

EDITORIAL

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LABOUR MARKET AND UNEMPLOYMENT

Abstract: Labour is a key factor of production, enabling the production of goods and services. Throughout history, the labour market situation has influenced economic growth and development, and hence investment, productivity, income, consumption and society's standard of living. The articles contained in the next volume of the journal *Studia Historiae Oeconomicae* analyze the above problem using selected examples dating back to the 18th century.

The presented SHO volume consists of eight articles that provide authentic knowledge on such labour market shaping factors as wages, ideology and politics, as well as on the activities of labour unions and charitable organizations under different political and socio-economic systems.

The study of labour and the labour market has a heavy burden for both cognitive and practical reasons, since knowledge of the causes, mechanisms and dynamics of change in this sphere can help optimize economic policies regarding the labour market as well as become a source of inspiration for readers and perhaps further research in this area.

Keywords: labour, labour market, unemployment, wages, trade unions, charitable organizations

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Work has remained one of the most important production factors throughout history, and the labour market situation has determined economic growth and development. The shortage of labour has forced rulers or entrepreneurs to actively seek and attract labour through financial incentives (land, tax privileges, higher wages) or coercion (conquest and resettlement, slave trade, prison labour, legal coercion). In turn, excess labour has generated unemployment and poverty, thereby stimulating the pro-



cesses of colonization and economic emigration. Over time, the actions of states aimed at increasing the supply of labour or counteracting the negative effects of unemployment have become increasingly important in their economic policy, and the instruments of intervention on the labour market have become increasingly complex and expensive. In this context, several questions arise, and research on work including the political, ideological and institutional factors influencing the labour market is of great importance for both cognitive and practical reasons.

Knowledge about the causes, mechanisms and dynamics of changes in the labour market and the links between political and economic changes and the position of employees can become the basis for explaining, among other things, the mechanisms leading to imbalances in the labour market and optimizing educational systems and effectively preventing unemployment. The studies included in the next volume of the journal *Studia Historiae Oeconomicae* analyse the above problem using selected examples dating back to the 18th century. As a result, a multi-faceted mosaic of topics was created to provide authentic knowledge on such factors shaping the situation in the labour market as wages, ideology and politics, as well as the activities of trade unions and charities in various political and socio-economic systems.

The volume opens with an article by Krzysztof Derejski (2024) entitled *Unfulfilled Dreams? The Financial Situation of Workers in Paris and the Department of Loir-et-Cher between 1789 and 1795*. It discusses the financial situation of workers and the labour market in Revolutionary France, by using the example of residents of Paris and the department of Loir-et-Cher. Based on the analysis of prices and wages, depreciation tables showing the evolution of the financial situation of workers' families during the French Revolution as well as the books of complaints submitted to the States General in 1789, the author concludes that the actions taken in France in the years 1789–1795 contributed to improving the financial situation of workers, but their positive effects became more pronounced in the longer term, extending beyond the time limits of the presented study. Successively, in the analyzed period, factors negatively affecting the financial situation of workers dominated. Firstly, they resulted from the costly wars waged by France in the years 1792–1795 against external enemies (the First Anti-French Coalition) and internal enemies (the insurgents in the Vendée, the Chouans and the federalists). Secondly, from the general uncertainty accompanying the profound socio-economic changes taking place during the Revolution, which influ-

enced economic decisions; and thirdly, from the decision of the revolutionary authorities to introduce the Law of Maximum in September 1793, which, on the one hand, stopped the increase in prices and wages, but on the other hand destroyed the market, especially in the case of basic products.

Finally, the workers' situation was worsened through the issuing of signats by the revolutionary government, not supported by national goods (*biens nationaux*), which led to inflation – periodically turning into hyperinflation, and as a result, wage growth did not keep up with the rising cost of living, especially in the department of Loir-et-Cher. In Paris, thanks to rationing and the sale of subsidized bread and meat, the living conditions of working families in 1795 were better or comparable to those at the beginning of the Revolution. In conclusion of the article, which provides much new information on the changing financial situation of workers in Paris and Loir-et-Cher, the author states that despite the inclusive reforms undertaken by the revolutionary authorities and the fulfilment of many of the demands contained in the books of complaints, the financial situation of workers in the period 1789–1795 did not improve significantly. On the contrary, in many cases, as in the department of Loir-et-Cher, their economic conditions deteriorated significantly, leaving their demands as an unattainable dream.

Another research problem concerning the poor urban population was similarly analysed in her article entitled: *Organization of poor minors labor by charity societies in the mid-nineteenth century. A Poznań Case* by Agata Łysakowska Trzoss (2024). In the 19th century, the number of poor families living in Poznań grew rapidly, and the numerous unemployed children were a heavy burden for them. Along with the pauperization of the population, the number of abandoned, neglected and demoralized children also increased, and there was a significant increase in juvenile crime. As a result, children from poor families were usually sent to work after reaching the age of 14, which was supposed not only to support the household budget but also to prevent demoralization, crime and begging as well as offer a chance to permanently escape poverty.

Poznań was characterized by a small number of factories, which meant that children rarely went to industry, but more often to service (girls) or to learn a profession (boys). In the second half of the 1840s, such young people could count on the support from charitable societies, including the Charitable Society of Polish Ladies (TDDP) based in Poznań, which was analysed by the author. Founded by Celestyna Działyńska, the so-

ciety tried to support the poorest by preparing a layette for a child going into service or apprenticeship. Help was less common in finding a specific job, although efforts were made to ensure that young people were placed in appropriate homes. A. Łysakowska-Trzos's research shows that in the 19th century, the social awareness of childhood and appropriate forms of assistance also increased.

Charitable organizations emphasized the importance of educating the youngest children and directed them to nurseries and schools. With the development of philanthropic initiatives, childhood began to be perceived as an important stage in a person's life, which was reflected in both the activities of organizations such as TDDP and in legal regulations regarding child labour. In conclusion, the author notes that due to changes in the approach to the care, education and protection of the youngest, the 19th century is often referred to as the "age of the child".

The next two articles investigate the connections between economic and institutional decisions and their impact on political life in the Weimar Republic and the trade union movement in the USA in the 1930s. C.F. Thies (2024), in the article entitled *Reparations, Hyperinflation, Unemployment and the Rise of Adolph Hitler*, based on source materials and the latest literature on the subject, analyses the connections between the Treaty of Versailles, the German hyperinflation of the 1920s, the Great Depression of the 1930s and the rise to power of Adolf Hitler.

Although Germany did not actually pay the reparations provided for in the Treaty of Versailles, their very existence contributed to financial destabilization and had an impact on the emergence of hyperinflation. In turn, the renegotiation of reparations (the Dawes Plan and the Young Plan) allowed right-wing and left-wing radicals to gain broad public support. Hitler developed a propaganda campaign against the Young Plan, thanks to which he gained notoriety and became the leader of a powerful movement representing the lower and middle classes demanding a revision of the Treaty of Versailles. The campaign against the Young Plan was a turning point for the NSDAP, but the key factor that facilitated its rise to power was the Great Economic Depression and the unemployment it caused.

To sum up his considerations, the author suggests that although the Treaty of Versailles was a necessary factor, it was not enough to bring Hitler to power on its own. This was decided by a series of events, among which the economic and social crisis played a key role. Finally, the author also refers to the forecasts of Keynes and Mises, who warned of the long-

-term consequences of the harsh terms of the Treaty of Versailles and the possible return of Germany to aggressive policies.

Kamil Kowalski (2024) addressed the problem of the functioning of an institution important to the labour market, which includes trade unions in his article *On the road to the split of the American labor movement: criticism of the American Federation of Labor in Committee for Industrial Organizations pamphlets (1935–1936)*. Trade unions had been fighting for workers' rights in the United States since the end of the 19th century, but they gained strength, especially after the adoption of the NIRA (1933) and the Wagner Act (1935), which guaranteed workers the right to organize and bargain collectively. At that time, there was a significant debate within the union movement about whether unions should cover all employees in each industry or only employees performing a given profession or craft.

This conflict was a key element of the rivalry between the AFL (based on craft unions) and the CIO (industrial unions) in the years 1935–1936. The author examines CIO pamphlets that highlight key areas of dispute within the union movement, including union jurisdiction, industry cards, and dues. Initially, the CIO advocated reform within the AFL, emphasizing the need to organize non-union workers in mass production sectors. However, tensions grew due to radical rhetoric and rivalry between leaders, particularly between CIO leader John L. Lewis and AFL president William Green. As a result, in 1936 the AFL suspended the CIO, formally splitting. In turn, the CIO presented itself as the vanguard of progress in the labour movement, challenging the craft union model promoted by the AFL.

CIO publications such as *The Case for Industrial Organization* emphasized the crisis in the labour movement criticized the AFL for holding back progress and advocated for a mass movement that would provide fair wages for all workers, not just skilled workers. While rejecting unions with radical groups such as the IWW, the CIO adopted a more inclusive vision of the union movement, positioning itself as the future of the movement, which in the long run precluded the possibility of subordination to the AFL. The resulting division reflected a broader struggle between traditional and modern approaches to labour organizing.

The next two articles by S. Jankowiak and J. Chumiński concern the specifics of the labour market in a centrally planned economy, using the instance of the Polish People's Republic as an example. Stanisław Jankowiak's article (2024) discusses the exploitation of workers in Poland

in the 1950s. This was a period of building “the foundations of the socialist system,” in which the emphasis was on the intensification of heavy industry, largely at the expense of workers. To force workers to make additional efforts, the communist authorities used administrative and political methods, such as low wages, increased labour standards, and the promotion of competition, without, by definition, compensating for this with wage increases. The tasks set were unrealistic from the very beginning, focused solely on increasing production at the lowest possible cost. Any benefits, from this, promised to the workers turned out to be fictitious. The workers, exploited beyond measure, tried to limit this exploitation in every possible way, hence the terrible quality of production, huge consumption of raw materials, widespread waste or simply avoiding work.

The Hipolit Cegielski Plant in Poznań, renamed *the J. Stalin Metal Plant* (ZISPO), is, in the author’s view, an example of the implementation of the above policy. Although this plant was distinguished by its tradition of good work and pay, it was subject to pressure from above to increase production at the expense of the workers. The rewards for work were symbolic and did not compensate for the effort, which led to reduced employee engagement and low quality of production.

The growing dissatisfaction culminated in the Poznań workers’ revolt on 28 June 1956, during which the protesters demanded “bread” and “freedom”. This event exposed the errors of the authorities’ policy and their lack of understanding of the needs of employees and initiated protests in other plants in Poznań, becoming a symbol of opposition to the exploitation and repression of the socialist system.

In his article, Jędrzej Chumiński (2024) analysed one of the main problems of the economy of “real socialism” in Poland, which was the excessive labour in industrial plants, also referred to as hidden unemployment. Referring to Janos Kornai, the author points to a paradoxical phenomenon occurring in socialist countries. On the one hand, the labour market was characterized by a shortage of labour, but on the other hand, there was an excess of it in the workplace, which Kornai described as “unemployment in the workplace” (Kornai, 1985: 345).

The author also cited the opinion of the outstanding Polish economist Czesław Bobrowski (1991: 156–158), who considered over-employment as one of the main pathologies of the economy of “real socialism” in Poland, resulting from, among others, poor work organization, slow technical progress and low mobility of industrial workers. In turn, the surplus

of labour, based on feedback, further inhibited the modernization of technology and work organization and led to low efficiency, poor quality of production, destruction of work ethic and low discipline, which was characteristic of all economies of the Eastern Bloc.

According to the author, this was only possible in economies based on nationalized industry, where profitability was not the basic criterion for assessing enterprises, and the labour market was based on the principles of full employment (which was the implementation of the ideological postulate of eliminating unemployment) and the supply approach, in which employment was the cheapest and most easily available factor of production. The above ideology and economic practice implemented in the early years after the end of World War II led to the recruitment of low-skilled workers without factory experience, mainly from rural areas, which additionally inhibited the modernization and development of the economy. In the author's opinion, the employment of an excessive number of low-skilled workers did not result from either economic or social necessity but was a consequence of the adopted, incorrect, model of economic development based on the use of low-skilled and poorly paid labour.

Meanwhile, such a development model was a regression to developed economies, where the role of skilled workers had been growing since the 20th century thanks to technological progress and modern work organization. In a word, over-employment was economically unjustified and, in many respects, destructive, but it provided the communist regime the support it craved among poorly educated and low-paid workers. Notwithstanding, according to Jan Lutyński's thesis quoted at the end, the proverbial *homo sovieticus* was not only a "product and support" of real socialism, but in the long run also a source of its slow destruction and fall (Lutyński, 1990: 210).

In her article, M. Machalek (2024) addressed the problem of the social and economic effects of the liquidation of State Agricultural Farms (PGR) in 1991. In this process, the focus was primarily on ownership and economic transformations, omitting the analysis of the social effects. State farm workers, especially agricultural workers, were a specific socio-professional group with a low level of education and limited qualifications. Their professional and private lives were closely linked to the workplace, which provided them and their families with, broadly understood, living and social care. As a result, after the liquidation of the State farms, many employees were unable to find their place in the labour market.

The newly established large-scale farms significantly reduced employment, and the lack of appropriate qualifications and low demand for work outside agriculture worsened the situation, especially among manual workers. Moreover, State farm workers were not covered by protective programs and did not receive compensation or shares in privatized farms, as was the case with industrial workers.

The only available forms of support were limited to unemployment benefits or early retirement for older employees. Assistance programs, such as educational support for children and youth, were too small in scale to significantly improve the socio-economic situation of the inhabitants of these areas. In the author's opinion, the failure to take into account the social effects of the liquidation of State farms was a significant mistake of the transformation policy. One of the most serious consequences was the persistently high unemployment in the former state-owned farm areas, which significantly exceeded the national average, and the pauperization of these areas, which have remained among the poorest in the country to date.

An interesting supplement to the previously discussed articles is the quantitative and qualitative study by V. Mosora entitled *The Issue of Labour in Germany in the Galicia district Press: Content Analysis*, in which the author used content analysis methods to examine the propaganda policy of Germany aimed at encouraging Galician workers to work in Germany and to examine how this policy changed over time. The subject of the analysis was publications on work in Germany, which were published in Galicia in the years 1941–1944. A total of 104 articles from 14 periodicals were analysed, such as *Lvivski Visti*, *Krakovski Visti* and *Stanislavivske Slovo*. These materials were classified according to type, time and place of publication, and the main goal of the analysis was to understand how German propaganda policy encouraged the population of Galicia to work in the Reich and how its methods evolved.

It was established that propaganda was dynamic and adapted its messages depending on the needs and situations. In encouraging the inhabitants of Galicia to go to work in Germany, it appealed to ideas related to family, nation and emotional ties and tempted them with attractive working conditions, using words such as "one's own" (свій), "family" (родина), "vacation" (відпустка) and "money" (гроші). At the same time, it emphasized the attributes of the ideal worker, using terms such as youth (молодий) and health (здоровий), although it should be noted that these terms disappeared by the end of the war, suggesting changes in the

requirements for the workforce. Under the influence of the unfavourable situation on the front, German propaganda began to emphasise the slogan of the common enemy, the Bolsheviks, and to present work for the Reich as an element of the fight against them.

The problem of unemployment and the surplus of unskilled labour also appeared in German publications. Although the problem of unemployment was solved relatively quickly, the surplus of unskilled labour remained a problem until 1944, which is why the German authorities published numerous articles and appeals encouraging people to acquire qualifications or develop professional skills in several specialist schools and educational institutions. The use of new research methods, particularly the content analysis method, to study the topic of obtaining Galician labour for Germany based on materials from Galician periodicals is an innovative aspect of this article.

This allowed for obtaining new perspectives in research on Nazi policy in the region, although cross-studies showed only one significant relationship – between the type of document and the place of publication, which indicates a certain strategy of content distribution. However, no uniform, consistent policy regarding publications on work in Germany throughout the occupation was found. In summary, the author stated that the propaganda regarding work in Germany, in Galicia during the occupation was inconsistent and dynamic, which reflected the changing needs of the German authorities in this regard.

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