

EMPLOYMENT IN POLAND IN 1930 - 1960 DYNAMICS AND STRUCTURE

The dynamics and structure of employment are directly related to the situation on the labour market and indirectly to the mutual proportions between the labour force and capital, and between employment in agriculture and in non-agricultural branches of the economy. These proportions are determined by demographic and economic factors (i.e., by the historical process of economic growth), as well as by short term market oscillations. The present paper aims at discussing the factors of change in the rate of growth and structure of employment above all in the above mentioned two fields (demography and the historical process of economic growth), only marginally touching upon the third (market oscillations). It is necessary to remember that since the late thirties, the experiences of the crisis and the advances in economics have been responsible for the fact that the State's economic policy has increasingly influenced the rate of growth and structure of employment. This trend, which manifested itself in the majority of European countries, was also observable in Poland, where after World War II the changed socio-political conditions strengthened the State's role in the field of employment. And though a separate study of the importance of the State's employment policy seems to offer interesting prospects, here — in view of the author's intention to provide as far as possible a synthetic picture — it is assumed that the State's employment policy found its best expression in investments, the fundamental factor determining the demand for labour.

The proportion between labour and capital is reflected by the situation on the labour market, i.e., the relation between supply and demand for labour. As labour is regarded that part of the population which is either actually employed or willing to undertake work.¹ This definition of labour force includes both those employed and those who, although able to work, remain permanently or temporarily unemployed against their will; it excludes those who either do not want to work or do not look for employment. Naturally, the definition of labour force has been variously

¹ W. E. Moore, *Industrial Relations and the Social Order*, New York 1957, p. 455; *Employment Policy and the Labour Market*, ed. A. M. Ross, Berkeley, Los Angeles 1965, p. 117.

formulated at different times.² Here, we propose to use the category of gainfully employed population.

DEMOGRAPHIC BACKGROUND OF EMPLOYMENT CHANGES

It is assumed that theoretically the index of the working age population sets the limit on potential employment in a given community.³ This is an oversimplification since the potential reserves of gainfully employed population are in practice defined by the working age population and the employment of young persons and pensioners.⁴ However, this somewhat simplified assumption has necessarily to be adopted as there are no fully comparable data pertaining to the age structure of employment in Poland in the inter-war period and after World War II.

Thus, we propose to use the relation between the number of the gainfully employed population and the number of people in working age as a basic means of measuring the demographic degree of occupational activization. At the same time, the relation between the number of gainfully employed people and the total figure of the population will be an additional demographic yardstick determining the degree of occupational activization, and verifying in a way the fundamental index (above all in view of the fact that we have omitted the marginal employment groups in drawing up a demographic estimate of the reserves of manpower).

Table 1 shows that the drop in the absolute number of gainfully employed persons in 1931 - 1960 was greater than the decrease in the total population and the decrease in the working age population, which was naturally reflected in the corresponding percentage *ratios*.

This process could be described as a decline of the demographic effectiveness of employment in 1960 as compared with 1931. In the period 1950 - 1960 it underwent certain modifications: the total population showed the greatest rate of growth, while the increase in the gainfully employed was greater than the rise in the working age population. This was reflected by index figures: total population went up to 20.9, gainfully employed population to 12.1, and working age population to 10.0. Thus, the utilisation of the demographic reserves of manpower in 1960 as compared

² Cf. W. Kula, *Problemy i metody historii gospodarczej* [Problems and Methods of Economic History], Warszawa 1963, p. 485.

³ That is why such a great role is attached to this factor by economists. "Labour as a social cost or production factor differs fundamentally from capital and imperishable goods in that its subject, from which it is inseparable, is considered in economics both a subject and object of social husbandry [...] Its characteristic feature, related up to a point to the preceding remarks, is the impossibility of amassing in time its unutilised reserved, of saving it. Once utilised, it is fruitlessly forfeited." E. Taylor, *Teoria produkcji* [Theory of Production], Warszawa - Łódź 1947, p. 35; cf. also C. Hudeczek, *Bestimmend für den potentiellen Wohlstand ist vom demographischen Standpunkt der Anteil, der im erwerbsfähigen Alter Stehenden, also der 15- bis 65- jährigen*, in: *Wege und Ziele der Wirtschaft Österreichs*, Wien 1958, p. 4; and P. Drucker, *Amerika in den nächsten zwanzig Jahren*, 1955, quot. after E. Rosset, *Perspektywy demograficzne Polski* [Poland's Demographic Perspectives], Warszawa 1962, p. 421.

⁴ This estimate is accepted by A. Józefowicz, in: *Zagadnienia stagnacji w zatrudnieniu* [Problems of Stagnation in Employment], Warszawa 1967, p. 289.

Table 1. Gainfully employed population in Poland in 1931 - 1960

Sources: *Drugi powszechny spis ludności z 9 XII 1931 [The Second General Census of December 9, 1931]*, Part I and II; "Statystyka Polski," Series C, fasc. 94A, 94B, 94C, 94D; 1938-1939; *Narodowy spis powszechny z 3 XII 1950 [General Census of December 3, 1950]*, Warszawa 1954; *Spis powszechny z 6 XII 1960 [General Census of December 6, 1960]*, "Biuletyn Statystyczny," Series L, 1964, No. 23; and my own estimates and calculation

	1931	1950	1960
Gainfully employed population in thous.	16,039.9 ^a	12,404.2	13,907.4
index, 1931 = 100	100.0	77.3	86.7
index, 1950 = 100		100.0	112.1
Total population in thous.	31,915.8	24,613.7	29,775.5
index, 1931 = 100	100.0	77.1	93.3
index, 1950 = 100		100.0	120.9
Population in working age (15 - 60 years) in thous.	18,934.2	15,342.5	16,874.2
index, 1931 = 100	100.0	81.0	89.1
index, 1950 = 100		100.0	110.0
Gainfully employed population as percentage			
of total population	50.3	50.4	46.7
of population in working age	84.7	80.8	82.4
Population in working age as percentage of total population	59.3	62.3	56.7

^a In the 1931 census farmers were not divided into those gainfully employed and those inactive. The figure is an estimate including hired labour gainfully employed in agriculture (1,428,883 persons) and farmers in working age, 15 - 60, (9,275,777 persons). The figures illustrating the division of farmers by age allowed to distinguish the 14 - 61 age group; this group was reduced to 15 - 60 proportionally to the age structure of total population.

to 1950 rose by 1.6 (the percentage rise of the gainfully employed population in relation to the working age population).

However, the real demographic effectiveness of employment (the relation of the gainfully employed population to the total population) was characterised throughout this period by a decreasing tendency and did not reach the level of 1931.

This analysis has a quantitative character and should be supplemented by a qualitative appraisal which would explain the causes and sources of changes in the absolute and relative figures pertaining to the gainfully employed population. Recourse should be made to such elementary demographic indices as the birth and death rates, the balance of external migrations, the structure of the population by age and sex.⁵ The scope of this paper, however, allows us to consider only two of the above mentioned factors (i.e., the structure of the labour force by age and sex).

A comparison of the changes in the structure of the gainfully employed po-

⁵ It is worth noting yet one more aspect often omitted in demographic investigations, namely that "the labour force is not merely related to the population, it is a part of the population. It is not merely influenced by demographic variables, it is a demographic variable [...] it is necessary to introduce labour force participation rates into the calculation, and take account of changes in the rates and their interaction with the changing numbers in the different sex-age groups of the adult population." J. Durand, in: *Demographic and Economic Change in Developed Countries. A Conference of the Universities*, National Bureau Committee for Economic Research, Princeton 1960, pp. 419 - 420.

pulation (Table 2) in 1931 - 1960 shows that it was increasingly ageing. The percentage of gainfully employed young people fell more than three times in the period under discussion. This drop was connected with a change in the age structure of the working age population, since the percentage of young people among the working age population was also falling, even if not at the same fast rate.⁶

Table 2. Gainfully employed population by age ^a in 1931 - 1960

Source: My own calculations on the basis of figures from Table 1

Year	Total	Below 18	13 - 24	25 - 54	55 - 59	60 and over
in thousands						
1931	16,025.9	1,327.8	2,849.9 ^b	9,637.7 ^c	1,706.1 ^d	504.4 ^e
1950	12,404.2	740.2	2,282.5	7,652.0	657.3	1,033.1
1960	13,907.4	357.2	2,014.7	9,086.2	1,052.9	1,383.0
as percentage						
1931	100.0	8.3	17.8	60.1	10.6	3.2
1950	100.0	5.9	18.5	61.8	5.4	8.4
1960	100.0	2.5	14.4	65.3	7.9	9.9

^a Population of uncertain age was omitted; in the successive censuses it amounted to: 1931 - 14.1 thous., 1950 - 37.9 thous., 1960 - 13.3 thous. ^b Farmers in the 18-21 age group. ^c Hired agricultural labour and non-agricultural gainfully employed population in the 25-51 age group, farmers in the 22-51 age group. ^d Hired agricultural labour and non-agricultural gainfully employed population in the 52-61 age group, farmers in the 52-60 age group. ^e Hired agricultural labour and non-agricultural gainfully employed population in the 62 and over age group.

The process of the falling share of young people in the employment total was also influenced by non-demographic factors. It began to appear already in the thirties and was particularly acute in industry. In 1931, for 100 workers in big- and medium-scale industry there were 4.1 young people, in 1937 - 2.6, in 1938 - 3.5, and in 1955 and 1960 in the socialized industry (which can be regarded as a rough equivalent of big- and medium-scale industry in pre-war Poland) the corresponding figures were 3.1 and 1.9.⁷

In 1930 - 1935, the years of economic crisis in Poland, the decrease in the percentage of gainfully employed young people could be attributed to widespread laying off of manual and white-collar workers; however, in 1938, a year of relatively vigorous economic activity, the proportions of the employment of young people were smaller than in 1931, one of the hardest years for the working people.

The character of the causes which after World War II brought about the fall of the percentage of young people in gainful employment was different; the main reason was the spread of education.

Nonetheless, irrespective of the non-demographic factors affecting the proportions of the employment of youth, the fact that the decrease of these proportions was accompanied by the fall in the share of the gainfully employed population in the

⁶ The share of young people in the working age population amounted to 16.0 per cent in 1931, 15.5 per cent in 1950, and 11.4 per cent in 1960.

⁷ Cf. "Mały Rocznik Statystyczny," 1939, p. 263; "Rocznik Statystyczny," 1961, p. 50.

18 - 24 age group and with the growth of the gainfully employed population in older age groups (viz. Table 2) would indicate that the causes of the changes in the age structure of the gainfully employed population should be looked for in the changes of the age structure of the total working age population. These changes consisted — a finding which is not so obvious in the highly industrialized countries — in the rise of the share of the older age groups in the working age population and signified the process of ageing of the working age population. This is illustrated by Table 3.

Table 3. Percentage share of the working age population in the 20 - 39 and 40 - 59 age groups in the total figure of the working age population in 1897 - 1960

Sources: E. Rosset, *Perspektywy demograficzne Polski* [*Demographic Perspectives of Poland*], p. 473 and my own calculations for the years 1950 and 1960

Territory	Year	Population in the 20 - 59 age group ^a	Of this in the age group	
			20 - 39	40 - 59
Kingdom of Poland	1897	100.0	67.9	32.1
Poland	1921	100.0	62.4	37.6
Poland	1931	100.0	66.5	33.5
	1949	100.0	59.0	41.0
Poland	1950	100.0	56.7	43.3
Poland	1955	100.0	57.4	42.6
Poland	1960	100.0	58.6	41.4

^a A French classification of working age has been employed here.

More clearly observable is the fall in the share of the young age groups when the Polish classification of the working age population is taken as the basis of calculation. The share of population in the 15 - 39 age group in the total of working age population (15 - 60) amounted in 1931 to 71.0 per cent, in 1950 to 62.8 per cent, and in 1960 to 62.4 per cent.⁸

The relatively low share in 1960 of older working age population is explained by the fact that this group was then joined by small age groups born during World War I. Of importance for the evaluation of these changes are, however, not so much oscillations in shorter periods of time, but the general decrease of the share of younger population in working age in the country's demographic reserves after 1945 in comparison with the pre-war period. This change affected the age structure of the gainfully employed population.

From the point of view of the evaluation of the qualitative character of the labour force, it has a number of positive aspects; first of all, predominance of older population implies a higher level of qualifications and greater occupational experience, whose importance does not decline with the improvement of the technical means of work. On the other hand, when we remember that physical and psychical mobility (two factors which are essential prerequisites of productivity) show on the whole a decreasing tendency with advancing age, the

⁸ My own calculations based on the data of the censuses of 1931, 1950 and 1960.

negative sides of the changes in the age structure should not be disregarded. However, there would be more cause for anxiety if demographic forecasts indicated that this trend will be deepened, since it would affect the rate and scale of the reproduction of the labour force.⁹ Demographers foresee, however, that in the next few years the age structure of the working age population will remain stable and so there is no reason to expect further ageing of the gainfully employed population.¹⁰

Now we come to the structure of the gainfully employed population by sex. Table 4 shows, that in the period under discussion, the dynamics of the occupational

Table 4. Gainfully employed women in 1930 - 1960

Source: My own calculations on the basis of figures from Table 1

	1931	1950	1960
Gainfully employed women, total in thous.	7,142.0 ^a	5,545.0	6,154.7
index, 1931 = 100	100.0	77.7	86.2
index, 1950 = 100		100.0	111.0
Gainfully employed women as percentage of the total of the gainfully employed population	44.5	44.7	44.3
Gainfully employed women as percentage of the total of the working age population:			
in agriculture ^b	50.8	53.5	54.7
in non-agricultural occupations	31.7	32.9	34.8
in mining, industry and housing	20.4	26.7	26.0
in trade and social insurance	36.4	43.3	57.0
in transport	5.2	13.4	15.1
in the remaining branches	53.2	48.0	52.2

^a My own estimate of gainfully employed women in agriculture (viz. note a in Table 1). The number of gainfully employed women in agriculture in the 15 - 17 and 52 - 60 age groups was calculated on the assumption that the structure by sex corresponded to the population total in the same age groups. ^b Together with market gardening, fisheries and forestry.

activation of women was subject to fluctuation: in 1950 as compared with 1931 there was a fall in the number of gainfully employed women, but this was followed in the next decade by an increase which not only made up previous losses but brought an 11 per cent rise. It must be emphasised that the rise in women's employment was very closely correlated with the general growth of employment (viz. Table 1). For this reason the index of women's employment as a share of the total of gainfully employed population has been stable and amounted in the consecutive years (1931, 1950, 1960) to 44.5, 44.7 and 44.3 respectively. Also the number of gainfully employed women as percentage of the total working age population

⁹ Cf. Józefowicz, *Zagadnienia stagnacji...*, p. 31 ff.

¹⁰ Expected proportions of the working age population in the 40 - 64 age group are put at 39.9 per cent in 1970 and 39.6 per cent in 1975. Cf. E. Rosset, *Perspektywy demograficzne Polski*, p. 475.

has in principle remained unchanged, in thirty years' its fall being no more than 1.2. This could be regarded as a trend (or the beginning of a trend) to reduce the effectiveness of the utilisation of the potential reserves of manpower, if not for the fact that a more adequate index, namely the number of gainfully employed women as percentage of the total of women in working age¹¹ amounted in the years 1931, 1950 and 1960 to 78.9, 74,3 and 78.2 respectively. So, in fact, there is no trend of diminishing effectiveness in the utilisation of the potential reserves of manpower in relation to women. It is worth adding here that from the point of view of women's occupational activeness, Poland occupied a middle position among the European People's Democracies and that more highly industrialized west European countries' and the United States had a lower percentage of women in the total of gainfully employed population.¹²

Thus, it may be concluded that if the occupational activation of women,¹³ so often mentioned in Polish literature, is to be properly evaluated, it must be reviewed against the rapid rise in women's employment in 1950 - 1960 (and also in succeeding years). But when we consider this process in longer perspective, its appraisal must necessarily be different.

The preceding remarks may be summed up in the following conclusions:

(i) Demographic aspects of employment had a different character in the inter-war period and after World War II. The effectiveness of the utilisation of the potential demographic reserves of manpower in 1950 - 1960 was higher than in the whole of the period 1930 - 1960.

(ii) The age structure of the gainfully employed population went through an evolution whose characteristic feature was a decrease of younger age groups in the total. In relation to youth labour this trend is to be explained above all by the changes in the system of education; in relation to the remaining younger age groups demographic factors, i.e., the ageing of the total of the working age population, were of decisive influence.

(iii) The sex structure of the gainfully employed population was characterized by considerable stability throughout the discussed period. After World War II, in 1950 - 1960, the substantial growth in women's employment, accompanied by far-reaching changes in the structure of women's employment in different sectors of the economy (a considerable rise in the number of women, for example, health service, education and trade), was responsible for the fact that women's occupational activation became an important element in the overall growth of employment in the pre-war years.

¹¹ To calculate the number of women in working age limits were exceptionally set at 16 and 54 in order to facilitate the comparison of the figures of the 1950 and 1960 censuses with the results of the 1931 census.

¹² Cf. H. Jeđruszczak, *Problemy społeczno-ekonomiczne europejskich krajów socjalistycznych w latach 1930 - 1960* [Socio-economic Problems of the European Socialist Countries in the Years 1930 - 1960], "Studia z Dziejów ZSSR i Europy Środkowej," vol. III, 1967.

¹³ Cf. J. Waluk, *Praca i płaca kobiet w Polsce* [Wages and Employment of Women in Poland], Warszawa 1965.

THE ECONOMIC BACKGROUND OF THE CHANGES IN EMPLOYMENT

We will now deal with the effectiveness of the utilisation of the labour force from economic point of view. The basic problem here is the division of the working age population into the employed and the unemployed and their distribution in different branches of the economy.

The proportions of the division of the employable into those working and those out of work are closely connected with the supply and demand for labour. In the pre-war Poland there was a permanent excess of supply of labour over demand for it.¹⁴ Small demand for labour was a reflection of the shortage of capital and insufficient — from the point of view of the utilisation of the existing reserves of manpower — level of investment activity, and resulted in a permanent pool of unemployment.

In accordance with archival materials¹⁵ and estimates,¹⁶ the number of unemployed in Polish towns in the years of the crisis seems to have stood at some 1 million persons. At the same time rural areas suffered from latent unemployment.

The actual figure of rural latent employment in the inter-war period is today a subject of dispute; this is hardly surprising, when we take into account both the considerable discrepancies between the various estimates and the complicated assumptions and methods used in calculating them. The figure of redundant labour in the countryside was variously estimated at 2.4¹⁷ to 8.8 million people.¹⁸ It seems that 2.5 million comes closest to reality.¹⁹ During the crisis, unemployment was naturally aggravated by unfavourable home and world market trends (restriction of migration, fall of exports), but the role of structural factors was also very important.

On the other hand, the fall in employment in the crisis period deepened the structural weaknesses of the Polish economy. This was primarily due to the fact

¹⁴ Cf. H. Jędruszczak, *Placa robotników przemysłowych w Polsce w latach 1924 - 1939* [*Wages of Industrial Workers in Poland in the Years 1924 - 1939*], p. 278; and: idem, *Rynek pracy w Polsce międzywojennej* [*Labour Market in the Pre-war Poland*], in: *Najnowsze dzieje Polski. Materiały i studia 1918 - 1939* [*Recent History of Poland. Materials and Studies, 1918 - 1939*], vol. VII, 1964.

¹⁵ M. Drozdowski, *Bezrobocie w Polsce w latach 1925 - 1937* [*Unemployment in Poland in 1925 - 1937*], in: *Najnowsze dzieje Polski...*, vol. IV, 1961.

¹⁶ J. Moraczewski, *Rozważania nad położeniem politycznym i gospodarczym Polski* [*Reflections on the Politico-economic Situation of Poland*], Warszawa 1939; St. Lewy, *Szacunek bezrobocia pracowników najemnych poza rolnictwem w latach 1929 - 1936* [*Estimate of Hired Non-agricultural Labour in 1929 - 1936*], Instytut Spraw Społecznych, "Studia i Materiały," 1938.

¹⁷ L. Landau, J. Pański, E. Strzelecki, *Bezrobocie wśród chłopów* [*Unemployment among Peasants*], Warszawa 1939.

¹⁸ J. Poniątkowski, *Przeludnienie wsi i rolnictwa* [*Overpopulation of the Rural Areas and Agriculture*], Warszawa 1936. It is assumed that this figure is too high; cf. M. Drozdowski, *Polityka gospodarcza rządu polskiego 1936 - 1939* [*Economic Policy of the Polish Government, 1936 - 1939*], Warszawa 1963, p. 29.

¹⁹ Cf. A. Rajkiewicz, *Rozwój zatrudnienia w Polsce Ludowej* [*Development of Employment in People's Poland*] in a collective work: *Przemiany społeczne w Polsce Ludowej* [*Social Transformations in People's Poland*], Warszawa 1965, pp. 206 - 207.

that the greatest number of workers was laid off in the capital goods industries. In 1932 - 1935 nett investments in industry assumed negative values.²⁰

The years 1935 - 1938 are in the socio-economic history of Poland an exceptional period in which the rate of investments (both gross and nett) considerably exceeded the rate of employment. This, being largely the result of the State's active economic policy, created a favourable basis for at least a partial overcoming of the disproportions between the supply of and the demand for labour. To this trend, about which it is difficult to say whether it had a lasting character and to what extent it could have changed the situation in Poland, the war put an end.

The years 1939 - 1945 were a period when employment policy was strictly subordinated to the Nazi war aims and labour was to a great extent reglamented.²¹ This kind of economy violated elementary principles of humanitarianism and from the economic point of view constituted a regression: maximum mobilization of the reserves of manpower was followed, under the Nazi system of slave labour, by minimalization of productivity.

Poland's post-war economic reconstruction and expansion was carried out under conditions of constant predominance of demand for labour over the supply of labour. This pattern was diametrically opposed to the one which prevailed in the inter-war period. It resulted from the huge population losses suffered by Poland during the hostilities. War destruction and the necessity for reconstruction, the change of frontiers, and above all social and political transformations and the State's active economic policy (financing of investments by the State) created conditions for a new pattern of relations between the basic factors of production: land, labour and capital.²² Growth of employment became a condition of the economic reconstruction and development of Poland.²³

The rate of growth of employment discussed in the first part of this contribution on the basis of the figures of general censuses (viz. Table 1) does not reflect the rate

²⁰ *Materiały do badań nad gospodarką Polski [Materials for Studies on Polish Economy]*, Part I: 1918 - 1939, Polska Akademia Nauk.

²¹ In 1939 the duty to work was introduced on the territory of the General Government for the Polish population between the ages of 14 and 60, and the Jewish population was subjected to forced labour since the age of 12; cf. W. Jastrzębowski, *Gospodarka niemiecka w Polsce, 1939 - 1944 [German Economy in Poland, 1939 - 1944]*, Warszawa 1946, pp. 259 - 260. Also used were mass-scale deportations for forced labour and resettlement both on the territories annexed to Germany and in the General Government; cf. Cz. Madajczyk, *Generalna Gubernia w planach hitlerowskich [General Government in Nazi Plans]*, Warszawa 1961, p. 113 ff.

²² H. Jędruszcak, *Niektóre zagadnienia sytuacji gospodarczej Polski w latach 1945 - 1949 [Some Problems of Poland's Economic Situation in the Years 1945 - 1949]*, "Kwartalnik Historyczny," 1964, fasc. 2.

²³ Cf. J. Pajestka, *Zatrudnienie i inwestycje a wzrost gospodarczy. Studium teoretyczne zależności rozwojowych i analiza statystyczno-ekonomiczna dla Polski Ludowej [Employment, Investments and Economic Growth. Theoretical Study of Development Interdependencies and Statistico-economic Analysis for People's Poland]*, Warszawa 1961, pp. 88 - 89; and also J. Bobrowska, *Przemiany strukturalne krajowego rynku pracy [Structural Transformations of the Home Labour Market]*, "Praca i Opieka Społeczna," 1948, fasc. 1.

and dimensions of the growth of employment in the years after World War II.²⁴ Additional light is thrown on this question by social insurance statistics. The number of the insured can serve as a starting point for calculating the number of population which in 1938 - 1960 derived its livelihood from hired labour.²⁵

The above figures follow fairly closely the results of the general census of 1950 when hired non-agricultural labour stood at 5,168.7 thous.²⁶ In the years 1945 - 1953, the rate of growth of employment was very high.²⁷ This period can be described as one of extensive utilisation of the existing reserves of manpower.²⁸

The rapid growth of employment in the post-war years, despite the State's policy of full employment and the steadily rising demand for labour, did not liquidate unemployment at once.

Unemployment, however, had a completely different character than in the inter-war period. It was caused by the existence of local pockets of surplus labour and the excessive — in relation to the existing possibilities of employment — supply of unskilled labour, mainly women.

The Economic Committee of the Council of Ministers adopted on June 6, 1947 a resolution on solving the problem of local unemployment.²⁹ Accordingly, special credits were set aside in the 1947 investment plan and also the resources of the Unemployment Fund were put into operation.

Bigger pockets of local unemployment existed among others in Bielsko-Biala, Bytom, Częstochowa, Gliwice, Kielce, Lublin, Płock, Radom, Toruń, Wrocław

²⁴ The first post-war population census in Poland carried out on February 4, 1946, had a summary character and did not include a division of the population into those gainfully employed and those inactive.

²⁵ The number of those insured under the health service scheme in the inter-war period and after World War II is not fully comparable since in the latter period health insurance covered a much wider section of the community. This applies particularly to hired labour in agriculture and state administration and local government employees. Cf. *Osiągnięcia socjalne Polski Ludowej* [The Social Achievements of People's Poland], Part I: 1944 - 1949, Warszawa 1951, pp. 144 - 148; and *Rozwój zatrudnienia w latach 1925 - 1952 w świetle kształtowania się liczby ubezpieczonych* [Growth of Employment in the Years 1925 - 1952, in the Light of the Number of the Insured], "Przeгляд Ubezpieczeń Społecznych," 1952, fasc. 7.

²⁶ *Spis Powszechny z 6 XII 1960*. Ludność. Gospodarstwa domowe. Wyniki ostateczne. Polska [General Census of December 6, 1960, Population. Households, Final Results. Poland], "Biuletyn Statystyczny," Series L, 1964, No. 23, p. 38.

²⁷ J. Pajestka, *Polityka rozwoju ekonomicznego Polski i jej wpływ na gospodarkę przedsiębiorstw* [The Policy of Poland's Economic Development and Its Influence on the Economy of Enterprises], "Życie Gospodarcze," 1959, No. 46.

²⁸ A detailed analysis of the dynamics of employment, the situation on the labour market and the policy of employment point to 1953 as the closing date of the period of extensive development of employment. A different date, 1956, is accepted by M. Kabaj who employs as a criterium changes in the state's economic policy and not an objective pattern of economic quantities; cf. M. Kabaj, *Elementy polityki racjonalnego zatrudnienia* [Elements of a Policy of Rational Employment], "Nowe Drogi," 1960, No. 11; and also idem, *Mechanizm zatrudnienia w gospodarce socjalistycznej* [The Mechanism of Employment in Socialist Economy], "Ekonomista," 1960, No. 1.

²⁹ Resolution of the Economic Committee at the Council of Ministers of June 6, 1947 concerning the problem of local unemployment together with arguments and comments by the Central Planning Office, Archiwum Akt Nowych, documents of the Central Planning Office, 81 (1) 29.

and Zabrze. The total number of registered unemployed amounted in the middle of 1947 to some 100 thous., but the actual figure was higher, and it was expected that after pruning overstaffing in some enterprises and institutions this figure would rise to 250 thous. at the peak of the repatriation then carried out.

Despite the existence of local reserves of manpower in towns the policy was to base planned increase of employment primarily on the activation of rural population in non-agricultural branches of the economy. This was necessitated by the appearance of labour shortages in the final stage of the Three-Year Plan, 1947 - 1949.³⁰ We witnessed then in Poland a specific phenomenon: the coexistence of shortage of labour on the national scale with local pockets of unemployment. In the early fifties investment policy was not always sufficiently elastic to localise new industrial projects in regions with local surplus of labour.³¹ Changes in the economic and political situation, the curtailment of the private sector and of the crafts in towns and the collectivization of farming made a planning and even distribution of employment still more difficult.

Beginning with 1954, the annual rate of growth of employment was stabilized and in the following years showed a decreasing tendency (viz. Table 5). The period

Table 5. Population employed in the national economy in 1938 - 1960
(on the basis of the data of the Social Insurance Board)

Sources: "Rocznik Statystyczny," 1965, and my own calculation

Year	Employment in thous. ^a	Index	Previous year = 100	Year	Employment in thous.	Index	Previous year = 100
1938	2,900 ^b	100.0	×	1952	5,893	203.1	105
1946	2,509	86.2	×	1953	6,272	216.2	106
1947	3,261	112.4	130	1954	6,515	224.6	104
1948	3,746	129.1	115	1955	6,779	233.7	104
1949	4,354	150.1	116	1956	7,083	244.2	104
1950	5,155	177.6	118	1957	7,279	251.0	103
1951	5,631	194.1	109	1958	7,326	252.6	101
				1959	7,455	257.1	102
				1960	7,524	259.4	101

^a Employees in the socialized and private sectors insured with the Social Insurance Board. ^b Those employed in non-agricultural occupations insured against illness and others not covered by this insurance, employed in the state and partly local government administration, State Railways and the Post, estimates.

of an expansive growth of employment (1945 - 1953) was followed by a period of adaptation of the branch and regional structure of employment to the requirement of the level of the productive forces then attained. This became imperative

³⁰ A. Józefowicz, *Polityka ludnościowa i zatrudnienie w Polsce [Population Policy and Employment in Poland]*, "Biuletyn Instytutu Gospodarstwa Społecznego," 1962, No. 4.

³¹ Although many decisions concerning the localisation of new work establishments were dictated by the requirements of the existing reserves of manpower. A good case in point is the localisation of Nowa Huta (near Cracow), the largest iron and steel investment project built in Poland after World War II.

since, beginning with 1954, serious disproportions in employment were noted.³²

Large scale country - town migration in the years 1945 - 1953 resulted in an increased mobility of labour. This was felt particularly acutely in coal-mining and other branches of industry. In some regions of the country there was a shortage of agricultural labour which influenced adversely — through a fall in production — the fluctuation of prices for agricultural goods.³³ In 1952 - 1955 local pockets of redundant labour still persisted, and at the same time in industry, transport and communications demand for labour was not fully covered, making it necessary to increase working hours, introduce overtime, and exceed the wages fund.³⁴

These disproportions emerged during a far-going structural transformation of the economy, when the whole nation had to shoulder the great effort of the country's reconstruction and industrialization. The scale and rate of these transformations were a source of considerable difficulties in a planned steering of the growth of employment and in its effective utilisation.

The fall in the rate of employment after 1954, combined with a substantial decline in the increment of the working age population,³⁵ necessitated a transition from the policy of full employment to a policy of rational employment.³⁶

The tools of this policy, gradually evolved in the years 1954 - 1956, brought about a rise in the share of productivity in the growth of production. In 1955 the share of the rise in productivity in the growth of industrial production amounted to 53.2 per cent and the share of the growth of employment to 46.8 per cent; in 1958 the corresponding figures were 87.4 per cent and 12.6 per cent.³⁷

Thus there took place a considerable fall of the role of the growth of employment as a factor of the growth of production. The change of the economic function of employment expressed in the transition from the structural excess of the supply of labour resulting from an extensive use of the reserves of manpower as a factor of economic growth to an intensive policy of employment was closely related to the change in the structure of employment in the basic branches of the economy.

³² A. Rajkiewicz, *Zatrudnienie w Polsce Ludowej w latach 1950 - 1970* [Employment in People's Poland in the Years 1950 - 1960], Warszawa 1965, p. 125.

³³ Cf. E. Lipiński, *Rewizje* [Revisions], Warszawa 1959; and H. Paczesna, *Z badań nad lokalnymi rynkami pracy w latach 1957 - 1961* [Investigations of Local Labour Markets in the Years 1957 - 1961], "Biuletyn Instytutu Gospodarstwa Społecznego," 1965, No. 2.

³⁴ Resolution of the Council of Ministers No. 1029 of December 24, 1955 on the National Economic Plan for 1956, quoted after A. Rajkiewicz, *Zatrudnienie w Polsce w latach 1950 - 1970* [Employment in Poland in the Years 1950 - 1970], pp. 125 and 128.

³⁵ The increase in the working age population amounted in 1946 - 1950 to 1,386 thous., 1951 - 1955 to 896 thous., and 1956 - 1960 to 373 thous.; cf. K. Secomski, *Dynamika wzrostu gospodarczego Polski Ludowej* [The Dynamics of the Economic Growth of People's Poland], in a collective work: *Problemy rozwoju gospodarczego Polski Ludowej, 1944 - 1964* [Problems of the Economic Development of People's Poland 1944 - 1964], Warszawa 1965, p. 26.

³⁶ Cf. M. Kabaj, *Warunki racjonalnego zatrudnienia* [Conditions of Rational Employment], in a collective work; *Jak pracuje człowiek. Z badań polskich psychologów, socjologów i ekonomistów* [How Man Works. Investigations of Polish Psychologists, Sociologists and Economists], Warszawa 1961, p. 375 ff.

³⁷ *Ibidem*, p. 374.

The structure of employment in the main branches of the economy in 1931 - 1960 is presented in Table 6. The basic direction of change was growth of non-agricultural employment whose share in the total structure of the gainfully employed population rose from 32.8 per cent in 1931 to 42.8 per cent in 1950, and 52.3 per cent in 1960. In non-agricultural occupations the greatest increase was noted in mining, industry and housing. In the consecutive general censuses the gainfully

Table 6. The structure of the gainfully employed population in the main branches of the Polish economy in 1931 - 1960

Sources: Table I and also *Drugi powszechny spis ludności z 9 XII 1931* [The Second General Census of December 9, 1931], "Statystyka Polski," Series C, 1937, No. 62; and my own calculations

Branches	In thous.			As percentage		
	1931	1950	1960	1931	1950	1960
Total of gainfully employed population	16,039.9	12,404.2	13,907.4	100.0	100.0	100.0
Agriculture, market gardening, fisheries, forestry	10,786.1 ^a	7,089.6	6,636.6	67.2	57.2	47.7
Gainfully employed population outside agriculture	5,253.8	5,314.6	7,270.8	32.8	42.8	52.3
in that:						
mining, industry and housing	2,537.7	2,847.0	4,028.0	15.8	22.9	28.9
trade and insurance	813.2	643.7 ^c	738.4 ^c	5.1	5.2	5.3
transport	340.5	468.9	672.9	2.1	3.8	4.9
education and culture	181.0	308.2	505.2	1.1	2.5	3.7
health service and social welfare	151.6	169.6	350.1	0.9	1.4	2.5
remaining branches	1,229.9 ^b	877.2 ^d	975.7 ^b	7.7	7.0	7.0

^a An estimate of 10,704.6 thous. gainfully employed people in agriculture was accepted. Viz. Table I, foot note a.

^b Together with domestic servants (415.6 thous). In the postwar period employment in this occupation dropped considerably and the censuses of 1950 and 1960 did not distinguish it. ^c Turnover of goods. ^d Together with communal services and housing.

employed population in this field of the economy amounted to 15.8 per cent, 22.9 per cent and 28.9 per cent respectively. The share of trade and insurance in the total structure of employment was moderately stable, while employment in transport considerably increased, both absolutely and relatively. The growth of employment in education and culture, health service and social welfare was particularly striking in the period 1950 - 1960.

*

The above picture of the structure and dynamics of employment in the years 1931 - 1960 leads to a general conclusion, namely that this period witnessed a fundamental change. The difficult problem of mass scale unemployment, which afflicted the Polish economy in the past, was finally solved. This became possible thanks to far-reaching social transformations, the socialization of industry, and the introduction of planned economy. A rapid rise of investments not only absorbed the surplus of labour in towns but made it possible to cope with rural overpopulation. These transformations profoundly changed the socio-economic picture of Poland:

it turned from an agricultural country into a country where more than 50 per cent of the population derives its livelihood from non-agricultural sources. The period after World War II brought changes in the structure of the gainfully employed population, i.e., it raised the share of older age groups, and brought also an increase in the employment of women.

The example of Poland shows that the economic development of a country may be achieved on the basis of this country's reserves of manpower without recourse to foreign capital. Naturally, this carries with it certain dangers and initially requires considerable sacrifices, but in certain conditions it offers the only possibility of overcoming economic backwardness.