
Beyond the CEE 'black box': crisis and industrial relations in the new EU member states

Magdalena Bernaciak

Working Paper 2015.05

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Brussels, 2015
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Print: ETUI Printshop, Brussels

D/2015/10.574/35
ISSN 1994-4446 (print version)
ISSN 1994-4454 (electronic version)



The ETUI is financially supported by the European Union. The European Union is not responsible for any use made of the information contained in this publication.

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Abstract

This paper maps out developments in CEE industrial relations during the period 2008-2014. The analysis of wage trends, collective bargaining practices and social dialogue outcomes offers a very heterogeneous picture. In some cases, changes were congruent with longer-term trends, while in others, employee representation institutions and practices underwent change from one day to the next as a result of direct political intervention. As for social mobilisation patterns, the paper shows that, at least for some CEE unions, the downturn served as an opportunity to reassert themselves as defenders of broader societal interests, a stance which found expression in new forms of protest and more inclusive trade union discourses. All in all, the evidence confirms that collective labour relations in Europe's eastern periphery are in dire straits; yet it points also to a wide variety of individual country trajectories during a period of crisis.

Keywords

Industrial relations; collective bargaining; new EU member states; crisis

Introduction¹

The recent financial and economic crisis originated in highly developed economies but subsequently spread into peripheral and 'semi-core' regions (Önaran 2011). In the case of Central-Eastern Europe (CEE), the slump had been preceded by a decade of unprecedented – in some cases even double-digit – growth. Since the late 1990s, the 'new Europe' had enjoyed a period of economic prosperity, marked by the steady inflow of financial resources and foreign direct investment, an expansion of the SME sector and seemingly unlimited access to credit for governments, companies and consumers. The first signs of a downturn appeared around mid-2008. In August 2008, *The Economist* (2008) noted that, 'after a good run [i.e. the period of high economic performance], the new EU member states faced 'an economic slowdown', and rightly predicted that high levels of current account and budgetary deficits, accumulated market bubbles and dwindling external credit sources would pose serious challenges to CEE economies.

Popular discussions and scholarly analyses of the recent downturn have focused predominantly on the EU's southern periphery. Much has been written about the Greek bailout programmes and the hardships to which Greek society has been exposed since the late 2000s (see e.g. Theodoropoulou and Watt 2012; Koukiadaki and Kretsos 2012; Matsaganis 2013). Labour market reforms and changes to collective bargaining systems implemented in other Southern European EU member states under the guidance of the 'Troika'² have also been closely examined (Busch *et al.* 2013; Schulten and Müller 2013; Meardi 2012a). By contrast, socioeconomic and industrial relations developments on the EU's eastern flank have received less attention, a state of affairs that might seem surprising given that the postsocialist region has also been hit hard by the crisis: out of the ten new EU member states, only Poland managed to escape recession, while Latvia came second to Greece in terms of the extent of its GDP decline (Myant 2014).

In order to fill this gap, this paper examines developments in CEE industrial relations in the period between 2008 and 2014. It maps out changes in wage levels, collective bargaining procedures and practices, national-level social

1. The author would like to thank Marta Kahancová for her comments on earlier versions of the paper, and László Neumann and Aurora Trif for their remarks concerning the Hungarian and Romanian industrial relations. The usual caveats apply.
2. The European Commission, the International Monetary Fund (IMF) and the European Central Bank.

dialogue and social mobilisation patterns in the ten CEE countries that were EU members at the time the crisis broke out. The paper demonstrates a considerable cross-country variation in terms of the timing and depth of the slump; it also outlines divergent trajectories followed by CEE collective bargaining systems, which reflected the countries' industrial structures and regulatory frameworks, long-term trends and path dependencies, but also government policies implemented during the downturn. With regard to social mobilisation, the paper shows that at least some CEE trade unions were provided by the crisis with an opportunity to reassert themselves as defenders of broader societal interests and as the main critics and opponents of the neoliberal restructuring process, all of which translated into new forms of protest and innovative, more inclusive union discourses. All in all, while the study lends support to Meardi's (2012b) argument concerning the downward pressure on industrial relations at Europe's eastern and southern peripheries, it testifies at the same time to a broad spectrum of differing individual country experiences.

The paper is structured as follows. It begins with a presentation of pre-crisis socioeconomic models in the new EU member states and shows how different forms of CEE states' dependence on foreign capital translated into their varying economic performance and differing remedies applied during the downturn. The subsequent sections depict recent trends in the new EU member states' industrial relations, focusing on i) wage developments and public sector austerity measures; ii) reforms of collective bargaining institutions and practices; iii) social dialogue performance; and iv) the incidence of strikes and protests. The final section summarises the developments within the country groupings identified at the outset, discusses the drivers of the changes, and outlines the implications for CEE and European industrial relations.

1. Varieties of capitalism and crisis-related challenges in CEE

Over recent decades social scientists have constructed comprehensive typologies of West European capitalist systems and industrial relations regimes; yet similar classifications for the CEE states were long in following. Ten years ago, Kohl and Platzer (2004) argued that the postcommunist countries still adhered to the so-called 'transition' model of industrial relations, marked by weak and fragmented structures of interest representation and the dominant role of the state in the formulation and implementation of socioeconomic policy goals. In a similar vein, Visser (2009) found it difficult to predict which of the established industrial relations models the CEE states would ultimately follow.

The initial hesitancy to open the CEE 'black box' seems justifiable in view of the countries' shared experiences of communist rule and the subsequent transition. Over time, however, it became increasingly clear that treating the postcommunist region as a single category obscures important cross-country variations in economic structures and institutional setups. In a bid to fill the analytical gap, Bohle and Greskovits (2012) constructed the to-date most elaborated typology of postcommunist political economies. Based on an analysis of the communist legacies, transitional policy choices and transnational influences to which the states were exposed during transition, these authors divided CEE countries into three groups: 1) Slovenia; 2) the Baltic states, Bulgaria and Romania; and 3) the Visegrád counties, i.e. Poland, Hungary, the Czech Republic and Slovakia.

Slovenia, the most developed of the Yugoslav republics, had forged strong links with West European countries even before the systemic change. After independence it hosted substantial foreign direct investment (FDI) inflows, at the same time preserving a strong domestic industrial base and nationally-owned banking system. The self-management tradition dating back to the state communism period provided a framework for subsequent capital-labour compromises. Following the strike wave in the early 1990s, unions further consolidated their position within the country's political-economic system, and have since then participated in the process of socioeconomic policy-making through tripartite deals and social pacts. Union density in Slovenia is high; most employees are covered by collective agreements, and multi-employer bargaining predominates. Still, the country's EU accession marked the beginning of a slow but steady process of decentralisation of the country's collective bargaining system, a process that gained momentum with the abolition of the mandatory employer membership in the Chamber of Commerce and Industry and the scrapping of the national collective

agreement for the private sector in 2006 (Stanojević and Klarič 2013). The decentralisation trends notwithstanding, of all the ten states analysed in this paper Slovenia has come closest to resembling the Western European neocorporatist model.

At the opposite end of the spectrum, the three Baltic states – Lithuania, Latvia and Estonia – gained independence following the collapse of the Soviet Union in 1991. The belated start of reforms, alongside these three countries' determination to catch up with other countries of the region, prompted them to embark on a neoliberal path of transition and to favour macroeconomic stability over the various forms of labour market protection and welfare provision. Unlike the other two groupings, the Baltic countries did not attract high-value-added FDI and hence experienced substantial de-industrialisation. In all three countries, organised labour is largely excluded from the policy-making process, while the union density and collective bargaining coverage rates are the lowest in the EU. Collective agreements – if in place at all – are concluded almost exclusively in the public sector and in large state-owned enterprises.

Remaining with this second grouping, the transition process in Bulgaria and Romania was protracted in view of their low levels of state capacity. These two countries share many characteristics with their Baltic counterparts, such as high levels of financialisation, 'lean' welfare states, and a relatively high share of low-value-added products in their exports. In the industrial relations sphere, however, at least until the recent crisis, social partners were stronger, and collective bargaining coverage higher, than in the Baltic countries; the levels of labour mobilisation were also higher. Especially Romania was quite exceptional insofar as it hosted a relatively coordinated collective bargaining system, with a national collective agreement and sectoral agreements setting minimum standards for plant-level negotiations.

The so-called Visegrád countries – Poland, Hungary, the Czech Republic and Slovakia – occupy middle positions between the liberal Baltic states and the neocorporatist Slovenia. Similarly to the former Yugoslav republic, most of them had already, to some extent, experimented with a market economy under communism. In the years that followed, they largely preserved their welfare states and managed to attract – not least thanks to generous subsidy packages – high value-added, capital-intensive FDI. Unlike Slovenia, however, the Visegrád countries have not granted organised labour any direct form of institutionalised access to the policy-making process, relying instead on a legalistic approach to labour market regulation. In Poland and Hungary, the trade union scene has remained fragmented and conflict-ridden for most of the transition period. Collective bargaining systems in the Visegrád countries are largely decentralised; with the exception of Slovakia, sectoral-level agreements have remained scarce, while extensions have rarely been used in practice.

Bohle and Greskovits's typology captures important structural and institutional differences between CEE political economies. To some extent, it also reflects pre-crisis variation in union density rates and collective bargaining coverage.

As shown by Table 1, however, the classification does not work equally well for all countries: Bulgaria's scores on both indicators bring it close to the Visegrád states, whereas the Romanian ones resemble those of Slovenia.

Table 1 Trade union density and collective bargaining coverage in CEE, 2008

Country/ country group	Union density (%)	Collective bargaining coverage (%)
Slovenia	26.6	92
Estonia	7.1	25*
Lithuania	8.5	15
Latvia	14.8	25
Bulgaria	21.1*	35
Romania	32.8	70
Czech Republic	17.4	38.2
Hungary	16.8	35.9
Poland	15.1	33
Slovakia	17.2	40

Source: ICTWSS database (2013). * 2007 data used as 2008 figures were not available.

With the partial exception of Slovenia, one of the key features of CEE countries' transition from communism to capitalism has been the dominant role of foreign – mainly western - capital. In view of the considerable influence of transnational actors on the direction of socioeconomic reforms, and of the involvement of large multinational companies in their financial sectors and real economies, the new EU member states have sometimes been classified as a separate, 'transnational' variety of capitalism (Bohle and Greskovits 2007), or even referred to as 'dependent market economies' (Nölke and Vliegenhart 2009). Foreign investors infused fresh capital and technologies into CEE economies; they also created new workplaces and stimulated new forms of economic activity. At the same time, however, the asymmetrical character of the inflows raised questions about the long-term sustainability of the CEE growth model and its capacity to withstand external shocks (Galgóczi 2009; Drahokoupil and Galgóczi 2013).

The crisis demonstrated that the above concerns had not been exaggerated, and that high levels of dependence on external capital might indeed be a risk factor at the time of the downturn. Recent studies in the political economy of the postcommunist region establish a link between the dominant forms of foreign influence and individual countries' crisis performance. According to Myant and Drahokoupil (2012), the main line of division in this respect runs between the states that integrated into the European and global economy via foreign direct investment (FDI) in manufacturing sectors, and those relying mainly on financial inflows from abroad to support local consumption and investment projects. These two modes of economic integration – referred to by Becker and Jäger (2010) as 'dependent industrialisation' and 'dependent

financialisation’ – can be viewed as the two main channels of transmission of the crisis to the postcommunist region, which translated into distinct sets of challenges faced by CEE economies.

In the aftermath of the economic transition, the ‘dependent industrialisation’ countries – Slovenia and the Visegrád states – received substantial levels of FDI that enabled them to transform and renew their industrial base. They consequently specialised in the production of relatively complex goods that were exported to the Western European EU member states. In these countries, the crisis brought about a rapid decline in exports, which reflected dwindling external demand. Production figures were accordingly adjusted downwards, which led to work stoppages and the shedding of labour in manufacturing sectors. By contrast, in CEE countries espousing the ‘dependent financialisation’ model of economic integration, i.e. in the Baltic states and to some extent in Bulgaria and Romania, the crisis became synonymous with high levels of external indebtedness and substantial current account deficits. Credit crunch and the growing costs of servicing existing loans resulted in the burst of market bubbles, notably those in the construction sector, and in a decline in manufacturing output. With the exception of Romania, all members of the ‘dependent financialisation’ group were either eurozone members or had their currencies pegged to the common European currency. In the presence of fixed exchange rate regimes, their governments’ room for manoeuvre in the field of monetary policy was very limited. As a result, they sought to improve their balance sheets mainly by cutting budgetary expenditure on public sector wages, various forms of social benefits, and health care and education.

Two countries do not fit comfortably into the above typology. Hungary, an important exporter of manufacturing products, shared a number of characteristics with the ‘dependent financialisation’ group. At the same time, high levels of pre-crisis spending put a considerable strain on the country’s budget; at the same time, it proved highly dependent on credit to finance private consumption, with the bulk of loans denominated in foreign currencies (Bohle 2010). During the downturn, Hungary suffered badly because of capital outflow and growing borrowing costs, and was forced to depreciate its currency; it also had to cut budgetary spending in order to put a hold on the rapidly growing fiscal deficit. The second outlier is Slovenia. The only CEE country that had managed to preserve a relatively strong domestic industrial base and local control over the financial sector during the transition process, it was struck due to poor performance of its banks and a growing number of badly performing loans. The tightening of credit possibilities led to the decline in industrial output, a deep slump in construction and a fall in domestic demand. The two-year period of recession that followed did not end until the final quarter of 2013 (SiStat 2014).

Comparing the two groups’ performance during the crisis, it emerges that the countries following the ‘dependent industrialisation’ path have experienced a less pronounced decline in GDP growth rates, followed by a quicker recovery. It is true that, in the initial phase, their industrial production levels declined considerably; in Poland, for instance, the March 2009 output decline was equal

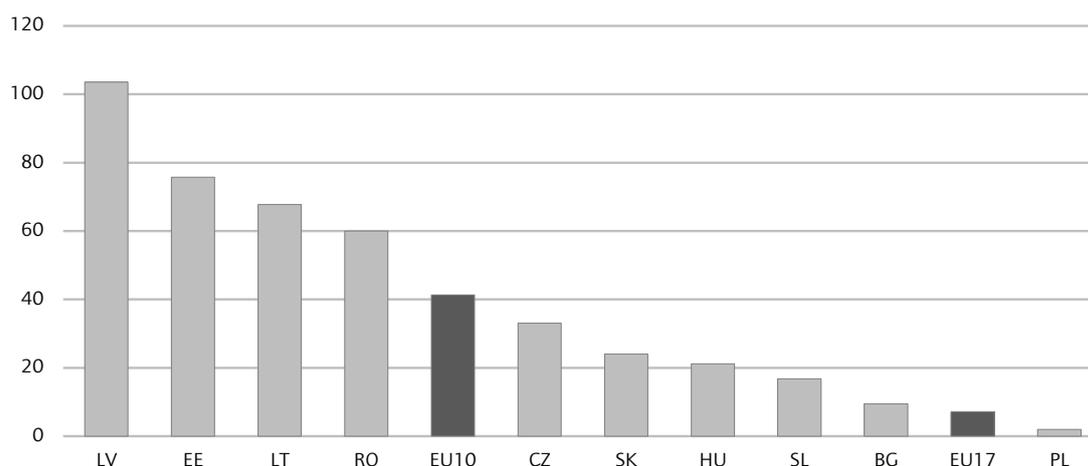
to nearly 10.8% y-o-y, with the highest drop recorded in metal manufacturing (34.1% y-o-y) (GUS 2010). Once the economic situation of their main trading partners – in particular Germany – improved, however, exports resumed and pre-crisis production levels were largely restored. Only the Czech Republic experienced the second wave of recession in the second half of 2011 and had recourse to fiscal austerity measures in order to keep its budgetary deficit within the limits set out in the EU's Stability and Growth Pact. By contrast, in countries of the 'dependent financialisation' group, the drops in GDP and output were much deeper; according to Connolly (2012), higher levels of pre-crisis expansion based on credit-financed private consumption were associated with more severe growth reversals during the downturn. By the same token, cost-cutting programmes of the states that had been highly dependent on external credit tended to be more severe than those implemented by the manufactured-product exporters. Developments in the industrial relations and collective bargaining spheres, in turn, partially mirrored the pre-crisis structural and institutional characteristics of CEE countries, but also reflected government policies and reforms implemented in the course of the downturn. The next sections examine these trends in more detail for all ten new EU member states, starting with the analysis of wage developments before and during the crisis.

2. Wage trends in crisis-ridden CEE

2.1. Real wages: from boom to boost?

Between 2001 and 2007, high economic growth rates in CEE countries went hand in hand with substantial increases in wage levels. As shown in Figure 1, real wages grew the fastest in the states belonging to the ‘dependent financialisation’ group, in particular in the Baltic states and Romania. By contrast, in Slovenia and Bulgaria, real wage growth was more moderate despite these countries’ substantial increases in GDP; the same applied to Poland. It is noteworthy that during the period examined, all Western European countries except Germany also recorded real wage increases, but the average real wage growth dynamic in the postcommunist region was nearly six times higher than in the old EU member states.³ This indicates that before the downturn CEE wages had been catching up with Western European levels, even though in absolute terms the east-west wage gap still remained considerable.

Figure 1 Development of real wages in the 10 CEE countries and average real wage development in CEE (EU10) and Western European EU member states (EU17), 2001-2007 (2001=100)



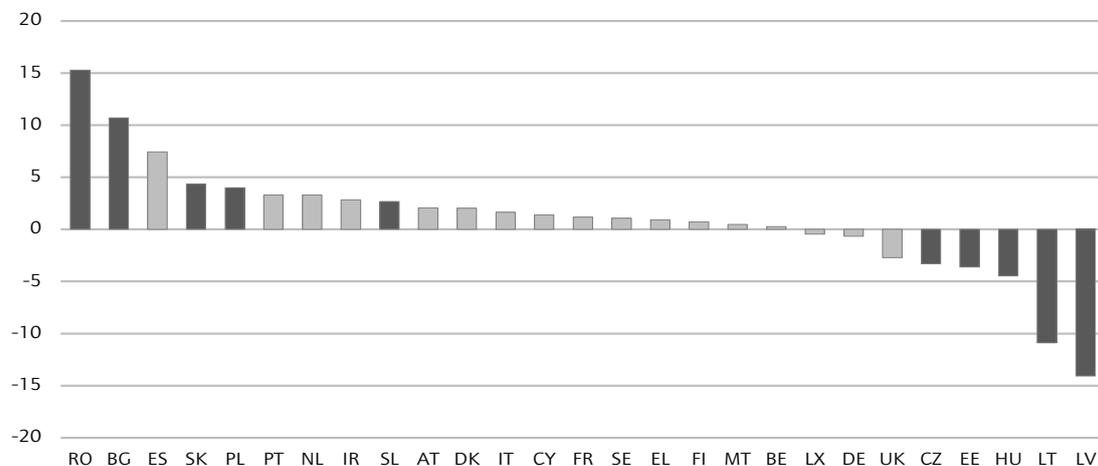
Source: Author's calculations based on Ameco (2013).

3. For a more detailed account of real wage developments in EU28 in the period 2001-2013, see Müller and Bernaciak (2014).

With the outbreak of the crisis in 2008, the period of the steady and universal wage growth in CEE came to an end. In many countries, employees saw their wages stagnating, or even declining, a situation attributable to at least four reasons. First, crisis-related fall in demand made companies reduce their output and cut costs, including wage expenditure. Secondly, the threat of dismissals weakened the bargaining position of trade unions which were often forced to accept wage freezes or even to make wage concessions in order to safeguard employment. Thirdly, with the declining demand for labour, skill shortages and labour market rigidities that had pushed wage levels up in the pre-crisis period became less significant. Last, but not least, public sector austerity measures, introduced to improve the countries' budgetary balance, often entailed wage reductions and benefit cuts (see section 2.3 for details).

That being said, the impact of the crisis and the subsequent austerity drive on wages was not uniform across all CEE countries; it also varied considerably over time. Figure 2, which depicts real wage developments in 27 EU member states for the period 2007-2009, shows that CEE countries were the first victims of the downturn in Europe. In the Baltic countries, output contracted and the GDP growth trend rapidly reversed as early as mid-2008, a reversal that went hand in hand with a major slump in real compensation.

Figure 2 Development of real wages in EU27, 2007-2009 (2007=100)



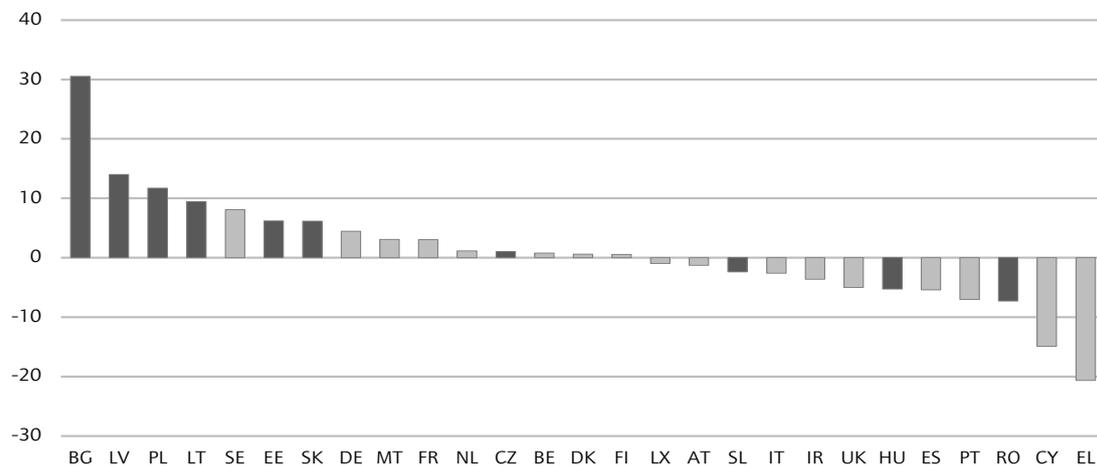
Source: Author's calculations based on Ameco (2014).

Real wage decline was substantial also in Hungary, a country plagued with high government debt levels, unequal balance of payments and problems with banking sector liquidity. In line with the deal attached to a €20 billion bailout programme, the public sector embarked on a tough austerity course while, at the same time, the real economy suffered as a result of dwindling exports. Other CEE countries still managed to maintain high real wage growth rates. This held true for Romania (even though it saw the growth trend reversing in 2009); Bulgaria, which avoided major upheavals thanks to relatively low pre-crisis spending levels and strict macroeconomic discipline; and Slovakia and Poland, where the decline in exports and the corresponding fall in industrial

output proved only temporary. It is notable that at the time when the crisis spread into the EU's eastern flank, the majority of Western European economies were still relatively unaffected by the crisis: as illustrated by the data depicted in Figure 2, in the period under examination real wage growth remained positive in all but three old EU member states, and even in these countries the decline was less substantial than in the east.

Towards the end of the 2000s the European crisis map began to change and the Southern European countries came under radar of the EU and international financial institutions. Figure 3 shows that the worsening economic situation in Europe's southern periphery was reflected in real wage statistics. The picture in the new EU member states was not static either. While Bulgaria remained at the higher end of the wage growth scale, it was joined by Lithuania and Latvia both of which returned to the wage growth path after a brief but very deep slump. Romania's real wages continued to decline between 2009 and 2012 when FDI inflows dried up and government deficit by far surpassed the European Commission's thresholds; even though they bounced back slightly in 2013 and 2014, the development for the whole period under examination remained negative. Slovenia became the latest victim of the crisis among the new EU member states. As the country struggled to maintain financial sector liquidity and reform banks' management structure, real wage developments remained negative between 2011 and 2013. 2014 brought modest real wage growth, however; the same applied to the neighbouring Hungary.

Figure 3 Development of real wages in EU27, 2009-2014 (2009=100)

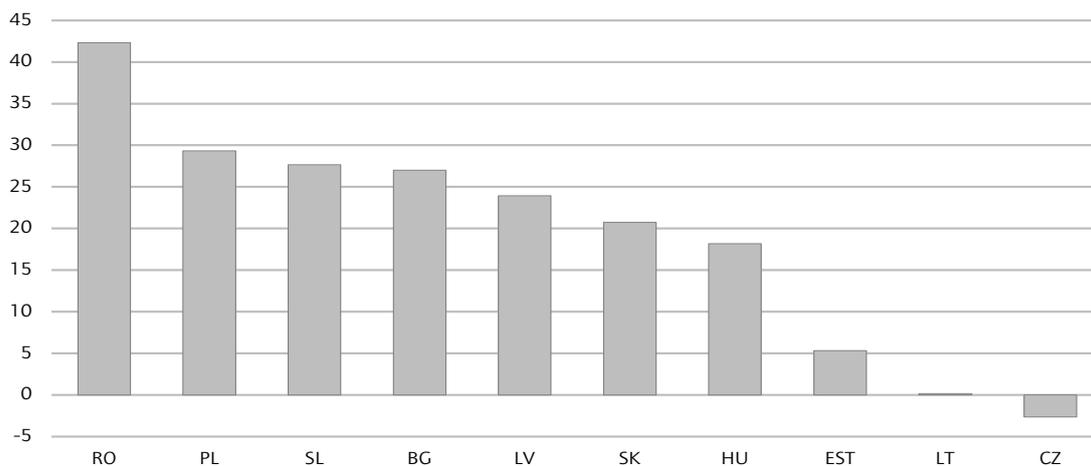


Source: Author's calculations based on Ameco (2014).

2.2. Real minimum wages: high volatility and the impact of one-off hikes

As illustrated in Figure 4, the evolution of real hourly minimum wages in CEE during the crisis was largely positive. Between 2007 and 2014, real hourly minimum rates grew in nine out of ten new EU member states, and four of them recorded an increase of over 25%. On the other hand, the aggregate data does not reflect substantial year-on-year changes that took place in many CEE states. For instance, Romania stands out as the leader of the ranking thanks to major hikes in 2008, 2013 and 2014, but in 2009, 2011 and 2012 the minimum wage growth was negative. By the same token, Slovenia recorded a large increase of real hourly minimum wages in 2010 (by 23.4%), although for the rest of the period under examination they were stagnating. In Lithuania, two increases in October 2012 and January 2013 (together totalling nearly 25%) were enough to offset the drops recorded in most of the other years.

Figure 4 Development of real hourly minimum wages in the 10 CEE EU member states, 2007-2014 (2007=100)

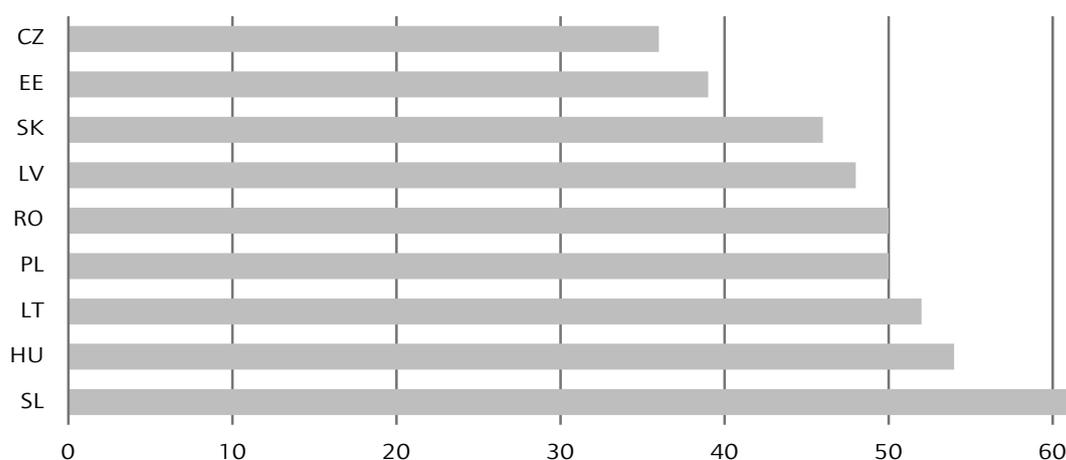


Source: Author's calculations based on WSI Minimum Wage Database (version March 2015).

Minimum wage increases in the postsocialist region often corresponded with a change of hue in the government. Lithuania is a case in point; the major hikes of 2012 and 2013 were pushed through by the country's newly elected social democratic government. Some of these increases were driven by opportunistic motives. The 15.3% minimum wage hike introduced in Hungary in 2011, for instance, can be seen as a one-off measure compensating low-earners for the introduction of a 16% flat-rate personal income tax from which only top earners benefitted (Szabó 2013). Moreover, the new, higher rates were not always respected. Reporting on Lithuania, Blažienė (2013) argues that some employers sought to modify their workers' employment contracts so as to avoid paying higher minimum wages. It has to be remembered finally that, given the generally low level of minimum wages in the new EU member states, what might seem a substantial increase in relative terms represents a much less impressive change when absolute values are taken into account (Müller and Bernaciak 2014).

According to the European Trade Union Confederation, only the minimum wage that reaches 60% of the median wage guarantees workers at the lower end of the pay scale a reasonably high quality of living and purchasing power (Schulten and Müller 2014). As can be seen from Figure 5, in 2013 only one new EU member state, Slovenia, complied with this criterion.⁴ Since the outbreak of the crisis, however, demands for minimum wage increases have been repeatedly raised by labour organisations in many CEE states. In 2011, the Polish *Solidarność* staged a sequence of protests in the country's biggest cities and collected 300,000 signatures in support of its proposal to raise the minimum wage to 50% of the national average wage. It reiterated this claim during the general strike that took place in March 2013 (see section 5). In Bulgaria, nominal minimum wages nearly doubled between 2007 and 2014, but remained very low in absolute terms, reaching BGN340 (€174) in 2014 (NOI 2014). The country's largest union *KNSB* demanded raising the lowest remuneration to the level of 50% of the average salary (BGN802 in 2014), even though the latter measure would have a differentiated impact across the country in view of substantial regional variations in average pay levels.⁵

Figure 5 Minimum wage as a percentage of the median wage in the new CEE member states, 2013



Source: OEDC (2014). Note: data for Bulgaria not available.

4. Out of the 17 Western European EU member states, only France exceeded the 60% threshold in 2013 (OECD, 2014).

The dynamic growth of minimum wages in Slovenia has been recently criticised by the EU Council. In its 2013 Country Specific Recommendations, the latter urged the Slovenian authorities to control minimum wage development in the future so as to 'support competitiveness and job creation' (European Commission 2013: 9).

5. In 2014, the average wage in the Sofia capital region was BGN1,063 (€543) and only BGN657 (€336) in the poorest North-West region (NSI, 2014).

2.3. Public sector wages in CEE: the costly adjustment

Following the outbreak of the crisis, the new EU member states' budgets came under a considerable strain. The slump in the private sector translated into decreasing tax revenues which made it difficult to sustain the pre-crisis levels of mandatory spending. In the initial phase of the downturn, some governments additionally supported troubled firms and industries; they also increased their expenditure on social assistance to the growing group of the jobless and the poor. This combination of dwindling income and growing expenditure made new EU member states run high budget deficits and exceed the 3% debt threshold set by the European Commission (Table 2).

Table 2 Government deficit in the 10 new EU member states, 2008-2013

Country	2008	2009	2010	2011	2012	2013
Bulgaria	1.6	-4.2	-3.2	-2.0	-0.5	-1.2
Czech Republic	-2.1	-5.5	-4.4	-2.9	-4.0	-1.3
Estonia	:	:	0.2	1.0	-0.3	-0.5
Latvia	-4.0	-8.9	-8.2	-3.4	-0.8	-0.9
Lithuania	-3.3	-9.3	-6.9	-9.0	-3.2	-2.6
Hungary	-3.7	-4.6	-4.5	-5.5	-2.3	-2.4
Poland	:	:	-7.6	-4.9	-3.7	-4.0
Romania	-5.6	-8.9	-6.6	-5.5	-3.0	-2.2
Slovenia	-1.8	-6.1	-5.7	-6.2	-3.7	-14.6
Slovakia	-2.4	-7.9	-7.5	-4.1	-4.2	-2.6

Source: Eurostat (2014).

Latvia, Hungary and Romania found it particularly difficult to balance their budget sheets and had to sign Stand-by Agreements (SBAs) with the IMF. In all three rescue programmes, the reduction of public spending was placed high on the agenda. Romania, for instance, was heavily criticised for its public sector wage bill that more than doubled between 2005 and 2008, and for the substantial increase in public sector employment recorded over this period (IMF 2009a). In relation to Latvia, the IMF (2008a) viewed 'sizeable expenditure cuts' as 'a central part of the fiscal adjustment'. Hungary, for its part, pledged to 'reduce the government's financing needs and improve long-term fiscal sustainability' (IMF 2008b).

The subsequent cost-cutting drive took a heavy toll on public sector employees. Table 3 lists austerity measures implemented in the three IMF-assisted countries; it must be remembered, however, that similar, if slightly less savage, cuts were introduced in other new EU member states. In most CEE countries the public sector headcount was reduced, whether by means of direct dismissals combined with internal reorganisation or via hiring freezes.

Table 3 Public sector austerity measures and reforms of public sector wage scales in Latvia, Romania and Hungary, 2008-2014

Country	Austerity measures
Latvia	<ul style="list-style-type: none"> – reduction of central government employment by 10% by mid-2009 – reduction of public sector wages below €430 by 15% and above €430 by 20% as of June 2009 – cancellation of bonuses and wage supplements as of June 2009 (restored at the end of 2011, but only for 10% of public sector employees) – reduction in redundancy pay – possibility of introducing unpaid leave – introduction of two new pay scales, with a 5% cut on maximum pay
Hungary	<ul style="list-style-type: none"> – 13th salary first to be paid only to those with lower earnings, and then abolished as of 2010 (replaced with a supplement for low wage earners) – freeze of salary scales since 2008 (but certain professional groups with strong bargaining position had separate scales and were granted wage increases) – cap on public sector salaries (affecting high-wage earners only)
Romania	<ul style="list-style-type: none"> – scrapping of the 5% pay increase planned for the second half of 2009 – overtime pay compensated only by extra leave – no bonuses for public sector employees in 2009 – cap on non-wage expenditure and reform of public sector pay scales in 2010 – compulsory unpaid leave for up to 10 days and possible reductions of working hours – reduction of the number and staff levels of government agencies – gross public sector wages cut by 25% (in force between July and December 2010) – 13th salary and holiday bonus cut as of January 2011 – wage freeze for 2012 – solidarity tax of 10% to be paid by public sector employees earning more than €1000 (April 2013)

Sources: LRD (2010); LRD (2012); EIRO (now EurWORK) reports, various years; Planet Labor reports, various years; email communication with László Neumann and Aurora Trif.

Public sector earnings were also severely affected: Romania trimmed the gross wages of its public employees by 25%, but this draconic measure was temporary, lasting only for the second half of 2010 (LRD 2012); later on, wages increased again (Trif 2014). In some cases, a differentiated rate of cuts was applied in order to protect the earnings of workers at the bottom of the pay scale. Latvia's government, for instance, reduced public sector wages below €430 by 'only' 15%, while those above €430 were cut by 20%. Alternatively, certain professional groups were fully or partially excluded from cost-cutting programmes. In Lithuania, wages of teachers, health care specialists and civil servants remained at the pre-crisis levels, and in Estonia,

education sector employees suffered a 3% salary reduction, while public sector workers employed in other areas saw their earnings decrease by as much as 7% (LRD 2012). Direct wage cuts were often accompanied by the abolition of supplementary payments, in particular of the '13th month' salary; other benefits such as food and housing subsidies or special pension arrangements were also eliminated. Wage freeze was another widespread adjustment measure. In the Czech Republic and Hungary, public sector remuneration remained unchanged for a number of years. After taking the inflation rate into account, these prolonged periods of stagnating salary rates resulted in substantial decreases in real wages. According to the study conducted by the Labour Research Department (LRD 2012), in 2011 Hungarian public sector workers were approximately 20% worse off in real terms than in 2008.

Public sector austerity measures in CEE were rarely consulted with employee representatives. Since the governments sought to balance the budgets fairly quickly, they shunned lengthy negotiations on painful adjustment reforms, choosing instead the path of budgetary corrections and special decrees. In Latvia, for instance, the bulk of the cuts and changes to the taxation system were introduced through extraordinary amendments to the 2009 budget. The Romanian government issued an emergency ordinance in November 2009 containing a detailed list of planned austerity measures, whereas another decree in May 2010 provided for the temporary salary cut of 25%. The reforms met with fierce trade union and societal opposition but despite rallies, mass anti-austerity demonstrations and protests of particular professional groups such as doctors, teachers or civil servants, CEE governments did not steer away from the austerity course. In some cases cuts were temporarily delayed as a result of societal protests – the elimination of the 13th salary in Hungary being a case in point – but in the end they were implemented nonetheless.

Even though the main goal of the public sector austerity measures was a one-off reduction in budgetary expenditure, their long-term consequences are much more profound. To start with, the cost-cutting drive considerably weakened the associational and institutional power of public sector trade unions. Before the crisis, the public sector had been one of the last bastions of labour strength in the new EU member states. CEE public sector trade unions had been largely able to retain high membership levels and defend specific privileges of their constituencies, some of which dated back to the socialist period (Bernaciak, Duman and Šćepanović 2011). In this respect, large-scale dismissals and wage cuts implemented in the 2008-2013 period have eroded the unions' membership base and decreased their mobilisation potential. The role of public sector unions as social partners and government interlocutors was also undermined. In view of the unilateral mode in which the majority of austerity measures were decided upon and implemented, it might be difficult to restore trust in government-union relations in years to come.

Secondly, wage cuts and freezes in the public sphere are arguably most painful for those on the state payroll, but they might also have negative implications for the private sector and the economy as a whole. As argued by Glassner (2010), austerity in the public sector can have a moderating effect on pay demands

in the private sector, even though it still needs to be examined whether this holds true for CEE countries, where collective bargaining structures in private companies were very weak in the first place. As for the impact on the economy, falling purchasing power of public sector employees might slow down the speed of economic recovery. The second wave of recession in the Czech Republic, from 2011 onwards, can be partially attributed to the sluggish growth of domestic demand (IMF 2012).

Last but not least, the radical character of public sector austerity measures raises concerns over the availability of essential public services in the new EU member states. In the case of Latvia, trade unions repeatedly warned the government about the health risks related to the deep cutbacks in healthcare financing (Karnite 2009) and criticised the systematic reduction of spending on science and education (Curkina 2009). It is notable that the speed and vigour of the country's fiscal adjustment, which involved particularly deep cuts in welfare programmes and pension entitlements, baffled the very IMF. In a July 2009 interview, the head of the IMF mission to Latvia admitted that the cuts originally planned by the Latvian authorities had had to be revised so that the most vulnerable were shielded from the detrimental effects of the downturn and the austerity (IMF 2009b). The recent World Bank study similarly argued that social protection spending in Latvia was very low and that the country did not adequately support its low-income citizens (WB 2013). This suggests that public sector austerity and fiscal consolidation, if pushed to the limits, might have very negative implications in the sphere of public policy.

3. Reforms of collective bargaining institutions and practices

Since the outbreak of the crisis in the late 2000s, collective bargaining systems in the new EU member states have followed different trajectories not always congruent with the pre-crisis classification outlined in Section 1. While in Romania and Hungary bargaining institutions were thoroughly reformed and 'neutralised' by the governments, in Poland, Slovakia and the Czech Republic the incidence of company-level negotiations increased due to the specificity of these countries' production profiles and favourable regulatory frameworks. In the remaining CEE states, the long-term trends of falling unionisation and collective bargaining coverage rate continued or even accelerated during the downturn.

3.1. Romania and Hungary: collective bargaining under political pressure

Following the conclusion of a two-year agreement with the IMF in March 2009, the Romanian authorities embarked on a tough austerity course (see section 2.3). Then, from 2011 onwards, they launched comprehensive reforms of the country's political economic institutions. A new Labour Code significantly eased hiring and firing, extended the duration of fixed-term contracts and introduced longer probation periods.⁶ The government also set in motion a large-scale privatisation programme in the energy and telecommunication sectors, in line with the two precautionary agreements with the IMF concluded in spring 2011 and autumn 2013.

Before the crisis, though Romania's trade union movement had been fragmented, both trade union density and collective bargaining coverage rates approximated to the average in the 15 old EU member states (ICTWSS 2013). In May 2011, however, the country's collective bargaining legislation of 1991 was replaced by the so-called Social Dialogue Act that profoundly transformed the country's collective bargaining system and limited both the right to strike and the protection of trade union leaders (see Table 4 for details).

6. According to Stoiciu (2012), the changes were the result of extensive lobbying by foreign investors' associations and the American Chamber of Commerce, and were closely in line with the latter organisation's initial recommendations.

Table 4 Reforms of collective bargaining systems and other reforms of employee interest representation systems in Romania and Hungary, 2009-2013

Area of reform	Romania	Hungary
Wage-setting systems	<ul style="list-style-type: none"> – abolition of the single national collective agreement, which served as reference point for negotiations in public and private sectors – all existing sector-level collective agreements in force only until their expiry – re-definition of the sectoral bargaining level – abolition of automatic extensions of collective agreements; the latter can now be extended only if the companies affiliated to the employer association that concluded them employ more than 50% of the workforce in a given sector 	<ul style="list-style-type: none"> – works councils granted the right to conclude so-called work agreements (on working conditions, but not on pay) if there is no collective agreement and no representative union at the company – collective agreements, agreements with works councils, as well as individual employment contracts, can deviate from the labour law, also in favour of the employer – labour contract increasingly resembling a civil law relationship (e.g. in the sphere of managerial contracts and compensation for damages caused by an employee)
Representativeness of social partner organisations	<ul style="list-style-type: none"> – to be a representative at the company level, a union has to attract 50% + 1 of employees, and not, as previously, one-third of the workforce – minimum of 15 workers required to set up a plant-level organisation – trade unions and employer association need to re-apply for representative status at the national level 	<ul style="list-style-type: none"> – unions need to organise at least 10% of workers at a given workplace to be able to conclude collective agreements – strict and complicated criteria for social partners for joining sectoral social dialogue committees
Right to strike	<ul style="list-style-type: none"> – employer's non-compliance with collective agreement does not provide grounds for strike action – industrial action is not allowed if solution of a dispute would require amendments to the existing laws – each protest action should be preceded by an attempt at reconciliation 	<ul style="list-style-type: none"> – for certain professions and areas of employment, the minimum extent of services must be provided during the strike; its extent needs to be agreed before the industrial action – no right to strike for certain professional groups (e.g. employees of the judiciary, civil service and law-enforcement bodies)
Protection and rights of trade union officials	<ul style="list-style-type: none"> – trade union officials no longer protected against dismissals following the expiry of their mandate – up to five days of unpaid (instead of paid) leave for trade union activity for trade union officials 	<ul style="list-style-type: none"> – legal protection only for a limited number of trade union officials at a given site, and only if trade union membership reaches 10% – limiting the number of hours devoted to trade union activities and no time exemptions for trade union education – shortening of the period of legal protection for works council members and limiting it only to works council President

Sources: Krén (2013); Szabó (2013); Trif (2014); EIRO (now EurWORK) reports, various years; and Planet Labor reports, various years; email communication with László Neumann and Aurora Trif.

Implementation of the Act has triggered the de-collectivisation of Romania's industrial relations. According to trade union sources cited by Trif (2014), two union confederations, CNSRL Frăția and CNS Cartel Alfa, have lost around 64-70% of their members. At the national level, only 5 out of 13 employer associations met the new representativeness criteria. The weakening of social

partners went hand in hand with the decentralisation of the country's wage-setting system. The single national collective agreement that had laid down the minimum set of employee rights and obligations was abolished. At the same time, in view of a complicated extension system and the absence of representative partners on the business side, only seven sectoral agreements were in place in 2014, compared to 21 before the crisis (Trif 2014). Unions and employers tried instead to strike deals at the so-called multi-employer level, or agreements covering groups of enterprises, but these applied to a comparatively small number of companies. For instance, a multi-employer agreement in the machine-building sector covered only 10% of the companies-signatories of the pre-crisis sectoral collective agreement. While the Act 'moved the accent on to company bargaining' (Chivu 2013), the latter was on the retreat also: between 2008 and 2013, the number of company-level collective agreements fell by 25% (Trif 2014).

The new legislation was heavily criticised by Romanian trade unions. In October 2009, the country's five confederations filed a complaint to the International Labour Organisation and EU institutions, accusing the government of violating trade union rights. In May 2012, however, when Romania's new centre-left government sought to modify the controversial Social Dialogue Act, the planned change was torpedoed by the IMF and the European Commission. In their joint comments on the new bill, the two institutions 'strongly urge[d] the authorities to limit any amendments' (as cited in Clauwaert and Schömann 2013). In particular, Romania had to refrain from restoring its national-level collective agreement, easing the representativeness criteria for social partners or restoring the obligation for annual re-negotiation of collective agreements.⁷ This sudden intervention of international institutions suggests political rather than economic motives behind the 2011 reforms, and shows that the decentralisation drive enjoyed the support of EU institutions.

The pre-crisis industrial relations landscape in Hungary was very different from that in Romania. Collective bargaining was largely decentralised, while sectoral-level agreements were few and far between. Just like Romania, however, large-scale changes in the industrial relations and collective bargaining spheres were introduced through direct political intervention.

Hungary's finances had been in trouble since 2005-2006 but the economic situation deteriorated even further in late 2008, as the country faced a rapidly growing current account deficit, high levels of public debt and a deep slump in exports. In February 2009, it signed a bailout agreement with the IMF, EU and the World Bank. Just as in the case of Romania, the release of the loan was made conditional on substantial cuts in public expenditure, including the public sector wage bill (see section 2.3). Later, the Orbán government initiated important reforms in the taxation sphere, including the introduction of the flat tax rate of 16% and the imposition of a special levy on the financial sector;

7. The only changed actually accepted were the lowering of the plant-level union representativeness threshold and that for the minimum number of workers required to set up a union.

it also extended the government's influence on the National Central Bank and the Fiscal Council. The latter measures were heavily criticised by the IMF: in January 2012, the country's debt was downgraded to junk status, while the negotiations over the new bailout package were suspended, not least in view of numerous 'policy missteps by the government' (IMF 2013).

The two-thirds majority gained in the spring 2010 elections enabled the centre-right Fidesz party to remove democratic 'checks and balances put in place in the years after the regime change' (Neumann 2012: 374). The newly elected Parliament modified the Constitution and other important laws, expanded political control over the judicial system and monetary policy, and set considerable limits on freedom of expression. At the same time, the party launched important reforms in the sphere of industrial relations and collective bargaining. In December 2010, following a wave of strikes in the public sector, the Parliament amended the Strike Law, severely restricting employee rights to stage industrial action. An even heavier blow to individual and collective employee rights came with entry into force of the new Labour Code which allowed collective agreements to deviate from the law, eased employment protections, and limited the rights of trade union officials (see Table 3 for details).

In view of the considerable weakness of the Hungarian industrial relations system before the downturn, the impact of the reforms has been less straightforward than in the case of Romania. As reported by Szabó (2013), collective bargaining coverage remained fairly constant during the worst years of the crisis, even rising slightly, from 35.8% to 37.6%, between 2007 and 2011. Even so, the reforms seem to have shifted the balance of power even further in favour of employers and the state. Viewed from the perspective of individual workers, their impact was to reduce employment protection and limit the rights of trade union officials. At the company level, the new Labour Code weakened the position of trade unions, simultaneously granting additional rights to works councils, thereby opening up the door to the creation of 'yellow' works councils entitled to conclude workplace agreements (Szabó 2013).⁸ At the national level, the government used the 'divide and rule' strategy insofar as it was prepared to consult the draft reforms only with selected trade union organisations (Neumann 2012). It further side-lined social partners by reforming the country's tripartite body and limiting its prerogatives (see section 4).

Hungarian trade unions expressed their opposition to the government-led reforms; they also shared their concerns with the European Trade Union Confederation and with László Andor, a Hungarian economist who at that time held the post of the EU Commissioner for Employment, Social Affairs and Inclusion. In October 2011, the unions asked the ILO to prepare an expert

⁸ As argued by Meardi (2012c), the introduction of the dual channel of employee interest representation at the plant level, mandatory under EU legislation, was often used in CEE countries to dispose of or to weaken company-level trade union organisations. In Hungary, the extent of works council rights has been changing over time since their creation in 1992. While left-wing governments would seek to limit their power, right-wing cabinets would grant them additional prerogatives (Fulton 2013).

opinion on the draft Labour Code. The organisations criticised the planned infringements of the freedom of expression, the limitation of strike actions, and urged the government to launch 'a constructive dialogue' with social partners on future labour law reforms (Komilijovics 2011). Orbán's government largely disregarded these suggestions, however, and the new Labour Code entered fully into force in January 2013.

3.2. The Czech Republic, Poland and Slovakia: structurally-driven intensification of plant-level bargaining

In the Czech Republic, Poland and Slovakia the incidence of plant- and sector-level bargaining actually increased during the downturn. This was largely the result of the countries' export orientation and the type of difficulties they faced during the downturn (Myant and Drahokoupil 2012). As argued in Section 1, for these countries the crisis brought about a rapid decline in exports resulting from the dwindling external demand. Forced to temporarily limit production, both employers and trade unions had an interest in keeping their companies afloat and in preserving qualified workforces. To minimise the adverse effects of fluctuations in demand, they would strike special agreements on production stoppages, short-term working, and increased working time flexibility. Plant-level bargaining processes were further encouraged by these countries' legislation stipulating that working time flexibilisation measures had to be agreed with trade unions or worker representative bodies at a given site. The importance of the regulatory framework is confirmed by the fact that in Hungary, where modifications of this kind did not have to be negotiated with trade unions, the incidence of plant-level bargaining has not risen to a comparable extent despite the country's equally high reliance on exports (Neumann and Boda 2011).

In the Czech Republic, many companies made use of working time accounts, referred to in Czech as *flexikonto*. The accounts were introduced into Czech labour law in 2007, as a result of lobbying by large – mostly German – foreign investors, and they could run for a maximum period of one year. Though initially not very popular among workers, as a result of employer pressures, unions proved increasingly ready to accept these accounts as the crisis unfolded and *flexikontos* became widespread in the manufacturing sector. According to the data of the Czech metalworkers' union OS KOVO, provision for these accounts featured in 16% of collective agreements concluded in 2007, and in 25% of deals from 2011 (Myant 2013). All in all, during the critical period of the crisis, i.e. between 2008 and 2011, the number of plant-level collective agreements in the Czech Republic remained roughly the same. The number of sectoral collective agreements slightly decreased, but they covered a higher share of workers in 2011 than in 2008 (Veverková 2013). The possibility of extending the working time reference period to 12 months (as opposed to 3 months permitted by the Labour Code) featured also in Poland's anti-crisis law that came into force in August 2009. According to the Polish Labour Inspectorate, between August 2009 and December 2011 the measure was applied by over

1,000 companies employing around 700,000 workers (PIP 2011) and in July 2013 it was permanently incorporated into the Polish labour legislation. In Slovakia, collective bargaining continued at both plant and sectoral levels. Short-term work and working time flexibility featured high on social partners' agendas. For instance, collective agreements in the metalworking and electric industries concluded for 2009 and 2010-2011 contained specific paragraphs on restructuring measures and *flexikonto* (Cziria 2013).

Even though they did not always take the form of formalised collective agreements, the accords on short-term work and longer reference periods, while stimulating dialogue between workforce representatives and the management, arguably helped to avoid large-scale dismissals in the Visegrád states' manufacturing sectors. On the negative side, however, they seem to have cemented pre-crisis patterns of labour market segmentation insofar as they offered employment protection to the core workforce at the cost of fixed-term and temporary agency workers. For instance, the above-mentioned collective agreement concluded in Slovakia for the period 2010-2011 indicated the order of layoffs that should be followed in crisis-ridden companies. According to the deal, temporary agency workers were the first to be dismissed, followed by subcontractors, self-employed, fixed-term workers and, at the very end, core company workers (with the re-hiring process to take place in the opposite order). In addition, the agreements openly stated that maintaining a certain number of flexible workers at the workplace was a kind of a buffer protecting the core workforce (Kahancová 2013). By the same token, Czech trade unions in the automotive sectors were reluctant to accept longer reference periods for working time calculation, voicing their preference for numerical flexibility, that is, the reduction of fixed-term employment. They were opposed also to legal regulations that would limit the extension of fixed-term contracts (Myant 2013). In effect, fixed-term and temporary agency workers were the first to lose their jobs during the first phase of the crisis. Both the speed and extent of these dismissals were sometimes astonishing. For instance, at the Škoda plant in the Czech Mladá Boleslav, it took just a few weeks in early 2009 to reduce the number of temporary agency workers from 4,680 to 600 (Myant 2013), while in Slovakia, a third of the country's 55,000 temporary agency workers lost their jobs between 2008 and 2009 (Kahancová 2013). Once the situation in the manufacturing sector started to improve, however, the number of fixed-term and agency workers began to grow again.

3.3. The Baltic states, Bulgaria and Slovenia: collective labour relations on a downward slope

Despite the crisis-time revival of negotiations in the Poland, Slovakia and the Czech Republic, most CEE countries witnessed a decrease in trade union density and collective bargaining coverage rates. This downward trend was most pronounced in the Baltic states, where, as indicated in section 1, the two figures had been dramatically low already before the downturn. Between 2007 and 2011, the number of collective agreements in Latvia went down by 35%, and the remaining ones covered 43% less employees in 2011 than before

the downturn (Karnite 2013). In Estonia, the trade union movement was virtually decimated: the membership of the blue-collar confederation EAKL decreased by 30% and that of the white-collar TALO by 74%; at the same time, the number of collective agreements decreased by a half (Osila and Masso 2013). The changes were consistent with a long-term tendency towards the decentralisation and de-collectivisation of the countries' employment relations systems. However, both processes have accelerated in recent years in view of the tough austerity course taken by the Baltic states' governments, which involved layoffs in the public sectors and large manufacturing companies that had traditionally been better organised than the rest of the Baltic economies. A slightly different mechanism was at work in Bulgaria. At face value, trade union density figures remained stable and even went up slightly between 2010 and 2012, but this was only because the number of trade union members relative to the working population as a whole has increased in view of the growing unemployment (Tomev 2014).

The crisis of collective labour relations was pronounced also in Slovenia. Here again, the changes were not driven by the crisis *per se*, but constituted one component of an incremental part of the liberalisation process that had been taking place for more than a decade. Still, according to Krašovec and Luzar (2013), between 2007 and 2010 the incidence of collective agreement breaches increased more than fivefold. Stanojević and Mrčela's (2014) study, based on the evidence from the metal, electronic and chemical industries documents, similarly testifies to the gradual decentralisation of collective bargaining, manifested by the shorter duration of collective agreements, more frequent cancellations of the agreed provisions, and the increased use of derogations from sectoral-level accords. This suggests that, despite strong social partnership traditions, the crisis-ridden Slovenia has continued to drift away from the neocorporatist model.

4. Social dialogue in crisis: diluted representation and 'PR corporatism'

With the exception of Slovenia, tripartism in the new EU member states was usually portrayed as weak or 'illusory' (Ost 2000). Since the outset of the economic transition process, the balance of power within CEE tripartite bodies was tipped towards governments. They would dominate tripartite discussions and, even though they were legally obliged to consult the social partners, would not take the opinions of the latter into account (Heinisch 1999). CEE social partner organisations, for their part, were often unable to counter government unilateralism because of their own fragmentation and politicisation (Avdagic 2003). On the other hand, as argued by Orenstein and Hale (2001), social dialogue in the newly democratised CEE countries helped ensure social peace in the course of transition, thus making it possible to establish 'a new capitalist order with a minimum of social unrest' (Iankova and Turner 2004: 85). Social partners were involved in discussing at least some transition-related social issues. In Poland, for instance, negotiations after the 1992 strike wave led to the conclusion of the Pact on State Enterprise in Transformation that addressed social aspects of the privatisation process, while in 1991 Bulgaria's social partners signed the Political Agreement for Peaceful Transition towards Democracy and participated in drafting the country's laws on collective bargaining and labour dispute settlement (Iankova 2000). In the 2000s, tripartite negotiations in CEE rarely resulted in formalised social pacts but even such failed attempts gave social partners an opportunity to exchange views and fostered social learning (Gardawski and Meardi 2010).

During the recent crisis, national-level tripartism in CEE followed two broad trajectories. It was again in Romania and Hungary that social dialogue institutions were thoroughly reformed. The membership of the two countries' tripartite bodies was extended to include a wider spectrum of societal interests; yet this 'diluted' them and deprived them of their social partnership character.⁹ This went hand in hand with the narrowing of their consultative functions and depriving them of certain prerogatives, such as the right to formulate binding proposals for minimum wage increases (see Table 5 for details). In both countries additional consultative bodies were put in place but their competences remained underspecified. As in the case of collective bargaining reforms, these important changes were not subject to consultation

9. In 2009, Lithuania also extended the membership of its tripartite body. In contrast to Romania and Hungary, however, the initiative for the reform came from within the Tripartite Council and the body retained its tripartite character (Blažienė 2009).

with social partners: in Hungary they were pushed through by the Fidesz-dominated Parliament, while in Romania they were laid down in the notorious Social Dialogue Act.

The reforms represented another heavy blow to the employment relations systems of the two countries, shifting the power balance between the social partners and the government even more in favour of the latter. This is clearly visible in Romania where, since the launch of the reforms, minimum wages have either been frozen or set unilaterally by the government (Chivu 2013). The frequency of the meetings also seems to have fallen: according to the official register of the Ministry of Labour, Romania's National Tripartite Council for Social Dialogue held only one meeting in 2013 (Barbuceanu 2014).

Table 5 Reforms of the tripartite institutions in Hungary and Romania, 2008-2013

Country	Old regulation	New regulation	Date of change
Hungary	Minimum wage increases and labour law reforms discussed exclusively within the National Interest Representation Forum (OÉT)	Economic policy issues to be discussed also within the newly created Economic Conciliation Forum gathering ministry and business representatives; a trade union representative to be included only as one of the two permanent guests of the Forum.	July 2008
	In line with the 2006 law, OÉT used to have codetermination rights in relation to minimum wage setting	All laws granting OÉT a codetermination status rendered unconstitutional and ordered to be replaced by consultation rights. According to the Constitutional Court, OÉT's codetermination rights went 'beyond the essential and sufficient degree to which social partners are constitutionally entitled to participate in preparing legislation' (Berki and Neumann 2009).	November 2009
	OÉT serving as Hungary's national-level tripartite body; it used to bring together unions, employer organisations and government representatives	As of January 2012, OÉT replaced by the National Economic and Social Council (NGTT) – a new body with limited powers whose membership was extended to include business chambers, scientific and civil organisations and churches; government representatives were granted only an observer status.	July 2011
	Minimum wage increases negotiated and agreed within the OÉT	Minimum wage increases discussed between three biggest trade union confederations and three employer associations within the newly established Permanent Consultative Forum (VKF). If no agreement is reached, the government unilaterally sets the minimum wage increase rate.	July 2011
Romania	The Economic and Social Council (ESC) defined in law as a tripartite institution involved in social dialogue	ESC defined in law as 'a public institution of national interest', whose membership was extended to include civil society organisations. 15 government representatives replaced by civil society representatives.	May 2011
	Minimum wage increases agreed within the ESC	ESC no longer discussing the minimum wage increases. A newly created body – the National Tripartite Council for Social Dialogue – comprising of unions, employer associations, representatives of government and other public institutions is 'to ensure conditions... for consultations on the guaranteed minimum wage', but the exact extent of its competences remained unclear.	May 2011
	Minimum wage increases used as a reference point during other collective bargaining rounds	Minimum wage increases no longer used as a reference point during other collective bargaining rounds. The 2008-2014 tripartite agreement on minimum wage increases declared null and void.	May 2011

Sources: Krén (2013); Trif (2013); EIRO (now EurWORK) reports, various years; and Planet Labor reports, various years.

In other CEE countries, the recent crisis initially brought an increase in tripartite activity. This growing incidence of bilateral and tripartite talks led some observers to proclaim ‘the revival of social dialogue’ in the postcommunist region (Czarzasty 2009; also see Héthy 2009). Despite the promising start, however, CEE cabinets would often discard hard-won tripartite compromises. In Estonia, for instance, the 2008 agreement on retraining and assistance to the unemployed was repealed in the following year, in the process of preparation of the new, more flexible Employment Contract Act (Gonser 2010). Similarly in Latvia, the 2008 tripartite deal on austerity measures proved ‘too optimistic’ and had to be supplemented by provisions on additional cuts that were heavily criticised by the country’s social partner organisations (Kallaste and Woolfson 2013). In Poland and Bulgaria, the state’s inactivity in view of the deteriorating economic situation provoked unions and employers to launch bilateral talks on anti-crisis remedies. Social partners came up with the lists of policy measures in the fields of social labour law economic policy that were subsequently presented to their governments. In both countries, however, policymakers defaulted on their initial promises and only partially addressed social partners’ proposals. In Poland, the government’s crisis response focused on increasing working time flexibility and launching a subsidy programme for companies experiencing temporary economic difficulties, while ignoring social provisions of the earlier bilateral agreement, a stance that infuriated trade unions. In Bulgaria, by contrast, socially-oriented and labour market measures were largely implemented, but the government failed to repay its debts to private business on time, triggering a debt spiral in the private sector that further worsened the economic climate in the country. In Slovenia, where social ‘pacting’ used to be one of the defining features of the country’s political economic system in the periods of transition and the eurozone entry, austerity measures in the public sector were debated with the social partners within the Economic and Social Council and incorporated into tripartite agreements in 2009 and 2012. According to Krašovec and Luzar (2013), however, a trend towards government unilateralism has been clearly discernible, with the recent cabinets ‘resorting to short-hand and urgent measures, and [trying to] curtail both social partners’ interference and public scrutiny of the reform process’.

The short-lived intensification of social dialogue in ‘hard times’ can be given a political-economic explanation. Faced with the worsening economic situation on the one hand, and with extreme electoral volatility and/or the presence of opposition parties espousing social principles on the other, it is likely that CEE governments staged tripartite negotiations to persuade public opinion that they were actively searching for anti-crisis remedies, and that their policies were based on a wider societal compromise. The resulting ‘PR corporatism’ sought to boost government popularity at a time when every badly targeted anti-crisis measure could easily result in a loss of power. This strategy proved successful in Poland, when in 2010, for the first time in Poland’s post-1989 history, the ruling PO/PSL coalition remained in power for a second term of office. Bulgaria’s minority government led by GERB was not so lucky: even though the party won regional elections and led the national polls until the early 2013, PM Borisov filed his resignation in February 2013 amidst protests

over high electricity bills.¹⁰ All in all, 'PR corporatism' failed to permanently improve the quality of social dialogue in the postcommunist region. Ever since the modest revival of social dialogue in the first period of the crisis, tripartite talks in CEE have been interrupted by disputes between social partners and the governments, with the latter seeking new ways to sideline social partners and weaken their influence on the planned labour market and welfare reforms.¹¹

10. Borisov's party GERB won the early general elections in 2014. He was subsequently re-installed as PM in the coalition government of GERB and the Reformers' Block.

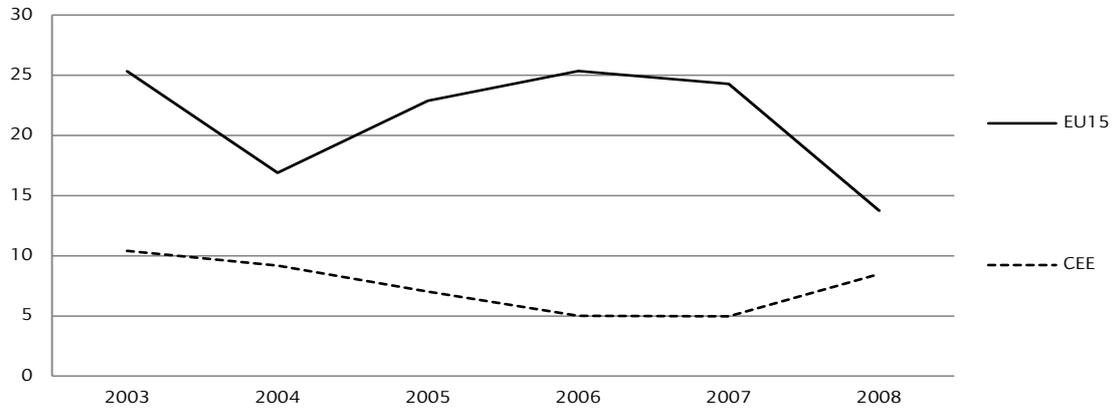
11. For more details on the PR corporatism concept and the Polish and Bulgarian crisis-related tripartite negotiations, see Bernaciak (2013).

5. Strikes and protests in hard times

The weakness of industrial relations institutions in the new EU member states has traditionally gone hand in hand with the relatively low frequency of strikes and other manifestations of societal discontent in CEE. This is usually explained by the high levels of apathy allegedly inherited from the communist system, and by economic hardships and employment insecurity experienced by workers during the systemic transition. In addition to this standard catalogue, Greskovits (1998) aptly points to alternative and more individualistic forms of expressing discontent that became widespread in the post-communist region, such as protest voting, electoral abstention, or ‘escape’ to the shadow economy. After the CEE countries’ accession to the EU, there appeared yet another opportunity, namely, ‘exit’ in the form of migration, which, as argued by Meardi (2012c), constituted ‘a case of [CEE] workers voting with their feet’ against poor job prospects and meagre working conditions in their home countries. Some states, such as Latvia, Slovakia and Poland, indeed saw large shares of their working populations migrating to Western Europe. The resulting labour shortages boosted employee assertiveness and translated into growing incidence of standard forms of mobilisation, especially in the manufacturing sector where the lack of skilled labour force became a major problem for foreign investors and domestic firms alike. At the point when the gap between strike rates in old and new EU member states started to close (see Figure 6), however, the crisis broke out, changing the economic climate and policy mix in Europe.

While analysing recent socioeconomic developments in CEE, some observers pointed to the alleged contrast between the severity of cost-cutting programmes and the relatively low intensity of protests in the postcommunist region. Sommers and Hudson (2013), for instance, argued that the introduction of draconian austerity measures in Latvia was possible only in a country with a ‘depoliticized post-Soviet population willing to give up protest after a short period’. However, a more detailed analysis of the recent pattern of protests in the new EU member states suggests that the picture of apathetic East Europeans, accepting social cuts and labour law reforms without objection, is not entirely accurate, and the extent of societal discontent in CEE should not be underestimated. In four out of ten new EU member states – Latvia, Slovenia and Romania and Slovenia – anti-austerity protests brought down governments. Mass demonstrations were accompanied by significant levels of mobilisation at the sectoral and company levels.

Figure 6 The number of strike participants per 1,000 wage earners in EU15 and the 10 CEE EU member states, 2003-2008



Source: Kahancová (2012).

Appendix 1 presents major strikes and protests on socioeconomic issues that took place in CEE between mid-2008 and the end of 2014. The compilation is based on qualitative country reports submitted by national correspondents to the Eurofound's European Industrial Relations Observatory (EIRO; now EurWORK). The decision of what events to report on was left to the correspondents, which makes it difficult to assess the representativeness of the data supplied.¹² In the absence of other sources, however, the reports remain the best source of comparative information on large-scale protest actions that took place in the postcommunist region. In the past, the information from the EIRO database was used for a similar purpose by Meardi (2007) who examined the extent of societal discontent in CEE in the pre-crisis period.

The analysis of the EIRO data suggests that the CEE societies did not remain passive in the face of the downturn. In the countries belonging to the 'dependent industrialisation' group, where the slump in output and the related economic difficulties proved only temporary, unions quickly came back to the bargaining table and reiterated their demands for pay increases. In Bulgaria, by contrast, strikes over overdue wages and social entitlements became relatively common, with a series of protest actions organised in various sectors in 2009 and 2012.

Beyond the company level, there has been growing discontent with cost-cutting measures, as well as mounting opposition to political attacks on social entitlements and labour market protections. Across the region, the relatively well-organised public sector workers were at the forefront of societal opposition to austerity programmes. Their actions often took the form of mass protests: in Hungary, for instance, over 10,000 public sector employees rallied in November 2008 against planned austerity measures and salary cuts and in Estonia a three-day strike organised in March 2012 by education unions was

¹². The account is likely to be biased towards large-scale protest and strike actions.

joined by 14,000 teachers. Alongside with these traditionally vocal sections of CEE societies, crisis-related cuts and reforms led to the mobilisation of new groups of protesters. In Latvia – the particularly ‘passive’ country according to Sommers and Hudson – pickets and manifestations were staged by police officers, farmers, alcoholic beverages producers and students. The latter also organised numerous protests in Hungary, criticising the cuts in higher education funding and new laws limiting the transnational mobility of university graduates, and in Slovenia, where they contested a planned, but eventually scrapped reform of the country’s popular mini-job scheme. Admittedly, the latter type of protests would rarely attract large crowds given that they were staged in defence of the rights and interests of specific social and occupational groups. The very fact of their occurrence, however, signifies widespread societal dissatisfaction with the austerity course. Protest actions addressing issues of wider societal importance were considerably better attended. National rallies against planned pension reforms in Latvia and Bulgaria attracted 14,000 and 15,000 protesters, respectively, while in Romania 50,000 people gathered in May 2010 criticising public sector austerity measures and cuts in social benefits.

Across CEE, an important new theme was raised during the recent protests. Increasingly disillusioned with neoliberal reform prescriptions, CEE societies staged mass demonstrations demanding a change of their countries’ economic and labour market policy course. Such protests took place in Poland and the Czech Republic, in each case attracting over 100,000 people, but also in Lithuania and Romania, where they focused on the economic plight of large sections of the two countries’ societies. In Poland, the first general strike in the country’s postcommunist history was organised in the heavily industrialised region of Silesia, gathering 80,000 workers dissatisfied with the progress of labour market de-regulation and the government’s unilateral approach to socioeconomic policy-making. The extent of societal discontent signifies the limits of the policy of belt-tightening and societal quiescence followed in the postcommunist region since the outset of the systemic transition and presented by CEE politicians as an essential prerequisite for growth and ‘catching-up’ with Western European standards in the future (see Šćepanović 2015). At the time of the downturn, difficult topics such as low wage levels, social exclusion, growing job insecurity and excessive flexibility of employment contracts were repeatedly addressed by CEE politicians and mainstream media, often for the first time since the launch of the transition process. Trade unions took the lead in pointing to the socioeconomic problems inherent in their countries’ growth models. In Poland, for instance, labour organisations were instrumental in problematising the issue of precarious employment. They criticised the increasing use of civil-law-regulated service-provision contracts, which were favoured by many employers over standard employment contracts due to savings on taxes and social contributions. They also coined the label ‘junk contracts’ for the former type of agreements – a term which subsequently made its way in to the public discourse (Mrozowicki and Maciejewska 2013).

It is noteworthy that the opposition to cost-cutting measures and political attacks on industrial relations systems acted as a unifying factor for CEE labour

movements. In many new EU member states it helped unions overcome, or at least reduce, ideological differences and organisational fragmentation. Poland, where 'conflict-ridden pluralism' (Gardawski 2002) and turf wars between major trade union confederations had been one of the defining features of the industrial relation systems, saw its three major union confederations united in protests against excessive labour market flexibility and anti-crisis policy measures. In October 2011, Lithuania's five national-level confederations pledged to coordinate their strategies and protest actions against the government's austerity programme, while two years later, the country's education sector unions merged into a single organisation. In a similar vein, in May 2013 Hungary's three reformed confederations – MSZOSZ, ASZSZ and SZEF – announced their unification plans, and the merger process is currently under way. These examples point to a growing willingness to cooperate among CEE unions, even though it is still too early to assess its impact on unions' capacity to act and to represent workers' interests.

Conclusion: beyond the CEE 'black box'

The recent downturn and the subsequent anti-crisis measures posed tough challenges for CEE industrial relations and collective bargaining systems. That being said, one should be careful not to blend individual country experiences and place all new EU member states in a 'low-common-denominator' industrial-relations category. Such an approach would not do justice to a considerable variety of trajectories followed by the postcommunist countries during the recent downturn. Not only did the *crisis* spread to CEE *different channels*, but also its *extent* and *timing* varied across individual states. The *catalogue* and *extent of austerity measures*, as well as the *drivers of changes* in the industrial relations sphere, were equally diverse. In some cases, crisis-time developments were congruent with long-term trends, while in others employee representations institutions and practices were thoroughly modified from one day to the next as a result of direct political intervention.

The Baltic states were first to experience the adverse effects of the downturn. Heavily dependent on financial inflows from abroad, they suffered from a credit crunch that paralysed business activities and lowered private consumption. This, in turn, led to a deep slump in GDP growth rates, rapidly declining real wages and growing public deficits. All three countries implemented tough austerity measures and deep cuts in public sector wages, especially Latvia that relied on the IMF assistance; they also further flexibilised their (already highly deregulated) labour markets. The recovery, at least at the level of macroeconomic indicators, came relatively fast, but organised labour entered the 2010s even weaker than before the downturn. For Bulgaria, the crisis similarly brought decreasing capital inflows, combined with the burst of the construction bubble. Even though the country's economic situation was relatively stable and wages grew throughout the period examined, it recorded a marked increase in unemployment rates and state debt to private sector. Here too, the pre-crisis trend of falling union density and declining bargaining coverage continued, even though no major legal change took place. This is in stark contrast to the Romanian experience where the IMF-assisted austerity programme of 2009 and 2010 was followed by a reform of the country's industrial relations and collective bargaining structures. The changes, pushed through by a right-wing cabinet and endorsed by the IMF and the European Commission, led to the rapid de-collectivisation and decentralisation of Romania's industrial relations. In effect, the country's collective bargaining coverage rate is estimated to have dropped from 70% in 2008 to approximately 20% in 2011 (ICTWSS 2013).

In Slovenia, the major producer of relatively high value-added manufacturing products, the crisis was originally due to the declining demand for its products on Western European markets. From the early 2010s onwards, however, the country's problems with the banking sector and growing public indebtedness came to the fore, and these were tackled by the government's belt-tightening policies. Slovenia's socioeconomic policy-making process had traditionally been based on negotiations and consensus-seeking, and thus most of the cuts were debated with unions and enshrined in collective agreements. In this respect, Slovenia remained the most 'social' CEE economy, but the incremental process of liberalisation of the country's neocorporatist setup, discernible since the mid-2000s, was continuing as crisis hit and began to take its toll. Although there were no direct attacks on collective bargaining and social dialogue institutions, instances of government unilateralism and collective agreement breaches became more widespread. Trade unions actively opposed austerity measures and planned labour market reforms but despite heightened mobilisation, they did not manage to reverse the declining membership trend.

Finally, in the Visegrád countries, which like Slovenia integrated with the European economy through the 'dependent industrialisation' channel, the crisis also started with declining export opportunities. Short-term work schemes and working time flexibilisation were subsequently used as ad hoc adjustment measures. In the Czech Republic, Poland and Slovakia, the changes had to be agreed between the management and employee representatives, which led to the intensification of plant-level bargaining. In Hungary, where union consultations of this kind were not obligatory, the incidence of bargaining was considerably lower. This country faced additional problems related to growing borrowing costs, mounting public debt and its citizens' difficulties with servicing their credits denominated in foreign currencies. In the first years of the downturn, the government's anti-crisis policies were agreed with the IMF and the European Commission and involved budgetary cuts and public sector austerity measures. Later on, the centre-right Fidesz government refused to comply with IMF recommendations; it also 'neutralised' Hungary's tripartite system and applied the divide-and-rule strategy in relation to its labour confederations. Further reforms limited unions' room for manoeuvre and curtailed citizens' right to strike. All in all, the weakening of organised labour in Hungary was not so much the consequence of the crisis as the result of the conscious government strategy to eliminate all potential sources of opposition and independent social action.

What does the present account tell us about the future of industrial relations in the new EU member states? Even though cross-national variation in institutional setups is still discernible, collective labour relations have come under pressure in all the countries examined. Moreover, if used at all, traditional tools such as collective bargaining or social dialogue have served much narrower purposes than in the golden years of European corporatism. The company-level accords concluded in Poland, Slovakia and the Czech Republic illustrate this trend very well: instead of taking wages out of competition and equalising the earnings of different employee groups, they

focused on safeguarding jobs in exchange for the greater flexibility that was necessary in view of demand fluctuations and growing competitive pressures. Given the weakness of multi-employer bargaining structures, it is likely that in the future collective bargaining in CEE will remain limited to such localised deals, based on the exchange of commitments between employers and their workers and guided by economic considerations.

On the other hand, the analysis of protest patterns and social reactions to the crisis indicates that there is space in the postsocialist region for new, innovative forms of resistance to austerity and the neoliberal reform course. Heightened mobilisation of various societal groups, union involvement in the protests, and the broadening of their discourses are cases in point. These trends, discernible to a varying extent in individual new EU member states, defy the CEE labour weakness thesis and challenge the gloomy vision of the convergence of CEE industrial relations towards the lowest common denominator. The question remains whether these initiatives¹³ will trigger a strategic renewal of labour organisations in new EU member states – and in Europe as a whole. With the traditional channels of influence becoming increasingly ineffective, it might be worthwhile to reflect on how trade unions could translate crisis-time experiments into a long-term strategic vision, open up to new constituencies, and incorporate innovative forms of mobilisation into their standard repertoires of actions.

13. For a more detailed overview of innovative practices of European trade unions, see Bernaciak, Gumbrell-McCormick and Hyman (2014).

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EIRO (now EurWORK) report database, <http://www.eurofound.europa.eu/observatories/eurwork>
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ICTWSS database, <http://www.uva-aias.net/207>
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Planet Labor report database, http://www.planetlabor.com/?set_language=en&cl=en
NSI (National Statistical Institute of Bulgaria), www.nsi.bg
SiStat (Statistical Office of the Republic of Slovenia), <http://www.stat.si>
WSI Minimum Wage database, http://www.boeckler.de/wsi-tarifarchiv_44064.htm

Appendix Major strikes and protest actions in the 10 CEE EU member states, mid-2008-2014

Country	Year	Form of action	Sector, no. of participants (if known)	Reasons for protest / Issues addressed
Bulgaria	2008	Unions leave tripartite body	National	Lack of government's willingness to cooperate
	2009	Union protests and demonstrations	Metalworking companies	Restructuring and wage reductions
	2009	Demonstrations, silent protests	Police officers (3,000)	Pay and working conditions
	2009	Union and civil society protests	National (10,000)	Government's anti-crisis policy
	2009	Strike threat	Railway sector	Delayed pay, dismissals
	2009	Warning strike	Paper sector	Delayed pay and social benefits payments
	2010	Union and civil society protest	National (15,000)	Pension system reform
	2011	Warning strike	Railway sector	Restructuring
	2011	Protest rally	Tobacco sector (600)	Privatisation-related fears of dismissals
	2011	20-day strike	Railway sector	Government's withdrawal from of an earlier restructuring deal
	2011	Union and individual protest	National (35,000)	Pension age reform
	2012	8-day strike	Mining (7,000)	Pay and working conditions
	2012	Strikes	Mining	Delayed pay
	2012	Strike and rallies	Military engineering company	Delayed pay
	2012	Strike	Water management company	Delayed pay
2012	Strike	Military engineering company	Delayed pay and restricting	
2013	Rally	Postal services (1,600)	Pay and privatisation terms	
2013	Series of union protests and rallies	Cross-sectoral (8,000)	New budget and planned austerity measures	
The Czech Republic	2008	Demonstration	Police and firefighters (1,000-2,500)	Pay
	2008	Protest	Air security police	Pay
	2008	Demonstration	Glass company	Overdue pay and restructuring
	2008	Protest	Machine building company	Restructuring
	2009	Demonstration	National (23-30,000)	Abuse of crisis by employers
	2009	Strike threat	Public transport company	State assistance
	2009	Protest	Farmers	Price of agricultural products
	2009	Protest	Farmers	Crisis and cuts in state funding
	2009	Warning strike and strike alert	Automotive company	Pay and working conditions
	2009	Strike threat	Public transport company	Company management and planned reductions
	2009	Protest	Firefighters and policemen (3,000)	Pay reduction
	2010	Protest	Public sector (45,000)	Austerity and pay cuts
	2010	Protest and handing in notices	Doctors (3,513)	Healthcare underfunding and low pay
	2010	Strike	Public sector (148,000)	Pay cuts
	2010	Demonstration	Public sector (15,000)	Pay cuts
2010	Petition	Police and firefighters	Cuts in funding and minister's performance	
2011	Campaign	National	Government policy and austerity measures	

Country	Year	Form of action	Sector, no. of participants (if known)	Reasons for protest / Issues addressed
Estonia	2011	Strike threat	Automotive companies	Collective agreement terms
	2011	Strike	Road transport company	Pay
	2011	Strike	Railway sector	Pay and pension schemes
	2011	Protest and 2 day-absence from work	Pilots at an airline operator	Restructuring
	2011	Campaign	Healthcare trade unions	Pay and healthcare funding
	2012	Strike threat	Healthcare / doctors	Pay
	2012	Demonstration	National (90-120,000)	Economic policy and austerity measures
	2012	Trade unions leave the tripartite body	National	Austerity measures
	2012	Union and civil society campaign	Healthcare	Possible hospital closures
	2013	Strike threat	Healthcare / hospitals	Hospitals' financial problems
	2013	Strike threat	Mining company	Collective agreement modalities
	2008	Strike threat	Railway sector	Restructuring
	2008	Warning strike	Maritime transport company (500)	Collective agreement modalities
	2008	Protest	Transport company	Planned restructuring
	2008	Boycott call	National union	Working conditions at a foreign-owned shop chain
	2009	Union demonstration	Healthcare	Austerity measures
2009	Strike threat	Rescue workers	Collective agreement terms	
2010	Petition and union pickets	National, transport and railways	Raise of the retirement age	
2010	Union rally	National	Changes to labour services financing system	
2010	Union picket	Rescue workers	Collective agreement modalities	
2011	Strike threat	Railway sector	Pay	
2011	Demonstration	Education (1,700)	Pay	
2011	Rally	Capital city public transport	Pay	
2012	3-day strike	Education (15,000)	Pay	
2012	Demonstration	Education (4,000)	Pay	
2012	Demonstration	Mining and Energy (2,000)	Labour law amendments	
2014	Warning strike	Maritime transport company	Collective agreement modalities	
Latvia	2008	Strike warning	Social insurance workers	Pay and collective agreement terms
	2008	Protest warnings	Healthcare	Pay
	2008	Protests and pickets	Healthcare and police trade unions	Planned cuts to next year's budget
	2008	Picket	National union confederation	Working conditions
	2008	Strike warnings and one-day strike	Healthcare	Budgetary cuts
	2009	Protest	Education	Pay cuts and school reorganisation
	2009	Union protest and demonstration	National (14,000)	Social benefit cuts
	2009	Picket	National	Draft budget for 2010
	2009	Protest	Education	Austerity measures
	2010	Picket	National	Austerity measures planned for 2011
2010	Union protest	Police	Austerity measures	

Country	Year	Form of action	Sector, no. of participants (if known)	Reasons for protest / Issues addressed	
Lithuania	2010	Complaint to ombudsman and signatures	Healthcare	Austerity measures and its impact on healthcare	
	2010	Manifestations in large cities	National union	Austerity measures	
	2010	Rally	National	Austerity measures	
	2011	Union protest	Healthcare	Change in healthcare financing scheme	
	2011	Union protest	Police	Austerity measures	
	2011	Work stoppage and protest	Beverages sector (1,500)	Increase in excise duty	
	2011	Protests	Students and teachers	Reduction in education funding	
	2011	Union protests	Transport and public transport	Reduction of transport routes	
	2011	Peaceful union protests	Healthcare/ regional hospitals	Reduction of healthcare funding	
	2011	Strike warnings and demonstration	Healthcare	Planned healthcare reforms and funding cuts	
	2012	Letter writing protest campaign	National	Planned rise of pension age	
	2012	Strike warning	Metalworking company	Unpaid wages	
	2012	Strike warning	Opera workers' union	Terms of collective agreements	
	2012	Industry protest and strike warnings	Transport	Cuts in government subsidy to public transport	
	2012	Demonstration and strike warnings	Education	Pay	
	2012	Protest warning	Farmers	Legislative terms	
	2012	Union picket	State probation service	Pay and working conditions	
	2012	International protest threat	Healthcare	No increase in healthcare funding	
	2012	Workers protest	Sport trainers	Pay and lack of state support for the sector	
	2013	Letter-writing protest campaign	National trade unions	Planned labour law amendments	
	2014	Protest	Researchers	Delays in research funding programmes	
	Lithuania	2009	Protest	National trade unions (5-7,000)	Austerity measures and economic policy
		2009	Hunger strike	National trade union confederation	Austerity measures and lack of social dialogue
		2009	Union and civil society protests (5)	National	Public sector wage and social benefit cuts
2010		Pickets in large cities	National	Crisis, austerity measures and migration	
2010		Hunger strike	Police officers and firefighters	Pay and working conditions	
2010		Pickets	National trade unions	Social assistance and minimum wage increase	
2011		Demonstration	National trade unions (1,5-3,000)	Minimum wage increase and decrease in tax burden	
2011		Strike and court dispute	Beverages company	Pay and right to strike	
2011		Demonstration	National	Minimum wage and public sector wage increase	
2012		Warning strike	Education	Pay and working conditions, education reform	
2012		14-day strike	Regional, education	Pay and education funding	
2013		Picket	National and food sector union	Right to strike	
Hungary		2008	Rally and strike threat	Public sector unions (10,000-12,000)	Austerity measures and pay
		2008	Warning strike and 3-day strike	Healthcare / hospital	Hospital privatization
		2008	Strike	Railway sector (600)	Pay and modalities of privatization
	2008	Strike	Air transport and airport services	Collective agreement cancellation	
	2009	Strike threat	Public transport company	Restructuring and pay	

Country	Year	Form of action	Sector, no. of participants (if known)	Reasons for protest / Issues addressed
	2009	Strike	Air transport and airport services	Collective agreement cancellation
	2009	Warning strike	Airline operator	Restructuring
	2009	Dispute and warning strike	Railway sector	Restructuring
	2010	Dispute	Retail company	Pay and dismissal of union officers
	2010	14-day strike	Public transport company	Pay and restructuring
	2011	Demonstration	National union confederations	New Labour Code and austerity measures
	2011	Protest	Student unions and individuals	Cuts in funding and student contracts
	2012	Protest	Student unions and individuals (5,000)	Cuts in funding and student contracts
	2013	Strike	Steel company	Pay and working conditions
Poland	2008	2-day protest	Judges and prosecutors	Pay
	2008	Demonstration	Radiology workers	Pay and working conditions
	2008	Union occupation of PM office and rally	National (several thousands)	Reform of early retirement scheme
	2009	Campaign	Hospital doctors	Funding cuts
	2009	Protests and strike warning	Arms industry companies	Cuts in government purchases
	2009	Union rally	Arms industry (several thousands)	Cuts in government purchases
	2009	Warning to leave the tripartite body	National unions	Anti-crisis programme
	2009	Dispute	Airline operator	Restructuring and treatment of union officers
	2009	Protest	Police officers (several thousands)	Unpaid social benefits
	2009	Protest	Pharmaceutical company (1,000)	Treatment of union officers
	2009	Protest and internet campaign	Copper mining company	Privatization plans
	2010	Protest	Metalworking company	Pay
	2009	Solidarity demonstration	Ship component producer + individual	Restructuring and dismissals
	2010	Demonstration	National	Women rights and gender pay gap
	2010	Demonstration	Public sector unions	Planned wage freeze for 2011
	2010	Protest	Railway sector	Privatisation and restructuring
	2010	Strike warning	Mining company	Restructuring and pay cuts
	2010	Protest	National	Minimum wages and taxation of low-wage earners
	2010	Protest	Retail sector	Working conditions and collective agreement terms
	2010	Strike	Healthcare institutions	n.a.
	2010	Strike	Prosecutors	n.a.
	2010	Strike	Airport crew	Working conditions
	2010	Strike	Electricity provider	Pay and restructuring
	2011	9-day hunger strike	Nurses	Freelance contracts for nurses
	2011	Strike warning and demonstration	Railway sector	Privatization and restructuring
	2011	Strike and go-slow strike	Coal mining	Collective agreement modalities and state support
	2011	Demonstration and go-slow strike	Copper mining company	Pay
	2011	Demonstrations in large cities	National	Minimum wage and support for low-wage earners
	2011	Demonstration	National	Minimum wage and support for low-wage earners

Country	Year	Form of action	Sector, no. of participants (if known)	Reasons for protest / Issues addressed
Romania	2011	Strike	Railway sector	Pay
	2011	Demonstration	National and European (20-50,000)	Austerity measures and labour market flexibility
	2011	Protest campaign	National union confederation	Precarious employment contracts
	2011	Campaign and signature-gathering	National union	Raising pension age
	2012	Demonstrations in large cities	National	Raising pension age
	2012	Complaint to Ombudsman and the ILO	National unions	Court decisions on the right to strike
	2012	Protests and demonstration	Nurses	Raising retirement age and working conditions
	2013	Strike	Railway workers	Subsidy cuts and restructuring
	2013	General strike	Regional (85,000)	Lack of social dialogue, labour market flexibility
	2013	Withdrawal from the tripartite body	National	Lack of social dialogue
	2013	Six rallies and Demonstration	National unions (100,000)	Lack of social dialogue, working conditions
	2008	12.5-day strike	Port services	Pay
	2008	Picket	Arts sector	Planned reform employment regulations
	2008	Protest / 'token strike'	Bank workers	Unpaid overtime and other working conditions breaches
	2008	Strike threat	Education	Pay
	2008	Union campaign	National	Decent pay
	2008	Work stoppage and strike	Aviation construction company	Overdue pay and privatization terms
2008	Pickets and protests	Chemical and petrochemical companies	Dismissals and lack of government's intervention	
2009	Picket	R&D sector workers	Planned cuts in funding	
2009	Rallies, pickets and blockades	Steelwork company	Temporary unemployment scheme	
2009	Strike and strike threat	Education	Government inaction in the crisis	
2009	Demonstration and rally	Chemical company (2,000)	Salary cuts and planned layoffs	
2009	Regional protests	National	Government inaction in the crisis	
2009	Demonstration	National trade union (8,000)	Minimum wage and government inaction in the crisis	
2009	Picket and general strike threats	Public sector (2,000)	Reform of public sector pay system	
2009	Strike threat	Railway sector	Restructuring	
2009	General strike	Public sector (700,000)	Austerity measures and reform of public sector pay	
2009	3-month strike	Judiciary	Delayed pay and cancelled bonuses	
2010	Complaint to Ombudsman	Education	Emergency ordinance on austerity measures	
2010	Picket	National and manufacturing sector unions	Redundancies and extension of temp. unemployment	
2010	Picket and general strike	Public transport company	Pay	
2010	Signature-gathering and strike threats	Public sector unions	Pay, working conditions and collective bargaining rights	
2010	Demonstration	National (50,000)	Public wage and social benefit cuts	
2010	Demonstration and human chain	National (20,000)	Austerity measures	
2010	One-day general strike	Public sector	Public sector austerity measures	
2010	Unions leave the tripartite body	National	Public sector wage and social benefit cuts	
2010	Spontaneous strike and solidarity strikes	Tax and public finance workers	Cuts in wages and bonuses	
2010	Rally	Police officers (8,000)	Pay cuts	

Country	Year	Form of action	Sector, no. of participants (if known)	Reasons for protest / Issues addressed
	2010	One-day general strike	Education	Pay cuts
	2010	General strike and school stoppage	Education (regional)	Pay
	2011	Unions leave tripartite bodies	National and sectoral	Planned new law on industrial relations
	2011	Rallies	Regional	Planned new law on industrial relations
	2011	Demonstration	National (8-10,000)	Planned new law on industrial relations
	2011	Protest	Police	Reform of police administration and dismissals threats
	2011	Picket, rallies and school stoppage	Education (national and regional)	Overdue pay and salary freeze
	2012	Union and civil society demonstrations	National	Austerity measures and lack of social dialogue
	2012	Protest	Mining company	Pay
	2012	Picket	Postal workers	Restructuring
	2013	Threat of daily protests	National and regional	Lack of social dialogue and social demands
	2013	Protest	Healthcare	Healthcare funding and reform demands
	2013	Strike warning	Public transport company	Pay and collective agreement modalities
Slovakia	2010	Strike threat	Automotive company	Pay
	2010	Strike threat	Public transport company	Reduced fares for families
	2010	Strike	Textile	Pay
	2010	Union protest threat	Metalworking	Labour Code reform
	2011	Protests	National trade union	Labour Code reform and living conditions
	2011	Strike	Healthcare (doctors)	Pay
	2011	Strike and petition	Healthcare (nurses)	Pay
	2011	Warning strike	Railway sector	Restructuring
	2011	Protest and handing in notices	Healthcare (doctors, over 2,400)	Privatization
	2012	Protest	Healthcare (nurses)	Pay
	2012	Strike	Education	Pay
	2012	Strike	Education	Pay
Slovenia	2008	Union protest	National	EU Working Time Directive
	2009	Union protest	National	New short-time working regulations
	2009	Signature-gathering	National	Planned reform of the mini-jobs scheme
	2011	Strike warning	Public sector	Austerity measures
	2013	Strike	Steel and electronics (14,000)	Pay and collective agreement modalities
	2013	General strike	Public sector (1 00,000)	Austerity measures and lack of social dialogue

Source: EIRO database (now EurWORK); Trif (2014). Note: table scheme partially adopted from Meardi (2007).

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