

REPORT OF THE CONFERENCE  
ON SOCIAL DIALOGUE  
IN CANDIDATE COUNTRIES  
FOR ACCESSION TO THE EUROPEAN UNION

BRATISLAVA, 16 AND 17 MARCH 2001



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With the support

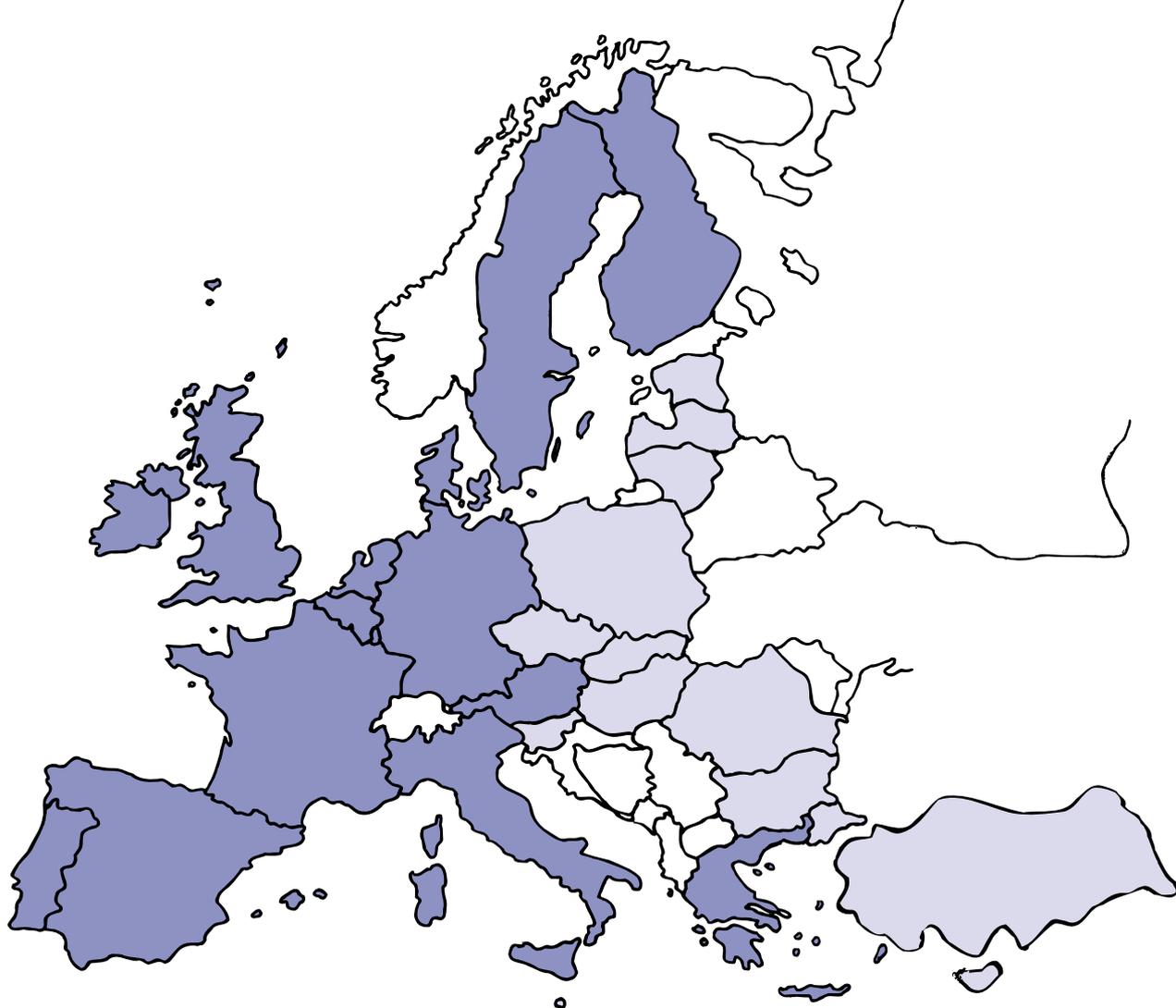




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## PART 1

# FOREWORD BY THE SOCIAL PARTNERS

UNICE  
The Voice of Children in Europe

UEAPME





The Social Partners' Conference on the social dialogue in the candidate countries held in Bratislava on 16 and 17 March 2001 has highlighted the major role that the social partners can play in managing social and economic change and in contributing to the European enlargement process.

The Conference was a joint initiative undertaken with the support of the European Commission. It showed the need to support and strengthen the various forms of social dialogue in the candidate countries.

Working papers on tripartite consultation and bilateral social dialogue between employers' organisations and trade unions served as a basis for discussion.

**The role of trade unions and employers' organisations in managing change in a way that is socially just and economically efficient was emphasised.**

The Conference identified four factors that influence the way in which social partners can play their role. These factors, which are valid both for candidate countries and EU member states even if they interact differently in each national context, are the following:

- The willingness of employers and workers to join and mandate organisations to represent their interests, which is a precondition for building representative structures;
- The ability to fulfil this mandate by developing an institutional and material capacity to act effectively;
- The proper articulation and distribution of responsibilities between the different levels for action (national, sectoral, territorial or company);
- The development of autonomy of the social partners and a space where they can fully exercise their responsibilities.

By way of conclusion the social partners proposed to:

### 1. Deepen exchanges on specific themes of relevance to the social partners such as:

- managing industrial and technological change
- analysing different collective bargaining systems (using existing European networks)
- looking at the respective roles of chambers of commerce and employers' organisations
- integrating the specific issues related to SMEs in social partner activities
- distinguishing between the role of State as Government and its role as stakeholder in public company
- promoting the role of social partners in developing quality services of general interest which are essential for social cohesion.

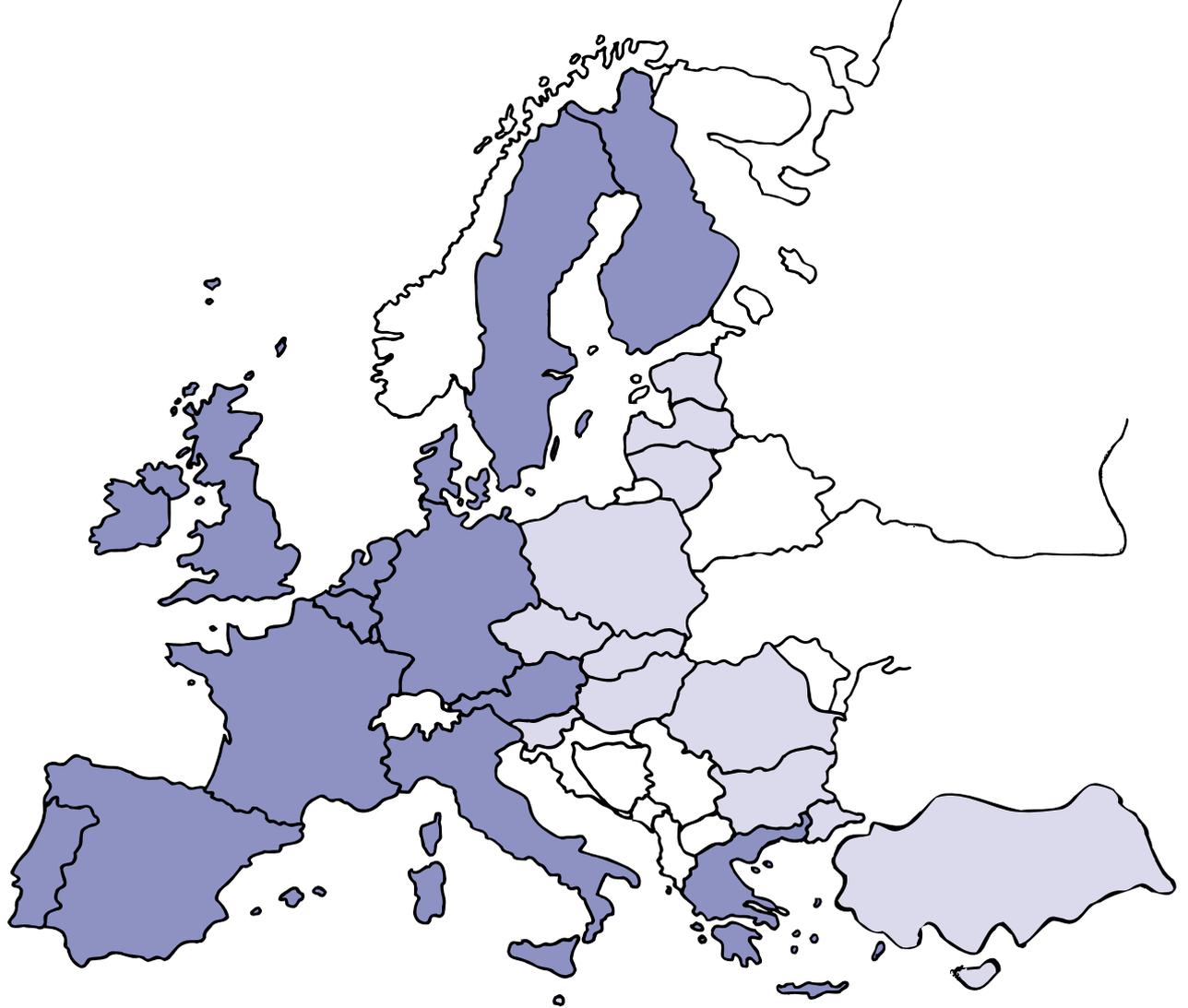
### 2. Widen such exchanges to include comparisons between candidate countries and EU member states.

### 3. Organise enlarged Social Dialogue Committee meetings to include representatives from the candidate countries.

UNICE/UEAPME, CEEP and ETUC also stressed the importance of underpinning and strengthening the role of the social partners in the integration process.

The European Commission also has a role to play in monitoring the development of the social dialogue as a part of the *acquis communautaire*.





**PART 2**

MINUTES  
OF THE CONFERENCE

**Opening Session**

UNICEF  
The Voice of Disasters in Europe

UEAPME





**IVAN SAKTOR, President of the Slovak trade union confederation (KOZ SR)**

The meeting of representatives workers and employers in 25 countries underlines the importance of social dialogue in the integration process. If the experiences of the Member States of the European Union are valuable to the candidate countries, the representatives of candidate countries can also contribute to the development of social dialogue. For instance the legislation on tripartism which came into effect in our country in 1998 is a positive sign of the strengthening of social dialogue which interests all our countries.

A question arises as to the nature of the preparatory documents that have been submitted to us. We consider that they use subjective evaluations of the situation of trade unions in the different countries.

**FANTISEK BRUCKMAYER, President of the Slovak Employer association (AZZZ)**

Some months ago we celebrated the tenth anniversary of the establishment of social dialogue in our country and, in a few days' time, our employer association will also celebrate its anniversary. Social dialogue was put in place on the basis of a voluntary consensus in our country, before the legislation on tripartism arrived to strengthen its quality and regularity. The balance sheet after ten years of tripartism is positive. Despite the difficulties we have encountered in this period of transformation, it has ensured social peace, it has allowed signature of a general convention almost every year and it has contributed to "social cohesion". Similarly, negotiations at sectoral and company level contribute to the existence of this "social cohesion" and for us this is a very positive point.

**PETER MAGVASI, Slovak Minister of Labour and Social Affairs**

Slovakia is happy to see that European history is marking an important milestone in Bratislava. Enlargement of a democratic, free, but also social, Europe offers very significant opportunities to the peoples of Europe.

For ten years, in a complex and turbulent context of transformation, social dialogue has proved to be an effective mechanism. It makes it possible to correct approaches which may seem right in theory, but which prove to be harmful or unworkable in practice. Thus, the government, in line with its programme, orients its policy in such a way that social dialogue is a stimulant for economic and social development. One of the first measures was adoption of the law on tripartism in 1998. The principle of parity underlies this law, it can be seen in the decision-making process and in the means of recourse in the event that negotiations break down. In this way, the social partners participate in preparation of economic and social legislation (council for economic and social agreement). In addition, eight regional tripartite groups have been put in place with the objective of acting in favour of local development, employment and support for SMEs.

The action of the social partners is essential in several areas. They manage public-law institutions such as the sickness insurance fund and the national labour office. Collective negotiation is one of the most important tools for development of social dialogue and regulation of employment conditions. Since 1990, this area has been very dynamic. Collective agreements represent a source of law. At the end of 2000 there were 21 collective agreements and 43 additional clauses. Moreover, in the event that negotiations break down, workers can appeal to the institute of mediators: last year 28 collective conflicts were resolved in this way by the mediators. At the present time, reform of the administration is drawing to a conclusion. This involves amendment of the legislation on civil servants and collective agreements. This reform is being conducted with the participation and support of the social partners.

European enlargement is a complex process, it requires profound changes to laws on mobility of persons and employment. That requires wide and active participation of the social partners. The social dimension of the European Union must not exist only on paper, but also in reality. For that, we need a functional and high-quality European social dialogue.

**ODILE QUINTIN, Director-General at the European Commission**

The Warsaw conference saw the launch of a joint project whose effects we can see today. For the first time, a stock-taking exercise has provided us with a clear and accurate vision of social dialogue in the candidate countries. This study arrives at a good time, when the Nice conference has removed the institutional obs-



tacles to enlargement and has adopted a roadmap which will steer the negotiations over the next 18 months. These negotiations will be decisive since the Union has said that it is prepared to receive the first new members from 2002 if the candidates meet the Copenhagen criteria by then. For the candidate countries, meeting these criteria is a historic process which cannot be dissociated from the transition, initiated ten years ago, which must lead to a democratic society and a market economy. The challenge is twofold and imposing in its magnitude. Given that fact, one of the risks is that development of a living social dialogue is sometimes deemed to be secondary. In fact, the complete opposite is the case, social dialogue is an asset for meeting the Copenhagen criteria and a good instrument for a successful transition. The joint UNICE-CEEP-ETUC statement adopted at the Warsaw conference has allowed this approach to move forward.

Social dialogue makes it possible to define the practical arrangements for reform which are economically efficient and socially acceptable. But social dialogue is also part of the *acquis communautaire*. Since the Treaty of Amsterdam (1997), the social partners have been players in a genuine "social subsidiarity". In addition, the charter of fundamental rights (2000) proclaims the right of workers to information and consultation within the company, and the right of workers and employers to negotiate and take collective action. Furthermore, many Community directives contain provisions which define a framework for social dialogue. Thus, I can only encourage the candidate countries which have not already done so to transpose these directives into their legislation.

Europe as a whole must successfully complete another transition, towards a knowledge-based economy in which innovation, creativity and human capital become essential sources of prosperity and the determinant factor for competitiveness. This is the major challenge which the Lisbon Council called to be met, defining a "social agenda" so that Europe is capable of achieving full employment, preserving social cohesion and modernising its social protection system. There are two priorities which fall within the competence of the social partners: development of lifelong learning in order to prevent further exclusion; modernisation of the organisation of work in order to adapt to new technologies and reconcile family life and work more harmoniously. The method adopted is "open coordination": joint definition of objectives, implementation of national plans, evaluation and benchmarking of results. Social dialogue must contribute to the strategy for employment and to implementation of the social agenda.

In early March a "high-level group" on the future of industrial relations was put in place. Comprising ten personalities, including one from the candidate countries, it will analyse best practices and will have to make proposals for the future. The social agenda makes provision for a meeting of a "high-level group" each year, ahead of the spring European Council, to evaluate progress in implementation of the strategy defined in Lisbon. The next one will be held on 22 March 2001, on the eve of the Stockholm Council. To date the results of the European social dialogue have not always been up to the level of the challenge, but the dynamic of Lisbon should be translated into concrete progress.

The major role of the social partners implies the existence in each country of strong, structured, and autonomous employer and worker organisations which are capable of playing their negotiating role to the full in the area of their competence, and of playing their role as a force for proposals regarding the integration of economic and social aspects. The progress contributed by the social dialogue shows that Europe is on the right track for defining improved and more transparent modes of governance involving individuals and players more fully. This good governance is at the heart of the Commission's policy agenda. It is based on recognition of the diversity of players (partnership is a necessity) and on the complementarity of levels and instruments (amendments to legislation, "open coordination", benchmarking, social dialogue, networking, support from the social fund, etc.).

#### **JEAN LAPEYRE, Deputy General Secretary of ETUC**

The Nice Council established a new perspective for enlargement. As we jointly declared at the Warsaw conference, ETUC with its Eurocadre-CEC liaison committee, UNICE, UEAPME and CEEP are convinced that social dialogue and the participation of employer and trade union organisations are indispensable for the success of the enlargement process. The purpose of this conference is to flesh out this commitment. It is essential to strengthen the role of the social partners, notably by reinforcing their negotiating and concertation capacity.

Reports on national situations have been carried out by experts chosen by our organisations. These are information documents which serve as a support for our discussions; they in no way prejudice any conclusions we might draw from this conference. Some comments or analyses may be unwelcome, they are there

to fuel a dialogue. Against that, if the facts are inaccurate, despite our checks, you can let us have your corrections in writing.

Over and above construction of a region of peace and democracy, it is also important, through the European Union, to promote a European social model. Social protection systems in Member States are different, for example, but they contain a series of shared principles which form part of the European social model: solidarity and participation of the social partners in creation and management of these systems. Another essential element of social cohesion is the role of public services and services of general economic interest. These principles must be key elements of the transformation process in candidate countries.

To construct this social dimension of Europe, we cannot and we must not expect everything from the legislator. Employers and trade unions must be committed and responsible players capable of taking risks through negotiations. Social dialogue is multidimensional: the interprofessional level is perhaps the most visible, but the sectoral and territorial levels have their importance, notably because they make it possible to manage many restructuring operations. The candidate countries are confronted with the difficult task of managing economic, industrial and technological changes; only a strong social dialogue will be capable of coming to terms with these changes. With more than 600 European works councils in which the candidate countries are often integrated, action in the direction of European transnational companies should also be underlined.

The important task today is to identify, with the help of the Commission, further means for developing the involvement of the social partners in the candidate countries in EU social policy. This requires their participation in all the essential forums where this policy is developed. It may also be possible to conduct processes in parallel to the process that exists in the EU. For instance, the candidate countries could draw inspiration from the development and employment strategy launched in Lisbon and act in parallel to the EU's objectives.





# Development of Tripartism

Chaired by Benny Hansen,  
Vice-Chairman of the social affairs committee of CEEP

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**FRANCISZEK DRAUS, Coordinator of the study on candidate countries .**

Some general comments on the institutional forms and the present structure of tripartism in the candidate countries.

In the first instance, it is important to make a distinction between social dialogue and tripartism: the notion of social dialogue is wider, it encompasses bipartite consultation and multipartite consultation (public authority, social partners, non-governmental organisations). There is also a distinction in the legal basis for social dialogue and tripartism: social dialogue is almost always defined by legislative obligations; tripartism not necessarily so.

Independent of the legislative framework, social dialogue and tripartism are institutional expressions of a socio-economic culture founded in cooperation and consensus. Legislation may facilitate the development of such a culture, but it is not sufficient. Tripartism in the candidate countries has two types of legal basis: a special law or a mutual agreement between the government and the social partners. Is there a difference of significance and effectiveness between institutions with different bases? In some countries, the social partners call for tripartism to be anchored in law. Yet, it does not appear that such a situation goes hand in hand with greater effectiveness. For instance, the tripartite council in Slovakia has had a legal basis since 1999 whereas in the Czech Republic it is based on a contractual agreement. However, the two councils have similar modes of operation and political significance. If these two councils function satisfactorily it is thanks to the positive attitude of the social partners who are prepared to accept compromise.

Tripartite councils perform variable consultative functions depending on the country. Tripartism requires of the social partners not only social competence but also political competence. The composition of tripartite bodies is also different depending on the country: in Slovenia there is double representation of employers because it embraces both employer organisations and economic chambers. The competences of tripartite councils can be broken down: consultative competence (economic and social legislation and, in some countries, the budget); co-decision competence (minimum wage or overage pay increase index). These two competences involve a corresponding right to information. In the candidate countries, the consultative competence of tripartite councils is generally respected, but the social partners are more concerned by the co-decision competence. In Hungary, for instance, the government is trying to reduce the scope of this competence. In fact, a tripartite agreement on pay, for example, necessarily has to be confirmed by a government regulatory act and it is the case that governments do not always respect the agreement. Lastly, tripartism is characterised by a structural ambiguity: the government is both the object and the subject of such negotiations; and by a structural ambiguity: some times governments use these bodies as a political instrument.

**STEFAN KUBOWICZ, Representative of the Polish trade union organisation Solidarnosc.**

Social dialogue is complicated by the many economic and social difficulties that the country is encountering, but matters are moving in the right direction. In the early 1990s the tripartite council had great responsibility for setting wages, but also for analysing the economic efficiency of companies in different sectors. The balance sheet for these early years is positive.

Now, the tripartite council has produced a draft to provide a legal basis for tripartism. This draft has been presented to the government. The chairman of the parliamentary committee responsible for this law recently met the president of Solidarnosc, which allows us to hope that this initiative will be successful. We hope that a legal basis for tripartism will fortify social dialogue, while remaining aware that its definitive structure will require time.

Some comments on the report by Mr Draus. This contains a very negative evaluation of the situation of trade unions in private businesses. Similarly, the remarks about the highly politicised character of trade union federations are unjust. For 20 years Solidarnosc has been expected to stimulate economic and social changes, then it is assigned responsibility for the negative effects which are manifested in this transformation process. Trade union federations must today come to terms with movements of opinion which are not simple, but we will manage to tackle this problem in the future.

**ARKADIJS LAPSHIN, Representative of the Employer organisation of Latvia.**

In Latvia social dialogue was instituted by the 1922 constitution which recognises the right of association, freedom to join trade unions and the right to strike. In 1990, when the revival of the Latvian Republic was

proclaimed, the validity of the constitution was re-established. We have experienced a very rapid change from a centralised economy to a market economy. This change created two poles which crystallised in the opinions of the population: on the one hand many people found themselves in a very stressful economic situation, on the other a very hard-headed employer community emerged which was not ripe to behave in a civilised manner vis-à-vis workers. After ten years, this contradiction is still in place.

Alongside the government, the social partners are starting to participate in solving these problems. A first victory is success in organising all the social partners and institutionalising dialogue between them. For two years, we have done a great deal regarding legislation. For instance, we have a national council on tripartite agreement, which represents a structured and formal basis for moving the social dialogue forward. However, we also encounter numerous difficulties. For instance, although parity is formally recognised, the government has a prerogative which is incontestable.

We are also experiencing difficulties with the establishment of bipartite dialogue with trade union organisations. The first problem relates to definition of sectors with the trade unions. There are sectors and companies where the trade union presence is weak and others where it is strong, yet the companies or sectors which have important trade union organisations remain beyond the action of our confederation. Another problem is identification of levels of competence. In education, for instance, the various establishments have gained some autonomy, but it is not yet known who will negotiate at national level and who will negotiate at establishment level. Lastly, we have questions about the structure of social dialogue at territorial level. Latvia covers a small area, but there are very important differences between parts of the territory. These differences force the social partners to find forms of dialogue which suit each part of the territory. In conclusion, it is important to make progress in the organisation of employers and workers (especially in the private sector) if social dialogue is to be strengthened in our country.

#### **JANOS BORSIK, President of ASZSZ, trade union organisation of Hungary.**

In Hungary tripartism does not function in a formal manner. There is no dialogue between the trade unions and government. For a long time the trade unions have deplored this situation which is due to the absence of willingness on the part of the centre-right government. This analysis is confirmed by the observations of European Union experts. Thus, in February, ETUC's secretary general paid a visit to Budapest and we managed to organise a meeting with the government. ETUC had an opportunity to present its observations and to recall the government's undertakings.

We have had a conflict with the government regarding an amendment to the labour code. In many candidate countries a reform of the labour code or adoption of a completely new code is being prepared. This is not necessarily beneficial to the development of social dialogue. In Hungary the government is tending towards limiting its role. Its objective is to place a question mark over the competence of tripartism to set the minimum wage, and to set it unilaterally. Hence, on 24 March the trade union confederations organised a protest meeting against this amendment to the labour code. But the amendment was debated in a single night in parliament, thus workers were not even able to follow these discussions. We hope to be able to return to this question in the future.

In the labour code the government has also taken positions which are more favourable to employer associations than to the trade unions. We have approached the constitutional court but its decision has been placed on hold. This represents an important problem. At the level of the different trade union confederations, we are experiencing difficulties in representing the interests of workers on a joint basis. The number of confederations is not large, what counts is their capacity for cooperation.

#### **ANTAL CSUPORT, President of the Employer association of Hungary.**

The synthesis report is good, but some formulations are insufficiently precise, which is why we would like to make a number of corrections. The most important tripartite body in Hungary is the national labour council. It comprises a secretariat and committees with responsibility for specific issues. There is also an economic and social council and an economic council, which is a consultative body.

There are nine employer federations in Hungary. My organisation participates in social dialogue at national and European level, as well as at sectoral and company level. For us, it is essential to create a harmonious system at European level. Communication and training are two determinant elements for a social

dialogue of quality. They are indispensable to establish a climate of confidence in the institutions, a confidence which is necessary to achieve real cooperation.

A programme which receives financing under the PHARE programme seeks to develop social dialogue at sectoral level, which does not function satisfactorily at the present time. 14 sectors are associated with this work, including rail and road companies, heavy industry, the energy industry, etc. In a subsequent phase, three sectors will be associated in their turn: training, public health and culture.

#### **RADU MINEA, Representative of the trade union confederation CNSLR-Fratia of Romania**

In Romania social dialogue was put in place on the initiative of the trade unions. The first stage was creation, in 1992, of committee on upgrading of pay. Then, in 1995, an economic and social council was put in place. Until 1999 there was also a bureau for trade union relations with government, which organised tripartite dialogue. The current government disbanded this body and this function is now performed by the ministry of labour and social affairs.

Territorial tripartite dialogue was initiated in 1999. The quality of the dialogue was satisfactory, but difficulties with application led to a preference for meetings on a sectoral basis. Another important achievement concerns dispute settlement. Conciliation tribunals comparable to those found in the rest of Europe are in place. This system needs to be progressively refined, but it already represents a positive point. Another interesting result, a tripartite agreement has been signed for the first time in Romania. It concerns different economic sectors and we hope that it will be instrumental in modifying the social climate. We are currently reflecting on a reform of the labour code, some of whose elements dating from 1989 need to be updated. These reflections form part of our quest to harmonise our legislation with that of the EU.

## **I N T E R V E N T I O N S**

### **• Industrial association of Bulgaria.**

It is important not to limit ourselves to a description of social dialogue in our countries but to reflect on ways to make it move forward. In two weeks' time the Bulgarian parliament is to adopt an amendment to the labour code, on the proposal of the social partners, which will require them to be consulted. It is an element of progress for social dialogue in our country. This reform reflects the wish of our government to accede to the EU. In addition, we have five years of practice with tripartite management of social funds. For instance, we found compromises during reform of social insurance and amendment of the labour code.

### **• Trade union confederation of the Czech Republic and Moravia.**

We find that the national report is very inaccurate regarding the trade unions. For instance, the assessment that establishes a link between our organisations and the earlier communist trade unions is unfounded. At the present time, tripartism is supported by the government and it functions well. In particular, we act in connection with the legislative modifications envisaged in the framework of EU candidacy. Dialogue at sectoral level is of a lesser quality. We are particularly uncomfortable about the attitude of foreign investors. They practice intense social dialogue in EU countries, but they have a closed attitude in our countries and refuse to negotiate sectoral collective agreements. Recently the labour code was amended to bring it into line with EU requirements in the area of works councils.

### **• Employer confederation of Slovenia.**

At formal level we have a tripartite system which functions relatively well, but we have a problem with defining how the social partners are recognised and how an organisation's representativeness is evaluated. In these conditions, the effectiveness of social dialogue is brought into question, all the more since we have not managed to achieve equality between employer and worker organisations.

### **• Employer confederation of Romania..**

Social dialogue is taken very seriously by the current government at ministry level and at local level. Regarding public services, signature of a tripartite agreement which will be implemented through adoption of a law shows that social dialogue has become the engine for management of these questions in Romania. Similarly, social dialogue is moving forward the idea that the minimum wage must be indexed to inflation.

- **Confederation of trade unions of Slovakia.**

The foundations for social dialogue laid in 1990, but there has been an important development with the law on tripartism. After an interruption in dialogue, the confederation contacted the political parties and presented its demands. The parties which form the coalition currently in government have adopted these requirements in their programme. But the government does not respect its undertakings, for instance it has not applied the general agreement of 2000. Formally it coordinates the social dialogue but in practice it takes unilateral decisions which result in a deterioration in the social and economic situation. This is leading to a loss of confidence among workers in trade unionism and in social dialogue.

## C O N C L U D I N G   C O M M E N T S

- **Radu Minea.**

The comments that we have heard indicate that tripartism is not yet very strong in central and eastern Europe. When social peace is fairly solid, successes can be noted but that is not always the case. However, the European Union shows us that it is only through dialogue that we will manage to make progress.

- **Janos Borsik.**

The different problems that have been raised this morning are well known, but I note the intervention that draws our attention to the fact that tripartism must not be used as a “screen” by government, since the victim of this practice would be the trade unions. We must therefore be attentive that genuine tripartism is put in place. Similarly, Romania has approved the European social charter, but its implementation is not effective.

- **Arkadijs Lapshin.**

Social dialogue is indeed fragile in our countries, but it is perhaps not very productive for this conference if we expand on our specific national difficulties. Against that, I think that our experience can make a contribution. I would like to take up an idea developed by our Czech colleague on multinationals. The establishment of multinationals in our countries is not accompanied by a sharing of their social wealth. It would be desirable for representatives of these multinationals to participate in national social dialogue.

- **Antal Csuport.**

In the framework of social dialogue, several interests are represented and the more divergent these interests are, the more difficult we find it to reach agreement. Despite these difficulties, the challenge is to maintain dialogue between partners who all have the same rights.

- **Stefan Kubowicz.**

In each country we encounter difficulties in putting in place a social dialogue of quality, these problems sometimes resemble each other and this conference can therefore give us a great deal through comparison of our experiences. We still have much work to do in order to achieve high-level social dialogue of good quality. To contribute to that end, it would be useful if the results of this conference are placed at the disposal of the government.



# Collective Negotiations and Bipartite Social Dialogue

Chaired by Stefan Kubowicz,  
NSZZ Solidarnosc

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**FRANCISZEK DRAUS**, Coordinator of the study on candidate countries

Legislation in the candidate countries creates formal conditions conducive to the development of collective agreements in companies and sectors. In addition, governments encourage the partners to hold autonomous social dialogue. However, the practice of collective agreements remains mediocre. On average, only 25 to 30% of workers are covered by agreements. This proportion is lower in Lithuania (10%), higher in Slovakia (50%) and is exceptionally high in Slovenia. Furthermore, the content of sectoral agreements is not necessarily very rich. They often take over provisions from the labour code relating to professional relations and are very vague on pay. Lastly, they formulate a general framework and refer concrete and detailed negotiation to the company level.

How is the weakness of the practice of sectoral collective agreements to be explained? The general socio-economic structure and budgetary policies of the candidate countries are not favourable to negotiation of collective agreements. Restrictions and control mechanisms limit the autonomy of the social partners on the area of pay policy. In addition, it is difficult to define economic sectors due to the speed of change and the absence of homogeneity between situations and companies.

The organisation of employers and workers also explains this limited practice. In the public sector workers are heavily trade unionised, but the employer organisations are not completely autonomous and position themselves rather as intermediaries between the government and the trade unions. In private businesses, trade union organisations are relatively poorly established. Furthermore, if representation of employers is assuming structure, they give preference to negotiation at company level and are not always willing to develop social dialogue. The analysis of the situation in Malta and Cyprus is different, the weakness of sectoral agreements there is linked to the small size of the territory.

**Féralt Ilter**, Representative of the Employer association of Turkey.

Social dialogue is the product of democracy and the market economy. Thus, its character depends on the institutional and cultural framework but also on its capacity to develop in the private sector. Regarding collective agreements, our country has developed a system which is comparable with those in western countries. It is possible to negotiate agreements at company and sectoral level. We respect ILO standards in the process of concertation and dispute settlement. 1,100,000 workers are covered by collective agreements. The public sector is covered by 112 collective agreements.

The employer confederation was created in 1961, and since 1980 it has been the body which represents employers at national and international level. It brings together 1,200 large companies which employ around 1 million workers. We hold very intense dialogue with the trade unions; social dialogue is starting to assume consistency. In the 1990s there was an important strike movement, hence negotiations at company level on pay, human resources management and company management widened in scope. However, in the sector of industrial companies we need greater practice. It is important to establish norms for reconciling guaranteed production and worker protection.

Recently the government consulted the most important non-governmental organisations in order to help draw up its policy vis-à-vis employment and a range of other issues. We intervened notably to highlight training needs and the need to master new technologies. Our organisation is currently examining the usefulness of putting in place a tripartite system in our country. This looks interesting since it might make it possible to harmonise employment conditions in the various sectors and thereby ensure a good climate for competition.

The national report for this conference was not drawn up in consultation with the social partners and all too frequently it presents archaic attitudes. By contrast, the synthesis report by Mr Draus is of good quality.

**Branco Misic**, Representative of the Confederation of free trade unions of Slovenia.

At the present time the labour code lays down an obligation to conclude collective agreements. This obligation gives rise to conclusion of two general collective agreements, one for the private sector and the other for public services. The one for the private sector is signed by the trade union organisations, the economic and handicrafts chambers, and the private-sector employer and handicrafts employer associations.

There are also collective agreements which cover virtually all workers: 26 sectoral agreements and around one hundred at company level. Company collective agreements have been signed principally in companies with more than one hundred workers. The confederation is very active in this work. It tries to influence pay policy by using the "European formula": inflation plus the country's growth rate or productivity rate equals the pay increase. The other trade union confederations give preference to centralisation of collective agreements and are concerned about disaffection of their members. In the public sector, the provisions of collective agreements are combined with legal provisions. This results in unevenness and opacity in the setting of pay. The government is preparing a single law for all public workers; collective agreements will then be no more than "complements".

Collective agreements define: the validity of the contract, holiday leave, notice periods, trade union rights, training, health and safety, pay broken down into nine categories, etc. They are signed for four years, with the possibility of renewal. The annex relating to pay is valid for one year, also with the possibility of prolongation. My confederation is not satisfied with the statutory conditions which govern collective agreements. In particular, we contest the agreements which are signed by both employer organisations and the economic chambers. Last year, following an action, we reached agreement with the employers, but the economic chamber opposed it. If we encounter a similar difficulty this year, we want to organise a large-scale protest movement with the other trade union confederations.

In parallel, there is a debate in Slovenia on a possible amendment of the legislation covering collective agreements: the latter would lose their obligatory character and would be signed on a voluntary basis. With the support of numerous experts, we are examining what consequences such an amendment might have. One element may serve as a basis for consolidation of a bipartite dialogue in Slovenia. Last year our organisation proposed a new orientation for pay policy based on the European model. The same year, the employer organisation also made proposals. In their principles, our proposals and those submitted by the employers are close.

#### **Eve Päärendson, Representative of the Employer organisation of Estonia.**

The interests of companies in the social area are represented by a single employer organisation, ETPK. It is recognised by the government, the trade union organisations, the chamber of commerce, the SME association and the business association. It currently brings together 32 sectoral associations and 33 large companies. Its members employ 125,000 workers, or 35% of workers in the private sector. The trade unions bring together 100,000 workers, or 20% of workers in the public and private sectors.

Social dialogue is based on a law on collective agreements, a law on collective disputes and a law on the trade unions. Cooperation between the social partners is on the right path at national level, but it remains mediocre at sectoral level. At national level, several tripartite agreements have been signed regarding the minimum wage, and there are two bipartite agreements: a memorandum on cooperation and an agreement on social partnership signed a few days ago. At sectoral level, food and transport have an agreement. Negotiations are under way in metal-working and in the processing industry. Monopoly sectors such as posts, railways and mines have agreements which are company and sectoral agreements at one and the same time.

The collective agreements that have been signed have poor visibility. Rules issued by the ministry of social affairs made it possible to register them from January 2001. It is estimated that they cover 25% of workers employed in the sectors where the trade union confederation is active. There are thought to be 603 in the private sector and 419 in the public sector. 95% of companies are small, and they remain in the margins of social dialogue. In some sectors, small trade union federations are militating to be recognised as negotiating partners. In the shipyard sector, experiments have been carried out to remedy the absence of social dialogue. Generally, social dialogue has only had ten years to emerge in our country, and we must therefore accept that it is not yet well established everywhere and be happy that we still have a great deal to invent.

In an early stage the social partners encountered a defiant attitude on the part of the state, but the latter has realised that it needs to be more attentive to the social partners. Development of social dialogue also requires that the corresponding worker and employer organisations function well. Thus, a strengthening of our federal structures, an increase in the number of our members, and training of our members in collective negotiations are our priority objectives.

#### **Plamen Dimitrov, Vice-president of the Confederation of trade unions of Bulgaria .**

This conference enables us to take stock of the progress we have made since the Warsaw conference. In

Bulgaria, we can note that reforms have been very dynamic over the last four years.

Social dialogue is established on a voluntary basis. At company level, there are now 5,600 collective agreements, including around 1,000 in the private sector. At sectoral level, there are 47 collective agreements. Thus, more than half of workers are covered. Renewal of collective agreements, and in particular sectoral agreements, poses a problem for us. Many of them were signed four years ago for an indefinite period; they are renewed by protocols which are obligatory. These new negotiations are sometimes difficult, we want to preserve what we have achieved and take account of the current economic situation.

There are trade union organisations in 7,227 companies. But in many companies we are faced with the refusal of the employers to see creation of trade union organisations. We must also deal with an employer union whose proposals are extremist: it contests the representativeness of trade union organisations, proposes abolition of collective agreements and calls for highly liberal dismissal conditions. What we want as our discussion partner is a good employer organisation, which represents small companies in particular.

Amendments to the labour code are to be adopted in the near future. These amendments have necessitated two years of work to find a satisfactory compromise. They represent a good example of balanced change. The new provisions of the labour code relate notably to the signature of sectoral collective agreements and the possibility of their extension. It is an important element for their development, but we also need to form partners for conducting these negotiations.

One last comment: as several speakers have pointed out, it is desirable for the preparatory document to be reviewed.

#### **Daniel Hrdina, Representative of the Association of employers of the Slovak Republic .**

For me, this conference is the culmination of the work that we started ten years ago to establish social dialogue in our countries. Regarding the synthesis document, I have also noted some errors. For instance, the employer association represents 37 employer federations whose member companies account for 75% of GDP.

Social dialogue changed during the 1990s. The modification in the economic context led to these changes, since negotiations are not of the same nature with an unemployment rate of 4%, as in the early 1990s, or the 21% that we have now. The quality, content and complexity of collective negotiations and of business at national level are completely different. Given this fact, last year we reached a satisfactory general agreement.

In addition, I wonder about the pluralism of employer and worker representation. In the report drawn up by Mr Draus, it appears that it is a good thing to have plurality in this representation. Perhaps the experts would like to express an opinion on this question.

## **I N T E R V E N T I O N S**

### **• Trade union confederation of the Czech Republic and Moravia.**

The main error in the preparatory documents may reside in the absence of a comparison of our situations with those in EU member countries. In those countries, dialogue is not without defects. We know the difficulties that exist in Great Britain or in small companies in Germany and Austria for example. It is through such a comparison that we will be able to see the progress of social dialogue in our countries.

### **• Employer association of Latvia.**

The question of representation of the interests of workers and employers is central. In Latvia we have only one organisation for employers and one for workers. It seems to be simpler to conduct dialogue in this situation. It is damaging to compete among ourselves. Organisations should reach agreement to put in place a single representation in their country.

### **• Handicrafts organisation of Poland.**

The role of local communities is important. It is not possible to conduct social dialogue without their participation. In the beginning we thought that western companies established in our countries were going to be examples for small and medium-sized enterprises, but it has to be noted that this is not the case.

- **Association of employers of Slovenia.**

We have concluded an agreement on social policy with the EU where by we undertake to adopt a new law on collective agreements by 2002. In the past, as in Austria, the chambers played a large role in social dialogue, but this system is to be replaced: we will assume the task of signing agreements and we will also conclude "high-level" collective agreements. This is an important development. Our organisation is representative since the companies that it brings together represent 50% of the country's capital and workforce. We believe that we are sufficiently independent.

- **Confederation of trade unions of Moravia and the Czech Republic.**

We note a large-scale phenomenon regarding the extension of collective agreements. Recently we negotiated extension of the agreement covering leather and footwear, and in a few days we will be extending those of other sectors. The action of the government and the ministry of social affairs is very important in this area.

- **Romania.**

Legislation makes collective agreements obligatory when there is a trade union organisation. Thus, the results are very dependent on the presence of a trade union. There are currently 32 sectoral agreements, which concern all companies. The main objective of negotiations is setting pages, which are renegotiated every year. However, there is a problem with small enterprises regarding verification that the negotiated provisions are implemented.

- **Confederation of trade unions of Estonia.**

We negotiate, with the confederation of employers, the principles which underlie unemployment insurance and social insurance. Even if we do not always manage to find a compromise, these negotiations upstream of adoption of legislation are very important. The number of sectoral collective agreements is increasing even if we are encountering difficulties in some sectors. For instance, in textiles, despite a score of collective agreements, the employers refuse to sign a sectoral agreement. Some of the information contained in the working document is inaccurate, for instance we cooperate with the other national trade union confederation contrary to what is reported.

- **French trade union confederation.**

Nobody is encouraged to follow the French model of trade union pluralism, since the result is very unsatisfactory. For example, signature of an agreement by a minority organisation suffices to make the agreement obligatory for all workers. In addition, sectoral collective agreements are insufficient to ensure a situation of equality between workers in large and small companies.

The exchange between trade unions in east and west cannot be based solely on the *acquis communautaire*, since it is limited for the time being. It comprises free movement, health and safety at work and information/consultation of workers. Social protection systems, public services and collective bargaining are still defined on a national basis. We are not in a situation of great stability on one side (west) and great instability on the other (east). For instance, in the west, there is a major debate on the level at which negotiations should take place: sectoral level? territorial level? at the level of large companies? Thus, the debate can be much more cross-fertilising. There will continue to be national situations which remain different, but we need to work together to achieve convergence, notably in the area of information and consultation and the area of fundamental rights.

- **Union of employer federations of the Czech Republic.**

We need to move things forward at national level but also at European level. For instance, some foreign investors do not respect the rules of social dialogue in the EU. Moreover, the rules for tripartite and bipartite dialogue remain very diverse in the different countries. Lastly, the rules for bipartite dialogue are not clearly established in the public sector (health, education, etc.). That is why meetings such as this conference must enable us to discuss and to establish rules for the European social dialogue.



# **Involvement of Social Partners in Preparatory Phase of EU Accession**

Chaired by Jan Karel Bout  
UNICE

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**Franciszek Draus**, Coordinator of the study on candidate countries.

The social partners can participate in accession policy in various ways in the institutional framework. First, the government has committees which correspond to all the negotiating chapters. The partners can participate in the consultative work of these committees on invitation. Sometimes there are difficulties, as in Hungary where they are not systematically invited. In some countries, the question of accession is also addressed in the framework of tripartite negotiations. In the Czech Republic, for instance, the tripartite council has a working group which deals exclusively with accession. In Hungary, accession is the exclusive object of the activities of the council for European integration, which reports to the ministry of foreign affairs and comprises representatives of government, trade unions, employer organisations and economic chambers. In Poland, there is a national council for integration which performs a consultative function vis-à-vis the prime minister and comprises around 50 personalities including the presidents of the largest trade union and employer confederations. Similar councils also exist in Latvia and Slovakia.

Lastly, the mixed consultative committees created in recent years in the framework of the association agreements with the EU also present a form for involvement of the social partners in the process. Within these committees, the EU part is represented by the European economic and social committee, whereas the delegations of candidate countries usually comprise societal organisations including trade union and employer organisations. At the present time such committees exist in Poland, Hungary, Romania, Bulgaria and Turkey. They are in the process of being created in Slovakia and the Czech Republic. Regarding internal trade union and employer activities, the commitment of the trade unions is manifested notably through the inter-trade union European committees put in place with the assistance of ETUC.

Participation of the social partners in accession policy poses a number of technical and political problems. The first problem relates to the level of knowledge about the *acquis communautaire*, in particular in the social area. This knowledge is usually deficient, notably at sectoral and regional level. The *acquis communautaire* has not yet been fully translated into the languages of the candidate countries, even if these translations are under way with the support of the European Community. The second problem is that of the real influence of the social partners on accession policy. It does not seem that this influence is significant despite a good level of formal participation. Finally, the last question is that of the institutional capacity of the social partners to implement the part of the *acquis communautaire* which involves autonomous regulation by the social partners. To conclude, I would like to refer to a need often mentioned by the social partners for an analysis of the possible consequences of accession for employment and competitiveness in small and medium-sized enterprises.

**Vladimira Drbalova**, Representative of Employers of the Czech Republic  
(on behalf of all social partners in the Czech Republic)

The Czech Republic has been in negotiations for accession to the EU for three years and, of the 29 chapters that have been opened for negotiation, around half have been provisionally concluded. After the Nice summit, the Commission formulated a new strategy for the development of negotiations, and defined priorities. The Czech government, with its negotiating team, has reformulated its strategy, in particular by improving the initiative for information and consultation of the social partners.

The social partners have been asked to participate in preparation of the negotiations, notably by drawing up arguments. In addition, the government and the negotiating team have launched an open discussion with the social partners on the positive and negative consequences of EU accession. This initiative has prompted us to carry out very interesting analytical work. The social partners at national level are satisfied with their participation in the integration process. Their objective is to prepare companies and workers so that they are aware of what is at stake with accession and can prepare themselves accordingly.

Through the European conference of the council for economic and social agreement and the joint consultation committee, the social partners participate institutionally in accession policy. The intervention of the social partners at European level is also important. They are ever more integrated in the European organisations of which they are members (UNICE, UEAPME, ETUC) and they communicate intensively with their EU opposite numbers. By contrast, cooperation between organisations in candidate countries is an area in which we need to make progress.

In addition to the reservations that we have expressed about the synthesis document, the Czech employer organisation refutes the analysis that the employer organisations in the CEEC at the beginning

of the transformation process have been artificially created. By contrast, the question about the willingness of employers to organise deserves examination. In economics, we learn that what counts is not the current situation but the trend. From this angle, what we should note above all is the trend is good regarding social dialogue in the candidate countries.

**Turo Bergman, Director of the trade union organisation SAK of Finland**

My country is in a different situation from that of the candidate countries, but our experience may be interesting regarding the role of the social partners in the negotiating process.

The main object of social dialogue is negotiation of wages and working conditions. The quality of the agreements signed by the social partners is determinant for a country's overall economic and social situation. During the negotiations on EU accession in the early 1990s the participation of the social partners was important for practical and political reasons. We put in place a method of working very similar to what is now encountered in the candidate countries. We had working groups to tackle the different chapters. The social partners had their place in each of these working groups. In addition, the Finnish government always provided us with all the necessary information and took our arguments into account. We had to find compromises for adapting European rules to our national economy. For instance in the expanding sector of mobile telephony, the development of the company Nokia was not to suffer the increase in taxes on import of certain components.

Lastly, the social partners, trade unions and employers, chose to vote for Finland's accession to the EU. We then launched a joint campaign to support this decision. Several seminars were organised across the territory to explain the consequences of accession. I think that the role of the social partners in the adoption process was important; today, more than 80% of citizens are for membership. Since accession we have developed our knowledge and we can influence the decisions of ministers taking part in European meetings. At the present time we are trying to increase our influence by creating two working groups. In this way, we hope to find satisfactory compromises which could be affirmed as "good Finnish practices".

**Edwin Calleja, Representative of the Employer association of Malta.**

We have always thought it important to evaluate the economic impact of EU accession. We have therefore presented two reports to the Commission on the impact of our accession on our industry. This study was somewhat limited and it is evident today that this unilateral approach by employers was not capable of encompassing the entire question. The evaluations that we now need in order to have solid arguments in the negotiations are underpinned by more in-depth studies based on cooperation between the social partners.

We regret the government's approach which has drawn little support from the social partners in the EU accession process. Thus, we would have liked the Maltese council for economic and social development to have made a greater contribution. We want to draw attention to preparation of an economic framework and not merely the political framework for accession.

The EU action committee is an important consultative body. Through it, the government has initiated closer cooperation with the social partners. We are progressively receiving better information on the concrete application of the *acquis communautaire* to our country, and we are able to influence the accession process. The economic chamber also plays a major role in disseminating information and organising action. Entry into a market economy also presupposes respect for social rights. These questions cannot be examined separately, and for that cooperation between the government and the social partners is the most effective process.

**Aldona Balsiene, Representative of the trade union organisation of Lithuania .**

The commitment of ETUC to candidate countries since 1997 deserves to be recalled. The objective was to ensure trade union representation through national integration committees. Thus, the organisations have been able to take part in the accession process, which is very important. Trade union organisations are well integrated in the different working groups, and they participate actively in those which relate to social policy, free movement of persons, consumer protection, public health and agriculture. They have

also been invited to work in the negotiating group. Trade unionists do not necessarily have the qualifications and knowledge of experts in this area, thus training them is a major challenge. The committees need a financial basis to function effectively, notably to perform their training function.

The comparison between the EU member countries and the candidate countries has revealed that, in Lithuania, we are confronted with the absence of bipartite agreements between the social partners. Our willingness to bring our country closer to EU countries has prompted us to correct this situation, in the very near future, through a modification of the legislation on industrial relations. We also want the social partners to be more active, particularly at regional level. Thus, a project has been mounted in the framework of the regional policy supported by the EU. In addition, we are confronted with a high level of unemployment, therefore local initiatives for employment need to be developed. Lastly, the trade unions have the task of monitoring the progress of reforms in all the sectors of public service (health, transport, etc.). They do not want to be mere observers of these reforms, but want to participate actively. This also requires sufficient human and technical resources.

## I N T E R V E N T I O N S

At the request of the session chairman, speakers addressed three questions:

- (1) Information on the accession process,**
- (2) Social partners' capacity to influence the negotiations,**
- (3) Involvement of members in the process.**

### **(1) Information on the accession process**

- **Employer organisation of Estonia.**

In Estonia the social partners participate in the accession process. The minister of foreign affairs provides us with information. There is a specific tripartite structure which analyses all questions relating to EU accession. Lastly, Estonia wants to create a European consultative committee in cooperation with the EU in which all questions linked to accession will in future be discussed and negotiated.

- **Employer organisation of Hungary.**

We have two sources of information about the accession process: the national integration council where we have representatives and the integration committee which falls under the responsibility of the ministry of foreign affairs. We therefore have good information with the possibility to ask very specific questions.

- **Employer association of Slovenia..**

We are very well informed about the accession process, notably because one of our members is involved in the work of the negotiations group and provides us with regular reports.

- **Trade union confederation of the Czech Republic and Moravia.**

The transfer of information poses no problems thanks to the formal structures. We are not interested only in the content of the negotiations but also in the future consequences of accession. We want to be well prepared.

- **Secretary of the European alliance for entertainment, ETUC member.**

One of our main concerns is to ensure the independence of the media in the candidate countries. It is important to guarantee access to information, providing input for a social dialogue of quality.

- **Employer association of the Slovak Republic.**

Our sources of information, as in other candidate countries, are linked to our representation in the committee vis-à-vis the ministry of foreign affairs and the negotiating committee. Over the last six months we have made rapid progress in this area. Our permanent delegate to UNICE for the last two years also provides us with very valuable information.

- **Association of small enterprises of Slovakia.**

For us, UEAPME is our main source of information in this area.

- **Representative of the trade unions of Malta.**

Social dialogue on our island "lacks beef". That is to say that we have good contacts with employer organisations and we manage to sign agreements, but the government does not take the social partners into account and disregards the content of our agreements.



## (2) Social partners' capacity to influence the negotiations

- **Employer organisation of Estonia.**

The social partners are more or less in a position to influence the negotiations as a function of power relationships and the capacity to organise. That is why we are not in favour of an acceleration in the accession process, it is a complex process which requires time.

- **SME association of Estonia.**

We can give examples of our influence on the government, it is fairly solid. We act notably in cooperation with the economic chambers. However, the shortage of financial resources remains an obstacle which prevents us from doing more.

- **Trade union confederation of Estonia.**

Consultation of the social partners continues to be modest: of 40 consultants to the ministry of foreign affairs, there is only one representative of trade union organisations. We also hope that creation of a European consultative committee will improve the situation, but a number of chapters will have been closed by that time.

- **Employer organisation of Hungary.**

Generally speaking, we do not have any influence on the accession process. The working group which is negotiating the 13th chapter invited employer representatives to express their views, but we cannot hope to a right to vote.

- **Employer association of Slovenia.**

We also use this route to influence the negotiations.

- **Trade union confederation of the Czech Republic and Moravia.**

The objective is not only to assimilate the *acquis communautaire*, but to have "normal" industrial relations in our countries. The Nice summit shows that there are still some questions to be answered in the social area, notably concerning industrial relations. We note some progress and I think that the employers note it as well.

- **Employer association of Malta.**

It can be seen from the synthesis report that the influence of the social partners on policy is relatively weak; it seems to me that it is important for workers and employees to unit in a common effort.

- **Employer association of the Slovak Republic.**

Our capacity to influence the negotiations depends on the power relationship and the quality of contacts. Thus, we must persevere along this road.

- **Association of small enterprises of Slovakia.**

It is important to recognise that it is difficult for small entrepreneurs to influence the debate. First of all, it is difficult for them to keep on top of these questions in addition to their professional activities. Keeping up with national legislation, European rules, a foreign language, modern communication methods are difficult objectives to achieve for small enterprises.

- **Employer organisation of Poland, PKPP**

We are also involved at international level: we have observer status with UNICE and we cooperate with European organisations. At national level, we participate in the consultative committees and the integration council is an important source of information, as pointed out by the other speakers. However, we regret that these meetings are increasingly no more than simple discussions rather than true consultation, since decisions have often been taken in advance. We have started discussions with the other social partners and non-governmental organisations; we hope that this concertation will make it possible to exert pressure on the government to have better information about the accession process.

- **Representative of the trade unions of Lithuania.**

In our country, as in other central and eastern European countries, labour legislation is being liberalised and the role of trade union organisations is diminishing. Governments regard social dialogue as something symbolic. It is up to the trade union organisations to analyse this situation and to react appropriately.

- **Trade union organisation of Hungary.**

I would like to add a few qualifications to the fairly rose-tinted image painted by my compatriot from the employer association. We are not sufficiently involved in the accession process. There is a council, it is true, but we are

consulted, there is no real participation. It note with regret that we have very little weight at national level, even if we are trying exert pressure via ETUC and EU bodies. It is unsatisfactory and we would like to be able to negotiate more at national level. The economic preparation of our country is good, harmonisation of the legal framework is good too, but we must make progress in the social area.

- **National council of small enterprises of Poland.**

Since the start of 2000 seven employer associations, five trade union organisations and the government have been committed to implementing the tripartite commission for follow-up of the accession process, in a social pact. A good social climate is also a favourable element for our accession.

- **Employer association of Turkey.**

Our association has been a member of UNICE since 1998. We believe it important to join the EU, hence our efforts to cooperate with the EU bodies and to encourage our government to move in that direction. Thus, we use the capabilities of our members to follow developments and to define priorities conducive to steering our policy in this area. My association will also participate in the labour committee established by the Turkish government, allowing us to participate actively in this process.

- **Representative of the trade unions of Malta.**

Regarding EU accession, the two national political parties oppose each other and we have difficulties in moving things forward in that context.

- **Representative of the trade unions in Bulgaria.**

We have defined the framework for social dialogue but we still have to make progress with practice. The influence of the social partners on the accession process operates at two levels. First, we can act at national level, second our organisations can cooperate at European level. I would also like to make a suggestion: I think that we could work more widely through embassies in order to circulate information regularly and to increase our role in this process. In addition, it is still important to reinforce our participation in the European structural funds, which we are trying to arrange and which will also enable us to have an indirect influence on the accession process.

### **(3) Involvement of members in the process**

- **Employer organisation of Estonia.**

We are developing positively in this area, we organise all sorts of training courses. Sectoral organisations analyse the fundamental questions for each sector. Our priority objective for this year is to strengthen our contacts with European employer organisations, to reinforce our cooperation.

- **Employer organisation of Hungary.**

This question is more difficult. Some employer organisations are members of European organisations or participate in these processes through public bodies. Thus, it can be said that employer organisations are present in this process in indirect ways. Generally, companies are hardly involved in this work, even if there are some exceptions, such as the Hungarian rail company which has contacts with its French opposite number.

- **Employer association of the Slovak Republic.**

Training courses are major opportunities to inform our members.

- **Employer organisation of Poland, PKPP.**

We are involved at the level of our organisation: we have carried out research and surveys in collaboration with our members, we regularly hold training courses on the subject, we reserve a space for topical European subjects in our publications and on our website.

- **Trade union organisation of Hungary.**

To involve our members, we have prepared a report on the social status of our country and we have organised regional conferences.

## **C O N C L U D I N G   C O M M E N T S**

- **Turo Bergman, Director of the trade union organisation SSK of Finland.**

One of the important things that the social partners can do is to collect the information available from all the European institutions and bodies. It is also important to discuss and analyse this information. This work then

makes it possible to define a strategy and to work together. I think it important not to hesitate to pool your resources, for instance we in Finland have come together to have a shared office in Brussels.

- **Edwin Calleja, Representative of the Employer association of Malta.**

Along the same lines, trade unions and employer organisations must work together in this area and avoid confrontations. One of my compatriots has said that confrontation causes us to lose a great deal of time. Cooperation is the best means of moving forward in the candidate countries.

- **Vladimira Drbalova, Representative of Employers of the Czech Republic.**

For employer and worker organisations, the key question for the future is that of work with members, with the base. We must take advantage of the expertise of our members, which is substantial. We need to learn to work with the base and its expertise in order to move forward.

- **Aldona Balsiene, Representative of the trade union organisation of Lithuania.**

The work to describe national experiences with which we are currently occupied is very rich, it enables us to compare our work with that in other countries. Much reposes on our pooled capacity, as social partners, to influence our governments.

- **Jan Karel Bout, UNICE.**

In many countries committees have been put in place which allow the social partners to become involved in the accession process. We can note what happens in Lithuania, where there are working groups in which the social partners participate, and in Slovenia, where the social partners have managed to become members of the negotiating group. Other elements recur: the need to have special language training, the interest of maintaining relations with European organisations, notably through creation of an office in Brussels, etc.



# Future Prospects

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**György Szücs**, Representative of the SME association of Hungary.

Several speakers have referred to Warsaw and, effectively, the Bratislava conference constitutes a continuation of this first conference. We have once more examined the social dialogue in the countries of central and eastern Europe. But we have also addressed the question of accession of those countries to the EU, and this issue will probably occupy an even larger position in the years ahead.

Our approach must reconcile the wish to harmonise the situation in the candidate countries with that in the EU and respect for the specific features of each country. We should clearly distinguish two stages: the first is evaluation prior to accession, the second is the objective after accession. It is also important to distinguish between the legal adaptations and the practical adaptations that our countries will need to make.

In future it will be necessary to clarify some of these questions. That will be the subject of expert reports after this conference, but also perhaps of new conferences. We can see great national disparities, and it is important for the countries which are ripe to move ahead, allowing the other candidate countries to benefit from their experience.

**Peter Gajdos**, Representative of the trade union confederation of Slovakia .

ILO has created foundations for tripartism and for the sharing-out of responsibilities between governments and the social partners. Its objective is to defend human rights, improve working conditions and promote employment. 30 October 1990 saw creation in Slovakia of the council for economic and social agreement, in which the trade unions present opinions to government on employment, working conditions and pay, pensions, etc., everything connected with economic and social life. This council also has the objective of allowing social dialogue. Unfortunately, in Slovakia as in other transition countries, we cannot yet speak of social progress. At the present time we can only see the material difficulties of citizens. Three causes are responsible for this situation: transition from a planned economy to a market economy, which is proving very complex; globalisation, which is now out of control; the ineffectiveness of tripartism which is sometimes no more than a formal framework.

This observation leads us to make recommendations which may serve for elaboration of the conclusions of the seminar. First of all, it is important to promote, at all levels, a strong social dialogue which allows all worker and employer organisations to participate in government decisions. Due to globalisation, it is necessary to establish world rules in the areas which relate to the price of labour, employment and the environment. Third, to impose a social balance, it is essential to make progress in the framework of the legislative standards of ILO, the EU and the candidate countries. To improve the quality of social dialogue, it is necessary to establish binding principles at European level, which could be approved by the parliament. Lastly, it is important to improve the quality of information between organisations in the candidate countries and the EU, to allow a better perception of the social impact of accession.

**Michael Antoniou**, Representative of the Employer federation of Cyprus .

EU accession is very important for all the candidate countries. The social partners there are playing a major role, because they have to facilitate the economic adaptations in their country and achieve social improvements. A large amount of legislative work remains to be done in the area of employment, in particular concerning equality between men and women, and health and safety at work.

The social partners also have to learn to come to terms with and to comply with these norms. Thus, they also have a very important role for information and training of their members. The social charter incorporated in the Treaty of Amsterdam has opened up various possibilities for the social partners which we must take up in each of our countries. The different organisations must prepare to participate in the social dialogue at European level. For that, they need to acquire real competence, thus seminars and training courses have a major role to play. We need to have the capacity to contribute to the social dialogue. The credibility of employer organisations at national and international level is one of our priority objectives.

**Anton Rozman**, Representative of the trade union association of Hungary and the international textile association.

Our interventions during the seminar show that we want to accede to the European Union and that trade union organisations want to assume their responsibilities in this area.

Regarding the different levels of social dialogue, the majority of speakers report a national tripartite dialogue which is of better quality than bipartite sectoral dialogue. We need to make progress on these two fronts at the same time, because they are very closely linked. The example of Finland is enlightening in this respect. Bipartite social dialogue is very important there, because it is up to the government to guarantee it. Thus, the government must assume its responsibilities and ensure quality social dialogue at the different levels.

Bipartite social dialogue at sectoral level is important to make progress in workers' working conditions. In the textile sector, if we are failing to make progress at the level of sectoral agreements, we are finding it impossible to do so at company level. In Hungary, in the next few weeks, we are to initiate a process of creating bipartite committees in 15 sectors. The partners will then have to sit around the same table, and a climate conducive to signature of agreements may develop.

Regarding accession to the European Union, I note that we still have a great deal to do. We have to use all the possibilities open to us to become progressively involved in European social dialogue. To that end, in September 2001 the international textile association is to organise a social and economic forum which will help to promote social dialogue at European level.

**Aureliu Dimitrescu, Representative of the Union of public service employers of Romania.**

Our Union is an important employer organisation in Romania. It is a member of CEEP and participates in various of that structure's activities, for instance its committee for social questions and its committee for enlargement of the European Union. Social dialogue is not an end in itself, it is an instrument to achieve real progress in our countries. Thus, whatever the form it takes, bipartite or tripartite, what counts is the motivation of the persons who meet around the table. The shared objective of the social partners and governments is to promote economic development, which alone makes it possible to improve the material and social conditions of citizens. It is why it is possible to abandon an attitude of opposition between the social partners to find real compromises.

For ten years, we have been successful in contributing to improving public services and in helping our members to cope in this transition period. For that we have drawn support from dialogue, with trade union organisations, with government institutions and with municipalities. One of the main planks of our work is training. In 2000 we signed an agreement with the trade union organisations on social dialogue. The different points of this agreement are: mutual confidence, negotiation of a collective agreement, obligation to implement signed agreements, adaptation of companies' budgets to that end.

In 2001 we want to reinforce the status of workers who work in local public services, we want to improve their skills and their professionalism, increase the efficiency of companies, notably by improving their management. We also want to promote an improvement in infrastructures using local and foreign capital, support the fight against corruption and flank modifications to legislation relating to public services. In the area of pay, we want to create a salary fund. The aim is to examine the question of pay, which is the object of trade union demands, from the angle of profitability. At the same time, as a public service is concerned, we must also take account of the purchasing power of citizens. We must also make progress in the area of social protection, and in the area of the responsibility of chief executives. On all these questions, we want to dialogue with the trade union organisations.



## Conclusions

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**Fay Devonic**, Director for Social Dialogue in the European Commission's Directorate-general for Social Affairs and Employment

This conference has been a follow-up to the one organised two years ago in Warsaw, which marked the start of a process of cooperation between the social partners of the EU and those of the candidate countries. Two advances have been made since that conference. First of all, there has been work by experts to prepare this conference, with national reports and a synthesis document. Even if these documents have been discussed, they constitute a basis for going further for identification of the route followed and the problems that still need to be solved. In addition, this project has been carried out autonomously by the social partners. This type of event, organised in liaison between employer organisations and trade unions, was willingly supported by the Commission. This joint involvement of the social partners is also a sign of the richness of European social dialogue.

The debates have highlighted the weaknesses of sectoral social dialogue in a number of accession candidate countries, often with an absence of adequate structures and representative social partners. These shortcomings contrast with the level of sectoral dialogue at European level, with the European social dialogue committees in which the partners can negotiate and conclude European agreements and hold important discussions on developments in their sector. In the framework of these sectoral forums, innovative initiatives have been taken on enlargement and there can be no doubt that the social partners need to develop this level of dialogue. The national reports have also highlighted the weakness of social dialogue in privatised companies. Small and medium-sized enterprises are confronted with both the absence of trade unions and the absence of direct worker participation in the company's decisions. A number of European directives indicate clearly the role that the social partners should have (health and safety, equality of opportunity), not counting the directives directly designed to promote social dialogue (European works councils, information and consultation). The social dialogue is a part of the *acquis communautaire*, and it is important to increase information to the social partners in this area. It has also obtained its patent of nobility with the progress made by the Treaty of Amsterdam which allows involvement of the social partners in a process of shared governance.

An autonomous social dialogue does not mean that governments have no role to play. Consultation of the social partners cannot be avoided in a growing number of areas due to the interdependence between the economic and social areas, but also for coordination of the policies of Member States (European employment strategy). A gap may open up between increased social dialogue at Community level and the absence of consultation at national level, which is not without its risks. The government can help to create a framework which facilitates social dialogue (1998 Commission communication): sectoral social dialogue committees, which now number 26). In some Member States, the ministry of labour registers and analyses collective agreements. This is an important activity which is referred to as "the administrative capacity of social dialogue". It is a key term in the accession negotiations. In effect, the accession criteria relate not only to transposition of the *acquis communautaire* but also the administrative capacity to implement it.

The accession negotiations have passed through a first phase in which the EU endeavoured to examine the situation of the candidate countries and their possibilities for adopting the social *acquis*, leading the candidate countries to make a number of undertakings. Thus, in a number of countries, it has been possible to close chapter 13 (employment and social affairs) provisionally, and this is under way for others. The monitoring exercise (verification of implementation of the undertakings) continues. Outside these negotiations, the Commission has put in place a group of experts from candidate countries whose task is to draw up a section on social dialogue in the Commission's next report. Enlargement will be addressed by the "high-level group" on industrial relations, set up by the Commission a few months ago, to reflect on the future of industrial relations in Europe. Involvement of the social partners is crucial for the success of enlargement.

The combination between autonomous social dialogue and involvement of the national and Community social partners in order to ensure more balanced and more coherent economic and social development in the candidate countries. That is also the message delivered at the Lisbon Council. Two conditions are necessary for modernisation of the economic and social model: first, articulation of policies with a good mix between economic, social and employment-promotion actions; then, mobilisation of all players whose task is to contribute in a coordinated manner. The agenda on social policy, adopted in Nice, is based on these two principles. The social partners are among these players. Their increased role also represents one of the keys to good implementation of the *acquis communautaire* at local level.

These different subjects are not easy for the social partners in the candidate countries to tackle. That is why the cooperation represented by this seminar promises to encourage progress. I can only support your willingness to pursue this work and the Commission will examine how it can help you to continue these exchanges and to give initiatives in this area concrete form.

#### **Thérèse de Liedekerke, Social affairs director of UNICE .**

Despite some fears on both sides, member countries and candidate countries, enlargement is in our shared interest. In this initiative, several speakers have underlined that we need to take account of society as a whole.

Organisations can play a constructive role by disseminating knowledge about the acquis communautaire, through information and training. In most countries, progress still needs to be made to ensure that organisations obtain quality information from their respective governments, which they can then circulate to their members. Financial resources are not necessarily the only crucial problem, the capacity to mobilise the expertise of our members is an element which can push back the boundaries. Another factor to be taken into account is the time available for analysing information. It is important to negotiate timetables which leave enough time for this work to be done.

Regarding social dialogue, it is important to clarify the role of the state and the social partners in the private sector and in the public sector. In addition, it is necessary to distinguish the areas which fall within the ambit of tripartite negotiations and those which are the province of bipartite negotiations. Articulation of the different levels of bipartite negotiations is also an area which poses questions. On several occasions speakers have deplored the fact that sectoral social dialogue is too weak; the absence of sectoral agreements is not necessarily a problem. If the sectors do not sign agreements, it may be that productivity is still very different between companies in the same sector. The candidate countries could draw inspiration from the experience of certain member countries. For instance, in some countries, there are systems where sectoral organisations do not want to negotiate an agreement for the entire sector, but where they intervene to give assistance for negotiation of agreements in individual companies. There is no universal model and the social partners in the candidate countries are best placed to determine which system best suits them.

A new conference is envisaged. In this framework, it would be interesting to pursue the exchange of experiences in specific areas. In the framework of these exchanges, it is also important to make a comparison between the experiences of member countries and candidate countries, to see that problems exist in member countries. A more targeted exchange could be held at a wider meeting of the Social Dialogue Committee.

#### **Alain Wolf, Adviser to the President of CEEP**

This conference has been marked by a very great diversity of descriptions and situations. What is at stake with the enlargement process is of major importance. The social partners who have taken the initiative of organising this seminar must be encouraged to pursue together actions for the development of social dialogue, since progress still needs to be made in the candidate countries but also in member countries.

Representing public undertakings and undertakings which perform services of general interest (i.e. about 10% of the European economy), CEEP shares the interest and the importance of social dialogue. We can identify good practice among our members, which allow us to contribute jointly to economic development and social progress. To that end, it is necessary for the social partners to exist, and for them to be autonomous and legitimate (i.e. representative). It is also important that these players have mutual respect and listen to each other in order to carry out concerted, negotiated actions. The existence of confrontations and conflicts is normal, but a modus operandi which is genuinely based on social dialogue presupposes that the social partners are responsible and do not remain on antagonistic and intransigent positions. To move forward, we need to be convinced that making compromises and accepting compromises does not mean yielding or abandoning our convictions. On the contrary, finding and accepting a compromise is a strength, a victory on the road to agreement. For that, it is essential for mentalities to develop on the side of employer organisations as well as on the trade union side, and even the government side.

Development of dialogue is a real resource at the service of an enlarged and modern Europe. This seminar is an illustration of that and should therefore be followed up. CEEP will pursue its initiatives through

meetings in Brussels and bilateral partnerships, as is already the case. With the trade unions, we are promoting a charter for services of general interest, whose objective is to establish a reference framework for this shared value affirmed by the Treaty. Among the types of follow-up to be given to this seminar, we are thinking of an increase in the number of opportunities to get to know each other better, in particular through exchanges of practice. We can also develop the involvement of candidate countries in meetings in the framework of the European social dialogue, and give them access to existing tools and organisations (for instance the observatory for industrial relations). Lastly, we react with interest to an idea expressed here regarding extension of the scope of social dialogue to sectors such as health or education.

### **Emilio Gabaglio, General Secretary of ETUC**

We can congratulate ourselves on the ground covered since the Warsaw conference. It is a positive fact for the enlargement process and for social dialogue itself. The concept of "social dialogue" covers different realities. In this conference, deliberations have revolved around the notion as it is defined in the European Treaties.

There is no single model, especially for the candidate countries which are in a phase of transition. They are putting in place systems and mechanisms which correspond to the notion of social dialogue but with tripartite and bipartite arrangements which sometimes become confused. Clarifications will certainly be needed in the future, but we must be patient. Different routes are taken to reflect specific needs. For example, if the definition of pay and working conditions must in principle remain a competence of the social partners, it should be noted that, even in EU member countries, we have often signed tripartite social pacts in this area at moments of crisis. Thus, the rules must be allowed to develop progressively and, above all, we must avoid establishing ready-made formulas. Social dialogue develops as a function of the circumstances and needs of each country. It is essential to adopt a flexible attitude in this matter.

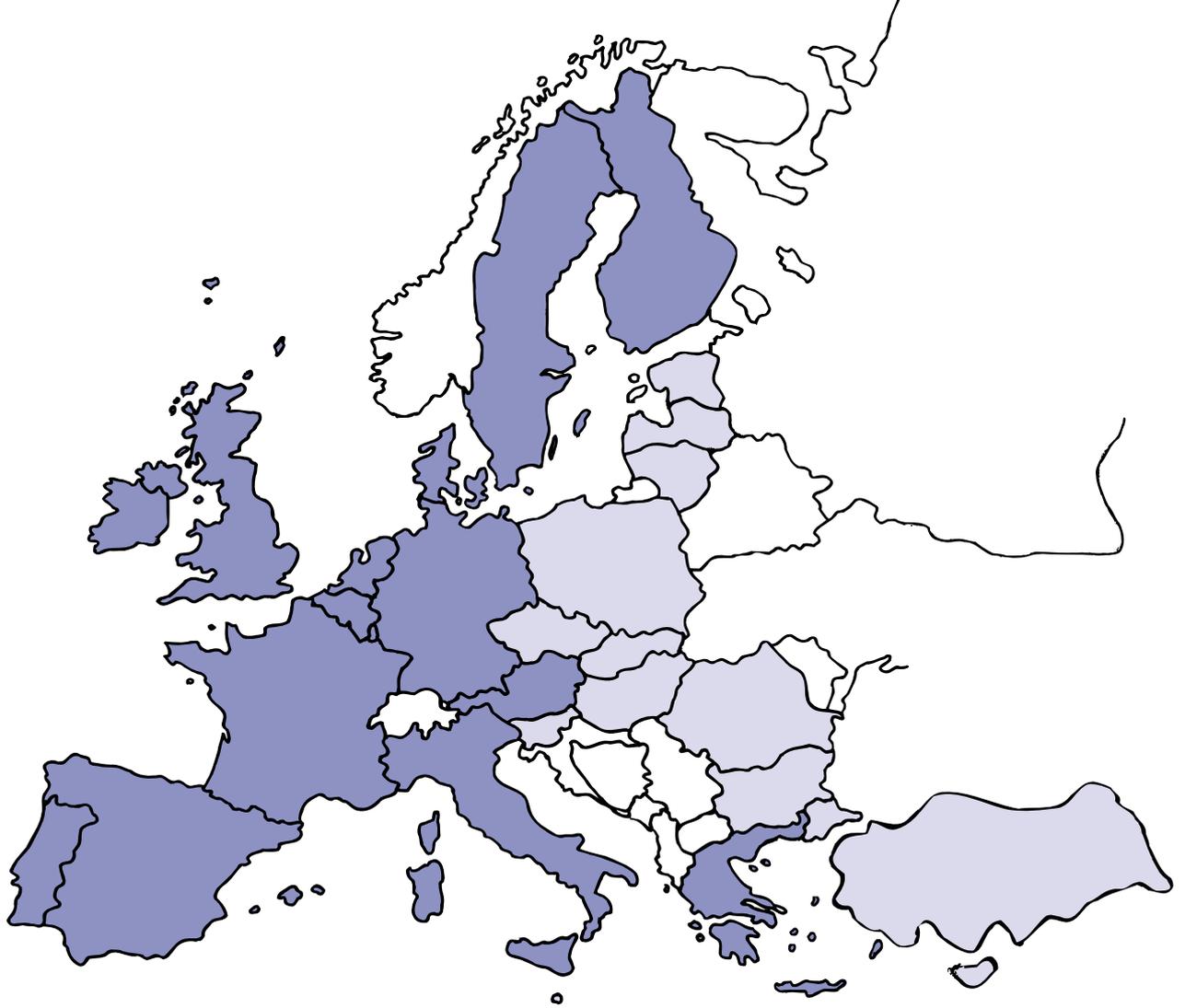
Social dialogue is presented clearly in the Treaty on European Union as a reference element. During this conference, everyone has noted that dialogue is the only way of managing integration of economic and social needs. Social dialogue is the pre-eminent European way for managing the market economy. It represents the very essence of the "European social model". Mrs Fay Devonic has reaffirmed that it forms part of the *acquis communautaire*. Therefore, the Commission must be vigilant regarding the attitude of certain candidate countries which have a tendency to consider that social dialogue is an "optional question". We therefore welcome the Commission's wish to have a "monitoring activity" in this area.

But the social partners also have a role to play. As and when necessary, ETUC will denounce shortcomings and slippage, as it has already done. The employer organisations could also be concerned by situations which are unsatisfactory in practice. First of all, to have a social dialogue of quality, it is essential for the players to be representative and legitimate. To that end, we sincerely want employer organisations to be able to organise more in the candidate countries. As a trade union organisation, we have made a clear choice. Since the fall of the Berlin Wall, we have practised a policy of rapprochement. In a first phase, we gave observer status to representative and democratic organisations. Then, starting in 1999, we secured the affiliation of a very large number of trade union organisations. Today, with one exception, all the representative confederations in the candidate countries - including Turkey - are full members of ETUC.

Mrs de Liedekerke has made proposals regarding the possibility of involving the social partners in the candidate countries more closely in certain "Brussels activities". It fully supports the idea of wider meetings of the Social Dialogue Committee, which brings together the social partners at European level. I also wonder about ways of involving the social partners in some bodies during the phase of accession negotiations. It must be possible to involve observers from the candidate countries in some of the EU advisory committees in which the social partners have seats. Similarly, in budgets, it is important to remove obstacles to involvement of the social partners in candidate countries in some European activities.

In order to pursue our cooperation, it is interesting to preserve our habit of meeting, also in plenary sessions, but we also envisage a series of liaison activities and work on specific points in the future.





## PART 3

# PARTICIPANTS LIST

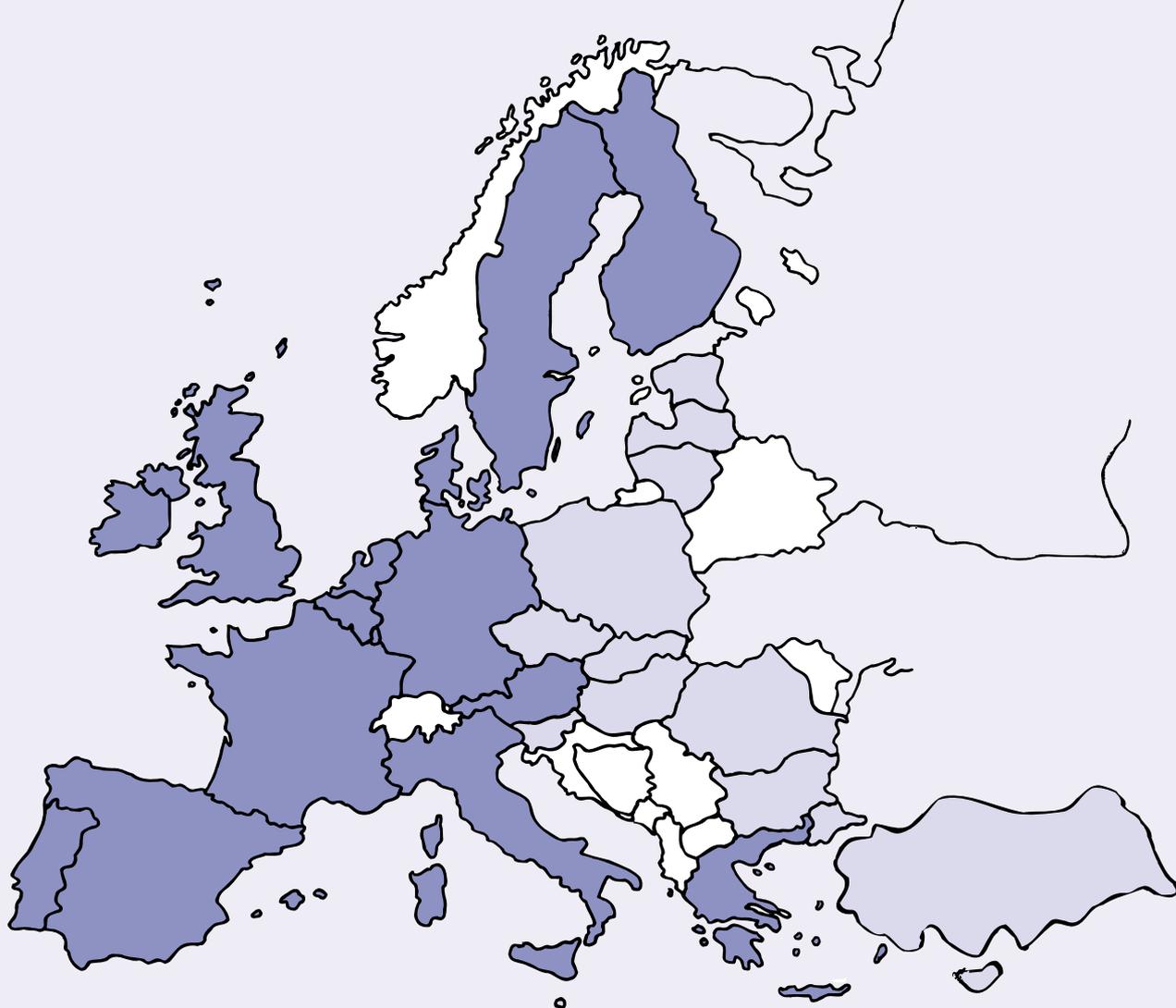


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BULGARIA	VASSILEVA	Elena	CITUB
BULGARIA	TEBEIAN	Dikran	Bulgarian Industrial Association
BULGARIA	TCHOLAKOV	Rangel	Bulgarian Chamber of Skilled Crafts
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<b>COUNTRY / STATUS</b>	<b>LAST NAME</b>	<b>FIRST NAME</b>	<b>ORGANISATION</b>
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SLOVAKIA	MAGVASI	Peter	Slovak Minister of Labour, Social and Family Affairs
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	COURTY	Claude	CGC
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ETUI	LANGEWIESCHE	Renate	ETUI
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ETUC	SEIDENECK	Peter	ETUC
ETUC	GRADEV	Grigor	ETUC
ETUC	CLARKE	Penny	ETUC
ETUC	ETZ	Waltraud	ETUC
ETUC	BENCHAYA	Naomi	ETUC
ETUC	SLOSSE	Dominique	ETUC
CEEP	GAVA	Nunzia	CEEP
CEEP	ROCHE	Jérôme	CEEP
CEEP	WOLF	Alain	CEEP
CEEP	BOURGUET	Pierre	CEEP
CEEP	HANSEN	Benny	CEEP
CEEP	ORBAN	Stephan	CEEP
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UEAPME	HUEMER	Gerhard	UEAPME
UEAPME	VOLOZINSKIS	Liliane	UEAPME
UNICE	DE LIEDEKERKE	Thérèse	UNICE
UNICE	BOUT	J-Karel	UNICE



## PART 4

# SYNTHESIS REPORT

Franciszek DRAUS

UNICEF  
The Voice of Children in Europe

UEAPME





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## I N T R O D U C T I O N

In the context of enlargement of the European Union and with the support of the European Commission's Directorate-General for Employment and Social Affairs, the European social partners (UNICE / UEAPME / CEEP / ETUC) launched a project whose purpose was to take stock of social dialogue in the ten countries of central and eastern Europe, Cyprus, Malta and Turkey. In its early stages, this project consisted in carrying out a series of investigations into the institutional underpinning and representativeness of employer and trade union organisations as well as the institutional structures for social dialogue. The aim was to acquire direct knowledge about the main players in social dialogue, their organisational structures, their strategies and their problems, not only in order to have a better understanding of the social and economic developments currently in train in the countries concerned, but also and above all to give an insight into the real capacity of the social partners in these countries – especially in the countries of central and eastern Europe – to promote autonomous and politically effective social dialogue. Development of such social dialogue is essential for implementation of numerous European directives in the field of social policy. Autonomous social dialogue (without the participation of the public authorities) is also an essential feature of the European social model.

What is the legal, institutional and political situation of employer and trade union organisations in the candidate countries? What are these organisations' strategies for action with a view to promoting autonomous social dialogue? What problems do they face? What is the current situation of tripartism and autonomous social partnership in these countries? What institutional forms exist for representation of workers' interests at company level? What institutional guarantees are in place to ensure workers' right to information and consultation? How do the social partners participate in the policy of their respective countries for accession to the European Union? How are they preparing themselves for their role as players in an enlarged EU?

We will endeavour to provide some responses to these central questions. However, before doing so, we thought it necessary to make a number of comments on the methodology. An initiative designed to draw general conclusions about the situation of employer and trade union organisations and about the present situation of social dialogue in thirteen different countries is bound to run up against many methodological limits. First of all, such an initiative must take account of a large number of specifics which characterise and differentiate the countries of central and eastern Europe on the one hand and countries such as Malta, Cyprus and Turkey on the other. The countries of central and eastern Europe differ in many respects from countries such as Malta or Cyprus, which have generally followed the western line of socio-economic development. In addition, the case of Cyprus has a specific complexity, linked to the political division of the island. Turkey is also a case apart, for reasons which are known. Furthermore, such an initiative must be sensitive to differences between the individual post-communist countries. These countries also differ from each other in terms of the institutional consolidation of employer organisations, the situation of trade unions or tripartite practice. It will be clear that general conclusions about the Polish, Czech or Hungarian case will probably be of limited validity for Bulgaria or Romania, and vice versa.

Another limitation of our overview arises from the evolving nature of socio-economic realities and forces in the countries of central and eastern Europe. These countries are in a state of ongoing change. Everything is in flux and almost everything is changing. The political, economic and social transformation is far from complete in these countries. Moreover, it has been designed as a project which will continue to run over the decades ahead. The evolving nature of social and economic realities in these countries clearly applies to employer and trade union organisations as well. It would be premature to consider that the employer and trade union systems currently in place in these countries have been defined once and for all.

Thus, having drawn attention to the above-mentioned methodological difficulties and limits, we will develop an approach of generalisation focusing on the issues of representativeness, institutional resources, political challenges and structural problems faced by both employer and trade union organisations. In chapter 1 we will seek to identify a number of general traits common to employer systems. In chapter 2 we will analyse the situation of the trade unions. Chapter 3 will be devoted to the issue of tripartite social dialogue. We will then address the question of representation of workers' interests at company level, notably institutional solutions for ensuring workers' right to information and consultation. Chapter 5 will relate to the issue of collective agreements. The last will comprise comments on the participation of social partners in the policy of their respective countries for accession to the European Union.





# 1. Employer organisations

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The institutional development of employer organisations in western countries in the 20th century was inspired to a large extent by the growing strength of trade unions, often going hand in hand with the influence of political forces – also growing – calling for establishment of so-called social democracy as well a shift in state policy towards an ever higher level of interventionism. In the face of these major social and political trends, employers clearly understood the interest in centralising their actions in order to be better able to defend themselves and to exert more effective pressure on the state and trade unions. Yet, employer organisations in the countries of central and eastern Europe have been formed in a completely different political and historical context, i.e. in a situation characterised by a massive withdrawal of the state (a radical reduction in the involvement and responsibilities of the state in economic and social life) and the timidity or even political weakness of trade unions. Without the need to confront strong and demanding trade unions, these organisations have developed essentially as interest groups whose priority concerns are economic policy, privatisation of businesses and integration of post-communist economies in European or global economic structures.

The historical context of the formation of employer organisations in the countries of central and eastern Europe demonstrates other peculiarities. For instance, a number of employer organisations in Poland, the Czech Republic or Slovakia have been created at the instigation of and with considerable assistance from the state (sale of premises for a peppercorn price, availability of offices and/or infrastructure, political encouragement through invitations to participate in government consultative bodies, etc.). One of the reasons for this attitude on the part of the state has been the wish to put in place tripartite structures for social concertation, in line with the philosophy and recommendations of the International Labour Organisation. To allow tripartite social concertation to be conducted, it was first necessary to create a partner for the employer side. The employer organisations created in this particular political context necessarily represented state enterprises in the first instance. It is true that there have also been spontaneous and independent initiatives designed to put in place associations representing the fledgling private sector alone. But employer policy in the above-mentioned countries in the early years after the collapse of communism was dominated by organisations representing state enterprises. In the countries of central and eastern Europe, some employer organisations were formed as offshoots of chambers of business. In Slovenia, the creation of the two most important national employer organisations was inspired respectively by the chamber of commerce and industry and the chamber of handicraft businesses. In Hungary, the most important employer organisation (MGYOSZ) regards itself as the successor to the chamber of commerce and industry as far as representation of employer interests is concerned. Employer organisations, the creation of which was inspired by business chambers, have enjoyed substantial political support. In addition, from the outset they have received major institutional resources (offices, personnel, members, etc.).

From a historical point of view and in comparison with the development of most employer organisations in the western European countries, one can say that employer organisations in central and eastern European countries emerged in the early 1990s not as structures resulting from a real historical need felt by employers because of specific problems linked to the functioning of the economy and trade union demands, but rather as institutions expressing a rational anticipation related to possible conflicts and problems of the economy destined to be liberalised and privatised.

Today, employer organisations in these countries have a formal presence and conduct activities in a manner which brings them much closer to western blueprints for representation of employer interests. In many cases, the specific genesis of these organisations still represents in a certain way a drag on their political credibility. If their representativeness remains generally weak, it is also because they often fail to inspire sufficient confidence among new private employers.

It is clear that analysis of the formation and institutional development of employer organisations in Malta, Cyprus and Turkey requires a different categorisation and a different type of thinking. In the case of Malta, its British colonial past, and hence the influence of the British socio-economic tradition, is certainly an important factor for explaining this situation. But Malta's geostrategic position also provides an insight into some of the socio-economic traits that are specific to this country, notably relatively strong involvement of the state in economic life. In the case of Cyprus, Greek or Turkish socio-cultural influences have helped to co-determine the institutional framework for economic life, and employer organisations also form part of this framework. Turkey is also a case apart. Since the early 1980s this country has made significant political and economic progress, e.g. by accepting the autonomy of the social partners.

In European Union candidate countries, employer organisations are many and cover all economic sectors. They act at sectoral or regional level, then forming sectoral or horizontal national confederations. However, the degree of centralisation of employer organisations varies from country to country. In addition, the greatest diversity of employer configurations is found at national level. In Hungary and Romania, horizontal employer organisations acting at national level form complex pluralist systems, which are also marked by rivalries between different

confederations. The situation is the opposite in Slovenia. In that country, employer policy is dominated by the organisation ZDS, which acts in the framework of social dialogue together with the chamber of commerce and industry. In Slovakia, Estonia, Latvia and Turkey, the national system of employer organisations is dominated by one confederation which leaves all others standing in terms of institutional resources and political significance. In the other countries, employer systems are characterised by different pluralist configurations. Polish employer pluralism tends to be unstable and conflictual. Czech employer pluralism is more moderate and cooperative.

## Legal basis

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In most European Union candidate countries, employer organisations are associations (in the legal sense) which represent the interests of employers (interests linked essentially to social policy and trade union demands) and the interests of entrepreneurs (interests relating essentially to economic and commercial policy). As associations, they are not subject to specific administrative verification procedures. All they need do is comply with the law on associations which, incidentally, comprise fairly general provisions in all European countries. A formal and political distinction between employer organisations and business associations exists only in countries which have specific legislative rules covering employer organisations. This has been the case in Poland since 1991 and Latvia since 1999. In those countries, employer organisations operate on a specific legal basis. The law grants them particular political privileges, for instance the exclusive right to act in the framework of tripartite institutions and in the area of industrial relations. Employer organisations may also practice economic lobbying. But business organisations, which are associations (in the legal sense), do not have the right to act in the area of social dialogue and industrial relations. It appears that Romania is moving towards a similar dualist model. A law on employer organisations was expected to be adopted in the course of 2000. In Turkey and Malta, employer organisations also operate on a specific legal basis. But these are legislative instruments which regulate the question of the formal and political status of employer organisations in a much wider context, encompassing the formal and political status of trade unions, social dialogue and industrial relations. Thus, in these two countries there is specific legal regulation of employer organisations without there being a special law on that type of organisation.

## Representativeness

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The representativeness of employer organisations can be discussed in both legal and sociological terms. In the candidate countries, there are generally two types of legal regulation covering employer representativeness. Either representativeness understood as the legal capacity to negotiate and conclude collective agreements, or representativeness at national level defined by the criteria for admission to the bodies for tripartite social dialogue. In the first case, the conditions for sectoral representativeness are usually set out in labour legislation, in liaison with rules for collective bargaining. In the second, there are instruments (laws, agreements) establishing tripartism and comprising criteria which are then regarded politically as representativeness criteria – this is the case in the Czech Republic, Slovakia and Hungary for example – or this question is regulated in labour legislation, as is the case in Bulgaria and Romania for example. In Latvia, it is the law on employer organisations which defines both the representativeness of employer organisations at national level (including the right to act in the framework of tripartism) and representativeness at sectoral level (including the right to act in the area of collective agreements).

However, it is important to note that representativeness criteria, whether they relate to sectoral employer organisations or horizontal national organisations, are defined in most candidate countries in a fairly general manner and with wording that tends to be rather vague. In Bulgaria, for instance, in order to be recognised as representative at national level, a given employer organisation must bring together at least 500 enterprises and comprise at least two sectoral organisations which in turn represent at least 50 employers each. They must also have territorial structures which cover at least half the regions of the country, with at least 10 employers in each. In this country, there are currently four horizontal employer organisations acting at national level which are officially recognised as being representative. In Romania, to be recognised as being representative at national level, a given employer organisation must cover through its member organisations at least one quarter of economic sectors and have regional structures in at least half of the regions. In that country, there are eight employer organisations which are recognised as being representative at national level. It should be noted that two new national employer confederations were created there recently.

The representativeness criteria applicable to employer organisations in European Union candidate countries generally seem to endorse the present situation of the institutional and political development of these organisations. It appears that they have been put in place not to select or eliminate, but precisely to stabilise or give political legitimacy to existing organisations. It is possible to advance the theory that the representativeness criteria are more specific and more demanding in countries where employer organisations are best developed. In countries where they are

less developed, these criteria tend to be vague and tolerant. However, in Poland, where the formation and functioning of employer organisations are based on special legislative regulation, there are no specific criteria for their representativeness. The labour code gives sectoral employer organisations the right to negotiate and conclude collective agreements without laying down any criteria as to how this right is to be acquired. Membership of employer organisations in the tripartite committee is not linked to any specific conditions being met. In Lithuania, there is a similar situation in this respect. In Latvia, legislative rules on the representativeness of employer organisations have been conceived in such a way as to ensure single representation of employer interests, at both sectoral and horizontal national level. At sectoral level, an employer organisation is regarded as being representative if it covers the largest number of workers in a given economic sector. Such an organisation obtains the exclusive right to represent the corresponding employer interests. At national level employer representativeness is defined on the basis of the same logic. The organisation which brings together companies employing the largest number of workers as a percentage of the total active population is regarded as being representative and automatically acquires the exclusive right to represent horizontal employer interests vis-à-vis the state and in the framework of national social concertation.

In most candidate countries, it is considered that the representativeness of employer organisations is a fact when the corresponding claim of a given organisation is not contested by either the trade unions or the government. But Bulgaria and Romania have adopted solutions which are much more demanding than this. In those countries, confirmation of the representativeness of an employer organisation acting at national level presupposes a formal verification by a competent court, and then a decision by the government.

The representativeness of employer organisation in the sociological sense leads to highly varied analyses. In terms of the number of member companies, the representativeness of employer organisations in the countries of central and eastern Europe is generally weak. It is estimated that these organisations, taken together, bring together around 30-40% of industrial enterprises or 2-5% of the firms active in a given country. In these countries, employer organisations bring together, in variable proportions, both state-owned undertakings, privatised businesses (many of which remain under total or partial state control) and private companies. It is evident that these proportions are changing, as a function of progress with privatisation and general economic development. But the mixed representativeness of employer organisations is not merely a statistic. It also presents an important political problem. Simultaneous articulation of the interests of state-owned undertakings and private companies obviously requires very different, sometimes contradictory, action strategies. In Turkey, the interests of state-owned and state-controlled undertakings are in principle represented by specific employer organisations, but these organisations in turn belong to the national confederation TISK, which acts on behalf of Turkish employers as a whole.

In most candidate countries, including those that have not been subject to communism, public-service undertakings are represented by general employer organisations (sectoral or horizontal). Hitherto, the trend towards creating specific associations to represent public-service undertakings exclusively has been weak. Such organisations exist in Hungary and Turkey. An organisation of this type was recently created in Romania.

Representation of the interests of small and medium-sized enterprises in the candidate countries tends to be good, although it is sometimes not very coherent and highly dispersed. In several countries (Czech Republic, Hungary, Slovakia, Malta) there are even several national confederations which represent small and medium-sized enterprises. Some of these organisations represent small and medium-sized enterprises exclusively, whereas the others represent them in a more general framework, encompassing other types of business as well. In Poland, small and medium-sized enterprises are represented at national level essentially by the chamber of handicrafts. Yet, the latter is a special case. It performs functions which go well beyond the remit and role of traditional employer organisations.

In the countries of central and eastern Europe, employer organisations seem to have particular difficulties regarding the membership of newly created private enterprises. Why do new private employers hesitate to join organisations which claim to act on their behalf and promote their interests? Several factors allow a response to this question. It is clear that their validity must vary from country to country. However, generally, it can be said that private employers prefer to act in line with individual strategies, vis-à-vis not only the state but also trade unions. Above all, they seek to achieve their objectives through individual political contacts or individual arrangements negotiated at company level.

## Institutional resources

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In the case of many national employer confederations in the countries of central and eastern Europe, a significant disparity can be observed between the claims they make in terms of representativeness on the one hand and the real institutional resources at their disposal on the other. For instance, the Polish employer confederation

deration, which represents more than 70 sectoral and regional organisations, is managed by an office which is surprisingly small. STRATOSZ (Hungary), which brings together around 40 enterprises, is managed also by a small office. Some Czech confederations are also managed by a minimum number of personnel. However, there are also employer confederations which possess highly developed administrative structures. These are, notably, Svaz Prumyslu (Czech Republic) and AZZZ (Slovakia), but also the Bulgarian industrial association, IPOSZ and MGYOSZ in Hungary as well as the Polish confederation of private employers.

For employer organisations, the relationship between representativeness and the degree of institutional development is not always simple. Employer organisations which are well developed can sometimes be fairly unrepresentative, whereas organisations with a respectable level of representativeness can have modest administrative structures. The institutional development of organisations depends essentially on their financial resources, which may come from a wide variety of sources (investment income, rent, etc.) and may rely only in part on subscriptions. Thus, an organisation which has good financial resources in addition to subscriptions can afford to put in place broad administrative structures regardless of how many members it has. Furthermore, such an organisation can expect to attract new members, using its institutional consolidation as an advertisement for the quality of its existence and services.

Another factor to be taken into consideration in the context which interests us here is the internal operation of given organisations. In this regard, two models can be distinguished. Employer confederations may be steered and managed by a national centre which is politically strong and institutionally well developed, or they may operate as coordination bodies for their member organisations or companies. In the latter case, most of the work carried out by a given national employer confederation would be based on its sectoral or regional member organisations. It seems that the Polish employer confederations illustrate clearly these two philosophies for action: the Polish confederation of private employers acts essentially through a strong national centre, while the confederation of Polish employers has a largely decentralised system and is composed of sectoral and regional organisations which are very autonomous.

Generally speaking, the level of institutional development of most employer organisations in the countries of central and eastern Europe is fairly weak. This situation is the result of two major phenomena. First, the low level of discipline among member companies regarding payment of subscriptions. Second, a lack of interest among employers in institutional consolidation of their organisations. These two phenomena are linked. They arise from the economic culture which is in the course of developing in these countries. It is often said that employers in some candidate countries are slow to pay subscriptions to employer organisations because they are not tax-deductible. Tax-deductibility in this area is certainly not unimportant, but it does not appear to be so decisive for the institutional development of employer organisations. In Poland, the question of deductibility was settled in 1997, in line with the argument advanced by employer organisations, but this has in no way led to an improvement in the condition of the confederation of Polish employers, which is still precarious. In Hungary, subscriptions are paid irregularly or only in part, despite complete tax-deductibility. Against that, Svaz Prumyslu tends to receive subscriptions regularly, even though they are not tax-deductible in the Czech Republic. Thus, the question that needs to be asked in this context does not relate to tax-deductibility, but rather to why employers sometimes prove dilatory about paying their subscriptions to organisations of which they are after all members. Our first theory is that they do not want employer organisations to become too powerful institutionally and politically. Our second theory is that they do not want to for reasons which are linked to the issue of collective agreements and the social dialogue.

## Activities

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In the countries of central and eastern Europe, national employer confederations carry out a range of internal and external activities. They offer various services to their member organisations or companies. They act vis-à-vis political bodies and administrative authorities. They are most concerned about questions of economic, fiscal and commercial policy. However, some significant disparity can be noted in the action of these confederations, i.e. the disparity between the number and intensity of initiatives targeting the state or government on the one hand and the number and quality of internal activities on the other. These organisations invest the lion's share of their institutional resources in activities linked to tripartite social concertation. They sometimes make political commitments without always being capable of meeting them through a corresponding mobilisation of their member organisations or companies.





## 2. Trade unions

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After 1989, most of the trade unions in central and eastern Europe emerged from reformist initiatives within the former communist trade unions organisations. These initiatives have succeeded in the formation of new trade unions structures, from the level of enterprises to the level of national confederations. The trade unions, which were created in such a way, retained respective parties of the assets of the precedent trade unions organisations and a fair number of former members. Politically, they rapidly established themselves as important players in the domain of social dialogue and professional relations.

However, this analytical scheme does not apply in its entirety to the development of trade unions in Poland and Bulgaria. In the case of Poland, the history of the trade union Solidarity has specific features, as we know. After the fall of communism, it was splits within Solidarity which gave birth to several new trade unions. The case of the Bulgarian Podkrepa is in some ways an imitation of the Polish Solidarity, in the political conditions after 1989. It is clear that the formation of trade unions in Malta, Cyprus and Turkey refers to other circumstances and requires different considerations.

The trade union systems currently found in most European Union candidate countries are pluralist systems. But there are several types of trade union pluralism in these countries. In some cases, there is an ideological pluralism. In others, there are just several national confederations without there being any significant ideological differences. In Poland, Hungary, the Czech Republic, Slovakia and Malta, there are trade unions which refer explicitly to Christian values. Apart from the Polish Solidarity, trade unions which make reference to religion are institutionally very weak and tend to play a politically marginal role. However, it does not appear that ideological definitions or references to values are very important for an understanding of trade union systems and trade union policy in the countries of central and eastern Europe or Malta. In Turkey, there are trade unions which refer to the Islamic religious tradition.

In the countries of central and eastern Europe, trade union pluralism is manifested in a great variety of configurations. In Hungary, there are six central national trade unions which are regarded as being representative. In Romania, there are five. In Lithuania, there are four. In these three countries, trade union pluralism was characterised in the early years after the collapse of communism by strong rivalry between the most important central organisations. Today, this rivalry is less marked. In Hungary, trade union pluralism is even becoming increasingly cooperative. In the Czech Republic, Slovakia and Slovenia, there are several national trade union confederations, but trade union policy in these countries is dominated in reality by one organisation only, which marginalises all the others. In Poland and Bulgaria, there is a bipolar pluralism. Trade union policy in those countries is dominated by two large central trade union organisations and is characterised by tensions between them. However, in recent years, this bipolarity has greatly moderated. In Latvia, the trade union landscape is dominated by the LBAS organisation to such an extent that it is even possible to speak about a trade union monopoly in that country.

Malta, Cyprus and Turkey also have trade union pluralism. In the Maltese case, there is a stable plural configuration, with institutional stability and historical roots. In Turkey, trade union development is subject to the vagaries of state policy. However, over the last decade there has been some consolidation of trade union structures in the country.

## Legal basis

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In European Union candidate countries, trade unions are formed and operate on very diverse legal bases. In Hungary, the Czech Republic and Slovakia, they are associations in terms of legal status. This simple legal arrangement makes it possible to create trade unions with as few as three or five persons, without too many formalities. In Bulgaria, the labour code guarantees freedom to join and create a trade union with no restrictions on the minimum number of workers. In Poland, Romania, Lithuania, Latvia and Slovenia, the creation and operation of trade unions are governed by special legislative rules which comprise detailed provisions not only on the formal conditions for their creation and operation but also on their rights and privileges. In Estonia, a new law on trade unions was expected to be adopted in 2000. In Poland, creation of a trade union in an enterprise presupposes the involvement of at least ten persons. In Romania, this requirement rises to fifteen persons. In Latvia and Lithuania, the laws are particularly restrictive regarding the formal conditions for the creation of trade unions. In those countries, the formal registration of a trade union in an enterprise requires the formal involvement of a fairly large number of workers: at least fifty persons or at least 25% of the personnel in the case of Latvia, and 20% of the personnel in the case of Lithuania. Such regulation must raise doubts about its conformity with the principle of trade union freedom and European norms in this regard. In Malta and Turkey, there are also legislative rules regarding creation, operation and the rights of trade unions. In the case of Malta, the rules encompass the entire question of professional relations.

However, it should be added that, independent of laws on trade unions, trade union rights and the principles of legal protection of trade union officials are expressed and confirmed in the labour legislation of all candidate countries. Generally, they are in line with the political requirements of the International Labour Organisation and the relevant European norms.

## Representativeness

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In the candidate countries, the question of the representativeness of trade unions is dealt with partially in labour legislation, notably in the context of definition of legal capacity to conclude collective agreements, and partially in legislative instruments (laws, agreements) instituting tripartite consultations. In this latter case, the conditions for access to tripartite bodies are regarded as representativeness criteria. However, the question of trade union representativeness has yet other dimensions which go well beyond any specific legal definition. First of all, the candidate countries accept the principle that trade unions represent the interests of workers, not only the interests of their members. In some candidate countries, trade unions are recognised by the law as the only institutional representation of workers in the enterprise. The question of trade union representativeness at sectoral or national level is sometimes regarded as an eminently political question arising from de facto recognition by employers or the government, independent of this or that formal criterion. Such considerations prevail in Poland, the Czech Republic and Hungary for example.

In most candidate countries, definition of trade union representativeness at enterprise level follows a certain scheme which we can elucidate with the following examples. In the Czech Republic and Slovakia, the right to negotiate collective agreements at enterprise level is granted to the trade unions which operate in any given enterprise. But conclusion of collective agreements requires the effective support (number of trade union members, approval by the personnel) of at least half of the workers concerned. In Poland, the law also requires trade unions which wish to conclude collective agreements to bring together at least 50% of the workers in the enterprise. In Hungary, a trade union is recognised as being representative and may thus negotiate collective agreements at enterprise level if it can demonstrate that its candidates have obtained at least 10% of votes in the most recent elections for the works council. But, in order to be able to conclude such agreements, it must also demonstrate that its candidates have obtained at least 50% of votes in such elections. If not, the negotiated agreement has to be submitted for approval by the personnel. This approval requires absolute majority.

Regarding the representativeness of sectoral trade unions, candidate countries generally practice the two following solutions. First of all, sectoral trade unions which belong to national confederations, which are themselves officially recognised as being representative, are also automatically regarded as being representative. In other cases, trade union representativeness at sectoral level is identified on formal acquisition of the right to negotiate and conclude sectoral collective agreements. Legislative rules covering the legal capacity to conclude sectoral collective agreements generally comprise as the main criterion a certain percentage of members, measured against the volume of the population active in given economic sectors. In most cases, this benchmark is 10%. However, in Slovenia it is 15%, and in Romania 7%.

In candidate countries, the representativeness of trade unions at national level is seen on a similar perspective. Generally, this representativeness is measured against the criteria for admission to tripartite social partnership. But political or historical considerations also play a certain role here. Hungary provides a good example of simultaneous and complementary application of these two approaches, statistical and political. But there are also other examples in this regard. In Bulgaria and Romania, recognition of trade union representativeness at national level necessarily involves a regulatory instrument promulgated by the government on the basis of a prior decision by a competent court. In Bulgaria, recognition of the representativeness of a trade union organisation at national level presupposes the following conditions: at least 50,000 members; presence in a majority of economic sectors; at least 50 grass-roots sections in each sector represented, each section comprising at least five members; institutional presence in 80% of regions in the country; at least 50 grass-roots sections in each region represented, each comprising at least five members. In Romania, a trade union which is representative at national level must demonstrate a membership equal to at least 5% of the active population and cover at least one quarter of economic sectors and one half of the regions of the country. In Latvia, the agreement establishing the national tripartite council comprises a reference which expressly confirms that the trade union LBAS is the only trade union which is representative at national level. In Poland, there are no legal rules at the present time setting out the criteria for admission of trade unions to the tripartite commission. In that country, recognition of trade union representativeness at national level is above all a question of political recognition. In Estonia, trade union representativeness at national level is a question of de facto recognition. It is true that the new law requires representative trade unions to have large numbers of members, a capacity to mobilise these members, an organisational capacity to articulate the interests of workers, and that they participate in public debates, but these are conditions which necessarily involve assessments of a political nature.

Representativeness in the sociological sense (number of members, number of grass-roots sections, number of economic sectors covered) is very variable in the European Union candidate countries. In Slovenia, Bulgaria and Romania, the level of trade union membership is currently between 40 and 60%. It is also fairly high in Malta and Turkey, where it is just above 60%. Against that, trade union membership is less strong in Poland, the Czech Republic, Hungary and the Baltic states. There it averages 20 to 25%. Regarding the countries of central and eastern Europe, these figures make it possible to note a fairly significant trend, i.e. that trade union membership is stronger in countries which are less advanced in terms of restructuring and privatisation of the economy. Conversely, trade union membership is weaker in the countries which are in the avant-garde of transformation policy.

In all European Union candidate countries, the level of trade union membership is on a constant downward trend. It is important to point out that this phenomenon relates just as much to Poland, Bulgaria, Hungary or Slovenia as it does to Malta and Turkey. It can be explained by a number of factors, objective and subjective. Some of these factors are of a general nature, reflecting contemporary socio-economic developments. Other are linked to the objectives and specific conditions of post-communist transformation policy.

Regarding the countries of central and eastern Europe, the first evidence in this regard is that the number of trade union members is falling in those countries, in line with the reduction in the volume of the active population. The volume of the active population is falling essentially due to massive redundancies which in turn result from restructuring of enterprises and state institutions in general. Economic restructuring often involves a division of the enterprises in question into several smaller and independent establishments, which automatically destroys the preceding trade union structures without new sections being formed in the establishments thus created. Economic restructuring is a wider process but usually goes hand in hand with privatisation of enterprises. Privatisation, too, results in a relative weakening of trade unions or loss of members. Incidentally, this phenomenon relates not only to the post-communist countries but also in Malta and Turkey.

It must be noted that trade unions in the countries of central and eastern Europe exist essentially in state-owned enterprises and persist in privatised businesses. However, in the latter case, they are undergoing a significant erosion in both the number of members and political influence. Against that, they have a weak presence in private firms, created as such at the outset. Trade unions are also relatively weak in service establishments (privatised or private).

How can the weak representation of trade unions in private companies in the candidate countries be explained? It appears that there are at least two factors which help to explain this phenomenon. First, private employers in countries such as Poland, the Czech Republic, Estonia and Lithuania, for example, are proving particularly skilful at dissuading workers from creating trade unions in their establishments, without standing accused of infringing the freedom to join a trade union. Second, it is sometimes the workers themselves who show no interest in creation of trade unions or joining existing trade unions. This attitude is found in all candidate countries. It is linked to the general direction of our socio-economic development. This attitude is particularly prevalent among the young people now embarking in professional life.

Falling trade union membership in the candidate countries is without any doubt a complex phenomenon. Among the factors which explain it, there is also the fact that the popularity of trade unions in these countries is weak, notably in Hungary and Estonia. In most candidate countries, the confidence of citizens in trade unions is also weak. Workers do not necessarily regard trade unions as organisations which represent their interests. Underlying this critical or sceptical attitude to trade unions, there are certainly neo-liberal ideological influences, an individualist conception of professional careers, but also, perhaps, the situation of the trade unions themselves, which are going through a difficult period of adaptation linked to both the socio-economic specifics of post-communist transformation and the requirements of modernisation.

## Institutional resources

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Traditionally, trade unions have had well developed organisational structures, at national, sectoral and regional level. They operate on the basis of different financial resources, notably subscriptions paid by their members, revenues from economic activities, grants linked to participation in various social programmes, etc. The institutional consolidation of trade unions depends greatly on their representativeness and their effective involvement in professional relations. Seen from this particular viewpoint, the "institutional condition" of trade unions in the candidate countries is highly varied.

All trade unions in the countries of central and eastern Europe have been affected in recent by massive falls in trade union membership. This has squeezed their revenues from subscriptions and reduced their possi-

bilities for action to a certain extent. Falling trade union membership certainly signifies an institutional and political weakening, but it would be wrong to regard it as a sign of the decline of trade unions in the candidate countries. Rather, this phenomenon is an important element of a much wider process of trade union restructuring, a process which is taking the form of progressive emergence of new configurations within and between trade unions on the one hand and development of a new socio-economic culture on the other. In the candidate countries, trade unions are passing through an important phase of institutional and political rebalancing. At the end of this process, the power of trade unions will probably be modest, but politically authentic and, hence, more effective.

## Activities

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Trade unions in candidate countries perform various activities, despite the above-mentioned institutional difficulties. The number and quality of these activities clearly depends on the resources available to a given organisation. It would be inappropriate to try to deal with this question in detail here. But what needs to be examined briefly in this context is the general development of trade union activities in the candidate countries.

Regarding this particular aspect, a significant decrease in the number of protest actions by trade unions (strikes, demonstrations, etc.) in all candidate countries, both the countries of central and eastern Europe and countries such as Malta, Cyprus or Turkey. This phenomenon certainly reflects the strategies of trade union organisations which seem to be focusing more on arrangements drawn up in the framework of various social consultations, but it is also linked to the growing difficulty experienced by trade unions in mobilising workers for specific protest actions. In the countries of central and eastern Europe, this difficulty arises partially from a growing political apathy among the population, but also from waning solidarity among workers who, in a situation of mass unemployment and generalised social uncertainty, are afraid of losing their jobs and part of their pay through involvement in trade union protest actions.

A second interesting feature of trade unionism in the candidate countries, notably the countries of central and eastern Europe, is the weakness of trade union influence on transformation policy. True, the trade unions have certainly influenced elements of labour legislation in their respective countries. In individual cases, they have managed to have an influence on definition of public policies relating to the world of work. But the weakness of trade unions we refer to here concerns other aspects and other dimensions. Setting aside the case of the Polish "Solidarity", it must be noted that the imprint of trade unions on the general philosophy of post-communist transformation, privatisation programmes, economic restructuring and policies to promote employment and reduce unemployment and combat social exclusion in these countries has been particularly faint hitherto.





### 3. Tripartism

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Tripartite social concertation is an important element of institutional development in the countries of central and eastern Europe. It is practised in these countries with different levels of intensity, but it follows a similar institutional logic. It produces political results which are also different, depending on the country and specific political situations. In Malta, tripartism was put in place in 1988. There, it is also an interesting political experiment. Turkey has had tripartism since 1995. But the system of tripartite consultations in this country remains highly dependent on changing political situations.

The emergence and development of tripartite social dialogue in the candidate countries has been broadly inspired by the International Labour Organisation. In the countries of central and eastern Europe, tripartism was also stimulated – in the early years of transformation policy at least – by governments which saw them as a political means of helping to guarantee relative social peace. By involving the social partners in the political/institutional system for defining economic and social policy, governments wanted to ensure the support of society, in order to be better able to carry through socially difficult economic reforms. On the other side, the social partners too endeavoured to gain an incontestable advantage from their participation in tripartite consultations. Among other things, this participation helped them to present themselves as politically important players, thereby establishing or strengthening their legitimacy in the eyes of their members and public opinion in general.

## Legal basis

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In most candidate countries, tripartism operates on the basis of agreements concluded between the government and the social partners (trade union confederations, employer confederations) regarded politically and/or legally as being representative at national level. In Romania, Slovakia and Estonia, tripartism is covered by special laws. In Bulgaria, it also has a legislative base, i.e. the labour code. In Poland and Slovenia, the legislative solution for tripartism has been envisaged by the government for years, but disputes in this respect between the social partners themselves and indecision on the part of the government are still holding back formal launch of the parliamentary procedure. However, it should be pointed out that differences in the legal basis (agreement, law) of tripartite councils are not very important. In Slovakia and Romania, the legislative underpinning of tripartism may give the trade union and employer organisations involved political comfort, but has done nothing to alter the modus operandi of tripartite bodies and does not affect the validity (consultative) of tripartite opinions. For the time being, it is difficult to see any real difference in the operation or political weight of tripartite consultations between councils based formally on agreements and those with a legislative basis. Whether based on a straightforward agreement or confirmed in legislation, tripartism in the candidate countries demonstrates political cooperation between the government and the social partners, whose operation and political significance depends essentially on the political will of the government itself and the political credibility of the trade union and employer organisations concerned.

One problematic point of tripartite experiments in the countries of central and eastern Europe has been and continues to be the question of total or selective failure by the government to meet tripartite commitments. In some countries, the trade unions have asked for tripartism to be regulated by legislation, thereby hoping to obtain additional means of action or specific means of pressure in the event that the government fails to meet its commitments made in the framework of tripartism. Yet, it does not appear that the formal quality (law, agreement) of the legal basis of tripartism is very important in this regard. In substance, tripartite councils operate on the basis of similar rules in all candidate countries. For instance, Slovakia has a law on tripartism (since 1999), whereas tripartism in the Czech Republic is based on an agreement concluded between the government and the social partners. This does not prevent the tripartite arrangements in these two countries from being virtually identical and social dialogue there has been operating relatively well for some time. The recent improvement in tripartite practice in Slovakia and the Czech Republic has resulted above all from the change of government attitude in this particular area.

There is another factor which helps to place in perspective the importance of the legal basis (law, agreement) of tripartite bodies and consultations at national level. In all candidate countries, tripartism has from the start of its existence had and continues to have an indirect legislative underpinning in the sense that labour legislation formally recognises the existence of tripartite councils through the fact that it obliges the government to consult the social partners of various subjects such as the minimum wage, redundancies linked to corporate restructuring, working conditions, etc.

## Composition and representativeness

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In most candidate countries, admission of employer and trade union organisations to tripartite bodies operates on the basis of pre-determined criteria, set out in legislation or in agreements establishing this type of

social concertation. At the same time, these criteria are regarded as criteria for the representativeness of trade unions and employer confederations acting at national level. In Poland, however, admission to the tripartite commission is not conditional on any formal criterion. Its composition was fixed by the government at the time when this commission was created. In theory, it is possible to widen this commission to include new trade union and employer organisations, but on condition that the organisations which already belong to it give their respective agreement: employer organisations for the admission of new employer organisations and trade unions for the admission of new trade unions. In practice, the composition of the Polish tripartite commission has remained unchanged since its creation in 1994, despite several requests for admission. A similar rule governed the admission of new employer or trade union organisations to the council for reconciliation of interests in Hungary in the years from 1990 to 1999. The composition of this council remained unchanged throughout this period.

Under the traditional formula, tripartism embraces three parties: government, trade unions and employers. When setting up tripartite councils, the candidate countries have generally followed this formula. Among these countries, Slovenia has chosen a different solution in this regard, by creating a tripartite system which includes the chamber of commerce and the chamber of handicrafts. In Malta and Turkey, chambers of commerce and industry also belong to the respective tripartite councils, together with the most important national employer confederations.

In most of the candidate countries, the composition of tripartite councils does not give rise to doubts or disputes between trade unions or between employers. In countries such as Estonia, Latvia or Slovakia, the systems of trade union organisations and of employer organisations are dominated respectively by one trade union confederation and one employer confederation, which clearly both belong to the tripartite bodies. To a certain extent, this resolves the question of the representativeness of these bodies. Against this, the representativeness of tripartite bodies is becoming the subject of debate or contestation in countries with a high level of trade union and employer pluralism. This phenomenon partially characterises Hungary, Romania and Lithuania. Bulgaria, too, has for some time had disputes about trade union and employer representativeness of the tripartite council. In Poland, the representativeness of the tripartite commission has been contested since the start of its existence.

## Competences and functioning

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Generally speaking, the competences of tripartite councils in candidate countries can be divided into two major categories: consultative competences and almost co-decision competences. The first relate essentially to economic and social legislation, but also budgetary law in some countries. The second relate in principle to two specific areas: determination of the minimum wage and definition of the index for average pay increases. Tripartite councils exercise the first type of competence through consultative opinions or position papers, and the second through negotiated agreements, but which do not have any direct legal effect. They have to be confirmed by the government through regulatory instruments. In many candidate countries, the government and the social partners conclude in tripartite councils general agreements (annual or covering longer periods) relating to important aspects of economic and social policy. Such agreements provide political markers for both the government and the socio-economic players concerned.

In principle, the validity of opinions and general tripartite agreements is purely moral and political. The government and the social partners undertake to respect what they have agreed together in the framework of tripartism but tripartite social concertation, as practised in the candidate countries, enjoys no legal sanctions in the event of failure to meet commitments. That is why tripartite undertakings do not always become reality in these countries. It is often governments which disregard or fail to honour tripartite agreements in their entirety. Sometimes, application of tripartite agreements also reaches objective limits in the sense that the social partners are incapable of carrying out their tripartite commitments because of their weak representativeness or because of their poor capacity for influencing their respective members.

Tripartite opinions or agreements do not generally have any binding legal effect vis-à-vis parliaments. In line with the philosophy of tripartism, tripartite councils are above all consultative bodies vis-à-vis and for the use of governments. However, the principle is often accepted that opinions expressed by the social partners in the framework of tripartite consultations in connection with draft laws subject to consultation, but which are subsequently not accepted by the government, have to be submitted by the latter to parliament, together with the draft laws concerned. Generally, tripartite councils have no right of legislative initiative. Nevertheless, in some candidate countries they can make legislative suggestions by submitting proposals to the organs of state which do have that right.

In the candidate countries, tripartite councils function on a relatively simple institutional model. They deliberate in plenary sessions, whose frequency depends on the interests of the parties concerned. Generally, a dis-

inction can be made between ordinary sessions, held regularly, and extraordinary sessions, convened at the request of the parties concerned. In principle, plenary discussions are prepared the thematic working groups – permanent or ad hoc. The composition of working groups reflects the composition of the council.

Tripartite councils formulate opinions or take positions on the principle of consensus. This is consensus between the three parties concerned: government, trade unions and employers. Individual voting by members was used once by the Polish tripartite commission in the early years of its existence. For some time, this committee has also accepted the principle of consensus. In countries where tripartite councils comprise more than one trade union or employer organisation, the quest for general tripartite consensus presupposes prior coordination on the trade union side and employer side respectively, in order to identify one shared trade union opinion and one shared employer opinion, which will then be defended in tripartite deliberations in plenary sessions. In countries such as Hungary and Romania, this prior coordination has sometimes been problematic.

## The state and tripartism

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The state is by definition a player in tripartism. In some candidate countries, however, it is the dominant player, which does not correspond completely to the philosophy of social concertation of this type. Involvement of the state in tripartite social dialogue has several particular aspects, notably a financial aspect and a purely political aspect.

In the candidate countries, tripartite councils are financed by the state. In principle, they are situated with the government or with the ministry of labour. The government covers the administrative costs for the functioning of tripartism. The government also covers the travel and accommodation expenses incurred by the social partners for tripartite activities. In the Czech Republic and Slovakia, where the social partners are expected to cover a portion of these costs by occasionally organising tripartite sessions on their own premises, practice tends to be such that the government always takes care of the technical side of tripartite work.

At political level, tripartism in the countries of central and eastern Europe, but also in Malta and Turkey, is characterised by a strong predominance of government. For instance, the revisions of the tripartite formula in the Czech Republic and Hungary which have taken place in the 1990s not only have been initiated by the government but have also been imposed on the social partners by the government. In the candidate countries, the functioning of tripartism depends greatly on the goodwill of the government, which sometimes evolves rapidly as a function of cyclical political interests. Generally speaking, governments in the candidate countries still have a fairly ambiguous attitude to tripartism, despite the fact that they have contributed greatly to putting this type of social concertation in place. Governments in these countries have a strong tendency to treat tripartism as an instrument. They appreciate the social dialogue when it produces political results which correspond to their immediate interests. They tend to neglect it when the social partners prove to be politically demanding or intransigent.

## Present situation

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Tripartism in the candidate countries certainly presents an interesting political experiment. It has undoubtedly played a positive role in the formation of a consensual socio-economic culture. It still has important educational significance. If it sometimes prompts doubts and questions, it is not only because of the ambiguity of government attitude to it, which results in part from the very formula for tripartism which makes the government both the subject and object of consultations, but also because of the sometimes problematic representativeness of the social partners concerned.

In some candidate countries, a new trend can currently be seen towards revision of the traditional formula for tripartite social concertation at national level. In Malta, there has been a debate for some time on the possibility of including civil society organisations in the tripartite system, notably so-called non-governmental organisations. It has also been suggested that the state should withdraw from the tripartite social dialogue. In Poland, there are discussions on the possibility of including territorial authorities in tripartism. There, too, it there are proposals that the government should withdraw from social dialogue, ceding its place to the regions. The new social dialogue system in Hungary, which consists in several different councils (tripartite and multipartite), also presents an original experiment, despite the reservations manifested by the social partners in this context. In one way or another, social dialogue is in a state of flux in the candidate countries. This may lead to new institutional solutions which could inspire a renewal of social dialogue in western countries too.





## 4. Collective agreements

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From a historical viewpoint, sectoral collective agreements are the fulcrum of bipartite social dialogue. The main *raison d'être* of sectoral trade unions and employer organisations is precisely to negotiate and conclude collective agreements on behalf of their respective members. Thus, collective bargaining practice at sectoral level is also an essential element of the European social model.

Unlike western countries where bipartite social partnership is much better anchored institutionally and politically than tripartite concertation, the EU candidate countries, notably the countries of central and eastern Europe, are characterised by a fairly well institutionalised tripartism, but which goes hand in hand with weak and problematic bipartism. This curious configuration clearly puts the political significance of tripartism itself in perspective. Acting without solid bipartite underpinning, national trade union and employer confederations are open to the reproach that they are insufficiently representative or that they are unable to translate the undertakings they give in the framework of tripartism into concrete action at the level of individual economic sectors.

In the countries of central and eastern Europe, the area of collective agreements is characterised first by a relatively small number of sectoral agreements and second by a marked preference among employers for negotiated at company level. In most of these countries, collective agreements cover only a minor portion of the active population. But there are also some exceptions in this regard.

At the legal level, labour legislation in the candidate countries in principle creates favourable formal conditions for development of bargaining practice, both in companies and at sectoral level. For their part, governments encourage trade unions and employer organisations to develop an autonomous social dialogue. If, despite this, bargaining practice in most of these countries remains fairly mediocre, it is because there are specific political obstacles or difficulties in this area.

Yet, among the countries of central and eastern Europe, there are a number which are distinguished by statistically respectable bargaining practice, but it should be pointed out immediately that this practice has many specific aspects. In Slovenia, all the important sectors of the national economy are covered by collective agreements. But this fact should cause no surprise, since conclusion of such agreements is obligatory in that country. Slovenian firms are obliged to belong to the chamber of commerce which, in collaboration with the corresponding sections of the employer organisation ZDS, concludes sectoral agreements with the respective trade union organisations. Since 1995, the Slovenian government has endeavoured to establish a system of voluntary collective agreements, but a draft law on the subject is still meeting strong opposition from the social partners, notably the trade unions. In Romania, the law obliges employers of more than 21 persons to conclude company agreements with the trade unions or with a specially designated personnel delegation if there is no trade union in a given company. By contrast, there are no legal constraints on sectoral collective agreements. In Slovenia, sectoral agreements must follow on from each other chronologically and be in conformity with general national agreements. There are two agreements of this type, one relating to state and budget institutions, the other concerning the industrial and commercial economic sectors. In Romania, conclusion of collective agreements is also preceded by a general national agreement, the latter being concluded between the trade union and employer confederations which are recognised as being representative at national level, with the assistance and active participation of the government. Slovakia greatly resembles Slovenia as regards the number of sectoral collective agreements concluded. In effect, these agreements cover almost all economic sectors in Slovakia. Unlike Slovenia, however, Slovak bargaining practice is completely voluntary. Yet, this Slovak exception, however praiseworthy in quantitative terms, is proving to be much less interesting in qualitative terms. In Slovakia, sectoral collective agreements usually comprise very general provisions and often refer regulation of sensitive questions, pay for instance, to individual company agreements.

To understand sectoral bargaining practice in certain countries of central and eastern Europe, it is important to distinguish clearly between agreements which apply to so-called budget or state institutions and agreements which apply to productive economic sectors. For instance, in Poland there are a hundred or so agreements which are classified as sectoral agreements, but the majority of these relate primarily to schools, hospitals, prisons and a host of other state institutions. There are only a dozen sectoral agreements relating to traditional industrial and commercial areas.

In the countries of central and eastern Europe, the percentage of employees covered by sectoral or other collective agreements is relatively low. The level averages 25-30%. This index is lowest in Lithuania where collective agreements hardly cover 10% of employees. The comparable figure is 25% in the Czech Republic. It exceeds 50% in Slovakia. It is exceptionally high in Slovenia for the reasons set out above. In this context, it should be added that labour legislation in the countries of central and eastern Europe makes it possible to extend the validity of sectoral agreements. But the governments in most of these countries have hitherto very rarely used this regulatory instrument.

Another particular feature of bargaining practice in the countries of central and eastern Europe concerns the content of sectoral agreements. It should be pointed out that they very often contain provisions from the labour code relating to professional relations. Thus, the social partners undertake to comply with the principles or clauses which they are in any event obliged to comply with by virtue of the law. Also, sectoral agreements often remain very vague or particularly flexible regarding employee issues. They are often limited to formulating a general framework, referring concrete and detailed regulation to agreements of a lower rank.

What is the explanation for the quantitative and qualitative weakness of sectoral bargaining practice in the countries of central and eastern Europe? It seems that there are three types of factor which help to understand and explain this phenomenon. These are, first of all, factors linked to the general socio-economic structures and budget and pay policy in these countries. But the attitude of employers and the situation of employer organisations together with the situation and policy of trade unions are also important explanatory factors in this respect. All these elements taken together inevitably prompt a more fundamental question, namely about the degree of autonomy of the social partners in their respective actions specifically in the area of sectoral collective agreements.

The budget and pay policy in the countries of central and eastern Europe, subject to constraints linked to systemic transformation and integration of these countries in western European structures, is not particularly conducive to sectoral bargaining practices. By maintaining numerous restrictions and a range of control mechanisms, this policy to a certain extent limits the autonomy of the social partners in the area of pay negotiations. It is true that, in the first instance, it concerns regulation of pay in state institutions and undertakings, but it also has indirect repercussions on determination of pay in private economic domains.

On the other hand, it is possible to see in these countries a contradiction between policy designed to address the issue of pay increases in the framework of tripartite consultations or negotiations and the wish of the social partners, above all the trade unions, to promote autonomous pay negotiations at sectoral level. Yet, it is evident that tripartite agreements on pay must also limit the social partners' margin for manoeuvre at sectoral level. In some cases, they may render sectoral pay arrangements superfluous.

Another general factor which has a negative influence on the development of sectoral bargaining practices in the countries of central and eastern Europe is linked to the objective difficulty of defining economic sectors as such. Whatever the legal definitions of economic sectors, the reality in central and eastern European countries in this regard is such that the economic sectors designate dynamic and evolving areas of activity. Even supposing that it is possible to find a way of identifying the limits of a given sector, there are yet other specific obstacles to development of sectoral bargaining practices. In order to be able to conclude a sectoral collective agreement, it is important that the firms belonging to a given sector find themselves in comparable economic, financial and social situations. Yet, in the countries of central and eastern Europe, firms which allow themselves to be attached to a given economic sector, on the basis of disparate criteria, differ so much in terms of their economic, financial and social situation that it is almost impossible to place them together in the same political basket and impose common pay regulation on them, for instance. A sectoral agreement that took as its benchmark the financial and social situation of prosperous firms would self-evidently place the existence of weak firms in jeopardy. Conversely, a sectoral agreement which sought to generalise the financial and social situation of poor firms would clearly be absurd and unacceptable for the employees of more fortunate firms.

Lastly, the autonomy of the social partners in the area of negotiated rules at sectoral level in the countries of central and eastern Europe is also extensively limited by the fact that labour legislation in these countries is sometimes very detailed, as in Poland, Hungary and Estonia for example. In such a situation, the social partners have very little on which to negotiate autonomously. It therefore comes as no surprise that collective agreements in these countries take over the legislative provisions concerning professional relations almost word for word.

But the obstacles to development of autonomous bargaining practice at sectoral level in central and eastern European countries results not only from the above-mentioned objective factors. There are also in these countries specific trade union and employer impediments in this regard.

On the trade union side, an essential obstacle to the development of sectoral collective bargaining practice arises from the fact that the trade unions are poorly represented in private businesses which already constitute an important pillar of the economy in most countries of central and eastern Europe. The employer organisations bringing together private companies are often in the situation of not having equivalent trade union partners. On the other hand, trade unions have a heavy presence in state undertakings and in privatised companies (which are often under state control). Yet, the employer organisations which bring together businesses of this type are players which are not completely autonomous politically. Incidentally, the trade unions themselves are well

aware of this and they are right to address the state directly, the de facto employer, in important situations. In such a configuration, employer organisations position themselves rather as intermediary players or as referees between the state and the trade unions. This fact does not encourage the development of autonomous sectoral bargaining practice either.

In Hungary and Lithuania, trade union pluralism sometimes becomes a no less specific obstacle to the development of bargaining practice. In these countries, the lack of cooperation between trade unions has already on more than one occasion prevented the formal conditions from being met for conclusion not only of sectoral collective agreements but also of company agreements. In Hungary, there is another phenomenon which runs counter to sectoral bargaining practice. The trade unions in large industrial undertakings often prefer to conclude individual company agreements, thereby disregarding the sectoral trade union organisations. In brief, trade union policy or the behaviour of trade unions in companies sometimes proves to be an obstacle to the development of sectoral bargaining practice.

Employer impediments to development of bargaining practice at sectoral level in the countries of central and eastern Europe are also numerous and no less significant than those that we have seen on the trade union side. First of all, it is important to underline that the trend among employers in this particular matter in these countries is such that private employers or boards of management prefer to conclude individual agreements in their establishments. They have reservations or sometimes demonstrate sharp hostility to the possibility of sectoral collective agreements. However, this employer attitude is not always an expression of a specific social or political voluntarism. It is often linked to the financial and social condition of individual businesses, a condition which cannot be easily generalised or outlined on the basis of any given sectoral framework. We have already referred to the phenomenon of inequality or enormous disparities in financial and social conditions between businesses in the same economic sector.

Another employer factor which has a negative influence on sectoral bargaining practice is the fact that employer organisations are not always authorised to conclude agreements on behalf of their member companies. Such cases are found in the Czech Republic for instance. In Poland, but also in many other candidate countries, companies sometimes threaten to leave employer organisations when the latter envisage embarking on cooperation with trade unions with a view to conclusion of sectoral agreements.

The poor representativeness of employer organisations, notably those acting at sectoral level, is also a specific obstacle to development of bargaining practice. In the countries of central and eastern Europe, situations are also found where sectoral trade unions seek in vain to establish an employer partner which is sufficiently representative.

Generally speaking, employer organisations in central and eastern European countries have hitherto developed much more as economic lobbies. Their priority interest is state policy in the economic, social, fiscal and commercial areas. They seek to influence this policy in line with the interests that they represent. Social partnership has not always been among their priority objectives. It is true that they sometimes show a completely positive and respectable willingness vis-à-vis social partnership and collective agreements in particular, but it is also important to recognise that their authority and their real capacities (institutional and human resources) to act in this area generally remain limited and mediocre, except in two or three exceptional cases.

Sectoral bargaining practice in Malta, Cyprus and Turkey clearly requires a different analysis. In these countries, the trade union and employer structures have some tradition and are rooted in society to some extent. Trade unions and employer organisations there have a certain routine and follow clearly marked political tracks. It is true that the general tendency for collective agreements in these countries is comparable to what is found in the countries of central and eastern Europe in the sense that Maltese or Cypriot bargaining practice unfolds essentially at company level. But the explanation for this tendency is much more simple. In the case of Cyprus and Malta, it is the British tradition, the small geographical size of the countries and the necessarily limited volume of activities which render the notion of economic sector secondary, and hence also that of sectoral collective agreements. Bargaining practice in Turkey also unfolds in a specific economic and political context. It flows on from complex political developments in this country.





## 5. Worker representation at company level

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Among the countries of central and eastern Europe, there are only two, Hungary and Slovenia, which, after the political changes initiated in the years 1989-1990, have maintained a truly dual institutional system of worker representation at company level, i.e. trade unions on the one hand and worker committees on the other. It is evident that maintenance of these institutions has become possible due to a marked change in their operating principles and political functions, to meet the requirements of democracy and the free economy. For its part, Bulgaria has maintained the system of general assemblies of workers or their representatives (in large undertakings), but whose functions have not been clearly defined. However, this form of worker representation at company level has proved in reality to be fairly ineffective, and not much used either.

On the wave of general liberalisation of the economy, the other countries of central and eastern Europe immediately or gradually (in the framework of privatisation of state undertakings) eliminated worker committees or works councils. The new political elites regarded these institutions as leftovers from communism or as impediments to privatisation and proper functioning of businesses. The elimination (immediate or gradual) of self-management institutions in companies has, by the force of things, created a particularly comfortable situation for trade unions, which have thus obtained a sort of monopoly on representing worker interests at company level. While retaining the traditional function for collective agreements, trade unions in most countries of central and eastern Europe have also become exclusive bodies, with a view to defending worker rights in general, and with a view to exercising the right to information and consultation (where provided for by law) in particular. Certainly, representation of worker interests at company level encompasses yet other institutional forms, but we are interested here only in the trade union functions and institutional solutions linked directly to exercise of workers' right to information and consultation.

Labour legislation in the countries of central and eastern Europe specifies the cases in which employers are obliged to inform and/or consult workers in their establishments. In the Hungarian and Slovenian systems, it is worker committees that exercise this specific right on behalf of workers. In individual cases, trade unions also have a right to information and consultation. But the respective functions of worker committees and trade unions are legally very distinct. In the other countries, where there are no works councils or similar institutions, employers inform and consult the trade unions which, in turn, transmit and circulate the relevant information or opinions. This institutional solution for information and consultation is completely functional in companies where there are trade unions. But, worker information and consultation becomes highly problematic in companies with no trade unions. Yet, the number of such companies is constantly increasing in central and eastern European countries. Trade unions have particular difficulties to become established in newly created private companies. This phenomenon is leading to emergence in these countries – apart from Hungary and Slovenia – of a situation in which workers find themselves without institutionalised representation in their companies, and hence without institutional possibility to realise their right to information and consultation. This situation is also becoming delicate for employers. Being obliged to inform and consult workers in their establishments in specific cases, they meet this obligation via improvised means (notice board, circulars, etc.) or do not meet them at all. In the Czech Republic, some employers have found another solution. They themselves (without any legal basis) have created works councils whose only task is to act on behalf of workers in the area of information and consultation.

Governments in the countries of central and eastern Europe have clearly identified this essential difficulty concerning realisation of the right of workers to information and consultation. Consequently, they have drawn up draft laws making provision for the introduction of obligatory non-trade union institutions for worker representation in companies. However, their legislative proposals have met with stiff opposition from trade unions. Employer organisations, too, have generally been sceptical in this regard, arguing, as in the Czech Republic for example, that employers would prefer a simple solution consisting in having only one partner in their companies: trade union or works council. However, the prospect of these countries acceding to the European Union has caused the social partners to discover that the right to information and consultation forms part of the social acquis communautaire and is part of the European social model. Consequently, realisation of this right must have institutional underpinning.

At the present time, in all candidate countries concerned, governments and social partners are together in the process of producing laws on non-trade union institutional forms (worker committees, works councils) designed to guarantee realisation of the right of workers to information and consultation. The Czech Republic and Slovakia have proved the most rapid and the most effective in this regard. Also, these two countries have advanced the most original institutional solutions. In the Czech Republic, works councils can now be created (since January 2001) but only in companies which employ at least 25 persons. The only function of the works councils will be to exercise the right to information and consultation. Such councils will be obliged to disband as soon as a trade union is created in a given company. In companies employing fewer than 25 persons, Czech workers will be able to elect a delegate, who will have exactly the same formal status and the same role to play as the works council. Slovakia envisages adopting an identical solution. But it foresees a lower threshold (20 persons) for creation of a works council.

In central and eastern European countries, trade unions have a monopoly on worker representation in the area of negotiation and conclusion of collective agreements, including agreements at company level. Yet, the weak presence of trade unions in many private companies poses a serious problem in this respect. We have already pointed out in the previous chapter that the general tendency for collective agreements in central and eastern European countries is that these agreements tend to be concluded at company level. It is important to add here that bargaining practice at company level is sometimes becoming impossible for strictly institutional reasons: more precisely, due to the absence of trade unions. To resolve this dilemma, Hungary for example recently modified the labour legislation in order to allow worker committees to conclude collective agreements in companies where there are no trade unions. But, under the new legislative provisions, subsequent creation of a trade union should automatically lead to a renegotiation and formal conclusion of a new agreement by the trade union section created. In this area, Slovakia now seems to be moving towards a similar solution.



## **6. Participation of the social partners in the accession process**

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The question of participation of the social partners in their respective countries' process for accession to the European Union can be envisaged from two different but complementary perspectives: the institutional perspective and the political perspective. Thus, we will first examine the external and internal institutional forms of employer and trade union involvement in the accession process and will then turn a critical eye to the general political attitude of these organisations to European integration.

In the candidate countries, the social partners are generally closely involved in preparation of their countries for accession in terms of the possibilities for external institutional action. In each of these countries, there is a system of commissions, which report to government (ministry of foreign affairs in most of these countries), and which correspond thematically to the chapters of the accession negotiations. It is in these commissions that governments prepare their negotiating positions or discuss the measures to be taken for implementation of the *acquis communautaire*. Trade union and employer representatives together with representatives of other interests in society can participate (on invitation) in the work of these commissions.

In addition, tripartite councils also play a certain role in the framework of accession policy. In most of the candidate countries, these councils address the question of Europe in the context of draft laws relating to EU law. However, in some candidate countries, tripartite councils are involved much more substantially in accession policy. In Cyprus (Greek), the tripartite council (Labour Advisory Board) is the most important forum for determination of negotiating positions relating to the social *acquis communautaire*. In the Czech Republic, the council for economic and social agreement has a special working group (tripartite) which deals exclusively with the question of accession, and which is headed by the chief negotiator, the latter being at the same time a state secretary to the ministry of foreign affairs. In Hungary, where the social dialogue system comprises several councils, the question of accession is the exclusive preserve for the activities of the council for European integration. This council includes representatives of government, of trade unions and of employer organisations, but also of the economic chambers.

However, in some candidate countries, the social partners have yet other institutional possibilities to participate in accession policy. For instance, Maltese trade unions and employers can express their European commitment through a special committee (Malta European Union and Social Action Committee) and through a working group named Accession Coordination Task Force. In Poland, there is a national council for integration, which performs a purely consultative function and which reports to the prime minister. This council comprises around fifty scientific and political personalities, including the presidents of the most important trade union and employer confederations. Similar councils also exist in Slovakia and Latvia.

Lastly, the mixed consultative committees which have been created over the last few years in several candidate countries – in the framework of association agreements with the European Union – also present a form of social partner participation in the accession process. In these committees, the EU party is represented by the EU Economic and Social Committee, while the delegations of the candidate countries comprise representatives of societal organisations (trade unions, employers, various interests), in line with the political structure of the EU Economic and Social Committee. For the time being, the European Union has one of these committees with Poland, Hungary, Romania, Bulgaria and Turkey. Committees of this type are likely to be created with Slovakia and Czech Republic soon.

Regarding internal trade union and employer activities relating to European integration and accession, it should be pointed out first of all that, in this regard, trade unions in the candidate countries are generally much more active and better equipped in terms of institutional and human resources than employer organisations. This applies above all in the countries of central and eastern Europe. In these countries, it is rare to find employer confederations active at national level which have permanent organisational structures for European questions and for questions linked to enlargement of the European Union. In this area, employer confederations most frequently have recourse to outside experts. Against that, the European commitment of trade unions in candidate countries is based, in principle, on solid organisational bases. In these countries, the largest trade union confederations have permanent organisational structures (departments, committees, etc.) which deal with the question of Europe, and which circulate information and organise European training for their officials. It will be clear that weaker trade union confederations are less active in this area. Then, the European commitment of trade unions is also expressed through inter-trade union committees for European integration. These committees have been put in place with substantial assistance from the European Trade Union Confederation. They perform important tasks concerning circulation of information and publication of EU documents. The inter-trade union committee for European integration in Hungary deserves particular mention here. It has helped not only to prepare trade unions to act at EU level, but it has also drawn up a common trade union strategy for accession. This success is all the more remarkable because Hungarian trade union pluralism does not facilitate cooperation between trade unions.

The social partners in the candidate countries generally speak in favour of total adoption of the *acquis communautaire* and of rapid accession of their respective countries to the European Union. They regard this accession as a means for improving living conditions and as a sort of guarantee for prosperity and economic development. However, more qualified trade union and employer positions can also be encountered in this regard. For instance, the Maltese trade union confederation (General Workers' Union) expresses a fear that Maltese accession to the European Union will have negative effects on the small and medium-sized enterprises that are the pillar of this country's economy. In addition, the Hungarian trade unions would be interested to see concrete analyses of any negative effects of accession, notably in the social area. They reasonably point out that enlargement of the European Union to the East, just like any other historical process, cannot have exclusively positive effects. Taking an interest in both the positive and the negative consequences of a given historical process demonstrates a wish to understand and to try to steer it to the greatest extent possible.

On the employer side, general support for accession sometimes goes hand in hand with a fear (often timid) for the competitiveness of small and medium-sized enterprises in the framework of the European single market. Underlying this fear is an awareness that most eastern European businesses have poor productivity when measured against western standards, but also an awareness that European occupational safety and health directives will involve additional costs that could prove to be a serious financial blow for a fair number of businesses, notably small and medium-sized enterprises.

However, the European commitment and participation of the social partners in accession policy raises several specific technical and political problems. The first problem relates to the level of awareness of the *acquis communautaire* in general, and of the social *acquis communautaire* in particular. This knowledge is generally insufficient, notably at sectoral and regional level. The *acquis communautaire* has not yet been completely translated in the countries of central and eastern Europe. Translation is under way, with support from the European Commission. The second problem is identification of the real influence of the social partners on definition of negotiating positions, etc. Yet, it does not seem that this influence is significant, despite institutionally fairly well anchored participation of the social partners in the accession process. The third problem is that of the institutional and political capacity of the social partners to implement the portions of the social *acquis communautaire* which involve autonomous social agreements and autonomous social dialogue. This capacity still appears problematic. However, it should be pointed out that trade unions are generally better prepared to develop a social partnership than employer organisations.

Generally speaking, the voice of the social partners in the area of accession policy is politically weak. In some candidate countries, the social partners have great difficulty in making themselves heard, because governments sometimes regard them as being unrepresentative and not very competent. They know that trade unions are becoming significantly weaker in political terms, and that institutional consolidation of employer organisations is advancing only very slowly. On the other hand, trade unions and employer organisations in the countries of central and eastern Europe speak out on the subject of accession in very general terms, often adopting official government rhetoric. Trade union and employer strategies for accession are politically vague. The nuances that can be identified in the attitudes of some trade unions and some employer organisations, as in Hungary or Malta for example, do not seem to affect official government policy.

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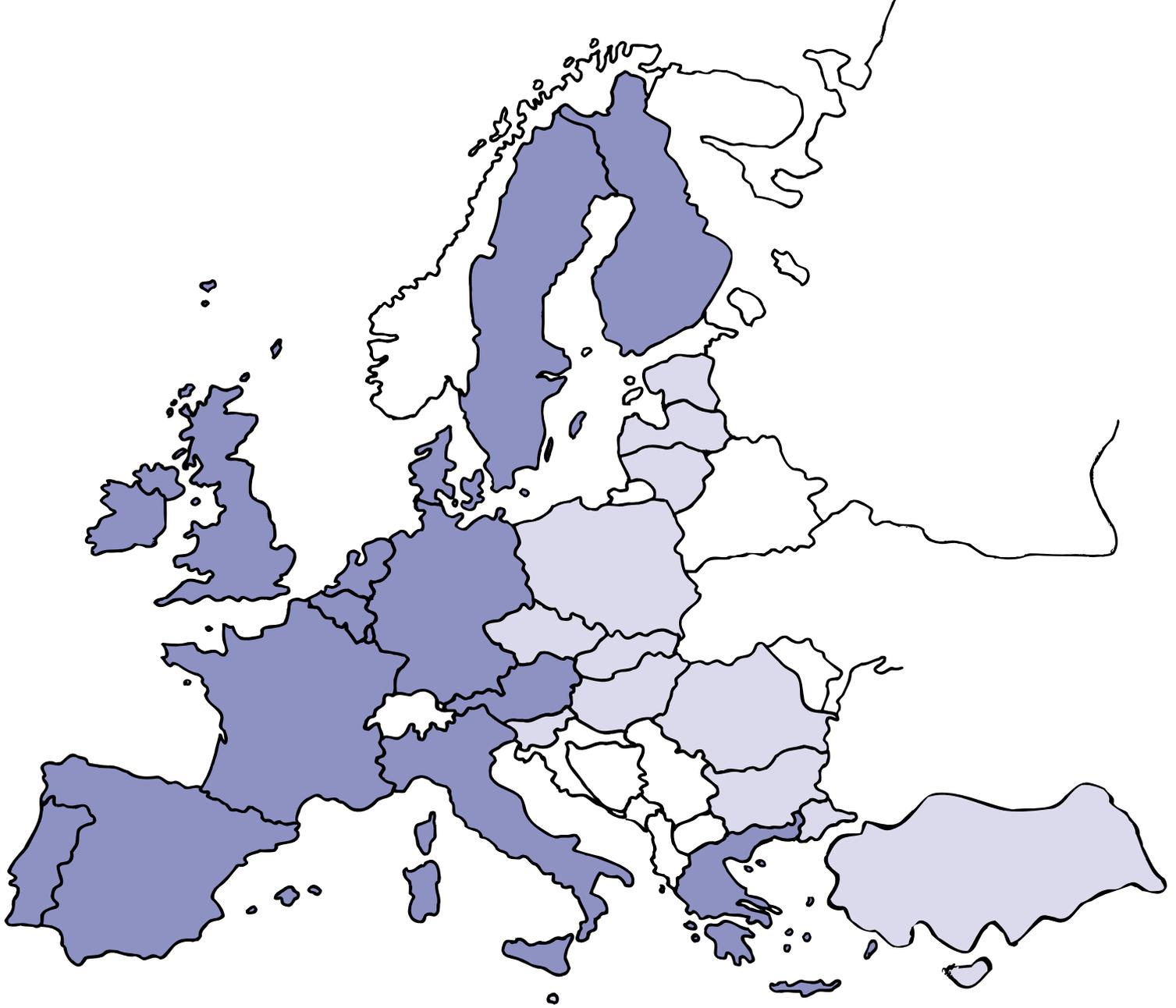
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