

POLICY BRIEF **POLAND**



RECOVER IN BRIEF

Funded by the European Commission DG Employment, Social Affairs and Inclusion and involving 5 European partners, the RECOVER project analyses whether and how the growth in outsourcing and subcontracting is triggering coverage problems for workers in these outsourced services. The project will accordingly compare cases of collective bargaining coverage gaps in outsourced services at sectoral and company level in six countries.

KEY MESSAGES

- Low collective bargaining coverage in Poland in general, even lower in sectors under scrutiny: health care and security services.
- Weak position of social partners in outsourcing – especially employees' organisations.
- Outsourcing as a cost-cutting business strategy in both public and private sectors.
- Working conditions in outsourcing companies vary depending on contract conditions with clients. Predominantly, outsourcing translates into poorer social protection of employees (civil law contracts, bogus self-employment, fixed-term contracts).
- Union organising efforts as the most feasible way for seeking improvement in the outsourced workers' position vis-a-vis employers.

DEFINING OUTSOURCING IN THE COUNTRY

Outsourcing services in Poland has been following the general trend in global economy and experienced dynamic development in the recent decade. According to the estimations currently there are over 700 Shared Services Centre (SSC) and Business Process Outsourcing (PBO) employing over 200 thousand employees in Poland. However, outsourcing phenomenon should not be limited only to relatively large companies delivering non-core services to its clients. Outsourcing occurs also among SMEs while subcontracting cleaning, security, IT or other companies. According to the European Company Survey around 20% of establishments in the European Union outsource part of their design and development, production, and sales and marketing activities, but full outsourcing is still rare (Eurofound 2013).

Collective bargaining coverage is lower in outsourcing companies. This may lead to weaker workers protection, growth of wages disparities and segmentation of labour market. Objective of the study is to examine to what extent the growth in outsourcing is triggering coverage problems for workers in these outsourced services and what are the collective bargaining practices in case of collective agreements gaps. The aim of the project is accordingly to analyse collective bargaining coverage in outsourced services in Poland with a view to: identify coverage problems related to outsourcing practices; study the capacity of existing institutions in dealing with them; analyse the incidence of coverage gaps across different groups of workers; analyse the strategies deployed by social partners in order to address these problems and provide actors with some policy guidance in order to ensure inclusive and effective coverage.

For the purpose of the study security and health care sectors were investigated. Moreover a case study of ISS Poland was elaborated in order to analyse collective bargaining practices at company level.

COLLECTIVE BARGAINING COVERAGE

The key organisations that gather outsourcing companies in Poland include: Association of Employment Agencies [Stowarzyszenie Agencji Zatrudnienia], The Polish HR Forum [Polskie Forum HR] and Association of Business Services Leaders in Poland. Trade unions seek to organise employees in outsourcing companies. Nevertheless, there is no data on membership. It could be assumed that union density is lower than average in the country and probably also lower than in other branches of the service sector.

FROM SECTORS TO ACTIVITIES: CHANGING FOCUS TO ANALYSE OUTSOURCING

Two sectors have been chosen: health-care and security services. The rationale behind making such selection is mainly based on importance of the activities performed in the branches under scrutiny: both are responsible for provision of public goods, yet they have been under pressure of market logic for several years resulting in a number of tactical solutions aiming at cost reduction. Outsourcing of work appears to be the leading approach in health care and security services used to achieve such an objective. In the circumstances of deteriorating collective bargaining in general and low level of labour mobilization, no outward manifestations of workers dissatisfaction and grief are to be seen. Nevertheless, the problem remains.

Activity 1: Health-care: 'cheap-state' meets undersupply of labour

Poland's expenditure on health is well below average, measured by GDP share, comparing to other OECD countries: as of 2017 it amounts to 6.4% only (OECD-35 mean is 9%), of which 2.0% come out-of-the pocket (private spending). Too little money in the system

translates into understaffing: in Poland there are only 2.3 practicing doctors per 1 000 population, and 5.2 nurses per 1000 inhabitants (2015). Financial input has been criticized for years as insufficient, and finally at the end of 2017 become a key feature of the large industrial conflict in public healthcare.

Inadequate financial allocation had triggered various HR management practices aiming at reduction of labour costs, such as multi-tasking and outsourcing of activities, which often are combined (e.g. nurse working on the basis of employment contract, and after hours providing service (of the very same character) as a solo self-employed or an agency worker (TAW). While trade unions are aware of the phenomena and risks they entail, their bargaining capacity is not sufficient to effectively confront employers (de facto government, in the public sector) over the issue.

Activity 2: Security services: illusory safety bought for a penny

The rise of global security culture has put a mark on Poland's economy and society. Even though Poland belongs to the safest countries in the world (UNODC data), the demand for security services has been rising, between 2015 and 2017 the value of security services market increased roughly by [25%](#).

For many years the prices, especially for the most generic type of services (watchpersons, ushers etc.) have been low, as the demands of those jobs are equally modest (significantly, a relatively high share of security staff are disabled people, as their wage-costs could be subject to state subsidies). This translated into general precarisation of work in the sector. As for public sector, the 'cheap-state' logic (in a similar way to public health-care) propelled outsourcing of those activities. The practice of quiet acceptance and even encouragement of precarious forms of work used by their external service-providers (not just security but also cleaning) among public institutions has been subject to criticism, as the 2016 [report](#) of the national auditing agency (NIK)

reveals. Unlike in the public health-care incidence and coverage of trade unions in the security services sector is low, and collective bargaining coverage is virtually none.

FACILITY MANAGEMENT COMPANY

As an exemplification of Facility Management Company a Polish branch of ISS company was selected. The company is a leading global provider of facility services including not only cleaning, security, property, catering and support services, but also integrated facility management. It is also one of the key market players in the country in both private and public sector.

ISS fits general characteristics of the industrial relations system in Poland, representing decentralised form of social dialogue. The company is not associated in an employer's organisation. There is only one trade union organisation in an establishment in Cracow which is affiliated by NSZZ "Solidarność", but it organises small number of employees (several dozens) as compared to total number of 2,5 thousand in the whole company in Poland. There is also no collective agreement nor extension mechanism of CA applied. However, the Polish branch is involved in European Works' Council by delegation of an employee of the Warsaw headquarter.

In effect of specificity of the FMC sector (employees work in customers' premises), working conditions of employees groups depend more on conditions of agreements with particular customers, rather than standardized work regulation within the company. Therefore, conditions vary in: form of employment (employment contract, civil law contract, self-employment), working time, wages, etc.

RECOVER PROPOSES...

To be realistic, the very first activity to be considered is trade unions reaching out to the outsourced workers with a view of persuading them to join. This, however, should not be pursued on ad-hoc basis, but rather start with designing a coherent approach which would fit into

general organising strategy of major trade unions. As highlighted above, the first bridgeheads have been reached. Regardless of structural barriers to be encountered, this is the most feasible method of recruitment, which, at some point, may translate into enhanced coverage for outsourced workers in Poland.

RESEARCH TEAM

- Dominik Owczarek,
- Jan Czarzasty

This policy brief is based on the final phase of the RECOVER project and is available on the RECOVER website,

<http://pagines.uab.cat/recoverproject/en/content/national-policy-briefs>

PROJECT IDENTITY

PROJECT NAME

Relaunching Collective Bargaining in Outsourced Services – RECOVER

PROJECT COORDINATOR

Dr. Oscar Molina

Universitat Autònoma de Barcelona
Sociological Research Centre on Everyday Life and Work
– QUIT

Campus UAB, C/ de la Fortuna
08193 Bellaterra - Spain
E-mail: oscar.molina@uab.cat

CONSORTIUM

- [Centre d'Estudis Sociològics sobre la Vida Quotidiana i el Treball](#) (QUIT)
Universitat Autònoma de Barcelona (Barcelona, ES)
- [Amsterdam Institute for Advanced Labour Studies](#) (AIAS)
University of Amsterdam (Amsterdam, NL)
- [Institute of Public Affairs](#) (IPA) (Warsaw, PL)
- [Durham University Business School](#)
Durham University (Durham, UK)
- [Università degli Studi di Teramo](#) (Teramo, IT)

EUROPEAN COMMISSION

DG Employment, Social Affairs and Inclusion

FUNDING SCHEME

VP/ 2016/004/0030 – Improving expertise in the field of industrial relations. GA VS/2019/0351

DURATION

January 2017 – December 2018 (24 months)

BUDGET

EU contribution: EUR 306584,95

WEBSITE & SOCIAL NETWORKS

Webpage: <http://pagines.uab.cat/recoverproject/en>