

UNIVERSITE CATHOLIQUE DE LOUVAIN  
Institut des Sciences du Travail



**MONOGRAPH ON THE SITUATION OF THE SOCIAL PARTNER ORGANISATIONS  
IN THE CHEMICAL INDUSTRY**

**BULGARIA, ROMANIA AND TURKEY**

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The contents of this publication do not necessarily reflect the opinion or position of the European Commission, Directorate-General Employment and Social Affairs. This study has been carried out by independent experts. It therefore does not involve the Commission's responsibility in any way. The European organisations subject of this study have had the opportunity to comment on the content of this study before its final approval<sup>1</sup>.

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<sup>1</sup> Its approval by the Commission does not imply the approval of any of the European organisations as to its content.

# INTRODUCTION

## PRESENTATION OF THE STUDY

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

The issue of the representativeness of European organisations came to the fore in the context of the promotion of social dialogue. In a communication published in 1993<sup>2</sup>, the European Commission set out three criteria determining the access that employers' and workers' organisations had to the consultation process under Article 3 of the Agreement on Social Policy. According to the terms of this communication, the organisation must: (1) *be cross-industry or relate to specific sectors or categories and be organised at European level*; (2) *consist of organisations which are themselves part of the social partners structures of Member States which have the capacity to negotiate agreements, and which are representative of all Member States, as far as possible*; (3) *have adequate resources to ensure their effective participation in the consultation process*. In 1996, it adopted a consultation document<sup>3</sup> that sought to bring together the widest range of views on the measures to be employed in fostering and strengthening European social dialogue. At that point, given that the social partners at European level were, and still are, in the process of structuring themselves and accepting new applications for membership, the European Commission conducted a study on the representativeness of inter-professional and sector organisations in the European Union, and in a new communication<sup>4</sup> in 1998, announced the measures that it proposed to take in order to adapt and promote social dialogue at European Union level. In it, the Commission reaffirmed the three criteria established by the 1993 Communication, permitting European organisations to be recognised as representative for consultation purposes under Article 3 of the Social Policy Agreement. Finally, in 2002, the Commission reaffirmed its support for a strengthening of social dialogue in its communication *The European social dialogue, a force for innovation and change*<sup>5</sup>. In the respect of the three criteria set up by the Commission, as has been pointed out in previous studies<sup>6</sup>, *the changes focus on the disappearance of demands relating to the inter-sector nature of organisations and on the fact that they are established in all Member States; the new rules have not been formulated in a very restrictive manner, they only require employers' and workers' organisations to represent "several" Member States. This relaxation of the implementation condition might pose a demarcation problem in the sense that there is no criterion setting out a minimum number of Member States to activate it.*

Against this background, it is clear that one of the main issues, both for the Commission and for the European social partners, is the enlargement of the European Union and its impact on the process of social dialogue at Community level: *The Communication underlines the vital role and the weaknesses of social dialogue in the candidate countries. Much has been achieved over the past decade with the support of Community programmes and initiatives. However, a lot remains to be done to strengthen the capacities of social partners and involve them in the accession process*<sup>7</sup>. As far as the European Commission is concerned, it is *only with sufficiently robust national structures that the social partners will be able to participate effectively in negotiations and in other European social dialogue activities and also implement agreements at national level*<sup>8</sup>.

The development of social dialogue, therefore, formed part of the "acquis communautaire" (community achievement): *The Treaty requires that social dialogue be promoted and gives additional powers to the social partners. The candidate countries are, therefore, invited to confirm that social dialogue is accorded the importance required and that the social partners are sufficiently developed in order to discharge their responsibilities at European Union and national level, and to indicate whether they are consulted on legislative drafts relating to the taking over of the employment and social policy acquis... Therefore, the development not only of tripartite structures but also of autonomous, representative bipartite social dialogue is*

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<sup>2</sup> COM(93) 600 final of 14 December 1993, Communication from the Commission concerning *the application of the Protocol on Social Policy*.

<sup>3</sup> COM(96) 448 final of 18 September 1996 concerning *the development of the social dialogue at Community level*.

<sup>4</sup> COM(98) 322 final of 20 May 1998, Communication from the Commission, *Adapting and promoting the Social Dialogue at Community level*.

<sup>5</sup> COM(2002) 341 final of 26 June 2002, Communication from the Commission, *The European social dialogue, a force for innovation and change*.

<sup>6</sup> Spineux A., Walthery P. et al., *Report on the representativeness of European social partners organisations*, Report coordinated by the Institut des Sciences du Travail of the Université catholique de Louvain, for the European Commission, Directorate General for Employment, Industrial Relations and Social Affairs, Louvain-la-Neuve, 1998.

<sup>7</sup> *Op cit.*

<sup>8</sup> *Op cit.*

*an important aspect for the future involvement of the candidate countries' social partners in the social dialogue activities developed at European and national level*<sup>9</sup>.

Enlargement of the European Union is a major issue from a quantitative and qualitative point of view: *The quantitative leap is quite clear as soon as the number of partners rises. The delegations taking part in social dialogue will be enlarged, and that, as we know, does not facilitate dialogue. However, the leap is also qualitative in that the new entrants present the industrial relations systems they have inherited from their national histories*<sup>10</sup>. By and large, most of the countries studied are notable for strongly developed tripartism, but for weakness at central bipartite level, in social dialogue at sector level, and at the level of organisations, particularly employers' associations.

The aim of the report is to produce a study that sets out both brief descriptions of the way that social dialogue functions in the countries concerned, and descriptions of the various workers' and employers' organisations involved in social dialogue at sector level. This study may be seen as a tool to help understand these quantitative and qualitative factors.

## RESEARCH APPROACH AND COMMENTS ON METHODOLOGY

For the purposes of this study, a network of University researchers throughout the 15 European Union Member States and candidate countries was set up. These researchers are experts in industrial relations and are independent of both the European Commission and employers' and workers' organisations. Each researcher was charged with drawing up a report based on a common template. A questionnaire tailored to the specific realities of the chemical industry sector was elaborated to that effect. Each national report issued by the expert was submitted to the national organisations in order to enable them to make comments on collected data. The IST took charge of coordinating the study and drawing up the summaries. Constant communication and ongoing collaboration between the IST, national experts and national organisations takes place in order to associate the various players of the process of research. The report is also checked by the European organisations and their members in order to enable them to make comments on the report. This phase of consultation represents an important stage of research. Lastly, the report is checked by the European Commission's services. The IST wishes to stress its independence with regard to the political consequences and decisions which may be made on the basis of this study.

The research process, in its design, comprises a phase of collection of data on the players and the social dialogue in which they participate, but also an active approach embracing the building of a consensus, which is an integral part of the process of social dialogue itself. Thus, whereas in a good number of cases the data collected do not permit total definition of the role played by the organisations, the contacts made during the data collection and the discussions with the different players concerned should be an integral part of a process of mutual recognition<sup>11</sup>. The main sources used within the framework of this study are thus the social partners themselves.

Lastly, a few words on the consultation process involving the European social partners must be added. The organisations which have been consulted are cited in annex. The comments that the IST received from these organisations, and those of their members have been incorporated in different ways, depending on the kind of information received:

- The observation is directly included in the content of the report
- When a difference of opinion exists between the employers' or workers' organisation and the expert, the observation is included as a footnote in the report, as well as the justification of the expert.

The consultation for this report on the chemical industry took place during the months of October-November 2005.

Finally, given that national situations are very changeable and evolve rapidly, it is important to stress that the aim of this study is to take "a snapshot" of the situation of the organisations in 2005. Interviews with the organisations took place, and the national reports were written, between January and February 2005.

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<sup>9</sup> *Enlargement of the European Union. Guide to the negotiations. Chapter by chapter*, European Commission, DG Enlargement, June 2003.

<sup>10</sup> Léonard E., Spineux A., *Les relations industrielles en Europe aujourd'hui*, Institut des Sciences du Travail, UCL, 2003 (unpublished).

<sup>11</sup> Reply to Call for Tenders VT/2002/83. Studies on the representativeness of the social partners at sector level in the European Union and monographs on the situation of the social partners in the candidate countries, Institut des Sciences du Travail, UCL, 2002.

## **NACE NOMENCLATURE<sup>12</sup>**

Once again and according to the national traditions, the sector delimitation can differ from a country to another, and the particularities of each country are actually a very important point of the research. Indeed, the structuring of the employers' organisations and trade unions as well as the organization of the social dialogue can cover sub-sectors or different trades/professions. The following NACE nomenclature is thus presented as an indication.

### **23 MANUFACTURE OF COKE, REFINED PETROLEUM PRODUCTS AND NUCLEAR FUEL**

#### **23.1 Manufacture of coke oven products**

23.10 Manufacture of coke oven products

#### **23.2 Manufacture of refined petroleum products**

23.20 Manufacture of refined petroleum products

#### **23.3 Processing of nuclear fuel**

23.30 Processing of nuclear fuel

### **24 MANUFACTURE OF CHEMICALS AND CHEMICAL PRODUCTS**

#### **24.1 Manufacture of basic chemicals**

24.11 Manufacture of industrial gases

24.12 Manufacture of dyes and pigments

24.13 Manufacture of other inorganic basic chemicals

24.14 Manufacture of other organic basic chemicals

24.15 Manufacture of fertilizers and nitrogen compounds

24.16 Manufacture of plastics in primary forms

24.17 Manufacture of synthetic rubber in primary forms

#### **24.2 Manufacture of pesticides and other agro-chemical products**

24.20 Manufacture of pesticides and other agro-chemical products

#### **24.3 Manufacture of paints, varnishes and similar coatings, printing ink and mastics**

24.30 Manufacture of paints, varnishes and similar coatings, printing ink and mastics

#### **24.4 Manufacture of pharmaceuticals, medicinal chemicals and botanical products**

24.41 Manufacture of basic pharmaceutical products

24.42 Manufacture of pharmaceutical preparations

#### **24.5 Manufacture of soap and detergents, cleaning and polishing preparations, perfumes and toilet preparations**

24.51 Manufacture of soap and detergents, cleaning and polishing preparations

24.52 Manufacture of perfumes and toilet preparations

#### **24.6 Manufacture of other chemical products**

24.61 Manufacture of explosives

24.62 Manufacture of glues and gelatines

24.63 Manufacture of essential oils

24.64 Manufacture of photographic chemical material

24.65 Manufacture of prepared unrecorded media

24.66 Manufacture of other chemical products n.e.c.

#### **24.7 Manufacture of man-made fibres**

24.70 Manufacture of man-made fibres

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<sup>12</sup> Source: COMMISSION REGULATION (EC) No 29/2002 of 19 December 2001, amending Council Regulation (EEC) No 3037/90 on the statistical classification of economic activities in the European Community, In: Official Journal of the European Communities (10.01.2002).

## 25 MANUFACTURE OF RUBBER AND PLASTIC PRODUCTS

### 25.1 Manufacture of rubber products

- 25.11 Manufacture of rubber tyres and tubes
- 25.12 Retreading and rebuilding of rubber tyres
- 25.13 Manufacture of other rubber products

### 25.2 Manufacture of plastic products

- 25.21 Manufacture of plastic plates, sheets, tubes and profiles
- 25.22 Manufacture of plastic packing goods
- 25.23 Manufacture of builders' ware of plastic
- 25.24 Manufacture of other plastic products

## 26 MANUFACTURE OF OTHER NON-METALLIC MINERAL PRODUCTS

### 26.1 Manufacture of glass and glass products

- 26.11 Manufacture of flat glass
- 26.12 Shaping and processing of flat glass
- 26.13 Manufacture of hollow glass
- 26.14 Manufacture of glass fibres
- 26.15 Manufacture and processing of other glass, including technical glassware

### 26.2 Manufacture of non-refractory ceramic goods other than for construction purposes; manufacture of refractory ceramic products

- 26.21 Manufacture of ceramic household and ornamental articles
- 26.22 Manufacture of ceramic sanitary fixtures
- 26.23 Manufacture of ceramic insulators and insulating fittings
- 26.24 Manufacture of other technical ceramic products
- 26.25 Manufacture of other ceramic products
- 26.26 Manufacture of refractory ceramic products

### 26.3 Manufacture of ceramic tiles and flags

- 26.30 Manufacture of ceramic tiles and flags

### 26.4 Manufacture of bricks, tiles and construction products, in baked clay

- 26.40 Manufacture of bricks, tiles and construction products, in baked clay

### 26.5 Manufacture of cement, lime and plaster

- 26.51 Manufacture of cement
- 26.52 Manufacture of lime
- 26.53 Manufacture of plaster

### 26.6 Manufacture of articles of concrete, plaster and cement

- 26.61 Manufacture of concrete products for construction purposes
- 26.62 Manufacture of plaster products for construction purposes
- 26.63 Manufacture of ready-mixed concrete
- 26.64 Manufacture of mortars
- 26.65 Manufacture of fibre cement
- 26.66 Manufacture of other articles of concrete, plaster and cement

### 26.7 Cutting, shaping and finishing of ornamental and building stone

- 26.70 Cutting, shaping and finishing of ornamental and building stone

### 26.8 Manufacture of other non-metallic mineral products

- 26.81 Production of abrasive products
- 26.82 Manufacture of other non-metallic mineral products n.e.c.

OTHERS
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- 19.1 Tanning and dressing of leather (within the section: Tanning and dressing of leather; manufacture of luggage, handbags, saddlery, harness and footwear)
- 31.62 Manufacture of other electrical equipment (within the section: Manufacture of electrical machinery and apparatus)
- 50.5 Retail sale of automotive fuel (within the section: Sale, maintenance and repair of motor vehicles and motorcycles; retail of automotive fuel)
- 51.46 Wholesale of pharmaceutical goods (within the section: Wholesale trade and commission trade, except of motor vehicles and motorcycles)
- 51.55 Wholesale of chemical products (within the section: Wholesale trade and commission trade, except of motor vehicles and motorcycles)
- 90.01 Collection and treatment of sewage (within the section: Sewage and refuse disposal, sanitation and similar activities)

### ABBREVIATIONS USED IN THIS REPORT

*In the text:*

%	Per cent
€	Euro(s)
CA	Collective agreement
CB	Collective bargaining
Density	Number of salaried workers or enterprises of the sector affiliated to the organisation divided by total number of salaried workers or enterprises of the sector
GDP	Gross Domestic Product
NACE	Statistical Classification of Economic Activities in the European Community
ND	no data, i.e. no data is available
PAV	Present Annual Value
SD	Social dialogue
SME	Small-to-Medium Enterprise
SSD	Sector social dialogue
SW	Salaried workers

*In the tables in the national summaries:*

CB	does the organisation take part in collective bargaining?
Density companies or enterprises	Number of enterprises of the sector affiliated to the organisation divided by the total number enterprises of the sector
Density SW	Number of salaried workers of the sector affiliated to the organisation divided by the total number of salaried workers of the sector

*Organisations' abbreviations:*

AESGP	European Self-Medication Association
AISE	International Association for Soaps, Detergents and Maintenance Products
BIAC	The Business and Industry Advisory Committee to the OECD
BLIC	European Association of the Rubber Industry
CEC	European Confederation of Executives and Managerial Staff (Confédération Européenne des Cadres)
CEEP	European Centre of Enterprises with Public Participation and of Enterprises of General Economic Interest
CEFIC	European Chemical Industry Council
CEPE	European Council of Paint, Printing Ink and Artists Colours Industry
CESI	European Confederation of Independent Trade Unions
CIC	International Confederation of Executives and Managerial Staff (Confédération Internationale des Cadres)
COLIPA	European Cosmetic Toiletry and Perfumery Association
CPA	Commonwealth Pharmaceutical Association
EAFP	European Association of Faculties of Pharmacy
ECEG	European Chemical Employers Group

ECITU	European Confederation of Independent Trade Unions
ECPA	European Crop Protection Association
EDMA	European Association of Diagnostic Means
EFBWW	European Federation of Building and Woodworkers
EFFAT	European Federation of Food, Agriculture and Tourism
EFPIA	European Federation of Pharmaceutical Industries and Associations
EGA	European Generic Medicines Associations
EIPG	European Industry Pharmacist Group
EMCEF	European Mine, Chemical and Energy Workers' Federation
EMF	European Metal Federation
EPPA	European Plastics Profile Association
EPSU	European Federation of Public Service Unions
ETF	The European Transport Worker's Federation
ETGLWF	European Textile, Garment and Leather Workers' Federation
ETUC	European Trade Union Confederation
ETUF:TCL	European Trade Union Federation of Textiles, Clothing and Leather
EUPC	European Plastics Converters
Eurochambers	European Chambers of Commerce and Industry
EUROFEDOP	European Organisation of Public Service Employees
EuropaBio	The European Association for Bioindustries
EuroPharm Forum	Forum of European Pharmaceutical Associations
Europharm SMC	European Internet portal for Small and Medium Sized Pharmaceutical companies
FEA	Federation of European Aerosol associations
FECC	European Association of Chemical Distributors
FECCIA	European Federation of Managers in the Chemical and Allied Industries
FECER	European Federation of Executives in the Sectors of Energy & Research
FERPA	European Federation of Retired and Elderly Persons
FICCIA	International Federation of Managers in the Chemical and Allied Industries
FIP	International Pharmaceutical Federation
FMTI	International Confederation of the Workers from Industry
GIRP	European Association of Pharmaceutical Wholesalers
GPEU	Pharmaceutical Group of the European Union
ICC	International Chamber of Commerce
ICCA	International Council of Chemical Associations
ICEM	International Federation of Chemical, Energy, Mine and General Workers' Unions
ICFTU	International Confederation of Free Trade Unions
IFAH	International Federation of Animal Health
IFBWW	International Federation of Building and Wood Workers
IFMA	International Federation of the Pharmaceutical Industry
IFPMA	International Federation of Pharmaceutical Manufacturers & Associations
IG BCE	Mining, Chemical and Energy Industrial Union
IGMA	International Generic Medicines Association
IMF	International Metalworkers' Federation
IN	Nordic Industry Workers
INFEDOP	International Federation of Employees in the Public Service
IOE	International Organisation of Employers
ITF	International Transport Workers' Federation
ITGLWF	International Textile, Garment and Leather Workers' Federation
IUF	International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Associations
MNC	Multinational company
NFS	Council of Nordic Trade Unions
NFU	Nordisk Farmaceutunion
NIF	Nordic Industry Workers' Federation
NTBF	Nordiska Byggnads och Träarbetares Federation
NTF	Nordiska Transportarbetare Federationen
NTO	Nordisk Telekommunikation
OPCE	Interprofessionnal Employers Businessmen Organisations of European Capital Cities
PGEU	Pharmacists Group of the European Union
PSI	Public Services International
RIOST	International Network of Subcontracting, Industrial Cooperation and Partnership Organizations

SECB	European Endowment for Christian Mine Workers
TEPPFA	The European Plastics Pipe and Fitting Organisation
TNC	Transnational corporations
TUAC	Trade Union Advisory Committee
UEAPME	European Association of Craft Small and Medium-sized Enterprises
UIADM	International Union of Medical Advisers Associations
UMCE	Union of Mediterranean Confederations of Enterprise
UNI	Union Network International
UNI Europa	European Union Network International
UNICE	Union of Industrial and Employers' Confederations of Europe
VAA	Association of salaried academics and managers in the chemical industries
WFIW	World Federation of Industry Workers
WCL	World Confederation of Labour

## NATIONAL REPORTS

# BULGARIA

## 1. DESCRIPTION OF THE SECTOR

### 1.1. Delimitation and scope of activities

With regards to the official statistics collected by the NSI and other scientific institutions there have been no divergence/convergences, after they fully adopted NACE. However, the NSI does not collect information on collective bargaining matters. Unfortunately, there is no tradition for the processing of such data at all, in the country - i.e. there is no institution which provides detailed and reliable data on this, especially at company level. As a rule, even the social partners in the relevant sectors have no idea about these quantitative dimensions of the social dialogue.

There is no subdivision of the sector by social partners. On the contrary, the social partners in the sector cover activities of some other (related) sectors. As will be explained in this report, the consequence of the aggregation of social partners is that not only one but several sectors suffer from this lack of consensus on sector CA.

### 1.2. Socio-economic features of the sector<sup>13</sup>

Trends: share of the sector in GDP (%)

	2000	2001	2002	2003 (preliminary data)
NACE 24	1.59	1.51	1.30	1.29

Source: National statistical Institute (on request for recent data in February 2005)

Trends: Produced added value of the Chemical sector in Bulgaria (%)

	2000	2001	2002	2003 (preliminary data)
NACE 24	1.79	1.70	1.47	1.48

Source: National statistical Institute (on request for recent data in February 2005)

In 2003, the sector accounted for 0.83% of total employment in Bulgaria. Salaried workers in the sector comprised 1.22% of the employees in the country.

There are only a few surveys on the hidden economy in Bulgaria, but they all give similar figures<sup>14</sup>. If we summarise the estimates of most experts in this area, we can estimate that the underground economy comprises, at the moment, no less than 25% of the Bulgarian economy. A law passed in 2003 helped to decrease the hidden economy significantly. The positive effects became visible in the second half of 2004. As regards the chemical sector, we can say that the hidden economy in the sector represents no less than 20%.

Companies : Contextual data in the CHEMICAL sector NACE 24 (2003)

Sub-sectors	Number of Companies	% companies without SW	% companies with <10 SW	% Companies 10-100 SW	% companies with > 100 SW
NACE 24.1	152	6.75	10.78	5.95	0.96
NACE 24.2	14	0.64	0.96	0.48	0.16

<sup>13</sup>The data is provided by the National Statistical Institute (NSI), last updated in 2003. If the source is different, it will be noted.

<sup>14</sup> E.g.: Hidden economy in Bulgaria. Project of Agency for economic analyses. Institute for market economy, Harvard University, 2000; Opinions and Assessments of Business Managers in Bulgaria regarding Corporate Taxation. Statistika, Nr.4, 2001, p.56; Common report for evaluation of priorities of Bulgaria, October 2002, p. 9; Michael Cayton. Estimating The Non - observed Economy in Bulgarian National Accounts, p. 19. Paris, 14-16 April 2003. Workshop on National accounts for South East Europe.

NACE 24.3	60	1.45	4.02	3.54	0.64
NACE 24.4	72	1.61	4.18	3.54	2.25
NACE 24.5	189	10.13	11.74	6.59	1.93
NACE 24.6	134	6.59	9.32	4.50	1.13
NACE 24.7	1	0	0	0	0.16
Total of the sector	622	27.17 (169 enterprises)	41 (255 enterprises)	24.6 (153 enterprises)	7.23 (45 enterprises)

Source: National Statistical Institute, national accounts data base (on request for recent data in February 2005)

The majority of firms (615 out of 662 enterprises) belong to the private sector. There are MNCs in the sector, moreover, especially in the "heavy industries" sector (including NACE 24) where there are multinationals, such as the Solvay Group (3 plants), Union Miniere/Umicore, Acid & Fertilizers Group LLC, Farmaco (3 plants), and a number smaller investors. Some of the MNCs exhibit exemplary behaviour: The Solvay Group was awarded a prize "Investor Number One in BG" for the year 1997; Farmaco had the same award for 2002.

Workers: Contextual data in the CHEMICAL sector NACE 24 (2003)

Sub-sectors	Number of workers	Number of SW	Number of SW/number of SW in the country (%)	Number of SW in companies <10 SW/number of SW in the sector (%)	Number of SW in companies 10-100 SW/number of SW in the sector (%)	Number of SW in companies >100 SW/number of SW in the sector (%)
NACE 24.1	5,943	5,732	0.27	1.09	3.59	17.88
NACE 24.2	333	310	0.01	0.11	0.44	0.67
NACE 24.3	1,701	1,634	0.08	0.41	2.16	3.86
NACE 24.4	9,238	9,094	0.44	0.44	2.34	33.00
NACE 24.5	5,964	5,761	0.28	1.07	4.60	17.00
NACE 24.6	2,784	2,548	0.12	0.76	3.10	6.17
NACE 24.7	337	334	0.02	0	0	1.35
Total of the sector	26,300	25,413	1.22	3.88	16.23	79.93

Source: National Statistical Institute (on request for recent data in February 2005)

Employees (salaried workers) by professional categories in the chemical sector 2003 {people on parental leave excluded }

1.Managers, senior officials, legislators	2.Professionals (analytical specialists)	3.Technicians, applied specialists and associated professionals	4.Clerks (supporting personnel)	5.Service workers, shop and market sales workers, and guards	6.Agricultural, forestry and fishing workers	7.Craft and related workers (in manufacturing)	8.Machine operators, assemblers and transport vehicles	9.Elementary occupations/non-qualified workers (labourers)	Total
1,567	2,040	3,449	1,439	625	92	3,442	7,055	5,142	24,851

Source: National statistical Institute (on request for recent data in February 2005)

In spite of the difficulties involved in transforming this classification into the "white collar/blue collar" split, it is obvious that blue collars are more numerous.

The remuneration in the chemical sector is above the country average (128.8% in September 2004, given that the country average = 100). Public and private sectors differ from each other in this respect. The level of payment in private sector is higher and the average salary tends to rise. There are also differences by sex, in that males are better paid, as a whole, at sector level. However, there is an interesting situation in the public sector, since women are better paid than men (male salaries are 95% of female salaries). In the private sector the opposite is the case - female salaries are at 85% of male salaries.

In general, atypical forms of work are not popular in Bulgaria. It was also confirmed by sector trade unions for the sector at hand. In the sector work 13,465 males and 11,948 females (SW). This is one of the sectors which has balanced gender proportion. (NSI, 2003).

Bulgarian companies in the sector compete predominantly through low labour costs, as well as through the hidden economy, which translates into additional cost reduction. MNCs in the sector apply a slightly different strategy. On the one hand, they take advantage of lower labour costs, but they also invest in new technologies aimed at high quality of products<sup>15</sup>. Recent developments show that the economic indicators of the sector have tended to decline, at least for the period 2000 to the present day (GDP, PAV). The number of companies has decreased in both the public and private sectors. There has also been a significant decline of SW (- 22%) in the period 2000-2003 (7,100 people were made redundant). The most significant and dynamic change in the size of companies was observed in the process of privatisation. Large-scale public companies have been replaced by SMEs. Indeed, the chemical sector is fully privatised (98.9% of companies); there are only 7 public companies out of approximately 622 in total.

## 2. DESCRIPTION OF WORKERS' AND EMPLOYERS' ORGANISATIONS ACTIVE IN THE SECTOR

### 2.1. Workers' organisations<sup>16</sup>

Due to the Labour Legislation in Bulgaria (Labour Code), only a few workers' organisations have the right to operate at sector level. The organisations eligible at sector level are only those which are affiliated to central trade union organisations recognised as being representative at national level. Consequently, only two federations are active in the sector - members of CITUB and Podkrepa CL.

#### EMPLOYEES' ORGANISATIONS IN CHEMICAL SECTOR<sup>17</sup>

	Member of Confederation of Independent Trade Unions in Bulgaria (CITUB)	Member of PODKPEPA Confederation of Labour
Original name of the organisation	Nazionalna federazia na truda "Chimia i industria" KNSB (In Cyrillic: Национална федерация на труда "Химия и индустрия" КНСБ)	Nazionalna federazia "Chimia" Podkrepa (In Cyrillic: Национална федерация "Химия" Подкрепа)
English name	National Federation of Labour 'Chemistry and Industry'	National Federation "Chemistry" Podkrepa
Legal status	NGO, non profit	NGO, non profit
Year of creation	It existed during the communist regime; 1990: re-registered under new democratic conditions and started a major change towards independent development. It resulted in alienation from the state and communist ideology. No significant changes since 1990 (except declining membership and financial income)	1992. Newly established under new democratic conditions. No changes in terms of national affiliation, political and ideological beliefs (it started from anti-communist positions and still maintains this line). No significant changes since 1990 (except declining membership and financial income).
Structure of the organisation: sector/sub-	covers all the activities of NACE DG24, DF23, DH25 and DI26;	covers all the activities of NACE DG24 and DH25

<sup>15</sup> CITUB, 2004. Multinational Companies – challenges to IR and trade unions: five years later. Sofia (in Bulgarian, accompanied by an abstract in English), p. 99

<sup>16</sup> The national expert expresses her thanks to Trade union organisations in the Chemical sector for their support and professional help in the course of the survey.

<sup>17</sup> The only source for quantitative data about the organisations is the internal statistics of the very sector organisations. Yet, the data is reliable enough since trade union membership was checked by the Ministry of Labour and Social Policy in the course of a census (2003-2004). Note: Estimates of respondents are marked by (\*), while estimates of researchers are marked by (\*\*).

sector	also NACE 41 and 50	
Funding	Membership fee	
Staff	6 people on a full-time base, 1 person part-time and 3 people on civil contracts	4 people on full-time base, 1 person part-time and 45 volunteers
staff/white-collar workers	35%	Smaller part
manual/blue-collar workers	65%	Prevailing part
managers	0	0
Number of members working in the sub-sectors of DG24	DG24.1:2,000; DG24.2:71; DG24.3:272; DG24.4:2,434; DG24.5:930; DG24.6:300; DG24.7:1,287 <sup>18</sup>	ND
Recognition system of social partners	Regular formal counting of organisations claiming to be representative, carried out by the government every 4 years. This procedure provides a certain stability of social dialogue for at least 3 years and diminishes conflicts on formal representation at national and sector level	
Does the organisation take part in consultations at sector, higher than enterprise or enterprise level	Yes, directly at sector; indirectly at enterprise level via company sections	
Does the organisation negotiate, or does it sign, collective agreements?	Yes - it negotiates and is eligible to sign at sector level	
How many collective agreements have been signed by the organisation in 2003 and 2004?	0	
Does the organisation take part in tripartite concertation?	Yes	
How many agreements has it signed in the framework of tripartite concertation in 2003 and 2004?	0	

Source: the very workers' organisations during the interview in February-March 2005, but the figures are reliable since they were checked by the government in the end of 2003 and similar figures were officially announced in April 2004.

#### Trade Unions

Organisation		Type of SW	Members	Members working in the sector	Density	CB	National affiliations		European affiliations		International affiliations	
Original name	English name	Type	Number	Number	%	yes/no	Direct	Indirect	Direct	Indirect	Direct	Indirect
Nazionalna federazia na truda "Chimia i industria" KNSB	National Federation of Labour 'Chemistry and Industry'	blue collars	11,044 <sup>19</sup>	7,294	29	yes	CITUB	no	EMCEF	no	ICEM	no

<sup>18</sup> source: the organization itself - membership records in January 2005.

Nazionalna federazia "Chimia" Podkrepa	National Federation "Chemistry" Podkrepa	blue collars	2,336 <sup>20</sup>	1,986	8	yes	CL Podkrepa	no	EMCEF	no	ICEM	no
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Source: the very workers' organisations, during the interview in February-March 2005, but the figures are reliable since they were checked by the government in the end of 2003 and similar figures were officially announced in April 2004 See also footnotes above.

## 2.2. Employers' organisations in the chemical sector<sup>21</sup>

Employers' associations follow the same logic as workers' organisations according to the Law in force. It means that only members of the five "umbrella" employers' organisations: BIA, BCCI, UPEE, BUPE "Vuzrazhdane" and EABG, are able to act in the sector. Yet, not all of them have structures in the sector. In fact, there is only one employers' chamber, which is interested in CB and tries to play a role in the social dialogue.

### EMPLOYERS' ORGANISATION IN CHEMICAL SECTOR<sup>22</sup>

Name	Bulgarska kamara na chimicheskata promishlenost (In Cyrillic: Българска камара на химическата промишленост)
English name	Bulgarian Chamber of Chemical Industry (BCCI)
Legal status	NGO, non profit
Year of creation and brief historic	1994; 2001-renamed; 2001 - became associated member of CEFIC
Funding	Membership fee, services for members and 1 project
Staff	Altogether 4 people, of which: full time - 2; part time - 1; civil contract - 1 (and 12 volunteers)
Structure of the organisation: sector/sub-sector	It covers all the activities of NACE DG 24 and 25
Measuring the organisations at sector level: on what basis? By whom?	present data is based on registration records of the chamber for paid membership fee 2005.
Number of enterprises represented: total	48, of which 35 in DG24 and 13 in DG25
of which:	
-Number of enterprises represented in the sector DG24 of which:	35, of which in DG24.1-7; 24.2-2; 24.3-8; 24.4-2; 24.5-4; 24.6-10;24.7-2
-SMEs	23
-private	35 (i.e. all of them)
-multinationals	2 (Solvay Group and Dow Chemicals)
Number of employees represented- total	14,630, of which 9,990 in DG24 and 4640 in DG25
Number of employees represented in the sector DG24	9,990 (24.1:4,850; 24.2:230; 24.3:1,190; 24.4:110; 24.5:1,220; 24.6:540;24.7:1,850
Does the organisation take part in consultations at sector or higher than enterprise level	Yes - it negotiates and is eligible to sign at sector level
Does the organisation negotiate, or does it sign, collective agreements?	Yes, at sector level

<sup>19</sup> source: organisational membership records last updated in January 2005. Similar figures were confirmed officially by The Ministry of Labour and Social Policy in the end of 2003 in the course of a recent, regular, census of social partners in Bulgaria.

<sup>20</sup> source: a recent regular census of social partners in Bulgaria, carried out officially by The Ministry of Labour and Social Policy at the end of 2003.

<sup>21</sup> The national expert owes special thanks to the employers' chamber in the sector for their efficient co-operation and very precise information.

<sup>22</sup> Note: Estimates of respondents are marked by (\*), while estimates of researchers are marked by (\*\*).

Number of CAs signed in 2003 and 2004	0
Does the organisation take part in tripartite concertation?	Yes
Number of CAs signed in the framework of TC in 2003 and 2004?	0

Source: the employers' sector organisation (BCCI) itself, March 2005, during the interview.

#### Employers' organisation

Organisation		Sub-sectors covered	Companies	SW in DG24	Density Companies	Density SW	T	CB	National affiliations		European affiliations		International affiliations	
Original name	English name		number	number	%	%	yes/no	yes/no	Direct	Indirect <sup>23</sup>	Direct	Indirect	Direct	Indirect
Bulgarska kamara na chimicheskata promishlenost	Bulgarian Chamber for the Chemical Industry	All of them	48, of which 35 in DG24	9,990	7	40	Yes	Yes	BIA (Bulgarian Industrial Association); BCCI - observer	No	Associated member of CEFIC, associated member of ECEG	no	no	Associated member of ICCA

Source: the very organisation, but the figures are reliable since they were checked by the government in the end of 2003 and similar figures were officially announced in April 2004

### 3. DESCRIPTION OF THE TRIPARTITE CONCERTATION IN THE SECTOR

In general, in Bulgaria tripartite concertation at sector level is the rule. However, given the gradual disengagement of the state, social partners in the chemical sector are inclined to conclude that this mechanism has tended to become an exception in the sector. They argue that meetings are rare and ineffective. Tripartite cooperation at sector level is organised by the government via the relevant ministry - the Ministry of Economy (ME) for the chemical sector. At sector level, the tripartite cooperation takes place within the framework of so-called "Sector / Branch Councils for Tripartite Cooperation" as especially established institutions. There are detailed regulations (ordinance) of activity of the Sector Councils for Tripartite Cooperation. However, social partners in the chemical sector express their criticism to the way of functioning of this council<sup>24</sup>. The Labour Code prescribes that every Sector/ Branch Council for Tripartite Cooperation should include two representatives of the corresponding Ministry (in this case – the Ministry of Economy) or another state institution responsible for the sector or the branch; two representatives of every representative sector / branch trade union federation and two representatives of each representative employers' organisation. As a rule the chairman of the Sector / Branch Tripartite Council is a state representative. The only criteria for representation at sector level is the affiliation of sector organisations to nationally representative trade union confederations and respectively - employers' associations. There are some other employers associations eligible to take part in the council, but they are not interested in doing so, saying that it is not their 'area of activity'. Trade unions in the sector informed us that a branch chamber affiliated to the newly recognised EABG (Employers Association of Bulgaria) had attended only one tripartite meeting and had never attended any others.

The social partners in the sector report that the activities of this council are usually focused on the labour relations in the sector - social dialogue, (health and safety) working conditions, qualification of personnel, legal regulations and social insurance. Yet, the social partners in Chemical sector admit that, in fact, the tripartite council started to concentrate on a very limited area (only attempts to solve conflicts on health and safety matters and collective labour conflicts). Unfortunately, the social partners in the Chemical sector have not signed a collective agreement for

<sup>23</sup> Associate member.

<sup>24</sup> Their arguments are: rare and ineffective meetings; gradual disengagement of the state; the tripartite council started to concentrate on a very limited area of negotiations (only attempts to solve conflicts on health and safety matters and collective labour conflicts).

about 8 years. In order to put agreements arising from concertation into practice, the implementation is mainly in accordance with the terms of signed collective agreements, providing they are in accordance with the law. There are no informal procedures for tripartite concertation. In general, industrial relations in Bulgaria are extremely formalised. That is why, the social partners avoid “informal procedures” and “gentleman agreements” etc.

#### 4. DESCRIPTION OF THE BIPARTITE SOCIAL DIALOGUE IN THE SECTOR

The collective bargaining takes place at sector and enterprise level. In general, the very Labour Code binds the levels by stating that the enterprise CAs are allowed to include only better conditions for the workers than the conditions, agreed at sector level. However, given the lack of sector agreement the enterprise players stick only to the minimum parameters stipulated by the Labour Code. To the extent to which sector CAs have not been signed for many years, the enterprise level seems to be more developed. This conclusion was also confirmed by the social partners interviewed in the sector.

There are no formal or informal reciprocal recognition systems on the part of social partners. The recognition of representativeness of the social partners at sector and branch level depends only on the affiliation to nationally representative employers' or workers' organisation. At enterprise level all trade union organisations can negotiate with the employer in the bargaining process.

There are problems concerning the development of bipartite social dialogue at sector level. As a whole the individual employers (except MNCs) in the sector are unwilling to engage in CB. Some branch employers' associations operate only as “pure” business associations. They focus their activities on “pure business problems” and prefer to avoid the social dialogue. They share a common view on CB, according to which the collective bargaining must shift from sector to enterprise level (indeed, it has shifted for 8 years). Such an attitude guarantees some membership because most of individual private owners share the same values. It means that the neoliberal trend to deregulation may be articulated in a more explicit way in the future. That is why there is only one employers' chamber interested in CB and negotiating with trade unions. In addition, one reason why the employers' are more inclined to take part in the sector tripartite council, than in the bipartite sector collective bargaining is very simple: the Council gives them scope for lobbying on many business issues, while the CA brings them predominantly harder obligations and responsibilities. Another specificity is that there is clear regulation of tripartite matters but not of the bipartite ones. The sector federation of CITUB cites the following obstacles: unwillingness of employers to be engaged in CB; unwillingness of employers to consult and inform trade unions; tacit (non-articulated) refusal of social dialogue; non-committal position of government on certain major conflicts in the sector; contradictory articles in the Labour Code in the sphere of social dialogue and CAs; a growing number of social partners without real representation. Moreover, according to social partners in the sector the bipartite social dialogue at both national and sector level is not promoted. On the contrary, interpretations of the state administration block them - for example the Ministry of the Economy and the Ministry of Labour and Social Policy.

At the moment there is no practice of shifting from bipartite to tripartite negotiations, i.e. the social partners usually do not turn to tripartite concertation in the sector if bipartite negotiations (bargaining) fail. In such cases, the semi-negotiated sector collective labour contract (agreement) just remains unsigned. The trade unions in the sector have tried such an approach in the past but it proved to be ineffective and was abandoned. According to the trade unions in the sector, about 75% of the players in tripartite and bipartite negotiations are the same and this overlap has a definite negative effect. Nevertheless, there is a more explicit attitude on the part of the social partners to try to move from tripartite to bipartite procedures.

##### 4.1. At sector level

Bargaining cartels are not usual in Bulgaria. The players of the relevant trade union confederations and employers' organisations, which perform a role in collective bargaining in the chemical sector are the organisations described above. These players are empowered to negotiate and sign collective labour contracts (agreements) at sector level and they should sign a Sector CA in the near future.

Practically, there isn't any legal obligation to participate in collective bargaining at sector level. Indeed, in article 52 of the Labour Code, paragraph (1), employers are obliged to participate in collective bargaining, but this is of little use since there is no obligation to sign the collective contract. The negotiations can last for years, if some employers don't want to sign the CA, but for the sake of appearances they keep 'negotiating'. At sector level, there are no conflicts, since the legal procedure for recognition does not leave room for disputes over the fact of recognition. For more than 8 years, no sector CAs have been signed. Bulgarian regulations say that each sector can have only one CA. The Law prescribes a duration of 1-2 years. There is a legal procedure

for extending collective agreements to parties that are not signatories to the agreement, despite this, in the chemical sector, the main problem is the lack of any sector CAs. Moreover, this procedure is not effectively used in other sectors, because of the refusal of The Ministry of Labour and Social policy to implement it.

It seems likely that within next 3 years the players' positions will remain the same. It is possible that a third trade union federation in the sector ("Promiana") will emerge, but its status would be open to question. There are no players who, although not recognised (or only partially recognised) by the dominant players or by public authorities, may be regarded as playing a role in industrial relations in the sector.

## 4.2. At enterprise level

Bargaining cartels are not usual in Bulgaria. At enterprise level, all the legal trade unions can negotiate, no matter whether they are nationally representative or not. Nevertheless, conflicts between players regarding recognition issues<sup>25</sup>. Yet, the dominant players are the same as at sectoral level – the sections of federations of the nationally representative trade union confederations - CITUB and Podkrepa. Only in 2 companies of the sector, CA at enterprise level is also signed by third trade union, together with CITUB and Podkrepa.

Unfortunately, social partners do not dare to offer estimates. The signatory parties at enterprise level are employer (in public companies the employer is deemed to be the manager, with the authorisation of the principal – the Ministry) and trade union sections. As far as the contents of company collective contracts are concerned, they usually include the following items: 1. General issues; 2. Employment, professional qualification / vocational training; 3. Working hours, leave, vacations, etc. The Labour Code fixes the minimum duration of workers holidays – it is 20 days per year. The parties can negotiate additional days for the workers; 4. Salaries, wages and other payments (such as compensations and benefits). Two things are important here - the legislation establishes only the minimum monthly salary and requires that the level of wages in the enterprise should be higher than that negotiated at branch level (or at least equal to it). Everything else can be negotiated; 5. Health and safety at work. They are very well regulated in the framework of Health and Safety Working Conditions Act (the screening procedure for harmonisation of the Bulgarian legislation and Acquis Communautaire found that the Bulgarian Health and Safety Working Conditions Act is almost 100% harmonized). The parties can negotiate some forthcoming investments in health and safety, etc.; 6. Social insurance. Social insurances are totally regulated by the law, by the so-called “third pillar of the social insurance system” – the voluntary additional social insurances are an important item on the bargaining agenda; 7. Trade union activities in the enterprise; 8. Voluntary settlement of collective labour conflicts; 9. Procedure for joining the collective contract; 10. Final statements. The term of collective contracts is regulated by article 54 (2) of the Labour Code. It states that the term must be stipulated in the contract itself, but it cannot be shorter than 1 year and longer than 2 years. Regarding the possible evolutions, we don't expect significant changes in the number and content of contracts.

Given the lack of data about number of company CAs, it is not possible to make more accurate calculations of the coverage rate of enterprises. We can only quote estimates of sector social partners with regard to the coverage of SW. According to the estimates of the trade unions, about 10,000 SW are covered by company CAs, of which 8,500 are members of CITUB and 1,500 are affiliated to Podkrepa. It means about 25% coverage rate. The branch chamber of the employers' organisation does not venture to make estimates. There are no data about the number of enterprises which have signed collective agreements at enterprise level, either. Yet, it is known that the best performance is provided by the MNCs in the sector. There are some large MNCs in the sector, which usually have company CAs. The spread of MNCs explains to some extent why the sector level is of less importance than the company level in the chemical sector. Some MNCs have supra-national agreements. The situation with MNCs was examined last year in an empirical survey carried out by CITUB<sup>26</sup>. The MNCs prove to have a strong positive impact on CB. The researchers mention also some negative practices in MNCs, but the positive ones certainly prevail. Collective contracts at enterprise level cannot be extended to parties that are not signatories to the agreement (in contrast to branch and sectoral CA). There is, however, a clear legal procedure for workers to join the company CA on a personal basis (unionised or non-unionised). The non-unionised workers can join the collective contract, but they may be asked to pay “solidarity fees”. This happens if there is a special fund, established in the enterprise for this purpose. The amount of “solidarity fee” is stipulated in the collective contract (if such a fee is mentioned at all) and as a rule is not very big. The practice of a “solidarity fee” is becoming more and more widespread. A worker who wants to join the collective contract must submit an application to join it, either to the employer, or to some trade union section, which is a signatory party in

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<sup>25</sup> From time to time there are some minor conflicts but caused by other reasons. Usually the problem is so called “solidarity fee” due to be paid for joining the CA at enterprise level. A similar conflict exists only in one company of the sector. A non representative trade union in this company offered membership to workers at a fee level which is half that normally charged by the representative unions. The latter reacted sharply to this union 'dumping'.

<sup>26</sup> The fieldwork of the survey was financially supported by ILO- Budapest while the publishing was supported by Friedrich Ebert Foundation.

the collective contract. The procedure is effectively used at this level, since it depends predominantly on the individual employees, who apply for individual membership. Workers are highly motivated to join the collective contract.

## 5. COMMENT

The sector is not among the biggest in terms of economic contributions, employment and number of companies (as compared to trade, construction, and textiles, for example) and its economic contribution tends to be in decline. There are, altogether, 3 representative social partners, who play a role in the CB in the sector (2 trade unions and one Employers' organisation). According to the Bulgarian Labour Code the social partners are allowed to sign only one sector/branch agreement. In other words, consensus has to be achieved on one CA between 2 trade unions and one employers' chamber. However, for more than 8 years these players have not succeeded in signing any sector CAs, it is really an exceptional situation in the Bulgarian context. Company level is the only level of effective CB. The sector has a very high presence of MNCs - Solvay Group and Farmaco are among the biggest investors in Bulgaria- which provide, in fact, the best examples for good social dialogue not only at sectoral, but also at nation-wide level. Of course, the leading economic role of the MNCs influences the CB as well. Maybe this fact is one of the explanations for the lack of sector CAs, since the leading players conclude enterprise CAs.

# ROMANIA

## 1. DESCRIPTION OF THE SECTOR'S CHARACTERISTICS AT NATIONAL LEVEL

### 1.1 Delimitation and scope of activities in the sector

The statistical category referred to includes the activities of the chemical sector within the 24th group of NACE nomenclature. There is no correspondence between the standard NACE Rev 1 classification and the structure of the activities within the sector. Other chemical related activities, closely related to these, are added to the activities mentioned within code 24. They are comprised within all groups of NACE codes 23 and 25. Thus, the sector is defined as chemical-petrochemical, comprising two types of activities (chemistry and the petrochemical industry) within one sector. The corresponding activities are mentioned within NACE codes 23, 24 and 25. The collective work contract at sector level stipulates that also, all companies whose activity profile comprises chemical and petrochemical production and connected activities and which are mentioned within the groups of NACE codes 23, 24, 25, within groups 12, 45, 46, 51, 55 of NACE code 51 and within group 10 of NACE code 73 may benefit from the stipulations of the collective work contract for the chemical and petrochemical branch industry / 2001 – 2004<sup>27</sup>, therefore there is an expansion of the activities within the sector which is covered by the collective negotiations. The sector's division into sub-sectors does not have any consequences on collective negotiation because there is only one collective work contract signed at sector level and its stipulations are valid to all the sub-sectors in the sector.

*Note: As for the activities relatives to code NACE 73.10, 23.1 and 23.3, there are no companies affiliated to an employers' organisation for the chemical-petrochemical sector, these activities are not included within CAs. Furthermore, from all the companies belonging to codes 51.12, 51.45, 51.46, 51.51 and 51.55, only 10 enterprises (3,887 SW) are affiliated to some employers' and/or workers' organisations within the sector<sup>28</sup>. As a result, we will not take into account these activities relative to code NACE 73.10, 23.1 and 23.3 nor the 10 enterprises and 3,887 SW belonging to codes 51.12, 51.45, 51.46, 51.51 and 51.55 within this report, since specific data do not exist for them.*

### 1.2. Socio-economic features of the sector

Unfortunately, there are no data on the GDP and the added value of the sector. As far as employment is concerned, it represents 2.46% (NACE code 24, 232, 251 and 252), and 1.34% (NACE code 24) of the national economy. There are no statistics and data to show the share of the underground economy within the sector. However, this latter aspect is on the government's agenda and measures are planned to reduce undeclared work, including measures to relax the tax regime.

With regard to the number of companies, there was exponential growth in the number of the enterprises within the sector after 1990, which entailed a significant reduction in average firm size; in 2002, the average number of employees per enterprise was 34,8. Until 1990 there were only state enterprises, while now there are only private companies (the share of state firms being insignificant). At the moment, the total number of active firms within the chemical sector (NACE code 24) is 1,208<sup>29</sup>. The largest share of the firms (98.0%) is to be found in the private sector and 17.8% are wholly or majority owned by foreign capital. The split of enterprises into sub-sectors is as follow: 26.4% of the total number of firms (NACE 24) belong to sub-sector 24.1, 21.4% to sub-sector 24.6, 21% to sub-sector 24.5, 16% to sub-sector 24.3, 10.9% to sub-sector 24.4, 2.3% to sub-sector 24.2 and 2% to sub-sector 24.7. The number of active firms whose production is based on oil processing (NACE code 23.2) and from rubber/plastics products manufacturing (NACE code 25) is 2,014. Only 3 firms out of these are companies with state-based capital, while the others belong to the private sector. Within the oil processing and the rubber/plastics products processing field, the share of the sub-sectors within the total of firms is as follow: 77% or the total of firms belong to NACE 252, 21.8% to NACE 251 and 1.2% belong to NACE 232.

Companies (2002)

<sup>27</sup> Collective work contract on chemical and petrochemical branch industry / 2001 – 2004, Annex 1, Official Monitor, part V, no. 11, July 2002.

<sup>28</sup> Source : General Director FEPACHIM, Traian Vulpe.

<sup>29</sup> Data from the National Institute of Statistics, February 2005.

Sub-sectors (NACE)	Number of companies	Companies without SW (%)	Companies with < 10 SW (%)	Companies 10 – 100 SW (%)	Companies with >100 SW (%)
241	318	(65) 20.4	(149) 46.9	(82) 25.8	(22) 6.9
242	28	(1) 3.6	(14) 50.0	(12) 42.8	(1) 3.6
243	193	(29) 15.0	(97) 50.3	(57) 29.5	(10) 5.2
244	132	(17) 12.9	(50) 37.9	(41) 31.1	(24) 18.1
245	254	(53) 20.9	(140) 55.0	(55) 21.7	(6) 2.4
246	259	(40) 15.4	(164) 63.3	(47) 18.2	(8) 3.1
247	24	(3) 12.5	(6) 25.0	(8) 33.3	(7) 29.2
<i>Total of NACE 24</i>	<i>1,208</i>	<i>(208) 17.2</i>	<i>(620) 51.3</i>	<i>(302) 25.0</i>	<i>(78) 6.5</i>
232	23	(2) 8.7	(4) 17.4	(8) 34.8	(9) 39.1
251	440	(123) 28.0	(233) 52.6	(66) 15.0	(13) 2.9
252	1,551	(244) 15.7	(845) 54.5	(397) 25.6	(65) 4.2
<i>Total of the sector</i>	<i>3,222</i>	<i>(577) 17.9</i>	<i>(1,702) 52.8</i>	<i>(773) 24.0</i>	<i>(170) 5.3</i>

Source : National Institute of Statistics, February 2005

There are certain important conclusions which emerge from the data, which are valid either for the chemical or for the petrochemical sector: a) there is a large number of firms within the sector; b) most of the firms are micro enterprises (1-9 employees); c) small and medium enterprises represent a quarter of all firms, while family firms hold an important share, too d) it is a totally privatised sector (the share of state property being insignificant). There are firms belonging to the sector in practically all counties, but the contribution of each sector to the total production of the sector is different. There are counties like Arges, Bacau, Buzau, Brasov, Braila, Dolj, Iasi, Ialomita, Neamt, Timis, Valcea, Teleorman, Prahova, Mures, Bucharest municipal which account for the highest contribution to the total production of chemical/petrochemical sector. The very high number of small companies brings into perspective a fundamental problem: do these firms have the human and financial resources to be able to obtain the technology to enable them to compete, and to achieve the necessary quality of products and environmental protection? Probably, most of them will leave the industry. One of the solutions is to include them within clusters, within heterogeneous networks, to link them with large enterprises, with research and development resources. The type of strategy differs from one company to another, depending on the role and place on the market, on the level of internal and external competition, on the dependence degree on imported raw materials, on whether it exports its products or not, etc. Therefore there are a lot of factors influencing this type of strategy. Generally, there is a combination of the cost based strategy and the specialisation strategy. There has been a trend for the number of companies to increase over the last three decades. Another feature of this stage is the high number of employees within the sector, meaning very large enterprises.

As far as workers are concerned, all the social strata are to be found within the sector, beginning with unqualified workers and finishing with specialists from various fields. The highest share is represented by manual workers (74,1%)<sup>30</sup>, the specialists in different fields account for about 15.0 -18.0% and the management personnel at all levels 6.0-8.0%. Unqualified workers represent approximately 1-2%<sup>31</sup>. The level of labour force training within the sector is different from one sub-sector to another, or it may be different even within the same sub-sector. There are repetitious activities, which do not require a high level of qualification but do require a minimum of knowledge, and there are jobs that require highly qualified workers. Most of the workers have graduated from technical schools, which are vocationally oriented secondary schools and have received on-the-job training. Later, the large companies organise improvement courses, especially where new production technologies have been introduced. Generally, there is a well trained labour force within the sector, which, importantly, is adaptable to technological changes. The split between sexes is 61.0% men and 39.0% women. There are differences among the sub-sectors regarding the split between the sexes. For instance, men account for 53.0% and women 47.0% in the rubber and plastics processing sub-sector.

<sup>30</sup> Romanian Statistical Yearbook 2003, www.insse.ro.

<sup>31</sup> Estimation of the social partners.

Workers (2003)

Sub-sectors Cod NACE	Number of workers	Number of SW	Number of SW/number of SW in the country (%)	Number of SW in companies <10 SW/number of SW in the sector (%)	Number of SW in companies 10-100 SW/number of SW in the sector (%)	Number of SW in companies >100 SW/number of SW in the sector (%)
241	33,362	33,239	0.72	(429) 0.38	(2,465) 2.20	(30,345) 27.03
242	732	718	0.02	(38) 0.03	(332) 0.30	(348) 0.31
243	4,508	4,440	0.10	(316) 0.28	(1,858) 1.66	(2,266) 2.02
244	9,183	9,133	0.20	(165) 0.15	(1,822) 1.62	(7,146) 6.37
245	3,973	3,892	0.09	(412) 0.37	(1,439) 1.28	(2,041) 1.82
246	4,241	4,171	0.09	(513) 0.46	(1,264) 1.13	(2,394) 2.13
247	5,579	5,572	0.12	(13) 0.01	(232) 0.20	(5,327) 4.75
232	9,347	9,338	0.20	(15) 0.01	(236) 0.21	(9,087) 8.09
251	14,767	14,616	0.32	(667) 0.59	(2,215) 1.97	(11,734) 10.46
252	27,595	27,139	0.59	(2,683) 2.39	(10,534) 9.38	(13,922) 12.40
Total of the sector	113,287	112,258	2.46	(5,251) 4.67	(22,397) 19.95	(84,610) 75.38

Source: National Institute of Statistics, February 2005

The average net wage earned in the sector (September 2004)<sup>32</sup> varies between 5,920,483 Lei (144 euro) for the sub-sector Rubber and plastic products, 7,986,728 Lei (194 euro) for the sub-sector chemical substances and products and 11,105,108 Lei (270 euro) for the crude oil processing sub-sector, which is higher than the national average (8,214,100 Lei, about 200 €, September 2004). The development of the sector is strongly linked to the general development strategy of Romania and its intention to become an EU member. Firstly, a decrease in the number of firms (especially the small ones, which can not face the competition) will be registered. Then, certain sub-sectors will lose their importance and others will continue to develop. For example, the sub-sectors “pesticides and fertiliser production” might register a decline and other sub-sectors, like “synthetic rubber manufacturing”, especially production of car wiring might increase.

Unfortunately, there are no data on types of contract within the sector; however, we can observe that the majority of SWs have a full-time permanent employment contract.

<sup>32</sup> Monthly Statistical Bulletin, 9/2004, p. 62-63.

## 2) DESCRIPTION OF THE ORGANISATIONS ACTIVE IN THE SECTOR

### 2.1. Description of the workers' organisations active in the sector

The system of the reciprocal recognition of social partners is a legal one, stipulated by Law 130/1996, modified and completed by Law 143/1997 regarding the Collective Work Contract<sup>33</sup>. The Law establishes the representation criteria for a syndicate or employers' association structure and for each level (sector, "higher than enterprise" and enterprise levels). Only those structures for a certain level can negotiate a CA at the corresponding level. The representation recognition must be made by a legal authority (law court) through a civil order, based on the documents presented by each syndicate or employers' association. Due to this legal regulation, there are no problems regarding the recognition of the social partners and their capacity to negotiate CAs.

#### a) FEDERATIA SINDICATELOR LIBERE DIN CHIMIE SI PETROCHIMIE (THE FEDERATION OF FREE TRADE UNIONS FOR THE CHEMICAL AND PETROCHEMICAL INDUSTRIES) (FSLCP)

This is a federate organisation, established on April 19, 1990. The main sub-sectors represented are: chemical fertilisers; synthetic threads and fibres; inorganic chemical products, medicines, beauty products, dyes; lacquers, paint, detergents, plastics processing, rubber processing, refineries and petrochemical processing, special products<sup>34</sup>. Financing sources are members' dues and sponsorships. The federation has a staff of 11. The affiliated members are employees only. There are no pensioners within the organisations. The affiliated members are workers, technical/economic and administrative personnel with medium studies, specialists with superior education within technical/economic/administrative fields, managerial staff. The number of affiliated members: 40,000 (the number of the affiliated members decreased from 65,000 to almost 40,000, due to the restructuring and privatisation processes). This is the only trade union federation representative at sector level, which signs CAs for the chemical-petrochemical sector. The structure of FSLCP is as follows: National Conference, General Council, Executive Bureau and Directory Bureau. The National Conference represents the highest decision making body of the Federation and holds ordinary sessions once a year and elections once every four years<sup>35</sup>. The representation rule of the member trade unions is one commissioner for trade unions with less than 1,000 members and 1/1000 members for the other trade unions<sup>36</sup>.

The Federation takes part in tripartite concertation both directly and indirectly at national level<sup>37</sup>, through the Confederation of which it is founding member (Cartel Alfa). The Federation is represented within the Economic and Social Council, takes part in the tripartite dialogue from the Ministry of Economy and Commerce, Ministry of Work, Ministry of European Integration and, through its representatives within the social dialogue commissions from the prefectures. Occasional agreements have been signed for several actions, particularly with regard to the "chemical fertiliser" sub-sector. Even if consultation and information sharing on the problems of the sector do take place and there are suggestions of alternative solutions for them, the final decision is unilateral and it comes from the side of the employers' association or from the authorities' representatives. "Only in conflict situations can serious agreements be signed, with a chance that they will be respected by the parties, otherwise the tripartite dialogue is purely a formality, a dialogue of the deaf"<sup>38</sup>. The Federation takes part in consultations at sector level, at higher than enterprise level and enterprise level<sup>39</sup>. Being representative at sector level, the Federation negotiates CAs at chemical/petrochemical industry sector level. In the period 2003-2004, it negotiated one CA for

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<sup>33</sup> Law 143/1997, Art. 14-19, Official Monitory no.172/July 1997.

<sup>34</sup> FSLCP presentation folder.

<sup>35</sup> Statute – FSLCP Regulations, Art. 28.

<sup>36</sup> Idem, Art. 29.

<sup>37</sup> In Romania, there are only tripartite concertations at national level, which are not specific to sectors of activity. Within all the tripartite structures, social partners are represented (directly or indirectly) where meetings, consultations, discussions, etc. occur. However, the government finally does not take into account opinions from social partners to take a decision. The Unions claim that this type of social dialogue is purely formal and useless.

<sup>38</sup> Interview, Achile Dutu, FSLCP President.

<sup>39</sup> The sector level is the best developed, being the only representative federation for the chemical/petrochemical industry sector. Simultaneously, the enterprise level is also well developed because the federation supports the trade unions from the enterprises to solve certain occasional problems that might occur at this level.

2001-2004 and every year it has signed additional amendments to this contract, in order to modify certain stipulations. The negotiation process for the contract for the next period is underway at present.

At national level, the organisation is directly affiliated, as a founding member, to the National Trade Union Confederation "Cartel ALFA". At European level, it is directly affiliated as a full rights member to EMCEF and indirectly affiliated to ETUC. At international level, it is directly affiliated as a full rights member to the FMTI and indirectly, affiliated to WCL.

b) FEDERATIA NATIONALA A SINDICATELOR CHIMIE-PETROCHIMIE "Lazar Edeleanu" (THE NATIONAL FEDERATION OF CHEMICAL-PETROCHEMICAL TRADE UNIONS "Lazar Edeleanu")

It is a federate type structure, which is representative at sector level. It is a non-profit, apolitical trade union, independent of political parties or employers' associations, with its own legal identity and its own reserves. It obtained its legal identity in May 1990, through the association of several trade unions from the chemical and petrochemical sector, which had had their own legal identity, since their establishment. The main sub-sectors represented are: petroleum refinery, rubber processing, chemical fertilisers, medicines, chemical and petrochemical equipment and services within the chemical-petrochemical field. The federation is funded by members' dues. It has a staff of 2. Members are drawn from around 70% manual workers, 25% white collar workers and technical & administrative personnel with medium studies, 5% managerial staff. There are almost 19,000 individual members. The Federation holds elections every 4 years and the management boards of the organisations are chosen at that time also.

The Federation takes part in tripartite concertation, both directly, through its representatives within certain structures of tripartite dialogue and indirectly, through its representation by the confederation to which it is affiliated (CNSLR-Fratia): Economic and Social Council, the Social Dialogue Commission from the Ministry of Economy and Commerce, the Health Office and Pension Office from the prefectures. It did not sign any tripartite agreements within 2003-2004. The Federation takes part in consultations at all levels. The most well developed and the most important level at which the federation takes part is the sector level. The Federation meets the legal conditions to negotiate CAs. The level to which it is authorised to sign CAs is the "higher than enterprise" level, a medium stage between the sector level and the enterprise level. It negotiated and signed a CA on "higher than enterprise" level for 2001-2006, and in 2003 it signed an additional amendment to the previous mentioned CA, modifying certain clauses of the contract (especially those regarding the wage entitlements).

At national level, the organisation is directly affiliated, as a full rights member, to the National Confederation of Free Trade Unions from Romania (CNSLR – Fratia) and directly affiliated as a full rights member to the Federative Syndicate Union "ATLAS". At European level, it is indirectly affiliated to ETUC and indirectly affiliated to EMCEF. At international level, it is directly affiliated to ICEM and indirectly affiliated to ICFTU.

c) UNIUNEA FEDERATIVA SINDICALA "ATLAS" (TRADE UNION FEDERATIVE ASSOCIATION "ATLAS")

UFS "ATLAS" is a federative trade union structure comprising trade unions from several sectors of activity, especially from the power production & distribution sector. It was established in 2000 through the affiliation of four trade union organisations: FSLI Petrom, FS Gaz, FS Termoelectrica and FS Hidroelectrica. During the following four years of operation, other trade unions became affiliated<sup>40</sup>. The trade union organisations affiliated to UFS "ATLAS" belong to the following sub-sectors: the industry of petroleum/oil/gas/electric power, communications and telecommunications, chemical and petrochemical industry, research, mass-media, public services. UFS "ATLAS" has its own organisations within every district, entitled territorial structures. Financing sources are: members' dues, sponsorships and legal donations, income from its own activities. The number of SW working for the organisation (staff) is 6 full time employees and 4 part time workers. Members are drawn for the following types of positions: mainly operational staff, manual workers (more than 70%), technicians, foremen, white collar workers, specialists with high training as well as managers. By far the largest proportion is represented by employees. There are also pensioners or retired workers within the affiliated organisations, but their number is very small and there are no records on them. The structure of the UFS "ATLAS" supervisory board consists of the Leaders' Council (the leaders of each affiliated federation), the Directory Council (presidents of the federation, operative offices of every federation, the president and the general secretary); the Operative Bureau (the presidents of the affiliated federations, the president and the general secretary). The elections take place every 4 years. The president is chosen by the Leaders' Council and Directory Bureau.

UFS "ATLAS" takes part in tripartite concertation either directly or indirectly. Through the representatives of the affiliated federations, it participates in the Social Dialogue Commissions from the Ministry of Economics and Commerce, the Ministry of Work, Family and Social Solidarity, the Ministry of Justice, Ministry of Public Finance and, through its structures and representatives within

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<sup>40</sup> www. ufsatlas.ro.

the territory, in the social dialogue commissions with the prefectures. It makes an important contribution to the tripartite agreement within the Economic and Social Council. It did not signed tripartite agreements within 2003-2004, but it did sign protocols on specific problems. Such a protocol was signed between UFS "ATLAS", the employers' associations and Work Inspection on problems regarding work conditions, work protection, work accidents. The social dialogue is mainly considered as a formality. Even if consultation meetings take place and protocols are signed on certain problems, the final (authorities') decisions do not take into account the opinions and suggestions of the social partners. Usually, the authorities have a positive answer to the requests off the social partners when they are pressed or when collective work conflicts occur. UFS "ATLAS" takes part in consultations at sector level and higher than enterprise level. The discussion is mainly centred upon aspects of sectors like power production & distribution industry, the chemical-petrochemical industry and the petroleum industry, and they take place within the corresponding directorates from the Ministry of Economy and Commerce. Sector level is the most developed in this respect. The organisation meets the representation conditions and negotiates CAs in the energy sector (petroleum, gas, electric power). During 2003-2004 it negotiated two CAs (one for each year) covering the energy sector. At national level, the organisation is indirectly affiliated to CNSLR Fratia. At European level, it is directly affiliated as a full rights member to EMCEF and indirectly affiliated to the ETUC. At international level, it is indirectly affiliated to ICFTU, ICEM and UNI.

d) FEDERATIA SINDICATELOR LIBERE SI INDEPENDENTE PETROM (THE FEDERATION OF FREE AND INDEPENDENT TRADE UNIONS PETROM) (FSLI Petrom)

FSLI Petrom is a non-profit federate trade union organisation, independent and autonomous from political parties and from the administration and the state. It has its own reserves and legal identity. It is organised and functions based on Trade Union Law and on its own statutes. It was set up in 1990 and represents the interests of the employees belonging to the following fields: extraction, drilling, special operations, oil equipment repairs, petroleum refinery and processing, petrochemical industry, oil products transport and distribution. It also represents the employees of SC Petrom SA units, Petromservice SA stations and of 46 commercial companies. Up to 1993, it was affiliated to the CNS Cartel Alfa and in June 1993, it set up CNSLR – Fratia, together with other trade union federations. Its sources of finance are: members' dues, economic activities, services for its social partners. The number of SW working for the organisation (staff) is 10. Members are drawn from all categories of employees: manual workers – almost 80.0%, administrative personnel – 15.0%, management personnel – 5.0%, all social and professional categories, ranging from unqualified workers, qualified workers, technical and administrative personnel with medium training, specialists with higher education, management staff. Only employees are affiliated to the Federation, there are no pensioners within the organisation.

FSLI Petrom takes part in tripartite concertation through its representatives and, through the Confederation to which it is affiliated (CNSLR – Fratia), at the Economic and Social Council and in the social dialogue commissions from the prefectures. Within 2003 and 2004 there were no signed tripartite agreements, but protocols. FSLI Petrom takes part in consultations on sector level, in "higher than enterprise" level and on enterprise level. The sector level is the most developed, due to the fact that certain discussions regarding the restructuring and privatisation of the enterprises, competition between firms within the sector, etc, take place at this level. Being representative for the energy, oil and gas sector, the Federation negotiates and signs CAs at sector level, at "higher than enterprise" level (sub-sectors of oil industry) and at enterprise level (SC Petrom SA and Petromservice). In the period 2003-2004, it signed 8 CAs, as follows: 2 at sector level, 2 at "higher than enterprise" level and 2 for each of the two enterprises.

At national level, the organisation is directly affiliated, as a full rights member, to CNSLR – Fratia and directly affiliated, as a full rights member, to UFS "ATLAS". At European level, it is directly affiliated as a full rights member to EMCEF and indirectly affiliated to ETUC. At international level, it is directly affiliated as a full rights member to ICEM and indirectly affiliated to ICFTU.

e) FEDERATIA "CENTRALA NATIONALA MINIERA" (THE FEDERATION "NATIONAL MINING CENTRAL")

This is a trade union structure of federate type, independent in terms of organisation and financial reserves. It is apolitical, has legal identity and is representative for the mining sector. It was set up in April 1990, based on Law of 21/1924. Its original name was the Federation of Mining Trade Unions of Romania. All the trade unions from the mining and geologica l sectors were members of the initial federation, and at that time, it had almost 260.000 members, which made it one of the strongest federations, with a membership rate of 99.0%. In the second part of 1990, the separation with the trade unions from Jiu Valley occurred, and later, in 1992, certain unions from the copper industry sub-sector broke away from the Federation, also. It is organised under the Law of 54/2003 (the Trade Union Law) and under its own statutes. It changed the former name into the present one in 2003. Its sources of finance are members' dues. It has a staff of 3. Members are drawn from all categories of employees ranging from unqualified workers to managers (qualified workers, technicians, foremen, economic and administrative personnel with medium studies, specialists with higher education). The number of individual affiliated members is almost 45,000 from more than 152 trade unions. The members represented by the Federation are the employees affiliated to the trade unions only.

Because the sector employers' associations are not partners in consultation activities with the Government or with its representatives, the Federation "National Mining Central" has consulting meetings and direct dialogue with the Government and its delegates, and usually the dialogue is followed by a protocol or agreement, normally one per year. The Federation takes part in consultations at sector level with the sector employers' associations and on enterprise level. The discussions with the employers' associations cover mainly problems related to the regulations of work reports within the mining sector. Another discussion issue is the dialogue with the Government, the Ministry of Economics and Commerce and the Ministry of Labour on mining sector restructuring and its long-term development. The dialogue at enterprise level is focused on its specific problems within certain areas. Fulfilling the representation conditions, the Federation negotiates and signs the CA at sector level. In 2003, it signed a CA at sector level (for 2003) and in 2004 it negotiated and signed a CA for 2004-2007<sup>41</sup>.

At national level, the organisation is directly affiliated, as a founding member, to "Cartel ALFA". At European level, it is directly affiliated as a full rights member to EMCEF and indirectly affiliated to ETUC. At international level, it is directly affiliated as a full rights member to FMTI and indirectly affiliated to WCL.

f) FEDERATIA SINDICATELOR DIN INDUSTRIA DE STICLARIE, GEAMURI, CERAMICA, FIRE SI FIBRE DIN STICLA "STICEROM" (THE FEDERATION OF TRADE UNIONS FROM GLASSWARE, WINDOW PANES, CERAMICS, GLASS THREAD AND FIBRES "STICEROM")

STICEROM is a non-profit federate trade union organisation, independent of political parties and of the employers' association, with its own organisation and financial reserves. It was set up in May, 1990, based on the Law 21/1924. It functions accordingly to the stipulations of Law 54/2003 (the Trade Union Law) and on its own statutes. It is representative of the glass and fine ceramics industry. The represented sub-sectors are those comprised within all the groups of the NACE 26.1 codes (glassware & glass derivatives production) and groups 26.21 – 26.25 of NACE 26.2 codes (production of refracting/non-refracting ceramics). The sources of finance are members' dues. It has a staff of 1. Affiliated members are drawn from : manual workers, technical and administrative personnel, specialists with higher education, management personnel, all social and professional categories, ranging from unqualified workers to managers. The number of individual affiliate members is almost 19,000 organised within 27 trade unions. All the members are employees. There are no pensioners within the organisation. The workers' level of training takes place in technical schools and high schools. The dissolution of the technical schools raises the issue of qualification of the workers within the sector. It can only be done through on-the-job training.

The organisation takes part in tripartite concertation. The problems that concern them are: the increasing price of energy and gas (it is an energy-consuming sector), since each variation in price has effects within the sector, exemption from the custom duty for ovens, which are needed to update the technological processes and to increase productivity and the inclusion within special work groups of the tube blowers. There are no agreements signed, but minutes are taken and protocols are signed. The Federation takes part in consultations at the level of the represented sector. Its dialogue partner is the sector employers' association, STICEF<sup>42</sup>. It also participates to enterprise level when the Federation is asked to solve certain punctual problems. The social dialogue at sector level is the best developed. The Federation negotiates and signs CAs at sector level. During 2003-2004 it did not negotiate and sign any CAs because the Collective Work Contract signed for 2000-2005 was still valid. However, it negotiated and signed an amendment to the mentioned contract in order to modify certain requirements, particularly with regard to wage entitlements.

At national level, the organisation is directly affiliated, as a full rights member, to CNSLR – Fratia. At European level, it is directly affiliated as a full rights member to EMCEF and indirectly affiliated to ETUC. At international level, it is directly affiliated as a full rights member to ICEM and indirectly affiliated to ICFTU.

Trade Unions

Organisation		Type of SW	Members	Members working in the sector	Density	CB	National affiliations		European affiliations		International affiliations	
Original name	English name	Type	Number	Number	%	yes/no	Direct	Indirect	Direct	Indirect	Direct	Indirect

<sup>41</sup> The Unique Collective Work Contract on Mining Industry and Geology branch level/2004-2007, Official Monitory, Part V, no. 1. February 2004.

<sup>42</sup> L'Organisation patronale verre et céramique fine (Organizatia patronala sticla si ceramica fina).

Federatia Sindicatelor Libere din Chimie si Petrochimie (FSLCP)	The Federation of Free Trade Unions from Chemical and Petrochemical Industry	Workers, technical/ economic and administrative personal, specialists with higher education, personnel with leading positions	40,000	37,300	37,300/112,258= 33.2%	yes	"Cartel Alfa"	-	EMCEF	ETUC	FMTI	WCL
Federatia Nationala a Sindicatelor din Chimie –Petrochimie "Lazar Edeleanu"	The National Federation of Chemical – Petrochemical Syndicates "Lazar Edeleanu"	Workers, technical/ economic and administrative personal, specialists with higher education, personnel with leading positions	19,000	16,500	16,500/112,258= 14.7%	yes	CNSLR-Fratia; "ATLAS"	-	-	ETUC EMCEF	ICEM	ICFTU
Uniunea Federativa Sindicala "ATLAS"*	The Federative Syndicate Union "ATLAS"	All social and professional categories	230,000-240,000	35,000 <sup>43</sup>	35,000/112,258=31.2%	yes	-	CNSLR-Fratia	EMCEF	ETUC	-	ICFTU ICEM UNI
Federatia Sindicatelor Libere si Independente Petrom*	The Federation of Free and Independent Trade Unions Petrom	All social and professional categories	100,000	42,000 <sup>44</sup>	42,000/112,258= 37.4%	yes	CNSLR-Fratia; "ATLAS"	-	EMCEF	ETUC	ICEM	ICFTU
Federatia "Centrala Nationala Miniera" <sup>45</sup>	The Federation "National Mining Central"	All the categories	45,000	37,000	37,000/79,363=46.6%	yes	Cartel "ALFA"	-	EMCEF	ETUC	FMTI	WCL
Federatia Sindicatelor din Industria de Sticlărie, Geamuri, Ceramica, Fire si Fibre din Sticla "STICEROM" <sup>46</sup>	The Federation of Trade Unions from Glassware, Window Panes, Ceramics, Glass Thread and Fibbers "STICEROM"	Workers, technical and administrative personnel, specialists with higher education, leading personnel	19,000	19,000	19,000/37,800= 50.3	yes	CNSLR – Fratia	-	EMCEF	ETUC	ICEM	ICFTU

\* « Petrom » and « Atlas » have members from several sectors of activity; the activities of the first federation are related to those of the sector (oil extraction, transport of petroleum products, repairs to petroleum equipment, sale of petroleum products etc.), but the activities of the second federation bear no relationship to the sector (telecommunications, mass media, public services, public functionaries, etc.). Nevertheless, the two represent amongst others, the wage-earners from the chemical / petrochemical industry.

<sup>43</sup> The members from the chemical- petrochemical sector.

<sup>44</sup> The members from the chemical – petrochemical sector.

<sup>45</sup> Not included in the chemical sector, but included in the study as an EMCEF member.

<sup>46</sup> Not included in the chemical sector, but included in the study as an EMCEF member.

## 2.2. Description of the employers' organisation active in the sector

### FEDERATIA PATRONALA DIN RAMURA INDUSTRIEI, CHIMIE SI PETROCHIMIE - FEPACHIM (EMPLOYERS' FEDERATION FROM CHEMICAL AND PETROCHEMICAL BRANCH)

This is an autonomous, non-political employers' association of a federate type, established as a not for profit private legal entity. It is founded on the criterion of branch activity. FEPACHIM was established in 1992. It is the only employers' association federation representative in the chemical and petrochemical sector. It comprises four employers' associations for the rubber, plastics processing, chemical fertilisers and medicine sub-sectors. It also contains 5 companies, directly affiliated to FEPACHIM, from the beauty, inorganic chemical, organic chemical and petrochemical sub-sectors. Its sources of finance are: members' fees, legal donations and sponsorships, enlisting taxes and contributions to the fund which is intended for the negotiation of CAs<sup>47</sup>. Number of SW working for the organisation (staff) : 5. members are drawn from : medium sized and large enterprises with private capital, which is the largest group. Enterprises with foreign capital correspond to less than 10%, therefore it is an insignificant ratio compared to the private capital share. The most important foreign investors within the sector are from the EU and the USA. The main activities of the affiliated firms are: production of technical products made from rubber, a wide range of simple and complex chemical fertilisers, production of medicines for human and veterinary use, fabrication of plastics, the manufacture of inorganic products (soda, caustic soda, chlorine, chromium salts, etc). The total number of enterprises represented by the organization is 93. The number of SW represented is 45,235. Density: for companies: 2.9%, for SW: 40.3%.

The Federation takes part in tripartite concertation within the Economic and Social Council, within the Social Dialogue Commission of the Ministry of Economy and Commerce, within the Social Dialogue Commission of the Ministry of Water and Environment Protection, within the consultation councils of the District Agencies of Work and Professional Training and within the administration councils of the District Offices for Social Health Assurance. It did not sign tripartite concertations during 2003-2004. Being the only employers' association federation representative for the chemical and petrochemical sector, it takes part in consultations at all levels: sector, higher than enterprise (or group of enterprises) or enterprise levels. The sector level is the most developed, because it is at this stage that the most important consultation regarding the programs of sector development and of improvement of sector competitiveness, labour training and the implementation of "RESPONSIBLE CARE" program<sup>48</sup> take place. The organisation negotiates CAs on two levels: at chemical / petrochemical sector level and on "higher than enterprise" level for petrochemicals. During 2003-2004, it did not negotiate any CAs because this period was covered by two CAs signed in previous years, one on the chemical / petrochemical sector level for 2001-2004, and the other one at "higher than enterprise" level (chemical / petrochemical) for 2001-2006. However, it signed amendments to the CA at sector level and, in 2003, it modified certain requirements, especially those regarding the wage system and other wage entitlements. At this moment, preparations for the negotiation of CAs at sector level for 2005 have started (possibly for the next two – three years).

At national level, the organisation is directly affiliated, as a full rights member, to CONPIROM. At European level, it is indirectly affiliated, through CONIPROM, to UNICE. The affiliation to CEFIC is one of the targets for 2005, especially due to the good cooperation with this European organisation within the following programs: a) EU legislation for the chemical industry; b) Responsible Care Program; c) Competition Policy within Europe and d) Project of developing FEPACHIM. At international level, it is not affiliated.

#### Employers' organisation

Organisation		Sub-sectors covered	Companies	SW	Density Companies	Density SW	CB	National affiliations		European affiliations		International affiliations	
Original name	English name		number	number	%	%	yes/no	Direct	Indirect	Direct	Indirect	Direct	Indirect

<sup>47</sup> FEPACHIM Statute, Article 6.3.

<sup>48</sup> "RESPONSIBLE CARE" is a voluntary initiative adopted and developed by the associations, federations and companies from CB to improve the health, safety and performances connected to environment protection, regarding the functioning/operation and quality of the products belonging to the companies which are members within the federations and associations (CD "RESPONSIBLE CARE", Bucharest, June 2003).

Federatia Patronala din Ramura Industrii Chimice si Petrochimice-FEPACHIM	The Employers' Association Federation from Chemical and Petrochemical Branch	All sub-sectors Cod NACE 232, 24 and 251, 252	93	45,235	2.9	40.3	yes	CONPIROM	-	-	UNICE	-	-
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### 3) DESCRIPTION OF THE SOCIAL DIALOGUE IN THE SECTOR

#### 3.1. Description of the tripartite concertation in the sector

There is no tripartite concertation within the sector. There are consultation meetings between social partners and the Government or its representatives on certain occasional matters regarding the development of the sector, the restructuring process, taxes, etc. They do not have a permanent character and an institutionalised background, but they occur when the social partners request a meeting with the Government or its representatives. These consultation meetings have the purpose of bringing certain problems faced by the enterprises within the sector to the government's attention, where the activity of its member firms may be affected. Social partners come to meetings, not only with the problems of the sector, but also with solutions. Sometimes, these meetings end with a protocol which comprises the measures that should be taken and the responsibilities of each party. The representatives of the trade unions or of the employers' associations declare that, even when common points of view are reached, the government representatives do not respect the established agreement or the stipulations are merely considered but not implemented. The social partners also appreciate that the government representatives come to consultation meetings in crisis situations, or when all the legal conditions for an explosion of conflict at work are present. As a rule, the tripartite consultation at sector level have been the initiative of trade unions or employers' associations. The social partners' opinion is that the Government seems to be less interested in developing tripartite dialogue at this level.

#### 3.2. Description of the bipartite social dialogue in the sector

For the activities within the sector, the collective negotiation takes place at sector or "higher than enterprise" or enterprise levels. The connection between these levels is that the terms of collective negotiation at sector level are a minimum and are compulsory at "higher than enterprise" and enterprise levels. Sector and enterprise levels are better developed, first of all because the collective negotiation at sector level precedes the negotiation at enterprise and "higher than enterprise" levels, and secondly, because negotiation at the enterprise stage represents the "instrument" for establishing the work reports between employees and employers, adapted to the specific requirements of each enterprise. There are no obstacles in developing the bipartite social dialogue at sector level. On the contrary, it is continuously developing and gaining in strength. The social actors promoting the social dialogue at sector level are the trade unions and the employers' associations. The state does not interfere within the social dialogue at this level and, social partners are of the opinion that it is not interested in doing so. This lack of interest from the state represents an obstacle for the development of the sector social dialogue and makes it weaker.

##### *a) At sector level*

The social actors who negotiate at this level are the employers' associations and the trade unions, which fulfil the representation criteria for this level. The employers' associations are acknowledged as being representative at sector and "higher than enterprise" levels, if they are independent in terms of organisation and financially, if they represent the employers' whose units comprise at least 10% of the employees from the respective branch<sup>49</sup>. On the other hand, the trade unions are representative at sector level if they have the legal status of trade union organisations of a federate type, if they are organisationally and financially independent, if the trade unions have, altogether, a number of members representing at least 7% of the employees from the respective branch<sup>50</sup>. There are also situations when the trade unions are organised within cartels (for example, „ATLAS"). According to the legislation, only one collective work contract

<sup>49</sup> Idem, Art. 15, point b.

<sup>50</sup> Idem, Art 17, point b.

should be signed at sector level. Therefore, a collective work contract has been signed for 2001 - 2004<sup>51</sup>. Additional amendments to the contract are signed every year, in order to modify certain terms, usually those regarding wage entitlements. There is an obligation to participate in the sector CB. Indeed, the sector CA is the reference of the CB at “higher than enterprise” and enterprise levels, as a sector CA is necessary before negotiating at these levels. At this moment there are negotiations ongoing in order to sign a new contract for the next period. Signatory parties are FEPACHIM, from the employers’ associations side, and FSLCP from the union side. The main chapters of the contracts are work conditions and labour protection, salaries and other wage entitlements, work time and rest time, employees’ social protection measures, professional training, economic, social, trade union preparation, trade union rights, etc. At least for the next period there are no premises for changes to the number of collective contracts signed at sector level. There are no reasons to modify the content of the contract, as the present document includes all the necessary terms. The coverage ratio is as follows: for companies 7.7% for the chemical sector (NACE code 24) and 2.8% for the chemical-petrochemical sector (NACE code 23, 24, 25) and for employees, 40.0% (NACE code 23,24 and 25), and 73.6% for the chemical sector (NACE code 24). However, the indicators have to be taken carefully because there is a very large ratio of micro-enterprises and small enterprises, which are not obliged to sign collective work contracts (they are signed by enterprises with at least 21 employees). The number and type of employees covered by agreements is almost 45,000 from all the categories: workers, specialists with medium and higher training, management personnel. Going forward, the terms of the collective work agreement apply to “all the employees within all the units of the activity sector for which a collective work contract at that level has been signed”<sup>52</sup>. But practically, the legal requirements are not applied in most of cases within small enterprises, where there are no trade unions and where the conditions for having a collective contract at enterprise level (at least 21 employees) are not fulfilled. The social actors consider that the bipartite social dialogue at sector level functions normally and all the conditions for its future development are in place.

#### b) At “higher than enterprise” level

The negotiating partners at this stage are the trade unions and the employers’ associations’ representatives at sector level<sup>53</sup>: “Lazar Edeleanu” and FEPACHIM. The agreement on this stage covers working conditions and labour protection, wages and other entitlements, working time and rest periods, employees’ social protection measures, professional, economic, social and trade union training, trade unions’ rights, etc<sup>54</sup>. The number of signed agreements is 1. The coverage ratio for companies is 0.8% and for employees it is 16.9%. However, the indicators have to be considered with care, because there is a very large proportion of micro-enterprises and small enterprises, which are not obliged to sign collective work contracts (they are signed by enterprises with at least 21 employees). The number of enterprises for which the terms of the collective work contract at “higher than enterprise” level are valid at 19<sup>55</sup>. The type of company covered is large enterprises, most of them with private capital. 25% of them are firms with foreign capital. The terms of the contract may not be extended to other enterprises within the sector. The other units benefit from the terms of the collective contract at sector level.

#### c) At enterprise level

The participants at enterprise level are the owner and the employees represented as follows: the owner, represented by the board of directors of the enterprise, established by law, statute or operating rules; the employees, represented by the legal established and representative trade unions (the number of trade union members must be at least 1/3 of the total number of employees within the enterprise), or, when there is no trade union constituted or not all workers are trade union members, through the representatives elected by the employees<sup>56</sup>. The number of CAs signed at this level is approximately 100<sup>57</sup>. The signatory parties are the board of directors and the trade union. The collective contract at enterprise level contains the same chapters as the CA at sector level. The difference is that it is adapted to the specific situation of each unit, with concrete requirements, and also it is valid for the employees from that enterprise for which the contract has been signed. According to the law, a work contract is valid for one year. The social partners may agree on a contract for a longer period of time and to sign amendments to modify

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<sup>51</sup> Collective work contract on chemical/petrochemical industry branch/2001-2004, Official Monitory, Part V, no. 11/July 2002.

<sup>52</sup> Law 130/1996 re-edited, Art..11, point.c, Official Monitory no.172/July 1997.

<sup>53</sup> Law 130/1996 re-edited, Art..16 and 18, point 1 and 2, Official Monitory no.172/July 1997.

<sup>54</sup> collective work contract on group of units level from the chemical/petrochemical industry /2001-2006, Official Monitory, Part V, no. 3/June 2001.

<sup>55</sup> collective work contract on group of units level from the chemical/petrochemical industry /2001-2006, Official Monitory, Part V, no. 3/June 2001, Annex 1.

<sup>56</sup> Law 130/1996 re-edited, Art..14, points a1and b1, Official Monitory no.172/July 1997.

<sup>57</sup> Estimations of the social partners.

certain terms. As a rule, at enterprise level, the contracts are signed every year. The law establishes that there would only be one work contract for each enterprise, no matter the size or the number of trade unions within an enterprise. The possible developments might require a second look at the legislative framework that regulates the negotiation of collective agreements. There is no provision for possible changes in the subsequent period with regard to the content of the work contract. The coverage ratio relating to the number of enterprises is 3.1% and 57.9% for the number of employees. However, the indicators have to be considered with care, because there is a very large proportion of micro-enterprises and small enterprises, which are not obliged to sign collective work contracts (they are signed by companies with at least 21 employees). Generally, they are large enterprises but there are also medium-sized units, most of them with private capital. 15.0% of them are foreign capital-based enterprises. There are almost 65,000 SWs covered by the CAs. All categories of employees are included amongst them: workers, clerks, specialists with medium and higher qualifications and management personnel. According to the Law, the terms of the collective work contract at enterprise level are valid for all the employees from the enterprise, no matter if they are or are not trade union members, whether or not they were represented at the negotiations.

#### 4. COMMENT

During the period 1960-1990, the Romanian chemical industry experienced continuous development. This entailed a reduced number of large and very large firms (97 firms in 1990), a large number of employees (274,500 in 1990), all enterprises were state owned, enterprises were spread out uniformly throughout the country. After 1990, there were big changes in this sector, with a relatively large increase in the number of companies as new ones were set up (more than 3,200 of them), a gradual reduction of the number of employees, such that in 2003 there were only 40.0% of the employees in the sector compared to 1990 and the privatisation of companies. In Romania, the social partners are organised in the chemical and petrochemical sector, with this latter being defined, in the single collective agreement at national level, as one of the 32 branches for which a collective agreement had been signed at sector level. In the sector there is one representative employers' federation and a relatively small number of union federations, compared to other sectors. This is due to the fairly large number of small and micro enterprises. At sector level, one single collective agreement is concluded and one agreement at "higher than enterprise" level. Normally, collective agreements are signed for a period of 2-3 years or more. Every year, changes or amendments to the contract are negotiated (particularly in respect of wages or other entitlements). The social partners consider that, at sector level, tripartite dialogue is not working. Even if there are consultations with the government or with government representatives, the solutions proposed by the employers or by the unions are not taken very seriously. Bipartite social dialogue is more developed at sector level. The main concern is the improvement of competitiveness in the sector, in order to stand up to more and more aggressive competitors, so that positions in existing external markets may be maintained and new markets might be « conquered ». At enterprise level, only the large companies, where the union and the employers' organisation are affiliated to an association or to an employers' or union federation, are able to sign collective work agreements. In practice, the law which provides that the collective work agreement at sector level is applied to all employees in the sector (even if they were not represented in the negotiations), is not applied by the smaller companies, and the authorities do not check up on this.

# TURKEY

## 1. DESCRIPTION OF THE SECTOR'S CHARACTERISTICS AT NATIONAL LEVEL

### 1.1 Delimitation of the Sector

In Turkey, there are three important official sources of information on the manufacturing industry: DİE (State Statistics Institute), DPT (State Planning Organisation), CSGB (Ministry of Labour and Social Security). While the DİE tends to use both the ISIC<sup>58</sup> (Rev 2) and ISIC (Rev 3), the CSGB employs the former and the DPT uses the latter. The DİE uses the ISIC (Rev. 2) based on 3-digits to provide information on employment and the size and number of establishments in its Annual Survey of Manufacturing Industry, while it uses the ISIC (Rev. 3) based on 2-digits to provide information on production and sales. The DİE data collection methods are based on sending questionnaires to firms employing more than 25 workers and sampling for firms employing 1-24 workers. The SSI statistics provide no information on industrial relations and union membership. The DPT, on the other hand, uses the ISIC (Rev. 3) based on 4 digits in its 5<sup>th</sup> Development Plans Special Commission Reports. Yet, the Chemical Industry Report does not include the fertiliser and pharmaceutical industries. Due to their importance in terms of employment and production, they are analysed in separate Reports a long with the categories of 23 and 25 of the ISIC (Rev 3). Nevertheless, the SPO Reports also use the same data from the DİE and do not supply information on employment and firms for most of the sub-sectors. The CSGB publishes the Labour Statistics (LS) twice a year in Turkey. The CSGB uses a system of sector classification, established by a Decree in 1983 and claims that they were scientifically designed, in line with the international standards. Yet, it is argued that it was politically motivated and the sectors were, to some extent, arbitrarily determined (Çelik, 2004). In this system there are 28 industrial sectors and the chemical industry is the third sector, combining the petroleum, chemical and rubber industries. It is called the Petroleum, Chemical and Rubber Sector.

The LS gives detailed information about unionisation, employment, CAs, strikes and lockouts, in line with this classification at sector level. Yet, no information is given at sub-sector level. However, the information provided by these institutions is generally inconsistent and irreconcilable from one source to another. In some cases, they are even inconsistent within themselves. This could be attributed to the data collection methods, yet there is also a possibility of distortion particularly in the Labour Statistics by trade unions. This creates serious problems when these statistics have to be compiled. What is more problematic is that almost no official information regarding employment and labour relations at sub-sector level is available. The lack of documents and even verbal information on the side of trade unions and employer associations aggravates the situation.

As result, in this study for the sake of consistency, information from the DPT and the CSGB will mainly be used with some reservations. The use of DİE statistics will be very limited. The Chemical industry will be taken to include the Petroleum, Chemical and Rubber industries. Moreover, to obtain information on employment and industrial relations particularly at sub-sector level is almost impossible. Therefore, some information will be drawn from the interviews with the trade union and employer association officers, while some other figures will be estimated.

Unfortunately, there are no data on the activities and branches included in the sector from the point of view of the CB, and thus, subdivision of the sector into several branches is impossible and this has consequences for CB.

### 1.2. Socio-Economic Factors of Chemical Industry<sup>59</sup>

The chemical industry was established in the early 1950s and developed in the 1960s and 1970s in Turkey. The 1970s and 1980s witnessed the establishment of two public sector petrochemical facilities along with a large number of small and medium size private companies. It was only after the issue of 1984 Custom Decree reducing the rate of tariffs on chemical products, that the Turkish chemical industry rapidly expanded its production range and capacity as well as export potential. In the 1990s, the Turkish chemical industry became the largest in the Middle East and the Balkans.

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<sup>58</sup> International Standard Industrial Classification (ISIC) of all Economic Activities by the United Nations Statistics Division (UNSD) (<http://unstats.un.org/unsd/industry/default.htm>).

<sup>59</sup> As the LS, which consider Petroleum, Chemical and Rubber Industries as one sector, will be used for industrial relation and employment figures, for the sake of consistency, the chemical industry should be considered as including the categories of the 23, 24, 25

The Turkish chemical industry is mainly located around the coastal areas of the country. Most chemical, detergent, soap, pharmaceutical, paint and petroleum and petrochemical producers are located in the three large industrial cities, Istanbul, Kocaeli and Sakarya, in the Marmara region and Izmir on the Aegean coast, while the fertiliser and petroleum firms operate in the Mediterranean region and fertiliser in the Black Sea region.

The chemical industry consists mainly of detergent, fertiliser, pharmaceutical, paint, varnish, synthetic fibres production, agrochemicals, plastics in primary forms and of synthetic rubber facilities and produce both consumer products and raw materials. In 2002, the value of its total production was 10 Billion USD which accounted for the 4.3% of GDP in Turkey (SPO, 2004). If the Division 23, Manufacture of coke, refined petroleum products, and nuclear fuel and the division 25, Manufacture of rubber and plastics products plastics, are included in this assessment, the chemical industry accounts for almost 10% of GDP (World Bank, 2004) and 30% of the manufacturing output in Turkey. It is highly dependent on imports as the total value of imports by the chemical industry was 19.6 Billion while exports were 3.7 Billion. Therefore 80% of demand is met by local production.

Production and Foreign Trade in the Chemical Industry in Turkey in 2002 (ISIC Rev 3) (Million USD at 1998 Prices)

		Import	Export	Production	Consumption
23	Coal and Petroleum Products	8,931	670	8,587	13,767
24	Chemicals	9,428	1,783	10,006	17,554
25	Rubber and plastic products	1,249	1,282	3,461	4,100
Total		19,608	3,735	22,054	34,571

Source: Developed by author from the SPO 2004.

In the Turkish chemical industry various sizes of firms exist. There were 20,515 firms operating in the Turkish chemical industry in 2004<sup>60</sup>. The SMEs (1-24 workers) characterise the structure of the chemical industry with nearly 92% of firms existing in the industry. If those employing 25-49 are included in to the SMEs, this figure reaches 96.5%. The rest of the firms employing more than 50 workers may be considered as large firms with the Turkish standards. In general, the SMEs are technologically backwards and have lower productivity and capacity utilisation (DPT, 2001). Most of them are family business run by family members and not by professional managers. The firms employing over 100 workers make up 1.5% of the existing firms. Those firms employing over 500 workers are mostly, either public firms, or multinational companies (MNCs). In the Turkish chemical industry, MNCs began to invest in the early 1960s. The German MNCs such as Henkel, Hoechst, Bayer and BASF led the way. They were followed by American and British firms. The number of MNCs investing in Turkey gradually increased. The distribution of MNCs investment in the chemical production is concentrated in industrial chemicals (31%), in plastics (27%) and in agrochemicals (20%) overall.

#### Companies

Sub-sectors	Number of Companies	% companies without SW	% companies with <10 SW	% Companies 10-100 SW	% companies with > 100 SW
23 Coal and Petroleum Products	ND	ND	ND	ND	ND
24 Chemicals	ND	ND	ND	ND	ND
25 Rubber and plastic products	ND	ND	ND	ND	ND
Total	20,515	ND	80.1% (16,452)	18.3% (3,759)	1.5% (304)

Source: CSGB, (2004) Labour Statistics Ankara. The numbers of workers working in the sub sector are taken from the ISO (2004).

<sup>60</sup> According to the DİE, 6.850 firms operated in the Turkish chemical industry in 2002. 5829 of these firms employ 1-9 workers while 1021 more than 10 worker. Of the 1021 companies 35% of the existing companies employ 10-24 worker, 29% 25-49, 15% 50-99, 10% 100-199, 7% 200-499 and 4% 500 and more workers (DİE, 2002).

Workers<sup>61</sup>

Sub-sectors	Number of workers	Number of SW	Number of SW/number of SW in the country (%)	Number of SW in companies <10 SW/ Number of SW in the sector (%)	Number of SW in companies 10-100 SW/number of SW in the sector (%)	Number of SW in companies >100 SW/number of SW in the sector (%)
23	ND	ND	ND	ND	ND	ND
24	ND	ND	ND	ND	ND	ND
25	ND	ND	ND	ND	ND	ND
Total	219,699	219,699	4.5	22.62%	42.73%	35.09%

Source: CSGB, (2004) Labour Statistics Ankara. The numbers of workers working in the sub-sector are taken from the ISO (2004).

Regarding the distribution of the workforce between private and public firms, private firms employ 91% while public firms employ only 9% of the workforce in the chemical industry in 2004 (CSGB, 2004). 17% of the workforce is women. 97% of women are employed by the private sector. The information covering the demographic and skill traits of the workforce is not available for the chemical industry as a whole. Yet some information regarding few sub-sectors is available. The pharmaceutical industry is one of the largest parts of the chemical industry. The data shows that this industry traditionally has the most educated workforce, not only within the chemical but also within manufacturing industry as a whole (ISO, 2004: s. 8; İEİS, 2004). 21,549 employees are employed currently in 135 firms in the Pharmaceutical industry (SPO, 2004: p.44). Of these 47.7% are university graduates and postgraduates. The blue collar workers constitute only 27% of the workforce, while university graduate salesmen constitute about 30% of the entire workforce. In the fertiliser and nitrogen compounds industry, on the other hand, 1 public and 6 private fertiliser firms exist along with 85 SMEs producing nitrogen compounds. These firms employ about 4,860 workers (ISO, 2004: p. 94). 57% of the workforce is blue-collar while 43 per cent is white-collar. 45% of the white-collar workers make up the technical while the rest is administrative workers. It is reported that the size of the workforce has shrunk after the successive waves of privatisation in the 1990s. In the agrochemical industry there are 15 firms. They all are MNCs. The total workforce is about 1,200. 49% of the workforce engages in direct production activities, while the rest is made up of administrative personnel and salesmen. As to the wages and working conditions, according to the union documents<sup>62</sup>, there are enormous differences<sup>63</sup>, in terms of the wages, between firms in the same sub-sector, between sub-sectors and between and private sectors as well as between the regions. It must be stressed that unionised public firms generally pay higher wages and offer better conditions of work than private firms. The average net wages varies between 333 USD and 2,993 USD in the unionised firms in the chemical industry.

With regard to privatisations, more than 10 public companies have been privatised in the chemical industry since the early 1990s (Petrol-İş, 2000: s. 271-301). The privatised firm produce industrial gases, textile dyes, chemicals, and petroleum, batteries, explosives and fertilisers. The trade unions and workers regard privatisation as the plunder of the public goods and have fiercely resisted it. The privatisation of these companies will be completed by the end of this year. As to the effect of privatisation on production and jobs, the available data shows that in most cases, both employment and production have declined. However, employment declined while production remained more or less the same in a few cases (OİB, 2004). It is estimated that the rate of informal employment may be as high as 39% in Turkey (TİSK, 2000). At least 20% informal employment exists in the small and medium sized firms operating within the formal economy (Ekin 1995). This figure may not be more than 20% for the Turkish chemical industry. This is a widespread practice in the SME operating in the detergents, rubber and plastics industries.

<sup>61</sup> Important note: Although the CSGB labour Statistics have some deficiencies and are not reliable for the number of firms, they can be considered as reliable for the number of workers. As we know that they are taken from the Social Security Institutions and are certainly correct. Yet they do not include the informal employment and civil servants or white-collar workers working in the public sector. If included, the employment in the sector would be about 271,638. Moreover, the union officials interviewed emphasised the extensive presence of not only informal employment but also illegal foreign workers, particularly Romanian, in the plastics and paint industries.

<sup>62</sup> The level of the wages is calculated by the author from the list of net and gross average wages in firms organised by Petrol-İş. This list was provided by the Petrol-İş official and disclosure of this information was allowed only in percentage terms.

<sup>63</sup> The interviewed union officials claimed that the enormous differences in the net average wages between firms and sub-sectors depend very much on the profit margins and the type of value added, the risk involved in work done, and the period of unionisation. If the profit margins and the value added and the risks are high and the period of unionisation is long then the wages paid in that industry tend to be high.

## 2. SOCIAL PARTNERS

Trade unions have recently been allowed to engage in commercial activities. Thus, all unions and employer associations have only one source of funds, which is a membership subscriptions.

### 2.1. Workers Organisation

#### 2.1.1. Petrol İş (Union of Petroleum, Chemical and Rubber Workers Unions)

Petrol-İş was founded to operate in the petroleum, chemical and rubber sector. Its original name was the Union of Fuel Oil Workers in 1950, in Istanbul. 11). The name was changed several times, but it was finally amended to Petrol-İs in 1983. In the chemical sector, Petrol-İş has become the address for concentration of trade unions, as more than 10 unions have abolished themselves and joined Petrol-İş since 1956. As consequence, Petrol-İş has become the largest trade union operating in Turkish chemical industry. Petrol-İş has a social democrat stance and despite having conflicting views, it has remained affiliated to Türk-İş. It has struggled to unite the divided workers movement and its affiliation was suspended by Turkish for several times in 1970s.

Petrol-İş has 24 branch offices in various parts of Turkey. It has a research department and has published a large number of books, journals and a regular annual book. It employs 37 professional union activists<sup>64</sup> and 22 members<sup>65</sup> as high level union officials, 15 researchers and specialist along with 60 other personnel in its central and branch offices. The education programs take place both in central and branch offices. The programs seek to educate and produce high ranking union officials, shop-stewards, union officials, union teachers as well as educating and inculcating rank-and-file members (Petrol-İş, 2000: s. 365-379). Petrol-İş funds its activities via union and solidarity dues. There is no other source of funding.

Concerning the recognition systems, the CBA of No 2882, Article 16 regulates the compulsory recognition system. For trade unions, it is based on a double-threshold for competency. These are industry and establishment/enterprise thresholds. If a union meets both these criteria, the employer has two choices: he can go to a court either for the re-determination of trade union competency at his establishment /enterprise or to have the union recognised in order to prevent it from going on strike. The verdict of the court is final. The employer has to recognise the union or face a strike. Those, who are the union members, can go on strike while those who are not union members can work. Yet they cannot perform the work tasks carried out by striking workers.

Petrol-İş is the largest union operating in the Turkish Chemical industry (According to the CSGB statistics the chemical industry called "Petroleum, Chemical and Rubber Industry"). It negotiates both private and public sector agreements and signs collective agreements at establishment and enterprise levels. It signed 77 collective agreements in 2004. Of these, 66 were establishment and 11 were enterprise (multi-establishment) level collective agreements. Of these 13 were in the public sector<sup>66</sup>. As there is no tripartite concertation at sector level in Turkey, the organisation does not take part in tripartite concertation.

Petrol-İş currently organises workers in 94 firms. It has 26,000 members in 2005<sup>67</sup>. The union density was about 66.2% in the firms organized by Petrol-İş in the early 1990s. After a sharp decline, it was 51.2% in 2000. This means that the membership density declined by 22.7%<sup>68</sup> over a period of 10 years. (Petrol-İs, 2000: p315). Information on union density is not available for the years after 2000. According to the union officials it was about 50% in 2004.

Petrol-İş is affiliated to Türk-İş (the largest trade union confederation in Turkey), ICEM (International Confederation of Chemical, Energy, Mining and Service Workers) and EMCEF (European, Mine, Chemical and Energy Workers Federation) (Petrol-İş, 2001).

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<sup>64</sup> They are trade union members, yet are employed on a full-time basis and paid monthly by Petrol-İş.

<sup>65</sup> They are mostly retired workers and are paid an attendance fee.

<sup>66</sup> It should be noted that LS provides information on the annual number of the collective agreements in force rather than the annual number of collective agreements signed.

<sup>67</sup> This figure was provided by Petrol-İş officers and it is based on those who pay their union dues. In the CSGB Labour Statistics, Petrol-İş has 71,922 members.

<sup>68</sup> 1.e. 22.7 % decline from 66.2 % gives 51.2 % and  $51.2 \times 100 / 66.2 = 77.3$ , then  $100 - 77.3 = 22.7$ . Petrol-İş's Book takes 66.2 as upper limit.

### 2.1.2. Lastik-İş

Lastik-İş is an ideologically oriented leftwing trade union. It was established in 1949 to operate in Rubber industry, originally under the name of İstanbul Lastik ve Kauçuk İşçileri Sendikası (Union of Rubber and Indian rubber Workers of İstanbul). Lastik-İş lacked resources and experience in its early years, thus it was only able to organise its activities with helps from other unions. Lastik-İş was suspended by the Military government in 1980 and its officers were arrested and jailed. During this interval, its members joined Petrol-İş and Laspetkim-İş, an independent trade union. In 1992, Lastik-İş was allowed to organise. In 1994, Laspetkim-İş and Lastik-İş decided to amalgam. Lastik-İş has adopted a vigorous and uncompromising policy and has been involved a large number of industrial actions including factory occupations, sit-ins, hunger strikes and street demonstrations. After the unification, Lastik-İş intensified its organising activities and was harshly resisted by management in almost all establishments and enterprises. Due to its ideological stance Lastik-İş has been completely expelled from the public sector and currently organises about 60 firms in the private sector. Of these only in 50 firms, it has competency. Most of these firms are small and medium sizes and 15 firms are MNCs. Although, no detail information was provided by neither the union publications nor by the union officials, they claimed that they have been losing members and firms<sup>69</sup>. Moreover, in most of the firms they have received the competency certificate by court decision; therefore the union density is in a critical level. It has been particularly decreasing and Lastik-İş has lost its competencies in at least 20 firms since the 2001 Turkish economic crisis. Lastik-İş used to have about 10 branches in various towns and cities, yet due to the extensive de-unionisation it has closed down some of its branches. It has currently 5 branches mainly concentrated in İstanbul, Kocaeli and Sakarya metropolitan area in the Marmara region and İzmir in the Aegean region (Lastik-İş, 2004). It has 5 divisions: CB, legal, media, education and researches. Lastik-İş has an established democratic and participative tradition, in which all members are consulted and shop-stewards actively participate in the formulation of CB and CAs. It has intensive and ideologically oriented education programs. Nearly all members participate in education programs. No information was provided by the union officials for the personnel employed by these divisions. Lastik-İş funds its activities by means of union and solidarity dues and employs 10 members as high-level officials, 2 researchers and 5 specialists along with 25 other personnel. It employs about 15 employees in its head office in İstanbul, training and education activities are taken by its high rank offices. In the branch offices, generally secretary is employed for undertaken correspondence and communications, most of the activities are carried out by shop stewards. As result, Lastik-İş employs about 20 employees. Lastik-İş has competency and signs collective bargaining at establishment and enterprise level. Lastik-İş signed about 50 collective bargaining agreements in 2004. All collective agreements are establishment level. It has no competency in public sector. Therefore it is active in private sector.

Lastik-İş affiliated to Türk-İş in 1961. However, from the 1963 onwards, disagreements between Lastik-İş and Türk-İş started when the chairman of Lastik-İş became one of the founder of Turkish Workers Party (TWP). Against Türk-İş non-political stance, the TWP was revolutionary. That was intolerable on the part of Türk-İş. Lastik-İş became one of the founders of DİSK<sup>70</sup> (Revolutionary Workers Trade Union Confederation) while it was still affiliated to Türk-İş in 1967. Finally, when Lastik-İş supported the resumption of a strike in Paşabahçe Glass Factory which was ended by Türk-İş, it was temporary expelled from Türk-İş in 1968. Then Lastik-İş broke away from Türk-İş and affiliated to DİSK. The activities of Lastik-İş were suspended by the military government in 1980 and it was only able to resume in 1992. Lastik-İş was again affiliated to DİSK in 1994 and is still a member of DİSK.

### 2.1.3. İLKİM

The third union operating in the Turkish Chemical Industry is called İLKİM (Pharmaceutical and Chemical Industry Workers Union). It has organised the entire workforce in a domestic pharmaceutical firm since its establishment. It is in fact a management controlled enterprise union, seeking to prevent the unionisation of the firm by other trade unions. İLKİM signs a collective agreement without having competency. According to the CBA of No 2822, such a collective agreement is valid if no one goes to a court for voiding it within 45 days.

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<sup>69</sup>The officials from Lastik-İş systematically avoided giving information about its membership and its density and even the firms organised. This is because partially Lastik-İş has a militant background and has great distrust to public and also it must be at a critical position in terms of sectoral threshold.

<sup>70</sup> Devrimci İşçi Sendikaları Konfederasyonu

## Trade Unions

Organisation		Type of SW	Members	Members working in the sector	Density	CB	National affiliations		European affiliations		International affiliations	
Original name	English name	Type	Number	Number	%	yes/no	Direct	Indirect	Direct	Indirect	Direct	Indirect
Petrol-İş	Union of Petroleum, Chemical and Rubber Workers Unions	Blue Collars	71,292 <sup>71</sup>	71,292	32.4	Yes	Türk-İş <a href="http://www.turkis.org.tr/">http://www.turkis.org.tr/</a>	-	ICEM EMCEF	-	-	-
Lastik-İş	Petroleum, Chemical and Rubber Industry Workers Union of Turkey	Blue Collars	38,872	38,872	17.6	Yes	DİSK <a href="http://www.disk.org.tr">http://www.disk.org.tr</a>	-	ICEM EMCEF	-	-	-
İLKİM	Pharmaceutical and Chemical Industry Workers Union	Blue Collars	135	135	0.06	No <sup>72</sup>	ND	-	ND	-	-	-

**NOTE:** The Contextual Data is filled in according to the CSGB Labour Statistics. They have some shortcomings and are not reliable for the number of firms, they can be considered as reliable for the number of workers, since we know that these are taken from the Social Security Institutions and are certainly correct. Yet they do not include the informal employment and civil servants working in the public sector. If included, the employment in the sector would be about 271.638

## 2.2. Employer Organisations

At sector level, there is only one private sector employer union called KİPLAS (Chemical, Petroleum, Rubber and Plastics Industry Employer Association) in the Turkish chemical Industry. KİPLAS was founded in 1961, originally under the name of Chemical and Medical Preparations Manufacturers Association (FES, 1998: s. 214-16). However, following the enactment of 2821 Trade Union Law, which amalgamated the chemical, petroleum, detergent, rubber, plastic, pharmaceutical, cosmetics industries under the Petroleum, Chemical and Rubber sector, KİPLAS re-engineered its structure and policies covering all these sub-sectors in 1983 (Kiplas, 2001).

KİPLAS has currently 84 member firms. 45 of these are small firms employing 1-9 workers, 6 are medium-size firms employing 10-50 workers and 31 are large firms employing more than 50 workers. 19 member firms are either wholly or partially owned by MNCs. What is more is that CAs covering 4,152 workers are signed by only 20 KİPLAS's member firms. The rate of unionisation in KİPLAS members is about 63.7% (TİSK, 2002). The distribution of these firms is as follows: 22% in industrial gas, 16% in chemical, 16% in paint, 20% in plastics, 6% in fertilisers, 3% in automobile parts, 3% in matches, 3% in cellulose, 6.3% in pharmaceutical, 1.5% in petroleum, 3% in plastic packing, 3% in hydraulic production.

<sup>71</sup> According to the LS the rate of unionisation in the petroleum, chemical and rubber industry is about 50% in 2004. The number of the unionised workers is about 111,928. Petrol-İş has 71,922 members while Lastik-İş has 38,872. The Trade Union Act No 2881 requires trade unions to accept membership applications via a notary and inform the CSGB of their membership by sending a copy of membership documents to the CSGB. Yet, the Act does not oblige the unions to inform the CSGB of the drop in membership due to not paying union dues, death, resignation and moving to a different sector. As withdrawal from the membership of a trade union can only be made via a notary, most workers do not also attempt to resign officially from the trade union in order not to pay for the notary. In short, the Labour Statistics do not include most of the membership losses. Thus they are unreliable (Celik, 2004). According to Petrol-İş records, it has about roughly 26,000 members. Lastik-İş may have no more than about 17,000 members. The figures are definite. If these figures were taken for determining the sectoral competency, Petrol-İş would have just passed the industry threshold while Lastik-İş would have failed. The national expert thinks that the CSGB maintains the LS for political reasons therefore turns a blind eye for this reality. If this trend continues no union would be recognised as competent in the chemical industry.

<sup>72</sup> But signs CAs without having competency.

KİPLAS currently provides its members with legal, technical and financial consultancy services (KİPLAS, 2001). KİPLAS has also recently expanded its portfolio of consulting services by including human resources, competition law, trade-mark, commercial cases, total quality control, and responsible care. KİPLAS has actively promoted and organised education and training programs and seminars for technical personnel in its member firms.

It has 5 divisions and a branch office. The divisions are Legal and Social Relations, Technical Affairs and Training, Industrial Relations, Industrial Estate Division, Cultural Affairs, Financial and Managerial Relations and EU Reference Services. 15 specialists are employed in these divisions along with 15 staff. KİPLAS also carries out some lobbying activities on behalf of the chemical industry. It was particularly active during the enactment of the new labour code in 2003.

No tripartite or bipartite social concertation takes place at sector level. But there is tripartite social dialogue at national level. Neither of these organisations participates in national level tripartite concertation. The number of agreements signed in this framework is not available. KİPLAS does not negotiate sector-level-framework agreements. Yet it actively participates in the CB negotiations on behalf of some of its individual members, provides legal support and designs CB negotiation strategies and tactics for some others. It is affiliated to TISK (Turkish Employers Union Confederation). It is also a member of the LRC (International Chemical Employers' labour Relations Committee).

There are two more employer associations at sub-sector level. However neither of them participates in collective bargaining. One is active in the pharmaceutical industry and is called "İEİS<sup>73</sup> (Pharmaceutical Industry Employer Association). It has 34 members and it used to participate in collective negotiations and sign agreements of behalf of its members until last year. Yet, after the resignation of some of its members, it has now only one unionised member firm. Thus, it has stopped participating in CB negotiations. It seeks to lobby on behalf of pharmaceutical firms on the issues of data protection, generic medicine and medicine prices. The other is active in the petroleum product industry. It is called PÜİS (Petroleum Products Industry Employer Association). It has never been involved in CB activities. Its centre is in Ankara and it seeks to lobby on behalf of petrol station owners. It has a monthly publication which is dedicated to petrol distribution and prices.

#### Employers' organisations

Organisation		Sub-sectors covered	Companies	SW	Density Companies	Density SW	CB	National affiliations		European affiliations		International affiliations	
Original name	English name		Number	Number	%	%	yes/no	Direct	Indirect	Direct	Indirect	Direct	Indirect
KİPLAS (Kimya, Petrol ve Lastik İşverenler Sendikası)	Chemical, Petroleum, Rubber and Plastics Industry Employer Association	Entire Chemical Industry (23, 24, 24) ISIC Rev 3	84	6,500	0.4	2.7	Yes	TISK www.tisk.org.tr	-	-	UNICE	-	-
İEİS (İlaç Endüstrisi İşveren Sendikası)	Pharmaceutical Industry Employer Association	Pharmaceutical Industry	34	ND	ND	ND	No	TISK	-	AESGP www.aesgp.be	-	IFPMA www.ifpma.org	-
PÜİS (Petrol Üreticileri İşveren Sendikası)	Union of Petroleum Products Employer	Petroleum ISIC Rev 3 (23)	6,500	ND	ND	ND	No	TISK	ND	ND	ND	ND	-

Source: Information for KİPLAS obtained from the interviews with its general secretary; <http://www.ieis.org/eng/ieis/index2.htm>;

<sup>73</sup> The İEİS officers refused to participate in this study on the ground that it has stopped dealing with industrial relations and CB matters.

### 3. BIPARTITE SOCIAL DIALOGUE AT INDUSTRY LEVEL AND COLLECTIVE BARGAINING IN THE CHEMICAL INDUSTRY

CB is the main mechanism for bipartite social dialogue in Turkey. It takes place at establishment (a workplace/plant) or enterprise (multi-plant belonging the same employer) levels and there is neither tripartite nor bipartite social dialogue taking place at sector level in Turkey. Nevertheless, an informal social dialogue exists in the public sector, since the late 1980s. This structure is called the Public Collective Agreements Coordination Committee. Before the term of existing CA expires, the government and officials from Turk-İs<sup>74</sup> meet to negotiate and sign a framework agreement. According to this framework agreement, establishment and enterprise level CB negotiations are carried out in the public sector by trade unions and the public sector employer associations. In general, trade unions from different sectors seek to sign CAs around the same theme in order to have more bargaining power. Yet, before looking at CB in the chemical industry, it is important to give a brief description of CB procedure in Turkey. The process of collective bargaining is regulated by the Collective Bargaining Act No. 2822. According to this act, while trade unions and employer associations can only be established at sector level, CB negotiations and agreements must be concluded in a workplace/plant or enterprise (multi-plant) levels<sup>75</sup>. The act regulates the representativeness criteria. It introduces a double-threshold for trade unions to have competency to negotiate CB and conclude a CA: (a) sector level: a trade union has to recruit at least 10% of the workforce in the sector where it operates; (b) establishment or enterprise level: a union must recruit at least 50% + 1 of the workforce to negotiate a CB and sign an agreement in an establishment or an enterprise in the sector.

If a trade union believes that it has met the both competency criteria, it can apply to the CSGB to get a competency certificate to invite the management/employer of that establishment/enterprise to negotiate a CB. Nevertheless, this does not automatically guarantee that a trade union may commence CB negotiations in practice, since most management do not recognise trade unions instantly and go to a court for the re-determination of the trade union's competency at his/her establishment /enterprise in the private sector. For employers' associations which are established with an objective to operate at a sector level is sufficient to meet the competency criteria. However, not having a sector level competency does not prevent a trade union and an employer to sign a CB. As long as they recognise each other, they may sign a CA. Yet, this CA is not legally binding.

Among the three employers' associations which are part of the Turkish chemical sector, KIPLAS is the only private sector employer association. In the public sector, KAMU-İŞ<sup>76</sup> (Public Sector Employer Association) and TÜHİS<sup>77</sup> (Turkish Heavy Industry and Service Sector Public Employer Association) are the public sector employers' associations. At sub-sector level, one of the employers' associations is IEIS and the other is PÜİS. Among the three trade unions, two of them, Petro-İş and Lastik-İş meet the competency criteria and sign CAs, while the third İLKİM has never met the competency criteria and it has only 135 members. The recognition issue is one of the most extensive problems regarding the process of CB in the chemical industry<sup>78</sup>.

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<sup>74</sup> Türk-İş is the only confederation participating in this structure and the largest trade union confederation to which Petrol-İs is affiliated. There is also only one trade union which organises the public sector firms in the Turkish chemical industry.

<sup>75</sup>The enterprise level bargaining is a concept brought in by the CBA No 2882. It refers to an undertaking belonging to a corporate body, corporation, or a public organisation or institution, having more than one workplace / plants /establishments in the same sector (Dereli, 1997) .

<sup>76</sup> KAMU-İŞ (Kamu İşveren Sendikası) is a public union and was established in 1971. It is authorised to negotiate collective bargaining and sign collective agreements in all industrial branches in 1986. It has 154 members and signed 89 collective agreements in 20 industrial branches in 2003.

<sup>77</sup> TÜHİS is a public employer union and was established in 1963. It is authorised to negotiate collective bargaining and to sign collective agreements in all industrial branches.

It was restructured in line with the government regulation while public companies were ordered to become a member of one of the three public employer unions in 1986. TÜHİS currently has 53 members. It negotiates collective bargaining with 24 worker unions in 17 industrial branches and sign 52 collective bargaining agreements in 2003. These agreements cover about 240,000 workers.

<sup>78</sup> According to union officials, if the union achieves the competency criteria at an establishment/enterprise level, the employer usually reacts by refusing to recognise the union and applies to a court for the re-determination of the union's competency. This process may take up to 2 years. Within this period either union members are dismissed or workers resign from the union as they lose hope.

The extension of a CA to a non-unionised workplace is possible by the decision of the cabinet on the basis of a demand by an employer or a trade union or the Ministry of Labour and Social Security. Nevertheless, the extension of CB has been very rare in Turkey and has not taken place in the chemical industry. The content of the CAs includes provisions on wage levels, wage increases, fringe and social benefits, collection of union dues, election and duties of shop stewards, discipline committees, dismissals, redundancies, compensations, severance payments, promotions, employment of temporary workers, overtime working, overtime payment, shift working, holidays and holiday pay, health and safety, the handling and arbitration of grievances. Most CAs also incorporate an appendix about the disciplinary codes and procedures. Most of these provisions are also regulated by the Labour Law at minimum levels. Yet the CAs usually provide for much higher standards and provisions. Some things, not regulated by the Labour Code, are discretionary, such as private life-insurance, bonuses for religious festivals and provision of food and clothes and fabrics for workers. Regarding the coverage of the CAs<sup>79</sup>, it should be indicated that the figures give the number of workers covered by the CAs and not the ratio. To find out the approximate rate of the coverage of CAs, the approximate number of employees worked in the industry must be figured out<sup>80</sup>. According to the Labour Statistics, an average 128 CAs covering 46,093 workers and 176 establishments were signed annually in the last two years. Of these, 10,249 are not trade unions members. Yet they are covered by CAs, since they pay solidarity dues. What is more is that there are about 8,368 union members who appear to not have paid their union subscriptions<sup>81</sup>. Consequently the approximate rate of unionisation is around 13.2% in the Turkish chemical industry.

Collective Agreements in force in Turkish Chemical Industry Between 2003 and 2004<sup>82</sup>

Years	Number of CA			Number of Establishment			Number of workers			Those Paying Union Due			Those Paying Solidarity Dues		
	PB	PR	T	PB	PR	T	PB	PR	T	PB	PR	T	PB	PR	T
2003	9	94	103	63	132	195	19,052	21,633	40,685	12,422	12,221	24,643	1,334	6,934	8,278
2004	13	140	153	54	74	158	19,674	31,827	51,501	11,550	18,760	30,310	7,510	4,710	12,220
Av.	11	117	128	58	103	176	19,363	26,730	46,093	12,005	15,490	27,476	4,422	5,822	10,249

Source: CSGB, Labour Statistics for 2002, 2003, 2004

PB: Public; PR: Private T: Total

According to the CB Act (CBA), the term of a CA can be between 1 and 3 years. Yet, the terms of all CAs signed in the Turkish chemical industry are normally 2 years. According to the union officials from both trade unions, most conflicts related to the implementation of the CAs arise from the exemption issues.

<sup>79</sup> The CSGB started to give information on the coverage of the CAs in the LS in 2002. There is no information in the issues of the LS preceding 2002. The coverage of CAs is one of the less problematic and controversial area in the LS. The figures provided by the LS are directly taken from the CAs signed; although there are some inconsistencies, they still give at least approximate and reliable information on the coverage of CAs, compared to the information on unionisation.

<sup>80</sup> Managerial, administrative and technical staffs along with low rank white-collar workers constituting about 20% of the workforce are exempted from the coverage of CAs, even if these personnel are members of the trade union, which signs a CB at their workplace. In addition, temporary workers, subcontractor workers, trainee students, private security guards (they have recently been allowed to join a union operating at the workplace in which they employed) are not covered by the CAs.

<sup>81</sup> According to the CSGB, 219,699 workers are employed in the industry in 2004. The rate of unionisation was about 50.4%. However, both figures need to be carefully assessed.

<sup>82</sup> As mentioned above, the employment figures in the LS do not include the informal employment as well as civil servants (white-collar workers) in the public sector. If we consider that the rate of informal employment roughly 20 %, the number of employees would increase to 263,638 in the chemical industry. If we take the official data about the number of workers, the rate of the coverage of CAs is about 20%. If informal employment and white collar workers are included, this figure decrease to 16,9%. This constitutes 6.3% of the total workforce covered by CAs in 2004 in Turkey (CSGB, 2004). According to the CSGB statistics the while there are 2,806,927 unionized workers, only 629,240 of them are covered by CAs.

#### 4. COMMENT

Established in the early 1950s, the Turkish chemical sector, including petroleum and petrochemical has come to produce nearly 10% of the GDP and provide a quarter of a million jobs. Nevertheless, a dual structure, where technologically backward SMEs operate along with large local firms and MNCs, is the central feature of the Turkish chemical industry. This structure has profoundly affected industrial relations and collective bargaining in the chemical industry. Social partners are well established and institutionalised to a large extent. They have extensive links with both national and international trade union federation and confederations. There are three trade unions and three employer associations at sector level in the Turkish chemical industry. The actual rate of unionisation (not official) is currently low and has been decreasing over the last ten years. Both trade unions are at the critical stage in terms of union density in the chemical industry. If the actual figures are taken into account one of the trade union (Lastik-İş) may even lose its competency. In Turkey, no forms of social dialogue exist at sector level. Agreements can only take place at establishment and enterprise (multi-establishment) levels. An average 128 CAs signed annually and just about 17% of the workforce is covered by the CAs in the chemical industry. The ongoing privatisation of the large public companies tends to undercut both trade unions and CB in the sector. Social partners have enough legitimacy and competency to undertake sector level social dialogue as long as the rate of unionisation increases and the problems related to carrying out sector level social dialogue and CB derive from the severe economic crisis, privatisation and managerial assault, the decreasing rate of unionisation and the bleak prospects for the trade unions and social dialogue.

# ANNEXE

## A. REFERENCES\*

\*Besides the interview of organisations' representatives (see B. Validation).

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## B. VALIDATION

### B.1. NATIONAL VALIDATION

#### Bulgaria

Name of the organisation consulted	Name of the person consulted	Function of this person in this organisation
National Federation of Labour 'Chemistry and Industry'	Ani Dimitrova	Federation secretary
National Federation "Chemistry" Podkrepa	Todor Birindjiev	President
Bulgarian Chamber of Chemical Industry	Dora Bogdantzaljeva	Organisational secretary

#### Romania

Name of the organisation consulted	Name of the person consulted	Function of this person in this organisation
EMPLOYERS' FEDERATION FROM CHEMICAL AND PETROCHEMICAL BRANCH	Vulpe Traian	Executive Director
THE FEDERATION OF FREE TRADE UNIONS FROM CHEMICAL AND PETROCHEMICAL INDUSTRY	Achile Costin Dutu	President
TRADE UNION FEDERATIVE ASSOCIATION "ATLAS"	Negrutzi Bogdan	General Secretary
THE FEDERATION OF TRADE UNIONS FROM GLASSWARE,	Dan Mitrea	President

WINDOW PANES, CERAMICS, GLASS THREAD AND FIBERS "STICEROM"		
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## Turkey

Name of the organisation consulted	Name of the person consulted	Function of this person in this organisation
Petrol-İs	Merih TOPRAK	Specialist on CB
Petrol-İş	Erhan KAPLAN	Researcher
Lastik-İş	Uzeir ATAMAN	Researcher/ CB Negotiator
KİPLAS	Alırza Buyukuslu	General Secretary
İEİS	Müge Gül	Manager for Public Relations

## B.2. EUROPEAN VALIDATION

Name of the organisation consulted	Name of the person consulted	Function of this person in this organisation
EMCEF	Reinhard Reibsch	General Secretary
ECEG	Lutz Mühl	Secretary
FECCIA	François Vincent	President