

# **Bargaining for Productivity: Poland**

*National report for Poland*

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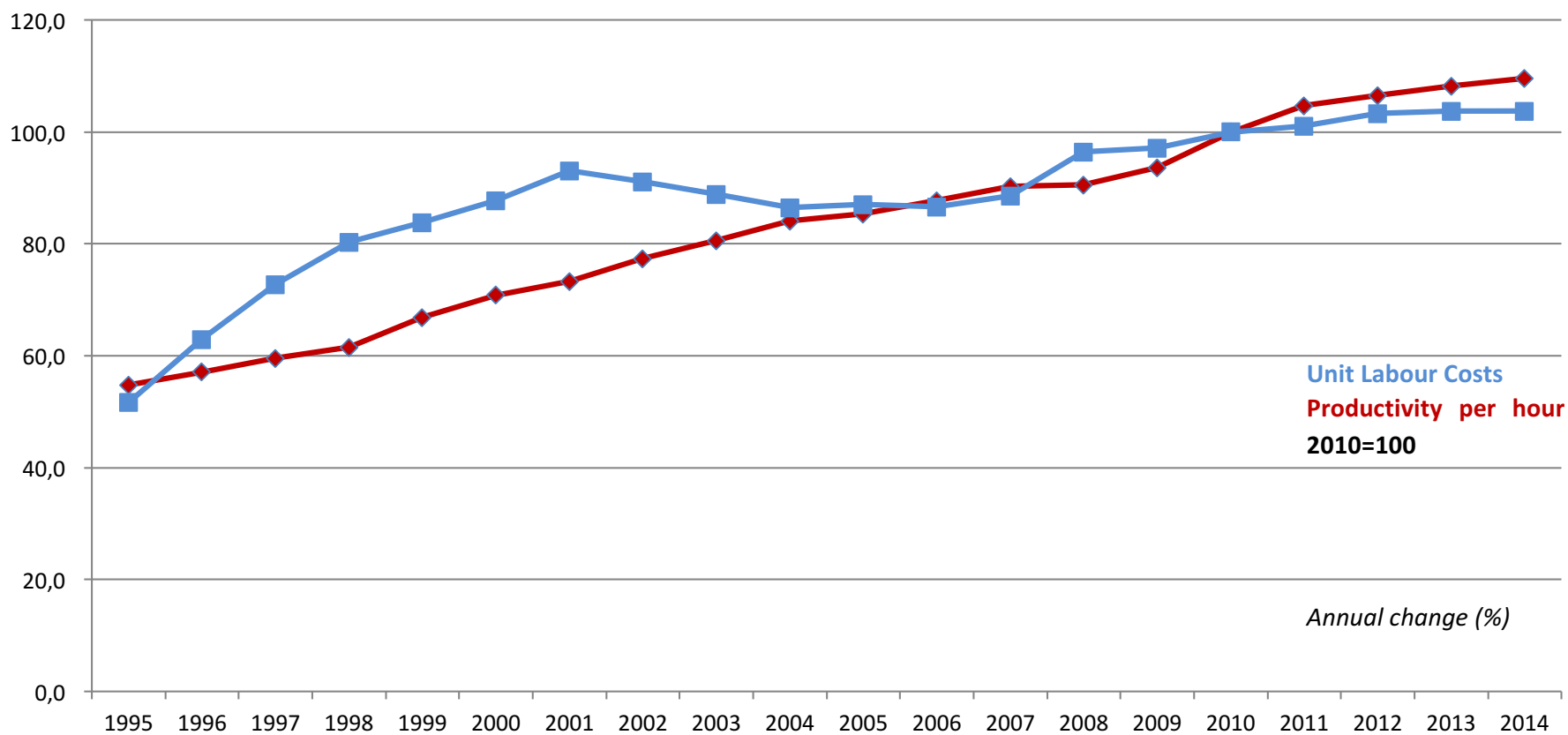
## Weak collective bargaining, no labour productivity on the agenda

- **Collective bargaining coverage: around 10%,**
- **Union density: 12%**
- **Employer organisations density: 20%**
  
- Decentralised model of collective bargaining
- Predominance of single-employer CA / lack of sectoral CA
- Rare multi-employer CA - in 2014, 86 active multi-employer CA, covering some 390,000 employees, i.e. some 2.7 % of employees, mostly from the public sector

According to the National Labour Inspectorate (PIP), single-employer agreements usually reprise generally binding regulations of labour law.

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## Unit labour costs and labour productivity in Poland 1995-2014



Source: Eurostat

## Economic and legal policies on labour productivity

- **Strategy for Responsible Development (2017)**: sets out new directions for economic development but the issue of labour productivity, besides being acknowledged as a serious impediment to further economic development, is not addressed in any specific way
  - **National Training Fund (est. 2014)**: a special part of the Labour Fund dedicated to upgrading skills and qualifications of people in employment. Employers can apply for co-financing of the costs of continuous vocational training (CVT) of their staff.
  - **Industrial Policy Priorities 2015-2020+ (2015)**: “low labour productivity” in industrial manufacturing named as one of the “weaknesses” (within the SWOT matrix) of the national economy. ‘Increasing investments enhancing efficiency of innovative and creative capacity’ named as one of the strategic priorities for industrial manufacturing. The role for social partners (and other stakeholders such as chambers of industry) in the following areas:
    - 1) *Assessing industrial sectors competitiveness and identification of barriers to development*
    - 2) *Assessing effectiveness of the use available public support measures by entrepreneurs,*
    - 3) *Identification of barriers to trade development.*
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## Economic and legal policies on labour productivity: benchmarks

	Index	Index value		
		2013	2017	2020
1.	Industrial manufacturing share in GDP [%]	22	23	25
2.	Industry share in value added [%]	25	26	28
3.	R&D expenditure as a share of GDP [%] (of which the private sector's contribution)	0.9 (2012) (min. 30)	1.3  (min. 40)	1.7  (min. 50)
4.	Employment in industrial manufacturing [mln]	2.8	No less than 2.8	No less than 2.8
5.	<b>Labour productivity [EUR/hour]</b>	<b>10.6</b>	<b>11.9</b>	<b>12.8</b>
6.	Value of export per capita (current prices) [EUR]	4026	5426	6476

## Collective bargaining and labour productivity in 4 sectors

### Large retail:

In the sector there is **no formal collective bargaining**, despite continuous pressure of trade unions on employers. Insufficient bargaining power (due to low unionisation) translates into **lack of autonomous regulation of work and employment relations**.

- Growing pay pressure, resulting from undersupply of labour and social (family) benefit 500+
  - Increasing use of **atypical forms of work (including TAW)** and growing presence of **migrant workers**, especially in the large metropolitan areas.
  - Trade unions are anxious about the **impact of automation** on level of employment: *Automatization of work seems to be a problem, especially with regard to retail. Saturation of non-human working arrangements will bring reduction of jobs (NSZZ Solidarność).*
  - Growing interest by leading retailers in human capital building and providing vocational training (IVT) within dual education formula.
  - Initiatives aiming at boosting the attachment of employees to their current workplace (stock option plan)
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## Collective bargaining and labour productivity in 4 sectors

### Car industry:

In the Polish car industry some 750 thousand workers are employed, with further 600 thousand working in the supply chain. The sector is dominated by foreign capital.

While **trade unions are relatively strong** in the sector comparing to the entire economy, the state of **collective bargaining is not significantly better** than in the other branches.

**No sectoral agreement exists**, few single-employer agreements are in place in the major manufacturers.

- The **labour productivity** issues are dealt with **unilaterally** by employers or by the means of informal (ad-hoc) arrangements agreed upon by employers and unions at the workplace level.
  - As a consequence, the **labour-intensive methods of increasing efficiency** of production prevail.
  - Growing interest by in human capital building and providing vocational training (IVT) within dual education formula (company-sponsored classes in vocational schools)
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## Collective bargaining and labour productivity in 4 sectors

### Healthcare:

As far as labour productivity is concerned, the key issue in the public healthcare system in Poland is **understaffing**: there are only 2.2 practising doctors per 1 000 population, and 5.3 nurses per 1000 inhabitants (the OECD average is 3.3 and 9.1, as of 2013). The volume of healthcare personnel in those two major occupational categories has been stagnant. The workforce is of relatively **advanced age**: over 49 years for doctors (2015), and 48 years for nurses (2014).

- The public health policy is pointed to as the factor impeding (or even undermining) the labour productivity, as employment cuts among the non-medical personnel lead to spreading of **multi-tasking**, hence **increased workload on doctors and nurses**:

*Downsizing and structure flattening as the source of trouble: registrars gone, secretaries gone, but their work has not vanished, it just needs to be taken over by medical staff, who, in return, has less time for patients (Trade Union of Nurses and Midwives).*

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## Collective bargaining and labour productivity in 4 sectors

### Hotels and catering:

**Industrial relations** in the sector are **highly fragmented**.

Trade union density is below average.

Autonomous **social dialogue** in the HORECA sector **is weak**. The only multi-employer collective agreement has been replaced by a single-employer's agreement with the ORBIS hotel group in 2011/2012.

- acute shortage of skilled workforce in the open labour market ready to take up employment without the need of preparatory on-site training, this is the most important concern for the sector;
  - labour-intensive methods of increasing efficiency;
  - Strong focus on skills and competences development, the sectoral framework of qualifications already in place, the Sectoral Council for Competences in Tourism (Rada ds. Kompetencji Sektora Turystyki) launched in February 2017.
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## Conclusions

- *Paradox*: despite lack of developed public policies in the area of labour productivity / innovation and poor industrial relations landscape  
→ significant increase in productivity
- Unless legal framework is changed, no prospects for revival of collective bargaining, this may be substituted to some degree by regional social dialogue bodies shifting their focus to vocational training.
- The future: 'Enlightened paternalism' of employers or 'neo-etatism'.

### Productivity driven by:

- automatization and implementation of new technologies,
  - multi-tasking & intensity of work,
  - reduction of ineffective labour (esp. in 1990s)
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