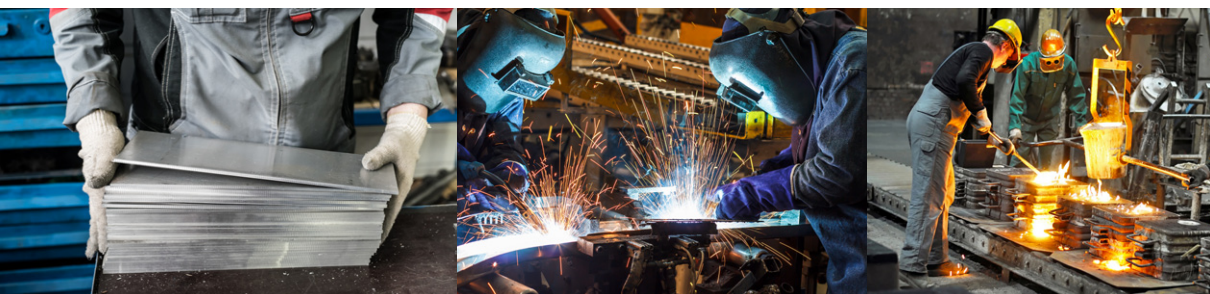


With financial support from the European Union



Workers' rights  
as trade unions'  
negotiation  
advantage

EN



## The power of information

Effective exchange as a key to effective  
protection of workers' rights

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## 1. Partners

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### Poland

Międzyzakładowy Samorządny Niezależny Związek Zawodowy Pracowników CMC Poland Sp. z o.o. i Spółek



### Macedonia

Autonomous Trade Union of energy, mining and industry of Republic of Macedonia



### Serbia

Autonomous Trade Union of Metalworkers



### Lithuania

Lithuanian Unification of Metal workers' trade union



### Bulgaria

Syndical Federation of Machinebuilders and Metalworkers CL Podkrepa



### Turkey

United Metalworkers' Union

## 2. Introduction

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The publication you are now reading was created as a summary of a two-year international project in which trade unions in the metal industry had the opportunity to look at the subject of employee participation, understand the differences between countries in this area and learn about good practices.

The main goal was to raise awareness of employee rights among trade unions in the metal industry, which should translate into improving the quality of negotiations and building good relations with the employer. This objective was complemented by an analysis of the mechanisms of participation in the European metal sector, with particular emphasis on the right to information and consultation. An important role was also played by strengthening the image of trade unions in the metal industry in Europe, in particular in the media and public opinion.

In addition to substantive values, the effect of the project was to strengthen international cooperation between trade unions of the metal industry from different countries, and thus strengthen their position on the social scene. The presence of trade unions, being partners of the project from outside the European Union (Serbia, Turkey, Macedonia) played a significant role – thanks to their perspective, it was possible to compare the European legal model with models used elsewhere and establish industry cooperation not limited only to Europe.

**The following activities took place as part of the project:**

1. Kick off meeting – Poland (getting to know each other and planning project activities)
2. International training sessions – Macedonia (issues concerning guaranteed workers' rights in Europe, the role of trade union organizations in promoting them, the right to information and consultation as central employees' rights, definitions of employee participation, rules concerning European Works Councils)
3. National analysis on employee rights and employee participation mechanisms carried out in each country
4. Six national working meetings – analysis of the results of surveys at the national level, drawing conclusions and making hypotheses regarding the availability of the rights in question in a given country and the degree of difficulty of their protection in the metal sector
5. Joint international seminar – Serbia (exchange of conclusions and hypotheses after national meetings, presentation of national research reports, selection of the optimal model of employees' rights protection)
6. Final conference – Turkey (discussion of the final report on the research, signing of the partnership declaration, planning of the next joint activities and creation of an international cooperation network in the metal sector)
7. Dissemination of project results at union level

The project turned out to be successful enough that the partners decided to undertake further educational activities and support each other in the future in the fight for workers' rights.

### 3. Testing methodology

Questionnaire surveys were carried out in all six partner countries. The research sample was 190 people.

The questionnaire contained 40 selection questions, divided into three categories: employee rights, employee participation and relations with the employer. The questionnaire was translated into partner languages, while maintaining methodological correctness, and then members of the trade union participating in the project answered questions. After collecting the appropriate test sample, the answers were sent to the research coordinator and then statistically processed by an expert who presented the results in this publication.

The results of the study were analyzed at the national level, and the conclusions and theses from this analysis were the basis for the national meetings, during which the results were discussed. As a result, the results are strengthened by a qualitative component, and the national delegations managed to thoroughly learn about the topic on their own example. This publication is a comparative analysis of national reports.

All questions were rated on a scale of 1-5, the averaged result can be each time interpreted according to the following key:

Score	Interpretation
1,0-2,0	Bad / none (lack of)
2,0-2,5	Weak / Difficult
2,5-3,0	Average / Below expectations
3,0-3,5	Sufficient / Promising
3,5-4,0	Well / Positive
4,0-5,0	Very Good

The results are presented in clear graphs and supported by interpretation. The project coordinator may provide source data for research purposes.

## 4. Final conclusions

Data collected in the research served to understand many detailed issues and their diversity in the countries participating in the project (some of the results are presented in the further part of the report). Such detailed data was processed in such a way as to obtain a simple and clear picture of the topic, which would be a response to the goal set before the project:

*“Are employee rights, in particular participative rights, known and effectively used in relations with metal industry employers in the countries participating in the project?”*

The conducted research gave a definite answer that there is a clear correlation between the state of awareness of employee rights in the trade union representing a given country and the quality of social dialogue, the maturity of relations with employers in the metal industry and the level of negotiations conducted with them.

The results showed that six countries participating in the study can be divided into three groups:

### Group 1:

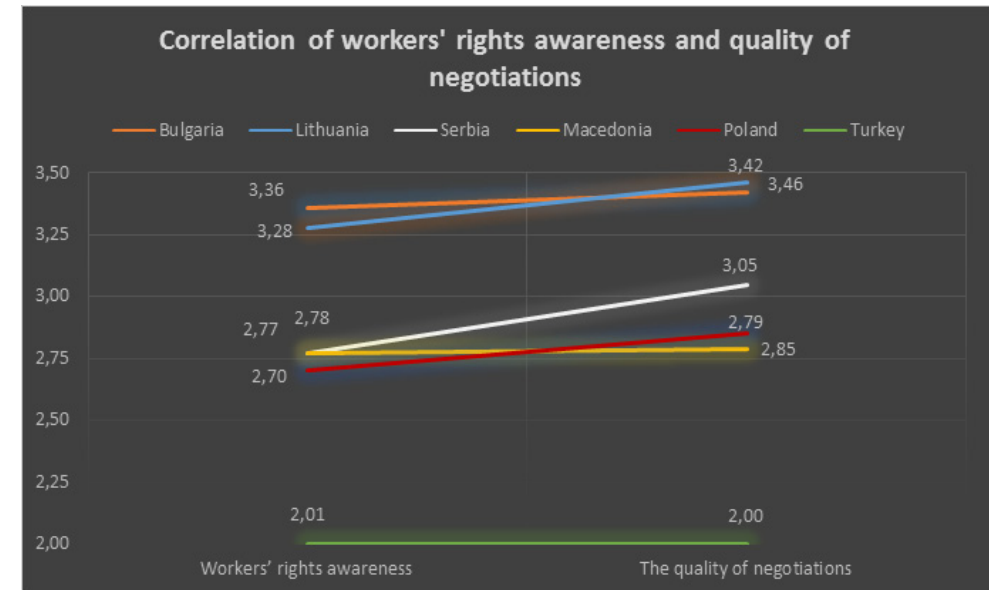
Countries with a sufficiently good level of awareness of workers' rights and a decent level of social dialogue and negotiations with employers in the metal industry – **Bulgaria and Lithuania**

### Group 2:

Countries with an average level of employee rights awareness, below expectations level of social dialogue and difficult negotiations with employers of the metal industry – **Serbia, Macedonia, Poland**

### Group 3:

Countries with weak awareness of employee rights, limited scope for social dialogue and very difficult negotiations with employers in the metal industry – **Turkey**

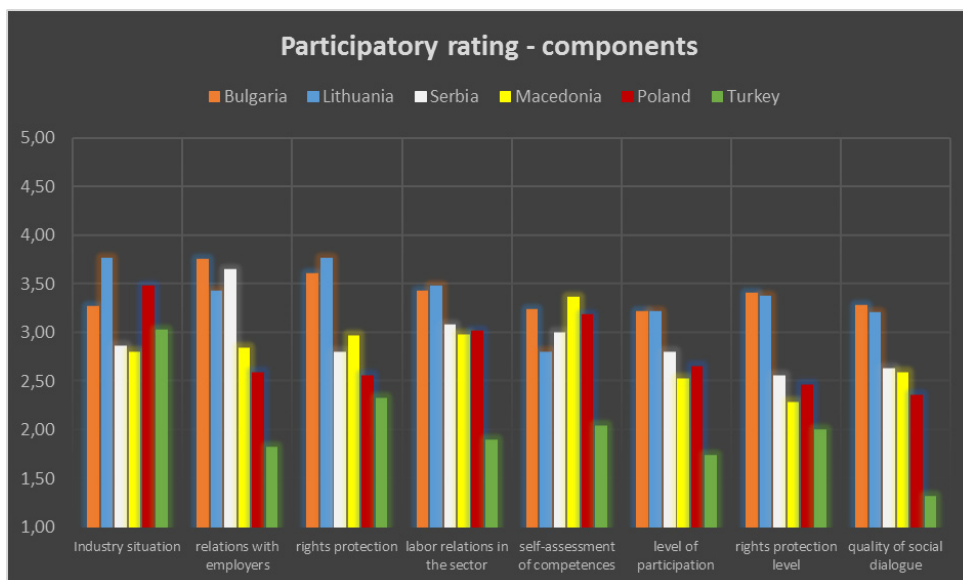


When analyzing the results quoted, it is worth remembering that any educational work that increases the knowledge and awareness of employees' representatives on employee rights will result in a linearly increased negotiating competence. It can be best observed in the case of Serbia, which is why it is worth promoting employee rights in this country.

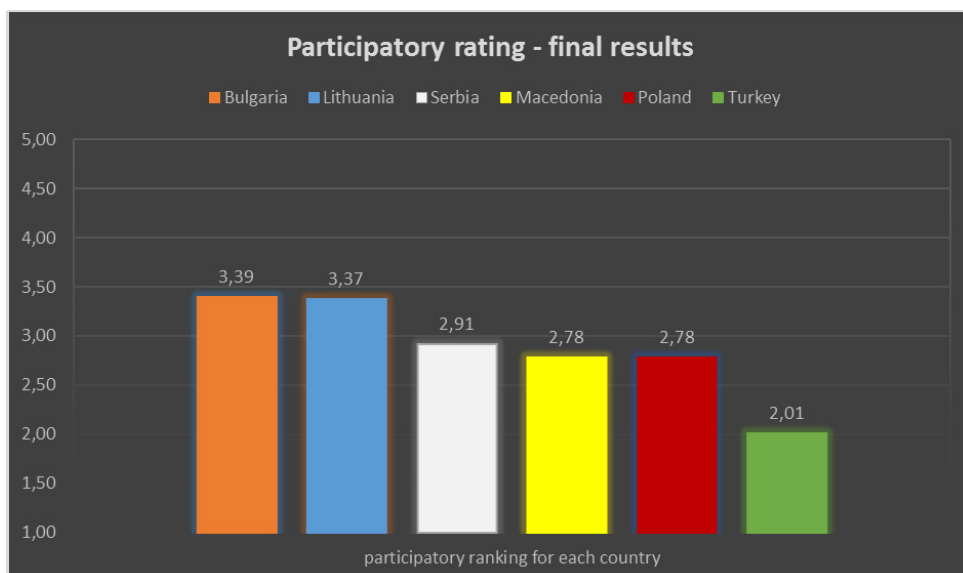
Participatory rating was created from detailed indicators examined in the questionnaire. Each of the eight main pillars subject to evaluation was ordered according to the amount of response and composed of a bundle of national responses, which in the next chart were added together and give the final result for each country, conventionally called participative rating. The rating allows you to easily assess employee participation in a given country.

The highest rating note – 3.39 points, was scored by Bulgaria, which is no surprise, because Bulgarian trade unions have been successfully fighting for workers' rights for years and are effective in this fight. In second place, slightly behind the leader, is Lithuania, where the metal industry is developing well and relations with employers remain decent. The third place was taken by Serbia with a score of 2.91 points – Serbian trade unions in the metal industry have for years been building good relations with employers of the metal industry and, to a large extent, have succeeded. The fourth place was taken jointly by Macedonia and Poland, which accumulated the same number of points – 2.78. Macedonians have high self-assessment of competence in employee participation and moderate results in other categories, while Poles, despite the good situation of the metal industry, have a poor level of social dialogue and weak relations with employers.





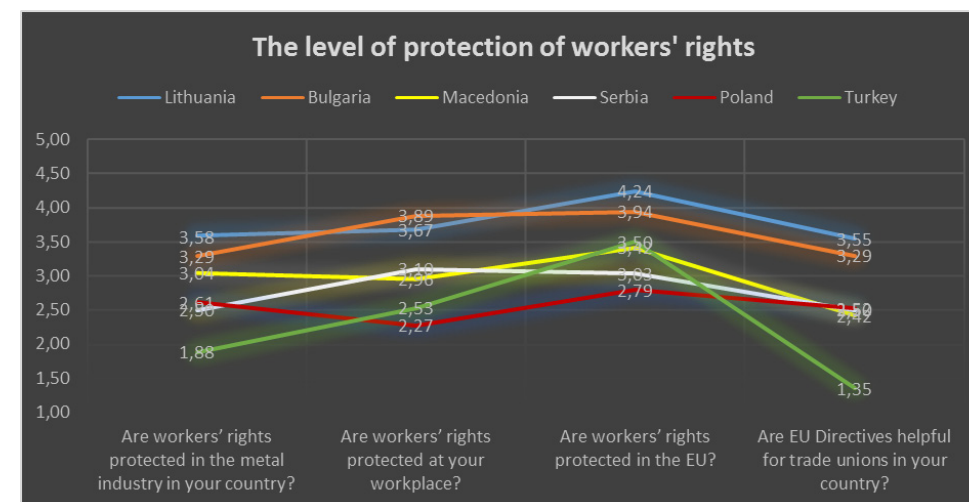
The last rating place was taken by Turkey with the result of 2.01 points, which means a difficult (but not dramatic) situation of employee rights and relations with the employer, despite the decent situation of the sector and high competences.



## 5. Awareness of Workers' Rights

### 5.1. Trade unions and workers' rights

Workers' rights are part of the human rights catalog, and the most important one is the right to organize (unionization). Repeatedly in history, revolutions have concerned workers' rights, as in the antiquity with slave rebellions or in the Middle Ages with the so-called peasant revolts. Only in the nineteenth century, after the creation of the first trade unions, workers' rights began to break into the general consciousness. In the nineteenth century, trade unions focused on fighting for an eight-hour working day and improving working conditions, e.g. in England in 1833, law was passed prohibiting the work of children under 9 years of age, children under 13 years could work up to 8 hours. Today, workers' rights are developing mainly towards fighting against human trafficking and abuse concerning migrant workers, for guaranteed minimum wage, equality rights and anti-discrimination.



Workers' rights were discussed in the world long before the European Union was founded. The second generation of human rights (right to work, social security, health, education, food, water and shelter) introduced the concept of workers' rights to the international canon of legal agreements. The second generation of laws is not so much trying to protect people as to create conditions for them to lead a fruitful and satisfying life. All countries of the world use some combination of the rights of the first and second generations, called fundamental rights in a given country or cultural circle. Human rights and labor rights are promoted by many international organizations, the most important being the UN, which

recognized workers' rights in the Universal Declaration of Human Rights (1948). In 1919, the International Labor Organization (ILO) was established, and after the war joined the UN. It promotes workers' rights around the world. The basic task of the ILO is to improve working conditions by establishing a comprehensive law code, and the ILO conventions are called the International Labor Code (there have been around 400 of them so far, in matters of work, social welfare, health and safety and human rights).

The aim of the European Union is to improve the living and working conditions of its inhabitants, this is stated in the preamble to the Treaty on European Union. The European Union implements the Directives through national governments and they are accountable to their citizens. If any government does not implement a directive, the European Commission may implement the infringement procedure and if the national government does not adapt its law, then the matter is referred to the European Court of Justice, which after the consideration sends specific recommendations to the national court system, bypassing the government. The European Union has chosen for its citizens the following basic values that it seeks to protect legally: **respect for the dignity of a human being, freedom, democracy, equality, the rule of law, and respect for minorities**. These values are protected by close cooperation with the ILO, the adoption of International Labor Standards, the accession of the European Convention on Human Rights and the creation of the EU Fundamental Rights Agency in Vienna. Employee rights are embedded in the main EU documents, such as the **European Social Charter, the EU Charter of Fundamental Rights, the Treaty on the Functioning of the European Union (TFEU), and the Parliament's directives and resolutions**. They are also protected by international conventions that take precedence over national laws, and if they are violated, the Court of Justice of the EU intervenes in violation of fundamental rights.

In the Universal Declaration of Human Rights the United Nations lists the following workers' rights:

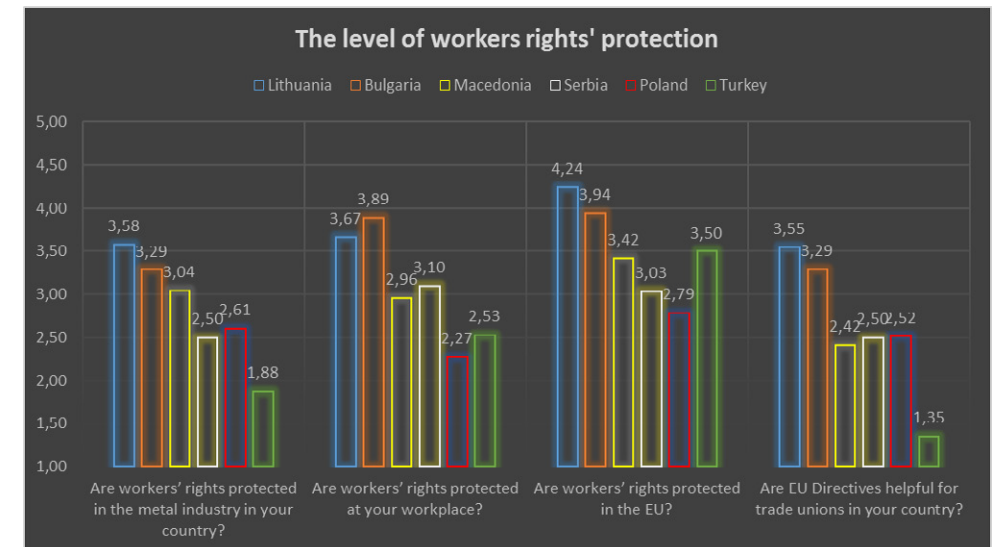
- *Everyone has the right to work, to free choice of employment, to just and favourable conditions of work and to protection against unemployment*
- *Everyone, without any discrimination, has the right to equal pay for equal work*
- *Everyone who works has the right to just and favourable remuneration ensuring for himself and his family an existence worthy of human dignity, and supplemented, if necessary, by other means of social protection*
- *Everyone has the right to form and to join trade unions for the protection of his interests*
- *Everyone has the right to rest and leisure, including reasonable limitation of working hours and periodic holidays with pay*

The main task of trade unions is to represent employees, protect their dignity and material

and moral interests. These tasks mean that trade unions have to rely on workers' rights, especially acting internationally. In addition to controlling compliance with labor law and participating in the supervision of compliance with the regulations of health and safety at work, trade unions also participate in the creation of law through social dialogue and issue opinions on laws and legislative initiatives. At the workplace level, trade unions participate in creating favorable working and living conditions as well as resting conditions for employees, which also has its basis in international codes regarding employees' rights.

Analyzing respondents' answers, it is easy to see that they perceive the level of protection of workers' rights in the metal industry as moderate. Lithuania and Bulgaria perform best, Poland, Turkey and Serbia worst. The highest rated category is the protection of employees' rights in the European Union, while the worst was the belief in the usefulness of EU directives to protect employees and support trade union activities at the national level. Interestingly, the respondents indicated that the level of protection in the metal industry is better than the average level of protection in their countries.

Considering the entire group of our respondents, the level of labor rights protection in the metal industry is: good in Lithuania, sufficient in Bulgaria and Macedonia, below expectations in Poland and Serbia, and bad in Turkey. It is particularly worth paying attention to this last result, in the context of mass protests in the metal industry in Turkey, which took place recently.



The protection of employees' rights in the workplaces of our respondents was rated a little higher, for a sufficient grade. It is worth noting the high results of Bulgaria and Serbia, which confirm that it is enterprise trade unions that have the greatest power in these coun-

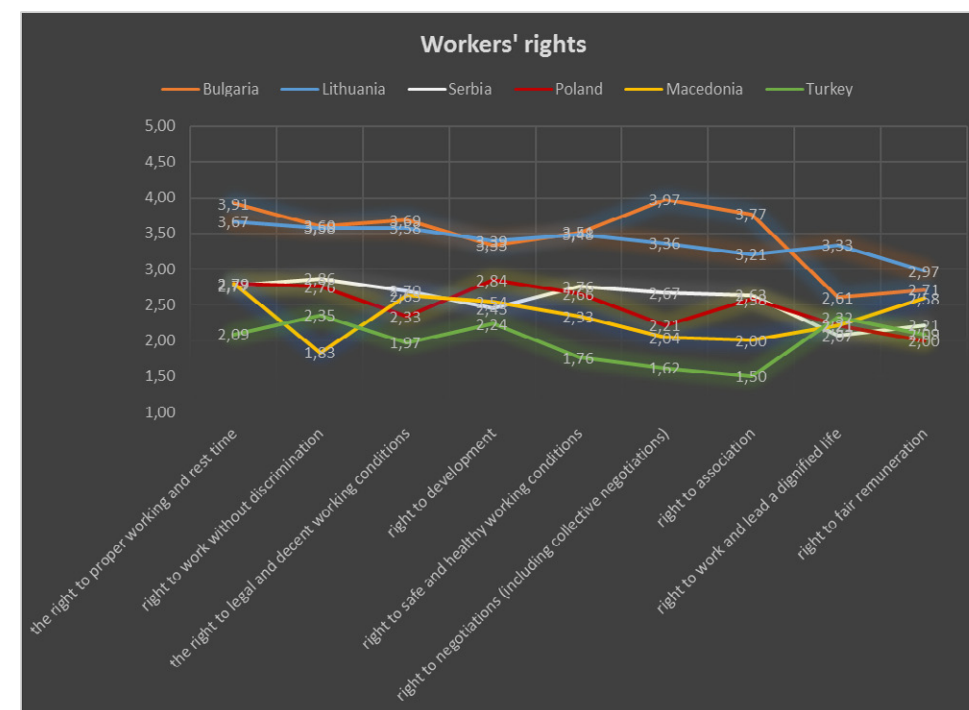
tries and are a real protection for employees. Similarly, the lowest Polish result is alarming, which means that the enterprise trade unions in the metal industry in Poland are under strong pressure and do not have a strong enough position to effectively protect workers' rights. In Turkey, the level of protection in the workplace is average, and at the same time higher than the industry assessment, which means that workplace unions are a relatively safer place than sectoral federations and have more negotiating power from them.

The evaluation of the protection of workers' rights in the European Union (which is, of course, only a projection of their ideas for non-member countries) is very good according to respondents from Lithuania, and the Turks and Bulgarians see it as good. The protection of workers' rights in the European Union is perceived worst by the Poles, which may indicate that the deregulated and liberal Polish labor market is a prism for them, through which they assess Europe, seeing mainly difficulties and disadvantages.

EU directives are helpful for Lithuanian and Bulgarian unionists, while Poles use them at the level that falls below expectations (the law is fully adapted, but the evaluation of the effectiveness of directives is quite low). From non-member countries (which the directives do not cover, so it is difficult to talk about them), the directives were best assessed by Serbia (preparing for accession, and therefore implementing the directives), Macedonia does not use them much, while Turkey does not at all.

## 5.2. Workers' rights in the metal industry

The questionnaire examined the catalog of nine employee rights, which the authors considered important for the metal industry, which at the same time are the axis of the second generation of human rights and key employee rights enshrined in the European Union's documents.



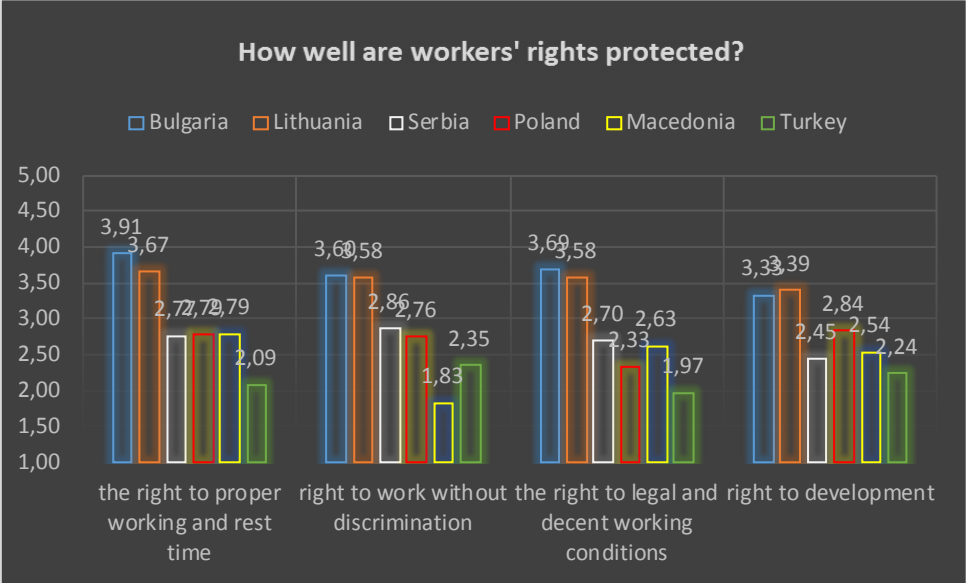
The rights are arranged in order from the best to the worst protected in the entire examined group. The best protected employee right was the right to proper working time and rest (as the only one from the examined catalog was indicated as moderately well protected). An average level of protection was given to another 6 employee rights, while the last two – the right to have a job and a dignified life and the right to a fair remuneration – were assessed as poorly protected. These results indicate a big problem with low wages in the metal industry among all the countries surveyed.

The chart also shows clear differences in the protection of the labor rights catalog between individual countries. Leader – Bulgaria – protects the right to negotiate the best (including collective bargaining), which in most other countries is at a very weak level. Lithuania decently protects all employee rights apart from the right to fair remuneration. In Serbia,

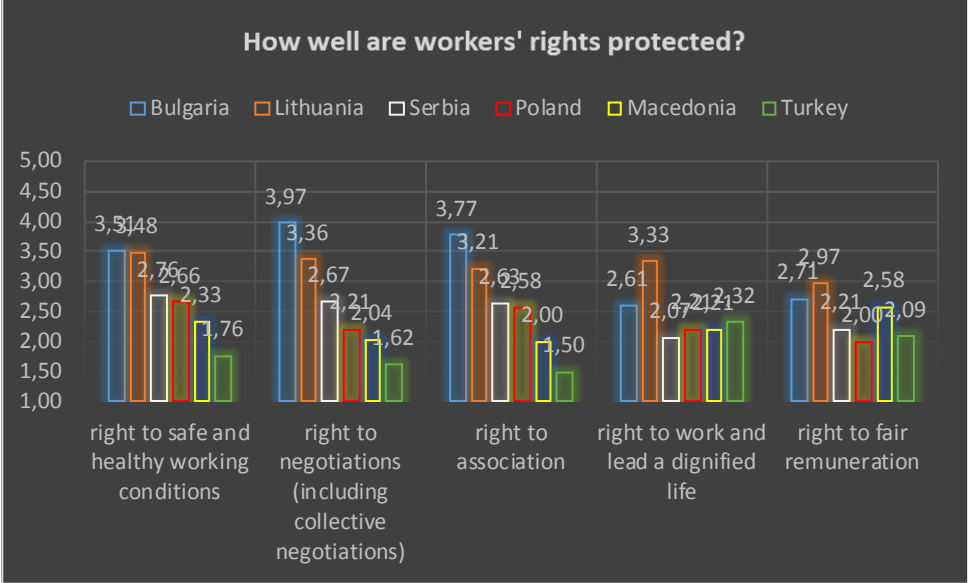


the problem is the right to have a job and a dignified life and the right to develop, and in Macedonia –the right to work without being discriminated.

By analyzing the detailed responses to questions about individual employee rights, we can come to interesting conclusions. The right to proper working time and rest is well respected in Bulgaria and Lithuania, while in other countries there are work time violations. The right to work without discrimination is sufficiently respected also in Lithuania and Bulgaria, but for some reason a disastrous situation occurs in Macedonia. The reason for such poor protection against discrimination in Macedonia is not known to the author and should still be examined. The right to legal and decent working conditions is also well respected in Bulgaria and Lithuania, but the bad situation in the area of employment legality prevails in Turkey and it is weak in Poland. The right to development is sufficiently well respected in Bulgaria and Lithuania, average in Poland, while in other countries it's rather poor.



The protection of the right to occupational safety is good in Bulgaria and Lithuania, poor in Macedonia and bad in Turkey, where especially in smaller establishments there are no health and safety regulations. The rights to negotiations and association work well in Bulgaria and badly in Turkey, where these matters are regulated by the government. The right to work and have a fair remuneration are average or weak in all countries except Lithuania, where a decent life is easier to get.



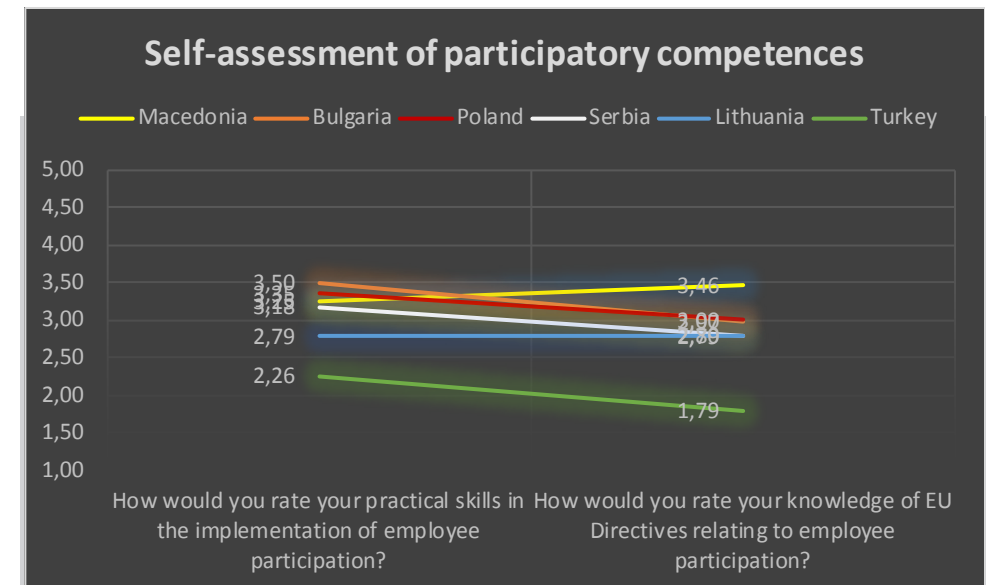
### 5.3. Involvement and participation

Employee engagement is a management philosophy that enables the creation of an environment in which employees have an influence on decisions and actions related to their work, thanks to which they contribute to the company's business success. Employee engagement may be conducted by managers based on company procedures, but often this is not enough, which is why laws are created that require employers to engage their employees. Employee participation is a slightly broader concept that includes systematic mechanisms and procedures for employee involvement in decision making at the workplace. Both involvement and participation are based on the fundamental rights of employees to information and consultation.

Employee involvement through representatives is called indirect involvement, in contrast to direct involvement, in which all employees have the opportunity to influence the company's decisions. Direct involvement can be more problematic due to the scale (it is difficult to involve several thousand employees), hence indirect involvement is more useful for trade unions. It takes place by means of democratically elected employee representatives (trade unions, workers' councils, European Works Councils and other non-union representation of the crew). Direct involvement refers to matters related to the job position or current tasks, whose scope and principles they can be determine with direct superiors. On the other hand, indirect involvement concerns higher-level decisions, such as investments, employment structure, production development and work organization.

According to a report prepared by Eurofound (2013-2015), 27% of all employees in the European Union worked in the so-called “high-engagement organizations”, i.e. in those where both legal procedures were met and management philosophy favored employees’ involvement. Unfortunately, more, that is 38% of all EU employees, worked in “low-engagement organizations”, i.e. those in which they had no influence on anything and were expected to provide work and fulfill their professional duties without any impact on what they are, without opportunities to discuss the rules or organization of work and without effective employee representation structures (unions, if present, were marginalized and did not have any significant impact on the employer). Another 20% worked in “mixed-engagement organizations with good lower level engagement” organizations, enabling a high level of involvement in the direct tasks of a given employee and his / her workplace, positive management culture and good management, but low involvement in higher-level decisions (lack of cooperation with trade unions, lack of consultation with employees at higher levels, communication problems between the higher and lower staff, managerial staff – worker gap). The last surveyed category with about 15 % of employees was “mixed-engagement organizations with good higher level engagement”, in which a regular employee had nothing to say and had no influence, while consultative activities, a culture of discussion and cooperation at higher levels were respected. (Usually, these were organizations with a modern structure or using a participative management culture in which the culture of dialogue was seemingly open, however, lower-level employees were not allowed to participate. The involvement of employees in Europe is spreading geographically, with the highest results in the Scandinavian countries and Austria, and the lowest results in the south and east (Greece, Italy, Spain, Portugal, Bulgaria, Romania, Croatia, Hungary, Poland). Companies with high commitment are rather large (70% of European companies with more than 1000 employees allow high involvement), among medium-sized companies (100-1000), only about half have a culture of employee involvement. Small and medium-sized enterprises are dominated by the attitude of blocking employee involvement, disrespect of employee democracy and authoritarian tendencies in management.

Of the six countries participating in the survey, participants from Bulgaria (good level) rated their participation skills the best, followed by respondents from Poland, Macedonia and Serbia (sufficient competences). Participants from Lithuania (average level) and Turkey (low level) had the lowest score. As a rule, knowledge of EU directives in the field of employee involvement is a leverage skill, however in two cases (Macedonia and Lithuania) knowledge of directives did not translate into practical skills. It is worth noting that the participants as a whole indicated the level of awareness of EU participative directives below the average, which means that further educational activities in this area are recommended.



In the European Union authorities, the concept of employee involvement is present in a broader debate on the growth of companies’ innovativeness. It is recognized that innovation is not only based on technology, but must be based on the motivation of employees, which in turn requires them to be able to influence their workplace. In this way, the increase of employee involvement became a business priority for the EU authorities, not only a social one. This is another reason why trade unions should know well the theory and practice of employee involvement. **Employee involvement means all actions, procedures and laws that increase employees’ influence on the place of their work. Employee participation** is a special, highest form of institutional employee involvement when **employees are invited to participate in decision-making processes and to participate in the works of decision-making bodies at various levels of the company**; and the best example is to allow employees’ representatives to sit on the company’s supervisory bodies.

Involvement of employees includes motivational activities and participative activities, because they enable employees to have a democratic influence on business decisions of the enterprise. Both in direct and indirect engagement, communication the most important factor, without which the employee will not get involved. Therefore, in all EU legal provisions concerning indirect involvement of employees (such as those concerning European Works Councils, workers’ councils, collective redundancies, relocations, etc.), the right to information and consultation was laid down as the most important employee privilege and as an inalienable obligation of the employer. **The right to information has the status of basic labor law in the European Union, entered into the European Charter of Social Rights and the Treaty on the Functioning of the European Union.**

Employee participation is developed in large enterprises of developed countries (with the exception of Denmark, where 20 employees already have participatory responsibilities; France is at the opposite end, participation only works in the largest companies with over 5,000 employees). In Central and Eastern Europe, participation has traditionally occurred in large state-owned companies with strong trade unions; in the private sector in developing countries, participation is used as one of managerial functions, and bodies authorized to participate in the information and consultation process (such as workers' councils, European Works Councils or crew representatives) occur sporadically. However, it is predicted that with economic and social development, access to employee participation in Europe will be evened out.

One of the primary forms of employee participation are the democratic mechanisms that occur among the crew, such as a general staff meeting. If more than 50% of the crew is involved, it has the power to adopt resolutions, with legal effect that managers and owners must take into account. The typical competences of the general assembly include giving opinions on the work of the workers' council, adopting the statute presented by the board, or issuing opinions on the management's plans. The general meeting of employees may also pass the statute of the enterprise's self-government, which is a stronger participative body and may exercise certain control functions in enterprises. Another form of employee participation is employee share ownership, that is the right to acquire shares on preferential terms; thanks to owning shares employees have the opportunity to attend general meeting, which is a form of personal participation in management. This is a different way than to sit in supervisory bodies as a delegate of the employees, as in the case of the German model.

Various models of employee participation in the decision-making process compete on the EU's common market. German model, the so-called Mitbestimmung (literally translated as "codecision") is set as a model in Europe. Its foundations were created after the Second World War for the mining and metal industries to increase autonomous social control in them. The reform carried out in 1976 (Codetermination Act, Mitbestimmungsgesetz) covered the participation obligation of all enterprises employing over 2,000 workers. Subsequent reforms reduced this census to 500 employees (the 2004 Act, which established the obligation of parity on the supervisory board - 1/3 of its composition must be employees). It is worth remembering that in Germany there is a two-tier management system – shareholders together with trade unions choose the supervisory board (Aufsichtsrat), which is tasked with taking care of the general direction of the company's development. Trade unionists may have up to half of the seats in it, but the position of the chairman (with the decisive vote) always belongs to the shareholders' representatives. The supervisory board selects and dismisses the management (Vorstand), which is responsible for managing the company. One employee director (Arbeitsdirektor) has to sit on the board as a representative of employees, most often in the rank of HR director. Thanks to this solution, shareholders have key control over the fate of enterprises, and employees have a strong voice guaranteed in each of the management bodies. Workers' councils are responsible for selecting candidates for management bodies and advise trade unions and provide them

with current information about the workplace. The provision of information, in particular economic, is fully accepted. Thanks to this, employees feel that their voice is taken into account and have a significant impact on the company's success. Thanks to the balancing of forces, the dominant negotiation tactics in management bodies is to solve problems together; the fight between parties is rare. Employees' representatives carefully consider restructuring and cost cutting proposals, and the owners' representatives approach the employee side with respect. The participation of the crew in co-decision in Germany is real, it does not take place only on purely formal terms, as is the case in many other countries. In 80 percent of enterprises, meetings of the board of employees and company management take place at least once a month. The contacts between the council and entrepreneurs have become more frequent in recent years – in 50% of enterprises the frequency of contacts increased in the last five years, and in 43% it remained at the same level. Trade unions control about 1/4 representatives on supervisory boards, usually members of one of the three main trade union federations.

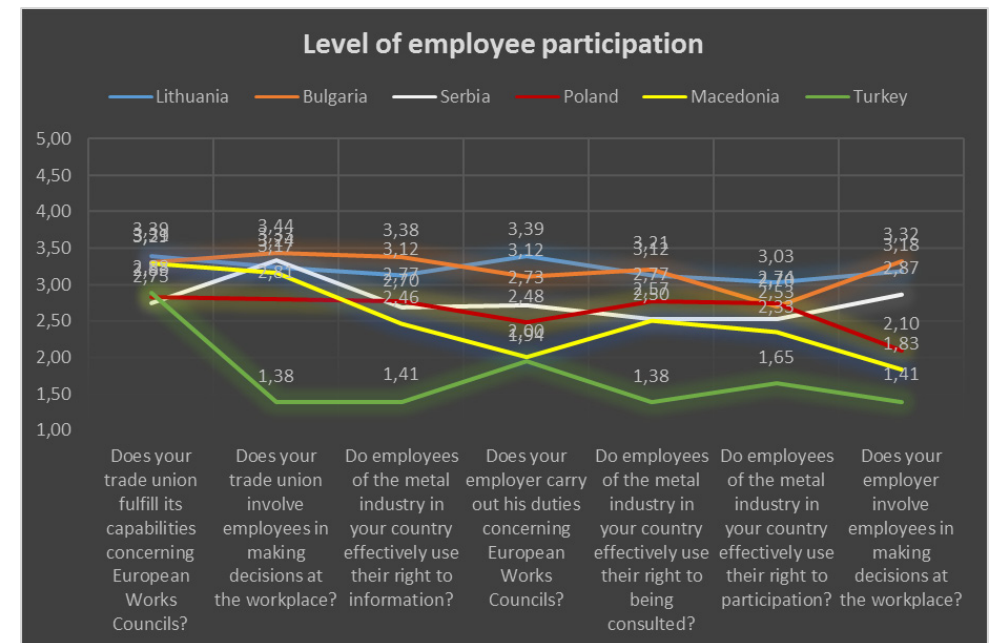
Thanks to participation, employees are more productive, involved and effective if they work in a plant where their voice has real influence and meaning; strikes are rare and employee relations are in most cases harmonized. Some countries, such as the United Kingdom, got to know the German model of participation for the first time only when the European Union established innovative legal forms for the European Joint Stock Company (SE), in which the employee representation solutions were modeled on those existing in Germany. In addition, the workers' councils existing in all large European plants – in accordance with the European directive of 2002 – resemble German works councils (Betriebsräte).

Today, the most important manifestations of employee involvement in the EU economy are the directives establishing European Works Councils and those allowing for information and consultation of employees. They are not perfect and critics point to the excessive generality of their provisions, but nevertheless, thanks to them throughout the European Union, the possibility of unifying the standards of the right to information and consultation has emerged. Information and consultation is necessary to preserve and expand employee democracy and employee participation in decision-making processes in the workplace. Employee representatives, including trade unions, must be familiar with information and consultation procedures to provide current and key information to employees and to control employers. Knowledge of rights and procedures becomes especially necessary during restructuring and transformation of enterprises, when the risk of violation of employee rights is particularly high. It should be remembered that without the participation of employees in the decision-making process at the level of their enterprises, the democratic system of the state will be ineffective, because capital can easily influence political power, leaving people at the margin and excluding them from the division of national income. Such a scenario seems possible in many countries of Central and Eastern Europe, where there's the "new capitalism" based on cheap labor, privatization of capital and profits without the participation of employees, and reduction of labor costs by excluding trade unions from social dialogue.

The right to information and consultation is the basis of employee engagement – you cannot have an effective influence on company decisions without up-to-date information on economic and staff-related information as well as strategic decisions implemented by management boards. Each of the European Union countries has a history of solutions for information and consultation of the social side, from granting numerous rights to employees (France, the Netherlands, Denmark), to almost complete restrictions, or a lack of legislation (some Central and Eastern European countries). Directive 2002/14/EC had the task of establishing framework conditions for information and consultation of employees in the European Union (it's currently implemented in all EU countries). It introduced a comprehensive obligation to inform and conduct consultations with employees, systematizing employees' rights regarding access to information specified in other Directives (concerning group layoffs, transfer of enterprises or European Works Councils) or appearing in national laws. The directive was intended to minimize the wrong practices of avoiding information obligations for employees in many member states where the regulations governing this area were fragmented or nonexistent (for some member states, this directive is the only legal basis ensuring employees' right to information and consultation). The rules expressed in this directive apply to companies with more than 50 employees and to establishments with more than 20 employees (countries that do not have their own consultation and information legislation may have set different limits). The main idea of the Directive is the clearly guaranteed and universal right of employee representatives to receive valuable information and data from the employer. The information is to be provided in such time and in such content as to enable preparation for consultation (it is assumed that it should be provided in a monthly advance). The directive requires protection of employees' representatives, prohibits the deterioration of the existing protection of employees' representatives and grants the right to use experts – thus it is relatively advantageous for trade unions. The Directive provides specific rights to employees' councils, which, however, have different legal status in individual countries of the European Union, which makes it a very strong or useless tool, depending on whether a workers' council is a recognized employee representative in a given country or not.

Consultation means holding an exchange of views and dialogue between employees' representatives and the employer at the appropriate managerial level (competent in the discussed topic and having authorization to make decisions). The consultations are conducted on the basis of inquiries that may be submitted by the employees' representation in the form of a meeting between employees' representatives and the employer, at which employees' representatives receive a reply to their inquiry in order to reach an agreement on the matter. Consultations take place as a follow-up to the transfer of information. The Directive describes the so-called "minimum scope", i.e. topics in which EU employers have an absolute obligation to inform and consult employee representatives:

- Probable development of the establishment's operations and the economic situation
- Structure and development of employment and activities in the event of employment risks
- Decisions that can lead to significant changes in the organization of work



Four basic pillars of employee participation were analyzed in the project: European Works Councils, the right to information, the right consultations, and the possibility of influencing business decisions in the enterprise (the right to participate). The analysis included the assessment of two perspectives: those of the employer and the trade union. Surprisingly, it turned out that the most common participatory practice among participants of the project were European Works Councils, whose existence and activities are still relatively rare in the countries taking part in the project. Also in Turkey, European Works Councils are known and used, and Turkish trade union delegates are invited as observers to meetings of these European participatory bodies. Employers in the metal industry are convinced of the effectiveness of this body and do not mind its use (and often even support it). Trade unions in the majority of the countries surveyed are moderately involved in promoting and enforcing participation activities in enterprises (with the exception of Turkey, where the lack of union activities in this area was indicated, and Poland, where activities are below expectations). Employers' attitudes towards their obligation to provide information to employees' representatives were assessed relatively high. Employees' representatives feel moderately well informed in



the metal industry (the exception is Turkey, where employers do not have the will to provide information).

Unfortunately, much remains to be done regarding the effective use of consultative practices and participatory mechanisms in companies in the metal industry – these areas have been assessed with an average grade. Employers still don't believe in the advantages of employees' involvement in decision-making and do not involve them sufficiently in the metal sector (there are no employers' activities in this area in Turkey and Macedonia and not much in Poland). In Lithuania and Bulgaria, the current level of employee participation in the metal industry has been assessed at a moderately good level, in Serbia, Poland and Macedonia at an average level, and in Turkey at a low level (partly non-existent). It can be said that the only participative law respected in Turkey concerns European Works Councils.



## 6. Relations with employers and the quality of dialogue

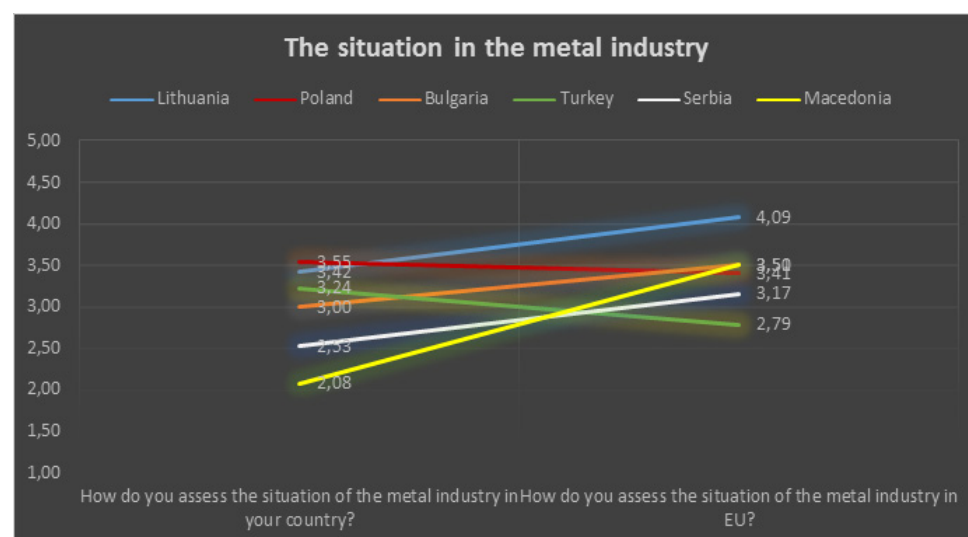
### 6.1. The Situation of the metal industry

The metal and machine sectors are the foundation of every economy. In a broad sense, they include the production and processing of steel and other metals, and hence include what comes from ferrous and non-ferrous metals. The key recipients who depend on the financial situation of the sector are the car and construction industries. Historically, the steel industry was the heart of the European Union, already in 1951 in the treaty creating the European Coal and Steel Community (predecessor of the European Union) arrangements were made for consulting and informing the Community authorities with the Industry Consultative Committee. The Committee was composed of representatives of employees, employers and consumers of two sectors – coal and steel – creating the beginnings of the European Community. The Committee was dissolved in 2002, and its work strongly contributed to the creation of the European Union in its present shape. Over the last twenty years, the steel sector in Europe has undergone significant changes, succumbing to privatization and concentration processes and implementing technological innovations that increase efficiency, thus dropping over 50% of its employees. The main consequence of privatization is the withdrawal of the state from control, and the internationalization of the industry, resulting in a large number of cross-border mergers and the emergence of transnational corporations. Currently, the largest steel companies control over 80% of production and employ 75% of employees in the sector. The industry is also under the constant influence of intercontinental competition, which has a cheaper work force, but nevertheless the European Union remains the world's second largest producer of steel after China. It can be assumed that the progressive automation and competition of cheap producers will continue to cause the reduction of employment and tensions in the sector. The situation is slightly different in the machine sector, which traditionally remains dominated by small and medium-sized specialized enterprises. The machine sector is dependent on business cycles in the economy, and its changes are not as easy to grasp as in the metal sector, but it can be said that employment in this sector has been slowly but steadily growing for years. In Resolution EU0303202N, the European Commission, aware of the difficulties faced by the metal sector, demanded to strengthen social dialogue and respect European rules on informing and consulting employees in the metal industry. It was also recommended to Member States to adopt solutions that would protect members of the trade unions in the metal sector from pressure from employers. Additional aid was given with the introduction of duties on Chinese steel dumped on the European market. In addition to that aid, the Union also introduces regulations in particular related to environmental protection.

In Central and Eastern Europe, the metal sector is a very important branch of industry and at the same time very undervalued. Employee rights and trade union rights are often-



minimized and limited, although there are exceptions. Relationships with employers are usually tense, because most of them think that unions are unnecessary, harm company's strategy and should not exist in workplaces. Employers are constantly demanding reduction of production costs, but they forget about the low wages of employees, thus causing precarious work. A characteristic feature of social dialogue in the countries of the former Eastern bloc is the great importance of dialogue at the central level with the key government vote, moderately strong corporate unions and very few activities at the sectoral level. Trade union policy is focused on activities that would prevent collective dismissals and would contribute to the development of social dialogue and better communication with employers in the area of labor relations issues. Certain difficulties that arise in the absence of dialogue or avoidance are overcome by active measures and the pressure exerted by the trade union.



The attitude of employers in the metal sector to the right to information and consultation is basically correct. However, the process of providing information shows shortcomings, such as avoiding the transmission of information on time, and even its concealment. There are examples of non-disclosure due to distrust, lack of knowledge about the need to provide information and because of the belief that the trade union will be an obstacle to the implementation of a specific business policy. However, one cannot talk about a systemic problem that would consist of a complete lack of willingness to bilateral talks, and only about individual cases of avoiding consultations. Most of trade union organizations exercise the right to inform and consult. Problems related to social dialogue, information and representation of employees exist primarily in small enterprises and in enterprises that are parts of multinational corporations from countries where trade unions operating in

the headquarters monopolize dialogue and do not allow it to be conducted by smaller national trade unions, e.g. through participation in EWC. The problem is also the limited coverage or total absence of sectoral collective agreements and insufficient knowledge of trade union members about the information and consultation procedures.

In the research carried out in the project, respondents were to assess the situation of the metal industry in their own country and indicate their assessment of the industry in Europe as a whole. The biggest difference in the assessment between their country and the European Union was revealed by Macedonians, for whom the situation of the metal sector in the Union is 75% better than in their own country. On the other hand, there were Poles and Turks who rated the situation of the industry in their own country higher than in the European Union, so they can be called "industry euro sceptics". If you take the assessments in a reliable way, in Poland the situation of the metal sector is the best of all countries participating in the project. Participants from the other countries assess the EU metal sector a bit better than their own, with the largest optimists regarding the situation of the metal sector in both their own country and the entire EU, being the Lithuanians, for whom the sector in the EU is the is doing very well. Bulgarians assess the metal sector at home and in the EU as moderately good, while Serbs as average with an upward trend. Those results show significant differences in the assessment of the sector's situation, which translates into employee attitudes and is a measure of union commitment and motivation to act. The general optimism related to the internationalization of the industry and the benefits of membership in the EU common market is somewhat obscured by the pessimism of Poles, for whom the benefits of internationalization are not so clear, and the attitude Turks, whose sector is least related to the EU economy, and thus least dependent on it.

## 6.2. Relations with metal industry employers

In all countries of the European Union, an employer is obliged to cooperate with trade unions, but often this obligation is not respected. This cooperation should cover all decisions concerning all employees; in the minimum version – company labor law agreements (collective agreements, pay agreements, regulations, statutes and health and safety issues). Without the acceptance of trade unions, the employer's decision to adopt specific solutions is impossible, unless a certain deadline expires and the trade unions do not join the dialogue (then the employer may issue the act unilaterally). Acts of an enterprise labor law must be negotiated with all trade union organizations in the plant – the consequence of not stating joint positions by the unions is the possibility of making decisions by the employer unilaterally. There is a lot of abuse here, because one union can easily blackmail others with their veto, and the employer can inspire the founding of a loyal union, which will block all joint decisions of other trade union organizations (the so-called “yellow unions”). This is particularly evident in the issue of spending social funds, in which the inter-trade competition is very strong, because it brings the possibility of “boasting” to the crew about financial gains. Another area in which the employer has a duty to act jointly with trade unions is the negotiations of a collective dispute initiated by trade unions, which the employer cannot ignore – the employer has to engage in negotiations. However, even here the employer can calculate – failure to take negotiations is subject to a financial penalty, which is sometimes more profitable to pay than enter into a long-lasting dispute. If the collective agreement is taken, the employer has another duty to cooperate – both the employer and the trade unions must make the effort to explain it to the crew.

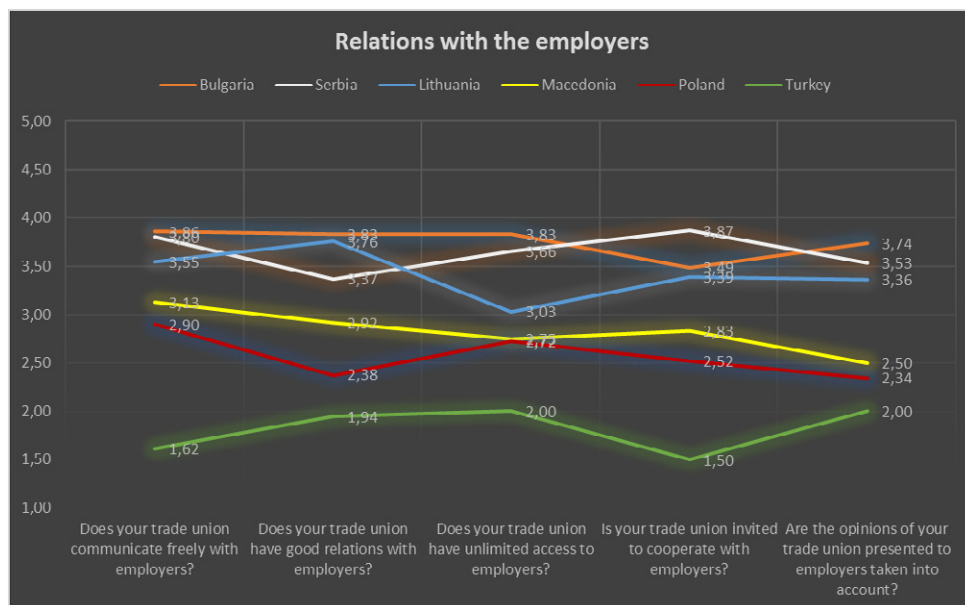
In some areas, the employer is obliged to ask the trade unions for permission to start the actions planned by him – he cannot take them on his own, unilaterally, or ignore the lack of consent. In other words – the position of trade unions binds the employer, he must at least express his will to cooperate if he wants to get that consent. Usually, this type of consent is necessary for the employer to make decisions regarding changes in settlement periods with employees or setting a vacation plan for the crew. In many decisions, the employer is not unconditionally bound to obtain the consent of the trade unionists, but he is obliged to obtain their opinion (regardless of whether he will take it into account or not), for example, the issue of work clothing and work protection, meals and drinks, sanctions for theft or destruction of property, including in the event of accidents at work, frequency and scope of training, and others.

Many employers do not respect these fundamental rights, recognizing the duty to cooperate with the social side as impeding their business flexibility. In countries with stabilized democracy and a long trade union tradition, such attitudes are less frequent, while in developing countries (countries newly admitted to the EU) this happens more often. Such attitudes have been influenced by the neoliberal policy, popular in the last twenty years, whose basic commandment is deregulation and increasing the freedom of employers.

This in turn results in a rapid increase of the state's economic growth, while limiting employee rights, dismantling the collective agreements system and reducing the employers' will to cooperate with the social side. Neoliberal politics are attractive for many governments, which was particularly evident during the recent financial crisis, which shook the European economy in 2008-2010, as a result of which the statutory rights of employees in Spain or Italy were severely restricted. The consequence of liberal government is also the fact that employees are not informed about the enterprise's plans (employers believe that they do not have to explain themselves to employees for their decisions).

The research conducted in the project showed a multidimensional picture of the relationships that participants build with the employers. Definitely the highest quality of these relationships (the first place in four of the five categories studied) occurs in Bulgaria, where relations are good, and the only field that could be worked on is that the pro-active employers who could more willingly initiate cooperation with trade unionists. With a slight improvement of cooperation tools and further improvement of communication, social relations in the metal sector of Bulgaria will enter a very good level, comparable to that of Germany. Despite remaining outside the Union, Serbia ranked second in the quality of relations with employers. The employers of the metal industry there appreciate the importance of good communication with the employee representation, actively involve trade unionists in decision-making and do not create any barriers. The third of the countries surveyed, in which the level of relations with employers in the metal industry is good, is Lithuania, where employees' opinions are also taken into account and trade unionists are invited to cooperation and dialogue. One significant drawback in this case is avoiding contact that is possible in this country because of the liberal labor code. Weaker relations with employers, but still at a moderate level, are the case in Macedonia and Poland. On the other hand, the participants from the study from Turkey indicated that in their country, relations with employers in the metal industry look bad or do not exist at all. The biggest problems concern free communication and including trade unions for cooperation by the employer (these elements of social dialogue are rare). However, taking into account the whole group of respondents, the strongest side of relations with employers in the metal industry is precisely free communication, while the weakest point is the failure to respect the opinions of trade unions and ignoring them.

Trade unions need information about the financial condition and plans of the company in order to be able to set wage expectations and negotiate effectively, and the employer should respect this law responsibly. Employee participation increases the profitability of enterprises in the long term (example of the German economy), and in times of economic crises trade unions are often the only protection for employees against exploitation and dishonest actions (typical impediments of union activity are losing job for trying to found a trade union, firing activists by hired law offices, pretending good will and faking the will to dialogue, lack of information on time and in adequate content). Despite this, Europe is still one of the few places in the world where the employee is relatively well protected, the



social policy of most countries is focused on preventing discrimination and protection of human rights (including workers' rights), and employers treat trade unionists with respect, understand their social role and have the will to conduct dialogue.

While conducting social dialogue, it is worth remembering about the trade unions' right to inspect information necessary for trade union activities. Employers often do not want to provide such information, believing that this will weaken their negotiating position; however, they are legally obliged to do so, and the refusal to provide such information in most cases results in the employer's losing in court. The key information that trade unionists may ask for is the company's balance sheets (in particular the profit and loss balance), information on staff plans and payroll data. It is worth being careful about confidential information, the revealing of which involves legal liability.

Cooperation with the employer is based on one crucial foundation, necessary to be understood for both parties – common interests. Both employers and trade unionists have their own particular interests that they want to implement during negotiations, they also have common interests. As long as divergent interests dominate in the dialogue, it will be strong and competitive; if both sides "switch" to common interests, there's a good chance that the dialogue will be effective. The typical interests of trade unions include improving working conditions, caring for the protection of work and social conditions, carefulness in matters of occupational health and safety, helping their members and increasing the position of the trade union in the plant. On the other hand, the employer's typical interests include company survival, profit-making, strengthening of the market position and minimization of labor costs as one of the tools of market competition. It may seem that all these interests

are divergent, but if you take a closer look at them, the majority is common to both sides, but with a different importance. The basic common interests are the survival and development of the company (because if the company falls the trade unions will cease to exist) and the well-being of employees and decent working conditions (without employees, the employer will not achieve any of its goals). If you manage to reach an agreement on common interests, you can start talking about the framework of dialogue, or "negotiate how to negotiate". This introductory part is necessary to build a good relationship and should contain a "code of good cooperation", which both sides will agree on and decide to follow. Thanks to this, the so-called psychological contract will be established, i.e. an unwritten confidence framework in dialogue and negotiations between partners. The demands of such a code may include typical negotiation standards, such as:

- An obligation not to submit demands exceeding the possibilities of the other party
- Obligation not to take unilateral decisions regarding negotiations during their duration (you don't change the rules of the game while you play)
- Failure to display information that may change the course of the dialogue
- Acting in accordance with the law
- Not taking action to discredit the other party
- Observance of the set organizational rules such as: hours and form of meetings, scope of preparation for meetings, not extending negotiations without a need
- Non-dissemination of information from the negotiation process (no controlled leaks)
- Taking up a dialogue with the will to talk, i.e. excluding a situation in which we only talk to fulfill the law, or to improve our image
- No personal aggression actions, e.g. to exclude a particular person from the negotiation team
- Dialogue based on substantiated and documented argumentation (material and problem negotiations, based on objective and measurable criteria)
- Clear rules concerning the election of the chairman of the meeting, choosing a suitable place to negotiate, reports, powers of attorney, scope of talks, record of discrepancies
- Other standards concerning meetings, most often of communication and organizational nature

All the above mentioned assumptions regarding cooperation between trade unionists and employers in the social dialogue process can be codified in the framework agreement (*information, consultation and communication agreement*), which is most often part of a collective agreement or social contract of the TCA type. Such regulations may organize and shorten negotiations, mitigate conflicts and maintain a partner relationship between negotiating delegations. In addition, such rules may contain other issues regulating cooperation between trade union organizations and the employer, such as:

- using equipment and business premises,
- obtaining assignments and leaves during trade union sessions or trainings,
- rules of using company media,
- rules for organizing meetings at the workplace,
- rules for collecting membership fees,
- rules for using external experts,
- rules of access to classified information,
- rules for resolving disputes,
- other issues related to trade union activities at the workplace.

The relationship between employees and the employer is best monitored by measuring the so-called social working conditions. They cover various issues related to “hard” (procedures, technology, equipment) and “soft” (relations, emotions, atmosphere, culture) HR management. Typical areas of social working conditions are:

- health and safety rules and their observance in the company (accidents and other)
- work organization and work management standards (efficiency, effectiveness)
- quality and adjustment of training organized by the employer (availability, cost)
- quality of leadership (number of conflicts and complaints in the subordinate-superior relations)
- trust between subordinates and superiors (leaders’ competences to conduct individual conversations, listening, integrating, building teams)
- a fair system of assessments, prizes and penalties (HR procedures, sanction criteria)
- employees’ access to information about the company, knowledge of strategic plans and goals by the crew (information flow system)
- payment of wages (punctuality)
- payroll policy (system of bonuses, commissions and differences in earnings)
- clear working rules (already stated at the recruitment level)
- working time (correct procedures and documentation)
- freedom of association (the possibility of establishing trade unions)
- holiday adjustment (full size)
- compliance with labor law (regulations, collective agreements)
- atmosphere at work (organizational culture research, openness of communication)
- tensions in the structure (structure of inter-departmental conflicts)
- the possibility of employees’ participation in company decisions.

The most common ways to monitor relationships in a company are questionnaires and surveys, called employee opinion surveys or job satisfaction surveys. They cover issues related to motivating, management or employee needs. Information on the attitudes of employees and their views on the direction of the company’s development and the functioning of the organization is collected. The material from such research concerns many aspects of the organization’s operation, it also provides data on the employee-employer relationship. As part of such research, employees are asked questions about how satisfied they are with the way they manage the team, how to resolve conflicts, provide feedback, reward, punish and implement procedures, and more.

Sometimes, however, it turns out that there are conflicts at the workplace, and relations with the employer are getting worse – this is a real test for the quality of relations built up by the trade unions earlier. In the conflict, it is very easy for both sides to treat each other as opponents, forget about common interests and become stiff in mutually exclusive positions. If this happens, the relationship transforms into a test of strength in which the employer always has an advantage. However, trade unions also have their tools to exert force on the employer, such as strikes, protests and pickets. The bigger part of the crew is involved in such activities, the more negotiating power is gained by trade unions. It can therefore be assumed that strike and other methods of resolving disputes are necessary for trade unions, but only when they are rarely used – then the threat itself changes the mutual relationship and can restore balance in the negotiations. However, when they are used too often, their value as a negotiation tool falls, and what is more, it the image of trade unions among the public and the media worsens. Looking at the other side – it is assumed that the lack of a serious protest action in the last 10 years leads to a significant loss of respect from the employer, who ceases to see representatives of employees as partners authorized by the crew for talks, capable of decisive moves and courageous decisions that are part of everyday life in business.

An extremely important factor for building effective relations with the employer is the authority of leaders – on the one hand the trade union leader, on the other managing director, who should have high interpersonal competences to build long-lasting relationships, and be effective and honest so that employees can identify with them. Managerial predispositions include typical managerial functions like motivating, controlling, disciplining, rearranging visions, creating goals, creativity, conflict resolution, conducting meetings, evaluating, passing on information and delegating tasks. In addition to the quality of leadership, financial issues (such as the amount and grid of earnings, rules for raises and promotions, commission and bonus systems, social packages and additional benefits) affect the relationships among employees, and the insufficient level of financial security and stability of employment has a negative impact on relationships and trust between employees and employers.

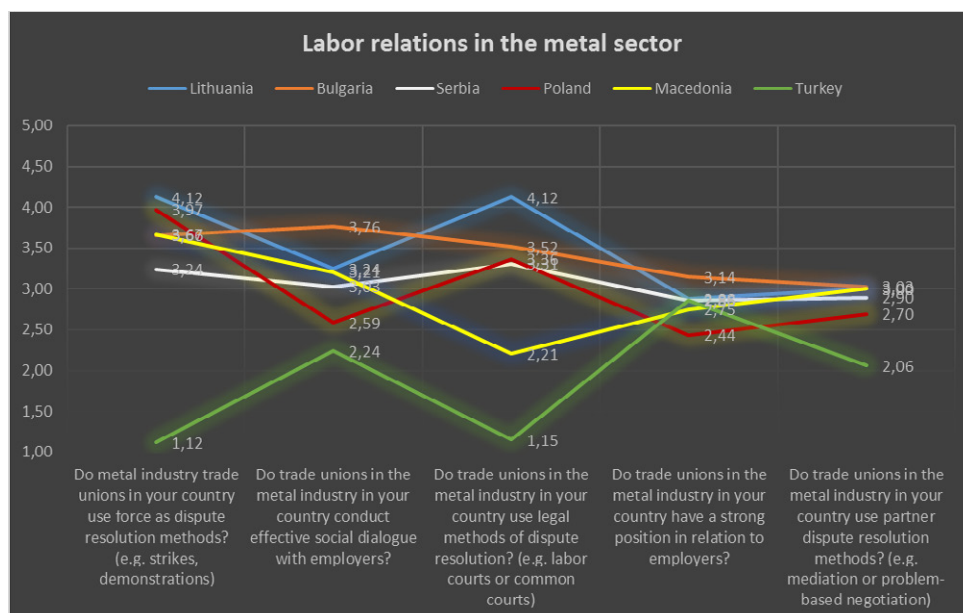
With insufficient or tense relations with employers, the main weapon of the trade unions is the perfect knowledge of the law, in particular as regards the duties of the employer



and the role of the trade union and its rights resulting from both national legislation and EU legislation. It is known that some employers do not even take into account legal arguments, which is unfortunately a reality in countries with weak judicial culture and liberal business culture (oligarchic countries, based on the free market and dictates of employers). Nevertheless, it is assumed that in countries with a civilized culture of dialogue, legal arguments are indisputable and one cannot ignore them, so with a little determination, trade unions can legitimately lead each employer to enter into a dialogue.

Formally, employers and trade unions are equal partners in dialogue. However, employers are definitely in a better negotiating position, with capital, resources and information. They have at their disposal specialized staff – lawyers, economists, accountants and other experts. Trade union representatives may be less prepared, combine trade union functions with day-to-day professional duties, do not sufficiently know the law or principles of management accounting (reading balances and financial documents), have limited access to information and capital, little possibility of using external expert assistance. No wonder that very often trade unionists feel “worse” during negotiations with the employer and it is difficult for them to enter into the role of a partner in dialogue. In addition to the actual foundations, this attitude is mainly shaped psychologically, through appropriate mental training, you can change it and strengthen your psychological position in negotiations with the employer.

The results of the research in this area are moderately optimistic: the surveyed group (with the exception of Turkey, where forceful methods are essentially still in use) uses strikes relatively rarely (almost never in Lithuania, which – as described above – is also not good for relations with employer, because it lowers the legitimacy of dialogue in the eyes of the employer). Social dialogue with employers is described as moderately effective and although it could be significantly improved, it is not too bad. The large dispersion of results concerns conflicts that escalated into legal disputes – the Lithuanian unionists hardly ever reach for judicial dispute resolution tools, court-based relations are typical in Turkey and a common custom in Macedonia. For the Serbian, Polish and Bulgarian unions, the courts are a tool that is moderately rare, but they are used when it is necessary, and employers notoriously shy away from building relationships based on dialogue and goodwill. Other out-of-court forms of dialogue (such as mediation, arbitration or negotiations supported by an external facilitator) are used sporadically in all countries (most often in Bulgaria, least often in Turkey). All delegations indicated that they have an average position in relations with employers in the metal industry, while it is the strongest in Bulgaria and the weakest in Poland.





### 6.3 Social dialogue

Social dialogue is a basic element of the European social model, thanks to which social partners (representatives of employers and employees) can make an active contribution to the creation of European social policy. The legal basis for social dialogue are Articles 151-156 of the Treaty on the Functioning of the European Union (TFEU). Promoting dialogue between employers and employees is considered a common goal of the EU and the Member States. Social dialogue serves to improve governance in the European Union thanks to the participation of social partners in the decision-making process and their implementation. The inter-branch dialogue was initiated at the end of January 1985 at the Val Duchesse Summit, with the participation of UNICE, CEEP and ETUC, with the support of Jacques Delors, then President of the European Commission. In 1992, the Social Dialogue Committee (SDC) was established - the main forum for bilateral social dialogue at European level. Currently, SDC meetings are organized three or four times a year, and it consists of 64 members (32 representatives of employers and employees each) representing European secretariats and national organizations. A number of committees operating in basic sectors of the economy have been operating since 1998. These committees have achieved significant results. European authorities, pursuant to art. 154 TFEU, are required to consult the social partners when drafting legislation on social matters and to provide the social partners with the possibility to negotiate framework agreements at Community level; at national level the social partners have the option of implementing directives through collective agreements. Social partners in the course of autonomous negotiations can create an agreement that stops the work of the Commission and, if that is the will of the social partners, the provisions of the agreement can receive enforcement at EU level (for example by replacing the draft directive) or can be implemented at national level. In other words, if European employees' representatives come to an agreement with European employers' representatives, then they form EU law. If there's no agreement, the Commission continues its work. It is worth recalling the wording of Article 152 TFEU, which says that: *"The Union recognizes and promotes the role of the social partners at its level, taking into account the diversity of national systems. It shall facilitate dialogue between the social partners, respecting their autonomy"*. However, only the largest trade unions have adequate technical facilities and competence to participate in social dialogue at the level of the European Union, and the number of employers' representatives affiliated in Brussels is ten times greater than that of employees' representatives.

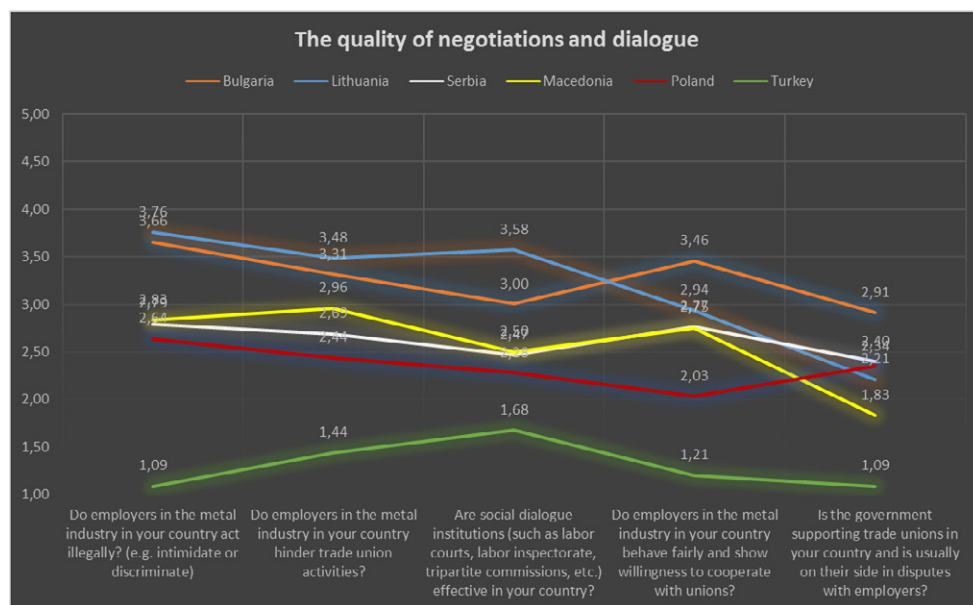
Tripartite social dialogue at the national level has been functioning in the "old Europe" for years without any major problems, but it is worth remembering that sectoral dialogue plays a greater role and that governments, just like the European Commission, try not to interfere in autonomous negotiations of social partners and give them the power to create laws. It is different in most post-communist countries, where inefficient, faux tripartite

dialogue at the national level prevails (discussions take place without real impact and opinions about laws are ignored). In traditional industrial sectors dominated by state capital, well-developed mechanisms of sectoral social dialogue occur; but every year the strength of social partners is falling, undermined by their poor image in public opinion. In most of the former Eastern Bloc countries, there are bodies for tripartite dialogue at the national level (such as the Tripartite Commission, Social and Economic Council, etc.), but in each of them over the past decade, work has faced significant obstacles, including suspension of talks and paralysis of work. Obstacles include lack of political will to talk with social partners, lack of tradition of government cooperation with social partners in creating industry policy, consultation mechanisms allowing to ignore opinions, unclear legal solutions and lack of experience of social partners to conduct an effective tripartite dialogue in order to influence sectoral policy of the state. Measures taken by governments to recover from the economic crisis undermine social dialogue (including restrictions on collective bargaining, information limiting and marginalization in public opinion) and in many European countries, after 2009, the central dialogue was suspended or completely stopped. The European Commission decided in November 2014 to revive and strengthen tripartite dialogue as a condition for the functioning of the European social market economy.

Bilateral social dialogue usually takes place at the sectoral or enterprise level. The most valued form of bilateral social dialogue are bilateral negotiations and sectoral agreements, which are the basis for the functioning of modern and democratic collective labor relations in Europe. Their origins date back to the 1870s, when trade unions in the USA and Western European countries achieved the potential to exert organized pressure on employers to get them to agree on working conditions. After the Second World War, the development of a bilateral dialogue in Europe, supported by the International Labor Organization, made it possible to work out the principles of the European social model and constituted one of the most important foundations of the contemporary European Union. The sectoral agreement primarily sets out the principles of wage growth in the sector, and issues of labor law, which can be autonomously decided by social partners, such as: working time, working conditions and others. The European Commission is aiming for sectoral collective agreements to be created for the entire EU area and, so far, in several industries such agreements have been negotiated and signed. It is worth remembering that a strongly decentralized bilateral dialogue (negotiation and collective bargaining mainly at enterprise level) is considered insufficient in Europe. In many countries, unfortunately, the labor law has been changed so much that the enterprise-level dialogue dominates over the sectoral one, thanks to which employers gain a negotiating advantage over employee representatives (enterprise trade unions, even those associated in confederations, have a weaker negotiating position than sectoral trade unions). The European standard to be sought is the sectoral collective agreement in force, re-negotiated at the enterprise level in all key enterprises of a given sector.

A bilateral sectoral dialogue, understood as continuous negotiations between trade unions and employers' organizations on wage conditions in particular industries, is the basis

for social dialogue in most of the “old EU” countries (a key form of social dialogue in countries such as Austria, Belgium, Denmark, France, Finland, Germany, Greece, Italy, the Netherlands, Portugal, Spain and Sweden). Agreements usually concern general negotiation rules and provide a framework for dialogue at the enterprise level, followed by the entire industry. In recent times, however, decentralization of social dialogue has been observed throughout Europe, fueled by the wish of employers that enterprises not be subject to sectoral collective agreements, but only to the enterprise ones. This is a dangerous trend that has been observed, among others, in Denmark, Germany, Italy, the Netherlands, Spain and Sweden. In the “new EU” countries, the coverage of sectoral collective agreements is generally smaller than in the “old union” and this is usually limited to a few industries, usually heavy industry or administration – where state ownership is still strong. Of these countries, collective agreements are the most developed in Bulgaria, Romania, Slovakia and Slovenia; they are hardly present in the Czech Republic, Hungary, Poland and other countries. In most of these countries the disappearance of the sectoral dialogue on collective agreements is observed, and the goal of trade unionists is to maintain “what we had before”. The exceptions are Estonia and Bulgaria, the only countries in the region that have seen an increase in the number of collective agreements and sectoral dialogue; whereas dialogue narrowed down to traditional industries is also good in Romania and Slovakia. Often, trade unions are not prepared and do not have sufficient human, financial and institutional resources as well as competence to conduct an active sectoral dialogue, therefore they are limited to activity in their facilities and in tripartite dialogue at the central level (where union federations operate).



Considering Europe as a whole, still two thirds of employees are protected by collective agreements, compared to 1/5 in Japan or 1/8 in the US. Although unionization generally decreases in the world, the tradition of bilateral agreements at sectoral level or even tripartite at the national level in Europe is still strong. Such a tradition allows the inclusion in contractual protection of those employees who are usually deprived of it, such as employees of small and medium-sized enterprises, and explains the importance of the tradition of social dialogue in Europe.

The results of research carried out in the project, in the part devoted to social dialogue in the metal industry, are not very optimistic. In none of the countries surveyed the government side supports the trade unions sufficiently, if only by creating a neutral institutional framework for trilateral social dialogue or law favoring autonomous collective bargaining at the sectoral level. The result of the entire surveyed group in terms of the attitude of countries to social dialogue and social partners amounted to 2.13 points, which means it's very poor. The opinions of the groups of Turkish unionists who rated this area at an almost minimum level were of considerable importance (state support for social dialogue does not exist). Even in Bulgaria, which turned out to be the leader of the ranking, state support for social dialogue is assessed as mediocre and below expectations. The indication of these results may be evidenced by the fact that even employers found greater recognition in the eyes of the respondents than the state, and their will to conduct a bilateral social dialogue was assessed as average (moderately good in Bulgaria, average in Lithuania, Serbia and Macedonia, low in Poland and non-existent in Turkey). It is also worth mentioning that social dialogue institutions such as the trilateral commission work best in Lithuania and bad in Poland and Turkey. Employers of the Bulgarian and Lithuanian metal industry rarely hinder union activities, discriminate against employees, violate collective bargaining procedures or use unlawful actions against trade unionists. Unfortunately, such bad practices happen from time to time in Poland, Macedonia and Serbia – in these countries employers have a clearly stronger position than trade unionists and are allowed to do more. However, in Turkey, this type of practice is unfortunately typical and the union activity is very risky for employees.



## **The power of information**

Effective exchange as a key to effective  
protection of workers' rights



The power of information.  
Effective communication as the key to  
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