

Polish Teachers' Salaries in 1990-2015

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The earnings of the largest professional group financed with public resources, which participates in the realization and financing of the most common and the most expensive public service is the cause of industrial disputes on one hand, and pay aspirations on the other. At the same time the analysis of this phenomenon from the perspective of the public budget as the payer and the scientist-researcher as an analyst often leads to surprising conclusions concerning both the allocation of public means in time and social justice.

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JEL Classification: J31, I22

1. Introduction

The earnings of Polish teachers and school principals have rarely been the subject of scientific work over the past 70 years. Among the outstanding papers, we should mention one by Grażyna Michalak from 2002, covering the period of 1944-1992. It is a very educational publication, analyzing many elements of teachers' earnings, in various periods in history, especially as we realize the meanders of the Polish education system. Readers interested in this issue are strongly recommended to read the above book.

The system changes implemented at the turn of the 1980s and 1990s also affected education. Teachers constitute a large professional group working on a sensitive section covering education and upbringing, but also dealing with ideology, outlook on life, social issues and the whole spectrum of other issues. The changes also covered economic transformations, resulting from history and doctrine processes, attempting to locate again school in the structure of the state, pedagogy as science with obvious practical applications, and the teacher, whose position in the new solutions was far from obvious, though still unquestionable.

School at that time was of state nature, with centralized system of employing teachers, rewarding them and providing them with numerous covers, including social ones, whose goal was to hide the mediocrity of earnings and a low social status of pedagogues. The economic crisis of the 1980s was also reflected in the status of the profession and people performing it, whereas the end of the 1980s, with skyrocketing inflation, demonstrated that – just like the whole society – teachers acutely experienced the lack of stability of remuneration for their work.

It should also be pointed out that since 1982 the same Teachers' Chart has been valid, causing social repercussions, concerning for example common perception of various provisions included in it, which do not link the quality or the effectiveness of the teachers' work to the related remuneration.

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2. The System of Remuneration

The discussed period can be divided into two stages:

- the first, covering the first decade of transformation, that is 1990-1999, when, in accordance with the regulation of the Minister of National Education, teachers were automatically promoted every two years, depending on six levels of their education, until they reached 30 years of service;
- the second, after 2000, when the introduction of the professional promotion grades for teachers changed the pay scale, covering now four promotion grades and four education levels.

These different organizational solutions accounted for the situation in which in the first stage the teacher's pay rise was only determined by their length of service, while in the second stage it is the teacher who must take care of their promotion and indirectly, though not necessarily with their quality or effectiveness of work, "determine" the level of their remuneration, bearing in mind that the table is centrally generated by the state organ, namely the minister.

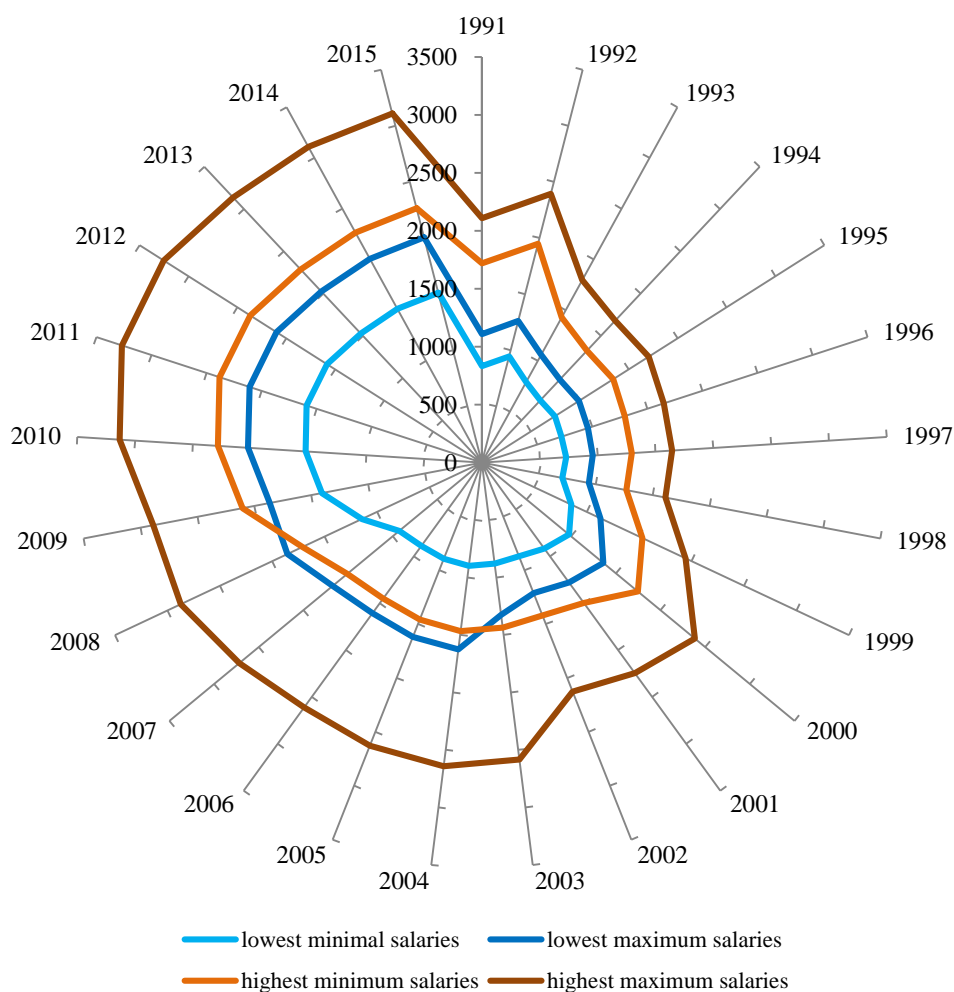
Thus in the first period the teacher could have the following types of education: 1) a scientific degree of PhD, 2) master's degree education with teaching preparation, 3) master's degree education without teaching preparation or master's vocational degree with teaching preparation, 4) master's vocational degree without teaching preparation or teaching college education, 5) secondary school, pedagogical education 6) secondary and other education.

The second stage offered only four levels of education: 1) scientific degree of PhD or associate professor, professional master's degree with teaching preparation, 2) professional master's degree without teaching preparation, professional bachelor's degree (engineer) with pedagogical preparation, 3) professional bachelor's degree (engineer) without pedagogical preparation, a diploma of completing education at teaching college, teaching college of foreign languages and 4) other qualifications.

The number of columns in the remuneration table was reduced from 15 to 4, while the number of rows was also limited from 6 (since 1993 – 5) to 4, which greatly simplified the system, but also polarized the teaching community. Not many teachers remember that in 1990 the salary of a teacher with other secondary education started with 371 thousand zloty and reached 456 thousand, while in the best-paid group of PhD degree holders, the remuneration ranged from 767 thousand zloty to 966 thousand. The zloty denomination conducted on 01st January 1994 made the above amounts (re-assessed each year) respectively PLN 1670 and PLN 2230 and PLN 3010 and PLN 3810.

In 1993 teachers with PhD degree were included in the group of teachers with master's degree education and teaching preparation, while the teachers' earnings in 1993 ranged from PLN 1 330 thousand (the lowest group and the shortest length of service in profession) to PLN 3020 thousand, thus officially teachers were millionaires (not counting other remuneration elements).

The teachers' remuneration, including the base pay, is subject to all economic and social processes, therefore it is sometimes difficult to compare particular years. To make such comparisons possible, we may apply at least three methods: measure the purchasing power of teachers' salaries, comparing them to the so-called basket of basic goods, convert current prices into the so-called fixed prices by selecting a base year, or relate the average remuneration to the average remuneration in Poland in particular years. In our considerations we will adopt the second method at first, with the base year – 2015, while the base pay of teachers from previous years (the lowest and the highest in the table resulting from the order and since 1997 – the regulation of the Minister, presented as minimum and maximum salaries), reflecting inflation, were converted into the level of this year's prices. The remunerations for 1991-1993 were 'denominated', dividing their nominal value by 10 000, as it was formally done on 1st January 1994. The graph below presents the results.



Graph 1. Real remuneration of teachers in 1991-2015 according to rates determined in the (order) regulation of the Minister, reflecting inflation and Polish currency denomination

It is worth noticing that after a period of relative salary growth in 1991 and 1992, the period of 1993-1998 brought their noticeable real decrease and they were maintained at quite a low level for five years. During that period inflation was suppressed from the rate of 70% in 1991 to 12% in 1998. This means that teachers' salaries increased at that period allowed them to avoid experiencing a dramatic worsening of their material status, but nevertheless, in 1998 they reached the lowest level over the period of eight years. Since 1999 the value of teachers' base pay was gradually increasing (until 2011), with base pay 'frozen' and inflation 'eating into' teachers' salaries.

Thus we can say that teachers still have a long way before stabilizing their salary growth, though it should be admitted that in the period from 1998 and 2011 their salaries grew on average by 107%, that is they doubled.

3. Teachers' Salaries

Salary is only part of teachers' remuneration. We could analyze the issue thoroughly, though probably our paper would turn into a long dissertation. For example: the pay regulation of the Minister of 1991 covered tens of various, more or less precisely determined additions for teachers. The most important groups covered: remuneration for overtime, functional additions, increased functional additions, as well as service and specialist additions, allowances for difficult and tiresome working conditions, for health hazards, working night shifts and remuneration for extra classes.

Together with the change of teachers' remuneration system in 2000, a clear distinction was made, dividing the teacher's revenue from employment into salary and social allowances. According to Article 30 section 1 of the Teachers' Chart, a teacher's remuneration is composed of the following elements: base pay (its amount depends on professional promotion degree, qualifications possessed and scope of obligatory clas-

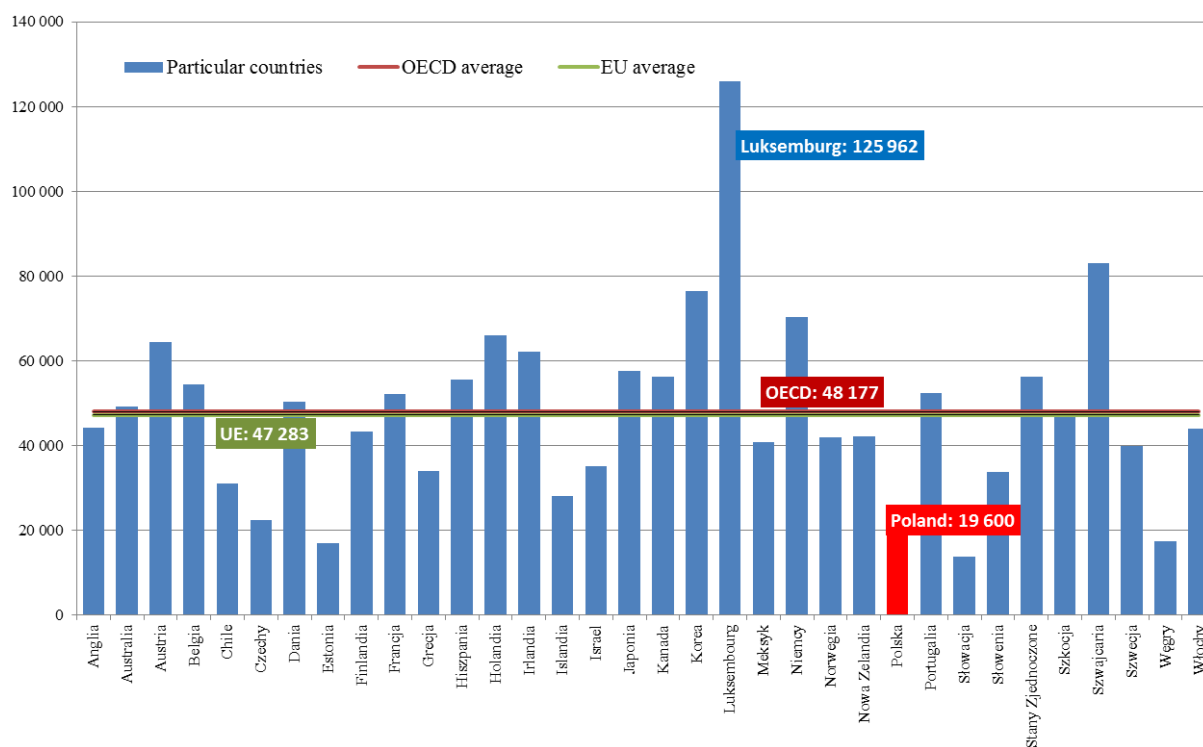
ses), additions (for years of service, motivational, functional, for working conditions), remuneration for overtime and substitutions and awards and other allowances resulting from employment, addition for tiresome work, additional remuneration for working night shifts, a jubilee award, additional annual remuneration, allowance for settling down, teacher's discharge money, awards from special award fund; in addition, a teacher who was granted an honorary title of Education Professor is entitled to receive a one-off financial award. The multitude of additions does not significantly affect (apart from the years of service addition) teachers' gross remuneration level.

While the minimum rates of base pay for teachers are determined by the Minister of Education in their regulation, the motivational, functional and working conditions allowances, including their amount and details of granting them, are determined in regulations implemented by local authorities being organs running schools. Local authorities also determine a detailed method of calculating remuneration for overtime classes.

The situation was further complicated when the Ministry of Education suggested that the provisions of the Teachers' Chart be made more precise by adopting Article 30a and 30b in December 2009. This time it was interpreted that the provisions of Article 30 section 3 of the Teachers' Chart, determining average salaries for teachers, were an unconditional privilege rather than an entitlement. Therefore a system of calculating and paying a one-off addition was introduced, the above addition being determined proportionally to the length of service and personal rate of base pay for a given teacher, allowing them to achieve average remuneration at particular stages of professional promotion in a given local government unit in a year for which the amount of the difference was calculated. This obligation is subject to supervision of regional accounting offices and must be reported, as stipulated by the regulation.

The above situation concerns annual settlements according to professional promotion degrees. We should also remember that according to Ministry of Education data, the average monthly remuneration of teachers was: in 2004 – PLN 2418, 2005 – PLN 2536, 2006 – PLN 2 658, 2007 – PLN 2 837, 2008 – PLN 3 142, 2009 – PLN 2 600, 2010 – PLN 2 750, 2011 – PLN 2942 and in 2012 – PLN 3 054.

The change of the remuneration system in 2000 and its adjustment in 2009 were only a continuation and adjustment to what was introduced into the teachers' room in 1982. However, on 01st May 2004, a global event, that is Poland's accession to the European Union structures made us perceive teachers' salaries from an international perspective. On one hand EU and OECD reports showed differences between the level of remunerating Polish teachers and their counterparts in other countries, on the other hand, frequent populist and demagogue approaches to the issue shown by some teaching communities led to a serious misunderstanding and inability to draw conclusions, for example concerning teachers' remunerations.



Remuneration in USD, calculated into PPPs

Graph 2. Annual maximum remunerations of teachers in lower secondary schools in 2011 in EU and OECD countries
 Source: own elaboration on the basis of data from: *Education at a Glance 2013. OECD Indicators.*

The above graph (Graph 2) shows how much has to be done for Polish teachers so that they can catch up with their counterparts in more developed countries. The issue would look incredibly worrying if it was not for the understatement associated with the figures presented above. We need to remember that salaries in particular countries must be related to GDP in each country, but most of all, we need to take into account the purchasing power parity of the local currency (PPPs).

Poland is a unitary country, though by no means a small one. It is spatially varied, not only geographically, but also economically. In 2012, GDP per capita was nearly PLN 42 thousand, with four provinces generating GDP above the country average (Mazowieckie by 59%, Dolny Śląsk by 13%, Wielkopolska and Śląsk by 6%), while other provinces generated lower GDP. At the same time this potential has affected the state of regional economy, including domestic trade.

Central Statistical Office regularly publishes the so-called prices of the basket of basic food products (24 items). Since they are of different value in particular regions, it is worth using this simple tool to measure the purchasing power of teachers' salaries. For our analysis we adopted two assumptions: we took into account prices in January 2004 and 2015 (lower influence of seasonal effect on prices), thus the former relates to the times before Poland's accession to the European Union (low foreign trade due to customs barriers), while the latter is from January this year. And the second condition: we took into account the lowest and the highest base pay of trainee teachers (those who begin their teaching career) and diploma teachers (those with the highest salaries).

The analysis of the data included in Graph 2 allows us to make a few significant observations. The prices of particular products all over the country vary considerably, with their extremes between particular provinces reaching the average level of around 30%, with particular products ranging from 10% to 60%. It should be noted that the biggest number of maximum prices were in the following provinces: Mazowieckie, Pomorskie, Dolny Śląsk, Świętokrzyskie and Lubuskie, while the lowest prices dominated in: Podlaskie, Podkarpackie, Świętokrzyskie (also!) and Opolskie. And the above is only the analysis of the food product basket. In this situation holding to the assumption that all teachers should earn the same salaries in the whole country results in differentiated economic treatment of these teachers. I invite Readers to analyze the data in Graph 2 for themselves.

4. School Principals

School principals are a specific group of teachers, since they are most of all recommended by the Act on Education System to take up such posts and they are beneficiaries of this provision. In 1991, in line with the then valid regulation of the Minister of National Education of 21st July 1989 on Teachers' Remuneration, teachers who were entrusted with managerial positions at schools were entitled to receive a functional allowance in the amount determined in the relevant table (attached to the regulation). The amount of the functional allowance was arbitrarily established by the organ supervising the school, which took into account the size of the school, its organizational conditions, complexity of tasks associated with the managerial function, the number of managerial positions in the school and the results achieved by the school.

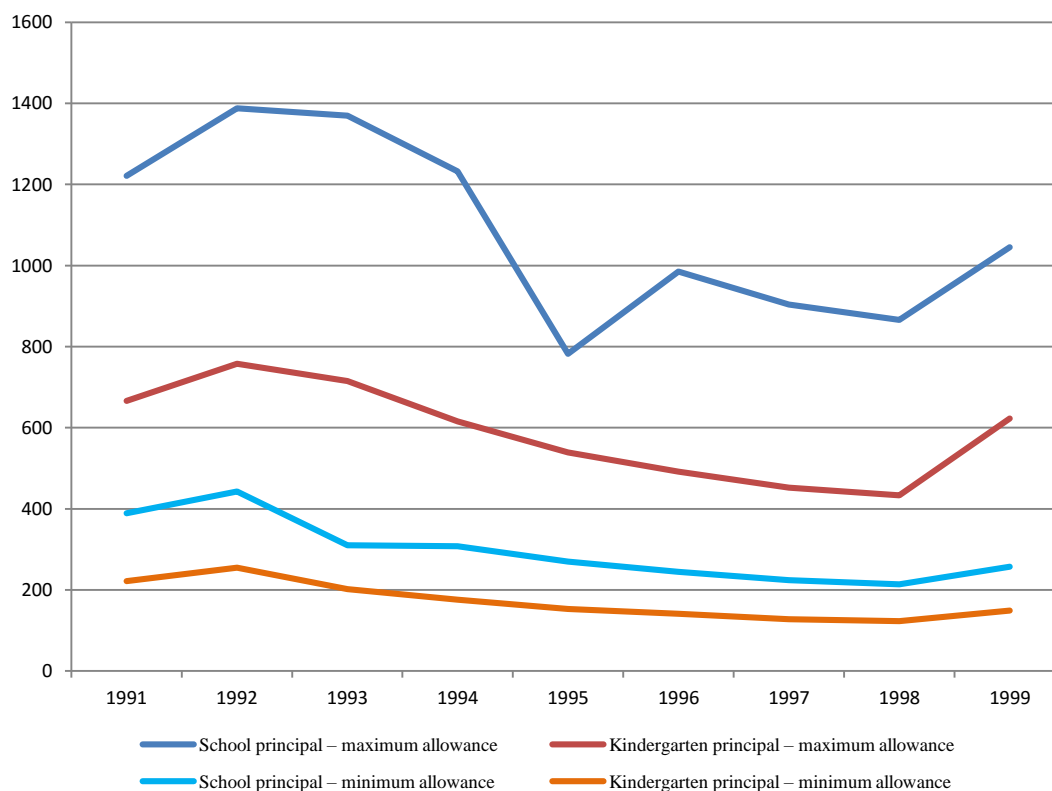
Allowances could be and were differentiated by a discretionary decision of a chief education officer, but they could also be – in line with the regulation – increased: from 15% for principals of boarding schools to 50% for principals managing two or more schools and heads of rehabilitation and diagnostic centers. It was also determined that in cases where there are several entitlements to increase the allowance, it could only be increased due to one entitlement.

What strikes us in legal acts of the first half of the 1990s is that according to the act on education system the school principal performed a function in this school. This changed when Polish law (including the Civil Code and the Penal Code) was revised and the term "function" was assigned to the activities performed at high levels of administration (public functionaries). Thus since 01st January 1996, Article 35 of the Teachers' Chart the term referring to principals who 'perform managerial functions' was replaced with a new term 'occupying managerial posts'. Since this amendment school principals left their functions for their posts, but ... the law-makers forgot to introduce relevant amendments to the Teachers' Chart, and so did the Minister in his pay regulations, therefore we still have the functional rather than the managerial allowance.

The graph presents only fragments of the tables related to functional allowances, showing only principals of kindergartens and schools within the minimum and maximum rates – the amount from 1991-1993 were calculated using the denomination ratio, whereas all amounts take into account inflation ratios, comparing them to the 2015 prices. A glance at the level of allowances from that decade shows that in real terms, the best level of functional allowances was achieved by kindergarten and school principals in 1992, with consecutive

years bringing some deterioration, and finally, just before passing the authority over allowances to local self-government, there was a slight improvement in rates.

As mentioned above, year 2000 saw a major adjustment of teachers' remuneration, which also included functional allowances. The new pay regulation contains a list of posts which entitle their holders to receive the functional allowance. Among the entitled people are teachers who were entrusted with the post of a principal or deputy principal of the school or another managerial post defined in the school statutes, class tutor or those who perform the function of a methodology advisor or a teacher-consultant and a trainee teacher's supervisor. Thus the functions returned to school, though in a different role.



Fixed prices = January 2015

Graph 3. Real functional allowances for school and kindergarten principals in 1991-2000, according to rates from the regulation of the Minister, taking into account inflation and Polish zloty denomination.

Source: own calculation based on "pay" orders and regulations of the Minister of National Education (and counterparts) in 1990-2000

Functional allowances after 2000 are not homogenous, as they depend on the decision of a running organ. As observed by Więśław (2012, pp. 49-60) „the average value (median) of the functional allowance received by the principal is PLN 800, while the first and the third quadriles are, respectively PLN 595 and PLN 1 119. An overwhelming majority of school principals receive this allowance in the amount between PLN 419 and PLN 1 500”. The above would mean that over the past 15 years functional allowances have not increased much, though territorial and environmental differentiation might be surprisingly varied.

5. Conclusion

The level of teachers' salaries and functional allowances have not turned this huge group of 43 thousand of employees (as of September 2014) into rich people. And although some local authorities (for example in capital city of Warsaw) show their appreciation of teachers' work by granting them special allowances, it seems that the problem lies elsewhere. Teachers' (and principals') remuneration should comprise a more significant element tying their salaries to the quality of performed work, since motivational allowance does not meet its objectives. The remuneration itself should reflect its local (or regional) purchasing power in order to be fair.

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