



INTEGRATED PROGRAMME OF THE EU SOCIAL DIALOGUE 2009-2011

JOINT STUDY OF THE EUROPEAN SOCIAL PARTNERS

“THE IMPLEMENTATION OF FLEXICURITY AND THE ROLE OF THE SOCIAL PARTNERS”

NATIONAL FICHE:

POLAND

PREPARED BY: Anna Kwiatkiewicz

Draft version: October 2010

Revised version: March 2011



Project of the European Social Partners with the financial support of the European Commission

Contents

Preface.....	3
1 The economic and social context	4
Economic crisis and recovery	4
Labour market indicators and trends	5
Flexicurity in the labour market and labour market policy	6
Conclusion	8
2 Flexibility and security in recent labour market and social policy reforms.....	8
Introduction and overview	8
Lifelong learning and the mobility of workers	9
External/internal flexicurity and contractual arrangements.....	11
Active labour market policy	12
Supportive social security system	13
High quality and productive workplaces	14
Gender equality	14
Financial sustainability	14
Conclusion: Strengths, weaknesses and challenges.....	14
3 The role of the social partners	16
General remarks on the role of social partners	16
Main instruments and levels of influence	16
Recent changes and challenges.....	17
Cases of good practice in the field of labour market flexibility and security	18
4 Key points arising	20
Sources and references	21
Questionnaires and interviews	21
Further resources	21

Preface

This national fiche is part of the EU Social Partners’ Study “The implementation of flexicurity and the role of social partners” carried out in the context of the EU Social Dialogue Work Programme 2009-2011, which includes “*Jointly monitoring the implementation of the common principles of Flexicurity, notably in order to evaluate the role and involvement of the social partners in the process and to draw joint lessons*”.

To implement this task in the best possible way and to involve national member organisations actively in the gathering of data and information, the study applies a methodology that consists of multiple levels of analysis using a variety of instruments to be implemented with the help of a team of experts:¹

- The expert team, with the advice of European Social Partners, agreed on a *set of selected statistical indicators* in the field of employment and economic and social development with labour market relevance.
- National social partners were asked to participate in a *questionnaire-based survey* focussing on the relevance of the flexicurity concept within national labour markets, the role of the social partners in policy implementation and their views of the flexicurity concept. To complement the research, the expert team visited a number of countries and carried out interviews with national social partners.²
- Based on the two sources above and a review of available written materials and information, the expert team prepared *29 national “fiches”* on the implementation of the flexicurity principles and the role of social partners in the respective national contexts.
- Results of the questionnaire survey and main findings of the national analyses were discussed at four “*country cluster seminars*” that were organised by the European Social Partners with the help of national sections in Warsaw (November 2010), Lisbon (December 2010), Paris (31st January-1st February 2011) and The Hague (8th February 2011).
- In the light of the overall study results and the comments received by national social partners in the contexts mentioned above, the expert team has prepared a *comparative synthesis report* on “Social Partners and Flexicurity in Contemporary Labour Markets” that was presented and discussed at a *EU-level synthesis seminar* on 31st March and 1st April 2011 in Brussels.

This national fiche aims to present a broad overview on the economic and social context and the state of play with regard to flexibility and security in the labour market and current social security arrangements (sections one and two). Secondly, the report describes the role of the social partners and social dialogue in the implementation of policies and practices that can be considered under the broad umbrella of “flexicurity” (section three), also summarising inputs provided by national social partners to the questionnaire, from interviews carried out and other contributions made in the context of the study. Section three also presents brief descriptions of cases of good practice as has been indicated by the national social partners.

The text was originally prepared as draft report in the autumn of 2010 in order to facilitate the discussion at the cluster seminar in Warsaw on 22nd and 23rd November 2010. The original dossier has been reviewed and revised to take into account the comments and discussions that took place during the seminar or received afterwards.

However, it should be stressed that this report is presented as an “independent expert report”. It represents the views of the individuals involved in its preparation and does not purport to represent the views, either individually or collectively, of the social partners’ representatives that contributed to it, or those of the European level social partner organisations that were responsible for its commissioning.

¹ Expert team: Eckhard Voss (co-ordinator), Alan Wild, Anna Kwiatkiewicz and Antonio Dornelas.

² The following countries were visited in the context of the project between May and July 2010: Denmark, France, Ireland, Italy, Czech Republic, Poland, Germany, Portugal and the Netherlands.

1 The economic and social context

Economic crisis and recovery

In Poland the process of political and economic transition started in 1989; as a result the process of liberalization has been continuing since then. The development of the Polish economy in the last decade was impressive: after gaining independence in 1989 the economy boomed, experienced a slowdown in the period of 2001-2003 and picked up again in 2004. It is based on increasing private consumption, increasing corporate investment and the EU funds inflow after 2004. The real GDP growth reached the level of 5% in 2008. It was expected to continue growing at the level of some 3.7%-4%, but eventually decreased sharply to 1.7% in 2009 as a result of the international crisis. In Poland over 67% of GDP is generated by the service sector, approx. 28% by industry and over 4.5% by agriculture. Despite dynamic economic growth, Poland still lags behind the EU15 member states and estimated convergence time is calculated in more than two decades³.

In 2009, the Polish economy experienced a serious slowdown, but it has to be noted that Poland was the only country in the EU that managed to maintain positive GDP growth during the crisis – 1.7% in 2009. According to the European Commission the exceptional performance during the crisis can be attributed to various factors: a very good economic situation before the crisis, a well-capitalized and sound financial sector⁴, relatively low degree of economy openness, depreciation of the Polish currency at an early stage of the crisis, cushioning effect of the real-wage adjustment on employment and timely reactions from fiscal and monetary policies. Other positive “crisis-resistance” factors were: lower dependence of the Polish economy on the financial services, less numerous bankruptcies in the construction and automotive sectors as well as adjustment of real wages introduced to protect jobs⁵. There are also less enthusiastic opinions stating that despite positive economic growth during the crisis and a 3.5% growth in 2010, the unemployment grew – currently there are over 3 million of the registered unemployed - and jobs were lost⁶.

Poland still faces some deficiencies that negatively impact its economic performance. These are: poor road and rail infrastructure and a not-quite favorable business environment. The biggest obstacle in running business includes an inefficient commercial court system, a relatively high indirect labour cost and a bureaucratic red tape and burdensome tax system. There is also need for urgent structural reforms, namely healthcare and pension system as well as for reducing budget deficit.

Labour market has smoothly adjusted to the crisis; the unemployment rate increased – it reached the level of 8.2% in 2009 and is predicted to rise further in 2010 and 2011, although at a moderate pace. Current developments on the labour market show that export-oriented sectors such as manufacturing, construction and transport were the ones the most hit by the crisis. However, the unemployment rate has not exceeded the one of the mid-2000s, which was at a very high level of over 13%. Companies still remembered labour force and skills shortages from before the crisis, therefore dismissals were one of the last measures to be introduced. More prudent recruitment practices and the use of short-term contracts are typical company practice at present.

According to the European Commission Economic Spring Forecast 2010 Report Poland will fully benefit from the improvement in the global economic environment. The main drivers for the recovery are expected to be improved conditions of the global trade as well as a more favourable

³ Report *Polska 2030* available at <http://www.polska2030.pl/>, pp. 24-26.

⁴ Sound financial sector situation is a result of conservative lending practices and investment strategies from before the crisis.

⁵ European Commission, *Spring Economic Forecast 2010 Report*, p. 126.

⁶ Report *Labour Poland 2010 (Praca Polska 2010)* drafted by S. Partner/Grupa Syndex in cooperation with NSZZ “Solidarność”, Warsaw 2010.

perception of the Polish economy by foreign investors. As in other countries of the region, export is to be an important stimulus. At the same time the Polish currency appreciation can result in growing imports. The situation on the labour market is less worrying than expected – positive economic forecasts and the recent reform aimed at reducing labour costs shall compensate for downturn on employment. The recovery is to gain momentum in 2011 as a result of a recovery of the world economy, stabilization of the labour market and improved absorption of the EU funds.

POLAND - MAIN ECONOMIC INDICATORS AND OUTLOOK

	2007	2008	2009	2010	2011
GDP – annual percentage change	6.8	5.1	1.7	3.5	3.9
Employment – annual percentage change	4.4	3.8	0.4	0.7	1.3
Unemployment rate (Eurostat definition)	9.6	7.1	8.2	9.5	9.2
General government balance (as percentage of GDP)	-1.9	-3.7	-7.2	-7.9	-6.6
General government gross debt (as percentage of GDP)	45.0	47.1	50.9	55.5	57.2

Source: European Commission: Autumn 2010 Economic Forecast.

In response to the crisis and as a part of the coordinated EU-approach, the Polish government introduced some measures aimed at supporting enterprises (“anti-crisis package” based on the Polish social partners’ agreement) and low-income households. Recently specific measures addressed to SMEs and start-ups were implemented. It seems that one of the main challenges Poland is facing at the moment is addressing the problem of rising public debt and reducing budget deficit exceeding the Maastricht criteria.

Labour market indicators and trends

After employment decline in years 2000–2003, the number of employed persons started to grow in 2004 and reached the number of over 8.2 million in 2008. Despite this tendency, Poland in 2008 remained one of the EU Member States with the lowest employment rate (59.2%) – an even worse situation was observed only in Romania (59%), Italy (58.7%), Hungary (56.7%) and in Malta (55.2%). The employment rate for women was even lower: 52.4% compared to the Lisbon target of 60%. The same concerns employment rate of traditionally disadvantaged groups such as people aged 50+, people with low qualifications and young graduates without professional experience. Employment rate of older workers is almost 20 percentage points below the Lisbon target of 50%. In 2008 the majority of the Polish workers was employed in services (approx. 54.5%), followed by industry (approx. 31%) and agriculture (approx. 19%).

The self-employment rate in Poland (23.2%) is well above the EU27 average (15.7%) Like in other countries, the majority of self-employed persons are not employing any workers, and self-employment thus often is a loophole for escaping high social security contributions and taxes related to regular employment.

POLAND - MAIN LABOUR MARKET INDICATORS 2008 IN COMPARISON TO EU27

	Poland	EU27
Employment rate – % population aged 15 – 64	59.3	64.6
Employment rate older people – % population aged 55-64	32.3	46.0
Self employed - % total population	22.8	15.5

Employment in services - % total employment	54.6*	70.4
Employment in industry - % total employment	31.4*	24.1
Employment in agriculture - % total employment	19.0*	5.6
Unemployment rate - % labour force 15+	7.1	8.9
Youth unemployment rate - % labour force 15-24	17.3	19.6
Long term unemployment rate - % labour force	2.4	3.0
Inequalities of income distribution (2008)	5.1	5.0

Source: Eurostat, *Employment in Europe Report 2010*

The unemployment rate in Poland corresponds to the EU27 average. Unemployment in Poland has a structural character; most often it is a long-term unemployment (exceeding one year). In the extreme cases it becomes the way of living – there are cases of families where two or three generations have never worked. Another feature of the Polish unemployment is a relatively high level of youth unemployment – it exceeds the EU27 average by 2 percentage points.

INCIDENCE OF LONG-TERM UNEMPLOYMENT AND THE UNEMPLOYMENT RATE, 2007



Source: *Employment in Europe Report*, p. 73, based on OECD figures.

Poland was diagnosed as a country with low labour force productivity and low utilisation of the workforce. According to the European Commission Annual Progress Assessment 2010 the main challenges the Polish government is facing are: reinforcing active labour market policies (ALMP) to improve labour activity, improving mobility across sectors and industries, linking education and training with labour market needs as well as increasing participation in lifelong learning⁷. Moreover, a reform of the social security system is needed to offer incentives to work, increase older workers' participation in the labour market and improve labour force supply in general.

Flexicurity in the labour market and labour market policy

Educational attainment is an important factor as it determines professional career perspectives to a large extent. In 2008, the majority of people in Poland had post-secondary non-tertiary level of education (68%), while a much smaller proportion had below upper secondary level of education (14%) or tertiary level (19%). The problem of the Polish labour market seems to be a relatively high number of workers with secondary level of education that do not continue their education either by

⁷ European Commission, Annual Progress Report, December 2009, Brussels, 2009, pp.43-44.

pursuing university studies or by completing vocational courses. This group has the biggest problems in finding employment. Additionally to a relatively small proportion of people with tertiary education, in Poland participation in CVT and lifelong learning is relatively low (21% and 4.7% respectively).

According to the European Company Survey 2009 Poland is one of the EU countries that use to the smallest extent flexible working time arrangements implying the possibility to accumulate hours (approx. 35% of establishments). These arrangements are most often limited to flexible hours of starting and finishing work. Poland is one of the EU countries where the use of night work is relatively often practised (25% of establishments) as well as shift work (44%). This can be explained by a relative high share of industry in Polish economy. Saturday and Sunday work is used by 37% and 26% of establishments respectively.

The dominating form of employment in most companies (almost 70%) is the indefinite duration contract⁸. Part-time work is not often used in Poland: in 2008 only 8.5% of employees worked part-time in comparison with the EU27 average of 18.2%. The majority of part-time contracts are in public and NGOs sector; they are rather rare in the private sector. According to EU-SILC data the main reason for taking up part-time work is lack of possibility to work full-time.

Share of fixed-term work is growing in Europe. The same tendency is observed in the new Member States, out of which Poland is the country with striking increase of fixed-term contracts in the last decade and where the rules on temporary work have been relaxed⁹. Since 1997 there is a continuing growth of fixed-term contracts in Poland: from the level of almost 5% in 1997 to 27% in 2008; in 2008 Poland was the country with the highest proportion of fixed-term contracts in the EU27, it is followed closely by Spain and Portugal. There is evidence that the majority of people entering labour market is offered fixed-term contracts. One of the reasons for this situation is growing formal flexibility accompanied by the situation of high unemployment rate. People tend to accept fixed-term work as they cannot find full-time work; on the other hand their behaviour becomes much more rigid while they are in indefinite employment¹⁰.

Temporary agency work is not often used in Poland: in 2008 less than 0.5% of the workforce were temporary agency workers. At the same time Polish enterprises use a lot of freelance workers – one in two enterprises employs freelance workers (employed on the basis of civil contracts). During the crisis the following trends were observed in the Polish labour market: working time reduction schemes, flexible working time arrangements with accumulation of hours, hiring freeze and not-renewing fixed-term contracts.

Employment protection levels in Poland – overall as well as for regular and temporary employment – are slightly lower than the EU27 average (1.9 for Poland compared with 2.1 for the EU27). The level of job satisfaction in Poland is 6 percentage points lower than the EU27 average – in 2005 over 78% of workers were satisfied with their job¹¹.

POLAND - FLEXICURITY INDICATORS IN COMPARISON

	Poland	EU27
Total population having completed at least upper secondary education (population aged 25-64, %), 2009	88.0	72.0

⁸ J. Gardawski, J. Bartkowski, J. Męcina, J. Czarzasty, *Working Poles*, Wydawnictwo Naukowe SCHOLAR, Warsaw 2010, p. 130.

⁹ *Key challenges facing European labour markets: European Social Partners joint analysis*, Brussels, October 2007, p. 18.

¹⁰ G. Grołkowska, M.W. Socha and U. Sztanderska, *Poland* [in:] S. Cazes, A. Nesporova, *Flexicurity: A relevant approach for Central and Eastern Europe*, ILO, Geneva 2007, p.190.

¹¹ European Foundation for Living and Working Conditions, *Measuring Job Satisfaction in Surveys – Comparative Analytical Report*, Dublin 2007, p. 5.

Part-time employment - % total employment, 2009	8.4	18.8
Fixed-term contracts - % total employees, 2009	26.5	13.5
Access to flexitime, % total employees aged 15-64, 2004	19.9	31.3
Percentage of employees (all enterprises) participating in CVT courses , 2005	21.0	33
Lifelong learning participation – percentage of the population aged 25-64 participating in education and training over the four weeks prior to the survey, 2009	4.7	9.3
Job satisfaction – percentage of workers that are either very satisfied or satisfied with working conditions in their main paid job (EWCS 2010)	84.5	84.3
Strictness of employment protection – regular employment, 2008	2.06	2.11*
Strictness of employment protection – temporary employment, 2008	2.33	2.08*
Strictness of employment protection – collective dismissals, 2008	3.63	2.96*
Public expenditure on <i>passive</i> labour market policies (categories 8-9) - % of GDP, 2008	0.35	0.96
Public expenditure on <i>active</i> labour market policies (categories 2-7) - % of GDP, 2008	0.47	0.46
Persons at-risk-of-poverty after social transfers - % of total population, %, 2009	17.1	16.3

Source: Eurostat; *Employment in Europe Report 2010*; Eurofound (*European Working Conditions Survey 2010*); OECD. *OECD average

The unemployment rate and the average length of unemployment are important indicators for analysis of the labour market policy effectiveness. In Poland the standardized unemployment rate is 9.6%. According to the *Employment in Europe 2009 Report*, in Europe the incidence of long-term unemployment is estimated at approx. 45% (compared with 10% in the USA). Poland belongs to this group of the EU countries where long-term unemployment is reality for almost half of all the unemployed (i.e. Germany, Portugal or the Czech Republic).

Conclusion

According to the NRP Annual Progress assessment of the European Commission the main challenge Poland faces at the moment is to continue structural reforms. There is a wide array of reforms that have to be implemented to ensure long-term fiscal sustainability and improve competitiveness: budgetary discipline to control expenditure, reform of the pension systems, especially the Farmers' Social Security system (*KRUS*), which is a heavy burden for public budget, promotion of investment in R&D, also enterprise investment, and supporting efficient use of the Structural Funds. Among all these reforms, modernisation of the labour market by improving ALMP, facilitating job-to-job transition, introducing active ageing strategy, reforming benefit system to offer more incentives to work and introducing a lifelong learning strategy are crucial.

2 Flexibility and security in recent labour market and social policy reforms

Introduction and overview

Legal provisions related to labor market include important components that can be linked to the concept of flexicurity; however, it cannot be stated that flexicurity in Poland has been regulated in a coherent way. Available research shows that so far flexicurity has been implemented slowly, only recently important "flexicurity-oriented" changes have been incorporated into the system¹². One of them was the amendment to the Act on Employment Promotion and Labour Market Institutions of

¹² E. Kryńska (red.), *Flexicurity w Polsce. Diagnoza i rekomendacje. Raport końcowy z badań*, Ministerstwo Pracy i Polityki Społecznej, Departament Rynku Pracy, Warszawa 2009, p.199.

December 2008, which enriched the ALMP offer and enlarged the group of potential beneficiaries. Amendments have also introduced important developments in the provisions for adult vocational training. The second important development was introducing an “anti-crisis package” in summer 2009 (for details see Example Two at the end of this fiche)

In Poland trade unions feel that there is more flexibility for employers and not enough protection for workers. According to them, this is illustrated by a high share of flexible contracts and self-employment in the total employment. Trade unions especially criticize bogus self-employment, which negatively impacts overall job security and value of employee’s pension entitlement. Trade unions believe that flexicurity should serve the protection of jobs and point out that during the crisis many flexible solutions were adopted. According to them, at present flexibility increases at the cost of security, i.e. recent changes in the Labour Code made working time more flexible and reduced employee rights, i.e. reduced the duration of “leave on call” (*urlop na żądanie*) from four to two days. Trade unions perceive flexicurity as a concept encompassing different issues and believe that, at present, flexibility-oriented solutions prevail over security-related ones. According to them security is linked to regular employment contracts of indefinite duration. They stress that quite often self-employment and flexible employment are forced upon workers.

Employers’ representatives point out rigid labour legislation that does not correspond to modern labour market as well as frequent rigid employees’ attitudes to work - detaching the type of employment contracts and salary from enterprise condition and its productivity. They believe that the current share of flexible contracts and self-employment illustrates labour market rigidity. Employers’ fear to employ people on regular contracts as firing is relatively lengthy and costly, also labour cost is high (social security contributions, taxes etc.). Employers perceive flexicurity as a combination of flexibility and security. According to them security is linked to employability and not to lifetime employment contract with one employer. Moreover, they indicate that quite often flexible work contracts or self-employment are a individual choice.

It is worth noting that all social partners agree that the crisis was a stimulus for more discussions on flexicurity¹³.

Lifelong learning and the mobility of workers

One of the structural problems of the Polish labour market is a rather obsolete system of vocational education and continuing vocational training. The interactions between the education system and the labour market are weak, which results in a mismatch between graduates’ qualifications and employers’ needs. Moreover, Polish employees very rarely take part in continuing vocational training or update their skills on a regular basis. This seriously hinders their adaptability and professional mobility. This weakness is additionally strengthened by the lack of systematic solutions as to CVT financing: there are not any branch or sectoral training/retraining funds, enterprise level training funds are optional (hardly ever established) and training budgets are the first to be cut in times of economic crisis. While analysing the distribution of Labour Fund (*Fundusz Pracy*) one can realise that the majority of the funds is spent on combating unemployment, and not on developing professional skills. Additionally, the Labour Fund budget for 2011 was seriously cut eliminating practically all CVT-related programmes, which was very strongly criticized by both social partners.

During the crisis vocational training was often used while enterprises introduced reduced working time schemes – employee participation in training or retraining programmes could be financed from the ESF funds. Critics of this solution - both trade unions and employer organisations representatives - point out that often training programmes did not correspond to the strategic needs of the company as there was no prior training needs analysis. As such, the Polish approach to vocational training

¹³ All social partners’ opinions presented in this paper were gathered during interviews conducted in Warsaw in June and July 2010.

during the crisis can be summarised as “training rather than firing”. Vocational training and retraining is often an indispensable component of outplacement services.

Among future projects aimed at improving lifelong learning is drafting a coherent strategy. There was already such a document: “Strategy of Lifelong Learning Development until 2010” passed by the government on 8 July 2003. No role for social partners was foreseen in this strategy. The Polish government is also committed to working towards establishing a National Qualifications Framework (in line with the European Qualifications Framework).

Important developments in the field of lifelong learning were stipulated by the 2008 amendment of the Act on Employment Protection and Labour Market Institutions. It enlarges the group of potential beneficiaries of training programs to those looking for a job, those still in employment – this has to be stressed as it is an element of anticipatory nature that enables to prepare for changes – and other people who fulfil specific conditions. Internships used to be offered only to young people - now are offered to all disadvantaged on the labour market. And last but not least, the adult vocational training (*przygotowanie zawodowe osób dorosłych*) replaced on-the job vocational training, and is also available to a wider public (for detailed description see Example One at the end of the fiche).

All social partners value lifelong learning and vocational training. Representatives of the arts and crafts sector point out importance of professional training and exposure to labour market for youth as it facilitates finding a job later in the career. They are satisfied with their role as examining centres for professional certification.

There is one recent change that, according the employer organisations representatives, is not favourable for employers. The amendment to art. 101 of the Labour Code stipulates that the employer has to compensate for training days. The problem is a lack of precise provisions and excessive financial burden. They also point out a frequent ineffective use of the ESF funds: training programs are of a poor quality, there is no prior training needs analysis, especially no local labour market needs-oriented analysis. In general, employers prefer to reserve money for training budgets than create training funds, despite the fact the latter can profit from co-financing from public subsidies. Trade unions believe that the regional approach to developing skills as well as creating partnerships of public employment services (PES), employers and trade unions is the most effective way to design region-oriented training programs. Trade unions would also welcome training tax incentives. They point out that there is no legal provision that would require employers to draft training plans for employees; trade unions do not take part in drafting training plans. NSZZ Solidarność representatives stress that there are no bilateral structures to discuss vocational training issues; moreover, there is a tendency to focus on training of the unemployed, and not training and re-training programmes for those still employed.

The tradition for mobility - both professional and geographical - is weak in Poland. Migration to work abroad is more likely than migration to another region of Poland (mainly for financial reasons). Trade unions believe that it is caused by a lack of mobility tradition as well as the poor housing situation. The anti-crisis package adopted in 2009 introduced a relocation benefit for unemployed persons who take up a job 50 km or more away from home; it amounts to 3 300 PLN (approx. 830 EUR)¹⁴. There is also a “motivation benefit”, for people who take up a less well paid job than the previous; it amounts to some 4 000 PLN (approx. 1007 EUR). The two benefits are financed by the ESF; however, they are hardly ever used.

¹⁴ Relocation benefit almost equals the average salary, which is now 3 146 PLN (792 EUR), and is 2.5 times bigger than the minimum wage – 1 317 PLN (approx. 330 EUR); there are two relocation benefits available: 3 300 PLN (approx. 830 EUR) for those who take up a job between 50 and 100 km away from their home, and 5 100 PLN (approx. 1,280 EUR) for those who take up a job more than 100 km away from home.

NSZZ Solidarność indicated that in one of the European Commission publications Poland was ranked 18th out of the EU25 member states in regards to lifelong learning¹⁵.

External/internal flexicurity and contractual arrangements

In the Polish legal system there are numerous provisions for flexible work contracts; there are over 10 different employment contracts. More flexible arrangements were added during the crisis (i.e. 24-month calculation of working time) as well as instruments related to internal flexicurity (i.e. reduced working time combined with training) and external mobility (i.e. outplacement).

In general, flexible work contracts¹⁶ are negatively perceived by trade union representatives as the ones not guaranteeing protection for workers. NSZZ Solidarność representative stated: “This is one of the weakest elements of flexicurity on the Polish labour market”. Flexible work contracts are perceived as a much worse option than regular employment. Their typical features are: precariousness, lower salaries, lack of professional training and very short notice period (two weeks). Moreover, according to trade unions, these contracts are a loophole for not-signing indefinite duration employment contracts. Trade unions were also pointing out abuses of flexible contracts, i.e. repetitively signing fixed-term contract – with a mandatory break of one month between two contracts - or signing fixed-term contract for five or more years¹⁷. Trade unions fear that there are more employment contracts being a subject of civil law, i.e. agreement for performance of specific tasks (*umowa o dzieło*) and mandate agreement (*umowa zlecenia*) than regular employment contracts being a subject of labour law. They also point out a significant share of self-employment, which, according to them, is often bogus self-employment. They believe that there is a need to reduce the number of such contracts and that the “real and good quality” employment contract is the indefinite duration labour contract¹⁸.

It seems that different flexible arrangements are natural for the arts and crafts sector. It is a sector of small enterprises, usually family-based with close relations, flexible arrangements (i.e. related to the seasonality or fluctuations in demand for products/services) are introduced on an ad-hoc, informal basis. Representatives of arts and crafts enterprises point out a natural flexibility of the sector. They also perceive self-employment in a positive way – according to them it proves that workers take up responsibility of for his professional future.

Employers believe that flexible work contracts are a typical development for modern labour markets. Therefore it is necessary to build awareness about flexible work as an option for good quality employment as well as to change the perception about hiring and firing. Employers also point out that temporary agency work is very often a choice of a worker; such situation can be observed in the IT sector and security services.

It seems that the major difference of social partners’ opinions on flexible contracts is related not to their nature, but to the way they are used and to the frequency of use. Employers indicate the need of flexible contracts as means to adapt to changing business environment; trade unions stress that flexible employment contracts are used repetitively and sometimes prevent from signing regular employment contract.

¹⁵ All rankings are taken from NSZZ Solidarność questionnaire and come from A. Rita, M. Governatorii, M. Mascherini, *Towards a set of Composite Indicators on Flexicurity: A Comprehensive Approach*, European Commission, Brussels 2010.

¹⁶ For the sake of this report “flexible work contracts” are understood as part-time and fixed-term contracts as well as temporary agency work. Self-employment is not included in this category as it is linked to subcontracting relation, not an employment one.

¹⁷ Before the anti-crisis package entered into force in August 2009 (the maximum length now is 24 months).

¹⁸ Articles of OPZZ and NSZZ Solidarność representatives in A. Kamińska (ed.), *Flexicurity - między elastycznością a bezpieczeństwem na rynku pracy*, Wydawnictwo C. H. Beck, Warszawa 2008.

According to social partners, telework is not a well-rooted practice. In case of the arts and crafts sector telework is not relevant for their member enterprises as most of their activity is related to manual jobs. Representatives of other private businesses believe that telework has not been adopted in Poland due to the lack of knowledge “how to make it work”. The challenges are: workplace organization, ensuring safety – according to employers there are excessive rules of health and safety of teleworker’s workplace – an increased possibility of labour inspection controls and a lack of knowledge how to manage telework.

Employers pointed out the importance of outplacement programmes for external mobility. The use of these services has increased recently, although it is typical for big, often international companies, and is contracted out mainly to private outplacement agencies.

Employers also observe a decrease of self-employment in some cases. It is caused by tendering rules that require appropriate workforce size. It also helps to ensure the prestige of the company – “stable” company offering regular employment contracts and a good quality of relations with employees – regular workers are said to be more loyal.

It seems that the most current issue of discussion between social partners are regulations concerning working time. Trade unions would like to see more control over it, while employers are interested in more dynamism in the calculation of working time. Another subject that has appeared recently is the discussion on a policy to improve the inflow of highly-qualified employees and foreign workers as well as the accommodating needs for the return migration. These topics have never been discussed before.

NSZZ Solidarność indicated that in one of the European Commission publications Poland was ranked in 12th position among the EU25 member states in regard to providing reliable and flexible contractual arrangements ¹⁹.

Active labour market policy

The recent modernization and improvement of the administrative capacity of public employment services (PES) is aimed at improving services delivery. Planned initiatives include: better contracting out training activities, updating obsolete Classification of Occupations and Specialization, training for staff, improvement of the IT database, closer cooperation with local authorities (*starosta*) to address specific groups’ needs and streamlining procedures of PES functioning. Other changes included: separating center for professional activation (*Centrum Aktywizacji Zawodowej*, CAZ) from the Labour Office, making PES services available for those not registered with PES and organising promotional campaigns about available services.

Employers do not see effects of professionalisation of PES and believe that they mainly distribute unemployment benefits. They complain that there is still not enough cooperation between PES and employers as well as follow-up activities are missing, i.e. counselling on career development that would be offered together with training programs. Employers are supporters for introducing private companies that would provide employment services, i.e. they would become subcontractors of PES.

The current discussion also concerns increasing participation of older workers and raising working age²⁰. There are targeted activities introduced, i.e. programme “50+. Solidarity between generations” (*50+. Solidarność pokoleń*), which is aimed at encouraging employers to employ older workers. Such solutions as additional breaks or flexible work arrangements are promoted. In this context many controversies are created by pre-retirement protection age : 4 years before reaching retirement age

¹⁹ See footnote 15.

²⁰ In its questionnaire NSZZ Solidarność pointed out that from January 2009 it is possible to finance from Labour Fund costs of training for workers “45+” (art.69 of the amended Regulation on Employment Promotion and Labour Market Institutions), however this provision is rarely used.

– being 56 for women and 61 for men – the employee is protected from being dismissed. Trade unions support this solution; at the same time they observe difficulties that employees at the pre-retirement age have in finding a job. Employers strongly criticize this regulation and believe that it hinders older workers’ employability.

Social partners are involved in outplacement services. Employers are usually promoters of such programmes as most often enterprises finance such activities (buy outplacement services from private vendors). If trade unions are involved in outplacement initiatives, their involvement consists most often in monitoring training and retraining programs; i.e. they were monitoring the effectiveness of outplacement services provided by DGA for the dismissed workers from the Szczecin shipyard.

Trade unions believe that a strategic approach to increasing employability is missing.

The present allocation of the Labour Fund (*Fundusz Pracy, FP*) is strongly criticized by social partners because of its ineffective structure and financing interventions instead of creating stable employment. Social partners do not have any impact on how Labour Fund is spent. Trade unions would welcome change in Labour Fund structure: according to them more funds should be allocated for training (especially training designed in cooperation with employer(-s) or employer associations) and less for subsidies for creation of workplaces or subsidies for start-ups or self-employment.

Employers point out that active labour market policy’s (ALMP) effectiveness is conditioned not only by funds, but also by appropriate analysis of employers’ needs and a more proactive attitude of the unemployed in the process of job search.

NSZZ Solidarność indicated that in one of the European Commission publications Poland was ranked in the 14th position among the EU25 member states in regards to ALMP²¹.

Supportive social security system

Social security against unemployment in Poland covers both employees and self-employed. To be covered by unemployment insurance, one’s monthly wage or salary must at least equal to the minimum wage. There are two conditions for eligibility: there are no appropriate offers of employment, training, internships, traineeships or public works and the individual was employed at least 365 days over the 18 months prior to the registration date and was contributing at least minimum contribution. Since 1 January 2010, the unemployment benefit is degressive and for the first three months amounts to 717 PLN (approx. 180 EUR) to decrease to 563 PLN (approx. 140 EUR) for the remaining time. Benefit duration is between six and twelve months depending on the local unemployment rate (*powiat* level) and the family situation of the unemployed person.

Employers welcomed the degressive unemployment benefit. They would like to see even more changes: namely, more conditionality, i.e. obligations on more activity from the job seeker or varying entitlement length depending on the job seekers’ attitude. Moreover, employers believe that unemployment benefits should be related to the previous salary and be paid for a shorter time.

Trade unions are interested in ensuring an “appropriate level of unemployment benefit”. They believe that employment history shall define the pension entitlement, not age. One of the priority issues on trade unions’ agenda is the reform of the pension system; they were involved in discussions on “bridge” pensions that replaced the early retirement provision. Another important issue on their agenda is increasing the minimum wage. Trade unions believe that structural unemployment and segmentation of the labour market facilitates abusing workers. They believe increasing minimum salary is necessary. Trade unions point out challenges linked with consequences of excessive incidence of self-employment (over 23% of the employed population in 2008 compared with 15.7%

²¹ See footnote 15.

in the EU27). They believe that the majority of self-employed do not realize long-term consequences of being self-employed and how it influences the value of their pensions. Trade unions have been evoking problem of this negative side effect of labour market flexibilisation for quite a long time. A serious problem in increasing the employment rate of disabled people is the fact that the disabled person loses the right to disability benefit while s/he takes up employment.

NSZZ Solidarność indicated that in one of the European Commission publications Poland was ranked in last position among the EU25 member states in regard to supportive social security system²².

High quality and productive workplaces

There is a clear consensus in Poland that there is a need for economic growth, which would create jobs. Creating sustainable workplaces is a condition for effective job to job transition. Trade unions opt for more employment creation (stable jobs of a good quality jobs) within existing enterprises and reducing support for setting up businesses (usually one-person enterprises) and self-employment. Trade unions believe that high quality and productive workplaces are only possible in case of regular employment contracts of indefinite duration. Employers are convinced that creating workplaces is difficult and costly due to high indirect costs.

Trade unions point out the challenge of work-related stress that becomes a more and more acute problem and negatively influences quality of work life. They believe more actions to eliminate stress from workplace are necessary.

Gender equality

Equality of men and women in employment is still a challenge taking into account traditional family models and a lack of sufficient childcare provisions. According to trade unions the level of child benefits is extremely insufficient. It makes it difficult for women to come back to professional activity after maternity and/or parental leave.

There is a moderate pay gap between men and women in Poland; it was estimated at 9.8% in 2008 (Eurostat). However, there are better paid positions (i.e. top management) or occupations (i.e. IT specialists) that are dominated by male workers.

Recent developments aimed at increasing women employment included setting up nurseries, kindergartens or other childcare facilities with the use of company funds and also at relaxing the rules of establishing such institutions and providing childcare services (i.e. private mini-nurseries up to 5 children). Social partners welcomed these changes, but it is too early to evaluate their effectiveness.

Financial sustainability

Financial stability of the introduced and proposed measures is a big challenge in the context of the urgent need to reduce public expenditure and to carry out profound reforms. Trade unions point out that funds allocated for ALMP are not sufficient. They believe that the appropriate level of funding would be 1% of GDP. They would opt for incentives to encourage both enterprises' and workers' investment in training programs.

Conclusion: Strengths, weaknesses and challenges

It seems that the most important objective of flexicurity is creating jobs. NSZZ Solidarność representatives underline that for trade unions the main goal is to create jobs of appropriate quality and to reduce the number of precarious jobs. Only under this condition creating jobs can become an

²² Ibidem.

element of the discussion related to flexicurity. In order to support job creation the following initiatives were planned: introducing a system of support for enterprises as well as special tax deductions for SMEs and microenterprises; more EU funds were allocated for business start ups²³. Critics of this last initiative believe that it was just an alternative source of quasi-social benefit.

According to trade union representatives, job creation is weak in Poland as employers prefer to delegate responsibility for creating job to workers (by promoting self-employment) or to offer precarious jobs. In cases of workplace reductions employers tend to distribute tasks to other workers and refrain from hiring new employee/s. According to the representative of the arts and crafts sector difficulties in obtaining loans, especially for microenterprises, and current tax system, are serious barriers for job creation in the arts and crafts sector.

Apart from job creation, the second important element of the Polish approach to flexicurity should be “targeted ALMP”. It is clearly seen that the current approach to ALMP is more focused on activating those traditionally inactive (older workers, long-term unemployed etc.) and on increasing the activity rate than supporting employees in the job transition process. Moreover, the tendency to buy outplacement services from private vendors while leaving activation of the unemployed to PES can lead to a segmentation of the “transition job to job” services.

The development of a supportive social security system would have to start with reviewing the social benefits system to eliminate social benefits for those who are capable of working but do not take up employment. Social partners agree that from the point of view of activating the unemployed, degressive the unemployment benefit introduced in January 2010 was a very good move. According to employers’ representatives the next step shall be making unemployment benefit and social allowances conditional - to eliminate situations when job offers are not accepted. NSZZ Solidarność representatives indicate that such a regulation already exists (art. 75 of law on employment promotion and labour market institutions) and point out that the definition of “appropriate job” is very broad, which guarantees enough flexibility in job allocation.

According to trade unions there are some basic conditions for success in implementing flexicurity. These are mutual respect, understanding interests of both sides, trust and improvement of legal culture in Poland. A discussion on work organization, working time, working time calculation systems and overtime is necessary. Trade unions believe that the biggest threat to flexicurity is a lack of social policy as well as a coherent and future-oriented approach to labour market.

Employers agree that “something has to be done about the labour market”, otherwise the next emigration wave is possible. As one of the biggest challenges in implementing flexicurity they indicate attitudes of some workers: they have low qualifications, no work ethics and perceive regular employment as goal in itself – they are not willing to continue learning and acquiring new skills.

Trade unions point out that work-related stress becomes a more and more important problem, which is not given appropriate attention.

At present there is a lack of coordinated approach that would help to design a Polish model of flexicurity. It seems that one of the main challenges will be to define the concept - what it is and what it is not - and to address it in a complex way. It seems that a big challenge will also be to “clean” flexible forms of work from negative connotations, and to ensure that they may also provide opportunities for a good quality job. Access to professional development, career advancement and appropriate social protection shall also be ensured for people employed on the basis of flexible contracts. There is an urgent need to ensure that self-employed are fully aware of the consequences of such arrangement, short- and long-term alike.

²³ The Polish Government, *National Reform Programme 2008-2010 (NRP 2008-2010)*.

3 The role of the social partners

General remarks on the role of social partners

Polish social dialogue takes place at national level - mainly within the framework of the Tripartite Commission (*Komisja Trójstronna, KT*) and the National Employment Council (*Krajowa Rada Zatrudnienia, KRZ*) - and at company level. Sectoral level negotiations are very rare, there are only a few sectoral collective agreements signed. Before the crisis, social dialogue was taking place in a relatively good economic situation; introduced changes to the labour law mostly focused on increasing flexibility to support entrepreneurship. During the crisis, main negotiations took place at national level and were bilateral (for details on “Anti-Crisis Package” see Example Two). The peculiarity of the recent crisis was the fact that within the same trade union or employers’ organization there were sectors- members hit badly by the crisis and sectors-members who were doing very well.

Social partners are charged with opinionating drafts legislation relevant for social and economic conditions. They do not have executive power.

Three trade unions meet the conditions for representativity. These are: the Independent and Self-Governing Trade Union Solidarity (NSZZ “Solidarność”), the All-Poland Alliance of Trade Unions (OPZZ) and the Forum of Trade Unions (FZZ). Only NSZZ Solidarność and OPZZ are affiliated at the EU level and are members of the ETUC. Trade union density in Poland is relatively low and in January 2009 was estimated at 16%; approx. 30% workers are covered by collective agreements. NSZZ Solidarność and OPZZ have a similar number of members (approx. 1 million members each). One important problem hindering social dialogue is the excessive plurality of trade unions within companies, which makes the conclusion of enterprise level collective agreements difficult. There is an on-going discussion on representativity of trade unions.

There are four representative employers’ organisations that are members of the Tripartite Commission: the Confederation of Polish Employers (PRP, the former KPP), the Polish Confederation of Private Employers “Lewiatan” (PKPP Lewiatan), the Polish Crafts Association (ZRP) and the Business Centre Club (BCC). Two of these four organisations are affiliated at the EU level: PKPP Lewiatan is a member of BUSINESSEUROPE and ZRP is a member of UEAPME. Employers’ organisations are well represented and organised at the national level. They do not engage in collective negotiations at the company level. Polish employers realise that the employer organisations has a limited density. For this reason, the first congress of employers (*Pierwszy Kongres Pracodawców*) was held in January 2008, to which small associations were invited along with the large groups. The congress sought to mark the beginning of the cooperation of a wider group of businesses²⁴.

Main instruments and levels of influence

The Labour Code defines regulations on collective bargaining. There are two types of collective bargaining in Poland: workplace level collective bargaining agreements, concluded between the employer and representative trade union/-s, and multi-employer collective bargaining agreements concluded between trade unions and an employers’ association representing multiple enterprises. The most common are enterprise-level collective agreements. Company-level agreements can differ between establishments of the same Group. Multi-employer agreements can theoretically be

²⁴ Based on EIRO on-line, *Poland: Industrial relations*, updated 26 October 2009
http://www.eurofound.europa.eu/eiro/country/poland_3.htm

extended to the entire sector (so- called “generalization” of collective bargaining, *generalizacja układu zbiorowego*). However, this has never been put into practice.

The main Polish social partners participate in the work of the Tripartite Commission and the Voivodeship Committees of Social Dialogue. They were also involved in the process of drafting NRP 2008-2010, in which they had an advisory role.

The March 2009 bilateral agreement of “anti-crisis package” proved that bilateral agreements are possible. The Government treats the agreement of March 2009 as an example for success of bilateral social dialogue. It was definitely a major development, but the overall disappointment of social partners with the final outcomes as well as the trade unions’ feeling of “being tricked” poses some questions about trust and challenges for future social dialogue after the “crisis adventure”.

According to appropriate legal regulations, social partners in Poland are involved in drafting all documents related to security and flexibility on the labour market. These issues are also discussed at the forum of the Tripartite Commission. However, representatives of both sides complain that their role is limited to expressing opinions, and very often their proposals are not included in the passed laws.

Social partners believe that they exercise some influence by implementing EU-financed projects (mainly awareness building), cooperating with each other (realizing joint projects), participating in the Tripartite Commission and by activities realized via the respective trade union or employer organization.

POLAND- MAIN SOCIAL DIALOGUE INDICATORS

	Poland	EU25
Collective bargaining coverage - % of employees covered by collective agreements, 2006	40.0%*	63.0
Trade union density - % of dependent employees who are trade union members, 2005	12.7	25.3
Employer organization density - % of employees employed by companies that are members of an employer organization, 2006	20.0	n.a

* In 2009 estimated at approx. 30%.

Source: Eurofound EIRO Country Profiles, EU Industry EU Industrial Relations Profile 2008.

Recent changes and challenges

According to the official documents (i.e. NRP 2008-2010, Operational Programme “Human Capital”) a stronger involvement of social partners is crucial to reach the goals of the post-Lisbon Strategy. Social partners are expected to provide more input and are to have co-ownership and joint responsibility for implementation of the Europe 2020 strategy in Poland. Moreover, there is a need for social partners’ involvement and multi-stakeholders partnerships at the regional level, i.e. by creating local partnerships for employment.

The negotiations of an “anti-crisis package” led to some compromises, i.e. with regard to fixed-term contracts and annual calculation of working time. The overall feeling is that employers benefited more from this “not ideal” regulation than trade unions. After “anti-crisis negotiations” trade unions seem to be more reluctant to negotiate as mutual trust has been put for the trial.

According to social partners the notion “flexicurity” starts to appear in Poland, and to a great extent it is the result of the EU-financed programmes. Social partners perceive their role as “contributing to flexicurity awareness building”. It can only be done by giving examples of successful implementation and disseminating good practices; it will be a lengthy process. Awareness building, apart from promoting flexicurity, would also create more trust and

understanding between social partners. Additionally, trade unions perceive their role as partner for negotiations and for indicating necessary changes.

Trade unions see the need for more participation in honest and open discussions about social security system and working out solutions how to cope with the segmentation of the labour market. They believe social partners should have more responsibility, i.e. should be able to influence Labour Fund allocation. According to them conditions for a successful implementation include an assessment of the economic and social situation and of the degree of flexibility and security on the labour market. The Polish model of flexicurity should be developed taking into consideration successful instruments from other countries, but also national trade unions and employers' organizations interests.

According to trade unions, the lack of the national structure for the bilateral dialogue makes cooperation between social partners difficult. One of the main goals shall be building an appropriate structure which would support social partners in professional bilateral social dialogue on national level. Moreover, social partners lack resources for economic and legal expertise. Trade unions point out the political competitive edge of employers and complain about their limited willingness to cooperate.

Both social partners agree that for now there is no coordinated and complex approach to discussing flexicurity; the issue is not addressed in the Tripartite Commission. PKPP Lewiatan representatives believe that flexicurity shall be discussed in a complex package, including, a.o., changes in working time calculation. They stress that there are not any joint projects at the national level; the only joint projects realized at the regional level are awareness building events, i.e. seminars and conferences. NSZZ Solidarność representatives point out that only regular employment (indefinite duration employment contract) guarantees good quality work, appropriate lifelong learning and continuing vocational training initiatives, work-life balance as well as sustainable productivity growth.

At present Polish social partners discuss labour market organisation and industrial relations. There are significant differences in perceptions and approaches adopted by social partners, therefore finding a balance between flexibility and security for both workers and employers will be quite challenging.

Cases of good practice in the field of labour market flexibility and security

Among good practices indicated by the Polish social partners²⁵ three examples are especially worth pointing out: strengthening adult vocational training, the “anti-crisis package” draft negotiated via bilateral social dialogue and one of the social partners projects aimed at formulating recommendations for the Polish model of flexicurity.

Example One: Vocational training of adults strengthened

The Amendment of the Act on Employment Promotion and Labour Market Institutions (art. 53) in December 2008 was an important step to strengthen vocational trainings of adults (*przygotowanie zawodowe osób dorosłych*). One of the introduced instruments enables adults to receive appropriate training and official certification of professional qualifications. Usually there are two partners involved in such an initiative: the contract is signed by local authority and employer. It is possible for the training institution to be a part of such a contract. Training costs are covered by state funds. Adult vocational training can last 3-6 months (induction vocational training) or 12-18 months (advanced vocational training). The Amendment stipulates that the unemployment benefit increases by 20% when the unemployed participates in the training course.

The Polish Craft Association (ZRP) supports the Ministry of Labour and Social Policy in dissemination and

²⁵ NSZZ Solidarność stresses that the quoted examples are employers organizations' examples; according to them so far there has not been any example of good practice that could be quoted as a joint example of flexicurity-related good practice.

promotion of this instrument - it still is not well known among the unemployed and employers. The lack of awareness is not the only obstacle in using this instrument: there is also lack of motivation – the unemployed often do not turn up for agreed training, red tape makes arranging vocational training difficult and there are psychological barriers on employers’ and the unemployed side.

Source: ZRP questionnaire, May 2009.

Example Two: Anti-crisis package – effect of the bilateral social dialogue

On 13 March 2009, an agreement on the so called anti-crisis package (*pakiet antykryzysowy*) was signed by the Polish social partners. The agreement included both proposals for changes in the Labour Code and changes in fiscal regulation. It took four months to partially transform the anti-crisis package into the legal Act – eight out of thirteen propositions were included in the draft act adopted by the government at the beginning of June 2009. After a debate held in the Tripartite Commission for Socio-Economic Affairs and social consultations process, some additional changes were introduced and finally the act was passed on the 1st July 2009 to become operational at the end of August 2009.

Measures available to all employers were the following: introducing provisions for flexible working time arrangements, amendments on rules for signing fixed-term contracts, annual calculation of working hours and some tax exemptions. There were some measures addressed specially to employers facing temporary financial difficulties: introducing the possibility to production suspension, introducing a reduced working time scheme, subsidies to cover social contributions of enterprises, granting ESF funding for training and retraining of workers and postponing due payments (i.e. to the Guaranteed Employee Benefits Fund, *Fundusz Gwarantowanych Świadczeń Pracowniczych*, FGŚP).

Despite some social partners’ disappointment related to the content of the act (liquidating some of their proposals by the government) and the relatively low impact (only 634 enterprises-beneficiaries till mid-2010), the anti-crisis package seems to be an important development. Firstly, the Act was the result of the first bilateral negotiations (except for Pact on State-owned Enterprise in Course of Transformation signed in 1993, which paved the way for the establishment of the Tripartite Commission). Secondly, the negotiations of the package clearly showed that there is an urgent need to discuss provisions for implementing concrete tools to tie work organization, working time and salary to the enterprise economic situation. As such, it definitely was the leeway to acknowledging pros and cons of the flexible work arrangements and flexible employment contracts.

Source: ZRP questionnaire, May 2010; case description taken from A. Kwiatkiewicz, *Anticipating and Managing Restructuring. National Background Paper– Poland*, report prepared for ITC-ILO within the framework of the project “Anticipating Restructuring in Enterprises: A.R.E.N.A.S, Warsaw 2009, p. 39.

Example Three: PKPP “Lewiatan” projects’ on flexicurity

PKPP “Lewiatan” has already realized a project together with partners from Hungary and Estonia on the initiatives necessary to implement flexicurity (“Flexicurity – today’s diagnosis, tomorrow’s action plan”). The diagnosis included recommendations related to four pillars of flexicurity. Employers’ organizations proposed: reducing maximum duration of fixed-term contracts together with shortening notice period of indefinite employment contracts, extending social security provisions for all fixed-term contracts together with development of private network of employment services that could act as subcontractors for PES, increasing importance of transferable competencies in vocational training together with wide use of internships. The results of the project were presented in September 2009.

At present PKPP “Lewiatan” realized the project that is to propose the Polish model of flexicurity, which is based on creating a flexible labour market and on ensuring security for workers. This EU- financed project is aimed at drafting a legal regulations proposal relevant for flexible contractual arrangements and employment security as well as introducing ALMP that would support workers in adapting to change and during “job-to-job transition” period. The project is also to propose solutions for improving vocational training system and modernizing social security system. Experts are to be involved to assess feasibility of proposed solutions.

The results of the project – good practices and legal expertise on implementing flexicurity - will be disseminated in the group of 1 000 enterprises. The proposals for legislation amendments will be sent to

decision-makers and opinion leaders.

Source: PKPP “Lewiatan”, interview, Warsaw, July 2010.

4 Key points arising

The key points that were raised in regard to flexicurity and the case of Poland during the cluster seminar in Warsaw in November 2010 were the following:

- *Employers’ organisations and trade unions have quite a differing opinion on flexicurity as well as assessment of the current level of flexibility and security;*
- *The weakness of tripartite social dialogue and practically non-existing bilateral social dialogue are obstacles to working out mutually acceptable solutions related to ensuring flexibility and security on the labour market;*
- *Developing appropriate solutions for one of the pillars of flexicurity - lifelong learning - is hindered by a lack of stable bilateral structure that would support updating skills and acquiring new competences;*
- *Trade unions would like to be involved in drafting training plans and deciding about financing of training initiatives;*
- *Training provisions are still rather reactive than proactive, corresponding to “flexicurity spirit”: focus is still on providing training and re-training programmes for the unemployed and not on offering LLL opportunities for the still employed;*
- *At present social partners discuss what mechanisms can be introduced to certify informal and non-formal qualifications;*
- *Social partners have organised joint projects related to flexicurity, however, these were always awareness building events (seminars, conferences);*
- *Flexicurity-related solutions shall be discussed as a complex package and not as solutions related only to one pillar;*
- *There is a close link between lifelong learning and productivity increase, the challenge is how to ensure equal access to training for flexible workers;*
- *Trade unions point out for workers stability in employment is guaranteed only if there is appropriate level of lifelong learning and work-life balance.*

Sources and references

Questionnaires and interviews

Questionnaire replies were received from one trade union (NSZZ Solidarność) and one employer organisation (ZRP).

Within the framework of the project interviews with social partner organisations (ZRP, PRP - former KPP - and PKPP “Lewiatan as well as NSZZ Solidarność and OPZZ) were conducted in June- July 2010.

Further resources

1. Cazes, S., Nesporova, A., *Flexicurity: A relevant approach for Central and Eastern Europe*, ILO, Geneva 2007.
2. EIRO on-line, *Poland: Industrial relations profile*, updated 26 October 2009,
3. EIRO on-line, *Poland: flexicurity and industrial relations*, updated on 15 September 2009, (<http://www.eurofound.europa.eu/eiro/studies/tn0803038s/pl0803039q.htm>)
4. Eurofound, *Working Poor in Europe 2007*, Dublin 2008.
5. European Commission, *Spring Economic Forecast 2010*, Brussels, March 2010.
6. European Commission, *Employment in Europe 2009 Report*, Luxembourg: Office for Official Publications of the European Communities, 2009.
7. European Commission: Annual Progress Report / Annual Country Assessment, Brussels , December 2008.
8. European Commission: Progress on the implementation of the European Economic Recovery Plan, Brussels, Brussels, June 2009.
9. European Commission, *Industrial Relations in Europe 2009*, Luxembourg: Office for Official Publications of the European Communities, 2009.
10. European Foundation for Living and Working Conditions, *European Company Survey 2009*, Luxembourg: Office for Official Publications of the European Communities, 2009.
11. European Foundation for Living and Working Conditions, *Measuring Job Satisfaction in Surveys – Comparative Analytical Report*, Dublin 2007.
12. Glasner, V., Kuene, M., *Collective bargaining responses to the economic crisis in Europe*, ETUI Policy Brief, Issue 1/2010, Brussels 2010.
13. *Key challenges facing European labour markets: European Social Partners joint analysis*, Brussels, October 2007.
14. Kamińska, A., (ed.), *Flexicurity - między elastycznością a bezpieczeństwem na rynku pracy*, Wydawnictwo C. H. Beck, Warszawa 2008.
15. Kryńska, E., (ed.), *Flexicurity w Polsce. Diagnoza i rekomendacje. Raport końcowy z badań*, Ministerstwo Pracy i Polityki Społecznej, Departament Rynku Pracy, Warszawa 2009.
16. *Labour Poland 2010 (Praca Polska 2010)* drafted by S. Partner/Grupa Syndex in cooperation with NSZZ “Solidarność”, Warsaw 2010.
17. OECD, *Education at a Glance 2009*, Paris 2009.
18. Polish Government: National Action Programme for Growth and Employment 2008 - 2010, Warsaw, October 2008.
19. Polish Government: Report on the Implementation of the National Action Programme 2008-2010, Warsaw, October 2009.
20. Report *Polska 2030* (www.polska2030.pl)