

Going West, to the Great Unknown. Trade Unions from the Central and Eastern Europe and Upward Convergence of Social Standards in the European Union¹

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Abstract

The article examine attitudes of trade unions representing the New Member States (NMS) from the Central and Eastern Europe (CEE) towards EU-level institutions and organisations and the Western (EU-15) trade unions in the context of upward convergence of social standards. Following the literature review of the evolution of industrial relations in the CEE in the context of EU expansion and integration, the analysis of data coming from the original research conducted between 2018 and 2020 is carried out. The analysis cover such areas as European minimum wage, Transnational Company Agreements, cross-border union cooperation, posting of workers, alleged protectionism/ isolationism of Western trade unions, European social dialogue, the European pillar of social rights (EPSR); quality of relations between CEE and 'old' member states within European trade union movement, CEE trade unions perceptions of 'social dumping',

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CEE trade unions' views on foreign capital (FDI) and its impact on the IR system. In the conclusion, it is observed that while East-West divide still exist, there are not many areas where the interests and expectations of trade unions from the 'old' and 'new' MS openly clash, and in some cases, such as Posting of Workers Directive, there are even signs of cross-border union solidarity and cooperation emerging.

Keywords: industrial relations, trade unions, Central and Eastern Europe, European Union

Introduction

New Member States (NMS) from the CEE which joined the EU in 2004 and after (2007 and 2013) were to be main beneficiaries of the convergence process, and a so-called 'mirror effect' was expected to occur among social dialogue stakeholders: closing the gap between industrial relations (henceforth IR) and welfare systems in Europe as a result of initiatives coming from Brussels². More than a decade later there is still a significant divergence in quality of industrial relations (IR) as compared to 'old' EU Member States. Low, and still decreasing coverage of collective bargaining in general, and actual absence of developed sectoral bargaining systems in particular in the new members states from CEE is the objective indicator of the persistent gap existing between the East and the West. The gap is reflected in the attitudes of trade unions.

Are trade unions able to undertake effective actions aiming at upward convergence of social standards and welfare systems in the EU in the context of clear disparity in industrial relations systems among EU countries and the weak EU level industrial relations in CEE countries? In order to accomplish the main objective, perceptions among European trade unions on what steps are necessary to be taken in order to ensure transfer of the European Social Model to the New Member States were investigated in two dimensions: internal and external. The internal dimension concerns expectations of the ETUC policy (as an entity affecting the European Commission, European Parliament and as a social partner for Business Europe) in the following

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areas: cross-border negotiations, including transnational corporations, freedom to provide services, freedom of movement of employees. The external dimension of the analysis pertains to the following questions: how trade unions perceive the future of Social Europe, i.e. whether the European Social Model has a chance to survive in the enlarged EU; how much the initiative of the European Pillar of Social Rights will contribute to strengthening the European Social Model in CEE countries; what should be the role of European social dialogue (ESD) and the European Commission as a main supporter of ESD mechanism.

The research and the subsequent analysis are expected to provide empirical diagnosis of the attitudes of trade unions from NMS in the CEE towards the EU-level institutions and organisations (ETUC in the first place) and the Western (EU-15) trade unions in the context of upward convergence.

The article is structured as follows: after the Introduction, the literature review is presented, followed by methodological note. Next, the empirical data is presented and discussed. Subsequently, there is a discussion of the results. The article closes with conclusions.

Sketching the Context: East-West Divide in the European Trade Union Movement

As a result of the so-called Eastern enlargement (2004-2011), the 'mirror effect', that is, closing of the gap between industrial relations (IR) and welfare systems in Europe because of the actions initiated by Brussels, was expected (Lendvai 2004). Several years since this historic moment and there is still a significant divergence in quality of industrial relations as compared to so-called old EU Member States. The weak, still decreasing coverage of collective bargaining and actual absence of developed sectoral bargaining systems in the new members states from CEE is the objective indicator of the gap between the east and the West. It was noticed by the European Commission's in the 'Industrial Relations in Europe 2012' report and the situation seems not to have changed significantly since (Bernaciak, Kahancova 2017). It remains to be seen, if the Minimum Wage Directive (2022), especially the Article 4 addressing the issue of collective bargaining proves to be a game-changer. This discrepancy could neither be fully attributed to regulatory environment, because legal frameworks of the CEE countries ensure proper conditions for industrial relations, nor to historical path-de-

pendency factors (the legacy of the authoritarian socialism). These processes might be an effect of structural factors, and the heterogeneity of modern capitalism (see: Hall, Soskice 2001; Amable 2003; Rapacki et al. 2019). Some authors (e.g. Meardi 2012) claim that transferability of the European Social Model (ESM) to CEE countries is problematic. Poor state of IR in CEE countries is further amplified by general trends: decentralization of collective bargaining, increasing role of flexible forms of employment and precarious work, impact of technological progress (digitalisation, automation or robotization) or growing power of transnational corporations.

The above-mentioned issues are reflected in the attitudes of trade unions. There is a difference in expectations regarding cross-border involvement of the ETUC, when one compares the approaches of trade unions from CEE and the 'old' MS (Adamczyk 2018; Czarzasty, Mrozowicki 2018). This is, for example, evident as far as future role and importance of transnational company agreements (TCA) is concerned (Adamczyk, Surdykowska 2016) or the role of European Works Councils (EWC) (see Gardawski 2007). TCAs perfectly encapsulate the difficulties in implementing cross-border solidarity. TCAs are signed by management of corporations with EWCs and others bodies (European trade union federations and national-level unions) but they lack legal basis and, as a result, function, in a parallel way to the law (Jagodziński 2011: 28). The attempts to introduce optional legal framework for TCAs have so far been ineffective due to too divergent positions of the parties of the European Social Dialogue (ESD), which can be somewhat explained by the ETUC's failure in producing an official, uniform position on the issue (Czarzasty, Adamczyk&Surdykowska 2020).

EWCs has been a subject of intensive debates since the adoption of the Directive 94/45 (e.g. Streeck 1997; Mueller, Platzer 2003). The opinions on actual and potential usefulness of EWCs differ (e.g. Jagodziński 2011; Mählmeyer, Rampeltshammer, Hertwig 2017). As time went by, the more pessimistic assessments of EWC seem to have prevailed (Köhler, Gonzalez Begega, Aranea 2015; Waddington 2011). The critics point not only to limited functional capacities of EWCs but also see them as a field where particularistic national interests destructive to trans-border solidarity often collide (e.g. Adamczyk 2011, Pernicka, Glassner, Dittmar 2014; Royle, et. al 2016).

Those different expectations are difficult to reconcile, especially in light of the varying strength of trade unions in specific countries. The power of trade unions at the European level is directly related to their ability to act on national level (Surdykowska 2015). And trade unions from CEE lose their members and their influence decreases (e.g. compare Polish situation – Gardawski, Mrozowicki, Czarzasty 2012), which makes them more pro-European with regard to the future shape of industrial relations.

It must be stressed that the divide in the European trade union movement is historically embedded. On the one hand, there are theses about the 'Europeanisation' of industrial relations thanks to the forthcoming enlargement or predicted spill-over effects of Western-based Foreign Direct Investment (FDI) (e.g. Galgoczi 2003, Iankova, Turner 2004, Tholen et. al. 2007). On the other hand, there are claims that admission of new MS would result in a clash of different unions' agendas from both sides of the former Iron Curtain (e.g. Meardi 2002). Western unions' reactions to the challenge of workers' freedom of movement were not overtly enthusiastic, as the case of German unions successfully lobbying the government to impose the longest interim period (seven years) before opening the national labour market to citizens of new MS of the CEE proves (Bieler, Erne 2015). Following the enlargement, some of the concerns grew, and such issues as alleged neo-colonial EU expansion to the East (e.g. Trappmann 2013 on shutting down steel industry as a part of the accession deal; Czarzasty et al. 2014 on 'double standards' by multinationals operating in CEE), relocation of production (e.g. Banyuls 2008), fears of 'social dumping' by 'dependent market economies' (cf. Noelke, Vliegenthart 2009) using cheaper yet relatively well skilled labour as a key comparative advantage became noticeable in the debate.

Despite all that, trade unions from the new MS in CEE for a long time behaved in a cooperative and loyal way towards their Western counterparts (see: Adamczyk 2018). While looking at the literature, two main, interlocked, reasons, come to the forefront: first, the general decline of unions associational, structural and – to a lesser degree – institutional power (cf. Schmalz et al. 2018) in CEE; second – the prevalence of the imitational modernisation paradigm, in the societies of post-communist CEE defined by a deep-rooted belief that 'catching-up' with the West would only be possible by following a marketization route (Adamczyk 2018; Czarzasty, Mrozowicki 2018). Although various models of capitalism have emerged within the region after 1989 (Bohle and Greskovits 2012), the general pattern remains stable, so CEE capitalism may be labelled 'patchwork' (Rapacki et al. 2019). That kind of 'silent cross-border social contract' seems to be slowly but steadily disintegrating. On the one hand during the 'posting of workers debate' European trade unions from East and West stood together, on the other hand, disagreements in the ESD or divergent views on such topics as TCAs or wages are symptomatic for particularistic attitudes and contribute to the growing frustrations on the part of CEE unions.

Methodological Note

National sample has been selected on the basis of various modes of economic coordination, of which industrial relations constitute an important dimension (e.g. Hall&So-skice 2001). In particular, as the analytical framework the classification offered by Bohle and Greskovits (2012) is retained. In the sample there are NMS of CEE representing various local types of capitalism, as distinguished in the model: ‘neoliberal’ (Lithuania), “embedded neoliberal” (Poland and Slovakia, due to significant intra-cluster variations), “neo-corporatist” (Slovenia) and finally ambiguous (transitional, heterogeneo-us) cluster of South-East Europe (Bulgaria and Romania, which after the initial stage of post-Soviet type of patrimonial capitalism moved on in different directions).

As far as research tools are concerned, in line with the methodological triangulation principle, in each of six CEE countries covered, mixed-method research was conducted (see: Table 1). Representatives of major domestic trade union organisations were invited to national expert workshops, during which focused group interview (FGI) was carried out. In addition, each participant of the workshop was asked to complete a self-administered questionnaire (auditorium questionnaire survey). Finally, individual in-depth interviews (IDIs) were carried out with some of the participants.

Table 1. Country-level research

Country	The composition of the national expert workshop (organisations present)	Auditorium questionnaire survey	Focused Group Interview (FGI)	Expert interviews
		Number of participants/responses		
Bulgaria	Seven trade union representatives: CITUB, Federation of Independent Trade Unions in Agriculture; CITUB, Federation of Independent Trade Union Organisations in Food Industry; CITUB, National Federation of Labour “Chemical Industry and Industry”; CITUB, Trade Union Metalitsi (metallurgy); CITUB, Federation of Independent Trade Unions in Light Industry; CITUB, Trade Union “Beer, Food and Drinks”; CITUB, Institute for Social and Trade Union Research	7	7	2

Country	The composition of the national expert workshop (organisations present)	Auditorium questionnaire survey	Focused Group Interview (FGI)	Expert interviews
		Number of participants/responses		
Lithuania	Trade union representatives from two main national trade union confederations	7	5	2
Poland	Nine trade union leaders from the company level with experience in transnational cooperation	9	9	5
Slovakia	Six representatives of peak level trade unions from sectors with substantial presence of multinational companies: automotive industry (metal sector): three; banking and finance sector, peak-level trade union in metal sector, commerce and tourism sector: one each	6	6	7
Slovenia	Six sectoral trade unions: Trade Union of Energy Sector Workers of Slovenia (SDE), Trade Union of Construction Industry Workers of Slovenia (SDTS), Trade Union of Metal and Electro Industry of Slovenia (SKEI), Agriculture and Food Industry Trade Union of Slovenia (KŽI), Trade Union of Retail Workers of Slovenia (SDTS) and Education, Science and Culture Trade Union of Slovenia (SVIZ).	6	6	3
Romania	12 representatives of the National Syndicate Bloc (Blocul National Sindical); the National Union Confederacy “Cartel Alfa”; the National Federation of Food Industry Workers (SINDALIMENTA); the Federation of Commerce Syndicates; the General Federation of Syndicates FAMILIA; the Syndical Federation Union “Atlas”; the Federation of Bank and Insurance Unions; the National Syndicate of Penitentiary Employees	8	8	4

Source: authors' own elaboration

The empirical body thus consists of six FGIs (with number of participants ranging from 5 to 9), 43 self-administered questionnaires and 23 IDIs.

The Findings

In the subsequent part of the article the overview of empirical findings is presented. First, the general national context as well as the overall state and dynamics of industrial relations in the countries in focus are described and discussed. Secondly, specific issues examined at the national level are presented, including:

Industrial relations in the countries in focus

According to Visser (2008), all but one countries in focus represent the type of industrial relations labelled mixed or transitional, whose key characteristics are said to include is “low organisational density of actors, few actors (mainly because employers’ organisation do not exist), low collective bargaining coverage at a decentralised level and no interaction with state authorities”. Slovenia in that typology is a part of social partnership cluster known for a “medium organisational membership density and high rates of collective bargaining coverage with a high level of centralization”. To Bechter, Brandl and Meardi (2011), who make a distinction between the national system of industrial relations and public sector system of industrial relations, the picture is more complex. When it comes to the latter, Poland is treated as a case of a ‘lean’ system (corresponding to ‘state-centred’ type in the national system classification), Bulgaria and Lithuania are seen as ‘fragile’ (equivalent to ‘liberal’ type in the national system classification), while Slovakia, Slovenia and Romania represent the ‘political’ type (matching the ‘social partnership’ type in the national system classification).

Since the outbreak of the global economic recession in 2008/2009 and the subsequent stage of turbulent recovery, some of the national systems of industrial relations in the countries in focus have transformed to a significant degree. In Romania the labour law reform of 2011 largely dismantled the system of collective bargaining. In Slovenia, since 2012 there has been a trend towards liberalization of the labour market and flexibilisation of employment, which – along with revoking the obligatory membership in the employer organisation in 2006 – has affected the national industrial relations system and manifested by falling collective bargaining coverage. As far as trade unions’ position is concerned, in neither country improvement has been observed for decade, quite the contrary (although extending the right of association in Poland, in force since 2018 may produce some positive changes in union density as the public opinion research recently suggests but this remains to be seen).

Union density is low (Bulgaria, Poland and Slovakia) or very low (Lithuania) with the exceptions of Slovenia and Romania, where it can be assessed as moderate. Employer density, except for Poland, appears decent. Collective bargaining coverage is low, except for Slovenia. With the exception of Slovakia, collective bargaining is decentralized to a substantial degree.

EU accession is considered to be a pivotal point for most countries in focus, as far as roles and positions of trade unions are concerned, albeit for varying reasons. The assessment is generally positive, with the latecomers from the SEE being most enthusiastic. In **Bulgaria** the impact of EU enlargement is assessed as positive, due to institutional enhancement of trade unions via *acquis communautaire*. **Romanian** respondents appreciate clear advantages for trade unions of the country's admission to the EU, such as access to funding and training, integration with the European trade union movement and benefits of *acquis communautaire*, yet do not ignore damage to their membership base triggered by mass labour emigration to EU-15 member states after 2007. **Lithuanian** report stresses out that accession to the EU has greatly helped trade unions at all levels, yet notes that there was a cleavage between the post-communist and 'new' (democratic) trade unions, with the former missing largely a chance to benefit from the opportunities brought about by EU entry. **Slovakian** study reveals that European integration and accession are generally seen very positively by the public and social partners. For the latter, accession to the EU opened several new possibilities for transnational cooperation and direct influence over EU social policy, as well as enhancing capacities of trade unions as new financial resources became available. **Slovenian** stance, however, is much more toned and nuanced. For industrial relations system (with its unique qualities embedded in the worker self-management tradition of the former Yugoslavia) in general and trade unions in particular, EU accession brought number of challenges. Social pacts – a cornerstone of the 'neo-corporatist' model developed in 1990s – mainly lost their purpose, as the Maastricht inflation criterion was met as a result of ERM II and euro adoption. Post-2004 accelerating economic integration with the EU made domestic capitalists less inclined to seek compromise with organized labour. Between 2004-2008 (EU entry and initial strike of global recession), trade unions were losing power as manifested by a sharp fall in union density. Abandonment of the mandatory membership in the largest employers' organisation in 2006 also contributed to its radicalisation in order to better appeal to the members, not to mention that it undermined the collective bargaining system.

As far as the euro is concerned, the prerequisite for trade unions' attitude is the fact whether the country actually belongs to the Eurozone or not. In the sample, three

countries (Lithuania, Slovakia and Slovenia) have adopted the euro but the remaining three are still weighing their options. Divergent national experiences translate into different perspectives trade unions in the respective countries show. In **Slovakia** all respondents highlight the positive impact of accession to the EU in terms of economic advancement and being a part of the Eurozone is seen as very positive too. Some respondents believe that being part of the Eurozone opens up possibilities to participate in various non-formal working groups or meetings for Euro area countries, beyond the scope of other formal structures within the EU-level social dialogue. In addition to practical advantages such as easier economic comparability (e.g. in wage claims), being part of the Eurozone serves as a serious symbolic leverage enhancing the self-image in the society. In **Lithuania**, negative views are more prevalent, pointing to price increases and a decline in the standard of living for low-income segment of the population. Losing the ability to pursue its own monetary policy by the state, which has led to increase in borrowing is also noted with criticism. On the other hand, trade unions appreciate the euro in terms of better sustainability of the country's financial system. In **Slovenia**, the views are mixed, with the same argument as in Lithuania i.e. loss of the country's own independent monetary policy being employed, yet it is explicitly stated that despite the Euro having impacted the foundations of social dialogue, there has been little discussion on alternatives, at least within the mainstream. Overall, Slovenian respondents tend to see introduction of the euro as a positive event but also mention increased gap between the centre and outskirts of the EU, with the core benefiting more from the common currency than the peripheral economies. In **Poland**, there is a widespread belief that not having the euro at the time of the global recession arrival and its manifold aftermath helped the national economy to keep grow.

Speaking of the post-2008 wave of crises and their impact on trade unions and collective bargaining, the opinions are quite clear and unsurprising: there was a lot of damage caused. Eurozone member countries were apparently hit more severely, especially by a debt crisis, which led to implementation of austerity policies, usually Troika-overseen. Impact on national systems of industrial relations was dramatic. In **Slovenia**, neo-corporatist systemic political exchange typical of the 1990s came to an end and has been substituted with random concertation in the new euro-context. In **Lithuania**, the economic downturn was coupled with highly unusual, yet short-lived rise in union density by 3%, even though the total number of salaried employees dropped down by 8% year-on-year. In **Slovakia**, the economic crisis did not influence economy as much as in other countries, however, was mostly visible in production

sectors. Although the crisis may have accelerated the decline of trade union density and collective bargaining coverage, especially in companies that had to undergo restructuring, some trade unions reported increase in membership. Paradoxically, in **Romania**, a country not belonging to the Eurozone, where effects of the crisis were very painful, Troika-inspired austerity measures would be imposed. This led to a reshuffle of relatively balanced system of industrial relations, dismantling of collective bargaining and new labour law – unfavourable to organized labour – adopted. Trade unions resistance proved to be futile in large part, and one of the main reasons the unions did not achieve their targeted results is said to be lack of support from the part of international organizations and the general public. The consequence of the failure of the protests in taming the austerity measures imposed by the government was a decrease in the unions' mobilization capacity. In **Poland**, the economic slowdown eventually led to deterioration of social dialogue, even though in the early phase of the global recession (late 2008 to early 2009), there had been an unprecedented case of bipartite negotiations (trade unions and employers) which would produce the Anti-Crisis Package (a set of measures to be implemented to mitigate the foreseen effects of the economic slump), partially embraced by the government while drafting the anti-crisis public policies.

All countries in focus rely on FDI to certain degree. While **Slovenia** may not be an obvious case of a dependent market economy, the remaining countries definitely fit in the basket. Before 2008 Slovenia had managed to avoid stepping on the path of dependent economic development but the crisis led to a much more prominent role of FDI as a result of institutional adjustments like flexibilisation of the standard employment (2012), reduction of the corporate tax rate (2012), lower taxation for higher income brackets (2016), as well as quite a generous subsidies for foreign investors. In **Slovakia**, the FDI inflow is mostly visible in the automotive and electronics industry and multinational companies, dominating in manufacturing and financial sectors, has been almost the sole contributors to the increasing volume of FDI. **Poland**, of all Visegrad countries, is relatively least reliant on FDI, yet the impact of multinationals is very much significant. In **Romania**, the total turnover of the country is more than 50% generated by foreign companies. In **Bulgaria**, after a sluggish take-off in 1990s, FDI reached their peak in the years just before and after the accession of Bulgaria to EU. During the entire transition after 1989, almost 80% of FDI comes from the EU member states.

European minimum wage

Following the conclusion of the fieldwork the Minimum Wage Directive was adopted. European trade unions took action, coordinated within the ETUC, for a significant increase in wages in their countries of origin (the Pay Rise campaign), which translated into the debate around potential ways of lifting the topic to the EU level. Trade unions from CEE played a significant role in that process (Seelinger 2018).

Bulgarian unions support the idea for the Directive Framework Directive on European minimum wage and encouragement of the collective bargaining. The issue is said to be of extreme importance to CITUB, whose is that such framework directive in no way can change the already accepted norms and standards in the countries, which are concerned with such impact, and it cannot oblige them to adhere to any common European decisions. There is a consensus among all respondents from **Slovakia** that European minimum wage is needed. While the Slovak trade unionists understand the reasons for the division within the ETUC, the views on its justness differ. The representative from the metal sector underlined that Nordic trade unions' opposition stemming from the fear that a common framework will push wages down and endanger collective bargaining in their countries is unreasonable as in most EU member states it is set by law. However, there was a *votum separatum* recorded. The union representative from the metal sector argued that a common European minimum wage should be a last step, not preceding but following institutional harmonization of industrial relations **Lithuanian** trade unions strongly support the idea of European minimum wage. According to the union representatives, the agreement on and the implementation of the European minimum wage would clearly demonstrate the understanding of European solidarity. Most of the unions' representatives from **Romania** are in favour of introducing a minimum wage at European level, but they are conscious of the short and long-term risks and they differ in opinions regarding manner in which it will be implemented. Vast majority of **Polish** workshop participants considered that there was a need for European regulation in this area. This is also confirmed by interviews with union experts and union leaders. In their view, it is essential for the European trade union movement to adopt a common strategy and propose specific regulations at EU level. However, in the opinion of experts and trade union leaders, the voice of trade unions from CEE in that regard is marginalized, which is exemplified by the following statement by the expert of NSZZ Solidarnosc expert: "*The subject of the coordination of minimum wages in the EU has been discussed within the ETUC for years and still without results, it gives rise to frustrations.* In

Slovenia union representatives mostly supported the idea of an EU-wide minimum wage. Nevertheless, most emphasised that determining the minimum wage at the absolute, nominal level is at the moment not feasible, but most welcomed the idea of establishing some lower bound as a percentage of average or median wage. Some even claimed that instead of minimum wage, living wage should become a focus for a debate, using the forthcoming national-level institutional arrangement as a point of reference: in Slovenia from 2021 the minimum wage will be set at 20 per cent above the minimal cost of living (MDDSZ, September 2019). Yet, there was also a critical voice recorded, according to which with all potential benefits the European minimum wage may bring, there are risks involved too. While it is an instrument of establishing minimum standards in an environment of weakening social dialogue but its establishment by itself further weakens social dialogue. On the one hand, minimum wage helps establish minimum standards as collective bargaining is weakening. On the other hand, minimum wage sets the lowest wages without collective bargaining, which further weakens social dialogue. One of the trade union representatives also noted a paradox with the CEE trade unions, which demand the EU-wide minimum wage, while supporting the social dumping practices.

In general, the idea of the European minimum wage is backed. There is no clear picture on how the mechanism should look like in legal/procedural dimension. Trade unions of the CEE are aware of the debate, including the opposition to the idea displayed by Western (Nordic) unions and even would claim the voice of the unions from the CEE on the issue is being marginalized by the more influential Western unions.

Importance of Transnational Company Agreements (TCA)

There has been a long discussion within the ETUC on strengthening the role of Transnational Company Agreements (TCA) as a transnational element of collective bargaining which enables the improvement of working conditions and building common standards in MNCs operating in the European economic area. There is a clear difference of views on the future of TCA between trade unions from CEE and some from the old Member States.

The representatives of the sectoral/branch federations questioned in **Bulgaria** state that they are partially familiar with TCAs. Generally, the opinions are in favour of such agreements, yet there are also sceptical voices recorded about the impact of TCAs: the respondents observe that the transnational agreements contain provisions stipulating the application of national standards and specific conditions.

The potential benefits named include opportunities for combating double standards in the same multinational company, in terms of quality of production and work conditions. **Slovakian** respondents in their opinion expressed in Audience Questionnaire Survey generally agreed that the transnational collective agreements are beneficial, and an EU-wide optional legal framework for TCAs is needed, but the group discussion revealed a shared scepticism among the participants related to the implementation and enforcement of these agreements. Several respondents claimed that TCAs are “*not possible in reality*” and “*impossible to realize in practice*”, not only in the EU but also worldwide naming differences in law and industrial relations systems to be the main reasons. Conclusion of TCAs is a sensitive topic for the national trade unions, as the following statement indicates: “*In some countries, where you have a good valid collective agreement, you are afraid to open it again and modify it somehow.*”

In survey and interviews with union representatives in **Lithuania** all respondents and Focus Group participants stated that “*it is beneficial for employees to negotiate and conclude agreements by trade unions with the central management of transnational corporations (TCA)*”. All union representatives also pointed out, that “*the legislative framework contained in EU law (directive, regulation or decision) is needed to strengthen the impact of TCA*”.

Trade union members interviewed in **Romania** are in majority in favour of establishing a common legal framework at European level for transnational agreements, supporting the objectives settled within the ETUC 2019-2023 Action Plan. Some union representatives in Romania emphasize the need of developing a European dimension of collective bargaining, as collective agreements at European level are a step towards increased integration. According to some union representatives, voluntary character of TCAs is partially the reason why no more such are concluded.

The subject of TCAs is relatively well known to all respondents in **Poland**. The workshop participants do not have a full knowledge of the debate on TCAs that continues at the ETUC level. As a union leader from the metal sector observes: “*TCAs are implemented by central management boards and our local organizations often do not know how this is done. Sometimes we are not even informed that such an agreement exists at European level. In addition, I do not know how I can use the provisions of such an agreement if the local management does not bear any consequences when it does not implement it in Poland*”. Trade union experts admit that they participate in such a debate but have a growing impression that their voice cannot break through against the strong resistance of some Western unions, reluctant to develop TCAs.

Slovenian respondents' opinions on TCAs are relatively calm. Sectoral trade unions consider EU-mandated industrial relations institutions such as TCAs or EWCs weaker than their Slovene counterparts. Therefore, they are very not interested in these institutions. There is a clear gap in views on TCAs between Slovenia and the rest of the country sample. The former appreciate national-level institutions more, as they are seen as viable, unlike the cross-border ones. The latter are in favour of TCAs but still aware of weaknesses of such institutions and obstacles hampering their progress and impact on European industrial relations, with Western unions reluctant attitudes being explicitly named. The concept of optional legal framework meets with support.

Cross-border cooperation

National trade union confederations from EU countries hardly develop any permanent mechanisms for coordinating collective bargaining across borders. Certain coordination activities are carried out at sectoral level by European industry federations (especially with reference to IndustriAll Europe). The question arises whether in the absence of the sectoral level of collective bargaining in most CEE countries, trade unions from these countries are ready to act to strengthen transnational collective bargaining coordination in order to use it for articulation and achieving of national objectives (Erne 2015).

As reported from **Bulgaria**, CITUB sees a need for a mechanism for common collective bargaining in Europe, to be driven by the European branch federations in coordination with ETUC and the national trade union organizations. CITUB has signed cooperation agreements with trade union organisations from Austria, Germany, Cyprus, Greece, Spain and United Kingdom. According to these agreements, the CITUB members who work in the given country are entitled to the right of consultation and trade union protection through the local trade union organisations.

Due to historical reasons, **Slovakian** unions are very close to Czech ones, and the Slovakian confederation KOZ SR cites "above-standard" contacts with the Czech-Moravian Confederation of Trade Unions (ČMKOS) on their webpage. In the commerce sector, trade unions substantially rely on the cross-border cooperation with their partners. There is also an interesting observation recorder in the automotive sector that cross-border cooperation with the trade unions from the same company in a different country happens more often than cooperation between unions from competing companies in the same country. For instance, trade unionists from KIA (Žilina, Slovakia) cooperate and meet with trade unionists from Hyundai (Ostrava, Czechia), as both

companies belong to the same Hyundai Motor Group. KOZ SR also subscribes to “close relations” with the Austrian Trade Union Federation (ÖGB), the German Trade Union Confederation (DGB) and Polish and Hungarian trade union centres.

Lithuanian trade unions have been cooperating with unions from other countries (for example Lithuanian trade union “Solidarumas” and Polish NSZZ “Solidarność”). As EWCs are often perceived as lacking effectiveness, some trade unions try to develop alternative channels for information exchange and sharing experiences. Trade union networks (often initiated and supported by EU level actors, e.g. EFFAT) provide an example of such an alternative channel. Such networks comprise trade union representatives (shop stewards) of subsidiaries from various counties within one transnational company (e.g. such networks are in Phillip Morris, Mondelez).

The union representatives in **Romania** point to the need of international cooperation of trade unions, given the strong position of multinational companies in the national economy. There are examples of ‘union busting’ (Mc Donald’s) given but no specific examples for cross-border union cooperation to solve such type of issues. Union leaders approached for the study would complain that there is no coordination between the unions at the level of a sector and no authority between the federations and affiliated trade unions. The lack of coordination and transfer of information can be found even within the same employer.

In **Poland** the need for cross-border cooperation is acknowledged, a precondition for efficient cooperation named lack of conflicts stemming from divergent national interests. As a representative of the automotive industry points out: *“Of course, actions are most effective when the interests of Polish and German companies are not in conflict (or even better, in common). This was the case, for example, of the fight for higher salaries in 2006. [...] At the same time, for trade union organisations the basic benefit of cooperation is the ability to verify the information received from the local management and to obtain data that cannot be obtained at the local level but are necessary for the effective and efficient conduct of trade union activities.*

The views of **Slovene** trade unions are that cross-border cooperation does indeed bring significant benefits as it allows the trade unions to protect workers across the borders. As far as IndustriAll is concerned, Slovene trade unions are invited to send delegates to all the committees, negotiation teams for TCAs. The meaningful example of benefits from bilateral international cooperation is the case of obtaining information from German and Austrian trade unions about the effects of mini-jobs, which enabled Slovene unions to reject the government’s proposals aiming at introducing similar arrangement in the country. There is also a close cooperation with German

trade unions that help to enforce the solidarity clauses against German main contractors. For historical reasons, Slovene trade unions tend to keep very close ties to the trade unions from ex-Yugoslavia and are part of the forum called Solidarnost where unions from the Balkan region discuss some common issues and problems.

In general the need for cross-border cooperation is recognised, and potential and actual benefits of such are named. In practice, the experiences of unions in the countries in focus vary to significant degree. The most concrete examples on cross-border cooperation come from Slovenia. It seems that the ties pre-dating not only EU accession but the post-1989 transformation (Slovakia-Czech Republic, Slovenia-Balkan countries) are viable and arguably stronger than the ones established recently. There are hints in the national reports that cross-border cooperation may be undermined by divergent national interests and insufficient trust.

Posting of workers

National-level debates triggered by the European Commission's initiative on revision of the Posting of Workers Directive exposed divergent perspectives on the notions of social dumping and protectionism. In this regard, it is important to examine the motivation of trade unions from CEE on building the common standards of employment (by enforcing 'equal pay for equal work' rule for posted workers) in the EU despite claims that competitiveness of CEE companies providing services in other MS will be reduced as a result.

Bulgarian unions strongly opposed the "yellow card" procedure (initiated by 10 member states from the CEE in May 2016). As for the Mobility Package, however, trade unions supported the Bulgarian business and the official position of Bulgaria against the measures proposed. In case of **Slovakia**, the Confederation of the Trade Unions KOZ SR opposed the 'yellow card' co-authorized by the Slovak government, and agreed on the common position with the colleagues from the Czech trade unions and ETUC. Subsequently, the Slovak government changed their position and in 2017, supported the revisions to the Directive. **Lithuanian** unions position is unclear, as they highlight two essential aspects in the debate. First, there is a concern about implementation of the principle of "equal pay for equal work" and fighting more for the living standards and fair pay of immigrant workers, and, second, there are questions if those requirements are to make the employment of immigrants even more unattractive and thereby drive them out of national labour markets. According to union representatives, "Lithuanian carriers are still experiencing only losses as a result of the Mobility Package". Union

members cannot understand whether this initiative is supposed to improve the working conditions of CEE drivers or exclude CEE carriers from the European markets. Most of the trade unions from **Romania** are in favour of the idea of imposing common pay and working conditions for workers. There have been several formal and informal discussions on the directive between the stakeholders – Romanian Members of the European Parliament, Members of the National Parliament or representatives of the government – with one glaring omission: there was no consultation of unions on this subject. Even so, unfortunately, the unions fail to support a common view on this topic, despite the significant importance of this directive. According to one trade union representative, the current situation of posted workers is an expression of the incapacity of the European trade unions to manage this phenomenon and to represent workers. In case of **Poland** the OPZZ expert pointed out that the attitude towards the proposed amendments to the directive on posted workers showed a certain ability to build common positions of trade unions from the Visegrad group. As the Solidarity expert points out, some Hungarian unions “yielded to” the government narrative and were manipulated. Trade union leaders first of all indicated that even if it can be assumed that raising the labour costs of posted workers would be disadvantageous for Polish companies, it would be beneficial in the medium term, because it would “force” Polish business to compete with other factors than low labour costs. The issue of the relations between the category of “posted workers” and “drivers of international transport” has raised and continues to raise numerous controversies.

The government of **Slovenia** was not among those that gave the “yellow card” to the proposal for the revision of the Posted Workers Directive. The position of **Slovene** trade unions with regard to the revision of the Directive diverges from the position taken by the trade unions from Visegrad countries that demanded the separate treatment of road transport workers (cf. ČMKOS et al., October 2017). Instead, Slovene Trade unions wanted to have the road transport workers to be included in the revised Directive. Slovenian unions noticed the clear line of division with regard to the issue of posting of workers established in the ETUC between the Western trade unions on the one hand and Visegrad and the Romanian unions on the other hand.

The positions of unions from the country sample differs. Bulgarian unions took a stand next to the government, who was against the changes to the regulatory framework proposed. Polish and Slovakian unions openly opposed their governments with regard to the ‘yellow card’ procedure. Romanian unions – presumably due to their supportive approach to the changes in the Directive – were omitted from the consultations at the national level. As for the Mobility Package, the picture is even more

complex. Slovenian unions were in favour of including truck drivers in the same scheme (which stance to a large extent prevailed), unlike Polish and Slovakian ones.

Is there ‘isolationism’ of Western trade unions?

While NMS of the CEE sometimes become a target for accusations of social dumping (see below), and this is addressed not only to the governments and local employers but also trade unions, such allegations are not so seldom countered with claims that Western trade unions tend to distance themselves from their counterparts in the CEE, thus hampering progress of cross-border solidarity (Adamczyk 2018; Czarzasty, Adamczyk, Surdykowska 2020). It is likely that the recent (8 July 2020) adoption of the Mobility Package by the European Parliament will further amplify those tensions.

The problem of “isolationism” of the Western trade unions was not identified as significant and real problem by the **Bulgarian** trade unions. In **Slovakia** trade unionists interviewed for this project agreed with the Adamczyk's (2018) claim about the two worlds within the trade union family, or as one respondent calls it, **trade union family “on paper”**. All of the respondents identified certain tensions between the opinions in older vs. new member states. However, there is no unified agreement on the “cut” of this division. Rather than division between Old Member States vs. CEE countries, or new member states, the respondents claimed that this division may alter: not only we have evidence for east-west division but also for north – south division between the Nordic states and southern States with completely different economic situation. According to **Lithuanian** trade union representatives, the problem of protectionism and isolation of Western trade unions is not very relevant and has no significant influence on trade unions' activities at EU level. Regarding the unions in **Romania**, none specific issues in the context of Western unions isolationism are reported. In **Poland** workshop participants pointed out the lack of sufficient inter-union solidarity and lack of understanding for the realities of the situation which is reflected in the following statement: *“I have the impression that we live in two different worlds – Western unions, they focus on the discussion about climate and industry 4.0; they do not see that in our part of Europe there are basic needs of workers (higher wages, better standards, trade union rights) to be met”*. **Slovene** trade unions are much closer to Western positions with regard to the contents of their political positions. *“There certainly exist a dividing line between the East and West and it runs right through Slovenia”*, as one of our interviewees put it.

The divide between East and West seems a disputable issue. For Bulgarian and Lithuanian unions it is either non-existent or irrelevant. For Slovenian unions it is an

issue that exists but the blame cannot be allocated wholly to neither side of the symbolic dyad. Polish and Slovakian unions do acknowledge the cleavage very openly and see it as a problem but in case of the latter the position is nuanced.

European social dialogue (ESD)

European social dialogue (ESD) has often been mentioned as a potentially effective, yet not fully utilized tool for convergence of social standards across the EU (e.g. Surdykowska 2015). The assessments of ESD vary (e.g. Degryse 2017; Vaughan-Whithead 2015), so it is worthwhile to expand the perspective with the views of trade unions from the national level.

According to **Bulgarian** trade unions the opportunities for influence the European social dialogue in order to achieve specific positive results in the social field and common social standards are rather limited. **Lithuanian** trade unions are positive about the ESD as a tool to build common standards within the EU. Most trade unions highlighted it as “*an authoritative level of social dialogue development that encourages and disciplines national governments and employers*”. Therefore, in the opinion of Lithuanian trade unions, it is expedient to strengthen ESD initiatives by giving them the status of normative documents wherever possible and to press harder national governments for the decisions or agreements of the European SP to be implemented. At this stage, the “top-down” development of social dialogue (e.g., through EC Recommendations or other EU legislation) can be very beneficial for CEE countries, as real dialogue between employees and employers is still lacking power and governments tend to take the employers’ side. With regard to the ESD, most respondents in **Poland** are aware of its existence. In the case of workshop participants, however, the knowledge of how the mechanism works is weak. This also applies to the ESD results and their implementation in Poland, as the following statement by a union leader from the chemical industry illustrates:

We had high hopes related with European social dialogue, because it seemed that – as it had been in the past – such agreements would be transformed into directives and bring specific solutions for employees. I am very disappointed that this does not happen and present European agreements are very vague.

There is a general agreement among all trade union representatives from **Slovakia** that their preferred mode of outputs are binding agreements such as directi-

ves. Only if those are unsuccessful, trade unions would push for recommendations and autonomous agreements as outcomes of the EU level social dialogue. Slovakian union express certain reservations towards ESD, which is well illustrated by the following statement "*certain European issues are too abstract for me*".

Trade unions in **Slovenia** are in general open towards the possibilities of the social dialogue for building common standards at the EU level. Most of the trade unionists interviewed support the idea of establishing certain minimum standards at the European level, such as the EU regulation of the minimum wage. The question of convergence emerged often in the interviews, yet it would be seen in a different light than in the other countries in focus. Number of interlocutors claimed that some standards in Slovenia are more favourable not only than those in of most CEE countries, but are also higher than those established in many Western EU countries are. Hence, convergence to the Western European standards would in fact mean a downward convergence for Slovene workers on many instances, apart from wages certainly.

The attitudes of the countries in focus toward the ESD appear ambiguous. It is acknowledged or even revered at the level of general declarations but also commented in a realistic way as a still unexplored platform of negotiations, and, more importantly, too distant from the workplace level of industrial relations, dominant in the national systems in all cases, apart from Slovenia, where there are opinion of trade unionists registered pointing to the potential risks of imposing common standards, as the convergence entailed might not necessarily be upward but downward.

European Pillar of Social Rights

One of the most frequently articulated expectations of trade unions with CEE is the hope that the instruments of the European Social Dialogue (ESD) will have a positive impact on upward convergence of social standards. However, already some time ago, experts pointed to the weakening of the quality of cross-sectoral ESD (Degryse 2011). The situation has not improved significantly since then. Therefore, the question arises whether current condition of ESD meets these expectations of CEE trade unions.

Bulgarian respondents are generally familiar with the targets and content of the European Pillar of Social Rights. At the same time, this important European document does not have a direct impact over their professional activities or its impact is rather formal and desirable. The "Beer, Foods and Drinks" union of CITUB has developed and agreed with the employers of the sector a Branch Pillar for Labour and Social Rights. According to **Lithuanian** trade unions, the EPSR is a very positive

initiative and a very useful document – “*it would be worse without it*”. Yet they unanimously note that the document lacks “political toughness” and is said to be too “soft” and passive. **Slovakian** trade unions see the pillar as beneficial and in general agree with its content, however, they point out to the problem of its enforcement and implementation in all EU states. KOZ SR is in favour of more directives related to the European Pillar of Social Rights. **Romanian** trade unions have a general positive perspective regarding the implementation of future binding (or non-binding) legislation issuing from the European Pillar of Social Rights, but they all demand one thing: to be consulted and take part at the negotiating table. In **Poland** the issue of the European Pillar of Social Rights did not take much time in the interviews. The views are positive but not overtly enthusiastic. As one of the respondents put it: “*the European pillar of social rights is just a collection of wishes. There are no specific provisions regarding the role of collective agreements or the strengthening of trade unions.*”

There seem to be no consensual view on the potential of the European pillar of social rights among the trade unionists in **Slovenia**. According to the first view that is mainly held by the sectoral trade unionists, the European social pillar is more or less about propaganda measures from which not much can be expected. The confederation representatives we interviewed additionally, on the other hand, took the initiative much more seriously. They hold that it can bring many advantages at the level of member states and could represent an initial step towards establishment of common EU standards.

European Pillar of Social Rights is known of and viewed as an important act affirming European values, yet there are serious doubts expressed on the viability of the project.

Quality of relations on the axis CEE-”old” member states within European trade union structures at different levels

The issue of relations between trade unions from CEE and ‘old’ MS of the EU is definitely complex, and approached hereafter from several angles (see: sections on protectionism/isolationism and social dumping). The quality of those relations varies, depending on the level of interactions, being different at the confederal level of ETUC or ESF (Adamczyk 2018) and within multinational corporations (e.g. Pernicka, Glassner and Dittmar 2017).

Bulgarian trade unions are generally satisfied with the cooperation with their Western trade union partners. No examples of mistrust or disparagement in the contacts with

trade unions of the old member states were registered. Bulgarian trade unions acknowledge variations among national systems of industrial relations. Nevertheless, Bulgarian unions are also concerned with deteriorating conditions for trade union activities at European level in the last years. In the circumstances of new economic governance and the EU austerity policies following the last global economic and financial crisis (2008+), there are attempts for revising of the labour legislation, the social dialogue and the national systems of industrial relations not only in the CEE, but in the 'old' EU as well.

In the opinion of the representatives of **Lithuanian** trade unions, in general, there have been no serious/considerable controversies in the East-West (*We-They*) relationship. However, the differences of values remain and interests that are not permanent in their nature are becoming more and more apparent. Eastern trade union representatives (except for, perhaps, Polish, Slovakian and Slovenian trade unions) are often less informed about new EU initiatives, EU-level solutions, and are more likely to be influenced by various lobby groups. According to trade union representatives, differences in CEE trade unions' positions are increasingly dependent not on the East-West relationship, but on the trade union's representative representing the CEE country or on the trade union he/she represents, i.e. whether the representative (1) belongs to an "old" (Soviet-type) trade union or a "new" trade union (formed after the declaration of Independence). The "old" trade unions are more isolated and more conservative, whereas the "new" ones are more open, and their activities are more based on modern principles of the EU social dialogue.

In **Romania** it is the lacking knowledge of a foreign languages that seems to block involvement of union leaders in elaborating strategies at European level. At most European meetings (because of the low level of contributions on national/international level), the translation in Romanian language is missing. Other relevant internal obstacles mentioned are: lack of financial resources which prevent unions from participating in transnational events, the reduced technical and operational capacity, the lack of expertise in some fields and the difficulty in accessing this expertise due to weak operation capacity, and lack of flexibility. So, in general, there seems to be a problem of inadequate resources. However, all of the trade unions interviewed have reported strong and positive collaborations with Western unions within European-level confederacies.

In case of **Poland**, experts representing both largest national-level unions (NSZZ Solidarność and OPZZ) stress poor ability of Polish unions to articulate their postulates and expectations on the European forum. In the opinion of the expert of OPZZ, the unions from CEE cannot effectively carry out "their agenda" in the ETUC because, among other things, they neglect to speak with one voice.

In **Slovenia**, the general conclusion of the whole national report is “that the Slovene trade unions are in general much closer to Western positions with regard to the contents of their political positions, but their influence in international structures is rather comparable to that of other trade unions from CEE”.

All of the participants in the FGI admitted to have noticed, in the course of their supranational activities, that trade unions from Central Europe are differently perceived by the so-called old Member States. They exposed several areas where it has been most frequently possible to detect differences among the two groups of the trade unions (West-East divide): (minimum) wage, questions related to the labour market, need for collective agreements, including their structure, but also differences regarding the approach to the union membership, forms of unions activity, social benefits (transfers), internal democracy in the unions and union's freedom. [...]

In **Slovakia**, The East-West divide was perceived as present by four respondents who agreed that some issues are perceived differently by the trade unions in old vs. new member states. Particularly mentioned were issues on working time (2), wage convergence (2), minimum wage (1), legal framework for TCAs (1), working conditions (1), health and safety at work, including issues of disability (2) and gender balance (1). [...]

The “East-West” divide is an acknowledged phenomenon in most – but not all (Bulgaria, to some extent Lithuania) – countries in focus. The depth of the divide is variously assessed, so are the reasons behind. The possible causes for petrification of the divide may not only be ‘traditional’ issues of industrial relations (and scope of bargaining) but also new ones, like the impact of disruptive changes in technology (e.g. digitalisation, climate change), gender or minorities’ issues which are gaining importance in the West but are in the Eastern union agendas are either low or non-existent. There is also an issue of lack/ inadequate cooperation among the unions in the CEE. Furthermore, lacking resources of various types on the part of CEE unions are named as a hindrance.

What do CEE trade unions think of “social dumping”?

Social dumping may be seen as the other side of the coin as far as protectionism is concerned. As the developmental gap between the ‘old’ EU and the NMS from the CEE is persistent, albeit narrowing in the post-2004 accession years (e.g. Czarzasty and Kirov 2020), relatively cheap labour has remained the key competitive advantage of the less-developed NMS with their ‘dependent market economy’ (DME) (Nölke- and Vliegenthart 2009) model proving resilient. That has triggered a noticeable, albeit made mostly in implicit way, allegations on un-fair play by the CEE countries.

The position of the **Bulgarian** trade unions is the following. They accept the existence of “social dumping” but consider it a result of the objective circumstances. They see the solution for the problem in the introduction of more strict control by the labour inspectorates of the Western states in terms of work conditions and remuneration in their states. The Bulgarian trade unions support the accelerated increase of the salaries of the workers and employees in the CEE and approximation of the living standards of the old and new member states. At the same time, they clearly understand that the difference in payment are one of the prerequisites for opening of branches of the multi-national companies in Bulgaria and a motivation for taking of relevant investment decisions related to the movement of production facilities to East. The existence of “social dumping” was stated as an obstacle for the effective participation of Bulgarian representatives in EWC in individual companies. But as a conclusion, there is no significant information and examples for “social dumping” to be reason for mistrust and obstacle in the joint activities of the trade unions from West and East.

Lithuania’s position on this issue is also supported by trade unions from other CEE countries (except maybe Polish trade unions which attitudes towards social dumping – according to evaluation of some representatives of Lithuanian trade unions – is too liberal). The issue of ‘social dumping’ is seen as manifold and unobvious. This is illustrated by the relatively new phenomenon of incoming migration (unfolding in the post-accession years). Influx of foreign workers, mainly from former Soviet countries, has led to social dumping in construction and transport sectors with employers replacing local workers with foreigners ready to work for lower pay and less demanding when it comes to working conditions and employment relations. Importing cheap labour with the government’s blessing pushes redundant Lithuanian workers to emigrate, which leads to a replication of the same scenario elsewhere, only with different protagonists taking part. In the opinion of Lithuanian unions, social dumping has a very negative impact on the economic and social development of the country. It discourages employers from improving their means of production, technologies and work organisation, investment in human capital.

Even though most of the sectors from **Romania** are affected by social dumping, there are few positions of trade unions on this matter. The fact that large corporations operating in Romania do not bring an added value to the labour market seems to be an issue of high concern. More specifically speaking, the corporations do not invest in the continuous training or upgrading skills of their employees. Furthermore, the practice of low wages for skilled workforce, even from the part of multinationals le-

ads to some union representatives to claim the that the wages are kept low intentionally, in order to keep down the overall average wage.

In **Poland** the issue has been tied with the posting of workers (and international road transport) issues. So is in case of **Slovakia**.

As of **Slovenia**, the issue has been given substantial attention in course of the research. There are hints in the report suggesting that the unions indeed acknowledge positions of other CEE unions as supportive to social dumping: one of the trade union representatives noted that there is a paradox with the CEE trade unions demanding the EU-wide minimum wage while on the other hand supporting the social dumping practices. The unionists tend to attribute the practice of social dumping mainly to companies and not to the workers that are willing to work for lower wages and/or standards. Nevertheless, they are critical of the CEE trade unions because of their focus on employment, be it in the area of FDI or posting of workers.

The issue has also been tied to the posting of workers (and international road transport) issues, just like in Slovakia and Poland. However, the dominant views are quite different: Slovene trade unions thus consider their positions much closer to their Western counterparts regarding the regulation of posted workers – they are convinced that most CEE unions are much more comfortable with what they perceive as social dumping.

The issue of 'social dumping' has been closely tied to the Posting of Workers debate. There is a clear gap in the perception of 'social dumping' between Slovenia and the rest of the countries in focus with the former explicitly addressing the claim of social dumping use by CEE countries and ambiguous, if not supportive, stance of the CEE unions on the issue. There is also an interesting 'cognitive' problem surfacing: 'social dumping' seems to denote a broad set of issues, which only partly overlap as one compares the findings at the national level. Opinions of Romanian unions are especially interesting in that regard, as they are pointing a finger to Western-based multinationals as (co)responsible for social dumping due to their deliberate corporate strategies/policies oriented on maintaining the low cost production (thus low paid labour) in the CEE.

Trade unions' views on foreign capital (FDI) and its impact on industrial relations

FDI has been the main engine for economic development of the CEE countries since the fall of authoritarian socialism in 1989, when the process of building 'capitalism without capitalists' (Eyal, Szelenyi and Townsley 1998) started, even though the role played by foreign capital differed (e.g. less significant in Slovenia or Poland as compared to the rest of V4 countries). In the context of industrial relations, the

impact of FDI is seen as ambiguous. On the one hand, foreign companies, especially multinationals are sometime said to be opportunistic (e.g. Czarzasty 2014), on the other, they have often been hailed as responsible for 'civilizing' employment relations and anchors of social dialogue (e.g. Marginson and Meardi (2010). The latter should be supplemented by the view that the nature of IR varies, depending on the home-country effect (e.g. Haipeter and Ho 2020).

The **Bulgarian** experience shows that the industrial relations and social dialogue are much more developed in enterprises overtaken by foreign investors where the trade unions' activity has traditions ("brownfield" type of investments) than "green-field" investments where the establishment of trade union organization meets with obstacles. The restructuring after the privatization in most cases is accompanied by mass layoffs, tensions and conflicts. Nevertheless, the research demonstrates that it is of new employers' interest to negotiate the changes undertaken with the trade unions ensuring balance of interests of the workers and the company.

According to **Lithuanian** trade union representatives, it is generally easier for trade unions to operate in "FDI companies", because those employers have much greater social sensitivity. The impact of foreign capital on social dialogue and trade unions' activities depends on the country of origin of the capital. Capital from more liberal-oriented countries and China is less friendly to trade unions' activities. Capital from EU countries, in particular from WE countries, is more trade union-friendly. However, it is not uncommon for FDI companies in Lithuania to behave less responsibly than in their country of origin, and trade unions in their home countries provide no assistance to Lithuanian trade unions in resolving conflicts, even though they have solutions of a considerably higher quality applicable in the area of working conditions in FDI country of origin.

In **Romania**, some trade union representatives reported efforts to block the collective bargaining process or to weaken their power taken by some multinational corporations. Although in legal terms employees are allowed to establish an union within any of these companies, in practice, according to the interviews, they are discouraged, which translates to poor union representation. An eminent example of such a company is McDonalds which prohibits its Romanian employees from unionizing.

In **Poland** impact of FDI, and especially, expansion of multinationals receive surprisingly harsh treatment, when it comes to industrial relations and social dialogue dimension. As quotes from the interviews show, trade unions seem disappointed with introduction and maintaining of 'double standards'. This is illustrated by the following quote:

The saddest thing is that double standards came to us together with foreign corporations. I am not talking about pay for the same work because it is a separate story, but even access to training or conducting dialogue with unions looks worse in our country than in an EU country where such a corporation comes from.

As NSZZ Solidarność leader from the automotive industry puts:

The inflow of foreign capital, especially after joining the EU, was not only about new jobs, but also the destruction of weak dialogue structures. Even before the opening of the factory in Poland, one automotive concern trained middle management to discourage employees from establishing trade unions. There were more such cases and no Polish government, whether left, neo-liberal or conservative, did not react.

In **Slovakia**, the issue of cultural differences (EU vs non-EU owned) reflected on the quality of industrial relations has been brought up in the context of discussing TCA issues: [t]he culture where “*an employer a priori sees trade unions as a problem*”, referring to the company as “*global company but with a local [meaning hostile] approach*”, prevents conclusion of any successful TCAs.

In **Slovenia**, the unionists do not expect foreign MNCs to bring either better standards or wage convergence, as their aim is to maximize profit, thus to keep the wages and standards low. Despite the fact that the post-2008 turn towards a much more prominent role of FDI, at the company level the difference between foreign and domestic companies does not seem very prominent, as far as industrial relations are concerned.

In all countries FDI play important role, albeit to various degree, ranging from very high in Slovakia to moderate yet growing in Slovenia, where – following the global recession – there was a policy shift aiming to increase foreign capital influx. Nevertheless, assessments of FDI (and multinationals, in particular) impact on the quality of industrial relations and trade unions are quite heterogeneous. With the relatively modest amount of data on the issue provided by the national reports, the following patterns can be observed: 1) quality of industrial relations is assessed as better in foreign-owned enterprises than in domestic ones (explicitly stated in the Bulgarian and Lithuanian reports) but still not perfect and prone to ‘double- standards’ applied parent companies; 2) within the segment of the private sector dominated by foreign capital, there is a cleavage related to origins of capital (host-country effect), with non-UE employers reported to be less inclined towards social dialogue (explicitly named Chinese investors in Lithuania and McDonald’s in Romania, more general statement, yet clearly referring to Asian companies in the automotive industry, to be

found in the Slovakian report); 3) presence of viable domestic institutions prevents deterioration of industrial relations even in a changing economic context, as the case of Slovenia suggests.

Discussion

Comparative analysis of the report allows to notice that the problems faced by trade unions from the Central and Eastern Europe (CEE) vis-à-vis their West European (of EU-15) counterparts only partially overlap. The main observations made during the research at the national level with regard to specific issues are as follows.

The idea of the European minimum wage is known and backed in general. The debate is followed and the opposition of the Nordic countries is a known fact. However, there is no consensus as to how 'operationalisation' of the concept should (in a normative sense, that is: what would be the right way?) proceed. There is a sense of disregard of the CEE unions' voice on the matter.

As for TCAs and EWCs as well, in the five countries of the sample there is support and generally appreciative attitudes to those supranational institutions, yet they seem to refer to their potential (as seen and described by the respondents) rather than actual capacity to influence industrial relations, especially at the national level in the countries in focus. So they are perceived as an institutional channel of "Europeanisation" of local industrial relations (top-down transmission of higher standards), thus a trigger of upward convergence. There is a striking contrast between such an approach and the perspective of Slovenian unions as registered in course of research. In Slovenia national-level institutions are trusted and relied on, because they are seen as viable, much more than the cross-border ones. It would be difficult to miss how much the Slovenian approach resembles the attitudes towards EWCs once expressed by German worker representatives who downplayed their role while comparing to own local institutions (works councils). CEE unions are aware of the Western unions' reluctance towards the promotion of TCAs, which is probably the reason why the concept of optional legal framework meets with support by the CEE unionists. It is also logical and unsurprising, given a strong preference in most of the countries for 'hard' (binding) standards imposed through directives and regulations over 'soft' recommendations.

There is a consensus that cross-border cooperation is needed. However, the theory and political declarations often hardly translate into practice. This may be seen as a trace (but not hard and conclusive evidence) of national particularisms prevailing

over cross-border solidarity. Paradoxically, a lot of attention has been given in course of research to regional inter-union cooperation practices said to be historically embedded in the pre-transition era and former geopolitical structure of the CEE (cases of Slovakia and Slovenia), so there is an impression (which may be inaccurate, subject to further discussion) that such ties are more important than the more recent ones formed in the context of united Europe.

The former issue is closely linked to the posting of workers debate (and truckers) in the context of the so-called social dumping. Apart from Bulgaria, unions in all countries in the sample were (and still are) in favour of revising the regulations on posting. The most consistent approach is presented by the Slovenian unions, to whom the changes to the regulatory framework (both on posting and road transport) are a step in the right direction, as they allow for curbing the employment practices which are seen as nothing but social dumping (the perspective demonstrated in other statements recorded and cited elsewhere in the paper), thus they simply share the Western point of view. Polish and Slovakian unions are in favour of changes to regulations on posting but insist on exclusion of drivers.

The issue of alleged isolationism of Western unions seems problematic in the light of the data collected. There is a polarization of views: at the one end of the spectrum there is a block of Bulgaria and Lithuania representing a view that the issue is irrelevant, at the other – cluster of Slovakia and Poland, to whom the cleavage in the European union movement is present, clear and certainly divisive. Slovenian unions' views on the issue are sober: its presence is acknowledged but accompanied by understanding to the arguments of both the West (with whom they seem to identify on many instances as demonstrated by the national report) and the CEE faction claiming the cleavage exists and critical of it. Yet even Slovenian admit that "similarity with the West stops, however, when it comes to the influence of Slovene trade unions within the European trade union structures". Their assessment of the ETUC is fairly critical. Slovenian unions even go as far as to describe the confederation as lacking "any mobilising power and many of them agreed that the organisation substituted propagandist actions for serious trade union work and that it became, bureaucratised as it is, itself an EU institution".

European Social Dialogue (ESD) is seen as a noble in principle but distant and hardly efficient institutional arrangement. Slovenian unions stance may be explained by the same motives that surface in the case of TCAs and EWCs: national-level institutions are still regarded dependable. Any positive outcome of ESD will be welcome as added value.

European Pillar of Social Rights is known and seen as important endeavour (in

axiological terms) but its viability is an issue which raises serious doubts among the respondents in all countries in focus. There is a ‘wait-and-see’ attitude observable.

Quality of relations between CEE and “old” member states within of European trade union is an extremely interesting issue, and, given the scope of the project, central in the process of formulating diagnosis we are aiming for. Preconceptions of the level as low seem not to survive the empirical test entirely, yet to some extent are reinforced. More interesting is, however, a discovery that there is a variety of factors influencing the mutual relations between the two side of the former Iron Curtain, not just the current income gap. The following factors have been named as potentially hazardous: 1) Western unions are seen as no longer prioritising the issues that are still vital for the agenda of CEE unions, which is due to technological breakthrough (the 4th Industrial Revolution etc.), as well as cultural and environmental issues (climate, LGBTQ), in other words, the developmental distance (between, broadly speaking, late-fordist economies of CEE and post-fordist economies of EU-15); 2) power-resource problem (mostly manifested by insufficient command of foreign languages among the unionists from CEE, which is also linked to inadequate financial input of CEE unions to ETUC resulting in the absence of translation at the meetings to less popular languages, also understaffing of CEE unions); 3) the ‘internal’ (national-level) cleavages in the union movement (extensively discussed in the Lithuanian case study) rooted in the past (the problem of post-communist legacy, still important but for obvious reasons slowly disappearing from the academic debate on industrial relations transformations in CEE), which may be an explanatory factor for inadequate level of cooperation among the unions in the CEE at the EU level (ETUC).

As far as social dumping is concerned, the issue is closely tied to the Posting of Workers debate, so it should be reconsidered whether the two topics are to remain separate or rather be merged for the sake of the report (subject for discussion). The issue is as important for the unionists inquired, as it is vague, thus potentially divisive. Slovenian unions (as mentioned above) position themselves close to the standpoint of Western unions, seeing specific employment practices on the part of CEE business as clear cases of social dumping and even going as far as to pointing to inconsistency of views of other CEE unions on the matter. The issue definitively needs to be explored further.

FDI play important role for economies of all countries in focus, even in Slovenia since 2008. Assessments of FDI (and multinationals, in particular) impact on the quality of industrial relations and trade unions are quite diverse. On the one hand, FDI is still seen as a ‘carrier’ of good employment and industrial relations practices (even

though the issue of ‘double standards’ is brought into discussion), and hypothesis of “three worlds of industrial relation” (Czarzasty et al. 2014) seems to be verified positively, with foreign and domestic segments of the private sector differing substantially, when it comes to conditions for union activity and social dialogue climate. On the other hand, the data shows that ‘no all that glitters is gold’, that is, reconfirms importance of the ‘host-country effect’ with non-UE employers reported to be less inclined towards social dialogue than EU-based ones. The negative ‘host-country’ effect may be prevented if viable domestic institutions of industrial relations are present, as the case of Slovenia suggests.

Conclusion

Divergence of the views expressed by trade unions inquired in course of research seems to validate the selection of the countries into the sample by reference to the various local types of capitalism. For that reason, articulation of trade unions strategies on upward convergence of social standards in the enlarged EU seems a difficult, yet still attainable, task. Trade unions from the region may not share the same views on the issues which are subject to the study but there are numerous common patterns. Slovenia definitely stands out, as the rare case of ‘neo-corporatist’ IR regime and the fact the perceptions of trade unions reconstructed on the basis of original data gathered in course of the project suggest that the whole concept of “upward convergence” of social standards approached from the Slovenian perspective is contrasting with the views of the rest of the countries in focus (as it is seen paradoxically, as a risk of undermining the national standards, not improving them). As for the remaining countries in the sample, the “West” is still looked upon with hope as the agent and external driver of possible positive changes but there is also some scepticism visible in the opinions given by the trade unions leaders participating in the research. Apparently, nearly two decades after the “Eastern EU-enlargement” the idealistic and quite naive visions and expectations of the “West” that once had dominated in the CEE have been largely disenchanted and replaced with more realistic attitudes.

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