Labour Markets

Regional diversity of wages in Poland

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The aim of this paper is to present a descriptive analysis of the regional diversity of wages in Poland. We also show the statistical analysis of the determinants of this macroeconomic variable during the transition period. The analysis is based on a simple theoretical model referring to the efficiency wages model of the neo-Keynesian macroeconomics with elements of long-term, supply-side models of economic growth. The estimates of the empirical determinants of wages in Poland are based on a cross section-time series sample consisting of observations of wages, labor productivity, and unemployment rates in Poland over the years 2002-2006. The observations apply to the values of the above-mentioned variables assessed at the NUTS 2 and NUTS 3 levels.

The structure of this paper is as follows: Section 2 presents the literature review. Then, we showed the characteristics of the dynamics of the analysed macroeconomic variables and their regional diversity over the years 2002-2006. Section 3 explains the characteristics of a simple theoretical model which is also used in Section 4. Section 4 estimates the determinants of the regional diversity of wages in Poland during the 2002-2006 period. Section 5 includes a summary and the most important conclusions.

Keywords: wages, Poland, labour market