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Scope of our activities:

- Project management
 - Training
 - Advisory
 - Coaching

Areas of interest:

- labour market
- entrepreneurship, start-ups
- project management
- inclusion policy / equality of chances
- gender equality
- strategies for NGOs and start-ups

Balancing Flexibility vs. Security on the Labor Market in Poland

Prague, 2015/02/19

Imprinted contradiction in the notion „FLEXICURITY”

FLEXIBILITY ≠ SECURITY

FLEXIBILITY	SECURITY
Market driven competition	Welfare state
Supply & demand relations	State support for unemployed (unemployment benefits)
Freedom of contracts refers also to labor contracts	Easy access to vocational training and life-long-learning adjusted to labor market
Freedom of defining work time	Effective labor market policy
Employers can easily dismiss employees	Employees are able to quickly switch from one job to another

Beginnings of flexible employment in Poland

Before 1989:

- Full employment
- Obligation to be employed (unemployed were punished)
- Social benefits for everybody
- Sectoral privileges: eg. subsidies to holidays
- Hidden unemployment

After 1989:

- ❑ Free market economy
- ❑ Competition
- ❑ Reduction of excessive jobs
- ❑ Unemployment

Result...

- Common lack of stability and security of employment

Liberalisation of labor market...

Flexible employment = one of key factors of economic growth

Reduction of full-employment in favor of non-standard employment served to lower labor costs and to increase profits of companies

Most Polish governments since 1989 shared those views and consequently liberalized the Polish labor market

- ❑ 1992-2006 part-time employment in Poland grew from 2,9% to 28%
- ❑ 2004-2007 the fastest in EU increase of leased work from 31K to 350K jobs (from 0,2% to 3%)
- ❑ 2004 self-employment in Poland (27%) was the highest in the EU (15%)
- ❑ 27% fixed-term labor contracts- the highest rate in the EU

Polish labor market is one of most flexible in Europe

But unfortunately it's not always a reason to celebrate because....

Employees mainly see disadvantages in flexible work...

- ❑ Flexibility in Poland is in most cases involuntary – employees are under pressure to work on flexible terms and they do so because “a bad job is better than none”
- ❑ Employees are convinced that flexible work is used for their disadvantage – 30% experienced misuse of flexible work
- ❑ Flexible employment did not reduce unemployment rates and did not increase employment rate (in Poland one of lowest in EU ca. 56%)

- ❑ On average flexible employment = lower salaries
- ❑ Lower salaries make flexible-workers prone to „employed poverty”. The rate of poverty among working population is in Poland the highest in the EU
- ❑ Flexible employment = lack of steady income = lack of employee’s rights and benefits

- ❑ Non-standard-employees do not get bank credits (hard for young employees to start families, purchase houses and appartments etc.)
- ❑ None or limited employees' benefits eg. paid holidays
- ❑ Non-standard employees are more threatened by crisis and slow-downs in economy (they are released from work in the first place)

Employees' opinions about flexi

Type non-standard employment	Cons	Pros
Fixed term contracts N=764	Lack of security 58%	Chance to gain experience 48%
Part-time jobs N=627	Low salaries 73%	Work-life balance 60%
Non fixed work hours N=377	Only for disciplined people 39%	Work-life balance 69%
Lease work N=429	Lack of security 36% Lack of steady income 40% Less chance to grow 41%	A solution in case of unemployment 53%
Contract based on civil law N=576	Lack of employee's benefits 22%	Chance for an additional income 46%

Employees do not want...

to work:

- On limited-time (fixed term) contracts – 25%
- On contracts based on civil law instead of labor law – 43%
- Part time – 29%
- As self-employed – 46 %
- As lease workers – 20%
- Tele work – 10%

70% of respondents prefer less paid
full employment rather than
a well paid flexible work (27%)

Survey sample: 4610 persons

Negative consequences...

Marginalization of flexible employees on the labor market

Excessive flexibility is the main cause of very high stress level among Polish employees (36% the highest rate in the EU)

KEY QUESTIONS:

FLEXICURITY – A CURSE OR A BLESSING?

Is flexicurity a great tool with a bad reputation?

Can flexicurity lead to a win-win situation?

How to heal the situation...

Improve targeted communication with the society at the stage of implementing flexicurity

Make effort to secure social acceptance and understanding for flexicurity

Implement the actual social dialogue understood as cooperation of key stake holders (employers, labour administration, trade unions, academia, NGOs etc.)

Improve the „security” part of the flexicurity concept – creating a true balance between the *flexible* and the *secure*

**Thank you very much for your
attention**

MUSTER-IN
Poland