



# Capacity building for social dialogue in Poland

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# Introduction

This paper analyses the capacity of Poland's social partners to effectively engage in social dialogue at various levels. The paper forms part of a wider, comparative project, managed by the European Foundation for the Improvement of Living and Working Conditions (Ireland) and the Work Life Development Programme (Sweden). It is aimed at helping social partners in the 10 new EU Member States and the three acceding and candidate countries (Bulgaria, Romania, and Turkey) to build their capacity for social dialogue with a view to anticipating and managing change. The report concentrates on studying the organisational, financial, and personnel capacities of the national, central organisations of employers and trade unions for anticipating and managing change, anticipating future developments and implementing outputs.

For the purposes of this project, the category of 'social partner' is taken to include nationwide union organisations and employer organisations having representative status within the meaning of the legislative act regarding the Tripartite Commission for Social and Economic Affairs and the *voivodship*<sup>1</sup> social dialogue commissions and, accordingly, participating in the work of the Tripartite Commission.

Following a brief introduction, the report reviews the legal, social and political framework for social dialogue capacity and discusses existing organisational, financial and personnel capacities for social dialogue. This is followed by an analysis of tripartite and bipartite social dialogue as well as a look at the international participation of the trade union and employer organisations.

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<sup>1</sup> Poland is divided into 49 regions called voivodships.

# Industrial relations context

## Historical background

In Poland there are seven nationwide organisations representing the collective interests of either employees or employers (three nationwide union organisations and four nationwide employer organisations) and with the status of representative social partners. Some of the organisations have been around for many years, while other social partners have only recently entered the arena.

Of the three nationwide union organisations represented on the Tripartite Commission, **NSZZ Solidarity** (*NSZZ Solidarność*) is the oldest; it was established in 1980 (and actually registered with the courts in 1981) on the crest of massive social discontent with the deteriorating political and economic situation in Poland, which brought mass strikes throughout the country. Following the declaration of martial law in December of 1981, Solidarity was outlawed, and many of its leaders were arrested. It continued operating from underground and was officially reinstated in 1989.

The All-Polish Trade Union Agreement (*Ogólnopolskie Porozumienie Związków Zawodowych*), known by the Polish-language acronym **OPZZ**, was established in 1984, filling the void left by the disbanded Central Trade Union Council. Through 1989, OPZZ remained the only nationwide union organisation recognised by the authorities. The role of OPZZ and its relation to the authorities are regarded as somewhat ambiguous. On the one hand, it functioned as an officially sanctioned union body under the reality of authoritarian state socialism; on the other, it made no secret of its critical attitude towards certain decisions and policies of the government.

The youngest of the three nationwide union organisations in Poland is the **Trade Unions Forum** (*Forum Związków Zawodowych*), established in 2002 and represented on the Tripartite Commission since 2003. Forum brings together independent union organisations (individual unions as well as some federations); some of Forum's constituents have no history of previous affiliations, and others have previously belonged to OPZZ. Given the time of its establishment, Forum could not have been recognised as representative through the passing into law of the Act regarding the Tripartite Commission for Social and Economic Affairs and the *voivodship* social dialogue commissions; its representative status was recognised only after it applied to the relevant court.

The employers are represented on the Tripartite Commission by four organisations. Of these, the **Confederation of Polish Employers** (*Konfederacja Pracodawców Polskich*, KPP) has been present on the Commission since its very inception. KPP was established in 1990 and is thus the oldest of the representative organisations operating on the basis of the legislative act regarding employer organisations. KPP traces its lineage even further, back to the Association of Employers in Poland established in the mid-1980s. As the successor to this body, KPP has represented Polish employers in various international organisations. KPP, as already mentioned above, was among the signatories of the Pact Regarding the State-Owned Enterprise in 1993 and, as such, joined the first composition of the Tripartite Commission for Social and Economic Affairs. During the first period of the Tripartite Commission's operations which lasted until 2001, KPP was the only employer organisation represented.

Following adoption of the legislative Act regarding the Tripartite Commission for Social and Economic Affairs and the *voivodship* social dialogue commissions in 2001, two further employer organisations were recognised as representative. The **Polish Confederation of Private Employers** (*Polska Konfederacja Pracodawców Prywatnych*, PKPP, as of 2004, this organisation operates under the extended name **PKPP Lewiatan**) was established in 1999 at the behest of the Polish Business Council, a forum assembling many of the largest private companies in the country. PKPP Lewiatan's membership roster is dominated by private enterprises established after 1989.

The history of the **Polish Crafts Union** (*Związek Rzemiosła Polskiego*, ZRP) goes back to the period between the two world wars. The Union of Crafts Chambers was established in 1933 and in 1972 was transformed into the Central Union

of Crafts. The organisation assumed its present-day name in 1989; in the same year, it was involved in the establishment of KPP. The Polish Crafts Union is an organisation of craftsmen and of small enterprises.

The latecomer to the Tripartite Commission is the **Business Centre Club**, or BCC. This organisation has been in existence since 1991, initially as an association of enterprises. In 2001, the BCC convened a new entity, the Business Centre Club Employer Union, which won the status of a representative employer organisation for the purposes of the legislative Act regarding the Tripartite Commission in December of that year (as certified by a court verdict). BCC duly joined the Tripartite Commission in 2002.<sup>2</sup>

## Involvement in the political arena

The representative social partners do not engage in partisan politics on a direct basis; this, of course, is not to say that they are apolitical. Their ties to active political parties are of a different character in the case of trade unions and of employer organisations. The political leanings of the two oldest union organisations are the consequence of their respective histories. NSZZ Solidarity maintains connections with assorted groupings associated with the democratic opposition in the People's Republic of Poland. OPZZ, meanwhile, continues to keep up relations with the leftist parties which emerged following the break-up of the ruling Polish United Worker's Party, even if these relations are less cosy than they were in the past.

From its very beginnings, Solidarity was not a simple trade union as much as it was a vast social movement. Accordingly, Solidarity eventually became a fecund breeding ground, which gave forth many political parties, some of which produced prominent figures of modern Poland's political arena. Having announced that it is spreading a 'protective umbrella' over the political and economic reforms launched in 1989, Solidarity assumed political responsibility for the transformations underway in the country. In this way, it became a conduit and a target for the growing discontent of Poles at the high social costs exacted by the reforms. It was not long before the chips were called in, and Solidarity was left struggling to make good on its bets. During the parliamentary election held in the autumn of 1993, Solidarity's list of candidates just barely cleared the 5% minimum in order to enter Parliament.

The next parliamentary election, held in 1997, brought a dramatic reversal of this situation. The Solidarity Electoral Action (AWS) coalition of centre-right groups, which rallied around the Solidarity banner, scored a convincing victory and went on to form a ruling coalition with a junior partner. Yet the four years of government by AWS passed in an atmosphere of increasingly vicious in-house fighting which culminated in the disintegration of AWS and in a resounding electoral defeat, as a result of which the group lost every last seat in Parliament. These events led Solidarity to withdraw from direct involvement in the political fray and to revert to its classic trade union orientation. Again, this does not mean that Solidarity magically became completely apolitical. As of 2001, Solidarity began devoting more attention to the work of social dialogue institutions, in particular the Tripartite Commission.

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<sup>2</sup> As of the completion of the report, the Business Centre Club had not submitted answers to the questionnaire, and the author has not been able to hold an interview with a representative of that organisation. Accordingly, all information about the BCC set out in this draft is culled from elsewhere – public source materials as well as materials provided by BCC itself on earlier occasions.

OPZZ, meanwhile, kept up its contacts with social democratic groupings of post-communist pedigree after 1989 (Socjaldemokracja RP, SdRP, and then the Democratic Left Alliance, or SLD). Before the latter group was reborn as a full-blown political party, it operated as an electoral coalition whose signatory members included OPZZ. Now that SLD is a political party, its relationship with OPZZ is not formalised in any way, but working contacts are evident at the level of personal connections, what with OPZZ activists holding parliamentary seats on behalf of SLD (although their number is less than in the previous Parliament). During the initial stages of social and economic reform in Poland, OPZZ did not take issue with the economic reforms, and its close ties to left-wing parties enabled the union to leave its mark on labour relation regulations (especially so during the period of 1993 through 1997 when SLD was the dominant member of the ruling coalition). Yet the passage of time brought a more critical mood among OPZZ activists with respect to the direction in which reforms were progressing particularly as regards the weakening position of the working class.

Forum, the last of the representative unions participating in the Tripartite Commission, does not have such political affiliations and is thus the closest to the classic trade union paradigm. Yet the specific make-up of this union organisation, representing as it does mostly public sector employees, obligates it to take an active interest in current government policy and to speak up on matters of concern to its constituents.

The employer organisations, meanwhile, have not forged any institutional ties with the principal actors of the political arena; such relations that do exist are of an informal, personal nature. By way of a general assessment, one might venture that Polish employer organisations seek contacts with those political groupings which share in their ideology, i.e. with those whose programmes foster liberal market models; as a corollary, the employer organisations keep their distance from populist groups which they perceive as threatening the institutional stability of the country and, thus, the conditions conducive to economic growth.

### Legal framework

The system of industrial relations in Poland is regulated by a wide array of legal acts. The basic normative acts which define the framework for industrial relations are as follows:<sup>3</sup>

- the legislative act regarding trade unions (from 1991) – the legal basis for operation of labour unions in Poland;
- the legislative act regarding employers organisations (1991) – the legal basis for employer organisations;
- the legislative act regarding resolution of collective disputes (1991) – defines the principles governing pursuit and resolution of collective disputes;
- the Polish Labour Code (1974) – the main normative instrument regulating labour relations, repeatedly amended after 1989 to reflect the needs of market economy; major amendments to the Labour Code occurred in 1996 and 2002 leading to increased flexibility of the labour market;<sup>4</sup>

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<sup>3</sup> Apart from the statutes enumerated below, one could also mention further legislation which, while not appertaining directly to industrial relations, impact upon at least some categories of social partners, such as: 1) The Associations Law (1989) – the Business Centre Club was established, and pursues its operations, on this basis; 2) The legislative act regarding crafts (1989) – provides the legal foundation for the operation of the Polish Crafts Union.

<sup>4</sup> Labour Law Codification Committee recently completed guidelines for two separate legislative acts regarding labour (dealing respectively with collective and individual labour relations) that are intended to replace the current Labour Code. In early October 2005 the proposal was submitted to the government, whose task now is to prepare the actual draft legislation to be presented to the parliament.

- the legislative act regarding state-owned enterprise (1981) – the legal basis for operation of the distinct legal and organisational form presented in the state-owned enterprise, regulating in particular the power relations within such enterprises and establishing an institution of a ‘council of employees’ (self-government at enterprise-level) equipped with substantial prerogatives, repetitively amended since 1989 to reflect the needs of the market economy;
- the legislative act regarding the Tripartite Commission for Social and Economic Affairs and the voivodship social dialogue commissions (2001) – provides the legal basis for tripartite social dialogue institutions in Poland.<sup>5</sup>

# Social dialogue in Poland

Social dialogue in Poland has a long and varied history. Even in the Polish People's Republic, there occurred sporadic episodes of dialogue between the authoritarian government and society. Granted, most of them took place during moments of crisis, such as the unrest in 1956 or in 1970 or, most importantly, during the period of 1980 to 1981 which brought the August Agreements and the establishment of independent trade unions in Poland (and which, of course, culminated in the imposition of martial law).

The democratic breakthrough of 1989 opened a new chapter for social dialogue in Poland. The intensive economic, political, and social changes experienced by Poland, much like other post-communist countries, during the 1990s called for establishing the institutional framework of a consensual democracy.

The single most important event in the development of institutionalised social dialogue in Poland after 1989 was brought with the convention of the Tripartite Commission for Social and Economic Affairs. The prelude for the Tripartite Commission's establishment was comprised in the signing, in February of 1993, of the Pact Regarding the State-Owned Enterprise, a social agreement drawn up by the government, nine union organisations, and one employer organisation. Soon thereafter, the Tripartite Commission, bringing together the signatories of the pact, was brought to life by way of an ordinance promulgated by the Council of Ministers; it was on the basis of this ordinance that the Tripartite Commission operated between 1994 and 2001. During this period, the Tripartite Commission included the Confederation of Polish Employers (KPP) for the employers and, for the employees, two national union organisations, NSZZ Solidarity and OPZZ, as well as seven sectoral union organisations not affiliated with these two union power houses – the Federation of Polish National Railways Trade Unions, the Federation of Power Industry Worker Trade Unions, the 'Kadra' Agreement of Trade Unions, the Engineers and Technicians Trade Union, the Trade Union of Machinists in Poland, the Trade Union of Urban Transport Workers, and the Trade Union of Electric Machine Industry Workers.

## Key actors

In 2001, the Tripartite Commission gained a statutory basis for its operations in the form of the legislative act regarding the Tripartite Commission for Social and Economic Affairs and the voivodship social dialogue commissions. Among its other provisions, this Act laid down the criteria for representative status of social dialogue partners. Consequently, an employee organisation qualifies as representative for the purposes of the Act if it is 1) a national-level trade union, 2) a national-level association (federation) of trade unions, or 3) a national-level inter-union organisation (confederation) with at least 300 000 members,<sup>5</sup> and covers entities pursuing operations covering at least half a section of the Polish Activities Classification (PKD), with the reservation that, for these purposes, no more than 100,000 members employed in a given PKD section are counted. For employer organisations, meanwhile, the status of representative can extend to an entity which 1) pursues operations on a national scale, 2) assembles entities employing at least 300,000 people and 3) assembles entities pursuing operations covering at least half a section of the Polish Activities Classification (PKD), with the reservation that, for these purposes, no more than 100,000 employees are counted for each section.

The Act has also been amended with an intention to eliminate a loophole: it now explicitly states that an organisation applying for the status of a representative social partner is not allowed to include employees working for employers who are currently (or have been within the previous 12 months) associated with another representative employer organisation.

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<sup>5</sup> That particular condition stipulated by the Act (regarding size of the unions) was a subject to two consecutive amendments: membership minimum was originally set at 300,000, then (in December, 2002) raised to 500,000, and, eventually, lowered to 300,000 once again (in October, 2004).

Once accorded, the status of a representative organisation must be renewed every four years. Applications for recognition of representative status are lodged with the District Court in Warsaw; following consideration of an application, the court hands down a decision in which it either holds the applying organisation to be representative or declines such recognition.

As mentioned before, five organisations have been recognised as representative on an *ipso lege* basis and will retain this status through December 31, 2005, meaning that, come the end of 2005, they will be under a legal duty to confirm their representative status as described above.

Table 1: Trade unions and employer organisations in Poland

Organisation	Established	No. of member organisations (2000)	No. of member organisations (2004)	No. of employees (2000)	No. of employees (2004)	International cooperation
<b>NSZZ Solidarity</b>	1980	1 (general workers union)	1 (general workers union)		Approx 800,000 Next verification of membership level is expected in late 2005	ETUC (1995) ICFTU(1986) CMT/WCL (1986) TUAC (1996) ESEC (2004)
<b>OPZZ</b>	1984		102 unions pursuing activities at the national level plus an undetermined number of shop-floor organisations (assembling some 20% of the combined membership).		872,000 (as of late 2003; given the approaching deadline for applying for confirmation of representative status, the process of assembling data about membership of individual organisations is now underway and is expected to be completed in mid-2005).	ESEC (2004)
<b>Forum Związków Zawodowych (FZZ)</b>	2002	-	37	-	Approx 420,000	CESI (2003) ESEC (2004)
<b>Confederation of Polish Employers (KPP)</b>	1990	63	53	1,700,000	Approx 2,000,000 Next verification of employment levels is expected in late 2005	CEEP (2003); IOE (1989); BIAC (1996) ESEC (2004) ILC
<b>Polish Confederation of Private Employers "Lewiatan" (PKPP)</b>	1999 (operates under present name since 2004)	26	54	300,000	Approx 500,000 Next verification of employment levels is expected in late 2005	UNICE (2004) ILO (2000); BIAC (2003); ESEC (2004)

Table 1: Trade unions and employer organisations in Poland (Cont'd)

Organisation	Established	No. of member organisations (2000)	No. of member organisations (2004)	No. of employees (2000)	No. of employees (2004)	International cooperation
<b>Polish Crafts Union (ZRP)</b>	1933 (1972 through 1989, operated as the Central Crafts Union)	Directly affiliated: 27 crafts chambers and 1 cooperative; affiliated through the chambers: a further 485 guilds and 220 crafts cooperatives.	Directly affiliated: 27 crafts chambers and 1 cooperative; affiliated through the chambers: a further 481 guilds and 190 crafts cooperatives.	376,288	Approx 300,000 (no exact data is available; the next verification of employment levels is expected in late 2005).	UEAPME (1999); IACME (1990), WASME (1998) ESEC (2004)
<b>Business Centre Club (BCC)</b>	1991 (involved in the social dialogue institutions since 2001 as Business Centre Club Employer Union)	-	714 enterprises	-	Approx 600,000 (not all BCC affiliates are also members of the Employer Union).	-

## Finances

As regards financial resources and the assets of the individual nationwide organisations, the picture is a varied one. There is one general rule: those organisations with a longer history, in particular the two older unions and the Polish Crafts Union, have had the time to build up certain bodies of assets – which is not the same for the younger organisations, i.e. Forum and the other employer organisations (at this point, BCC is not taken into account).

The property of the former Central Association of Trade Unions was divided between the two nationwide union organisations existing in 1991 on the basis of the legislative act regarding trade unions. A detailed inventory of real property covered by this division was set out in an ordinance promulgated by the Minister of Labour in 1997. The next move in order to resolve financial issues was included in the act regarding the Tripartite Commission for Social and Economic Affairs and the voivodship social dialogue commissions stipulating that financial means acquired by the OPZZ in 1985 after the previously operating trade union centres was to be divided in half between OPZZ and Solidarity. Prior to that division, the specified amount of money that belonged to the Solidarity in 1981 was to be deducted from the abovementioned sum handed over to the OPZZ and the remaining part was to be valorised. The issue of the Employee Vacations Fund, meanwhile, poses a separate financial question, which has yet to be resolved.

All the organisations have indicated that the financial assets at their disposal are sufficient to cover their current staffing and administrative expenses.

Forecasts concerning the financial situation of the various organisations in the future are differentiated. None of the organisations expects its budgetary resources to be diminished in 2005; most, as a matter of fact, are looking forward to improvements, either through access to new sources of funding or as a result of better utilisation of the existing ones. In this context, the employer organisations (KPP and PKPP) have pointed to external funding from the European Union; the Polish Crafts Union, meanwhile, makes no mention of this source of finance, and it has expressed the expectation that its budget will remain at the same level.

The trade unions likewise do not expect EU structural funds to bring an increase of financial resources. OPZZ, for its part, is expecting higher revenues on account of the fact that it has initiated a 10% increase of the membership fees collected from affiliated organisations. Solidarity and Forum, meanwhile, do not expect any significant changes of their financial position in 2005.

The principal sources of revenue are as follows:

1. Membership fees (however, these are not always the major source of an organisation's revenue)

#### **NSZZ Solidarity**

The union's central authorities estimate that monthly collections by the National Commission at approximately 200,000 euro (this figure is yielded by calculations for the year 2004, when combined annual revenues amounted to 10 million PLN, i.e. roughly 2.5 million euro). The individual membership fee is set at 1% of monthly remuneration before taxes. Funds obtained from collections are divided as follows: 60% of the amount collected remains with the shop floor or inter-enterprise commission (of which 40% is passed on to the regional structure – the basic territorial unit within Solidarity's organisational framework). The region retains 25% of the amount paid in by the individual chapters; 5% is paid into a strike fund, and 10% goes to the National Commission.

As a general rule, the employer deducts membership fees from the payroll. Where acrimonious relations between the union and the employer make this solution impossible, (for instance, because employees are unwilling to wave their union cards in front of their employer), membership fees are collected from each employee by designated union officials.

#### **OPZZ**

No figure has been given for the combined amount collected in membership fees. OPZZ's central authorities do not have a uniform policy governing membership fee calculations, and a variety of formulas is applied:

- 1% of the gross monthly remuneration;
- 1% of the net monthly remuneration;
- 0.5% of the gross monthly remuneration;
- fixed payment.

Most typically, the employer deducts the fees from the pay-cheques of OPZZ members. In isolated cases, the organisation's treasurer collects the fees. OPZZ does not apply a set policy governing the division of funds. In general, the revenue stream is as follows: local organisations at shop-floor level pay fees to the nationwide structure (or, in the event that it does not belong to a nationwide structure, to the voivodship council, where the money flow ends). The voivodship structure then contributes to OPZZ's central authorities. The amount of fees is calculated as a 'receding fixed rate' set in reference to the given organisation's size – the larger the organisation, the smaller the per capita contribution. For these purposes, the following head count thresholds are applied:

- up to 1,000 members;
- up to 10,000 members;
- up to 100,000 members;
- over 100,000 members.

For the lowest threshold, the *per capita* contribution is the largest, corresponding to some 0.03 PLN for each person; conversely, the largest organisations contribute approximately 0.02 PLN per member. OPZZ is apparently planning a major overhaul of its fees system but, for the moment being, no details are forthcoming.

### **Forum**

The monthly membership fee is less than 0.05 euro, or 0.20 PLN; this puts it at 0.00024% of the minimum monthly remuneration. The duty to pass fees on to Forum's central authorities is incumbent on the boards of member organisations, who are asked to make monthly wire transfers (corresponding to the declared member headcount multiplied by 0.20 PLN). Forum has planned a debate on the issue of membership fees for its next congress, to be held in 2006.

### **KPP**

The membership fee depends on the number of employees, with a specified floor; alternately, it is directly negotiated by the president and approved by the presidium (for individual members). In 2004, KPP benefited from a 50% surge in revenues from membership fees, with membership increasing by 18%. KPP does not disclose its budget.

### **PKPP**

The membership fee depends on the number of persons employed at a given enterprise. The fee paid by sectoral unions and by individual members in one year corresponds to 0.2% of the amount disbursed by them as remunerations in the previous fiscal year; the minimum due is set at 1,500 PLN, and the maximum – at 150,000 PLN. Departures from these general rules are possible, particularly in the case of regional unions. PKPP's annual budget for 2004 stood at 1.2 million euro.

### **ZRP**

The organisation has a three-tiered structure; accordingly, individual enterprises pay fees to the organisation with which they are directly associated (the guild), with every guild setting its own fees. The guilds then pay a membership fee to the appropriate crafts chamber; the chambers, in their capacity as direct members of the Polish Crafts Union, contribute to the central organisation. The membership fee is the same for all; while the Polish Crafts Union does not specify its annual budget, it does indicate that fees are not the principal source of funding for its operations.

### **BCC**

No data available.

## 2. Property

The Polish Craft Union unequivocally points to fixed assets (mainly real estate) accumulated during the several decades of its existence as its main source of income.

As already mentioned above, the assets of the former Central Association of Trade Unions were divided between the two oldest nationwide unions. Solidarity has stated that it has been successful in reclaiming those pecuniary assets, which were seized from its accounts in 1981, although every union affiliated within Solidarity had to apply for restitution on an individual basis. The question of the Employee Vacations Fund remains open, but a legislative proposal has been drawn up and it will be taken over by the state.

## 3. Business activity. (This term refers to any and all services provided by the organisations on a commercial basis.)

The two oldest nationwide trade unions do not mention business activity of any kind, although it is general knowledge that both have a history of establishing external entities (companies, foundations) which would go on to pursue commercial activity in various forms. Forum, meanwhile, tells us that, while it does not engage in business activity in its own name, some of its member organisations do so by their own resources. With regards to employer organisations, business activity is admitted to by the KPP, principally in the form of consultancy services.

#### 4. External sources.

All organisations recognised as representative are entitled to state funds on account of their involvement in the Tripartite Commission, ranging between 100,000 and 150,000 PLN per year. Only PKPP and Solidarity have a specific figure on this support – € 35,000 and 130,000 PLN, respectively (these two amounts are roughly equal). All the organisations state that, apart from this Tripartite Commission grant, they do not receive any other support from the state.<sup>6</sup>

The fiscal policy of the Polish government makes no special provisions for social partners. None of the organisations under discussion have applied for ‘public utility organisation’ status, which would enable willing taxpayers to earmark 1% of their personal income tax for support of the organisation’s core activities.

### Human resources

Most of the organisations surveyed describe the state of human resources at their head office (which, clearly, depends on the overall condition of their finances) as adequate. OPZZ stands out on this count, describing its staffing situation as unsatisfactory due to shortcomings among its personnel, particularly regarding trained economists and experts on EU programmes. This situation, OPZZ tells us, is not expected to improve anytime in the near future. Forum also states that staffing at its headquarters is ‘inadequate by far in light of the various needs voiced by our member organisations’; Forum, however, expects to recruit new employees in 2005. Solidarity, while it believes present employment at the National Commission to be optimal (and, accordingly, does not anticipate any recruitment initiatives), makes the reservation that an unequivocal assessment of the staffing situation at the lower levels of its organisational structure would be more difficult. The Polish Crafts Union, meanwhile, tells us that it has little need for a large pool of administrative staff because it does not engage in direct provision of services to its members; such capacities are delegated to the basic-tier organisations (the guilds) and to the ones at voivodship level (the crafts chambers). Also, the Polish Crafts Union is labouring under budget constraints, which prevent the hiring of new staff. As new projects financed by the European Union are launched, dedicated teams are convened for their execution; in the longer term, the maintenance of such teams will depend on the institution of a system with some semblance of permanence specialising in such projects. In a similar vein, the PKPP expects to hire more staff in order to service the various European Union projects. KPP, meanwhile, does not expect to increase personnel levels.

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<sup>6</sup> In 2005 all representative social partners were to receive a one-off funding of PLN 500,000 (approximately € 130,000) each from the national budget.

## Capacity building for social dialogue in Poland

Table 2: Human resource levels in trade union and employer organisations

Organisation	Total	Total staff		Managers/ chairpersons		General		Secretaries		Other	
		F	M	F	M	F	M	F	M	F	M
Solidarity (1)	~ 115	70	45	9	4	60	40	3	0	Approx 10—15 people in total, gender parity.	
OPZZ (2)	19	9	10	1	3	8	7	3	0	Other staff (e.g. technical) is not hired directly by the union headquarters.	
Forum (3)	8	6	2	1	2	6	2	1	0	4	0
KPP (4)	31	13	18	2	3	11	15	3	0	0	2
PKPP	33	16	17	4	8	7	6	5	0	0	3
ZRP	37	24	13	6	4	11	3	1	0	6	6
BCC	No data	No data	No data	No data	No data	No data	No data	No data	No data	No data	No data

(1) Solidarity – the head office employs a total of approximately 150 people. The figures set out above should be supplemented with 14 members of the National Commission Presidium (elected officials, not employed on a salaried basis) and with 16 sector secretariat bosses (who, formally speaking, are employed by headquarters but spend most of their time in the field). The ‘general’ category comprises all employees other than managerial cadres.

(2) OPZZ – the union’s headquarters in the typical form was re-established as of January 1, 2005; during the years from 2002 to 2004, the head office retained only one person. The ‘general’ category includes assistants and secretaries.

(3) Forum – the ‘general’ category includes all employees.

(4) KPP – the ‘general’ category comprises all employees other than managerial cadres.

The majority of staff employed by the social partners are well educated and hold university degrees. None of the organisations lacks foreign language speaking staff. All the organisations dispose of a well-developed information technology infrastructure with internet access. All, or certainly most, of their office employees use computers in their daily work; the only exception cited by some organisations in this respect refers to the category of ‘other employees’, i.e. technical staff such as drivers and others who are not assigned to office duties.

Table 3: Education levels in trade union and employer organisations

Organisation	Education					Foreign languages		
	Master’s or higher degree	Other third-level degree	Incomplete higher	Secondary	Incomplete secondary	Basic	Total	Most common
Solidarity	59	5	1	36	10	7	7	English
OPZZ	11	0	2	6	0	0	2 (English, Russian)	English
Forum	6 (incl 1 PhD)	0	0	2	0	0	2 (German, English)	German
KPP	25	0	2	4	0	0	5 (English, German, French, Russian, Japanese)	English
PKPP	22	4	1	6	0	0	3 (English, German, French)	English
ZRP	19	1	0	12	0	5	3 (English, German, Russian, Danish)	
BCC	No data	No data	No data	No data	No data	No data	No data	No data

## Future trends

### National union organisations

#### *NSZZ Solidarity*

The number of member organisations is expected to remain at the same level; the central authorities of Solidarity have no imminent plans for transformation into a federation or confederation. No major change is likely in the number of members although much will depend on the situation in the economic sectors subject to restructuring. Still, no major developments are expected in 2005 given the proximity of parliamentary elections.

#### *OPZZ*

The number of member organisations is expected to fall. A drop in the number of unions belonging to OPZZ will be brought about as a result of amendments to the organisation's charter enacted by the most recent extraordinary congress (held in 2004) where for internal purposes of the organisation, the minimum members headcount of a union seeking nationwide status is set at 1,000. The number of members is expected to remain at the same level. Natural membership attrition is being compensated for by an influx of new members from sectors such as education or medium-sized enterprises.

#### *Forum*

The number of member organisations is expected to increase: 'several organisations which have applied for admission to Forum are awaiting the decision of the Central Board and, furthermore, negotiations concerning the terms and conditions of admission to Forum are underway in a number of other cases'. With regard to the number of members, Forum has not produced a definitive description of the tendency for this year. 'A very large impact on, for instance, the head count of the All Polish Trade Union of Nurses and Midwives [which is a member organisation of Forum – J. Cz.] may be exerted by the legislative changes connected with restructuring of the health care sector [...] (and) may significantly influence the membership of this 90,000 – strong organisation. On a lesser scale, similar phenomena (of reorganisation) may make themselves felt in many other sectors and industries (eg telecommunications, post, or the railways)'.

### National employer organisations

#### *ZRP*

The number of member organisations is expected to shrink. 'We expect that the number of chambers and of guilds will remain at the same level. As of 1990, a constant decrease in the number of crafts cooperatives is being observed. This decrease was actually quite precipitous until 1995; right now, several cooperatives go into liquidation every year for economic reasons'. The number of members is expected to remain the same. A decline in the number of small and medium-sized enterprises (SMEs) was observed in 2004, presumably as a result of the economic recession persisting in 2003 and 2004. This decrease translated indirectly into a fall in Polish Crafts Union membership. Yet the economic upturn in evidence since 2004 is expected to bring about the establishment of new enterprises, and the influx of new members should offset the previous losses.

#### *Confederation of Polish Employers*

The number of member organisations is expected to grow on account of the high activity levels displayed by the organisation (in the public forum, new initiatives), change of the qualitative offer held out to potential members, and expansion of the services package. A similar situation is anticipated with regards to the number of members.

*Polish Confederation of Private Employers*

The number of member organisations is expected to grow. The organisation cites the results of opinion surveys indicating that PKPP competently represents the interests of employers, that employers join the organisation in order to contribute to a better operating environment for enterprises and to economic development, and that employers assembled in PKPP have greater influence on legislation. Again, they anticipate a similar situation for the number of members

There was no data available for the Business Centre Club.

# Collective bargaining

Collective bargaining, with collective labour agreements as their end product, is not particularly common in Poland, and its influence on labour relations is limited. Pertinent provisions of Polish law distinguish between two types of collective agreement:

- Multi-enterprise (sectoral level);
- Single-enterprise (at the level of individual enterprises).

Such collective bargaining as pursued in Poland is very much decentralised; collective agreements of the second kind specified above clearly predominate. The past few years have witnessed a drop in the number of collective agreements closed, and those that are executed tend to address a narrower range of issues (with the scope of rights and benefits extended to employees above and beyond the statutory minimum shrinking). Amendments to the Polish Labour Code enacted in 2003 have provided for temporary suspension of a collective agreement's application with the permission of the parties thereto where this is justified by financial difficulties on the part of the employer. Another key development in the legal framework for collective bargaining took place in 2002 when the Constitutional Tribunal revoked as unconstitutional the clause 2417 par. 4 of the Labour Code stipulating that even in the case of collective agreement being dissolved, its provisions would remain in force as long as a new agreement was established. It should be noted, though, that by virtue the Labour Code the Minister of Labour has a right to extend a multi-enterprise collective agreement coverage to employees of the same sector not directly covered by the provisions of the agreement.

Table 4: *Collective bargaining levels in Poland*

Organisation	National level (1)	Sector level	Regional level (2)	Enterprise level
<b>Solidarity</b>	Participates	Participates	Participates	Participates
<b>OPZZ</b>	Participates	Participates	Not involved	Participates
<b>Forum</b>	Not involved	Participates	Not involved	Participates
<b>KPP</b>	Participates	Participates	Participates	Not involved (issue left up to individual enterprises)
<b>PKPP</b>	Participates	Participates	Participates	Participates
<b>ZRP (3)</b>	Not involved	Not involved (exception: negotiations in the construction industry)	Participates	Not involved
<b>BCC</b>	No data	No data	No data	No data

(1) No collective bargaining is pursued at the national level; accordingly, there are no collective agreements and negotiations within social dialogue bodies (i.e. the Tripartite Commission) are regarded as a substitute. Hence the affirmative answers.

(2) No collective bargaining is pursued at the national level; accordingly, there are no collective agreements and negotiations within social dialogue bodies (ie the voivodship commissions) are regarded as a substitute. Hence the affirmative answers.

(3) Given its profile (namely a membership structure in which small and micro-enterprises predominate), the Polish Crafts Union does not generally engage in collective bargaining.

With the notable exception of Solidarity, the social partners at national level – given their structure – do not involve themselves in collective bargaining as parties to collective agreements, whether multi- or single-enterprise. Such involvement is the province of organisations affiliated at enterprise and at sector level.

The implementation of the telework agreement is in progress, while the agreement regarding stress in the workplace has yet to get underway. In the case of the former, the social partners have convened a working team in late 2004, who will implement the agreement in Poland. The fact that such a team was assembled merits attention as an interesting exercise in autonomous dialogue; as according to information gathered in the course of the research, this team involves all the social partners (pending by BCC). In June 2005, PKPP, KPP and ZRP on the part of employers and all three trade union centres signed the agreement.

# Tripartite participation

Tripartite social dialogue in Poland is pursued at three levels – national (with the Tripartite Commission as a forum); sectoral (within teams assembled for negotiations geared at softening the impact of restructuring in the large ‘problem industries’); and regional (in the *voivodship* social dialogue commissions).

Table 5: *Tripartite participation in Poland*

National	Sectoral	Regional
Tripartite Commission for Social and Economic Affairs: Assembles seven social partners and, for the government, representatives of: 1. The Minister of the Economy and Labour; 2. The Minister of the State Treasury; 3. The Minister of Finance; 4. The Minister of Infrastructure; 5. The Minister of Health; 6. The Minister of National Education.	Ten Tripartite sector teams (in parentheses, the year of establishment): 1. Mining (1992); 2. Metallurgy (1995); 3. Energy (1998); 4. Armaments (1998); 5. Sulphur mining (1998); 6. Textile industry (1999); 7. Maritime shipping, deep sea fishing (2002); 8. Chemical industry (2003); 9. Railways (2003); 10. Health care (2005).	Sixteen <i>voivodship</i> social dialogue commissions (one for every <i>voivodship</i> , or region).  All the representative trade unions, All the representative employer organisations. <sup>7</sup>

NB: *The sectoral teams were convened primarily in those industries for which **Government Restructuring Programmes** had been drawn up; exceptions in this respect are the textile industry, shipping and fisheries, and power generation – industries for which restructuring does not draw on public funds.*

*The individual teams involve trade unions, union federations, and employer organisations at industry level. Nationwide organisations are not directly represented on the teams, and in some sectors – given their specific characteristics – not all the nationwide organisations are present (for the heavy industry sectors, for instance, all employers are represented by the Confederation of Polish Employers).*

The experiences culled by the social partners from their participation in tripartite social dialogue institutions at these various levels are best described as mixed.

In the opinion of Solidarity, an assessment of social dialogue at Tripartite Commission level should be cautious. Solidarity believes that the Tripartite Commission does not have any major successes to its credit, and that it leaves a feeling of insufficiency. Work within the Tripartite Commission was marked by difficulties with reaching consensus. Solidarity also takes a sceptical view of the *voivodship* social dialogue commissions, pointing to a lack of notable successes and of real power to influence the situation in specific enterprises at regional level. Solidarity has offered a somewhat more generous assessment of the tripartite sector teams, dwelling particularly on their role in defusing tensions within specific industries. In spite of its many criticisms, the Solidarity union is of the opinion that civilised forms of discourse of the sort offered by institutional social dialogue meet with understanding on the part of the employers and, accordingly, bode well for the future.

<sup>7</sup> Recently an issue of strengthening the position of regional bodies with additional resources has been voiced. Regional bodies are unique in character, because they are open to partners outside of the employers-trade unions-government triangle such as NGOs, who can be invited to participate in the works of a *voivodship* commission. Therefore, social dialogue at regional level could arguably be branded ‘quadripartite’.

OPZZ has pointed out that, since the inception of the Tripartite Commission, there have been a number of changes to its composition, and that there have also been rotations of political power in the country – not without effect on the attitudes brought to the negotiating table by government representatives. OPZZ believes that expansion of the Tripartite Commission membership to accommodate new entities has made for a protraction of the negotiation process. As far as relations on the union side are concerned, OPZZ believes that the historical and political divisions between the individual union organisations have reared their heads every now and again but that, all in all, there were no material disputes at the substantive level – on the contrary, the unions have proved capable of coming together to initiate new undertakings.

According to Forum, its participation ‘in institutionalised social dialogue has had a beneficial impact on the progress and the scope of work within the Tripartite Commission and of other bodies and agencies involving the social partners. The previous bipolar division among the representatives of trade unions in all bodies involving employer representatives has been eliminated’. Representatives of Forum are present in all the key teams of the Tripartite Commission, and Forum has put forward the establishment of a new team charged with structural funds.

The Confederation of Polish Employers describes its experiences of participation in the social dialogue bodies from the perspective of specific achievements that it can take credit for. These include the presentation of positions and opinions on subjects such as the national budget for 2005, the government’s report on selected macroeconomic indicators in preparation of that budget, and the remuneration and minimum wage indices for 2004. As regards the future of tripartite dialogue, KPP takes a guarded view, noting that ‘this year has seen a marked decrease in interest of the government party in this form of social dialogue. This situation will most probably continue until early 2006 (election season and the immediate aftermath). Under these circumstances, there will be an intensification of autonomous dialogue followed by presentation of joint positions to the authorities (by employer organisations and the trade unions)’.

According to the Polish Confederation of Private Employers, ‘the shape of dialogue depends on organisation of the ministry and on the objectives of the minister charged with social dialogue [i.e. the Minister of the Economy and Labour – J. Cz.]. The social partners have also been initiating autonomous dialogue’.

In the view of the Polish Crafts Union, enlargement of the Tripartite Commission in 2001 has enabled a new balance among the parties involved, with the government, labour, and the employers duly represented and, more importantly, with the latter also including representation of the private sector. The Polish Crafts Union views its own accession to the Tripartite Commission in terms of an acknowledgment of the crafts sector as a creator of jobs. In appraising the Tripartite Commission, the Polish Crafts Union believes that ‘its functioning to date should receive a generally positive assessment’ in that ‘numerous actions by the Commission have brought about a state of affairs where conflict situations can be cleared up under conditions of dialogue, not of confrontation’.

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