"SOLIDARITY"

Difficulties and opportunities in Poland’s market development

Georgia Hanna Padovan/European Programme
This thesis aims to explain the trade union "Solidarity’s” approach issues related to social security for employees, and if the principles of neo-corporatism and liberalism can indicate why there are difficulties in policy making in the polish labor market. By looking at how "Solidarity” is approaching these issues, I aim to provide some valuable insights on the complexity of decision-making on labor market policies in Poland.

Empirical findings confirms that “Solidarity’s” approaches have almost exclusively been concentrated on safeguarding existing employment rather than promoting increased overall employment through flexible forms of contract. “Solidarity” is compared to their former role in the beginning of the transition, i.e. a strong supporter to economic reforms. Solidarity’s has developed a role more representative of the interests of workers in relation to the employers. The signs of neo-corporatist functions and liberalist functions does not confirm any obvious difficulties in policy making, however empirical findings shows that it has undoubtedly created tensions in the industrial relations. One of the main reasons in why the Polish labor market is malfunctioning is that it is driven on the basis of a profit- oriented economy with a fusion of liberal and neo-corporatist elements. This has manifested itself in different ways in the labor market. However as the state still has an influential role in regulating labor market issues it is problematic to draw conclusions on policy making within flexibility and security merely on certain events or milestones on these issues. The Polish labor market has shown that it is still in a process of transformation. Developments in flexible contracts and income security are difficult to follow because many laws and regulations are amended periodically and can be discussed based on equal levels of corporatist as well as liberal functions.
Acknowledgements

First of all I would like to express my gratitude to my supervisor Julia Kubisa for the useful comments, remarks and engagement through the learning process of this bachelor thesis. This thesis would not have been possible without your expertise in the subject. I would also like to acknowledge postdoc Katarzyna Wojnicka at the Centre for European Research at the University of Gothenburg, as the second reader of this thesis; I am gratefully indebted to your very valuable comments on the structure of this thesis.

A special thanks to my family, my loving mom Gisela, who has supported me throughout the entire process, both by keeping me harmonious and helping me putting pieces together. I will be forever grateful for your love. Peter, you are a really caring person and you are also incredibly smart, thank you for all the inspiration you have given me over our family dinners. I would of course also like to thank my sister Gaia. We are very different, you and I, but that is what I like most with us and even though we often do not understand any of what the other one is working on, you have always been there for me.

I would also like to thank the people who are closest to me. Karin and Sarah, I don’t know what I would do without the energy you give me. You are my best friends and a true inspiration to me. Malva, Pauline and Alice, thank you for your encouragement in my work even when I thought I had reached rock bottom. Danielle, you’re incredible, both when it comes to yourself as a person and the skills you possess in the written language. I do not know what I would have done without your help. Thank you.

I am also incredibly grateful to have met you Joakim. It is difficult to translate into words the feelings you give me through your confidence in me as a person and in what I do. Thank you for all support in the final writing of my work. I hope you understand how much you mean to me.

Last but not least I would like to thank David Yong-Min Leffler; you have given me unfailing support and love since the beginning of my university studies. I can never thank you enough for the encouragement throughout the years and through the process of researching and writing this thesis, as well as your time in proofreading my work regardless of time and place. Thank you for all the endless hours you spent listening to my waves of frustration and enthusiasm. I know you will accomplish great things with your genuine interest in developing yourself and the world around you. I cannot express how grateful I am to have had you in my life.

Georgia Hanna Padovan
Gothenburg, December 2016
# Table of contents

LIST OF ABBREVIATIONS

LIST OF TABLES

1. **Introduction** ........................................................................................................................................... 1  
   1.1 Poland’s Labor Market: An overview ....................................................................................................... 1  
   1.2 Trade unions and social security ................................................................................................................ 4  

2. **Previous research** ................................................................................................................................. 5  
   2.1 Social Dialogue ........................................................................................................................................... 5  
   2.2 Tripartite Dialogue ...................................................................................................................................... 6  

3. **Theoretical Framework** ......................................................................................................................... 8  
   3.1 Liberal market theory ................................................................................................................................. 9  
   3.2 Theory of Neo-corporatism ......................................................................................................................... 10  
   3.3 Security and flexibility ............................................................................................................................... 13  
   3.4 Solidarity’s objectives in social security ................................................................................................... 16  
   3.5 Objective and research questions ............................................................................................................. 17  

4. **Methodology** ......................................................................................................................................... 18  
   4.1 Qualitative test analysis .......................................................................................................................... 18  
   4.2 Material ................................................................................................................................................ 19  
   4.2.1 Research material used for previous research and theory ................................................................... 20  
   4.3 Scope and limitations ............................................................................................................................... 22  
   4.4 Analytical scheme .................................................................................................................................. 23  
   4.5 Validity ................................................................................................................................................. 24  

5. **Results** .................................................................................................................................................. 25  
   5.1 Income security: Unemployment Benefits .............................................................................................. 25  
   5.2 Income security: Minimum wage ............................................................................................................ 26  
   5.3 External-Numerical Flexibility: Civil Law Contracts .............................................................................. 30  
   5.4 External-Numerical Flexibility: Fixed-term contracts .......................................................................... 33  

6. **Discussion** ............................................................................................................................................ 36  

7. **Conclusion** .......................................................................................................................................... 40  

References ..................................................................................................................................................... 42
LIST OF TABLES
1.1 Analysis scheme

LIST OF ABBREVIATIONS

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>OPZZ</td>
<td>All-Poland Alliance of Trade Unions, politically left-wing</td>
</tr>
<tr>
<td>ILO</td>
<td>International Labor Organization</td>
</tr>
<tr>
<td>ESF</td>
<td>European Social Fund</td>
</tr>
<tr>
<td>RDS</td>
<td>The social Dialogue Council</td>
</tr>
<tr>
<td>TC</td>
<td>Tripartite Commission</td>
</tr>
<tr>
<td>UB</td>
<td>Unemployment benefits</td>
</tr>
<tr>
<td>EC</td>
<td>European Commission</td>
</tr>
<tr>
<td>PES</td>
<td>Public employment services</td>
</tr>
<tr>
<td>ALMP</td>
<td>Active labor market policies</td>
</tr>
<tr>
<td>ECE</td>
<td>Eastern Central European</td>
</tr>
<tr>
<td>TU</td>
<td>Trade Unions</td>
</tr>
<tr>
<td>CEE</td>
<td>Central Eastern European</td>
</tr>
</tbody>
</table>
1. Introduction

1.1 Poland’s Labor Market: An overview

1989-1993

"Solidarity", the national organization known as NSZZ Solidarność in Polish, is a right wing independent union founded in worker protests in Gdansk during the 1980s. Numbers from 2012 show that "Solidarity" represents approximately 622,577 members and 8,292 company trade unions (Trappman 2012, Eurofound 2015a). "Solidarity" is historically understood as one of the strongest unions, because of their strong social mobilization which resulted in winning democratic elections, and because of their relatively controversial and diverse role in Polish society (Meardi, 2005 & Alessi, 2012). The previous, communist political system in Poland was based on high social security and full employment. In 1989, Poland’s rebirth as a more democratic country was symbolized by free elections and increased rights for workers and trade unions. There were hopes that "Solidarity", as a newly elected government, would provide the security and the resources the workers needed, in this case a worker-friendly capitalist economy (Ost & Weinstein 1998, Ost 2002). "Solidarity" gained strong public support in Poland's first free elections in 1989. Their status as a union was downgraded in favor of hopes for Poland's brighter future through market reforms. The majority of union leaders agreed on a pro-market direction (Gardawski, Meardi 2010). As the former "Solidarity" leader and first post-communist president Lech Walesa expressed: 'We will not catch up with Europe if we create a strong trade union' (Gardawski & Meardi 2010 p.73).

Prime Minister Tadeusz Mazowiecki led the first post-communist government and together with the neo-liberal minister of finance Leszek Balcerowicz in 1990, imposed shock therapy focusing on stabilization and liberalization to ensure profit-oriented corporate governance, combat foreign debt and hyperinflation (King, Sznajder 2006). The internal structures of firms and managements changed, from being both economic units and social institutions into being privatized and radically reorganized (Ost 2002). The policies implemented would have consequences such as high unemployment and large layoffs but were tolerated by both workers and "Solidarity" in hope for a better future. Both parts believed that the communist
systems undermining of labor was over, and that if the market could operate unhindered workers would be rewarded with good wages and rising standards of living overall (Ost & Weinstein, 1999). While union membership went from compulsory to voluntarily, new small private companies started to grow out of the old large state-owned. However, these companies were also more hostile towards unions and saw their presence as an unnecessary and extra cost at their workplaces. "Solidarity" was careful to organize in these companies and recruit members, because of the risk of being associated with a communist union form (Rainnie & Hardy 1995, Ost, 2009). The shock therapy received broad support in the beginning but after a year the government was struggling with strong counter reactions (King & Sznajder 2006). Many felt that the union's previous role as protector of workers had been sidelined because of the market reforms. These feelings were further strengthened when "Solidarity" declared a six months long suspension of strikes to mitigate and keep a lid on the negative reactions and discontent that grew, as hard times with high unemployment persisted longer than the promised three months. The number of strikes fell from 900 to 250 in one year from 1989 (Rainnie & Hardy, 1995, s.275).

Following hyperinflation over 500 % the neo-liberal government was replaced by a "Solidarity" led government, which invested more towards controlled liberalism, although with the same objectives laid with the neoliberal government, but with other means of getting there. Privatization continued in a firm-by-firm basis in small and medium-sized enterprises. The mass privatization took place in 1995 through a law proposal (King 2002, King & Sznajder, 2006). In 1993 workers began taking steps away from the political program and started protesting. "Solidarity" had to withdraw from their double-sided role as a reformist government and protective trade union (Krzywdzinski 2010). Strikes against privatizations resulted in the 'Pact on the Transformation of State Enterprise' in 1993. The pact was a bilateral pact between the Polish Employers Federation, the government on one side, and the unions on the other side. It involved privatization and new legislations on areas such as employment protection as well as a legal framework for collective agreements at national level, however limited to cover only the state sector (Gardawski, Meardi, 2010).

1993 to 2003

1993 and 1996 marked legislative success for the unions when collective bargaining was reformed and became free, and a reform of the Labor Act that included a simplified less restrictive legislation. The new laws opened up opportunities for trade unions to negotiate
benefits for workers, including the continued use of early retirement in some sectors and regions (Trappman 2012, p.4). "Solidarity" continued to struggle for political power throughout the 1990’s, despite conflicts over their involvement in political reforms. "Solidarity" founded the right-wing alliance "Solidarity" Electoral Action (AWS) who won the elections in 1997. "Solidarity’s" continued loyalty and engagement in politics caused damaged to them as a union as they neglected their role as a trade union. 2001 marked an end to AWS and a break from "Solidarity’s” political involvement. Since then, "Solidarity” has remained close to the political right but has dropped their active involvement (Krzywdzinski 2010, p.279).

2003 to 2012

In 2003 Youth unemployment stood at 42%, compared with the EU average of 15.3% (Trappman, 2011). However, the youth unemployment rate has decreased over the years and in 2006 it showed around 20 % (European Commission 2007). Looking at the elderly part of the population, numbers from 2006 demonstrated that barely a third of them were working. This trend has only appeared in Poland and Portugal throughout the EU since the year of 2000 (European Commission 2007). The government promised that this was only short-lived effects and that stability would be achieved within a few months. Instead, privatization laws continued (Ost & Weinstein 1999 & Iankova 2010). Major changes took place during Poland’s entry into the EU in 2004. Poland increased its active measures and put an emphasis on growth through economic reforms to combat unemployment and reach an economic level closer to the EU average (Kwiatkiewicz, 2011 & Trappman, 2011). However, consultations with trade unions gradually reduced and unilateral decision-making increased. Even governments coming into power thanks to union support, such as the Kaczynski government 2005-2007, refused to open serious negotiations with the trade unions (Rainnie & Hardy 1995, Ost, 2009). The long-term unemployment has fallen since EU accession but numbers from 2007 showed 10.2% which is still the highest in the union (European Commission 2007). Since entering the EU and after signing the Schengen agreement, around 2, 5 million Polish workers have left the country in search of work in Ireland, UK and Sweden. The problem has turned out not to be only the level of wage or social protection, but also Poland's ongoing difficulties in generating jobs. The closure of industries during the transformation has not been compensated with jobs in the service sector (Trappman, 2011).
1.2 Trade unions and social security

Unions are fighting to attract new and younger members, organize in the private sector, raise the minimum wage, change the laws regulating trade union leeway, and limit civil employment (Trappman, 2012). Unionization has declined from 36% to 15% between 1990 and 2010. Along with privatization and high unemployment, the unions' bargaining power has been weakened (Boulhol OECD, 2014 p. 16). Reduced membership means a weaker position in the negotiation process and lack of resources for further recruitment and representation (Gardawski, Meardi, Molina 2015 & Mailand, Due 2004).

Social security issues such as civil law contracts (usually refers to self-employment) have been a priority issue for “Solidarity” for a long time as they do not provide the same security as standard contracts, and are not governed by the Labor Code. Since the year of 2000, employers have taken greater space in the labor law in order to practice more flexible employment, and the use of civil-law contracts has increased (Trappman 2012). In the mid-1990s, about 30% of the working population was self-employed; this figure has dropped to 22% but is still among the highest among the OECD countries (OECD Boulhol 2014).

The level of the minimum wage, has been an intense debate among international bodies such as the OECD, as well as among trade unions, the government and employers' organizations. (Kozek, Zielleńska & Kubisa, 2013). During 2007 and in the beginning of the crisis”Solidarity” undertook active measures to increase the minimum wage in a campaign called ‘Low wages - a barrier to the development of Poland’. Included in the petition one can read following: “Polish society deserves to have higher wages because: for many years already the increase of wages does not follow the increase of work output and economic development; Polish people work longer hours than workers in other countries, including member states of European Union” (ETUC 2007, p.1)

Confidence in ”Solidarity” is relatively low. A 2001 survey that asked whether”Solidarity’s” union members felt that their interests were represented, only 39% said yes. 15% of the adult population in Poland had confidence in” Solidarity” in a survey conducted in the following year. Only 13% of members felt that their union was effective in the respective companies (Eurofound, 2002). The decrease in union membership is not always due to worker’s distrust

---

1 The Labor Code from 1974 regulates the labor laws and includes principles with rights and duties to employees and employers (CFE)
in "Solidarity", but also to changes in employment contracts. The working class was bigger in the past and promoting ideas through trade unions was easier. Today the numbers of people in atypical employment situations such as civil-law contracts has increased and is creating obstacles for engaging in trade union activity (Feffe, 2014, Gardawski et.al 2012).

The cost of the transition has been long lasting and higher than anticipated. "Solidarity" and other Polish trade unions face many challenges in today's Poland. The liberalization and globalization have affected the industrial relations in the labor market and employment opportunities for employees (Trappman, 2012). The accelerated privatization characterized by an anti-union management mentality, has led to a diminution of trade unions strength and influence (Mrozowicki, Pulignano, Hootegem, 2010). As history shows, Poland has not been successful in maintaining a high employment level through combining both employment and income security with a flexible labor market. This calls for an analysis of "Solidarity’s” approaches in ensuring a necessary level of social protection to workers.

2. Previous research
2.1 Social Dialogue

How have industrial relations been transformed in Poland? What has shaped the Polish labor market and "Solidarity’s” approach to labor market issues? Earlier research contributes to an understanding to these questions.

Social dialogue refers to consultation between social partners such as the government, unions and employer’s organizations, and focuses on questions related to labor market policies and social and economic policies. Some issues are discussed on a bipartite level between unions and employers (Due & Mailand 2004). The social dialogue process is mainly related to labor-market policies and other areas related to economic and social policies. Having a social dialogue means that neither the market nor the state regulates the policies unilaterally. Social dialogue can be established for various reasons, or a combination of several, and aims to resolve or prevent conflicts, ensure that decisions are implemented correctly and connecting key players in the community to important issues. (Due & Mailand 2004). Due and Mailand (2004) has set up different preconditions in holding successful social dialogues. One is to ensure a genuine dialogue through questioning if the social actors are independent of each other. Another point refers to the parties’ legitimacy and organizational capacity within their constituency. A third important point is the distribution of power; no party should be
compelled to compromise in discussions due to a weak position; however, all participants must show willingness to cooperate. Through acknowledging each other they also legitimate the other parties’ interests.

There has been a lot of research relating to the quality of social dialogue, especially since Poland entered the EU. As Poland throughout the transition has tried to move closer to EU standards, one of the requirements is the development of a social dialogue (Due & Mailand, 2004). Jasiecki (2014) has done research over the form of capitalism that has taken form in Poland and in CEE countries overall, and argues that the social dialogue is relatively underdeveloped in many CEE countries and that it is held from a top down approach instead from below as in the western world. With the expansion of the EU, there is a growing belief that economies in Europe are becoming more and more similar to one unified model. Jasiecki (2014) argues, however, that this is not the case, that globalization creates different economic processes. He argues that we should look more critically at the economic changes and the model of capitalism especially in the more peripheral central and eastern European countries. The idea of catching up with the West and with globalization has not worked so well in practice. The emerging capitalist systems that is developing in CEE countries differs from the more developed countries of the West and should for that reason be described differently (Jasiecki, 2014). "Solidarity” is trying to strengthen the bilateral dialogue with employers, so that they can discuss issues without involving the government. However, as only a tenth of all employers are represented in any of the employers' associations, wage negotiations that mainly takes place at company level are weak. It is also difficult to develop more comprehensive collective agreements covering industries, because many unions are afraid of losing their position they have on the company level (Trappman 2012).

2.2 Tripartite Dialogue

Tripartite Dialogue is an important form of social dialogue in CEE countries (Due & Mailand 2004). ILO (International Labour Office) founded in 1919, is regarded as the main promoter of tripartism. It was created in a time of social crisis and political conflict in countries such as Germany, Russia and a number of other European countries. ILO’s intention of tripartism was so secure a system of co-operation in industrial economic policy between relevant organizations in society as well as the government (Meardi, Gardawski, and Molina 2015). Cooperation on a tripartite level developed in the mid-1990-s in Central and Eastern Europe (Due & Mailand 2004). The Tripartite Commission (TC) was established in Poland in 1994,
to serve as a body for social dialogue, to ensure stable communication between the government, trade unions and employers during the transition (Gardawski et.al, 2012). One of the main functions of the TC was to come to a decision regarding the minimum wage, which is determined once a year however non-binding for the private sector. (Gardawski, Meardi, Molina 2015). David Ost’s research in “Illusory corporatism in Eastern Europe: Neoliberal Tripartism and Postcommunist Class Identities” (2000) explains the TC’s function as simply illusory and superficial without any efficient dialogue and results. He wrote: “...just as elections can cover for an undemocratic regime, or regulatory agencies can hide corporate control, the tripartite commissions do not necessarily entail the labor strength [sic] that they seem to signify...” (Ost 2000, p.96).

Gardawski, Molina and Meardi (2015) have studied how the tripartism in Poland has evolved over time and compared it with the case in Spain. They found that the stabilizing and protagonist role that tripartism aims to serve, quickly fell short of the neo-corporatist governance. The state used tripartite functions even without the basic prerequisites of corporatism that usually serves as a base. Disagreements between the major trade unions and other stakeholders in the industrial relations have blocked collaboration and joint decision making within the TC (Due & Mailand, 2004). The TC is said to lack the organizational and institutional preconditions necessary for effective policy making to succeed. David Ost (2000) argues that a main obstacle behind the inefficient tripartite function is that it rarely includes the private domain and thus it is difficult to affect the growing sector where the long-term stability of industrial relations is being established (Ost, 2000).

There is great deal of research that deals with Poland's economic and political development, the relationships among stakeholders in the labor market and the various problems and obstacles for further development. Previous research discusses the difficulties in conducting an effective social dialogue in Poland from ideological and organizational perspectives as well as historical. What is missing is a deeper analysis of the specific social security issues in the labor market in relation to the theories of Poland developing a fusion of a liberal market economy and neo-corporatist. How do Solidarity approach social security in Poland’s market development, what are the main challenges and why? This focus provides a new layer to the theories of neo-corporatism and liberalism in Poland, and to the research on Solidarity’s difficulties in influencing the labor market in the area of social security. A further analysis of the principles of neo-corporatism and of liberalism in Poland, and of the difficulties in
reaching a consensus on social security may contribute to a better understanding of the difficulties as well as opportunities in policy making in Poland.

3. Theoretical Framework

Dorothee Bohle and Béla Greskovits (2007) argues that the CEE countries distinguish themselves in their form of social protection and market orientation. The countries are not developing in line with Western Europe’s "embedded liberalism" with a steady and generous welfare. CEE countries have instead shown signs of a relatively uncompromised liberal competitiveness where social protection has a different purpose. A long absence of a middle class, shortage of capital and different economic cultures than in the Western world has contributed to the difficulty in applying a unilateral economic model uncovering CEE countries structure. The different categorizations of capitalism that have taken shape in CEE countries have been many, “transnational capitalism, “dependent market economy” and “emerging markets” to name a few.

Iankova (2010) has observed that many recognized economic models have mainly been defined on the basis of developed economies, a stage that many CEE countries have not reached. CEE countries are still neither consistent nor properly defined, and they express a wide range of different market institutions, corporate governance and labor. There are considerable variations among CEE countries, particularly in areas such as the speed of transformation to a market economy, openness to FDI and in the type of policies implemented affecting state-societal relations.

Poland has undergone a massive transformation from a centrally planned socialist system to a liberal market economy with neo-corporatist components such as the Tripartite Commission (Zientara, 2008). Poland has shown a division in economic interests such as decreased state finance in protecting employees and at the same time weak, however existing, market coordination between governments, employers and unions (Jasiecki, 2014 & Skóra 2013). Little research exists that applies the theories of neo-corporatism and liberalism on the labor market in Poland, and moreover tries to explain opportunities and difficulties for unions in approaching the new market development. These two economic models will be the basis when I analyze”Solidarity’s” approach role to social security over time.
3.1 Liberal market theory

Jasiecki (2014) believes that there is significant evidence to suggest that Poland have been and is still approaching a liberal model, with a fragmentation of interests, strong dominance of market forces and a labor market with a strong inside-outside character. The liberal model is based on a free market in the sense of “free choice” in a decentralized bargaining system. Individual employers have more to say than the government and the main central organizations within each group, which plays a smaller role (Zagorski, 1996). Liberal regimes industrial relations are characterized by weak wage coordination and weak unionization. Social service provisions often show strong wage differentiation and overall the provisions are market-determined. The state still has a strong steering capacity but the industrial relation system is considered to be relatively weak (Funk, 2009). The business community and the state are kept at arm's length from one another. Companies are encouraged to freely regulate their production according to market demands and thus free to fire and hire workers as they deem fit, with minimal influence from the state or organized labor (Levy, Stephens & Leibfried 2015 p.365). In summary, the liberalization of the market means that the market has a greater role with supply and demand controlling the economy, while corporatist bargaining and state influence are kept at a low level (Streeck & Kenworthy 2005).

Poland was hoping to become a role model of liberalism in Eastern Europe in the 1990 century’s market adjustments. The first major step that Poland took towards creating a liberal market economy was the shock therapy in Poland in the early 1990s. This period was filled with conflicts in which social security was weighed against deregulation of the market, and cutbacks were weighed against the expansion of benefits (Hancke et. Al 2007). Full employment and high security was replaced by employment flexibility and low social protection in order to work according to the same conditions as the global market. Higher flexibility was often associated by unions as a reduction of workers' employment, a form of deregulation and liberalization. (Cazes, Nesporova, 2004)

During the transition, Poland used market liberalization, not only as a goal in itself but also as a strategy to get there. Prices and economic activity were liberalized, foreign trade was liberalized and privatization was carried out in order to increase its share in economic activity (Funk, 2009). The liberal market aims to create an environment that encourages competition. The liberal market provides more space for companies to interact with other players in the market. The degree of government involvement is low and kept within certain limits.
However at the same time is does not preclude government involvement and interventions, for example, as observed in Poland in the shape of, for example, shock therapy in the early 1990s. National regulations often come in the shape of legislation. Poland began liberalizing corporate and labor law, foreign trade and areas such as pensions and education in the beginning of the transition. However, welfare institutions and spending such as unemployment benefits for early retirements remained high as a consequence of the legalization of unemployment, which restrained them from converging entirely to a liberal market economy model (LME) (Orenstein 2010).

Poland is generally considered to have adopted the liberal model. However, the country has some characteristics that differ from a pure liberal model (Zagorski, 1996). Some sectors and some state-owned companies are still managed in a hybrid of non-market and market functions and the government still plays a powerful role in the economy and public sphere. (Jasiecki, 2014). Giljeko (2010, p.54) describes Poland as a hybrid, still ‘on the way’ in the transformation from authoritarian socialism to a market economy. Liberalism in Poland is consistent with the classical liberal model in the rest of Europe. But liberalism has not gained a strong foothold in the political and economic debate. Various liberal economic programs and elements have been developed by successive governments, but it has never been fully comprehensive (Kuninski, 1997).

3.2 Theory of Neo-corporatism

During postwar in the years of 1940-1950 in the west, full employment was in highest focus. The countries were afraid of how Europe would handle the spread of communism, the threat of fascism and, not least, economic stagnation and high unemployment. The road to employment increased government spending i.e. stimulating demand, known as Keynesianism (Ministry of Labor and Social Policy, 2009) Corporatism got stronger foothold after World War II and was associated with peace through labor movement’s distinct role in economic development. Unions started cooperating with the government on employment issues such as labor market regulations and wage negotiations (Ząbkowicz, 2014). Postwar neo-corporatism was led along a give and take mechanism between the working class, business and the government (Streeck & Kenworthy, 2005). “Solidarity” gained access to decision-making in exchange for participating in market liberalization and increasing competitiveness (Baccaro, 2003). Streeck and Kenworthy (2005) describes this balance within trade unions standing between corporatist institutionalization and being member-responsive, as an 'arbitrage
between markets for influence and membership' (p.16). Tripartite structures developed, and in dialogue with the unions the countries reached agreements on pensions and wage policy. This process of political exchange where the trade unions were integrated into the market economy got the name neo-corporatism in the 1970’s and tripartite dialogue received a stronger foothold in policy making (Ministry of Labor and Social Policy, 2009). Poland developed in line with the neo corporatist solution in the West in 1993 with the ‘Pact of Enterprises’ which included the formation of the TC. The aim here was also to reduce the risk of conflict in the restructuring of the economy (Ibid p.163).

Corporatism can be understood as an interest representation system with centralized monopolistic associations. It can also be understood as a policy process, a social partnership. Neo-corporatism can be understood as a merger of these two structures (Baccaro, 2003). Neo-corporatism puts an emphasis on the relationship between the working society and the state. The model functions as a form of group policies consisting of representational bodies delegated by the citizens and the state, a mode of interest intermediation. The government is a relatively strong player in the economy. The public sector is also relatively large (Preuss et.al, 2014, p.119-123). One of the most important and most frequently cited corporatist and neo-corporatist theorists is Philippe Schmitter, whose definition is dated back to 1974:

“Corporatism can be defined as a system of interest representation in which the consistent units are organized into a limited number of singular, compulsory, noncompetitive, hierarchically ordered and functionally differentiated categories, recognized or licensed (if not created) by the state and granted a deliberate representational monopoly within their respective categories in exchange for observing certain controls on their selection of leaders and articulation of demands and supports” (Wilson, 1983 p.108).

Schmitter’s definition was refined shortly thereafter, to include interest representation. He meant that the idea of the corporatist structure would not work without cooperation and intermediation between the large interest organizations involved (Baccaro 2003). The neo-corporatist approach has been used as a theoretical approach to analyze variations in Central and Eastern Europe’s emerging economies. Gardawski, Meardi and Molina (2015) argues that transitioning societies in Eastern Europe lack basic conditions for effective neo-corporatism, a model that essentially has been developed for stable political systems. However, tripartite negotiations and corporate functions have been used extensively in CEE countries. Neo-
Corporatism and tripartite structures have proven to be helpful in the process of channeling democratization in many transitioning economies (Gardawski, Meardi & Molina 2015).

Poland's former regime was based on dictatorship of labor. Once this collapsed Poland quickly approached tripartite forums in an effort to move closer to global capitalism (Iankova, 2010). Trade unions were strong after the fall of socialism and could demand high wages and income policy overall. Tripartite agreement on these issues was therefore a safe way for employers and governments to go in order to respect the unions increased strength while protecting their financial goals and growth rate.

"Neo-corporatist interest intermediation in addition, exchanges member discipline for organizational privileges under the logic of influence, and private governance for member compliance under the logic of membership" (Streeck & Kenworthy, 2005 p.16).

Streeck and Kenworthy (2005) argue that the future of neo-corporatism is dependent on the development of the nation state and the social structure transformation. Different social groups are becoming more decentralized and more difficult to organize in associations according to a hierarchical and monopolistic structure. The weakening of group identities through an increase of the service sector and individualistic work has had a negative effect of union centralization.

What is interesting in Poland’s case is that many studies claim that neo-corporatism has been used to generate liberal objectives, a way to secure labors consent for policies reducing labor power. David Ost (2000) believes that the tripartite bodies have only offered a symbolism of dialogue and of governmental responsibility in their new policy. Tripartism in Poland is considered to be half-hearted and not fully developed. Organizational skills in implementing decisions are weak. The tripartite structure between employers, trade unions and the government was introduced for various reasons; one reason was to clarify responsibilities following the privatizations and social reforms. However, the distribution of power within the tripartite structure is not clearly defined and the government usually already has a finished framework for the decisions concerning security and flexibility (Due, Mailand 2004). David Ost (2009). stresses that more attention should be given to the theory of neo-corporatism when studying market economies, as the theory highlights the way workers are incorporated into a market economy and how it affects the quality of the social and political environment.
3.3 Security and flexibility

How can we understand the liberal and neo-corporatist model in relation to definitions of social security? To begin with, social security policies have been greatly affected by the transition from state socialism to liberalism. Communism offered many safety nets through work, such as retirement pensions, income support and compensation for the sick. In order to compete in the increasingly competitive labor market the governments wanted to get rid of possible interference such as welfare regulations and instead valued high flexibility (Burroni, Keune 2011). Poland has tried to maintain the same level of security, not least through unemployment benefits, but at the same time, high social security has also been considered slowing down the development of a strong and efficient marked hence, the state’s social insurance has been reduced over the years. The need for social protection increased as the unemployment which previously had been standing at zero, now showed 15.7 % in 1993, but instead marketization got the government’s full attention. The idea of flexicurity is to combine flexibility and security, in other words, supporting the growth of capitalism and a free market, but at the same time generate social support for the workers. The transition to a liberal economy left workers without sufficient income support which resulted in many workers retiring early as a way to escape unemployment and ensuring a stable income (Tracy & Tracy, 1996).

Tripartism and social dialogue within the framework of neo corporatism, plays a large role in the design of social security, because issues as unemployment benefits and level of minimum wage depends on the quality of the social dialogue between the social actors. Neo-corporatism should act as an inclusive pro-labor arrangement in politics, as a counterweight to capitalist structures. An effective neo-corporatist structure should result in benefits for employers, employees and the state. Tripartism as a form of dialogue, which plays a large role in neo-corporatist arrangements, aims to make the playing field and decision-making more democratic. However, David Ost (2000) discusses if the existence of tripartism in CEE countries is a true guarantee of a functioning and including neo-corporatist structure. He believes that it is only when clear advantages appear for work and joint policy decisions, as a tripartite structure is an indicator of effective neo-corporatism. Ost (2000) argues that one of the major obstacles to a genuine corporatism is that private owners that hold a dominant share of the labor market are rarely represented; the current structure covers only the state sphere. It
is in the growing, increasingly union free private sector in Poland, in which collective agreements are debated and minimum levels that affects the labor market and its stability.

The tripartite dialogue has been a chief contributor to the structure and nature of policies implemented in the labor market. Hence, the form of neo-corporatism driven in Poland, whether argued as genuine or illusory, has an effect on the way the social actors tries to secure and liberalize labor market issues such as minimum wage, labor contracts and employment protection (Ost, 2000). Prior to the accession to the EU and the structural economic reforms that would follow, Feldmann (2004) studied the flexibility of the Polish labor market. He explained the low labor force participation during this time by pointing to Poland’s early retirement schemes during the 1990’s. Low labor participation and increasing employment within private enterprises resulted in a lower flexibility in the labor market as the unions could not influence the private sphere as easily as in public ones. Hence, analyzing what constitutes security and flexibility on the labor market provide means for understanding important research problems such as how and if neo-corporatism and liberalism are working in relation to these policy issues.

Discussing Solidarity’s” different approaches in securing the labor market for workers require a working definition of security. Since I will be discussing security in relation to Poland’s increasing flexibility in the labor market I find it appropriate to adopt the EU’s flexicurity model as a theoretical framework for defining security. The flexicurity model is a welfare-state model, and its definition of security and flexibility is set up by the European Union. The European Commission has placed the flexicurity model in the center of their employment strategy, with the goal of increasing labor market flexibility parallel to security, advancing the quality of jobs in the European Union and decreasing unemployment rates. The EU notes that flexicurity is not about a ‘one-size-fits-all’ approach but that the objectives and guidelines should be adapted to national contexts (Euractiv 2012, COM 2007). Flexicurity should aim to create win-win situations both for employees and employers. Policy programs related to Flexicurity in Poland do not yet exist. However, by studying "Solidarity's” core objectives of social security and highlighting the relevant elements of security within flexicurity, I aim to give a general overview of the use of the model in a developing labor market such as the one in Poland and how it could work.
Due to demographic pressures and more people in non-standard types of employment, traditional social protection programs in Europe have become insufficient. Viebrock and Clasen (2009) discuss the benefits of flexicurity from a neo-liberal perspective that highlights a deregulation of labor markets and thus higher flexibility. Individualization of lifestyles and atypical employment is spreading across societies and this trend is making people question the standard employment contracts which are referred to when discussing European welfare states. However, the use of flexibility has weakened social security in many countries leaving workers unprotected and thus failing to comply with the Flexicurity model as a one-sided approach and mutually reinforcing. Viebrock and Clasens (2009) research in “Flexicurity a review” addresses the challenges in balancing flexibility and security, and that in many labor market it results in an insider and outsider market especially in labor market using flexible forms of contracts.

These different forms of security and flexibility can serve as a basis when analyzing policies in the labor market.

The four different forms of flexibility are:

1. ‘External-numerical flexibility: the ease of hiring and firing workers and the use of flexible forms of labor contracts;
2. Internal-numerical flexibility: the ability of companies to meet market fluctuations (e.g. via over-time, flexi-time, part-time, temporary work, casual work or sub-contracting);
3. Functional flexibility: the ability of firms to adjust and deploy the skills of their employees to match changing working tasks requirements; and
4. Payment or wage flexibility: the ability to introduce variable pay based on performance or results.’

(Viebrock and Clasen, 2009, p. 4-5 & Wilthagen, Tros, 2004)

The four different forms of security are:

1. ‘Job security: the certainty of retaining a specific job (with the same employer) e.g. via employment protection legislation;
2. Employment security: the certainty of remaining in paid work (but not necessarily in the same job or with the same employer) e.g. via training and education (and high levels of employment);
3. Income security: the certainty of receiving adequate and stable levels of income in the event that paid work is interrupted or terminated; and
4. Combination security: the reliance on being able to combine work with other-notably family-responsibilities and commitments, often discussed under the heading of ‘work’life balance.’ (Viebrock and Clasen, 2009, p. 4-5 & Wilthagen, Tros, 2004)

The theory of liberalism highlights the need for higher flexibility in the labor market and deregulation of employment relations in order to cope with increasing levels of unemployment throughout Europe. However, flexibility needs to be balanced with the same level of security in order to keep the labor market intact for both employees and employers. Thus, flexibility can be understood from an employee’s perspective as well as from an employers. The former involves an adaption of working conditions whereas the latter is more oriented towards balance between combining family life and work. Flexibility and security can be studied on the economy as a whole, on group level and on individual level. This study will mainly be targeting the economy as whole and certain groups of workers as well as Solidarity’s approaches within these policies (Viebrock & Clasen, 2009).

Important to mention is that the literature used in this study base their conclusions on a combination of flexibility and security when analyzing policies. To only focus on, for example, employment protection will not result in an overall picture of its effectiveness or function unless it is placed it in relation to unemployment benefits. I have chosen to focus on external-numerical flexibility by looking at civil-law contracts and fixed-term contracts and on income security by looking at unemployment benefits and minimum wage, this selection strives for variation so that each measurement can be somewhat representative for flexibility and security as a whole. These selections have been made because they are subject to the main area of conflict between the government, employers and trade unions. Nevertheless, a choice always means limitations. However, my aim is to come to a deeper conclusion concerning the main areas of obstacles in the polish labor market and obtain a general understanding of how the principles of liberalism and neo-corporatism are working within social security, rather than measuring these economic models and studying the labor market as a whole.

3.4 Solidarity’s objectives in social security

Solidarity’s main objective is to guarantee all workers fundamental social rights. Improving the living conditions shall be based on the economic development and social dialogue. “Solidarity’s” more specific objectives within the framework of the external-numerical flexibility and income security is
"- effective fight against unfair competition and pathologies of self-employment, as well as
the replacement of contracts of employment contracts of civil-law;
- systematic growth of wages, particularly groups of low-income earners (the ratification of
Article 4 paragraph 1 of the European Social Charter, the Charter of Fundamental Rights), to
preventable unjustified rise in income inequalities, improvement the relationship between the
average pay and the minimum wage;
- ensure the proper functioning of the social security system, including the annual indexation
of pension taking into account the growth of wages in the national economy and in
accordance with the criteria of the medical system of pensions for people working in special
conditions and special character" (NSZZ Solidarność 2007).

Overall, "Solidarity's" main task is to increase wages, create permanent contracts and protect
as well as create new jobs. "Solidarity" wants this to be achieved both in accordance with
proper labor law of the EU as well as Polish law (NSZZ Solidarność 2014).

3.5 Objective and research questions

The overall objective of this study is to analyze "Solidarity’s” approach in protecting workers
in the labor market, and if Poland’s paradoxical position between a liberal and neo-corporatist
model can indicate why there are difficulties in policy making within these issues. The aim of
my thesis is also to examine the overall functioning of the Polish labor market as well as its
characteristics based on the theory of neo-corporatism and liberalism. By analyzing
“Solidarity’s” approach to social security and flexibility such as fixed-term contracts and
unemployment benefits in relation to the theory of neo-corporatism and liberalism, I aim to
find new explanations in how Solidarity’s activities in negotiating its role of the trade union is
working. By analyzing”Solidarity’s” webpage, I hope to offer a new direction and a fruitful
basis for future research within these issues. With this objective, I aim to answer the following
research question:

1. How does Solidarity approach social security in terms of labor contracts and income
   security?
2. Can the principles of neo-corporatism and the theory of a liberal market indicate why
   there are difficulties in policy making within these issues?
4. Methodology
4.1 Qualitative test analysis

This study will be conducted through qualitative text analysis. Step one will be to collect my empirical findings, identifying the historical role of "Solidarity” in relation to the industrial relations developed in Poland as well as their objectives. Step two will be to analyze "Solidarity’s” approaches in economic and social policy, related to flexibility and security, and see if there are any difficulties in policy making that can indicate any direction towards neo-corporatism and liberalism. The method has been developed using ‘Metodpraktikan’, edition from both 2007 and 2012. It has been a great help for the organization of my design and implementation of the study. The reason why I decided to make a qualitative text analysis is that by that method, I can clarify and logically organize the given structure of the material. Through a careful reading of my material, I can classify the texts along my analytical scheme which will help me identify difficulties in policy making reflected in the texts (Esaiasson, 2007, s 238-239). My design aims is to analyze ”Solidarity’s” various approaches to social security, and their policy, focusing on minimum wage, civil-law contract, fixed-term contract and unemployment benefits. I will also analyze and discuss possible opportunities and difficulties for Solidarity to influence policies on social security from the theoretical perspectives. I am trying to find new ways to analyze social security in the Polish labor market as well as the approaches taken by “Solidarity”, and an important component highlighted in qualitative text analysis is that the big picture reflects something beyond the sum of its parts and details (Esaiasson et.al 2012, p.237-38). With approach, I am referring both to how "Solidarity" express themselves in these issues and what actions they are taking to influence in these matters. I have chosen this broader approach because it can be difficult to see exactly where Solidarity has played a critical role in a particular policy decision or other form of regulation. Hence, in order to analyze this, I aim to study both the process and outcomes of the policy making within these areas.

An interview-based approach would also have been an interesting approach, and could have given deeper subjective insights into how "Solidarity’s” approach has changed over the years by targeting both older and younger activists. However, potential interviews would have required certain language skills which I do not possess, and would have been difficult to implement in the context of a bachelor thesis for practical and economic reasons. My hope is that the results from a qualitative text analysis will provide a clearer picture of the difficulties
in policymaking and industrial relations in Poland, focusing on Solidarity’s approach as a trade union. I believe that a qualitative text analysis, along with an analytical scheme is more suitable when analyzing my empirical findings, than a quantitative method would have been. A quantitative method, however, would have been an alternative if I had chosen to make a deeper assessment of the degree of neo-corporatism and liberalism in the country. The results were then rather reflected the degree of corporatism and neo-liberalism and the degree of social security, and not what works well and less well, which is part of the purpose of my work. However, a text analysis is a suitable method considering the character of the thesis, as it covers not only subjective perceptions of social security, but also a broad theoretical framework and a focus on a specific trade union which can be hard to evaluate through a quantitative data analysis. It is also a rational method bearing in mind the limitations in both resources and time (Esaiasson et al. 2012, p. 155-156).

A qualitative content analysis involves an interpretation of the content by systematic categorization of themes and designs. In order to apply this to my own research and to structure up my text analysis, I have set up an analytical scheme. My analysis scheme will be presented later in this chapter. I illustrate the security issues in relation to the theoretical framework and Solidarity’s objectives. A more specific and deeper analysis will be conducted in the discussion part where the theoretical framework will be discussed. To analyze”Solidarity’s” approaches to social security and flexibility within the theoretical framework requires a rather complicated analysis of the material. By using a qualitative text analysis through a careful reading of both the whole and the context of a text, I can discover both the manifest and the latent content in the difficulties of industrial relations in Poland. A qualitative content is about actively asking questions. The issues are often related to the ‘line of argument’, questions such as ‘What is the point of the text?’, ‘What are the different arguments in the text?’ and ‘On what premises does the conclusions rest on?’ (Esaiasson, 2012 p.237). These questions provide good guidance when identifying where the essential information in the material is reflected, especially as I have collected a wide range of material.

4.2 Material

The material is based on official documents from the Eurofound, Commission’s papers and internal and political debates from NSZZ Solidarność website, the focal point of the analysis. The focus when collecting material from the Eurofound and the European Commission lies on the general information regarding the country profile of Poland in order to get an objective
view of the various issues in the labor market. The Eurofound is a body within the EU, mediating knowledge to support EU institutions, trade unions, employers and governments in the development of social and employment policies. Country strategies, “Solidarity’s” newsletters and reports will be considered and compared to the official side collected from EU’s material. My analysis of the problems in the Polish labor market will be based on “Solidarity’s” website and official documents of the EU. It entails some limitations because “Solidarity’s” views as a union are subjective to their role as protectors of workers. However, my purpose of this essay is precisely to focus on their approach. In my discussion I will compare my empirical data with previous research to see if I can find new patterns or reinforce or reject earlier theories about policymaking in Poland.

Concepts and keywords I used when I searched for material included neo corporatism, liberalism, labor market, public and private sectors, minimum wages, labor contracts, trade unions and social dialogue. Many of these phenomena are included in my analysis schedule and is thus the basis for the survey. Searching for Polish material on “Solidarity’s” website’s archive has been achieved with help of a polish speaking professor, specializing on Poland’s labor market. Furthermore, the texts have been translated into English through Google translate. Although Google translate has improved over the years and today works very well in translation of text materials, it is not possible to exclude interpretation problems. I have therefore carefully selected only the pieces that are coherent and understandable; I have also compared some of the material to the official country information published on the Eurofound and the European Commission. Most of the sources from Solidarity's website are presented in Polish in the reference list, because this is the original language in which they were written, in order to make them searchable on the Internet.

My focus when collecting my material has been on both the processes and the outcomes of policy making. Focusing mainly on the policy processes would have been difficult as all processes in policy making are not transparent enough and must therefore be out of scope of this study. Basing my study merely on outcomes would also present some challenges as I am not sure how, and if, there are any real policy outcomes from the dialogue between”Solidarity” and the government and employers.

4.2.1 Research material used for previous research and theory

Prior to the writing of my introduction and previous research, I wanted to get an understanding of ”Solidarity’s” history and earlier impact on the Polish labor market. Since
the purpose of my work is partly to critically examine Poland's industrial relations development and analyze "Solidarity’s" impact on social security, I wanted to find material that discusses this from different angles. Guglielmo Meardi (2005) deals with this very subject as he has done research on "Solidarity” as a social movement and discuss various ways (cultural and political) to interpret them. The scientific journal he writes for, the Social Movement Studies is an international interdisciplinary journal. The scientific journal holds debates on social and political movements and protests from present and past. I was also looking for research that discussed different strategies in Poland’s labor market policy. By reading about "Solidarity’s” different ways to renew themselves, I was hoping to get a better picture of the trade unions various obstacles and opportunities in policymaking. A secondary source I have used extensively is research by David Ost. David Ost (2002) deals with many aspects of "Solidarity” and the advantages and disadvantages of Eastern Europe's economic and political development. His work analyzes the Eastern European labor policies and criticizes the current economic theories which he considers not being applicable to post-communist countries. He discusses new theories that can give a better understanding to interpret the future of Poland in labor market policy. Vera Trappman (2012) discusses the union’s ongoing challenges and the situation in relation to the other actors. She also discusses the role of trade unions on the basis of market liberalization, which is also an interest in my work. Her research gave me good preconceptions of the problems unions face and the social security goals they are struggling to achieve. Vera Trappman’s work deals primarily with trades unions strategies. A lot of her research has been funded by the European Commission and trade unions themselves. Ost and Weinstein (1999) research deals with union’s dual role from an ideological viewpoint. They also discuss how workplace institutions have changed during post communism, and how this affects union’s relation to workers and employers.

The purpose of most sources I used for previous research and for my introduction is primarily to inform and argue. There are both facts and opinions reflected in the sources. Many of the articles also refer to each other, which hopefully strengthens the credibility of the facts presented. The target group is mainly addressed to other researchers, also graduate and undergraduate students. To cover a broader timeline, I have used sources from both the early 1990 century to today. I believe that both the sources I have used from the 1990s and 2015 are equally relevant because they contribute to a historical and contemporary understanding of Poland and the trade union movement.
4.3 Scope and limitations

The three major national trade unions in Poland are NSZZ Solidarność ("Solidarity"), OPZZ All-Poland Alliance of Trade Unions and FZZ Trade Unions Forum. They are roughly of comparable size. Of the approximately 25,000 different unions in the country, 75% of them belong to one of these key national organizations (Trappman, 2012). The sheer number of individual trade unions in Poland is an interesting topic in itself and a sign of how much the trade union movement in the country is hampered by its decentralized structures (Trappman, 2012). However, mapping the whole broad spectrum of Polish trade unions is beyond the scope of this thesis. Instead, I will focus on the work and developments between "Solidarity", employers, and the government. The choice to focus on "Solidarity" was made because they have developed a high degree of organizational activities, they have considerable representation at a national level and they have a controversial history in political involvement during the post-communism (Krzywdzinski, 2010, Eurofound 2014). Focusing on one trade union, particularly the largest and most well-known, makes it easier to analyze the industrial relations between the union, employers and the government, and to outline what impacts they have had on social security. Important to mention is that in order to determine the overall level and function of security and flexibility in a country, it is necessary to study the overall interactions of these such as early retirement, benefit schemes and job-mobility. However, the choice of studying external-numerical flexibility with focus on fixed-term contracts and civil law contracts, and income security with focus on unemployment benefits and the minimum wage has been made because I consider these the most relevant and important aspects of the Polish labor market in terms of analyzing the impact of the trade unions (Cazes, Nesporova, 2004).
Table 1. Security and flexibility and their function in neo-corporatism and liberalism.

4.4 Analytical scheme

In my study I have chosen to analyze “Solidarity” and their approach to specific issues on the Polish labor market, by focusing on two themes; external-numerical flexibility and income security. The two areas have been selected as they provide a good overview of my research problems and my research questions. With the help of an analytical schedule, I try to see if the principles of neo-corporatism and liberal market can indicate why there are any obstacles for Solidarity to organize and influence social and economic policies. The changes implemented so far in Poland’s labor market have had a fragmented character and I believe this lies partly
in a lack of comprehensive view among the social actors of how the labor market and economy should be controlled. In the analytical scheme the economic models are presented separately but later on in my discussion, I will make an overall assessment of the two as Poland is considered to be a merger of the two regime models. With help from the analytical scheme I can hopefully identify if the principles of neo-corporatism and liberalism can indicate why there are difficulties in effective policy making on issues related to flexibility and security. Important to mention is that using this analytical scheme some sort of interpretation and estimation of the results is required. Furthermore, since my study is based on a qualitative method, the above analytical instrument will not be able to present whether Poland is more liberal or more neo-corporatist, and to which degree.

Nevertheless, it is still possible to evaluate and draw concluding discussions concerning the effectiveness of the position between these two, through comparing policy processes and outcomes within flexibility and security. Studying how Solidarity approach social security for employees in the labor market, together with the theories of neo-corporatism and liberalism can reveal new explanation of the difficulties in processes and outcomes between the stakeholders in industrial relations in Poland.

4.5 Validity

Validity is one of the most difficult in empirical research. I have based on my theory tried to construct an appropriate measuring instrument for my empirical findings. I found it useful to construct an analytical scheme as I have collected a large amount of text material. Using an analytical scheme simplifies the understanding of what is being analyzed and in what way and order. Reliability is about ensuring that the research I have done can be repeated with the same results. I believe that an analytical scheme provides a good base in meeting these requirements. I have tried to avoid misinterpretations of my material through a careful reading and thorough comparison of my empirical findings. Time and space have provided limitations in going into depth on how different types of industrial relations have evolved and why, this area may be developed in a future study. In order to draw more solid conclusions about Poland's market and future development, comparative research with other European countries or neighboring countries may be useful.
5. Results

5.1 Income security: Unemployment Benefits

Unemployment benefits are not earnings related, but instead works as a fixed minimum based compensation set by law. In 2008 the law was reformed, where the maximum length for compensation was reduced by 6 months and now stands at 12 months (Eurofound, 2012a). In 2001 the government reduced the rights and benefits for the unemployed. "Solidarity" asked for rejection of submitted changes in the 11 budgetary bills in its entirety. "Solidarity" wanted the benefits system to be maintained in accordance with the constitutional rights, the norms and principles of ILO Conventions 102 and 168 and the European Social Charter (NSZZ “Solidarność” 2001). The ILO convention 102 covers social security in terms of minimum standards and 168 constitutes the convention for Employment Promotion and Protection against unemployment (ILO 2009a). "Solidarity" argued that the new restrictions would have a negative effect on a large number of recipients, mainly the unemployed and those on early retirement. They argued that the proposals for changes would contribute to the deterioration of the situation between workers and employers, and would deepen the difficulties on the Polish labor market and worsen the social dialogue (NSZZ “Solidarność” 2001). Solidarity have been critical of the lack of real job creation programs, both by the government and Local Governments. They believe that government should do more to support the development of sectors of the economy where jobs are created, such as infrastructure.

In a statement from 2002”Solidarity” expressed concern over the labor market development. They believed that the economic situation was not conducive to effective prevention of unemployment due to the difficult situation of enterprises. The increase in the number of businesses failing and being liquidated meant that more and more people was looking for work and this would extend the period of being without a permanent or even temporary employment. The Labor Fund continues to fund passive purposes such as protecting jobs and combating unemployment. For many years there have been talks about the need for change so that no active labor market policies are combined with social benefits, but no particular changes are expected in 2003. ”Solidarity” stressed that due to the regulations of unemployment benefits during this time, more than 82% of the unemployed had no right to right to participate in trade union activity. (NSZZ “Solidarność” 2002).
Since 2004, the TC has right to provide feedback in the area of social assistance, which was previously limited to the government. The initiative came from the government which sought to establish a more strategic approach to active labor market policies. With the forthcoming accession to the EU the same year and a desire to achieve certain standards of social policy, there was no major questioning among the social partners in setting the new law (Eurofound, 2012a).

5.2 Income security: Minimum wage

At the end of 2002, the law on minimum wage was amended. The new law was another step in the direction towards a more liberalized labor market with reduced labor costs, and was criticized by the unions. The government hoped that the new law would combat unemployment and make the economy more competitive. From 2003, the Tripartite Commission took over the responsibility to set the annual minimum wage from the Minister of Labor and Social Policy. The change involved a reduction of the entry wage for first-time entrants to the labor market. The Government's aim of this regulation was to bring young unemployed people into the labor market (Eurofound, 2002). "Solidarity” did not criticize the new law as strong as their union counterparts the All-Poland Alliance of Trade Unions (OPZZ) but showed dissatisfaction with how the consultation on the minimum wage had been conducted within the Tripartite Commission. The government submits proposals to the Tripartite Commission that determines the minimum wage for the following year. The government cannot lower the minimum wage from the previous year. The government may take unilateral decisions on the level if the actors within the TC does not reach consensus. The minimum wage was determined, among other things unilaterally by the government from 2010-2013 and then again in 2014 because the unions withdrew from the TC (Eurofound, 2015). Because there are so few workers in the private sector who belong to a union, it reduces the incentives for employers in those enterprises to join employers' organizations in the Tripartite Commission (Ministry of Labor and Social Policy, 2009).

Collective bargaining, which mainly takes place at company level, requires the presence of a union. It takes 10 members to sign a workplace-level employee representation. (Eurofound, 2015a). Collective agreements are concluded at enterprise level and usually concern the minimum wage. The numbers of registered collective agreements have declined since 2001 (International Labour Organization 2005, p 31). In 1994, an attempt was made to transfer some labor law to collective bargaining but employers were reluctant in to create new
agreements with the unions. Collective agreements lost more strength through the Constitutional Tribunal in 2002 that gave employers the right to close collective agreements (NSZZ Solidarność, 2007). The numbers of collective agreements have dropped from 1464 in 1996 to only 123 collective agreements in 2009. About 35% of workers in Poland are covered by collective agreements, and is thus among the lowest in Europe. One of the main obstacles to signing agreements are private companies and employer’s avoidance as well as the difficult accessibility to private companies (Ministry of Labor and Social Policy, 2009). In the middle of 2011 “Solidarity” submitted a complaint concerning the right to collective bargaining regardless of employment. This was done in line with ILO Conventions 87 and 98, which speak for freedom of association and collective bargaining for all workers, including self-employed. The union also wanted to highlight that the economic crisis had many times been used as a cover for a continued liberalization of the market (Eurofound 2012). However, key figures shows that collective bargaining coverage in private sector establishments increased by just above 25 % between the years 2010 (28.9%) and 2013 (54%) (Eurofound, 2015a).

European Commission emphasizes the importance of social dialogue in order to achieve economic changes. "Solidarity” points to, among other things, the lack of employer representation on the Polish labor market as an obstacle to conduct a social dialogue of high quality. They want to see a better developed system of collective bargaining, which is difficult in the new private sphere, through the application of laws (NSZZ Solidarność, 2010). Just less than 24% of the working population is still employed in the public sector hence, the government plays a continuing key role in industrial relations. As collective agreements have low coverage in the private sector, it is often used by national legislation as a reference point in the minimum wage levels (Eurofound, 2015a). Trade unions have in recent years tried to use more and more of the public attention to bring the changes against employers in the private sector. They hope that the public attention will affect the government commitment to the issues raised. The first protests were directed against two large private retail chains, Amazon Poland and Biedronka. The goal was to get companies to launch wage negotiations, improved working conditions and initiate conversations about union demands. The unions protested in front of Prime Minister's office and in front of the corporate headquarters. Campaigns were conducted with the dissemination of information on trade union organization and rights. (Eurofound 2015e).
Prior to the economic crisis, the government had written a proposal aimed to, among other things, enhance stability in employment and to ensure workers a wage not less than the national minimum wage. This was done by increasing subsidized employments and prevention of lay-offs. The employers who applied for these subsidies had to, among other things, prove that they were under financial pressure. These solutions and measures (flexible working hours and a limitation of the use of temporary contracts) also had to work in concert with the trade unions (Eurofound 2010). The government approved of their document, and began working to prepare legislative proposals, but in the preparation of the relevant legislation few months later, only a few of the total of 13 points in the documents were applied, mostly to the disadvantage of the unions. (Ministry of Labor and Social Policy, 2009, p.165). The law was temporarily used during the peak of the Eurozone crisis in 2009-2011, but the government spoke about an extension, and which of the solutions could be introduced into labor legislation permanently (Eurofound, 2010). However, in the beginning of 2010, the number of unemployed increased and continued to do so throughout the year by 30%. It was later discovered that the economic crisis did not have a strong impact on Poland’s GDP and that Polish companies did not fall in profits to the degree that met requirements for receiving government subsidies. The benefits that could have been distributed appeared to be unachievable (Eurfound, 2010). "Solidarity” saw these shortcomings as a threat to civil society. They criticized the government for the way they handled the economic crisis. They considered the Government's primary policy objective should have put more focus on implementing and building confidence in the social dialogue with a focus on justice and in maintaining employment. The unions wanted to see an increased effort on the level of the minimum wage. During the crisis, the level was only up to the level of unemployment benefits. It was also observed a flaw in how the new regulations had been determined. The labor market consists mainly of small and medium-sized enterprises, but the laws were primarily suited to large companies (Eurofound, 2010). "Solidarity” believed that the government avoided a recognition of the economic crisis in the country and that they received no response to their crisis package presented in the Tripartite Commission. They ultimately threatened with a national protest if no agreement with the government could be achieved (ITUC 2009). Nevertheless, during the peak of the economic crisis 2009-2011, the government pushed to introduce further privatization measures. The government published a decision to sell shares in the copper and silver group KGHM Polska Miedz affecting approximately 19,000 employees. "Solidarity” told the press that no consultation had been made with either the companies or the union and they issued a warning strike. Similar
examples can be found in many companies around the country. "Solidarity” believes that there has been considerable lack of dialogue on these issues (Eurofound 2015a).

At the end of 2011, the social dialogue focused on other challenges. At that time, the temporary ‘anti-crisis’ laws ceased to apply. These included, among other things, the management of flexible working arrangements. In the year of 2011 the TC began to discuss a new flexible work legislation, to be introduced in the Labor Code. The government and unions had difficulties coming to an agreement. Instead, a proposal was drafted by the Ministry of Labor without consulting with the trade unions (Eurofound, 2014). ”Solidarity” believes that the economic crisis have targeted the financial risk to the workers, and that it has been a major reason for the huge loss of jobs. The number of registered unemployed showed over 3 million during the 2010's count (NSZZ Solidarność, 2010). The companies could transfer the economic downturn on workers, and this resulted in a decline in domestic demand for the whole economy. Solidarity compared Poland’s strategy with France and Germany's labor policies during the crisis, in which they observed that those countries in opposite to Poland, prioritized maintaining the level of demand and employment. Poland's anti-crisis package had too high thresholds for employers to qualify for financial support, and thus it became harder in protecting jobs (NSZZ Solidarność 2010).

"Solidarity” argues that the policy pursued by the government negatively affects demand, and those with the lowest income in the country. ”Solidarity” argues that the state do not take the citizens into account, and only gives attention to reducing the public finance deficit and fiscal discipline. The government estimated an increase in GDP in the 2014 budget through increase of private investment and the focus on domestic demand. "Solidarity” did not show any trust in the Governments estimated increase in GDP in 2014, due to the existing government measures such as low minimum wages, freezing of salary costs in the public sector, and working time regulations in the employment legislation. "Solidarity” do not agree with the government that if the real wage growth is lower than the growth of labor productivity it contributes to the country's international competitiveness. 2013 was the fifth consecutive year as the labor market found itself in this situation. The competitiveness of Polish companies is often done at the expense of the public and workers and in the long run the domestic demand (NSZZ Solidarność., 2013).
2015 draft budget on the minimum wage was not in line with what was agreed in the Tripartite Commission during the economic crisis in 2009, which said that the minimum wage should reach a level of 50% of the average salary. Despite the planned increase in the minimum wage in 2015, the minimum wage is still not followed by the ratio of the average wage. "Solidarity” emphasizes that nothing in the state budget points to strategies to increase jobs in the country. An amendment to the 2005 law on the minimum wage also said that there should be a gradual increase in the minimum wage to the amount of up to 50% of the average wage in the national economy. (NSZZ Solidarność, 2014).

5.3 External-Numerical Flexibility: Civil Law Contracts

Poland has been characterized by low labor force participation and high unemployment at both ends of the age spectrum, and the use of civil-law contracts and minimum wage payments have been expanding among young people aged 20-30 (Eurofound, 2012). Civil-law contracts (also known as fictive ‘self-employment’ contracts) are expanding among young people aged 20-30 years old in Poland. The use of these flexible contracts has expanded since the economic crisis in year 2009. This has much do with the elimination of the limit on short-term contracts that may be used per company (Eurofound 2012). Civil-law contract remains a strong symbol of precarious work in the country. Wages for people working under these contracts has been debated in recent years. The replacement of Tripartite Commission, the Social Dialogue Council RDS is on track to reach a settlement on the issue (Eurofound, 2016)

In the report ‘Making the Labor Market Work Better in Poland’ written by Boulhol (2014) for OECD, it is pointed out that although the flexibility in the Polish labor market is increasing the competitiveness and employment, it is damaging in other areas. Boulhol indicate that increased flexibility over the period 2003-2007 nourished employment but may have caused harm to both workers and employers. Self-employment, especially among young people, has been a way to escape unemployment and also a method used by the government. Hiring self-employed workers is cheaper for the employers because they can escape termination requirements and social security costs (Boulhol, 2014). Solidarity believe that limiting the use of self-employment can keep public finances on a low level. They argue that investment in higher wages and higher job security leads to a stronger budget, more labor mobility and a longer service period per worker (NSZZ Solidarność 2010).
In 2010, Piotr Duda was appointed as the new head of “Solidarity”, and together with support from celebrities in sports, politics and the media, launched a campaign to abolish junk contracts and to raise the minimum wage. “Solidarity” took help from the ILO to investigate whether the junk contracts violated international conventions by preventing a person under these contracts ability from joining a union (Eurofound 2012). Employers argue that flexible contracts, such as civil-law contracts and short-term contracts, were necessary to combat the economic crisis, and rejected the idea of letting civil-law contract workers join unions and be covered by collective agreements.

In 2011, Polish employers debated against”Solidarity’s” proposal to allow persons under civil-law contract to join a union. The discussion lasted until 2012 and also included increasing the safety of fixed-term contracts, reduction of unfair dismissals and increasing flexible working hours with higher remuneration as compensation. The Minister of Labor and Social Policy argued that an increase in work-time flexibility increases the opportunities for workers to combine work with family life (i.e. combination security). The proposals by the Ministry included: lengthening the working day and the establishment of working hours at least 2 weeks prior to. Both employers' organizations and the Ministry wanted these matters to be handled individually at a company level, but the unions preferred that this should be determined at the sector level. Trade unions also pushed the issue of giving workers under civil contract access to the social benefits system, since these contracts were mainly expanding in use during the crisis. The Prime Minister counteracted these proposals and was supported by the employers' associations (ETUI 2013).

In one of EU's recommendations from the period 2012-13, it is stated that the segmentation of the labor market and poverty among workers in the country is due to the partial abuse of civil contracts and self-employment that are not governed by labor law. For these reasons the EU recommended a reduction in the use of these agreements. Despite the unanimous appeal among the social partners to initiate discussions in the TC for Social and Economic Affairs, the government has shown little interest in doing so. The government has not taken part in meetings, or has come unprepared, and the Prime Minister has not worked on developing the TC since the election (ETUI 2013).

In the opinion on the draft budget bill for 2013, Solidarity predicts trends such as sending employees on forced leave, job cuts and an increase of junk contracts such as civil law
contracts. They believe that the state and the state’s budget does not take sufficient account of these forecasts nor to create jobs in line with the Lisbon Strategy (NSZZ Solidarność, 2012) "Solidarity” supports the government and employers' activities that go in line with the Lisbon strategy to reduce unemployment and create new jobs. They strive to achieve European standards in the implementation of the working conditions in the negotiations systems. They put the emphasis on job security and the basic principle of contract should be for an indefinite period. They also lay emphasis on strengthening social dialogue at all possible levels, national, regional and industry level and an extra pressure of the Trilateral Commission (NSZZ Solidarność 2007a).

In 2013, the three major national trade unions NSZZ “Solidarity”, OPZZ All-Poland Alliance of Trade Unions and FZZ Trade Unions Forum led a 4-day long street demonstration. This was the largest demonstration in Poland since 1989, with the support of more than 100,000 people. The competing unions were demonstrating not only for their own members, but for all workers in the country. It was a protest against the government's lack of consultation with the trade unions in the changes to the Labor Code. The demonstration also had its background in growing discontent against the government's budget plans for retirement age and flexible working hours. The unions wished to reduce the government's dominance in social issues, and presented the Social Dialogue Council (RDS) as a replacement for the TC as a forum for cooperation between the social partners. The Polish president would, with respect to proposals from all the social partners appoint the members of RDS, with the presidency of the RDS rotating between the actors every year in an effort to moderate the dominant role of the government. The proposal was, with some considerations, well received by the employers' organizations. Employers accepted the new proposed amendments, but rejected the idea that the RDS should have dominant influence in work-related issues. At first, the government showed little interest in the proposal of the RDS, and the TC continued to hold meetings without the unions. However, an agreement was eventually reached at the start of 2015 in which RDS replaced the TC (Eurofound 2015d) In the RDS, the trade unions and employers are also given the opportunity to comment on minimum wage expenditure in the RDS’s annual economic forecasts (ELLN 2015). In the summer of 2015 with the initiative from OPZZ and help from ILO and Poland’s Constitutional Tribunal, Poland made amendments to the Polish Labor Code, specially focused on fixed-term contracts and self-employed who now enjoyed the right to join a union. The Constitutional Tribunal found that it was in conflict with the Constitution of the Republic of Poland to restrict persons under civil contracts to join trade
unions. People working through self-employment contracts and on fixed-term contracts now have the right to form unions at their workplaces (Eurofound, 2015c).

5.4 External-Numerical Flexibility: Fixed-term contracts

The main sign of gradual increase in flexibility of the Polish labor market is the increase in the amount of people on fixed-term contracts (temporary contracts). The use of fixed-term contracts had no limitations until 1996. Trade unions disliked development of these contracts because they reduced the possibility of permanent contracts. 1996 the government reformed the law so that if a contract is renewed for a third time, and within a month of the previous agreement, it becomes a permanent contract by law. However, the rule of the third fixed-term employment contract is not applicable to private employers hiring through temporary employment contracts (Surdej, 2004). In 2002, the Polish labor law was made more flexible, the consequence was an increased use of atypical employment contracts, since it failed to simultaneously implement employment protection according to EU standards. “Solidarity” believes that the regulation of fixed-term contracts is inadequate because many temporary contracts are signed for long periods, sometimes up to ten years. “Solidarity” focuses on trying to regulate the length of the contracts instead of the number of subsequent contracts. (NSZZ Solidarność, 2007). More than a third of the working population aged 25-29 worked under a temporary contract in 2006 (European Commission 2007). ”Solidarity” criticized the government in 2005 for not having presented an action plan for employment in the labor market and activation of the unemployed (NSZZ Solidarność, 2004). The proportion of employees under temporary contracts decreased with only 0.1% between 2008 and 2013 (Eurofound, 2015a).

Prior to the economic crisis in 2008, the National Commission of ”Solidarity” prepared a report on the labor market, which they called ”Work Poland 2010". The report highlighted, among other things, the problem that for the first time in 10 years there are more than 3 million registered unemployed. At the same time it was discovered that financial companies went with profit. ”Solidarity” saw this as a sign that the restructuring and the impact of the crisis was conducted at the expense of the workers. ”Solidarity” placed this problem in a timeline that also included a decline in domestic demand and a future demographic crisis. Furthermore, negative impacts on real estate and financial markets were anticipated as secondary effects of the downturn. They pointed to financial instability, low combination security and low job security as the primary reasons for this (NSZZ “Solidarność” 2010a).
Various temporary laws were introduced during the economic crisis to reduce the expected impact of the crisis. Employers were able to cut down on employees’ working hours and subsidize education to their employees temporarily out of business. (Eurofound, 2010). Young workers have been hit hardest by the economic crisis that began in 2008. The state still holds the primary responsibility in supporting this group. The unions criticized the anti-crisis legislation for complicating the situation for the young workers. Much is due to the increase of fixed-term in recent years which is most common among young people. Trade unions have expressed dissatisfaction over the youths deteriorating labor market developments. They also express concern over the level of wages and quality of the contracts offered to young workers (Eurofound 2011).

Janusz Sniadek, chairman of "Solidarity” in the years 2002-2010 gave its opinion about Poland's way to deal with the crisis compared to the rest of Europe: "In Poland, the anti-crisis Measures were mostly a sham, and established law did not meet the hopes of the social partners. Meanwhile, the Protective Measures Implemented in Germany Helped preventable the liquidation of at least 600 thousand. Jobs in France managed to keep approx. a quarter million jobs threatened with liquidation” (NSZZ “Solidarność” 2010a).

"Solidarity” believed that the government and employers shortsightedness resulted in a dramatic increase in employment during the years of the crisis. They also pointed to the huge disparity between the country's regions in unemployment levels. Poland's economy was predicted to increase with 3 percent during the crisis, however, unemployment was rising. During 2009, the employment rate increased by over a third. "Solidarity” believes that it would have been better to secure the economy by securing the jobs, as it would protect tax revenue (Ibid, 2010a). The dialogue in the Tripartite improved between employers and trade unions during the global crisis in 2009. "Solidarity” highlighted deficiencies in the legislation that dealt fixed-term employment contracts. They considered that the existing framework of exercise of these contracts was too vague. It took only two months of negotiations to for employers and unions to reach consensus and sign a package agreement, independent from the government. The agreement covered economic, labor market and employment relations, and social benefits and wages. Employers gave in on the issue of greater flexibility on fixed-term contracts and the unions agreed to more flexible working hours (Ministry of Labor and Social Policy 2009, p.165). With the support and investigation from the European Commission the legislation was amended. The demands"Solidarity” presented to the
government were met in the new Labour Code (ETUI). Moreover, The Ministry of Labor and Social Policy came with a legislative proposal at the end of 2014 on the Labor Code. They suggested that fixed-term employment should not be up to more than 33 months and that the maximum number of renewals of the contract should be set at three (Eurofound 2015c).

Both trade unions and the European Commission have for a long time criticized the increasing use of these contracts and the notice period of 2 weeks. EC Court of Justice ruled in early 2014 that the fixed-term contract notice is discriminating because it differs significantly from the standard notice period (3 months). Employers are dissatisfied with the extension of the notice period, while the trade unions believe that 33 months is too long for a fixed-term, which should be under 24 months, to protect workers (Eurofound 2015c). In 2013, the unions OPZZ and "Solidarity" reached a consensus to leave the TC for Social and Economic Affairs (Eurofound 2015d). The European Commission has been involved in the debate on the amendment of fixed-term contracts. The fight for legislative change on the regulation on fixed-term contracts has taken almost four years (Eurofound, 2016).

"Solidarity" considers that Poland has one of the most flexible labor markets in Europe, but that employers and unions continue pressing for additional flexibility. The number of temporary contracts is increasing. "Solidarity" points to future consequences of low employment security, for example, major demographic changes such as an aging population. The possibility of combining commitments within family life, called "combination security" is becoming increasingly difficult (NSZZ Solidarność 2010). During 2015 the criticism towards the government continued, this time "Solidarity" questioned the credibility of the government's actions. On one hand, the campaigns suggest increased budgetary expenditures, on the other hand, they argue for the lack of financial capacity. "Solidarity" believes that there is a lack of quality in the planning and compilation of many areas of public spending. "Solidarity" continues to emphasize consumption as the main driver of economic growth (NSZZ “Solidaność”2015). The permanent indefinite contracts increased in 2015, but Poland is still the leader in the use of fixed-term contracts. The high dismissal costs of workers employed on open-ended contracts hinder labor market flexibility and the willingness to employ on such contracts. Social security contributions are since 2016 included to persons under civil law contracts, and more changes are believed to be introduced in 2017 to reduce labor market segmentation (COM 2016).
Poland has one of the most flexible labor markets in Europe, and the highest proportion of fixed-term contracts. "Solidarity" believes that there is still no mutual balance between social security and deregulation of the labor market, and that social security is necessary to mitigate the effects of economic changes. The European Commission highlights the social dialogue as a key in the management of economic change (NSZZ Solidarność 2010a).

6. Discussion

1. How does Solidarity approach social security in terms of labor contracts and income security?

The purpose of this study has been to get a picture of “Solidarity’s” approach to flexible contracts and income security in the shape of unemployment benefits and the minimum wage, within the framework of the theory of neo-corporatism and liberalism. It has been difficult to identify where Solidarity has had the most influence and thus whether the principles of liberalism and corporatism can indicate why there are difficulties, as the material mostly reflects what they want the government to implement, not what they have done. However, it is a fact that the social dialogue in Poland is in a crisis. One of the main reasons to why the Polish labor market is malfunctioning is because of a results-oriented economy, the state’s inaction in unemployment and a weak sectoral social dialogue. The competitiveness of Polish companies is often done at the expense of the public and workers and in the long run the domestic demand, which is not nurturing neither a liberal market nor a corporate. The government as well as the employers for most part do not work within the framework of collective bargaining when discussing wage levels and continues to ignore the social dialogue. The government’s inaction to cooperate, results in not only weak trade unions but also a weak state.

Based on what has been reflected in the Eurofound and “Solidarity’s” website, the state has seemed to have an idea of a cheap but competitive state but it has resulted in expensive consequences as it doesn’t provide any long-term security for the citizens. Solidarity has tried to express that the economy rests in the working population, and that regardless of being under liberal or neo-corporatist regimes, or both, the government should support this in order to achieve economic growth. Lower wages and lower employment do not promote any domestic demand and this is affecting the function of supply and demand chain highlighted in
LME’s. The trust between the stakeholders on the level of flexibility has major flaws and is, as stated before in previous research, affecting the quality of the social dialogue. Previous research states that Solidarity during the beginning of the transition engaged in a logic that democracy and liberalism belonged together and would win over communism and authoritarianism. As contrary to their initial role, “Solidarity” is no longer a strong supporter to economic reforms. Solidarity’s has instead approached a role more representative of the interests of workers in relation to the employers. However, due to the continued high level of unemployment which has hampered the ability of “Solidarity” to push for salary increase has reduced the number of collective agreements. The fact that the unemployment has decreased over the years doesn’t necessarily mean that Poland has reached a certain level of employment stability but rather higher labor market flexibility resulting in employers increasing their use of fixed-term contracts and civil-law contracts. An increased competition in the labor market is visible both for employees in terms of flexibility and employers in terms of security regulations such as the minimum wage.

It has been difficult to identify Solidarity's approach to wage levels because this is still conducted at company level. Solidarity has, among other things sought to influence the minimum wage by increasing the freedom of association in the companies so that collective bargaining increases in strength. This has been done through a support of the ILO conventions. Solidarity experienced no cooperation with the government regarding the minimum level as a way to stabilize employment during the economic crisis. Most measures were aimed at facilitating for employers. The principles of a neo-corporatist regime express that income security depends on a compromise between labor, capital and the state. Hence, this should be conducted through high bargaining relationships. Solidarity’s has tried to address their objectives of systematic growth of wages but this has not been fully achieved. In 2015, Solidarity drew attention to the fact that the minimum level was not at the level that had been decided in the TC in 2009.

The fact that it has been difficult to find clear information on “Solidarity’s” impact on policy making, doesn’t necessarily mean that their political position is weak and that an expansion of liberal elements is an indicator of this. Much of the empirical findings from “Solidarity’s” website as well as previous research points to Solidarity’s increasing weakness as a trade union movement and as a political actor. However, empirical findings also indicate Solidarity’s increased strength and proactive measures, through organizing campaigns in the
private business sphere. Their reorientation and success is most visible in their organizing campaigns against flexible contracts where new regulations came into force in 2014, with help from the European Commission. Successful results in social security has been for example the agreement on people under civil law contract rights to join a union in 2015, this was done with help from the ILO.

Furthermore, “Solidarity” have practically never initiated actions aimed at promoting mobility of workers to new workplaces. They have almost exclusively concentrated on safeguarding existing employment. Possible opportunities for “Solidarity” to influence might be to instead focus on life-long learning, which would increase the employment security, especially for older and younger workers that usually stands outside the labor market. It seems very rare that the social partners would reach a consensus on issues related to external-numerical flexibility and income security. The implementation of reforms in social security seems to be dependent on the willingness of the government. Something that reinforces this conclusion is that the unions withdrew from the TC in 2013 due to the governments continuing unilateral decision making on the level of minimum wage. The social partners are more concentrated on their own interests instead of cooperating.

Inconsistent use of neo-corporatist and liberal functions in the labor market has contributed to Solidarity’s limited impact on the content and shape of the final legislations in areas of social security and flexibility. As reflected on their website they have been forced to adopt some reactive positions when approaching the government on these issues, since a majority of the policy making processes have been initiated and decided on by the government in advance. During the economic crisis “Solidarity” chose to conduct a dialogue with only the employer’s organizations and this can be an indicator of a new market strategy to influence. Just recently, they succeeded in strengthening their role in the development of the Social Dialogue Council (RDS). The function of the new RDS, if it succeeds in bringing more tangible corporatist elements remains to be seen.

2. Can the principles of neo-corporatism and the theory of a liberal market indicate why there are difficulties in policy making within these issues?

When analyzing whether the principles of neo-corporatism and liberalism can indicate why there are difficulties in policy making, I believe it is necessary to bring the models together to a merger. Although the signs of neo-corporatist functions and liberalist functions in the labor
market do not confirm any obvious difficulties in policy making, it has undoubtedly created tensions between the government and Solidarity’s approach and strategies.

From “Solidarity’s” perspective, Poland’s development in the labor market has followed a policy line along the control of the government, a dictatorship over needs. Changes in the labor market concerning income security and employment contracts have been driven mainly through legislation by the government. Some changes have been reached through social partnership, most visible in the economic crisis. As the economic crisis is quite a unique case as it is the first economic crisis affecting Poland after entering the EU, there are perhaps reasons to separate that specific time period from other developments when drawing conclusions on the policy making in Poland moreover analyzing neo-corporatist and liberal elements. While certain forms of ‘numerical flexibility’ such as part time and fixed-term work increased over this period, regulation also increased, providing greater employment security and rights for atypical workers.

Neo-corporatist functions are visible in the polish labor market; however, since neo-corporatism has not been fully institutionalized in practice it is hard to determine whether these functions indicate any difficulties in policy making. The tripartite dialogue’s bad character in discussing fixed-term contracts and civil law contracts makes it challenging to establish what decisions have been taken jointly by all partners and which ones have been taken unanimously by the government. Furthermore, one can ask whether the difficulties in the TC can be analyzed from neo-corporatist principles. Instead of being a forum for labor, tripartite dialogue in Poland has become a symbol of consensus building on liberal decisions. The structure and purpose of neo-corporatism in Poland has been to control labor, not strengthening it or the common understanding of it. Maybe the principles of neo-corporatism would appear clearer and even gain a stronger foothold in industrial relations if it was not locked in the function of the Tripartite Commission?

Employer’s lack of representation at companies affects the quality of the social dialogue on income security, as social dialogue in this area partly depends on how developed the system of collective bargaining is. As the results shows, the government or the employers doesn’t seem to give the trade unions any trust or voice in their capacity to regulate certain areas of the labor market through collective agreements. Mutual trust among trade unions and employers is often missing and that has an effect on Solidarity’s power of implementing collective bargaining. The lack, rather than the presence of neo-corporatist, can thus indicate difficulties in this area as there are no visible compromises with “Solidarity”. The labor
market is still characterized by insider-outsider patterns and employment protection has remained relatively low, especially for temporary workers, characteristic for a liberal model. However, employer's fear and reluctance of hiring people on regular contracts, appears to make the labor market more rigid than flexible.

7. Conclusion

Attempting to identify and explain Solidarity's approach in terms of security for employees has been difficult. However, the results of my study clearly shows that Poland’s hybrid form of neo-corporatism and liberalism has affected Solidarity’s ability to take actions in the labor market. Solidarity has been stuck in a constant processes trying to communicate on legislative changes with the government. It has been a challenge to analyze Solidarity’s approach on labor market issues as the principles of liberalism as an indicator of the development of policy making was more visible in the beginning of the transition. However my analysis shows that it might be rather the low quality of the function of the Tripartite Commission, rather than the actual implementation of neo-corporatism that indicates why there are difficulties in policy making between the stakeholders in the labor market. Overall the principles of neo-corporatism and liberalism is not sufficient enough in explaining difficulties in policy making in the polish labor market but together with historical explanations such as “Solidarity’s” role as a market promoter and government, contributes to a more comprehensive view of the quality of policy making in Poland.

Furthermore, in order to draw more solid conclusions regarding the elements of liberalism and neo-corporatism in the polish labor market, the study can be complemented in covering all aspects of security and flexibility stated by the EU.

Applying the principles of liberalism and neo-corporatism on policy making on the selected areas can however give some explanations to the difficulties in reaching a consensus. The government usually uses both income security and external-numerical flexibility as means to increase competitiveness. The labor market has become increasingly profit oriented, characteristic for a liberal market. However as the state still has an influential role in regulating labor market issues it is problematic to draw conclusions on policy making within flexibility and security merely on certain events or milestones on these issues. The Polish labor market has shown that it is still in a process of transformation. Developments in flexible contracts and income security are difficult to follow because many laws and regulations are
amended periodically and can be discussed based on equal levels of corporatist function as well as liberal.

A comparative study with another country that is considered to be closer to the liberal model or the corporatist, or a country that is considered to have implemented an effective balance of flexibility and security had perhaps resulted in a broader and deeper analysis of the difficulty of policymaking in Poland.
References
Printed books


From NSZZ "Solidarność" Internet

NSZZ.”Solidarność”. History in dates.

Published December 10, 2001.

Published October 1, 2002


42


NSZZ “Solidarność”.(2007b) Uchwały XXI Zjazdu KZD. From: http://www.solidarnosc.org.pl/en/aktualnosci-krajowa/item/641-20-21-lutego-2007-1707?highlight=YTo2OntpOjA7czo4OiJ6YXNpxYJraSI7aToxO3M6MzoiZGxlitpOij7czoxMjoiYmV6cm9ib3RueWNolitpOijM7czoxMjoiemFzacWCa2kgZGxlitpOijQ7czoyNToiemFzacWCa2kgZGxlIGJlenJvYm90bnljaCI7aTo1O3M6MTY6lmRsYSBiZXpyb2JvdG55Y2giO30=


NSZZ “Solidarność” (2010a) Polska Praca jest chora - raport NSZZ "Solidarność". From: http://www.solidarnosc.org.pl/en/aktualnosci-krajowa/item/1357-polska-praca-jest-chora-raport-nszzsolidarnosc?highlight=YTo2OntpOjA7czo4OiJ6YXNpxYJraSI7aToxO3M6MzoiZGxlitpOij7czoxMjoiYmV6cm9ib3RueWNolitpOijM7czoxMjoiemFzacWCa2kgZGxlitpOijQ7czoyNToiemFzacWCa2kgZGxlIGJlenJvYm90bnljaCI7aTo1O3M6MTY6lmRsYSBiZXpyb2JvdG55Y2giO30=

NSZZ “Solidarność” (2010b) Uchwała Programowa XXV KZD Published: October 22, 2010. From: http://www.solidarnosc.org.pl/25-kzd-2010/item/6805-uchwala-programowa-xxv-kzd?highlight=YTo2OntpOjA7czo4OiJ6YXNpxYJraSI7aToxO3M6MzoiZGxlitpOij7czoxMjoiYmV6cm9ib3RueWNolitpOijM7czoxMjoiemFzacWCa2kgZGxlitpOijQ7czoyNToiemFzacWCa2kgZGxlIGJlenJvYm90bnljaCI7aTo1O3M6MTY6lmRsYSBiZXpyb2JvdG55Y2giO30=


Eurofound publications


European Commission Publications


COM (2016) COUNCIL RECOMMENDATION on the 2016 national reform programme of Poland and delivering a Council opinion on the 2016 convergence programme of Poland. COM(2016) 341 final
Articles


**ETUI, European Trade Union Institute.** Labour market reforms in Poland - background summary. From: [https://www.etui.org/Reforms-Watch/Poland/Labour-market-reforms-in-Poland-background-summary](https://www.etui.org/Reforms-Watch/Poland/Labour-market-reforms-in-Poland-background-summary)


**Feffer, J** (2014) Poland: Land of Junk Contracts Temporary work is a problem in Poland as well as the United States, *Foreign Policy in Focus*. From: [http://fpif.org/poland-land-junk-contracts/](http://fpif.org/poland-land-junk-contracts/) Published: 31-10-14


International Trade Union Confederation ILO (2009a) REPORTS ON UNRATIFIED CONVENTIONS AND RECOMMENDATIONS. REPORT FORM FOR THE GENERAL SURVEY CONCERNING SOCIAL SECURITY INSTRUMENTS IN LIGHT OF THE 2008 ILO DECLARATION ON SOCIAL JUSTICE FOR A FAIR GLOBALIZATION.

Jasiecki, Krzysztof (2014) Capitalism the polish way- a new variety of market economy? *Aspen institutie Prague*


Meardi, Guglielmo (2005) The legacy of ““Solidarity””: Class, Democracy, Culture and Subjectivity in the Polish Social Movement, Social Movement Studies, 4:3, 261-280, DOI:10.1080/14742830500330075


Orenstein, A Mitchell (2010) The political economy of financial crisis in central and eastern Europe: Poland and hungary compared, Johns Hopkins University SAIS


Published by: Ph.D. Program in Political Science of the City University of New York Stable URL: http://www.jstor.org/stable/421599.


