

Annual Review 2014

## Poland - Labour Relations and Social Dialogue

**Author:** Michał Polakowski<sup>1</sup>,

### Executive Summary

Poland's economy belongs to one of the fastest and steady developing in the EU. While unemployment rate has declined, the dire social situation continues, especially in terms of youth unemployment. Along very small dynamics of jobs creation, the real growth of wages is marginal. The labour market restructuring continues as the atypical employment is maintained, especially among the youngest workers.

As in the previous years the public spending is driven by the paradigm of fiscal consolidation, strongly supported by the EU agenda. The labour market policy remains limited. On the taxation side, the tax-free amount and taxation thresholds have been frozen and the higher VAT levels have been maintained. However, the new tax deductions have been introduced for families with children.

Importantly, the unions left the Tripartite Commission in the mid-2013, but also regional commissions for social dialogue and very little progress has been done also in 2014. The unionisation remains low, especially in the private sector. However, a slight growth in the membership has been noted.

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Regional Project for Labour Relations and  
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Maróthyho 6  
SK-811 06 Bratislava

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<sup>1</sup> Dr. Michał Polakowski (35) holds PhD in Public Policy and Policy Analysis from Maastricht University (Netherlands). He is a public policy analyst dealing with social policy, labour market and labour relations, affiliated to International Centre for Research and Analysis in Warsaw.

## 1. Report

### 1.1. Executive Summary

Poland's economy belongs to one of the fastest and steady developing in the EU. However, the dire social situation continues, especially in terms of youth unemployment. Along very small dynamics of job creation, the real growth of wages is marginal. The labour market restructuring is apparent as the atypical employment is maintained, especially among the youngest workers.

Also in 2013-2014, the public spending is driven by the paradigm of fiscal consolidation. The spending from the Labour Fund is significantly restricted. 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

Importantly, the unions have left the Tripartite Commission in the mid-2013, but also regional commissions for social dialogue, which hampers the social dialogue in Poland. The unionisation remains low, especially in the private sector. However, some signs of growing membership are visible, which is a positive development

### 1.2. Socio-economic developments

Compared to the previous year, the GDP in 2013 increased by 1,6%, means that its dynamics, still high by international standards, is declining. The estimations for 2014 are 3,3-3,4%. As for the contribution of different factors to the growth, the significant role in the end of 2013 and 2014 was played by domestic demand. As in previous years, an important factor behind the GDP growth was the increased consumption. The role of export diminished, also due the Ukrainian conflict and Russia's trade sanctions. The GDP per capita for 2013 amounted to approximately 8,500 Euro. Polish GDP per capita in Purchasing Parity Standard improved marginally compared to 2012 from 66% to 67% of the EU average, higher than, among others, Hungary and Latvia.

The Foreign Direct Investment inflow in 2013 saw another significant drop. The net FDI equalled to 2,208 billion Euro in 2013, compared to 4,72 billion in the previous year.

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. A further drop was noted in 2013, to 2 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 first three quarters of 2014, the balance continued to improve.

Even though the fiscal deficit was decreasing during the analysed period, it still remained above the EU benchmark of 3% of GDP in 2013 (4,3%). As in previous years, Poland remained in the Procedure of Excessive Deficit. According to the Eurostat definition of public debt, it declined from 56,2% to 55,6% of GDP between 2011 and 2012. By the end of 2013 the level of debt increased again to 57%, 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. After the pension reform modification, mainly moving state bonds from a second pension pillar to the first pillar and subsequently, writing them off, a significant drop of the debt in the first quarter of 2014 was noted. 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. This change has been maintained also in the following years.

The privatisation process in Poland significantly slowed down compared with the pre-2011/2012 period. The total revenue from different forms of privatisation was approximately 4,40 billion PLN in 2013, and 1 billion PLN in 2014. However, the process more and more often affects public services.

The inflation rate noted for 2013 was 0,9%, which was a decrease from 3,7%, observed in 2012. In the second half of 2014, deflation was noted, and the estimated inflation rate for 2014 is 0,9%

Since the mid-2013, the growth of average monthly gross real wages has been relatively limited. In the second quarter of 2013, the change was - compared to the previous quarter - 96,2% (which meant the decline of wages), in the third quarter 101,1%, while in the fourth quarter – 104,6%. In the beginning of 2014, the meagre growth of the wages was continued, as in the first quarter the real change was 101,7%, in the second, the wages dropped to the level of 96,% compared to the previous quarter. As in previous years, the minimum wage increase was a major topic in the activities of the social partners, though the activities took place outside the Tripartite Commission. While in 2014, the minimum wage was set at the level of 1,681 PLN gross, from January 1 2015, it increased to 1,750 PLN gross. As in previous years, the gross minimum wage was below the social minima for households with more than one individual defined by the Institute for Labour and Social Studies (Instytut Pracy i Spraw Socjalnych). Also in the case of single person households, in 2014 the minimum wage surpassed the social minimum by approx. 159 PLN (increase compared to the previous year).

Measured as 60% of the median income, the percentage of population at risk of poverty increased from 17,1% in 2012 to 17,3% in 2013. The extent of poverty in Poland is slightly higher than the EU-28 average (16,8%). Also, the scale

of extreme poverty has been continuously growing: while in 2012 it was 6,8% of the population, in 2013, the rate grew to 7,4%. Those at risk were especially individuals with low work intensity households and those with low education attainment.

The situation in the Polish market remains moderately bad, though some insights suggest that especially atypical employment of younger workers remains a significant 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 2014 was 51,9% and increase by 1,2 percentage points year-to-year. In the 3<sup>rd</sup> quarter of 2014, the employment rate of women was 44,1%, while of men – 60,3%. Accordingly, the employment gap exceeded 16 percentage points in the 3<sup>rd</sup> quarter of 2014. When it comes to unemployment, the overall rate was 8,2%, which was a significant decline compared to the third quarter of 2013 (9,8%). Women suffer from unemployment more than men (9% in 3<sup>rd</sup> quarter 2014 and 7,5%, respectively), but in the 2<sup>nd</sup> to 3<sup>rd</sup> quarter comparison, the unemployment rate of men dropped more significantly than of women (- 1,2pp versus -0,7 pp). 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 28-29% of the total employment against the EU average of 14,5%. In the third quarter of 2014, the temporary workers constituted 28,8% of all employed, which compared to second quarter of 2013, increased by 1,5 pp. 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 72% were employed based on fixed-term contracts.

The income inequality (Gini) between 2012 and 2013 declined from, respectively, 30,9 to 30,7. 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 38,483 million. The estimates of the CSO indicate that more than 2 million Poles reside abroad. For year 2013, the approximate number of migrants was 2,196 million persons, which meant the increase of 50 thousand as compared to the previous year. The main countries of emigration are the UK (approx. 642 thousand), Germany (560 thousand) and Ireland (115 thousand). As for the immigration, there are approximately 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 very recent (beginning of 2015) plans of E. Kopacz government aim at restructuring the sector-closing some mines. 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 as well as aircraft production 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 and the coalition was re-elected in 2011. There were major changes in the personal composition of the government in 2014. First of

all, this was due to the elections to the European Parliament (EP) that took place in May 2014 and some of the ministers have been elected the members of the EP. The most important change was the resignation of Donald Tusk from the Prime Minister's office in September 2014, as Tusk was elected the President of the Council of the European Union. Ewa Kopacz (PO), a Speaker of the Sejm, was appointed a new Prime Minister and introduced substantial personal changes in the government. Elżbieta Bieńkowska, that was the Minister of the Regional Development, became the Commissioner for Internal Market, Industry, Entrepreneurship and SMEs.

In particular, and apart from the office of the Prime Minister, changes took place with regard to the following Ministries:

- the Ministry of Foreign Affairs: Radosław Sikorski (PO), who became the speaker of the Sejm, was replaced by Grzegorz Schetyna (PO);
- the Ministry of Interior: Bartłomiej Sienkiewicz was replaced by Teresa Piotrowska (PO);
- the Ministry of Regional Development: Elżbieta Bieńkowska (PO) was replaced by Maria Wasiak;
- the Ministry of Administration and Digitalization: Rafał Trzaskalski was replaced by Andrzej Halicki (PO);
- the Ministry of Justice: Marek Biernacki (PO) was replaced by Cezary Grabarczyk (PO).

Ewa Kopacz has presented her exposé in the Parliament on the 1<sup>st</sup> of October 2014. Main policy goals that were declared by the new Prime Minister regarded:

- preparation to joining the Eurozone, as meeting the criteria set by the European Monetary Union are "good for Polish economy";
- strengthening of the energy policy with the purpose to form an energy union;
- increase in military spending – up to 2% of the GDP in 2016;

- increase in spending on childcare services and introduction of the new cash benefits for mothers outside of the labour market;
- introduction of the two policy packages with regard to health care (a “queue” package and oncology package)
- making the public culture institutions more accessible for children and students;
- strengthening transport infrastructure.

The so-called second anti-crisis package (November 2013) is still at place. 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.

An important reform which concerns labour market was introduced in May 2014. The reform, according to the government, is aimed at increasing efficiency of Public Employment Services. The major components include profiling unemployed (with targeted assistance), possibility to outsource services, stronger cooperation between PES and social assistance agencies, instruments supporting return to the labour market (grants, etc.), as well as facilitating entering the labour market by youth (subsidies). The change is accompanied by increased sanctions for those who refuse to cooperate with PES and the introduction of the National Training Fund.

Following the expose of E. Kopacz and some earlier statements by D. Tusk, changes in the social security coverage are introduced. In 2015,

the income of companies' supervisory board's members will be subject to social security contributions. From 2016, Civil Code contracts (umowa zlecenie) will be subject to contributions. Also, since 2015, more favourable children-related tax deductions will be available to parents.

An important, unresolved issue concerns carers of disabled individuals – their rights to state support is differentiated depending on which stage of live disability occurred. The reforms of the government which took place in previous years left carers of individuals who became disabled during adulthood without support. Constitutional Tribunal judged such policy unconstitutional, but the unequal treatment of carers remains.

One of the major reforms, legislated in 2013, but executed in 2014 deals with 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 government transfer 51,5% of 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 reforms were objected by several actors, who submitted the case to the Constitutional Tribunal.

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. First signs of such developments have been observed already.

The impact of the European Union on the political and social developments remain rather limited. The membership in the EU has an indirect impact through requirements of fiscal discipline. However, in spite of the governmental promises, the Youth Guarantee has been implemented with some delays. Also, the government transposes EU Directives regarding social policy or labour market in a minimalistic way, so that their impact on the domestic legislation is reduced.

The analysed period is characterised by some 'hot spots', such as the reforms of healthcare, reducing labour standards for teachers (change of the Teacher Charter), or attempts to reform coal mining. The union protests regarding coal mining erupted in the first half of 2014, but were suppressed due to the engagement of PM Donald Tusk. Very recent plans of coal mining restructuring reinvigorated the crisis in the government-unions relations. Also, the reforms in the healthcare sector sparked conflicts between medical doctors and the governments. Finally, representatives of 'uniformed' services (military etc.), protested against the reform which reduced the level of sickness benefits, introduced in the beginning of 2014.

#### 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. Primarily, however, the private sector managers are characterised by strong anti-union attitudes.

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 2014), 12% of workers belong to a trade union. This means the reversal of the negative dynamics – in 2012, around 12% of workers declared membership in the union. The split for the confederations is the following:

- NSZZ Solidarność – 4% of workers,
- OPZZ – 4% of workers,
- FZZ - 2% workers, and
- other unions – 2% 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 science (23%) and state-owned companies. Also former state-owned companies, especially in the heavy industry, belong to the most unionised (16% of workers belong to a trade union in mining and production, 2014 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 7% of employees are unionised (significant increase from 3%), while in transport and construction - 12%. In the companies employing more than 250 workers, 28% are unionised, while in small companies (less than 50 workers) – only 6%.

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 field of education in 2014, or in the beginning of 2015 in relation to coal mining restructuring. The agenda of unions remains relatively stable: reduction of atypical employment, re-lowering the retirement age, increasing the minimum wage to 50% of the average salary and the hourly minimum wage. Additional actions are targeted against Government's disregard of social dialogue. 2014 saw a re-election of all three confederation leadership.

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 do 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 guides 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 and continued throughout 2014.

After the developments in 2012/2013, when the unions left the Tripartite Commission, the government cooperates with employers' organisations. At the same time, the unions and employers' organisations promote the so-called autonomous dialogue, without the involvement of the government. Also, 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. In a new institutional arrangement, social partners would be given a wider scope of consultation powers. Also, the social dialogue would be moved from Ministry to other constitutional body.

Both the industrial disputes and strikes are limited in Poland. According to the available statistics, in 2012, there were only 17 strikes, while in 2013 – 93 strikes

### **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 2014, the unemployment rate for youth 15-24 equalled to 23,1% (against 8,2% for the total population 15-74), which compared to 2013 meant a decrease by 3,5pp. 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 third quarter of 2013 was 10,6%.

The overall problem of the Polish labour market is limited labour demand. Unemployment of the youngest Poles finds its peak in the transition from school to work (school graduates) as in this category it was 29,3% during second quarter of 2014. The unemployment in this group declines significantly with the level of education, but still the level of unemployment for the university graduates is 19,5%, while almost half of graduates with basic vocational education remains unemployed (43,9%). 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.

### **1.6 Forecasts**

It is expected that Polish economy will be one of the fastest growing in the EU. Also, it is expected

that unemployment will remain relatively stable, with a slight increase of the employment rate (the result of increasing the retirement age).

## 2.0 Annex

### 2.1 Structure of the economy

*Structure of the economy by the employment size in non-financial entities\* (2013)*

employment category	% of companies	% of employment
up to 9 employees	95,6	40
From 9 to 49 employees	3,4	13
From 50 to 249 employees	0,8	17
Above 250 employees	0,17	30
Sum	100	100

*Source: GUS, 4/2014, 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 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. The government plans to increase the role and attractiveness of vocational education and training, also due to the establishment of the National Training Fund.

Employment Year/ Group	2008Q2	2009Q2	2010Q2	2011Q2	2012Q2	2013Q2	2013Q3	2013Q4	2014Q1	2014Q2	2014Q3
Total 15-64	58,9	59,3	59	59,4	59,7	59,8	60,7	60,8	60,3	61,3	62,5
Men 15-64	66	66	65,2	66	66,4	66,5	67,5	67,2	66,3	67,9	69,4
Women 15-64	52,1	52,7	52,8	52,8	53,1	53,0	53,9	54,4	54,3	54,8	55,6
Total 15-24	26,8	26,6	26,3	25,3	24,9	24,4	24,9	24,3	24,8	26,2	26,3
Men 15-24	30,1	30,0	30,2	29,7	29,1	28,7	29,4	28,6	28,7	29,9	30,9
Women 15-24	23,3	23,1	22,1	20,6	20,6	19,8	20,2	19,8	20,6	22,2	21,5
Total 25-49	79,4	79,9	79,1	78,7	78,4	77,9	78,9	78,9	78	79,1	80,4
Men 25-49	85,8	86,2	84,7	85,0	84,6	84,3	85,1	84,6	83,5	85,3	86,8
Women 25-49	73,0	73,6	73,6	72,3	72,2	71,3	72,6	73	72,4	72,7	73,8
Total 50-59	53,9	55,1	57,4	60,2	61,8	62,5	63,3	63,2	63	64	65,1
Men 50-59	64,3	65,2	65,8	68,1	69,5	68,9	70,3	69,5	68,3	70,1	71,8
Women 50-59	44,3	45,9	49,6	53,0	54,7	56,4	56,7	57,2	58,1	58,2	58,8

Source: Eurostat LFS

## 2.6 Unemployment rate

Year/ age group	2008Q2	2009Q2	2010Q2	2011Q2	2012Q2	2013Q2	2013Q3	2013Q4	2014Q1	2014Q2	2014Q3
Total 20-24	17,1	19,2	23,1	24,6	24,2	25,1	25,3	26,3	25,8	21,9	21,7
Total 25-49	6,1	6,8	8,3	8,3	8,8	9,5	8,7	8,6	9,6	8,2	7,2
Total 50-59	5,8	6,8	8,1	7,4	8,7	8,3	7,4	7,4	8,3	7,6	6,5

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. 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	2013Q4	2014Q1	2014Q2	2014Q3
in PLN	2502	2512	2690	2672	2583	2609	2730	2780	2672	2700
in EUR	588	607	654	644	615	612	630	642	617	623

## 2.8 Gender pay gap

The unadjusted gender pay gap for the hourly gross wages in Poland was well below the EU average (in 2012 it was one of the lowest in the EU – approx. 6,4% of the male wages). However, when one looks at adjusted wage gap, it is significantly higher, at the level of 20%.

## 2.9 Net monthly minimum wage

Minimum salary	January 2012	January 2013	January 2014	January 2015
in PLN	1111	1181	1237	1286
in EUR*	265	281	285	297

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

## 2.10 Actual monthly working hours

Year/ indicator	2012 Q1	2012 Q2	2012 Q3	2012 Q4	2013 Q1	2013 Q2	2013 Q3	2013 Q4	2014 Q1	2014 Q2	2014 Q3
Actual average weekly hours in work	40,5	40,7	40,9	40,6	40,4	40,8	40,9	40,7	40,6	40,7	40,9

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	2012Q 1	2012Q 2	2012Q 3	2012Q 4	2013Q 1	2013Q 2	2013Q 3	2013Q 4	2014Q 1	2014Q 2	2014Q 3
Fixed- term empl*	26,5	27,3	26,7	26,5	26,3	26,9	26,8	27,1	27,1	28,4	28,8
Part- time empl*	7,4	7,2	6,9	7,2	7,4	7	6,9	7,1	7,1	7,3	6,9

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	2013
Emigration	2,017,000	2,130,000	2,196,00

Source: GUS

## 2.13 Human Development Index(HDI)

Year/ indicator	2011	2012	2013
HDI	0.813	0.821	0,834
Rank	39	39	35

Source: UNDP

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

Year/ value	2011	2012	2013
Gini coefficient	31,1	30,9	30,7
Ranking in the EU	17	15	17

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 On-going 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 the Commission in order to continue negotiations. In the analysed period, there were several collective bargaining agreements negotiated, including Polish Railway Companies, Polish Post and mining sector

## 2.17 Trade union density

(see 1.4. Industrial relations)

### 2.17 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.

### 2.18 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.

### 2.19 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 2014, current president re-elected.		
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>
	Joanna Bieńkowska Terlecka	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 Commitee	<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		
Number of staff (estimated if necessary)	Around 35 full-time staff		
Political Orientation	It is a left-wing leaning confederation, with close link with Sojusz		

(short story in three lines)	Lewicy Demokratycznej. OPZZ has its members elected to the Parliament	
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 re-elected in 2014.		
Important Functionaries (Chairman, President, International Secretary, Youth Leader, etc.)	Name	Function	Homepage
	Piotr Duda	President	<a href="http://www.solidarnosc.org.pl/pl/prezydium-krajowej.html">http://www.solidarnosc.org.pl/pl/prezydium-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 economic activity (property rental) seems important. Solidarność is successful in attracting European funds.		
Number of staff (estimated if necessary)	Not available		
Political Orientation (short story in three lines)	Politically, NSZZ Solidarność It is a center-right (or Christian-democratic) leaning union. The closest collaborator is Prawo i Sprawiedliwość, though formally Solidarność stresses political indifference.		
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 2014		
Important Functionaries (Chairman, President, International Secretary, Youth Leader, etc.)	Name	Function	Homepage
	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		
Number of staff (estimated if necessary)	Less than 10 full-time staff members		
Political Orientation (short story in three lines)	Forum Związków Zawodowych seems least politicised among major trade unions, it is seen as moderately left-wing.		
Cooperation in national committees	Representative member of the Tripartite Commission		
Memberships	Regional Umbrella Associations	Global Umbrella Associations	
	ETUC		

## 2.20 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/zarząd">http://pkpplewiatan.pl/o_nas/o_lewiatanie/wladze/zarząd</a>
	Justyna Politańska	Youth Forum	<a href="http://pkpplewiatan.pl/o_nas/forum_mlody">http://pkpplewiatan.pl/o_nas/forum_mlody</a>

			ych
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.		
Political Orientation (short story in three lines)	PKPP Lewiatan is leaning towards liberal-centre. Henryka Bochniarz stood for the elections of President of Poland in 2005		
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 Rzeczypospolitej 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.		
Political Orientation (short story in three lines)	Probably the most centre-oriented employers' organisations which are members of the Tripartite Commission		
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	Name	Function	Homepage

(Chairman, President, Director, etc.)	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.		
Political Orientation (short story in three lines)	Business Centre Club has a clear profile of a lobbying organisation. Perhaps it is the most liberal among employers' association which are affiliated with the Tripartite Commission		
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 every four years. Last congress: November 2012		
Important Functionaries (Chairman, President, Director, etc.)	Name	Function	Homepage <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>
	Jerzy Bartnik	President	
	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.		
Political Orientation (short story in three lines)	The political profile of Związek Rzemiosła Polskiego is unclear.		
Cooperation in national committees	Representative member of the Tripartite Commission		
Memberships	Regional Umbrella Associations	Global Umbrella Associations	
	NORMAPME, EBC, UEAPME		