

***Social Dialogue in Central and Eastern Europe –
present state and future development***

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1. Introduction

Social and labour market reforms, including development of a social dialogue, are among the many elaborate conditions for accession into the EU. Apart from social dialogue, the criteria related to social and labour market policy covers the areas of health and safety at work, general labour law, equal opportunities for men and women, social security for migrants and public health.

In this article the focus will be on the social dialog and the labour market features, they are related to. The term social dialogue itself refers to negotiations and consultations between the state/public authorities and the social partners (employers/employers' associations and trade unions/employee representatives). The dialogue can be related to all kinds of questions of interest for the society at large, but questions related to social, economic and labour market policies are often central to the dialogue. The dialogue can take place at both national, sector or workplace level. It can basically take a bipartite form – as often is the case in collective bargaining – or a tri- or multipartite, where the state/public authorities and possibly also other actors participate.

Social dialogue should be seen in opposition to forms of regulation where the state unilaterally regulates or where the regulation is left to the forces of the market. It is widely accepted that dialogue can act as a means to avoid conflicts or help solve them as they arise, and that dialogue can play a part in committing key societal participants to essential decisions, in turn ensuring the implementation of these. This is part of the reason why social dialogue is among the EU pre-accession criteria.

This article argues that the social dialogue in the new Central and Eastern European member states generally does not measure up to the minimum criteria for social dialogue, and that dialogue has not been able to counteract a serious reductions in real wages and employment opportunities. This scenario, however, will not be used to regret these countries' membership. Rather the article presents ideas on how to improve the social dialogue and suggests who can lead the way in order to achieve these improvements. Poland, the Czech Republic, Hungary and the three Baltic countries are the focus of this article.

2. A short introduction to the social partners and their history

The trade unions

With the notable exception of Solidarnosc in Poland the trade unions in Eastern and Central Europe were in the communistic era far from being independent of the communist parties. They carried out a number of tasks for the parties at the workplace level and have therefore been described as intermediaries between the Communist parties and the people, or as the Communist parties 'social and welfare departments' (Clarke & Fairbrother 1994:370).

These trade unions have after 1989 in varying degrees disconnected themselves from the Communist parties and their reformed successors. These reformed trade unions are in competition with new trade unions without the connections to the old elite. Some of these originate from the protest movements, whereas others have a religious basis. In the majority of the countries it is, nevertheless, the reformed former Communist trade unions that have the majority of the members and the largest political influence. Both the reformed and the new trade unions are still very politicised. They often support certain political parties and have even candidates running for elections.

The structures of the trade unions and the degree of mutual competition vary a great deal between the countries. In Latvia and the Czech Republic one single trade union has near-monopoly of representation of employee interests. In Poland and Estonia, on the other hand, the trade union structure can be described as bipolar and antagonistic in that two major trade unions compete for members and influence in the political system. In Poland, however, a new large trade unions have appeared in 2001. In Lithuania and Hungary the structure is pluralistic and the relations have been characterised by antagonism, even though there is now some evidence of a movement towards co-operation (Draus 2000a; European Commission 2002).

Membership of a trade union was more or less an obligation in the communist era and the union densities were above 90 per cent. Since then the densities have decreased rapidly. The estimates are insecure and fluctuating, but are in the three Baltic countries and Poland most often between 10 and 30 percent, whereas estimates for Czech Republic and Hungary vary between 20 and 40 percent (Due et al. 2000; Héathy 1999; Kubínková 1999; Cox & Mason 2000; Ladó 2002). The better-organised companies found in the public sector and among the remaining state-owned companies, while the organisations are weaker in the privatised and very much weaker in the new private companies.

The trade unions are also very weak at the local and regional level, especially in the three Baltic countries. Moreover, the union densities vary a lot between sectors.

The trade unions are trapped in a vicious circle. In the eyes of the general public – and especially in the eyes of the youth – the trade unions are nothing but a relic from the communistic era unable to assist in obtaining acceptable wages and working conditions. This perception lead again to declining membership and weaker negotiating positions and missing resources for recruitment etc. Furthermore, the trade unions' participation in parliamentary politics gives the impression that they are stronger than they really are. The generally consensus-oriented strategies of the trade unions and their approval of reforms has self-evidently also make them unpopular in the part of the population which living conditions has been worsened partly as a consequence of the reforms. Finally, the development in the production structure from heavy industry with traditions for trade union organisations towards service and smaller companies has also effected the organisation densities of the trade unions in a negative direction.

Employers' organisations

The history of the employers' organisations in Eastern and Central Europe are even less similar to their Western European sister-organisations than the trade unions'. Only very few employers' organisations existed before 1989. Since then they have been set up in all six countries, but in contradiction to Western Europe this did not happen as a reaction to the organisation of the employees, but to secure the employers' interests vis-à-vis other groups and to improve the opportunities for lobbyism vis-à-vis the political system. In general, the employers' organisations have had difficulties in distinguishing their activities as chambers of commerce from the their role as interest representation organisation, except from countries where legislation separate the two functions (for instance in Poland and Latvia). The double function can easily be fulfilled by well-established employers' organisations in Western Europe, but seem to create problem in Eastern and Central European Countries where the employers' organisations are weaker both institutionally and financially and are still in the process of finding their distinct roles (Ladó 2002).

How different the dynamics of the set-up of employers' organisations in Central and Eastern Europe have been from same process in the West is also illustrated by the fact that the state – and in some cases also the trade unions – often have been very active in the process of establishing employers'

organisations, simply because the state and the trade union needed them as bargaining partner.

The employer organisations were during the first years after the fall of the Berlin wall to a large extent dominated by managing directors from the large state-owned and privatised companies, but gradually the representatives from the new private companies have become more influential. In Poland, small and medium sized enterprises have even started their own organisation, which have been gaining in influence rapidly.

The organisational density – measured as the share of the employees that the members employ - are even more difficult to estimate in the case of employers' organisations than trade unions. The estimates vary enormously depending on the sources, but newer estimates tend to vary around 20 and 45 percent, depending on source and country (European Commission 2002; Ladó & Vaughan-Whitehead 2003). There is no doubt that the employers' organisations also have difficulties recruiting members. The problems are most profound among the small and medium sized enterprises, partly because these companies rarely sign collective agreements with their employees and partly because the culture in - and the service offered by - the employers' organisations are still very much influenced by and targeted at the large companies.

In general, there are fewer employers' organisations than trade unions – and in some sectors they are still missing. Like the trade unions, the employers' organisations tend to be fragmented. The employers' representation is in Estonia and Latvia dominated by one confederation, in Poland, Lithuania and Czech Republic by two partly competing confederations and in Hungary by nine very competing confederations.

3. The social dialogue

Preconditions of the social dialogue

Independent of where and in what form the dialogue is taking place, a list of preconditions can be made for all forms of good quality social dialogue. First, the involved parties must be independent of each other to a certain extent. If one of the parties is subordinated to another, as the trade unions were to the state/communist parties, the dialogue will be too unequal and inhibited.

Secondly, it is essential that all involved parties have sufficient organisational capacity and legitimacy to act on behalf of the people they represent. If this is not the case, there will be a real danger that agreements will not be implemented or tensions will be created within some of the interest-organisations.

Thirdly, it is important that the division of power between the participants is not too uneven. A too unequal distribution of power might lead to a situation where the weakest party makes compromises against their own interest, which again might undermine their legitimacy. A too unequal distribution of power can also lead to a situation where the strongest party rejects to make compromises or do not feel obliged to fulfil concluded agreements.

Fourthly, the involved participants must show a willingness to cooperate and acknowledge the legitimate interests of the other participants. In case the opposite is the situation the bi- or tripartite cooperation might easily turn into a charade, where the actors meet, but where the possibilities for reaching agreements are very difficult or non-existing.

Social dialogue at national level

Measured by its extent, tripartite dialogue is the most important form of social dialogue in Eastern and Central Europe. Tripartite co-operation at national level was introduced in all Eastern and Central European countries either in early 1990s or in the mid-1990s, the only exception being Hungary where a formalised social dialogue at national level was established as early as in 1988. Estonia got its first permanent tripartite body in 1999, but tripartite co-operation have been taking place since 1992.

National tripartite dialogue was established due to a number of factors, such as strike activity, labour unrest, the need for the governments to share the political responsibility for privatisation and social reform with other social players, the social partners inability to regulate the labour market through collective agreements, the tradition of centrally planned economies, as well as the inspiration and demands by the West, in particular the EU and ILO. The most important responsibilities of tripartite bodies include issues such as labour legislation, social reforms, employment, pensions and, in particular, minimum wages.

Usually, tripartite bodies do not have authority in statute but in government resolutions. As a result, the legitimacy of tripartite bodies is frequently

questioned. Moreover, the powers of tripartite bodies are not always clearly defined which may result in conflicts between the government and the other members of the tripartite body. Finally, the representation rules are controversial and unclear. Cases in point are Poland and Hungary where, until recently, organisations other than those who attended the first statutory meetings were barred from participating in the tripartite bodies (Due et al. 2000; Héthy, 1999:186).

The countries whose tripartite bodies have no authority in statute are in the process of setting up a statutory basis. Some of the six countries concerned are also reconsidering the existing representation rules. A comparison between tripartite bodies with and without a clear statutory basis seems to indicate that the statutory basis counts for little in the actual tripartite co-operation (Draus 2000a: 15).

Most often, the overall tripartite bodies work with the government in advisory capacity only in the sense that most of their decisions are only indicative for the government, not binding. There is a great deal of evidence to indicate that the involvement of social partners by the governments is half-hearted, and that, in extreme cases, the governments directly obstruct the social dialogue by showering a myriad of draft bills on the social partners just a few days before the tripartite bodies hold their meetings (Draus 2000a: 18; Vaughan-Whitehead 2000: 394). This often results in the state being depicted as the strongest party with the greatest influence over the decision-making process.

However, the social partners can also have difficulty following up on the decisions made by the overall tripartite bodies. The major obstacle for the social partners in implementing the decisions made is their low organisational density.

In addition to the overall national tripartite bodies dealing with economic and social issues of interest to all industries and sectors, in all the countries concerned there are a number of tripartite bodies covering more specialised areas, such as employment policies, working environment, social security, education, employment services and the EU accession.

Of course, this overall picture varies from country to country. Thus, in *Lithuania* and *Latvia*, the conditions match, by and large, the above picture, even though the powers of the national tripartite body in Latvia have formally been strengthened over recent years. In *Estonia*, the social dialogue at national level was transformed in 1999, where the first permanent tripartite body was

established. In addition to the outright tripartite negotiations, a multipartite body (with the participation of academic trade unions and representatives of the financial sector), has been established to prepare the decisions later to be taken in the general tripartite body.

By contrast, the formal framework for national tripartite co-operation in *Poland* has been unaltered since its establishment in 1994. The national tripartite body has played a considerable political role, especially in early 1990s, but widespread disagreements have blocked co-operation in recent years, and one of the two major trade unions - OPZZ - have suspended its representation because it did not feel they were taken serious by the government. A new law on social dialogue is now in force and OPZZ has re-entered the national tripartite body, but tripartism in Poland has not still not shown substantial results for some years. More success has the so-called 'Roundtable for European Integration' had. The roundtable is a bipartite body set-up in connection to a PHARE-project to strengthen the bipartite dialogue in Poland (Andersen et al. 2003).

In the *Czech Republic*, due to disputes between the trade union movement and the government, tripartite co-operation was more or less non-existent in the period 1994-1997. This tense relationship was reflected in widespread strikes that are rarely seen in other post-Communist countries. However, the economic downturn forced the Conservative government into taking a more consensus-seeking line towards the social partners. Finally, the Social Democrat government that came to power in 1998 proved to be far more favourable towards social dialogue than the previous government (Draus 2000c).

Hungary provides a sharp contrast to the general picture. The overall national tripartite body was re-organised in 1999 and some of its responsibilities were removed as a result of the new government's scepticism toward tripartism. However, tripartism continued to play a part since two out of six new co-ordinate specialised bodies are tripartite in nature, whereas the remaining four bodies are multilateral bodies with the participation of representatives of chambers of commerce, agricultural organisations, local government, selected multinational companies, major banks and NGOs. Some have perceived the reforms of the tripartite system as a weakening of the influence of the social partners. For instance, the trade unions represented in the tripartite bodies complain about being reduced to just one of many players. Others have focused on the fact that the social partners and other key social players have come to play an important

part in more areas (Draus 2000b: 28). In 2002, after a new election, the overall national tripartite body regained the competencies that were removed in 1999.

Social dialogue at regional and local level

Social dialogue at regional and local level is neither as important nor as well developed as social dialogue at national level. Dialogue at this level is most frequently about employment services, employment promotion initiatives, economic restructuring etc.; however, occasionally, it is also about health and safety supervision, as well as vocational education and training.

Social dialogue at regional and local level is conducted primarily within formal tri- or multilateral bodies, whereas an autonomous (bipartite) dialogue is rare on this level. The participation in those bodies is often broader than in the national tripartite bodies since the participants often include other organisations than the public authorities and social partners - in Poland, for instance, also local and regional agricultural organisations are participating. Even though the regional and local bodies are consulted by the public authorities, they seldom have real decision-making powers.

In *Poland, Hungary and Lithuania*, regional and local tripartite and multilateral bodies have existed for many years, while they only very recently have been set up in the *Czech Republic, Latvia and Estonia*. In some of the countries the regional and local tripartite bodies were set up by regional and local players themselves; however, in Estonia, the government was a significant factor in establishing regional and local tripartite bodies and making them compulsory.

The common problem in all three *Baltic republics* is the shortage of resources and know-how needed to establish a qualified social dialogue at regional and local level. In particular, the social partners have in general weak regional and local structures. In some instances there are simply no regional or local organisations to be represented in the tripartite bodies.

Social dialogue at sectoral level

A common feature shared by the six countries concerned is the fact that collective agreements at sectoral level are relatively rare and of much lesser significance for wages and working conditions than the social dialogue at national and company level. Even though there in several of the countries have been serious attempts to strengthen the dialogue at sectoral level, the general tendency have been a reduction in the number of sectoral agreements (Cox & Mason 2000).

Like other forms of social dialogue, collective agreements at sectoral level must be drawn up within the framework laid down by the labour legislation and only in rare cases is it allowed to make agreements that are less beneficial to the employees than labour codes; in some instances, sectoral collective agreements are actually pure copies of such legislation. In most of the countries, all employers who are members of an employer federation within a specific industry or sector are under an obligation to comply with the terms of the sectoral collective agreements. This is, however, not the case in the *Czech Republic* (Kubínková 1999). Extension mechanisms have recently been introduced in Poland and Estonia, and they have been an (rarely used) opportunity in Hungary for some years (European Commission 2002).

The provisions of sectoral collective agreements are minimum standards. In some cases, they are pure wage agreements that fix minimum wages only. In other cases, they are more comprehensive agreements that, among other issues, regulate various working conditions. Sectoral collective agreements are estimated to cover between 8 per cent to 30 per cent of the total number of employees - however, most estimates are closer to 8 per cent than to 30 per cent (Due et al. 2000; Héthy 1999; Kubínková 1999; Ladó & Vaughan-Whitehead 2003). Sectoral dialogue is least developed in *Lithuania* where companies practically reign supreme.

The weakness or total absence of employer organisations poses a serious problem. In some sectors, the trade unions do not have a counterpart to negotiate with. To remedy that problem, in some instances the state or trade unions were instrumental in establishing employer organisations. Since it in most cases are the trade unions that take the initiative to sectoral collective agreements, the low affiliation rates of the trade unions are also a problem for the sectoral social dialogue.

Sectoral collective agreements are found in the public sector (in particular in education, healthcare, and public administration), as well as in state-owned and privatised manufacturing enterprises. However, it is not in all the countries concerned possible to conclude collective agreements in the public sector – for instance does the legislation in the Czech republic and in Hungary not provide for that. Moreover, in the public sector – more often than in the private sector - the trade unions often there lack a negotiation partner on the employer side.

It should also be pointed out that some of the sectoral agreements - for instance in Poland - date back from 1970s since the parties have been unable to reach an agreement on new collective agreements. Such outmoded agreements can hamper productivity optimisation.

EU PHARE-projects have been established in a number of the CEE-countries in order to strengthen (especially sectoral) social dialogue through information, training and creation of sectoral institutions for social dialogue and collective bargaining (Ladó 2001; Andersson et al. 2001; .Phare 2002). Some of these projects have shown promising initial results, but it is still too early to judge about their long term results and the sustainability of the institutions created.

Social dialogue at company level

Social dialogue at company level can assume many forms, but the two most important ones are negotiations on pay and working conditions and employee participation in other matters related to the company's production and development.

In most of the countries in question, it is trade union representatives and not independent employee representatives who are the employers' counterparts. As a rule, the trade unions have defended their monopoly making the case that works councils are under the management's thumb, and are too weak to be able to represent employees.

In the *Czech Republic*, a sort of compromise was reached making it possible to set up works councils at companies with more than 25 employees; however, a works council must be dissolved the minute a trade union has established itself at the company concerned (Draus 2000a: 24). In *Hungary*, works councils have existed side by side with the trade unions for a long time and the councils have been able to negotiate on collective agreements; however, the two parties have had some overlap since many trade union representatives have seats on the councils (Draus 2000c: 45). The newly elected Socialist government did in 2002 de-recognise the work councils. In *Poland*, the independent works councils were once strong, and they played a role in the privatisation process, but they are now of only minor importance (Cox & Mason 2000:101). In the *three Baltic countries* there have been a debate about reestablishment of works councils. The intention has been to use the councils for consulting the employees rather than conducting negotiations proper on pay and working conditions.

In almost every case, it is the employee representatives, and not employers, who take the initiative towards concluding a collective agreement. Normally, employers are legally bound to conclude collective agreements should employees wish to do so, but conflicts and industrial disputes where employers attempt to avoid signing collective agreements are frequent in most of the countries in question. This is so despite of the fact that many employees abstain from taking legal action even in disputes they could not possibly lose because they do not know whom to approach or because lawsuits are often time-consuming and expensive. Employer organisations adopt most often a passive stance on collective agreements at company level. They do not urge companies to conclude such agreements, nor do they try to dissuade them from doing so.

Like sectoral agreements, collective agreements at company level can either be narrow wage agreements or more comprehensive agreements covering pay as well as a number of issues related to working conditions. The agreements at the company level refer in some cases to the sectoral agreements, but most often the company agreements are disconnected from the dialogue at sector level, if any such exist. Company level agreements are most widespread in the public sector, as well as in big state-owned or privatised companies, while they are rare at new enterprises, small and medium sized enterprises, privately owned service companies and foreign-owned companies.

Collective agreements at workplace level are estimated to cover 6-14 per cent of all companies in *Estonia*, 8-15 per cent of all companies in *Latvia* and *Lithuania*, and 20-35 per cent of all companies in *Poland* (Due et al. 2000; Ladó & Vaughan-Whitehead 2003). In the *Czech Republic*, the coverage rate is estimated to be 30-43 per cent depending on source, whereas in *Hungary* it is estimated to be close to 40 per cent (Héthy 1999; Kubínková 1999; Draus 2000b; 2000c; Ladó & Vaughan-Whitehead 2003).

Breaches of collective agreements do occur, but only some of the countries concerned have procedures for conciliation or an industrial court system. However, in quantitative terms, failure to comply with the applicable law constitutes a far more serious problem than industrial disputes. The state Health and Safety Executive/Labour Inspection and the regional and local employment services that have supervisory authority do not have sufficient resources to supervise all small companies with fewer than 50 employees where the problem is most serious.

Employee co-determination - another central dimension of the social dialogue at company level - is least developed in the *Baltic republics*. In *Poland*, the privatisation process has considerably weakened the once-strong co-determination at company level. In *Hungary* and the *Czech Republic*, co-determination is more widespread and developed.

Are the preconditions met?

One of the five requirements for a well functioning social dialogue is as mentioned that the participants must be relative independent of each other. Considering the close ties that exist between the unions and the political parties in several of the countries, and especially so in Poland, it is questionable whether the participants can be seen as relatively independent of each other.

Regarding the representativity requirement, the employees' and the employers' lack of members constitute a problem, both in relation to monopolising the organisations' representation in tripartite discussions, and in relation to securing implementation of bi- and tripartite agreements. The capacity problems of the state become apparent in its inability to conduct an effective labour inspection, and to deliver the necessary secretariat service to the tripartite discussions.

The labour market parties' lack of organisational capacity also results in an uneven division of power. In the tripartite bodies the labour market parties are too weak to put pressure on the government, which can then in certain situations disregard, almost without consequences, the requests of the labour market parties. Moreover, the unions have too little influence at the workplace level to be able to force the individual employer to sign collective agreements.

The fourth requirement, cooperativeness and acknowledgement of the interests of the other participants, is only to some extent met by the countries. The widespread tripartite co-operation is pointing in the direction of a fulfilment of the requirement. However, the difficult negotiations of most issues in the national tripartite bodies and the conflict relations in many of these bodies might indicate that the spirit of co-operation is far from always sufficient. Some employers' resistance towards social dialogue at company level, and some trade unions fear of competition from alternative forms of employee representation point in the same direction.

Nevertheless, although far from all preconditions for an efficient social dialogue are met, the social dialogue that does exist has not been futile. The social dialogue has assisted in creating a mutual acknowledgement between all three

parties; it has raised the level of information and it has been instrumental in reducing the social tensions in the societies. Furthermore, the social dialogue has produced a number of tangible results in terms of tripartite agreements, collective agreements etc. Finally, it can be argued that the social dialogue has been a contributing factor in maturing the parties, partly by letting the parties define their own roles, and partly by the influence they have achieved in a number of political areas as a result of the tripartite cooperation. So even if the labour market parties do not hold the necessary power to participate optimally in the social dialogue, they gain from the participation itself.

4. The relation between social dialogue and employment, wages and working conditions

The long accession process and its focus on formal criteria, process-related demands and legal questions contains a risk, that the wages and working conditions in the applicant countries are forgotten. The improvement of these is as important an aim of the social dialogue as the accession to the EU and avoidance of social conflicts.

There is reason to pay attention to the fact, that the transition to market economies have had serious consequences for large parts of the populations – not only for a short period, as was expected during the first optimistic years after the fall of the wall – but for the whole period until today. Despite of increasing GDP in the last half of the 1990s in most of the six countries, a reduced workforce and extensive hidden unemployment, the official level of unemployment is above 10 per cent in all the countries except from Hungary (ILO 2000). Even in Hungary, where a relative ‘soft’ transition process was chosen and where the increase in GDP have been profound, has the transition process had serious social consequences. Real wages is back on the level from the 1970s and income is unevenly distributed to an extent that 25 per cent of the population is living below the official poverty line (Galógczi 2000:15-21). The unemployed make up a large share of this group because the state have not the resources – or the will – to pay unemployment benefits to the unemployed to any great extent. Hence, the unemployment benefit is in general very low in the accession countries and only a limited group is eligible for the benefits and can only receive the benefits for a short period. In the three Baltic countries it was only between 6 and 14 percent of the unemployed who received unemployment benefit in the late 1990s (Aasland & Tyldum 2000).

In sum, the social dialogue has in general not been able to avoid a serious worsening of the living conditions for the majority of the populations. Maybe, it can even be said that the tripartite co-operation on the national level has contributed to the deterioration. The minimum-wages which have often been agreed in the national tripartite bodies have been under the official subsistence level. For instance was the minimum wage in the Czech Republic in 1996 between 94 and 63 per cent of the subsistence level, while it in Latvia made up 51 per cent of a 'minimum consumer basket' (Standing 1997: 155). It can therefore be said, that the minimum wages no longer are an instrument for social protection but is better understood as a measure in the governments attempts to keep the state budgets under control.

5. How can the dialogue be improved?

More willingness to bargaining

If the dialogue is to be improved the governments must to a larger extent honour the decisions of the tripartite participants and take the labour market parties seriously, even if the parties are not always fully representative or particularly powerful. The governments in countries such as the Czech Republic and Poland have not shown any real willingness to give the social partners influence – and then the social dialogue become in vain. The problem is that the social partners are too weak to sanction the governments. The unions, for their part, must strike a better balance between cooperation and the handling of interests.

The overall cooperativeness they have displayed with the governments has helped stabilising the societies in the transitional phase preceding a new social structure. But in order to recruit new members and keep the existing ones, producing results is crucial. Decreasing real income, minimum wages far below the subsistence level and almost non-existent unemployment benefits are conditions that the unions cannot tolerate in the long run. The fact that per capita GDP in Eastern and Central Europe on average is 40 per cent of per capita GDP in EU, while the real wages is only 14 per cent, demonstrates a possible 'economical space' for improvement of wages and working conditions as well as of unemployment benefits (Gábor 2000:18). Again, however, the weakness of trade unions might be an obstacle.

On the other hand, displays of special interests toward the governments should not be knee-jerk reactions. In Poland, for instance, the unions routinely query

proposals when the government has the wrong colour, while they more or less unreflectively back proposals of favoured governments. This situation is a side effect of the existing politicisation, and it is therefore necessary that the unions' affiliations with the political parties are reduced further.

Better ability to bargaining

The representatives in the national tripartite body often ask for training in bargaining techniques. Moreover, it is important that the governments provide the tripartite bodies with substantial secretariats, which is not the case in all the six countries in focus. It is also a precondition for negotiation that internal discord is mitigated. Even though discord amongst the unions is less predominant today than during the first years following the upheavals, it is still impeding the Polish tripartite cooperation, and has in several cases obstructed the settling of both trade- and company agreements in Hungary and Lithuania. In some of the countries - for instance in Poland - there are also within the employers' ranks similar antagonistic relations that complicate the social dialogue.

Securing implementation

The organisational resources of the labour market parties have been focussed on the national level where the dialogue has been the more elaborate. An expansion of the presence on sector level, in the work places, and at the regional/local level is the *sine qua non* for ensuring the legitimisation and implementation of decisions reached in the national dialogue.

The implementation would also be improved if the employer organisations' passive role in connection with the settling of company agreements was replaced by an encouraging role toward the member companies. This could be based on the employers' interests in settling agreements (for instance to avoid conflicts in the work places and to increase productivity).

Another way to ensure that implementation takes place is to let the bipartite dialogue take over some of the regulation that currently belongs to the tripartite discussions. Several of the countries are discussing to head in that direction, which is also recommended by the EU. Presumably, the benefit would be that the labour market parties to a higher degree would feel committed to agreements they have entered into on their own, as opposed to agreements reached in tripartite discussions. The question is whether or not the parties are sufficiently powerful. The state has to a certain extent guaranteed the

employees' interests, a guarantee that will disappear should weak unions stand alone – therefore this strategy must be approached with caution.

6. How realistic is an improvement of the social dialogue?

Many of the proposals to the improvement of the social dialogue get caught in a vicious circle which can be described as follows: Weak organisations (and weak states) > lack of pressure on employers and lack of implementation of legislation/agreements > discredited organisations and lack of incentive to become a member of an organisation > weak organisations.

Viewed from this vantage point it is unlikely that the countries' industrial relations systems single-handedly will be capable of improving the social dialogue. The optimists will have to have confidence in the EU as *the dieu ex machina* to get the process succeed through accession criteria, labour market directives, open methods of co-ordination and projects supporting social dialogue institutions. Whether one is optimistic or not, no one should be led to believe that these countries will develop industrial relations systems similar to those in Western Europe. The social dialogue in East- and Central Europe has been conducted and re-developed quickly in a top-down process whereas the same development in the West was gradual and dominated by bottom-top processes. This will, along with a number of other differences in state, market and civil society, impede a wide-ranging convergence for a long period of time.

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