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**MONOGRAPH ON THE SITUATION OF THE SOCIAL
PARTNERS IN THE NEW MEMBER STATES AND CANDIDATE
COUNTRIES: SUMMARY**

Construction Sector

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Introduction

This summary has been produced as part of the research into the institutional representativeness of social partners in the European Union, and the situation of trade unions and employers' associations in the new Member States and candidate countries. The research has been conducted by the Institut des Sciences du Travail (Catholic University of Louvain) at the request of the Employment and Social Affairs Directorate-General of the European Commission (Call for tenders No VT/2002/83).

The aim of the summary has been to produce monographs that set out both brief descriptions of the way social dialogue functions in the new Member States and candidate countries, and descriptions of the various workers' and employers' organisations involved in social dialogue at sectoral level.

1. Background

This research is located against a backdrop of the European Commission's promotion of social dialogue at Community level and the enlargement of the European Union.

The issue of the representativeness of European organisations came to the fore in the context of the promotion of social dialogue. In a Communication published in 1993¹, the European Commission set out three criteria determining the access of employers' and workers' organisations to the consultation process under Article 3 of the Agreement on Social Policy. According to the terms of this Communication, the organisation must: *(1) be cross-industry or relate to specific sectors or categories and be organised at European level; (2) consist of organisations which are themselves part of the social partner structures of Member States which have the capacity to negotiate agreements, and which are representative of all Member States, as far as possible; (3) have adequate resources to ensure their effective participation in the consultation process.* In 1996, it adopted a consultation document² that sought to bring together the widest range of views on the measures to be employed in fostering and strengthening European social dialogue. At that point, given that the social partners at European level were, and still are, in the process of structuring themselves and accepting new applications for membership, the European Commission conducted a study on the representativeness of inter-professional and sectoral organisations in the European Union, and in a new Communication³ in 1998, announced the measures that it proposed to take in order to adapt and promote social dialogue at European Union level. In that text, the Commission reiterated the three criteria established by the 1993 Communication, permitting European organisations to be recognised as representative for consultation purposes under Article 3 of the Social Policy Agreement. These were that the social partners should *(1) be related to specific sectors or categories and be organised at European level, (2) consist of organisations which are themselves an integral and recognised part of Member States' social partner structures, having the capacity to negotiate agreements, and which are representative of several Member States (3) have adequate resources to ensure their effective participation in the consultation process.* Finally, in 2002, the Commission reaffirmed its support for a strengthening of social dialogue in its Communication entitled *The European social dialogue, a force for innovation and change*⁴. With respect to the three criteria set up by the Commission, as has been pointed out in previous studies⁵, *the changes focus on the disappearance of demands relating to the inter-sectoral nature of organisations and on the fact that they are established in all Member States; the new rules have not been formulated in a very restrictive manner, they only require employers' and workers' organisations to represent "several" Member States. This relaxation of the*

¹ COM(93) 600 final of 14 December 1993, Communication from the Commission concerning the *Application of the Protocol on Social Policy.*

² COM(96) 448 final of 18 September 1996 concerning the *Development of the Social Dialogue at Community level.*

³ COM(98) 322 final of 20 May 1998, Communication from the Commission, *Adapting and Promoting the Social Dialogue at Community level.*

⁴ COM(2002) 341 final of 26 June 2002, Communication from the Commission, *The European social dialogue, a force for innovation and change.*

⁵ Spineux A., Walthery P. et al., *Report on the representativeness of European social partners organisations*, Report coordinated by the Institut des Sciences du Travail of the Université catholique de Louvain, for the European Commission, Directorate General for Employment, Industrial Relations and Social Affairs, Louvain-la-Neuve, 1998.

implementation condition might pose a demarcation problem in the sense that there is no criterion setting out a minimum number of Member States to activate it.

Against this background, it is clear that one of the main issues, both for the Commission and for the European social partners, is the enlargement of the European Union and its impact on the process of social dialogue at Community level: *The Communication underlines the vital role and the weaknesses of social dialogue in the candidate countries. Much has been achieved over the past decade with the support of Community programmes and initiatives. However, a lot remains to be done to strengthen the capacities of social partners and involve them in the accession process⁶. As far as the European Commission is concerned, it is only with sufficiently robust national structures that the social partners will be able to participate effectively in negotiations and in other European social dialogue activities and also implement agreements at national level⁷.*

The development of social dialogue, therefore, formed part of the “*acquis communautaire*” (body of Community rules): *the Treaty requires that social dialogue be promoted and gives additional powers to the social partners. The candidate countries are, therefore, invited to confirm that social dialogue is accorded the importance required and that the social partners are sufficiently developed in order to discharge their responsibilities at European Union and national level, and to indicate whether they are consulted on legislative drafts relating to the taking over of the employment and social policy acquis... Therefore, the development not only of tripartite structures but also of autonomous, representative bipartite social dialogue is an important aspect for the future involvement of the candidates countries' social partners in the social dialogue activities developed at European and national level⁸.*

Enlargement of the European Union is a major issue from a quantitative and qualitative point of view: *The quantitative leap is quite clear as soon as the number of partners rises. The delegations taking part in social dialogue will be enlarged, and that, as we know, does not facilitate dialogue. However, the leap is also qualitative in that the new entrants present the industrial relations systems they have inherited from their national histories⁹. By and large, most of the country studies are notable for strongly developed tripartism, but for weakness at central bipartite level, in social dialogue at sectoral level, and at the level of organisations, particularly employers' associations.*

This study may be seen as a tool for understanding these quantitative and qualitative factors. It will shed light on the various industrial relations systems in the different countries and introduce the actors involved in social dialogue.

2. The research process and methodological remarks

For the purposes of conducting this research, a network of university researchers was established for the 13 new Member States and candidate countries. These researchers are independent both of the European Commission and of employers' and workers' organisations. Each researcher was tasked with producing a report on the basis of a common canvas, and a questionnaire dealing specifically with the realities of the new Member States and candidate countries was drawn up for this purpose (see questionnaire in the Annex). The Institut des Sciences du Travail (IST) was responsible for coordinating and writing the summaries, and reiterates its independence with respect to the political consequences and decisions that may flow from this study.

The research process that was developed involved not only the gathering of quantitative and qualitative information on the actors and the social dialogue in which they take part, but also an active approach to constructing a consensus that forms an integral part of the social dialogue. For example, while in many cases the data collected do not make it possible to be wholly objective about the role played by organisations, the contacts made in the course of collecting the

⁶ *Op cit.*

⁷ *Op cit.*

⁸ *Enlargement of the European Union. Guide to the negotiations. Chapter by chapter*, European Commission, DG Enlargement, June 2003.

⁹ Léonard E., Spineux A., *Les relations industrielles en Europe aujourd'hui*, Institut des Sciences du Travail, UCL, 2003 (unpublished).

data and discussions with the various actors concerned will *form an integral part of a process of mutual recognition*¹⁰. Each national expert's report has been submitted to the national organisations to enable them to submit comments on the data collected. It follows that the main sources used in the course of this study are the social partners themselves. The IST coordinating team then collated the information that had been gathered, presented information taken from the expert's reports, and produced a comparative analysis for the different countries. The report was then submitted to European social partners in the construction sector for them to comment on the report.

The bodies consulted were the European Federation of Building and Woodworkers and the European Construction Industry Federation. Their comments and reactions have been included in the report.

Generally speaking, the construction sector is not defined in the same way in all countries. While the NACE codes can be used as an indication, each of the monographs describes the situation in the national context. The definition given in each monograph takes into account the structuring of CB in the sector and the structuring of employees' and employers' organisations, that is to say the field covered by each organisation. The organisations have no common delimitations, which may explain possible divergences in the way sector delimitation has been interpreted. The study briefly examines the question of the delimitation of the construction sector country by country. We have tried to respect national concepts and realities as far as possible.

The NACE classification for the construction sector is shown for information purposes only. Construction activities correspond to Sections 45 of the nomenclature, respectively:

45 CONSTRUCTION

45.1 Site preparation

45.11 Demolition and wrecking of buildings; earth moving

45.12 Test drilling and boring

45.2 Building of complete constructions or parts thereof; civil engineering

45.21 General construction of buildings and civil engineering works

45.22 Erection of roof covering and frames

45.23 Construction of motorways, roads, airfields and sport facilities

45.24 Construction of water projects

45.25 Other construction works involving special trades

45.3 Building installation

45.31 Installation of electrical wiring and fittings

45.32 Insulation work activities

45.33 Plumbing

45.34 Other building installation

45.4 Building completion

45.41 Plastering

45.42 Joinery installation

45.43 Floor and wall covering

45.44 Painting and glazing

45.45 Other building completion

45.5 Renting of construction or demolition equipment with operator

45.50 Renting of construction or demolition equipment with operator

Lastly, given that national situations are very changeable and evolve rapidly, it is important to bear in mind that the aim of this study is to present a "snapshot" of the situation of the organisations in 2004. Interviews with the organisations took place, and the national reports were written, between February and March 2004.

¹⁰ *Reply to Call for tenders VT/2002/83. Studies on the representativeness of the social partners at sectoral level in the European Union and monographs on the situation of the social partners in the candidate countries*, Institut des Sciences du Travail, UCL, 2002.

Note: the abbreviations used in this summary are:

CA collective agreement

CB collective bargaining

Density Number of salaried workers or companies affiliated divided by total number of salaried workers or companies in the sector

2. Industrial relations and organisations active in the construction sector

A cursory glance at the sector in the countries concerned reveals that the construction sector is characterised by a large number of small enterprises (fewer than 10 employees, as in Bulgaria, Cyprus, Poland and Romania), very small enterprises (fewer than 5 employees, as in Hungary), and with enterprises that have no employees (as in the Czech Republic, Malta and Slovakia), which make up the majority. While the informal economy is only established in the construction sector to a certain degree – and it is therefore difficult to estimate the sector's weight in the national economy – it can nevertheless be considered to be relatively important.

With regard to sectoral tripartite consultation, the social partners and government do not habitually have recourse to this type of negotiation. Exceptions to this are to be found in Bulgaria and Slovakia, where tripartite consultation has a long tradition. Meetings nevertheless take place at sectoral level held, and sometimes take the form of a forum. They are primarily consultative.

Sectoral organisations are often represented in national tripartite consultation through their respective federations (intersectoral organisations). In some countries, representatives are sometimes consulted on matters affecting the sector.

Bipartite social dialogue generally takes place at sectoral and enterprise levels. Collective bargaining also takes place at supra-enterprise level in certain countries including Cyprus, Latvia and Poland. As a result, almost all collective agreements in the construction sector are concluded at sectoral or enterprise level. Collective agreements are also signed at supra-enterprise level (e.g. the Czech Republic). In some countries, there is no bipartite social dialogue at all.

Organisations active in the sector, whether representing workers or employers, have often been in existence for decades and generally have been registered in their present-day form in the early 1990s. Their number, structure, density and powers are relatively varied. Indeed, while the number of organisations taking part in collective consultation varies from zero to nine, the plurality of organisations is more the exception than the rule and, more often, only one or two organisations represent workers on the one hand and employers on the other. In general, these organisations take part in consultations, negotiations and the conclusion of agreements at certain levels, and sometimes at all levels. They are generally members of national and international organisations and sometimes participate, usually indirectly, in tripartite consultation.

In Bulgaria, tripartite consultation is most relevant and effective at national level. In contrast with many other sectors, tripartite dialogue in the construction sector is the rule. To some extent, one of the reasons for this better outcome is the personal skills of the trade union leaders', who are very experienced at negotiating with the Ministry and employers. Tripartite cooperation at sectoral/branch level is organised by the state, and depends to a large extent on the goodwill of the government and the relevant ministry. Decisions are taken by consensus. The decisions of the National Council for Tripartite Cooperation are binding on the Sectoral Tripartite Council, a consultative body set up to ensure tripartite cooperation in the construction sector. The Sectoral Tripartite Council ceased its activities in October 2003, pending the election results. The names of the new Council members will be announced in the course of this research. The only criterion for the representativeness of sectoral/branch workers' and employers' organisations is their membership of nationally representative trade union confederations or employers' associations. Members of the Council have signed four CAs, known as "Sectoral Collective Labour Contracts", and one memorandum, but only two of the CAs have been signed for the construction sector (1997 and 2002). It is important to point out that bipartite CAs are also signed within the framework of the Sectoral Council. Resulting agreements move from the consultation stage to the implementation stage depending on the terms of the CA: they usually include an obligation on companies that are members of the employers' organisation(s) to implement the clauses of the sectoral CA at enterprise level, and the sectoral CA in turn takes the Labour Code into account (i.e. implementation relies indirectly on the law). There are no informal procedures for tripartite dialogue.

As for bipartite social dialogue, there is CB at sectoral and enterprise level. At the moment, sectoral and company levels are equally developed, at least in terms of coverage rate. The principle of subordination between different levels is incorporated into the rules and regulations, and the Labour Code itself is binding on the levels. In other words, the

initiative for CAs moves from the top to the bottom of the scale. It follows that the sectoral level is more important. Recognition of the social partners' representativeness at sectoral and branch level depends solely on membership of employers' or workers' organisations that are representative at national level. At enterprise level, all trade union organisations can negotiate with the employer in the bargaining process. Agreements are normally implemented according to the terms of the signed CAs. However, although support has come from the state, the sectoral tripartite council and the trade unions, there are still obstacles to the development of bipartite social dialogue: firstly, sectoral collective labour contracts have relatively limited coverage (20-25%), secondly, the sectoral contract is often breached, thirdly, the implementation of sectoral collective labour contracts (agreements) is hampered by the seasonal nature of work in the sector, and fourthly, the grey economy (i.e. illegal employment). Employers are more inclined to take part in sectoral tripartite council meetings than in sectoral CB.

The sector is not subdivided by social partners – indeed, trade unions in the sector even certain some activities in other sectors – but the four employers' organisations are much more fragmented in organisational terms than the two trade unions. We identified a few employers' associations in the sector, but only one has so far signed a CA. So far, trade unions have had to negotiate with only one employer; in the future, though, the sectoral agreement in the construction sector will have to be signed simultaneously by two trade unions and several employers' organisations.

In Cyprus, there is no tripartite social dialogue specifically for the construction sector: social dialogue addresses the country's overall economic and social policy, and it also embraces consultation at sectoral level. One agreement is signed in the construction sector, usually every two years. Social dialogue often moves from a bipartite to a tripartite structure, with the state getting involved in negotiations. There are also other kinds of consultation involving the government and the social partners at sectoral level. The results are very encouraging. There are no informal procedures for tripartite consultation.

As for bipartite social dialogue, CB takes place, depending on the issue, at sectoral, supra-enterprise and enterprise level. These levels are interconnected, but it should be noted that nearly all current CAs in the construction sector are sectoral. The social partners and the government encourage the promotion of bipartite social dialogue. Bipartite social dialogue at sectoral level is possible, but usually the issues to be resolved have already been raised nationally, and a tripartite social dialogue may also be necessary. The social partners do not have formal reciprocal recognition systems, although bipartite representatives will not negotiate unless they are recognised by both sides. Informal procedures pertain mainly to contacts by workers and union members directly with the proprietor or general manager of the enterprise concerned, and allow for grievances to be resolved without them being formally registered with the trade union. At enterprise level, the social partners may conclude agreements relating to issues in the sector. There are no formal procedures for extending CAs concluded in one enterprise to other enterprises that are not signatories to the agreement. There are no obstacles to bipartite social dialogue at sectoral level. Negotiations generally end with tripartite dialogue.

The main workers' organisations in the construction sector are the Cyprus Building, Wood, Mines and General Workers' Trade Union and the Federation of Builders, Miners and Related Workers of Cyprus. The former, which was set up in 1936, has membership of about 13,000 including 500 white-collar workers, thereby accounting for about 40% of all paid workers in the broad construction sector. This trade union takes part in consultations, and negotiates and signs agreements at all levels. At international level, it is a member of the UITBB. The second of these two trade unions was established in 1959. Its membership stands at around 10,000, including about 500 white-collar workers, and accounts for some 30% of all paid personnel in the broad construction sector. The Federation takes part in consultations at sectoral, supra-enterprise and enterprise level, negotiates and signs CAs at all levels, and participates in tripartite consultation. At international level, it is a member of the IFBWW.

The main employers' organisation in the construction sector is the Federation of the Associations of Building Contractors of Cyprus. It was created following the affiliation of the five District Associations of Building Contractors (the first of which was established as far back as 1940) and registered in 1995. It has about 800 member enterprises, which employ 16,000 people, that is to say a company density of about 35% and an employee density of 75%. It takes part in consultations at sectoral, supra-enterprise and enterprise levels, negotiates and signs CAs at all levels, and takes part in tripartite consultation. At national level, it is a member of the Employers' and Industrialists' Federation (OEV). At European level, it is a member of the FECCI.

In the Czech Republic, there is no tripartite body at sectoral level. There are irregular meetings between representatives of government, employers' organisations and trade union federations as part of working groups set up by several Ministries.

With regard to bipartite social dialogue, CB at sectoral level takes place between the employers' federation and the two trade union federations active in the sector. These negotiations lead to higher-level CAs concluded with each of the two

trade union federations separately. Enterprise-level CAs are also negotiated. There are no formal (legally established) systems for reciprocal recognition between the social partners because authorisation to engage in CB and to conclude CAs is not tied to any principle of representativeness adopted by the parties to these agreements. In sectoral social dialogue in the Czech Republic, the non-existence of employers' organisations in the sector and the reluctance of existing employers' federations to engage in CB are generally seen as the main obstacles to the development of social dialogue at sectoral level. There is no special link between tripartite consultation and bipartite social dialogue in the sector. Sectoral-level agreements may be extended, but not those at enterprise level.

In the construction sector, trade union plurality in enterprises is the exception rather than the rule. There are two workers' organisations in the sector: the Trade Union of Building Workers of the Czech Republic and the Trade Union of Transport, Road and Car Repair Services Workers of Bohemia and Moravia. The former dates back to the 19th century, before the federal organisation was split into two separate trade union federations in 1992, one operating in the Czech Republic, the other in Slovakia. The first organisation has 30,547 members, 25% of whom are pensioners. Density stands at 10.3%. It is a member of the Czech-Moravian Confederation of Trade Unions, the EFBWW and the IFBWW. The second union, the Trade Union of Transport, Road and Car Repair Services Workers of Bohemia and Moravia split from the old Transport and Road Management Trade Union in 1991. It has 21,155 members, 94% of whom are employees and 6% are pensioners. Density stands at 7.1%. The organisation is involved in the work of the Economic Committee of the Chamber of Deputies of Parliament of the Czech Republic, and is a member of the Czech-Moravian Confederation of Trade Unions. Both of these trade unions take part in consultations and negotiations, and in meetings with representatives of state authorities, employers and other trade unions, and play an indirect role in tripartite consultations. They are also authorised to conclude higher level CAs.

The active employers' organisation in the sector is the Association of Entrepreneurs in Building Industries in the Czech Republic (SPS). It was founded in 1990, and currently has over 1,300 members, representing more than three quarters of building capacity. It has engaged in CB since 1991 and conducts it at sectoral level. Specialists from member firms take part in the work of various expert groups. The federation takes part in tripartite consultations at national level via the Confederation of Entrepreneurs' and Employers' Associations of the Czech Republic. The SPS is also a member of the Housing Association and the FIEC, and co-operates with partner employer federations abroad.

Tripartite consultation is not well developed in the construction sector in Estonia, or, for that matter, in the majority of the country's industries. At sectoral level, there is no bipartite dialogue either. In fact, as there are no trade union organisations at enterprise level, there is no social dialogue – and, therefore, no CAs – at enterprise level either. All enterprises are privately owned and relatively small.

There are two employers' organisations in the sector, the Estonian Association of Construction Entrepreneurs and the Estonian Association of Electrical Enterprises. The former is a voluntary association of construction enterprises established in 1991. In March 2003, it had 83 member organisations. The member organisations' combined overall turnover accounts for more than 45% of the turnover of all construction companies in Estonia. The members are represented on the National Licence Committee and the Foundation for Construction Information. Representatives also sit on commissions dealing, for example, with labour disputes. The second organisation, the Estonian Association of Electrical Enterprises, is also a voluntary association; it was founded in 1995 and has 107 member organisations. It cooperates with many non-profit, educational and other bodies, as well as several government organisations in Estonia and abroad. Both associations are members of the Estonian Chamber of Commerce and Industry and of the Estonian Employers' Confederation (the employers' representative in tripartite consultation at state level), through which they are also involved in social dialogue. These two employers' organisations cover only about 8.5% of all enterprises in the construction sector.

Lastly, there are several professional unions and organisations in the sector, but none of them acts as a social partner.

In Hungary, there is no tripartite consultation at sectoral level, and most consultation relates to discussion of drafts prepared by the respective Ministries. The construction sector is highly segmented, and there is no single government partner that facilitates sectoral policy and accompanying social dialogue, although there is an ad hoc institution, the Construction Forum, in which representatives of different business interests may consult one another on bills and other government policy documents. The social partners in the forestry industry are part of the Agriculture and Regional Development Council, the tripartite social dialogue commission of the Ministry of Agriculture and Regional Development. Although sub-sectoral CB is not linked to tripartite social dialogue, there are informal ties between CB and tripartite social dialogue in the case of the forestry industry, where for all practical purposes, the sub-sectoral agreement covers all state-owned forestry companies. Issues discussed in the sub-sectoral tripartite social dialogue have a direct impact on the content of the sub-sectoral CA.

As for bipartite social dialogue, following the collapse of sectoral level CB at sectoral level, there are hardly any current negotiations between the social partners. Just mutual expressions of goodwill. This situation is partly due to the absence of the necessary legal framework. A sectoral social dialogue committee established in 2003 covers the construction industries as well as other sub-sectors, but it has no clear mandate, and does not seem to receive support from the Ministries responsible for sectoral governance. Its work is supported by the Ministry of Labour and Employment, which sees its role as that of facilitating bipartite social dialogue, and of not being involved in sectoral issues, which are the responsibility of other Ministries. Most CAs concluded at sectoral level are signed not only by the respective employers' association, but also by member companies prepared to accept the terms. It is therefore more accurate to speak of voluntary multi-employer agreements than of a sectoral agreement covering all of the employers' association's members. None of these agreements covers non-member undertakings. Most CB in the construction industry takes place at workplace level, but the number of companies concluding workplace-level agreements has decreased substantially. The importance of these agreements varies widely depending on the nature and fragmentation of the sub-sectors.

The industry has three trade union federations: the Federation of Building, Wood and Building Industry Workers' Unions, the National Confederation of Building Workers' and Associated Trade Unions and the Trade Union of Forestry and Wood Industry Employees. The first is the major union federation in the construction industry. It has under 12,000 members; it belongs to the National Confederation of Hungarian Trade Unions, and is a member of the EFBWW. The second organisation, the National Confederation of Building Workers' and Associated Trade Unions, is the member organisation of the National Federation of Workers' Councils, and is also a member of the EFBWW and of the Construction Sector Union of the WCL. Since 1998, the Confederation's President has represented Hungarian construction unions on the European-level sectoral social dialogue committee as an invited observer. The third body, the Trade Union of Forestry and Wood Industry Employees, sits on the Agriculture and Regional Development Council and maintains a close working relationship with the State Property Agency. It is a member of the EFBWW. These three trade unions were set up in the early 1990s and their organisational structure reflects the trend towards decentralisation. All are loose umbrella organisations for their member unions, which in turn are sub-sectoral federations and/or company unions. In 2002, the three federations concluded a cooperation agreement that reinforces cooperation among unions in setting up sectoral social dialogue committees. Workplace union organisations only exist in major enterprises that are successors to the former state-owned companies. Union presence in the construction industry is somewhat weaker than in the economy as a whole; the same holds for trade union membership, CB coverage and the presence of Works Councils. On the other hand, there are a further 4,000 union members in autonomous company union organisations that do not belong to any of the three union federations referred to above. None of the smaller company-based unions belongs to the sectoral social dialogue committee.

There are nine employers' organisations active in the sector: the National Federation of Hungarian Contractors (1989, 540 members employing 10,000 workers, and a member of the Confederation of Hungarian Employers and Industrialists, the National Association of Entrepreneurs and Employers, FIEC, FISE and Eurowindoor); the Hungarian Federation of Forestry and Wood Industries (1990, 181 members accounting 60 to 100% of industrial output, participation in the Agriculture and Regional Development Council, a member of CEI-Bois and MGYOSZ, and a close relationship with CEPF and EOS); the Construction Section of the National Federation of Craftsmen Boards (approximately 16,000 members, observer status in the European Builders' Confederation (EBC)); the Hungarian Association of Building Materials Industry (1991, 170 members accounting for about one quarter of the output of the construction industry; a member of MGYOSZ); the National Carpentry and Wood Industry Association (1990, 1,100 members, a member of the International Union des Schreiner- und Möbelhandwerk); the Association of Hungarian Furniture Manufacturers (1990, 106 members producing approximately 40% of the industry's output; a member of UEA, CEI-Bois, the sectoral social dialogue committee and MGYOSZ); the Hungarian Cement Association (1990, 10 members, Ordinary Member of the European Cement Association, Associate Member of the German Cement Association, member of the MGYOSZ); the Professional Body of the Construction Industry (not a traditional employers' association, its role being the facilitation of debate in the industry on a wide range of issues); and the Chambers of Industry and Commerce (1994, of minor importance compared with the above-mentioned major organisations; not members of the sectoral social dialogue committee).

In Latvia, the organisations that take part in tripartite consultation are the government, the employers' organisation and the workers' organisation active in the sector (only in instances where their experience is required). These meetings take place very rarely and on an exceptional basis. Both organisations participate in tripartite consultation as representatives of higher institutions. The construction sector's organisations participate only as consultants when matters relevant to the sector are under review on the national tripartite social dialogue body, the National Tripartite

Cooperation Council. Issues concerning the building industry are not discussed very often. There is no agreement specific to the construction industry.

Bipartite social dialogue in the building industry is developing at both sectoral and supra-enterprise levels, but progress is slow: at sectoral level, the obligation to participate in negotiations being confined to companies that are parties to an agreement. The agreements signed by the employers' organisation and the workers' organisation cover around 60% of people linked to the industry, and only affect companies that are members of the employers' organisation. At supra-enterprise level, the workers' organisation takes an active part in social dialogue. Agreements only cover employees of signatory companies. At enterprise level, implementation usually involves a CA. In theory, bipartite social dialogue exists at this level, while the only difference between the supra-enterprise and enterprise levels is that the former involves several companies and the latter only one.

The Latvian Builders' Union was established in 1990 and has more than 3,000 members. It plays an active role in social dialogue, takes part in the development of state policies, and participates in tripartite consultation as a consultant. The union cooperates with other Latvian and international trade unions and is a full member of Free Trade Unions' Federation of Latvia and of the IFBWW. Through this co-operation, it participates in experience and knowledge exchange at both national and international levels. The union has taken an active part in the European Union "Professional Education – 2000" and "Structure of the professional qualification in the construction sector" Phare programmes.

In 1996, 57 of the biggest construction companies in Latvia came together to establish a public employers' organisation, the Latvian Construction Contractors' Association. Today it has more than 200 members. In 2001, construction companies belonging to the Association carried out more than 77% of all construction works in Latvia. The construction industry also employs more than 19,800 workers in member companies (approximately 35% of all people employed in the building industry). The organisation is a member of the Latvian Chamber of Commerce and Industry and a collective member of the Latvian Employers' Confederation, through which it represents the interests of employers in the National Tripartite Cooperation Council. It is a member of the Licence Committee, Building Materials and Building Articles, the Quality Evaluation Centre Supervision Council, the Latvian Republic Purchase Supervision Office Complaint Consideration Committee, the Latvian Republic Standardisation Committee, and the Consultative Council of the Latvian Hipoteku and Zemes Bank. The Association works with many organisations in the building and related industries in Latvia, and has also established cooperative links with similar construction sector organisations abroad.

In Lithuania, there is no tripartite consultation in the construction sector. Representatives of construction workers participate on the national tripartite council through their representatives in the national confederations. The employers' organisation also has regular meetings with various government Ministries, but these do not involve the workers' organisation.

Bipartite social dialogue takes place only at enterprise level. The government gives no active encouragement to social dialogue. Preliminary discussions have taken place between the two social partners, but not one branch of industry in Lithuania has concluded a CA at sectoral level. At enterprise level, approximately 1% of companies are covered by CAs but these agreements only cover up to 3% of workers. Under Lithuanian law, any CA automatically covers all workers in the firm, but the union will not defend workers who are not union members. The new Lithuanian Labour Code also has plans for Labour Councils, which would be established by companies for their workers and would be entitled to conclude CAs, but would not have the independence of a trade union. The new provision also allows national unions to conclude CAs with enterprises. Employers often oppose any attempts to organise workers.

Trade union organisations for construction workers began to be established at the end of the 19th century. At present, the only workers' organisation active in the sector is the Lithuanian Building Workers' Trade Union (1992). There are 3,000 individual members, with a density of 3%. The union only participates in tripartite negotiations through its membership of the intersectoral union confederation. The organisation is affiliated directly to the Lithuanian Confederation of Trade Unions, and indirectly to the ETUC.

The Lithuanian Builders' Association is the only employers' organisation active in the sector. In 1993, and with the approval of the Lithuanian Government, 24 of the largest construction companies formed the Lithuanian Builders' Association. It was formally registered in 1995. Today the Association has 125 members (Density: 5%). The Association is actively involved in the organisation of exhibitions at national and international level. It has entered into cooperation agreements with European federations and collaborates with similar organisations in other countries. The organisation only takes part in tripartite consultation through its membership of the intersectoral confederation. It is affiliated to the Lithuanian Confederation of Industrialists, and indirectly to the Union of Industrial and Employers' Confederations of Europe, the International Organisation of Employers and the International Confederation of Industrialists and Business People.

In Malta, tripartite consultation in this sector takes place on the Building Industry Consultative Council, the main forum for tripartite consultation at sectoral level. It was set up by the government in 1997, and the social partners are among the main actors involved in this consultation. The Council promotes the development of tripartite consultation on a regular basis. As the forum is consultative, it cannot enforce any agreements, but is able to put pressure on the players to comply with the industry's rules and regulations.

There is no bipartite social dialogue at sectoral level; it takes place at enterprise level only. Naturally the trade unions are the key players involved in this bipartite social dialogue. There is no effective link between the three different levels (i.e. sectoral, supra-enterprise and enterprise) because the industry is too competitive. This competitive element is also visible amongst workers. There are no procedures for extending CAs to parties that are not signatories to the agreement.

There are two workers' organisations: the General Workers' Union and the Union of United Workers. The first is by far the largest trade union in Malta. It was founded in 1943 and has a total of around 47,254 members, about 1,000 of whom work in the construction sector: its CAs cover around 60% of all employees working in the sector's "installation" and "finishing" phases. The union takes part in consultations at enterprise level and is empowered to sign CAs (all agreements are signed at enterprise level). On an international level, the organisation is a member of various networks of other unions and confederations, including the International Confederation of Free Trade Unions, of which it is a founding member. The General Workers' Union represents Maltese workers at the ILO and the Geneva conference, and is affiliated to the CTUC, the ETUC and many international/European Trade Secretariats. At national level, it is a member of "Din L-Art Helwa", a non-governmental environmentalist organisation. Malta's second largest union, the Union of United Workers, was founded in 1966 and officially registered in 1978. It has a total of around 25,882 members. The Union's CAs cover around 200 workers in the construction sector. It has been a full member of the International Federation of Employees in the Public Service since 1971, and is also a member of the European Organisation of Public Service Employees. Through its affiliation to the Confederation of Malta Trade Unions, it has very close relations with the WCL, ETCU, ICTUC and FERPA. The Union also has contacts and good relations with a large number of foreign trade union organisations. Both unions take part in tripartite consultation.

The Federation of Building and Civil Engineering Contractors and the Association of Retailers and Traders are the two employers' organisations active in the sector. The first, set up three years ago, is the first-ever initiative by employers in the construction industry to form a federation, and joined forces with the Malta Federation of Industries in early 2004. It does not take part in CB, but has 20 enterprises in membership that represent about 60% of the major companies. These companies employ about 3,500 salaried workers, that is to say around 50% of workers in the sector. The federation therefore acts more as a lobby group than as a negotiating body. The second employers' organisation, the Association of Retailers and Traders, has five divisions, one of which is the "Construction and Development" Division. It does not sign CAs in this sector and is not involved in any negotiations with trade unions. The Division generally deals directly with government officials with a view to finding solutions to problems that might be harmful to the industry. These meetings take the form of bipartite social dialogue between construction firms and the government.

In Romania, collective bargaining takes place at sectoral and enterprise level, but there are no tripartite social agreements at sectoral level. The social partners take the view that the authorities are not interested in promoting tripartite social consultation at sectoral level.

Bipartite social dialogue functions equally well at sectoral level and at enterprise level. There are no obstacles to the development of bipartite social dialogue at sectoral level. The problem raised by social dialogue at enterprise level is that there are no trade unions in some enterprises, either because there is not the necessary number of members stipulated by law, or because certain employers' organisations exert pressure on salaried employees. The state authorities are not interested in promoting social dialogue at this level. At sectoral level, there is no (legal) obligation to participate in the negotiations, but the law states that the coverage rate of collective agreements is 100% both for enterprises and for salaried employees. Collective agreements at enterprise level cover about 30% of enterprises and 70% of employees. Collective agreements cover all salaried employees in enterprise where they have been concluded; employees not represented in the negotiations are covered as well.

There are three workers' organisations active in the sector: the "FAMILY", General Federation of Trade Unions in Building, Building Materials, Ceramics, Public Services and Commerce; the Federation of Railway and Communication Lines Builders' Trade Unions; and the National Federation of Building-Assembling Trade Unions "Anghel Saligny". The first was set up in 1990 and has about 61,550 individual members in its 200 trade unions. Density for the sector is 11.4%. The Federation takes part in negotiations and consultations, especially at sectoral level, and negotiates collective agreements and helps settle disputes at enterprise level. As far as tripartite social dialogue is concerned, the Federation does not participate directly, but through the National Trade Union Block, to which it is affiliated as a full

founding member. Indirectly, it is affiliated to the ETUC and the International Confederation of Free Trade Unions and directly, as a full member, to the IFBWW. The second Federation, which was founded in 1991, has 120,000 workers in membership (density: 35%). It participates in consultations at sectoral level and enterprise level and, if asked to do so, gives support and assistance in concluding collective agreements at enterprise level. The Federation also participates in tripartite consultations (although it is not party to tripartite agreements) and in the negotiation of branch-level collective agreements. The third Federation was established in 1995, and represents approximately 25,000 members (density: 10.0%). Salaried employees make up about 7.3% of workers in the construction sector. The Federation takes part in consultations at sectoral and enterprise level, and negotiates and signs collective agreements at branch level. The Federation does not sign collective agreements at enterprise level, but participates directly and indirectly in tripartite consultation. It is directly affiliated as a full member to the National Confederation of Free Trade Unions in Romania, and indirectly to the ETUC and the International Confederation of Free Trade Unions.

Two employers' organisations are active in the sector, the Romanian Association of Construction Entrepreneurs (RACE) and the Building Societies' Employers Organisation (BSEO). The first was established in 1990 and currently represents 1,100 enterprises and 400,000 salaried employees. The density is 6.6% for enterprises (these companies carry out over 80.0% of construction activity in Romania), and over 90% for employees. The Association participates in consultations at sectoral level, but at enterprise level, only in situations where its support is requested. The Association also negotiates and signs CAs at sectoral level and at national level. As for tripartite consultation, it has observer status on the Economic and Social Council. It is the founding member of the Romanian Employers' Confederation and a full member of the EFCI. The second body, the Building Societies' Employers Organisation (BSEO), was founded in 2001, and represents 240 enterprises (density: 1.4%). The organisation participates in consultations at sectoral level, and also at district and enterprise level. It negotiates collective agreements at sectoral level (i.e. the Collective Agreement for the Construction Branch), but does not sign collective agreements at enterprise level. The BSEO participates indirectly in tripartite consultations and is affiliated, as a full member, to the General Union of Industrialists in Romania, and to the Romanian Employers' Confederation. It is also affiliated, as a full member, to the EUCP.

In Poland, the Tripartite Commission is a social dialogue forum designed to accommodate the interests of workers and employers and the public good. There is no permanent working group in the Commission that deals specifically with the construction sector, and no CA has been signed for the sector as a result.

As for bipartite social dialogue, the social partners are able to conclude CAs at supra-enterprise level (sectors or branches), enterprise level and regional level, but in practice, CAs in the construction sector are only concluded at enterprise level. The social partners are under no obligation to participate in collective bargaining, but all accredited organisations must be invited and at least one supra-enterprise trade union organisation must take part; if not, negotiations cannot take place. It is theoretically possible to extend a CA concluded at supra-enterprise level to an enterprise not covered by the agreement, but in practice the government does not generally use this power. The sectoral level is characterised by a desire to engage in dialogue and to launch certain initiatives, though CAs have not been concluded. At enterprise level, trade union delegations negotiate CAs autonomously with their employers. The number of conventions concluded in the construction sector is extremely low; they cover only 1.7% of workers.

The three workers' organisations active at supra-enterprise level in the construction sector are the Budowlani trade union, the Building and Wood Workers' Secretariat of NSZZ Solidarnosc, and the Construction Section of the Trade Union Forum. Owing to the very different origins of the three organisations, their current structures vary widely. The first has been in existence since 1892, and in its current form since 1991. With 25,000 working members, its density is around 4.3%. This union is entitled to take part in negotiations at sectoral level and to conclude CAs at supra-enterprise level. Its delegations at enterprise level may also negotiate and conclude enterprise-level collective agreements. The organisation takes part indirectly in tripartite consultation and is a member of the National Alliance of Trade Unions, has observer status with the European Federation of Building and Woodworkers, and is a member of the International Federation of Building and Wood Workers. The second organisation, the Building and Wood Workers' Secretariat of NSZZ Solidarnosc, was registered as a single trade union in 1980, and obtained legal personality in 1991. The union has around 16,000 members in its different structures (density of around 2.8%): it is entitled to negotiate at supra-enterprise level and to sign sectoral CAs, and its delegations are authorised to negotiate and conclude CAs at enterprise level. The organisation takes part indirectly in tripartite consultation, is a member of the independent self-managing trade union Solidarnosc, has observer status with the European Federation of Building and Wood Workers and is a member of the International Federation of Building and Wood Workers. The third union, the Construction Section of the Trade Union Forum, is a section of the Trade Union Forum confederation, and is constituted primarily of Forum member unions including the Professional Union of Engineers and Technicians. Membership stands at about 8,000 or 10,000. All tripartite consultation concerning this union is conducted by the Trade

Union Forum, of which it is a member. The Union of Engineers and Technicians is authorised to negotiate sectoral CAs, but at enterprise level, only delegations of this trade union have concluded CAs. Employers' organisations are quite young. The National Association of Building Employers came into existence in 1992. It is deemed to be a not-for-profit organisation and currently has some 120 Polish and international member enterprises (density: 0.03%). Density in respect of workers is 5.2%. The Association is a member of the Polish Confederation of Private-Sector Employers, through which it has access to tripartite consultation, and of the European Construction Industry Federation. It is entitled to negotiate CAs at supra-enterprise level. The Association of Employers-Manufacturers for the Construction Industry was formed in 2002. It has 28 members employing around 8,000 workers (density: 0.008%); worker-level density is an estimated 1.4%. The Association is empowered to participate in social dialogue and in sectoral negotiations, and is a member of the Polish Confederation of Private-Sector Employers, through which it plays an indirect role in national tripartite consultation. The Construction and Property Confederation was founded on 1 April 2004 following a restructuring of the Federation of Employers and Contractors of Building Industries (founded in 1995). It has 14 member organisations, and cooperates with and represents another three organisations. The Federation of Employers and Contractors of Building Industries is Poland's leading employers' confederation: its 14 member organisations represent 4,500 companies and around 250,000 workers (density: 1.25%). Density in terms of workers is 43.4%. The Federation is represented on the Tripartite Commission by the Association of Craft Workers, and is entitled to participate in social dialogue at sectoral level. Collective agreements have been signed by Federation members at enterprise level.

In Slovakia, CB at tripartite level is organised on a regular basis. The top-level meetings at national (tripartite) level are held on the Council of Economic and Social Consultation, and aim to conclude tripartite agreements. In fact, they are gentleman's agreements. The construction sector is represented on the Council by the Federation of Employers' Associations of the Slovak Republic and the trade union representatives; the government is represented by the Ministry of Construction and Regional Development, the Ministry of Transport, Post and Telecommunications, and the Ministry of Labour, Social Affairs and the Family. Negotiations at tripartite level conclude with the issuing of non-binding recommendations.

Bipartite social dialogue takes place at sectoral and enterprise levels, with both playing crucial roles. At sectoral level, the partners usually conclude bipartite sectoral agreements that have the power of law. The sectoral CA covers all salaried workers employed by enterprises in turn represented by the employers' organisation that concludes the agreement, and can be extended to other companies in the sector. The sectoral agreement covers approximately 28,000 employees in the construction sector. At enterprise level, the partners conclude an enterprise CA, which is directly linked to the sectoral CA. The enterprise CA also has the power of law and is therefore applicable in all companies represented by the employers' organisation. The terms and conditions of the CA automatically cover all the employees of a given enterprise regardless of trade union membership. In recent years, no sectoral CA has extended its coverage to the construction sector. The Construction and Building Materials Workers' Union supports CB at enterprise level and, if requested, represents the enterprise trade union section in its negotiations with the employer.

The trade union presence in enterprises is weak for a number of political, economic and social reasons. One organisation is active in the sector: the Construction and Building Materials Workers' Union of the Slovak Republic. It was established in 1990, and has 15,183 members in 191 enterprises. The Union's chairman is an active participant in the tripartite negotiating process. The Union itself is a member of the Confederation of Trade Unions of the Slovak Republic and has observer status in the EFBWW, where it plays an active role. Under bilateral agreements, the Union co-operates closely with partner trade unions abroad.

The employers' organisation is the Association of Construction Entrepreneurs of Slovakia. The Association was established in 1990. Its 210 or so enterprise members employ about 28,000 workers. At a European level, the Association had observer status in the FIEC from 1991, before becoming a full member in 1994.

In Slovenia, tripartite consultation is the exception in the sector. In practice, there is no tripartite consultation, although certain forms of such communication, in which the state is also involved, do exist.

As for bipartite social dialogue, employers and employees regulate their relations at sectoral and enterprise level through CAs. At macro level, the social partners have a tripartite social agreement that determines bipartite social dialogue at sectoral level: it is here, the most highly developed of all the sectors, that there is a certain personal link (the union) between two organisations. Companies are required to be members of the Slovenian Chamber of Commerce. CA implementation is compulsory by law (i.e. it is binding as legislation). The CB system in Slovenia is inclusive, with sectoral CAs covering the entire sector (i.e. all companies and all employees). At enterprise level, there is a hierarchy of CAs whereby the agreement at enterprise level can only improve upon the sectoral agreement in

terms of the employees' interests, and can only grant employees' rights established by the sectoral agreement. The interest in concluding agreements at enterprise level also comes from company management.

The workers' organisation active in the sector is the Trade Union of Construction Workers of the Republic of Slovenia. This organisation forms part of the Confederation of Slovenian Free Trade Unions. It was established in 1990, although its beginnings reach as far back as the 1930s. Out of approximately 54,000 employees in the sector, 24,000 are members (density: 44%). The union provides counselling at sectoral and enterprise level, and engages in tripartite consultation, but only on an exceptional basis, the active social partner being the Confederation of Free Trade Unions. The Confederation of Slovenian Free Trade Unions is affiliated to the ETUC. The union is a full member of the IFBWW. The employers' organisation active in the sector is the Construction and Building Materials Association. Established in 1991, it represents 3,046 companies and 43,919 employees. Density for both companies and employees is 100%. The Association is engaged in negotiations at sectoral level, and is therefore the signatory of CAs at that level. In tripartite consultation, the Association only participates indirectly (under the name of Chamber of Commerce of Slovenia) and on construction sector issues. It is a member of the Chamber of Commerce of Slovenia and a direct member (observer) of the European Construction Industry Federation and in the Council of European Producers of Materials for Construction. It is also, through the Chamber of Commerce of Slovenia, an indirect member of Eurochambers.

In Turkey, there is no tripartite consultation in the sector.

Bipartite social dialogue is also absent at sectoral level in the construction industry. The main obstacle to the development of bipartite social dialogue at sectoral level is the low rate of union membership among construction workers, and the widespread existence of informal activity in the sector. Bipartite social dialogue is not promoted at sectoral level. CB is the main pillar of bipartite social dialogue in the construction sector, and is conducted at two levels: enterprise level, which includes individual establishments, and workplace level. Although Turkish unions are organised on an industrial basis, the union structure is centralised, and CB is based on the workplace rather than the industry. There are disputes relating to the authorisation of CB. Joint meetings organised by employers and unions to discuss problems in the industry may be seen as a form of bi-partite activity. Under Turkish labour legislation, the CA is a unique contract subject to private law and combining both normative and compulsory features. CAs are applicable only to members of the trade union concerned and to non-members who may benefit from the CA if they pay the union monthly "solidarity dues", but the industry has a tendency to go for non-union employment and informal arrangements. Employees in the construction sector are represented by five trade unions. Only one meets the 10% threshold required to participate in CB: the Union of Road Building and Construction Workers of Turkey. The others are very small organisations with a negligible membership base. The Union of Road Building and Construction Workers of Turkey was established in 1952. It mainly represents public sector employees in Turkish Highways, Village Affairs and the Ministry of Public Construction and Settlements, and its total membership is 159,883 out of 691,299 unionised construction workers in Turkey (density: 23.12%). These figures are inflated. The Union is affiliated to the Confederation of Turkish Trade Unions, IFBWW, EFBWW and the International Federation of Public Service Workers.

There is only one employer's association, and it mostly represents large companies. The Turkish Employers' Association of Construction Industries was founded in 1964. Although it represents a tiny portion of all employers in the industry (128 companies = 0.2% of all companies), in practice its members represent 11,705 workers (1.7% of all workers in the sector) and account for 70% of all construction activities in Turkey. As much as 90% of construction work undertaken by Turkish firms abroad is carried out by its members. The Association is affiliated to the World Water Council at international level.