

**The future of the welfare state: paths of social policy  
innovation between constraints and opportunities**  
Urbino, 17-19 September 2009

**Revitalization of the Trade Union Movement: examples from  
Poland and Serbia in Automobile and Public Sectors**

Magdalena Bernaciak  
Anil Duman  
Vera Scepanovic

Paper presented at the 7th ESPAnet conference 2009  
Session: nr: 6 - Social Concertation in Europe: Actors, Institutional  
Dynamics and Welfare and Work Reforms

## **Abstract**

The overall problem for unions in most of the transition countries is how to effectively combat the obstacles facing them and to develop strategies that can represent their interests. This study aims to investigate whether the trade unions in the transition countries are experiencing revitalization and managing to become important players in the new web of social relations, in particular their influence wage and non-wage issues given that there are pressures which have severely limited their influence on pay matters. The paper looks into Polish and Serbian automobile and public sectors. These countries started from very different points and the trade unions served dissimilar functions, thus revival strategies as well as social dialogue are expected to be distinct.

## **Draft: Please Do Not Quote**

### **1. Introduction**

Labour is having drawbacks in organizing, mobilization and representation all over the world, and trade union activities have been facing severe challenges everywhere. Yet, the transition countries have particular difficulties and the main issue stands to be effectively combating the obstacles and developing strategies that can represent labour's interests against the other dominant groups. Among the reasons why one would expect weaker unions and feeble representation at the national level are communist legacy and structural constraints. Nevertheless, unions in transition countries are also relatively flexible in choosing their strategies, and the structural limitations might be fading. The paper looks into Polish and Serbian cases. These countries started from very different points and the trade unions served dissimilar functions during and after transition. Given the historical and structural differences, the revival strategies as well as social dialogue are expected to be distinct.

In order to analyze what role trade unions are playing in recent times, two important sectors have been examined in more detail. Main part of the work is conducted at the sectoral level containing the public and automotive sector. The first one is chosen since the public sector unions are by far the most representative and at the same time they

cover service sectors that could be effective in responding to the newly emerging challenges. Also, in both countries public sector still employs a large segment of the labour force. Automotive sector could also provide comparative insights about the actors' strategies given that it is a typical industrial sector, and in all countries considered, foreign direct investment dominates the automobile industry. Hence, it can offer significant insights about whether multinationals are viewed as platforms for labour revival. The share of car manufacturing in overall exports and production is also increasing, which offers potential changes to the revitalization strategies of unions.

Although both countries share a communist legacy and faced structural shifts, the main obstacles against labour movement are distinctive. In Poland, the ideological divide and politicization are seen as the main hurdles against labour movement. Therefore, we argue that successful revitalization attempts can include more focus on representation of labour's interest and business unionism. Institutionalization and formal representation are less of a problem. The Serbian unions on the other hand are operating where the economic restructuring did not fully come to an end. Hence, they are yet on a declining curve, and the institutional configuration is in a flux as well. Given these, trade unions' focus can be maintaining their existing membership as well as mobilizing capacity. Additionally, the Serbian unions are expected to target institutionalization of social partnership to accomplish a significant upturn. Examples from automobile and public sector are investigated to see if the unions in Poland and Serbia are responding to the country specific challenges, and the reasons for effective revitalization or lack thereof.

The next section briefly reviews the explanations of labour weakness and possibilities and ways for resurgence in post-communist societies. In the third section, we investigate the automobile sector in Poland and Serbia. The fourth section does the same for public sector in both countries. Final section will conclude.

## **2. Overview of Labor Movement in Central and Eastern Europe**

Trade unions all around the globe has been subject to numerous challenges and predicaments, nevertheless, it has been argued that the transition countries have even

bigger issues to deal with in the area of labor movement. In Central and Eastern Europe, with the exception of Slovenia, trade union membership and density have plummeted, and unions mostly lost their representative power in politics. For example, the union membership rates went down from almost 100% to 14% in Poland and 17% in Hungary (Kohl, 2008). Additionally, the coverage by agreements is extremely limited in these countries and has deteriorated over the transition period. These developments led many scholars to assert that the unions and labor in general have a much weaker position in industrial relations in Central and Eastern Europe. The revitalization strategies<sup>1</sup> and options that have been fleshed out from the Western experiences might not all be available for these countries.

Despite the commonly shared view of “weakness”, the reasons why labor and trade unions lost their ground in the region have been analyzed from a variety of perspectives. It is possible to group these studies under structural and ideational factors. According to Ost and Crowley (2001), the negative legacy of communism is a major aspect in explaining labor quiescence and labor weakness in transition economies. Before the transition, unions were acting together with the state through compulsory membership, and mainly served an advisory and legitimizing function. However, the new economic system requires them to play an independent role, and carry responsibilities in the bipartite or tripartite negotiations. As opposed to these ideational explanations, Bohle and Greskovits (2004) argue that the comparative advantage of the region is based on low labour costs in combination with a relatively skilled labour force, which results in a flourishing environment for labour intensive and export-oriented industries. Such an environment is unsuitable for the kind of compromises between labour and capital that exist in Western Europe.

The bleak picture of the labour movement in the region has been criticized by a number of scholars, who maintain that there are grounds why union revitalization is possible for the transition countries. Furthermore, the countries have displayed different levels of union activity, and different forms of industrial relations indicating that common legacies and structural factors can be handled distinctly. The domestic institutional and ideological features significantly affect the union strength and strategies in the transition

---

<sup>1</sup> Frege and Kelly (2003).

countries. For instance, Slovenia has approximately 44% union density and nearly 100% collective agreement coverage while Baltic countries score very low on all accounts (Van Gyes et al., 2007). Lastly, multinationals are seen as a positive element in pushing for union activity since they will be subject to more pressures from the host country and at the same time can transmit the labour standards of the sending country (Gradev, 2001). At this stage, for our discussion, we will highlight the contextual differences in each country to set up the best suited strategies for trade unions.

## 2.1 Ideational Explanations of Labour Quiescence

The first set of ideational explanations focus on the communist legacy of the past, and especially the close association between the trade unions and the old regimes. In their influential work, Ost and Crowley argued that economic decline and new forms of economic organizations do not entirely explain the astonishing frailty of labour movements in these countries<sup>2</sup>. It is largely the communist institutions or lack thereof, and ideological legacies that mattered for the general decline in union power. The trade unions in transition countries accepted the neo-liberal rule since they viewed communism as the ultimate enemy, and believed in a pro-market system that can be beneficial for all actors. Indeed, it has been recently claimed that the main shortcoming of the trade union leadership in the post-communist societies is the hesitation to embrace all the working class, and remaining to be elitist (Ost, 2009). Also, deficiency of experience in market system made it more difficult for the workers to identify their class interest and act in a united fashion. The governments in the region implemented several policies to buy out certain social groups, and demarcate them along non-class lines (Vanhuysse, 2006).

Besides the trade unions and worker organizations, civil society was relatively underdeveloped in post-communist countries. Three main reasons have been offered as a basis for the feeble civil society growth in the region. First, there is a widespread mistrust of communist organizations, secondly, the informal networks have persevered, and finally, the population was largely disgruntled by the post-communist developments (Howard, 2003). The low levels of trust for the communist organizations negatively

---

<sup>2</sup> Ost and Crowley (2001)

affected the associational ties, and many preferred non-membership as an expression of their free choice. Moreover, the regime transformation led to individualization, and deteriorated the social ties. Also, the dissatisfaction with the transition period and afterwards made people less enthusiastic about political processes and pushed them for apathy. This operated both through creating negative expectations, and losing faith in the participatory practices.

The second set of ideational explanations relies on the ideological fragmentation and divisions among the trade unions. Despite the minor differences in transition countries for the trade unionism after the transition, in all countries, the unions surfaced either by reorganizing the former ones or establishing new ones. And very often there was a strong rivalry between the old and new trade unions (Pollert, 2000). Given the historical role and available resources, the old unions continued to be the prevailing players. Moreover, the unions in the transition countries mostly kept their company based structure; hence it had been possible to have multiple union representations within the same firm. These meant both industrial and political weakness because the trade unions could not hold a united front, and often times they supported opposing parties and organizations.

Frege (2002) asserts that the trade unions in the post-communist societies tend to align with the employers akin to their practices under communism. This mainly comes from the disproportionate strength that managers and employers gained by privatization and industrial organization, and the relative difficulties to transform the union identities. Hence, the trade unions continued their original role as transmission belts and failed to distinguish their position as strategic actors in national policy making. They did not define clear interests and acted as co-managers, which led to dissatisfaction among the members, and a loss in terms of mobilization. Although, this can be partly explained by the legacies and the communist practices, it is also related to the management behaviour. In the transition countries, the enterprise management remained to be paternalistic, and most people ascribed a significant role to the enterprises as institutions defining their lives (Smith, 1998). Therefore, the class formation and interest differentiation became even more difficult, and render the trade unions more as partners.

## 2.2 Structural Explanations of Labour Quiescence

In addition to the above interpretations, there are structural elements that many researchers have considered for the relative weakness of labour in Eastern Europe. Poland, and Serbia as any other country that went through the social and economic transformations have seen dramatic declines in output, and very tight labour markets. The transitional recession is well documented in the literature and won't be evaluated here again. Yet, it should be noted that these countries managed to recover their pre-transition growth rates by mid-1990s in the earliest case, and unemployment rates remained to be relatively high even after the growth. Also, they began from a relatively disadvantaged position in the global division of labour in comparison to their Western counterparts. Additionally, the international financial institutions, which were adamant market supporters at the time advised cutbacks in most welfare programs, and took a rather hostile position towards the labour.

Firstly, the international institutions, which played a sizeable role in shaping the social institutions and policy in the region favoured the capital, and attached conditionalities to fortify the market imperatives. The international financial institutions have constantly undermined the trade unions or any other labour organization from the reform processes and effectively excluded them from the negotiations (Upchurch, 2006). Labour in the eyes of international financial institutions is a cost item, and should be subject to the forces of liberalization and be limited in its power to be a representative group. At best, trade unions are viewed as interest lobbies, and hence their broader social role is neglected. Although, this approach has been revised over the years, the budgetary controls persist to be the core of these institutions' guidance.

Bohle and Greskovits (2004) on the other hand assert that the labour in transition countries is bound to be vulnerable because the capital-labour accord that can be found in Western Europe is not feasible for the region. The transnational character of the capital and new domestic forms of organizations are not conducive to pacts. In the West, the production regimes allow for harmonious industrial relations while in post-communist countries the liberalization and internationalization happened in a way that impels labour to be subservient. Within the international division of labour, the transition countries

found themselves in labour-intensive production, which resulted in gains of employment but losses in terms of market power. The severe competition in terms of unit labour cost and high mobility made these industries very powerful against the employees. Moreover, the small firms considerably decrease the organizational power of trade unions, and the labour movement becomes inevitably fragmented. Lastly, the workers do not have consumer power either in these countries due to low wages, and lack of aggregate demand management policies.

### 2.3 Factors Setting the Stage for Labour Revival in the Region

In the literature, it is generally assumed that the labour movement in transition countries have shown similar patterns and assumed a subsumed role. Nevertheless, there are considerable differences across countries in terms of their economic restructuring, and political outcomes. Moreover, the trade unions have displayed several differences in their labour movements and trade union organization strategies. Therefore, it would be flawed to assume that the legacy of communism has generated the same effects in all countries. Although, they share a similar past, these nations went into separate ways to reorganize their trade unions, and ended in different positions in terms of their social pacts and negotiations. This indicates that the weakness of labour can not be taken for granted, and factors that can explain the relative strength in several transition countries should be also considered. In the recent years, a lot of studies look at the possibility of union revitalization and mobilization. There are grounds to expect that labour is at least partially able to restructure its organizations and become a more influential player in domestic politics.

Although, the paper will not discuss the role of these factors, the international institutions and multinationals can be deemed as positive elements for trade union development. The impact of European Union and European social model is frequently argued to be affirmative for the trade unions in the region. Implementation of the same labour standards with the West and allowing bipartite or tripartite organizations for policy making are important steps for labour. Also, European Union can act as a balancing factor against the pressures from international financial institutions. Meardi (2007) claims

that the multinational corporations can be constructive for union revitalization, and from his case studies, it is found that unions appear to be much stronger and innovative in the multinationals in Hungary than the national average. This is not the case, however, for Poland where the results are very mixed, and for Slovenia where the multinational corporations have slightly lower union appearance than the national average. Also in Serbia, trade unions point out that they have best relations with large foreign-owned companies, where they have signed a number of much lauded collective agreements. Hence, depending on the national context and the type of the foreign direct investment, trade unionism can flourish in multinationals, and they can be seen as platforms for labour revival.

Trade unions have strategic choices and action sets available for them, and can opt for various paths. They can make choices between a broad or concentrated constituency, between the issues to be covered, and between the methods to engage with employer and government (Heery, 2003). However, these preferences are affected by the background factors in each country. Although the union identity is generally taken as restricting element in post-communist countries, each case is unique and the unions have served distinct functions before and after transition in Poland and Serbia. The governing parties' ideological orientation and political alliances that unions achieved also differ greatly from one country to another. Additionally, the unions in Poland are detaching themselves from parties, while in Serbia the state is still by and large viewed as the main agent to respond or react. Industrial relations are also marked by a higher degree of institutionalization in Poland. In both countries, these factors jointly set up the available strategies for the labour, and affect the degree of their success or failure. The next sections tries to analyze the revival of unions in two major sectors; automobile and public.

### **3. Revitalization in Poland and Serbia: Automobile Sector**

In the two decades following the fall of communism, the automobile sector attracted a considerable amount of foreign direct investment in Poland. Nowadays, it represents over 10% of the industrial production (ACEA, 2006) and employs nearly

200.000 people (PAIIZ, 2009). The automobile industry in Serbia is still in the process of privatisation. Until 1990, Serbia had relatively developed transportation industry for the times, with a capacity of over 200.000 passenger cars per year, as well as a number of producers of lorries, buses and commercial vehicles. Most of this automotive complex was linked to the main national producer, Zastava, which was part of a large metalworking concern centred on the city of Kragujevac in central Serbia. Across the country, employment in the automobile sector was around 36.000, 50% less than in 1990 but still accounting for 8% of industrial employment in Serbia (Adjevic, 2008).

In Poland, most of the brownfield automotive sites inherited trade union organizations from the state socialism period. At greenfield facilities, in contrast, trade unions had to be established from scratch, often by workers with previous experience of trade union activism. The decision to establish a trade union organization was usually motivated by the willingness to improve working conditions at a given plant, often in reaction to law breaches or irregularities on the side of the management. After 2000, the goal of rising remuneration levels additionally gained prominence. In the industry dominated by big multinational companies (MNCs), building up a strong union membership base was of crucial importance. Preliminary evidence indicates, however, that union activism in the organizing sphere showed different dynamics across three types of facilities. Recruitment is most actively pursued at greenfield facilities of original brand manufacturers (OBMs) that put out finished vehicles and key components. At Volkswagen engine factory in Polkowice, where unionization levels reach 80%, each new worker is approached by a union official who encourages him/her to join the union. At GM/Opel plant in Gliwice, representatives of the plant level *Solidarność* unit do not contact workers directly but instead they signal their engagement in defending workers' rights by widely publicizing the instances of labor law abuses, while simultaneously highlighting the role of the union in solving this type of disputes.

The situation is more complex in the case of smaller, private supplier companies. Here, the trade union presence is limited, which reflects both the structure of the subsector and the employers' attitude towards union organizing. Supplier facilities are usually much smaller than OBMs' sites and therefore more difficult to organize. More importantly, the constant drive for productivity improvements as well as flexibility

pressures exerted on the suppliers by the final producers create an environment in which the emergence of an organized workers' representation is perceived as an impediment and/or a threat to the achievement of targets set by the OBM. As a result, the instances of union busting have been reported, accompanied by the emergence of 'underground' union organizations that do not reveal their existence to the employer until a certain number of workers decide to join them. Both above tendencies keep the membership in unions across the supplier subsector at a relatively low level. Last, but not least, the third category of automotive factories are brownfield facilities, where, with prominent exceptions such as Volkswagen Poznań, organizing does not feature high on the plant-level union organizations' agenda; as a result, union membership numbers are falling or at best stagnating.

Similarly to other privatized sectors, the automotive industry in Poland is characterized by far-reaching fragmentation and weakness of sectoral collective bargaining actors, both on the employers' and trade union side. As for the union side, sectoral structures are either non-existent, as in the case of OPZZ-affiliated Metalowcy union, or merely provide a forum of internal consultation between individual plants' unions, as in the case of Słoneczko's Automotive Section. On the side of the employers, a number of organizations exist, the biggest one being the Automotive Employers' Association (Związek Pracodawców Motoryzacji, ZPM) and the Polish Automotive Chamber (Polska Izba Motoryzacji, PIM). Nevertheless, employers are unwilling to lead negotiations at the sectoral level and thus the issues of remuneration and working conditions in the sector are subject to the labor code regulations and agreements between social partners concluded at the company level. In October 2007, seven plant-level union organizations from the automotive cluster in southern Poland vowed to coordinate their strategies and voice joint demands vis-à-vis the employers, thus paving the way to future sectoral collective bargaining agreement in the industry. The initiative, however, did not bring any tangible results, as it met with no response on the side of the employers and with limited support of trade unionists from other regions, who claimed that in view of regional wage disparities, unions should first discuss minimum wage levels for particular professions in the industry and refrain from formulating joint pay rise demands.

Also the state engagement in the sectoral affairs remains limited to the initial phase, when government officials negotiate subsidy packages and tax exemption schemes with the future investor. In subsequent period, however, the state does not interfere with the sector. This lack of state involvement extended over the period of the current economic crisis. Even a joint appeal of trade unions and employee organizations for governmental assistance and financial guarantees for the sector from December 2008, a rare act of coordination between the sectoral level bargaining partners, met with the rejection on the government's side.

Given the lack of government access and the weakness of the sectoral bargaining level, plant serves as the main arena of trade union activity. The predominant union strategy employed at this level seems to reflect in the first place opportunity structures created/ shaped by the management's attitude towards the unions. In other words, rather than actively shaping the working environment, unions tend to adapt their strategies to the one of the employer. In this respect, in companies favoring cooperative mode of industrial relations, trade unions assume the role of social partners making use of the extensive information and (in some cases) consultation rights in pursuit of workers' interests but simultaneously avoiding direct conflicts with the management. This type of employment relations is characteristics for the two Volkswagen sites in Poznań and Polkowice. In contrast, in companies characterized by negative management's attitude towards unions, the latter adopt a different set of strategies. Here, if trade union organizations exist at all, their activism rests mainly on mobilization and a continuous threat of protest actions. Labor organizations at FIAT plants in Tychy and Bielsko-Biała follow the second approach, defending trade union rights and ensuring better working conditions at the facilities by contentious means.

With regards to union revitalization, the automotive industry offers a mixed picture. On one hand, there are clear signs of intensified trade union activism and organizing across greenfield facilities. These efforts seem to be accompanied by the emergence of a new ethos of younger trade union activists, based on high personal engagement in union affairs and a clear-cut orientation towards business unionism. At the same time, however, persistent weakness of the sectoral bargaining structures and the state's withdrawal from the industry leaves the unionists alone in the confrontation with

the powerful, often foreign employers. As a result of power asymmetry in capital – labor relations at the plant level, trade unions seem to act in a reactive manner, adjusting their strategies to the employers' actions, and thus balancing between social partnership and collective mobilization. Hence, the external environment, rather than unions' autonomous choices, shapes the dominant mode of automotive union activism at the plant level.

In Serbia, union's activities in this sector show a sharp divide between the main plant in Kragujevac which boasts a well organized, active workforce and the smaller, less organized producers and component manufacturers which are scattered across the country. At the same time, it is a good illustration of several patterns of union organisation in Serbia: the relative ability of unions to cope with privatisation, the imperative of survival and revival of production which is the top of union demands in the manufacturing sector, and the difficult but apparently necessary involvement of state and local authorities in the unions' strategies.

Zastava's biggest trade union is a member of CATUS, but for all intents and purposes it is the company union of Zastava, and, to an extent, the trade union of Kragujevac. This large industrial city suffered a severe downturn since the beginning of the 1990s when the war and international sanctions cut off the former markets (as well as suppliers) of Zastava's factories. Economic hardships and slow dying out of the industry turned the workers of Kragujevac, once fervent supporter of Milosevic on his way to power against the regime and Kragujevac became the stronghold of opposition. The government tried to put off the protests by maintaining at least a minimum of economic security for the workers through extensive subsidies for the factory and protection of their position on the domestic market (EIU March, 1996). In spite of this, the situation deteriorated steadily and culminated with NATO raids against Milosevic's regime during which most of the productive capacities of Zastava were destroyed<sup>3</sup>.

After the fall of regime, with renewed opportunities for economic revival, the workers of Zastava joined forces with local authorities to force the government to restore production and find Zastava an investment partner that would ensure its future in the new

---

<sup>3</sup> In what amounted to an act of defiance in the face of terrible defeat and the last attempt to salvage support, Milosevic's government conceded to grant Zastava 80 million dollars to quickly rebuild some of its capacities. Compared to an estimated 1 billion dollar damage, however, the sum was at best symbolic, helping to restore one quarter of the previous capacities (up to 50.000 units per year) (EIU August 1999).

economic environment. The main demands of the union were “the right to work”, i.e. to keep the factory going, to restructure and modernise production facilities in order to attract a foreign partner, and to keep redundancies to a minimum, instituting instead a “retraining centre” where the redundant workers attended various courses and received 60% of the wage they would receive if they were working. Together with the management, they succeeded in securing a licence for the production of Fiat Punto for the Serbian market for which they put together 15 million euros from the sale of Zastava’s property and subsidies they extracted from the government to install the new production line for this model. Preserving the factory remained the ultimate imperative: although the unions insisted on social programmes and severance packages for the redundant workers. In 2005 the workers blocked the main highway in central Serbia in order to prevent the government from liberalising imports of second-hand cars, in 2006 they campaigned for a subsidy package to modernise production lines, in 2007 a delegation of Zastava’s management, trade unions and mayor of Kragujevac went to Belgrade to negotiate preservation of jobs in the factory with the prime minister, and in 2008 and 2009, after the factory was finally sold to Fiat, the workers staged smaller protests and public events whenever it appeared that the agreement was not going according to the schedule. In late 2008, when the old equipment was ordered out of the factory to make space for the new production line, the workers took the machines out of the plant but refused to remove them from the factory premises. President of Zastava’s trade union explained that they will not take out the machines until Fiat fulfils its part of the investment plan, in order to be able to restore the production of the old Yugo model in case the agreement fails.

The case of Zastava illustrates the extent and limits of union’s abilities to act in the context of a difficult economic restructuring and privatisation. Zastava’s workers succeeded in preserving the company and imposing themselves as a relevant partner during the negotiations of Zastava’s sale. They also had exceptionally favourable circumstances: supportive local authorities, support from other companies in the city who often protested together with Zastava’s employees, and enough organisational power to keep the government negotiating. Other similar plants in the same industry (i.e. the lorry-maker from Priboj and the manufacturer of commercial vehicles from Sombor) that are

smaller and embedded in less “explosive” environments are still groping with failed privatisation tenders and diminishing production.

#### **4. Revitalization in Poland and Serbia: Public Sector**

In comparison with the automotive industry, trade unions across the public sector appear as powerful organizations. Their membership numbers, if lower than in the early 1990s, are still impressive. Following the transition period and the dissolution of state industrial monopolies, they remain the last bastion of organized labor in post-communist countries: in Poland, they gather as much as 77% of the registered trade union members. Public sector in Serbia is traditionally fairly well organised. Public employees (administration, health and education, excluding employees of the publicly owned companies) accounted for about 20% of all employees in the republic of Serbia, or 400.000.

In the majority of organizations grouping public sector employees, most notably in the education sector unions, old structures and cadres seem to persist, while organizing efforts have not been given sufficient attention. As a consequence, the organizations have been aging and their repertoire of action has remained limited to conflict-ridden social partnership punctuated by regular protest actions. Alongside with the old structures, however, new initiatives were undertaken at a grassroots level. In the healthcare industry, All-Poland Union of Nurses and Midwives (Ogólnopolski Związek Pielęgnierek i Położnych, OPZPiP) affiliated at the allegedly apolitical Forum federation belongs to such notable exceptions: within few years, the organization managed to boost membership numbers and build up strong regional structures. Another interesting instance of a grassroots activism was the so-called Zielona Góra Agreement - a coalition formally registered as an employer organization gathering self-employed doctors. The initiative aimed at raising the rate of state refund for medical services provided by individual doctors within the framework of their contracts with the national health fund. In the first months following its establishment, it attracted over 15.000 GPs. Nevertheless, it is difficult to ascribe the sharp rise in the organizations’ membership to

organizing efforts. Instead, their popularity seem to be a direct reaction to the deteriorating economic situation of health care facilities and the relative economic deprivation of the sectors' employees vis-à-vis workers in the enterprise sector.

Education and health care reforms implemented by the Buzek government in 1999 ceded certain bargaining competences from the state to lower-level entities such as local administrative units or regional representations of the national health care fund. Nevertheless, in regard to the collective pay and working conditions negotiations, the state still remains an important interlocutor and 'greviance body' for the public sector unions. In the case of the education sector, pay levels and promotion terms are included in a separate bill called the Teacher's Charter. Every proposed change to the Charter is negotiated by a specially designated body including the representatives of the government and the biggest trade unions in the sector. If negotiations do not bring expected results, unionists often have recourse to protest actions targeting the government. They organize pickets and demonstrations in front of main state institutions and threaten with strike actions if the deal is not reached on their terms. Mobilization of this kind has taken place regularly throughout the transition period and oscillated around to major issues: wage increase demands and defense of the early retirement schemes for the employees of the education sector. Most recent protest actions took place in late 2008, in reaction to the government proposal envisaging cuts in teachers' early retirement privileges. As a result of mass demonstrations, the government stepped down from the majority of its initial proposals.

Labor organizations in the health care sector made use of a similar repertoire of strategies. The only difference was that pay increase demands were usually voiced at the level of individual health care facilities and thus targeted immediate 'employers'. Protracted protests often took a form of strikes and hunger strikes that would lead to the state's intervention and the channeling of additional financial resources for wages to be paid the protesting personnel. Sometimes, however, the conflict would take a country-wide dimension. In spring 2007, for instance, the so-called White Village was created in front of the President's administrative buildings, gathering hundreds of nurses who camped for several weeks demanding significant pay rises for the middle-level medical staff. The issue of planned commercialization of hospitals prompted similarly negative

reactions and protests on the side of the health care unions in the first part of the 2000, but also following the electoral victory of the Civic Platform in 2007.

Given their relatively strong membership base, public sector unions seem to be the last bastions of labor movement in the capitalist Poland. At the same time, however, it seems that the majority of labor organizations neglect organizing and rely on old repertoire of strategies, using protest actions against the state as the main tool to preserve acquired social rights and increase pay levels. The emerging grassroots initiatives essentially copy the strategies of old movements, although they also have recourse to more disruptive and radical forms of protest.

Serbia displayed a different story for the public sector unions. During the 1990s, this sector maintained relative industrial peace – among other, their right to protest was severely limited by the restrictive law on strikes – especially in the health sector where “minimum activity” required by the law reduced the scope of action to occasional one-hour stoppages (Marinkovic, 1999a). However, since the late 1990s the rate of disputes in the health and education sector intensified, in response to what was considered unacceptable deterioration of the employees’ living standards and generally of their ability to provide services to the population. Conflictual and protest-ridden strategies continued throughout the 2000s, with either teachers or doctors or both staging massive workers almost every year. These intensive and occasionally spectacular protests are perhaps the best illustration of the “institutionalisation of extra-institutional means” of social dialogue in Serbia. Although the principal aim of health and education workers in every protest so far was to increase the wages, the analysis of the real wage increases in these sectors shows that the result has been not to improve their earnings, but to keep them at more or less the same level – between 2001 and 2008 the average wage in health and education remained the same as the average wage in the economy. Between 2004 and 2008, wage increases in these two sectors were the same or lower as the average gains registered in the rest of the economy (FREN, QM15, 2008). The situation is similar with regard to collective agreements, although education fared somewhat better – in 2005 and 2009, it took extended demonstrations and in 2009 a threat not to begin the second semester of the school year in order to bring the ministry to negotiate the agreement. In the health sector, trade unions organised a march to Belgrade on foot in December 2002

and camped in the park in front of the Parliament for a week in order to secure a collective agreement and a raise of 20% (in 2002, inflation in Serbia was 21.3%). The campaign for a new sectoral agreement was repeated in 2006 (the last agreement signed for workers in the health sector was in 1999), but no such agreement was signed to date.

Similarly “non-institutionalised” are the incipient signs of coordination between the two sectors. In the last decade, the pattern of “competition strikes” set in, whereby agreed wage raises in one sector almost immediately trigger protests in the other in order to level the earnings between the two. The unions have also proposed a more lasting solution (pegging wage increases in health and education to the growth of the average wage in the economy) but so far the government has been reluctant to institute it.

In organisational terms, trade unions in health and education are less fragmented than in other branches. Besides the branch unions of the two main confederations (CATUS and “Nezavisnost”), each sector has one or two large independent unions representing it on the national level. In the health sector, however, there are indications of greater fragmentation along the lines of professional status: in 2003, the new Trade Union of Doctors and Pharmacists of Serbia campaigned for greater wage differentiation between employees in this sector (an increase from 1:2.6 ratio to 1:4). Their move was followed by separate demonstrations of non-medical staff of hospitals, whose situation is the most precarious, since the government recently estimated a surplus of at least 8.000 such employees in the sector.

Trade union movement in public sector in Serbia is still struggling to institutionalise its position vis-à-vis the government and, to a lesser extent, the employees in the private sector. In the past decade there has been little focus on recruitment and organising of rank-and-file, and the larger confederations have mostly dedicated their efforts to preserving the status of employees in the private sector and securing participation in the major transformations in the economy – with variable success. Unions are in a particularly weak position given the high unemployment levels in Serbia<sup>4</sup>, and

---

<sup>4</sup> The “official” unemployment rate in Serbia, measured on the basis of the registered numbers of employees and unemployed was a staggering 28% in 2007. However, the Labour Force Survey figures show a much lower rate – around 20% for most of the 2000s and a decrease to 15% in 2008. This fall is caused not so much by the fall in the number of the registered unemployed (which was still around 750000 in 2008) but by an increase in the number of employed persons included in the survey (self-employed and “supporting household members”). It is estimated that even before this change of methodology the

are therefore more likely to put their energies into maintaining employment in certain sectors, reviving production and institutionalising their position than organising and recruiting new members. However, even this last task has been made difficult by the pattern of interaction between the unions and the government which “institutionalised” protest-driven, non-institutional forms of “dialogue”, which both dissipates union energies and threatens to turn the public and membership away from them.

## **5. Conclusion**

In Poland, two models of trade union activism seem to coexist. The transitional union activism tends to be characterized by older union officials who joined the movement already in the early 1980. A relatively pronounced division line seems to run across the brownfield and greenfield automotive facilities. Trade union officials at greenfield facilities tend to be younger and oriented primarily on the achievement of economic goals. At the same time, they avoid politicization of their plant-level organizations and sometimes even distance themselves from the ideological position of their federations. In this respect, they differ significantly from their older colleagues at brownfield facilities, for whom unionism has had a clear ideological dimension, which would at times override the goals related to pure business unionism. Similar to the automobile industry, in public sector, rigid structures of old union organizations are accompanied by new grassroots forms of activism within a plethora of small, profession-based unions. In contrast to the former, grassroots organizations tend to be more radical in their demands and are thus more prone to engage in disruptive collective action than traditional organizations.

Stretched between attempts to establish their position in the political arena and finally carve out the role for trade unions as necessary and credible partners to the government and employees in Serbia, the unions seem to have reverted to their “firefighting” image. On several occasions of major dispute with the government in the course of the 2000s, both CATUS and TUC Nezavisnost threatened not that they will

---

difference between LFS and register-based figures varied between 30% and 50%, indicating high rates of employment in the grey economy.

take workers to the streets but that, if the government policy does not change, they will not be able to control the protests. There have been continuous direct action and mobilization by trade unions; however these did not necessarily bring vital changes and gains. It can be said that the trade unions in Serbia try to preserve their presence, and this constitutes their core revival strategy.

## References

- ACEA. 2006. "Country Profiles". Available at: [http://acea.thisconnect.com/index.php/country\\_profiles](http://acea.thisconnect.com/index.php/country_profiles), accessed on 1 March 2008.
- Arandarenko, M. 2001. "Waiting for the Workers: Explaining Labor Quiescence in Serbia". In S. Crowley and D. Ost (eds.) *Workers after Workers' States: Labor and Politics in Postcommunist Eastern Europe*, Lanham, Maryland: Rowman and Littlefield, 159-179.
- Avdagic, S. 2003. "Accounting for Variations in Trade Union Effectiveness: State-Labor Relations in East Central Europe". *MPIfG Discussion Paper*, No: 03/6, Cologne.
- Bohle, D. and B. Greskovits. 2004. "Capital, Labor and the Prospects of the European Social Model in the East". *Central and Eastern European Working Paper No. 58*, Centre for European Studies, Harvard University.
- Borbely, S. 2000. "Hungary: EU Enlargement and the Trade Unions". *South East Europe Review*, 1, 97-107.
- Eironline. 2004. "Public Sector Pay Examined". Available at: <http://www.eurofound.europa.eu.eiro/2003/11/feature/pl0311107f.htm>, accessed on 15 May 2009.
- Frege, C. and J. Kelly. 2003. "Union Revitalization Strategies in Comparative Perspective". *European Journal of Industrial Relations*, 9(1), 7-24.
- Gardawski, J. 2003. "Konfliktowy Pluralizm Polskich Związków Zawodowych". Warsaw: Friedrich Ebert Foundation.

- Ghellab, J. and D. Vaughan-Whitehead. 2004. *Sectoral Social Dialogue in Future EU Member States: The Weakest Link*, Geneva: ILO.
- Gradev, G. 2001. "Bulgarian Trade Unions in Transition: Taming the Hedgehog". In S. Crowley and D. Ost (eds.). *Workers after Workers' States: Labor and Politics in Postcommunist Eastern Europe*, Lanham, Maryland: Rowman and Littlefield, 121-140.
- Heery, E. 2003. "Trade Unions and Industrial Relations". In P. Ackers and A. Wilkinson (eds.). *Understanding Work and Employment: Industrial Relations in Transition*, New York: Oxford University Press, 278-305.
- Howard, M. 2003. *The Weakness of Civil Society in Post-Communist Europe*, Cambridge: Cambridge University Press.
- Kocsis, G. 2000. "Industrial Relations in Central and Eastern Europe in the Perspective of EU Enlargement". *South East Europe Review*, 1, 9-19.
- Kohl, H. 2008. "Where Do Trade Unions Stand Today In Eastern Europe? Stock-taking After EU Enlargement". *Briefing Paper*, No: 5, Friedrich Ebert Foundation.
- Marinković, D. 1993. "Sindikalni pokret u Srbiji 1990-1993". In S. Antonić et al. (eds.) *Srbija Između Populizma i Demokratije*. Institut za Političke Studije, Belgrade.
- Marinković, D. 1999a. "Mogućnosti i objektivni dometi štrajkova u Srbiji". In *Uloga Sindikata u Tranziciji*, Centre for the Studies of Alternatives and TUC Nezavisnost.
- Marinković, D. 1999b. "Štrajk u „Zastavi-Namenska“ Kragujevac 19. avgust – 28. oktobar 1996". In *Uloga Sindikata u Tranziciji*, Centre for the Studies of Alternatives and TUC Nezavisnost, Belgrade.
- Meardi, G. 2007. "More Voice after More Exit: Unstable Industrial Relations in Central Eastern Europe". *Industrial Relations Journal*, 38(6), 503-523.
- Meszmann, T. 2007. "Transformation of Organized Labour in Serbia, Slovenia, and Poland: The Decisive Years". Paper presented at CEVIPOL, Universite Libre de Bruxelles, Brussels.
- Mrozowicki, A., Pulignano, V. and G. van Hootehem. 2009. "Reinvention of Activism: a Chance for Union Renewal in New Market Economies? The Case of Poland". In G. Gall (ed.) *Trade Unions Renewal in Europe*, London: Palgrave.
- Neumann, L. 2005. "Trade Unions in Hungary: between social partnership, political action and organizing drive". In D. Dimitrova and J. Vilrokk (eds.).

*Trade Union Strategies in Central and Eastern Europe: Towards Decent Work*, Geneva: ILO.

- Ost, D. and S. Crowley. 2001. "Making Sense of Labour Weakness on Postcommunism". In S. Crowley and D. Ost (eds.). *Workers after Workers' States: Labor and Politics in Postcommunist Eastern Europe*, Lanham, Maryland: Rowman and Littlefield, 219-233.
- Ost, D. 2002. "The Weakness of Strong Social Movements: Models of Unionism in the East European Context". *European Journal of Industrial Relations*, 8(1): 33-51.
- Ost, D. 2009. "The End of Postcommunism: Trade Unions in Eastern Europe's Future". *East European Politics and Societies*, 23(1): 13-33.
- PAiIZ. 2009. "Automotive Industry and Recent Trends in Poland". *Presentation*, Conference on Automotive Industry in Poland in 2009, Warsaw.
- Pollert, A. 2000. "Ten Years of Post-Communist Central Eastern Europe: Labour's Tenuous Foothold in the Regulation of the Employment Relationship". *Economic and Industrial Democracy*, 21, 183-210.
- Savez Samostalnih Sindikata Srbije (CATUS). 2009. *Informacija o Kolektivnim Ugovorima*.
- Stojiljković, Z. 2008. "Konflikt i/ ili Dijalog - Ogledi o Sindikatima, Tranziciji i Demokratiji". *Report*, Swiss Agency for Development and Cooperation, Belgrade.
- Stojiljković, Z., Ivanić, G., and S. Mihajlović. 2007. "Akteri Ssocijalnog Dijaloga: kapaciteti i stavovi zaposlenih o tranziciji i socijalnom dijalogu". *Report*, Swiss Agency for Development and Cooperation, Belgrade.
- Toth, A. 1998. "Legal Regulations and Reality: Changes in Legal Regulations and its Impact on Industrial Relations." In J. Schramm (ed). *Arbeitsrecht and Arbeitswirklichkeit in den MOE-Staaten*. Berlin: Deutsche Gesellschaft für die Verenten Nationen, Freie Universitat Berlin, DGVN Landesverband, 63-87.
- Toth, A. 2006. "Social Partners in Hungary". In J. Koltay and L. Neumann (eds.). *Industrial Relations in Hungary*, available at: <http://econ.core.hu/doc/mt/2006/en/infocus2006.pdf>.
- Upchurch, M. 2006. "Strategic Dilemmas for Trade Unions in Transformation: the experience of Serbia". *South East Europe*, 4, 43-64.
- Van Gyes, G., H. Kohl, H., Lehndorff, S., Schief, S., and T. Vandenbrande. 2007. "Industrial Relations in EU Member States: 2000-2004". *Synthesis Report for the European Foundation*, Dublin.

- Vanhuyse, P. 2006. *Divide and Pacify: Strategic Social Policies and Political Protests in Post-Communist Democracies*, Budapest: CEU University Press.
- Zakon o Štrajku (Law on Strike), Službeni list Savezne Republike Jugoslavije, br. 29/96.