises	Average
Average gross monthly remuneration	Number of respondents	55	52	21	7	135
	Amount in PLN	2323.64	2899.62	3371.43	3154.29	2751.56
	Amount in EUR*	526.22	656.66	763.41	714.34	623.13

* Exchange rate from 02.01.2017 (1 EUR = 4.4157 PLN)
Source: own study.

The analysis of the carried out research's results taking into account the market segment of work allows to indicate that wages, in the primary labour market segment amounted, according to the declaration of the surveyed entrepreneurs, slightly more than 3800 PLN gross, and on the secondary market – 2400 PLN gross (see Table 3).

Table 3. Gross monthly remuneration offered to foreigners by enterprises by labour market segment

		Primary Labour Market	Secondary Labour Market	Average
Average gross monthly renumeration	Number of respondents	31	104	135
	Amount in PLN	3811.61	2435.58	2751.56
	Amount in EUR*	863.19	551.57	623.13

* Exchange rate from 02.01.2017 (1 EUR = 4.4157 PLN)
Source: own study.

Differences in salaries offered in the primary and secondary labour market derive from the nature of the undertaken work. On the primary market generally higher and often more specific qualifications are being required, which leads to slightly higher wages offered to immigrants. On the secondary labour market expectations for the employee's education are generally lower. This results in lower wages offered by employers, as evidenced by, among others, the analysis conducted by Elżbieta Kryńska [Kryńska 1997: 27-50][3]. In Poland hiring of foreign workforce dominates in positions that do not require qualifications, which is confirmed by the data of the Ministry of Family, Labour and Social Policy. For example, more than one third of Ukrainians coming to Poland have a university degree, but rarely take up job positions corresponding to their education level [Bilans płatniczy Rzeczypospolitej Pol-

[3] The Labour Force Survey (Badania Aktywności Ekonomicznej Ludności) were used as the source of the information about the wages

skiej za IV kwartał 2015: 2016]. It should also be noted that the average monthly salary of foreigners is higher than the salary declared in a study conducted in the Opole Province in the years 2008 – 2009, when the average gross monthly salary on the primary labour market was slightly more than 2890 PLN and on the secondary labour market - 2116 PLN [Jończy, Kubiciel, 2010: 94] [4]. During the analysed time period also the average gross monthly remuneration in Poland raised from 2943 PLN in 2008 to over 3780 PLN in 2014. [Zakład Ubezpieczeń Społecznych 2016]. Therefore the increase of wages offered to foreigners can be perceived as a consequence of wage increase in national economy.

Among employers covered by the survey the respondents from the wood - paper industry have been willing to offer the highest average gross wages (over 3800 PLN). Slightly less has been offered by the representatives of the metal industry (3280 PLN) and on the third place are the companies from transportation – logistical industry, where the average wage for foreigners amounted to more than 2700 PLN. Respondents representing the construction sector have been willing to offer about 2640 PLN gross, and employers from medical services and rehabilitation have declared their willingness to offer 2600 PLN. The lowest salary, according to the study was reported in the tourist services with a little more than 1600 PLN (in this group the entrepreneurs declared that they would like to hire a foreign worker as a maid, which may explain the low wages).

Table 4. Gross monthly remuneration offered to foreigners by enterprises by sector

Sector	Gross monthly remuneration		
	Amount in PLN	Amount in EUR*	Number of respondents
Construction	2642.33	598.39	44
Metal Industry	3280.63	742.95	16
Wood-Paper Industry	3804.29	861.54	7
Furniture industry	2430.00	550.31	10
Medical Services and Rehabilitation	2600.00	588.81	6
Transportation and Logistics	2747.14	622.13	7
Food industry	2425.45	549.28	11
Chemical industry	2260.00	511.81	3
Agriculture	1986.00	449.76	5
Services	2225.77	504.06	29
Average	2751.56	623.13	135

* Exchange rate from 02.01.2017 (1 EUR = 4.4157 PLN)
Source: own study.

[4] Although these data is not entirely comparable as the research sample in both 2008 – 2009 and 2014-2015 research was not identical, some changes in remuneration of foreign workforce can be noted.

The authors also made a comparison of wages offered by the questioned entrepreneurs to foreigners and the average salaries offered in the Opole Province. The average monthly gross salary in 2014 was 3425.56 PLN. Therefore it was more than 670 PLN higher than the average salary offered to foreigners. Also, the average wage in selected industries, which has been summarized in Table 5 differed from the average amount offered to foreign workers.

Significant differences between the wages offered to foreigners and the average monthly remuneration in the Opole Region can be observed in the industry sector. As part of the conducted research, industry was approached more detailed, while the Central Statistical Office handles it more generally. The average monthly wage in industry in the Opole Region in 2014 amounted to slightly more than 3470 PLN, and the averaged remuneration offered to foreigners in industry (the average salary from the salaries in metal industry, wood – paper industry, furniture industry, food industry and chemical industry was estimated) is estimated at about 2840 PLN, which gives a difference of 630 PLN.

Table 5. Average monthly remuneration in selected sectors in the Opole Voivodeship in 2014

Sector	Average monthly remuneration	
	Amount in PLN	Amount in EUR*
Agriculture, forestry, hunting, fishing	4051.32	917.48
Industry	3475.79	787.14
Construction	2833.68	641.73
Trade and car mechanics	2795.75	633.14
Transportation and storage	2721.71	616.37
Accommodation and catering	2017.32	456.85
Other services	2578.7	583.98

* Exchange rate from 02.01.2017 (1 EUR = 4.4157 PLN)
Source: Rynek pracy w województwie opolskim w 2014 r., Opole 2015, pp. 149, http://opole.stat.gov.pl/publikacje-i-foldery/praca-wynagrodzenie/rynek-pracy-w-wojewodztwie-opolskim-w-2014-r-,2,9.html [accessed 6.04.2016]

Relatively comparable wages were noted in services, where the difference between the remuneration offered to foreigners and the average amounted to 350 PLN. However, the most similar remuneration was noted in construction, because the difference between the amount offered in the surveyed companies and the average for the Opole Region amounted to just over 190 PLN. The highest difference in wages was recorded in agriculture, because it amounted to more than 2000 PLN against foreign workers.

4. CONCLUSIONS

Simplifying, foreign workforce taking up employment in Poland can be somewhat divided into two groups: performing intellectual work, professionals, executives

of foreign companies (primary labour market) and taking up physical work (secondary labour market). The segment of the labour market and the type of work have a significant impact on the remuneration achieved by foreigners.

The conducted research shows that employers were willing to pay less than the average monthly salary in the Opole Region (in the study the majority were companies employing foreigners in the secondary labour market segment, which may affect the remuneration) to the foreigners. The gap between the wages of foreigners, and the average salary in the region is about 20%. It appears that the owners of companies "use" a more difficult position of immigrants, their lack of knowledge of the labour market, wage opportunities, as well as the desire to earn still more than in the home country. Immigrants have lower wages, because as a rule, take on the "less desirable" work [Hatton, Williamson 1994: 22]. These observations were also confirmed by research conducted among others in the United States, which show that a lower remuneration of foreign workforce is almost the rule. The average difference was approximately 5-10% [McGouldrick, Tannen 1977]. On the other hand, studies conducted in Germany showed, that immigrants never reach the average level of remuneration, which is mainly due to their periodic migration [Zimmermann 1994: 265].

The smaller are the differences in the economy, education and culture between the country of origin and destination, the lower is the pay gap between foreigners and native workers. The greater the migrants' ability to transfer skills and experience acquired in the country of origin, the smaller are the differences in wages. Also the length of stay – the longer it is, the more you earn, as well as the country of origin, those of developed countries generally earn more than immigrants from poorer countries, impacts the remuneration [Chiswick 1994: 103-104]. In Poland, including the Opole Voivodeship, circular immigration outweighs constant immigration. The decisive majority of workers come from Ukraine and take up employment in the industries/ occupations that are not attractive to Polish workers. The nature of immigration to Poland influences significantly the salaries offered to migrants. As a rule, employers hire people who, due to the fact that they treat Poland only as a place to work and obtain higher wages than in their countries of origin, do not want / are not able to acquire skills, experience, allowing them to obtain better paid employment. Studies show that the longer the stay of the migrant, the lower the wage gap between foreigners and native workers [Chistwick 1994: 106][5].

These observations are support by the research carried out in autumn and winter of 2015 among workers from the Ukraine and commissioned by the Polish National Bank. It was determined that their migration has been circular (periodic), most have performed simple tasks (94.5%) - men worked mainly in construction (23%), and

[5] Research conducted in the United States shows that after 15 years of residence in the United States immigrants obtain the same wages as Americans, and after 20 years their wages were even higher than the wages of the workers born in the United States. This observation does not apply to refugees who never reach the same wages as native workers.

women in households (37%), and the average monthly earnings has been about 2000 PLN net[6].

It is being estimated that around 2020, Poland will become a country of net immigration [Duszczyk 2012: 111]. Therefore it can be believe that studies on the influx of foreigners is essential, and one of their key elements is the analysis of the remuneration offered to them. This issue is important not only from the point of view of migrants, but also of the native workforce as it can help to prevent a situation in which an enterprise, by employing foreigners, willing to accept lower wages, pushes native workers out of the labour market. As the German experience shows they can be a possible substitute for physical workers [Zimmermann 1998: 11].

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PART II

Tourism business management

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INNOVATIVE BUSINESS AND MARKETING STRATEGIES FOR MANAGING AND DEVELOPING RECREATIONAL TOURISTIC ENTERPRISES IN POLAND AND UKRAINE

Abstract. This paper deals with some aspects of managing recreational tourism enterprises on the territory of Ukraine comparing with ones in Poland. After a short overview of the touristic activity in two different countries and analysis of statistic facts, we focus on the innovative business and marketing strategies for managing and developing recreational touristic sectors. After conducted research, we try to make a brief presentation of Ukrainian and Polish recreational touristic markets, to identify the most profitable and effective useful innovative business and marketing strategies applied for managing and developing touristic activity in these countries.

INNOWACYJNE BIZNESOWE I MARKETINGOWE STRATEGIE ZARZĄDZANIA I ROZWIJANIA PRZEDSIĘBIORSTW TURYSTYKI REKREACYJNEJ W POLSCE I NA UKRAINIE

Streszczenie. Artykuł *prezentuje* wybrane aspekty zarządzania przedsiębiorstwami turystyki rekreacyjnej na Ukrainie i w Polsce. Po krótkim przeglądzie działalności turystycznej w dwóch krajach i analizie danych statystycznych, możemy skupić się na innowacyjnych strategiach biznesowych i marketingowych w zakresie zarządzania i rozwoju rekreacyjnych sektorów turystyki. Po przeprowadzonych badaniach, opracowano krótką prezentację ukraińskich i polskich rynków usług turystycznych i rekreacyjnych, w celu określenia najbardziej opłacalnych i skutecznych innowacyjnych biznesowych i marketingowych strategii stosowanych do zarządzania oraz rozwijania aktywności turystycznej w tych krajach.

Keywords: recreational tourism, enterprise, business and marketing strategies for managing, developing touristic business.

Słowa kluczowe: turystyka rekreacyjna, przedsiębiorstwo, biznesowe i marketingowe strategie zarządzania, rozwoju biznesu turystycznego.

1. INTRODUCTION

Modern European recreational tourism is one of the most profitable industries in the world economy increasing its income in a country budget every year. There is a rise of travel and tourism activity in the world. "Despite slow economic growth in advanced economies and geopolitical tensions in some regions, the T&T sector still accounts for a large part of the global economy (estimated to be

approximately 9% of global GDP or US$ 7 trillion) and employment, while the number of international travellers continues to increase. According to the World Travel & Tourism Council (WTTC), the T&T sector is forecast to continue growing at 4% annually—faster than financial services, transport and manufacturing" [World Travel & Tourism Council: Economic Research].

The use of innovative business and marketing strategies for managing and controlling plays an important role in the developing recreational tourism, increasing tourist potential including the active usage of not only a tourist resource and tourist demand, but also natural, cultural and recreational resources. Tourism today has become the vital factor of the economy not only of the developed countries but also of developing ones. If one of the countries continues developing traditional touristic service in recreation areas attracting additional touristic resources, another one requires massive investments to make these areas more attractive for holidaymakers. It is estimated that tourism activates a labor market; helps to develop almost 20 related branches of economy and at the conditions of the world crisis. For example, according to Economic Research of World Travel & Tourism Council tourism is one of the largest sectors, supporting 284 million jobs and generating 9.8% of global GPD [World Travel & Tourism Council: Economic Research]. The needs in recreation and rest have not changed so the importance of tourism is still increasing.

Nowadays the innovative management is an important part of any successful company activity. Innovative business and marketing strategies are widely applied for developing health and recreational resources all over the world, especially in Ukraine and Poland. Conducted analysis of specific economic development of recreational tourism in two European countries and innovative business strategies influence will allow forming the perspective directions in further increasing recreational and health tourisms of the two mentioned regions.

In this article we intend to cover the most important factors, which influence the development of recreational touristic business in Ukraine and Poland: the conditions of local touristic markets and the rate of foreign investments. The first part of the article is devoted to some aspects of the recreational touristic markets in Poland and Ukraine while the second part deals with some economic regulation of recreational touristic businesses in Ukraine and Poland over the past decade and innovative business and marketing strategies applied for developing and increasing the number of tourists in these areas.

2. SOME ASPECTS OF RECREATIONAL TOURISTIC REGIONS IN UKRAINE AND POLAND

The significant part of the natural potential in Ukraine and Poland consists of recreational landscapes (forests, coasts, mountains), health resources (mineral waters and therapeutic mud), natural and protected sites (national natural and regional landscape parks, biosphere reserves, monuments of garden art and others), the territory of historical and cultural purposes (monuments of architecture and urban planning, historical and architectural reserve). These unique resources

play a vital role for the future development of tourism and recreation areas in the mentioned regions. Considering the geographical positions of Poland and Ukraine, including the nature and environment, climate, demographic and economic situations, scientists admit that both countries have favorable conditions for developing resorts and recreation areas [Kiptenko 2010: 56].

R. Crotti and T. Misrahi present Travel & Tourism Competitiveness Index:

1. Enabling Environment;
2. Travel &Tourist Policy and Enabling Conditions;
3. Infrastructure;
4. Natural and Cultural Resources [Crotti 2015: 4].

According to the ranking of Travel & Tourism Competitiveness Index, the position of a definite country on the global market is determined by the following factors:

– a public policy and legislation in the field of tourism and environment;
– a security;
– a level of health care and sanitary condition;
– a priority for the tourism sector authorities;
– an air and land transport infrastructures;
– a tourist infrastructure;
– telecommunications;
– a price level;
– human resources;
– the attitude of local people to tourists;
– natural and cultural resources.

Neither Poland nor Ukraine are in the list of leading countries taking 47nd place (4.08 points) compared with Czech Republic (37th place, 4.22 points) or Hungary (41st place, 4.14 points) in 2015 [Crotti 2015:5]. Despite the similarity of problems in the economy and the impact of the global crisis, there is a huge potential for further development of recreational tourism both in Poland and in Ukraine. The numbers of tourist arrivals in Ukraine and Poland in recent years and their objectives explains this potential:

– for rest and recreation (51%),
– for business and professional visits - 15%,
– for visiting relatives, pilgrimage, etc. - 27% [Poland meetings and events industry report 2016: 4].

Experts say that tourism is an active part of the economy of Poland and Ukraine, providing about 5% of global GDP, 30% of services exports and 7% of employment [Poland meetings and events industry report 2016: 4]. In 2014 16 million tourists came to Poland comparing with 12.7 million people in Ukraine [Baker Tilly in Ukraine 2016]. In 2015 meetings industry contribution was calculated in 1 577.3 mln zł in Polish economy [Poland meetings and events industry report 2016: 4]. It is evident that Poland is an EU member, a country that is safer and more familiar to Europeans and Americans, while there were military actions, the change of government in 2014, and the consequences had a great bad

impact on Ukrainian economy. Despite all the threats, foreigners are interested in Ukraine and if Ukrainian authorities create a tourist infrastructure here, guests will be even greater.

Tourist and recreational complexes of Ukraine and Poland have a stimulating effect on the development of many related industries and create conditions for sustainable social and economic development of these regions. Indirect income from recreation and tourism has reached up 90% from object accommodation, 70% from resort goods demand, 70% from folk art goods, 70% from entertainment industry, 90% from passenger transport; 50% from services, 30% from transport, 20% from means of communication, 10% from electricity, 20% from food [Poland meetings and events industry report 2016: 4].

The development of recreation and tourism in Poland and Ukraine can solve the problem of employment and improve the growth of family welfare. To provide basic services for travelers it is needed to employ about 40 thousand people in Ukraine and about 70 thousand people in Poland and in the peak season is 100-150 thousand people [Poland meetings and events industry report 2016: 34]. It is noted that in Poland and Ukraine there is the slow growth in demand for hotel and restaurant workers. During the period 2014-2016 the average number of employees of hotels and restaurants has increased by 1.2 times [Poland meetings and events industry report 2016: 34].

The main problem of low economic efficiency in functioning tourist recreational complexes of Ukraine, for example, is the seasonal nature of the work of the vast majority of health centers, due to the lack of competitiveness among touristic services and the limited range, poor quality of these services and inflexible pricing. Meanwhile the flexible policy of Polish recreational enterprises has led to the fact that Poland has overcome the problem of seasonality in general, besides even in winter there is a great tourist activity [Poland meetings and events industry report 2016: 33].

Compared with Ukraine, a stable situation in Polish regions attracts more investors, especially from European Union. Investment activity in the tourist and recreational complexes of Ukraine remains low, and cannot provide an effective restructuring and strengthening of the competitive position in the international tourist recreational services market. Foreign Direct Investment in Poland has increased by 167091 EUR million in 2015 and it means that Foreign Direct Investment in Poland has averaged 92454.56 EUR million from 1996 until 2015, reaching an all time high of 178256.70 EUR million in 2012 and a record low of 9228.20 EUR million in 1996 [Trading economics].

This figure is much bigger than the Foreign Direct Investment in Ukraine, which has also increased by 759 USD million in the second quarter of 2016. Foreign Direct Investment in Ukraine has averaged 1048.57 USD million from 1998 until 2016, reaching an all-time high of 6502 USD million in the fourth quarter of 2005 and a record low of -589 USD million in the first quarter of 2014 [Trading economics].

Tourist activity in Poland and Ukraine is largely determined by the fundamental changes in a consumer demand. Under the influence of increasing complexity of the structure, the touristic demand is now shaped by a fraction segmentation of the tourist market and diversification of the tourist offer, addressed to specialized (targeted) travelers. Just as in many European countries, where the most powerful tourist streams are between neighboring countries, Ukraine and Poland have combined tourist exchange with Russia, Belarus and Moldova in recent years, hovering around 65% in overall tourist movement. In addition, border countries provide the powerful streams of visitors. Thus, Polska Organizacja Turystyczna reports that in 2016 "according to overall estimates based on the survey results and the data collected by Poland Convention Bureau, total expenditures by the participants of meetings and events on accommodation, foodservice, as well as recreation and entertainment services amounted to 4298.9 million PLN. This is the local economic contribution made to destinations hosting meetings and events" [Poland meetings and events industry report 2016: 33]. If it is compared with the impact on national economy, the input of a defined phenomenon is usually measured with the help of tools such as the value added contribution, the GDP contribution and employment support. However, in the case of recreation tourist industry, only a partial contribution of this input is estimated, based on the number of sold accommodation and food services. "According to the facts given by the Eurostat structural business statistics database, in 2013 the profit in accommodation services reached 41.3% and in the foodservice industry – 27.3%. If we apply these proportions to the estimated sales volume, then profit from hotel services amounted to 1292 million PLN, and from foodservice industry – to 285.3 million PLN, a total of 1577.3 million PLN" [Poland meetings and events industry report 2016: 33]. The figures of statistical analysis allow us estimate the number of people involved in selling these services in 2013 in Poland. "The effect from the contribution to employment support equals 20350 people employed in hotels and similar venues and 9962 in foodservice, a total of 30312 jobs in the whole country" [Poland meetings and events industry report 2016: 33].

Thus, to find the most effective business strategies and innovative technologies for developing recreational tourism in Poland and Ukraine, the deep analysis of tourist and recreation complexes of these regions was conducted. Despite the similar problems in the economy and the impact of the global crisis, both in Poland and in Ukraine there is a huge potential for further developing recreational tourism. Having such a resource potential, recreational tourism in Ukraine and Poland should contribute to strengthening the economy of these countries, filling in the state budget, increasing the welfare of Ukrainian and Polish citizens, preserving historical and cultural heritage.

Taking into account the similarities of the development of recreational tourism in both countries it should be noted that the recreational tourist businesses in Ukraine and in Poland are at the different competitive stages now. Polish policy in the sphere of tourism and recreation has led to the lengthening rest season due to the use of alternative tourist forms, improvement of tourist service quality,

state supporting for the private sector and long-term financing from European Union. While most of the hotels, motels, campgrounds, resorts, recreation centers and tourist centers in Ukraine were built on the projects, which today do not meet international standards. Their infrastructure is actively formed in the period of mass tourism, intensive exploitation and ill-timed capital and current repairs, which has led to a significant deterioration of buildings and equipment.

Hence, there is a vital need for differentiated business strategies focusing on developing individual sectors of the tourist complex in Ukraine, mainly at the stage of investment and innovation. It should also be noted that the development of tourism is impossible without developing communication system, functioning of the various services, catering and consumer services, organizing cultural and leisure services. The problem of water and sanitation and human settlements, primarily, in recreational centers is still relevant for Ukraine.

Analysis of the recreational touristic complexes in Poland and Ukraine showed the well-developed infrastructures, quite satisfying consumer demand. However, the availability of tourist infrastructure in Ukraine is not enough, it must be considered in a broad sense: the basic elements of infrastructure have to perform not exclusively recreational function, but also serve as a leading factor in improving the completely social and economic life of the country. This should be a public infrastructure that meets international standards and is focused not only on people, but also on the guests. The problem of infrastructural arrangement in Ukraine and Poland can only be solved by investing and applying innovative business strategies.

3. THE USE OF INNOVATIVE BUSINESS AND MARKETING STARTEGIES FOR MANAGING, CONTROLLING AND DEVELOPING RECREATIONAL TOURISTIC COMPLEXES IN POLAND AND UKRAINE

Innovative technologies, business and marketing strategies mean the policy conducted by enterprises and covering all areas of their activity: a product policy, heading to the market; communicating (sales promotion); marketing, pricing. As the trade of services and products plays the important role in touristic recreation business, the consumption of these services and products depends not only on the place of their producing but also on the definite conditions and situations. The usage of innovative technologies and business strategies for managing, controlling and developing recreational and touristic complexes includes:

- using progressive experience and advanced achievements of competitors (benchmarking innovation), evaluating and comparing;
- considering consumer demand and objective tendencies of STP;
- efficient allocating and using resources such as capital, technology, people;
- providing effective adaptation to changes in external factors (economic changes, political factors, demographic situation, etc.) [Kiptenko 2010; Lapygin 2007; Papiryan 2000].

Cinzia De Marzo, European Commission, DG Enterprise & Industry Tourism Policy Unit in Bruxelles introduced these business strategies in the report "EU Opportunities for Tourism within COSME Program 2014-2020" in 22 May 2014 [Cinzia De Marzo: 2]. In order to achieve competitiveness of tourist recreational enterprise and ability to work longer, it is necessary to have an attractive touristic product of a high quality and at a reasonable price. In addition, it is needed to develop and widely implement the following business strategies:

– strategy of creating a high-quality tourist product;
– strategy of price forming for a high-quality tourist product;
– strategy of creating a high-quality marketing system and
– communicative strategy [Kiptenko 2010:182].

All mentioned above business strategies are based on the usage of modern innovative technologies.

After analysis of the factors affecting the touristic services market, we have concluded that the developed system of marketing touristic services is one of the most important factors in the functioning and developing recreational tourism enterprises. The development of marketing policy, definition of marketing strategies, clienting; merchandising and sales promotion are identified by many modern business planners among the newest innovative technologies and business strategies in the field of marketing [Kiptenko 2010: 183]. Communicative strategy, in its turn, is developed on the base of the main business strategy applied for running recreation tourism enterprise, which is connected to the relevant policies in the field of product, price and marketing. "To create a communicative strategy, - V. Kiptenko emphasizes, - it is necessary to:

– identify recipient;
– establish communicative goals;
– choose the structure of communications,
– develop a budget,
– analyze the results" [Kiptenko 2010: 202].

According to business planners' theories typical goals of marketing communications include: creating awareness; providing the necessary information, creating a positive image; forming a favorable attitude; image confirmation; creating preferences; forming persuasion; encouraging to purchase the product; increasing sales, changing the behavior of the target audience.

In this article we consider the following innovative strategies for managing, controlling and developing recreation tourism enterprises in Poland and Ukraine:

– providing optimal structuring and functioning recreation tourism enterprise (diversification of touristic businesses);
– increasing consumer audience (repositioning tourist services on international visitors, developing inner tourism);
– developing territorial structure of recreational tourism complexes (optimal using recreation areas);

- overcoming seasonality of recreational tourism (reducing activity amplitude in the main sectors of the tourism and recreation throughout the year, and expanding frames of the holiday seasons);
- providing the high rate of usage and quality of recreational resources and shaping perspective future directions in developing tourist and recreational complex;
- improving the methods and forms of using nature and environment on the principles of the balance between nature and recreation;
- monitoring natural resources and quality of recreational environment;
- using marketing strategy to reach the competitiveness of touristic product on the world market on the basis of flexible prices and high quality of touristic services;
- establishing the investment model of the growth of quantity and quality of touristic product and improving its competitiveness;
- modernizing infrastructure conditions of recreation touristic complex;
- improving professional skills of the staff and personnel of touristic recreational complex;
- providing a year-round employment in the frame of decent working conditions and payment;
- creating and promoting an attractive image of recreational tourism by the means of modern information and communication technologies;
- introducing rules and legal regulations for stable work of recreation tourism enterprises;
- improving the system of state and municipal managing, controlling and developing the field of recreation and tourism.

These innovative business strategies can be regarded as an algorithm for administrative managing, controlling and developing Ukrainian and Polish recreation tourism enterprises. For example, to diversify the functional structure of touristic recreational complexes in Poland and Ukraine, it is necessary:

- to create new resources of touristic and recreational services, depending on the new trends on the world market;
- to achieve optimal proportions in the development of therapeutic and recreational, sports, educational and entertainment areas of regional tourism;
- to combine developing various types and forms of recreation and tourism related to the existing accommodation base, providing year-round service.

Diversification of the functional structure of touristic recreational complex in Poland and Ukraine can be conducted by activating different types of specialized (niche) tourism, focused on a certain type of consumers. Innovative effect will also be reached with the help of the new programs covering many areas, as well as the participation of Polish and Ukrainian resorts and tourist centers in European thematic touristic products (cultural, educational, rural, iron, gastronomic tourism, etc.). European Commissioner Ginzia De Marzo naming the new European program "Calypso", intended and focused on the development of a new kind of tourism in EU for recent years [Cinzia De Marzo: 5]. This program in-

cludes improving new physical routes, cycling and cultural tourism for tourists of different ages from children to pensioners to expand consumer audience of recreation touristic products.

Applying the experience of recreation tourism enterprises in European Union it is necessary to reposition the regions of Ukraine and Poland for international tourist services by promoting new types touristic products, which will meet European standards. Moreover, to increase inner tourism demand the strategy of oriented tourism and recreational products (spa treatment, recreation, sports, educational, and entertainment tourism for disabled people, for families facing difficult social circumstances, orphans, students and others) should be introduced [Cinzia De Marzo: 6].

Another innovative strategy is based on overcoming the seasonality of touristic products and services both in Poland and in Ukraine. For this goal, it is necessary to change the wellness businesses and hotels on the year-round work, extend the terms of tourist season by creating a special infrastructure (solarium, indoor swimming pool, indoor water park and sports complexes; SPA-centers and centers of alternative medicine). It is necessary to develop inter-seasonal and off-seasonal forms of tourism (congress and business tourism, festival tourism, sightseeing, gourmet tours etc.). In addition, there are some economic methods for extending the holiday season, such as reducing the cost of tourist and recreational services, introducing flexible prices in the high and low seasons, using a system of discounts and bonuses for services. It is also possible to change the timing and coordination of school and student holidays in the regions of Ukraine and Poland, as well as the border countries to overcome seasonality.

To provide the balance between the amount and quality of recreational resources and to meet modern recreational standards and requirements, it is necessary to carry out a set of the measures aimed at improving the quality of the recreational environment in Poland and Ukraine. This improving concerns roads and means of transport, creating effective wastewater treatment systems, deep-water and sewer issues in the settlements of the coastal zone, constructing waste treatment plants, carrying out reforestation. To create a balance and reallocate recreational pressure on natural systems we can reduce environmental risks based on standards, guidelines and limits: establishing tourist routes, creating the number of equipped parking, the timing of mass visiting forests and fishing activities, prohibiting unauthorized recreational pressure on natural systems and taking part in European environmental friendly tourism programs.

Both for Poland and Ukraine the improvement of the balanced using natural resources should be conducted with the help of mandatory state environmental impact expertise of construction projects and reconstruction of tourist and recreational complexes. To achieve this aim it is necessary to implement advanced monitoring methods for collecting information about the conditions of natural and recreational resources; the value of the recreational impact on the various components of the natural environment; changes in the quality of the recreational environment (including air, sea and drinking water, sand, flora and fauna, acous-

tic environment, and others). Monitoring the usage should be provided on the operational and strategic management involving external independent experts. This monitoring should be coordinated by various managing departments to reveal the effectiveness of using recreational resources and to forecast ecological and recreational situations in the regions of Poland and Ukraine. It is also needed to examine and evaluate the demand for the services of tourist and recreational complexes of Ukraine and Poland in the context of social groups and regions in order to create offers, which are adequate recreational needs and expectations of potential tourists to maintain high and stable demand situation.

Recreation tourism enterprises in Ukraine can use Polish experience and obtain government support to head the tourist products on the market, widely apply the system of grants and financial benefits provided on a competitive basis to stimulate bending infamous touristic areas and zones [Tsybuch 1999: 102-107].

Thus, to achieve highly competitive position of tourism products in Poland and Ukraine, it is necessary to use marketing techniques based on innovative, high-quality tourism and recreational services and flexible pricing policy:

– to develop a business strategy for attracting investments in tourism and recreational complexes in Poland and Ukraine;
– to improve general awareness of potential investors about the possibilities of investments in the objects of tourism and recreational facilities in Poland and Ukraine (to develop investment passports of cities and regions; to establish detailed electronic maps of cities and districts with allocation of objects, proposed for investment and their description; to develop investment projects on the investment portal). In order to increase the competitive ability of the tourism product, we need to create optimal conditions for the growth of investment activity in the tourist and recreational sector of Ukraine and Poland through the implementation of centralized system investors, eliminate bureaucratic barriers and create transparency of the investment process.

Therefore, to improve the quality of tourism products, it is necessary to renovate the tourist infrastructure (to reconstruct power supply system, transport, and entertainment industry, to update the material and technical basis of the emergency services and to bring it into line with European standards).

One of the above mentioned innovative business and marketing strategies deals with the improving staff qualification. It means that the high professional requirements should be implemented in the sphere of recreation tourism and services. It is necessary to pay attention to the advanced educational technologies and requirements for the tourist market: a highly qualified personnel that has a relevant work experience, internship or training in Western companies taking part in "Program for new skills and jobs", the strategies "Europe 2020", the Framework Program competitiveness and innovation "the CIP"; "SABIT" and etc. In the frame of improving personnel and workforce employed in the recreation, tourism enterprises the following business strategies will be of great importance:

- monitoring structure and dynamics of the labor market in the field of recreation and tourism and related sectors of the economy, taking into account the changing demand in the global and regional tourism;
- creating Internet portals of employment, recruiting office for career guidance and employment in the field of recreation and tourism.

It could be concluded that for optimizing labor market of tourist-recreational complex, it is necessary to increase the training of personnel, to provide a year-round employment in the frame of decent working conditions and remuneration.

For forming and promoting by means of modern information and communication technologies an attractive image of recreational tourism in Poland and Ukraine regions it is needed to:

- implement a single coordinated policy of the state and public institutions in the formation of a positive image of the recreational areas;
- conduct a range of marketing and sociological research on the various segments of the market of tourist and recreational services for the definitions of advertising concepts and information activities of enterprises;
- use a variety of media channels. Priority form of advertising-information influence should be electronic media, and priority regions should be inner tourism and border countries with rapidly developing market of outer tourism;
- get European brands such as "Cultural Tourism City", "Blue Flag" and others;
- organize targeted presentations and promotions of the tourist and recreational opportunities of the regions in various national and international forums, in embassies and general consulates of Poland and Ukraine in foreign countries;
- issue quality of advertising products meet to EU standards;
- create a wide network of tourist offices in Ukraine and Poland in other areas;
- carry out promotional tours for the representatives of foreign tourism companies operating in the tourism sector (FIJET).

Therefore, it can be concluded that for optimizing advertisement and information support of recreation tourism businesses in Ukraine and Poland it is needed to use the media, as well as a variety of innovative information and communication technologies (electronic media, targeted presentations and promotions, festivals, issue branded promotional products) affecting the attractiveness of these recreational areas.

4. CONCLUSIONS

After the analysis of the long-term development of recreation tourism in the regions of Ukraine and Poland, we have come to the following conclusions.

Both Poland and Ukraine have great potential of natural resources for the further developing recreational tourism in these countries. The multi-vector policy of Ukraine and Poland, the European choice, cooperation with the World Bank and the International Monetary Fund help to strengthen the economies of these countries, filling the state budget, the growth of citizens' welfare, preservation of historical and cultural heritage, improving the spiritual potential of the society.

Analyzed recreational tourist markets of Ukraine and Poland, the priority in the context of the strategic development of national and regional tourism; we concluded that Poland is in the advantageous competitive position in comparison with Ukraine. Despite the short swimming season, the Polish Government has made extension of the season due to the development of alternative forms of tourism and recreation, the improvement of tourist service quality, state support for the private sector and long-term financing from European Union. However, with the best climatic conditions in comparison with Poland, a long swimming season, Ukraine is considerably inferior to Poland at competitive recreational tourism business, which confirms the global competitiveness ranking of countries in the field of travel and tourism, conducted by the World Economic Forum (World Economic Forum's). The lack of a coherent system of state regulation of recreational regions of Ukraine, poor funding have resulted in a low competitive ability of recreational tourism enterprises.

Under the influence of increasing complexity of tourist demand, there is a fractional segmentation of recreational tourism market in Poland and Ukraine, and the diversification of the tourist offer, addressed to specialized (targeted) consumers. Corresponding changes are taking place in the regional planning of resorts; many treatment programs are available not in specialized resorts but in the hotels and small recreation tourism enterprises.

In this article, we considered the innovative business and marketing strategies for managing, controlling and developing recreation tourism enterprises in Poland and Ukraine based on creating a high-quality tourist product; on price forming for a high-quality tourist product; on creating a high-quality marketing system and communication.

For optimal functioning recreation tourism enterprises in Ukraine and Poland, it is necessary to diversify the tourism product markets, to reach optimal proportions in the development of medical and recreational, sports, educational and entertainment areas of regional tourism; to combine the development of various types and forms of tourism related to existing location and to provide a year-round service. To expand consumer demand for tourism products, it is needed to accept international tourists promoting new types of tourist product on European level, and to provide socially oriented tourism and recreational products (spa treatment, recreation, sports, educational, and entertainment tourism for disabled, for those with limited incomes, orphans, students and others) in the frames of European programs.

To overcome the seasonality of recreation tourism complex it is necessary to reduce the amplitude of the touristic activity throughout the year and extend the boundaries of the holiday seasons through the introduction of economic methods of extension of the holiday season, as well as the development of inter-seasonal and non-seasonal forms of tourism.

For balanced use, protecting and reproducing recreation tourism potential in Poland and Ukraine and providing high quality recreational environment, it is necessary to improve the methods and forms of recreational wildlife resources, to

carry out continuous monitoring natural and recreational resources and quality recreational environment to meet generally accepted European standards.

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SOME ASPECTS OF STATE AND LEGAL REGULATION OF TOURISM BUSINESS MANAGEMENT IN POLAND AND IN UKRAINE

Abstract: This article is devoted to the study of state regulation of tourist business management in Poland in Ukraine in terms of the rapid growth of tourist activity in these countries. The author considers the national policies in Ukraine and Poland in the field of tourism management carrying out the comparative analysis of the legal framework and state regulation of the two countries in the sphere of tourism based on the investigation of some peculiarities of legislature. The methods, forms, specifics of the state legal regulation and the opportunities and prospects of further development and improvement of state legal management of tourism in Poland and Ukraine are analyzed in this article.

PRAWNE REGULACJE ZARZĄDZANIA USŁUGAMI TURYSTYCZNYMI W POLSCE I NA UKRAINIE

Streszczenie: Artykuł ten poświęcony jest poznaniu prawnych regulacji zarządzania usługami turystycznymi w Polsce i na Ukrainie w warunkach jego dynamicznego wzrostu, i państwowej polityki Ukrainy i Polski w zakresie zarządzania branżą turystyczną. Na podstawie poznawania unormowań prawnych obowiązujących w Polsce i na Ukrainie prowadzona jest próba porównawczej analizy normatywnej w zakresie turystyki. Rozpatrywane są sposoby, formy i właściwości unormowań prawnych w zakresie usług turystycznych, jak również możliwości i perspektywy rozwoju, zawarte w postulatach *de lege ferenda* zarządzania usługami turystycznymi w Polsce i na Ukrainie.

Key words: management of tourism business, the state law and legal regulation of business tourism management, the models of state regulation and control of tourism development.

Słowa kluczowe: zarządzanie biznesem turystycznym, państwowa prawna regulacja zarządzania biznesem turystycznym, model zarządzania i kontroli za stanem rozwoju turystyki.

1. INTRODUCTION

In the beginning of XXI century international tourism has won the first place in the world economy, overrun the traditional world trade leaders such as an automobile manufacture, gas and oil sectors of the economy due to its economic efficiency. According to the experts of the World Tourism Organization (WTO), international tourism remains the dominant and perspective sector of the econo-

my in many countries. It is emphasized that tourist activity still brings the benefits despite there is a current political instability and local military conflicts in the world [Bogolyubov 2005: 3]. Tourism today is considered as "the strategic accelerator of economic development" becoming an important factor in the growth index for developed countries and even for those with lower economic potential [Muratova 2012: 2]. In modern terms, countries continue to improve the traditional tourist services in the developed tourist areas, attracting more and more tourists.

Most countries have a great strategic potential of tourism development with an adequate growth of economy and welfare and the correctly formed strategy, the state and legal regulation can manage tourism business and support the development of tourist activity. Among them Ukraine and Poland, two countries in Central Europe, characterized by close localization, similar historical and cultural heritage, natural and climatic conditions, rich natural resource potential (mud and mineral springs, beach resorts, forests and mountains), which is an excellent basis for the development of recreational tourism.

Nowadays, Ukraine and Poland have become a very popular holiday destination; they are very affordable in price and location for Europeans. The governments in both Poland and Ukraine are making great efforts for the further development of tourism business in order to get investments in the economy of these countries. However, due to political, economic and legal circumstances of Polish tourism business is in more advantageous conditions than the tourism in Ukraine.

The bodies and mechanisms of state and legal regulation of tourism business management have significant differences in definite countries. In the first part of this article, we consider theoretical material concerning with state and legal regulation of tourism business management, the peculiarities of tourism as an object of management. In the second part of the article the comparative analysis of state and legal regulation of tourism business management in two countries Poland and Ukraine is shown to take Polish experience for managing tourist enterprises in Ukraine.

2. TOURISM AS A SUBJECT OF STATE AND LEGAL REGULATION

Tourism as an object under control has a number of its features that are largely due to the specifics of the tourist industry. The main task of tourism business management is to identify those features in the future to take into account for managing and developing tourism enterprises and organizations. The first feature of tourism in terms of management is to a large scale of the tourism industry and the complexity of the relationships between its components. The second feature of tourism as a control object can be regarded as an unclear and complex definition of managing influence purposes.

At first glance, it may seem that the purposes of tourism enterprises are clear enough: to accumulate money and bring profit. However, tourist companies are often focused on the virtual not on the actual tourists 'needs. To identify the tour-

ists needs, the manager should make maximum effort, as the ineffectiveness of his activities may provoke consumer's discontent [Bogolyubov 2005: 23]. It is rather difficult to define clear goals and criteria for international tourism organizations, national, regional, local (city, district) levels, which makes some obstacles in an objective assessment of their contribution to the development of tourism, forecast and planning activities of such organizations.

The development of individual tourist destinations, areas, regions are more complicated. It is not easy to predict accurately all phenomena and processes occurring in tourism (the changes in the political situation, the deterioration of the climatic conditions, changes in the tax system, etc.), so it can often only talk about the probabilistic forecasts and plans. Thus, tourism is a phenomenon that is difficult to predict and measure [Muratova: 2012: 4]. One of the most important features of tourism as an object of management is the specifics of tourism services and tourist product. Both tourism services and tourist product should be taken into account to develop tourism business management system, the organization, the territory, in establishing service standards, staff training, etc.

According to V. Kiptenko, "the basic criteria (the change of place, destination, the source of payment) allow us to define tourism as a set of relations, ties and phenomena accompanying the travelling and staying people in such places that are not their permanent or long staying and are not related to their employment" [Kiptenko 2010: 48]. L. Muratova adds that "tourist business is a cross-sector social economic unit with a complex structure and many components, including manufacturing, transport, service companies and organizations [Muratova: 2012: 4]. All elements of the tourism industry are interconnected and interdependent.

Summarizing different definitions of tourism offered by many scientists, we can conclude that in the most generalized form tourism can be defined as the unity of the relationships arose in spending free time for recreation (sport, culture and entertainment, etc.) by people outside the place of their permanent residence for more than 24 hours.

3. SOME ASPECTS OF TOURISM BUSINESS MANAGEMENT

The complex structure, multidimensional communications, specific tourist services require a balanced approach to the planning, organization, motivation, control the functioning of the tourism industry, its individual components, including enterprises. That is what forms the basis of the institutional and organizational subsystems of the tourism industry, which takes responsibility for the management and is based on the appropriate legal, financial and scientific support.

In this case, tourism business management is defined as the management of social and economic phenomena and processes that takes place in the tourism industry. The qualitative and substantive diversity of components of the organizational process and a wide range of objective relationships and connections between them should be taken into account to define the aspects of tourism man-

agement. This fact predetermines the various aspects of the study of the management and organizational processes in the tourism sector:

- the technological aspect: the logic functional scheme of the number of tourist product and tourist services consumption;
- the economic aspect: the existence of the constituent components and elements such as market travel agents, tourist representatives, entertainment;
- the administrative and managerial aspect (the organization, given affiliation by right of ownership, hierarchical subordination).

Determining the regularities of the territorial organization of tourist activity, managing proportionally its complex development become of the great importance in the present conditions of tourism business. Relations in the sphere of tourism management are complex social interactions, which involve several parties: a travel agency, a tourist, a state, and an organization of the tourism industry (transport, accommodation facilities, catering). The complex nature of tourist services and, consequently, the tourism product cause the specificity and complexity of this interaction [Kiptenko 2010: 218].

As the realization of tourist activity is impossible without one of these parts, the coordination policy for creating a balance between the subjects of tourist activity becomes of great importance. Therefore, there is a need to optimize the process of resource utilization and to improve management at the current stage. The current state and legal regulation is one of the key elements of tourism business management. According to E. Pisarevsky the legal regulation of tourist activity is "the system of normative legal acts regulating the legal status of individuals carrying out tourist activities" [Pisarevsky 2000: 2].

Legal regulation of the tourist activity is in the field of civil law and most of the tourist standards deal with civil law. However, tourism fully reflects regulating effect not only of special legal acts, but also of the norms of various law branches: custom law, insurance law, administrative law, ecological law. In any state the relations "tourist - travel agency", "tourist - state", "travel agency - the state" are managed by the relevant legislation. Depending on the level of state law and regulation, the legislation of tourism business becomes more detailed and complete. Public administration in tourism is conducted by the identification of priority areas for tourism development; normative and legal regulation of the sphere of human activity; standardization and classification of objects of the tourism industry; establishing a single register for the tour operators of public services.

International law of tourist activity represented in international acts and negotiations plays an important role in establishing international standards in tourist sphere, and also in providing, harmonization and coordination of national legislation of tourist activities.

Analyzing the state role in the organization and development of tourism in different parts of the world, we can introduce the following models of state regulation and control of tourism development:

– the model based on the principle of self-regulation specified for such countries, as the United States;
– the model based on the principles of active state intervention used in the countries with developed tourism industry, for example, Egypt, Israel;
– the model based on the principles of coordinating efforts of public and private sector, which is common to most European countries.

It can be concluded that the specifics of state and legal tourist business management in the European Union is framed by the stable conditions of tourism. The state policy of the European Union in the tourism business is focused on creating a national tourism administrations, improving information technology and the quality of tourism products, the tourists' protection and freedom of movement, promoting certain types of tourism such as preserving nature tourism, cultural tourism and others.

4. THE PECULIARITIES OF THE STATE LAW AND REGULATION OF TOURISM BUSINESS MANAGEMENT IN UKRAINE

Ukraine occupies a leading position in Europe on the level of valuable natural healing and historical and cultural resources, attracting a considerable interest from domestic and international tourists. The realities of the time have forced Ukraine to seek its place in the global tourism industry. Formation of mass tourism in Ukraine due to its communication is an important factor in the formation of civil society and approval of humanitarian values.

It should be noted that Ukraine is characterized by "European" model of state regulating and developing tourism. The main principle of this model is to coordinate the efforts of the public and private sectors with the help of establishing institutional links between the state and local authorities and institutions on the one hand, and non-governmental organizations and companies on the other one, for the implementation of social and economic tasks, aimed at the development of tourist business.

Currently, the sphere of tourism and resorts at the state level plays a significant role in the full implementation of economic, social and humanitarian functions, protecting the environment and cultural heritage, filling the budgets of all levels, creating new jobs, increasing the share of services in GDP structure product. To improve the competitiveness of tourism and resorts is necessary to strengthen the state's role in this area as the manager and coordinator of tourist activities with the simultaneous formation of an effective model of cooperation between the state, business and society. Overcoming the existing negative factors, the creation of systematic and comprehensive preconditions for developing tourism and resorts, improving functional and technical components of national and regional tourism products should be a priority to ensure sustainable development of the country as a whole and a heavy component in addressing the issues of improving the standard of living.

That place is considered as tourist attraction in which there are three components: the historical buildings, infrastructure and regional "highlight". The Tourist Administration of Ukraine sees the future of the industry in the development of transport corridors and tourist infrastructure. The main problem of the tourism industry is an inadequate quality of service, a lack of clear control, insufficient awareness of Ukrainian domestic tourism.

Although the number of foreign tourists visiting Ukraine constantly increasing, the funds for promoting campaigns and interesting places and new tourism projects are hardly provided. Now Ukrainian tourism business or travel agencies have to advertise themselves, or by other social organizations. The lack of tourist information centers, where any tourist could find the information about the places of interest in that particular region. There is a language barrier in Ukraine: if a foreigner does not speak Russian or Ukrainian, it is difficult to find a common language with the staff. All this greatly reduces the ability of the Ukrainian tourism to compete on the tourist market.

At the same time, the number of countries where it is possible to travel without visas has increased. This fact can be considered as positive for Ukraine as domestic tourists invest in the development of Ukrainian regions, and do not spend money abroad [Pisarevskij 2000: 12; Solovyov 2009: 38]. That is why the problem of state regulation is extremely important.

The legal base of functioning tourism in Ukraine is the Constitution of Ukraine, "Tourism Law" of Ukraine, other legislative acts of Ukraine, international treaties and agreements where Ukraine takes part. Adopted by the Verhovna Rada of Ukraine on September 15, 1995 the law "On Tourism" states: "The government declares the tourism as one of the priority directions of development of national culture and the economy and creates favorable conditions for tourism activities" [Kifiak 2003: 14]. It must be emphasized this definition is fully compliant with the Hague Inter-Parliamentary Conference on Tourism (April 10-14, 1989), the most authoritative contemporary Tourism Forum: "Countries should identify their national priorities and the role of tourism in the "hierarchy" of priorities, and the optimal strategy of development of tourism in the framework of these priorities" [Hague declaration of the conference between Parliaments devoted to tourism].

The Law of Ukraine "On Tourism" is a fundamental piece of legislation that determines the general legal, organizational, educational and social and economic basis for the implementation of the state tourism policy, comprehensively regulates tourist activities in Ukraine, creating conditions to stimulate tourism business activity, provides the optimal level of state regulating and developing domestic tourism. The Law of Ukraine "On Tourism" was the legal basis for the development of a whole range of sector regulatory and guidance documents regulating specific aspects of tourism activities [The Law of Ukraine About tourism].

Individual structural department of executive body the Department of Tourism and Resorts in Ministry of Economic Development and Trade of Ukraine

carries out public administration and management of tourism business. This department has been established after the State Tourism and Resorts Service, and the State Tourism Administration of Ukraine. In addition, other executive bodies provide state managing tourism businesses such as the Ministry of Regional Development, Building Ministry of Regional Development, Construction and Housing and Communal Services of Ukraine, Ministry of Infrastructure of Ukraine, Ministry of Youth and Sports of Ukraine, the State Agency of forest resources Ukraine, State Fiscal Service of Ukraine. To provide the safety, rational use and restoration of tourist resources of Ukraine, security of tourism, the constitutional rights of citizens for a rest, public authorities and local authorities approve the state target, and other regional tourism development program.

Tourism development programs are approved in order to implement long-term priorities of the country in the field of tourism and constitute a set of interrelated legal, economic and organizational measures aimed at introducing the constitutional rights of citizens, at developing tourism industry. The functions of the state executive body in the sphere of tourism are determined in The Law of Ukraine "On Tourism" in the decree of the Cabinet of Ministers of Ukraine on 20th August 2014 r., number 459, Issues of the Ministry of Economic Development and Trade, Department of Tourism and Resorts [The Law of Ukraine About tourism]. The decision made up by the state body of executive power in the field of tourism, regulating the tourism issue and issued within its powers shall be mandatory for ministries and departments, local state executive bodies, business enterprises regardless of their ownership, tourists. The powers of local government executive authorities in the field of tourism are determined by the regulations on them, according to local executive authorities in coordination with the central executive authority in the field of tourism.

Based on the analysis of history and modern trends in tourism development, we note that the tourist industry of Ukraine, with a strong tourist and recreational potential, developed without considering the peculiarities of its functioning, in-depth insight into the problems and in the absence of a focused, integrated tourism policy of the state and coordinated management arrangements. This fact has led to the reorientation of tourism on outer, the destruction of social tourism system and the important components of the infrastructure sector.

Reforming the system of state regulation of the tourism industry has highlighted a number of problems to be solved. This, above all, the disparity of regulatory and legal framework to the needs and trends of the tourism industry. Despite the adoption of the new edition of the Law of Ukraine "On Tourism", which was undoubtedly a step forward, there is an urgent need to improve the legal regulation of tourism business and its compliance with international standards.

In addition, an obstacle to the effective development and integration of the tourism industry has been the lack of long-term balanced regional policy, which caused the establishing the state and legal regulating tourism framework in Ukraine taking into account the realities and experiences of countries with a highly developed tourism industry [Solovyov 2011: 73]. One of the major prob-

lems of tourist industry in Ukraine is the absence of significant state support for local initiatives in tourism development. However, international experience shows that the maximum effect in the development of tourism can only be achieved with the cooperation of the executive authorities, local government, social and professional organizations and business structures.

The tourism business in Ukraine has many problems to be solved by improving the system and mechanisms of state regulation. To change the situation for the better it is necessary to improve the mechanisms of regulating economic activity, taking into account the experience of countries with developed tourism industry, the formation of new social and economic approaches to the development strategy of the national tourist sector and the tourist process control systems both at the national and regional levels.

Analysis of the resort areas in Ukraine demonstrates the need for the reorganization of the whole system and change control mechanisms at the national, regional and local levels. For this purpose, it is necessary to reconsider the role of state-level spa facilities in the national system of recreation and health improvement of the population and the functions they perform. Only a change in the state of methodological approaches can develop new concepts of both the resorts and sanatorium services of the population. In the future, based on these concepts, a program of strategic development in this field will be developed with the specialization for resorts and clear definition of property rights.

Providing the sustainable development of the tourism industry should be based on the modernization of infrastructure and tourist resort and recreational sphere. For this aim, the introduction of a special investment regime for promoting the construction and renovation of hotels and other tourist facilities, motivating foreign and domestic investors to invest in the tourism industry should be conducted. However, it is necessary to include the practice of direct funding from the state and local budgets of activities aimed at the development of tourist infrastructure, in particular the arrangement of routes, places for recreation in forests and mountain areas, public beaches, lookouts, tourism information centers, information stands on the roads and etc. It should be noted that the condition of the regional tourism development is an effective decentralization, which will on the basis of the legal framework of Ukraine in the view of foreign experience to delegate to local authorities: the creation of regional travel agencies, tourist information centers, infrastructure development, investment, etc.

Investigated the national policy of Ukraine in the field of tourism, we can conclude, that the strategic goal of the development of tourism industry in Ukraine is to create a competitive tourism product in the world market. This tourist product will be able to meet the travel needs of the population, to provide the complex development of territories and their social and economic interests in maintaining the ecological balance and the historical and cultural environment. The strategic program focused on achieving this goal, should be synchronized with the overall pace of market mechanisms, and correlated with the decentralized policy and structural reforms in the Ukrainian economy. It should also take

into account the experience of tourism development in the world, which creates favorable conditions for the improvement of the legal base of tourism.

It should be noted that the legislative and legal support for tourism management in Ukraine has greatly accelerated the development of tourism in the country, contributed to the communication and cooperation with foreign countries, the entry of Ukraine in a number of international organizations. This is a recognition of the tourist potential of Ukraine on the global tourism market, the perception of it by the international community as a large European country with rich natural and recreational, historical and cultural resources, a strong tourist infrastructure.

5. THE STATE LAW AND REGULATION OF TOURISM BUSINESS MANAGEMENT IN POLAND

Poland is a country, which deals historically with west European culture, famous for their magnificent attraction and known as center of international tourism. Experts notice that a suitable geographical location, a wide range of the natural, historical and cultural resources will give a great future for tourism industry in Poland, a quick development in tourist activity [Gutnik 2010: 156]. With the help of the relevant institutional and legislative support, Polish government conducts an active, and most importantly, an effective policy in the sphere of tourism, which has led to a positive dynamics in the growth of the living standards of the population, a low level of prices for travel services in comparison with developed countries. Poland as Ukraine is also characterized by a "European" model of state regulation of tourism business management, the principle of which is to coordinate the efforts of the public and private sectors of economy.

The current stage of the tourism industry development in Poland began in 1989 after the destruction of the old system of state administration. The Polish Chamber of Tourism (Polska Izba Turystyczna - PIT) was founded a year later in 1990 to represent the interests of its members who work in the tourism sector. Great influence on the development of tourism industry in Poland has been made by the abolition of visas in many European countries for citizens of Poland. The first part of the programs of developing the national tourist product in five areas (business tourism, urban cultural tourism, rural tourism, specialized tourism, border and transit tourism) was started in 1997 with the help of EU experts.

At the same time, in September 1997, the Polish Sejm adopted the Law "On tourism services" which fully complies with European law [Ustawa z dnia 29 sierpnia 1997 r. o usługach turystycznych]. On 125 July 1999, Polish Sejm established the Polish Tourist Organization [Ustawa z dnia 25 czerwca 1999 r. o Polskiej Organizacji Turystycznej]. The main objectives of the Polish Tourist Organization were creation of a positive image of the Polish tourist product in the country and abroad, development of information network and participation in the programs for the development of tourism industry and the modernization of its infrastructure [The Law about Polish Tourist Organization, 25 July 1999].

The defining event for the future development of Poland and its tourism industry began its accession to the EU. This fact has made Poland available for the

foreign tourists, eliminating customs and border barriers. In addition, the revival of cooperation between the relevant structures of the EU and the Republic of Poland, no doubt contributed to accelerating the processes of development of tourism infrastructure and industry in general. According to the Law "On the activities of the government administration," the Department of Tourism is the state body managing the tourism sector in Poland, which firstly worked with the Ministry of Economy, and in 2007 became the part of the new Ministry of Sport and Tourism [www.msport.gov.pl/].

The main objective of the Department of Tourism is to develop and regulate the tourism industry. This Department has developed and successfully introduced and implemented the tourism development strategy in the Republic of Poland in 2001-2006, and then in the years 2007-2013. Moreover, on 22 September 2014 the Minister's of Sport and Tourism responsibilities were defined in the Regulation of the Prime Minister on the specific responsibilities of the Minister of Sport and Tourism (Dz. U. item 1263), which in its Article 1(2) assigns to the minister the responsibility for managing the governmental administration sector "tourism". In the state budget, the allocations to the sector "tourism" include promotion of tourism and other activities [http://en.msport.gov.pl/].

On 18 August 2015, the Council of Ministers of the Republic of Poland adopted a resolution approving the Tourism Development Programme until 2020 [http://en.msport.gov.pl/]. This programme is based on that fact that tourism is an important sector of the Polish economy. The objectives of the new tourism development framework until 2020 take into account the following aspects:

1. The Europe 2020 strategy changes the European Union's approach to tourism, considering it to be an area of competitiveness of EU enterprises;
2. The perception of tourism as a competitive and innovative sector of the European Union economy that means tourism development is regarded to be a cross-cutting area related to other EU policy areas such as free movement of people, goods and services, small and medium-sized enterprises, consumer protection, environmental protection and counteracting climate change, as well as regional policy;
3. Tourism is perceived as a factor increasing territorial cohesion and boosting regional development.
4. Within the European Union structures, tourism is coordinated by Directorate General Enterprise and Industry of the European Commission. This approach should also be reflected in relevant Polish strategic documents and in Poland's cohesion policy programming documents for the period 2014-2020 [http://en.msport.gov.pl/].

This programme has forced to apply the amendments and a new edition of the Law on tourism services on 22 July 2016 r. [Ustawa o zmianie ustawy o usługach turystycznych].

According to the Law "On the Polish Tourist Organization», an appropriate Minister oversees the Polish Tourist Organization (POT) activity, which is a body dealt with the promotion of tourism opportunities of Poland in the country

and abroad. POT is a public institution, having branches in 14 countries around the world, and providing the functioning and developing the Polish Tourist Information System and supporting plans for the development and modernization of tourism infrastructure [www.msport.gov.pl/]. Tourism is a determining complex, implementing many of the tasks related to the competence of other ministries and agencies that influence the development of the tourism industry in Poland. In addition, it is worth noting that many of the tasks having a great direct impact on the tourism industry, is connected with the local authorities at various levels: voivodships, counties and townships [www.msport.gov.pl/].

For adequate and harmonized development of tourism business in Poland a large number of institutions and organizations cooperate with each other:

- The Government of the Republic of Poland, in particular the relevant ministry;
- Polish Tourist Organization with regional and local tourist organizations;
- Polish Agency for Tourism Development, which is establishing strategies for the development of different cities and regions to attract investment;
- Local authorities at various levels;
- Tourism organizations and associations (The Polish Chamber of Tourism (Polska Izba Turystyki - PIT), Polish Association of Hotels and Tourism (Polskie Stowarzyszenie Hotelarstwa and Turystyki), Polish Association of Hotels (Polski Zrzeszenie Hoteli), Advisory Board of the tourist agencies (Rada Konsultacyjna Izb Turystyki), Association "Conferences and congresses in Poland» (Stowarzyszenie «Konferencje i Kongresy w Polsce»), Association of resort gmins of the Republic of Poland (Stowarzyszenie Gmin Uzdrowiskowych RP), Polish Chamber of hotels (Polska Izba Hotelarstwa), Economy Chamber "resorts of Poland" (Izba Gospodarcza «Uzdrowiska Polskie»);
- Non-governmental organizations, including the Polish tourist and local Geography Society (Polskie Towarystwo Turystyczno-Krajoznawcze), Polish Federation of Camping and Caravanning (Polska Federacja Campingu i Caravaningu), Polish Federation of Rural Tourism "Hospitable economy» (Polska Federacja Turystyki Wiejskiej «Gospodarstwa Goscinne»);
- Educational institutions and agencies involved in educational activities in the tourism sector, scientists, industry professionals;
- Local tourist associations;
- Information centers "IT" (tourist information) and other information points, whose work is seasonal [www.msport.gov.pl/].

The basic documents regulating the tourism activity in Poland is the Law "On tourism services" [Ustawa o zmianie ustawy o usługach turystycznych]. It should be noted that it is accepted in accordance with the standards of EU directives in the tourism sector, primarily the EU Directive of 13 June 1990 number 90/314 EEC on integrated tourism, leisure and touring.

Polish law "On tourism services" has not a declarative but applied nature. It contains the basic requirements and mechanisms for implementing tourist ser-

vices, hotel facilities, tourist guides and tour guides; regulates the procedure for issuing permits for business activities to organize tourist activities and travel mediation, gives tourist guides and tour guides certificates, decides the issue of identification and categorization of hotel facilities, determines the competence of local authorities (provinces, districts, gmins).

In the Law "On the tourist services" the requirements on the mandatory special education and practice work on tourist services, knowledge of foreign languages for employees of travel agencies, tourist guides and tour guides are outlined. In the sphere of legal regulation of tourist business, local authorities play an important role [Ustawa o zmianie ustawy o usługach turystycznych].

Taking into account the above analysis and the national specific legislation, as well as the strategies and programs of development of tourism in Poland, we can give a high grade to the institutional support of tourist business.

This fact can be justified by:

1. a significant number of the organizations for developing and promoting tourism on the domestic and international markets;
2. rational geographical location of tourist organizations representatives network across the country and abroad;
3. balanced distribution of the responsibilities and functions between the tourist organizations;
4. a high level of coordination and cooperation between tourist organizations, public authorities and representatives of business;
5. adequate funding of tourism organizations, including at the expense of the state.

Creation of conditions for investment activity in the tourist and recreational sector of the Polish economy will provide the investment model of the growth of all the parameters of the Polish tourism product and increase its competitiveness on the European market. System improvement of tourism infrastructure and in turn will help to improve the quality of the Polish tourist product. Optimizing the labor market of tourist-recreational complex, which can be achieved due to increasing professional qualification of employees of tourist and recreational complex; a year-round employment of personnel, provided by the work conditions and remuneration.

State law and legal regulation in Poland, which is carried out by both direct and indirect methods, develop taking into account European experience and thus form the legal framework founded favorable conditions for the functioning and developing tourist business.

Prospects for the developing state law and legal regulation of tourist business management in Poland cause that government incentives and regulatory and institutional support for the development of tourism will contribute to the further strengthening of an attractive image of Poland, will provide an appropriate return on its strong tourism potential. The participation of the legislative, executive and local authorities in the development of tourism as part of the nation-wide humanitarian policy and priorities, the implementation of effective mechanisms of state

regulation of the sector, bringing to it an experienced and qualified personnel, the successful organization of the tourism business, which is, in fact, the national significance will improve this situation.

6. THE COMPARATIVE ANALYSIS OF THE STATE LAW AND REGULATION OF TOURISM BUSINESS MANAGEMENT IN POLAND AND IN UKRAINE

Tourism is a potentially attractive investment sphere of economic activity of both Ukraine and Poland. However, today the level of the tourist potential remains low and there is a reason to believe the existence of asymmetry in its development, which is primarily due to the differences in the support of the tourism sector; the lack of cooperation between tourist organizations; inadequate scientific support of tourism development. There is an inconsistency in the implementation of state regulation and support of tourism in Ukraine, compared with Poland.

First, it should be noted that the «European» model of government regulation and the development of tourism characterize either Poland or Ukraine.

The benefits of economic development in Poland, as well as progress in the use of European experience and support in solving social and economic problems made the formation of trends and priorities in determining state policy in the development, including the tourism industry as a sector of the economy. The similar and different features are offered in the Table 1.

Table 1. Comparison of state regulation of the two countries in the sphere of tourism in Poland and Ukraine

Poland	Ukraine
The sequence at	The lack of sequence at
Forming the mechanism of tourism business management	
Stable functioning	Often reorganization of
the bodies of tourism business management	
Stable priorities and predictable	Often changes in priorities and sizes of
sizes of the investment of tourism development	
The compliance with	Focusing on
European standards and the policy of domestic tourism development	
Focusing on the development of small and medium-sized tourism	Focusing on the attraction of small and big investors
Providing the normal functioning of tourism business	
Priority and sustainable development of territories	
Creation of a competitive tourism product on the world market	
The use of international tourism development experience	
The use of innovative technologies and business strategies	

Source: Own source

The implementation of the "European" model of government regulation and development of tourism is carried out under coordination of the efforts of the public and private sectors. This process deals with the help of the establishment of institutional links between the authorized state bodies and local authorities and institutions, on the one hand, and non-governmental organizations and companies on the other one, in Poland and Ukraine.

The main feature is the fact that public policy in Poland, focused on the experience and support of the European Union, is more functional and efficient than not always consistent policy of Ukraine, the systemic shortcomings of which is the lack of publicity, partial funding, including benefits and preferences, the lack of full scientific and public support.

In general, tourist and recreational complex of Ukraine and Poland has a stimulating effect on the development of many related industries, and are closely linked to prospects for social and economic development of regions. Using the best climatic conditions in comparison with Poland, Ukraine could significantly boost the strengthening of competitiveness of tourism businesses with the optimization of the system of state regulation of the management of tourism and recreational regions of Ukraine, as well as providing stable funding for the international, national and regional programs. However, Ukraine has yet to overcome the shortcomings of the state policy in the field of tourism and to reach the level of European standards.

7. CONCLUSION

In the end of the article after investigation and comparison of the features of the state law and legal regulation of tourism business management in Poland and Ukraine we can represent the following findings. Ukraine and Poland, two countries in Central Europe, are characterized by close localization, similar historical and cultural heritage, natural and climatic conditions, rich natural resource potential (mud and mineral springs, beach resorts, forests and mountains), which comprise an excellent basis for the development of tourism business, especially recreational one.

One of the most important features of tourism as an object of management is the specifics of tourism services and tourist product. Both tourism services and tourist product should be taken into account to develop tourism business management system, the organization, the territory, in establishing service standards, staff training.

The specifics of state and legal tourist business management in the European Union is framed by the stable conditions of tourism; public education; providing employment; social orientation of tourism. The state policy of the European Union in the tourism business is focused on the practice of establishing a national tourism administrations, improving information technology, promoting certain types of tourism (preserving nature tourism, cultural tourism, etc.), improving the quality of tourism products and innovation, the tourists' protection and freedom of movement, developing tourism coordination between the two countries.

Analyzed the state role in the organization and development of tourism, we can conclude that there are three models of state regulation and control of tourism development. The «European» model of government regulation and the development of tourism characterize both Poland and Ukraine. The "European" model of government regulation and development of tourism in Poland and Ukraine are carried out under coordination of the work of the authorized state bodies and local authorities and institutions, on the one hand, and non-governmental organizations and companies on the other one.

For further developing state law and legal regulation of tourist business management in Poland and Ukraine it is necessary to support the participation of the legislative, executive and local authorities in the development of tourism as a part of the national policy focused on individuals and priorities. The implementation of effective mechanisms of state regulation of the tourist sector, the wide usage of European experience will improve this situation, especially in Ukraine.

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PART III

Diverse topics

Marcin Łuszczyk

METHODICAL PROBLEMS OF MEASURING THE QUALITY OF LIFE IN THE INTERNATIONAL SCALE

Abstract: The study contains a discussion of methodical dilemmas associated with measuring the quality of life on an international scale. The article presents the controversies regarding the terminology of the quality of life, issues of axiological basis of measurement and the problems associated with the selection of sub-indicators describing the quality of life. According to the author, the choice of objective indicators describing the living conditions allows for the preparation of consistent methodology for measuring the quality of life on an international scale.

METODYCZNE PROBLEMY POMIARU JAKOŚCI ŻYCIA W SKALI MIĘDZYNARODOWEJ

Streszczenie: Opracowanie zawiera omówienie metodycznych dylematów związanych z pomiarem jakości życia w skali międzynarodowej. W artykule przedstawiono kontrowersje dotyczące terminologii jakości życia, kwestie podstawy aksjologicznej pomiaru i problemy związane z doborem wskaźników cząstkowych opisujących jakość życia. Zdaniem autora wybór obiektywnych wskaźników opisujących warunki życia pozwala na przygotowanie spójnej metodyki pomiaru jakości życia w skali międzynarodowej.

Keywords: quality of life, objective indicators, international comparisons.

Słowa kluczowe: jakość życia, wskaźniki obiektywne, porównania międzynarodowe.

1. INTRODUCTION

The controversy regarding the treatment of the GDP as a measure of social welfare has been spoken about in recent years by many experts. The results of the debate can be briefly summarized: GDP is well suited to the measurement of economic activity, but not to measure the quality of life [Stiglitz et al. 2013].

Despite ongoing discussions and the comments made, still there is no consensus on how to measure the quality of life. For example, the local and regional quality of life can be assessed by using subjective factors, however their use on an international scale provides many difficulties. The issue of a universal system of values, which constitutes the core of axiological measurement what is more yet. A lively discussion also concerns the choice of set of factors describing the quality of life. A serious problem is to work out a common position about the construction of the synthetic index. Its opponents postulate to stick to a set of subindicators. The aim of the article is to present a methodology for measuring

the quality of life on an international scale using objective partial indicators. In particular, the article discusses considerations related to the selection of sub-indices describing the quality of life.

An international consensus on how to measure quality of life would be an important step in the process of weakening the role of GDP as a gauge of social well-being and paying more attention to the social consequences of economic decisions. Attempts to develop quality of life indicators are being made in many academic centers around the world, including in Poland [Ostasiewicz 2013: 229-244]. Unfortunately, none of the proposed solutions was acceptable to the decision-makers.

2. PROBLEMS WITH THE DEFINITION OF THE QUALITY OF LIFE

At the background of criticized, but precisely defined, synthetic and already widespread GDP the issues concerning the quality of life are presented in a completely different way. Not only is there a full agreement on the definition of the quality of life, but also there is a serious controversy concerning the measurement of the quality of life. One reason of this state, is the fact, that interest in the issue of quality of life even in the 70s of the twentieth century was relatively small [Ostasiewicz 2013: 227]. Depending on interests and subjective feelings of the authors, their attitudes, beliefs, scope of their research and the conditions in which they live, a lot of definitions of the quality of live can be found in the literature. It is worth concentrating on some of them:

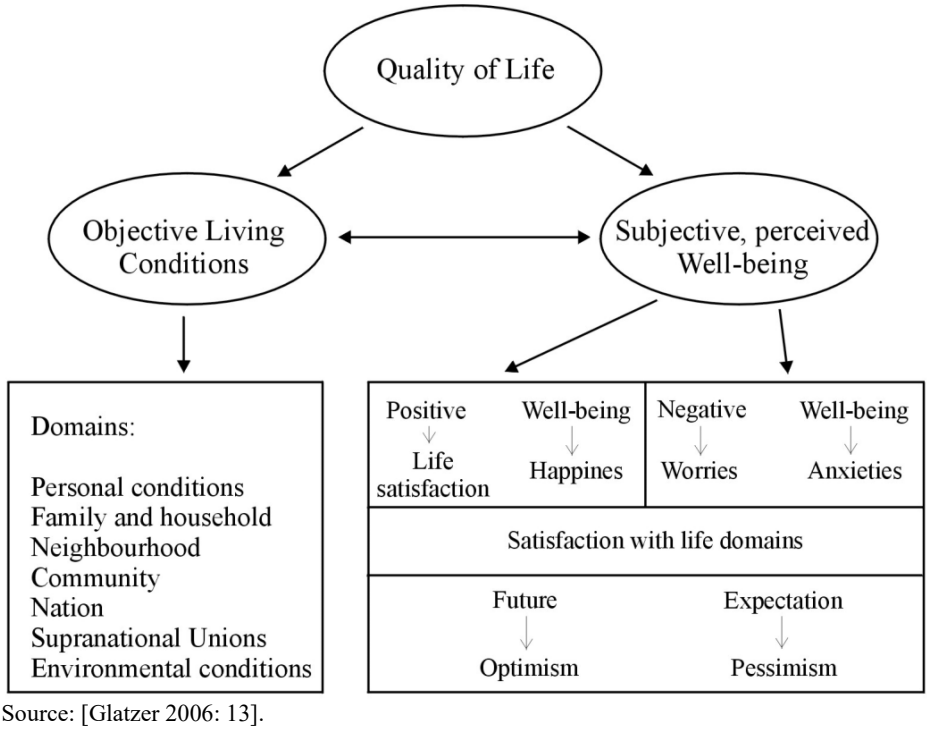
- The quality of life is the opportunity to manage unlimited resources in the form of money, possessions, knowledge, mental and physical energy and social relations [Erikson 1998: 8].
- The quality of life is a decent standard of living in the society. These are the material goods, sense of equality and justice, equal opportunities in education and employment, equitable income distribution, labour humanisation etc [Soziologie... 1991: 364].
- The quality of life comes down to a broad sense of happiness [Noll 2000: 7].
- The quality of life is a value felt, being shaped under the influence of three areas of civilization: cultural, scientific and economic [Poskrobko 1998: 81].
- The quality of life is a subjective assessment of life situation, taking into account the specific hierarchy of values [Papuć 2011: 143].
- The quality of life is a set of factors determining objective living conditions and subjectively perceived well-being [Glatzer 2006: 12].
- The quality of life is a multidimensional assessment of life circumstances. These include defining objective indicators of living conditions and subjective factors, including physical, psychological, social and spiritual sphere of life [Galloway et al. 2006: 116].

It is easy to see that in these definitions are used terms: happiness, prosperity, decent living conditions, fulfilling the needs, for example in terms of education and employment, etc. There is also the use of objective and subjective factors

and multi-dimensionality with the result that the quality of life should be considered in a holistic framework (Figure 1).

Pope Francis was also in favour of holistic solution, emphasizing that we are part of nature, with mutual penetration and the quality of lives depending on the state of the environment. "It is essential to seek comprehensive solutions which consider the interactions within natural systems and with social systems. We are faced not with two separate crises, one environmental and the other social, but rather with one complex crisis which is both social and environmental" [Francis 2015: 139].

Figure 1. Quality of life and its component



Source: [Glatzer 2006: 13].

In assessing the degree of implementation of the quality of life there is also a need to choose the system of values – the reference point. Without determining axiological basis any assessment and comparison would be flawed. The same phenomenon may in fact be judged differently depending on the adopted system of values. For example: excessive enrichment of the unit, causing the increase of social inequality, is something positive for an egocentric man, but a moderate anthropocentric man will evaluate such an action as the decidedly negative. The need to adopt a particular system of values was expressed by the Pope Francis in the encyclical. A distorted anthropocentrism – said the pope – creates space for a perverted lifestyle. Modern practical moral relativism is even more dangerous than a doctrinal relativism. A man

placing himself in the center, gives priority to what is ad hoc convenient. Then the whole environment becomes relative [Francis 2015: 122].

On the other hand, from the perspective of moderate (low) anthropocentrism, the natural environment is a factor that has a significant influence on the inner spiritual world of a man. It offers each human being both material goods as well as and aesthetic-spiritual ones. The environment is welfare that allows a man to survive in the biological sense, but also to preserve and promote human culture. Operating in isolation from the environment man exposes his biological and spiritual existence. "Weak anthropocentrism gives grounds to look critically at the system of value, which is dominated by purely operational treatment of nature" [Hołub 2005: 58-59].

3. INDICATORS OF QUALITY OF LIFE

As regards the selection of sub-indices of the quality of life the studies conducted by Robert Cummins are worth nothing [Cummins 1996: 303-328]. Based on a review of 1500 scientific publications on the quality of life he has chosen seven key categories: material well-being, health, productivity, interpersonal relationships, safety, belonging to the community and emotional well-being [Ramos, Silber 2005: 295]. On the other hand, David Felce identified the quality of life of the wider welfare (well-being), manifested as physical well-being, social, economic, emotional and legal. A similar view was of Robert Schalock's. He singled out eight categories of the quality of life. These include physical well-being, emotional, social cohesion, law, human relationships, personal development, freedom of choice. He subordinated 93 indicators out of 125 most commonly used in research on the quality of life in the last decade of the twentieth century. The validity of selecting the categories describing the quality of life made by Robert Schalock was also accepted in the studies by Kenneth Keith [Galloway et al. 2006: 130]. The World Health Organization has awarded twenty-four indicators covering six categories of the quality of life: physical health, psychological state, level of independence, social relations, external factors and spirituality [*WHOQOL. Measuring...* 1997: 4]. The authors of the set of objective and subjective indicators of the quality of life, also point out a major difficulty in defining indicators from the spiritual sphere, however, they do not negate their importance in the shaping the quality of life. How far freedom and subjectivity reach in the selection of indicators and their assignment to specific categories of the quality of life show further scientific research. Michael Hagerty having analysed 22 studies on quality of life, chose seven categories. These include: health, material wealth, economic activity, relationships with the local community and emotional condition, relationships with family and friends, and sense of security. On the other hand, Robert Cummins found, on the basis of surveys and analyses of 27 definitions, that the key areas of quality of life are: health, material prosperity, well-being of the community, professional activity, emotional well-being, family relationships and safety [Galloway et al. 2006: 23-24].

The strong influence of various philosophical trends on contemporary researchers means that they use both objective and subjective indicators to measure the quality of life. Their choice depends on the approach adopted by the author, the subject of the

analyses, the target audience and the scale of the study. Apart from this, there is, however, a set of common indicators that dominate the attempts to measure the quality of life in the majority of researchers (Table 1).

Table 1. Typical objective and subjective indicators used to measure the quality of life

Objective Living Conditions	Subjective Well-being
The average life expectancy The crime rate Unemployment rate GDP per capita The level of poverty Work time Level of education Mortality rate The suicide rate	The sense of community Sense of security The type and degree of interests The feeling of happiness Job satisfaction Satisfaction with life as a whole Sexual life The scale of social inequality Relationships in the family Social status

Source: [Rapley 2003: 11].

4. DISCUSSION ON THE CHARACTER SELECTION OF SUB-INDICES

An important methodical problem is to choose a set of indicators of the quality of life. The nature of some particularly subjective, indicators poses many difficulties in measuring the quality of life on an international scale. It can be assumed as the proper idea that on a macro scale measuring the quality of life is generally made on the basis of objective indicators, while at the micro level subjective indicators are used [Brown et al. 2002: 6] (Table 2).

Table 2. Methodical pluralism applied to the quality of life measurement

System level	Measurement focus	Measurement strategies
Microsystem	Subjective nature of QoL (“personal appraisal”)	Satisfaction survey Happiness measures
Mesosystem	Objective nature of QoL (“functional assessment”)	Participant observation Questionnaires (external events and circumstances) Engagement in everyday activities Role status (education, employment, living)
Macrosystem	External conditions (“social indicators”)	Standard of living Employment rate Literacy rate Mortality rate Life expectancy

Source: [Schalock 2004: 207], [*Quality...* 2006: 36].

Strengths of objective indicators are the evidence of the correctness of the thesis. These should include the availability of precise definition which helps make international comparisons. Accurate definition of the objective indicators means that they are independent from the individual studies report. On the other hand, subjective ratings reflect more closely the internal state of satisfaction from the prevailing circumstances of the units, however, the feelings of the whole society are difficult to measure (Table 3).

In addition, in this study over the quality of life some unavoidable influences of subjective to objective indicators of life can be seen. These include, for example:

– age and the associated individual assessment of health,
– income and the expected degree of satisfaction of material needs,
– unemployment and a sense of professional stability.

Table 3. Strengths and weakness of indicators of the quality of life

	Strengths	Weakness
Objective indicators	Precisely defined Independent of individual assessments Provide comparisons on the international scale Correlated with subjective indicators of the quality of life Related to social objectives Give an assessment of the whole society Allow you to make changes in subsequent studies	Susceptible to manipulation in the collection of statistical information; Can be subject to errors due to incorrect measurement method Carry a risk of their inadequate choice
Subjective indicators	Partly correlated with objective indicators of the quality of life Allow you to make changes in subsequent studies Allow for individual assessment of the quality of life	Based on individual grades Not always consistent with the real state Don't reflect the quality of life of the whole society

Source: [Beham, Drobnič, Verwiebe 2006: 11].

Despite some dilemmas connected with excluding of subjective indicators from measurement of the quality of life the admissibility of such a solution is confirmed by the results of Wolfgang Zapf. He singled out four possible social situations which are a combination of objective conditions of life and subjectively assessed well-being (Table 4).

Table 4. Categories of individual quality of life

Objective living conditions	Subjective well-being	
	Good	Bad
Good	Well-being	Dissonance
Bad	Adaptation	Deprivation

Source: [Zapf 1984: 25].

While analyzing the presented links of objective conditions of life with the states of subjective well-being it can be noticed that the optimal situation is the simultaneous occurrence of good, objective living conditions with subjectively felt satisfaction. This combination of events is described as the concept of social well-being [Noll 2000: 14]. The opposite phenomenon is the simultaneous occurrence of two negative phenomena – poor living conditions and malaise, known as deprivation [Rapley 2003: 31]. However, the quality of life cannot be discussed in situations where there are opposing states of objective living conditions and subjective well-being. These phenomena can cause either dissonance – the glaring contradiction and imbalance, or a case of adaptation termed as the "paradox of satisfaction", linking poor living conditions and a high level of satisfaction [Vesan, Bizzotto 2011: 7].

In summary, it is clear that the right choice of objective indicators, adjusted to the level of research conducted, taking into account specific situations also subjective evaluation, provides relatively relevant, consistent with the real state of affairs measurement of the quality of life on an international scale.

5. FORMAL CRITERIA OF DATA SELECTION

In the process of selecting of a set of sub-indicators one should take into account both substantive and formal criteria. Unfortunately, not all indicators, even those strongly correlated with the examined phenomenon, satisfy the necessary criteria and can be used for measurement. The most frequently they are impeded by incomplete data sets (Table 5).

Table 5. Characteristics of meaningful indicators

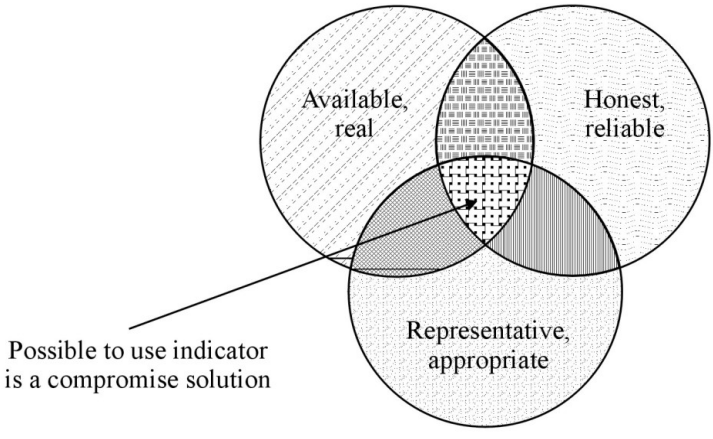
Features substantive	Formal characteristics
Taking into account the most significant characteristics of the phenomenon	Measurability
Logical connection with the scope of the study	Comparability studies in the field of analyzed phenomena
The possibility of their mutual control	Completeness of data
The precision in defining	
Proper selection of the importance of the phenomenon	

Source: [Heffner, Gibas 2007: 14], [Hanasiuk, Łangowska 1994: 17-18].

Similar requirements related to the indicators used to measure the quality of life were presented by Robert Prescott-Allen. In his opinion, the rate should be:

– representative, appropriate – covering the most important aspects of studied phenomenon, describing spatial, temporal and social diversity,
– available, real – using readily available data or those which cost of acquisition are reasonable,
– honest, reliable – defining precisely the studied phenomenon, subjected to the standardisation procedures (Figure 2).

Figure 2. Features of indices by Robert Prescott-Allen



Source: [Prescott-Allen 2001: 281].

Each indicator depending on the characteristics displays specified procedure:

1. The indicator having all three characteristics (representative, accessible, reliable) can be directly used to measure the phenomenon.
2. The indicator honest and accessible, but not fully representative, can be used to measure, but some additional indicators must be searched for to ensure that examined phenomenon will be properly described. This case covers the situations in which the quality of life is measured by objective indicators.
3. The representative and available indicator, but in some cases unreliable, can be used, as long as the procedures improving its quality are followed. If they do not bring a positive result, one should give it up.
4. The available, but unrepresentative or unreliable indicator should not be used for research.
5. When the indicator is representative and reliable, but not fully accessible one should search for another indicator or set of indicators that will replace it. If this is not possible, the cost effectiveness of obtaining the necessary data should re-checked [Prescott-Allen 2001: 281].

Even more simplified way to verify the quality of indicators are proposed by the authors of the set of indicators of sustainable development of the United Nations. They mention the two main characteristics of indicators: availability and representativeness. In their view, they are sufficient to describe the phenomena studied. In the absence of full availability or representativeness they should undergo their modification or re-identification [*Indicators...* 2007: 34].

6. METHODS FOR MEASURING THE QUALITY OF LIFE ON THE INTERNATIONAL SCALE

Having chosen the selection of sub-indices the next step in this study of the quality of life is to decide on the final shape of tools to measure the quality of

life. The unquestionable need for the resignation of GDP as a synthetic measure of social welfare and the quality of life tends to look for other ways of measurement which would reflect the level of conditions and the quality of life more adequately. The most often mentioned solutions to this problem are:

– to correct the currently used measures, including GDP, based on a system of national accounts,
– to develop indicators to measure directly the social well-being and the quality of life without the use of a system of national accounts,
– the adoption of a new synthetic indicator of the quality of life, which will replace the previously used GDP,
– develop a set of indicators describing the quality of life [Zapf 1984: 353-376; Costanza et al. 2009: 10-11].

Each of the proposed methods has certain advantages and disadvantages. Firstly, it is based on a controversial GDP, making it difficult to avoid the problems and concerns associated with traditional national accounts. The use of GDP as the measure helps, however, to persuade politicians, economists and the public to make and accept the necessary changes, while there is no necessary of the subjective determination of significance for partial measures.

In the second of these methods the use of controversial GDP is avoided for the benefit of subjective measures of the quality of life. Developing them is relatively simple for small populations, but it poses serious difficulties because of the painstaking surveys and associated procedures for the selection of respondents. The disadvantage is the lack of reliable comparability because the phenomena studied in different cultures may be assessed differently.

The third method, which assumes the development of a new synthetic indicator is devoid of the burden of GDP, which may constitute only one of the elements that describe the level of economic life. Its advantage is the possibility to introduce velue thresholds of the selected indicators and take into account nonlinear effects on the dependent variable. The difficulty is the selection of variables. The arbitrary assignment of the importance of individual indicators is also questioned.

The fourth of these methods determines the set of intersection indicators and on their basis estimates studied phenomenon. It is a relatively easy and popular method of research [Śleszyński 2011: 85]. Typically, the procedure includes the following steps [Kryk 2015: 172]:

– identification of the research subject,
– qualitative verification of indicators,
– correlational verification of inducators,
– establishing a set of diagnostic features,
– standardization of characteristics,
– construction of aggregate meters,
– grouping objects in terms of similarity,
– check the quality of the resulting grouping.

The disadvantage of the method is, however, the need for matching of the respective indices depending on the nature of research and of the addressee. The decisions taken here depend entirely on the author and can therefore be judged as subjective by other recipients. Moreover, the choice of too large set of indicators may cause difficulties of interpretation, while their excessive narrowing can lead to omission of important factors for the phenomenon studied.

Examination of the methods shows that none of the presented methods is not without drawbacks. As the most reasonable method for measuring the quality of life can be taken to develop a new synthetic indicator. Its drawbacks, in particular the risk of arbitrariness of significance of assignment to partial indicators, can be eliminated by their determination based on Maslow's hierarchy of needs or by using the Delphi method. It should also be noted that synthetic indicators which are suitable for the study of change in the long term, are fairly clear to the general public and are often used by professionals in the international statistics.

7. CONCLUSIONS

Usage of objective indicators describing the living conditions allow the preparation of consistent methodology for measuring the quality of life on an international scale – specific because of the difficulty of applying the subjective indicators of the quality of life and often limited access to reliable data.

A reference to the paradigm of sustainable development may be useful in the measurement of the quality of life on an international scale – the category selection describing the quality of life. The holistic nature of the quality of life in fact corresponds closely to the paradigm of sustainable development [*Wskaźniki*... 2005; Borys 2008; Rogala 2008; *Wskaźniki*... 2011; Kryk 2013; Łuszczyk 2013]. These relationships apply to both categories, sub-indices and the axiological basis. The proposed approach will therefore provide a multidimensional view of the quality of life and the maintenance of moderate anthropocentrism as the basis of assessments made.

The combination of quality of life indicators with sustainable development indicators is an important challenge in today's scientific research [Borys 2014: 18-19]. However, until the international community develops a common position, the main focus should be on the solutions developed and supported by the international institutions, since they have the greatest chance of being implemented [Ostasiewicz 2013: 230]. In this context, it is worth pointing out the Human Development Index (HDI), which is the geometric means of three variables [*Human*... 2016: 198]:

- the expected life expectancy index,
- indicator of education, which was developed on the basis of the average length of study and the expected length of study,
- GNI per capita;
- or set of sub-indicators of quality of life proposed by Eurostat. This collection includes [*Quality*... 2015: 12]:
- material living conditions (income, consumption and material conditions),

– productive or main activity,
– health,
– education,
– leisure and social interactions,
– economic and physical safety,
– governance and basic rights,
– natural and living environment,
– overall experience of life.

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THE IMPORTANCE OF DINING TOGETHER IN ESTABLISHING AND MAINTAINING SOCIO-CULTURAL CAPITAL IN A CHINESE WAY

Abstract: The article introduces Chinese business-related meetings, whose main aim is to build relationships between the parties involved. The author tries to answer the question of why the culture of dining together is so important when dealing with Chinese partners during business meetings in China.

WAGA WSPÓŁNEGO SPOŻYWANIA POSIŁKÓW I PODTRZYMYWANIA SPOŁECZNO KULTUROWEGO KAPITAŁU O CHIŃSKIM CHARAKTERZE

Streszczenie: Artykuł przybliża chińskie spotkania okołobiznesowe, których głównym celem jest budowanie więzi pomiędzy stronami zaangażowanymi. Autorka stara się odpowiedzieć na pytanie dlaczego kultura wspólnego spożywania posiłków jest tak ważna w kontaktach z chińskimi partnerami i podczas rozmów biznesowych prowadzonych w Chinach.

Keywords: guanxi, business-related meetings, joint/group meals.

Słowa kluczowe: guanxi, spotkania okołobiznesowe, wspólne spożywanie posiłków.

1. INTRODUCTION

Among the synonyms for *business meeting* (excluding training; internal meetings, e.g. concerning a worker's evaluation, briefings and annual meetings; marketing actions) the most commonly used expressions include: conference, congress, deliberations, consultation, sitting, symposium, gathering and convention. The definition of each of these indicates the purpose of that event, which is a meeting of a group of people in order to discuss certain questions, views, business, work-related affairs or trade itself. This group consists of either specialists in a given field or a group of people working on a given task together.

Business meetings, as described in this article, are limited to meetings of people focusing on one certain task which is business – business, enterprise, trade or venture – often linked with eating together in a restaurant or teahouse/tea shop at tables abundantly laden with food. During these meetings (hereafter referred to as "business-related") topics concerning work are not talked about directly. The aim of such dinners is to enable both sides to bond and get to know each other more closely. Furthermore, these dinners serve as introductions to further business discussions in China.

The aim of this article is twofold: firstly to describe this kind of meeting, secondly to answer the question of why the culture of dining together is so meaningful in contacts with Chinese partners and during business discussions.

2. THE MEANING OF MEALS AND DINING TOGETHER IN CHINESE TRADITION

In a historical sense, the earliest hominoid creatures in China, referred to as Peking man (*homo erectus pekinensis*), discovered fire approximately 500 thousand years B.C. and used it to satisfy hunger, the most basic need of all living creatures. Excavations in the area of the Banpo [半坡] archeological site concerning the Yangshao culture [仰韶文化] revealed that the hearth was the central point in dwellings (half-burrows covered with wooden bays and straw) in the Neolithic period. Not only was it a source of heat, but also a place of gathering and sharing food preparation [Künstler 2007: 18, 20-21].

The aim of preparation of food, in addition to satisfying hunger, was also a treatment for body and soul. According to contemporary Chinese medicine it is still[1] believed that "food and medicine share the same roots" [Künstler 2007: 14] – treatment is based on consuming certain products that have an influence on particular areas of the body as follows:

Flavour:

- sour – liver and gallbladder;
- bitter – heart, small intestine, blood circulation and energy system;
- sweet – stomach, spleen and pancreas;
- spicy – lungs and large intestine;
- salty – kidneys and bladder.

Movement:

- Yin [阳] energy flow – downwards and inside, linked with salty, sour and bitter flavours;
- Yang [阴] energy flow – upwards and outside, linked with sweet and spicy flavours.

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[1] Analysis of the importance of the consumption of food in the social life of Chinese people reaches back to legends and myths concerning ancient heroes – the stories are set in an unspecified time, written down many thousands of years after their origin. To begin with, legends concerning mythical monarchs, half-god and half-human, mention Fuxi [伏羲] – a great teacher of mankind to whom people owe the acquisition of skills associated with shepherding, weaving fishing nets and using fire, which are all related to food production. Fuxi is considered to be a progenitor of the Chinese people and the one who gave them fire – the Yellow Emperor [黄帝]. [Source: Künstler 2007: 18, 20-21]. Another similar character mentioned in legends is Shennong [神農] – a divine Farmer, the great teacher of the art of agriculture and the healing properties of plants; a pioneer of counter-trade (barter) and the Chinese medicine based on the usage of herbs and food products.

Attributes:
– hot, warm and warming-up – yang;
– neutral, cooling, refreshing and cold – yin [Kalmus 1991: 11-17].

Until the reforms of Deng Xiaoping [邓小平], traditional Chinese medicine was practically the only one popular in China[2]. With the opening up of China to the world and the popularization of Western medicine, the deference for Chinese medicine began to decline. Currently, a citizen of a city, or a resident of areas that are close to the cities, who falls ill first goes to a hospital specializing in Western medicine. He will sometimes support his treatments on the recommendation of Chinese medicine or start to use Chinese medicine only after the failure of the previous treatment or when the disease is chronic. However, most Chinese people have been treated at least once in their lives according to the recommendations of Chinese medicine. The therapies of traditional Chinese medicine are still the only ones used in rural areas far away from cities.

Another factor revealing the importance of food consumption are the ceramics and tools accompanying them. The oldest pottery pieces discovered in China are red unglazed ceramics from the Yangshao culture in the Neolithic era found in the Yellow River region. Among the ceramics of the Yangshao culture, the black ceramics of the subsequent Longshan culture [龙山文化], the grey ceramics of the Xiaotun culture [小屯文化] and the first vessels made of bronze, there were numerous round dishes on tripods marked with the Chinese character鼎, which reflects their appearance. They were used not only for eating, but also for offering food sacrifices. These products, back then treated as highly luxurious goods, served as precious gifts desired by gods. Therefore, food served as a way of communication with higher beings, as well as a currency used when asking for blessings and prosperity.

Information about the importance of meals in daily life is provided by the ceramic vessels, later replaced by those made of metal, and by written records concerning monarchs and dynasties. The information enables us to state that:
– Ingredients and the methods of food preparation depended on the geographical location and the accessibility of certain products. In the South of China, rice was the most prominent staple food and soup was served as the first dish. In the North, people would consume mainly flour-based products and soup was served as one of the last dishes during a meal. Meat was accessible in all the regions, but it was reserved for the upper class only.
– Meals were always connected with ceremonies, and the social hierarchy played an important role in them.

[2] However, it should be mentioned that the treatment by western medicine was probably first introduced to China by the Jesuit missionaries in the Ming Dynasty (1368-1644), and became more common only among the richer part of society in port cities that were forced to open after the Opium Wars.

– The Imperial Court held the highest position in the social hierarchy and hundreds of servants were involved in preparing a single meal.
– Feasts and banquettes always emphasized the importance of a given event and were the main part of them.

The written records also give us information on the Xia [夏朝: 2070-1600 B. C.], Shang [商朝: 1600-1046 B. C.] and West Zhou [西周: 1046-771 B. C.] dynasties. During their reigns, meat was distributed among people in accordance with their social position.

For instance, a prince could not kill an ox without obtaining the Emperor's permission, court officials also needed his permission to kill a lamb and scholars to kill a dog. Common people were not allowed to consume *zhen* (minced meat). Confucius [孔子, 551-479 B.C.] himself indulged in dishes consisting of rice and chopped meat, stating that – in accordance with the ethics of restraint –starch should be the basis of a diet and animal fats serve merely as an addition to it. This model of eating is still applied by approximately 90% of Chinese citizens. Confucius also emphasized the ceremonies and hours of consuming meals [不时不食]. In the past, people in China would normally have two meals a day – the first one around 8:00 or 9:00 in the morning and then the second one around 4:00 in the afternoon. Nowadays, the first meal of the day is eaten right after waking up, the second one around noon and the last one around 6:00 or 7:00 in the evening.

Some of the ritual and etiquette regulations described in The Book of Rituals [礼记], The Book of Rituals and Etiquette [仪礼] and The Book of Zhou Rituals [周礼] relate to behaviors connected with dining together and hospitality. This indicates how meaningful feasts were already in 1045-256 B.C. Hospitality was a form of expressing a wish to maintain harmonious social relations. The way of receiving guests depended on the guest's social status. This status can be observed based on the following ranks used to indicate the social position of a guest: honored invitee [贵宾], distinguished invitee [嘉宾], honored visitor [贵客], visiting guest [宾客], received guest [来宾] and guest [客人] [*Bergshire Encyclopedia of China* 2009, 1846-1851].

Until the reigns of the Sui [隋朝: 581-618 A.D.] dynasty, *water feasts* [水席] were organized in the capital city of Luoyang. According to the written records from that period, the feasts were opened by serving tea, followed by twenty-four dishes: two of them were liquid ones, eight were cold and three were dishes of a given flavour of Chinese cuisine. The dishes were served in small bowls, one after another, to resemble water flowing in a stream.

During the reigns of the Song [宋朝: 960-1279 A.D.] dynasty, the first Chinese restaurants, called *fandian* [饭店], were established. The first of the two characters means *cooked rice*, the second one stands for *shop*. Therefore, the Chinese name for *restaurant* refers to a shop selling cooked rice. A synonym of *Fandian* is *fanguan* [饭馆] – *rice pavilion*, which was used to describe a roadside

stopover post for travelling officials. According to the custom, they were the only social group wealthy enough to travel and explore the lands outside of their places of residence.

During the reigns of the Ming [明朝: 1368-1644 A. D.] dynasty, prepared dishes were supposed to improve the health and well-being of the human body. The most famous banquettes of the period were known for opening at 11:00am and going on until 6:00pm.

During the reigns of the Qing [清朝: 1644-1911A. D.] dynasty, food delivery services emerged and the imperial banquettes of Manchu-Han [满汉全席] were characterized by a minimum of 108 distinguished dishes from different parts of the country being served, accompanied by 44 snacks and lasting for three consecutive days. In those times people believed that the meat of four-legged animals (e.g. even-toed ungulates and hares) was not as good as the meat of two-legged creatures (poultry) which was, in turn, not as good as one-legged things (mushrooms) or products without legs (fish) [Di Xianghua 2007: 19, 24, 32-33, 36, 48; Zee 1990: 273-274; Pimpaneau 2001: 64; *Encyclopedia of Modern China* 2009: 60-65; Liu Junru 2004: 31-32].

Imperial banquettes were very developed in terms of ceremonials and time. The last emperor Puyi [溥儀:1906–1967 A. D.], however, preferred eating his favorite dishes in privacy [*Encyclopedia of Modern China* 2009: 60-65]. According to the *Bergshire Encyclopedia of China*, in 1950 some meaningful changes in the ceremonials of feasting were introduced in Hong Kong and Taiwan. In the years 1970-1980, the changes also applied to mainland China. During the times of Mao Tse Tung's regime, in 1987, the time of a banquette was shortened from four hours to ninety minutes and the number of courses was limited to only four dishes and a soup [*Encyclopedia of Modern China* 2009: 60-65].

Anthony Zee emphasizes that parties in modern China are logical and balanced, with food being served unhurriedly, one dish served after another, which enables better digestion [*Encyclopedia of Modern China* 2009: 270]. The dinners usually take place in representative places, most frequently in private rooms in restaurants at round set tables "awaiting" the guests to sit. The dishes are served after the arrival of the guests.

It may be perceived that, in Chinese understanding, offering food is a synonym of hospitality. The Chinese saying 'three teas, six meals' [三茶六饭] means focusing on a guest – expressing hospitality is connected to offering drinks and numerous dishes while paying special attention to taking good care of all the guests and conversation partners. The model way of expressing hospitality in China usually consists of the following steps: welcoming the guests [迎客], offering drinks – tea, spirits and other beverages [敬茶], encouraging the guests to eat [宴请] and, after the consumption, showing them to the exit [送客] [*Bergshire Encyclopedia of China* 2009: 1846-1851]. The host covers the costs of the party, he is also the one to officially open the meeting by serving delicacies to the

most important of the guests. The number of the dishes should exceed the eating capacity of the people gathered, which emphasizes respect towards the guests and consciousness of their high position. Enabling them to eat their fill prevents the host from losing *face* [面子/脸][3]. The host ought to encourage guests to taste another dish, whereas the guests should constantly praise the food and loudly assure the host of his hospitality and the exceedingly large amount of food.

The principles concerning dishes, their quantity and size, as well as the order in which they are served, the shape of the table and the specialty of the restaurant [*Bergshire Encyclopedia of China* 2009:1846-1851] vary depending on the geographical location. The general rule is that the guest should be full after the meal and should leave the table with plenty of food uneaten. Such visible waste reflects the fact that "Chinese people love their faces too much " [中国人太爱面子]. The Chinese desire to show generosity is much more important than finances. On a daily basis, this phenomenon still occurs, although today the question of food waste is starting to be raised among the Chinese people themselves. The difference is that in comparison to the past, more and more citizens take away the uneaten food or complain about the waste. The media has reported that Chairman Xi Jinping [习近平] is trying to change the bad habit of wasting food during business meetings, by showing changes made during official governmental celebrations.

Ted Plafker points out that in modern China etiquette does not matter as much as it used to, but the older part of the society, people working for traditional national enterprises or ministerial institutions, still pays attention to it [Plafker 2008: 74]. Ways of taking care of guests and Chinese *savoir vivre* are undergoing changes mostly in bigger agglomerations. The opening of the People's Republic of China (PRC) to the international market and the economic boom have resulted in widespread availability of meat, wine, sugar, etc., which has led to changes in some of the consumption habits [*Bergshire Encyclopedia of China* 2009: 529-530, 534]. Moreover, western restaurants have become very popular among the younger generation (McDonald's, KFC, Starbuck's Coffee, etc.). Another western custom gaining more and more popularity in China is *going Dutch*, which means that each of the participants of a meeting pays for himself. Nevertheless, this phenomenon does not apply to business-related meetings, where the inviting party has to pay the bill. Nevertheless, there are often theatrical races to the "checkout counter" by participants in order to pay the bill, and verbal scuffles amongst people volunteering to pay. Participation in such "races" is intended not only to demonstrate their solvency, but also their willingness to increase the social status of the other participants.

The most frequent topics of Chinese small talk include food, meals, culinary tastes, the culinary specificity of a given region, names and prices of food prod-

[3] *Face* is a ritualized way of showing and receiving respect and over time, allows the formal building of relationship and mutual trust.

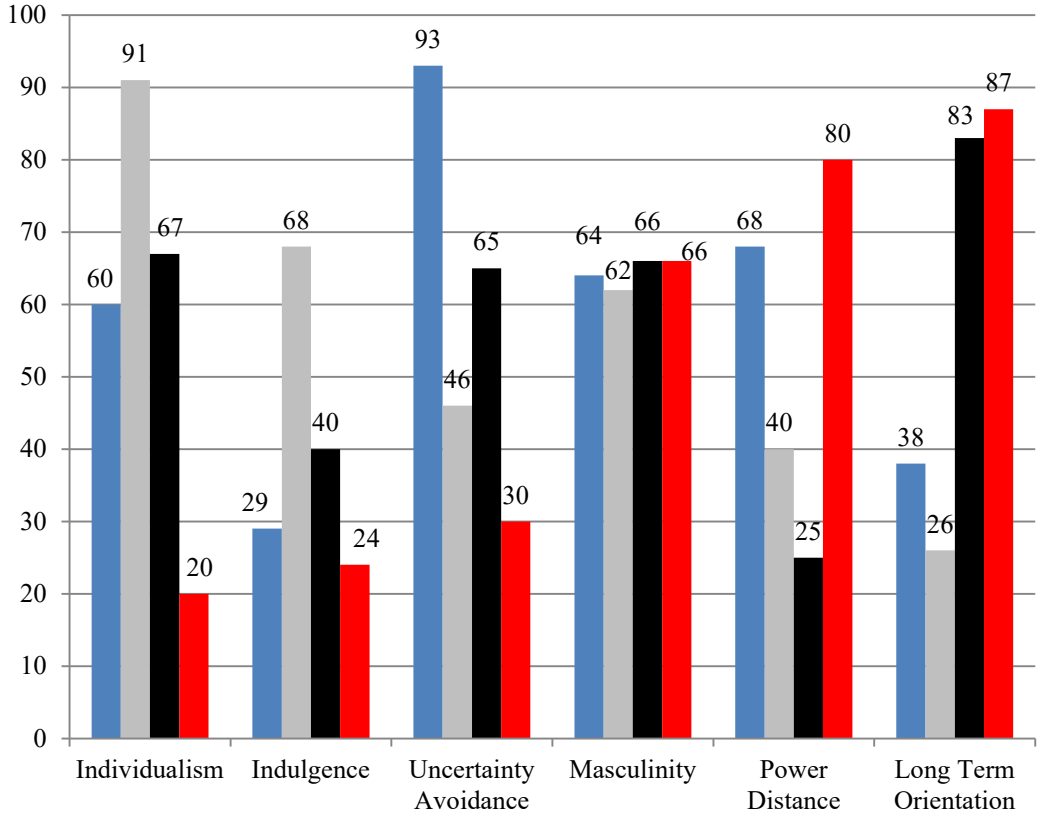
ucts and dishes as well as favourite restaurants. The topics are relatively safe, because they do not concern politically sensitive matters and are easy to follow for everyone participating in the meeting.

Furthermore, lavishly packed food products, such as teas, wines and regional sweets, are often bought as gifts indicating high social status. For instance, before the tightening of the anticorruption laws introduced by Xi Jinping, vineyards would sell bottles of wine specially designed to serve as gifts for major corporations and ministries [*Rynek spożywczy w Chinach*]. Furthermore, before upcoming traditional Chinese holidays malls put out special stalls filled with food products packaged specially to be given as gifts.

Food products are easily accessible in China; restaurants, canteens and food stalls (often open around the clock) can be seen on every street. Similarly, inside university campuses student life is centered in the canteens, where 10RMB is enough to buy a substantial meal. It can be felt that food in China is broadly accessible and prices are usually considerably lower than in European countries. The reason for the shared meals is not only the fact that they are relatively inexpensive: in a collectivist society, as a result of the one-child policy, canteens, bars, teahouses and restaurants provide an opportunity to stay active in one's own peer group.

Geert Hofstede has introduced a classification of culture based on six dimensions: power distance, individualism, masculinity, uncertainty avoidance, long term orientation and indulgence. Chinese society obtained a low score in the individualism category (only a score of 20, as shown in diagram 1). This same study highlighted a high score of Chinese society as a collectivist culture where people act in the interests of the group and not necessarily their own. In-group considerations affect hiring and promotions with closer in-groups (such as family) and they get preferential treatment. Personal relationships prevail over task and company. [Geert Hofstede website] Thinking in terms of groups and not only the individual, when private life is dominated by a group and the source of identification of each person is their belonging to social networks [Hofstede 2000: 119, 127], is also related in China with the satisfaction of basic needs. For example, receiving an invitation to have a meal or a banquet in a hotel or restaurant is regarded in China as something quite ordinary – it is not always a sign of business-related success. However, it is also an essential element of intercultural communication among the Chinese. Not accepting an invitation could be perceived as a deliberate attempt to deviate from the standard, or even appreciable unwillingness to establish a future harmonious relationship.

Diagram 1. Cultural dimensions by Geert Hofstede – China in comparison with Poland, Germany and the United States [scores]



Source: Geert Hofstede website.

Moreover, the food market in PRC is not only huge, but also requires imports (1.3 million consumers; the 4th largest in the world in terms of size [*Rynek spożywczy w Chinach*]). Retail sales of food products in China rise annually by 10% and the agro-food sector is one of the most dynamic markets [*Leksykon wiedzy o Chinach współczesnych* 2009: 79]. Due to the increasingly affluent society and China constantly opening up to the world, Chinese consumption habits are changing. People are consuming more meat and dairy products [*Leksykon wiedzy o Chinach współczesnych* 2009: 79] and they are buying more imported food products; eating out is also becoming increasingly popular. Healthy food products of high quality are the most desired. This is indicated, for instance, by the import-export structure and the difference between foreign and national food products. In the years 1980-2014 there was a generally increasing tendency towards importing agro-food products, even though among the most frequently imported goods the most prominent ones included: cereals and cereal

flour (wheat and paddy rice), soybeans, edible vegetables, oil and sugar (Tables 1 and 2).

Table 1. Structure of imports and exports of agricultural foodstuff goods in China

Agricultural foodstuff goods	Import [%]	Export [%]
2005	1.4	3
2010	1.7	2.7
2014	2.8	2.6

Source: United Nations Commodity Trade Statistics Database.

Table 2. Values of imports of food and live animals used for food in China in 2015

Food and life animals used mainly for food	**Import** [billion USD]
1980	29.27
1985	15.53
1990	33.35
1995	61.32
2000	47.58
2005	93.88
2010	215.7
2014	468.27

Source: China Statistical Yearbook 2015.

One cause of the increasing demand for imported goods is the presence of dishonesty in the Chinese food industry. As examples: poisoning of Chinese baby milk with melamine in 2008; production of cheap artificial hen's eggs (prepared with chemicals of natural and synthetic origins), rice (made of sweet tomatoes and plastic), walnuts (walnut slate filled with paper and cement), beef (from processed pork), white and black pepper (made of mud and flour), honey (made of sugar syrup), baozi (with cardboard fillings), tofu, alcohol, etc. The above examples contributed to the consumption of imported goods, because in China foreign food products (especially from Europe), are associated with high quality.

3. DINING TOGETHER AND ESTABLISHING AND CULTIVATING GUANXI

Jacques Pimpaneau states that in ancient times the consumption of social meals established social bonds, and banquettes were an important part of social life [Pimpaneau 2001: 65]. A networking event, where people ate, drank and

conversed together, enabled everyone to participate and be included in the "inner circle" as well as to feel included as a legitimate member of a given community. Such celebrations were usually connected with holidays: Spring Festival – Chinese New Year [春节] and Mid-Autumn Festival [中秋节], private celebrations – connected with the birth of a child, wedding, funeral, starting a business, or – as LuoYadong puts it – business meetings related with, for example, the end of the year [Luo 2007: 57; *Bergshire Encyclopedia of China* 2009: 1846]. In a collective society, such as the Chinese, eating together is not just about sitting together at one table, it is also connected with the way that food is served and active participation in a discussion. The dishes are not served on separate plates to everybody, but are put in the middle of the table in front of all the participants. Each person helps himself to the food on the table and puts it on his small plate or bowl, participating actively in sharing food with the others. When it comes to conversation, apart from satisfying people's private curiosity, it leads to them getting to know each other better, as well as creating and sustaining social ties. Food consumption accompanied by lively conversations is a splendid opportunity to maintain social bonds. Those bonds can be understood not only in terms of searching for information before deepening relations, but also a kind of "investment" in favour of future mutually planned business. It was noted in Geert Hofstede's research that China is a culture of long-term orientation (a score of 87 as shown in diagram 1). In his opinion the Chinese "(…) show an ability to adapt traditions easily to changed conditions, a strong propensity to save and invest, thriftiness, and perseverance in achieving results" [Geert Hofstede website]. In order to maintain social bonds, the Chinese show a willingness to invest in relationships and to achieve the future planned results.

Creating bonds within a community is connected with *guanxi* [关系] capital. This term is difficult to translate into European languages and any attempt to do so fails to convey the exact meaning of the expression. It is sometimes interpreted as *relation, relationship, dependence, private contacts*, and the literal translation of this expression would be *door/approaching/doing a favour* [关] and *relation* [系]. In turn, *learning about guanxi* [关系学] is used to describe the art of improving inter-personal relations – establishing, sustaining and using them. Furthermore, the phrase *guanxi family* [关系户] describes a group of people working on doing business together.

The term *guanxi* is therefore connected with social capital of "incorporated embodied form", whose extent depends on the range of network of acquaintances that can be used effectively [Bourdieu 1986: 241-258]. It is a capital resulting from mutual inter-personal relations in a certain group and it can favour the multiplying of benefits. Social capital includes social skills (establishing and maintaining contacts), making certain goals available, even though they would not be possible to achieve without the aforementioned skills. It concerns trust, norms and connections facilitating coordinated initiatives [Putnam 2000: 21; *Democracies in Flux: The Evolution of Social Capital in Contemporary Society* 2002];

cooperation between people, be it within formal groups (e.g. political parties) or informal ones (e.g. group of friends); and more or less profound relations – multi- or single-leveled, concentrated on one or the other group. Their goal is to achieve a single person's or group's interests [Fukuyama 1997], which are included in the non-economic factors influencing economic growth. Social capital has no value itself, it is not always defined favourably by all the members of a given community (the personal interest of a single person is not always in accordance with the group's interests) and it shows the existence of formal and informal people-to-people networking. Moreover, the creation of a network of connections is a product of individual or corporate investment strategies [Bourdieu 1986].

Guanxi is also connected with the category of *cultural capital*, which appears mostly in two out of three of the forms mentioned by Pierre Bourdieu: the *embodied state* – as *culture* or *cultivation* of knowledge and skills of acquiring knowledge about cultural and social conventions, and the *institutionalized* state – as *academic qualifications* [Bourdieu 1986] acquired in the process of learning and *cultivating* them by participation in social life.

Guanxi is based on relations which, in turn, can be based on kinship (family or clan members), place of birth or residence (e.g. people living in the same building, village, city or province), levels of education (classmates, students of the same year, dormitory roommates), membership of certain associations or organizations (activists, colleagues), etc. This state of affairs proves the collectivist attitude of Chinese people, which is based mostly on relations between: parents and children, spouses, siblings and friends, with differentiation according to age and gender. It can be said that *guanxi* is based on inter-personal relations created on the basis of differences in social hierarchy and geographical location and in cases when the factors listed above do not apply – feelings of human closeness [*Encyclopedia of Modern China* 2009: 27, 436-437]. According to Confucian ethics, *guanxi* was imposed by a strongly hierarchal society. In the post-Confucian view, *guanxi* is sometimes believed to have resulted from the collapse of the social order during the Cultural Revolution (1966-1969/1976) when people had to use their "connections" in order to survive [Guthrie 1998: 257-258, after Yang 1994: 147].

The essence of *guanxi* concerns mutual respect, taking care of each other and long-term consideration of inter-personal relations. Moreover, *guanxi* does not depend on money as much as it does on friendly relationships. *Guanxi* decreases basic business risks, makes markets and clients more easily accessible and increases the levels of their stability and loyalty [Jin 2006: 107-108, 111]. Due to the fact that the process of establishing *guanxi* is strongly associated with the development of mutual dependence and commitment, it is often criticized for favouritism and corruption. However, these two concepts are differently defined in western and eastern cultural circles. According to Jin Ai, Westerners do not trust Chinese people, believing they will always favour their own friends above

others; Chinese people, on the other hand, do not trust Westerners, believing they never help anyone, even their own friends [Jin 2006: 107].

Guanxi can be divided into: *normal* [普通关系/普通同事关系] and *deep* [亲密关系]. The *normal guanxi* category is related mostly with business transactions, good references, etc. In that sense, *guanxi* is crucial in making the first contact and the main points of a business transaction are price, quality and service [Guthrie: 256, 266, 279]. If the products do not differ in the above three elements, the proven contacts enter into the game – favouring a supplier from the network of *guanxi*. If somebody is looking for new employees, he/she will first ask in the environment of his/her own contacts, etc. This is not perceived negatively in Chinese society.

Favoritism, bribery and corruption are usually linked with *deep guanxi* – situations in which some people are treated with special attention, get so-called "back door access" [开后门/走后门] in violation of the formal laws and procedures. This phenomenon is perceived negatively. The basic difference between corruption and *guanxi* is that the former is forbidden in China while the latter is socially acceptable and therefore – relatively legal. In reality, the relativeness depends on the social position of a certain person and the power of their political influences.

There is a popular Chinese saying that illustrates *guanxi* quite accurately: *when you have guanxi, you have nothing to worry about and when you have nothing to worry about, you must have guanxi* [有关系就是没关系，没关系就是有关系]. It is similar to saying that it does not matter *what* you know, but *whom* you know. Most Chinese people do not seem surprised by the phenomena of *guanxi*, bribery, corruption and favouritism. It can even be observed that common Chinese citizens are quite familiar with these topics. However, there is a clash of two opposite views in their statements. On one hand, they praise the new anti-corruption policy of Chairman Xi Jinping and mention all the famous personas caught in the act of illegal favouritism practices and who are now held in jail. On the other hand, they emphasize that government keeps turning a blind eye to such instances and they also criticize the current housing situation in China[4], relatives and friends of famous personas opening prosperous enterprises and

[4] The gigantic and incessantly increasing housing prices in major Chinese cities result from the fact that the government buys apartments from private individuals (in China, it is impossible to own land, one can merely utilize it for a certain time owing to the fact that, officially, it belongs to the people–hence, it is managed and redistributed by the government), demolishes them, builds new estates and sells them to companies and enterprises (that can also merely utilize the land for a certain period) or private individuals at considerably higher prices. Considering that Chinese banks are all owned by the state, only a privileged group of people is able to borrow huge amounts of money, which brings double profits to the country.

all the malfunctioning enterprises still being kept open by rather suspicious methods.

Relations affiliated with *guanxi* are also linked with the gifts economy [礼物经济] which is based on exchanging gifts, favours, banquettes [Luo 2007: 27; Jin 2006: 116-117], words and even women (by arranging marriages in order to connect two families [Bourdieu 1986]). Thus, new *guanxi* relations are formed, sustained and cultivated.

4. CONCLUSIONS

Business-related meetings are an integral part of any business talk, regardless of the goal, whether it concerns initiating a new economic activity, managing an already functioning company or developing an enterprise. These meetings usually take place at well-set tables at restaurants, hotels or teashops. This is a result of China's rich history, wherein many elements indicate the importance of dining together. These elements illustrate that:

- food consumption is the most basic need of each living organism;
- hearths/bonfires already served as central meeting points of tribesmen in primary cultures;
- both food products and ceramics were once considered luxurious goods and they served as offerings to gods acquiring mystical meaning in the process;
- food products (especially meat) indicated the status and wealth of their consumers;
- in a collectivist culture, ceremonials concerning hospitability and banquettes are developed;
- food products and meals are common topics of day-to-day small talk;
- there is a constantly growing demand for products of the agro-food sector;
- dining together provides an opportunity to establish bonds within a community, establishing and sustaining promising social ties.

In the highly hierarchical Chinese society, the creation of social ties is linked tightly with *guanxi* capital, which is parallel to social and cultural capital, but with Chinese characteristics. *Guanxi* is about connections and relations/interpersonal networking resulting in mutual exchange of favours/cooperation/support. When entering a new group, *guanxi* should be established; once acquired, it should be cultivated. One should use acquired associations in order to create new ones. The pace of life is increasingly fast and direct inter-personal communication is frequently substituted by media (such as computer and smartphone applications) – therefore, sitting together at one table is often one of the rare occasions to meet and contact new or old friends and business partners directly. Such meetings enable everyone not only to share information, examine the possibilities of future joint investments and exchange favours, but also engage in self-promotion and build mutual trust.

The main advantage of *guanxi* relations is, for instance, that they allow people to join the inner circle – fostering acceptance by the group. They are able to help

with gathering information about business partners, and they are even a kind of insurance or guarantee, because they are associated with trust and mutual respect. *Guanxi* often enables the achievement of objectives originally considered to be unattainable, as they were too difficult to achieve alone.

The negative side is, for instance, that *guanxi* is interest-connected. The others care about us because we may someday be useful to them; we send an invitation or gifts, because we were invited and bestowed before. *Guanxi* promotes inequalities in the social hierarchy, favoritism, bribery and corruption. It is necessary to continually sustain and cultivate the whole process, which entails high costs in terms of time and finance.

The main reason why *guanxi* is so important in China is related to the fact that the society is still not a society of law. The law is based on *guanxi*; the so-called spirit of equality in law has never existed in China.

Even though traditional Chinese etiquette is slowly losing its meaning in modern China, it is still cultivated in certain aspects. Similarly, *guanxi* relations, linked with corruption and favouritism, are still a prominent part of business activity in China. This fact is emphasized in every "How to Do Business in China" manual and in lectures concerning the Chinese economy. It is also pointed out that establishing any business in China should be carried out slowly, instead of making use of easy opportunities creating only short-term profits, because it takes time to build meaningful business relationships. Thus, it is crucial to be patient and invest time and money in business-related talk and invite business partners to restaurants and teashops in order to get to know them better. This is especially important to those who wish to spend a long time in China or plan on establishing a business activity with Chinese partners.

In the Chinese market *guanxi* is extremely important. Business networking depends on establishing and maintaining *guanxi* mainly during business-related meetings around fancy meals. The offer of food is synonymous with hospitability and involves the remnants of highly developed etiquette, indicating the social hierarchy of the guest and the host. Moreover, shared meals is a norm in the collectivist society, in which the source of identification is to belong to social networks. Relationships are more important than achieving short-term goals. Shared meals are still revealers opening the door to the inner circle. Therefore, the culture of meals and dining together is widely understood nowadays to be meaningful in contact with Chinese partners and during business discussions.

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