

Sectoral Interest Groups

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Abstract

In this article the issue of sectoral interest groups in contemporary Poland is examined. Public restructuring programmes significantly contributed to development of tripartite sectoral social dialogue. Evolution of that type of social dialogue provides a dramatic illustration of how the mechanisms of group interests conflict shaped the course of industrial restructuring. Experiences accumulated over the years of conducting sectoral social dialogue may now serve as a benchmark for regional modernization initiatives.

1. Contemporary Role of Interest Groups

In any modern society on the average development level, there exist and operate different interest groups. They are undoubtedly products of economic development, socio-occupational group formation and more general changes in the socio-economic structure. In other words, groups of interest are products of social differentiation.

Nowadays, two opposite trends can be observed in the social structure: polarization¹ and equalization. The latter trend results from the enlargement of middle class – the most significant segment of modern societies. Middle class formation is stimulated, among other things, by the fact that new professions are continually emerging from existing social classes and becoming socio-professional groups.

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¹ However, not to the same extent as in the 19th century.

The 'new' and the 'old' socio-professional groups do not have typical 'class ambitions'. They do not aspire to gain power in the way social classes do now or did in the past. These groups more often take the form of interest groups which create wide networks of relationships (it concerns especially collective interest groups). Socio-professional groups, like social classes, are also engaged in conflict but in a different kind of conflict. It is the typical industrial conflict in which parties belong to different interest groups.

The main reason for the presence and dynamism of interest groups in modern societies are continuous changes in the social structure. They are caused mostly by the emergence of new socio-professional groups. Their existence and strategies are also determined by 'the old socio-professional structure'.

The model of capitalist development called fordism, which is based on the properties of industrial society, provided fertile soil for development of interest groups representing not only employers but also employees. In fact, it is the employers' organisations and trade unions that are principal forms for interest groups.

Sociologists argue that 'true' (genuine) groups of interest emerge when people belonging to a certain social category become aware of their common interests and take action to defend them (Bolesta-Kukułka 2003: 280). These activities may also be aimed at broadening their possession or, referring to power relationships, reducing their asymmetry.

The institutionalization of industrial conflict occurred along with collective bargaining in the labour relations. The emergence of this institution (along with collective agreements and freedom of association) formed a classic scenario of industrial conflict, which now consists of four integral parts: negotiations, conflicts, compromises and agreements, and made industrial conflict a permanent element of the 'social game'. The institution of collective bargaining influenced also the speed and character of interest group development.

Another important factor which influences the development and dynamics of interest groups are their relationships with 'public power', primarily with the national authorities. Formally, the public administration in its relations with various interest groups represents not only the state itself but also the society and an important part of economic sphere. In this context, public administration does not only refer to public officials and officers but also to state authorities and the whole political system.

Public administration and interest groups constitute significant and stable structures of a political system. Therefore 'in most modern societies, the conflict between the aspirations of pressure groups and the role of public administration in

decision-making processes is one of the most important problems, which the political systems must face' (Chatagner 97: 196).

However, it must be stressed that relationships between public administration and interest groups are not only based on conflict. Their relationships may take different forms. In many countries, to a greater or lesser extent, various interest groups legally participate in a decision-making process. This is particularly true for organized formal groups, which have the legal setting: 'The formal interest group articulates its claims in a public sphere and does it either explicitly or through collective demonstrations, or through collective bargaining with decision-makers' (Wnuk-Lipiński 2005). These relations are even characterized by some persistent patterns. Guy Peters (1999) lists at least four patterns in relationships between public administration and interest groups: (1) legal relationships (2) clientelism, (3) parantelism and (4) illegal relationships.

The first 'pattern' usually takes the form of corporatism. Wnuk-Lipiński (2005) defines corporatism as 'a way of resolving social conflict through continuous and institutionalized involvement in decision-making process by organized and recognized groups of interest which are affected by those decisions'. In practice, corporatism does not only refer to conflict resolution. It is also the institutionalized interaction between groups of interest and state authorities. Corporatism may also be seen as the cooperation between various groups that have not only different but also common interests.

Some authors distinguish between 'social corporatism' and 'state corporatism'. State corporatism refers to 'peak level bargaining between trade unions, employers' organisations and government' (Morawski 2001). Another feature of state corporatism is that its most significant actor and participant is the public administration. It is also related to a decision-making process which is connected mostly with the economic sphere.

In many countries, the groups participating in this process are organized interest groups which represent primarily: entrepreneurs (employers' organisations) and employees (trade unions). In addition to these groups, also professional associations are involved, and when the bargaining process 'evolves' toward a 'social dialogue', local authorities participate as well. Furthermore, representatives of other groups also participate in corporatist institutions. Those groups may belong to larger and wider formations, however they have their own separate interests and/or are convinced that their interests are dominated by more powerful groups. An example of such groups may be farmers' organisations as well as small and medium businesses which are sometimes described as peripheral sectors of economy. Separate organisations,

because of their specificity and impact on general market functioning, are created also by public sector companies.

Within corporatist systems, coalitions between different groups of interest are formed. Within those coalitions, different groups support the most important formation. 'Different spheres of social life are marked by the presence of many groups of interest. Each of those groups has its own view on how to solve problems of collective life and every group, in cooperation with others, strives for their views to be most commonly reflected in legal rules' (Guy Peters 2000: 218).

In European countries, corporatism may be found in the two above described forms: (1) social corporatism (also called liberal corporatism or neo-corporatism) and (2) state corporatism. For example, countries where corporatism is the most conspicuous are Germany, Austria, France and the Scandinavian countries.

Clientelism, in a sense, is a variation of corporatism. It refers to a situation when only one interest group, among others, is considered by authorities as representative in a particular area (it is given official recognition). In this way, 'the chosen' group gains special importance and shapes the relationships between public administration, other groups of interest and the parliament.

In parantelism on the other hand, relationships between interest groups and the authorities are formed by the most important (ruling) political party. Interest groups set up close relationships with this party, and support it – in return for the influence on decision making-process.

Many authors argue that the world of politics (and its significant part which is public administration) is an area of continuous games between different pressure groups. In these games, public administration is frequently taking part as an interest group alone or as a coalition member of other interest groups (e.g. sectoral or regional groups of interest). Public administration, officials and officers often melt into the world of games between groups of interest. These relationships are characterized by many informal relations and, not infrequently, corruption (particularly political corruption).

In a broader context, organized interest groups constitute a significant component of democratic systems, often called participatory and consensual democracy. In these systems both responsibility for decisions and the process of decision-making are collegial. Additionally, representatives of different society sectors also participate in the decision-making process (Nalewajko 2005).

An integral part of democratic systems, associated with organized interest groups, is also the institution of lobbying. Lobbying, according to the definition given by Wnuk-Lipiński (2005), means: (1) to exert informal pressure on decision-making

bodies by the groups which are interested in the effects of particular decisions and (2) advocacy of interests by organized groups. Lobbying activities may be carried out through different channels: informal (personal) contacts, institutions (agencies), mass media etc. As Wnuk-Lipinski (2005) defines it: 'lobbying means persuading decision-makers (members of parliament, legislative bodies and officials) into somebody's rights and arguments but it also provides them with information, ideas, expertise and even ready-made solutions to specific social problems'.

Groups of interest operate also in transnational social space, in particular within institutions. A good example is the European Union. Most of the EU institutions are under formal and/or informal influence of organized (also multinational) groups of interests (e.g. sectoral agencies).

The interests of large business are represented by the Business Council (200–300 largest companies and corporations), small and medium-sized companies are represented by the European Small Business Council – and interests of labour by the European Trade Union Confederation (ETUC), and European Secretariat of the Liberal, Independent and Social Professions, (SEPILS) and other representatives of the top industries.

According to European Parliament (2003), in 2000 more than 2.600 interest groups had a permanent office downtown Brussels, of which European trade federations comprised about a third, commercial consultants a fifth, companies, European NGOs (e.g. in environment, health care or human rights) and national business or labour associations each about 10%, regional representations and international organisations each about 5%, and, finally, think tanks about 1%.

To summarize, groups of interest (particularly organized and formal ones) play, as a dynamic element, an important role in transforming social structures. They are also a significant factor which stabilizes social systems not only in the economic sphere. Groups of interest participate in conflicts but, as mentioned above, conflicts take institutional forms. They are a permanent element of collective bargaining and labour relations. They create relationships between the economic sphere and political systems. They are an important element of institutions in participatory and consensual democracy and the main creator of lobbying. However, groups of interest happen to be a negative participant of those relations – they participate in corruption, very often distort and decrease the efficiency of institutions and public administration.

The role of interest groups will probably increase. There may emerge new fields and dimensions for their activities, the European social space may serve as a good example. Their development and dynamics will also be affected by the process of globalization.

2. Interest Groups in Post-Soviet Order

Almost every scientist who studies the transformation process in the Eastern European countries argues that its major goal was to form a new social order with democracy and market economy being its foundation.

The state reached after nearly two decades of transformation is described generally as a post-socialist or post-monocentric order. The terminology differences result mostly from different assessment of the past and sometimes different ideological inspirations of authors who work on this subject. However, apart from the differences in terminology, it is worth mentioning that among researchers there are also other disputes. In particular they refer to the proportions between the quantity of 'old' elements and the 'new' ones in the emerging social order in transition countries, the level of deformation and scale of their pathologies.

There is however consensus that the contemporary socio-economic reality in Poland is affected by both: past authoritarian socialism (monocentric order) and the new structures which were formulated in the process of 'great change'. Despite the disputes among researchers about the scale of differences between the present and the old socialist system, scientists indicate that the Polish socio-economic reality, like in other transition countries, has the form of a hybrid (and the Polish society may still be described as 'on the way' with unfinished transformation).

With the transition to market economy, like in other areas of social life, social structures underwent transformation. New segments of social structures emerged, in particular, business and entrepreneur class (the so called 'returning class').

The changes within the social structure along with transformation of the authorities had and still have a significant impact on interest groups. Since the beginning of transformation, interest groups have been forced to operate in different circumstances and conditions as well as articulate their interests in a different way and choose different strategies.

Much of transformation research stresses that each transformation produces at least four consecutive processes which are connected to interest groups: (1) destruction of some interests (2) struggle for transfer of old interests into a new reality (3) emergence of new interests (4) decomposition and recomposition of interests. Transition from a centrally planned economy to a market economy must produce new articulation and relationships of interests. It also evokes a struggle for survival

and adaptation for the groups and social classes which were dominant in the past economic system (Wesołowski 1995).

In the post-socialist order, interest groups, their activities and strategies gain new dynamics. They have become either active actors who stimulate the process of transformation or 'conservative' defenders of old structures and hierarchies. Also, new relationships between those interest groups and authorities have emerged. A similar division may also be observed within a society itself. As Rychard (2005) and other authors argue, during the transformation process two large social groups emerged in the Polish society: 'modernizing' and 'precautionary', i.e. 'Poland within transformation' and 'Poland beyond transformation'. The characteristics of these two large groups are different, but in both there are groups of interest that have reformatory or conservative orientations and strategies.

It must be stressed that there are mutual relationships between strategies, transformation process and interest groups. On the one hand, the strategies adopted by interest groups are a product of changes, on the other hand, changes and their dynamics depend on actions taken by interest groups. In the new system, interest groups may choose a number of different strategies, which shows that new possibilities for action are now available to them. In fact, this 'freedom of choice' between different strategies may be the indicator of the transformation scope – if transformation is 'deep' and of wide scope, then interest groups may choose many more different strategies than in the past system.

Groups of interest, especially those which were formed in the socialist system, have to adapt themselves to the new rules of the game so that they still can influence those rules. The new groups, however, wish to abandon old rules and formulate new ones which are consistent (in general) with the interests of the private sector ('the returning class') – the group which was underprivileged in the authoritarian system.

Adapting to new rules may take the form of one or two of the following strategies: (1) defending interests by groups previously formed, according to the logic of the old system; (2) redefining interests and establishing new interest groups. Therefore, the function of new interest groups would be, according to the new system's *modus operandi*, flexible redefinition of social interests in terms of the best short-term benefits.

In a socialist, monocentric system of governance, strong but informal interest groups developed. Their most fundamental purpose of action was to influence the decision-making process of the state and party administration (bureaucracy). Their

existence and actions, as many authors point out, significantly contributed to the breakdown of the old socialist system and its relatively peaceful agony².

The informal structure formed in the past socialist system is defined as 'socialist corporatism'. Socialist corporatism differs from national corporatism with respect to that fact that its implementation was not a consciously adopted institutional solution. This structure cannot be classified as 'social corporatism' either. Socialist corporatism does not emerge as a result of agreement between state authorities and interest organisations. It is, however, the consequence of dysfunctional (pathological) adaptation of different interest groups and organisations to imposed conditions which cannot be changed. Therefore, its emergence is not the sign of evolution but erosion of socialist system. Socialist corporatism did not constitute institutional alternative which offered new possibilities and perspectives for development of the system. It was, however, a controlled, polycentric but hierarchical mechanism of interest coordination, which allowed the system to stay afloat but at the cost of draining resources. The final stadium of this system was a peaceful agony, incorrectly defined as revolution (Hausner 1992).

Erosion of the socialist system was a significant but not the most important cause of its collapse. The most important role in this process was played by the democratic revolution. In fact, the socialist system collapse was caused by two simultaneous processes: its erosion and decay as well as contestation-based social movements supported mostly by working class (the so called democratic revolution of 'Solidarity'). However, the nature of the entire process is much more complex. It results from the fact that working class, and in particular workers from the largest enterprises, constituted the cornerstone of 'Solidarity'. At the same time, however, they 'belonged' to interest groups which had their own sectoral preferences. In the socialist system, these sectors were very much privileged in comparison to the other sectors of economy and were regarded as strategic. Not surprisingly, the interest groups of a particular industry wanted to preserve their privileges, usually at the cost of other social groups. This kind of attitude had to cause conflicts between sectoral and other interest groups, including the state authorities.

In the socialist system, the strong sectoral interest groups, especially in the privileged industries, put different types of pressure on the state authorities. However, the goal of the strikes organized by employees was to protest against the authorities and party bureaucracy – they were very much transformative by nature. The accumulation of strikes at the turn of the 70s and 80s may be regarded as the beginning

² See Wnuk-Lipinski (2005)

of transformation in the political sphere. It does not mean, however, that 'sectoral past' among these groups lost its influence. According to Hausner and Marody (2001), 'old groups of interest' are still present in the Polish socio-economic sphere. The above mentioned authors list three particular groups of interest: (1) political class, (2) 'the winning losers' (i.e. groups which are very efficient in their protests and strikes) and (3) business class. The political class, according to the authors, is the hostage to the group of 'winning losers' and very often yields to this group. It is similar to Mokrzycki's view who claimed that true political game in Poland is played between strong pressure groups and public authorities, leaving aside the weak civic society³.

As a result, two systems of collective life emerged: (1) a weak system with almost non active parliamentary democracy and (2) a strong system with quasi-corporationist agreements between authorities and potentially dangerous social groups (winning losers). The second system is characterized by the presence of particularly strong sectoral and organized interest groups, which emerged in the past socialist system. Coal miners, a strong pressure group, are the most commonly given example of a group operating in the second system.

During the transition, new relations emerged between public administration, executive and legislative power and groups of interest. According to some authors, the dominant features of those relations are clientelism and corruption. This stems primarily from the relation between politics, business and economy as a whole before and during transition.

In the socialist system, as mentioned above, the state administration had omnipotent power over economy and the free articulation of interests was prohibited. In such an environment, the establishment of informal interest groups seeking co-operation with administration was a natural consequence. Not surprisingly, in the socialist system the omnipotent administration had strong incentives to get corrupt. After the socialist period much of this tradition has been inherited. A very good example of corruptive quasi-corporatist attitude is filling the posts in the supervisory boards of state companies, with 'experts' delegated by public officials or members of the government. So far every ruling party in Polish political scene has been prone to take advantage of their power and rent seeking behavior. It naturally forms a fertile ground for various 'agreements' or 'coalitions' between the authorities and interest

³ The author refers to a very popular view expressed by Edmund Mokrzycki (which referred to miners' demonstrations in the 90s) that 'a lightly armored miner' has much more influence on politics than 'a townie with a voting card'.

groups. In consequence, it is now becoming less clear whether the authorities are hostage to strong groups of interest (derived from 'winning losers') or whether the state authorities themselves are a group of interest.

3. Sectoral Interest Groups Versus (and) Restructuring

The attitude towards the restructuring process is one of the most important criteria for the assessment of interest groups' role in the socio-economic sphere. Restructuring affects the entire economy, therefore it is regarded as one of the most significant elements of transformation.

If transformation is perceived as a 'civilization-related change', then one of its most important goals would be modernization. Modernization in turn is based on and driven by economy. Generally speaking, the criteria of modernization in the economic sphere are following: (1) changing the economic structure, (2) reducing the role of agriculture and industry, (3) limiting the role of traditional industries (raw materials, steel, certain sectors of the textile industry), (4) dynamic development of services, (5) increasing the importance of new management methods, (6) and, above all, human capital development.

One of the effects of modernization is informatization, especially in the economic sphere. In this context, informatization refers to: producing information and communication technologies (ICT) as well as producing the information itself. The evolution from industry-based economy has been defined as new economy or market infrastructure. In the social sphere, the effects of modernization are seen in quantity and quality of human capital and, more broadly, in the development of information society.

Before the transformation began in the Eastern European countries, the process of modernization, controlled by the socialist bureaucracy, had been based mostly on industrialization. As a result, the process of restructuring was particularly difficult in those industries which had been given high priorities and privileges in the past socialist system.

Restructuring and privatization are the most significant processes in the economic sphere of transformation. As regards the process complexity, restructuring has been even more complex than privatization and it 'brought more modernization' into the economy – see the explanations below.

Firstly, the process of restructuring applied to the sectors which were strategic and preferential in the socialist system. Secondly, the scope of changes was very

large and changes were proceeding at a relatively fast pace. Thirdly, employees working in those sectors were highly organized and played a major role in the process of transformation – they were the social basis of ‘Solidarity’. Some of those industries (e.g. metallurgical and defense industries) were strongly influenced by a ‘self-governing movement’, while workers organisations of ‘Solidarity’ formed the so-called ‘Network’. The Network covered the largest industrial enterprises, including those under restructuring programs. Fourthly, enterprises included in the restructuring process were very often concentrated on relatively small areas (large spatial concentration). Some of them (mines, steelworks) were the economic foundations of the industrial monoculture of entire regions. Fifthly, the restructuring process was conducted on the basis of governmental programs. At least three different groups participated in the preparation of those programs: (1) government administration and the parliament (which means that also political parties were indirectly involved in that process) (2) managers of the restructured enterprises and (3) trade unions.

It means that the parties involved in the restructuring process were organized interest groups with substantial resources. From the very beginning the process was accompanied by tensions and multiple conflicts in relationships between those groups. The major line of conflicts was between the interest groups called ‘the reformers’ and ‘the conservatives’, between the forces of transformation and the forces defending the status quo. Not surprisingly, the major opponents of reforms (especially restructuring and privatization) were the ‘old and privileged’ industries, particularly in the defense industry and mining.

Many sociologists, already at the beginning of the nineties, indicated that the behavior of interest groups in the Polish industries subject to restructuring may serve as a good example of ‘the fight for transferring the past interests into new reality’. Sociologists argued that this type of transfer was the easiest way for those groups to defend their privileges and resources which had been given to them in the past system. The attitude of interest groups in the mining industry (especially in the nineties) serves as a very good example of a fight for such transfers (See: Wnuk-Lipinski 2005).

In the process of restructuring, apart from conflicts, new relationships emerged between the authorities and strong organized interest groups – the ‘winning losers’. Although formally the government was preparing the restructuring programs, in practice the contents of those programs were developed under the pressure of trade unions. The scope and complexity of the restructuring process are illustrated in Table 1.

Table 1. Restructuring Programs in Selected Industries in Poland

| Industry | Changes in production scale | Changes in number of enterprises | Privatization | Changes in employment | Foreign financial resources |
|-------------------------|--|--|---|---------------------------------------|-----------------------------|
| Mining | drop in output from 190 to 90-100 million tons annually | closure of 24 out of 70 coal mines | privatization of profitable enterprises | reduction in employment by 40 percent | EU, world bank |
| Power industry | increase in output (change of resources) | increase in the number of enterprises | privatization excluding Network equipment of the power system | reduction in employment by 10 percent | EU |
| Iron and steel industry | drop in steel production by 40 percent to 10 million tons annually | closure of the oldest and 'dirtiest' steelworks | privatization | reduction in employment by 50 percent | EU |
| Defense | drop in production | decrease in the number of enterprises | partial privatization | reduction in employment by 70 percent | |
| Railroads | cutting the length of railroads and decrease in railroads carriage | decrease in the number of major enterprises, creation of new enterprises | privatization excluding polish rail (PKP) | reduction in employment by 50 percent | EU, World bank |

Source: Author's.

Table 1 illustrates that the reduction in employment, which is one of the most crucial areas in the process of transformation and modernization, was significant in particular industries. It must be stressed, however, that the employees of the above industries had their own 'occupational specialties'. Miners and, to a lesser extent, steelworkers constituted hermetic, inflexible occupational groups which, in the past system, had had stable professional careers. One should remember that many miners cultivate a traditional family model in which the father is the only bread winner⁴. The railroad workers, with a strong tradition of being public servants, had their own

⁴ It means that 85 000 people who left mining in the years 1998-2001 maintained more than 200 000 other people. See: Szczepański: 2003.

occupational elite: 'the engine-drivers'. Besides, the railroad transport, along with the power industry, is classified as an infrastructure industry which is essential to the society not only because of its economic importance. For obvious reasons, the defense industry and its employees were 'under special surveillance' and enjoyed additional rights and privileges in the socialist system.

As it was mentioned before, the transition to market economy requires reallocation of resources across activities through the closure of inefficient companies and, in consequence, the establishment of new ones. It also requires restructuring of existing companies, which is often connected with the reduction in employment. Both processes are closely tied together and are aimed at raising productivity and helping the 'national economy' to compete on the international market. Additionally, restructuring processes in Poland were connected with pre-accession criteria for joining the European Union. After the accession, they have been consistent with the EU directives, particularly with reference to public support.

Restructuring has been a great socio-economic challenge, particularly for the employees of industries under restructuring, their families and local and regional communities. Not surprisingly, the regions characterized by a high concentration of industries subject to restructuring have been affected by this process to the largest extent. The Silesia region, with the highest concentration of 'traditional' industry, may serve as an example. As a result of recession or plant closure due to privatization or bankruptcy, the number of industrial workplaces in the former Katowice voivodship fell by almost 300 000, which was only partially compensated by job creation – Szczepański (2003). Despite the restructuring plan for the mining industry launched by the Jerzy Buzek administration in 1998 and other labour market reforms introduced by consecutive governments, social and material degradation of workers from heavy industries has not been stopped.

The effects the restructuring process had on the defense industry were just as dramatic. The defense industry's factories were very often situated in 'non-industrial' regions and constituted a very important source of work for people from the surrounding rural areas. Their closure, like in the case of coal mines, caused social and economic problems for a number of local communities.

However, during the restructuring process the working class was not passive. Trade unions, in particular in the restructured industries, to a large extent influenced – as organized interest groups – the types and pace of reforms being implemented. The significant strength of the labour movement resulted from (1) substantial resources at their disposal – over 60 percent of workers employed in those industries

were members of trade unions, (2) and experience in confrontational actions, gained already in the past system. As a result, trade union leaders had solid grounds for acting as pressure groups with considerable strength.

Trade union leaders, depending on their interest, could choose between different strategies for their action. The first, called 'the survival strategy', refers to the preservation of the past privileges (e.g. subsidies, allowances) and demanding protection from the government. The second strategy is called a 'confrontation strategy' or 'conflict strategy'. It could result in total opposition to reforms and even in mass demonstrations. The 'lighter form' of conflict strategy was a 'claiming strategy'. Its objective was to gain, for the price of social peace, a wide range of 'privileges'. The relevant interest groups approved the process of restructuring but demanded a number of privileges at the same time. In practice, those privileges took the form of social benefits (e.g. early retirement age, redundancy payments etc.). In consequence, the number of social benefits in the restructured industries was much higher than in companies which were privatized indirectly (capital privatization).

Negotiations and direct pressure (strikes, manifestations) have been the most common forms of this strategy. In his studies, Gilejko (2003) gives an example of a social protection package given to steel workers. The draft of the package was prepared as early as 1992 but adopted by the government only after a strong manifestation in 1998. As one of the trade union leaders put it, 'only the threat of a general strike convinced the government to give the due privileges to steel workers'. A similar strategy, and with a similar result, was used by trade unions in other restructured industries.

The fourth type of strategy is the so-called 'participatory strategy'. In this strategy, trade unions participate along with other parties (usually the government and employers' organisations) in the decision-making process. In this process, a very important factor of successful cooperation is trust between the actors. Moreover, the participating actors must be aware of their responsibility for enterprises and sectors affected by their decisions. The actors must also realize that they work for common interests.

In the restructuring process, the 'participatory strategy' was realized through the institution of Tripartite Branch Units (Sectoral Teams) (sector-based tripartite units). This strategy was a combination of participatory and claiming attitudes of trade union leaders (see Table 2).

Table 2. Participants and the subjects of Tripartite Branch Units (Sectoral Teams)

| Name of a tripartite branch unit and date of its establishment | Branch Unit's participants | The most important agreements reached |
|--|---|---|
| Committee for Miners' Social Security (1994) | Participants: <ul style="list-style-type: none"> – 10 trade unions' organisation – employers' organisation of hard coal mining industry – representatives of government and other agencies (Industrial Development Agency, State Mining Authority, Agency for Hard Coal Mining Restructuring) – around 70 persons | Agreements concerning restructuring programs for 2004-2006 and 2007-2010, new social security programs, programs to make ex-miners professionally active |
| Committee for Social Conditions of Restructuring Metallurgic Industry (1995) | Participants: <ul style="list-style-type: none"> – 5 trade unions' organisations – Employers' Organisation of Metallurgic Industry – representatives of the government – around 50 persons | Activation Programs for former steel workers, changes in restructuring programs concerning privatization |
| Committee for Electric Power Sector (1998) | Participants: <ul style="list-style-type: none"> – 7 trade unions' organisations – 6 employers' organisations – representatives of the government (around 40 persons) | Evaluation and changes to the governmental program: 'Assumptions of Poland's energy by the year 2020' changes concerned particularly the conditions of employment and redundancies and social security programs in privatized companies; evaluation of 'The Government's Ownership Policy concerning power and electric branch' |
| Committee for Railroad (1998) | Participants: <ul style="list-style-type: none"> – 7 trade unions' organisations – Railroad Employers' Organisation – government representatives (around 50 persons) | Changes in restructuring programs: limitation of railroads closure, new activation programs, financing new investments (especially regional transport) |

Source: Ministry of Labour and Social Policy, The Report of Tripartite Branch Units 2005.

Tripartite Branch Units played an important role in formulating the restructuring policy. Nevertheless, negotiations within those institutions were sometimes stormy, or even broken off by trade unions which additionally organized protests and strikes. It must be stressed, however, that such confrontational actions always concerned socio-economic issues of great significance.

Trade union leaders attached great importance to those institutions and the process of restructuring. A similar view was held by the managers and employees

of restructured enterprises. What is interesting is that managers more often (than employees) claim that trade union leaders played an active and important role in the restructuring process – see Table 3 and Table 4.

Table 3. Employees' evaluation of trade union participation in the restructuring process in 2002 and 2005

| | NSZZ 'S' | | OPZZ | | Other trade unions | |
|---|----------|------|------|------|--------------------|------|
| | 2002 | 2005 | 2002 | 2005 | 2002 | 2005 |
| 1. Trade unions actively participated in the preparation and implementation of restructuring programs | 56,0 | 47,1 | 49,0 | 40,8 | 44,0 | 34,1 |
| 2. Trade union is not interested in restructuring, it cares only about the high level of social security protection for employees | 20,0 | 32,0 | 21,0 | 25,6 | 24,0 | 18,7 |
| 3. Trade union is not in favour of restructuring but it tries to counteract employees' protests | 32,0 | | 33,0 | | 33,0 | |
| 4. Trade union is prepared only to protest against restructuring | 13,0 | 30,1 | 15,0 | 24,0 | 17,0 | 21,7 |
| 5. Trade union leaders are mainly interested in their own situation and posts in the managing boards | 48,0 | 52,5 | 42,0 | 47,5 | 37,0 | 36,5 |

Source: Gilejko: 2006.

Table 4. Managers' evaluation of trade union participation in the restructuring process in 2002 and 2005

| | NSZ'S' | | OPZZ | | Other trade unions | |
|---|--------|------|------|------|--------------------|------|
| | 2002 | 2005 | 2002 | 2005 | 2002 | 2005 |
| 1. Trade unions actively participated in the preparation and implementation of restructuring programs | 60,0 | 62,9 | 63,0 | 61,8 | 58,0 | 62,1 |
| 2. Trade union is not interested in restructuring, it cares only about the high level of social security protection for employees | 18,0 | 34,3 | 19,0 | 35,3 | 27,0 | 24,1 |

| | NSZ'S' | | OPZZ | | Other trade unions | |
|--|--------|------|------|------|--------------------|------|
| | 2002 | 2005 | 2002 | 2005 | 2002 | 2005 |
| 3. Trade union is not in favour of restructuring but it tries to counteract employees' protests | 33,0 | | 35,0 | | 34,0 | |
| 4. Trade union is prepared only to protest against restructuring | 7,0 | 23,4 | 14,0 | 29,4 | 12,0 | 20,7 |
| 5. Trade union leaders are mainly interested in their own situation and posts in the managing boards | 27,0 | 34,3 | 23,0 | 32,4 | 24,0 | 20,7 |

Source: Gilejko 2006.

Table 3 and Table 4 illustrate that the number of employees and managers positively evaluating the trade unions' role in the restructuring process decreased. However, the positive opinions were still predominant. The managers are generally more prone to positively evaluate the trade unions' role in the restructuring process than employees (in every category). What is more interesting is that the number of employers who said that 'trade unions actively participated in restructuring' increased while the number of employees significantly decreased. More people in both groups negatively evaluated other aspects of trade unions' activity. It refers particularly to the behavior of trade union leaders. According to respondents, more trade union leaders were only concerned with their own interest in 2005 than in 2002. This observation confirms the fact that trade union leaders very often constitute a separate interest group.

Gilejko's research (2006) also shows that, in his respondents' opinion, trade unions were active pressure groups. 51 percent of managers, 56 percent of employees and 78 percent of trade union leaders confirmed that it was only because of the pressure from trade unions that the government considered the view on restructuring held by managing boards of enterprises. Most respondents also confirmed that restructuring programs were in general formed in cooperation between the managers and the trade unions⁵.

Since the beginning of transformation trade unions have influenced the restructuring process in different ways. In the first period of transformation (1990–1992), characterized by profound socio-economic changes ('shock therapy')

⁵ 74 percent of managers, 61 percent of trade union leaders and 54 percent of employees agreed with this statement; Gilejko: 2006.

and social instability, the first governmental restructuring programs were created under the pressure of trade unions. What is even more important is that their activities in the later stages of transformation resulted in the creation of Tripartite Branch Units.

In this way trade unions (along with employers' organisations) became 'the institutional' actors in the restructuring process. As a result, it was much easier for them to choose the 'participatory strategy' instead of the 'strategy of conflict'.

In general, the activities of Tripartite Branch Units and trade unions resulted probably in higher transformation costs – but only in financial terms. It must be underlined that the entire process of transformation, very complicated in its nature, has been much more peaceful in Poland than in other countries.

Some authors argue that during the transformation process trade unions forced governments to look for alternative solutions which, although very often not in line with economic calculations, were much more acceptable to the society. Others argue, however, that those actions were the main detaining force in the restructuring process and that trade unions demanded extensive social benefits for their members at the cost of the society.

Another questionable issue is related to the role of trade unions in privatization. It particularly concerns the coal mining industry, PKP (Polish State Railways), and to a lesser extent the electric power industry where a lot of conflicts can be observed. The research conducted by Gilejko (2006) shows that the majority of trade union leaders, managers and employees were against privatization in the coal mining industry and PKP. Only in the electric power industry were the managers (83 percent) in favour of privatization but trade union leaders and employees were against. In the case of PKP, trade unions indicated that the railway generally fulfils both an economic and social function, and in the case of the coal industry those groups indicated its strategic role as the fundamental source of energy both for the industry and the society.

To sum up this part of discussion, it should be stressed that trade unions have played an important and generally positive role in the restructuring process in Poland. Trade unions and their leaders proved that, when given the opportunity to participate in the decision-making process, they may abandon the fight for their industry's exclusive interests and may agree to cooperate with other actors for a wider social interest. As a result of this cooperation, the process of restructuring gains social acceptance and may be conducted in a more peaceful way.

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