DIADSE
– Poland – report

DIADSE – Amsterdam
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Social partners as regards economic crisis

2008 - beginning of economic problems

March 2009 - SP cooperation − 13 points agreement (no government involvement)

December 2009 − anti-cris legislation (partially based on the 13 points agreement)
2011 – pension system reform – no consultation with SP – deterioration of social dialogue

- Open Pension Fund reform (2011)
- Reduction of the pension contribution from the current 7.3% to 2.3% initially and ultimately - from 2017- to 3.5%
- Reduced contribution is transferred to Social Insurance Institution (ZUS)
- Rise up to 67 years of age for both men and woman
- Increase by four months every year
- Full introduction into force for men by 2020 and for women by 2040
PENSION SYSTEM REFORM (2011 – 2012)

• Legislative process March - June 2012
• Hasty public consultation in the Tripartite Commission – no consensus
• Act on rise of retirement age signed by the President 1st June 2012
• Reform comes into force: 1st January 2013
• Massive protest against rise of retirement age NSZZ ‘Solidarity’: www.stop67.pl
• 2 mln signatures calling for referendum (requirement 0.5 mln signatures to introduce a referendum to be voted in the Parliament) – rejected, April 2012
• Protests:
• Public opinion (CBOS, March 2012): 84% - against rise of retirement age for men, 91% - against rise of retirement age for women.
Social partners as regards economic crisis

2013 – amendments to the Labour Code based on anti-crisis legislation

Labour Fund freeze (2011) over 5 bln PLN (1.2 bn EURO); dispute over minimum salary

2013 – trade unions leave the Tripartite Commission
Social dialogue in the times crisis

Two phases:

1. **Before the anti-crisis legislation**
   the early period of global recession (2008-2009) marked by rapid activation of social dialogue both in bi- and tripartite configuration.

2. **After the anti-crisis legislation**
   from late 2009 onwards, with growing désintéressement in social dialogue on the part of government, which instead turned towards unilaterial decision-making as far as anti-crisis policies are concerned.
Constitutional basis for social dialogue

• Preamble: „Constitution of the Republic of Poland is based on social dialogue”,
• art. 20: „A social market economy, based on the freedom of economic activity, private ownership, and solidarity, dialogue and cooperation between social partners, shall be the basis of the economic system of the Republic of Poland”. 
Tripartite Commission


• A forum of social dialogue held in order to conciliate the interests of employees, the interests of employers and public welfare.

• 3 representative trade unions, 4 representative employer’s organizations, the government.
Tripartite Commission

• On 23 June 2013 – trade unions informed the Prime Minister on suspension of participation in all forms of social dialogue

• Actually it halted all Tripartite Comission’s activities.

• January 2015 – the government accepted new institutional framework, agreed upon earlier by social partners
Social dialogue – institutional reform and renewal

On 21 March 2015 trade unions, employers’ organisations and the Minister for Labour preliminarily agreed on a common draft of the new Law on the Council of Social Dialogue and other institutions of social dialogue.

• the end of the current Tripartite Commission for Social and Economic Affairs
• establishment of the Council of Social Dialogue – new opening of social dialogue?
Council of Social Dialogue

• Members of the Council will be proposed by representative trade unions and employers’ organizations and the government, and nominated by the President,

• The presidency of the Council will be exercised by representatives of all actors, they would replace each other on a regular basis, the period of office of the president would amount to one year,

• The Council will be independent from the government,

• The competences of the Council will be broad and will cover the possibility to discuss all issues that would contribute to maintaining the social peace,

• The Council might initiate the legislative process and issue opinions on drafts submitted by other institutions,

• Similar councils of social dialogue will also be created at the regional level.
Council of Social Dialogue

- Much expectations from social partners
- New competences of the Council as regards draft legislation (i.a. intermediary legislative initiation)
- More independence and autonomy
Anti-crisis legislation


- Follow-up legislation (some provisions of temporary nature has become permanent)
Anti-crisis legislation

• Legislation addressed to employers with temporary economic difficulties – decrease in sales by 25% in 3 months after 1 July 2008 (from October 2010 – 10%)
Anti-crisis legislation

I. Working time
- extension of working hours settlement period to 12 months (assed positively by employers)
- flexibilisation of daily working time
- working time reduction
- unlimited number of fixed-time employment contracts allowed for up to 24 months
Anti-crisis legislation

II. Public aid (by Guaranteed Employee Benefits Fund)

Support to employees – subsidies to cover part of remuneration (less working hours or temporary halt)

Support to employers – subsidies to social security, etc.
Anti-crisis legislation

III. Support of vocational training and human capital development

- subsides from Labour Fund
- obligation to set up a „company training fund”
Economic slowdown/economic crisis „+”

• High mobility of Polish entrepreneurs
• High level of acceptance of flexible labour conditions by Polish employees
• Implementation of the EU structural funds
• Stable situation of bank system in Poland
• Public debt thresholds in the Constitution and the Public Finance Act - 55% of GDP
Economic slowdown/economic crisis

- Social manifestations of the crisis seen i.a. in changes on the political scene
- Rise of unemployment, esp. among young people
- Rise of share of the NEETs group
- High share of temporary and civil law contracts affects negatively predictability of the future

- Growth of budget deficit (until 2011)
- Growth of public debt

• Introduction of expenditure disciplinary rule
• Long term budget planning also in local governments,
• Introduction of individual debt limits for particular local government units, establishing limits for new spending in local government,
• Introduction of conditional increases in VAT rates depending on the level of public debt (increase of VAT tax up to 23% (from the level of 22%) and up to 8% (from the level of 7%) in case of lowered tax threshold for following three years, 2011).
Excessive deficit in Poland

• Recommendation for a Council decision abrogating Decision 2009/589/EC on the existence of an excessive deficit in Poland
• In 2014 deficit amounted to 3,2% of GDP
• Problem – reversal of 1999 pension reform (part of assets accumulated in the private sector were transferred to the public social security scheme) in December 2013 – risk in long term run for public finances
• Targets: 2,7% in 2015, 2,3% in 2016.
Conclusions

• Anti-crisis package - success of social dialogue in Poland

• Désintéressment of the government with social dialogue

• Renewal of social dialogue