ECONSTOR
Make Your Publications Visible.

A Service of
ZBW
Leibniz-Informationszentrum Wirtschaft
Leibniz Information Centre for Economics

Trif, Aurora

Working Paper

Explaining Diversity in Industrial Relations at Company Level in Eastern Europe: Evidence from Romania

MPIfG Discussion Paper, No. 05/3

Provided in Cooperation with:
Max Planck Institute for the Study of Societies (MPIfG), Cologne

Suggested Citation: Trif, Aurora (2005) : Explaining Diversity in Industrial Relations at Company Level in Eastern Europe: Evidence from Romania, MPIfG Discussion Paper, No. 05/3, Max Planck Institute for the Study of Societies, Cologne

This Version is available at:
https://hdl.handle.net/10419/19917

Standard-Nutzungsbedingungen:

Die Dokumente auf EconStor dürfen zu eigenen wissenschaftlichen Zwecken und zum Privatgebrauch gespeichert und kopiert werden.

Sie dürfen die Dokumente nicht für öffentliche oder kommerzielle Zwecke vervielfältigen, öffentlich ausstellen, öffentlich zugänglich machen, vertreiben oder anderweitig nutzen.

Sofern die Verfasser die Dokumente unter Open-Content-Lizenzen (insbesondere CC-Lizenzen) zur Verfügung gestellt haben sollten, gelten abweichend von diesen Nutzungsbedingungen die in der dort genannten Lizenz gewährten Nutzungsrechte.

Terms of use:

Documents in EconStor may be saved and copied for your personal and scholarly purposes.

You are not to copy documents for public or commercial purposes, to exhibit the documents publicly, to make them publicly available on the internet, or to distribute or otherwise use the documents in public.

If the documents have been made available under an Open Content Licence (especially Creative Commons Licences), you may exercise further usage rights as specified in the indicated licence.

WWW.ECONSTOR.EU

Mitglied der Leibniz-Gemeinschaft

MAX-PLANCK-INSTITUT FÜR GESELLSCHAFTSFORSCHUNG
MAX PLANCK INSTITUTE FOR THE STUDY OF SOCIETIES

MPIfG Discussion Paper 05/3

Explaining Diversity in Industrial Relations at Company Level in Eastern Europe: Evidence from Romania

Aurora Trif

MPIfG Discussion Paper

Aurora Trif

Explaining Diversity in Industrial Relations at Company Level in Eastern Europe: Evidence from Romania

MPIfG Discussion Paper 05/3
Max-Planck-Institut für Gesellschaftsforschung Köln
Max Planck Institute for the Study of Societies Cologne
April 2005

© 2005 by the author(s)

MPIfG Discussion Paper | ISSN 0944-2073

MPIfG Discussion Papers are refereed scholarly papers of the kind that are publishable in a peer-reviewed disciplinary journal. Their objective is to contribute to the cumulative improvement of theoretical knowledge. The papers can be ordered from the institute for a small fee (hard copies) or downloaded free of charge (PDF).

Downloads
http://www.mpifg.de
Go to *Publications / Discussion Papers*

Max-Planck-Institut für Gesellschaftsforschung
Max Planck Institute for the Study of Societies
Paulstr. 3 | 50676 Cologne | Germany

Tel. +49 221 2767-0
Fax +49 221 2767-555

www.mpifg.de
info@mpifg.de

Abstract

Whilst most studies on the transformation of industrial relations (IR) in Eastern Europe focus on the common trends, this paper examines variations in IR practices at company level. It uses a revised version of the exchange model to analyse the evidence from nineteen case studies in Romania. As the exchange model argues that capital and labour are involved in a rational exchange, it would be expected that if a negative sum game occurs, the rational choice of the actors would be to move towards a zero or positive sum game. However, evidence indicates that nine companies investigated seem to have a long-term equilibrium with a negative sum game for capital and labour. It is argued that this is able to occur because, in addition to capital and labour, the government and, sometimes, the top management are key actors involved in complex games that sum to zero. The paper suggests that differences in the power relations between these four actors lead to variations in the IR types employed at company level within a country. The main contribution of the paper is twofold: firstly, it cites original evidence for the diversity of IR practices at company level; secondly, it operationalises a revised version of the exchange model that could be used in further research to explain the variations in IR at the company level in Eastern Europe. Overall, it aims to contribute to a deeper understanding of variations in IR at the company level.

Zusammenfassung

Im Gegensatz zur Mehrzahl der Studien über die Transformation der Arbeitsbeziehungen in Osteuropa, die sich mit allgemeinen Trends beschäftigen, werden in diesem Discussion Paper die Unterschiede in der Praxis der Arbeitsbeziehungen auf Unternehmensebene betrachtet. Als Raster für die Klassifikation von neunzehn rumänischen Unternehmen wird eine überarbeitete Version des *Exchange Model* entwickelt. Dieses Modell argumentiert, dass die Kapital- und die Arbeitnehmerseite rationale Tauschpartner in einem Aushandlungsspiel sind. Bei einem sich abzeichnenden Negativsummenspiel wäre somit davon auszugehen, dass die rationalen Entscheidungen der Akteure bewirken, dass sich die Konstellation in Richtung auf ein Nullsummenspiel oder ein Positivsummenspiel auflösen wird. In der Praxis jedoch ist bei neun der untersuchten Firmen ein langfristiges Gleichgewicht mit einem Negativsummenspiel für Kapital und Arbeit festzustellen. Dies wird damit begründet, dass als weitere Schlüsselakteure die Regierung und zuweilen auch die Leitung der Unternehmen in komplexe Nullsummenspiele eingebunden sind. Die Autorin geht davon aus, dass es die Unterschiede in den Machtbeziehungen dieser vier Akteure sind, die zu unterschiedlichen „Typen“ von Arbeitsbeziehungen in Unternehmen innerhalb eines Landes führen. Das Discussion Paper trägt auf zweifache Weise zur Diskussion bei: Zum einen weist es eine Vielfalt von unterschiedlichen Formen der Arbeitsbeziehungen auf Unternehmensebene nach; zum anderen bietet die entwickelte überarbeitete Version des *Exchange Model* einen Ansatzpunkt für die zukünftige Erforschung der Arbeitsbeziehungen in den Unternehmen Osteuropas.

Contents

1 Introduction 5

2 The impact of post-communist transformation on industrial relations 6

3 Explaining diversity in industrial relations at company level in CEECs 8

Current debates 8

Exchange model 10

4 Diverse industrial relations types at company level in Romania 12

5 A revised exchange model 15

6 Conclusions 20

References 22

1 Introduction

Industrial relations (IR), referring to values, laws, institutions and practices that govern employment relationships (Kochan et al. 1984: 4), have been undergoing radical changes in Eastern Europe since 1989. The overall goal of the transformation process across the region was originally to achieve economic efficiency and democracy, which in terms of industrial relations would be (at least theoretically) bargained corporatism (Crouch 1993). In spite of a common aim and rather similar challenges determined by the collapse of the communist regime and the process of EU integration, evidence indicates that the results of the transformation vary across and within Central and Eastern European countries (CEECs) (Kohl/Platzer 2004; Martin/Cristescu-Martin 2004; Avdagic 2003). However, most studies on the subject refer to the common features across CEECs rather then dealing with the differences between them (Kohl/Platzer 2004; Martin 1999; Casale 1997). In addition, there is very limited case study evidence across Eastern Europe, with the extreme case of Romania offering no evidence at all. This paper is an attempt to contribute to a deeper understanding of variations in IR at the company level based on case study evidence from Romania. It suggests that differences in the power relations between the main IR actors[1] at the local level lead to variations in the types of industrial relations employed at company level within CEECs.

The study utilises a revised version of Crouch's (1993) exchange model to explain the variations in IR types at company level. The main argument of the exchange model is that changes in the power relations between capital and labour, which are involved in a rational exchange, result in different types of IR (Crouch 1993). Crouch distinguishes four main types of IR systems with the sum game of the exchange between capital and labour from zero to various degrees of positive sum game. He argues that if a negative sum game occurs, the rational choice of the actors would be to move towards a zero or positive sum game (Crouch 1993: 35). However, evidence[2] indicates

I am very grateful for the valuable comments, help and support of several scholars in writing this article. I owe special thanks to Sabina Avdagic, Jürgen Beyer, Michael Blauberger, Linda Clarke, Colin Crouch, Martin Höpner, Jörn Janssen, Karl Koch, Myung-Joon Park, Wolfgang Streeck, Raymund Werle and Cornelia Woll.

1 In line with Dunlop (1958), IR actors refer to employees and their representatives, employers (the term is used to denote owners and shareholders) and their representatives, and the representatives of specialised state agencies. In addition, it is argued that the management team does not always represent the interests of employers (see Section 5 for details). Thus, top management can be a distinctive IR actor from the employer at the company level.

2 The study is based on 107 semi-structured interviews conducted in 2000–2001 in Romania with trade union officers, employers' association officials and state representatives. In addition, union officials, shop stewards, human resource managers and employees from 19 companies from different industrial sectors were interviewed. A similar questionnaire was used to conduct (one-to-one) interviews with seven officials from national (transectoral) institutions, nine officials from the chemical sector and 91 respondents at company level.

that, in nine out of the 19 companies investigated in Romania, IR seems to have a long-term equilibrium with a negative sum game for capital and labour. It is argued that this is able to occur because, in addition to capital and labour, the government and, sometimes, the top management are key actors involved in complex games that sum to zero. As a result, a new type of IR must be added to those identified by Crouch. This type is called 'subsidisation' as it was found in companies that received long-term subsidises from the state.

Although the 'subsidisation' type of IR is specific to the initial transition period in CEECs, it has two main interrelated wider implications. First, it shows that very weak labour and capital (shareholders) at company level may be manipulated by the top management, which rationally should attempt to further its own interests. Secondly, it demonstrates that the state is a key actor in state-subsidised companies. Nevertheless, it is argued that the stronger the capital and labour are at company level, the less is the scope of the state and the management team to enter into coalitions or conflicts with both shareholders and labour to maximise their own interests. Therefore, this study broadens Crouch's exchange model to enable it to explain variations in IR in some rather exceptional cases, when capital and labour are very weak and in state-subsidised companies.

This paper is organised as follows. Section 2 explores the general impact of the transformation on industrial relations in CEECs. It argues that, in spite of the fact that virtually all CEECs have aimed at adopting a bargained corporatist model, the types of IR vary across and within these countries. Subsequent to a discussion of the current debates in the literature surrounding the types of IR employed in Eastern Europe, the third section presents Crouch's exchange model, which forms the basis for analysing the primary data in the forth section. Evidence demonstrates that there is large variation in the types of IR employed at company level in Romania. As Crouch's exchange model could not explain IR in subsidised companies, the model is revised in Section 5. The paper concludes by outlining its main contribution to understanding diversity in IR practices in Eastern Europe.

2 The impact of post-communist transformation on industrial relations

The strategic choice throughout Eastern Europe in 1989 was to transform the centrally planned economy into a Western type of market economy, including the adaptation of Western models of IR. Most visibly, a pluralist legislative framework was adopted after 1989, which guaranteed the freedom of association of employees and employers, legally recognising their organisations and actions. It eliminated the legal obstacles to the conclusion of collective agreements and provided the formal right to strike (Casale 1997: 7). Trade unions have generally been better organised than em-

ployers in CEECs, but frequently employers have had enough power to impose the terms and conditions of employment at company level (Pollert 1999; Martin 1999). The lack of employers' associations during the communist era, the ambiguous context of transition involving a widespread black labour market and a weak capacity of the state to implement legislation made many employers unwilling to organise and to conclude collective agreements (Clarke et al. 2003; Lecher/Optenhogel 1995: 403). Therefore, labour institutions based on Western models of IR started to develop in CEECs.

The overall aim of the transformation process across Eastern Europe was to improve economic performance by creating competitive and efficient market-based economies in a context of a democratic system (Rusu 2002: 5; Martin 1999: 1; Casale 1997: 2). In order to achieve this goal, virtually all governments supported the development of national tripartite bodies (Avdagic 2003; Ost 2000; Vidinova 1997),[3] which indicated that the desired result of the transformation of the existing labour relations was a type of bargained corporatism. Furthermore, international organisations such as the EU, the International Labour Organisation (ILO) and the International Monetary Fund (IMF) encouraged the development of a bargained corporatist type of IR (Kohl/Platzer 2004; Pollert 1999). Therefore, there was endogenous and exogenous support for a neo-corporatist approach to IR across CEECs.

However, achieving economic efficiency and democracy proved to be a very difficult task. There was an initial catastrophic decline in the industrial output due to the collapse of interregional trade with the disintegration of the Council for Mutual Economic Assistance, the severe international competition and globalisation which followed trade liberalisation and the disruption of established supply chains (Lavigne 1999; Martin 1999: 35). This led to an economic recession which continued throughout the 1990s in countries that had no reforms before 1989, such as Romania and Bulgaria (Crowley/Ost 2001; Martin 1999). Furthermore, even in countries where there was substantial economic growth (e.g. Poland and Hungary), there were far fewer people whose living standard increased than those who experienced a decline in their real incomes due to inflation, unemployment and a sense of (economic) uncertainty (Crowley/Ost 2001; Martin 1999; Casale 1997). Thus, a large number of employees did not have a positive outcome, as would be expected in a bargained corporatist type of IR.

The literature on the subject consists of rather descriptive accounts of the different labour institutions at various levels, either from a comparative perspective (Funk/Lesch 2004; Galgozi/Mermet 2003; Kohl/Platzer 2003; Lado 2002) or by treating the

3 These were forums for dialogue and consultation between the state and representatives of trade union confederations and employers' associations, principally relating to labour issues (Casale 1997).

region as one unit (e.g. Martin/Cristescu-Martin 2004, 2002; Draus 2001; Casale 1997). These studies are very useful for providing general information about current developments in IR institutions, but they rarely utilise a theoretical framework to develop their argument and to conceptualise the cause of similarities and/or differences in IR. More recently, scholars have started to acknowledge that the types of IR vary across and within CEECs, but they still generally focus on the common trends across Eastern Europe (e.g. Kohl/Platzer 2004; Martin/Cristescu-Martin 2004). In addition, there is very limited evidence on industrial relations at company level across Eastern Europe. Therefore, the existing studies have not thoroughly addressed the fundamental question of whether and why a variety of IR types are operating across and within CEECs.

3 Explaining diversity in industrial relations at company level in CEECs

Current debates

Determinism versus voluntarism

Most research on the subject indicates the emerging systems of IR in CEECs are shaped by both domestic and international factors. Internally, the main elements that influence the development of IR in CEECs are considered to be the historical legacies, the political and economic contexts, the ideology and social values, and the power relations between the IR actors, while externally they are the EU, the ILO, the IMF, the World Bank, foreign direct investment and the globalisation process (Kohl/Platzer 2004; Pollert 1999; Casale 1997). However, there is no agreement on the key factors that determine the types of IR emerging in CEECs. Casale (1997: 13) and Petkov (in Aro/Repo 1997: xiv) argue that the national actors play a secondary and complementary role, while the centre of decision-making rests with international financial institutions. Other scholars consider that national institutions have primarily shaped the development of IR since 1989 (Crowley 2004; Kohl et al. 2000; Pollert 1999), whilst others acknowledge that IR actors have also had a major role in the transformation process (Martin/Cristescu-Martin 2004; Vikerstaff/Thirkell 2000; Vidinova 1997). Thus, there is still a controversy among scholars about how much room for manoeuvre the national actors have.

The disagreement over the degree of freedom of action enjoyed by the IR actors could be seen in terms of determinism or voluntarism (Huzzard 2004: 24). Dunlop (1958) is the most prominent advocate of a deterministic view in IR. In his systemic approach to IR, Dunlop (1958) argues that contextual factors, such as technology and market forces, along with regulatory factors, ideology and power in the society determine the

type of IR employed at any specific level. Thus, a deterministic view that the discretion of IR actors is tightly constrained by contextual factors in Eastern Europe, such as international financial institutions, national institutions and historical legacies, is in line with Dunlop's (1958) systemic approach. Although Dunlop's deterministic view might be valid in a stable IR system, there is a widespread view that it does not explain the transformation of IR even in mature IR systems, such as in the US. Kochan et al. (1984: 20–21) demonstrate that IR practices and outcomes are shaped not only by the environmental forces, as Dunlop's (1958) system framework indicates, but also by the strategic choices and values of managers, trade union leaders, workers and public policy.

Have IR actors had an influence during the radical transformation of labour relations in Eastern Europe since 1989? As the existing labour institutions became obsolete in the context of the political and economic changes that occurred in Eastern Europe (see Clarke et al. 2003), *the IR actors had to make choices* to restructure or establish new labour institutions post 1989. After 15 years of change in CEECs, labour institutions are not well consolidated, IR is generally decentralised and the governments are often unable to enforce the labour legislation (Martin/Cristescu-Martin 2004; Trif/Koch 2004: 195; Clarke et al. 2003). Thus, IR actors at the company level play a major role in determining the type of IR operating in practice (Kohl/Platzer 2004; Trif 2000; Pollert 1999; Aro/Repo 1997). In this study it is considered that IR actors have a degree of discretions in making decisions about the type of IR employed in their company. Therefore, this paper supports a voluntarist view, while it is acknowledged IR actors' decisions are constrained to various degrees by both the external environment and their own power resources, structures and values.

Corporatist, Anglo-Saxon or a distinctive type of IR in CEECs?

Scholars have used the existing IR theoretical models to explicate the emerging IR systems. There are three main views concerning the types of IR employed in Eastern Europe:

- One group of authors considers that a corporatist model has been developing in CEECs (e.g. Iankova/Turner 2004; Iankova 1997; Vidinova 1997). They argue that the national tripartite institutions established at the beginning of the 1990s across CEECs helped to achieve a broad consensus on market reforms while maintaining social peace. However, a more widespread view is that tripartite institutions are just a corporatist façade used by the governments primarily to legitimise their policies already decided and frequently rooted in neo-liberal market principles (Ost 2000; Pollert 1999; Tatur 1995). A co-ordinated national corporatist approach to IR would be expected to result in rather limited diversity of the types of IR employed at company level within a country.

- The second view is that IR in CEECs resembles the Anglo-Saxon model (e.g. Crowley 2004: 394; Funk/Lesch 2004; Meardi 1996). The authors argue that the emerging systems are very decentralised and fragmented, while institutions such as tripartism or works councils play a very limited role in these countries (Funk/Lesch 2004). However, they do not explain the high degree of state intervention in IR, which is an essential feature of the labour relations in CEECs, though hardly a characteristic of the voluntaristic tradition of the Anglo-Saxon model. An Anglo-Saxon model of IR suggests that IR types employed at company level may vary depending mainly on the choices of the local IR actors.
- The third view is that a distinctive type of IR is emerging in CEECs (e.g. Kohl/Platzer 2004, 2003; Dörrenbächer et al. 2000). Kohl/Platzer (2003: 26) argue that, although labour relations in CEECs have been geared towards Western European models of IR, a unique labour relations model is emerging in Eastern Europe. It shares decentralisation with the Anglo-Saxon model and high state intervention with France in particular. The authors also indicate that CEECs face similar demands as a result of fundamental structural change, but that widely different solutions have been adopted within a certain range. Consequently, there is some scope for variation in the types of IR employed at company level if the distinctive type of IR identified by Kohl/Platzer (2004) is actually emerging in CEECs.

Although there is no agreement among these authors on the emerging type of IR in CEECs, virtually all of them[4] focus on the common characteristics rather than recognising as a fundamental issue the fact that a variety of types IR are operating across and within CEECs.

Exchange model

A recent theoretical model that covers a wide spectrum of possible types of IR (including the three types discussed above) is Crouch's exchange model (1993). It has as a focal point changes in the power relationship between organised labour and capital which are involved in a rational exchange or choice. Taking into account primarily the exchange relationship between labour and capital, Crouch (1993) distinguishes four types of IR systems, as follows:

- *contestation* refers to an unformed relationship between labour and capital, where a change to the benefit of one party can be achieved only through the dis-

4 There is an article written by Kohl/Lecher/Platzer (2000) that emphasises the differences between four CEECs. They explain the IR variation in terms of path-dependency, but they do not operationalise the concept.

advantage of the other and the result of the exchange between them is a zero sum game;

- *pluralist bargaining* refers to an established relationship between labour and capital where the exchange relation between labour and capital leads to the development of a minor substantive positive sum;
- *bargained corporatism* refers to a bipartite relationship involving organised labour and organised capital, which set up the main rules of employment relations at national level, seeking to spread the positive sum game over the entire country, on the basis of a centralised collective bargaining system;
- *authoritarian corporatism* refers to the fact that the end-point of the bargained corporatist stage must theoretically be the reduction of all transactions between labour and capital to a positive sum game, which implies an identity between capital and labour. Crouch (1993: 47) argues that national authoritarian corporatism is a form in which there are rarely positive sum games in practice. However, at company level, employers often use a mix of punishing dissidents and encouraging feelings of shared interests in the rest of the labour force, particularly in the US (Crouch 1993: 48). *Human resource management* (HRM) is the type of IR at company level, where feelings of identity between capital and labour are encouraged and a positive outcome for both sides is (at least) claimed.[5]

Although the exchange model is based on class conflict and/or co-operation, Crouch (1993: 35) indicates, in contrast to the Marxist view, that a revolutionary change of the capitalist system is unlikely, because it is less attractive for labour compared to the gains that could result from increased interaction. Thus, the rational choice for the parties is to extend their co-operation in order to achieve a larger positive sum game. The exchange model indicates that a positive sum game is more likely to be achieved when both parties are strong and they have a long-term established relationship.

The exchange model has formed the basis for establishing typologies of IR operating in Western Europe (Ebbinghaus/Visser 1997; Crouch 1993) and in Eastern Europe (Kohl/Platzer 2004;[6] Martin 1998), but it has also been criticised for its limitations in explaining capital–labour power relations. Firstly, according to Martin (1992: 21), game theory, on which the exchange model is based, assumes that actors act rationally within an established set of rules, trying to maximise their gains, but 'collective bargaining is heavily influenced by subjective orientations of the actors, … the rules of the game are not always known … [and] the bargaining process is too complex, and too fluid to be confined within a rationalistic game-theoretical framework'. Crouch

5 Crouch (1993: 47–49) acknowledges that there are differences between the authoritarian corporatism imposed by fascist regimes and the type of IR imposed by managers, but he includes the two models in the same category as both of them claim a positive outcome based on strong shared interests between capital and labour.

6 Kohl/Platzer (2004: 318) used the IR models identified by Ebbinghaus/Visser (1997).

(1993: 20) acknowledges that the choices of the IR actors are constrained by the existing structures as well as by the actors' limited knowledge of the likely consequence of their actions, but his model indicates the conditions that favour particular choices and exchanges. Secondly, Ebbinghaus (2002) criticise Crouch's exchange model because it does not differentiate between 'Nordic neo-corporatism', with its centralised and strong labour, and 'Continental neo-corporatism', with much lower union membership and more politically divided unions. Ebbinghaus/Visser (1997) introduce other parameters (e.g. the role of the state, the form of democracy, etc.) to distinguish the four main ideal types operating in Western Europe. Thus, the exchange model is commonly used by the researchers to categorise the typologies of IR operating at national level in Europe, albeit on a sometimes modified basis. However, no study was found that operationalises the exchange model for identifying the type of IR operating at company level.

4 Diverse industrial relations types at company level in Romania

This section analyses the primary data from the Romanian sample using the exchange model. Empirical evidence indicates a large variety in the IR types operating in different companies in Romania. A *contestation* type of IR was found in the four newly established companies (private small and medium-sized enterprises – SMEs) from the Romanian sample. In these companies, the employer unilaterally establishes the terms and conditions of employment, the only exception being for some core employees who may have an individually negotiated contract (interviewees). In all these organisations, employers do not accept trade unions, collective bargaining and conflict, do not delegate much power to the middle management and are able to carry on virtually as they please. The type of relations between employer (who in all the cases examined was also the general manager) and employees may vary from adversarial to paternalistic, depending on the employer's preferences and style of management. The evidence in Romania confirms studies in other CEECs that indicate that, in the emerging private sector, employees are not organised, earnings are highly variable and employment relations are generally informal, as the terms and conditions of employment are determined by the employer (Martin/Cristescu-Martin 2004; Clarke et al. 2003; Pollert 1999). Therefore, findings substantiate the exchange model argument that a contestation type of IR is likely to be employed in the newly established companies, as the parties are at the beginning of their relationship and labour is unlikely to be well organised. However, the relations between capital and labour are not always adversarial, as the employer/top manager may choose a paternalistic approach.

A *pluralist bargaining* type of IR was found in five privatised companies (four large companies and a medium-sized subsidy of a multinational corporation). In all these cases, the actual conditions of employment are established at the company level, even

when a sectoral collective agreement exists, such as in the chemical sector.[7] Interviewees revealed that sometimes neither the labour legislation nor these minimal conditions stipulated in sectoral collective agreements are implemented at company level (e.g. the right of pregnant women not to work on night shifts, clauses regarding overtime). Moreover, there are differences in IR even between highly unionised private companies that have a similar size and operate in the same market.[8] Respondents revealed that top management had generally a major influence on selecting the approach to IR in each company investigated, but the IR type employed depended also on the power of the trade union(s). There was only one company where a strong trade union was the main player that initiated a social partnership at the company level prior to privatisation and this has been working well even after privatisation. In line with the exchange model argument, case study evidence suggests that IR in the privatised sector depends on the power of the parties involved confirming other studies in CEECs (Martin/Cristescu-Martin 2004).

The third possible type of IR derived from the exchange model is *bargained corporatism*, which is characterised by centralised collective bargaining and a positive outcome for labour and capital. None of the 19 companies investigated had a positive outcome to the exchange between capital and labour, with the terms and conditions of employment established at the national or sectoral level.

One multinational company had a HRM approach (the fourth possible type),[9] with a positive outcome for both capital and the workforce. Subsequent to an initial major reduction of personnel (from 235 to 65 employees), this company appears to have a soft human resource management approach, based on individualised pay (higher wages than in nationally owned firms), employee participation, regular training for all employees and high commitment of employees. According to the HR manager, this approach follows the policy of the parent company. In this case, findings confirm the Martin/Cristescu-Martin (2004) argument, indicating that multinational companies generally follow their international human resource practices,[10] with reduction of employment levels, increased flexibility and rather individualised pay systems.

---

7 In Romania, a sectoral collective agreement can only be concluded by the representative federations of trade unions and employers' associations and it should cover all the employees of that industrial sector.

8 For instance, the two large privatised chemical companies investigated had very different types of IR, namely one company had chosen a 'low road', while the other one 'the high road' approach to IR.

9 National authoritarian corporatism is not a feasible choice, as all CEECs adopted a labour legislation that recognises the conflicting interests of the labour and capital (e.g. the right to strike – Aro/Repo 1997).

10 Respondents reported a rather similar development in IR in a subsidy of a multinational company in Hungary investigated in 2001 by the author.

Nevertheless, in another multinational company investigated, there was no major reduction of the personnel and the terms and conditions of employment were established through a collective agreement negotiated by the trade union, but wages were rather similar to the nationally owned firms, while workplace relations were predominantly adversarial. In addition, a respondent that worked in two different subsidiaries (Romanian workplaces) indicated that in one workplace the relations between employees and management were far more co-operative, and employees had higher wages and better conditions of work than in the other workplace. In that workplace, there was more communication and mutual trust between the management and the workforce, according to the respondent. Thus, evidence suggests local IR actors can make a difference in the type of IR employed at a specific workplace even in the subsidiaries of the same company, depending on power relationships and the degree of mutual trust between capital and labour, thereby substantiating the exchange model argument.

Whilst Crouch's (1993) exchange model explains rather well the IR types employed in the ten cases indicated above, it is unable to clarify the IR type employed in nine companies that seem to have had a long-term equilibrium with a negative sum game for capital and labour. In these nine companies (four large state-owned enterprises, three medium-sized state-owned enterprises and two privatised companies) IR is in a long-term crisis, as these companies were making losses and their employees had very low wages. The six large companies were highly unionised (over 75%), but interviewees reported that unions were very weak, as these companies had no profits to share between capital and labour. Apart from education and railway sector, the terms and conditions of employment in these companies were established at the workplace. Respondents indicated that the terms and conditions of employment were very much dependent on the willingness of the government in power to subsidise their company either directly or by not obliging these companies to pay the debts owed to the state. Therefore, findings from the small Romanian sample indicate that IR in many state-owned enterprises and even privatised companies is in a chronically state as these companies have survival problems.

Although the number of subsidised companies in CEECs has decreased with the consolidation of their market-based institutions, there are still subsidised organisations in Europe. Martin/Cristescu-Martin (2004) indicate that IR in the budget sector across CEECs has been in a continuing crisis since 1989, despite having a privileged position during the communist period and a relatively high trade union membership. Additionally, there are state-subsidised organisations in the public sector in both parts of Europe, and even commercial companies sometimes obtain state subsidies when they have survival problems (e.g. Alitalia in Italy). Thus, it is important to identify the characteristics of the type of IR employed in state-subsidised organisations and the possible choices of conflict and co-operation between the IR actors.

5 A revised exchange model

In order to include the IR model found in subsidised companies, it is necessary to revise some of the propositions of Crouch's exchange model.[11] Crouch (1993: 35) argues that if a negative sum game occurs, the rational choice of capital and labour would be to move towards a positive sum game. Evidence from the Romanian sample shows that frequently top managers in state-owned enterprises have upheld a negative sum game of the exchange between capital and labour. In the context of transition, they had the rational interest in making the company non-profitable so that they could buy its assets cheaply, or they just used the company to serve their own interests (Trif 2000). With the removal of the central plan mechanism in 1989, top managers of the state-owned enterprises were in a very strong position, as virtually no one else had accurate information on the existing assets of their company. As a result, industrial corruption related to the privatisation process has been a widespread phenomenon in many CEECs (Croucher 1998). Furthermore, it is possible in any market economy system for top managers to take unfair advantage of both shareholders and labour (as with the well-known recent cases of Enron and Hollinger International in the US), if they are not clearly accountable to the shareholders and labour is not involved in the decision-making process.

As can be seen in Figure 1, a negative sum game of the exchange between labour and capital ($\Delta l+\Delta c<0$, where $\Delta l<0$, $\Delta c<0$) is able to occur in practice.[12] Although this appears to run counter to the rational choice theory on which the sum game model is based, it may be possible for both parties to play a losing game. Sometimes, a third party can manipulate them to create advantages for itself (being its rational choice), and sometimes a player (such as the government in power as employer) may have other interests more important to it (such as getting re-elected) than achieving a positive outcome in companies where it is the main shareholder. Therefore, in the case of a long-term negative sum game between capital and labour, the game is more complex, and overall it is at least a zero sum game for all the parties involved.

Cases I and II are viable in the long term because they permit capital accumulation, while cases III and IV, when the outcome of the exchange is negative for capital, may be viable only in the short term. Nevertheless, if the system is subsidised by an external source (e.g. the state), a negative outcome for capital may be preserved for a long time, as long as it receives a subsidy equal to or higher than its losses from the external source. This was the procedure used to maintain operation of the loss-making com-

11 No IR model or IR typology that refers to employment relations in subsidised companies was found.

12 Crouch (1993: 32) acknowledges that the sum game of the exchange between labour and capital can be negative, but he does not consider this case a distinctive type of IR.

panies during the communist period in Eastern Europe, and even post 1989, in countries such as Romania (Dochia 2000: 12).

Figure 1 Exchange model revised

Payoffs of the exchange[13]	Capital interest: Positive	Capital interest: Negative
Labour interest: Positive	Case I Positive sum game $\Delta l + \Delta c > 0$, where $\Delta l > 0$, $\Delta c > 0$	Case III Zero sum game pro labour $\Delta l + \Delta c = 0$, where $\Delta l \geq 0$, $\Delta c \leq 0$
Labour interest: Negative	Case II Zero sum game pro capital $\Delta l + < c = 0$, where $\Delta l \leq 0$, $\Delta c \geq 0$	Case IV 'Negative' sum game $\Delta l + \Delta c < 0$, where $\Delta l < 0$, $\Delta c < 0$

Legend: Δc, Δl = shares of capital and labour as defined by Crouch (1993: 32).

Cases I and II are viable in the long term because they permit capital accumulation, while cases III and IV, when the outcome of the exchange is negative for capital, may be viable only in the short term. Nevertheless, if the system is subsidised by an external source (e.g. the state), a negative outcome for capital may be preserved for a long time, as long as it receives a subsidy equal to or higher than its losses from the external source. This was the procedure used to maintain operation of the loss-making companies during the communist period in Eastern Europe, and even post 1989, in countries such as Romania (Dochia 2000: 12).

Considering the outcome for labour and capital as well as the main IR actors at company level, the mechanisms of establishing employment regulations and employee participation, five types of IR are identified in the analytical framework (Table 1). These types are subsidisation (in non-profitable companies), contestation, pluralist bargaining, bargained corporatism and HRM. As indicated in Table 1, nine companies have a subsidisation type of IR, four contestation, five pluralist bargaining and one multinational company has a HRM type within the Romanian sample (see Section 4 for further details). Therefore, in order to characterise the IR in subsidised

13 Whilst for capital it could be broadly argued that a positive outcome is when the company is profitable and a negative outcome is when the company is making losses, it is more difficult to define a positive and a negative outcome for labour. In this paper, a negative outcome for labour is considered when the income provided by the employer does not cover the cost of the worker's basic needs, such as housing and food. The rational choice of workers is to remain in this employment relation, because the alternative is generally extremely low unemployment/social benefits, while the workers still have to pay for their basic needs.

companies, a new type of IR, referred to as subsidisation, is added to the four types identified by Crouch (1993).

Table 1 Types of industrial relations at company level

Parameters	Types 1-5: from a negative to positive sum game for capital and labour				
	Subsidisation	Contestation	Pluralist bargaining	Bargained corporatism	HRM
	1	2	3	4	5
State (S) intervention	High	Very low, in favour of C	Low, in favour of C	High, in favour of L	Low
Employers and their representatives (C)	Weak organisation	Unorganised	Weak organisation	Organised	Unorganised
Employees and their representatives (L)	Organised (weak)	Weak organisation	Organised (weak)	Organised	Unorganised
Top management (TM) intervention	High	Very high (TM = employer)	High	Medium	Very high
Mechanism of establishing employment regulations	*Statutory legislation + imposed by employers + collective bargaining + others*	*Imposed by top managers*	*Collective and individual bargaining*	*Collective bargaining*	*Individual bargaining*
Power of C vis-à-vis L	*Higher, equal, lower*	*Extremely high*	*Higher*	*Roughly balanced at the national level*	*Much higher*
Type of relations between C&L	*Co-operative and adversarial*	*Adversarial*	*Co-operative and adversarial*	*Co-operative and adversarial*	*Predominantly co-operative*
Strategic level(s) of interaction between C&L	*National transectoral and company*	*Company*	*Company*	*National transectoral or sectoral*	*Company*
Sum game of exchange between C&L	*Negative, 0*	*0*	*0, Positive*	*Positive, 0*	*Positive (at least allegedly)*
Employee participation	*Indirect & direct participation (weak)*	*No*	*Indirect participation*	*Indirect & direct participation*	*Direct participation*
Types of IR in 19 Romanian companies	4 large SOEs 3 medium SOEs 2 privatised large firms	4 new (private) SMEs	4 large privatised companies A privatised medium MNC	None	A privatised SME (MNC)

Legend: SOEs = state-owned enterprises; MNC = multinational company

In the cases investigated in Romania, what subsidised companies have in common is the fact that they were not profitable for at least three years and the state intervention was very high (in supporting them with subsidies). Employees were organised in trade unions in the large companies, but the unions were rather weak as there was nothing to share between capital and labour. Top managers and/or the main shareholder were the power-holders at the company level. The mechanism of establishing the terms and conditions of employment varied, but usually it was the management team and/or the main shareholder that took the key decisions. Although the initial causes of loss-making were generally due to structural factors (e.g. interruption of supply and demand chains with the removal of the central plan, increased competition), the power-holders at the company level had to make strategic decisions as their survival was at

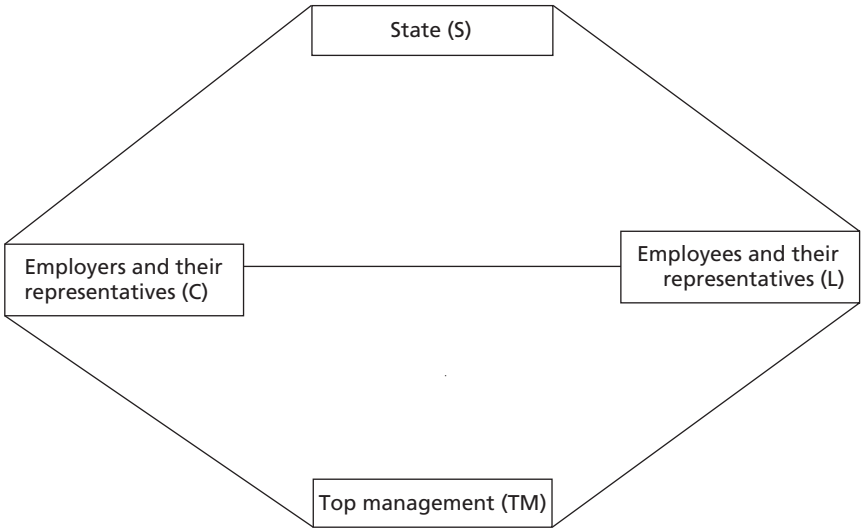
risk. Top managers' choices in state-owned enterprises were frequently to gain as much as possible for themselves (not to save the company), while private employers often 'captured' the state officials, by providing them with bribes in order to exempt them from paying their debts towards the state (Dochia 2000; Croucher 1998). The government in power had a political interest in keeping particularly the large companies operating, as these covered numerous voters. In addition, one employer interviewed revealed that the government prefers to even subsidise large private companies, because it is likely to pay less than the value of unemployment benefits that would be needed for the employees of these companies if they became bankrupt. Therefore, the choice of power-holders was to involve another actor (the government in power) to achieve a positive outcome for themselves, while creating a new constellation of actors with a zero sum game overall.

Capital and labour are at the centre of IR at company level, but the management team as well as the state can also be key actors (see Figure 2). Empirical evidence suggests that there can be two interrelated games of three actors that determine changes and continuity in industrial relations at company level. The first game is between employers (shareholders) and their representatives, employees and their representatives, and the management team. Whilst in Crouch's model (1993) it is considered that the management team represents the interests of capital, in the revised model it is argued that the management team can have its own interests and preferences, and it can be in coalition or conflict with both shareholders and employees.[14] For instance, shareholders have a common interest with employees in holding the management team accountable. In line with the main argument of the exchange model, it is argued that weak shareholders (those that have limited control over the management team) and weak labour can be manipulated by a strong management team into losing positions at company level. The rational choice of the management team would be to maximise their own interests if they are constrained neither by shareholders nor by employees. Thus, the weaker the capital and labour at company level, the more opportunities the management team has to maximise their own interests.

The second game is between employers (shareholders) and their representatives, employees and their representatives, and the state (the government in power). Although it is generally recognised that the state is an important actor in IR (Ebbinghaus/Visser 1997; Kochan et al. 1984; Dunlop 1958), the exchange model does not include it, since the model focuses on class conflict and/or co-operation. As indicated in Table 1, the role of the state in IR at the company level may vary from very low in a pluralist bar-

14 Höpner (2004) has a similar argument, by indicating that there is a variety of conflict and co-operation between shareholders, management and employees (not just class conflict between capital and labour) at the company level. In addition to Höpner's (2004) model, this study specifies the conditions under which the management team can be an independent actor, and it presents a second interrelated game between capital, labour and the state.

Figure 2 Possible coalitions and conflicts in industrial relations at company level



gaining type to high state intervention in bargained corporatism (see also Ebbinghaus/ Visser 1997) or very high in the subsidisation type. In the case of state-subsidised companies or loss-making companies, a *strong* state can choose between declaring a company bankrupt (conflict) or subsidising it (co-operation). A *weak* state may be forced by a coalition of capital and labour to subsidise the company,[15] or state officials may be co-opted ('state capture') by capital (Dochia 2000; Croucher 1998). If the subsidies from the state have virtually no costs for the local actors, it will be rational for them to maintain the subsidies for as long as possible. Therefore, in the case of state-subsidised companies, the state becomes a key IR actor that can enter into relations of co-operation or conflict with capital and labour.

The revised exchange model can be used for further research on IR at company level. The analytical framework presented in Table 1 could be utilised to organise empirical data and to develop the argument. Different from Crouch's exchange model, the revised model demonstrates that it is not always capital (shareholders) and labour who are the main actors engaged in the exchange at the company level. Thus, this study broadens Crouch's exchange model to enable it to explain variations in IR in special cases, namely when capital and labour are very weak and in state-subsidised companies. This represents a first step towards a deeper understanding of diversity in IR practices at company level, but further research is necessary to identify the conditions under which other possible coalitions and conflicts among the main IR actors are likely to occur.

15 This has happened in the energy sector in Romania, according to the respondents.

6 Conclusions

On the whole, this paper has aimed at contributing to a deeper understanding of variations in IR at the company level in CEECs. Its main contribution is twofold. Firstly, it cites original evidence on the diversity of IR practices at company level in Romania. Whilst most studies on the transformation of IR in Eastern Europe have focused on the common trends, this paper demonstrates that there is large variation in IR types employed at company level even within a country (Romania). Secondly, it operationalises a revised version of the exchange model, which can be used in further research to explain the variations in IR at the company level in Eastern Europe. It identifies a new type of IR named *subsidisation*, which is likely to be found in state-subsidised companies.[16] Thus, the study has an empirical as well as a theoretical contribution to make towards elucidating variations in IR practices at the company level in Eastern Europe.

In addition, the paper contributes to the broader debate on the emerging types of IR in Eastern Europe, by demonstrating which of the three views concerning the types of IR employed in Eastern Europe is substantiated by empirical evidence. Firstly, a corporatist approach to IR would be expected to result in rather limited diversity in the types of IR employed at company level within a country. Since findings show a large variety of types of IR employed at the company level, the evidence does not confirm that a predominant corporatist type of IR is operating in Romania. In addition, the diversity of IR types at company level found within other CEECs (Martin/Cristescu-Martin 2004; Clarke et al. 2003; Pollert 1999; Aro/Repo 1997) indicates a very weak support for the corporatist view. Secondly, if an Anglo-Saxon model of IR is the dominant type in CEECs, variations in IR at company level would be expected to depend on the choices of capital and labour at the company level. Whilst the IR practices in ten Romanian companies appear to substantiate this view, the high degree of state intervention in IR in nine companies is not in line with the Anglo-Saxon model. Although the state intervention in IR is higher in Romania than in other CEECs where the economic reforms are more advanced, it is widely recognised that state intervention in IR is generally higher in CEECs than in Western Europe (Kohl/Platzer 2004; Clarke et al. 2003; Pollert 1999). Consequently, the evidence is most compatible with the third view, which argues that a distinctive type of IR is emerging in Eastern Europe that shares its decentralisation with the Anglo-Saxon model while retaining a high level of state intervention.

The political and economic changes in Eastern Europe caused a radical change in the game played by the domestic actors, including IR actors. If one draws an analogy with

16 Although the number of state-subsidised companies has been decreasing particularly in the countries that joined the EU, there are still state-subsidised companies to be found, especially in former Soviet countries.

a football game, it could be considered that before 1989 the referee (the party-state) established all the rules of the game in Eastern Europe, deciding the players that could be involved, with the outcome for each player depending primarily on the interests of the referee. Subsequent to the opening of the economies in 1989, the state lost its exclusive position in establishing the rules of the game and a totally authoritarian game disappeared. At the national level, there have been two major choices in terms of the type of economy and IR: between a liberal market-economy and Anglo-Saxon model of IR ('American football') and a co-ordinated market economy and bargained corporatism ('European football'). The formal choice across CEECs was the European game, but it required players that in Western Europe were developed from the bottom up over a very long period of time. The lack of experienced and consolidated players in Eastern Europe made the achievement of a neo-corporatist type of IR very difficult, particularly in a global context where the free play of market forces rather than social values have been promoted (Huzzard et al. 2004). However, the EU represented a key external pressure that geared the transformation process in the direction of the European game (Kohl/Platzer 2004). As a result, the formal IR institutions are, by and large, based on a neo-corporatist type of IR, but in practice there is a large variety of IR types, comprising elements of both the European and the American games. Thus, this paper is part of the body of literature that contributes to a deeper understanding of the type(s) of market-based economies that are emerging in Eastern Europe.

References

Aro, Pekka/Paula Repo, 1997: Trade Union Experiences in Collective Bargaining in Central Europe. Budapest: ILO-CEET.

Avdagic, Sabina, 2003: *Accounting for Variations in Trade Union Effectiveness: State–Labour Relations in East Central Europe.* MPIfG Discussion Paper 03/6. Cologne: Max Planck Institute for the Study of Societies.

Casale, Giuseppe, 1997: Recent Trends and Issues in Industrial Relations in Central and Eastern Europe. In: John Brady (ed.), *Central and Eastern Europe – Industrial Relations and the Market Economy.* Dublin: Oak Tree Press, 1–13.

Clarke, Linda/Jan Cremers/Jörn Janssen, 2003: *EU Enlargement – Construction Labour Relations as a Pilot.* London: Reed Business Information.

Crouch, Colin, 1993: *Industrial Relations and European State Traditions.* Oxford: Clarendon Press.

Croucher, Richard, 1998: *Economic Development and Trade Unions in a Transitional Context: The Romanian Case.* Discussion Paper 4. London: Labour and Society International.

Crowley, Stephen, 2004: Explaining Labor Weakness in Post-Communist Europe: Historical Legacies and Comparative Perspective. In: *East European Politics and Societies* 18(3), 394–429.

Crowley, Stephen/David Ost, 2001: *Workers After Workers' States – Labour and Politics in Postcommunist Eastern Europe.* Lanham: Rowman and Littlefield Publishers.

Dochia, Aurelian, 2000: *New Private Firm Contribution to Structural Change in the Romanian Economy.* Conference Paper. Romania 2000 – Ten Years of Transition: Past, Present and Future. Bucharest. <www.cerope.ro/pub/study12en.htm>

Dörrenbächer, Christoph, et al., 2000: Transformation and Foreign Direct Investment: Observations on Path Dependency, Hybridisation, and Model Transfer at the Enterprise Level. In: *Transfer* 6(3), 434–449.

Draus, Franciszek, 2001: *Social Dialogue in the Candidate Countries – Synthesis Report.* Study commissioned by the European Social Partners ETUC/UNICE–UEAPME/CEEP. Brussels: ETUC.

Dunlop, John T., 1958: *Industrial Relations Systems.* Carbondale, IL: Southern Illinois University Press.

Ebbinghaus, Bernhard, 2002: *Exit from Labor – Reforming Early Retirement and Social Partnership in Europe, Japan, and the USA.* Habilitation Thesis. Cologne: University of Cologne.

Ebbinghaus, Bernhard/Jelle Visser, 1997: Der Wandel der Arbeitsbeziehungen im westeuropäischen Vergleich. In: Stefan Hradil/Stefan Immerfall (eds.), *Die westeuropäischen Gesellschaften im Vergleich.* Opladen: Leske + Budrich, 333–376.

Funk, Lothar/Hagen Lesch, 2004: *Industrial Relations in Central and Eastern Europe: Organisational Characteristics, Co-determination, and Labour Disputes.* Conference Paper. The Industrial Relations in Europe Conference (IREC) 2004, Utrecht, The Netherlands. <www.usg.uu.nl/irec/papers/1_FunkLesch.doc>

Galgóczi, Béla/Emmanuel Mermet, 2003: Wage Developments in Candidate Countries. In: *Transfer* 9(1), 50–64.

Höpner, Martin, 2004: *European Corporate Governance Reform and the German Party Paradox.* MPIfG Discussion Paper 03/4. Cologne: Max Planck Institute for the Study of Societies.

Huzzard, Tony/Denis Gregory/Regan Scott, 2004: *Strategic Unionism and Partnership.* Houndmills: Palgrave Macmillan.

Hyman, Richard, 1975: *Industrial Relations – A Marxist Introduction.* London: The Macmillan Press.

Iankova, Elena A., 1997: Social Partnership after the Cold War: The Transformative Corporatism of Eastern Europe. In: John Brady, *Central and Eastern Europe – Industrial Relations and the Market Economy.* Dublin: Oak Tree Press, 37–79.

Iankova, Elena A. /Lowell Turner, 2004: Building the New Europe: Western and Eastern Roads to Social Partnership. In: *Industrial Relations Journal* 35(1), 76–92.

Kochan, Thomas A./Robert B. McKersie/Peter Cappelli, 1984: Strategic Choice and Industrial Relations Theory. In: *Industrial Relations* 23(1), 16–39.

Kochan, Thomas A./Harry C. Katz/Robert B. McKersie, 1994: *The Transformation of American Industrial Relations,* 2nd Edition. New York: ILR Press.

Kohl, Heribert/Wolfgang Lecher/Hans-Wolfgang Platzer, 2000: Transformation, EU Membership and Labour Relations in Central and Eastern Europe: Poland – Czech Republic – Hungary – Slovenia. In: *Transfer* 6(3), 399–415.

Kohl, Heribert/Hans-Wolfgang Platzer, 2003: Labour Relations in Central and Eastern Europe and the European Social Model. In: *Transfer* 9(1), 11–30.

——, 2004: *Industrial Relations in Central and Eastern Europe. Transformation and Integration. A Comparison of the Eight New EU Member States.* Brussels: ETUI.

Kollonay-Lehoczky, Csilla, 1997: The Emergence of New Forms of Workers' Participation in Central and East European Countries. In: Raymond Markey/Jacques Monat, *Innovative and Employee Participation through Works Councils: International Case Studies.* Aldershot: Avebury, 169–189.

Lado, Maria, 2002: *Industrial Relations in the Candidate Countries.* EIROnline. <www.eiro.eurofound.ie/2002/07/feature/TN0207102F.html>

Lavigne, Marie, 1999: *The Economics of Transition – From Socialist Economy to Market Economy,* 2nd Edition. London: The Macmillan Press.

Lecher, Wolfgang/Uwe Optenhogel, 1995: Regulated Deregulation – an Option for Central and Eastern Europe. In: *Transfer* 1(3), 393–410.

Martin, Roderick, 1992: *Bargaining Power.* Oxford: Clarendon Press.

——, 1998: Industrial Relations in Central and Eastern Europe in the Late 1990s. In: Brian Towers/Michael Terry, *Industrial Relations Journal European Annual Review 1997.* London: Blackwell Publisher, 173–193.

——, 1999: *Transforming Management in Central and Eastern Europe.* Oxford: Oxford University Press.

Martin, Roderick/Anamaria Cristescu-Martin, 2002: Employment Relations in Central and Eastern Europe in 2001. In: *Industrial Relations Journal* 33(5), 523–536.

——, 2004: Consolidating Segmentation: Post-Socialist Employment Relations in Central and Eastern Europe. In: Industrial Relations Journal 35(6), 629–646.

Meardi, Guglielmo, 1996: Trade Union Consciousness, East and West: A Comparison of Fiat Factories in Poland and Italy. In: *European Journal of Industrial Relations* 2(3), 275–302.

Ost, David, 2000: Illusory Corporatism in Eastern Europe: Neoliberal Tripartism and Postcommunist Class. In: *Politics and Society* 28(4), 503–530.

Pollert, Anna, 1999: *Transformation at Work in the New Market Economies of Central Eastern Europe.* London: Sage.

Pravda, Alex/Blair A. Ruble, 1986: *Trade Union in Communist States.* London: Allen and Unwin.

Rusu, Mariana, 2002: *Romania's Planned Accession to the European Union and the Country's Trade Unions.* Dissertation. Cambridge: Cambridge University.

Stanojevic, Miroslav/Grigor Gradev, 2003: Workers' Representation at Company Level in CEE Countries. In: *Transfer* 9(1), 31–49.

Stark, David, 1992: Path Dependence and Privatization Strategies in East-Central Europe. In: *East European Politics and Society* 6, 17–51.

Stark, David/László Bruszt, 1998: *Postsocialist Pathways – Transforming Politics and Property in East Central Europe.* Cambridge: Cambridge University Press.

Thirkell, John E.M./Krastyu Petkov/Sarah Vickerstaff, 1998: *The Transformation of Labour Relations: Restructuring and Privatization in Eastern Europe and Russia.* Oxford: Oxford University Press.

Traxler, Franz/Martin Behrens, 2002: *Collective Bargaining Coverage and Extension Procedures.* EIROnline. < www.eiro.eurofound.ie/about/2002/12/study/TN0212102S.html>

Trif, Aurora, 2000: The Transformation of Industrial Relations in Romania at the Micro-level. In: *South-East Europe Review for Labour and Social Affairs* 3(4), 139–159.

——, 2004: *The Transfer of a Market Economy Model of Industrial Relations at Plant Level to Eastern Europe: Case Study Romania.* PhD Thesis. London: London South Bank University.

Trif, Aurora/Karl Koch, 2004: Romania: Learning to Dance. In: Denis Gregory/Tony Huzzard/Regan Scott, *Strategic Unionism and Partnership – Boxing or Dancing?* Basingstoke: Palgrave Macmillan, 179–196.

Vickerstaff, Sarah/John E.M. Thirkell, 2000: Instrumental Rationality and European Integration: Transfer or Avoidance of Industrial Relations Institutions in Central and Eastern Europe. In: *European Journal of Industrial Relations* 6(2), 237–251.

Vidinova, Anna, 1997: The Transformation of Industrial Relations in Bulgaria and the Role of the State. In: John Brady, *Central and Eastern Europe – Industrial Relations and the Market Economy*. Dublin: Oak Tree Press, 79–100.

Recent Titles in the Publication Series of the MPIfG

MPIfG Discussion Papers

DP 05/2
B. Ebbinghaus
Can Path Dependence Explain Institutional Change? Two Approaches Applied to Welfare State Reform

DP 05/1
C. Woll
Learning to Act on World Trade: Preference Formation of Large Firms in the United States and the European Union

DP 04/12
C. Trampusch
Sozialpolitik durch Tarifvertrag in den Niederlanden: Die Rolle der industriellen Beziehungen in der Liberalisierung des Wohlfahrtsstaates

DP 04/11
P. Manow, S. Burkhart
Legislative Autolimitation under Divided Government: Evidence from the German Case, 1976–2002

DP 04/10
M. Höpner
Sozialdemokratie, Gewerkschaften und organisierter Kapitalismus, 1880–2002

MPIfG Working Papers

WP 05/3
C. Trampusch
Sequenzorientierte Policy-Analyse: Warum die Rentenreform von Walter Riester nicht an Reformblockaden scheiterte

WP 05/2
W. Streeck, C. Trampusch
Economic Reform and the Political Economy of the German Welfare State

WP 05/1
R. Mayntz, F.W. Scharpf
Politische Steuerung – Heute?

WP 04/6
F.W. Scharpf
Legitimationskonzepte jenseits des Nationalstaats

WP 04/5
A. Schäfer
A New Form of Governance? Comparing the Open Method of Coordination to Multilateral Surveillance by the IMF and the OECD

WP 04/4
W. Streeck
Globalisierung: Mythos und Wirklichkeit

MPIfG Books

W. Streeck, K. Thelen (eds.)
Beyond Continuity: Institutional Change in Advanced Political Economies
Oxford University Press, 2005

O. Treib
Die Bedeutung der nationalen Parteipolitik für die Umsetzung europäischer Sozialrichtlinien
Campus, 2004

J. Beckert, J. Eckert, M. Kohli, W. Streeck (Hg.)
Transnationale Solidarität. Chancen und Grenzen
Campus, 2004

S. Ganghof
Wer regiert in der Steuerpolitik? Einkommensteuerreform zwischen internationalem Wettbewerb und nationalen Verteilungskonflikten
Campus 2004

H. Enderlein
Nationale Wirtschaftspolitik in der europäischen Währungsunion
Campus 2004

Ordering Information

MPIfG Discussion Papers
Order printed copies from the MPIfG (you will be billed) or download PDF file from the MPIfG website (free).

MPIfG Working Papers
Online at the MPIfG website.

MPIfG Books
At bookstores; abstracts on the MPIfG website.

www.mpi-fg-koeln.mpg.de
Go to *Publications*.

New Titles
Consult our website for the most complete and up-to-date information about MPIfG publications and publications by MPIfG researchers. To sign up for newsletters and mailings, please go to *Service* on the MPIfG website. Upon request to info@mpi-fg-koeln.mpg.de, we will be happy to send you our *Recent Publications* brochure.

ERPA
MPIfG Discussion Papers and MPIfG Working Papers in the field of European integration research are included in the *European Research Papers Archive (ERPA)* which offers full-text search options: http://eiop.or.at/erpa.