

A Strategic Dilemma of Social Dialogue Participants

Paweł Ruzzkowski*

Abstract

The paper deals with the perturbations in social dialogue in Poland, and addresses the question of whether the formula of tripartite social dialogue introduced over 20 years ago has any future. The author claims tripartism in Poland has chronically suffered from internal imbalance due to instrumental approach of the government(s) towards social partners. A possible way out of the severe crisis of social dialogue and to opening of a new chapter could lead through civic dialogue, in a formula embracing a broader spectrum of actors such as NGOs. Trade unions and employer organisations face a dilemma of a strategic weight: whether to allow new actors to the negotiation table with a view of reviving the process or defending their current position as sole partners for the government risking the continuing agony of social dialogue and petrification of unilateral government policy.

Key words: social dialogue, civic dialogue, social partners

The effectiveness of the institution of social dialogue should be discussed in the context of the process of changes occurring in the foundations of economic system and in the basis of democratic system in Poland (cf. Jasiocki 2013). Participants of numerous local community fora which took place in the first six months of 2014

* Collegium Civitas; pawel.witold.ruzzkowski@gmail.com

underscored that the function of social dialogue had changed several times in the last two decades. The system transformation inevitably generated social conflicts. As of the beginning of the process of changes consecutive cabinets in power undertook negotiations, more or less successfully, with the social side.

The Inception of Institutional Frames for Dialogue

The institutional frames of dialogue were provisionally defined in 1991 in a package of laws: on trade unions, employers' organisations and settlement of labour collective disputes. Implementation of the Balcerowicz plan which focused on privatisation and restructuring of state enterprises generated numerous strikes and blue collar workers protests were organized by trade unions. The ruling camp which was of Solidarity descent acted in the conditions of ethical and ideological dilemma. On the one hand, the authorities were aware of the fact that implementation of system reforms demanded resolute actions, on the other hand, the authorities were exposed to a grass-roots pressure to reduce social costs of the transformation. Practically, it was a situation of mounting conflict between the power elite authorities with an important wing of the reformatory circle i.e. the 'Solidarity' trade union. A fraction of politically aware leaders of the union brought Leszek Balcerowicz under a protective umbrella, while leaders of unions from industrial sectors conducted action with the aim of protecting chief industrial trades such as mining and power industry from privatisation.

The transaction costs of political support of system transformation proved to be quite high for the Independent and Self-governing Trade Union Solidarity (NSZZ Solidarność). The All-Poland Alliance of Trade Unions (OPZZ) managed to retain its position; a new national trade union centre was established – The Trade Unions Forum (FZZ) which poached members of Solidarity, for instance, Trade Union of Continuous Operations employees'. In this situation, Solidarity opted for the variant of the trade union consolidation. Consequently, Solidarity withdrew its support for workers' self-management and for employee ownership in privatization, which led to the permanent demise of participation mechanisms and ownership aspirations in the organizational culture of the Polish industry (Kowalik 2009).

At the early stage of the transformation, the government with Solidarity-roots background tried to create a field for the Solidarity trade union in order to settle at least to some extent the escalating conflict in the ruling camp. The first tripartite

agreement in the Third Republic of Poland was made in 1993 under the name: the 'Pact on the Transformation of State Enterprise'. It was in the form of multilateral agreement with 15 biggest trade unions. It concerned negotiations of particular solutions pertaining to privatization, financial restructuring of enterprises as well as welfare (Gardawski 2009).

As it emerged later, the actual influence of trade unions on decisions made by government bodies was limited to selected cases, yet the political goal has been achieved and it consisted on creation of a new field for the game i.e. the institutions of social dialogue. Within gradually improved institutionalised frames, trade unions accepted new terms of actions, the essence of which was prevention of emerging of conflictual situations which should be neutralised in the course of multilateral negotiations and procedures of communication with limitation of actions of confronting nature. In 1994, the field of social dialogue organization was formalised by virtue of resolution of the Council of Ministers which established an institution called the Tripartite Commission for Socio-Economic Affairs.

In that time, the authority was exercised by a left wing government which allowed 'Solidarity' to get into position of a critic of the government. As a result, the social dialogue concerned mostly negotiations of growth rate of wages. In 1997, parties of Solidarity descent reclaimed power under and Marian Krzaklewski – the leader of NSZZ Solidarność at the time – became their new political leader. A fraction of the trade union elite metamorphosed into the elite of power, however, the majority of them remained in the enterprises where they were repeatedly faced with clashes of interests between trade union members from one side and *raison d'état (it's our government)* from the other.

In 2001–2005 the field of social dialogue became an important element of the accomplishment of the Hausner plan, which was aimed at a deep reform of the country. The Tripartite Commission achieved a status of institution acting by virtue of the Parliament (Sejm) resolution (Mierzejewski 2012). Within the Tripartite Commission, attention was switched to macroeconomic issues. Interests of particular sectoral interest groups were discussed in sectoral committees. A game with a trophy of social acceptance for a cornerstone of Jerzy Hausner's reform – the Pact for Work and Development – was played in the Tripartite Commission. Once again, the government did not managed to obtain support of the 'Solidarity' trade union which was an important factor in blocking of accomplishment of the Hausner plan.

The Issue of Subjective Status of Social Partners

It is obvious that the above discussion is full of simplifications. On the one hand, it can be said that many agreements made between governments and social partners prevented serious conflicts which could have hindered the reforms of the system. On the other hand, it is worth to remember that the dynamics of processes taking place in the Tripartite Commission was influenced by a rivalry between 'Solidarity' and OPZZ. Relations between the two influential trade union centres were rather antagonistic. It is historically and ideologically determined and generates strong negative emotions in every instance. It is also no wonder that the subsequent governments took advantage of this antagonism in order to weaken the position of the social side.

The argument presented above leads us to the key point which can characterize the process of social dialogue in Poland. The point says that the subsequent governments played a game with social partners primarily in order to neutralize the social impact of trade unions. The institutional frames of the social dialogue field only created illusions about a political high rank of the conducted actions. In the first decade of the new political system, it was the purpose of the government side to get trade unions involved into the process of negotiations pertaining issues of wages in order to hamper obstructing the programme of reforms.

Whereas Jerzy Hausner made an attempt to engage trade unions in support of the programme of reform of the state structure, it turned out that traumatic experience of the trade union Solidarity which stemmed from its involvement in the realisation of policy of Solidarity Electoral Action (AWS) as well as a mistrust toward left wing parties became an obstacle hard to overcome.

In both cases we deal with objective treatment of trade unions. Neither the Balcerowicz Plan (cf. Balcerowicz 1999), nor the Hausner Plan were plans of trade unions. Both plans were to a greater or lesser degree a threat for the interests of members mass – public sector employees

In addition, objective treatment concerning concerns also employers' associations. Their political clout is much weaker than the trade unions have, what stems, most of all, from the potential of mass protests which is at the trade unionists' disposal. In the liberal phase of modernisation, employers' associations were natural allies for the government policy. Soon, it transpired that the successive governments did not need

political support of employers and they used them merely as an offset for trade unions in skirmish in the field of social dialogue.

The Position of Social Partners in the Post-transformation Phase

In 2005, economy entered a new phase. Above all, it was a result of Poland's accession to the European Union and changed considerably the rules of the game in the economy. Simultaneously, the left wing party was removed from power and a whole decade of the right-wing governments started. Coalitions of the Law and Justice party and Civic Platform alike did not act in the condition of pressure resulting from the adopted reforming strategy or the condition of the accession treaty. Tendencies of stabilization prevailed in the economic policy. Hence, the field for social dialogue lost quickly its political importance.

Most of all, distinctive marginalisation of trade unions ensued both in social and political life. In social terms, the decrease of importance of trade unions stemmed from their withdrawal into the enclave of the public sector – mostly in the large companies of the State Treasury. In political terms, trade unions were pushed aside and found themselves on political outskirts, since in the condition of relative stability of the state political parties do not treat trade unions as real partners but rather as tactical allies.

Similar tendency can be observed among the employers. Employers' associations do not want to enter into close alliance with political parties. Simultaneously, they profess aspiration to participation in political and economic games. It is not quite clear what positions they intend to adopt in the game. Their attractiveness as a counterbalance for trade unions had dwindled since real political clout of trade unions was weaker and weaker. It is safe to say that the process of institutional development of identity of employers' associations is rather dynamic which is shown by the ongoing debate on policy. Currently, it is hard to envisage the direction of structural solution which the employers intend to adopt.

In spite of essential differences in interests of trade unions and employers' associations, there is a sign of gradually developed awareness of need of communication and cooperation among both sides. This common goal is to confer a high political rank on the institution of social dialogue. Only then, the position of social partners in social and political surroundings, in its broadest sense, can strengthen. Attitudes of

particular form or proving own superiority over the others presented by the partners lead definitely to the marginalisation of the whole system of social dialogue.

In 2012 and 2013 discernible deterioration occurred in the state of public which is the result of influence of complex determinants such as:

- a few years of economic stagnation;
- high level of social discontent and a concomitant show of public frustration;
- poor assessment of the efficiency of public institutions;
- waning confidence in politicians.

As a result of the abovementioned phenomena, the regeneration of a (well know in the past) division into 'we' and 'they' reappeared and can be utilized as the indication of a process called: erosion of democracy. In this context, it is worth a reference to the determinants of the indicated dysfunction.

In the sphere of politics, we deal with a situation of negative balance of forces of two divergent visions of political system for Poland and both of them have similar support of the public. This situation has a disadvantageous impact on the economic and public life. In the sphere of economy, a factor of uncertainty, thence the risk of undertaken enterprise actions rises. As far as public life is concerned, the state of negative balance of political forces results in harsher confrontations between those two divergent system of values. As a consequence, among the people, fighting elites stands out from the mass falling back to the position of passive observers.

The situation of negative balance of political scene leads to certain dysfunctions within the political system where one can observe a gradual limitation of driving force of leading parties. In effect, it means that both the ruling and opposition parties are not able to accomplish their policy statements in the form and span officially declared.

Conditions for New Opening

In 2013 a distinctive increase in the trade unions activities was observed. The following actions can be cited: a railway strike, more than 2,5 million of signatures for referendum pertaining to the pension system or spectacular manifestation in Warsaw. Surveys say that protesting actions undertaken by trade unions met acceptance of roughly 70 per cent of the population.

It is vital in terms of quality that a new phenomenon occurred – in May 2013 a real alliance of three representative trade union centres i.e., Solidarity, All-Poland

Alliance of Trade Unions and the Trade Unions Forums reached an agreement. Hitherto, separate centres accomplished their particular strategies what enabled the government to steer the social dialogue at their discretion. Regardless of ideological differences, the trade unions for the first time coordinate their actions what strengthens their position on the political field. Currently, the centres associate roughly two million of members. If this expedient coalition transforms into relatively permanent alliance, one can speak about 3–4 million electorate. The process of organisational integration of workers circles may become a crucial factor which could determine the results of the future elections – especially in the perspective of the decomposing tendencies of the political scene which emerged in the wake of the wire-tapping scandal¹.

One of the key issues, which is being currently the object of the game in the set-up of the government, trade unions and employers: the institutional shape of the social dialogue. The institution established as a forum of consultations in the sphere of labour relations and collective bargaining ceased fulfilling expectations of its public participants. That refers to trade unions and employers associations alike. An increase of aspiration to participate among Poles makes the politicians more and more astounded. Meanwhile, the tendency to ignore participation of citizens has an impact on increasing interest in non-party manifestation of the public life what exemplifies an invigorating impulse.

Among the social partners two conceptions of healing of the social dialogue prevail. The first conception, which is described as the conception of narrow pragmatism, intends to change the organisational formula of the Tripartite Commission for instance, equalizing the status of all three participants. A fundamental weakness of the Tripartite Commission is pointed out: the government side plays a dual role – as a participant and as a superior and organizer. In the more distant perspective, this solution leads to an asymmetry of relations between the sides of the dialogue and the government position becomes dominant. In view of the above, an amendment to the bill on the Tripartite Commission should be legitimate and improve the mechanism of cooperation by increasing the subjectivity of the sides of the dialogue. Conceptions of the Tripartite Commission as an independent institution and the parliament or/

¹ A political scandal broke out on 14th of June 2014 after weekly *Wprost* published recorded conversation between policymakers. The recordings were made between July of 2013 and June 2014 in several Warsaw restaurants. Among the eavesdropped were, amongst others, incumbent and former ministers, entrepreneurs and the president of the Polish central bank.

with the president only holding the fort has been discussed among the social partners for long.

The second concept rests on the belief that the epoch of narrowly understood collective bargaining with participants of economic life is over. Currently, we deal with the need of creating wide, common ground for dialogue between the government and the public. In other words, it is necessary to conduct social and civil dialogues simultaneously (cf. 'Ile społeczeństwa w gospodarce' 2012).

It is a belief of fundamental importance whether the social partners can be effective and competent participants of both forms of dialogue. Moreover, their participation in the civic dialogue – meant in its broadest sense – may assert their firm position in the social dialogue meant in its traditional sense, as a trilateral bargaining pertaining to employment. It is not about expanding the formula of the Tripartite Commission but about creation of new forms of the public participation in the course of making strategic decision for the state.

In terms of quality, as far as a new solution is concerned, the Upper Chamber would be substituted for a social chamber including representatives of social partners, local government and NGOs. It is also possible to establish consulting bodies of specialists grouping factual authorities in certain spheres of social and economic life.

If trade unions and employers wish to obtain the position of significant economic players i.e. organizations capable of exerting real influence on the institutions of power, then mere institutional changes in the Tripartite Commission are not sufficient to guarantee a success.

Trade unions must immediately put in motion a process of innovations in organisation itself and in the management in union activities. It seems that this process should encompass the following strategic goals:

Besides traditional actions aiming at of protection and representation of employees' interests, trade unions should undertake system actions in aid of a set of common values which are of the highest importance and shared by the employees at large i.e. employee's dignity, work ethics, solidarity, work community and employees ownership (Ruszkowski 2014). It not only about the protection of these values but also about their proliferation as well as making the issues of values important message for the public debate.

Trade unions must reject a dogma or a stereotype that trade unions act only on behalf and in the interest of their members and if anyone wish to interact with the union then he or she must fill in membership application and pay subscriptions in the first step. A mission statement of trade unions should include activities in aid of civil society.

Without this firmly resolved change of their image, the trade unions are doomed to be socially marginalised. The trade unions acting as a narrowly meant group of interests will not become discerned, let alone accepted by the young generation. In my opinion, the biggest challenge the trade unions are confronted with is reaching out for the youth. I mean not only lobbying in aid of creation of new workplaces and curbing the number of ‘junk jobs² but also actual reaching out of trade unions for the youth i.e. meetings, dialogues, trainings, publications, and various forms of interactions over Internet. Institutions of higher education may exemplify a place where trade unions are absent.

Currently, employers’ associations are faced with similar strategic dilemma. Circles of entrepreneurs and managers are very divergent in Poland. A distinctive peculiarity of public sector employers circle still persists – especially in enterprises with the State Treasury ownership where the issue of direct political impact on the managerial decisions poses a factor of risk and job insecurity. Next, the sector of small and medium entrepreneurs is subject to dynamic structural changes hence, creating a common ground suitable for the needs and interests of this circle constitutes a serious challenge to accomplish.

In case of strategy for employers future, it is hard to formulate so detailed proposal as in case of trade union because I am less familiar with the specificity of functioning of employers’ associations.

Nevertheless, I am convinced that the crisis of the institution of social dialogue is not a mere consequence of institutional dysfunctions but the resultant of processes occurring both in the economy and in the system mechanisms which are crucial for the form of democracy. There is an indubitable interrelation between subsequent phases of institutionalisation of social dialogue in Poland and evolution of the Polish model of capitalism. In the liberal model of modernisation, the public power of social partner may threaten the conception of implementation of western patterns of system and institutions. In the emerging model of capitalism which has been shaping for a few years, and has been perceived as an alter-modernising and seeking for systemic solutions appropriate for the Polish conditions, the power of social partners is needed to break the stagnation of the democratic system in our country.

² A civil law contract, which unlike an employment contract drawn in line with the Labour Code does not guarantee social security dues to be paid for the worker (translator’s note).

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