

Annual Review 2012

Poland - Labour Relations and Social Dialogue

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Executive Summary

The situation of the Polish economy during the global crisis has been relatively good as it was the only country in the EU, which noted economic growth in 2009 and quite fast restored the high dynamics of the GDP. However, the detailed indicators concerning social situation show that the levels of youth unemployment are high, also among university graduates. Along very small dynamics of jobs creation, the real growth of wages has been declining in the recent years. The labour market restructuring is apparent as the atypical employment is on the rise, especially among the youngest workers.

Driven by the paradigm of fiscal consolidation, the spending from the Labour Fund is significantly restricted and wage increases for employees in the budgetary sphere. On the taxation side, the tax-free amount and taxation thresholds have been frozen and the VAT has been increased. Such measures hit the poorest strata of the society.

The context of low unionisation, especially in the private sector, creates unfavourable conditions for trade unions actions. The result is relatively low coverage of collective agreements on a company level, as well as a minor role of the Tripartite Commission, the main arena for social dialogue in Poland.

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1. Report

1.1 Socio-economic developments

Even though the global crisis impeded the dynamics of the GDP, Poland was the only country in the EU with a positive GDP growth rate in 2009, which after this year was relatively high: in 2010 it equalled to 3,9%, to increase to 4,3% in 2011, which was more than expected. The source of the growth fluctuated from year to year. While in 2008 the growth was maintained mainly due to the domestic demand, in 2009 it was more external demand, and to a lesser degree, a domestic demand. In 2010, the external demand dynamics contributed negatively to the GDP growth, therefore the GDP growth should be associated with growing domestic demand (mainly private consumption), combined with an increase in inventories. In 2011, the domestic demand was the major reason behind the growth, with a small but positive contribution of the external demand. For 3 quarters of 2012, the dynamics of the GDP growth declined compared to 2011, which will result in smaller economic growth for the whole year. When analysed in terms of per capita, Polish GDP remained low compared to other EU countries: in 2011 it was 8300 Euro. Polish GDP per capita in Purchasing Parity Standard was increasing as well: while in 2008 it was 56% of the EU average, in 2009 it grew to 61%, 63% in year 2010 and 65% in 2011. Poland moved upwards in the ranking of countries: while in 2008, it was only Bulgaria and Romania which had smaller GDP per capita in PPS, in 2011 it was also Latvia and Lithuania, which suffered extensively from the crisis.

Poland has been the leading country in terms of the FDI in the region of CEE. Between 2008 and 2010, the inflow of FDI was negative, while in 2011, FDI noted dynamic increase of 46,7%, compared to the previous year. In nominal terms, the FDI inflow equalled to approx. 10 billion Euro in 2008, in 2009 it declined to 9,86 billion Euro, to decrease even further in 2010 (6,69 billion Euro). In 2011, the FDI increased to the level of 10,9 billion Euro. It is estimated, that for 2012, the level of FDI from the previous year will be sustained.

When it comes to the balance of payment, it has been negative. In 2008 the it reached 23,818 million Euro, it dropped almost by half in 2009, to

increase to around 18 billion Euro in 2010. This level of negative balance of payment was sustained in 2011. For the first two quarters of 2012, the negative balance of payments has been approximately 6,7 billion Euro.

As for the trade balance, it has been negative as well, with the peak year 2008, when it reached ---- 26,404 million Euro. In the following years, the balance improved: in 2009 it equalled to -9,310 million Euro, while in 2010 -13,815 m. Euro and in 2011: -15874 million Euro. The main international trade partners of Poland are Germany (the biggest partner in both imports and exports), Russia and China (imports), France and Great Britain (exports).

Polish law on public finances indicates the national debt levels which trigger the budgetary measures. The thresholds are stipulated by the debt levels of 50%, 55% and 60% (with the growth of debt, the budgetary measures must be more severe).

Both national debt and deficit have been negative. Between 2008 and 2010, the general government deficit more than doubled from 3,7% to 7,8%, while in 2011 it declined to 5,1%.

Since 2009, Poland has been subjected to the Excessive Deficit Procedure. The level of debt remains under the threshold of 60% of GDP which, however, induces reductions in spending in the public sector. Currently, Poland is on the way towards 3% deficit benchmark. Of importance here was the effort of the government to not to include the systemic cost of the pension reform in the calculation of deficit, retention of part of contributions to the private component of the pension system and increasing the basic rate of VAT by 1pp.

In the period 2008-2011, the total revenue from privatization equalled to almost 44 billion PLN, which is 32% the total privatization revenues since 1989.

The level of inflation fluctuated in the period 2008-2011. In 2008, the level of inflation equalled to 4.2%, and was declining to 3.5% in 2009 and 2.6% in 2010. This trend was reversed in 2011, when the inflation index was 4.3%. For 2012, it is

estimated that the inflation rate will be lower than in the previous year.

Since 2008, the dynamics of average monthly gross real wages and salaries has been in a steady decline. While compared to the previous year, in 2008, the real increase of wages was 10.2%, in 2009 it was 5.5%, to reach 1.5% and 1.2% in 2010 and 2011, respectively. Such low real growth means that there were quarters in which the real wages were declining. The situation continues in 2012: in the first quarter the real growth of wages was 1.5%, in the second a decline by 5.2pp was noted. The minimum wage was a subject of intense negotiations in the Tripartite Commission. In the analysed period it grew from 1126 PLN (2008) to 1500 (2012). Importantly, in the analysed period, the minimum wage was around the level of the social minimum poverty line for a single individual household, and significantly below the social minima for households with more individuals.

Compared to other European countries hit by the crisis, the situation in the labour is moderately bad. The employment rate has been oscillating around 60%, while the average for the EU is 64%. The employment rate for men is higher than for women, and on average the difference is as much as 13pp (2nd quarter 2012). The unemployment rate has been increasing since 2008 and in the 3rd quarter 2012 it was 10% (against 10.2% for the EU). Here again, the gender differences are visible as well.

However, when looking deeper, it turns out that many negative tendencies appear. First, the level of youth unemployment is relatively high. The general employment level in Poland locates Poland at the bottom of the EU. However, the trend that had developed in the 2000s is the temporary employment. Since 2008 it remains quite stable at the level of 26-27% of the total employment against the EU average of 14%. In the second quarter of 2012, the temporary workers constituted 27.5% of all employed. Importantly, other forms of atypical employment are widespread as well: it is agency work and Civil Code contracts, which give much less social and labour rights and employment stability. This phenomenon is especially widespread among young Poles.

Measured as 60% of the median income, the percentage of population in poverty grew between 2008 and 2011 from 16.9% to 17.7%. The extent of poverty in Poland is less than 1pp bigger than

the EU average. However, the scale of extreme poverty, has been growing since 2008: while it was 5.6% of Poles in 2008, in 2011 it was 6.7%.

The income inequality has been relatively stable since 2008. While in 2008 the Gini coefficient (calculated by Eurostat) was 32.0, it decreased to 31.1. In other words, the monetary inequality slightly decreased in the analysed period, nevertheless,, its level remains high in the EU context. According to the CSO, the Gini coefficient was higher: 33.9 and 33.8, respectively. The highest income inequality was noted among farmers (53.9 in 2011), lowest – among pensioners (24.4).

As of 31 March 2011 (last Census), the population of Poland was 38.511 million.

The EU provides important regulatory framework in several fields, and its major impact is channelled through the public finances compliance. At the same time, Poland benefited significantly from the structural funds.

It is estimated that around 2 million Poles reside abroad. Since 2008, some returns have been noted; nevertheless, Poles who left the countries of migration hit strongly by the crisis (UK, Ireland) migrate to other countries rather than return to Poland. At the same time, the inflow of foreigners to Poland is substantially lower. The main countries of origin are Ukraine, Belarus and Russia. In 2012, the abolition for illegal immigrants in Poland was carried out.

Poland is characterized by a strong concentration of innovation or relatively developed industry. Such centers are located in the western part of Poland and are concentrated around big cities like Poznań, Wrocław or Gdańsk (with IT, car manufacturing etc.). An interesting case is Górný Śląsk, relying heavily on coal extraction-it used to be a centre of heavy industry in Poland, now its role is diminishing. The parts of Poland which remain underdeveloped economically are located in the eastern part of the country. There is a lack of industry there, especially in the towns of a smaller size. Also, the centres of new technologies are missing there, with a notable exception of Rzeszów (south-east), where some R&D aviation centre is located.

The estimates regarding the shadow economy vary, however, it is assumed it equals to 20% of the GDP.

1.2 State policies

In 2011 parliamentary elections, the status quo has been maintained, as the government led by Donald Tusk is comprised of the same parties as during the previous term: Platforma Obywatelska (Civic Platform) and Polskie Stronnictwo Ludowe. The biggest opposition party is Prawo i Sprawiedliwość (Law and Justice), led by Jarosław Kaczyński. In 2010, the presidential elections took place. It was Bronisław Komorowski (PO), who received the majority of votes.

The dominant line of policy-making in Poland stems from the fiscal discipline which dictates choices of the government to reduce spending in the context of limited revenues coming from taxation and the efforts to limit public debt and deficit. The Euro 2012 provided impetus for infrastructural investment (motorways, railways), financed mainly from the European funds and created a buffer against the impact of the global crisis. Currently, the investment loses its dynamics as many investments have been suspended as they would contribute to the fiscal deficit and raising public debt due to the requirement of co-financing. It should be mentioned, that a similar situation is observed at the level of local governments which became significantly indebted after providing own share to for EU funds.

As for the Personal Income Tax, currently there are two rates: 18% and 32% (since 2008, when PiS with the support of PO legislated this reform). Additionally, the non-taxable amount and the tax threshold have been sustained for some years, which in real terms meant that the reform benefited richer households. In 2011, the basic VAT rate has been increased by 1 percentage point (23%), which was accompanied by the increases of preferential rates for some goods (from 5 to 8%). At the same time, the rate for some food-stuffs has been reduced. All in all, such changes are seen as harming the poorest individuals.

The changes in social insurance contributions have been made in the recent years as well. After decreasing the disability pension contribution, the deficit of the Social Insurance Institution increased. As a result, the disability contribution has been raised on the side of an employer.

As for the spending side, Polish government has frozen wage increases of employees in the government sector (apart from teachers). Also, for many years, the income thresholds qualifying for social assistance benefits remained unchanged, which mean the decrease in the number of people

eligible (and hence, social spending reduced). Only recently, the thresholds have been increased. Also, the funeral benefit was cut by half. The major problem remains underfunding of healthcare in Poland. In 2010 the total costs of healthcare were around 7.5% of GDP, which is significantly lower than the European average of 9.88% of GDP. Importantly, out of the total expenditure, 28% of healthcare expenses come from private resources.

The impact of the European Union on the political and social developments remains rather limited. The membership in the EU has an indirect impact through the requirements regarding the fiscal discipline. However, when it comes to the European structural funds, their role has been essential in developing Polish infrastructure (motorways, railways etc). The funds also benefited Polish civil society, including social partners – all major trade unions, as well as employers' organisations draw from them. Also, the EU has an impact on the law regarding health and safety, working time and anti-discrimination but also workplace representation (information and consultation bodies).

As mentioned, the in the analysed period Poland introduced several changes in the social policy sphere. One of the most discussed reforms concerns increasing retirement age from 60 to 67 years for women and from 65 to 67 for men. In the case of men the retirement age should be achieved in 2020, while in the case of women – in 2040. Changing proportions of contributions to private pension was another major development – the reform deferred part of contributions previously going to the second pillar (managed by private companies) of the pension system to the publicly-managed first pillar. The reduction was presented as temporary measure aimed at reducing the dynamics of public debt, however, whether it is sustained, remains unclear. Finally, in 2012, the flat rate increase of old-age pensions was introduced.

Regarding unemployment compensation, in the beginning of 2010, the rules on the level of benefits were changed: instead of the flat rate during the whole stipulated period, the benefit base amount is higher during first three months and it decreases in the remaining period (the level of benefit depends on the years of service while the length of payment-on the regional unemployment level).

One of the most important legal solutions was the so-called anti-crisis package introduced in August 2009. The main measures were targeted at employers and included: more flexible management of working time, a temporary reduction in working hours and salaries with a simplified procedure, financial aid for employers introducing reduced working time or production stoppages (wage subsidies and stipends), financial support for those employers who want to increase the human capital of their employees, and the possibility of repeated employment based on fixed-term contracts of 24 months. The time frame of the package was September 22 2009 – December 31 2011.

The labour market policy is limited for the budgetary reasons: the Labour Fund has displayed a significant surplus for some years, however it is not spent as the government does not want to increase the level of the deficit. Another long-term trend is a small proportion of unemployed who draw unemployment benefit.

Trade unions reacted to many government initiatives. Accordingly, NSZZ Solidarność collected around 1.5 million of signatures under the petition submitted to the Parliament to carry out a general referendum regarding increasing the retirement age (this initiative was supported by two other confederations). The petition was declined. OPZZ proposed an alternative to the governmental proposal, but also submitted an appeal to the Constitutional Tribunal regarding the increase of the retirement age (Solidarność did it separately); the Tribunal will deal with it in the coming months. Also the flat rate pension indexation is the subject of OPZZ's appeal to the Tribunal. Another visible reaction towards the governmental policies was a number of manifestations protesting against privatisation of healthcare, organised by the National Trade Union of Nurses and Midwives.

1.3 Industrial Relations

The industrial relations in Poland are strongly affected by a weak representation of workers, especially in the private sector. Partially, the reason for this lies in the legal framework, which stipulates that the basic trade union unit is a company organization, which can be established by 10 workers. If one compares this requirement with the fact that around 38.5% workers is employed in companies with 9 workers and less, this leads to the direct exclusion of such a big group. Other

forms of representation (information and consultation bodies) are possible to establish in even bigger entities (employing more than 50 workers since 2008, previously - 100 workers).

Polish labour market is characterised by a strong asymmetry of labour relations and, consequently, several violations of labour law and related standards. The issues which have been indicated by the Labour Inspection included growing delays in salary payment, increasing scale of illegal employment, forced self-employment and forced civil-contract employment, avoiding payment for overtime hours and working conditions below stipulated standards.

According to the most recent representative survey (conducted in March 2012), 12% of workers belong to a trade union. The split for the confederations is the following: NSZZ Solidarność - 5% of workers, OPZZ - 3% of workers, FZZ - 2% of workers, and other unions - 2% of workers (however, approx. 1% of respondents indicated union belonging to OPZZ or FZZ, so their membership is higher, while the membership in other unions – smaller). Union density and consequently, the bargaining power of TU vary depending on the sector of economy. Public sector is the most unionised (19% of workers), and this includes healthcare, education and state-owned companies. Also former state-owned companies, especially in the heavy industry, belong to the most unionised (20% of workers belong to a trade union in mining and production). The private sector is significantly less unionised, which seems a function of companies' size (they are much smaller) and the negative attitude of employers towards unions. Accordingly, in the retail trade 2% of employees are unionised, while in transport and construction 4% in each sector. In the companies employing more than 250 workers, 26% are unionised, while in small companies (less than 50 workers) – only 7%. It should be mentioned, that for the first time in many years, NSZZ Solidarność noted net gain of members in 2011. It was also Solidarność which submitted a complaint to the ILO concerning the restrictions on the 'atypical' workers' assembly rights in Poland in 2011. In 2012 the ILO regarded the current law on the trade unions as incompatible with the ratified international documents.

Polish trade union movement has been characterised by the split along political lines. It means relatively rare cooperation at the national level

between unions, especially NSZZ Solidarność and OPZZ. An example of such cooperation could be the collection of signatures under petition against rising the retirement age. At the company level, such cooperation is seen more often, however, the competition between unions is visible there as well, especially coming from smaller, independent trade unions. This is why especially Solidarność emphasize the need to increase the requirements for the representativeness status for company organisations. Introducing such changes would strengthen representativeness, but on the other hand, would further strengthen organisations which are already relatively powerful, such as NSZZ Solidarność.

The situation of Employers' organizations remains stable. Their number, as well as estimated coverage do not change over time and revolves around 40% of employees. Currently, there are four employers' associations which have a representative status in the Tripartite Commission: Business Centre Club, Polish Crafts Association (Związek Rzemiosła Polskiego), Employers of Poland (Pracodawcy RP) and Polish Confederation of Private Employers 'Lewiatan' (Polska Konfederacja Pracodawców Prywatnych Lewiatan). The organizations of employers are very active actors in the political sphere, but also in media. This imbalance contributes to the underrepresentation of the labour movement in the public discourse.

The major result of industrial relations at the central level (within the framework of the Tripartite Commission) was the already mentioned anti-crisis package from 2009. It was the peak of interactions between employers and trade unions. Since then, the intensity of the Tripartite Commission's work diminished due to the unilateral approach of the government. Even though the discussion regarding the package was initiated by the government, social partners, disappointed with the direction taken by the government and a slow pace, discussed the content of the package without the involvement of the government's representatives. Afterwards, in March 2009, the social partners delivered the package to the government, which, after modifying it, sent the bill to the Parliament.

The second major policy proposal debated in the Tripartite Commission concerned the minimum When it comes to the strike activity, the peak year was 2008, when 12 765 strikes took place. Such

number is outstanding, given that in 2007 there were 1736 strikes and in 2009 the number dropped to 49, in 2010 – 79, while the estimates for 2011 indicate approximately 53 strikes.

1.4 Youth unemployment

As in other countries, the unemployment rate for youth is higher than the average unemployment rate. Since 2008 the youth unemployment has grown to reach 25.2% for the age group 15-24 (2q 2012), while the rate for those 25-29 equalled to 13.1%. The major issue here is the transition from school to work as the unemployment rate among graduates was as high as 30.8% in the first quarter of 2012. The unemployment in this group declines significantly with the level of education, but still the level of unemployment for the university graduates is 21.3%, while more than half of graduates with basic vocational education remains unemployed (50.3%). This partially has to do with the skill mismatch on the side of youth, but the main reason is the limited demand for new workers. Therefore, while the measures regarding training and retraining should be important, and the limited spending on this item is a major labour market policy problem, the labour demand remains the main challenge. Generally, young Poles suffer from the crisis significantly more than other workers.

1.5 Forecasts

Smaller dynamics of GDP growth is expected starting from 2013. The economic situation is expected to affect labour market as well, especially in terms of growing unemployment. The negative situation will be deepened by the fiscal policy affecting spending from the Labour Fund. Also, after the end of the Euro 2012 tournament investment rush and expected smaller resources from 2014-2020 Financial Perspective, the prospects for the labour market improvements are negative, given the low impact of the Tripartite Commission on the labour relations.

2. Annex of data

2.1 Structure of the economy (0,5-1 page) (ES)

Structure of the economy by the employment size in non-financial entities (in %)

Year/ employment category	2008	2009	2010	2011 (est.)
up to 9 employees	96	95,9	95,9	95,9
From 9 to 49 employees	2,9	3	3	3
From 50 to 249 employees	0,9	0,9	0,9	0,9
Above 250 employees	0,2	0,2	0,2	0,2

Source: GUS, own calculations

Structure of the economy by the economic sector (in %)

Year/ sector	2008 Q1	2008 Q2	2008 Q3	2008 Q4	2009 Q1	2009 Q2	2009 Q3	2009 Q4	2010 Q1	2010 Q2	2010 Q3	2010 Q4	2011 Q1	2011 Q2	2011 Q3	2011 Q4	2012 Q1	2012 Q2
Industry	31,7	31,4	32,1	31,9	31,1	30,8	31,1	30,7	29,8	30,0	30,0	30,2	30,3	30,4	30,3	30,6	30,0	29,9
Services	54,6	54,2	53,5	54,8	55,6	55,8	55,3	56,4	57,5	57,2	56,9	57,1	57,2	56,8	56,6	57,1	57,8	57,5
Agriculture	13,7	14,4	14,4	13,3	13,3	13,4	13,6	12,9	12,8	12,8	13,1	12,7	12,5	12,8	13,1	12,3	12,2	12,6

Source: Eurostat

2.2 Collective Bargaining System

Given the mainly advisory role of the social dialogue institutions at the national, branch and regional level, the major level of bargaining is located at the level of companies. Collective agreements regulate the conditions of work, pay health and safety and other work-related issues given the agreed conditions are not worse than stipulated by law. A collective agreement can be introduced only in companies where trade union organisations exist. There is no exact data on a number of collective agreements-they need to be registered with the Regional Labour Inspection (it is estimated at around 2500 for 2011). The only available data concerns newly registered collective agreements and annexes to agreements. According to the Labour Inspection annual report,

in 2011 136 collective agreements were registered, while for annexes the number was 1291. The report states, that the protocols modified the already existing agreements so that only minimum requirements are met. Altogether, the agreements and protocols registered in 2011 covered around 50 thousand workers.

When it comes to the company-level agreements, the Labour Inspection noted that when new additional protocols are registered, they go in the direction of reducing the scope of the agreements already in place. Also, the noted tendency is the decline of standards in newly registered collective agreements. Accordingly, most of the new collective agreements are the repetition of the existing minimum standards.

2.3 System of tripartite social dialogue

At the national level, the tripartite social dialogue takes place in the Tripartite Commission, established in 1994 and then reshaped in 2001. The Commission's role is mainly advisory: such role is especially visible in the preparation of a budget bill and changes in social benefits and minimum role is also advisory with respect to developments taking place at the local level. When it comes to branch/sectoral dialogue, one can point out Tri-

wages. There are also 16 regional bodies (Wojewódzka Komisja Dialogu Społecznego, Voivodship Committee for Social Dialogue) for social dialogue (one per voivodship). The bodies gather social partners, local and central government representatives.

Their partite Sectoral Committees (Trójstronne Zespoły Branżowe). They function outside of the Tripartite Commission, and a majority of them is affiliated

with the Ministry of Labour and Social Policy. In 2011 there were 13 such Committees, focusing

mainly on industrial production.

2.4 Social security systems

In the case of healthcare insurance there is no reliable data: the number of insured in the registered is higher than the population of Poland, plus the family members of an insured person are also covered. However, it is estimated, that one million of Poles is not covered by the health insurance. are covered by the healthcare, old-age pensions, unemployment and against other social risks.

Also, in the case of unemployment compensation and old-age pensions, the rules concerning employment on the basis of *some* Civil Code regulations do not make the social insurance mandatory. In principle, all workers employed on the basis of the Labour Code regulations.

2.5 Education and vocational training

Since the mid-1990s, an outflow from vocational education towards general education has been observed. This trend especially affected basic vocational schools. At the same time, graduates from these schools experienced significant problems with finding a job in spite of their profiled education, which in other cases increases the probability of a successful transition to the labour market. The diplomas from vocational education are not widely recognised by employers, as during final examinations the emphasis is put on theoretical knowledge (. Employers often raise the argument that school leavers do not have sufficient work experience; however, as the section below demonstrates, employers have only a lim-

ited interest in participating in training and vocational certification as well as in indicating demand for the skills needed. In 2010, less than 23% of Polish companies cooperated with a school or a centre for practical training. Out of the companies which did cooperate, 63% engage in practical training, 60% in in-company training, 50% sponsor schools and another 48% provide both practical and theoretical training. A significantly lower number of companies (5–6%) take part in other forms of cooperation with schools such as preparing curricula, training teachers, or providing materials and equipment. Importantly, larger companies were 10 times more often involved in training than small or micro companies.

2.6 Employment rate (1/2 page) (ES)

2	Year/ Group	2008 Q1	2008 Q2	2008 Q3	2008 Q4	2009 Q1	2009 Q2	2009 Q3	2009 Q4	2010 Q1	2010 Q2	2010 Q3	2010 Q4	2011 Q1	2011 Q2	2011 Q3	2011 Q4	2012 Q1	2012 Q2
	Total 15-24	26,6	26,8	28,4	27,7	27,0	26,6	27,0	26,5	25,6	26,3	27,5	25,8	23,7	25,3	26,0	24,7	24,1	24,9
	Men 15-24	29,7	30,1	32,2	31,7	30,2	30,0	30,8	30,4	29,0	30,2	31,7	30,4	28,0	29,7	31,2	29,4	28,1	29,1
	Women 15-24	23,3	23,3	24,5	23,7	23,8	23,1	23,2	22,5	22,2	22,1	23,2	21,0	19,2	20,6	20,6	19,9	19,8	20,6
	Total 25-49	78,8	79,4	80,4	80,8	79,4	79,9	80,1	79,5	77,7	79,1	79,4	79,1	78,5	78,7	79,0	79,0	77,9	78,4
	Men 25-49	85,3	85,8	87,1	87,2	85,8	86,2	86,5	85,4	83,2	84,7	85,4	85,1	84,0	85,0	85,6	85,4	83,8	84,6
	Women 25-49	72,4	73,0	73,8	74,4	73,0	73,6	73,7	73,6	72,3	73,6	73,4	73,2	72,9	72,3	72,3	72,6	72,0	72,2
	Total 50-59	51,9	53,9	55,3	55,3	54,3	55,1	56,7	57,3	56,1	57,4	58,8	58,6	58,6	60,2	60,4	60,0	60,1	61,8
	Men 50-59	61,9	64,3	65,9	65,5	64,2	65,2	66,8	66,6	65,0	65,8	67,3	67,6	66,7	68,1	68,2	67,6	67,3	69,5
	Women 50-59	42,6	44,3	45,6	46,0	45,2	45,9	47,4	48,8	47,9	49,6	50,9	50,4	51,2	53,0	53,2	52,9	53,4	54,7

Source: Eurostat LFS

2.7 Unemployment rate

Year/ age group	2008 Q1	2008 Q2	2008 Q3	2008 Q4	2009 Q1	2009 Q2	2009 Q3	2009 Q4	2010 Q1	2010 Q2	2010 Q3	2010 Q4	2011 Q1	2011 Q2	2011 Q3	2011 Q4	2012 Q1	2012 Q2
Total 19-24	18,9	17,1	16,1	17,1	19,3	19,2	21,8	22,3	24,7	23,1	23,4	23,5	26,7	24,6	25,4	26,4	27,7	25,2
Total 25-49	6,8	6,1	5,7	5,6	7,1	6,8	6,7	7,2	9,5	8,3	7,8	8,0	8,7	8,3	8,0	8,5	9,3	8,8
Total 50-59	7,5	5,8	5,2	5,6	7,1	6,8	6,3	6,6	8,2	8,1	7,5	7,9	8,1	7,4	7,3	7,7	8,2	7,9

Source: Eurostat LFS

The choice of the data was driven by the comparability reasons. The register data (referring to individuals registered with Public Employment Services) remains higher by about 1 percentage point.

2.8 Net average monthly salaries

Year/ Indicator	2008 Q1	2008 Q2	2008 Q3	2008 Q4	2009 Q1	2009 Q2	2009 Q3	2009 Q4	2010 Q1	2010 Q2	2010 Q3	2010 Q4	2011 Q1	2011 Q2	2011 Q3	2011 Q4	2012 Q1	2012 Q2
Net salary in PLN	2122	2101	2112	2201	2286	2212	2236	2326	2377	2294	2298	2461	2481	2412	2440	2565	2606	2502
Net salary in EUR	608	602	605	630	531	514	519	540	597	576	577	601	606	589	596	626	623	598

2.9 Gender pay gap

The unadjusted gender pay gap for the hourly gross wages in Poland was well below the EU average (in 2010 it was second lowest in the EU – 96% of the male wages, after a significant decline). However, when one looks at monthly gen-

der wage ratio, women's wages fluctuate around 85% of the male wages.

2.10 Net monthly minimum wage (1/4 page) (ND)

Year/ indicator	From 1 2008	From 1 2009	From 1 2010	From 1 2011	From 1 2012
Minimum salary in PLN	1126	1276	1317	1386	1500
Minimum salary in EUR*	323	296	331	338	359

Source: CSO, own calculations *average exchange rate for a given year

2.11 Actual weekly working hours

Year/ indicator	2008 Q1	2008 Q2	2008 Q3	2008 Q4	2009 Q1	2009 Q2	2009 Q3	2009 Q4	2010 Q1	2010 Q2	2010 Q3	2010 Q4	2011 Q1	2011 Q2	2011 Q3	2011 Q4	2012 Q1	2012 Q2
Actual average weekly hours in work	40,9	41,2	41,0	40,7	40,7	40,8	40,8	40,6	40,5	40,6	40,7	40,5	40,3	40,6	40,7	40,5	40,5	40,7

Source: Eurostat

As seen in the table, the number of actual working hours remains relatively stable, which is an indication that the labour market restructuring has taken

a different form during the economic slowdown. Given the declining dynamics of real wages growth, the adjustment took mostly a form of a real wage change.

2.12 Normal work / atypical work

Year/ indicator	2008 Q1	2008 Q2	2008 Q3	2008 Q4	2009 Q1	2009 Q2	2009 Q3	2009 Q4	2010 Q1	2010 Q2	2010 Q3	2010 Q4	2011 Q1	2011 Q2	2011 Q3	2011 Q4	2012 Q1	2012 Q2
Fixed-term empl*	26,4	26,9	27,4	26,8	25,6	26,5	27,1	26,4	25,9	27,0	28,1	27,7	25,9	27,0	27,4	27,2	26,6	27,5
Part-time empl*	8,2	7,6	7,6	7,6	7,9	7,8	7,5	7,4	7,8	7,8	7,4	7,5	7,5	7,2	7,0	7,3	7,4	7,2

Source: Eurostat LFS *As percentage of total employment.

The growing importance in the labour market is gained by the so-called Civil Code contracts (*umowy cywilno-prawne*). These contracts have significantly reduced social protection rights attached – in contrast to employment based on the Labour Code, no risks of sickness, maternity or unemployment are compulsorily covered under some civil law contracts. Also, in some cases healthcare insurance is not mandatory which

means that a significant number of workers are not insured. Moreover, employment based on the Civil Code does not follow regulations regarding minimum wage, working time, holidays and overtime remuneration, and a record of years of service is also not included. The controls by the Labour Inspection in 2011 revealed that approx. 21% of workers in the controlled companies were employed on the basis of the Civil Code contracts

2.13 Migration flows 2008-2012

There is no reliable data on the migration flows. Instead, Polish Central Statistical Office publishes data on the stocks of Poles abroad.

Year/Stock	2008	2009	2010	2011
Emigration	2,210,000	2,100,000	2,000,000	2,017,000

Source: GUS

2.14 Human Development Index (HDI) (1/8 page) (UN)

Year/ indicator	2008	2009	2010	2011
HDI	0.804	0.807	n.a.	0.813
Rank	39	41	n.a.	39

Source: UNDP

2.15 Gini-coefficient on Income and on Assets (if any) (1/8 page) (ES)

Year/ value	2008	2009	2010	2011
Gini coefficient	32,0	31,4	31,1	31,1
Ranking in the EU	20	19	16	17

Source: Eurostat, EU-SILC

2.16 Collective agreement coverage

There is no exact data on the collective agreement coverage. Last reliable data (2010) indicates that approximately 30% of workers are covered by

the collective agreements negotiated at a company level.

2.17 Ongoing important collective bargaining agreements

The negotiations in the Tripartite Commission revolve around the measures countering the results of the economic crisis. Accordingly, the issues of extending working time settlement and flexible arrangements are being negotiated, however, the consensus on this issue is not likely to be achieved. The major conflict line is how to negotiate and implement such regulation in a company: through a collective agreement negotiated with a company trade union organisation (other company's union if the organisation is missing) which is the standpoint of the labour side, or with the representatives of workers directly – a solution which is supported by employers. Given the stalemate, the Ministry of Labour and Social Policy will prepare the bill without further consultations within the Commission.

2.18 Trade union density

According to the most recent representative survey (conducted in March 2012), 12% of workers belong to a trade union. The split for the confederations is the following: NSZZ Solidarność - 5% of workers, OPZZ - 3% of workers, FZZ - 2% of workers, and other unions - 2% of workers (however, approx. 1% of respondents indicated union belonging to OPZZ or FZZ, so their membership is higher, while the membership in other unions – smaller). The drop since 1991 has been very significant: while in 1991 19% of Poles (so it is a wider category than workers) belonged to a trade union, in 2000 it was 9%, and finally in 2012 only 6%.

Union density and consequently, the bargaining power of TU vary depending on the sector of

2.19 Employer's organizations density

There is no exact data on the strength of employers' organizations, it is estimated that they cover no more than 40% of workers in the economy.

2.20 Workplace representation

Apart from TU, the representation of employees can take the form of workers' councils in state-owned enterprises (introduced in 1981) and works councils whose functioning is regulated by the Act on the Information and Consultation of Employees

The second issue negotiated in the Tripartite Commission concerns limiting the time span of flexible contracts. Here the sides agree that there should be a limit on the length of fixed-term contracts. The proposition is that if the length of contracts reaches the limit, the possibility of extending such contracts can be negotiated by employers and trade unions within a framework of a company collective agreement. Importantly, the government declares that if such compromise is reached within the Commission, such regulation will be introduced. Both employers and unions emphasise that this change would reinvigorate social dialogue at a company level.

economy. Public sector is the most unionised (19% of workers), and this includes healthcare, education and state-owned companies. Also former state-owned companies, especially in the heavy industry, belonged to the most unionised (20% of workers belong to a trade union in mining and production. The private sector is significantly less unionised, which seems a function of companies' size (they are much smaller) and the negative attitude of employers towards unions. Accordingly, in the retail trade 2% of employees belong to a trade union, while in transport and construction 4% in each sector. In the companies employing more than 250 workers, 26% of them are unionised, while in small companies (less than 50 workers) – only 7%.

Given the dominance of very small companies, employing less than 9 workers, the employers are very fragmented and their interests diversified.

(introduced in 2006). 10 employees are required to establish a trade union at a company level. If a TU membership exceeds 10% of workers in a company, the TU is considered representative for the purpose of the collective bargaining. Another

way of gaining representativeness of a company's TU is membership in a TU confederation eligible to participate in the Tripartite Commission on Socio-Economic Affairs - in such case the membership of 7% of workers is required. TUs representatives at a company level have the right for the office space and are protected against a dismissal.

It is possible to establish a works council in a company employing more than 50 workers (before 2008 – 100). Also before 2008, one of the ways of selecting representatives to the council was the direct nomination by a trade union. Currently, all representatives must be voted by company's employees. In September 2012, there were 3323 works councils present in Poland.

2.21 Trade union mapping

Trade union mapping	in National Language		in English
Name of TU Federation/Confederation/Trade Union	Ogólnopolskie Porozumienie Związków Zawodowych		All-Poland Alliance of Trade Unions
Founding Year	1984		
Sector/Branch	Nation-wide, All sectors		
Cycle of Congresses/Last Congress	OPZZ congresses take place every four years. Last congress took place in 2010		
Important Functionaries (Chairman, President, International Secretary, Youth Leader, etc.)	Name	Function	Homepage
	Jan Guz	Chairman	http://opzz.org.pl/english/structure
	Monika Ditmar	Youth Committee	http://opzz.org.pl/portal/komisje_problemove/komisja_mlodych_opzz.html
	Piotr Ostrowski	International Department	http://opzz.org.pl/portal/komisje_problemove/miedzynarodowe.html
Number of Members	Reported: 792,500 (2011), Survey: 621,000 (Związki Zawodowe i Prawa Pracownicze, CBOS, 2012)		
Cooperation in national committees	Representative member of the Tripartite Commission		
Memberships	Regional Umbrella Associations		Global Umbrella Associations
	ETUC		ITUC

Trade union mapping	in National Language		in English
Name of TU Federation/Confederation/Trade Union	Niezależny Samorządny Związek Zawodowy Solidarność		Independent Self-governing Trade Union "Solidarity"
Founding Year	1980 (illegal between 1982 and 1989)		
Sector/Branch	Unitary trade union, encompassing all sectors of the economy		
Cycle of Congresses/Last Congress	For the purposes of electing president and National Council, National Delegates' Assembly meets every four years. The current president was elected in 2010.		
Important Functionaries (Chairman, President, International Secretary, Youth Leader, etc.)	Name	Function	Homepage
	Piotr Duda	President	http://www.solidarnosc.org.pl/pl/prezydium-komisji-krajowej.html
Number of Members	Reported: 667,500 (2011), Survey 621,000 (Związki Zawodowe i Prawa Pracownicze, CBOS, 2012)		
Cooperation in national committees	Representative member of the Tripartite Commission		
Memberships	Regional Umbrella Associations		Global Umbrella Associations
	ETUC		ITUC, TUAC

Trade union mapping	in National Language		in English
Name of TU Federation/ Confederation/Trade Union	Forum Związków Zawodowych		Trade Unions Forum
Founding Year	2002		
Sector/Branch	All-branch encompassing trade union confederation		
Cycle of Congresses/ Last Congress	FZZ Congress meets every four years and elects leaders. The last congress took place in 2010		
Important Functionaries (Chairman, President, International Secretary, Youth Leader, etc.)	Name	Function	Homepage
	Tadeusz Chwałka	President	http://www.fzz.org.pl
	Tomasz Jasiński	International Secretary	
Number of Members	Reported: 408,000 members (2012), Survey: around 310,000 (2012)		
Cooperation in national committees	Representative member of the Tripartite Commission		
Memberships	Regional Umbrella Associations		Global Umbrella Associations
	ETUC		

2.22 Employer Association Mapping

Employer Association Mapping	in National Language		in English
Name of the association	Polska Konfederacja Pracodawców Prywatnych Lewiatan		Polish Confederation of Private Employers - Lewiatan
Founding Year	1999		
Sector/Branch	Mainly private sector, all-encompassing		
Cycle of Congresses/ Last Congress	General Assembly meets every year. Last meeting took place in May 2012		
Important Functionaries (Chairman, President, Director, etc.)	Name	Function	Homepage
	Henryka Bochniarz	President	http://pkpplewiatan.pl/o_nas/o_lewiatanie/wladze/zarząd
	Justyna Politańska	Youth Forum	http://pkpplewiatan.pl/o_nas/forum_mlodych
Number of Members	62 regional and branch associations-altogether 3750 companies employing approx. 750,000 workers		
Cooperation in national committees	Representative member of the Tripartite Commission		
Memberships	Regional Umbrella Associations		Global Umbrella Associations
	BusinessEurope		BIAC

Employer Association Mapping	in National Language		in English
Name of the association	Pracodawcy Rzeczypospolitej Polskiej		Employers of Poland
Founding Year	1989		
Sector/Branch	Nation-wide		
Cycle of Congresses/ Last Congress	General Assembly meets every year, the term of the President last five years. Last assembly: 2012		
Important Functionaries (Chairman, President, Director, etc.)	Name	Function	Homepage
	Andrzej Malinowski	President	http://www.pracodawcyrp.pl/onas/struktura-organizacyjna/prezydent-i-wiceprezydenci/
Number of Members	7500 companies, employing approx. 4,000,000 workers (85% private sector)		
Cooperation in national committees	Representative member of the Tripartite Commission		
Memberships	Regional Umbrella Associations		Global Umbrella Associations
	CEEP		IOE, ILO, BIAC

Employer Association Mapping	in National Language		in English
Name of the association	Business Centre Club		Business Centre Club
Founding Year	1989		
Sector/Branch	Nation-wide		
Cycle of Congresses/ Last Congress	This information is not available – President of BCC is also a founder of the Club		
Important Functionaries (Chairman, President, Director, etc.)	Name	Function	Homepage
	Marek Goliszewski	President	
Number of Members	2500 companies, employing approx. 600,000 workers		
Cooperation in national committees	Representative member of the Tripartite Commission		
Memberships	Regional Umbrella Associations		Global Umbrella Associations
	CEEP		IOE, ILO, BIAC

Employer Association Mapping	in National Language		in English
Name of the association	Związek Rzemiosła Polskiego		Polish Crafts Association
Founding Year	1933		
Sector/Branch	Nation-wide, represents small and medium enterprises, eligible for conducting vocational tests		
Cycle of Congresses/ Last Congress	Congress meets every year, while electoral Congress takes place every four years. Last congress: November 2012		
Important Functionaries (Chairman, President, Director, etc.)	Name	Function	Homepage
	Jerzy Bartnik	President	http://www.zrp.pl/AboutZRP/tabid/316/language/en-US/Default.aspx
Maciej Prószyński	General Director		
Number of Members	Approximately 300,000 companies		
Cooperation in national committees	Representative member of the Tripartite Commission		
Memberships	Regional Umbrella Associations		Global Umbrella Associations
	NORMAPME, EBC, UEAPME		