

## **BARMETAL: Digitalization, Automatization and Decarbonization: Opportunity for strengthening collective bargaining in the metal sector (101052331) Country Factsheet - POLAND**

### **Poland /Elevators pitch/**

Poland has had stable economic growth for many years (even during periods of crisis), and while in 2010 GDP per capita was 63% of the EU average, by 2022 it was already 80%. This is reflected positively on the labour market. Unemployment has in practice fallen to frictional levels (apart from some areas of long-term structural unemployment, a legacy of the country's transformation at the beginning of the 1990s) and Poland has become a recipient country of economic migrants from third countries. Industrial relations are mainly based on company level collective bargaining. The metal sector employs 1/3 of the total workforce in industry and is largely dominated by multinational corporations pursuing their own strategies including in many cases an attempt to minimise social dialogue with trade unions and to limit collective bargaining practice. Despite the existence of sectoral employers' organisations, there are no sectoral collective agreements and no attempts to negotiate them. This is not a climate conducive to addressing new challenges in the D-A-D area.

### **Dynamics of the unemployment rate 2017-22**

#### **► Bezrobocie BAEL w Polsce w ostatnich latach (%)**



Źródło: Opracowanie własne na podstawie danych E

### **Key challenges in the metal sector**

- Poland's energy mix is mainly based on fossil fuels, which translates into energy supply for industry. This means that the tightening of ETS allocation rules planned in the Fit for 55 package threatens the competitiveness of the sector or even its closure (metallurgy).
- Automation and robotisation of production lines (especially white goods, automotive sub-sector) requires a major retraining of the existing workforce
- Lack of a national strategy on the effects of digitalisation and decarbonisation on workers in the sector. This is accompanied by a reluctance of transnational corporations to work with government and trade unions on a sectoral basis.

### **Role of social partners in addressing D-A-D**

- The apparent marginalisation of the role of the social partners in the preparation of Polish industrial policy, even though two of its components are the preparation for digitalisation and the implementation of the Green Deal
- The absence of bipartite sectoral dialogue hinders coordinated action by the social partners
- Collective bargaining is limited to the company level and, in relation to D-A-D, is reactive to the employer's actions. Trade unions often express dissatisfaction with the quality of information they receive from employers on medium-term company strategies.

## D-A-D in workplace

- In all cases studied, there is a strong conviction of the inevitability of impending changes, but at the same time it is emphasised that so far, these have occurred to a relatively minor extent
- With regard to digitalisation and automation, decisions are taken by management alone, without prior consultation with the unions, while at the same time employees are informed that their jobs are not at risk.
- However, comprehensive initiatives for retraining programmes are not observed. This is often justified by waiting for the availability of KPO (National Recovery Plan) funds to be unblocked (means have been suspended by the European Commission)
- Decarbonisation is considered mainly in the context of the need to change the energy mix, which is not possible in the short term. In metallurgy, it is considered through the prism of switching to electric arc furnaces, using nuclear micro-reactor (SMR) power, which is likely to result in the need for a fundamental re-qualification of the workforce.

## Bargaining efforts in companies

- The main problem is the progressive collapse of company collective bargaining across the country, which are very often replaced by company wage regulations (trade unions are only consulted).
- With the introduction of new D-A-D-related technologies, the role of trade unions is mostly reduced to ad hoc negotiations to protect workers against dismissal or to provide adequate severance pay in case of redundancy.
- In general, there are no collective agreements to jointly up-skill and re-qualify existing employees.

## Key recommendations/Main message/Additional findings

The recommendations address issues that are partly beyond the capacity of trade unions and social partners in general.

A general recommendation is to create a state strategy (along the lines of Germany's Industry 4.0) aimed at adapting industrial working conditions to the challenges of D-A-D.

Secondly, it is necessary to work towards the creation of a framework for training and retraining of workers in the form of sectoral training funds managed by the social partners and supported by the public authority.

Thirdly, the move towards decarbonisation of the sector while maintaining its competitiveness in the context of the Fit for 55 requires investment in zero-carbon energy sources, which is fundamentally key to the viability of e.g. the steel industry (SMRs, supported by the development of wind power). With regard to the metallurgy, it was clearly indicated that a condition for its decarbonisation (transition to arc furnaces), while safeguarding jobs, is that the EU recognises scrap as a critical raw material and thus bans its export outside the EU.

Fourthly, e.g. the car industry, in order to be able to switch to the production of electric cars that will find a mass customer (a ban on the registration of combustion cars after 2035 is not a solution here), must be supported by public policies aimed at the effective construction of an infrastructure of accessible public fast charging points.

Finally, in order to be able to launch an effective social dialogue around D-A-D, a fundamental revitalisation of the collective bargaining system is required, with an emphasis on building a sectoral level of bargaining. The impetus for this should be the implementation of Article 4. of the EU Adequate Minimum Wage Directive, i.e. the creation of an action plan to increase collective bargaining coverage.

