



# PEOPLE AT WORK

## MARCIN SANETRA, PARTNER AT PCS LITTLER, GIVES AN OVERVIEW OF PRO-LABOR REFORMS IN POLAND AND OTHER CEE COUNTRIES.

Following the 2023 parliamentary elections, one of the most significant and publicly visible government policy shifts has been signaled by the Ministry of Labor and Social Policy. The ministry, headed by Agnieszka Dziemianowicz-Bąk from the New Left party, is debating pro-labor reforms that may deliver shockwaves to the market. One calls for shortening the workweek to 4 days and cutting the standard shift time. Some of these ideas are in line with the EU's views on labor and employment, and set the tone for increasing the protection of workers recently expressed in such EU legislative measures as the Work-Life Balance Directive, the Whistleblower Directive, the Platform Directive, to name a few.

Poland and other EU member states in Central and Eastern Europe have been building their position in the global supply chains by providing skilled workers at a relatively attractive price—a very successful strategy back then but one that is increasingly difficult to continue now.

With new changes on the horizon, some employers are concerned. Others rush to adapt to the new reality quickly to gain a competitive advantage over other companies by hiring key talent in a market with historically low levels of unemployment.

### LABOR INSPECTORS' POWERS

Looking at what may change in the labor market soon, it is worth noting that workers hired on contract-based work—on civil or B2B contracts—may be much more easily reclassified as employees. If this idea becomes law, labor inspectors will order contract reclassification by administrative decisions.

While the idea is only being dis-

cussed at this stage, it is important and symptomatic of a broader enforcement trend.

Yet another proposal calls for expanding the Labor Inspectorate's authority. A draft law is about to be finalized for remote inspections of employers, including an option to conduct inspections via a videoconference, an online call, or a phone call. The same law will empower labor authorities to request all the necessary documents to be delivered online. Parliamentary committees have also resumed work on amending the rules of engagement with trade unions. Two proposed amendments aim to grant trade unions the right to access information from employers on the parameters used by algorithms and AI systems that they operate in employment decisions. Another draft regulation advocates a wider application of comprehensive collective agreements between employers and social partners.

### THE RIGHT EQUIPMENT

May 2024 marked the deadline for adapting workplaces to the new statutory requirements regarding the equipment offered to employees using computers in daily work. All employers must now provide an additional monitor or a stand, as well as a keyboard and mouse, for those working on laptops. This, coupled with the ongoing impact of the work-life balance directive and its focus on increased flexibility, including the ability of certain broad categories of workers to request remote work, continues to pose a challenge for employers as they are still trying to achieve their post-pandemic, return-to-office goals.

Following the recently adopted Whistleblower Directive, employers must implement new internal

policies and reporting channels to offer increased protection and support to individuals informing about law violations. At the same time, several other crucial directives impacting the workplace are already in the making, including the Pay Equality Directive, which will affect employers in Poland come 2026.

### TRENDS IN THE REGION

Similar reforms are in the making in other countries of Central and Eastern Europe. In Czechia, the government significantly enhanced the rights of labor inspectors to issue administrative decisions against employers engaging in illegal employment. Additionally, workers hired on a contractual basis have been granted new, much broader privileges—similar to those enjoyed only by regular contract employees. In turn, the new law in Slovakia allows employees to claim unpaid wages from the employer's business partners. While the latter have the right to refuse payment, they must demonstrate that they have performed due diligence in selecting the contractor resulting in no knowledge that the contractor would not pay its employees.

Similar reforms have been introduced in Hungary, Bulgaria and Romania. In a revolutionary piece of legislation, Bulgaria gave employers the so-called right to disconnect whereby, after work hours, they are under no obligation to answer calls from the workplace or respond to emails or other electronic communication.

Hungary resolved to toughen sanctions for the illegal employment of foreigners, which is in sync with an earlier regula-

tion increasing penalties for employers who violate occupational safety regulations.

Romania has focused on the protection of single parents. Employers now cannot force single parents to work at night. With no nightshifts allowed for single parents, companies in Romania have yet to figure out whether their demand for night work can be covered by the current worker headcount. Up North, the Baltic countries have taken a similar approach. Penalties for illegal employment in Lithuania have significantly increased, up to a maximum of EUR 11,088 per illegally employed person, and doubled for repeated offenses. Employment inspections are set to intensify. Information on employers violating the law will be disclosed on the official website of the National Labor Inspectorate.

In Estonia, in turn, new regulations allow employees who have been on sick leave for more than two months to return to work part-time or to perform lighter duties and receive their pre-sick pay. The new law places obligations on the employer, who must adapt the workplace, if necessary, for employees who are returning to work.

### SUMMARY

These reforms reflect a blend of economic strategies and social priorities, and they are triggered by both domestic needs and the influence of EU labor policies and frameworks. Each country has its unique approach based on its historical context, labor market dynamics, and socio-economic conditions, but as such, it seems that the pro-labor trend is strong and irreversible.