

Annual Review 2013

# Poland - Labour Relations and Social Dialogue

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## Executive Summary

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Also in 2012-2013, the public spending is driven by the paradigm of fiscal consolidation. The spending from the Labour Fund is significantly restricted and random wage increases for employees in the public sector. On the taxation side, the tax-free amount and taxation thresholds have been frozen and the higher VAT levels have been maintained. Such measures hit the poorest strata of the society.

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## 1. Report

### 1.1. Executive Summary

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### 1.2. Socio-economic developments

The GDP growth noted for 2012 equalled to 1,9% and even though it was significantly higher than the EU-28 average (-0,7%), it slowed down compared to the previous year (4,5%). As for the contribution of different factors to the growth, for the first time in five quarters, in the third quarter of 2013, the domestic demand started growing (0,5%). An important factor behind the GDP growth was the increased consumption, with a particular contribution of the public consumption. In the second quarter of 2013, the GDP gained dynamics, mainly due to the increased export. Finally, the dynamics of the GDP was due to increased external demand. The GDP per capita for 2012 amounted to approximately 8500 Euro. Polish GDP per capita in Purchasing Parity

Standard improved marginally compared to 2011 from 65% to 66% of the EU average, higher than, among others, Hungary and Latvia.

The Foreign Direct Investment inflow in 2012 saw a significant drop. In nominal terms it equalled to 4,72 billion Euro, compared to 14,83 billion in the previous year. This way, the FDI was significantly smaller compared to the forecasts.

When it comes to balance of payments, 2012 saw a decline of deficit from -5% of GDP in 2011 to -3,7% of GDP in 2012. Quarterly data for the first half of 2013 illustrates the improvement of the balance of payment.

As far as the trade balance is concerned, it remained negative in 2012. While the balance in 2011 equalled to 15,9 billion Euro, in 2012 it dropped to 10,5 billion Euro. The driver behind this change was the surge in exports. The main trade partners are Germany (both imports and exports), the Czech Republic and the Great Britain (exports), and Russia and China (imports). For the period January-September 2013, the situation significantly improved, with a balance deficit of 0,9 billion Euro (compared to 8 billion Euro(!) for a respective period year earlier).

Even though the fiscal deficit was decreasing during the analysed period, it still remained above the EU benchmark of 3% of GDP in 2012 (3,7%). As in previous years, Poland remained in the Procedure of Excessive Debt. According to the Eurostat definition of public debt, it declined from 56,2% to 55,6% of GDP between 2011 and 2012. In the first half of 2013, the debt increased again, to reach 58,3% of GDP. Importantly, the level of public debt was approx. 30pp (percentage points) lower than the average for the EU-28 countries. For the purposes of the Polish law on public finances, the public debt is calculated differently. According to the domestic methodology, in 2011, the level of debt was 53,7% of GDP, while in 2012 – 52,7% of GDP. The law on public finances indicates the national debt levels which trigger the fiscal 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).

Importantly, the lowest threshold was suspended in July 2013 by the government, so that the negative measures would not have taken place. The public debt declined in 2012 for the first time since 2007, which could be attributed to the increase of the disability pension contribution, as well as reducing the stream of contributions going to the second pillar of the pension system as of 2011.

The privatisation process in Poland significantly slowed down in 2012. The total revenue from different forms of privatisation was approximately 9,16 billion PLN.

The inflation rate noted for 2012 was 3,7%, which was a decrease from 3,9%, observed in 2011.

Since the mid-2012, the growth of average monthly gross real wages and salaries has been very limited. In the second quarter of 2012, the change was - compared to the previous quarter - 94,8% (which meant the decline of wages), in the third quarter 100,8%, while in the fourth quarter - 104,7%. In the beginning of 2013, the meagre growth of the wages was continued, while in the first quarter the real change was 101,2%, in the second, the wages dropped to the level of 96,2% compared to the previous quarter. As in previous years, the minimum wage increase was a major topic in the negotiations taking place in the Tripartite Commission. While in 2012, the minimum wage was set at the level of 1500 PLN gross, from January 1 2013, it increased to 1600 PLN gross. As in previous years, the minimum wage was below the social minima for households with more individuals defined by the Institute for Labour and Social Studies (Instytut Pracy i Spraw Socjalnych). Also in the case of single person households, in 2013 the minimum wage surpassed the social minimum by approx. 50 PLN.

Measured as 60% of the median income, the percentage of population in poverty declined from 17,7% in 2011 to 17,1% in 2012. The extent of poverty in Poland is slightly higher than the EU-28 average.

The situation in the Polish market remains moderately bad, though some insights suggest that especially atypical employment of younger

workers is an outstanding problem. The overall employment rate (note: Poland's Labour Force Survey (LFS) results are calculated on different basis and therefore, lost the comparability) in the third quarter of 2013 was 50,7% and remained stable year-to-year. Yet, the drop of the employment rate was observed in the first quarter of 2013. In the third quarter 2013, however, the employment rate was higher than a year earlier. . The employment rate of women was 43,3%, while men - 58,9. Accordingly, the employment gap exceeded 15 percent in the 3<sup>rd</sup> quarter of 2013. When it comes to unemployment, the overall rate was 9,8%, which was a slight decline compared to the third quarter of 2012 (9,9%). Women suffer from unemployment more than men (10,8% in 3<sup>rd</sup> quarter 2013 and 9%, respectively), but in the year-to-year comparison, women's unemployment declined by 0,1percent, while unemployment of men remained unchanged. The problems in the labour market remain the same as in the previous years. 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. 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 2013, the temporary workers constituted 26,9% of all employed, which compared to second quarter of 2012, declined by 0,3 %. 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, of whom 67,8% were employed based on fixed-term contracts.

Measured as 60% of the median income, the percentage of population below this threshold decreased from 17,7% in 2011 to 17,1% in 2012. It meant the reversal of the poverty dynamics in Poland. The extent of poverty in Poland is 0,1 pp bigger than the EU average. However, the scale of extreme poverty has been continuously growing: while in 2011 it was 6,5% of the population, in 2012, the rate grew to 6,7%. Those at risk were especially individuals with low work

intensity households and those with low education attainment.

The income inequality (Gini) between 2011 and 2012 declined from, respectively, 31,1 to 30,9. As in previous years, the biggest inequality is being noted among farmers, the smallest among retirees.

When it comes to the size of population in Poland, according to the 2011 Census, as of March it was 38,511 million. As of June 30, 2013, the population of Poland was 38,502 million.

The estimates of the CSO indicate, that more than 2 million Poles reside abroad. For year 2012, the approximate was 2,130 million persons, which meant the increase of 70 thousand as compared to the previous year.

The main countries of emigration are the UK (approx. 637 thousand), Germany (500 thousand) and Ireland (118 thousand). As for the immigration, there are only 300-400.000 immigrants mainly from Ukraine, Belarus and Russia working in Poland.

Poland is characterized by a strong concentration of innovation or relatively developed industry. Such centres are located in the western part of Poland and/or are concentrated around big cities like Poznań, Wrocław or Gdańsk (with IT, car manufacturing etc). An interesting case is Górny 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 economically underdeveloped are located in the eastern part of the country. There is a lack of industry, especially in the towns of smaller sizes. Here the centres of new technologies are missing, with a notable exception of Rzeszów (south-east), where some Research and Development on aviation is centred.

The estimates regarding the shadow economy vary. Conventionally it is assumed around 20% of the GDP.

### 1.3. State policies

Since 2007 the government in Poland has been composed of two political parties – Civic Platform (PO) and PSL. There were no major shifts in the political composition in the Government; however there were changes of its personal composition. First of all Jacek Cichocki (PO) left the Ministry of the Interior and a new Minister – Bartłomiej Sienkiewicz (PO) was appointed in February 2013. Later on, Jarosław Gowin (PO, now independent MP) was replaced by Jacek Biernacki (PO) at the post of Minister of Justice in May 2013. Biggest changes came in November 2013, when the Prime Minister Donald Tusk decided to appoint seven new Ministers. Minister of Transport Sławomir Nowak (PO) was dismissed, and his Ministry was merged with the Ministry of Regional Development. Elżbieta Bieńkowska (PO), so far the Minister of Regional Development became head of the new and bigger unit and she now is new Deputy Prime Minister. Further changes took place with regard to the following ministries:

- Ministry of Finance: Jacek Rostowski was replaced by Mateusz Szczurek;
- Ministry of Science and Higher Education: Barbara Kudrycka was replaced by Lena Kolarska-Bobińska (PO);
- Ministry of National Education: Krystyna Szumilas (PO) was replaced by Joanna Kluzik-Rostkowska (PO);
- Ministry of Sport: Jolanta Mucha (PO) was replaced by Adam Biernat (PO);
- Ministry of Environment: Marcin Korolec was replaced by Maciej Grabowski;
- Ministry of Administration and Digitalization: Mochał Boni (PO) was replaced by Rafał Trzaskowski (in December).

An important development in the field of the labour market is the introduction of the so-called second anti-crisis package (November 2013). The major assumption behind the package is that the situation of employed workers can be temporarily worsened if a company faces economic difficulties. The instruments which can be introduced in such situation by employers consist of stoppage or limitation of the working hours, followed by a decrease of salaries (with a minimum salary as a lower limit), with a partial

subsidy from the Guaranteed Employee Benefits Fund. The change in the conditions of employment must be accepted by trade unions existing in a company, and in case such representation is missing, others form of workers' representation existing in a company. The change in the condition of employment applies to all workers, so it is impossible for a single worker to discard them.

The government aimed at increasing family support and at a general enhancement of family and child care policies in 2013. Major changes were introduced into the system of parental leave in June 2013: an additional parental leave scheme was added on the top of the basic maternity leave (26 weeks). The new scheme allows parents to take additional 26 weeks of parental leave (together 52 weeks). While maternity leave benefit amounts to 100% of the previous earning, the replacement rate for the new parental leave benefit covers 60% of the wage. The new leave is available both for the mother and the father, but the reformers decided not to reserve parts of the leave for one of the parents (i.e. no earmarked "father's quota") meaning that mainly mothers decide to take an additional leave.

Additionally, the program of developing childcare services for children under 3 received some more funding, and the local governments obtained an earmarked subsidy from state budget that co-finances the maintenance of kindergarten and other forms of preschool education (children 3-5). The government decided to keep the plans to change the primary school age from 7 to 6 in 2014 in spite of the protests that mostly came from parents' associations.

One of the major reforms, which entered the parliamentary stage in 2013 consists of further modifications of the pension reform from the 1990s. The 1998 reform introduced pension funds, operated by private companies. The reform encountered significant problems with financing, and subsequently contributed to increased public debt. The plan of the government is to transfer more than a half of the assets accumulated in the pension funds to accounts operated by ZUS (public Social Insurance Institution). Further

changes include the default option for transferring contributions only to the first pillar, as well as transfer of contributions from the second to the first pillar 10 years before retirement. The reform faces strong opposition, including employers' organisations and NSZZ Solidarność. In the latter case, the reform is seen of the major achievement of the government, supported by NSZZ Solidarność in the 1990s.

Contrary to the governmental promises, the increased VAT rate (23%) has been maintained. The Personal Income Tax rates remained as in previous years (18% and 32%). However, continuing the trend from previous period, the income thresholds used for taxation purpose remained unchanged which meant that in the real terms the tax burden increased

The main line of the economic and fiscal policy is based on the paradigm of fiscal consolidation. This approach mostly means restriction of social spending, especially by Labour Fund, whose resources are meant to alleviate the labour market. The Fund displays significant surplus, however, additional resources are negotiated between Ministry of Finance and Ministry of Labour and Social Policy, which leads to limited use of the Fund. The further constraint on the public spending is expected by introduction of an expenditure rule.

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 requirements of fiscal discipline. Recently, the major thrust of governmental actions has been devoted to negotiations regarding Poland's share in the European Funds, as well as to the preparation of documents, which deal with activities during the fiscal period 2014-2020. An important development financed from the European resource will be the Youth Guarantee, for which the fast-track approach was taken, with aiming to introduce it in early 2014.

There were some important amendments to the Labour Code coming into force August 2013. The changes were awaited by the employers as this makes working time and conditions much more flexible. The government, who initiated these

changes, decided to extend the settlement period (working time records) from 4 to 12 months, as well as to allow flexible working hours. The latter amendment means that the employer might set different daily working time schedules or establish a working time range, within which the employee can choose his or her working time schedule.

These amendments were received very well among the employers, but became the reason of the trade unions' protests. As argued by the trade unionists, the amendments are very unfavourable for the employees, as they contribute to a decline of the position of employees versus employers. According to the unions, the new working schedule regulations have an impact on extending the working hours without an extra pay for working overtime, which stays in conflict with the 8 hours' workday regulation. This means smaller costs for the employers, but also a decline in workplace autonomy and working conditions for the employees. The three trade union federations: NSZZ Solidarność, the OPZZ and the Trade Unions Forum (FZZ) left the Tripartite Commission in the protest against this Labour Code reform in June 2013.

The unprecedented act of common protest of the three union federations continued in the fall of 2013, when a series of street protest took place, culminating in the big demonstration in Warsaw on September the 14<sup>th</sup> with 200,000 participants, according to its organisers. Notably, between April and October 2013 the popular support for the protest actions of trade unions grew from 47% to 69%, according to an opinion poll survey conducted by the Public Opinion Research Center (CBOS).

#### **1.4 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 only can be established by at least 10 workers of the same company. As around 39% of workers are

employed in companies with 9 workers and less this regulation results in direct exclusion of that big group. Other forms of representation (information and consultation bodies) are possible to establish in even bigger entities - employing more than 50 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 April 2013), 9,9% of workers belong to a trade union. This means the decline – in 2012, around 12% of workers declared membership in the union. The split for the confederations is the following:

- NSZZ Solidarność – 2,5% of workers,
- OPZZ – 3,5% of workers,
- FZZ - 3% workers, and
- other unions – 0,7% of workers.

Union density and consequently, the bargaining power of TU vary depending on the sector of Polish economy. Public sector is the most unionised (19% of workers, 2012 survey), 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, 2012 survey). 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 3% of employees are unionised, while in transport and construction 4% in each sector. In the companies employing more than 250 workers, 16% are unionised, while in small companies (less than 50 workers) – only 5%.

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 joint actions against the government in the Tripartite Commission but also events in September 2013, when the march against the government's policy took place in Warsaw. This was the biggest event organised by the three confederations. The main demands of the unions were reduction of atypical employment, re-lowering the retirement age, increasing the minimum wage to 50% of the average salary. Additional actions were targeted against Government's disregard of social dialogue.

At the company level, cooperation between unions of different confederations is seen more often, however, the competition between unions is visible there as well, especially coming from smaller, independent trade unions.

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). Their situation remains stable. Their number and their estimated coverage does not change over time and revolves around 20% of employees (according to the available estimations). In contrary to Unions employers' organizations are very active in the political sphere and in the media. This imbalance contributes to an underrepresentation of the labour movement in public discourse. But in fact, the voice of the unions and their support by the public became stronger since the summer of 2013.

After the peak of interactions between employers and trade unions around 2009, when the so-called 'anti-crisis' package was discussed, the intensity of the Tripartite Commission's work diminished due to its disregard by the government. The continuous protest of the unions against a more flexible Labour Code, against an increase of retirement age and against more governmental control over the Labour Fund was disregarded by the government. Interestingly, in the late 2012, the

unions and employers' representatives seemed to find a compromise over the Labour Fund, though, this was not acknowledged by the government. Expenditures of the Fund remained limited due to fiscal austerity measures of the government.

This is why the unions argue about exhaustion of the current form of tripartite dialogue. Unions want to discuss a new framework in which the Ministry of Labour and Social Policy would be an equal partner, rather than organiser of the dialogue and its participant at the same time.

Both, the industrial disputes and strikes are on the decline in recent years, according to Labour Inspection: in 2012 there were only 17 strikes (36 less than in the previous year), while the number of labour disputes equalled to 301.

One should mention the general strike, organised in Górny Śląsk region in March 2013 by the railway workers and miners, first of such events in 30 years.

Another notable line of conflict is the Teachers' Charter amendments, allowing for privatising public schools and employing teachers in worse conditions as stipulated in Chart regulations. The conflict is developing and ZNP, major teachers' trade union, threatened government with strike actions.

## **1.5 Youth unemployment and its background**

As in other countries, the unemployment rate for youth is higher than the average unemployment rate. In the third quarter of 2013, the unemployment rate for youth 15-24 equalled to 26,7% (against 9,9% for the total population), which compared to 2012 meant an increase by 1pp.. A similar trend is observed in the case of youth aged 25 to 29, though to a smaller extent. In this group age the unemployment in the second quarter of 2013 was 14,1%. The overall problem of the Polish labour market is limited labour demand. Unemployment of the youngest finds its peak in the transition from school to work as here it was 30.1% during second quarter of 2013. The unemployment in this group declines significantly with the level of education, but still the level of

unemployment for the university graduates is 20.1%, while more than half of graduates with basic vocational education remains unemployed (42.1%). This partially has to do with the skill mismatch on the side of youth, but main reason is 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.

## 2.0 Annex

### 2.1 Structure of the economy

*Structure of the economy by the employment size in non-financial entities\* (2011)*

employment category	% of companies	% of employment
up to 9 employees	95,9	38,9
From 9 to 49 employees	3	13
From 50 to 249 employees	0,9	18,2
Above 250 employees	0,2	29,8
Sum	100	100

*Source: GUS, 4/2013, own calculations and representative sample*

*\* Economic activity excluding: agriculture, forestry, fishing, financial and insurance activity, public administration, national defence, social security.*

### 2.2 Collective Bargaining System

Given mainly advisory role of the social dialogue institutions at 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

## 1.6 Forecasts

Smaller dynamics of GDP growth is expected starting from 2014. 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 of low expenditures of the Labour Fund. However, the planned changes in pension system are expected to reduce the deficit and the level of public debt.

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 2012 92 new collective agreements were registered. For annexes the number was 1265. 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 2012 covered around 62 thousand workers.

Also in 2012, as in the previous years, the Labour Inspection noted that when new additional protocols are registered, they rather reduce 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 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 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 Tripartite 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 2013 there were 14 such Committees, focusing mainly on industrial production.

## 2.4 Social security systems

In principle, all workers employed on the basis of the Labour Code regulations are covered by the healthcare, old-age pensions, unemployment and against other social risks.

But 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. Anyhow, it is estimated, that one million of Poles is not covered by the health insurance, which is being confirmed by a newly introduced system of insurance evidence.

The observed problem is the inferior social security coverage under more and more widespread Civil Code agreements as the non-wage labour costs are smaller for the employer. However, the healthcare insurance and unemployment compensation are rarely financed in the case of such contracts.

## 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 and university leavers do not have sufficient work experience; however, as the section below demonstrates, employers have only a limited 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

Year/ Group	2008Q2	2009Q2	2010Q2	2011Q2	2012Q2	2013Q2
Total 15-64	58,9	59,3	59	59,4	59,7	59,8
Men 15-64	66	66	65,2	66	66,4	66,5
Women 15-64	52,1	52,7	52,8	52,8	53,1	53,0
Total 15-24	26,8	26,6	26,3	25,3	24,9	24,4
Men 15-24	30,1	30,0	30,2	29,7	29,1	28,7
Women 15-24	23,3	23,1	22,1	20,6	20,6	19,8
Total 25-49	79,4	79,9	79,1	78,7	78,4	77,9
Men 25-49	85,8	86,2	84,7	85,0	84,6	84,3
Women 25-49	73,0	73,6	73,6	72,3	72,2	71,3
Total 50-59	53,9	55,1	57,4	60,2	61,8	62,5
Men 50-59	64,3	65,2	65,8	68,1	69,5	68,9
Women 50-59	44,3	45,9	49,6	53,0	54,7	56,4

Source: Eurostat LFS

## 2.6 Unemployment rate

Age group	2008Q2	2009Q2	2010Q2	2011Q2	2012Q2	2013Q2
Total 20-24	17,1	19,2	23,1	24,6	24,2	25,1
Total 25-49	6,1	6,8	8,3	8,3	8,8	9,5
Total 50-59	5,8	6,8	8,1	7,4	7,9	8,3

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 1-2 percentage points (pp). The difference is due to the different definitions regarding unemployment.

## 2.7 Net average monthly salaries (estimations)

Net Salaries	2012Q2	2012Q3	2012Q4	2013Q1	2013Q2	2013Q3
in PLN	2502	2512	2690	2672	2583	2609
in EUR	588	607	654	644	615	612

## 2.8 Gender pay gap

The unadjusted gender pay gap for the hourly gross wages in Poland was well below the EU average (in 2011 it was second lowest in the EU – approx 4% of the male wages, after a significant

decline). However, when one looks at monthly gender wage ratio, women's wages fluctuate around only 85% of the male wages.

## 2.9 Net monthly minimum wage

Minimum salary	January 2012	January 2013
in PLN	1111	1181
in EUR*	265	281

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

## 2.10 Actual monthly working hours (1/4 page) (ES)

Year/ indicator	2012Q1	2012Q2	2012Q3	2012Q4	2013Q1	2013Q2
Actual average weekly hours in work	40,5	40,7	40,9	40,6	40,4	41,9

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.

## 2.11 Normal work / atypical work

Year/ indicator	2012Q1	2012Q2	2012Q3	2012Q4	2013Q1	2013Q2
Fixed- term empl*	26,5	27,3	26,7	26,5	26,3	26,9
Part- time empl*	7,4	7,2	6,9	7,2	7,4	7

Source: Eurostat LFS \*As percentage of total employment.

So-called Civil Code contracts gain more and more importance in the labour market (*umowy cywilno-prawne*). These contracts have significantly reduced social protection rights. In contrast to contracts observing the Labour Code, sickness, maternity or unemployment are not compulsorily covered under the bulk of 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 2012 revealed that approx. 20% of workers in the controlled companies were employed on the basis of the Civil Code contracts

## 2.12 Migration flows 2011-2012

There is no reliable data on the migration flows only on migration stocks. Polish Central Statistical Office publishes those data on Poles abroad.

Year/Stock	2011	2012
Emigration	2,017,000	2,130,000

Source: GUS

## 2.13 Human Development Index(HDI)

Year/ indicator	2011	2012
HDI	0.813	0.821
Rank	39	39

Source: UNDP

## 2.14 Gini-coefficient on Income and on Assets (if any)

Year/ value	2011	2012
Gini coefficient	31,1	30,9
Ranking in the EU	17	15

Source: Eurostat, EU-SILC

## 2.15 Collective agreement coverage

There is no exact data on the collective agreement coverage. Last reliable data (2011) indicates that approximately 20-30% of workers are covered by the collective agreements negotiated at a company level.

## 2.16 Ongoing important collective bargaining agreements

The negotiations in the Tripartite Commission have been suspended, as the representative trade unions unilaterally left the Commission. Importantly, teachers' union ZNP (member of OPZZ), proposed to return to reinstall Tripartite Commission to continue negotiations. In the analysed period, there were several collective bargaining agreements negotiated, including Polish railways company, KGHM, LOT airlines, and healthcare sector.

## 2.17 Trade union density

(see 1.4. Industrial relations)

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

## 2.19 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 (triggered by EU-legislation 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 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 elected by employees of the respective company. In November 2013, there were 3400 works councils present in Poland.

## 2.20 Trade union mapping

2.20	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	<a href="http://opzz.org.pl/english/structure">http://opzz.org.pl/english/structure</a>
	Monika Ditmar	Youth Committee	<a href="http://opzz.org.pl/portal/komisje_prob&lt;br/&gt;lemowe/komisja_mlodych_opzz.html">http://opzz.org.pl/portal/komisje_prob lemowe/komisja_mlodych_opzz.html</a>
	Piotr Ostrowski	International Committee	<a href="http://opzz.org.pl/portal/komisje_prob&lt;br/&gt;lemowe/miedzynarodowe.html">http://opzz.org.pl/portal/komisje_prob lemowe/miedzynarodowe.html</a>
Number of Members (please comment on the official number applying a sensitive approach)	Reported: 792,500 (2011), Survey: 621,000		
Finance (major sources of finance, please comment on the official figures applying a sensitive approach)	The data on financing sources is not available. As with other Polish trade union confederations/major unions, the economic activity (renting properties) seems important		
Cooperation in national committees			
Memberships	Regional Umbrella Associations	Global Umbrella Associations	

	ETUC	ITUC

2.20	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	<a href="http://www.solidarnosc.org.pl/pl/prezydium-komisji-krajowej.html">http://www.solidarnosc.org.pl/pl/prezydium-komisji-krajowej.html</a>
Number of Members (please comment on the official number applying a sensitive approach)	Reported: 667,500 (2011), Survey 621,000 (2012)		
Finance (major sources of finance, please comment on the official figures applying a sensitive approach)	The data on financing sources is not available. As with other Polish trade union confederations/major unions, the the economic activity (property rental) seems important. Solidarność is successful in attracting European funds		
Cooperation in national committees	Representative member of the Tripartite Commission		
Memberships	Regional Umbrella Associations	Global Umbrella Associations	
	ETUC	ITUC, TUAC	

2.20	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	Name	Function	Homepage

(Chairman, President, International Secretary, Youth Leader, etc.)	Tadeusz Chwałka	President	<a href="http://www.fzz.org.pl/index.php?option=com_content&amp;view=article&amp;id=6&amp;Itemid=5">http://www.fzz.org.pl/index.php?option=com_content&amp;view=article&amp;id=6&amp;Itemid=5</a>
Number of Members (please comment on the official number applying a sensitive approach)	Reported: 408,000 members (2012), Survey: around 310,000 (2012)		
Finance (major sources of finance, please comment on the official figures applying a sensitive approach)	The data on financing sources is not available. As with other Polish trade union confederations/major unions, the economic activity (renting properties) seems important		
Cooperation in national committees	Representative member of the Tripartite Commission		
Memberships	Regional Umbrella Associations	Global Umbrella Associations	
	ETUC		

## 2.21 Employer Association Mapping

2.21	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	<a href="http://pkpplewiatan.pl/o_nas/o_lewiatanie/wladze/zarzad">http://pkpplewiatan.pl/o_nas/o_lewiatanie/wladze/zarzad</a>
	Justyna Politańska	Youth Forum	<a href="http://pkpplewiatan.pl/o_nas/forum_mlodych">http://pkpplewiatan.pl/o_nas/forum_mlodych</a>
Number of Members	62 regional and branch associations-altogether 3750 companies employing approx. 750,000 workers		
Finance (major sources of finance, please comment on the official figures applying a sensitive approach)	Financing comes from regional and branch associations, and individual companies associated directly. It is maximum 0.2% of the payroll. Also, PKPP Lewiatan runs many project co-financed from the European funds.		
Cooperation in national committees	Representative member of the Tripartite Commission		
Memberships	Regional Umbrella Associations	Global Umbrella Associations	
	BusinessEurope		BIAC

2.21	in National Language	in English	
Name of the association	Pracodawcy Rzeczpospolitej Polskiej		
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	<a href="http://www.pracodawcyrp.pl/onas/struktura-organizacyjna/prezydent-i-wiceprezydenci/">http://www.pracodawcyrp.pl/onas/struktura-organizacyjna/prezydent-i-wiceprezydenci/</a>
Number of Members	7500 companies, employing approx. 4,000,000 workers (85% private sector)		
Finance (major sources of finance, please comment on the official figures applying a sensitive approach)	The sources of financing unknown.		
Cooperation in national committees	Representative member of the Tripartite Commission		
Memberships	Regional Umbrella Associations		Global Umbrella Associations
	CEEP		IOE, ILO, BIAC

2.21	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		
Finance (major sources of finance, please comment on the official figures applying a sensitive approach)	The organization does not publish financial reports, therefore the sources of financing are not available.		
Cooperation in national committees	Representative member of the Tripartite Commission		
Memberships	Regional Umbrella Associations		Global Umbrella Associations
	CEEP		IOE, ILO, BIAC

2.21	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		

Last Congress	every four years. Last congress: November 2012		
Important Functionaries (Chairman, President, Director, etc.)	Name	Function	Homepage
	Jerzy Bartnik	President	<a href="http://www.zrp.pl/AboutZRP/tabid/316/language/en-US/Default.aspx">http://www.zrp.pl/AboutZRP/tabid/316/language/en-US/Default.aspx</a>
	Maciej Prószyński	General Director	
Number of Members	Approximately 300,000 companies		
Finance (major sources of finance, please comment on the official figures applying a sensitive approach)	The organization does not publish financial reports, therefore the sources of financing are not available.		
Cooperation in national committees	Representative member of the Tripartite Commission		
Memberships	Regional Umbrella Associations		Global Umbrella Associations
	NORMAPME, EBC, UEAPME		