



Capacity building for social dialogue in Romania

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This report is available in electronic format only.

Introduction

This paper analyses the capacity of Romania's social partners to effectively engage in social dialogue at various levels. The paper forms part of a wider, comparative project, managed by the European Foundation for the Improvement of Living and Working Conditions (Ireland) and the Work Life Development Programme (Sweden). It is aimed at helping social partners in the 10 new EU Member States and the three acceding and candidate countries (Bulgaria, Romania, and Turkey) to build their capacity for social dialogue with a view to anticipating and managing change. The report concentrates on studying the organisational, financial, and personnel capacities of the national, central organisations of employers and trade unions for anticipating and managing change, anticipating future developments and implementing outputs.

The research was done through interviews with representatives of the central organisations of social partners. Under the specifications of this research, only national level central organisations of employers and trade unions that participate in the social dialogue are covered. The European Foundation for the Improvement of Living and Working Conditions designed the standard questionnaires utilised during the interviews.

After a brief analysis of the general background and the legal framework underpinning social dialogue the study concentrates on examining the organisational, financial and human resources capacities of nationally representative trade union and employers' organisations. It also focuses on the involvement of social partners in tripartite and bipartite social dialogue at various levels. The report was discussed by the representatives of social partners at a workshop held in Istanbul in January 2006. They examined the strengths and weaknesses of current institutional capacities and also discussed what is to be done in the future.

Industrial relations context

Historical background

In Romania, social dialogue became manifest in the early 1990s and underwent several phases of development. During the first phase, the basis of social partners' organisations was set. Economic and social conditions were not favourable, however, owing to a major economic decline, accompanied by a fall in employment and an erosion of the purchasing power of employees as a result of inflation (by two to three figures a year). It was a time of social unrest, with numerous strikes and widespread protests with the state and trade unions the main interlocutors in social dialogue. In the early 1990s over 90% of employees in the economy worked in the state sector.

Compared to employers' organisations, trade unions got off to a better start as a result of continuity in their existence and a law of their own since 1991. The former General Union of Trade Unions in Romania (*Uniunea Generală a Sindicatelor din România*, UGSR), which had brought together all unions in a single national-level organisation, separated into several organisations and subsequently underwent various regroupings or divisions.

The establishment of employers' organisations began in 1990, based on a law dating back to 1924 (Law no. 21/1924), which, however, proved inadequate for current needs. The Government Decision no. 503/1991 also marked the beginning of employers' organisations that were set up for the express purpose of representing state companies in social dialogue. The relatively slow pace of the privatisation process encumbered the progress of the employers' movement. Nevertheless, several employers' organisations were set up. By late 1996, employers' organisations in Romania reached an agreement to merge and for the first time, apply for membership in the International Organisation of Employers; subsequently, however, the agreement was cancelled. This is the stage when the first forms of social dialogue established, by the Tripartite Secretariat for Social Dialogue (Government Decision no. 349/1993) subsequently dissolved. Social partners were involved in discussing laws with direct relevance on industrial relations, paving the way forward.

The second phase began in 1997, when several laws on industrial relations were passed. A number of tripartite institutions were set up, the most important of which was the Economic and Social Council (Consiliul Economic si Social, CES). The law on the establishment and functioning of CES was adopted in 1997. That same year marked the emergence of Social Dialogue Commissions – CDS, within ministries and prefectures (and later also within the Authority for State Assets Recovery – *Autorităţii pentru Valorificarea Activelor Statului*, AVAS). New laws stipulated the criteria for granting representativeness to social partners at various levels (national, sectoral, group of companies, company). Also, Romania ratified the European Social Charter revised (1999) and initiated negotiations for accession to the European Union.

The Employers Law was passed (2001) as well as a new law on trade unions (2003). The first 'Social Agreements' between the government, trade unions and employers were signed (2001 and 2002), establishing the guidelines for the development of employment relations – later denounced by the trade unions allegedly because the government failed to keep its promises. Despite some critical commentaries made by social partners, this was the time when social dialogue became widespread and permanent; and in a framework created by many bipartite and tripartite institutions where social partners became more and more experienced.

Certain elements lead us to believe that social dialogue in Romania is about to enter a new phase of development. According to the latest available statistical data, in 2003, 63.2% of the total number of employees in the national economy worked in the private sector, and achieved 70.4% of the gross domestic product that year. The share of the private sector continued to grow at a brisk pace. Major state-owned companies were privatised (oil, cement, power system, banking system etc.), while multinationals continued to make greenfield-type investments. Although it is too early to make clear demarcations, it can be asserted that the new Labour Code (2003) represented a landmark as it

provides the legal framework for up-to-date, European industrial relations; however, additional laws and regulations are still required for a full implementation of the *acquis communautaire* (on work councils for instance). In 2005, at the request of employers' organisations and the International Monetary Fund some amendments were made to the Labour Code. Employers' organisations also request a revision of representativeness criteria to encourage potential mergers between current organisations (of employers' organisations in particular, deemed to be overly numerous), thus enhancing the efficiency of social dialogue.

Unlike previous stages, i.e. the relatively difficult emergence of social dialogue followed by extensive development, the emphasis is currently on enhancing quality. Both trade unions and employers' organisations, are seeking solutions to strengthen the institutional capacity affected by the economic decline in the first 10 years of transition, which led to a dramatic reduction of the number of employees (by almost 44%, from 8.2 million in 1990, to 4.6 million currently).

Also, the majority of social partners are intent on a professionalisation of negotiations and debates, a clearer agenda on the topics approached.

Legal framework

The Constitution of 18–19 October 2003 stipulates the main rights of the parties involved in employment relations, including the right to work, to association in trade unions, employers' organisations and professional associations, the right of employees to social protection, the right to strike, etc.

The main legal norm regulating employment relations in Romania is the Labour Code approved by Law no. 53/2003, amended and completed by Emergency Ordinance no. 65/2005.

In addition to these laws of major importance the national regulations on industrial relations in Romania fall under six categories:

1. Regulations ratifying international instruments to be used in social dialogue, information and consultation of employees:
 - Law no. 96/1992, ratifying the Convention of the International Labour Organisation, ILO no. 144 for the application of international work standards;
 - Law no. 112/1992, ratifying ILO Convention no. 154/1981 on consultations for the promotion of collective bargaining;
 - Law no. 74/1999, ratifying the revised European Social Charter, adopted at Strasbourg on 3 May 1996;
2. Regulations on the organisation and functioning of social partners:
 - organisation and functioning of trade union organisations are regulated by Law no. 54/2003, on trade unions, which rescinds Law no. 54/1991, the first law after 1990 regulating trade union activities Romania;
 - organisation and functioning of employers' organisations are regulated by Law no. 356/2001, Employers Law;
3. Regulations that stipulate relations between trade unions and employers' organisations:
 - the negotiation, conclusion, execution and termination of collective agreements are stipulated in Law no. 143/1997 on collective agreements, amending and completing Law no. 130/1996, and Labour Protection Law no. 177/2000, which amends and completes Law no. 90/1996;

- the breakout and settlement of work conflicts is regulated by Law no. 168/1999 on the settlement of work conflicts (amending Law no. 92/1992), Government Ordinance no. 138/2000 and Law no. 219/2005 on the amendment and completion of the Civil Code;
4. Regulations on the organisation and functioning of bipartite institutions and structures:
- Law no. 215/1997 regulates the organisation and functioning of the Builders Social House;
 - collective agreements at national and sectoral level regulating the establishment of joint trade unions and employers' commissions, for the resolution of issues deriving from the implementation of the agreement;
 - the organisation and functioning of Health and Safety at Work Committees at unit level is regulated by MMSSF Order no. 187/1998 on the approval of the Regulation on organisation and functioning of the Health and Safety at Work Committee.
 - the National Commission for Social Dialogue within the National Authority for Persons with handicap is regulated by Order no. 124/1999 of the aforementioned institution;
 - Government Decision no. 1210/2003 (rescinding Decision no. 1086/2001 and Government Decision no. 1083/2001) regulates the organisation and functioning of joint commissions and discipline commissions in public administration;
5. Regulations on the organisation and functioning of certain tripartite institutions and structures:
- Law no. 58/2003 regulates the organisation and functioning of the Economic and Social Council, CES, amending and completing Law no. 109/1997;
 - the organisation and functioning of the National Health Fund (*Casa Națională de Asigurări de Sănătate, CNAS*), is regulated by Emergency Ordinance no. 150/2002, completed and amended by Law no. 327/2005, which annuls Law no. 145/1997 – Law on Social Health Insurance;
 - Law no. 145/1998, completed by Emergency Ordinance no. 294/2000, regulates the organisation and functioning of the National Employment Agency (*Agenția Națională de Ocupare a Forței de Muncă, ANOFM*);
 - Law no. 253/2003, which amends and completes Law no. 132/1999, and regulates the organisation and functioning of the National Adult Training Board (*Consiliului Național de Formare Profesională a Adulților, CNFPA*);
 - the organisation and functioning of the National Pensions and Social Insurance Fund (*Casa Națională de Pensii și alte Drepturi de Asigurări Sociale, CNPAS*), regulated by Law no. 19/2000, the law on the public system of pensions and other social insurance;
 - Government Decision no. 314/2001 (which annuls Decision no. 89/1997), completed and amended by Government Decision no. 569/2002, regulates the organisation and functioning of Social Dialogue Commissions, CDS, within ministries and prefectures;
 - the establishment and functioning of the National Commission for the Promotion of Employment (*Comisia Națională de Promovare a Ocupării Forței de Muncă, CNPOFM*), is regulated by Law no. 76/2002 on the system of unemployment benefits and encouragement of employment;
 - Decision no. 276/2002 regulates the organisation and functioning of the National Tripartite Maritime Committee (*Comitetul Maritim Național Tripartit, CMNT*);

- Law no. 202/2002, Ordinance no. 84/2004 and Regulation of 05/10/2005, regulating the organisation and functioning of the National Agency for Equal Opportunities for Women and Men (*Agenția Națională pentru Egalitatea de Șanse între Femei și Bărbați*, ANES) and of the National Committee for Equal Opportunities for Women and Men (*Comisia națională în domeniul egalității de șanse între femei și bărbați*, CONES);
6. Legislation regulating the organisation and functioning of other institutions and structures with responsibilities in the area of industrial and employment relations:
- Law no. 108/1999, completed by Decision no. 238/2002 and Emergency Ordinance no. 137/1999 regulates the organisation and functioning of Labour Inspection, a specialised body which supervises the application of legally valid employment relations procedures and norms;
 - Government Decision no. 412/2005 regulates the organisation and functioning of the Ministry of Labour Social Solidarity and Family (*Ministerul Muncii și Solidarității Sociale*, MMSSF), an institution which coordinates relations between the Government and social partners, employers' organisations and trade unions;
 - by Government Decision no. 296/2005 a special department for social dialogue was created in the General Secretariat, managed by a secretary of state, empowered to represent the government and manage dialogue with social partners' representatives at national level.

Social dialogue in Romania

Compared to the EU member or acceding countries, it is in Romania that we find the largest number of social partners' organisations at central level: five in the case of trade unions, 13 in the case of employers (see Tables 1 and 2). They have all been granted national representativeness.

Trade unions grouped in the first four years after 1989, with no major changes since 1994. The five confederations are not clearly delimited by sectors (private/public, industry/services); employees from all areas can be found in each confederation. The main reason is the regulatory framework, according to which national representativeness requires that social partners' organisations cover at least half the number of counties and 25% of national economy sectors.

Three of the five nationally representative trade union confederations have branches in most counties (BNS, Cartel Alfa and Meridian) and the other two (CNSLR *Frăția și CSDR*) are present in all the 42 counties in the country.

BNS and CSDR foresee an increase in both the number of trade union members and the number of affiliated organisations; Cartel Alfa and Meridian count on the affiliation of new organisations with no increase in the number of members however (taking into account the continuation of the process of collective redundancies); CNSLR *Frăția* considers that even with no new affiliations it will succeed in attracting more employees.

The 13 employers' organisations in Romania activating at central level display a wider range of organisational structures. Despite the difficulties mentioned above, by 1994 nine employers' organisations were already in operation: ARACO and PNR since 1990, UNPR since 1991, CNIPMMR, CNPR, CONPIROM, CoNPR and UGIR since 1992 and UGIR 1903 since 1994 (the last two resumed the activity of employers' organisations established before the First World War). Following a six-year break, starting with 2002 another four employers' organisations with national calling were set up. The first to be established was PR (in 2000), followed by CPISC (2004). March 2004 witnessed the last attempts at unifying the employers' movement, by setting up two umbrella-type organisations: ACPR and UPR. ACPR currently includes three nationally representative employers' organisations:

- two have membership status: CNPR and CPISC;
- the third with an associated membership status: ARACO.

The remaining six employers' organisations set up UPR (CNIPMMR, CoNPR, PNR, PR, UGIR and UGIR 1903). Both in the case of ACPR, and UPR, member organisations maintain their national representativeness, so that currently in Romania there are 13 nationally representative employers' organisations. UPR does not have a structure like the other organisations (its own central office, management bodies, staff, etc.), its operation is taken care of by one of the member organisations.

Table 1: Trade union organisations in Romania

Name	Date of establishment	Date of obtaining representativeness	Number of member organisations		Main sector of activity
			2004	Forecasts 2005	
BNS	1991	1997	31 federations 41 regional organisations	↑	Private industry State sector
Cartel Alfa	1990	1997	41	↑	Private industry
CNSLR Fratia	1993	1997	40 professional federations 42 county unions	↔	Private services, State sector
CSDR	1994	1997	18 at sector level, 42 at regional level	↑	Private services, State sector
Meridian	1994	1997	25 federations	↑	Private services, State sector

Notes: ↑ - growing ↔ - constant

Table 2: Employer organisations in Romania

Name	Date of establishment	Date of obtaining representativeness	Number of member organisations			Main sector of activity
			2004	2000	Forecasts	
ACPR*	2004	2004	6		↑	Private industry, Private services, State sector
ARACO	1990	2000	1,200 companies	1,100 companies	↔	Private industry, State sector
CNIPMMR	1992	1997	84	58	↑	Private industry, Private services
CNPR	1992	1997	14+34 companies	14+6 companies		Private services
CONPIROM	1992	1997	1,400 companies +60 employers organisations +12 sectoral federations +1 confederation			Private industry, State sector
CoNPR	1992	1997	11	10	↑	Private services
CPISC	2004	2004	2 federations +4 employers organisations +41 regional organisations		↑	Private Industry
PNR	1990	1997	1	6	↑	Private services
PR	2000	2001	67	19	↑	Private industry
UGIR	1992 (1891)	1998	8	7	↑	Private industry, Private services
UGIR 1903	1994 (1903)	1997	81	58	↑	Private industry
UNPR	1991	1998	10	10	↔	Private industry
UPR**	2004	-	6	-	...	Private industry, Private services

Notes: * Umbrella-type organisation reuniting three nationally representative employers' organisations: two as members (CNPR and CPISC) and one as associated member (ARACO). ** Umbrella-type organisation, without own structure, its operation ensured, in turn by one of the member organisations (CNIPMMR, CoNPR, PNR, PR, UGIR and UGIR 1903).

↑ growing ↔ constant - not the case ... no data available

Fully aware that the current organisation and mode of operation does not ensure the advantages they require for successful social dialogue, employers’ organisations in Romania resumed discussions for a potential reunification in the spring of 2005. Simultaneously and together with the government, they are trying to improve the Employers’ Law.

Only a part of national employers’ confederations include federations specialised by sectors (CNPR, CONPIROM, CoNPR, CPISC, UGIR, UGIR 1903, and, just recently, CNIPMMR), the rest are organised according to the regional coverage criteria. As for the future number of members, employers’ organisations are generally optimistic and expect new affiliations.

Finances

In Romania, social partners receive no financial support from the state. As a rule, trade union members pay a monthly membership fee, the equivalent of 1% on the national minimum gross wage. Membership fees are automatically deducted from wages by employers and transferred to the trade union account. Part of the amount collected by company-level trade union organisations is then transferred to federations and confederations. The statute of each confederation stipulates a policy for distribution of funds among the various hierarchical levels (company, sector, national level). As a result of the various policies applied and the difference in the number of contributors, the annual budgets of the five trade union confederations range from 170,000 EUR to 1,000,000 EUR in 2004). By developing their own programmes, in addition to membership fees, BNS and CSDR have managed to attract funds from other sources, representing 34.3%, and 17.6% respectively, of the total budget.

Table 3: *Financial resources of trade union organisations at national level*

Organisation	Budget 2004		Funds from sources other than membership fees		Trade union opinions on financial resources	
	Total	By trade union member	2004	% of the total budget	Sufficient (Yes/No)	Forecasts
BNS	350,000 euro	0.9 euro/ member	120,000 euro	34.3 %	Yes	↑
Cartel Alfa	1,000,000 euro	0.08 euro/ member	0	0	No	↔
CNSLR Fratia	336,000 euro	0.42 euro/ member	0	0	No	↑
CSDR	170,000 euros	0.28 euro/ member	30,000 euro	17.6%	Yes	↑
CSN Meridian	Confidential	Confidential	0	0	Yes	↑

Notes: ↑ growing ↔ constant - not the case ... no data available

Table 4: Financial resources of employers' organisations at national level

Organisation	How membership fees are set	Total budget (euro)		Funds from sources other than membership fees (euro)		Employers' opinions on financial resources	
		2004	2000	2004	2000	Sufficient (Yes/No)	Forecasts 2005
ACPR	The same fixed amount for all companies	120,000	-	60,000	-	No	↑
ARACO	Depending on turnover	130,000	...	0	0	No	↑
CNIPMMR	Depending on number of employees	509,486	602,085	98,325	65,760	Yes	↑
CNPR	Fixed amount (for one vote)	76,557	19,375	0	0	Yes	↑
CONPIROM	Flexible rules (variable)	50,000	50,100	...	...	No	↑
CoNPR	Flexible rules (variable))	...	...	0	0	No	↔
CPISC	Depending on number of employees	120,000	-	0	-	Yes	↑
PNR	The same fixed amount for all companies/flexible	74,000	50,100	0	0	Yes	↑
PR	The same fixed amount for all companies	125,000	12,000	0	0	No	↑
UGIR	Depending on turnover / flexible	41,950	17,040	13,600	...	Yes	↑
UGIR 1903	The same fixed amount for all companies	346,000	158,000	0	0	Yes	↑
UNPR	Depending on turnover	50,000	10,000	0	0	Yes	↑
UPR	...	...	...	...	...	...	...

Notes: ↑ growing ↔ constant ↓ declining - not the case ... no data available

Generally, employers' organisations have less funds than trade unions; the financial resources of the 13 employers' organisations are less than the budgets of the five nationally representative trade union confederations. Also, employers' organisations are to a lesser extent able to obtain financing from other sources (sponsorships, participation in programmes financed by various donors, etc.), with the exception of CNIPMMR and UGIR.

The principles for setting membership fees differ widely from one employer organisation to another. Companies affiliated to ACPR, CNPR, PNR, PR and UGIR 1903 pay fixed amount membership fees. In the case of ARACO, UGIR and UNPR contributions vary according to company turnover. CNIPMMR and CPISC collect fees depending on the number of employees in member companies. CONPIROM and CoNPR allow for a greater flexibility of paying contributions. In fact, most employers' organisations have declared that they accept delays in payments and try to be flexible towards the requests their members make.

Although the dimension of available funds is relatively small, the greater part of social partners considers that current budgets meet their needs and almost all declare that their financial resources will grow in the future.

Human resources

Human resources do not always mean employees only. In some employers' organisations, representatives of affiliated federations (CONPIROM, CNIPMMR) may hold management positions so that staff size appears to be smaller than it actually is. The daily activity of the permanent staff of employers' organisations in particular is completed through

various other means: temporary personnel, outsourcing of certain services, resorting to various experts, as the case may be.

Cooperation between the central level and lower hierarchical levels also results in certain employees having to operate at several levels simultaneously. The same may be said for trade unions. Also, despite some rivalries among them, employers' organisations often cooperate on specific issues (representation in tripartite bodies, participation in international conferences, joint projects) so that they mutually fill in potentially niche positions. The greatest stability is registered in the case of trade union personnel. Employees with higher education are more numerous in employers' organisations although in terms of total number of employees trade unions are once more at an advantage.

Women make up an important share of the total number of employees (between 26%–69%). Their access to management positions is definitely higher in employers' organisations. With the exception of the Meridian trade union (where women hold 20% of management positions), management positions in trade union organisations at national level are held exclusively by men. By contrast, in some employers' organisations men and women hold management positions in equal percentage (CNIPMMR, UGIR, UGIR 1903).

In both employers' organisations and trade unions, employees are mostly familiar with at least one foreign language, usually English followed by French. Although all social partners are equipped with computers, there are generally not nearly enough for all employees and in some cases access to the internet is not available (CONPIROM, CoNPR).

The majority of social partners declare that the current number of staff is insufficient to carry out all assignments and that, given the limited funds at their disposal they find it difficult to secure specialists. The areas in deficit are: legal, project management, finance, macroeconomic policies, bargaining techniques, trainers, public relations, etc.

Table 5: *Human resources*

Organisation	Employees		Women's share in	
	Total (number)	% employees with higher education	Total number of employees (%)	Management positions (%)
<i>Trade unions</i>				
BNS	23	60.9	43.5	0.0
Cartel Alfa	32	50.0	65.6	0.0
CNSLR Frăția	40	37.5	47.5	0.0
CSDR	11	45.5	27.3	0.0
CSN Meridian	20	80.0	35.0	20.0
<i>Employers' organisations</i>				
ACPR	7	71.4	42.9	25.0
ARACO	14	50.0	42.9	0.0
CNIPMMR	26	88.5	69.2	50.0
CNPR	8	87.5	37.5	0.0
CONPIROM*	15	86.7	26.7	15.4
CoNPR*	10	50.0	30.0	0.0
CPISC	8	87.5	50.0	33.3
PNR*	50	...	...	11.1
PR	19	73.7	26.3	25.0
UGIR	30	90.0	46.7	50.0
UGIR 1903	20	50.0	50.0	50.0
UNPR	15	93.3	60.0	0.0
UPR**	...	...	...	...

Notes: * The majority are not under fixed-term employment contracts. ** Umbrella-type organisation, without a structure of its own, whose functioning is ensured in turn by one of its constituent members (CNIPMMR, CoNPR, PNR, PR, UGIR and UGIR 1903).

Table 6: *Language skills and IT equipment*

Organisation	No. of foreign languages	Foreign language most often used	IT&C equipment	Employees using computers on a daily basis	Access to the Internet
<i>Trade unions</i>					
BNS	3	English	Yes	All	Yes
Cartel Alfa	2	French	Yes	Nearly all	Yes
CNSLR Fratia	2	English	Yes	Nearly all	Yes
CSDR	2	English/French	Yes	All	Yes
CSN Meridian	3	English	Yes	Nearly all	Yes
<i>Employers' organisations</i>					
ACPR	3	English/French	Yes	All	Yes
ARACO	3	French	Yes	Less than half	Yes
CNIPMMR	3	English	Yes	All	Yes
CNPR	3	English/French	Yes	Nearly all	Yes
CONPIROM	2	French	Yes	Less than half	No
CoNPR	3	French	Yes	About half	No
CPISC	3	English	Yes	All	Yes
PNR	2	English	Yes	About half	Yes
PR	3	English	Yes	Nearly all	Yes
UGIR	5	English	Yes	Nearly all	Yes
UGIR 1903	3	English	Yes	All	Yes
UNPR	4	English	Yes	All	Yes
UPR*					

Note: * Umbrella-type organisation, without a structure of its own, whose functioning is ensured in turn by one of its constituent members (CNIPMMR, CoNPR, PNR, PR, UGIR and UGIR 1903).

Collective bargaining

In Romania, according to the law, collective bargaining takes place at the following levels: national, sectoral, group-of-companies and company. If they are not nationally representative for a certain level, social partners cannot take part in the bargaining process. In order to be nationally representative, a trade union organisation must meet all of the following conditions: operate in at least half the total 42 counties and in no less than 25% of the total number of sectors while the number of trade union members must be over 5% of the total number of employees in the national economy. The same conditions are valid for employers' organisations the only difference being that they must include a minimum 7% of the total number of employees in Romania.

At sectoral level, representation is granted to trade union organisations that include over 7% of the total number of employees in the respective sector of activity. Employers' organisations become representative at sectoral level if they bring together employers hiring at least 10% of the workforce in the respective sector. Trade unions also have to be representative in order to take part in collective bargaining at company level: the number of trade union members must be over one third of the total number of company employees.

Under the law, organisations that are representative for a certain level are implicitly representative for lower levels. For instance, social partners at national level are also allowed to participate in sectoral, group-of-companies and company bargaining processes. Although restrictions are tighter in the case of employers' organisations, since the law does not prohibit multiple affiliations, the number of representative employers' organisations is now higher than the number of trade union organisations.

Table 7: *Involvement of social partners in bipartite dialogue at various levels*

Organisation	National level		Sectoral level		Company level	
	Participation	Opinions on future importance	Participation	Opinions on future importance	Participation	Opinions on future importance
<i>Trade unions</i>						
BNS	Yes	↔	Yes	↑	Yes	↔
Cartel Alfa	Yes	↑	Yes	↑	Yes	↓
CNSLR Frăţia	Yes	↔	Yes	↔	Yes	↔
CSDR	Yes	↑	Yes	↑	Yes	↑
CSN Meridian	Yes	↔	Yes	↑	Yes	↑
<i>Employers' organisations</i>						
ACPR	Yes	↑	Yes	↑	Yes	↑
ARACO	Yes	↔	Yes	↔	Yes	↔
CNIPMMR	Yes	↔	Yes	↔	Yes	↑
CNPR	Yes	↔	Yes	↔	Yes	↔
CONPIROM	Yes	↔	Yes	↔	Yes	↔
CoNPR	Yes	↔	Yes	↓	No	↑
CPISC	Yes	↑	Yes	↑	Yes	↑
PNR	Yes	↔	Yes	↑	Yes	↑
PR	Yes	↓	No	↑	Yes	↑
UGIR	Yes	↔	Yes	↑	Yes	↔
UGIR 1903	Yes	↑	Yes	↑	No	↑
UNPR	Yes	↔	No	↔	Yes	↔
UPR	...	...	...	...	...	...

Notes: ↑ growing ↔ constant ↓ declining

The concept underpinning the current structure of collective bargaining in Romania has turned it into a powerful tool in industrial relations for at least two major reasons:

- collective bargaining is mandatory in any company with over 21 employees, in all sectors and of course at national level;
- collective agreements concluded at a certain level provide 100% coverage for all employees at that particular level (company, group-of-companies, sectoral, national).

In the first half of 2005, as a result of the government's announced intention to amend the Labour Code, trade unions initiated countrywide protest movements. One of the proposed amendments that trade unions disagreed with was to make collective bargaining no longer mandatory. Eventually, social partners agreed not to amend this provision.

Since all trade union and employers' organisations at central level have obtained representativeness, they take part in the national collective bargaining process. The only exception is UPR, which did not request recognition of its representativeness since all six constituent organisations are already nationally representative.

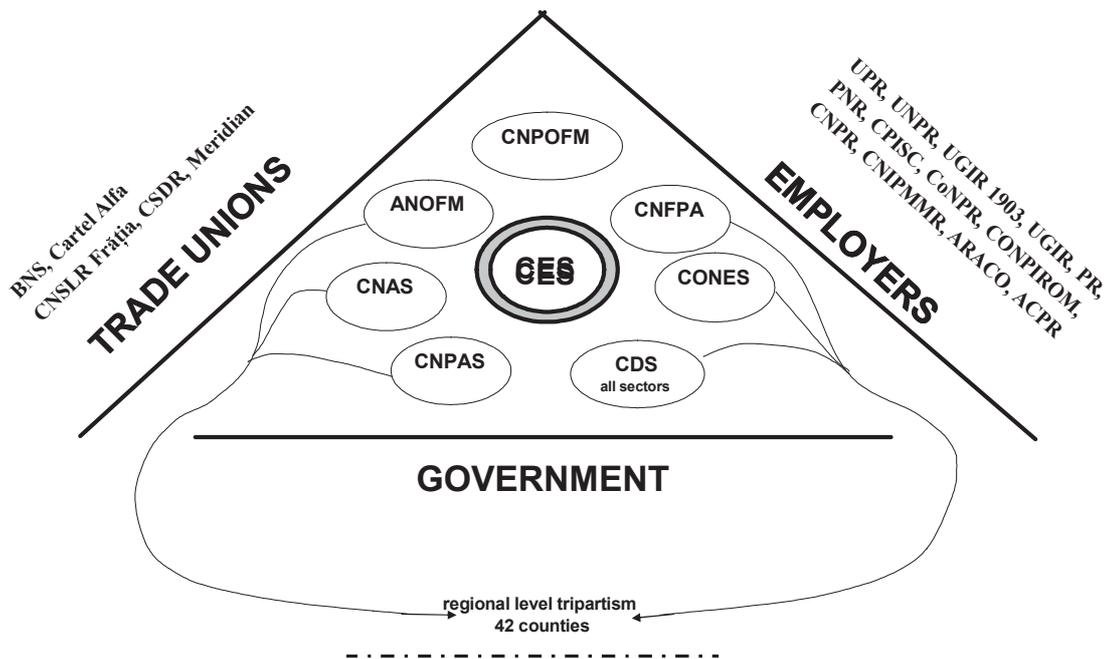
All the five national trade union confederations are involved in the collective bargaining processes of every level. Not all nationally representative employers' organisations are as active. Those that take part in negotiations at every level are ACPR, ARACO, CNIPMMR, CNPR, CONPIROM, CPISC, PNR and UGIR. PR and UNPR do not take part in sectoral bargaining, the main reason being that these organisations do not include major sectoral federations since they are organised regionally. CNPR, CoNPR and UGIR 1903 are not involved in company level bargaining, as their members do not request their support in this regard.

At regional level, collective bargaining is not common practice in Romania and has no regulatory framework. Some trade unions (Cartel Alfa) or employers' organisations (UGIR) consider that regional collective bargaining should be initiated, at least for certain sectors, such as agriculture where regional characteristics are much more obvious.

Tripartite participation

Tripartite participation emerged in Romania with the establishment of the Tripartite Secretariat for Social Dialogue in 1993, and developed further still when replaced by the Economic and Social Council (CES) in 1998, along with the setting up of a number of other tripartite consultation structures (Table 7). There are currently eight major tripartite bodies in Romania (see Table 7 and Figure 1). Of these, six also have regional coverage, meaning that in each of the 42 counties in the country there are consultation bodies similar to those at national level. The importance of such structures is remarkable, especially if we take into account the fact that bipartite social dialogue is not applicable at regional level in Romania.

Figure 1: *Main tripartite bodies in Romania*



In some cases, tripartite participation emerged prior to bipartite dialogue.

Currently, both trade unions and employers' organisations have repeatedly expressed their dissatisfaction because, with the passing of the new law of CES, the chairmanship of CES was not conceded to one of the social partners but continues to be held by the government. Although the number of draft bills submitted to CES for approval has grown over the past few years (from 173 in 2002, to 297 in 2004), social partners complain that in reality, CES approves increasingly fewer regulatory proposals than published in the Official Monitor (49.7% in 2003, 38% in 2004). In the autumn of 2005, trade unions resolved to suspend their activity in CES as they had not been consulted with regard to the state budget for 2006 but subsequently reconsidered their decision.

Table 8: *Main tripartite institutions*

Institution (year of establishment)	Mission, responsibilities	Involvement of social partners	Number of representatives			Remarks
			Government	Trade unions	Employers' organisations	
CES (1998)	The main tripartite body in Romania, with advisory role in devising economic and social strategies and policies, settling conflicts and opening, promoting and developing social dialogue and solidarity.	In plenary sessions	9	9	9	Includes an Executive Board and 6 Special Commissions
CDS (1997)	Informing and consulting social partners on legislative initiatives, economic restructuring and issues specific to sector/counties.	members	Depending on needs	From each organisation	From each organisation	Operates at the level of ministries, AVAS, county prefectures
ANOFM (1998)	Managing the unemployment fund in order to implement active and passive employment measures	In the Board of Administration	5	5	5	Has county level structures
CNFPA (1999)	Establishing and promoting continuing vocational training policies and strategies	In the Board of Administration	5	5	5	Has county level structures
CNAS (1998)	Sets and manages the general policy and strategy of the social and health insurance system in Romania	In the Board of Administration	19	5	5	Has county level structures
CNPAS (2000)	Manages and administers the public pensions system and other social insurance rights as well as the occupational hazards insurance system	In the Board of Administration	6 + Chairman	6	6	Has county level structures
CNPOFM (2002)	Strategies and policies to raise the level and quality of employment in correlation with economic and social development programmes	In plenary sessions	Approved by the Prime Minister	From each organisation	From each organisation	
CONES (2005)	Supervise and control observance of national legislation, the international conventions Romania is a party to and EU regulations on equal opportunities and treatment for women and men	members	Approved by the prime Minister	From each organisation	From each organisation	Also includes representatives of certain non-governmental organisations. Has county level structures

The annual reports of CES also highlight the need to establish closer links between CES and the parliament, more efficient lobbying in the relationship with the government and the parliament, and an enhancement of the CES's specialised commissions activities. Other tripartite bodies also attracted criticism. Social partners claim that in the case of CES and CDSs the work agenda includes almost exclusively approvals of new regulatory proposals and consultations are more or less formal.

In Romania, tripartite participation also takes place outside the tripartite bodies mentioned above. For example, two Social Agreements were made in 2001 and 2002 and one Social Pact in 2004, which however, were not signed by all social partners. Occasionally, depending on the complexity of the issues under debate, ad-hoc tripartite structures will be set up to discuss certain particular aspects (e.g. the tripartite interministerial commission for business environment improvement, etc.). In 2005, to provide the best conditions for the process, a Department for Social Dialogue was set up at government level, coordinated by a secretary of state whose responsibilities include managing the activity of social dialogue commissions in ministries and regularly organising meetings between the Prime Minister and CES representatives.

All five nationally representative trade unions expect that more importance will be attached to tripartite participation in the future. Not all employers' organisations share this opinion, however. Two of the employers' organisations believe the role of tripartite participation will remain unchanged (CNIPMMR and CNPR), while another two consider that its importance should be reduced (CoNPR and CPISC).

International participation

The involvement of social partners in Romania in the activities of international organisations and affiliations to these organisations started in the early 1990s. Even now, certain social partners are involved in ongoing negotiations to become new members or partners in international organisations. With the exception of Cartel Alfa and CSDR, social partners in Romania have not been included for the time being in the activity of EU sectoral social committees. The participation of trade unions in international workshops, conferences, seminars have by far exceeded that of employers' organisations.

Both trade unions and employers' organisations consider that their international activities have reaped major benefits such as access to relevant information, consultancy and training for their members, etc. Trade unions greatly appreciate the stand taken by international trade union organisations supporting the interests of trade union members in Romania on the occasion of negotiations held in 2005 concerning Labour Code amendments, as well as on other occasions.

For their part, employers' organisations declare that a major effect of their international activity was the possibility to gain easier access to new markets, conclude new business contracts and partnerships.

Table 9: *International participation*

Organisation	International affiliation/since	Participation in EU Sectoral Committees	Number of conferences / workshops/seminars attended in 2004
<i>Trade unions</i>			
BNS	ETUC, 1996 ICFTU, 1995	No	200
Cartel Alfa	ETUC, 1996	Yes, 1994	123
CNSLR Fratia	ETUC, 1996 ICFTU, 1993	No	60
CSDR	ETUC, 1995 WCL, 1996	Yes, 1991, 2001	30
CSN Meridian *	-	No	25
<i>Employers</i>			
ACPR	UNICE, 2004 IOE, ILO	No	50**
ARACO	ECIF, 1994	No	...
CNIPMMR	ECSB, 1996 UEAPME, 1996 WASME, 1996	No	26
CNPR	UNICE 2004 *** IOE, 2001 ***	No	10
CONPIROM	ILO	No	10
CoNPR	-	No	16****
CPISC	UNICE, 2004 *** IOE, 2004 ***	No	16
PNR	-	No	14
PR	-	No	6
UGIR	ICIE FedEE, 2004	No	8
UGIR 1903	FedEE	No	16
UNPR	EBC UEAPME ***** SME Union	No	10

* In 2005, CSN Meridian submitted an official application of affiliation to ICFTU and ETUC.

** Out of the total number, 20 were organised by ACPR.

*** As a result of affiliation to ACPR.

**** Also by designating representatives jointly with other partner nationally representative organisations.

***** Based on a protocol signed on 8 December 2005. At the same time, UNPR set up a permanent office in Brussels.

Conclusion

Since 1990, social dialogue in Romania has gone through several stages of development. Initially, the first social partners' organisations were set up and draft laws were submitted for debate in order to create an adequate legal and institutional framework. After 1997, social dialogue developed extensively; a large number of tripartite institutions were set up with social dialogue becoming common practice while the regulatory framework was perfected in line with the *acquis communautaire*. In 2003, the passing of the new Labour Code, shifted the focus to improving the quality of social dialogue.

Compared to all the EU Member States or candidate countries, Romania has the highest number of social partners' organisations at central level: five trade union and 13 employers' organisations (of which two are umbrella-type). Whereas trade unions have both sectorial and regional structures, some employers' organisations have no sectoral structures.

In Romania, social partners receive no financial support from the state. Financial resources come from membership fees for the most part, and less from other sources. As a rule, trade union members pay a monthly membership fee, the equivalent of 1% on the national minimum gross wage, which is distributed in differing amounts among the various hierarchical levels (company, sector, national level). Employers' organisations apply a range of fee-paying principles (fixed-amount, depending on company turnover or company staff, other more flexible rules) and the funds are usually smaller than those collected by trade unions.

The daily activity and management of social partners' organisations at central level is generally ensured by employees and in many cases by various collaborators and/or representatives of the constituent federations. There are eight major tripartite forums hosting social dialogue. Six of these have regional coverage. The main tripartite institution is CES, where draft laws proposed by the government are the most frequent subject of debate. Bipartite dialogue is occasioned principally by collective bargaining. Under the law, collective bargaining is compulsory in all companies with more than 21 employees in all sectors and at national level. In Romania there is no regional collective bargaining.

Social partners started their international participation as early as 1990 by affiliation to European and international organisations and participation in various joint programmes, seminars and conferences.

Participants in the Istanbul seminar concluded that social dialogue in Romania is carried out in a clearly-defined legal, institutional and organisational framework which has already brought forth prominent figures and projects a strong image. On the other hand, a dispersion/fragmentation of partners persists so does a certain degree of formalism during debates; social partners' resources (human, financial and staff) are still insufficient and there is still room for improvement of transparency, and communication with members and the public at large.

Looking to the future, institutions and the regulatory framework of industrial relations are still in need of improvement so are the information, human and know-how capacities of social partners in order to ensure a more tightly-movement of employers' and trade union organisations (potential mergers included) and a better preparation for EU accession.

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Annex 1 Strengths and weaknesses of capacities for social dialogue

The strengths, weaknesses, opportunities and threats of social dialogue in Romania identified by the representatives of social partners attending the work group are listed below:

Strengths	Weaknesses
<ul style="list-style-type: none"> • the legal and institutional framework is already set and functional; • the organisations are well defined (regarding roles, structures, objectives); • autonomy (versus political parties, other social partners); • good personal relationships among leaders; • good international cooperation of social partners; • strong images and personalities. 	<ul style="list-style-type: none"> • formal, less efficient (representativeness, consultation, role of institutions); • lack of communication of social partners with their own members; • lack of resources (information, personnel, financial, know - how, institutional capabilities); • dispersion / fragmentation; • lack of communication with citizens; • different opinions / consistency of issues; • lack of transparency of social partners.
Opportunities	Threats
<ul style="list-style-type: none"> • future sectoral social pacts; • exit of government representatives from CES; • integration / globalisation / Romania's particularity. 	<ul style="list-style-type: none"> • competition among social partners; • short term views predominate (instead of long-term); • reactive attitudes predominate (instead of pro-active); • low efficiency for tripartite social dialogue; • inappropriate ratio between bipartite / tripartite social dialogue; • integration / globalisation / Romania's particularity.

Annex 2 Foresight project

In the opinion of social partners from Romania, setting up a programme for the future development of social dialogue is an extremely complex process, which involves serious and lengthy debates. The joint conclusion of the participants in the seminar organised at Istanbul was that for the time being the most realistic approach is to start out by identifying the main objectives to be kept in view (i.e. the answer to the question what should be done?) so as to be able subsequently to answer the remaining questions of how, when, who, with what means, etc.

WHAT is to be done?

1. Further development of institutional capacities of social partners = Resources (informational, human, financial, know-how);
 - Further mergers (employers; trade unions);
 - Preparing for EU integration;
2. Fine-tuning / refinement of social dialogue institutions and legal framework, better adaptation to current Romanian and international realities and perspectives.

Annex 3 Main organisations

National trade unions

BNS	National Trade Union Bloc (<i>Blocul Național Sindical</i>)
Cartel Alfa	National Confederation Cartel Alfa (<i>Confederația Națională Sindicală Cartel Alfa</i>)
CNSLR Fratia	National Confederation of Free Trade Unions in Romania Brotherhood (<i>Confederația Națională a Sindicatelor Libere din România Frăția</i>)
CSDR	Confederation of Democratic Trade Unions in Romania (<i>Confederația Sindicatelor Democratice din România</i>)
Meridian	National Trade Union Confederation Meridian (<i>Confederația Sindicală Națională Meridian</i>)

National employers' organisations

ACPR	Alliance of Employers' Confederation in Romania (<i>Alianța Confederațiilor Patronale din România</i>)
ARACO	Romanian Association of Building Entrepreneurs (<i>Asociația Română a Antreprenorilor de Construcții</i>)
CNIPMMR	National Council of Private Small and Medium Enterprises in Romania (<i>Consiliul Național al Întreprinderilor Private Mici și Mijlocii din România</i>)
CNPR	National Confederation of Romanian Employers (<i>Confederația Națională a Patronatului Român</i>)
CONPIROM	Employers' Confederation of Romanian Industry (<i>Confederația Patronală din Industria României</i>)
CoNPR	National Council of Romanian Employers (<i>Consiliul Național al Patronatului Român</i>)
CPISC	Confederation of Employers in Industry, Services and Trade (<i>Confederația Patronatelor din Industrie, Servicii și Comerț</i>)
PNR	Romanian National Employer (<i>Patronatul Național Român</i>)
PR	Romanian Employer (<i>Patronatul Roman</i>)
UGIR	General Union of Romanian Industrialists (<i>Uniunea Generală a Industriașilor din România</i>)
UGIR 1903	General Union of Romanian Industrialists 1903 (<i>Uniunea Generală a Industriașilor din România 1903</i>)
UNPR	National Union of the Romanian Employer (<i>Uniunea Națională a Patronatului Român</i>)
UPR	Union of Romanian Employers (<i>Uniunea Patronatului Român</i>)

Other national institutions

ANES	National Agency for Equal Opportunities for Women and Men (<i>Agenția Națională pentru Egalitatea de Șanse între Femei și Bărbați</i>)
ANOFM	National Employment Agency (<i>Agenția Națională pentru Ocuparea Forței de Muncă</i>)
AVAS	Authority for State Assets Recovery (<i>Autoritatea pentru Valorificarea Activelor Statului</i>)

CES	Economic and Social Council (<i>Consiliul Economic și Social</i>)
CDS	Social Dialogue Commissions, operating at the level of ministries, county prefectures and AVAS (<i>Comisii de Dialog Social, care funcționează la nivelul ministerelor, prefecturilor și al AVAS</i>)
CNFPA	National Adult Training Board (<i>Consiliul Național pentru Formarea Profesională a Adulților</i>)
CNAS	National Health Fund (<i>Casa Națională de Sănătate</i>)
CNPAS	National Pensions and Social Insurance Fund (<i>Casa Națională de Pensii și Asigurări Sociale</i>)
CNPOFM	National Commission for Employment Promotion (<i>Comisia Națională pentru Promovarea Ocupării Forței de Muncă</i>)
CMNT	National Tripartite Maritime Committee (<i>Comitetul Maritim Național Tripartit</i>)
MMSSF	Ministry of Labour, Social Solidarity and Family (<i>Ministerul Muncii, Solidarității Sociale și Familiei</i>)

International organisations

CEEP	European Centre of Enterprises with Public Participation and of Enterprises of General Economic Interest (<i>Centrul European a Întreprinderilor cu Participație Publică și a Întreprinderilor de Interes Economic General</i>)
EBC	European Builders' Confederation (<i>Confederația Europeană a Constructorilor</i>)
ECIF	European Construction Industry Federation (<i>Federația Industriei Europene a Construcțiilor</i>)
ECSB	the European Council for Small Business and Entrepreneurship (<i>Consiliul European pentru Antreprenoriat și Întreprinderi Mici</i>)
ETUC	European Trade Union Confederation (<i>Confederația Europeană a Sindicatelor</i>)
FedEE	Federation of European Employers (<i>Federația Patronatelor Europene</i>)
ICIE	International Congress of Industrialists and Entrepreneurs (<i>Congresul Internațional al Industriasilor și Întreprinzătorilor</i>)
ILO	International Labour Organisation (<i>Organizația Internațională a Muncii</i>)
IOE	International Organisation of Employers (<i>Organizația internațională a Patronilor</i>)
SME Union	Small and Medium Entrepreneurs' Union (<i>Uniunea Întreprinzătorilor Mici și Mijlocii</i>)
UEAPME	European Association of Craft Small and Medium-sized Enterprises (<i>Asociația Europeană a Patronatelor Meșteșugărești reprezentând Companii Mici și Mijlocii</i>)
UNICE	Union des Industries de la Communauté européenne (UNICE)
WASME	World Association for Small and Medium Enterprises (<i>Asociația Mondială a Întreprinderilor Mici și Mijlocii</i>)