

# Industrial relations and social dialogue Poland: Working life in the COVID-19 pandemic 2020

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### Introduction

The first case of COVID-19 was officially recorded in Poland on 4 March 2020. On 14 March the government declared state of pandemic danger and introduced meticulous border control the following day. On 20 March state of pandemic was declared and it has remained in force ever since. By the end of 2020 nearly 1.3 million cases were registered and over 28,000 deaths were attributed to COVID-19. With the state of pandemic in force, the first lockdown began. Wearing face masks in the public space became mandatory. People returning from abroad were subjected to quarantine. Schools partially closed already on 12 March, and entirely (also pre-schooling facilities) on 17 March, switching to e-learning. In late March and early April new restrictions were imposed on movement on people, which was allowed only with reasonable causes behind (mainly work-related and aimed to providing for basic living needs), public gatherings were effectively banned, limits of people present in public space of various types (commercial outlets, public transport, churches etc.) were introduced. Stores other than providing for basic needs (FMCG), hotels and restaurants, arts, culture and leisure premises, sports and fitness facilities, as well as hair and beauty salons were closed. The restrictions would be gradually relaxed from 20 April. Firstly, limits of persons allowed in stores and churches were increased, more freedom of movement was granted (i.e. for recreational reasons). On 4 May shopping malls, hotels, arts and culture premises, medical rehabilitation premises reopened under sanitary regime. Pre-schooling facilities were allowed to reopen too. On 18 May restaurants and beauty salons could reopen. From 30 May on further relaxation of restrictions followed cinemas, theatres, sports and fitness facilities. On 8 August the 'zoning' system reflecting the recognised state of pandemic threat at municipality level was launched. The first lockdown symbolically ended as the new school year began on 1 September with all general schools resuming regular activities (universities were free to decide, mostly opting for a mixed system but some would continue with e-learning exclusively). With a number of new COVID-19 cases rapidly rising, in late October restrictions started to be reintroduced, marking the beginning of the second lockdown. In particular, hotels, restaurants, sport and fitness facilities closed. Limits of customers in stores were also reintroduced. School first partially (from grade 4 upwards), then entirely (also grades 1 to 3) moved to e-learning again. The second lockdown was still in place at the end of the year.

While in terms of the general state of economy and labour market the impact visible as of the end of 2020 was not overly dramatic (the unemployment rate rose by 0.2 % in the third quarter of 2020 compared to the third quarter of 2019, from 3.1% to 3.3% respectively, GDP is expected to fall by -2.8%, 2019/2020). Yet, the structure of labour and work was severely affected. Due to lockdowns a number of sectors of the economy were either forced to suspend their operations or to limit their scope in a significant way. Other branches of the economy had to cope with a substantial build-up of demands for their services (logistics) or struggle with abruptly emerging necessities to reorganise the mode of work (education). Aside from that, healthcare found itself under a massive pressure for quite obvious reasons.

# Impacts of the pandemic on working life

As signalled above, the overall state of labour market did not deteriorate. Yet another significant issue was the situation of small business. Solo self-employed and micro-enterprises constitute a vast part of the national workforce (41%) and they are primarily situated in the service sector (GUS 2020a), hence highly vulnerable to the economic shock. Their vulnerability is confirmed empirically by the fact that while loss of jobs performed under regular contracts of employment was not significant, people working on the basis of civil-law contracts (freelancers) and solo self-employed suffered considerably: the number of freelance contracts dropped down by 100,000 between the second and third quarter of 2020. At the end of the third quarter, roughly one in each 10 businesses (regardless of legal form) had a 'suspended' status on official register (GUS 2020b). In real numbers, it translates to 473,000, of which 443,000 were individuals conducting business activities.

The impact on working life differed, depending on the fact whether specific branches/fields of economic activity due to their very nature or essential character of their services or lack thereof continued to operate in 'real' space, while adjusting to sanitary restrictions or could move on-line and embrace a remote work mode.

Healthcare switched partially to remote work (telephone consultations), when it came to family doctors. Specialist medical doctors (MDs) continued to receive patients in person, hospitals would continue to admit patients in serious conditions, and hospitals treating contagious diseases would find themselves on the forefront of the battle with COVID-19. In the part of the sector where regular type of work with face-to-face interactions continued, the impact of COVID-19 resulted in a drastic changes in working conditions, stemming both from objective factors (high level of health risk, work overload) and subjective, psycho-social ones, related to stress and uncertainty. As a survey on human resource management in healthcare during pandemic run on a sample of MDs and nurses (N= 1,256) revealed, 35% of MDs and 38% claimed their emotional state was negatively affected by the pandemic and its impact at workplace level. Furthermore, 15% of MDs and 10% of nurses were pondering the 'exit' option (by either migration or leaving the occupation), with further 13% and 8% respectively wishing to limit the extent of their professional activities after working experiences during the pandemic (Buchelt, Kowalska-Bobko, 2020). The survey was run in August, so it reflects only the situation of the first lockdown.

In retail, another fore-front sector, work-overloading was reported to grow upon arrival of the pandemic. According to web-survey by NSZZ "Solidarność" trade union and Friedrich Ebert Stiftung run in November (N=1,078), nearly half of the inquired admitted having seen their workload increase (Solidarność, 2020).

According to national statistics (GUS 2020c), as of the third quarter of 2020, approximately 25% of the workforce experienced remote work (the survey did not differentiate between occasional and regular experience), and 6% admitted to have worked in such a way on 30 September, as another survey, a part of the national statistics panel study on demand for labour by GUS (2020d) revealed. Providing e-learning was a difficult task from the very beginning, not only because of the hasty way in which reorganisation of schoolwork was done but also technological barriers, as only 13% of schools (as of 2019) had access to fast, broadband internet (CASE, 2021), which now translated to teachers working mostly from home and using their private equipment and electricity. According to a survey on working conditions under remote work system run in November by the Polish Teachers'

Union (ZNP), the largest sectoral trade union (N=8,107), 73% of the inquired teachers reported to be using their own equipment, while 31% claimed not to have received any relevant training (ZNP, 2020). The necessity to move on to e-learning also barred inadequate digital skills of the part of teachers (57% cited them as a source of a problem they encounter while teaching remotely in a survey, N=687) (Centrum Cyfrowe, 2020). Remote work exerted an impact on other sectors as well, albeit not in such profound way as in the case of the essential public service of education. According to a cross-sectoral and cross-occupational web-survey (N=826) focused on transition and adaptation to remote work, it is evident that most remote-workers (70% of all the inquired) switched to that mode of work after the outbreak of COVID-19. The main challenges entailed by the change were: maintaining work-life balance (43%), absence of personal contacts with colleagues (37%), inability to "turn off", meaning the feeling of being "at work" all the time (28%), problems with concentration (28%) and feeling of loneliness (25%) (MC2 Innovations, 2020).

The sudden rise of remote work exposed a legal vacuum, as the notion of 'remote work' had not even been recognised by the labour law prior to the COVID-19 outbreak (only 'telework' is regulated by the Labour Code). Thus far the issue has been dealt with only on the basis of anti-crisis legislation.

## Political context

Providing a background note first, since 2015 the whole legislative and executive power at the central level has been controlled by one political camp. In 2019 the ruling coalition of the United Right (Zjednoczona Prawica) built around the Law and Justice (Prawo i Sprawiedliwość, PiS) party supported by two junior partners: the Alliance (Porozumienie) and the Solidary Poland (Solidarna Polska, SP) (note, however, that all the MPs from the three parties were elected on the PiS ticket, so the cabinet is commonly referred to as 'PiS government') won the second term in a row. In 2020 (already during the pandemic) Andrzej Duda (member of PiS prior to the first victory in 2015) was reelected the President of Poland (more details below).

As far as the political aspect of the COVID-19 pandemic is concerned, there are two issues that should be given special attention due to their impact on public affairs. The first is firm unilateralism of the government's politics and policies. In general, the entire package of anti-crisis economic measures was implemented virtually single-handedly by the government enjoying a small, yet mostly dependable majority in the lower chamber of parliament (*Sejm*) and backed up in their legislative ventures by the President of Poland. The string of special legislative acts related to the pandemic passed since March produced six incarnations of the so-called Anti-crisis Shield (not the official name but the term was widely employed in the public debate, government's communication included) and two instances of the so-called Financial Shield, the scheme of direct financial aid channelled into enterprises. Despite the difficult and volatile situation caused by the pandemic, the state of emergency was never declared, which is now one of the key arguments used by the business community questioning the governmental restrictions curbing operations of numerous sectors of economy.

The fact that the ruling coalition fell short by two seats from claiming majority in the upper chamber of parliament (*Senat*) was only a small hindrance. Senat's amendments to legislative acts passed by Sejm are returned to the lower chamber and can be dismissed by ordinary majority, so any resistance exercised by the opposition in the upper chamber, provided it could vote unanimously would usually only delay the process. It is the fact that in many instances at least part of the opposition voted in favour of the government's proposals, when the issue of sanitary regime and maintaining the best possible functioning of public institutions and economy were at stake. Yet, there were hardly any consultations that preceded voting. The government would not hesitate from using the draft legislation of the subsequent versions of the Anti-crisis Shield as a vehicle for pushing forward regulations whose relevance in the context of combating the social and economic effects of the pandemic was rather questionable. Two important such instances included the assault on the autonomy of the Social Dialogue Council (Rada Dialogu Społecznego, RDS) (see the next section for details) and an attempt to enforce so-called 'mail voting' in case of presidential elections scheduled for May.

The latter event makes the other major factor that impacted political realities in Poland in 2020. As the President of Poland is elected for a five-year term, the elections were due in early May. However, given the extraordinary situation and a high-degree risk to public health to be possibly posed if the elections took a 'conventional' form (that is, voting in polling stations), the government stepped forward with the idea to run the elections by mail. Such a provision was packed along other regulations into the Anti-crisis Shield 1.0. Nevertheless, PiS deputies affiliated to the Alliance refused

to endorse such an arrangement, thus the prospect of lacking majority supporting that specific provision forced the government to abandon it. As a result, the elections were held in a 'conventional' form on 28 June. The gap between the constitutionally required and actual date of the election was a consequence of the decision by the National Electoral Commission (*Państwowa Komisja Wyborcza*, PKW), the body supervising elections in Poland, which ruled that due to the lockdown "inability to vote for candidates was equivalent in effect to a situation of no candidates", which made possible to set a new, reasonable date of elections. With the first round's results indecisive, the second round was held on 12 July with two candidates who amassed most votes competing. Eventually, Andrzej Duda was re-elected for the second term, winning 51% of the vote. The re-election of the President in office allowed for the petrification of power in the hands of the ruling camp and paved the way for continuation of the unilateral policymaking.

# Governments and social partners response to cushion the effects

From March 2020 onwards the government exercised a unilateral way of policymaking. Therefore, the impact on shaping anti-crisis measures introduced enjoyed by other stakeholders, including social partners, was virtually non-existent.

In the initial phase of the pandemic (the first lockdown), the government acted in a swift and agile way, channelling substantial financial resources. The aid was primarily supply-side oriented, directed at business (which also covered solo self-employed), with relatively modest support aimed at employees. There were also some measures addressing citizens in general, albeit devised in such a way that would allow business to benefit as well. There was a legislative package, introduced in a sequential way with a view of following the development in public health-crisis known as the Anti-Crisis Shield. There were six waves of the Shield (marked as the Anti-Crisis Shield 1.0 to 6.0) in 2020.

Apart from measures named above, targeting enterprises the government stepped forward with a separate financial-assistance type of policies under the banner of Financial Shield 1.0 (followed by the second wave, Financial Shield 2.0 from 1 January 2021).

The main instruments activated included:

- Short-time work scheme<sup>i</sup>,
- Work stoppage schemes<sup>ii</sup>,
- Allowances for self-employed and freelancers<sup>iii</sup>,
- Deferral of social security dues<sup>iv</sup>,
- Subsidies for maintenance of employment of disabled supplemented by temporary deferral of obligatory payments to the State Fund for Rehabilitation of Disabled<sup>v</sup>,
- Support for families (care allowances for working parents forced to provide personal day care for young children due to school/pre-school system lockdown)<sup>vi</sup>,
- Optional credit and mortgage freezes<sup>vii</sup>
- Tourist voucher<sup>viii</sup>,
- Introduction of provisional regulations for remote work (more details below)<sup>ix</sup>,
- Direct support to enterprises/business<sup>x</sup>,
- Anti-takeover measures (aiming to large corporate takeovers) xi

<sup>&</sup>lt;sup>i</sup> Eurofound (2020), <u>Anti-crisis shield: Employment protection and wage subsidies</u>, case PL-2020-14/526 (measures in Poland), COVID-19 EU PolicyWatch, Dublin.

<sup>&</sup>lt;sup>ii</sup> Eurofound (2020), <u>Flexible working time arrangements and introduction of less favourable working conditions</u>, case PL-2020-14/837 (measures in Poland), COVID-19 EU PolicyWatch, Dublin.

Eurofound (2020), Measures supporting solo self-employed and freelancers, case PL-2020-14/664 (measures in Poland), COVID-19 EU PolicyWatch, Dublin.

<sup>&</sup>lt;sup>iv</sup> Eurofound (2020), <u>Anti-crisis shield: Deferral of social security contributions for self-employed</u>, case PL-2020-14/662 (measures in Poland), COVID-19 EU PolicyWatch, Dublin.

<sup>&</sup>lt;sup>v</sup> Eurofound (2020), <u>Anti-crisis shield: Wage subsidies for employees with disabilities</u>, case PL-2020-14/1148 (measures in Poland), COVID-19 EU PolicyWatch, Dublin; Eurofound (2020) <u>Anti-crisis shield: Temporary deferral of obligatory payments to the State Fund for the Rehabilitation of Disabled People</u>, case PL-2020-14/1199 (measures in Poland), COVID-19 EU PolicyWatch, Dublin; Eurofound (2020), Anti-crisis shield:

Additional support for companies and NGOs employing people with disabilities, case PL-2020-20/1212 (measures in Poland), COVID-19 EU PolicyWatch, Dublin.

- vi Eurofound (2020), <u>Care allowances for working parents forced to provide personal daycare for young children due to school/pre-school system lockdown</u>, case PL-2020-11/833 (measures in Poland), COVID-19 EU PolicyWatch, Dublin.
- vii Eurofound (2020), Optional credit and mortgage freezes, case PL-2020-12/834 (measures in Poland), COVID-19 EU PolicyWatch, Dublin.
- viii Eurofound (2020), <u>Tourism voucher</u>, case PL-2020-30/1003 (measures in Poland), COVID-19 EU PolicyWatch, Dublin.
- <sup>ix</sup> Eurofound (2020), New permanent regulation on remote work under consideration, case PL-2020-10/1378 (measures in Poland), COVID-19 EU PolicyWatch, Dublin
- \* Eurofound (2020), Financial shield: Micro enterprises, case PL-2020-14/804 (measures in Poland), COVID-19 EU PolicyWatch, Dublin; Financial shield: Small and medium enterprises, case PL-2020-14/805 (measures in Poland), COVID-19 EU PolicyWatch, Dublin; Financial shield: Large enterprises, case PL-2020-14/806 (measures in Poland), COVID-19 EU PolicyWatch, Dublin.
- xi Eurofound (2020), <u>Anti-takeover measures</u>, case PL-2020-30/1005 (measures in Poland), COVID-19 EU PolicyWatch, Dublin.

# How COVID-19 accelerated and disrupted working life policies and impacted social dialogue

#### Accelerated developments

The outbreak of COVID -19 acted as an accelerator of changes in the labour market. The already visible processes of automation and digitalisation of work and employment were all speeded up, albeit with various effects. Yet, all the regulations addressing the policy areas affected most introduced as parts of Anti-crisis Shields and mentioned above are temporary. The only notable and significant exception is remote work. Prior to the outbreak of COVID-19 no such notion was recognised by law. There was (and still is) "telework" recognised by the Labour Code. Nevertheless, telework is subject to many strict restrictions, especially regarding the safety at work that thus far never became a significant feature of the labour market. With the pandemic suddenly striking, a need for a swift modifications to the legal environment emerged. In the very first legislative act (preceding the Ant-Crisis Shield 1.0), remote work was introduced. It is defined in vague terms. The law stipulates only that an "employer may request that the employee performs, for a definite period, work away from its permanent site (remote work), as long as the state of pandemic emergency or state of pandemic is in force for an additional three months after it ends". Despite the ambiguity of regulations, remote work has been well received by both employees and employers, this the idea of making the temporary solution permanent emerged<sup>xii</sup>. The early draft legislation was even presented to the social partners at the central level but in August. In the meantime, however, due to internal reorganisation of the government (Ministry of Family, Labour and Social Policy dismantled and their prerogatives divided between Ministry of Development and Ministry of Family and Social Policy), the process was put on hold. So at the end of the year the issue was not resolved and it was unclear whether the original concept would be further proceeded or replaced by a new one.

#### Disrupted developments

The impact of COVID-19 proved also to be a factor disrupting some key areas in working life policies. A number of sectors and branches of the economy suffered from sanitary restrictions limiting or even at some points halting their operations (passenger aviation, passenger railroad transport, tourism, leisure and HORECA). Their future appeared very unclear near the end of the year and the provisional supportive measures introduced under the Anti-crisis Shield legislation could not decrease uncertainty as for the future of not only those branches but also the entire economy. With the anti-crisis measures putting a massive burden on the state budget and public finances, the prospects for the fiscal policy becoming more aggressive (by raising taxes and introducing new ones) and public spending thinning are likely to materialize. The first signs of such a turn in public policies could be observed near the end of the year (e.g. introduction of so-called 'sugar-fee', a de facto tax on food products containing high amounts of sugar, like soft-drinks).

Secondly, a number of sectors faced challenges posed by a sudden necessity to 'move online', with education being affected most seriously, not only in terms of adaptation of workplace and mode of work, but – most importantly – learning effects. The results of final exams at both elementary and high school level for 2019/2020 school year suggest e-learning at massive scale may not be overly

effective. The sudden need for improvisation proved disruptive to the implementation of school reforms introduced in 2017, especially newly launched vocational schools. Implementing a dual education model (two-tier vocational schools were set up with an aim of expanding dual education) proved to be highly problematic, when students had to mediate between school (confined to elearning mode) and a workplace operating in a 'business as usual' mode. "So numerous students found themselves in a situation, where their workplaces would still be open, while schooling was done in a remote way. Fearing they could be fired, they would often go to work also on their designated school days", as the report on remote education illustrates the difficult and highly disruptive situation (Centrum Cyfrowe, 2020, p. 75).

#### Impacts on the social dialogue and collective bargaining

The pandemic had a deteriorating impact on social dialogue. With the central-level tripartite body, RDS side-lined for the vast part of 2020, there was very little social dialogue observed. The government's intentions towards tripartism appeared quite clear, as the Anti-crisis Shield 1.0 was adopted. The regulation (Article 46) contained a provision allegedly violating the autonomy of the Social Dialogue Council and of social partners themselves. By virtue of Article 46, the Prime Minister would gain the right to dismiss any member of the central level tripartite body if he/she commits an act of "misappropriation of the Council's activities, leading to the inability to conduct transparent, substantive and regular dialogue between employees and employers organisations and the government". All national level social partners protested against the new regulations in a joint protest signed by all eight representative organisations<sup>xiii</sup>. Near the end of the year there was another tension, yet minor in scale – comparing to the previous one – emerging. The reason behind it was the fact that, according to the social partners, the government ignored their proposals while drafting amendment of the Act on Social Dialogue Council (RDS)<sup>xiv</sup>.

Still, social partners themselves for a long time did not act in any coordinated way. Only near in late September 2020 RDS met for the first time since the COVID-19 outbreak. As a consequence, nation-wide representative social partners reached agreements on some vital issues and managed to put forward five bipartite resolutions (without countersignature of the government side). Those included:

- public aid to be provided to transport companies (Resolution 87)<sup>xv</sup>,
- hardships faced by food-processing and tourism (Resolution 88)<sup>xvi</sup>,
- possible redundancies in the public administration (Resolution 89)<sup>xvii</sup>
- situation in automotive sector (Resolution 90),
- changes in income tax regulations (Resolution 91)<sup>xviii</sup>.

All concerned the pandemic and its consequences.

While this may be read as a sign of the social partners' capacity to speak in one voice, no impact on public policy followed due to the government's disinterest to endorse the bipartite initiatives.

Apart from the events mentioned above, some other initiatives of social partners can be mentioned. First, in the early phase of pandemic, the Council for Protection of Work (ROP) held a meeting focused and health and safety at work challenges posed by the health-crisis. ROP is a multilateral body by the Polish parliament, responsible for voicing opinions and supervising working conditions and activities of the National Labour Inspectorate (PIP). The body is essentially tripartite

(representatives of government, trade unions and employer organisations representative at the national level) but further extended to NGOS, academics and experts<sup>xix</sup>. What is also noteworthy, in late 2020 the idea, albeit put in very vague terms, of national social pact emerged. Confederation Lewiatan, one of the central-level employer organisations seating on the national tripartite body, the Social Dialogue Councils, made a public appeal for launching negotiations with a view of concluding the national-level social pact that would address the major forthcoming economic and social challenges<sup>xx</sup>. The appeal coincided with a declaration issued by Jarosław Gowin, the Deputy Prime Minister in charge of social dialogue on the governmental side could be read as a promising signal.

# Other important policy developments

In the Anti-crisis Shield 1.0 the government managed to push through a highly controversial provision under the Art. 15zzzzzo. The regulations allow for redundancies in central administration. It states that "1) If the negative economic effects of COVID-19 cause a state of threat to the state's public finances, in particular an increase in the state budget deficit or state public debt higher than assumed in the Budget Act, the Council of Ministers, at the request of the Head of the Chancellery of the Prime Minister, approved by the Head Civil Service, may, by regulation, determine the type of solutions applied in the field of limiting the personnel costs of in the entities listed in art. 15zzzzzp par. 1, taking into account the needs of the state budget, as well as the need to ensure the proper performance of government administration tasks". That move by the government provoked reaction of the social partners, expressed in the Resolution 89, mentioned above<sup>xxi</sup>.

Another modification to the law made 'on the side' by the anti-crisis legislation was the introduction of an obligation to register all contracts for completion of specific tasks (*umowa o dzieło*) with the social security.

Throughout the year there was a debate regarding the opening hours for retail outlets. Since 1 January 2020 trading on all Sundays (within few exceptions) is disallowed in Poland. However, due to the extraordinary, pandemic-related situation, the government (with parliamentary endorsement) decided to make a one-time exception and allow trading on all Sundays in December expect for the one directly following Christmas. So three Sunday in a row (6, 13, and 20 December) were eventually trading days<sup>xxii</sup>. While this was a small victory for employer side, trade unions (NSZZ "Solidarność", who promoted the Sunday trading ban for many years, to be precise) maintained their firm opposition to any permanent modifications to the law.

## Labour disputes in the context of the pandemic

There were few cases of open labour conflicts and disputes unfolding since the pandemic started. It could be attributed to the fact that no major lay-offs took place during the initial phase of pandemic. While there were few attempts to initiate such major redundancies (for instance, one of the major retail chains), none eventually succeeded. Nevertheless, national statistics suggest that the situation might change. In 2020 957 employers notified the labour administration about their intention to effectuate group redundancies for 73,100 employees (of whom 6,200 from the public sector), while in 2019 only 458 employers declared they were going to launch group redundancies for 32,000 employees (of whom 3,000 from the public sector) (GUS, 2021)

According to preliminary statistics, in 2020 total of 27 strikes were recorded, involving 13,200 workers (who constituted 24.9% of all the employed in the workplaces where the strikes took place). Working time lost due to the strikes amounted to 41,900 working hours, that is, 3,200 hours lost per each worker on strike. For the sake of comparison: in 2019 there were 9,835 strikes officially registered, and a total of 228,200 workers (who made up for 57.2% of all the employed in the workplaces where the strikes occurred) participated in those labour conflicts. Working time lost due to the strikes amounted to 8.6 million working hours, that is, 37.6 hours lost per each worker on strike (GUS, 2021). No further data is available from the national statistics or elsewhere just yet. Based on media monitoring it could be safely assumed that no major conflicts in the labour market context explicitly related to COVID-19 emerged in 2020. However, on the verges of conventionally seen territory of industrial relations, the picture looked more complicated. Inefficient communication coupled with growing economic and social hardships endured by small business owners and people remaining in non-employment working relationships, often precarious ignited a wave of discontent that near the end of the year began to transform into a social movement which assumed the name of "Business on Strike" "XXIII".

xii Eurofound (2020), New permanent regulation on remote work under consideration, case PL-2020-10/1378 (measures in Poland), COVID-19 EU PolicyWatch, Dublin.

xiii Eurofound (2020), <u>Social partners protest against government's attempt to breach their autonomy</u>, case PL-2021-13/1158 (measures in Poland), COVID-19 EU PolicyWatch, Dublin.

xiv Eurofound (2021), <u>Social partners concerned with amendments to social dialogue legislation</u>, case PL-2021-4/1737 (measures in Poland), COVID-19 EU PolicyWatch, Dublin.

xv Eurofound (2020), <u>Social partners address economic challenges: personal and corporate income tax</u>, case PL-2020-40/1634 (measures in Poland), COVID-19 EU PolicyWatch, Dublin.

xvi Eurofound (2020), <u>Social partners address economic challenges: Food industry and tourism</u>, case PL-2020-40/1632 (measures in Poland), COVID-19 EU PolicyWatch, Dublin

xvii Eurofound (2020), <u>Social partners address economic challenges: central government</u>, case PL-2020-40/1633 (measures in Poland), COVID-19 EU PolicyWatch, Dublin

<sup>&</sup>lt;sup>xviii</sup> Eurofound (2020), <u>National-level social partners address economic challenges: transport</u>, case PL-2020-40/1385 (measures in Poland), COVID-19 EU PolicyWatch, Dublin.

xix Eurofound (2020), Position of the council for protection of work on safety and protection of health of workers during the pandemic, case PL-2020-20/1156 (measures in Poland), COVID-19 EU PolicyWatch, Dublin. xx Eurofound (2020), The idea of a national social pact re-emerges in the COVID-19 context, case PL-2020-45/1631 (measures in Poland), COVID-19 EU PolicyWatch, Dublin.

xxi Eurofound (2020), <u>Social partners address economic challenges: central government</u>, case PL-2020-40/1633 (measures in Poland), COVID-19 EU PolicyWatch, Dublin.

<sup>&</sup>lt;sup>xxii</sup> Eurofound (2020), <u>Sunday trading ban partially lifted in December</u>, case PL-2020-49/1736 (measures in Poland), COVID-19 EU PolicyWatch, Dublin.

<sup>&</sup>lt;sup>xxiii</sup> Eurofound (2021), <u>Business rebellion and controversies surrounding public support for enterprises</u>, case PL-2021-1/1735 (measures in Poland), COVID-19 EU PolicyWatch, Dublin.

# Major developments in working time regulation as a result of the pandemic

#### Legislation on working time

The wave of special legislation triggered after the outbreak of COVID-19 brought some effect on working time. In particular, the Anti-Crisis Shield 1.0 has been the most crucial temporary regulation impacting working time. Under its regime, the employees' right to 11 hours of uninterrupted rest a day was reduced – to 8 hours. Furthermore, the minimum weekly rest was reduced to 32 hours (provided a limit of 8 hours of uninterrupted rest a day is observed) from 35 hours. The balanced working time system may also be subject to change, with 12 hours a day being the maximum within 12 month-long working time calculation period. However, such a move cannot be done single-handedly by employers, as a consent of the company level employee representation is required. This could include trade unions or works councils, but also a representative appointed in a 'way customary for the employer', if the former bodies do not exist

As for short-time working schemes, the Anti-Crisis Shield 1.0 introduced supportive measures for employers wishing to cushion employment levels by cutting working time. They could request the public aid due to introduction of shortened working time on the following conditions:

- Working time reduction by no more than 20%;
- As a result of working time reduction, the employee's working time is no less than 0.5 fulltime equivalents, provided that the employee's wages still amount to at least minimum wage.

In order to become eligible for the scheme, employers had to demonstrate:

- decrease in sales by at least 15% experienced over two consecutive months after 1
  January 2020 (the reference period comprised the same two months of the previous
  year) due to COVID-19 outbreak;
- decrease in sales by at least 25% experienced on a month-to-month basis after 1 January
   2020 (no specific reason required).

If the conditions are met, the state will supplement wages in the amount of 40% of the average pay including social security dues for three months.

#### Collective bargaining on working time

Collective bargaining has played a marginal role for many years. Its impact of working time did not change (either in negative or positive way) after the outbreak of COVID-19.

#### Ongoing debates on working time

The major issue in the debates o working time during the COVID-10 pandemic is about the effects of remote work, in particular blurring the boundaries between working and private time. A vast portion of the working population (25%) experienced such a form of working time rearrangement (GUS, 2020c), and in some sectors where essential work dominates (such as education) remote work

became a leading – in some periods exclusive – mode of working. There were concerns raised, especially by trade unions regarding work-life balance in the context of such changes. For example, as indicated the Polish Teachers' Union (ZNP) noted that the burden became noticeable. According to the survey run by the union (over 8,000 responses), 85% of teachers devoted more than 40 hours a week for remote work (ZNP, 2020). The union communicated the results to the Ministry of Science and Education in late November and is still awaiting response.

As for short-time working schemes, no particular controversies aroused apart from the issue that temporary agency workers were not covered (Lewiatan, 2020).

# Impacts of the crisis on wages and wage setting

No negative effect on wage levels was observed. According to the national statistics, in December 2020 the average pay in the enterprise sector was PLN 5973.75, higher by 6.6% than in December 2019, when it amounted to PLN 5411.45 (GUS, 2021).

Minimum wages were raised by 7.7%. For 2021 the monthly minimum wage is set at the level of PLN 2,800, while in 2020 it was PLN 2,600. The hourly minimum wage for 2021 is PLN 18.70, while the rate was PLN 17 in 2020.

Once again, with social partners not reaching consensus on the scale of the raise, the decision was taken unilaterally by the government.

# What is new in working life in the country?

Remote work coming under debate is an important topic for debate as far as collective labour relations are concerned. With no significant increase in unemployment or major layoffs announced just yet and pay levels untouched, it is the major issue. However, a large number of microenterprises and solo self-employed are largely missing from the official picture as the data on their performance (overall economic state, pay and working conditions) are scarce. There was a wave of discontent among micro- and small business owners growing near the end of the year which manifested in the rise of the "Business on Strike" (*Strajk przedsiębiorców*) bottom-up social movement<sup>xxiv</sup>.

Direct impact of pandemic could be seen, mostly in the dimension of supply chains, in particular at their final stages (deliveries to end users of consumer goods). With sanitary restrictions imposed on retailing, the logistics sector received a boost. This was manifested by a swift growth of sales in ecommerce, albeit it is unclear whether this is a steady trend or just an anomaly triggered by extraordinary economic situation (PIE, 2020).

xxiv Eurofound (2021), <u>Business rebellion and controversies surrounding public support for enterprises</u>, case PL-2021-1/1735 (measures in Poland), COVID-19 EU PolicyWatch, Dublin.

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