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Employment flexibility in Poland: manifestation of *flexicurity* policies or labour market imbalances?²

Abstract

This article focuses on the issue of employment flexibility in Poland – a phenomenon regarded as significant feature of the national labour market for the last few years. The aim of this paper is to analyse not only the scale and structure of flexibility, but – most importantly – its main sources and determinants. In many countries (especially EU-15) flexibility of the labour market (including employment flexibility) is considered a manifestation (and even – a result) of carefully planned and implemented *flexicurity* policy, aimed at balancing social security with flexibility. Available data on employment flexibility coupled with the analysis of labour market policy does not seem to corroborate this assumption in case of Poland. High flexibility of employment – mostly in relation to increasing use of flexible employment forms (especially civil-law contracts) is rather a manifestation of the existing labour market imbalances – stemming from the general economic situation, as well as imbalances in relation to social dialogue (with relative weakness of employee representation). In order to analyse this issue, this paper is organised as follows. First, the background of flexible employment in Poland is characterised in form of labour market challenges description. Then, the structure and scale of flexible employment is analysed. Next, the socio-economic consequences of flexible employment in Poland are characterised. Finally, the development of *flexicurity* policies is analysed, which allows for the formulation of conclusions.

Key words: labour market policy, Poland, *flexicurity*, flexible employment

1. Background – flexible employment and labour market challenges in Poland

Eurostat data indicates that the share of flexible employment forms in Poland is the highest in EU, reaching the peak of 28.4% in terms of fixed-term contracts in total employment in 2014. In relation to Understanding of this phenomenon cannot be limited to the presentation of statistical data. Most importantly – it requires understanding of the labour market context and changes in the economy in the recent years. Over the last 20 years, Poland was one of the fastest growing economies of the EU countries. In 2009, during the global financial crisis, Poland was the only EU country, which has not experienced a decline in GDP, and in subsequent years continued to have relatively high levels of economic growth. The structure of Polish economy (around 40% of GDP creation coming from export; large

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share from domestic demand; relatively small scale of external financing) makes the economy not only vulnerable to external economic threats to some extent, but also highly dependent on changes in internal demand – especially consumption demand. Also the **prevalence of cost-based competitive advantages over high-technology/ knowledge-intensive, innovative businesses** – with relatively low labour costs and abundance of highly qualified (which not always equals to “highly skilled”) workers, Poland attracts investments in simple production and business process outsourcing, which in the short term is positive, but in long-term might lead the economy to the so-called ‘middle income trap’. Low productivity is a derivative of the large share of labour-intensive sectors and inefficient use of labour resources. Over the years, this situation causes the wage level to remain low, and many people performing jobs under their level of qualifications/competence.

It should be noted that Poland is moving towards a developed structure of the economy, and thus also the structure of wages and productivity in highly developed economies, in particular the patterns existing in the EU-27. Therefore, the advantages associated with low labour costs will be reduced and must be compensated by an increase in labour productivity. The statistical analysis of the distribution of wages and employment structure shows that in the period after the Polish accession to the EU the demand for highly skilled workers has significantly increased. Clear changes in average wages by education and profession were also observed. These analyses show a clear increase in the rate of return to education. Therefore a growing wage pressure can be noted, due to the fact of increasing general level of education, as well as a relatively good labour market situation as compared to many EU countries (the pressure on wages slowed down during the crisis, but is again gaining momentum). With the labour costs increase the businesses might migrate to other countries.

In relation to this situation a number of **corresponding social and employment challenges** can be enumerated. Demographic challenges are still prevailing and not fully addressed through comprehensive policies. The birth rate remains alarmingly low, not even compensating for simple reproduction rate. Another visible and prevailing problems relate to vulnerable groups employment challenges – especially in relation to youth, women, disabled and persons 50+. In the current – rather difficult - situation on the Polish labour market, a key objective is to activate through employment, which - regardless of the form of employment - gives a chance to develop and to integrate into the labour market in the future. A key challenge for the Polish labour market is a low level of economic activity, especially among young people, the elderly and women. One can also note relatively low geographic and vocational mobility, causing structural labour market challenges in some regions, and significant qualification/skills/competence mismatches on the market. The mobility of human capital is often cited as one of the elements of labour market flexibility. Low levels of mobility can affect the formation or consolidation of unemployment, particularly difficult to overcome structural unemployment. The Poles have relatively low vocational mobility - they are generally not willing to change jobs, significant retraining or incurring high costs relating to vocational mobility. At the same time Poles are characterised by relatively low spatial mobility – especially in relation to internal (in-country) mobility. It is conditioned primarily by cultural factors, including a relatively strong family ties, but also weak infrastructure and the housing market (housing shortage and relatively high cost of the purchase / rental properties in relation to income). Therefore, the total costs (including purely economic, social,

and emotional) of movements within the country often exceeds the sum of the benefits of taking a new job in another region of the country. Hence stems the difficulty of introducing in practice the lifelong learning programs, and retraining programs in the segments of the labour market threatened by structural unemployment. On the other hand, an increase in the unemployment rate in the region often leads to the reduction of vocational mobility (or at least a significant reduction in intentions to change jobs), which is confirmed by international comparative studies. One of the major challenges hampering the rate of employment, productivity and, consequently - restricting economic growth is still a large mismatch of skills in the labour market. As noted in the OECD report of 2012, "the gap between the skills needed in enterprises and provided by the system of education is significant, despite the increasing level of education³" – this statement is still truthful. The problem of mismatch of competence applies to both groups of younger and older workers. In terms of older workers it is mainly due to the limited participation in lifelong learning, as shown by recent studies (like BKL – Human Capital Balance⁴). In terms of young people, the key problem is the lack of key skills required by employers as the outcome of the process of formal education. This includes lack of both hard and soft skills.

These problems mentioned above (especially: low geographic and vocational mobility and competence/skills mismatch) are combined with the high differentiation and regionalisation of the labour market in Poland – with the supportive measures not enough diversified to address regional/local challenges. **As a result they lead to significant segmentation of the labour market in Poland that causes excessive use of atypical employment contracts.**

2. Flexible forms of employment in Poland – scale of the phenomenon

The comprehensive assessment of the scale of usage of flexible employment in Poland is difficult, as the data sources are dispersed and incomplete. One has to point out that in many cases all flexible forms of employment are being analysed together, without a proper distinction between fixed-term, part-time and civil-law contracts, self-employment and other flexible forms. To better understand the problem of flexible employment in Poland one has to analyse its structure in relation to different types of contract.

First of all one of the distinctive features of the polish labour market is the relatively low use of part-time employment contracts (Table 1.). At 6.8% in 2015 it is not significantly different from other countries in the region (especially comparable to Czech Republic, Hungary and Slovakia), but much below the EU-28 average of 19.6%. Also, as can be noted the share of part-time employment has been diminishing since the EU accession in 2004 – which is a different trend as compared to other countries in the region (except Romania, where this share lowered – but relatively less than in Poland). Therefore, one can conclude that the “flexibility” of the labour market in Poland is not constituted by the part-time employment, as it is a rather insignificant employment form.

³ *OECD Economic Survey Poland 2012*, 28 March 2012

⁴ <https://bkl.parp.gov.pl>

Table 1. Share of part-time employment in total employment of persons aged 15-64 in 2004-2015 [in %]

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
European Union (28 countries)	16,7	17,2	17,4	17,5	17,5	18,0	18,5	18,8	19,2	19,6	19,6	19,6
Bulgaria	2,0	1,8	1,7	1,4	2,0	2,1	2,2	2,2	2,2	2,5	2,5	2,2
Czech Republic	4,3	4,4	4,4	4,4	4,3	4,8	5,1	4,7	5,0	5,8	5,5	5,3
Hungary	4,4	3,9	3,7	3,9	4,3	5,2	5,5	6,4	6,7	6,4	6,0	5,7
Poland	9,8	9,8	8,9	8,5	7,7	7,7	7,7	7,3	7,2	7,1	7,1	6,8
Romania	9,5	9,2	8,6	8,6	8,6	8,5	9,9	9,5	9,3	9,0	8,7	8,8
Slovenia	7,9	7,8	8,0	8,1	8,1	9,5	10,3	9,5	9,0	9,3	10,0	10,1
Slovakia	2,5	2,4	2,7	2,5	2,5	3,4	3,8	4,0	4,0	4,5	5,1	5,8

Source: Eurostat, LFS annual data.

Nevertheless, looking at the more detailed national-level data paints a somewhat different picture (Table 2.). The main employment figures confirm that the scale of part-time employment in relation to full-time employment has been relatively steady. However, the incidence of part-time employment is steadily rising over the recent years – from around 649 thousand employed in this form in 2004 to 926 thousand in 2015. Therefore the absolute numbers indicate that part-time paid employees constitute a significant group of the employees.

Table 2. Paid employees in the national economy 2004-2015⁵

	Paid employees hired on the basis of employment contracts	Paid employees in public sector - total	Paid employees in private sector - total	Full-time paid employees	Part-time paid employees
2015	10 529 305	3 0180 40	7 511 265	9 473 678	926 100
2014	10 339 799	3 051 138	7 288 661	9 285 927	924 345
2013	10 080 180	3 050 515	7 029 665	9 043 319	907 334
2012	10 022 325	3 105 415	6 916 910	9 017 931	899 811
2011	10 119 912	3 165 010	6 954 902	7 884 442	659 357
2010	10 081 548	3 242 023	6 839 525	7 844 500	668 048
2009	10 042 346	3 273 197	6 769 149	7 724 010	669 512
2008	10 201 521	3 294 985	6 906 536	7 866 127	651 561
2007	9 898 606	3 305 657	6 592 949	7 637 740	634 979
2006	9 498 489	3 320 686	6 177 803	7 292 378	647 564
2005	9 228 659	3 345 858	5 882 801	7 080 598	654 909
2004	9 040 403	3 388 328	5 652 075	6 921 154	649 167

Source: own development based on: Employed in National Economy 2004-2015, Central Statistical Office, Warsaw 2005-2016.

Apart from part-time employment, as already been mentioned the use of fixed-term contracts have been excessive in recent years (Table 3.). The share of temporary contracts in total employment is one of the highest in EU – almost twice exceeding the EU average, and comparable only to such countries as Spain (20.9% in 2015), Portugal (18.7%) and Croatia (17.3%). No country in the region has comparable share of temporary employment contracts, with the highest incidence in Slovenia (15.1%).

⁵ Excluding paid employees in the budgetary entities conducting activity within the scope of national defence and public safety.

Table 3. Share of temporary contracts in total employment of persons aged 15-64 in 2004-2015 [in %]

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
European Union (28 countries)	11,1	11,7	12,1	12,2	11,9	11,4	11,7	11,8	11,5	11,5	11,7	11,9
Bulgaria	5,8	5,1	5,1	4,4	4,3	4,0	3,9	3,6	3,9	4,9	4,6	3,9
Czech Republic	7,0	6,7	6,7	6,6	6,1	6,3	6,7	6,5	6,8	7,5	8,0	8,3
Hungary	5,8	6,1	6,0	6,4	6,9	7,4	8,5	8,0	8,5	9,7	9,6	10,1
Poland	16,8	19,3	20,8	21,8	20,9	20,6	21,1	20,9	20,9	21,1	22,4	22,2
Romania	1,7	1,6	1,2	1,1	0,9	0,7	0,7	1,0	1,1	1,0	1,1	1,0
Slovenia	15,2	14,9	14,6	15,8	15,1	13,9	14,5	15,2	14,4	13,8	13,7	15,1
Slovakia	4,7	4,2	4,3	4,3	3,9	3,6	4,7	5,5	5,7	5,8	7,4	8,9

Source: Eurostat, LFS annual data.

The high share of temporary employment contracts in total employment has been a rather permanent phenomenon in relation to the Polish labour market (at least from the EU accession in 2004). According to studies of National Bank of Poland (NBP)⁶ the high share of flexible employment forms – especially fixed-term employment contracts – is a distinctive characteristic of the Polish labour market. As indicated in the Report, the share of fixed-term contracts increased substantially after 2003 in all economic sectors – with some sectors especially affected. Recently around 40% of workers in construction and around 25-27% in industry and services perform work on such basis. The specific form of flexible employment in Poland is employment on the basis of civil-law contracts. Consecutive employment on the basis of both employment contract and civil-law contract is used by around 22% of companies in Poland, but covers a small share of all persons employed⁷. This is most common in industry (in relation to the share of enterprises using this form) and services (in relation to the share of total employment). According to the Social Diagnosis⁸ research the most common flexible employment form on the Polish labour market is a fixed-term employment contract (18,38%), followed by self-employment (16,23%). According to this study a share of civil-law contracts is low and amounts to 1,66% (which is deemed surprisingly low by a number of authors).

However, the excessive use of the civil-law contracts becomes one of the most challenging issues in relation to the Polish labour market. It is the phenomenon most difficult to analyse, as there is no single data base that can be used to assess the scale and significance of these types of contract for work⁹. National-level statistics have only recently included the data on the scale on non-employment contracts, with the first data available for 2012 (see Table 4). Until 2012 Central Statistical Office (CSO) didn't publish data on number of people working on the basis of civil-law contracts¹⁰. Until 2012, Employment in National Economy report of

⁶ *Badanie ankietowe rynku pracy*, Raport 2013, Instytut Ekonomiczny, Narodowy Bank Polski.

⁷ According to the previous NBP reports, in 2010 the share of persons working on civil-law contracts amounted to 5% of persons on indefinite employment contracts.

⁸ The Social Diagnosis is a representative panel study of households performed since the year 2000. In 2011 the study covered 12 387 households with 26 453 members (of which 12 395 working persons).

⁹ It is sometimes impossible to deduct, whether the analyses and recommendations formulated in different scientific studies relate to the civil-law contracts alone or also other forms of flexible employment. In this article the data and information on civil-law contracts is clearly indicated – whenever possible.

¹⁰ It is due to the fact, that according to the CSO definition, persons working on the basis of such contracts were not counted as “paid employees”.

the CSO only distinguished between employment contracts, outworkers, agents (within agency agreement, managerial contract). Other forms of contract (outworkers, agents, temporary agency work) remains rather stable. For example, number of persons employed by temporary work agencies diminished slightly in 2013 as compared to 2012, but also note a significant rise in 2014 and 2015.

Starting from the 2013 data the Central Statistical Office provides information detailing two types of civil-law contracts:

- **mandate contract** (“*umowa zlecenia*”) and,
- **contract for specified work** (“*umowa o dzieło*”).

As can be seen from the Table 4, a total number of people employed only on the basis of civil-law contracts (without other employment contracts) increased in 2013 by 237 953 as compared to 2012¹¹. According to other sources referring to the earlier (unpublished) CSO data¹² in 2010 the number of civil-law contracts amounted to 546 677 persons, that have not been otherwise employed on the basis of employment contracts¹³. Therefore, one can see a steep increase in the number of persons employed on civil-law contracts alone in the last few years in Poland. Visibly prevailing are the mandate contracts (over 1 million in 2013, with a slight decrease in 2014 and again increase in 2015), and these should be specifically focused on as clearly replacing the employment contracts.

Table 4. Number of workers in atypical employment forms 2012-2015.

	Persons employed by temporary work agency as of 31 December	Persons employed at the basis of contracts, which don't have the same nature as in the case of the labour contracts, as of 31 December	People with whom (from 1 January to 31 December) the mandate contract was concluded and who are not employed at the basis of employment contract	People with whom (from 1 January to 31 December) contract of specified work was concluded and who are not employed at the basis of employment contract
2015	115 748	82 347	1 017 567	187 590
2014	92 486	85 751	965 868	202 815
2013	79 096	71 957	1 021 181	227 022
2012	83 213	76 571	1 010 250	

Source: own development based on: Employed in National Economy 2012-2015, Central Statistical Office, Warsaw.

However, this information is not comprehensive for the entire economy, as the data collected by CSO includes only enterprises, which employ at least 9 employees, who are obliged to report to the CSO. Moreover, some of the employees might be calculated several times, as the form is completed by the enterprises, and the employees on civil-law contracts might have changed work at different employers during the year. Thus, due to that data

¹¹ As the data for 2012 are not available in relation to those two different types of contract, one cannot conclude, which of them saw the significant increase.

¹² Jarmołowicz W., Pilc M., *Struktura społeczno-demograficzna zatrudnionych w ramach form elastycznych w Polsce i w Unii Europejskiej*, w: Prace naukowe Uniwersytetu Ekonomicznego we Wrocławiu, Nr 248, Wrocław 2012.

¹³ This data have been made available to the authors of the cited article, on the written request to CSO, but have not been published by the Office.

collected by CSO can't give a complete picture of the phenomenon of employment on the basis of civil law contracts.

Moreover, there are no limitations in the number of civil law contracts or combining self-employment with regular job (except limitations for some professional groups). In the case of fixed term employment contracts the Labour Code limits their number at one employer to a maximum three contracts lasting no longer than 33 months. The limit concerns the whole time of professional work and does not reset, even after a long breaks between subsequent periods of employment by the same company. After exceeding the number of contracts, or time allowed the contract automatically turns into indefinite employment¹⁴. There is no exact data on the number of combined contracts – some partial data are provided by Central Statistical Office and Ministry of Finance.

Data collected by Ministry of Finance from citizens' tax declarations (PIT) in years 2008-2013¹⁵ indicates that since 2009 the usage of civil contract is gradually raising (Table 5). The number of taxpayers, who gain income only from one sources of revenue increased in 2013 in relation to civil-law contracts (by 57.8 thousand as compared to 2012)¹⁶.

Table 5. Number of civil-law contracts and self-employed in PIT declarations in 2008-2013

	2008	2009	2010	2011	2012	2013
Civil-law contracts	758 613	690 155	795 692	894 319	916 277	974 151

Source: Information on the settlement of income tax from individuals for 2008, 2009, 2010, 2011, 2012, 2013, Ministry of Finance, Department of Tax Income, Warsaw 2009-2014

Those data includes only taxpayers who gain income only from one sources of revenue (in this case; civil-law contracts or self-employment). These data do not show a complete picture of the phenomenon of usage of civil-law contracts from the perspective of the tax settlement. People, who have income from several employment relationships can undertake additional work on the basis of employment contracts, civil-law contract as well as carrying out their own business activity. Those sources can be arbitrarily joined. However, other sources also indicate a growing incidence of the number of civil-law contracts as the basis of work in Poland in recent years.

According to recently published data of Central Statistical Office¹⁷, carrying out any job within the framework of atypical employment in 2014 was declared by 1,087,000 persons¹⁸, which amounted to 6.9% of the total number of employed persons. Out of the total

¹⁴ Act of 25th June 2015 on the Change of the Labour Code Act – Journal of Laws of 21st August 2015, item 1220.

¹⁵ *Information on the settlement of income tax from individuals* for 2008, 2009, 2010, 2011, 2012, 2013, Ministry of Finance, Department of Tax Income, Warsaw 2009-2014.

¹⁶ The reports for 2014 and 2015 published by the Ministry of Finance do not contain data on the number of taxpayers who gain income from only one source.

¹⁷ A research note released in January 2016 on the Study performed in 2014 on the basis of special LSF module „Atypical employment forms and undeclared work”. Full research report or micro data have not been publicised by CSO.

¹⁸Quoted results of a modular research concerning persons employed in atypical forms of employment are lower in comparison with the estimates of GUS, based on the data from enterprise reporting and from administrative systems (the Ministry of Finance and Social Insurance Institution). The reason of such underestimation is the specificity of modular research. It is based on a sample, whereas administrative data allow for information

number of employees carrying out any atypical employment jobs 700,000 persons (4.4% of the total number of working persons) performed such work as their main work. Out of that number 65.7% declared working on mandate contract (pol. “*umowa zlecenia*”), 9.9% on contract for specified work (pol. “*umowa o dzieło*”), 8.3% on other civil law contracts, and 16.1% were self-employed. For 92.5% persons declaring their main job as a civil-law contract based work it was the only work carried out during that time. Prevailing share of persons employed mainly on civil law contracts (80.2%) was employed in that form not of their own choice. The percentage was the highest among persons employed on contract of mandate (84.3%). The percentage was much lower among persons employed on other forms of civil law contracts, however it was still high (65.4%). From the perspective of age groups atypical forms of employment were most often present in the case of persons aged 15-24. The percentage of such employment as main work among the total of employed persons that age amounted to 13.1% (for the total number of employed persons amounts to 4.4%). Another group with the highest percentage of atypical employment were persons aged 60 and more (7.0% of employed persons in that age group). However, in both cases, the observation mainly concerns contracts of mandate and contract for specified work.

3. Socio-economic consequences of flexible employment in Poland

As noted above the most common civil-law employment contracts in Poland include:

- mandate contract (“*umowa zlecenia*”) and,
- contract for specified work (“*umowa o dzieło*”).

Those types of contracts are regulated by two parts of the Civil Code. Title XV refers to contracts for specified work and title XXI relates to mandate contract. Both types of contract are characterized by advantages and disadvantages – summarized in Table 6.

Table 6. Advantages and disadvantages of civil-law contracts

Type of contract	For contractor (employee)	For constituent (employer)
Mandate contract	Advantages:	
	Ability to carry out task independently	Freedom of signing and termination of contracts
	Possibility to replace by other person	High 20% tax deductible expenses
	Ability to flexible working hours and working place	Lack of premium for Social Insurance Institution in relation to hiring students
	Not the effect/result of work important but the willingness	
	Disadvantages:	

acquired from a wider scope. Comparing the results of a modular research and the GUS estimates - based on the above mentioned administrative sources and enterprise reporting - we have to bare in mind the shorter reference period in modular research – the first 9 months of the year, whereas in the second case it was a full year. There are no data on the last quarter of the year, which is characterised with a high number of civil-law contracts. It definitely influences the underestimation of results from the modular research. Moreover, we have to remember that the results of a survey carried out in households also depend on the respondents’ memory. The reference period in the modular research is so long that the respondent could have forgotten about contracts concluded at the beginning of the year, for example. Especially if they were short-term contracts. Thus he/ she could omit them, whereas they we included in administrative data.

	If the contract does not define the notice period the worker can be dismissed from day to day	Hired person is not responsible for the result of work
	In case of damage an employee is responsible with his/her whole property	There's no direct control of worker
	Person working on the basis of this contract has not employees' rights	
Contract for specified work	Advantages:	
	Higher earnings	Lack of premium for Social Insurance Institution
	Flexibility as to the time and place of work	High (minimum 20%) tax deductible expenses
	Ability to perform a number of contracts at the same time	
	Disadvantages:	
	Lack of social benefits e.g. unemployment benefit, pension, sick leave, maternity leave	Worker can apply for additional benefits
	Lack of holiday leave and free days provided by the Labour Code	There's no direct control of worker
	For damage employee is responsible with his/her whole property	

Source: own development.

Most importantly **these kinds of contract are different to labour law employment contracts in relation to social rights and contributions**¹⁹. In the case of civil law contracts (contracts of mandate, contracts for specified work) paying contributions depends on the situation of an employee. If a person who works on civil law contract is simultaneously employed on employment contract by the same employer there is an absolute obligation to pay contributions. However, if such person has already paid contributions, by another employer, or is a student (up to 26 years old) there is no obligation of paying contributions from contract for specified work. If a contractor declares he or she has signed employment contract with another employer and is paid no less than a minimum wage, during the contract of mandate, which is still in force, in such case he or she will be obliged only to pay health insurance (assuming that both contracts are the only entitlements to insurance). Such contractor can also pay retirement and pension contributions voluntarily. If a given contractor does not gain minimum wage, calculated per month, from employment contract he or she will be subjected to obligatory retirement and pension insurance. If such is the case the contractor can submit himself or herself to voluntary sickness insurance. According to an amendment of the Act on Social Insurance System is in force since 1 January 2016 (Journal of laws of 2014, item 1831), which introduces the rule of contributions from minimum wage, the first contract is still submitted to insurance, however, if the assessment basis from that contract is lower than minimum wage, another contract will also be submitted to social insurance contributions.

If the contract of mandate was signed with employer's own employee such contractor is obligatorily submitted to full insurance, irrespective of any other entitlements to insurance (only employees on maternity and parental leave – who can voluntarily pay health contributions - are exempt from the obligation). If a contractor is submitted to obligatory retirement and pension insurance, and the contract of mandate is not signed with his or her

¹⁹ In the case of fixed-term or part time contracts, tax burdens are identical to those concerning contract for indefinite period or full time. The regulations of the Act on Personal Income Tax apply (JoL 1991 nr 80, item 350).

employer, the person is submitted to obligatory accident and health insurance as well as paying labour fund and Guaranteed Employee Benefits Fund contributions. Health insurance is voluntary.

A number of studies focused on more broadly understood consequences of the prevalence of flexible (including civil-law) employment forms in Poland. The prevailing analyses indicate rather negative consequences²⁰. Z. Janowska & Z. Chmal²¹ stress that although due to their use the labour costs and unemployment is reduced, the social consequences are far more serious, and above all one should realize that a social class of working poor – is being strengthened through this phenomenon. According to these authors, the disadvantages – being mainly on the side of the employee – include: loss of sense of security in private and professional life; loss of social security (saving on benefits or contributions) reflecting later on pension benefits; reduced access to training (reluctance to invest in employee); lack of other labour rights (vacation, health care, the right to information, freedom of association); loss of income in case of interruptions at work – leading to impoverishment; lack of motivation for learning and staying in the country (push factor for migration). Some of the studies²² also emphasize the negative consequences in the form of appearance (or strengthening) of a dual labour market, divided into market of full-time employees, with a specific path to promotion and salary increase and the market of temporary employees, marked by instability and a lack of clearly defined career path.

In a study conducted in 2010-2011 based on the data from the Polish edition of the Study of Living Conditions (EU-SILC) A. Kiersztyn and J. Dzierzgowski²³ conclude that one should be sceptical of arguments, according to which fixed-term employment would serve primarily more efficient matching of workers to jobs. According to them, fixed-term contracts are simply comfortable for some employers - allow to lower labour costs and to recruit employees when needed. Taking fixed-term employment is strongly correlated with the weaker position of individuals in the labour market and is more likely in the case of young people, with a short length of service or low-skilled workers, so for workers which are easily replaceable, where cost-cutting by employers does not entail significant negative consequences.

Additionally, A. Kiersztyn²⁴ showed in particular that the percentage of workers employed on a fixed-term basis who after a year gained permanent employment is relatively low, comparable to that observed in other countries. Moreover, fixed-term employment means lower earnings by more than ten per-cent, even when you take into account the different characteristics of respondents and their position in the labour market, which usually strongly determine the level of remuneration. Thirdly, employment for a specified period to a large

²⁰ See for example: A. Buchner-Jeziorska, *Spoleczno-ekonomiczne uwarunkowania i skutki stosowania niestandardowych form zatrudnienia w Polsce*, OPUSCULA SOCIOLOGICA NR 1[1] 2012

²¹ Janowska Z., Chmal Z., *Elastyczne formy zatrudnienia i wynagradzania. Szanse i zagrożenia*, w: Prace naukowe Uniwersytetu Ekonomicznego we Wrocławiu nr 248, Wrocław 2012, s.160.

²² Młodzi 2011, Raport KPRM, s.169.

²³ Kiersztyn A., Dzierzgowski J., *Portret zatrudnionego na czas określony: wyniki analiz ilościowych*, w: *Zatrudnienie na czas określony w polskiej gospodarce. Społeczne i ekonomiczne konsekwencje zjawiska*, praca zbiorowa pod redakcją M. Bednarskiego i K.W. Frieske, IPiSS, Warszawa 2012.

²⁴ Kiersztyn A., *Analiza ekonomicznych konsekwencji zatrudnienia na czas określony dla jednostek i gospodarstw domowych*, w: *Zatrudnienie na czas określony w polskiej gospodarce. Społeczne i ekonomiczne konsekwencje zjawiska*, praca zbiorowa pod redakcją M. Bednarskiego i K.W. Frieske, IPiSS, Warszawa 2012.

extent supports the phenomenon of working poor, and to some extent also increases the risk of financial exclusion of households. These relationships are visible even when using a number of controlled variables considered in the literature as correlates of poverty.

The situation of people employed on the civil-law contracts (and other flexible forms of employment), although presented in the media from time to time²⁵, did not spark the real discussion in terms of **collective bargaining or more broadly speaking – labour relations** – in Poland. Reactions of the social partners are moderate – no strong protest from the trade unions or employers' associations have been noted. As noted by D. Zalewski²⁶ in a study of fixed-term employment, the results of the quantitative analyzes leave no doubt that the situation of temporary workers, as measured by size of income or the frequency of unemployment, is far worse than the people who have an employment contract for an indefinite period. At the level of qualitative research, however, there is not only the lack of articulated status differentiation, but also the acceptance of the state of affairs as something common and normal. Fixed-term employment is seen as a "gateway to the world of resources", and because there are people in even worse situation (the unemployed), the employers have no interest in discriminating against fixed-term employees as the companies need to be flexible yet to face the competition and stay in business. There is therefore no reason to protest against the current state of affairs. As noted by D. Zalewski, this does not mean, however, that within the collective labour relations are not real differences, but rather would have to look for them between different industries and sectors.

Although a number of projects analysed the phenomenon of flexible employment forms and their socio-economic consequences in Poland – only a few proposed a comprehensive policy responses. Usually based on liberal market perspective analysis by FOR²⁷, proposed to reduce the phenomenon of temporary contracts including the civil law contracts by:

- Introduction of more flexible terms for terminating permanent contracts. Reforms in this area should rely primarily on reducing of the Labour Code restrictions imposed on the company in dismissal permanent workers. One of the most significant causes is lack of precisely certain conditions that employers needs to provide reasonable cause to terminate permanent contracts. Currently redundant workers could undermine the legitimacy of the resulting termination by the Labour Court.
- Introduction of identical, short notice regardless of the type of employment contract. It is proposed that in the case of employment with one employer lasting no longer than a year, statutory notice period should be 2 weeks, which is as much as currently used in Poland in the case of fixed-term contracts. In case of longer seniority period notice shouldn't be longer than 1 month.

²⁵ Focusing mostly on negative consequences of it for young people, and less on possible ways to solve it.

²⁶ Zalewski D., *Zbiorowe stosunki pracy z perspektywy zatrudnienia na czas określony*, w: *Zatrudnienie na czas określony w polskiej gospodarce. Społeczne i ekonomiczne konsekwencje zjawiska*, praca zbiorowa pod redakcją M. Bednarskiego i K.W. Frieske, IPiSS, Warszawa 2012

²⁷ How to reduce in Poland the number of fixed-term contracts and strengthen the pace of development of the economy? W. Wojciechowski, FOR's analysis, no 7/2011, Warsaw 2011
<http://www.for.org.pl/pl/a/1902,Analiza-72011Jak-ograniczyc-w-Polsce-liczbe-umow-na-czas-okreslony-i-wzmocnic-tempo-rozwoju-gospodarki>

- The reduction of non-wage labour costs. High non-wage costs associated with hiring full-time employees encourage employers to substitute labour contracts by civil law contracts. A necessary condition for a permanent reduction in labour costs is to reduce public spending.
- Flexibility of termination of employment contracts, regardless of the type of contract concluded would improve conditions for doing business in Poland, will increase the investment attractiveness of the country, and ultimately contribute to an increase in the demand for labour and enhance the growth rate of the economy. Job loss is not a significant problem for the dismissed employee, if only finding a new job is relatively easy. Labour law should be flexible enough to foster the safety of faster taking up of employment and not a long-term employment in one company.

Somewhat different are the conclusion and recommendations formulated in the research project on fixed-term work. M. Bednarski²⁸ states, that the “*formation of low-quality jobs, in particular characterized by timeliness of employment is conditioned by objective processes taking place in the economy of scale Polish and the world*”. Thus the firm strategies focus on the change of the optimal - from the perspective of the owner – proportion of fixed and long-term employees, in order to facilitate the quick firing if necessary. Several groups of workers in disadvantaged segments of the labour market or in situations of transition from employment have no choice but accept these conditions. The State in turn in fear of a decline in economic growth and the expansion of the unemployment increases the flexibility of the labour market, creating a space for deficient legal employment (so-called „underemployment”) in the economy. The source of these processes – cautious actions of employers, concerns of governments, the acceptance of their fate by employees - is a destabilization of economic conditions in a global perspective. In this situation the employers are trying to externalize the increased risks associated with the economic activity and burden with this risk the employees themselves. This strategy is especially successful in relation to vulnerable groups on the labour market. The drawback of this situation is the price paid by the employees (fear of future, fast loss of work, long-term planning, low chances of granting credit, professional development, etc.). As M. Bednarski states: „*With full awareness of adverse social impacts associated with the instability of jobs it is difficult, however, to expect that the company prospered, taking on the role of a stabilizing buffer of jobs in an unstable market environment*”. Thus the policy recommendations focus more on the role of the State:

1. First of all it is necessary to determine the optimal level of protection of employees in the labour law. The state should intervene here for workers, because of their position in the labour market is generally weaker than employers. This intervention should be the stronger, the more the market is unreliable. The strong position of monopolistic employer, the asymmetry of information in his favour, large external costs associated with unemployment create space for the regulation of labour law.

²⁸ Bednarski M., *Zatrudnienie na czas określony. Perspektywa pracodawców w: Zatrudnienie na czas określony w polskiej gospodarce. Społeczne i ekonomiczne konsekwencje zjawiska*, praca zbiorowa pod redakcją M. Bednarskiego i K.W. Frieske, IPiSS, Warszawa 2012, pp. 64-66.

2. In order to reduce the scale of fixed-term employment the key should be activities of an economic nature - either at the macro stabilizing the situation of firms and thus encourage companies to build human resources in the long term, or at the micro level conducive to adapt the employees to the needs of employers.
3. A further stiffening of the market is impossible, because of the risk of loss of competitiveness by entrepreneurs and, in extreme cases, bankruptcies or escape to the "shadow economy". Then the State should take over a portion of the costs associated with externalization of risk by entrepreneurs for employees, in form of the *flexicurity* policies.
4. The advised *flexicurity* policy is to provide entrepreneurs with more external quantitative flexibility (the right to a relatively easy firing, hiring temporary workers and temporary contracts). Employees have to give up a certain extent of job security (limiting the possibility of exemption) in favour of employment security (ability to work with another employer through training and efficient information systems vacancy) and income security (through adequate income until a new job).
5. Hence the need to reach out to labour market policy instruments. Thus, passive labour market policies should be a source of fundamental security of person holding precarious employment. While active policy should give the prospect of return to the labour market in the case of its loss. Thus, job placement is a good chance to meet employers, training can open up new employment opportunities for individuals, and further grants will encourage businesses to adopt a new employee. As a last resort Public Works can allow to survive a difficult time in the labour market. For the most active more credit granted on preferential terms, should allow to open their own business.

Therefore in Poland, the *flexicurity* policy is often seen as a remedy for the excessive incidence of flexible employment forms – and not the source of this high flexibility. As such, it is vital to take a closer look at the development of *flexicurity* policies in Poland.

2. Development of *flexicurity* policies in Poland

Labour market policy in Poland has not been historically aimed at *flexicurity*. In times of major structural reforms (1989–1993 and 1999–2000) LMP aimed specifically at increasing social protection for laid-off employees by pushing them out of the labour market within earlier retirement schemes, disability pensions and severance pay²⁹. First wave of increasing of labour market flexibility and introduction of activation programmes could be noted in 2002 (in times of unemployment rate breaking a historic level of 20%). As noted by B. Kłos, these changes were not the result of coordinated actions by the social partners, but rather reflected the changing influence of either trade unions or employers associations on the governments. As a result, a lack of holistic approach to *flexicurity* in Poland could be noted until 2008. EC Guidelines and recommendations for Poland from May 2008 pointed at a need to intensify the actions in three key areas: ALMPs, LLL and modern social security systems. Finally, the Government's and researchers' attention was drawn to *flexicurity* issues in Poland after the

²⁹ Kłos B., *Flexicurity w polityce Unii Europejskiej*, Infos, Biuro Analiz Sejmowych, nr 16(63), 2009.

publication of the Mission for Flexicurity Report by European Commission in December 2008. As a response, the National Action Plan for Employment 2009-2011 envisaged research aiming at the creation of a country-specific approach to *flexicurity* in Poland. As a result research projects have been launched by the government (ESF –funded), PES and employers’ representatives. This resulted in two major surveys in 2009:

- employers’ representatives survey (Konfederacja Lewiatan)³⁰
- governmental research (Ministry of Labour and Social Policy)³¹

Key research findings and recommendations from these studies have been summarised in Table 7.

Table 7. Key research findings and recommendations from 2009 *flexicurity* studies

<i>Flexicurity perspective</i>	Study	Key research findings and recommendations
ALMPs	Employers’ study	<ul style="list-style-type: none"> • Increase the scale of expenditure on the ALMP • Extend access to ALMP by groups other than registered unemployed persons • Increase the use of individual action plans for unemployed registered in PES
	Governmental study	<ul style="list-style-type: none"> • Increase spending on ALMPs • Change the composition of ALMPs (less demand subsidies, more supply side spendings) • Increase the effectiveness of ALMPs (by improvement of monitoring) • The range of ALMPs instruments is adequate
Social Security/ Unemployment benefits	Employers’ study	<ul style="list-style-type: none"> • Continue the process of eliminating the possibility of earlier inactivity through pension benefits • Address activation programmes to persons in the pre-retirement age who face the risk of losing their job. • Maintain the rights to benefits for pensioners and old-age pensioners taking up work • Enhance the use of employment benefits in labour market policy, through ensuring its better availability to the unemployed • to increase monitoring of the process of job seeking by persons receiving benefits and to implement/extend the actual system of sanctions for persons who do not seek jobs. • To increase tax deductible costs which constitute “a relief in respect of income from work
	Governmental study	<ul style="list-style-type: none"> • Unemployed with benefits found more passive on the labour market (especially those with lower qualifications and worse salary perspectives) • Health insurance is a major motivation of entering the unemployment registry (especially for those working in the shadow economy, not really looking for declared work) • Payment of accumulated amount of benefit to those who found work
LLL	Employers’ study	<ul style="list-style-type: none"> • To develop and implement a model of forecasting labour and skills needs • To adjust educational sector resources to mid- and long-term economy modernisation trends • To facilitate and support a close cooperation between enterprises and educational entities

³⁰ Lewandowski P., Skrok Ł., *Flexicurity. Diagnosis for today, action for tomorrow*, Polish Confederation of Private Employers Lewiatan, Warsaw, September 2009.

³¹ Kryńska E. (red.), *Flexicurity w Polsce. Raport końcowy z badań*, Ministry of Labour and Social Policy, Warsaw 2009.

		<ul style="list-style-type: none"> To monitor and evaluate education effectiveness of adults in the context of their situation on the labour market
	Governmental study	<ul style="list-style-type: none"> Further implementation of introduced short-term measures for co-financing training Implementation of co-financing of training by the employees Including costs of training for employees who changed jobs as a loss Creation of a system of forecasting labour demand according to qualifications and vocations
EPL/ contracting flexibility	Employers' study	<ul style="list-style-type: none"> To consider introducing contracts for limited periods, associated with particular projects To make the organisation of working time more flexible To consider subsidising new part-time jobs and/or jobs with reduced number of the working hours. To decrease differences between levels of the regulatory restrictiveness of particular forms of employment contracts
	Governmental study	<ul style="list-style-type: none"> Increase of flexibility of existing legal forms of flexible employment (and not the introduction of new ones) Introduction of new form of employment – project-based employment Introduction of work time accounts (in line with German examples) Increasing attractiveness of short-term employment Rights to benefits to those employed not on employment basis

Source: own development based on: Lewandowski P., Skrok Ł., *Flexicurity. Diagnosis for today, action for tomorrow*, Polish Confederation of Private Employers Lewiatan, Warsaw, September 2009; Krynska E. (red.), *Flexicurity w Polsce. Raport końcowy z badań*, Ministry of Labour and Social Policy, Warsaw 2009.

Although a number of changes to all four areas have been introduced since 2009, it should be noted, that these diagnoses have not been fully transformed into adequate policy response. While it is impossible to analyse all the changes related to *flexicurity* in Poland, as it exceeds the scope of this paper, some changes in relation to flexibility issue should be noted.

As of 1st February 2009 an amendment of the Act on the Promotion of Employment and Labour Market Institutions entered into force, which in its shape referred to *flexicurity* regulations. The intention of new regulation was to make Polish public employment services focus their efforts on tasks related with the promotion of employment and active forms of combating unemployment, and not only on mitigating negative results of the phenomenon. New regulations were also targeted at the improvement of public employment services functioning within the local government administration. According to the regulations of the act the following were, particularly, to fall in line with the idea of *flexicurity*³².

However, first legal changes were introduced under the so-called “anti-crisis package” in 2009, designed to be a form of short-term recovery measures. As the result of autonomous negotiations, carried out in the Tripartite Committee for Socio-Economic Affairs since the beginning of 2009, on 13th March 2009, social partners accepted Anti-Crisis Action Package. In terms of employment flexibility, particular attention was drawn to:

- introduction of 12-month working time settlement period,

³² Including: (1) Increasing access to labour market services; (2) Individualistic approach to each jobseeker; (3) Earmarking a specialised unit - Centrum Aktywizacji Zawodowej (CAZ – Centre for Vocational Activation) in district labour offices; (4) Making trainings related with vocational activation more attractive; (5) Increasing motivation to take part in activation activities; (6) Actions related with returning adults to the labour market; (7) Realisation of „Solidarność pokoleń – Działania dla zwiększenia aktywności zawodowej osób po 50. roku życia” (Solidarity of Generations – Actions for the Increase of Vocational Activation of Persons over 50 Years Old) programme; (8) Investments in human capital – labour offices’ staff.

- rationalisation of solutions concerning working day in the context of settling working time,
- flexible working time as the instrument supporting work-life balance,
- stabilisation of employment through limitation of the application of temporary employment contracts.

These negotiations have further been enacted into the number of legal acts³³ (mostly of temporary character aimed at mitigating the negative consequences of economic crisis), of which the most important for flexibility was the *Act on Lessening the Effects of Economic Crisis for Employees and Enterprises* (in force by the end of 2011). The regulation aimed at the reduction of costs for employer during economic crisis, without the necessity to reduce employment. This fixed-term measure included solutions related to increasing flexibility in the organisation of working time. All entrepreneurs were able to use new regulations relating to:

- extending working time settlement period up to 12 months,
- different times of starting and finishing work on particular working days,
- limitations in the employment of one employee on temporary contract up to 2 years, maximum.

The entrepreneurs, who are in temporary financial difficulties because of economic crisis were additionally able to use regulations related to:

- economic stoppage and related benefits (100% of unemployment benefit),
- shortening working time and related benefits (70% of unemployment benefit).

Through direct surcharges to wages and financing social insurance contributions the package also helped employers to maintain employment levels and through surcharges from the Labour Fund it allowed to finance trainings and facilitated professional development of employees. All the above solutions allowed for a partial reduction of the results of the crisis but also increase the employment flexibility. Some of the measures implemented under the first anti-crisis package have been introduced into the Labour Code. As of 23 August 2013 flexible working time arrangements have been introduced as permanent.

The second anti-crisis act (in force as of 21 November 2013), apart from the previous solutions, introduced the possibility of economic downtime or lowering working time for employees without the necessity to use changing notices (that were conditioned with the agreement of the trade unions).

With time *flexicurity* idea in Poland became less popular (especially due to the increase of flexibility without corresponding increase in security arrangements). One of the reasons was the abuse of civil-law employment contracts (so called “trash” contracts) instead of regular employment contracts. It meant lower labour costs (lack of social insurance contributions) and flexibility in the form of greater easiness of the dissolution of contract, than in the case of regular employment contract. The elements were positive for employers, however widely criticised by employees. Polish Government was aware of the existence of phenomena civil-law contracts, especially replacement of employment contracts by civil-law

³³ Key anti-crisis regulations included: Act on Lessening the Effects of Economic Crisis for Employees and Enterprises; Act on the Support of the State in Paying Some Housing Credits Given to Persons, who Lost Work; Act on the Change of the Act on Personal Income Tax (which, particularly, include changes in taxation of allowances and benefits paid by trade unions and company social benefits fund).

contracts in order to lowering companies' employment costs. Thus changes to the Labour Code were made.

On 22nd February 2016 an amendment of the Act of 25th June 2015 on the Change of the Labour Code Act, entered into force. The amendment concerns, among others, limiting time and number of fixed-term employment contracts. In reality, the changes limit flexibility of employment contracts, however, they respond to the phenomenon of the abuse of fixed-term and civil-legal contracts.

According to new regulations employer will be able to employ a person for a fixed-term no longer than 33 months (maximum 36 months, including trial period). The total number of such contracts between employer and employee cannot exceed 3. Moreover, months worked for one employer will add up, irrespective of breaks between contracts. After that period employer will be obliged to sign an indefinite contract with an employee. According to the amendment, the types of employment contracts will be limited to three:

- employment contract for a trial period,
- employment contract for a definite period, and
- a contract of indefinite duration.

The change should prevent abuse caused by the introduction of more than one-month breaks between particular employment contracts, which enabled entering into indefinite number of fixed-term contracts between stakeholders.

The amendment also introduces changes within the framework of termination of employment relationship between stakeholders. The rules governing period of notice will be balanced. This means that employees employed on fixed-term contracts will be governed by the same rules as in case of permanent employment contract. Since 22nd February uniform regulations are in force concerning two-week, monthly or three-month period of notice. Until recently period of notice for fixed-term contracts was 14 days. The change is to balance the situation of employees employed on fixed-term contracts with those employed on permanent contracts.

The number of types of employment contracts was limited to three: trial period employment contract, fixed-term employment contract and permanent employment contract. Employment contracts for a specified task and substitution contracts will be exchanged for fixed-term employment contracts. The limitation was aimed at simplification of regulations, and removing employment contracts for a specified task from the labour code resulted from the fact that it was not used in practice. The most significant change, however, is the lack of replacement contract (replacement will be one of arguments for extending fixed-term contract).

Amendment to the Labour Code adopted of June 2015 (in force from the beginning of 2016) introduced also a proportional extension of parental leave when it is combined with part-time work. Combining parental leave with working up to half-time is possible. In this case, parental leave will, however, be extended in proportion to the working hours while combining the use of this leave (or a part thereof) with work - up to 64 weeks (in the case of parental leave granted for one child) or up to 68 weeks (in the case of parental leave granted due to two or more children born at one delivery).

On 7 July 2016 the Act on Minimum Hourly Pay, have been passed by the Parliament, that sets up the minimum pay for contracts of mandate and in self-employment. In 2016 the

gross minimum hourly pay has been set at 12 zł, and from the 1st January 2017 – at 17 zł. Also the necessity to confirm basic agreements related with employment contract before starting work in writing have been passed under these changes. It is a removal of the so-called “first day of work” syndrome³⁴. The changes are to cause a part of 379 thousand persons working without written employment contract, or written confirmation of the conditions of employment, to work legally.

Presumably the changes were to improve the situation of employees working on the basis of fixed-term contracts, levelling their rights with employees employed on permanent contracts. The success however has been partial - in the area of notice periods. The amendment is lacking the introduction of provision requiring the employer to state the reasons of termination of fixed-term employment contract which *de facto* does not make employees’ rights equal. Liberal think-tanks, like FOR (Forum Obywatelskiego Rozwoju – Civic Development Forum) criticized these changes since the first project of the amendments were publicized. In their analyses³⁵ they concluded that the high share of fixed-term employment contracts stems from the overregulation of employment contracts for the indefinite period of time. Therefore employers choose the fixed-term contract as the notice time is always 2 weeks and one does not have to justify the cause for contract termination.

Conclusions

The problem of fixed-term contracts cannot be solved without the comprehensive reform of the civil-law contracts. Therefore many argue that the key factors determining the signing of the civil-law contracts over employment contracts include mainly higher tax and social contribution burdens as well as easiness of their termination³⁶ - which led to growing labour market segmentation in Poland. Therefore the actions aimed at flexible employment limitation should not only focus on the employment protection legislation, as this is not the cause of the problems (but the consequence). One can agree that from the economic (micro-level) perspective, the use of flexible employment (and especially – civil law contracts), apart from the factors connected to hiring/firing flexibility, is dictated by the lower labour costs of these contracts as compared to employment contracts. However, we have to remember that actions aimed at the increase of costs of civil law contracts (by compulsory social security contributions) might not serve the limited use of these contracts by changing them into employment contracts – but rather the outflow of previous civil-law contracts employees into unemployment or undeclared work.

Moreover - flexible employment – including civil-law agreements are the effect (or the consequence) of other (mainly macroeconomic) factors determining the labour market. Thus they should neither be analysed only in the context of employment protection legislation, nor treated as the cause of problems on the labour market (but a consequence of it).

³⁴ Previously the employers were obliged to sign a contract “at the end of the first day of work”. When approached by the Labour Inspectorate they often claimed that the workers, which in fact did not have the agreement (unregistered) have just started their work, so the contracts will be ready by the end of the day.

³⁵ Czepiel A., *Projekt nowelizacji kodeksu pracy nie leczy przyczyn nadużywania umów terminowych*, FOR Ostrzeżenie, Nr 66, 23 lipca 2015.

³⁶ Łaszek A., Wojciechowski W., *Propozycje zmian w zakresie umów o pracę: kodeksowych i cywilnoprawnych*, Analiza FOR, 3/2015, 2 lipca 2015.

Thus the policy actions (and recommendations) cannot focus solely on the incidence of use of civil-law agreements, but should span the wide range of issues influencing the excessive use of such agreements. The policies should be comprehensive and focused on the efforts for increasing the flexibility of the Polish labour market through other methods than the high share of non-standard forms of employment.

In light of the research and suggested policy options towards an introduction of the *flexicurity* model, one has to note that strengthening ALMPs is highly needed, especially in relations to its effectiveness and adjustment to the local/regional and national labour market needs. Additionally, it requires a significant change in the system of benefits / social transfers - to increase income security during the transfer (for example, the dependence of amount of benefit on the earnings preceding transitions). Another example is long advocated change of education – towards its adjustment to the skills required by future employers of pupils and students. Thus, it requires complex reforms, often outside narrowly understood labour market.

In Poland there was no *flexicurity* implementation tradition. Initial reforms (since 2000) were more focused on the security of employees than on making labour relations flexible. *Flexicurity* policies were not aimed at increasing flexibility (apart from the solutions introduced under the “anti-crisis” package, which were temporary). Subsequent reforms making the labour market more flexible were introduced without necessary social consultations (the result of weak social dialogue in Poland). As a result, this led to increased use of flexible employment forms – most notably with the use of civil-law contracts. In this situation – currently, the labour law and flexible approach to employment is stiffened, which – in combination with low mobility and lack of use of lifelong learning – causes *flexicurity* not to be a dominant approach. What is more, active labour market policies have low effectiveness³⁷. Therefore one cannot conclude that the labour market flexibility in Poland is a result and consequence of carefully planned and implemented *flexicurity* policy, but rather reflects (an uneasy) situation on the labour market.

³⁷ Information on the results of control „Skuteczność wybranych form aktywnego przeciwdziałania bezrobociu w niektórych województwach”, The Highest Chamber of Control, April 2015

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