

Human Resources

Wages

Under the communist regime, Polish wages were low compared to those paid in western European countries. This relationship remains true today, even following the recent bout of inflation. Wages adjusted for exchange rates are highly competitive, even after adjustments are made for Poland's poor productivity. In December of 1991, average monthly earnings, exclusive of bonuses and profit-sharing, was about 2.2 million *zlotys* (equivalent roughly to \$US 200 a month). Western investors, however, cannot count on paying such low wages if they hope to get skilled workers. A good executive assistant with a knowledge of western languages and working for a western private company will expect significantly more than the average wage for workers in a state-owned enterprise. Even so, that monthly salary will still be highly competitive by western standards. Polish wages are likely to remain below western rates for a long time to come. This differential offers investors an opportunity to hire well-educated workers for a fraction of the cost payable elsewhere.

Education and Skills

Poland's highly trained labour force is one of its greatest assets, but it is badly under-utilized. In 1987, 30% of those employed in state enterprises had a secondary education, 28% had vocational training, and 10% had completed a post-secondary degree. Moreover, the country excels in certain scientific and technical disciplines. For example, Poland has produced some of the best mathematicians in the world. The country's economic performance is not due to any lack of skilled people. Instead, low productivity is the result of systemic problems which inhibit the full utilization of the country's human capital.

Poland's skilled workforce is the product of a well developed system of public education (see Figure 9.1). Of particular interest is the large number of vocational and trade schools which offer both secondary and post-secondary levels of instruction. Vocational institutions include trade, technical, and professional schools which provide 4 to 5 years of highly specialized practical education. About 60% of Poland's workforce has completed some form of secondary, technical, or vocational education. This makes Polish workers a rich potential resource for employers.

Figure 9.1
Public Education in Poland, 1988/9

Level	No. of Institutions	Students Enrolled
Primary	18,501	5,276,400
First Level Vocational	3,356	836,000
Secondary		
General	1,334	493,600
Vocational	5,190	795,000
Post-Secondary Vocational	893	108,300
Higher Educational Institutions	96	394,300
Higher Education:		
Universities	11	141,000
Schools of Engineering	18	75,700
Medical Schools	11	37,500
Agricultural Academies	9	36,400
Academies of Economics	5	24,000
Institutes for Teacher Training	10	47,600
Academies of Art	17	8,200
Other	15	23,900

Source: Rocznik Statystyczny, 1991.

In the school year 1989-90 there were 7,795,000 students attending schools at all levels, with 378,000 of this number enrolled in institutions of higher education. Approximately 10% of Poland's workforce holds the equivalent of a university degree, with the preponderance of these in scientific and technical disciplines. Of the 49,400 students who graduated from university in 1988/89, 22.8% were in technical disciplines, 9.5% were in mathematics or natural sciences, 11.9% were in economics, and 10.1% were in medicine. More than half (52%) of the graduates were women, reflecting women's determination to participate fully in the education system.

The educational attainment of the Polish labour force combined with its size and its cost-competitiveness lends a particular edge to certain kinds of business opportunities. Obviously, labour-intensive production will enjoy cost advantages. In addition, the country's well educated population suggests an opportunity for ventures requiring vocational skills or for others needing technical sophistication. Given the general movement of labour out of state-owned enterprises, western companies will find it easy and cost-effective to attract workers into their enterprises.