Report from the visit of the EC Mission for *flexicurity* in Poland
Warsaw, 23 June 2008

On 23 June 2008 Mission for *flexicurity* visited Poland.

As part of the visit, there was a closed meeting of the representatives of the Ministry of Labour and Social Policy with the members of the Mission and the representatives of the European Commission. The second part of the visit was the seminar entitled '*Flexicurity* and Active Labour Policy in Poland'.

The closed meeting was attended by:

1. The members of the Mission:

Mr Vladimir Spidla, Commissioner for Employment, Social Affairs and Equal Opportunities - Chairperson of the Mission;
Mr Gérard Larcher, Senator and Mayor of Rambouillet (France), former Minister for Employment, representative of the forthcoming French Presidency of the Council – Chairperson of the Mission;
Mrs Maria Helena André, Deputy Secretary General, European Trade Union Confederation (ETUC);
Mrs Renate Hornung-Draus, Chair of Business Europe's Employment Working Group, Director for European and International Affairs at the Confederation of German employers (BDA);
Mr Robert Strauss, Head of Unit, Directorate for Employment, Lisbon Strategy and International Affairs at the Directorate-General for Employment, Social Affairs and Equal Opportunities;
Mr David-Pascal Dion, Directorate for Employment, Lisbon Strategy and International Affairs (European Commission);
Ms Beata Zaborowska, Directorate-General for Employment, Social Affairs and Equal Opportunities (EC).

2. The representatives of the Ministry of Labour and Social Policy of the Republic of Poland:

Ms Jolanta Fedak, Minister of Labour and Social Policy
Ms Agnieszka Chłoń – Domińczak, Undersecretary of State
Mr Paweł Wilczek, Director, Department of International Cooperation
Mr Marek Bucior, Director, Department of Social Insurance
Mr Dariusz Stańko, Director, Department of Economic Analyses and Forecasts
Ms Hanna Świątkiewicz – Zych, Director, Department of Labour Market
Mr Krzysztof Więckiewicz, Director, Department of Public Gain
Mr Paweł Targoński, Head of Unit, Department of Social Dialogue and Partnership
Ms Monika Szostak, Head of Unit for Decision Making Process in the EU, Department of International Cooperation
Ms Agnieszka Kiljan, Senior Specialist, Department of International Cooperation

3. The persons accompanying the Mission:

Ms Róża Hun, Head of the European Commission Representation in Poland
Mr Stéphane Ouaki, Deputy Head, the Cabinet of the Commissioner for Employment, Social Affairs and Equal Opportunities
Ms Irma Krysiak, Directorate-General for Employment, Social Affairs and Equal Opportunities (EC)

Ms Corinne Sausse, Mr Gérard Larcher's Advisor
Mr Jacques-Bertrand de Reboul, Inspector of Social Policy in the support mission for Gérard Larcher.

During the meeting, there was a presentation of **steps that the Republic of Poland took or is going to take in order to propagate and implement the *flexicurity* model,** especially taking into account the following issues:

- improvement of effectiveness of active labour market policy in Poland,
- activities related to integrating the elderly into the labour market,
- pension reform,
- lifelong learning,
- activities resulting in greater involvement of social partners and non-governmental organizations in the implementation of *flexicurity* principles.

The activities undertaken by the Republic of Poland were also presented in detail at the open seminar.

The open seminar was divided into an opening session and three thematic sessions:

- Effective active labour market policies, with special focus on the employment of the elderly,
- Polish workers' emigration – steps that Poland intends to take to encourage Polish workers to return to their home country,
- Lifelong learning strategies, including the adjustment of education/skills to the needs of the labour market ('skill gap').

During the opening session, the following speakers addressed the audience:

1. Ms Jolanta Fedak, Minister of Labour and Social Policy – presented the *flexicurity* model and its elements, the development of *flexicurity* model in Poland (since 2004) and the elements of *flexicurity* in the National Action Plan for Employment in 2008 - the introduction of flexible labour regulations and the extent of their applicability in Poland (pension reform and improvement of active labour market policies).
2. Mr Vladimir Spidla, EU Commissioner for Employment, Social Affairs and Equal Opportunities - Chairperson of the Mission, presented a broader context of the *flexicurity* strategy, pointing out that it should become a global strategy, as an answer to the labour market transformationswhich resulted from globalization processes, including climate changes. In this situation, managing changes is necessary, which – as the Commissioner put it – "lies at the heart of *flexicurity*" and which should be implemented, as the effectiveness of steps taken for the sake of *flexicurity* is the strategy's highest horizontal priority. The Commissioner also presented the objectives of the Mission (the main objective is to enable the countries to learn from each other, with the assumption that the countries, basing on the common principles, aim at defining their own approach to *flexicurity*), the Mission guidelines and the *flexicurity* model. He stressed the role of lifelong learning.
3. Mr Gérard Larcher, Senator and Mayor of Rambouillet (France), former Minister for Employment, representative of the forthcoming French Presidency of the Council – Chairperson of the Mission, presented the objectives of the Mission, emphasising the importance of learning from other countries' experience. He presented the Mission's Agenda as well as the *flexicurity* model.

4. Ms Denisa-Oana Pătraşcu, Secretary of State in the Ministry of Labour, Family and Equal Opportunities in Romania, presented experiences and intentions related to the gradual implementation of the *flexicurity* model in Romania.
5. Mr Zbigniew Żurek, Vice President of Business Centre Club, presented social dialogue as the basis of flexible labour market and the effective way of securing workers socially. He stressed that trilateral social dialogue has an authorisation in law. He pointed out the need for understanding that active labour market policy translates to enhanced competitiveness of companies and stated that social benefits are the state's investment that pays off.

First thematic session: *Effective active employment policies, particularly taking into consideration employment of older workers*:

1. Ms Czesława Ostrowska, Undersecretary of State in the Ministry of Labour and Social Policy in Poland, presented the legal framework of active labour market policies in Poland and the main activities aimed at the improvement of effectiveness of active labour market policies in Poland (Act on Employment Promotion and Labour Market Institutions and government orders, as well as the draft amendments to the Act, intended to improve the effectiveness of active labour market policies in Poland).
2. Ms Agnieszka Chłoń Domińczak, Undersecretary of State in the Ministry of Labour and Social Policy in Poland, presented the measures taken and intended in order to increase professional activity of the elderly and the objectives of pension reform.
3. Mr Kontos Dimitrios, Secretary General, Ministry of Labour and Social Protection in Greece, stated that the greatest challenge for Greece, in the context of *flexicurity*, was the policy for integrating the elderly into the labour market, which should be based on a holistic, multifaceted approach. This is strictly related with the lifelong learning strategy, which does not work properly as regards the elderly.
4. Mr Jan Guz, Chairperson of All-Poland Alliance of Trade Unions (OPZZ),– emphasized the significance of job security for workers. In his view, many forms of flexible employment in Poland are abused to the disadvantage of workers. Moreover, the problem is that other branches of law (e.g. banking law) lag behind flexible labour regulations, which hinders making full use of the regulations also by workers (e.g. because of the impossibility of getting a loan). The Chairperson also called for the introduction of solutions and motivating factors that would lead to an increase in employment of people over 50.
5. Mr Witold Polkowski, Confederation of Polish Employers, stated that the current situation which requires special measures so as to integrate the generations close to retirement age into the labour market is a result of the former state policy which lead to professional inactivity of those generations (early retirement). At the same time, he emphasised that – according to experts – the *flexicurity* strategy is beneficial not only for the employers but also for employees, as it protects them from social exclusion.
6. Mr Tomasz Bilicki, Centre for Family Support, pointed out the necessity to link social welfare to the institutions of the labour market as well as the necessity for a reform of the welfare system (its main goal should be to make people who live on welfare self-sufficient).
7. Ms Hanna Nowakowska, Director of the Foundation for Women's Issues - I am a Woman, and FORUM 50+, presented the mission of FORUM 50+ (the main objective is to improve the quality of life of the elderly in Poland) and the activities of the Forum (including the project " Travel Agents 50+ without frontiers" carried out in cooperation with the EC).

Second thematic session: ***Migration of Polish workers - measures to take for the return of Polish workers:***

1. Janusz Grzyb, Director of the Department of Migrations in the Ministry of Labour and Social Policy – indicated negative effects of migration of Polish workers (such as, among others, a shortage of workers and specialists, a problem of euro-orphans) and presented government initiatives aiming at encouraging Poles to return to the country. He highlighted that efficient education system may be of significant importance to workers returning from abroad and that Social Partners may play a considerable role in informing migrants about working opportunities in Poland.
2. Maureen Waldron, Director in the Department of Social and Family Affairs in Ireland, presented experience of Ireland, which had transformed from a country of emigration to a country of immigration. She stated that although Ireland had greatly benefited from Polish migration, she would do its best to provide Poland with assistance in regaining its workers through, among others, a network of counsellors EURES. She presented the assumptions underlying the project of mobility village of March 2008.
3. Jeremi Mordasewicz, Deputy Director of Polish Confederation of Private Employers "Lewiatan", presented the conditions that should be met in order to make workers decide to stay in Poland or to return to it. He is convinced that these are, *inter alia*: a higher salary, a reduction of the taxes imposed on work, a reduction of tax wedge for people with low incomes, a modernisation of economy (hi-tech), an increase in the country's urbanisation – a planned spatial policy, an adjustment of education to the labour market demands, enhanced freedom of establishment, creation of opportunities for professional career. Mordasewicz made a remark that the main problem for a further economic development and a creation of new job opportunities was a shortage of work in some professions and specialisations.
4. Krzysztof Lipski from the Foundation in Supporting of Local Democracy signalled that the biggest problem of Polish labour market for some time was posed not by unemployment but by work shortage, which means the end of the era of attractiveness to investors. He admitted that if measures encouraging Polish workers to return to Poland, presented by the Polish government, (an elimination of barriers related, for example, to the establishment or replacement of their own business, a specialist package that encourages people with specific qualifications to return to the country, the Poland's promotion as a friendly country) were realized, they might bring a tremendous success. He emphasised however that all these measures should also be applied at a local level. He also added that conditions created for people returning from abroad should not violate the principle of equal treatment with regard to those who had stayed in the country. He also underlined the importance of flexible employment forms for non-governmental organisations.

Third thematic session: ***Lifelong learning, including skill gap***

1. Czesława Ostrowska, Undersecretary of State in the Ministry of Labour and Social Policy of the Republic of Poland, highlighted the interrelation of current labour market policies

and educational policies. She stressed that Poland had achieved promising results in education. She showed a currently carried out legislative work on the simplification of regulations with regard to improving vocational skills of workers (regulations of the Labour Code) and the increase in attractiveness of training programmes as a form of professional activation (works on the amendment to the Act on employment promotion and labour market institutions). She indicated measures directed at the people exposed to exclusion from the labour market (job activation programs dedicated to the unemployed and jobseekers).

2. Zbigniew Marciniak, Undersecretary of State in the Ministry of National Education, highlighted that a dynamic development of the labour market, new professions and a huge amount of knowledge and skills to be mastered for schools not being able to fully prepare students to work. That is why lifelong learning is essential. He emphasised the necessity of developing in students within school education a habit of drawing up by themselves their own lifelong learning strategies and their realisation. In Poland the works aiming to change the attitude towards learning programmes are carried out. The change would mean that the main goal of learning programmes would be an achievement of **educational effects**, intended and determined in curricula, rather than a realisation of the programmes for the programme sake. The Minister stressed then that the recommendation of the European Parliament of 23 April of the current year concerning European Qualifications Framework encouraged Member States to introduce reforms into their education systems in this regard. He reminded as well that in Poland interministerial works on lifelong learning strategy were being carried out. The planned date of submitting a proposal for the strategy for a consultation falls on the end of 2008.
3. Maciej Prószyński from Polish Craft Association explained the specificity of needs and problems concerning improving qualifications in small and micro enterprises and called attention to a high risk of investing in training programmes in these enterprises related to the possibility of leaving the enterprises by trained workers (while each worker plays a crucial role there). That is why he highlighted the costs of a lifelong learning should be covered partly by an employer, partly by a worker, in conjunction with the state. It should also be treated by all the parties as a good investment.
4. Zbigniew Mierzejewski, Deputy Director of the Trade Unions Forum, stressed the importance of lifelong education.

Conclusions:

<u>a) general conclusions:</u>

Poland takes various measures in order to implement all four elements of *flexicurity*.

- <u>flexible and reliable contractual arrangements (modern labour laws, collective agreements and work organization)</u>

  A recent, significant achievement in the context of making contractual arrangements more flexible was the implementation into the Polish law the institution of tele-working. This form of employment addresses the needs of modern economy and brings potential profits both to an employer and an employee. Works on a next amendment to the Labour Code are currently being carried out. New regulations are supposed to simplify regulations on the improvement of employers vocational skills and be more beneficial, among others, for young people taking up work in Poland. It is planned, among others, to extend maternity leave and to undertake numerous other activities that would allow to combine professional work with family life.

- Comprehensive life-long learning (LLL) strategies
  - System measures aimed at increasing the employers and employees interest in the lifelong learning process are taken.
  - In the nearest future, the "Human Capital" operational programme implementation, making use of the European Social Fund resources, will be continued in Poland. It includes numerous tasks, which will result in the increase of the participation of the employed, the unemployed and professionally passive in different forms of lifelong learning.
  - The Ministry of Labour and Social Policy has currently started initial legislative works concerning the simplification of regulations on the improvement of employers vocational qualifications.
  - Works on the amendment to the Act on employment promotion and labour market institutions are being carried out. In the part concerning training programmes, the suggested changes aim to boost the attractiveness of the form of professional activation and extend it to a much bigger group of people.
  - Apart from what is being done under the Act of 20 April 2004 on employment promotion and labour market institutions, the professional activation programmes dedicated to the unemployed and job seekers are realised.

- Effective active labour market policies
  - In Poland a new approach to the labour market policies is carried out through two regulations of the Minister of Labour and Social Policy of 2007. The first one concerns the standards of basic labour market services, whereas the second one sets basic conditions ensuring that labour offices may provide basic labour market services in a comparable way. The approach is also realised through the Act on employment promotion and labour market institutions. Works on the changes to the act that will serve more efficiently the implementation of the *flexicurity* idea are being conducted. The main objective of the draft proposal is to enable the unemployed and jobseekers to return to professional activity. New provisions will increase the motivation to take part in mobilising activities.
  - The *flexicurity* model in Poland will be popularized also within the Priority 2 "Development of Human Resources and adaptation potential of enterprises and improving the health condition of working persons" of the Human Capital operational programme.
  - Poland is also taking measures to integrate elderly people who are currently unemployed or at risk of unemployment into the labour market. Within the scope the Programme 45/50 PLUS and the Programme "Generations Solidarity" will be launched in 2008.

- modern social security systems

In Poland works on a pension reform are being carried out. Its aim is to halt the increase in the imposition of very high costs of preserving the old pension system on working persons. The reform will allow to gradually balance revenues and expenditures and at the same time to create conditions to improve the situation in the labour market and it will contribute to the stable economic growth, which then entails the growth of social well-being.

b) for the Ministry of Labour and Social Policy

It is crucial to accomplish the activities aimed at the implementation and popularization of the *flexicurity* model in Poland. This concerns, above all, works on amendments to the Labour Code, the Act on employment promotion and labour market institutions and the pension reform.

It is also appropriate to launch new initiatives, which could contribute to an even better and more effective implementation of all the components of *flexicurity* model.

In the questions mentioned above it is absolutely necessary for the Government of the Republic of Poland to cooperate in this regard with Social Partners who play a pivotal role in the implementation of the *flexicurity* model.

It is appropriate for Poland and other Member States to exchange information and experience on the development and implementation of the *flexicurity* model. The initiatives such as the Mission for *Flexicurity* may constitute a valuable contribution to the effectiveness of the implementation of the *flexicurity* at a national level.

Annex:

The information on the measures that the Republic of Poland took or is going to take in order to popularise and implement the *flexicurity* model was presented during the part of meeting not open to the public of 23 June of the current year.