

UNPAID WORK IN PRIVATE BUSINESSES AND NGOS – THE CASE OF POLAND

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Abstract

Many research studies have been focused on the consequences of the unpaid work that is categorizes as “non-economic work”, and as a result not taken into account when calculating GDP. In this approach, the unpaid work is defined in the boundary of activities linked to the upkeep of living spaces and domestic goods, care for health or maintenance of social relationships, for which a person does not receive any remuneration. However, also institutional agents have recently got interested in wider use of unpaid work for business activities. The aim of the paper is to analyze the use of “economic” unpaid work in Polish family businesses and Non-Governmental Organizations. The analysis is of a descriptive nature and is based on secondary data collected within Labour Force Survey and NGO-related studies carried out in Poland. It revealed existence of noticeable differences between these two types of unpaid work as for socio-demographic features of individuals performing non-remunerated activities. However, it appeared that that unpaid work in both the family businesses and non-profit organizations is performed mainly by women in non-mobile age groups. It means, that this phenomenon affects groups facing significant problems with finding standard employment. Nevertheless, we conclude that unpaid work may be beneficial for workers and organizations if pros and cons are well-balanced. At present, the main “economic” benefits to individuals providing the unpaid work include gaining professional experience or keeping up the family business which brings incomes to the household.

Key words: unpaid work, economic work, unpaid family workers, NGOs

JEL classification: D71, J21, J22, J70

1. Introduction

Unpaid work constitutes an important part of the economy in all developed and developing countries. It has broad socio-economic consequences at the micro and macro level, ranging from determining households' incomes through allocation of time between paid and unpaid activities (and thus influencing the households' wellbeing) to shaping the value of GDP in the economy.

In the broadest sense, the unpaid work includes all non-remunerated work activities – i.e. all human activities for which individuals do not receive any wage or salary [1]. However,

when it comes to analyzing this phenomenon, unpaid work becomes a heterogeneous concept, and many categories of unpaid work are defined and discussed. As Razavi [2] noted, unpaid work encompasses a wide range of activities within the following categories:

- Unpaid work on the household plot or in the family business,
- Activities such as the collection of water and firewood for self-consumption,
- Unpaid care of children, elderly parents or friends affected by chronic illness.

As a consequence, some unpaid work activities fall, according to the United Nations System of National Accounts (SNA), into the category of economic work (e.g. the unpaid family workers) which is included in the estimates of GDP, while activities classified as non-economic work (generally unpaid care domestic works) are excluded from GDP calculations¹. In practice, many research studies have focused on the category of domestic work/unpaid household work that is described in the boundary of activities which are linked to the upkeep of living spaces and domestic goods, care for health or maintenance of social relationships ([3]-[4]). Miranda [5] limits the scope of unpaid work to the production of goods and services by household members that are not sold on the market. As a rule, these activities are excluded from measured production in national accounts – in other words, they are categorized as “non-economic work”. However, even in this case there is no uniform approach to analyze the unpaid work. The most common one is based on data gathered within the Time Use Survey type of research. In the European countries the framework defined by the Harmonized European Time Use Survey prevails, which classifies the following activities as the unpaid work: food preparation, household upkeep, making and care of textiles, gardening, pet care, construction and repairs, shopping, child and adult care, and volunteering. These are activities for which a person does not receive any remuneration, and are provided mainly within households. The results show that the important determinant of unpaid domestic work is gender - women, on average, do more unpaid work than men, except such activities as reconstruction and repair [6], and volunteering [4]. Also Eurofound in its European Quality of Life Survey defines unpaid work as non-remunerated family and household-related activities, which are divided into three categories: caring for and educating children; cooking and housework; caring for elderly/disabled relatives [7]. The results of the third EQLS conducted between September 2011 and February 2012 revealed striking differences between men and women as for the regularity of providing the household unpaid work, especially with regard to housework and children care. Also number of hours devoted to unpaid work differed significantly – women spent on average 30 hours a week providing childcare, 14 hours providing care for the elderly, and 16 hours on housework, while men’s involvement reached, respectively, 17, 11 and 10 hours weekly [8].

Regardless of the method used to define and analyze the unpaid work, the estimated value of such unpaid work within the boundary of non-economic work is considerable. Swiebel [11] reviewed calculations done for selected countries mainly in the last decade of XX century, showing that the value of unpaid work might account even for around 70% of GNP. While it seems rather unbelievable, recent studies for EU region reported more reliable results within the range of 20.1-36.8% GDP, depending on the applied methodology [9]. Similar results were reported for Poland. Estimations based on the Time Use Survey showed that unpaid work accounted for about 30% GDP in 2004 [10], and for 40.4% GDP in 2013 [12]. It proves that the role of household unpaid work is important and increasing. Błaszczak-Przybycińska [13] applied different approach and estimated the value of household unpaid work expressed in relation to the average monthly gross salary. She revealed that this value reached 42.5% of

¹ Antonopoulos [1] analyzed the relations between different types of unpaid work and the United Nations System of National Accounts.

the average salary (as for May 2012), and was higher for women (53.8%) than for men (30.9%). In other study Francavilla et al. [14] estimated the value of unpaid family care work in Poland for 3.7-4.4% GDP.

Although the main focus in the research studies on the unpaid work is concentrated on the domestic/household types of activities, classified in general as non-economic work, we are witnessing the growing interest in unpaid work provided by individuals in the sphere of “economic work” outside the households. Institutional agents in Poland, especially Non-Governmental Organizations (NGOs), have recently put more attention to wider use of unpaid work for business purposes. Also family businesses take advantage of unpaid work of (usually) household members. While in the first case we deal with volunteering, but understood differently to the approach used in the Time Use Survey methodology, in case of family businesses we are in line with Razavi’s broad definition of the unpaid work. Our aim is to analyze the use of unpaid work in Polish family companies and Non-Governmental Organizations to shed more light on issues related to these types of unpaid activities and to point out the consequences of the use of unpaid work in the broader context of labor market opportunities. Thus, we refer to the statement of the European Union of Supported Employment, which noted that unpaid work options should be of a temporary nature and serve a specific purpose to improve the skills of the individual ensuring progress and access to paid work.

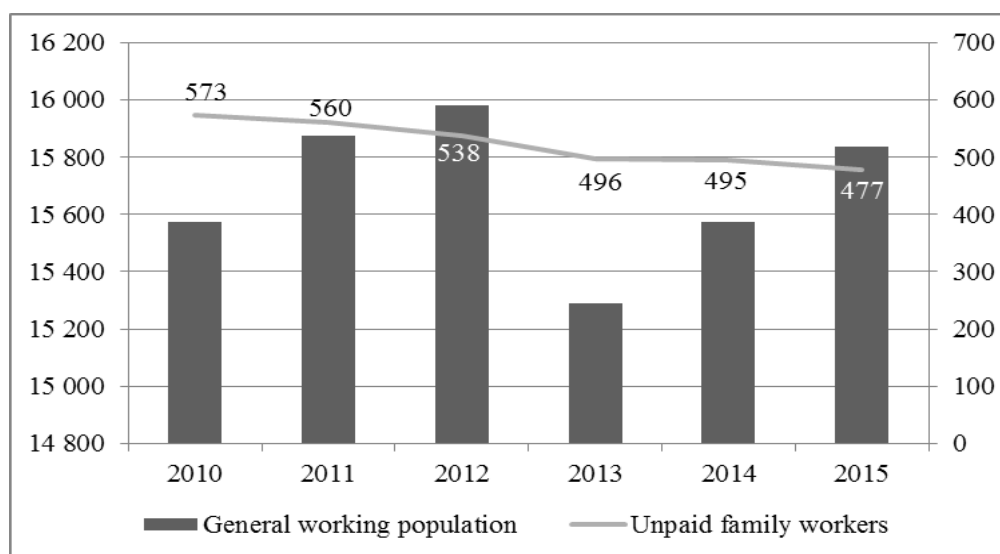
The analysis presented in the paper is of a descriptive nature and is based on secondary data collected within Labour Force Survey (LFS) and NGO-related studies carried out in Poland by the Central Statistical Office. Within the category of employed persons the LFS distinguishes different types of employment, including self-employment (self-employed is a person who is the sole or joint owner of the unincorporated enterprise - one that has not been incorporated i.e. formed into a legal corporation - in which he/she works). Self-employment encompasses also unpaid family workers - persons working in a family business or on a family farm, only if the businesses are owned or operated by the individuals themselves or by a relative. Unpaid family workers, by definition, do not receive official pay (however, it is argued that such people frequently receive remuneration in the form of fringe benefits or payments in kind). This definition clearly states, that this group of workers is related only to the family companies. It is worth to emphasize, that the concept of a family business is constantly evolving, taking into account economic and social changes taking place in different countries ([15], [15] [17]). In the most popular (American) approach, the family business is characterized as a company of any legal form, in which whole (or most of the) capital is owned by the family, at least one family member occupies a managerial position, and there is an intention to maintain the company within the family [16]. In this type of companies the family members are involved in business activities - some of them provide work on the basis of employment contracts, others simply help parents, children or relatives without formal contractual agreement. This informal (unpaid) involvement may stem from social reasons – e.g. family bonds, or is a strategy to maintain the occupational activity for persons who cannot find job on the labor market. The way in which salaries are shaped in the family businesses is not only the result of economic calculation, but is influenced by the relationships between the owner and employees who are family members or those who do not belong to the family. Salaries in the family businesses can be treated as an instrument to solve emotional problems, to mitigate the effects of family members’ failures or to influence the life choices of owners’ children [18]. Family businesses in Poland constitute large part of the market - according to the Polish Agency for Enterprise Development there are about 219 thousand typical family businesses. They employ 1.3 million people and generate 10.4% of GDP [19].

The other part of the analysis in the paper is focused on volunteering in NGOs. This sector includes organizations which main goal is not related to profit maximization, but the implementation of statutory objectives, that usually are not of an economic nature. The most common names for the so called “third sector”, except NGOs, are "non-profit organizations" or "social organizations". Analysis covers all entities that, in line with Handbook on Non-profit Institutions in the System of National Accounts, are: organizations that are institutionalized to some extent; private – that is institutionally separate from the government; non-profit distributing – that is, not returning profits generated to their owners or directors; self-governing – able to control their own activities; voluntary – that is non-compulsory and involving some meaningful degree of voluntary participation [20]. The abovementioned specific features of these entities are resulting in relatively high interest in taking advantage of unpaid work (volunteering) in comparison with other organizations.

The paper is organized as follows. Section II describes the use of unpaid work in family businesses. Section III focuses on the unpaid economic work in Polish NGO sector. Section IV presents discussion and main conclusions.

2. Unpaid work in family businesses – a socio-demographic characteristics

The number of unpaid family workers in Poland has gradually decreased in 2010-2015 (Graph 1) – this decline was significant and reached 17%. This trend was different from changes in total employment numbers, where we witnessed a slight increase of employment by 1.7% in the same period. It meant a drop in the share of unpaid family workers in the total working population from 3.7% in 2010 to 3.0% in 2015.²



Graph 1. Unpaid family workers and general working population (in hours) (as for 1st quarter of respective years)

Source: [22]

Population of unpaid family workers in Poland is dominated by women - their share ranged from 64.6% in 2010 to 64.2% in 2015. This situation is different from that taking place in the general working population, where women accounted for, respectively, 45.5% and 45.0%. In

² The share of unpaid family workers in total employment is higher in Poland than in the European Union (1.1% in the 4th quarter of 2014), which shows, that this type of unpaid work is of greater importance in Poland comparing to EU average [21].

both cases the relative role of women in employment was declining, but still, these are primarily women involved in non-remunerated activities in the family businesses.

Age is another factor determining the uptake of unpaid work. This type of employment in 2015 was performed mainly by people aged 45-54 years (25.4%), 35-44 years (21.8%), and least often by young people up to 19 years of age (1.7 %). Compared to 2010, we observe lower intensity of the unpaid work among young people (especially those up to 19 years old - a decrease of 2.8 p.p.), and its growing intensity among the older workers (54 years old and more). These changes did not influence much on the structure of unpaid family workers by age. However, contrasting the age structures of the paid and unpaid employment shows that unpaid work in the family businesses is provided more often by the youth (20-24 years old, 4.7 p.p. higher share in comparison with paid employment) and persons 65+ (3.8 p.p. higher share). This phenomenon results from the specificity of family businesses, which are based primarily on their own resources – both, capital and human resources. Young unpaid workers are usually children or relatives of the owner, who are often combine learning and working activities, and are gaining professional experience, while the older family members already retired, but still want to be active and support the family business.

The unpaid work is more common on rural than urban areas - in 2015 more than 90% of unpaid family workers lived in the rural areas (in 2010 it was around 87%). The opposite situation is in place with regard to paid work – in 2015 60.9% of remunerated workers lived in the urban zones. Larger intensity of unpaid work in family businesses in the rural areas is closely connected to the dominance of farming industry. As it is usually harder to find a job on the rural labor markets, a family farm is sometimes the only available workplace. Not surprisingly, around 87% of all unpaid family workers work in the agriculture industry. 5.2% found “employment” in the wholesale and retail trade, and repair of motor vehicles and motorcycles, 1,3% in construction industry (as for 2015), while other branches are much less common³ (Table 1).

Table 1. The structure of unpaid family workers by NACE branches and education (in %) (as for 1st quarter of respective years)

Dimension/Year	2010	2011	2012	2013	2014	2015
NACE branches						
Agriculture, forestry and fishing	85.0	85.7	87.4	87.5	86.1	87.2
Manufacturing	2.6	2.1	0.9	1.6	2.6	2.9
Construction	0.9	0.9	0.9	1.4	1.0	1.3
Wholesale and retail trade, and repair of motor vehicles and motorcycles	6.8	7.7	7.8	7.1	6.1	5.2
Others	4.7	3.6	3.0	2.4	4.2	3.4
Education						
Tertiary	6.3	6.8	8.0	8.7	8.7	8.4
Post-secondary and vocational secondary	23.9	26.1	25.8	28.4	26.9	26.4
General secondary	9.2	8.6	7.8	9.5	8.1	7.1

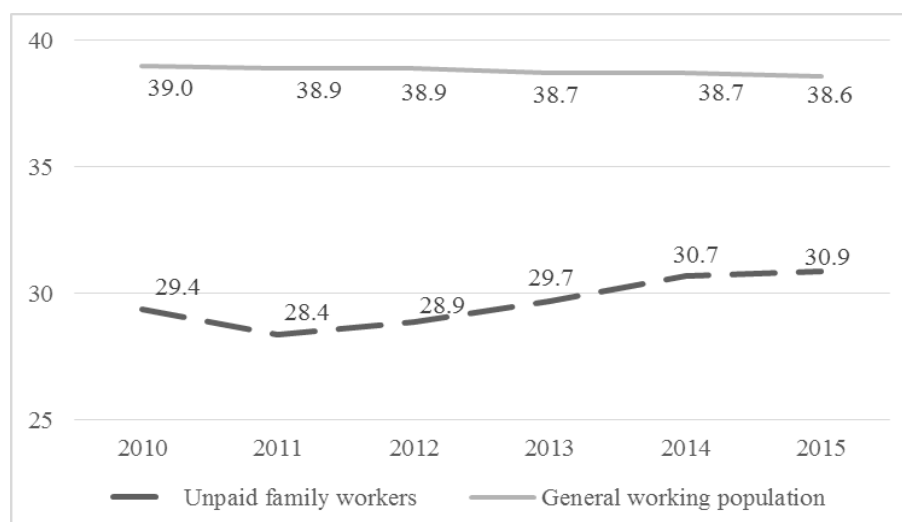
³ There are branches where the unpaid work is non-existent - this applies to such branches as human health and social work activities, education, transportation and storage, where the number of family businesses, except transportation and storage, is rather scarce. Of course, the structure of unpaid work by NACE branches is different from the structure of paid employment, where the highest shares were recorded in manufacturing (19.7%), wholesale and retail trade (14.4%) and agriculture (11.1%)

Basic vocational	36.0	35.5	37.4	34.1	36.6	39.2
Lower secondary, primary and incomplete primary	24.4	23.0	21.0	19.4	20.0	18.9

Source: [22]

The distribution of unpaid work in family businesses by location and type of business is also connected with the stock of human capital of unpaid workers. The structure of unpaid family workers is dominated by those with rather low quality of human capital – persons with basic vocational and lower secondary, primary and incomplete primary education accounted for more than half of the total unpaid family workers population in 2015, and more than 60% in 2010 (Table 1). And although we witnessed the growing intensity of the unpaid work between 2010 and 2015 among people with tertiary and post-secondary education, which may be attributed to the processes of massification of higher education taking place in Poland, also shares of individuals with basic and secondary vocational education increased. Consequently, the quality of human capital performing unpaid work in the family businesses is much lower, and the structure by education highly different than in case of general working population, where people with tertiary education account for 32.9%, with general secondary education – for 27%, while those with the lowest level of education comprise only 5.7% of total employment.

Unpaid family workers work less (on average 7 hours per week in 2015) than general working population (Graph 2), and noticeably below 40 hours per week, which is a regulatory limit in case of standard full-time employment contract in Poland. This is related to the fact, that almost 1/3 of unpaid workers were involved in business activities on a part-time basis. The reasons for this were multifaceted, however in most cases it was a result of a deliberate choice of individuals. In 2015 more than 40% of part-time unpaid family workers argued, that such solution met their expectations. Nevertheless, 20.9% declared the lack of full-time employment opportunities as a reason for taking this option in 2015 - it should be noted, that this group has been growing steadily since 2010 (11.6%). Important reason for providing part-time unpaid work in the family business was also a need to combine it with other family “duties” (19% of individuals), such as taking care of children or elderly disabled family members (which is an example of typical household unpaid work). 9.2% of persons declared individual’s health problems and disabilities. As the unpaid work in the family businesses is often provided by the youth, one of the determinants of choosing the part-time commitment is related to the necessity of combining work and learning activities, however data shows the declining importance of this reason (in 2010 17% of people pointed out this cause, while in 2015 it was “only 5.9%).



Graph 2. Number of working hours (per week) performed by unpaid family workers and general working population (as for 1st quarter of respective years)

Source: [22]

Combining unpaid work in family businesses with other paid jobs has also become less and less popular – in 2010 32% of unpaid family workers were involved in both types of activities, while in 2015 this share dropped to 27.7%. The additional paid jobs are performed mainly in the services (half persons who combined unpaid and paid activities in 2015) and in the industry sectors (44.7%), while they are not popular in the agriculture (5.3%), where the unpaid work in family businesses (farms) dominates (Table 2).

Table 2. Unpaid family workers performing other paid jobs by sectors (in %) (as for 1st quarter of respective years)

Sectors	Years					
	2010	2011	2012	2013	2014	2015
Total	100.0	100.0	100.0	100.0	100.0	100.0
Industry	45.7	42.2	41.8	41.0	42.2	44.7
Agriculture	7.1	7.5	5.9	6.2	5.4	5.3
Services	47.3	50.3	52.4	52.8	52.4	50.0

Source: [22]

This data also shows, that the role of service sector as for undertaking employment alongside unpaid work in family businesses has been increasing, while the importance of agriculture and industry has been declining between 2010 and 2015.

3. Volunteering in the non-profit organizations

Volunteering accounts for about 1/5 of the total employment in the non-profit organizations, and the demand for this type of work has been increasing (the share of unpaid work in total employment within the “third sector” reached 18% in 2012, 2 percentage point more than in 2010).⁴

Polish Central Statistical Office (CSO) collects employment data in the “third sector” not regularly – most recent data covers years 2010 and 2012. It reveals that the interest in unpaid work (volunteering) in the non-profit organizations increased (in 2010 this form of

⁴ por. ([23], p. 81 - [24], p. 104)

employment was used by 85% of organizations, in 2012 by 89.5%), which may be attributed to growing number of such organizations (growth by 3.1 hours, i.e. 3.9% between 2010 and 2012). For the majority of NGOs (61.5% in 2010, 61.4% in 2012) volunteering was the only form of employment in these organizations (Table 3).

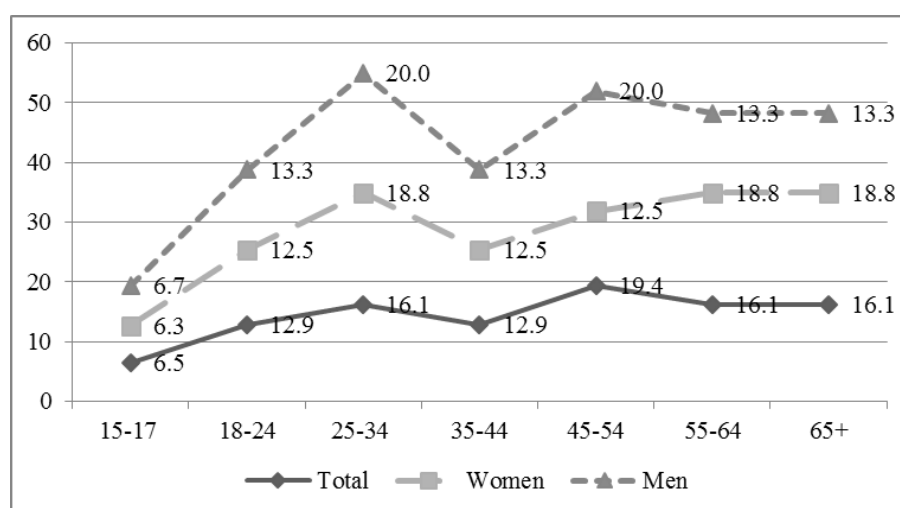
Unpaid work is most popular in associations and foundations, which is a result of the legal framework related to NGOs in Poland. Associations bring together members, who provide social (unpaid) work, while the only persons formally associated with foundations are members of the board of directors and board of trustees. Therefore, these types organizations rely on volunteer work (4/5 of unpaid work in the third sector is concentrated in these organizations), and very often do not hire paid employees at all. Time allocated to unpaid work in foundations and associations accounted for equivalent of 31.7 thousand of full-time employees in 2010 and 40.9 thousand in 2012 (Table. 3).

Table 3. Share of non-profit organizations which took advantage of unpaid work by type, and size of unpaid work performed in these organizations in 2010 and 2012 (in %)

Types of non-profit organizations	Share of organizations benefiting from work of volunteers ^{a)}		Share of organizations without paid employees ^{b)}		Volunteers in NGOs using unpaid work by the type of organizations)		Volunteer work in full-time equivalent (FTE) (in hours.) ^{b)}	
	2010	2012	2010	2012	2010	2012	2010	2012
Total	85	89.5	61.5	61.4	100.0	100.0	38.8	40.9
<i>Inc. Public benefit organizations</i>	86	92.7	37.3	34.2	43.5	32.0	10.4	10.1
Associations and association-type organizations	86	92.6	65.6	65.7	82.6	84.0	31.7	34.0
Foundations	77	83.8	41.8	42.6	13.0	12.0	4.2	4.7
Church and faith-based organizations	35	36.6	16.9	15.4	0.0	4.0	1.8	1.4
Economic and professional self-governing organizations, employers' organizations	66	69.6	44.9	45.5	4.3	0.0	1.1	0.8

Source: ^{a)} ([23], p. 77-[24], p. 100), ^{b)} ([25], table 1(5)), ([26], table 1(5)), ^{c)} Own processing data from ([25], table 1(5)), [26], table 1(5))

Volunteering is used more often by the non-profit organizations, which operate in cities, especially these most urbanized - the larger is the city, the greater scale of unpaid work performed in NGOs is. If we take into account the areas of statutory activities, it appears that volunteering is used most frequently by non-profit organizations that operate in the field of sport, recreation and hobby (23.1% of all volunteers working in NGOs in 2012, 2.4 percentage points more than in 2010). High demand on unpaid work was also recorded in organizations which deal with social and humanitarian assistance (almost 20% of all volunteers in 2012). Interestingly, unpaid work in NGOs is more frequently undertaken by men (they account for around 3/5 of volunteers) (Table 4). This lower propensity of women to engage in volunteering in NGOs may be attributed to the prevailing family model in Poland, in which woman usually accommodates the caring activities. Data shows that women involved in volunteering in the non-profit organizations are mainly these between 25 and 34 years of age, as well as those who are 55+. Women in the latter group are even more engaged in volunteering than men in the same age group - their greatest activity in this area falls to the period in which they have less family commitments, so they can perform unpaid work in non-profit organizations (Graph 3).



Graph 3. Structure of volunteers in non-profit organizations in 2010 by gender and age groups (in %)

Source: Own calculations based on ([27], pp. 122-123)

However, some non-profit organizations, by the type of statutory activities, are dominated by either women or men. Hunting associations are typical male-dominated NGOs (97% of all volunteers were men). Another masculine-type organizations encompass: lifesaving/rescue (87.3% male volunteers in 2010 and 86.9% in 2012), followed by sport, recreation, tourism and hobbies (72.2% in 2010 and 74.0% in 2012), and environmental protection (77.6% in 2012). Women, in turn, are engaged more often in volunteering for non-profit organizations focusing on the labor market issues, health care and social and humanitarian assistance. It should be noted, however, that in the two latter cases declining share of women is noticeable. The opposite situation took place in organizations dealing with labor market problems, where women accounted for 71.5% of all volunteers in 2012 - 23.9 percentage points more than in 2010 (Table 4).

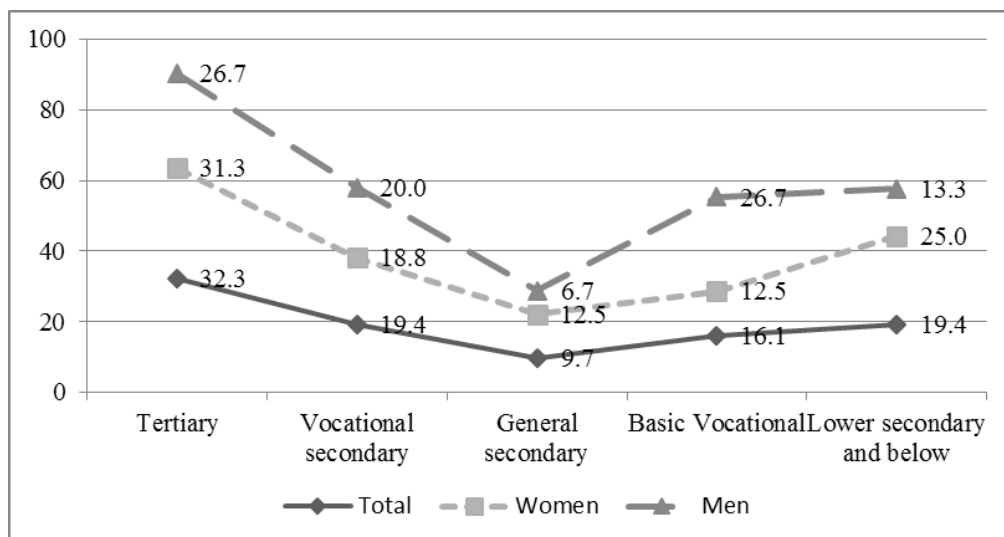
Table 4. The structure of volunteers by gender and selected areas of statutory activities of non-profit organizations in 2010 and 2012 (in %)

Areas of statutory activities	Total		2010		2012	
	2010	2012	Women	Men	Women	Men

Total	100.0	100.0	41.5	58.5	42.8	57.2
Sport, recreation, tourism and hobby	20.7	23.1	27.8	72.2	26.0	74.0
Life-saving/rescue	11.2	11.5	12.7	87.3	13.1	86.9
Social and humanitarian assistance	11.8	19.2	68.5	31.5	65.5	34.5
Culture and art	7.6	11.5	51.0	49.0	60.8	39.2
Education and research	20.8	7.7	47.5	52.5	60.3	39.7
Health care	9.4	7.7	67.1	32.9	65.3	34.7
Occupational, labor, industrial relations	4.8	3.8	62.1	37.9	39.6	60.4
Environmental protection	3.0	3.8	25.5	74.5	22.4	77.6
Hunting societies	3.3	3.8	2.5	97.5	2.4	97.6
Labor market, employment	0.3	0.0	47.6	52.4	71.5	28.5
Local, social and economic development	1.8	3.8	48.7	51.3	54.2	45.8
Law, human rights	1.5	0.0	65.5	34.5	51.7	48.3
Third sector support	1.6	0.0	45.8	54.2	42.6	57.4
International affairs, religion and other activities	2.0	3.8	57.9	42.1	39.3	60.7

Source: Own calculations based on ([25], table 4(2)), ([26], table 4(2))

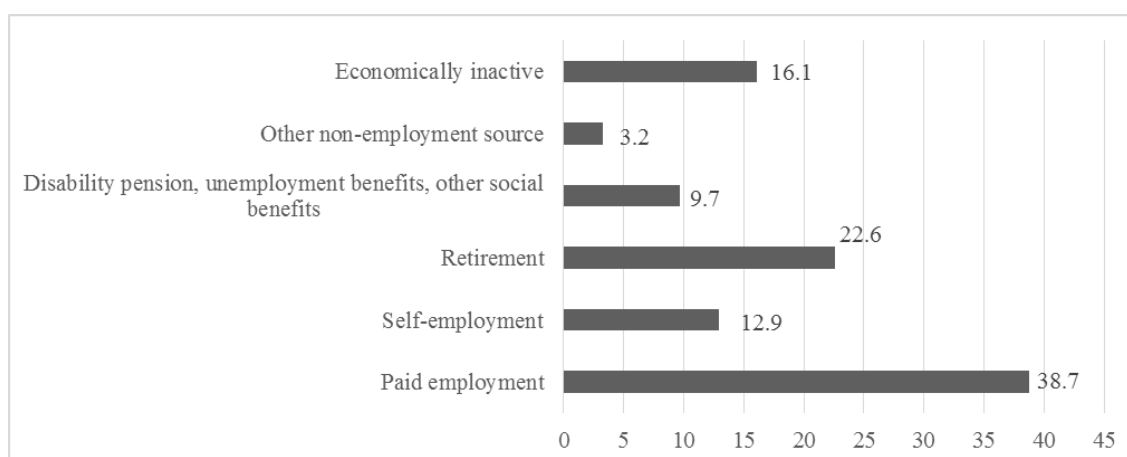
Educational attainment is an important factor determining provision of unpaid work to non-governmental organizations. Volunteers in the NGOs are mainly individuals with tertiary education (32.3%), while these with general secondary education constitute the smallest group (9.7%) engaged in the unpaid work (Graph 4). This distribution is quite similar to the structure of total employment in Poland. However, it is worth to emphasize, that there are noticeable differences between women and men engaged in volunteering in NGOs, when education is taken into account. It appeared that percentage of women with the lowest level of education is almost two times higher than men - every fourth woman providing unpaid work in NGOs acquired only lower secondary, primary or incomplete primary education. The opposite situation is recorded in case of basic vocational education – the share of men with this educational attainment reached 26.7% and was higher by 14.2 percentage points than in case of women (Graph 4). These differences may be attributed to the type of non-profit organizations (related to their statutory activities – which was / (where) already described) and the nature of performed work. Central Statistical Office data shows that women more often than men provide volunteering work in the NGOs in the area of housework or cleaning activities - this kind of unpaid work was performed by 30.7% of women and only 8% of men in 2010. At the same time men are involved more frequently than women in sales and related activities (respectively, 12.6% 7.7%), craft and blue collar worker's jobs (16.0% and 3.9%), and forestry, agriculture and fishing (5.5% and 1.7%) ([27], pp. 155-157).



Graph 4. Structure of volunteers in non-profit organizations in 2010 by gender and education (in %)

Source: Own calculations based on ([27], pp. 132-133)

Individuals who are engaging in volunteering activities for NGOs are mainly these, who have other permanent source of income, which gives them relative financial stability. The other important factor is the balance between time devoted to work, home duties, education, and leisure – the availability of leisure time constitutes, to large extent, the willingness to provide unpaid work in the non-profit organizations. Therefore, the volunteering in NGOs is performed most often by the employed (38.7%). Individuals living on non-employment incomes (35.5%) – where every fifth person is retired – constitute the second largest group involved in unpaid work for non-profit organizations. A little interest in volunteering in the group of people receiving social benefits is a consequence of their low incomes – they are rather seeking additional sources of incomes, not unpaid work opportunities. Furthermore, this group is often involved in caring activities in the household, which limits the time available to volunteering. Nevertheless, we can observe relatively high share of economically inactive people among the volunteers working for non-governmental organizations (Graph 5).



Graph 5. Structure of volunteers in non-profit organizations in 2010 by main source of income (in %)

Source: Own calculations based on ([27] pp. 147)

4. Discussion and conclusions

Many entities – households, non-profit organizations, private companies, and public institutions – take advantage of unpaid work. Even though reasons for using this kind of employment differ amongst these entities, there is one common denominator (except households): the willingness to reduce the remuneration costs. Also the supply side (human resources) is diversified as far as motives for performing the unpaid work are taken into account.

The paper focused on two types of “economic” unpaid work – volunteering in NGOs and non-remunerated activities in family businesses. While volunteers undertake the unpaid work mainly to fulfill their altruistic need to help others, the family workers’ motivation is to support the family business. And even if they do not receive any salary for their commitments, the income generated within the family business has positive impact on the household’s wellbeing.

The analysis revealed existence of noticeable differences between the abovementioned types of unpaid work. Firstly, volunteering in the non-profit organizations is much more popular in large agglomerations (which is related to the spatial distribution of such organizations), while unpaid work in family businesses is concentrated mainly in the rural areas, where family farms dominate. Secondly, these are usually women, who perform non-remunerated activities in the family business (the same situation refers to domestic unpaid work), while volunteering in NGOs is men’s domain.

Important similarity between volunteering in NGOs and unpaid family work is the age structure of non-remunerated workers – these are mainly people from older age groups (45+) who perform unpaid activities. If we add to this the gender dimension, it appears that unpaid work in the family businesses and non-profit organizations is performed mainly by women in non-mobile age groups. It means, that this phenomenon affects groups facing problems on the labor market, which is described, among others, by lower employment rates as compared to the average in the labor force. Unfortunately, in Poland, women and the elderly are often pushed out of the labor market – as a result unpaid work for the family business on non-profit organizations may be their only chance for “employment”. Weaker position of women on the labor market, especially in rural areas, is additionally affected by low development of social infrastructure in such regions, which manifests in low availability of nurseries, kindergartens or facilities for the elderly. This makes a woman with a difficult choice: to take paid work or stay at home and take care of household members, and helping in free time in the family farm. The choice is the more difficult, if we take into account the fact, that potential place of work is usually located outside the place of residence, which leads to the transportation issues (time and cost). Moreover, relatively high share unpaid family workers in the rural areas may be attributed to excessive employment in the agriculture sector. This problem has been present in Poland for many years and is associated with the hidden unemployment in the rural regions. Recently, we witnessed growing numbers of unpaid family workers who are 54 years of age or older. Some of them already retired, but decided to support the family business. However, part of this group is in the pre-retirement period, and even if they perform non-remunerated work in the family businesses, these enterprises are obliged to cover the social security contributions⁵, which in turn influence the level of future retirement pensions and enable access to certain social benefits.

From the point of view of the labor market issues, the other important group are the youth (between 20 and 24 years of age), who are contributing significantly to the family businesses

⁵ This applies to unpaid family workers who live in the same household with the owner of the family enterprise.

in the form of unpaid work. These young people not only gain experience that can be useful in the future paid employment, but also learn how to run their own business and prepare to potential takeover of this family business in coming years. However, it should be emphasized, that the issue of the unpaid employment of the youth is multidimensional. It can, for example, refer to internships in companies which are organized within public employment programs. In such cases young people work for companies and receive compensation in the form of a grant – it is not yet clear if it can be classified as a standard paid job, since the grant is not covered by the employer, but by the public funds. Moreover, some of the internships are, by definition, of a non-equivalent nature – this applies to the so-called graduate internships (which can be either paid or unpaid). Unfortunately, there are no official statistics which would make it possible to assess the scale of this phenomenon.

We also should bear in mind that some employers use illegal practices while hiring potential employees. It happens that the employer promises to sign a contract at the end of the first working day. However, quite often such contract is not signed despite the fact that the employee worked diligently throughout the day, and the explanation of this situation usually relates to changes in the company's human resources needs. At present, works on changes in the legal framework are in progress in order to eliminate this type of behavior in Poland. It is to be required to sign a contract (in case of both standard employment contracts, as well as other non-standards contract – e.g. civil-law contracts) before an employee starts to perform any work-related activities. This should reduce the scale of illegal unpaid work in private companies.

We are convinced, that the analyzed types of unpaid work in family businesses and non-governmental organizations in Poland may be beneficial for both sides - workers and organizations - if a reasonable balance is found. At the same time, we are aware that reaching the stage when the unpaid work will not be treated as the second-best choice substitute of standard employment requires profound changes in the institutional milieu, but also in the people's mentality.

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