

2015

Annual Review of Labour Relations and Social Dialogue Poland

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- Developments in Poland in 2015 were marked by two electoral campaigns: presidential and parliamentary. The double victory of right-wing parties, including some newcomers and the defeat of the parliamentary left completely reshuffled the political landscape.
- In economic terms, Poland has been doing well, with peaking employment levels and the lowest unemployment levels in years.
- Political competition forced the outgoing government to introduce several new regulations in the social sphere. From a social dialogue perspective, a major breakthrough was creation of the Social Dialogue Council, which replaced the abandoned Tripartite Commission.
- As in previous years, in the analysed period public spending was driven by the paradigm of fiscal consolidation. The spending from the Labour Fund was significantly restricted. On the taxation side, the tax-free amount and taxation thresholds were frozen and the higher VAT levels were maintained.



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1. SOCIO-ECONOMIC DEVELOPMENTS

Estimates of GDP in 2014 and 2015 show that economic growth was significantly stronger than in 2013 when GDP growth was recorded at 1.1 per cent (after ESA 2010 revision) and 1.6 per cent before correction. GDP increased by 3.3 per cent in 2014, which was one of the highest growth rates in the EU. It is estimated that for 2015 dynamic growth on GDP will be maintained as it is forecast to exceed 3 per cent. Consumption as well as exports influenced these GDP dynamics.

Expressed in Purchasing Parity Standard, GDP per capita improved marginally to 68 per cent in 2014, which equalled the position of Hungary. Real per capita GDP (ESA 2010) amounted to 10,200 € in 2013 and 10,700 € in 2014.

Foreign Direct Investment (FDI) recorded a major increase compared to the previous year. The net value of FDI in 2013 was 2.208 billion € and it quadrupled to 8.994 billion € in 2014.

The balance of payments has been improving since the third quarter of 2014, with a peak in the first quarter of 2015. Since then, it has been deteriorating and recorded a deficit in the third quarter of 2015.

The trade balance continued improving throughout 2013 (-3.56 billion €) and 2014 (-2.66 billion €) but it still remained negative. However, since the second quarter of 2015, there has been a positive trade balance. The driver behind this dynamic has been increasing exports, especially to Germany, which remains Poland's main trade partner, both in terms of imports and exports.

The fiscal situation has been improving as well as the annual deficit has been decreasing. In 2014 the annual deficit dropped to 3.2 per cent of GDP. As a result, the Excessive Deficit Procedure was lifted in 2015. The deficit in 2015 is going to be higher than projected in the budgetary bill, as some revenues planned for 2015 will now take place in 2016, which will give the incumbent government more fiscal

space to introduce some new social policy programs. There was a major decline of the public debt in 2014, calculated according to the Eurostat criteria, due to reform of the pension system that reduced the scope of the second pillar. By the end of the year total public debt amounted to 50.2 per cent of GDP, moderate by EU standards. Similarly, total public debt calculated according to domestic criteria dropped to 47.9 per cent of GDP. The estimates for 2015 indicate that the debt will increase to approximately 48 per cent of GDP.

Since 2014 the so-called stabilizing expenditure rule is operational in Poland. Its main purpose is to reduce the dynamics of public spending with the objective of limiting the overall size of public debt. Four debt thresholds are specified for triggering the expenditure rule (43 per cent of GDP, 48 per cent, 55 per cent and 60 per cent). At the end of 2015, the rule was modified by the newly-elected government so that a higher level of spending is possible.

The recent privatization process in Poland has continued to be limited, especially compared to the beginning of the decade. Accordingly, state revenues from privatization slightly exceeded 1 billion PLN in 2014. For 2015, the revenues were 41.5 million PLN, which was 3.5 per cent of planned amount. However, in public discourse, the issue of privatization of public services (such as education or health care) has become more and more prominent, though it has happened most often on the local level and thus is excluded from privatization operated by the Ministry of State Treasury.

Since mid-2014 inflation has been flat and the consumer price index recorded a value of 0 per cent in 2014 and deflation of 0.9 per cent. The factor contributing to this phenomenon is the decreasing price of fuels.

The growth in average monthly gross wage was similar to previous quarters. The quarter to quarter changes were as follows: third quarter 2014 – 1.1 per cent, fourth quarter 2014 – 4.3 per cent. In 2015, the values were 2.8 per cent in the first quarter, -4.8 per cent in



the second, and 1 per cent in the third. The issue of a minimum wage has been highly debated, though outside the formal tripartite structures. As the employers and trade unions did not reach an agreement on the increase, the government unilaterally defined the amount for 2016 as 1,850 PLN gross. The increase was substantially closer to the unions' proposals. In 2015, the level of the minimum wage surpassed the social minimum as defined by the Institute for Labour and Social Studies for workers' households with two adults (though the net value was still below the social minimum). The minimum wage level also surpassed the social minimum calculated for a single worker household.

Measured as 60 per cent of the median income, the percentage of the population at risk of poverty after social transfers declined from 17.3 per cent in 2013 to 17.0 per cent in 2014. The extent of poverty is therefore slightly lower than the EU-28 average (17.2 per cent). Extreme poverty (calculated in absolute terms) stabilized at 7.4 per cent of population but compared to 2008 it has increased by 1.8 percentage points. The households at risk of poverty are characterized by low work intensity, low educational attainment and a higher number of children.

The situation in the Polish labour market has been improving though two issues remain problematic: the transition from school education to the labour market and the relatively low level of salaries. The overall employment rate was 52.4 per cent in the third quarter of 2015, improvement of this indicator by 0.5 percentage points, year to year. The improvement was better for women than for men, especially in the oldest age group. This can be associated with a reform that increased the statutory retirement age. While the respective employment rates were 44.1 per cent (women) and 60.3 per cent (men) in the third quarter 2014, a year later they had increased to 44.9 per cent and 60.6 per cent. The employment gap between the genders was 15.7 percentage points. The overall

unemployment rate was 7.1 per cent in the third quarter 2015, a decline of 0.9 percentage points year to year and a continuation of the trend from the previous year. Women suffer from unemployment more than men (7.5 per cent and 6.7 per cent, respectively) but the gender gap in unemployment has been falling as it declined within a year from 1.5 percentage points to 0.8 percentage points.

Despite these positive developments, the problems in the labour market remain similar to those in previous years. First, it is the issue of youth unemployment and comparatively low employment rates associated with a very high share of temporary workers. Even though the share of temporary employment dropped from 28.8 per cent to 27.9 per cent in third quarter 2015 from the previous year, this share remains the highest in the EU (EU 28: 14.8 per cent). Other forms of atypical employment are also used excessively, such as agency employment under Civil Code contracts that offer significantly less protection of social and labour rights.

Income inequality as measured by the Gini-coefficient remained relatively stable at 30.8 in 2014, a minor increase from 30.7 in 2013. As in previous years, the greatest income inequality is noted among farmers while the least is among retirees.

The population of Poland, according to the 2011 Census, was 38.511 million in March of that year and as of 31 December the population declined slightly to 38.479 million. The estimates of the Central Statistical Office (CSO) indicate that more than 2 million Poles currently reside abroad. For year 2014, the approximate number of Polish migrants was 2,320,000, an increase of more than 100,000 compared to the previous year. The main receiving countries are the United Kingdom (685,000), Germany (614,000) and Ireland, Spain and Italy (approximately 100,000 each). Regarding immigration to Poland, there was a major increase related to the conflict in Ukraine. This nationality, along with citizens of Belarus and Russia, constitute the biggest groups of foreign workers.



Poland has a strong concentration of innovative centres or relatively-developed industries. 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, and others). An interesting city is Górny Śląsk, which relied heavily on coal extraction and was a centre of heavy industry in Poland, with a diminishing role now. While the previous government's plans aimed at restructuring the sector, which in practice meant closing some mines, the current government has declared the restructuring will be put on hold. However, developments taking place in the region do not confirm this declaration. In many respects, whether closing down mines will happen or not depends on the stance of the European Commission regarding public aid. The parts of Poland that remain economically underdeveloped are located in the eastern part of the country. There is a lack of industry, especially in towns of smaller sizes. Centres of new technologies are missing here, with the notable exception of Rzeszów (south-east), where some aviation R&D as well as aircraft production is located.

Estimates regarding the shadow economy vary but it is conventionally assumed to account for around 20 per cent of GDP.

2. STATE POLICIES

On 25 October 2015, after eight years in office, the coalition of Platforma Obywatelska (PO) and Polskie Stronnictwo Ludowe, was replaced by the electoral coalition of Prawo i Sprawiedliwość (PiS) and some smaller parties (in which PiS plays the major role). PiS along with its coalition parties won an absolute majority in the Parliament. Also, earlier the same year (in May), in the second election round, the candidate of PiS, Andrzej Duda, defeated the incumbent president, Bronisław Komorowski, supported by PO. This double victory, along with the defeat of the left-wing Sojusz Lewicy Demokratycznej and the emergence of new right-wing and liberal

parties in Parliament, completely redefined Polish politics. Interestingly enough, it was not Jarosław Kaczyński, the leader of PiS, who was designated to become prime minister but Beata Szydło, a second-rank party official.

The rule of PiS, though relatively short so far, is regarded controversially by several experts as well as by the opposition parties. The criticism concerns the pace at which bills are debated and voted in Parliament but also their immediate implementation (lack of proper *vacatio legis*), especially those laws relating to the architecture of the state. An example of such reform is the Constitutional Tribunal reform as well as the increase in the mandatory school age from six to seven years. Also critics note that bills are submitted by MPs rather than the government, which excludes the possibility of proper consultations with social partners.

Regarding government infrastructure, a new "super ministry" was established that deals with (economic) development as well as new "sectoral" ministries: Ministry of Maritime Economy and Inland Shipping and Ministry of Energy. Finally, in order to emphasise the role of family, the Ministry of Labour and Social Policy was renamed as the Ministry of Family, Labour and Social Policy. Importantly, a majority of this ministry's leadership has some trade union experience (NSZZ Solidarność).

The electoral manifesto of PiS declared several changes in the socio-economic sphere. The flagship initiatives include reversal of the retirement age increase back to the previous 60 years (women) and 65 years (men), introduction of the so-called 500+ benefit (in the manifesto, for every child; currently for the first child only in poor families), increasing the tax-free amount for personal income tax (PIT), lowering corporate income tax (CIT) for small companies to 15 per cent, and making the tax system more efficient, especially when it comes to VAT.

There were a number of important changes in labour law in 2015, some of which are to be



implemented in 2016. First, an important regulation regarding the number of sequential fixed-term contracts increases the number that can be established with the same employer from two to three. However, the total time span for such contracts has been specified as a maximum of 33 months. If this period is exceeded, an employer must offer an open-ended contract (though there are some exceptions). Second, after a ruling by the European Court of Justice, the Labour Code was modified so that the minimum period of notification in case of contract termination depends on the employee's length of service and not the type of contract (previously, it was significantly shorter for fixed-term contracts). Finally, the use of an employment contract for the probationary period has been regulated. Importantly, such contract can be established only once with a given employer.

Several changes to social insurance legislation were introduced in 2015. In the pension system more favourable conditions for calculating care periods were introduced (in the part regarding so-called initial capital) and a possibility of recalculating benefits has been applied. For maternity benefits, a new regulation was introduced that will offer, from the beginning of 2016, a 12-month flat payment (1000 PLN monthly) for non-insured individuals (students or unemployed, previously without a right to a benefit). The regulation also increases the paid benefit to this level if the calculated benefit would be lower (often the case for farmers). The new legislation also allows using maternity and parental leave in shorter periods until a child reaches the age of six. Means-tested family benefits were also changed as there is a new means test formula from the beginning of 2016 that removes the sharp cut-off income line and introduces a flexible solution in which the benefit is reduced by one PLN for every additional PLN exceeding the established income threshold. In the health-care field, a so-called oncological package was introduced that aims at fast-tracking diagnosis and treatment of cancer.

An important, unresolved issue concerns caregivers for disabled individuals – their right to state support is differentiated depending on when the disabled person's stage of life disability occurred. The reforms made by the government in previous years meant that individuals who became disabled during their adult careers received no support. The Constitutional Tribunal judged such policy unconstitutional but the unequal treatment of careers remains. At the same time in its 2015 ruling, the Tribunal confirmed the legality of the majority of the 2013 pension reform, such as moving 51.5 per cent of assets from a pension fund to the Social Insurance Institution and introducing a gradual transfer of all assets within 10 years before retirement. Another important ruling of the Tribunal regarded the tax-free amount. The Tribunal ruled that the current tax-free amount is too low so that also poor workers need to pay PIT and that the level of the amount should be set in correspondence with the minimum social amount. The ruling should be implemented by 2017 at the latest and is expected to have a significant fiscal impact (via foregone tax revenues) as well as the social impact.

Contrary to the governmental promises, the increased VAT rate (23 per cent) has been maintained. The personal and corporate income tax rates remained as in previous years (18 per cent and 32 per cent).

The main thrust of economic and fiscal policy is based on the paradigm of fiscal consolidation. This approach has mostly meant restriction of social spending, especially by the Labour Fund's resources that are meant to alleviate difficulties in the labour market. The Labour Fund has a significant surplus however the use of additional resources is negotiated between the Ministry of Finance and Ministry of Family, Labour and Social Policy, which leads to limited use of the Labour Fund. Further constraint on public spending is expected by introduction of an expenditure rule and the first signs of such a development have already been observed.



The impact of the European Union on the political and social developments remains ambiguous. Membership in the EU has an indirect impact through requirements of fiscal discipline (in the form of the Excessive Deficit Procedure). Also, the government transposes EU Directives regarding social policy or the labour market in a minimalistic way so that their impact on the domestic requirements is reduced. On the other hand, the impact of the European Union on labour laws (such as the notification period, the right of association of atypical workers) can be noted.

As in previous years, some “hot-spots” remain such as education (attempts to reform the Teacher Charter), the coal industry (restructuring) and health care (privatisation, increasing administrative burden, and also more tasks for nurses without proper remuneration).

3. INDUSTRIAL RELATIONS

Industrial relations in Poland are strongly affected by 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 at the same company. Since around 39 per cent of workers are employed in companies with nine workers or less this regulation results in direct exclusion of that large group of employees. It is possible to establish other forms of representation (information and consultation bodies) only in even bigger entities – those employing more than 50 workers. Primarily, however, private sector managers are characterised by their strong anti-union attitudes.

The Polish labour market is characterised by a strong asymmetry in labour relations and, consequently, several kinds of violations of labour law and related standards. The issues that have been indicated by the Labour Inspection include growing delays in salary payments, an increasing scale of illegal

employment, forced self-employment and forced employment under civil contracts, avoiding payment for overtime hours, and working conditions below stipulated standards.

According to the most recent representative survey (conducted in 2015), 11 per cent of workers belong to a trade union. This was a slight decline compared to 2014, when 12 per cent of workers declared membership in a union. The split among the confederations is approximately the following:

- NSZZ Solidarność – 4 per cent of workers,
- OPZZ – 4 per cent of workers,
- Forum – 1 per cent of workers, and
- Other unions – 1 per cent of workers.

Union density and consequently the bargaining power of trade unions vary depending on the sector of the economy. The public sector is the most unionised (19 per cent of workers, 2012 survey), and this includes health care, education and science (23 per cent) and state-owned companies. Also former state-owned companies, especially in heavy industry, belong among the most unionised (16 per cent of workers belong to a trade union in mining and production, 2014 survey). The private sector is significantly less unionised, which seems to be a function of the companies' size (they are much smaller) and the negative attitude of employers towards unions. Accordingly, in retail trade 7 per cent of employees are unionised (a significant increase from 3 per cent), while in transport and construction it is 12 per cent. In companies employing more than 250 workers, 28 per cent are unionised, while in small companies (less than 50 workers) only 6 per cent are union members.

The Polish trade union movement has been characterised by a split along political lines and this has meant relatively rare cooperation at the national level between unions, especially NSZZ Solidarność and OPZZ. The split has intensified due to the engagement of both unions in the elections. While NSZZ Solidarność has been leaning towards Prawo i Sprawiedliwość, OPZZ initiated negotiations



regarding (successful) creation of the United Left electoral coalition. The agenda of unions remains relatively unchanged: reduction of atypical employment, re-lowering the retirement age, introducing an hourly minimum wage, increasing the tax-free income threshold and the right to association. It should be noted that a great achievement of all three confederations, in cooperation with employers' organisations, is establishment of the Council of Social Dialogue, the new body replacing the Tripartite Commission (see more details below). The leadership of all three confederations was re-elected in 2014. Due to the tragic death of Tadeusz Chwałka, leader of Forum Związków Zawodowych, in November 2015, a new Forum president was elected during an extraordinary congress held in December.

At the company level, cooperation between unions of different confederations occurs more often; however, competition between unions is visible there as well, especially coming from smaller, independent trade unions. Both industrial disputes and strikes were limited in Poland. After a peak in 2013 when 93 strikes took place, the number of disputes in 2014 (and consequently strikes) declined sharply from 284 in 2013 to 254 in 2014. More recent data on strikes is unavailable.

Notable events organised by trade unions in 2015 included a "star march" in Warsaw in April 2015, which involved more than 50,000 participants, a miners' protest, and strikes in Kompania Węglowa and Jastrzębska Spółka Węglowa in January-February. In the latter situation, the strike involved a violent clash with police. Also, collective disputes (some of them including strikes) were carried out by nurses and also medical doctors. Finally, a dispute took place at Amazon Poland over pay conditions.

Currently, there are four employers' associations which have 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 numbers and estimated coverage have not changed over time and is around 20 per cent of employees (according to the available estimations). Contrary to the unions, the employers' organizations are very active in the political sphere and in the media. This imbalance contributes to underrepresentation of the labour movement in public discourse. However, the voice of the unions and their support by the public became stronger in the summer of 2013 and continues to be better also due to their involvement in electoral politics.

4. TRIPARTITE SOCIAL DIALOGUE

After the unions left the Tripartite Commission in 2013 the government cooperated with employers' organisations. At the same time, the unions and employers' organisations promoted the so-called autonomous dialogue, without the involvement of the government. The result of the dialogue between the two social parties was a proposal for a new institution regulating tripartite social dialogue on the central as well as regional level. The proposal was a major breakthrough; although in the process of governmental discussions the final bill was hedged (the possibility to veto bills dealing with socio-economic issues was removed). However, the Council of Social Dialogue is a new quality in the system of Polish governance. Compared to the Tripartite Commission, the Council is more independent from the Ministry of Family, Labour and Social Policy (as the head of the Commission is elected based on the principle of rotation from each party – the current chair is Piotr Duda, President of NSZZ Solidarność). The members of the Council are nominated by the Polish President. The Council has power to draft bills and submit them to the Council of Ministers, as well as to consult and offer opinion on bills dealing with socio-economic issues. It is assisted by a designated public



unit that deals with administrative issues and also plays an advisory role. The Council held its first meeting on 15 December 2015. To replace tripartite bodies at the regional level, new bodies can be created – Voivodship Social Dialogue Councils – and their scope is limited to socio-economic issues arising at the level of the voivodship.

5. FORECASTS

Apart from the concerns regarding democratic rule in Poland, political developments in the second half of 2015 indicate that economic stability can be under threat. Here the main issue seems to be fiscal stability as several

costly social programmes are to be implemented while the financing is not secured. Therefore, the problem might be the reversal of these programmes or even scaling back already existing social programmes. Also worrying is the pace at which several important bills have been deliberated, without proper consultations or involvement of experts from different viewpoints. An example might be the costly 500+ program, with costs estimated at around 22 billion PLN. Alternatives were not seriously discussed or the possible impacts of such an important change on the labour market and social stratification.



ANNEX OF DATA

• **Collective Bargaining System**

Given the mainly advisory role of social dialogue institutions at the national, branch and regional levels, the major bargaining is at the level of companies. Collective agreements regulate the conditions of work, pay, health and safety and other work-related issues as long as the agreed conditions are not worse than those stipulated by law. A collective agreement can be introduced only in companies where trade union organisations exist. The number of collective agreements registered with the Labour Inspection has been declining. In 2010 there were 130 such agreements, in 2011 – 136 agreements, in 2012 – 92 agreements, in 2013 – 109 agreements and in 2014 – 88 agreements. For annexed protocols the number was 1,265 in 2013 and in 2014 – 1030. In 2014, 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 a decline of standards in newly registered collective agreements. Accordingly, most of the new collective agreements are repetition of the existing minimum standards. In total there were 13,911 collective agreements registered by Labour Inspection at the end of 2014. Out these, 8,173 were still in force, covering approximately 1.8 million workers.

• **System of tripartite social dialogue**

At the national level, tripartite social dialogue takes place in the Council of Social Dialogue established at the end of 2015, replacing the Tripartite Commission. The Council's role is mainly advisory: its role is especially visible in preparation of a budget bill and changes in social benefits and minimum wages but the Council has gained a legislative prerogative. There are also 16 regional bodies (Wojewódzka Komisja Dialogu Społecznego, Voivodship Council for Social Dialogue) for social dialogue (one per voivodship). The

bodies involve the social partners and their role is also advisory with respect to developments at the regional level.

• **Social security systems**

In principle, all workers employed on the basis of the Labour Code regulations are covered by health care, old-age pensions, unemployment insurance and against other social risks. But in the case of health insurance there are no reliable data: the number of insured in the register is higher than the population of Poland, plus family members of an insured person are also covered. It is estimated that one million Poles are not covered by health insurance, which is being confirmed by a newly introduced system of insurance evidence.

The observed problem is the inferior social security coverage provided under the more and more widespread Civil Code working agreements, as the non-wage labour costs are smaller for the employer. Health insurance and unemployment compensation are rarely financed in these types of contracts. Importantly, from the beginning of 2016, one form of Civil Code contracts (*umowa zlecenie*) will be subject to old-age pension contributions. Also, as previously mentioned, the maternity leave benefit will be granted for uninsured parents.

• **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 despite their profiled education, which in other cases increases the probability of a successful transition to the labour market. 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 per cent of Polish companies cooperated with a school or a centre for practical training. Of the companies that did cooperate, 63 per cent engaged in practical training, 60 per cent in in-company training, 50

per cent sponsored schools and another 48 per cent provided both practical and theoretical training. A significantly lower number of companies (5-6 per cent) took 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, with the establishment of the National Training Fund.

Employment Rate (%)

Year/ Group	2011 Q2	2012 Q2	2013 Q2	2013 Q3	2013 Q4	2014 Q1	2014 Q2	2014 Q3	2014 Q4	2015 Q1	2015 Q2	2015 Q3
Total 15-64	59.4	59.7	59.8	60.7	60.8	60.3	61.3	62.5	62.6	61.9	62.9	63.5
Men 15-64	66	66.4	66.5	67.5	67.2	66.3	67.9	69.4	69.2	68.1	68.7	70.1
Women 15-64	52.8	53.1	53	53.9	54.4	54.3	54.8	55.6	56	55.8	56.4	57
Total 15-24	25.3	24.9	24.4	24.9	24.3	24.8	26.2	26.3	25.9	25.1	26.1	26.7
Men 15-24	29.7	29.1	28.7	29.4	28.6	28.7	29.9	30.9	30.4	29.2	30.3	31.5
Women 15-24	20.6	20.6	19.8	20.2	19.8	20.6	22.2	21.5	21	20.8	21.7	21.5
Total 25-49	78.7	78.4	77.9	78.9	78.9	78	79.1	80.4	80.2	79.6	80.6	81
Men 25-49	85	84.6	84.3	85.1	84.6	83.5	85.3	86.8	86.1	85.3	86.3	87.1
Women 25-49	72.3	72.2	71.3	72.6	73	72.4	72.7	73.8	74.2	73.8	74.8	74.7
Total 50-59	60.2	61.8	62.5	63.3	63.2	63	64	65.1	65.4	64.7	64.6	66.8
Men 50-59	68.1	69.5	68.9	70.3	69.5	68.3	70.1	71.8	71.6	69.9	70	72.7
Women 50-59	53	54.7	56.4	56.7	57.2	58.1	58.2	58.8	59.6	59.8	59.5	61.2

Source: Eurostat LFS



Unemployment rate (%)

Year/ age group	2012 Q2	2013 Q2	2013 Q3	2013 Q4	2014 Q1	2014 Q2	2014 Q3	2014 Q4	2015 Q1	2015 Q2	2015 Q3
Total 20-24	24.2	25.1	25.3	26.3	25.8	21.9	21.7	21.2	22.2	19.2	18.2
Total 25-49	8.8	9.5	8.7	8.6	9.6	8.2	7.2	7.3	7.7	6.7	6.3
Total 50-59	8.7	8.3	7.4	7.4	8.3	7.6	6.5	6.3	7.2	6.2	5.7

Source: Eurostat LFS

The choice of the data was driven by 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.

- Net average monthly salaries (estimations)**

Net Salaries	2012 Q2	2012 Q3	2012 Q4	2013 Q1	2013 Q2	2013 Q3	2013 Q4	2014 Q1	2014 Q2	2014 Q3	2014 Q4	2015 Q1	2015 Q2	2015 Q3
in PLN	2502	2512	2690	2672	2583	2609	2730	2780	2672	2700	2814	2891	2752	2780
in €	588	607	654	644	615	612	630	642	617	623	655	673	641	647

- Gender pay gap**

The unadjusted gender pay gap for the hourly gross wages in Poland was well below the EU average (in 2013 it was one of the lowest in

the EU – approx. 6.4 per cent of the male wages). However, the adjusted wage gap is significantly higher, at the level of 20 per cent.

- Net monthly minimum wage**

Minimum salary	January 2012	January 2013	January 2014	January 2015	January 2016
in PLN	1111	1181	1237	1286	1356
in €*	265	281	285	297	318

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

- Actual monthly working hours**

Year/ indicator	2012 Q3	2012 Q4	2013 Q1	2013 Q2	2013 Q3	2013 Q4	2014 Q1	2014 Q2	2014 Q3	2014 Q4	2015 Q1	2015 Q2	2015 Q3
Actual average weekly hours in work	40.9	40.6	40.4	40.8	40.9	40.7	40.6	40.7	40.9	40.7	40.6	40.8	40.9

Source: Eurostat

As seen in the table, the number of actual working hours has remained relatively stable,

which is an indication that the labour market restructuring took a different form during the



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

- **Normal work / atypical work**

Year/ indicator	2012 Q3	2012 Q4	2013 Q1	2013 Q2	2013 Q3	2013 Q4	2014 Q1	2014 Q2	2014 Q3	2014 Q4	2015 Q1	2015 Q2	2015 Q3
Fixed-term*	26.7	26.5	26.3	26.9	26.8	27.1	27.1	28.4	28.8	28.9	28	28.2	27.9
Part-time*	6.9	7.2	7.4	7	6.9	7.1	7.1	7.3	6.9	6.9	7.1	6.7	6.5

Source: Eurostat LFS *Percentage of total employment.

So-called Civil Code contracts (*umowy cywilno-prawne*) have gained more and more importance in the labour market. These contracts have significantly reduced social protection rights. In contrast to contracts observing the Labour Code, sickness, maternity and unemployment benefits are not compulsorily covered under the bulk of civil law contracts. Also, in some cases health 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 (however, a

mandatory hourly minimum wage should be introduced in 2016), working time, holidays and overtime remuneration, and a record of years of service is also not included. Checks by the Labour Inspection in 2012 revealed that approximately 20 per cent of workers in the reviewed companies were employed on the basis of a Civil Code contract. One important step towards provision of more social protection involves flat rate maternity/parental benefits for uninsured individuals as well as mandatory old-age pension contributions for those working under *umowa-zlecenie*.

- **Migration flows 2011-2012**

There are no reliable data on migration flows, only on migration stocks and the Polish Central Statistical Office publishes those data on Poles living abroad.

Year	2011	2012	2013	2014
Stock	2.017	2.130	2.196	2.320

Source: GUS, in millions

- **Human Development Index (HDI)**

Year	2011	2012	2013	2014
HDI	0.813	0.821	0.834	0.843
Rank	39	39	35	36

Source: UNDP

- **Gini-coefficient**



Year/ value	2011	2012	2013	
Gini coefficient	31.1	30.9	30.7	30.8
Ranking in the EU	17	15	17	17

Source: Eurostat, EU-SILC

- **Collective agreement coverage**

According to the Labour Inspection it is estimated that at the end of 2014 approximately 1.8 million workers are covered by collective agreements. This means around 11 per cent of the total labour force is covered by collective agreements.

- **On-going important collective bargaining agreements**

Currently, no negotiations at the national level are taking place. Most of the collective bargaining (which is limited and declining further) concerns pay schemes. Negotiations are continuing in the mining industry, the health-care sector and railways and bargaining is also taking place in some retail trade.

- **Trade union density**

See point 3.

- **Employer's organizations density**

There are no exact data on the density of employers' organizations but it is estimated that they cover no more than 20 per cent of the 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.

- **Workplace representation**

In addition to trade unions, 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). To establish a trade union at a company level requires 10 employees. If the trade union membership exceeds 10 per cent of the workers in a company, the union is considered representative for the purpose of the collective bargaining. Another way of gaining representativeness within a company is to have trade union membership in a union confederation eligible to participate in the Council for Social Dialogue – in this case membership of only 7 per cent of the workers is required. Trade union representatives at a company level have the right for office space and are protected against dismissal.

It is possible to establish a Works Council in a company employing more than 50 workers (before 2008 the number was 100). Also before 2008, one of the ways of selecting representatives to the Works Council was direct nomination by a trade union. Currently, all Works Council representatives must be elected by employees of the respective company. In May 2015 there were approximately 3,300 Works Councils in Poland.



• 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	Nationwide, All sectors		
Cycle of Congresses/ Last Congress	OPZZ Congresses take place every four years; the last congress took place in 2014 and the current president was re-elected.		
Important Functionaries (Chairman, President, International Secretary, Youth Leader, etc.)	Name	Function	Homepage
	Jan Guz	Chairman	http://opzz.org.pl/english/structure
	Joanna Bieńkowska Terlecka	Youth Committee	<a href="http://opzz.org.pl/porta/komisje_prob
lemowe/komisja_mlodych_opzz.html">http://opzz.org.pl/porta/komisje_prob lemowe/komisja_mlodych_opzz.html
	Piotr Ostrowski	International Committee	<a href="http://opzz.org.pl/porta/komisje_prob
lemowe/miedzynarodowe.html">http://opzz.org.pl/porta/komisje_prob lemowe/miedzynarodowe.html
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, economic activity (renting properties) seems important		
Number of staff (estimated if necessary)	Around 35 full-time staff		
Political Orientation (short story in three lines)	It is a left-wing leaning confederation, with close link with Sojusz Lewicy Demokratycznej. OPZZ has members elected to the Parliament		
Cooperation in national committees	Representative member of the Council of Social Dialogue		
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.		
	Name	Function	Homepage



Important Functionaries (Chairman, President, International Secretary, Youth Leader, etc.)	Piotr Duda	President	http://www.solidarnosc.org.pl/pl/prezydium-komisji-krajowej.html
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, 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 is a centre-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 Council of Social Dialogue		
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
	Dorota Gardias	President	http://www.fzz.org.pl/index.php?option=com_content&view=article&id=6&Itemid=5
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, 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 the least politicised among major trade unions; it is seen as moderately left-wing.	
Cooperation in national committees	Representative member of the Council of Social Dialogue	
Memberships	Regional Umbrella Associations	Global Umbrella Associations
	ETUC	

• **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	http://pkpplewiatan.pl/o_nas/o_lewiatanie/wladze/zarzad
	Adam Kądziała	Youth Forum	http://pkpplewiatan.pl/o_nas/forum_mlodych
Number of Members	62 regional and branch associations comprising 3,750 companies employing approximately 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 per cent of the payroll. Also, PKPP Lewiatan runs many projects 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 Council of Social Dialogue		
Memberships	Regional Umbrella Associations	Global Umbrella Associations	
	BusinessEurope	BIAC	

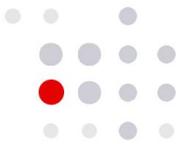


2.21	in National Language	in English	
Name of the association	Pracodawcy Rzeczpospolitej Polskiej		
Founding Year	1989		
Sector/Branch	Nation-wide		
Cycle of Congresses/ Last Congress	General Assembly meets every year, the term of the President last five years. Last assembly: 2012		
Important Functionaries (Chairman, President, Director, etc.)	Name	Function	Homepage
	Andrzej Malinowski	President	http://www.pracodawcyrp.pl/onas/struktura-organizacyjna/prezydent-i-wiceprezydenci/
Number of Members	7500 companies, employing approx. 4,000,000 workers (85 per cent 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 of the employers' organisations that are members of the Council of Social Dialogue		
Cooperation in national committees	Representative member of the Council of Social Dialogue		
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 approximately 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 as a lobbying organisation. Perhaps it is the most liberal among the employers' associations that are affiliated with the Council of Social Dialogue		
Cooperation in national committees	Representative member of the Council of Social Dialogue		
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
	Jerzy Bartnik	President	http://www.zrp.pl/AboutZRP/tabid/316/language/en-US/Default.aspx
	Maciej Prószyński	General Director	
Number of Members	Approximately 300,000 companies		
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 Council of Social Dialogue		
Memberships	Regional Umbrella Associations	Global Umbrella Associations	
	NORMAPME, EBC, UEAPME		



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