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THE CONDITIONAL SUCCESS OF THE SOCIAL DIALOGUE

A comparison between the Dutch and the Polish corporatist systems

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Foreword

This thesis is the result of my three years of studying at the University of Twente in Enschede. When I moved to the Netherlands in November 2007 I did not predict I would follow the program of European Studies as of September, following year. Thanks to motivation and interest in this academic area, I made it till the end. At the moment I am looking forward to the graduation and I am looking into the future with the same light of motivation and confidence, as three years ago.

The road leading to the colloquium was all but easy. There were hardships and struggles, times of resignation and lack of confidence. Nevertheless, I will always remember this period as one full of joy, laughter and solid friendships. Yet most of all, the time at the University of Twente will be marked with hard work rewarded with decent results, not only regarding the studying, but also regarding shaping of the personality. In the three years of involvement in the academic circles in Enschede, I have become a more committed and reliable person, with appreciation for the value of somebody else's work. Personally, the fact that I could, that I was able to write this paper, shows the stride against myself, my weaknesses, as well as the battle for adulthood which I reckon, was won.

All the effort put into this Bachelor Assignment would not be enough, if I did not have the support of my loving family and friends around me. Therefore, I would like to thank my mother, Teresa Rakowska, for being strict when I needed it and her priceless advice and support she was always ready to give. This support would not be complete without the helping hand of Roel Bakker, who did not hesitate to help me with any difficulties I encountered. My friends made sure I had the necessary distraction during the process of research and always came up with handy ideas.

Most of all, I would like to show my appreciation and gratitude for the involvement of my supervisor, Dr. Minna van Gerven, who kept an eye on the shaping of the thesis. With her thoroughness and excellent pedagogic skills, writing of this thesis would never be possible, nor would it be pleasant. Moreover, I recognize and appreciate the effort Prof. Nico Groenendijk made to encourage me to strive for more and show the incentive to work independently. This study would not be possible without the courtesy and participation of Annie van Wezel and Marjolijn Bulk from FNV as well as Jerzy Langer and Józef Dżiki from NSZZ Solidarność.

Thereby I would like to close one chapter of my life and open up a different one, hopefully as interesting and rewarding as the three years of studying at the University of Twente.



Abstract

The welfare state has recently been a subject to changes on the field of the social policy (George & Page, 2004). These changes have usually touched the nature of the sharing of the financial burden of the social welfare and its effective governance. One of the governance modes chosen by plenty of modern welfare states is the social dialogue, which usually involves intensive negotiations between the government and the social partners, being the labor unions and employers' organizations (Mailand & Due, 2004). The dialogue has been interpreted as a successful way of problem solving in plenty of spheres, not only in the scope of the social policies. The aim of this thesis is the real value of the social dialogue by indicating conditions for its success social dialogue and factors which have a negative influence on the dialogue itself. According to Mailand and Due (2004), the engagement of the European Union in social policies could positively influence the role of the social partners at the national dimension. Therefore, the focus will be also laid on the involvement of the European Union (EU) in enhancing a healthy social dialogue in the Member States. The cases of Poland and the Netherlands representing different corporatist systems will be used to illustrate the conditions for successful social dialogue and the input of the EU regarding the social partnership. These changes will be investigated regarding the situations before and after the accession to the EU in the Polish case and the incorporation of the Social Protocol to the Treaty of Amsterdam for the Dutch case. The research consists of the analysis of the primary and secondary data sources which will be analyzed in the light of the investigated conditions for healthy social dialogue, being the willingness and ability to bargain, as well as the secured implementation (Mailand and Due, 2004). The extensive analysis of the data has shown that these indicators apply and are necessary for the social dialogue to succeed. For the Polish case, the insufficient compliance with the criteria has led to few impasses in the tripartite negotiations, while the Dutch model of social partnership suffices the conditions indicated. An important addendum revealed during the research showed that equality of arms during the negotiations as well as their consensual character contributes to the conditions mentioned in the literature. Regarding the enhanced social partnership from the EU, the research has shown no major influence on the actual position or changes in the domestic schemes for the social partnership, nevertheless the effort to create the 'Social Europe' is appreciated by the social partners from both countries.



1. Introduction

In the last decades, the welfare state has 'outgrown its limits' (Visser & Hemerijck, 1997). Therefore, the social policies have been under the continuous pressure of the liberal economic policies and the political colors of the governing bodies. In order to suppress the tensions connected with the modernization of the welfare state, the countries had to come up with innovative governance modes (Giddens, 1998). New social risks have emerged, which needed increased protection from the national as well as the supranational authorities (Giddens, 1998). With the increasing strive for more civic participation, the role and involvement of organized individuals are steadily growing. Since there are usually several vested interest involved, the politics must give some institutional form of the dialogical engagement to the interest groups, which mostly struggle outside the main policy scope (Giddens, 1998). One of the forms of such civic and governance involvements is the social partnership and especially the social dialogue.

As dialogue has been perceived as a consensual form of problem solving (Fashoyin, 2004), the purpose behind the social dialogue, thus the involvement of the social partners in the discussions and negotiations, whether bipartite or tripartite, over the welfare policies, was pursued by many governments in order to establish a peaceful and stable society, paired with such a policy notion (Visser & Hemerijck, 1997). Yet, the establishment of the social dialogue as such is not a sufficient condition to fulfill the goals of the social partnership. It is necessary to negotiate on the policy notion, but the dialogue needs a consensus – oriented, democratic development in order to blossom (Mailand & Due, 2004). Therefore, the goal and the methods of the conduct of this procedure highly depend on the national legacy and the domestic habits regarding the conflict management. There is a prediction, that the international organizations may have a positive influence on the involvement of the social partners in the domestic governance models, yet it needed the necessary testing. The thesis will deal with the broad topic of the social dialogue and its success in the matters of social policy affairs. The social partnership and effective negotiations between the government and her constituents have led to several policy successes in many (European) countries. A great example was the Agreement of Wassenaar from 1982 in the Netherlands (Visser & Hemerijck, 1997) or the Round Table negotiations in Poland leading to a crucial Agreement in 1989. Yet the social dialogue is not always a success a priori, therefore it is worth to examine what factors contribute to its positive influence on the policy making. Another aspect to the social dialogue is the importance for the peace keeping in the society at the national and international level. The Social Protocol was an attempt to offer such a dialogue opportunity.

In order to see the indicators of the success of the social dialogue, it is important to choose cases which will sufficiently illustrate the social dialogue itself as well as the issues at stake during the procedure. The countries chosen for this study are Poland and the Netherlands. The motivation behind this choice is that both countries represent different corporatist systems, where the social partnership plays a different role and is organized differently. On one hand the Netherlands stand for a well-established, strong and democratic welfare state, where the dialogue between the government and the social partners is rooted in the domestic corporatist framework and has been developing since the 1920s (Visser & Hemerijck, 1997). Poland, on the other hand, is a country where these



traditions are still at the developing stage where the corporatism is still struggling with the leftovers from the socialist past (Mailand & Due, 2004).

As indicated before, some scholars predict that the involvement of an international organization will improve the quality of the social dialogue. Both Poland and the Netherlands are members of the European Union (EU). Since the incorporation of the Social Protocol in the Amsterdam Treaty in 1997, the EU has shown interest in becoming the 'Social Europe'. The notion of social policy within the European Union and early the European Community has been functioning next to the economic priorities of the organization. Yet, the harmonization and even promotion of the social dimension were according to Aust et al (2004) very difficult to achieve due to national governments' objections. The chosen mode of governance of the social dialogue procedure was directed to the Open Method of Coordination (OMC), which abandoned the ambitious goals of direct harmonization. The Social Protocol of the Amsterdam Treaty (Aust et al, 2004) opened the possibility of the Social Dialogue, recognized as a market-related instrument, EU – wide (Keller & Soerries, 1999). The European Union used the tool of well-established social dialogue at the national in order to improve the governance in her structures (Bercusson, 1992). A stable and reliable Member State stood for the guarantee of more efficient and more effective policy process within the European Union on the social and economic level (Spasova & Tomini, 2010). The establishment of the Social Dialogue is constituted in art. 154-155 TFEU guarantees the representation of management and labor through the channels of social partners. The procedure of Social Dialogue guarantees the participation of the social partners and the representation of interests of the labor and management (Keller & Soerries, 1999). The participation in the dialogue is based on the mutual recognition of the partners – BusinessEurope and ETUC being the largest and the Commission. The development of the social dialogue in the EU has till now shown that 'formal consultation of the social partners provided for in Article 154 TFEU may lead to the adoption of opinions, recommendations or agreement-based relations within the social partners' sphere of competence' (Eurofound, European Social Dialogue). European social partners are a part of the corporatist governance and according to Dolvik (1997) this can influence the domestic social partners in their domestic policy making.

This thesis's aim is to investigate the real role and input of the social partners in the social policy deliberations. The objective will be directed at the conditions for a successful social dialogue, where the investigation will strive to show factors contributing to the situation of the healthy social dialogue and show the indicators of unsuccessful tripartite negotiations. Therefore, in order to make the research valuable, it is worth to look at cases with successful and unsuccessful social dialogue in the corporatist system. This way it is possible to see how the prominent dialogue functions and whether there are lessons to be learned from the different approaches.



2. Theoretical framework of the study

The aim of this section is to give background information on the subject of these studies. The theoretical part will reveal the most important information on the social dialogue and give an outline of its model. This part will also focus on the social partnership in the Member States discussed.

2.1. Corporatism and the involvement of social partners

When one looks at policy making and the involvement of the stakeholders in the process, one cannot exclude the corporatist governance. It is a system of economic, political, or social organization that involves division of the people of society into corporate groups, such as agricultural, business, ethnic, labor, military, patronage, or scientific affiliations, on the basis of common interests (Wiarda, 1997). In this matter, the social partners: labor unions and employers' organizations can be seen as organized artifacts which take part in policy making due to their interest in the issue and expertise. After the II World War and the reconstruction of Europe, the corporatist governance was used to balance the social and liberal policies regarding the socio-economic issues. In that period more value has been attached to the tripartite relations between the strong trade unions, strong entrepreneurship involved and consensus – seeking government (Ayers & Braithwaite, 1996).

Yet the social partnership is not only the tripartism and the social dialogue being part of the involvement of the social partners in the policy making. Trade unions and employers' organizations can be involved in the corporatist governance through the collective bargaining leading to the conclusion of the collective agreements, they can be perceived as lobbyists. Social partners can mark their presence by strikes and demonstrations too. Yet the main focus of this study will be the social dialogue, as information-sharing and consensus-building way of making decisions regarding social policy (ILO, 1999, p.38). It is not unusual to believe that this mode of governance and involvement in the policy making helps address difficult and important social and economic challenges, where the social capital, represented by the social partners are the means of enhancing a secure and stable labor relations (Fashoyin, 2004).

2.1.1. The model and definition of the social dialogue

The social dialogue can be interpreted in two distinct ways: in the form of bipartism, relying on the negotiations between the social partners and tripartism, where these parties face the government. One can define a social dialogue as all types of negotiations usually between the representatives of the government and the social partners on issues of common interest relating to relevant policy area, usually touching the subject of socio-economic welfare (Fashoyin, 2004).



By bipartism it is understood that the social partners are able to conduct negotiations by the cooperation instead of using the structures that clearly are designed in order to enable the government's input (Visser & Hemerijck, 1997). Bipartite negotiations are important for the social dialogue at the sectorial level and in the workplaces itself. The subjects discussed solely by the labor unions and employers' organizations are usually connected to the private sector provisions concerning labor (Stiglitz, 2000). The areas covered usually include the wage bargaining, unemployment benefits and other assistance which has to be covered by the companies or the workers' salaries (Visser & Hemerijck, 1997). According to Tayo Fashoyin (2004), good bipartite relations contribute to healthy tripartism since they help with consensus building and recognition of the positions of the social partners.

Tripartism has been traditionally understood as a three way interaction between the government, the trade unions and employers' organizations. For a long time social dialogue has been perceived as a formal relationship, where the tripartite institutions existed to deal with general and specific employment and labor market issues. However, there have been important changes in the structure and role of the traditional social partner, because of the broader socio-economic cause of the discussed issues (Stiglitz, 2000). The main point behind the tripartism is that social partners offer a suitable coalition base for some social groups, by various means, such as membership or alliances (Fashoyin, 2004), which is shown in the scheme below (Figure 1). Key actors thus pursue the common purpose of defending interests jointly with their interlocutors, the state agencies, whose task is to promote the achievement of a good agreement. The successful social dialogue should be inclusive and integrate different actors new to the primary social dialogue process. These actors might be the international organizations, such as the International Labour Organization, the European Union or social groups outside the employment relationship (Fashoyin, 2004). According to Mailand & Due (2004), the European Union when involved in the domestic social policies on the social dialogue, shall affect it positively. Furthermore, the assumption is that it is a common practice for the social partners to negotiate with other organizations over draft legislations to seek for more expertise on some problems, which might result in establishing alliances with specific bodies (Fashoyin, 2004).

The importance of the social dialogue should not only be perceived in terms of economic or labor market contribution. The tool of the dialogue has already proven to enable solving some of the most threatening problems (Fashoyin, 2004). Therefore, the social dialogue continues to be a valuable tool for managing healthy and prosperous industrial relations in the society.



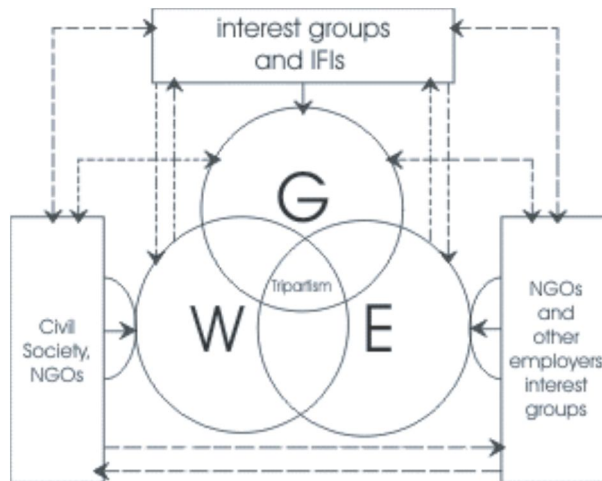


Figure 1. Enhanced tripartite model of social dialogue. Source: Fashoyin, T. (2004). Tripartite cooperation, social dialogue and national development. *International Labour Review* vol. 143., pp.341-369

2.1.2. Values and costs of the social dialogue

As stated in the beginning, a dialogue is a consensual way of solving many problems of the mankind. Therefore, the foremost value of the social dialogue is its contribution to labor peace and social stability, which affect the economic prosperity and social development within a civil society (Visser, 2001). This results from the fact that social dialogue creates a climate of confidence between the government and principal social partners. As a matter of fact, social dialogue also contributes to the good governance and consolidation of the democracy. According to Stiglitz (2000), social dialogue also contributes to the economic democracy, since it permits the stakeholders to convey their concerns over specific policy options. The evident success of the social dialogue in Western Europe inspired the Eastern Europe to use this tool in the process of transformation to market economies, which is exemplified by the Polish case (Hethy, 2001). Yet, the social dialogue, even though valuable, does not come without costs attached. The consensual character of the dialogue might result in lengthy negotiations, with possible deadlock. The process is very often time consuming and frustrating which results in delays concerning important policy changes. However, the choice of the dialogue over the unilateralism and its use in order to adequately respond to desired policy changes may be an acceptable price to pay for good governance and national development (Fashoyin, 2004).

Whether the dialogue works as outlined above, can only be seen on the hand of several important conditions for the conduct of the social dialogue. These conditions will be outlined in the subsequent paragraph, providing that these conditions might not be sole issues at stake, which is to be investigated in the analytical part.

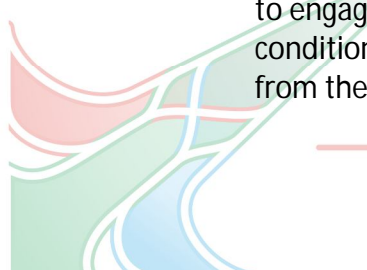


2.1.3. The conditions for the social dialogue

As indicated before, the social dialogue serves its purposes, only when it is healthy and responds to the expectations of the parties involved. The successful social dialogue should provide with stable labor relations, decreased industrial conflict and positively affect the economic prosperity and productivity. The healthy dialogue shall wake the trust of the investors in the national economy and enable a peaceful policy change process. The social dialogue is also successful only when it gives the recognition to all relevant interests and helps channel them in order to achieve common socio-economic goals.

In order to make the social dialogue responsive to the meaning of the given definition, thus: to make the social dialogue meet the expectations, which is the measurement for it being successful; one has to look at the conditions for the relative success. The necessary conditions have been developed by Mailand and Due (2004) and Fashoyin (2004). Yet they only contribute to the success of the social dialogue, when applied jointly. These conditions are based on:

- More willingness to bargain: if the quality of the social dialogue is to be improved, then the governments shall respect the decisions of the social partners and take the social partners seriously. These conditions help stabilize the dialogue with labor market participants. In order to score high on this criterion, a country's corporatist system must show a healthy picture of bipartite relations (Fashoyin, 2004).
- Better ability to bargain: the national tripartite body members shall be offered training in bargaining techniques and it is in this case also important that the governments provide these parties (usually social partners) with necessary secretarial assistance and ensure a secure and clear legal basis for the conduct of the negotiations. Also, it is important that the social dialogue relies on a strongly institutionalized framework, because it promotes trust, transparency and sustainability. A good institutional structure is also essential for implementation of the agreements resulting from social dialogue and it's monitoring (Fashoyin, 2004). The good institutionalization plays a critical role for meaningful social dialogue since it provides a peaceful approach towards the problem solving. Institutionalization also helps overcome resistance to change by comforting the stakeholders in the way the change is going to be achieved. This is the main characteristic of the social dialogue in Western Europe (Auer, 2000). The approaches adopted in Central and Eastern Europe show that there is some value attached to creating a well-functioning body which would help channel the stakeholders' positions.
- Securing implementation: this factor can be assured by expanding the resources of the social partners from the national level to the sectorial level and in the workplaces. This also helps ensure legitimization of the decisions made by the negotiating parties as well as the effective implementation of the measures at different levels. The higher legitimization of the decisions is also enhanced by the will to engage in the dialogue and assurance that it involves the right stakeholders. This condition also addresses the issues of representation and participation, especially from the side of the social partners which function as principal agents on behalf of



their members (Fashoyin, 2004). On the government side this issue concerns the acceptance of the dialogue and the fact that relevant departments will take part in it (Mailand and Due, 2004).

Finally, the social dialogue serves some principal goals. According to Fashoyin (2004) these goals consist of an information sharing mechanism, where the most important parties are the government and the social partners. It usually involves informing other parties of action being taken or possible policy options. This principal goal enhances trust within the parties taking part in the social dialogues, as well as promotes good governance and influences the quality of the decisions made. Furthermore, the social dialogue functions as a consultative mechanism for discussion on issues at stake. Here the aim is to build consensus between the stakeholders and achieve a policy outcome which will satisfy the involved actors. Besides, as a negotiation mechanism, the social dialogue involves debates on positions of stakeholders where the intention is to bring about an agreement, the parties involved live up to. The collective agreement is the best illustration of this function. Lastly, the social dialogue is seen to be a joint decision making mechanism, which integrates all previous functions by providing a formal, structured negotiation and conclusion of agreements which might be the subject for the ratification from the side of the government (Fashoyin, 2004). This function relates to the fact that the parties are seen as serious and reliable partners for discussion about the conditions of the successful social dialogue .



3. Methodology and data analysis

The purpose behind this section is to describe the process of the research conducted. This paragraph will explain how the concepts relate to the theory and the way these concepts are clarified for further investigation. Furthermore, it contains the methods of how the data gained will be modeled in order to obtain useful information and answers to the research questions, indicated in subsequent parts.

3.1. Hypotheses

Based on the theory indicated the previous section, one can formulate several testable predictions concerning the conditions for the success of the social dialogue in Member States. Hereby the outline of these:

Hypothesis one: The social dialogue in the countries where the social partners and the government are characterized by the willingness to bargain, the ability to bargain and where the implementation of the policies will be secured, is likely to be successful, whereas in the countries where these indicators do not exist jointly, the social dialogue will rather fail.

Hypothesis two: The social dialogue in the countries with a broad democratic legacy is predicted to be successful, while the social dialogue in the countries with less well vested democracy is expected to encounter difficulties.

Hypothesis three: The social dialogue in the Member States is expected to be more successful due to the enhanced social partnership from the European Union. Therefore, it is expected for the Dutch case, that the social dialogue has become more successful after 1997 than before, whereas the Polish social dialogue is expected to have become more successful after 2004 rather than before.

3.2. Research questions

On base of the hypotheses above, it is important to indicate the questions which will help to test these predictions. The main question of this study: 'what conditions contribute to the successful or non-successful social dialogue in the EU countries?'. As indicated in the previous section, the precondition for successful social dialogue is the national legacy and vested consensual democracy. Therefore, it is worth to ask 'what is the involvement of the social partners in the social dialogue in Poland' as well as 'what is the position of the Dutch social partners in the negotiations under the social dialogue?'. Mailand and Due (2004) predicted, that the involvement of the EU in the social policy would positively influence the social dialogue in the Member States. Therefore, the sub question under study remains: 'does the Union's encouraged social partnership help facilitate the social dialogue in the Member States?' illustrated by the cases of the corporatist systems in Poland and The Netherlands. This question will be investigated from the perspective of the situation before



and after the incorporation of the Social Protocol in 1997 for the Netherlands and before and after the accession in 2004 for Poland, respectively.

3.3. Case selection

The cases of Poland and the Netherlands were chosen due to the considerable differences between the roles of the social dialogue and involvement of the social partners. These countries represent two different corporatist systems, where for the Netherlands the corporatism was regained in the 1980s and has been used as a social policy governance tool ever since (Visser & Hemerijck, 1997), whereas in the Polish case one should speak of illusory corporatism (Ost, 2000), since the social dialogue there shows rather a very rough patch of power struggle between different actors. These differences give a basis for comparison between two different corporatist systems, which were described in the theoretical section. Based on the clear evidence given by Visser and Hemerijck (1997) as well as Mailand and Due (2004) and Ost (2000) in the theoretical section, the social dialogue in the Netherlands shall respond to the conditions for success better than the social dialogue in Poland. Therefore it is predicted that the social dialogue in the Dutch case will be more successful than the Polish one. In order to illustrate and falsify or confirm the hypotheses, this study takes the perspective of the trade unions in both countries on the domestic notion of the social dialogue. The section below will give an outline of the labor unions and their relevance for the research.

3.3.1. Corporatism in the chosen countries

The aim of this section is to present the existing corporatist governance models in Poland and The Netherlands in order to have an overview on how the social dialogue functions in these countries and how the theory corresponds to these domestic models.

3.3.2. The Polish model

As indicated before, the social dialogue in Poland is still at the developing stage and has been a subject to top-down adjustments. Due to the lack of consensus as well as the lack of the organizational capacity of the social partners, the negotiations were usually either abandoned or did not lead to any satisfying outcomes (Mailand & Due, 2004). Since the incentive to organize came either in order to gain political influence or lobby more effectively, the focus is usually directed at the domestic politics, rather than the actual bargaining process (Ost, 2000).

The social dialogue at the national level is highly centralized and is organized around the Trilateral Commission for Social and Economy Affairs, established in 2001 (The Ministry of Labor and Social Policy, The Social Dialogue) from the initiative of the contemporary governing party Akcja Wyborcza Solidarność (Solidarity Electoral Action). The aim behind the establishment of the Trilateral Commission was to preserve the social peace and prevent the



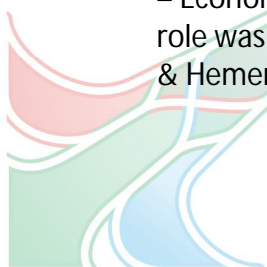
class conflict (Dialog Społeczny, Trójstronna Komisja ds. Społeczno – Gospodarczych). The members of the Commission: the government, the trade unions and the employers' organizations. NSZZ 'Solidarność' is one of the permanent members of the Commission. According to the Ministry the aim behind the establishment of the Commission is to avoid socially undesirable disagreements and prevent conflicts. The members, among which NSZZ Solidarność and Lewiatan, represented by the Polish Confederation of the Entrepreneurship are capable of concluding legally binding agreements (The Ministry of Labor and Social Policy, The Social Dialogue).

The dialogue in its bipartite form is underdeveloped, due to a weakly organized workforce and uninterested entrepreneurs.

3.3.3. The Dutch model

The Netherlands have a long tradition of a social dialogue which shaped the country's negotiation economy, as of 1927, when the first Collective Agreement was reached. The Dutch model for the social dialogue, also called a polder model, has been developing since the post war period. In the 1970s, however, the Dutch economy suffered from what commonly became known as the Dutch Disease (International Labor Organization, Social Pacts in the Netherlands). All economic indicators showed an alarming situation – high interest rates, rising inflation, growing public debt and job losses. The Dutch economy was in crisis. Therefore, the contemporary government called for feasible solutions, which lead to the rediscovery of the corporatist system in the Netherlands (Visser & Hemerijck, 1997).

The year of 1982 marked a sea change in Dutch social dialogue. With unemployment running at more than 10%, workers' organizations decided not to demand wage increases. Social partners recognized the need for a high level of investment and a high level of profits to facilitate job creation. There was also growing pressure of the government's intervention in wage setting, if social partners were not able to manage bipartite agreements on wage moderation. With this threat of state intervention, social partners joined forces to come up with bipartite agreements, resulted in the General Recommendations on Aspects of an Employment Policy, also known as the Agreement of Wassenaar, of 1982 (Noordam & Vonk, 2010). Agreement of Wassenaar is a short document which outlines the social partners' general consensus to work towards sound economic and labor market policies. The Agreement was the foundation for the reorientation towards a coordinated bipartite model of bargaining between the trade unions and employers' organizations. Regarding the tripartite negotiations, where the policies for the public welfare, such as pensions, are discussed, the social partners meet the government in the Social – Economic Council (Sociaal Economische Raad, SER), founded in 1950. The members are composed from the equal amount of the delegates from the government, trade unions and employers' organizations. The function of the SER was mainly to provide the government and the parliament with advice on welfare reforms based on the positions taken by different stakeholders (Visser & Hemerijck, 1997). In the beginning the SER was a string advisory body, while since 1980s, her issued opinions were able to influence the policies to the lesser extent. Since then the Social – Economic Council was mainly functioning as means of delaying difficult decisions and her role was more vital regarding the organization of the ad hoc tripartite commissions, (Visser & Hemerijck, 1997).



The Dutch social dialogue is thus mainly bipartite, since the installment of the tripartite body proved to be largely ineffective.

3.3.4. Comparison

Even though both Poland and the Netherlands are the members of the European Union and concerning the social dialogue these states met the same convergence criteria regarding a well-established social partnership and dialogue¹, there are considerable differences in the involvement of the governments in the process of the social dialogue.

The institutional structure of the dialogue in both countries is fairly similar regarding the conduct of the welfare reforms. It is based on tripartism and the social partners meet the government in a special commission which has an advisory policy role. Yet the dialogue in the Netherlands seems to be more conclusive than in Poland. This might be caused by a long tradition of social partnership in this Western European country. However, in order to investigate why the difference is so substantial, it is worth to apply the conditions for the successful social dialogue indicated before, and see how they relate to the Polish and the Dutch cases. The chosen cases certainly respond to the established hypothesis on national legacies regarding corporatist governance.

3.3.5. The units of observation

In order to give the subject a better illustration, the central actors, apart from the European Union and the national governments, consist of the trade unions, NSZZ ‘Solidarność’ and Federatie Nederlandse Vakbeweging (FNV) for Poland and the Netherlands respectively. This section aims to show the relevance of the chosen actors for the main subject of the thesis. Due to limitations of time and resources, the focus was laid on the trade unions, since they usually differ in their positions from the government or employers’ organizations regarding the negotiations under the social dialogue.

NSZZ Solidarność

Solidarity does not have so long history, as most trade unions in countries where democracy has a longer history than in Poland. This trade union initiated political and economic transformation in Central and Eastern Europe. Today Solidarity is the largest trade union in Poland, greater than the national confederations of trade unions including the National Alliance of Trade Unions (OPZZ) and the Forum of Trade Unions. It is the only trade union in Poland which has the status of a representative compound. Due to low degree of union membership in Poland today, ‘Solidarity’ certainly stands out not only due to the largest number of members, but also the highest number of employers covered by their activities. For the purpose of this research, Jerzy Langer and Józef Dżiki, Solidarność delegates agreed to participate in the interview and answer questions on the social partnership.

¹ For the Netherlands the well-established social dialogue was important to access the European Monetary Union (EMU), while Poland needed it to access the EU.

Solidarity is a Christian trade union. 'Solidarity', although it associates workers in various professions, is not a federation. NSZZ 'Solidarność' is registered by a single act, and has various levels of organizational functioning within its framework. The organization units are located in the regions, and regions are registered in the National Commission (authority throughout the Union). Sections associate in the same industry organizations, secretariats in related sections of industry sectors. The 'Solidarity' counts now more than 700 000 members (NSZZ Solidarność, Aktualności). The union is chaired by Piotr Duda.

Federatie Nederlandse Vakbeweging (FNV)

The level of union organization in the Netherlands is higher than in Poland. About 30% of the Dutch workers are members of the trade unions and in the activities of the trade unions are usually assessed as positive in the surveys (Visser, 2001). The FNV is the biggest trade union in the Netherlands and organizes about 63% of all organized workers (Visser, 2001). For the purpose of this research, FNV spokespersons Annie van Wezel and Marjolijn Bulk agreed to participate in the interview and answer questions on the social partnership.

This trade union was formed in the 1970s through a merger between the Socialist and Catholic sections of the Dutch labor movement and ever since it organizes blue- and white-collar workers (Visser & Hemerijck, 1997). Although the FNV started out as a neutral union, it has a strong social-democratic orientation (FNV, Idealen).

FNV is a federation and consists of several different labor unions, divided by the sector of employment. FNV consists out of seventeen affiliate unions, with a total of 1.9 million members. The highest organ of the FNV is the federation congress. The current chair is Agnes Jongerius (FNV, Over Ons).

It is thus visible that the actors under study are relevant, since they constitute the biggest and so far most important labor organizations in Poland and The Netherlands. Therefore, focusing on them and investigating their role in the domestic social dialogue is a legitimate choice.

3.4. Methods of the study

The data necessary for the conduct of the research mostly consists of the secondary sources, being academic reviews and scientific publications, relating to the subject under study. These secondary sources were complimented by the use of primary sources. These were gathered based on semi-structured interviews with the spokesmen of NSZZ Solidarność: Jerzy Langer and Józef Dziki and FNV: Annie van Wezel and Marjolijn Bulk. The questions were semi-structured and open ended. Most of the interviews were conducted online, while Marjolijn Bulk was interviewed face-to-face. The content of the questionnaire is available in Appendix A, while the profiles of the delegates of the trade unions are outlined in Appendix B of this thesis. The interviews were conducted conform the ethics of



research (informed consent and principle of confidentiality). The respondents agreed to publish their names in this study and cite them. They also offered a possibility of contact during the process of investigation.

3.5. Data analysis

In order to gain better and more specific information, primary data sources will be involved. The interview conducted face to face and online will consist of open-ended questions in order to receive as much important information as possible, with the possibility of asking related questions. The content of the questionnaire will be provided in the Appendix A of the thesis. In order to facilitate the better understanding of the subject, the gathered data will be analyzed by using the criteria from the existing literature, as in the theoretical section of the paper. This information will also help seeking for the actual influence of the EU on the social dialogue in the chosen countries.



4. The empirical study

This section will deal with the most important aspect of the paper, the findings on the stated research questions. The answers will be given based on the methodology outlined in the section above. Therefore the first part of this chapter will deal with the application of the conditions for the successful social dialogue as Mailand and Due (2004) investigated them to the social dialogue practices in Poland and the Netherlands. Other than that, the empirical part will seek for an answer for the contribution of the EU to the social dialogue in the Member States under the analysis.

4.1. The indicators of social dialogue's success

As indicated before, even though the social dialogue seems to be a consensual way of solving difficult matters of linking the social and economic policies, just the sole fact of its presence in a corporatist system does not constitute an evidence for the benefits of this type of negotiations. For the social partnership to be successful and contribute to a peaceful, ordered policy shift and such societal moods, the social dialogue needs to positively respond to several conditions.

A few of them have been driven out of the theory. According to Mailand and Due (2004), there are three basic indicators of a healthy, thus successful social dialogue. In short, these are the willingness to bargain, the ability of entering such process in order to make it effective, as well as secure implementation of the framework adopted in either bipartite or tripartite negotiations. It is the objective of this paragraph to investigate how the Polish and Dutch models of social partnership respond to these conditions and if there are more indicators for success of the social dialogue.

4.1.1. The rocky road of the Polish social dialogue

The situation of the Polish social partnership was crucially changed after the fall of the real socialist regime in 1989. Beforehand, the membership in trade unions was mandatory and there existed no employers' organizations. The rise of capitalism gave a basis for the existence of the employers' organizations which in contrast to experience in the Netherlands, occurred not primarily as a response to the organization of employees, but to secure commercial interests and improve the lobbying capacity (Ost, 2000). The trade unions performed several tasks on behalf of the communist party at the workplace level, which led to their description as the intermediaries between the party and the people.

After 1989, the only legal and independent trade union NSZZ Solidarność renewed her activity on the field of recreating the social partnership. During the conversation, Jerzy Langer underlined, it was the Solidarity that issued several projects to the government on the legislations regulating the relations between the trade unions and entrepreneurship and achieving consensus in collective conflicts. As J. Langer mentioned, remarkable is that it was Solidarność which issued recommendations on the functioning of the (contemporary still no



existent) employers' organizations. Jerzy Langer proudly stated that there is no other labor union in the world which would take up such an incentive. Together with Józef Dziki, they clearly pointed out that the willingness to establish any social dialogue came from *Solidarność*, not from the government. According to the spokesman of the NSZZ *Solidarność*, Jerzy Langer, the National Committee of this labor union has been encouraged to read about the Dutch solution for the successful social dialogue, in order to establish similar structure within the organization, which would enhance its bargaining position in the tripartite negotiations.

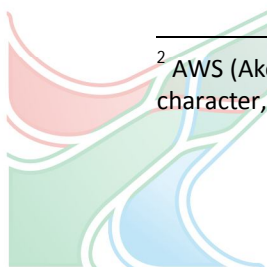
After 1989 the form of tripartite cooperation in Poland did not change much. Widespread disagreements between the negotiating parties led to suspension of the representation from several trade unions as well as blocking some relevant agreements. After the introduction of the legislation on social dialogue by the social-democratic government in 2001, the trade unions slowly engaged in the tripartite negotiations, but still without any major results (Mailand & Due, 2004). Yet, it was only then when, citing the words of Jerzy Langer, 'the Polish social dialogue was finally recognized due to the representation of the trade unions in the parliament from the arm of AWS²'. It was also the year of the establishment of the Trilateral Commission, which would become a place of negotiations between the government and the social partners.

Regarding the bipartite negotiations, Józef Dziki said with discontent that there is no formal willingness from the entrepreneurship to negotiate on Collective Agreements. The national dialogue has been extended by the creation of a body strengthening the bipartite negotiations, but the project 'was a failure even before it was launched', citing Józef Dziki. This project was linked to the Phare program and was supposed to raise the credibility of the Polish social dialogue in the light of the EU accession (Ost, 2000). However, as there was no incentive from the employers' organizations to engage in discussions with the trade unions, the failure was inevitable. The redevelopment of the social dialogue in Poland showed that the incentives of the civil society, mainly the labor union members and the timid involvement of the supranational bodies can result in establishing an (outline of) a model for the social dialogue (Mailand & Due, 2004). Ost (2000) explains this trend in the terms of newly established capitalism where the rejection of the social system was identified with the support to the new, 'more democratic' stream.

So far the organization of the Polish social dialogue has shown the lack of capacity in concluding relevant agreements. One of many reasons for it, indicated by the vice-president of NSZZ '*Solidarność*', Jerzy Langer, is the fact that the government usually uses the Trilateral Commission meetings to give acknowledgements on policy changes, without the conduct of substantial negotiations. Another problem is that the employers' organizations are rather seen as lobbyists, instead of social partners. The social partners are furthermore comparatively weak technically as well as institutionally, which coupled with the though developing of the social dialogue in Poland is largely responsible for the failure of the negotiations.

Regarding the doubtful success of the Polish social dialogue, the application of the conditions outlined by Mailand and Due (2004) has shown that there are drawbacks which

² AWS (Akcja Wyborcza Solidarność) was a Polish political party with a conservative Christian-democratic character, which was formed on the incentive of the former leaders of *Solidarność*, Marian Krzaklewski.



are largely responsible for the dialogue's failure, according to the respondents of NSZZ Solidarność. There is declared willingness to bargain from the side of the government and the social partners, but the way the parties see the bargaining is much different. The government sees the dialogue as a form of forced agreement on policy statements and the social partners feel neglected. As Mr. Langer said, even though there is the legal obligation of consultations with the social partners, the government deliberately denies involving them. Other than that, the employers' organizations do not have to legal personality which usually makes the bipartite negotiations purposeless and the conclusion of any collective agreement has no binding character (the courtesy of Mr. Józef Dżiki). Therefore, this willingness to bargain in Poland is illusory and when it comes as far as to the dialogue, the legitimate and representative unions are not seen as serious partners, which led to multiple withdrawals of large trade unions from the negotiations (Mr. Jerzy Langer gave the example of OPZZ³). When it comes to the ability to negotiate, even though there is a good institutional and legal framework for the functioning of the Trilateral Commission, this condition is jeopardized by the fact that there is no substantial willingness to bargain in the first place, meaning that the bargaining can only happen if the statements of the government representatives are accepted. As Mr. Langer indicated, the misuse of the weakness of the social partners by the government provides the lack of any assistance from the governing arms. Together with the fact that from the incentive of the government, the entrepreneurship is seen as a lobby group, it is doubtful in the first place, whether there might be any indication of bargaining at all. As Mr. Dżiki and Langer state, the implementation of agreements resulting from the tripartite negotiations only happens when these comply with the expectations of the government. The example of the minimal wage legislation for 2011⁴ is a perfect indicator of no security of implementation at all.

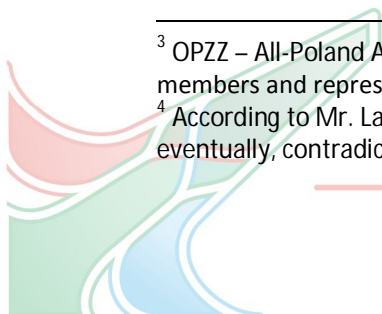
Thus, even though the labor unions are legitimate and representative partners with ability to conclude legally binding agreements, the position of the employers' organizations and the attitude of the government lead to the conclusion that the Polish social dialogue does not entirely comply with the criteria for success by Mailand and Due (2004). As J. Langer and J. Dżiki agreed, if that was the case, the dialogue would probably work much smoother. Jerzy Langer also mentioned that for the social dialogue to be healthy, the equality of arms is necessary, which for the Polish situation would mean a clear legal status, thus: the legal personality of the employers' organizations.

4.1.2. The Dutch 'success – story'

The Dutch economy is known for its consensual character. The social partners have been in the picture for nearly a century so far and the social dialogue is seen as a very important tool for policy change. Yet, it is only since two decades that the Dutch regained their social partnership system to the form as it is right now. Dutch social partnership was revitalized in the 1980s and 1990s and has been connected to the agreements between the Labor Party and the People's Party for Freedom and Democracy, an unlike compromise between the political left and right wings. The most important labor unions are CNV – The

³ OPZZ – All-Poland Alliance of Trade Unions is a federation of trade unions in Poland which has about 2 million members and represents the socialist ideology (OPZZ, Kim jesteśmy).

⁴ According to Mr. Langer, the minimal wage parties agreed on was not implemented by the government eventually, contradictory to the assurance provided before, due to its enormous economic burden.



Christian National Labor Union, the FNV – the largest labor union of the Netherlands, and MHP which consists of the high skilled labor⁵. The Dutch entrepreneurs are concentrated under an umbrella organization of VNO- NCW, with 115,000 companies being a member (Over VNO-NCV, Leden en regio's).

According to Annie van Wezel, the delegate of FNV, the social dialogue in the Netherlands has achieved its full potential since the conclusion of the Agreement of Wassenaar. The social partners agreed that there is a need for a closer bipartite cooperation if one wants to speak about effective policy making. The Agreement of Wassenaar has become the symbol of the corporatism regained (Visser & Hemerijck, 1997). The main trade-off negotiated in this agreement was between wage moderation and working time reduction and job sharing.

Yet, even the bipartite model of negotiations as in Wassenaar did not always bring about the intended effects. In the beginning of the 1990s, the Dutch negotiation economy was hit by another crisis with the revelation of bipartite mismanagement and abuse of social security, especially disability insurance. The economy was depressed due to the international recession (International Labor Organization, Social Pacts in the Netherlands). With renewed threat of government's intervention, social partners struck another social pact, 'A New Course', embracing the spirit of participation and decentralization with bipartism in the center (Visser & Hemerijck, 1997). In line with this agreement, social partners started a discussion with the Foundation of Labor on the modernization of contract and labor law, which led to the 'Flexibility and Security' document in 1996.

The Netherlands has a strong tradition of encouraged participation of the corporatist actors, such as trade unions and the unions of employers in relation to labor market policies. The broad solidarity approach has led to establishing a stable negotiation system along the corporatist lines. The Dutch social pacts are generally bipartite, and normally negotiated under the auspice of the Foundation of Labor (*Stichting van de Arbeid, STAR*), a bipartite consultative body, and signed by all the central social partners' organizations represented in the Foundation (workers' and employers organization), according to Noordam & Vonk (2010). The government is not a formal party in social pacts, but its role is to give the pacts a legal status⁶. However, it exercises its influence indirectly, through various consultative mechanisms and the threat of unwelcome state intervention. This model applies for welfare policies concerning the benefits flowing out of the individual labor. Agreements concluded have a binding legal status, considering all the workers in a certain sector, whether a union member or not (Noordam & Vonk, 2010). This is possible because the social partners have legal personality and the capacity to conclude legally binding pacts. The model is based on the principle of consensus and mutual trust, where the government and social partners expect to be reliable actors.

Yet in 2004, the Dutch 'polder model' found itself on a shaky ground due to the incentives of the contemporary conservative government. According to M. Bulk, the spokesperson of FNV, the government did not see the involvement of the social partners as necessary and therefore decided to change the policy course on their own. When the social

⁵ In 2010 about 28% of the Dutch workers were members of the labor unions (Centraal Bureau voor de Statistiek, Aantal Vakbondsleden in 2010 licht gedaald), comprising 1,87 millions of workers

⁶ Which is currently binding by law (Noordam & Vonk, 2010)



partners, especially the labor unions, revealed they would receive the compensation during the bipartite negotiations on the Collective Labor Agreements, the governing parties CDA, VVD and D66 threatened to declare these agreements non-binding. Marjolijn Bulk mentioned that FNV and other federations of labor unions agreed to organize a demonstration in order to show their discontent with government's actions and support the social dialogue. Citing M. Bulk: 'The demonstration was organized on a Saturday and we did not know whether it is going to be successful. The Saturdays for the Dutch are important and we did not know how many people will attend the demonstration. Yet already at 8:45 in the morning, when I was called by the colleague from Christelijk Nationaal Vakverbond (CNV) who mentioned that the trains were blocked so as the streets of Amsterdam, I knew we would succeed'. And indeed, the government seeing their constituents protesting against the abolishment of social partnership invited the social partners for negotiations eventually.

The brief outline of the negotiation practice in the Netherlands has revealed several distinctive characteristics. These are the bipartism, equality of arms during the tripartite negotiations, consensual character and the knowledge of the intentions of the negotiating partners. As the spokespersons of FNV underlined, these features make the Dutch system of social partnership successful (but according to Annie van Wezel, 'there is always room for improvement'). There is the willingness to bargain, since apart from the crisis in 2004 and even then, the government has shown the respect for the involvement of the social partners. Apart from that, as Mrs. Bulk said: 'the Netherlands is a small country, we know each other and we can agree to disagree' meaning that the bipartite relations are well-established and based on the recognition of expectations as well and the partners state their opinions boldly. And even in case the interests are in a deep cleavage, the social partners are certain of the sincerity of the government is taking all vested interests into account. As Annie van Wezel mentioned, the Dutch social partners are well organized and represent the society in the proportionate and legitimate way. For example the FNV is the biggest trade union and since it represents a large scale of interests, which cover not only its members, but all the workers, it is a legitimate and accountable partner in bipartite or tripartite negotiations. Due to the fact that the social partners already have their own structures and committees responsible for negotiations on either the bipartite or tripartite level, they are also able to bargain effectively. Yet, as Mrs. Bulk mentioned, 'it is important for the unions to stay independent from the government', which means that the government is welcome to provide assistance with negotiations, but that should absolutely not influence the decisions of the social partners. The current institutional framework, which is based on a tripartite body fulfilling an advisory role to the cabinet and parliament, offers enough certainty to the social partners for their interest are taken seriously and their opinions are seen valuable. The practice is that the agreements reached in SER become the actual policy line of the government. Because the opinions of the social partners and the agreements reached under the aegis of SER usually become the policy statements, their implementation is secure. But, as Annie van Wezel and Marjolijn Bulk stated, it is not happening because of the legally binding decisions. As the spokespersons explicitly told, it is the consensus-oriented Dutch politics that assures it, rather than the legal framework. And, this is seen as a good feature, since it does not jeopardize the rooted democracy and the principle of respect for the rule of law. However, according to Marjolijn Bulk, this implementation must be legally founded for the bipartite agreements, otherwise concluding them is purposeless.

To sum up, the Dutch social dialogue responds well to the conditions of success provided by Mailand and Due (2004), there are thus the willingness and ability to bargain, as well as the secure implementation of the agreements. The respondents were asked if there was any other condition to successful social dialogue, yet the interview did not reveal any as such. However, what was underlined was the fact that the social dialogue can only develop in a well-developed democracy where the constituency is respected by the government. This, according to Mrs. van Wezel, is the basic line for the healthy social partnership.

4.1.3. Preliminary conclusions

The analyses of the Dutch and Polish models of social partnership reveal the need for well-rooted notion of negotiations and consensus which contribute to the success of the social dialogue. The analysis of the interviews with the spokespersons of NSZZ Solidarność and FNV showed that the dialogue is only fulfilling its role of consensus building and peaceful policy making, if it responds well to the conditions of willingness to bargain, the ability to bargain and secured implementation but the national legacy and actual consensual culture form the necessary foundation stone for the social dialogue.

The addendum of Mrs. Bulk yet specified the third criterion, which would mean that the secure implementation of agreements shall be purely based on mutual trust between the negotiating parties, while for the bipartite negotiations it is important to have a solid legal framework. The spokesmen of NSZZ Solidarność agreed on the statement, adding that this is only possible when the consensus economy has a vast tradition. Worthwhile is to mention that according to Jerzy Langer, the equal (legal) positions of the social partners which would enable the bipartism⁷ as well as the equal input in the tripartite negotiations, under the umbrella term of equality of arms, is crucial for a healthy dialogue because it is a 'precondition to all the mentioned conditions' (courtesy of Jerzy Langer) and therefore shall be spoken of apart from the three indicators by Mailand and Due (2004).

4.2. The involvement of the EU in social matters vs. the national social dialogue

There has been enough scientific evidence for the positive role of external actors in transition or enhancing of the democracy (Linz & Stepan, 1996), which allows believing that the aim of establishing a solid foundation for democracy, universal for all members, was the main reason for including the well-established social dialogue in the *acquis communautaire*. One of the predictions under this study was that the enhanced social partnership from the EU would positively affect the conduct of the social dialogue in the Member States. The aim of this section is to find the clues supporting or rejecting this claim for the cases of Poland and the Netherlands, followed by a short introduction.

The EU *acquis*, which is a body of legislation, court rulings and acts forming the basic foundations of the European Union, in the case of the 2004 enlargement, constituted the

⁷ Necessary for the fulfillment of the willingness to bargain criterion



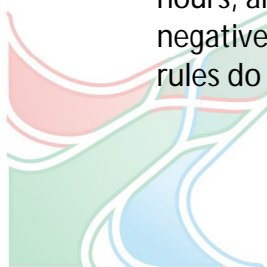
basis of the criteria for accession. By the instrument of the White Paper of 1995 the ten accession countries agreed to transpose the Community *acquis* criteria, also including the establishment of a healthy social dialogue, into the domestic legislation systems. Since Poland was one of the ten negotiation partners, it is predictable that the provision on a healthy social dialogue was meant to respond to the values indicated above. As sketched before, the Netherlands belongs to the group of the EU Member States, where the corporatist tradition began in 1927, has been strongly rooted and always played an important role in the governance (Visser & Hemerijck, 1997). Therefore, the impact of the included Social Protocol in the Treaty of Amsterdam in 1997 is expected to be slightly different when compared to the Polish case. Yet, for the Dutch case, the compliance with *droit acquis* of the European Monetary Union was important in order to join the Eurozone.

Whether the Union's encouraged social partnership had substantial influence on the social dialogue in Poland and in the Netherlands will be the subject of investigation of this section.

4.2.1. The situation EU vs. Poland

As mentioned before, the well-established social dialogue was one of the conditions of Poland's accession to the European Union. The aim of this section to empirically examine if the social dialogue in Poland changed or was substantially influenced after the accession to the EU.

As Józef Dżiki from NSZZ Solidarność indicated the input of the EU 'has been important because of the concept of 'Social Europe''. Yet he mentioned that it did not affect the situation of the Polish social partners at all, nor it affected their bargaining positions opposite to the government. Polish law required only a little adjustment to EU standards regarding the social partnership, and sometimes the case was that Polish provisions safeguarding the rights of the social partners were protecting the interest of the social partners more than the standards stated by the EU, according to Jerzy Langer. The problem however is enforcing these standards and regulations, either coming from the domestic or the EU legislations. Polish employers and their organizations, suggested by the 'good, capitalistic international practice' (courtesy of J. Langer) only push for liberal policy changes which give them a clear advantage even at the expense of social security for workers, we strive to protect, as J. Dżiki mentioned. The fashionable term 'flexicurity' promoted by the liberal market policies from the EU with slight tint of the social legislation has been adopted more as the 'flexibility', the second part that is 'security', being forgotten. This implies that liberalized labor law, deepened after the accession, provides an opportunity for many abuses, as evidenced by successive reports of the National Labor Inspectorate (Polska Inspekcja Pracy). Mr. Langer illustrated this situation with one solid example: last year (2010), NLI inspected 294 health authorities (employing 145 200 workers) for on time compliance with regulations given by the EU. The investigation showed that in 52% of inspected facilities the regulations for working time records were violated, in 46% of establishments the practices did not comply with the norm of 11 hours of rest per day of 24 hours, and 30% did not maintain any standards of weekly rest. This is just one of the negative examples of pathologies in Poland regarding the employment, even though the rules do not deviate from the norms of the EU. Mr. Langer confirmed the position of his



colleague by saying that the introduction of the 'Social Europe' did not really bring about any substantial change or improvement in case of the social legislation, nor it contributed to enhanced social partnership.

Contrary to the expectations by Mailand and Due (2004), the encouraged social partnership from the arm of the EU beforehand of the Polish accession in 2004 did not contribute to the improved position of the social partners. It is however appreciated that the EU has come up with a social policy package, yet there the main issue of concern is its enforcement.

4.2.2. The situation EU vs. the Netherlands

For the Netherlands, where the social partnership has been rooted in the society longer than in it in the Polish case, it was important to have a well-established social partnership in order to comply with the requirements of joining the European Monetary Union. Also, the Social Protocol from the Treaty of Amsterdam could have influenced the Dutch social policies. Whether it is truly the case will be investigated in this section.

The FNV spokespersons, Mrs. Bulk and van Wezel underlined the appreciation for the creation of the 'Social Europe'. For Marjolijn Bulk, the introduction of the Social Protocol seemed to be an important step. In the light of the coming accession, the contemporary EU Members feared the 'race to the bottom' and the over powerful notion of the liberal economic policies. For the Dutch situation, the EU standards regarding the social policies, included in the Protocol, were the assurance of a common basis, which would be the starting guideline for the new countries. Like that the Dutch social standards also regarding the social dialogue could be preserved (courtesy of A. van Wezel). Furthermore, the encouraged social partnership would definitely assure more effective and legitimate policy making, oriented on the issues which are of relevant importance in the society and contribute to a peaceful, cooperative civil society (Morlino, 2009). From the point of view of the Dutch social partners, the creation of the EU level counterparts, like ETUC or BusinessEurope, would mean a chance to get to know the other social dialogue schemes better. As M. Bulk said, 'coming from different traditions, trade unions have different expectations. The chance of negotiating at the EU level gives an opportunity to work on a common statement and understand different issues at stake'. However, nor Mrs. Bulk, nor Mrs. van Wezel agreed that this knowledge of issues at stake et the EU level improved the bargaining positions or involvement of the trade unions in the social dialogue Netherlands. Very often such changes would be hard to notice because the Dutch standards on social partnership are way more advanced, which guarantees the Dutch trade unions a good position from the beginning (courtesy of Mrs. Bulk).

One can see that regarding the case of the Dutch social partnership and the social dialogue, the encouraged social partnership from the European Union was mainly seen as a security of the high domestic standards, rather than a spiritus movens for more improvements. Yet the Social Protocol assured that the existing social policies in the



Netherlands would not be a subject of 'race to the bottom', especially not in case of the social partnership, which received the confirmation of its secure position.

4.2.3. Preliminary conclusions

To summarize, the influence of EU's policies on social partnership in Poland and the Netherlands has been more of the normative nature. The spokespersons of trade unions unanimously said that the EU's involvement in the social policies is good and necessary. Yet, for the Polish case, the 'Social Europe' did not change the situation of the country's unsuccessful social partnership and the extended social protection by the Social Protocol is usually violated and shows serious hardships concerning the enforcement. The delegates of FNV admitted that the EU's social policies did not have any influence on the domestic social partnership as such, but the opportunities of negotiations with the counterparts from different Member States gives a much better recognition of issues at stake, EU wide. For the development of the Dutch social policies, the introduction of the Social Protocol meant prevention from adopting lower (social policy) standards and comforting the social partners with the recognition of their vested positions.



5. Concluding remarks

The social dialogue has become a very attractive mode of governance due to its consensual character and its call for peaceful policy changes. Since it consists of the negotiations between the social partners and the government, such dialogue contributes to a stable and amicable society and therefore prevents class conflicts.

The aim of this investigation was to highlight the conditions for the successful social dialogue illustrated with the models for social dialogue in Poland and the Netherlands. These cases were chosen because of the substantial differences in the traditions for the social partnership and legacies regarding the corporatist governance. It was predicted that the social dialogue in the Netherlands would be more successful than the social dialogue in Poland because the former would respond to the conditions for its prosperity, while the latter was expected to reveal some issues. The literature uncovered that the willingness to bargain, the ability to bargain as well as securing implementation would be the indicators for achieving a fruitful social dialogue, provided that the conditions would apply jointly. According to Fashoyin (2004) and Mailand & Due (2004), the involvement of the international actors was expected to affect the domestic social dialogue beneficially. Since both Poland and the Netherlands are members of the European Union, another contribution to this research was to investigate if the EU's enhanced social partnership contributed to the success of the social dialogue in the countries under study.

In order to thoroughly seek for answers to the stated claims, it was important to look for the sources different from the academic writings. The helping hand came from the spokespersons of the Polish and Dutch biggest trade unions: NZSS Solidarność and Federatie Nederlandse Vakbeweging. The in depth interviews with Jerzy Langer, Józef Dżiki, Marjolijn Bulk and Annie van Wezel uncovered interesting facts and domestic practices within the social dialogue schemes.

Even though the presence of the concepts of willingness to bargain, ability to bargain and securing implementation indeed contributed to the success of the social dialogue in the Netherlands and their (joint) absence roughly explained the failure of the social dialogue in Poland, the starting foundation for a fruitful social dialogue is the national heritage. Without the consensus – oriented culture, well-established democracy and the willingness to establish a true corporatism, the social dialogue is not serving *pro bono*, but *pro forma*. This shows how important national legacy is for establishing a good social dialogue. According to the respondents, without this background the social dialogue, even if well – institutionalized, can encounter pitfalls.

This is certainly true for the Polish case. Since the establishment of the Tirpartite Comission in 2011, the social dialogue did not gain on its meaning. There was the willingness to bargain, but only for bargaining which would leave the government or entrepreneurship as winning teams. Besides, there has never been any incentive for bipartite negotiations due to the status of employers' organizations. These actors, usually seen as lobbyists in the eyes of the government, have no capacity to conclude any legal acts. Therefore getting to some sort of collective agreement is in the Polish understanding of the social dialogue rather pointless. Regarding the ability to bargain, due to the weak position of the trade unions opposite the government and their relatively weak organizational capacity, the disability



made its striking appearance. The implementation is secure but only because there is hardly any negotiation on the welfare policies. The policy statements of the government officials are being brought to daylight and with no commitment for negotiating, the Polish model for social dialogue fails on this criterion.

The picture drawn from the interviews with the delegates of the Dutch trade union federation is slightly different. Since the Dutch already began establishing the social dialogue in 1927 and with the Agreement of Wassenaar in 1982 the final signature was put under the commitment pact between the government and the social partners, the 'polder model' is of very consensus – building nature. The social partners have trust towards government and the government may rely on their expertise. Because of these solid foundations for cooperation, the Dutch corporatism appears to be more real than the Polish illusion. The social partners are independent actors with legal personality, able and willing to establish bipartite agreements. The government seeks their support for the policies therefore it invites the partners to negotiate under the aegis of the Social – Economic Council. The willingness to bargain goes paired with the ability to bargain intertwined with high organization degree within the labor unions and entrepreneurship. The policies resulting from tripartite negotiations are implemented not by law and yet the implementation is secure. This security flows out of the mutual trust of the policy actors and the willingness to preserve consensus and peace in the society.

The spokespersons from the trade unions jointly agreed to the contribution to the success of the social dialogue driven from the literature. Yet, their years of expertise and experience created room for the re-capturing of the indicators. There is no successful dialogue without equal partners. In the Dutch case, the success of bipartism proved that the social partners shall be granted legal personality in order to conclude valid agreements. The Polish experience shows that no legal personality for organized entrepreneurship leads to deadlock in bipartite negotiations and hampers the willingness to bargain in tripartite bodies. Secondly, the actors shall be independent from each other in order to assure reliable negotiation practices. Since in Poland the employers' organizations are perceived as lobbyists, they have a priori little autonomy to act, whereas their Dutch counterparts are self-reliant. Furthermore, the implementation of the policies shall be only secured by law for bipartite arrangements. This is not the case in Poland, which leads to timid bipartite activity of the partners, while the Dutch picture shows the legally binding bipartite acts grant the social partners the actual power to negotiate. Regarding the tripartite arrangements, it seems to be much more valuable if they are implemented only from the state of trust between the policy actors. This might put the commitments of the parties to test, but it definitely is the way corporatism should work in well-established consensual democracy. The example of the Netherlands shows the proof is in the practice, not in the formula.

Finally, the study also dealt with the possible influence of the European Union on the success of the domestic social dialogue. The extensive research has shown no substantive influence of the EU in the prosperous social dialogue in Poland and in the Netherlands. Yet, the representatives of the trade unions agreed that the European Union should further promote the social policy goals and that the concept of 'Social Europe' still needs improvement. The Polish example revealed that the Polish law regarding the social dialogue did not any substantive amendments before the accession in 2004. The Dutch social

dialogue was already on the right track in 1997 when the Social Protocol was declared an obligatory part of the Amsterdam Treaty.

To recapitulate, the social dialogue is likely to be successful if the willingness to bargain, ability to bargain and secure implementation are present, but the size and impact of the success are much bigger when parties have equal, independent positions and they get to negotiate in a consensus – oriented environment, which refers to national corporatist traditions. The analysis of the Dutch and Polish models for social dialogue revealed that these conditions form a vast contribution to the relative success of the Dutch social dialogue, whereas the Polish scheme failed due to lack of the joint presence of the conditions in the model itself. Yet, the analysis showed that the indicators given by Mailand & Due (2004) are not solely affecting the prominence of the social dialogue. The national approach towards the corporatism is the first determinant of the success or failure of the social dialogue. Moreover negotiation parties shall have legal personality and be independent from the government. The implementation of the policy options in tripartite negotiations shall not depend on law, but on the willingness to achieve consensus, which fills the third criterion by Mailand & Due (2004). Eventually, the enhanced social partnership and encouraged social dialogue in the European Union did not have any substantial effect on the dialogue models in any country under investigation.



Possible future research

The current study aimed on showing the conditions of the successful social dialogue on the hand of a comparison between two different corporatist systems, the Dutch and the Polish one. Yet, due to the fact that social partners and social policy deliberations form a very dynamic subject within the social sciences, there are plenty of areas to explore corresponding with the objective of this thesis.

One of them, particularly interesting, could be concerned with a search for another mode for governance of the social policies. It was showed that the social dialogue needs several institutional facilities to succeed, and when these are missing, the dialogue loses the main value. Therefore, it would be worthwhile to focus on the future of the social dialogue in the following investigation. The new research could possibly contain questions of feasibility of the social dialogue in the frames of the current socio – economic policy deliberations. This study could also indicate the necessary modifications in the general model of the social dialogue and possibly point out a different role of the social partners or the government in the negotiations.

The follow – up analysis would gain a vast scientific relevance due to the fluent character of the social policies, the changes in the economic environment around the world and the growing willingness to combine the social protection with the economic liberations.



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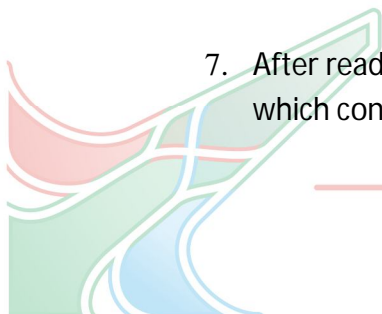
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Appendix A: questionnaire

Hereby the questionnaire admitted to the spokespersons of the NSZZ Solidarność and FNV. From the first labor union, the interviews were conducted with Mr. Jerzy Langer and Mr. Józef Dziki, whereas the FNV delegates were Mrs. Marjolijn Bulk and Mrs. Annie van Wezel. Their profiles will be indicated in Appendix B of the paper.

1. Do you consider yourself a 'peak' organization in the country? Why is that? (in case of both, yes and no answer)
2. Could you give a brief summary of the following characteristics of your organization?
 - Its constituency
 - Its membership structure
 - Its size
 - Its nature
3. Could you give a brief indication of how the social dialogue is conducted in the Netherlands?
4. How do you describe the situation of the social partners in The Netherlands/Poland regarding the involvement in welfare reforms? Do you reckon that your organization has a substantial input there? Why?
5. What changes have there been since the introduction of the Social Protocol in the Treaty of Amsterdam / accession to the European Union in 2004 in the involvement of the social partners in the social dialogue? Please indicate reasons for any changes noted.
6. What do you think is the bargaining role of your organization in the dialogue with the other parties regarding the reforms in pension schemes in your country?
7. After reading academic reviews it became clear that there are several conditions which contribute to the successful social dialogue. These conditions are:



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- More willingness to bargain: if the quality of the social dialogue is to be improved, then the governments shall respect the decisions of the social partners and take the social partners seriously. These conditions help stabilize the dialogue with labor market participants. In order to score high on this criterion, a country's corporatist system must show a healthy picture of bipartite relations
 - Better ability to bargain: the national tripartite body members shall be offered training in bargaining techniques and it is in this case also important that the governments provide these parties (usually social partners) with necessary secretarial assistance and ensure a secure and clear legal basis for the conduct of the negotiations. Also, it is important that the social dialogue relies on a strongly institutionalized framework, because it promotes trust, transparency and sustainability. A good institutional structure is also essential for implementation of the agreements resulting from social dialogue and its monitoring. The good institutionalization plays a critical role for meaningful social dialogue since it provides a peaceful approach towards the problem solving. Institutionalization also helps overcome resistance to change by comforting the stakeholders in the way the change is going to be achieved. This is the main characteristic of the social dialogue in Western Europe. The approaches adopted in Central and Eastern Europe show that there is some value attached to creating a well-functioning body which would help channel the stakeholders' positions
 - Securing implementation: this factor can be assured by expanding the resources of the social partners from the national level to the sectorial level and in the workplaces. This also helps ensure legitimization of the decisions made by the negotiating parties as well as the effective implementation of the measures at different levels. The higher legitimization of the decisions is also enhanced by the will to engage in the dialogue and assurance that it involves the right stakeholders. This condition also addresses the issues of representation and participation, especially from the side of the social partners which function as principal agents on behalf of their members. On the government side this issue concerns the acceptance of the dialogue and the fact that relevant departments will take part in it.

Do you reckon these conditions apply to the Dutch/ Polish social dialogue? And in case of the pension schemes reform, do you notice other important indicators regarding the successful social dialogue?



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8. The review of the literature also has shown that the well-developed social dialogue contributes to the enhanced good governance and rule of law in the country. A healthy dialogue shall also bring more security of social rights and economic stability. Do you agree with this statement and could you give examples of how The Netherlands/Poland scores on these criteria (examples from the negotiations FNV / NZSS Solidarność have already experienced)?

Appendix B: the profiles of the spokespersons

Hereby the indications of the functions of the delegates of the trade unions who were interviewed for the purpose of the empirical study within the thesis.

NSZZ Solidarność

The spokesmen of the Polish biggest trade union were interviewed online, under the principles of informed consent. They both agree to publish their opinions.

Mr. Jerzy Langer in the years 2006-2011 the vice-president of NSZZ Solidarność, has always been an active member of this labor union, which was illustrated by his active participations in different strikes organized during the real socialism in Poland. Mr. Langer was and still remains a member of the National Council of NSZZ Solidarność which offered him the opportunity to take part in the tripartite negotiations with the entrepreneurs and the government. Mr. Langer is currently advising the labor union on the negotiation strategies and represents the NSZZ Solidarność in the sector of labor law in the Tripartite Commission.

Mr. Józef Dziki has been the president of the NSZZ Solidarność for the voivodeship of Warmia-Mazury since 1993. He takes a fixed place in the National Council of NSZZ Solidarność and regularly participates in tripartite negotiations. During his career in the labor union, Mr. Dziki strived to establish a well-organized workforce at sectorial level in the region of Warmia and Mazury.

Federatie Nederlandse Vakbeweging

The spokespersons from FNV were interviewed online (Mrs. van Wezel) and face-to-face (Mrs. Bulk). They were informed on the ethical principles of the research and agreed for their opinions to be published for the purpose of the study.



Mrs. Annie van Wezel is the policy advisor on international labor affairs from the arm of FNV. She has been in function since 2008 and from then on she participated in plenty negotiations regarding sustainable welfare state at the international and European level. Her area of expertise is connected to the social dialogue within the framework of the International Labour Organization and the European Union.

Mrs. Marjolijn Bulk is the policy advisor on the matters connected to the European Union. She is the delegate of FNV to ETUC where she works in committees which consist of delegates of trade unions from different Member States. Regarding the national level social dialogue, Mrs. Bulk has experience in working for committees of the Social - Economic Council (SER) which issued opinions on the developments of the social policies at the level of the European Union.

