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# Unregistered work in Mazovia its scale, character and social impacts



**Final report**



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# UNREGISTERED WORK IN MAZOVIA – ITS SCALE, CHARACTER AND SOCIAL IMPACTS

## Final report

### Executive summary

#### 1. Research methods

The research „*Unregistered work in Mazovia – its scale, character and social impacts*” was conducted out by Holding IBC Group Central Europe Holding SA and the Institute of Labour and Social Studies on commission from the Voivodeship Labour Office in Warsaw. It was co-financed by the European Social Fund under submeasure 6.1.1 of the Operational Programme Human Capital.

The primary aim of the research was to identify the causes, scale and character, as well as the impacts of unregistered work performed in the Mazovia voivodeship. Because the matter to be investigated was very sensitive, a combination of quantitative and qualitative methods had to be adopted. The combination of the methods made it possible to hybridise data sources following their triangulation. The activities that were performed in connection with the project were the following:

- analysis of secondary source data (desk research);
- analysis of primary data obtained by means of qualitative methods (questionnaire interviews, Pen and Paper Interviews (PAPI)) and qualitative methods (Individual in-Depth Interviews (IDI)) during own field research on populations living in five subregions of the Mazovia voivodeship: Ciechanów/Płock, Ostrołęka/Siedlce, Radom, Warsaw East, Warsaw West and the capital city of Warsaw.

In connection with the quantitative research 2700 questionnaire interviews were conducted with household heads. The respondents were selected using a random stratified approach. The sampling frame was constructed using the GUS database of households. In the qualitative survey the technique of one-on-one in-depth interviews was employed. The information they provided was used to enhance the results of PAPI interviews obtained during the quantitative research. For the purposes of this research 85 IDIs were conducted with the adult members of households who performed unregistered work at the time of the survey or undertook such work during previous 12 months. The respondents were selected using a purposive sampling

method. They were recruited in the course of the qualitative survey (PAPI) as well as using the RDS method. Unfortunately, the latter turned out to be ineffective, so the traditional snowball method had to be used instead. One IDI was conducted with a member of staff of the District Labour Inspectorate in Warsaw.

## **2. Analysis of the secondary source data**

The input for the secondary data analysis was thematic reports from empirical studies describing the phenomenon of "the shadow economy", strategic documents of the Mazovia voivodeship, official documents setting out control rules relating to unregistered unemployment, the outcomes of inspections of employment legitimacy conducted by the staff of the National Labour Inspectorate, statistical data describing the structural determinants of the shadow labour market in particular subregions of the Mazovia voivodeship and the capital city of Warsaw and territorial variations in the market using basic growth indices and the scale and intensity of the shadow labour market in other EU Member States.

### **Studies of the Central Statistical Office**

According to CSO research and estimates (Główny Urząd Statystyczny, hereafter GUS), in the years 2005–2012 the number of Poles performing jobs in the shadow economy ranged from 1,035,000 (2005) to 1,168,000 (2008). Their share of total employment varied from 7.1% (2011) to 7.7% (2008).

The results of the LFS module survey (Labour Force Survey) that GUS has been carrying out on a regular basis since 2005 show that the scale of this phenomenon continues to be considerable. Even so, **the number of people with unregistered jobs decreased between 1995 and 2010 by 76% (from 2,199,000 to 732,000). Households use unregistered work three times as often as other entities;** the work is performed much less frequently on behalf of private firms and the least frequently by persons working on their own account.<sup>1</sup>

**Rural households** are interested in hiring unregistered workers much more frequently than urban households (respectively 4.7% and 3.3% in 2010). Unregistered jobs in households are usually performed on a **short-term basis**, not longer than 5 days. The actual number of days

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<sup>1</sup> Kałaska M., Kostrubiec S., Witkowski J. *Praca nierejestrowana w Polsce w 1995 r.*, GUS, Warszawa 1996, Kostrubiec S. (ed.) *Praca nierejestrowana w Polsce w 1998 r.*, GUS, Warszawa 1999, *Praca nierejestrowana w Polsce 2004 r.*, GUS, Warszawa 2005, *Praca nierejestrowana w Polsce w 2009 r.*, GUS, Warszawa 2010, *Praca nierejestrowana w Polsce w 2010 ... op. cit.*

varies depending on the type and character of the job. Some jobs, such as private lessons, care of the elderly and children are done on a long-term basis.<sup>2</sup>

Unregistered work is more common among **men** (64.9% in 2010) than among women. It is performed more frequently by **persons with basic vocational education** (34.8% in 2010) and the least frequently by persons with tertiary education (13.3% in 2010).

Age does not significantly determine the decision to get an unregistered job. It can be observed, however, that such jobs are performed more frequently by the working-age population; in the years 1995-1998 they were the most common in the **age group 35-44 years** (respectively 26.9% and 26.8%) and in the period 2004-2009 in the age group **45-49 years** (29.2% and 32.0%). People older than 60 years of age undertake unregistered work the least frequently.

The main reasons for people to become unregistered workers are **depressed labour market** (38.9% of respondents in 1995 and 57.3% in 2004) and **the household having insufficient incomes** (respectively 63.0% in 1995 and 34.7% in 2009). **System-imposed requirements (income taxes and obligatory contributions to ZUS, i.e. the Social Insurance Institution)** also influence decisions to undertake unregistered work, but much less strongly than the first two.

Most households declared that they would hire unregistered workers to perform **gardening and farming jobs and renovation and repair jobs**. Their demand for the first type of jobs decreased in the years 1995-2010, but that for renovation and repair services, housework (cleaning) jobs, construction jobs, and beauty and hairdressing services increased.

**The results of GUS research into undeclared work do not allow identifying its status in Polish regions**, because the sample of population used in this research is too small to be representative for the regions.

### **Studies by research centres**

**Most studies into unregistered work conducted by research centres were occasional and used nationwide samples.** According to their results, **economic factors** are crucial in making a decision regarding unregistered work. Those who offer unregistered jobs aim to **minimize labour costs and maximise profits**, whereas unregistered workers **want to earn income that will allow them to meet the needs of their household members**. Unregistered jobs are also

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<sup>2</sup> *Praca nierejestrowana w Polsce w 2010 r... op. cit. ..*, p. 82

respectively offered and accepted **to avoid administrative red tape involved in worker recruitment and dismissal**. The economic factors are related to institutional requirements. Unregistered work allows avoiding the obligatory payment of social insurance contributions, registration at ZUS, monthly settlements with ZUS and the tax administration, paying the worker for vacation days and part of their sick leave days, higher rates for overtime and work on statutory holidays, the obligatory compliance with the labour law. This type of employment relationship can also be terminated on a short notice without the employer having to pay the severance money. As far as employees are concerned, by choosing unregistered employment they can have or increase their income and adjust the type, character and time requirements of the job to their needs and expectations. The results of the available studies also point out that public acceptance of unregistered work is high.<sup>3</sup>

**Only one study has been conducted into the shadow labour market and unregistered employment in the Mazovia voivodeship (by the Institute of Geography and Spatial Organization, Polish Academy of Sciences)<sup>4</sup>**. To determine the scale and scope of these phenomena, the researchers used indirect methods in combination with questionnaire surveys of municipal (gmina) governments and in-depth interviews with all County Labour Offices (PUP) in the Mazovia voivodeship. Their research revealed that unregistered work was undertaken in most subregions of the voivodeship; the number of unregistered workers in the voivodeship was estimated at over 67,000 people. It was also found that unregistered work was highly accepted by population in the region, as well as by the staff of government institutions and local government administration.

### **The results of inspections conducted by the National Labour Inspectorate**

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<sup>3</sup>See B. Nogalski, J. Karpacz, A. Wójcik-Karpacz *Male przedsiębiorstwa w obliczu gospodarczego cienia* w J. Ostaszewski (ed.) *Polski przedsiębiorca we współczesnym otoczeniu prawno-ekonomicznym*, Oficyna Wydawnicza SGH, Warszawa 2004, M. Bednarski et al. (eds) *Przyczyny pracy nierejestrowanej w ... op. cit.* in M. Bednarski, E. Kryńska, K. Pater, M. Walewski (eds) *Przyczyny pracy nierejestrowanej, jej skala, charakter i skutki społeczne. Raport końcowy z badań*, IPiSS, CBOS, Ministerstwo Pracy i Polityki Społecznej, Departament Rynku Pracy, Warszawa 2008, T. Smuga *Badanie strat budżetu państwa wynikających z istnienia szarej strefy w turystyce*, Instytut Koniunktur i Cen Handlu Zagranicznego, Departament Turystyki Ministerstwa Gospodarki, Warszawa 2006 r., G. Kacprowicz (ed.) *Zjawisko długotrwałego bezrobocia w województwie podlaskim* WUP w Białymstoku, Białystok 2011, M. Kozyra Cybulska, A. Molenda, E. Wojnar, M. Zieliński *Badanie warunków i jakości życia oraz zachowań ekonomicznych w gospodarstwach domowych. Działalność nierejestrowana*, US w Rzeszowie, PTS, Rzeszów 2010

<sup>4</sup> The study was commissioned by the Mazowieckie Biuro Planowania Regionalnego and conducted in years 2010–2011 under the project „Socio-demographic determinants of development of Mazovia I”. It was part of the systemic project "Development Trends in Mazovia". "The shadow component of the Mazovia labour market was one of many topics investigated in its course.

The authority in charge of supervising and controlling the legitimacy of employment and other forms of gainful work is the National Labour Inspectorate (NLI). Its arm in the regions is the District Labour Inspectorates. An analysis of data collected from these Inspectorates can provide valuable information about the character and trends in unregistered employment. Hence, to meet the purposes of the project „*Unregistered work in Mazovia – its scale, character and social impacts*”, data from the inspections of employment legitimacy carried out in the Mazovia voivodeship in the years 2010-2013 and the transgressions identified then were analysed. The data were made available by the District Labour Inspectorate in Warsaw.

The analysis of the NLI data showed that **unregistered jobs were mainly offered to avoid the payment of social insurance contributions**. This motivation was equally important for businesses and households. The most frequent irregularities detected in the Mazovia voivodeship and its subregions included the **registration of an employee or a person performing other gainful jobs at the social security institution<sup>5</sup> past the prescribed date and a failure to pay contributions to the Labour Fund by the legally binding dates<sup>6</sup>**. Most of them were unearthed in the Warsaw West Subregion and Warsaw. In both these regions infringements of the labour law and failure to comply with the provisions of the Act on promotion of employment and labour market institutions of act of 20 April 2004 were recorded the most frequently.

The NLI data also point to **increasing number of unregistered foreign workers** in the Mazovia voivodeship between 2010 and 2013, as evidenced by a 45.9% rise in the number of this type of irregularities recorded in that period. **Most of the irregularities were detected in the Warsaw West Subregion and Warsaw, and in the Ostrołęka-Siedlce and Warsaw East Subregions**. The most frequent practice among Mazovia employers was to give jobs to foreigners who did not have the necessary work permit, a valid visa or some other document confirming their being legal residents on the territory of Poland. Some employers hired foreigners on different conditions than those stated in the work permit.

### **Elements of the socio-economic situation of the Mazovia voivodeship**

The analysis of the socio-economic situation in Mazovia which was conducted for the project "*Unregistered work in Mazovia – its scale, character and social impacts*" to identify factors determining why unregistered jobs are offered and accepted focused on the following aspects:

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<sup>5</sup> In Mazovia, the number of such transgressions ranged from 219 in 2011 to 261 in 2012; their number in 2013 was 259.

<sup>6</sup> In Mazovia, the number of such transgressions ranged from 118 in 2010 to 192 in 2013.

- **Demographic profile.** It has been established that most people in the region live in Warsaw which accounts for almost one-third of Mazovia population. Between 2005 and 2013 Mazovia population expanded by 3.1%, the increase being the most distinct in areas close to Warsaw, i.e. in the subregions of Warsaw West (9.5%) and Warsaw East (8.7%). The Radom Subregion was the only one that experienced a decrease in the number of population (by 0.7%). In most subregions of the Mazovia voivodeship the numbers of population grew mainly due to the positive balance of internal migration. Warsaw and its adjacent subregions of Warsaw East and Warsaw West are the destinations that receive the largest inflows of population. The areas that are targeted by new population increasingly often are subregions situated close to the capital city, as they offer greater supply of space for business activities. The prices of flats and rents are also lower there than in Warsaw and this attracts new residents too. The inflow of population drives demand for construction and renovation services, which top the list of undeclared jobs. Foreigners tend to choose Warsaw that in 2013 attracted more than half of them (59%). In the other subregions of the voivodeship the percentages of foreigners were small, but their increasing interest in the Warsaw West Subregion is noticeable – in 2013 it attracted every fourth immigrant. **This implies a possibly expanding scale of unregistered work performed by foreigners in this area.**
- **Business entities.** The number of Mazovia firms in the REGON database has been rising, except for 2011 when the economic situation deteriorated. In 2013, most firms were based in Warsaw (51.2%). Their numbers in the peripheral subregions were much smaller; for instance, the Warsaw West Subregion accounted for 15.1% of them and the Warsaw East Subregion for 12%. The remaining less than 22% of firms were distributed among the Ostrołęka-Siedlce Subregion (8.1%), the Radom Subregion (7%) and the Ciechanów-Płock Subregion (6.4%). Most firms provided services (79.8% in 2013). The services sector is concentrated in Warsaw where its share was estimated in 2013 at 84.7%. The other four subregions are relatively similar in that respect, as the rates of service providers range from 71% in the Ostrołęka-Siedlce Subregion to 74.7% in the Warsaw East Subregion. In the Warsaw West Subregion, however, the rate was close to 80%. Manufacturers accounted for a much smaller share of all firms in the Mazovia voivodeship – 18.6% in 2013 – and in most Mazovia subregions their numbers tended to shrink. The Radom Subregion was the only one

where their share of all firms in the REGON database increased. The percentage of agricultural firms in the Mazovia region was decreasing. The concentrations of such firms occur in two subregions: Ostrołęka-Siedlce (56.8%) and Ciechanów-Płock (5.3%). The latter was the only one where the number of agricultural firms slightly increased between 2009 and 2013 (by 0.1%). According to the available results of studies into the scale and intensity of unregistered employment, services and agriculture are sectors that determine the phenomenon of unregistered work. This implies that **Mazovia subregions with well-developed agriculture are more at risk of the demand for unregistered work growing higher. Studies indicate that undeclared workers in the Mazovia voivodeship are hired to do jobs that require lower skills and are among the least paying. In rural counties, for instance in the Ostrołęka-Siedlce and Ciechanów-Płock subregions, unregistered employment is the most frequent in agriculture, construction and manufacture.**

- **Employment.** An analysis of the number of employees in the Mazovia voivodeship shows it as a region with a very diverse economy. In 2013, **Warsaw accounted for almost 56% of total employment in the region and the five subregions for the remaining 44%.** The distribution of employment in the region is largely determined by the distribution of manufacture. Moreover, Warsaw generates over 60% of gross value added created in the voivodeship<sup>7</sup>. The capital city and the areas around it are characterised by a modern structure of employment, with a high percentage of employees in the services sector and low in agriculture. In the other subregions of the voivodeship the rates of agricultural employment are relatively high. In 2012, most people working in the services sector lived in Warsaw (86%). Employment in manufacture was the highest in the Warsaw East Subregion (30.5%), followed by the Ciechanów-Płock and Warsaw West Subregions with shares of respectively 26.2% and 25.4%. Agricultural employment was the highest in the subregions of Ostrołęka-Siedlce (45.8%) and Radom (39.8%).
- **Unemployment.** Mazovia has a lower rate of unemployment than the country as a whole. Inside the region the situation is polarized, because only two subregions have unemployment rates below the national average (Warsaw and the Warsaw West subregion). In the other subregions the labour market imbalance is greater, its

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<sup>7</sup> See *Analiza różnicowań rozwoju społeczno-gospodarczego istniejących i postulowanych podregionów województwa mazowieckiego*, Mazowieckie Biuro Planowania Regionalnego w Warszawie, Warszawa 2012.



dimensions being particularly threatening in the Radom Subregion. The 2013 unemployment rate in the Mazovia voivodeship was 11.1%. Its lowest and highest values were noted respectively in Warsaw (4.8%) and the Radom Subregion (24.6%). In 2013, 283,200 people were unemployed in the voivodeship; their highest and lowest numbers were noted in Warsaw and the Warsaw East Subregion. Between 2005 and 2013, unemployment declined in all subregions and the Mazovia voivodeship as a whole by over 14%. The greatest decrease was recorded in the Ciechanów-Płock Subregion (over 23%) and the smallest in the Warsaw West subregion (3.3%). In the years 2005-2013, unemployment was more common among men than among women. **The results of GUS research into unregistered employment in Poland show that men become unregistered workers more often than women do, which implies higher frequency of unregistered work in regions with a greater proportion of unemployed men.** In 2013 men accounted for 52.8% of unemployed population in the Mazovia voivodeship. Higher rates were only noted in the subregions of Warsaw East (56.6%) and of Radom (53.7%). It is interesting to note that between 2005 and 2013 the same two regions accounted for highest increases in the rates of unemployed men.

In 2013, 17.1% of unemployed people in the voivodeship were younger than 24 years of age. In four subregions their rates exceeded that calculated for the voivodeship: Ostrołęka-Siedlce (24.3%), Ciechanów-Płock (19.7%), Radom (17.9%) and Warsaw East (17.9%). The majority of unemployed people were aged 25-34 years (27.4% in 2013). Unemployed people in this age group predominated in all territorial units selected for analysis; in the subregions of Ostrołęka-Siedlce and Radom their rates were higher (respectively 30.2% and 28.4%) than the regional rate. **Substantial shares of unemployed people in younger age groups may result in unregistered work being undertaken as the main source of income.**

An analysis of the structure of unemployment by level of education shows that most unemployed people in all subregions attained basic vocational, lower secondary and lower education levels, but also that their share of unemployment decreased between 2005 and 2013. The highest rates of unemployed individuals with secondary vocational education were noted in the Radom Subregion, and with lower secondary and lower education in the Ciechanów-Płock subregion. The GUS data show that unregistered jobs are mostly undertaken by people with low education attainment

levels. These people may be more inclined to enter the “shadow economy” where most jobs require low skills but also offer low pay. **In both these subregions where people with the lowest skills can do farming and gardening jobs the propensity to perform unregistered jobs may be particularly strong.**

In 2013, Mazovia residents with lower secondary and lower education and with basic vocational education accounted for the largest shares of unemployment (respectively 27% and 25.3%). People with tertiary education were jobless the least frequently (14%), but an analysis of the 2005-2013 structure of unemployment points to a rising share of unemployed people with tertiary education in all Mazovia subregions. The increase was the fastest in Warsaw where almost half of the unemployed population **have tertiary, post-secondary and secondary vocational education. This population may be particularly inclined to undertake unregistered jobs such as private lessons, childcare, or sale.**

Unemployment in the Mazovia voivodeship is long-term. On this account, people may be more willing to undertake unregistered work, particularly that most long term-unemployed persons are not eligible for unemployment benefits and use other forms of support offered by the social welfare system. In 2013, 42.9% of Mazovia residents sought jobs longer than 1 year. The rate of long-term unemployment exceeded the regional average in two subregions: Radom (48.9%) and Ostrołęka-Siedlce (45.5%). The percentage of persons who were jobless longer than 12 months was the lowest in the Warsaw West Subregion (36.5%). Between 2005 and 2013, the rate of long-term unemployment declined in all Mazovia subregions, the most in the Ciechanów-Płock Subregion (15.6 percentage points) and the Warsaw East Subregion (14.3 p.p.). In the subregions of **Radom and Ostrołęka-Siedlce** affected by persistent long-term unemployment the situation was improving the most slowly (the respective decreases were 7.8 and 9.9 p.p.). In both these subregions **unregistered work may expand as the main source of income of unemployed persons<sup>8</sup>. It is also noteworthy that both these regions are agricultural, so unregistered work in farming, gardening and construction is more readily available.**

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<sup>8</sup> This problem was raised by employers in the County of Szydłowiec where long-term unemployment is the highest in the Mazovia Voivodeship, during a qualitative survey conducted in December 2009 as part of the project „A study into the existing socio-economic trends and the preparation of a forecast of Mazovia labour force changes to the year 2013.” More in I. Kukulak-Dolata, *Powiat szydłowiecki [in:] Rozwój zasobów i miejsc pracy na Mazowszu. Uwarunkowania społeczno-gospodarcze*, E. Kryńska (ed.), IPiSS, Warszawa 2011, p. 245.

- **The amount of remuneration.** The inclination to undertake an unregistered job may also be determined by the amount of pay that can be earned for the service. Incomes that are too low for households to meet their needs may stimulate interest in unregistered work as source of additional income. Analyses show that **the probability of people undertaking additionally unregistered jobs is the highest in the subregions of Ostrołęka-Siedlce and Radom**, where the ratios between monthly average wages and the national average were the lowest (respectively 85.2% and 89.4% in 2013). A worrying finding is that in the years 2005-2013 the ratio dropped in the Ostrołęka-Siedlce Subregion.

### **3. The results of own research – the qualitative research**

For the purposes of the project *"Unregistered work in Mazovia – its scale, character and social impacts"* 85 individual in-depth interviews were held with the adult members of households who performed unregistered work at the time of the survey or within the preceding 12 months, who were purposefully selected during the quantitative research. One in-depth interview was conducted with the member of staff of the District Labour Inspectorate in Warsaw.

#### **The mechanism of undertaking unregistered work in the context of occupational life course**

According to information obtained during interviews, people engage in unregistered work for a whole range of reasons related to their occupational life course. The reasons are determined by situations occurring in both work life and private life of people. Periods of **unregistered employment** may alternate with periods when declared or partially declared jobs are performed. Unregistered employment may also be broken by periods of unemployment, economic inactivity, or important events in personal life, such as a change of marital status, children being born, the need to take care of a dependent family member, or a permanent breakdown in health. The decision to move to another place and locally available opportunities of unregistered employment may also stimulate the person's inclination to undertake unregistered work. In some cases, one decision to get an unregistered job may cause that only unregistered jobs are performed afterwards, becoming a permanent and enduring element of the person's occupational life course.

Unregistered work is frequently chosen by secondary school pupils and tertiary students who usually get unregistered jobs during summer vacation, as well as by older persons who,

having retired with low pensions, are forced into continued economic activity to have additional income to pay for their basic needs.

The decision to undertake an unregistered job is also determined by its duration. For short-lasting or occasional jobs employment contracts are usually not signed, as this allows the worker to earn more and the employer can avoid laborious and lengthy procedures related to formal recruitment. A civil-law contract is an option, but the amount of money that can be earned then is lower. The employer and worker negotiate an unregistered service over the phone or face to face. A worker is only sought when there is work to be done. This method is used to acquire the services of construction workers, cleaners or nannies, etc. Short-lasting and occasional (ad hoc) jobs are also chosen by persons whose health status prevents them from taking permanent employment. In this case, the decision to take a job depends above all on their well-being which is influenced by the deterioration or relief of symptoms.

### **The character and types of unregistered work**

Unregistered work functions as a source of incomes supplementing earnings from the primary job or from social benefits such as disability pensions, welfare benefits or unemployment benefits. In the latter case, unregistered work is performed out of necessity and constitutes the main source of income. It is also performed by unemployed persons who failed to get regular employment. While doing unregistered jobs they seek legal jobs or try to convince their employers to change the status of their employment into legal.

Jobs in the shadow labour market vary in regard of their character, duration, frequency, the form of pay, the type of employer and the reasons and circumstances for which they are undertaken. This variety of decision-making factors is behind the diversity of unregistered jobs, which can function as a primary or secondary source of income and can be done for households or firms.

Mazovia residents work in households as caregivers to children and the elderly, household workers, construction and renovation workers, plumbers, private tutors, and even write graduate and undergraduate theses for students. The jobs they perform for households can therefore be divided into two categories. Category 1 consists of jobs that do not involve high occupational qualifications (cleaning, care of the elderly and children, etc.). Category 2 contains specialist jobs (private lessons, construction and renovation services, beauty services, the writing of graduate or undergraduate theses and end-term papers, etc.).

As for the jobs done on behalf of firms, the situation is somewhat different. Their range is wider, but these too can be divided into simple jobs that do not require specialist knowledge to be done (only short training in some cases) and jobs where vocational preparation is necessary. In some cases the same unregistered jobs are performed for firms and households, e.g. construction and renovation jobs, or cleaning. Jobs such as a shop assistant, bar and restaurant worker and cleaner were performed for firms on an unregistered basis in all analysed subregions.

Firms use unregistered workers as salespersons, telemarketers, shop assistants, mystery shoppers, marketing specialists, waiters/waitresses, kitchen helps, bar tenders, plumbers, locksmith helpers, seamstresses, cleaners, clothing sorters, electrical fitters, warehouse personnel, drivers, couriers, receptionists, computer specialists, and computer graphic designers.

Unregistered jobs usually do not require that the worker has specialist skills or training. In many cases they are performed by people whose occupational skills considerably exceed the demands of the job. The same pattern can be observed in the case of unregistered work performed by people who need additional income. It is worth noting, however, that people with higher qualifications prefer jobs corresponding to their competencies and education.

Households whose members perform unregistered work do not avoid hiring unregistered workers to do jobs for the household. The only barrier weakening this inclination is low incomes.

### **Sources of information about unregistered work opportunities**

Information on where unregistered jobs are available comes from various sources, regardless of whether the job will be primary or secondary, unregistered or partly unregistered. **The most frequently, though, the source is friends or the closest family members.** This channel of information reduces the risk of getting a job with a dishonest employer, while the employer who wants to hire an unregistered worker can be more certain that the recommended worker is competent and trustworthy. This is particularly important for households that hire unregistered workers as caregivers to children or elderly members of the household, or to do housework.

**Job portals and local press** are another option for people who seek unregistered jobs. It sometimes happens that people who look for legitimate employment **accidentally** come across offers of unregistered jobs, when **job offers appearing to concern regular**

**employment are intended to get an unregistered worker.** The true status of employment is at times revealed during a job interview when the employer informs the candidate that the job will not be registered because of the economic situation of the company. If the candidate consents, the deal is sealed. Sometimes a valid employment contract may be changed without the employee being informed about what has changed. Unfortunately, such changes may turn a declared job into an unregistered or partly unregistered arrangement. Because the party that initiates the changes is the employer, the employee is forced into a no-win situation and has no choice but to accept the changes. Regular employees may also lose their formal status following the expiry of their employment contract with the employer, when the latter proposes continuing the relationship on an unregistered basis instead of extending the previous contract or signing a new one.

### **Determinants of the performance of unregistered jobs**

People who perform unregistered work do **not form a homogenous population**. They differ not only in respect of their life and work situations, but also in their attitude to unregistered work. Other differentiating factors include their attitude to the payment of social and health insurance contributions and taxes, and their opinion on those who perform and offer unregistered employment.

The first group consists of **persons who trust neither the pension system nor the public health service, so they do not care about paying insurance contributions**. They think that paying them is pointless because insurance systems are inefficient and poorly manage their funds. Some people in this group have insufficient incomes from unregistered jobs to pay contributions.

For people in the second group **unregistered jobs are an additional source of income**, meaning that their insurance contributions are paid in proportion to the amount of their social benefits or earnings at the primary employer with whom they signed a written contract. Feeling safe, they see no reason why they should pay contributions on incomes from unregistered work.

The third group is comprised of persons **who pay health insurance contributions themselves or purchase life insurance policies from insurance companies**. Some of them acquire investment fund units to get coverage for old age, but refuse to pay health insurance contributions because, as they believe, the situation of the Polish health service makes it irrational anyway.

There was one thing, however, that all respondents agreed upon: **a lack of other sources of income justifies undertaking unregistered work by household members.**

### **Unregistered work in the future**

Interviews showed that **the inclination of the members of Mazovia households to perform unregistered jobs in the future was high.** Despite its numerous disadvantages, **unregistered work will be performed if legal jobs are not available.** An important factor in making this decision is also **the amount of future pay.** However, people for whom unregistered work is the main job would rather work legally, because only legal employment is counted towards seniority, guarantees eligibility for a pension and employee rights, gives unrestricted access to public healthcare, refunded medications, and medical, social and occupational rehabilitation. Respondents also pointed to **problems in the labour market. With few opportunities of legal jobs being available,** some respondents were doubtful whether they would be able to find registered employment.

**Mazovia households will hire unregistered workers also in the future.** They will work as **child caregivers, cleaners, providers of construction and/or renovation services, gardening workers, hairdressers and beauticians, handymen handling minor repairs of household appliances or installations, car mechanics, and accountants.** However, jobs will be available mainly to proven persons recommended by friends or family members, and to persons who performed well before. **Some jobs may also be performed on paid basis by acquaintances.** Some respondents considered also the possibility of offering unregistered jobs to **foreigners,** stressing however that these people too would have to be proven and recommended by friends or family members.

The decision to hire an unregistered worker will depend on the **needs of the household members and its financial situation, the type of service, the quality of the service to be provided and the difference between the costs of a service delivered formally and informally.** Some respondents made their decision dependent upon whether the candidate would ask them or not to legalize the job.

Employment of unregistered workers was **not considered by the representatives of households whose members did housework themselves or had the necessary skills to do it on their own.** Insufficient financial means were another reason why households did not plan to use unregistered workers.

### **The consequences of performing unregistered work**

Unregistered workers are aware that **social and health insurance contributions will not be paid for them and that they risk not being paid the amount due in full or in part**. The benefits of this arrangement that they indicated included **easy termination of the employment relationship, possibly better pay, having an additional source of income, and adjustability of the time and amount of work to their private lives**. It is worth noting, however, that some respondents did not consider the flexibility and irregularity of unregistered work to be an advantage.

Respondents were of the opinion that unregistered work was **profitable only for employers** that could reduce labour costs in this way, but employees were in a very disadvantaged position: as they are not covered by health insurance they are not entitled to use the public health service or refunded medications should they fall ill or meet with an accident. The period of unregistered work is not counted towards seniority, which has negative consequences for the amounts of their future pensions. They do not have employee rights either and career development opportunities are not available to them. Lastly, the shadow labour market is detrimental to the national budget, because it deprives it of some revenues.

Unregistered workers can be divided into three groups according to how they perceive the impacts of the shadow labour market.

The first group consists of persons holding a **definitely negative opinion of unregistered work** because – in their view – it has adverse consequences for the national economy, reduces social safety and increases citizens' tax burden, and weakens social solidarity with older generations.

People in the second group are **disappointed with the difficult conditions in the labour market**; their harsh experiences make them distrustful in the instruments and systems that have been developed to support jobseekers and people going through economic and life's hardships. Being aware that "the shadow economy" has negative impacts on the society, they state that if people are expected to be honest they must be provided with enabling conditions.

The third group is people who **have a good opinion of the shadow labour market**, but say that it is fair to offer and perform unregistered work only when both parties consent to it.

### **Attitudes to unregistered work**

The survey revealed that **the public acceptance of those who perform unregistered jobs and of households that offer them was substantial**. This acceptance is lower in the case of firms and persons in so-called "professions of public trust" that use unregistered workers.



Medium and large-sized firms that do not have financial problems and yet employ unregistered workers were criticised. In the respondents' opinion, this practice amounted to a lack of social solidarity and deserved to be punished.

**The high public acceptance of unregistered jobs is determined by discouragement and weariness with the difficult conditions in the labour market felt by unemployed persons and beneficiaries of various welfare benefits that fall short of covering even the basic needs.** This situation loosens social ties, compromises solidarity and weakens the sense of being part of a local or national community. The **inefficient social and health insurance system** also contributes to the acceptance of unregistered employment. Its flaws reduce the perceived level of security and lead to the entrenchment of individualism which is additionally amplified by experienced failures and disappointments. Individuals are becoming more inclined to give priority to their needs and the needs of their next of kin. **Social solidarity or the interests of the state are pushed into the background and in extreme cases they lose all meaning.**

#### **4. The results of own research – quantitative research**

##### **4.1. Household demand for unregistered work**

###### **The scale and types of unregistered work**

In the sample of **2,695** surveyed households **14.4%** (391) hired unregistered workers to perform various jobs and deliver services. In that number, 371 households never concluded any contracts, in 14 households contracts were not frequent, in 3% of households contracts were not always signed, and another 3% indicated that there was only one occasion when a contract was not signed.

**Unregistered workers were used the most frequently by households in Warsaw (17%)** and in the **subregions of Radom (15.2%) and Warsaw West (15%)**. The smallest demand for unregistered work was noted among households in the Ostrołęka-Siedlce Subregion (6.3%). This means that the intensity of the demand is high both in the economically developed areas of the voivodeship and in areas that are relatively underdeveloped.

**Unregistered workers usually performed ad-hoc jobs**, short-lasting and requiring one person to be done. During 12 months before the survey the main types of unregistered jobs were related to **construction and installation (43.8%)**, **repair of electronic equipment (14.9%)**, **hairdressing and beauty services (10.6%)** and **housework (10.1%)**. At the time of

the survey, most households used unregistered workers to do **housework** (31.5%), **to give private lessons** (16.8%) and **to perform gardening and farming jobs** (16.1%).

Mazovia subregions differ in their demand for particular types of unregistered jobs. For instance, **hairdressing and beauty services** and **private lessons** are more in demand in **Warsaw** than in other subregions. The use of **gardening and farming jobs** also varies; they are requested more frequently in the peripheral subregions such as **Ciechanów-Płock** and **Ostrołęka-Siedlce**.

Particular types of jobs involved **differed numbers of days to be done**. **Unregistered services that households used occasionally** included the **repair of electronic equipment, some construction and installation jobs, caregiving to children and the elderly, medical and nursing services, and hairdressing services**. Unregistered work was used on a **more regular basis** in the case of **housework jobs (mainly cleaning), private lessons, some gardening and farming jobs, and minor repairs**.

Respondents were **generally satisfied with unregistered services they were delivered**. Moderate satisfaction was expressed with regard to **construction and installation services, repair of electronic equipment, medical and nursing services, housework and gardening and farming jobs**.

The surveyed Mazovia households showed relatively **weak inclination to use unregistered workers in the future**. More than 81% of them stated that they were not interested in hiring such workers over the next 12 months. **Only 5.4% would do that**. Every fifth household wanted to use an unregistered worker permanently, 26.6% thought about using the services of unregistered workers frequently, and almost 40% on an ad-hoc basis. Most respondents wanted to hire unregistered workers to do **construction, installation and housework jobs, and to provide hairdressing and beauty services and private lessons** (in most cases the employment of single persons was considered). The employment of at least three workers was taken into account only in the case of construction, installation, gardening and farming jobs. The future structure of the frequency of unregistered work and the forms of paying for it will be the same as those identified last year.

## **Remuneration**

**Mazovia households prefer to remunerate unregistered workers on a per-task basis** and most workers are paid after the job. Hairdressing and beauty services, construction and installation jobs, and the repair of electronic equipment were always paid for in this way. For

longer and regular jobs workers were paid periodically, weekly or biweekly (private lessons and housework). Caregivers to children and the elderly were remunerated once a week or once a month.

**The amount of pay depended on the how the job was settled, as well as on its complexity and duration.** Most rates paid for construction and installation jobs were in the range of PLN 501 - 1000, or exceeded PLN 1,600 (if longer lasting). The most frequent rates for the repair of electronic equipment ranged from PLN 101 to 200. The rates for medical and nursing services were fairly diverse, varying from PLN 50 to 1,600. Hairdressers, beauticians and private tutors were paid PLN 50 at most. Relatively high rates (in excess of PLN 1,600) were paid to caregivers of elderly persons and children and for gardening and farming jobs. In the first case, the provider of the service was paid once a month and in the second case money was paid following the completion of the agreed job.

#### **Reasons for unregistered employment to be offered**

There are many reasons why Mazovia households offer unregistered jobs. **The most important of them (the respondents indicated them the most frequently) are financial in nature.** Their range includes the wish to avoid responsibilities to ZUS, not only financial (the payment of the social insurance contribution), but also administrative (formalities involved in employee registration, monthly handling of insurance contributions). Other important reasons were the following: **substantial non-wage costs of registered work** such as worker's paid vacation, the employer having to pay for worker's sick days, higher rates of pay for overtime or work done on Sundays or holidays, etc. Unregistered work is also offered on account of **its high flexibility, the possibility of bypassing specific requirements of the labour law and occupational health and safety regulations,** etc.

#### **Demand for foreign workers**

Among 391 households reporting demand for unregistered work only **8.2% employed foreigners,** usually to perform **domestic jobs.** A relatively high percentage of households used foreigners to work in gardens and on farms.

Most foreigners employed in this way were **Ukrainian nationals, Belarusians were less frequent;** one unregistered worker was a Bulgarian national. The majority of unregistered foreign workers were employed in the Warsaw West Subregion, where they worked as private tutors (Belarusians), household workers (Ukrainians and Belarusians), or performed gardening jobs (Ukrainians). Ukrainians working in Warsaw provided construction and

installation services and domestic services. In the Warsaw East Subregion they performed domestic jobs and in the Ciechanów-Płock Subregion one Ukrainian provided medical and nursing services and one Bulgarian gardening and farming services.

**Most foreigners worked in the Warsaw West Subregion and Warsaw.** There were single cases of foreigners working in the Warsaw East and Ciechanów-Płock Subregions. In other subregions the demand for unregistered foreign workers was not observed.

As shown by the survey, **in the future Mazovia households will be increasingly interested in using unregistered foreign workers**, mainly as domestic workers and persons performing gardening and farming jobs. Most job opportunities will be available to Ukrainians and, somewhat more rarely, to Belarusian nationals.

### **The consequences of demand for unregistered work**

**The unregistered labour market in the Mazovia voivodeship is considered to be safe.** As much as 91% of respondents never had any problems because they gave a job to a person without a contract. This does not mean, however, that the respondents were not aware of such problems being possible. Over 1/3 of them were **concerned about being held accountable for workplace accidents and fines for employing unregistered workers**. Every fifth respondent was anxious that **a worker might claim** vacation equivalent or equivalent for overtime or work on atypical days such as holidays; 17.3% were worried **that they would not be able to enforce damages on a worker for broken or stolen property**. The least concern was expressed about the possibility of **negative reactions coming from the respondents' milieu and public opinion**, which is another proof pointing to high public acceptance of such practices.

Mazovia households see both advantages and disadvantages of unregistered work. The most important of the **advantages** are the flexibility of this arrangement, relatively low job creation costs, the possibility of changing the working conditions and the employee on a short notice, and the avoidance of red tape pertaining to the employment of workers. The main **disadvantages** mentioned by the households concerned risks involved in unregistered employment, such as penalties for using the services of an unregistered worker, conflicts over financial matters, the worker infringing the agreed terms for instance by quitting the job, the consequences of the worker meeting with an accident, the impossibility of complaining about delivered goods or services, and the risk of the worker causing damage to property.

### **Attitudes to unregistered work and susceptibility to instruments that restrict it**

The survey showed **high public acceptance of unregistered work in Mazovia**. Almost 95% of respondents were never criticised by their milieu for using unregistered workers. Only 1.7% of them met with criticism for doing so, more frequently from family members and friends than from neighbours.

Households' decisions to create unregistered jobs are **planned, proving that this practice is deeply-rooted in public mentality**. Mazovia residents believe that some domestic jobs can be performed by unregistered workers and lawful solutions are not sought.

At the same time, most respondents in the survey (75.1%) **did not want to bear additional expenses** (i.e. to the pay disability, old-age, and health insurance contributions to ZUS) associated with **a household worker**. Only 2.4% of households were ready to pay them and 8.8% made their decision dependent upon the increase in expenses as a result of worker registration. Respondents in both these groups were ready to accept the following increases in expenses:

- 10% - 39.1% of respondents
- 5% - 37% of respondents
- to 3% - 6.5% of respondents.

**The potential availability of tax reliefs would not have a major effect on households' inclination to conclude contracts with their workers**. Only 28.3% of respondents were of the opinion that this solution might reduce the scale of unregistered work, whereas every second respondent (49.8%) considered that it would not encourage households to use registered workers. Only higher fines for using unregistered workers could change their attitudes.

## **4.2. Unregistered work performed by household members**

### **Work performed by household heads – its scale and types**

**In the 12-month period preceding the survey 7.5% of the surveyed household heads performed unregistered jobs** (5.4% had them several times and 2.1% only once). **Another 14.1% performed such jobs more than one year before the survey**. At the survey time, unregistered jobs were performed by 58 respondents – almost all of them (except for 4 persons) had had such jobs before (53 persons were unregistered workers within 12 months before the survey). Unregistered jobs were the primary source of income (38.4% of jobs in the past and 40% of current jobs) rather than supplemented earnings from registered work (respectively 37.5% and 46.7%). As an addition to unearned income, such as an old-age

pension, a disability pension, etc., unregistered work was used the least frequently (respectively 23.3% and 13.3%). The predominant reason for unregistered jobs to be undertaken was the wish to have extra income (78.9% of responses); the unavailability of other employment opportunities was indicated much less often (18.5%).

**Most unregistered jobs involved construction and renovation services** (19.6% of respondents during 12 months before the survey and 18% at the time of the survey), gardening and farming services (respectively 11.5% and 9.8%) and work in trade (9.4% and 0%). Workers were usually **paid after the job**; periodic (monthly) pay was less frequent. Some workers were paid every two weeks.

### **Work performed by household members**

**In 151 surveyed households at least one household member older than 15 years of age performed unregistered work.** Most unregistered jobs were undertaken during 12 months before the survey (117 answers), frequently several times (75). At the time of the survey, unregistered work was performed by the members of 43 households. Unregistered services were provided the most frequently by respondent's spouse or partner (80 answers), or the child (53). Parents rarely engaged in unregistered work (5 answers). Unregistered jobs were the main source of income (47.7% of answers) or supplemented earnings from regular jobs (36.4%). The main reasons why unregistered work was undertaken were extra income (56.1% of answers), or the unavailability of other job opportunities (32.9%).

Household members working as undeclared workers usually provided **renovation and construction services** (25.8%), worked in **trade** (11.9%), or performed **gardening and farming jobs** (10.6%). Most contracts were **concluded orally** (145 answers). Only few were made in writing, but then the amount of pay stated in the contract was lower than that actually paid (7 answers). **Most jobs were performed on a daily basis, several hours a day** (38%), or the working time was flexible and depended on the type of service (29%).

### **The socio-demographic and occupational characteristics of unregistered workers**

Unregistered work in the Mazovia voivodeship is undertaken by **men** rather than women (10.3% versus 6.7%). It is also more frequent among **young people** aged 15-24 and 25-34 years (respectively 11.9% and 12.1%). In the older age groups the scale of unregistered work is somewhat smaller. It is performed by 9.1% of people aged 45-44 years and by 9% of those aged 45-59 years; people in the age group 60+ account for the smallest share of unregistered employment – 4.1%.

**Unregistered work is undertaken the most frequently by people with basic vocational education** (12.3%) and the least frequently by people with post-secondary general education (4.3%). Its scale among people with incomplete primary education, primary education and lower secondary education is fairly large (9.2%). In groups of people with secondary general education, secondary vocational education and higher education its rates are similar (respectively 7.4%, 7.1% and 6.8%).

Unregistered workers differ the most with respect to their labour market status. Most of them are either **unemployed** (23.6%) or **pupils and students** (20.8%). Old age and disability pensioners undertake unregistered jobs the least frequently (5.8%).

**According to the above findings, a typical unregistered worker in the Mazovia voivodeship is a young male (aged 15-34 years) with at least basic vocational education and either economically active (unemployed) or inactive (pupils or students).**

Typical unregistered jobs performed by Mazovia residents include **construction and installation services, gardening and farming jobs, private lessons and transport services (shipment).**

#### **Unregistered employment in the future**

**Among the surveyed household heads 12.6% would accept unregistered jobs over the next 12 months, which means that Mazovia residents are becoming somewhat more willing to engage in this type of activity.** 45.3% of respondents did not have such plans.

In the future, most unregistered jobs will involve construction and installation services (18.3%), domestic services (13.5%), care to children and the elderly (12.3%), private lessons (10.9%), transport services (10%) and gardening and farming jobs (9.1%). Over 79% of respondents stated that unregistered work would allow them to have „extra money” and 14.1% were concerned that in the future they may have problems in the formal labour market so they considered entry into the shadow labour market as possibly the only place with jobs for them. Every tenth respondent believed that unregistered work would allow them to better meet their various needs.

#### **The awareness of the consequences of unregistered unemployment**

In general, unregistered workers in the Mazovia voivodeship know the advantages and disadvantages of unregistered employment. In their opinion, the main **advantages** of this arrangement are flexibility (e.g. the freedom to take and quit a job, negotiability of its

duration, hours and days of work), better pay than for declared jobs (because taxes and social contributions are not paid), the ease of changing the employer, better relations with an informal than formal employer, and – most importantly – the possibility of supplementing household incomes. Among the **disadvantages** of unregistered employment there were mentioned possible conflicts over the amount and date of pay, irregular work and consequently irregular pay, ineligibility for vacation and pay for overtime and sick leave days, the period of unregistered employment not counting towards seniority, problems with access to free medical care and loans, as well as the unavailability of training and career development opportunities.

Unregistered workers **seldom** found themselves in a situation where they **had to claim their rights**. Only 5 respondents had to do that several times and 3 stated that it had happened to them only once. Over 87% of respondents thought that neither their household members nor friends were forced to demand their rights. Likewise, most respondents who actually performed unregistered jobs (98%) did not have to press to get what was due to them. Only 4 persons experienced such a situation.

Even though the risks of the shadow labour market were known to the respondents, **they were generally uninterested in formalizing their employment contracts**. As much as 40.7% of them preferred oral arrangements and another 28.4% indicated that a contract was not important: what mattered was that they got their pay (28.4%).

According to respondents, **unregistered workers should not be used by persons performing public and social functions, particularly politicians** (86.8% of respondents considered it inappropriate) and **clergymen** (85.4%). Unregistered employment was more acceptable in the case of well-off persons and businessmen (40.7% of respondents stated that some groups of employers should not use unregistered workers; only 29.1% thought that there were not such groups). Respondents were against unregistered employment in the public sector, for instance in administration, the justice system, education and upbringing, etc., but accepted “a shadow component” of the private economy.

### **Supply of unregistered work in the Mazovia voivodeship and Poland**

**Most characteristic features of the supply of unregistered work in the Mazovia voivodeship are the same as the characteristics determined for the country from the results of the LFS module survey.** Analogies can be found between unregistered workers’



**gender, age, and the level of education;** both in the country and in Mazovia unregistered employment occurs more frequently among men than among women, and among people with the lowest education: basic vocational, lower secondary and lower. Likewise, in both cases people in the older age groups (60+) perform unregistered work the least frequently.

The Mazovia voivodeship and the country **are different**, however, **regarding the types of unregistered jobs being undertaken**. In Mazovia, unregistered **gardening and farming jobs** and **housework jobs** are performed slightly less often than in the country. The biggest difference between Mazovia and the country lies, however, in the use of services involving checks and repairs of cars and other machines and of services provided by neighbours. Respondents in Mazovia voivodeship rarely mentioned these jobs as performed by unregistered workers. On the other hand, unregistered **construction and installation services, translation services, transport services and private lessons** were more common in the voivodeship than in the country.

## **5. Conclusions and recommendations from the research**

The results of the research conducted in connection with the project „*Unregistered work in Mazovia – its scale, character and social impacts*” provided more insights into a sphere of economic activity in the Mazovia voivodeship that avoids all formal registrations and cannot be described by means of data gathered by the public statistics service even though it is known to exist. This sphere is unregistered work undertaken by the members of Mazovia households and the households’ demand for such work. The research created also a basis for formulating methodological conclusions, which were used to develop recommendations on two areas: reduction of the scale of unregistered work in Mazovia (and not only) and the methods for investigating the phenomenon of unregistered work.

The research results allowed:

- **the identification of the structural and institutional determinants of unregistered work being respectively undertaken and offered in the Mazovia voivodeship as a whole and in its subregions**. The determinants are the following: the labour market conditions (in the region and subregions), the financial situation of households (in the region and subregions), undeclared employment involving no costs other than wages, loose ties between the employer and employee, tradition and social practice, lack of full information about the availability of the commercial providers of household services, and public acceptance of unregistered work.

- **the identification of the determinants, scale, character and types of unregistered work performed by the members of Mazovia households.** As established, the scale of unregistered work performed by household members was not considerable. The main determinant and the primary motivation for people to engage in unregistered work was the need to earn extra money to supplement incomes from registered employment and from different types of benefits. A strong correlation was found between individuals' inclination to undertake unregistered work and the labour market conditions measured by the rate of unemployment, the risk of long-term unemployment, and the level of wages.
- **the identification of the determinants, scale, character and types of unregistered jobs offered by Mazovia households.** As found, households' demand for unregistered cannot be assessed as massive. The most in demand are construction and installation jobs, repair of electronic equipment, hairdressing and beauty services, housework services (mainly cleaning) and private lessons. The main reason why households hire unregistered workers to do some jobs is economical. It was also found that households' demand for unregistered workers is influenced by a whole range of factors and circumstances. In fact, configurations of causes have been identified, which are specific to single households or small groups of households.
- **the assessment of Mazovia households' demand for unregistered work performed by foreigners.** The demand is very limited (foreign workers were only used by ca. 1% of the surveyed households). Most foreign workers were Ukrainian and Belarusian nationals who provided services in three subregions of the voivodeship (Warsaw East, Warsaw West and Ciechanów-Płock), and in Warsaw.
- **gaining insight into the occupational life course of household members that had performed and/or were performing unregistered work, i.e. the identification of the phenomena and processes behind individuals' and social groups' decision to enter the shadow labour market.** Although Mazovia residents performed unregistered work at all life stages, it is possible to identify life stages or situations that increase the probability of unregistered work being undertaken: the period of school education, the job-seeking period after school education, new life challenges (parenthood, sickness, a need to give care to a household member, etc.), difficult conditions in the local labour market (high unemployment), long-term unemployment, or becoming an old-age or disability pensioner.

- **the identification of attitudes that people in Mazovia – household members – hold to unregistered work.** As established, Mazovia residents accept the phenomenon of unregistered work. This acceptance stems from their belief that financial and structural reasons are overriding. A strong and convincing argument for undertaking unregistered work is poverty or – in the extreme situation – a lack of means of subsistence which frequently co-occurs with the unavailability of legal jobs with which one’s aspirations and plans (especially financial) could be realised. That unregistered jobs are offered to people is generally not questioned, particularly in households that have a centuries-long tradition to hire people to do some jobs.

Based on the above conclusions recommendations were formulated with a view to restricting the scale of unregistered employment and thus eliminating or at least considerably lessening its negative economic and social impacts. The recommendations were divided into three groups:

- **household environment** – improving the conditions in the regional and local labour markets in the Mazovia voivodeship to make legal employment opportunities more available; launching a social campaign to show people the real impacts of unregistered employment being offered and performed; improving the institutional system of care for children and the elderly.
- **restricting the supply of unregistered work** – reducing non-wage labour costs (labour taxation) and encouraging personal entrepreneurship among Mazovia residents.
- **restricting the demand for unregistered work** through:
  - **changes in legislation** – amending the Labour Code by adding a provision presuming that an employment relationship has been formed; making it obligatory for the employer to immediately notify ZUS about entering into an employment relationship with an employee; introducing laws that will make it less profitable for employers to use civil-law contracts instead of regular employment contracts,
  - **the creation of databases with information about firms providing household services**
  - **allowing individuals to deduct from their personal income tax base** all or at least some costs of employing a household worker as allowable expenses.

The methodological conclusions and recommendations have been formulated to improve the research process and research tools. It has been concluded, *inter alia*, that in this type of research:

- **it is absolutely necessary to guarantee that respondents will remain anonymous**, as required by the ethical standards of social surveys;
- **groups of respondents covered by qualitative interviews** are extended to include the representatives of authorities supervising and controlling the compliance with the labour law;
- efforts are made to ensure that only experienced pollsters and facilitators are used to carry out field surveys;
- the group of respondents **covered by questionnaire surveys** conducted in connection with qualitative research should not be limited to **household heads** and that interviews should also be held with other adult members of households (excluding adult children);
- **a longer period to complete the project** should be taken into account, particularly when field research is extensive and the topic is as sensitive as that presented.