

UNIVERSITE CATHOLIQUE DE LOUVAIN

Institut des Sciences du Travail



THE SITUATION OF EMPLOYERS' AND WORKERS' ORGANISATIONS IN THE
ELECTRICITY SECTOR
(NEW MEMBER STATES AND BULGARIA, ROMANIA AND TURKEY)
SUMMARY

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INTRODUCTION

This report was drawn up within the framework of a study on the institutional representativeness of the trade unions and employers' organisations in the European Union UE15 and the situation of trade unions and employers' organisations in the new member States and in the candidate countries. The study is carried out by the Institut des Sciences du Travail (IST) of the Université catholique de Louvain (UCL) at the request of the European Commission's DG Employment and Social Affairs (Call for tenders No. VT/2002/83).

This report aims to examine the process of social dialogue and the situation of trade unions and employers' organisations participating in that dialogue in the electricity sector in the 10 new member States and in Bulgaria, Romania and Turkey.

Context of the study

This study takes place in the context of the European Commission's promotion of social dialogue at Community level.

The question of the representativeness of European organisations emerged within the framework of the promotion of social dialogue at Community level. In a Communication published in 1993¹, 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 Member States' social partners structures and with 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, the Commission adopted a consultation document², with the objective of launching as wide as possible a debate in order to find ways of promoting and strengthening European social dialogue. Given the fact that the employees and employers' organisations, at European level, were (and still are) in the process of restructuring and accepting new members, the European Commission launched, at that time, a study on the representativeness of inter-professional and sector organisations in the European Union.

In a new Communication published in 1998³, the European Commission set out the means it intended to use to adapt and promote social dialogue at European level. On this occasion, it specifically reasserted the three criteria, laid down in the Communication of 1993, for European organisations to be recognised as representative in terms of the consultation process under Article 3 of the Agreement on Social Policy. The organisations must: (1) *be related to specific sectors or categories and organised at European level;* (2) *consist of organisations which are themselves an integral and recognised part of Member States' social partner structures and with the capacity to negotiate agreements, and which are representative of several Member States;* (3) *have adequate resources to ensure their effective participation in the consultation process.*

Lastly, in 2002 the European Commission reasserted its commitment to reinforcing the European social dialogue in its Communication *The European social dialogue, a force for innovation and change*⁴. In the respect of the three criteria set up

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

² COM(96) 448 final of 18 September 1996, Communication from the Commission on *the development of social dialogue at Community level*.

³ COM(98) 322 final of 20 May 1998, Communication from the Commission on *adapting and promoting the social dialogue at Community level*.

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

by the Commission, as had been observed in previous studies⁵, *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 at the moment, for the Commission, is the enlargement of the European Union and its impact on the process of social dialogue at Community level. The development of social dialogue, therefore, formed part of the *acquis communautaire*. *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 EU and national level, and to indicate whether they are consulted on legislative drafts relating to the taking over of the employment and social policy acquis... Therefore, the development not only of tripartite structures but also of autonomous, representative bipartite social dialogue is an important aspect for the future involvement of the candidate countries' social partners in the social dialogue activities developed at European and national level⁶.*

Indeed, 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. The role played by collective bargaining is vastly inferior to the traditions of which we are aware, for example, in Germany, Sweden or Italy. In particular, social dialogue does not exist in all countries at a sector level⁷.* By and large, most of the national situations are notable for strongly developed tripartism, but weakness at central bipartite level, in social dialogue at sector level, and at the level of organisations, particularly employers' associations. Enlargement will have consequences on social dialogue, both at inter-sector and at sector levels. In particular, it will have consequences on the European organisations representing employees and employers and their institutional representativeness.

The European Commission has recently reaffirmed its concern for the enhancing of European social dialogue in the context of an enlarged Europe in August 2004⁸: *Enlargement will reinforce the need for social dialogue and partnership. Enlargement created new opportunities for EU economies and enterprises, but major adjustments are still necessary, particularly in the economies of the new member States. Partnership will therefore be of particular importance to managing the impact of continuing restructuring in these countries. However, the enlargement of the EU also presents a challenge for the European social dialogue. Social dialogue in the new Member States is characterised by the predominance of tripartism, relatively new social partner organisations, and under-developed bipartite social dialogue at national and sector levels. The question of the technical capacity of the social partners is of importance in this context. Enlargement will also challenge the technical capacity of the European social partners organisations. It will increase the variety of industrial relations traditions and simply larger negotiating delegations, which may make it harder to reach agreement.*

This study may be seen as a tool to help understand these quantitative and qualitative factors. It will also make it possible to understand the various systems of industrial relations in different countries, and to introduce the actors involved in social dialogue in the electricity sector.

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

⁶ *Enlargement of the European Union. Guide to the negotiations. Chapter by chapter*, European Commission, DG Enlargement, June 2003.

⁷ Léonard E., Spineux A., *Les relations industrielles en Europe aujourd'hui*, Institut des Sciences du Travail, UCL, 2003 (unpublished).

⁸ COM(2004) 557 final of 12 August 2004, Communication from the Commission: *Partnership for change in an enlarged Europe – Enhancing the contribution of European social dialogue*.

Research approach and comments on methodology

For the purposes of this study, a network of University researchers throughout the 13 countries taken into account was set up. These researchers 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 public sector was elaborated to that effect (cf. annex). The IST took charge of coordinating the study and drawing up the summaries. 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 quantitative and qualitative 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 objectification 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*⁹. The main sources used within the framework of this study were thus the trade unions and employers' organisations themselves.

As regards delimitation of the scope of the study, the main criteria, defined *a priori*, with a view to determining the organisations to be taken into account, are their role in the negotiation processes in the sector collective bargaining.

The interviews with the organisations and the drafting of the national reports took place during February-June 2004.

Lastly, a few words on the consultation process involving the European social partners. The following organisations have been consulted (they also elected to send us their comments, and those of their members, on the draft report): EPSU, EMCEF and Eurelectric. This consultation took place during the months of November and December 2004. We accordingly received comments on the national summaries, and we have tried to include as many as possible. These observations have been incorporated in different ways, depending on the kind of information received: the comments have been inserted in the form of footnotes or in the main body of the text, depending on the kind of information received.

The national summary reports

The national summary reports presented in this report depict the situation in the 15 European Union Member States, under the following headings:

- For each country, delimitation of the range of activities included in the sector of electricity
- Description of the general characteristics of the sector (employment, enterprises)
- Overview of the social dialogue at the sector level: structures, collective agreements, principal topics of negotiation, and players.
- Description of the trade union organisations and of the employers' organisations that operate in the social dialogue in the electricity sector: representativeness and recognition of the organisations; participation in collective bargaining; national, European and international affiliations.

⁹ Reply to Call for Tenders VT/2002/83. *Studies on the representativeness of the social partners at sectoral level in the European Union and monographs on the situation of the social partners in the candidate countries*, Institut des Sciences du Travail, UCL, 2002.

THE ELECTRICITY SECTOR

Delimitation of the electricity sector

The electricity sector in the new member States and in Bulgaria, Romania and Turkey corresponds, the most often, to the NACE classification 40.1:

- Production of electricity (NACE 40.11)
- Transmission of electricity (NACE 40.12)
- Distribution and trade of electricity (NACE 40.13)

In some cases, however, some distinctions appear in the sector's delimitations. These divergences may refer to the statistical delimitation (the sector is broader), to the collective bargaining structuring or to the scope of activity of the players.

Lastly, it is worth noting that the statistical information often presents data for a broader sector, including other branches of the energy industry. For more details, see the table below.

Country	Delimitation
Bulgaria	From a statistical point of view, the electricity industry in Bulgaria corresponds to the NACE classification. Employees' federations and employers' organisations in the sector operate on a broader basis than the electricity branch since they cover branches belonging to the whole energy sector. Collective bargaining at sub-sector level covers the electricity sector.
Cyprus	The electricity sector in Cyprus includes the generation, transmission and distribution of electrical energy for sale to household, industrial and commercial users, as well as the extension and maintenance of the electricity network. The sector corresponds to the NACE Rev. I Classification Group E40.1. The electricity sector in Cyprus consists of one public corporation, the Electricity Authority of Cyprus (EAC).
Czech Republic	The scope of activity of the actors is broader than just the electricity sector. Specifically, besides the generation, transmission and distribution of electricity, the employer federation ČSZE also covers the generation and distribution of heat, trading in electricity and heat, power research, assembly, installation and power engineering. Besides electricity, the biggest trade union federation also covers heat generation, power engineering and other minor areas. From the point of view of collective bargaining, the Electricity sector in the Czech Republic includes enterprises whose business ranks them in the following divisions of the NACE classification: Division 40.1 Electricity Generation and Distribution; Division 40.3 Heat Generation and Distribution
Estonia	The electricity sector includes the activities of the NACE 40.1. group. The Statistical Office of Estonia publishes data only for the whole energy industry, namely electricity, gas, steam and hot water supply (NACE E) and does not separate data by sub-sectors.
Hungary	The Hungarian statistical specification of electricity is in accordance with the NACE activity codes used by EUROSTAT. In the course of the case-study, we followed a dual logic in respect of sector demarcation. As statistical data were not always available on sub-sector 40.1, the narrow focus of the paper, we occasionally had to present the whole of NACE sub-sector No. 40 in the quantitative analysis. The interviews were, however, carried out in sub-sector No 40.1 proper.
Latvia	In Latvia, Latvenergo is the monopoly supplier in the power transmission and distribution branches of the electricity sector. In 2002, Latvenergo supplied around 93% of the total electricity generated in Latvia. Latvenergo is also the only company transmitting and distributing electricity. The Central Statistical Bureau of Latvia often treats electricity, gas and water supply as a single sector, therefore, the figures given often refer to these three sectors together.
Lithuania	Concerning the delimitation of the sector, it has to be noted that the national statistics in Lithuania group electricity supply together with gas and water supply. Statistics for these three sub-sectors are not disaggregated. The electricity sector in Lithuania corresponds to the NACE classification.
Malta	The electricity sector in Malta is characterised by the monopoly of Enemalta Corporation. Its services are the importation and distribution of petroleum products and liquefied petroleum gas as well as the generation and distribution of electricity to all sectors of Maltese society. The Corporation has three main divisions: The Electricity Division, The Petroleum Division, and The Gas Division. The Electricity Division is responsible for production, distribution, transmission and trade of electricity for Maltese Islands.
Poland	The Polish electricity sector covers the NACE classification group 40.1. However, two points must be made concerning the presentation of statistical data about this sector : 1) The Polish electricity production system has been developed around a double network of power stations and thermo-electric power stations. Thermal-electric power stations are classified in the NACE group 40.1 and in group 40.3 (steam and hot water supply). The steam and hot water, which is used for urban central heating, is a by-product of the production of electricity. 2)

	Generally, it is not always possible to obtain statistical data concerning NACE sub-categories. Therefore, some data are presented for division 40 and for section E.
Romania	The delimitation of the electricity sector in Romania corresponds to the NACE code delimitation: electrical power production, transport, distribution and trade. Besides these activities, the sector also contains maintenance and services enterprises whose activity object is to ensure specialised and support services needed for the development of specific activities, which are: the production of a type of nuclear fuel, contributing to Romanian energy generation, heating energy production, mining enterprises, specialised units for reading / registering and collecting the payments of electricity for household consumers. Except for these activities, there are no divergences with the NACE classification. It should be mentioned that official statistics represent the group NACE 40 as a whole (production and supply of electric power, heating energy, gas and water) and are not always disaggregated into sub-sectors. Concerning the structuring of employees' and employers' organisations, their fields may cover only some parts of the electricity sector (electricity production for example), the whole electricity sector or a broader sector in the energy industry. Sector social dialogue covers electric power, heating energy, and petrol and gas sectors altogether.
Slovakia	The electricity sector is undergoing a vast restructuring and there is a general tendency towards structuring it according to the NACE classification, i.e. the separation of production, transmission and distribution and trade, while the former sector included all assembly, manufacturing plants, research and development, apprentice schools, etc. At the moment, as well as the production, distribution and trade of electricity, the sector also includes other power producers (natural gas, brown coal, crude oil and heat, etc.) and distributors along with assembly, manufacturing plants, etc. Since 2003, apprentice schools, from a social dialogue point of view, belong to the local authority sector and are part of the public administration. However, individuals remain members of the trade unions active in the electricity sector. The restructuring of the sector has an impact on the number of companies and on the number of employees working in the sector. Therefore, the data presented follows the NACE classification. However, it is worth noting that sector collective bargaining covers a broader area than the electricity sector.
Slovenia	The electricity sector classification in Slovenia corresponds to the NACE classification: Production of electricity, Transmission of electricity, Distribution and trade of electricity.
Turkey	The electricity sector in Turkey is classified in the State Institute of statistics (DIE) and in the Ministry of Labour and Social Security (CSGB) statistics. DIE classification considers electricity, gas and water in the same statistical category, within which electricity is classified in terms of production, distribution and transmission.

Source: national reports

Characteristics of the electricity sector

The electricity sector is characterised in the new member States and in the three candidate countries taken into account as follows:

- In several countries, the sector is dominated by one large company, whereas in the other countries, the number of companies is more numerous and is increasing;
- In almost all countries, a privatisation process has been launched or is expected very shortly in the sector but the state of this process varies considerably from one country to another;
- The employment in the sector mainly consists of blue-collar workers. Male employees predominate. Work contracts are usually concluded for an indefinite duration. Average salaries in the sector are above the average salaries in the countries.

Country	Employment and companies in the sector
Bulgaria	67 public companies with 31,200 salaried workers, 40 private companies with 320 salaried workers.
Cyprus	One public corporation, the Electricity Authority of Cyprus (EAC). In April 2004, 2,017 people engaged.
Czech Republic	In 2003, 22,893 people employed in the sub-sector 40.1 and 14,681 employed in the division 40.3. In 2003, 955 business units operating in the sector (NACE 40.1: 527 units; 40.3: 428 units). For the divisions 40.1 and 40.3, in there were 2003 442 enterprises with salaried employees.
Estonia	In 2003, 253 enterprises and about 10,000 employees in the energy sector.
Hungary	In 2003, 0.6% (around 25,000 people) of those employed in the national economy worked in the production and distribution of electricity sub-sector (NACE 40.1), while 1.0% of them (about 39,000 people) worked in the electricity, gas, steam and hot water supply sub-sector (NACE code 40).
Latvia	Latvenergo is the monopoly supplier in the power transmission and distribution branches of the electricity sector, with 6,547 people (5,500 electricity generation, transformation and distribution).
Lithuania	The sector is dominated by five large firms which employ 60% of the workers of the energy sector. 25,119 salaried workers in the energy sector

Malta	Monopoly of Enemalta Corporation. The total number of employees at Enemalta on May 2004 was 1,848 full-time workers. 1,303 workers in the Electricity Division.
Poland	In 2003, 883 companies and 99,200 employed people in the electricity production and distribution sector.
Romania	45 enterprises in the sector; 61,320 working people, of which 61,159 are employees.
Slovakia	16,400 salaried workers in the production, distribution, and trade of electricity.
Slovenia	19 companies and 6,486 people employed in the electricity sector.
Turkey	In 2002, 57,748 workers in the electricity sector, of which 37,029 salaried employees.

Source: national reports

In Bulgaria, the biggest company in the electricity industry is a state-owned company, the National Electrical Company (NEC). It employs about 7,000 workers. For a long period of time, it was the only company in the sector. In 2000, there were some structural changes in the NEC due to which some of its enterprises left the holding and the number of enterprises officially increased. Employees in the electricity branch are mainly blue-collar workers. There are 23,852 male and 9,024 female salaried workers. The remuneration in this sector is about twice as high as the country average. As a whole, the sector tends to remain stable in terms of employment. The number of workers has been around 33,000 from 1998 until now. Big changes are going to be witnessed after the privatisation procedure expected in the second half of 2004 and 2005. The privatisation probably will increase the number of SMEs. 67% of the sector will be privatised.

The electricity sector in Cyprus consists of one public corporation, the Electricity Authority of Cyprus (EAC). The electricity sector has experienced significant growth during the last two decades reflecting the growth of the economy, the rising standards of living and the high income elasticity of demand for electricity. The establishment of the Cyprus Energy Regulatory Authority in 2004 aimed at introducing and encouraging competition, licensing the production and sale of electricity and pricing. It should contribute to a more rational energy policy. During the last decade, the EAC has been implementing a development programme involving high investment and structural changes, liberalisation of the market, price policy, environmental protection and harmonisation with the European acquit.

In the Czech Republic, a decline in employment is expected in future in the electricity generation and distribution industries. Given the nature of production in the sector, male employees predominate, chiefly technicians and skilled workers in manual professions with secondary school education with or without the school-leaving examination. Work contracts in the sector are usually concluded for an indefinite period and almost all employees work full-time. Self-employed people without employees account for a large proportion of electricity generators and distributors (about 50%). Heat generators and distributors are, by contrast, dominated by bigger firms employing from 10 to 100 employees.

In Hungary, the most important feature of the composition of the workforce is the high proportion of white-collar employees. The average wages everywhere in the sector are higher than the national economy average. As far as distribution based on sex is concerned, it is not surprising (according to estimates) that women account for only 20%. Because of the "hiring freeze" and the large number of layoffs over a long period of time, the composition of employees by age is dominated by older workers. The share of the underground economy in the sector is negligible (i.e. 0%).

In Estonia, there were in 2002 3 enterprises owned by the state, 118 owned by local government, 149 firms owned by Estonian corporate bodies and 6 by foreign corporate bodies. The majority of enterprises have 1-19 employees (74.3%) while 5.3% of enterprises employ 100 employees and more. However, large enterprises employ 69% of employees of the energy sector. During the last seven years, the number of employees decreased steadily. The total number of women working in the energy sector was 2,200 and the number of men was 8,000, in 2003. Lastly, it is worth noting that the majority of workers in the sector are not of Estonian origin. Wages in the energy sector have been higher than average national wages.

In Latvia, Latvenergo is the monopoly supplier in the power transmission and distribution branches of the electricity sector. The Energy Law of the Republic of Latvia came into force in 1998 with the aim to transpose and implement the EU Directive 96/92/EC. In September 2000, the Latvian Parliament complemented Energy Law with an article stating that Latvenergo assets are strategically important objects owned by the state. They cannot be either assigned to third parties or used as a pledge. Latvenergo was excluded from the register of companies to be privatised.

In Lithuania, the sector is dominated by five large firms which employ 60% of the workers of the energy sector. Almost all employment in the sector is within the state sector. The only significant privatisation, to date, was the distribution network of Western Lithuania (one of the two distribution firms). The Eastern distribution network is scheduled for privatisation soon. However, production and transmission are still almost entirely in state hands. 70% of the employees are manual workers. Workers have a work contract and, generally, have a higher educational level than the average of industrial workers. In the electricity sector, there are between 15,500 and 17,500 workers. The future of the industry is connected to the EU. There are plans for connecting the Lithuanian and Polish grids. The closure of the nuclear power facilities demanded by the EU means that it is unclear if Lithuania will continue to be an exporter of electricity in future. Negotiations with the EC are proceeding on delaying the closure of the second reactor. They proceed more generally within the EU to gather support for construction of a new reactor.

The electricity sector in Malta is characterised by the monopoly of Enemalta Corporation. With the accession to European Union, the Maltese electricity sector will be subject to change. The Petroleum and Gas divisions might be sold to private organisations. The Electricity Division will be subdivided into two business units, namely generation, on the one hand, and transmission and distribution on the other. Furthermore, Enemalta's monopoly over all operations in the electricity sector may be challenged. In accordance with the Electricity Directive of the European Union, Enemalta will not retain the legal monopoly in electricity generation, and in theory, alternative generating companies might be set up.

When describing employment in the electricity sector in Poland, it is important to note that, in 2003, for the whole of section E, 88% of jobs were in the public sector and 12% in the private sector. In 2003, for division 40, 21.7% were women and 78.3% were men. Apart from that, one can note that employees in the electricity group (40.1) had above average salaries. Relating to the companies in the sector, one can note a slight growth in their total number between 2000 and 2004: the increase in the number of private companies has been greater than the reduction in the number of public companies. A breakdown of these companies according to their size shows a slow decrease in the number of companies with more than 50 workers and an increase in the number of smaller companies. Generally, one can note that a large majority of companies in the sector have experienced very significant growth in their profits between 2002 and 2004. Therefore, the electricity sector is in a comfortable financial situation even though it still in a process of transformation and privatisation which is largely uncompleted. In fact, the share capital is still essentially in public hands. In such a context, the intentions to privatise are still important.

In Romania, the electricity industry, after 1990, was subject to a complex period of restructuring and reorganisation. From a sector with one enterprise in charge of all activities, it has become a sector with independent structures of production, distribution and transport. There are now 45 enterprises in the sector. Most of them are large companies, with more than 250 employees. There are 6 enterprises with foreign capital. Within the sector, blue-collar workers represent about 70% of the personnel. About 75% of the workers are men and 25% are women. The minimum salary within the sector is about EUR 100 and the median salary is about EUR 200. The average salary for all the economic activities in the country is 143. Enterprises have commercial company status and work according to the rules of the market economy. The development of the energy sector in Romania is based on targets planned in the "Road map for energy sector of Romania". This plan was elaborated by the Ministry of Economy and Commerce and approved by the Government and concern the period 2003-2015. The strategy has the aim to develop and increase the efficiency of the electricity industry, to create an energy market based on competition and to integrate the national market into the internal market of the European Union. Investments should be made in order to modernise the national energy system and the privatisation of the sector has been planned and has begun.

At the moment, the dominant electricity producer in Slovakia is *Slovenske elektrarne a.s.* Distribution of electricity is provided by three joint stock companies, which are 49% privatised. Restructuring of the companies in the electricity sector is in progress and some electricity production or distribution plants are not fully privatised. In these cases, privatisation projects are being worked out and the selection of strategic investors is being prepared. Most of the workers in the sector are men, women generally occupy administrative positions or provide professional services. The employees in the power sector occupy approximately the 5th position in pay levels of the overall national economy. Employment in the sector is falling rapidly.

The majority of employees in the electricity sector in Slovenia are men. Every kind of educational profile is present in the sector, but employees with secondary school education or less are in the majority (73%). Average salaries in the electricity sector are above the average salary in Slovenia. The majority of companies are large companies, with more than 100 employees. In the production and the distribution sectors, the level of privatisation is 20%. The electricity transmission company, ELES, should not be privatised (this is decreed by law) and the Slovenian shareholding in the Nuclear Power Plant Krško should not be privatised either. Over the last decade, there were many mergers in the sector.

Until recently, electricity industry in Turkey was dominated by a state-owned company, the Turkish Electricity Authority (TEK). From the 1980s, the government sought to attract private participation into the industry. Private participation was set up and then has been pursued. The State has remained a predominant actor in this process since the state entities were the only purchasers of privately generated electricity and kept ownership of the physical assets. In 2001, the Electricity Market Law was passed and established the way for a free market in power generation and distribution in Turkey. Employees in the sector are mostly blue-collar workers and employed in the public sector.

SOCIAL DIALOGUE IN THE ELECTRICITY SECTOR

There is, in a few countries, a tripartite process in the electricity sector. In some other countries, an institutionalised tripartite process does not exist but there are some kinds of informal processes aiming to face to punctual problems, such as the privatisations and restructurings. Lastly, the State may also intervene in the bipartite social dialogue as an employer or with a role of monitoring of the wage negotiations (in case of public enterprises). Bipartite collective bargaining in the electricity sector is generally well structured and characterised by a high coverage rate (in comparison with other economic sectors). The content of social dialogue in the sector is often marked by current developments in the sector, i.e. restructurings, privatisations.

In Bulgaria, tripartite concertation at sector and branch (sub-sector) levels seems to be an exception in many sectors, but tripartite concertation in the electricity sector is an established practice. Tripartite concertation takes place within the so-called "Sector / Branch Councils for Tripartite Cooperation". Bipartite collective bargaining takes place at branch (sub-sector) and enterprise levels. The Branch Collective Agreement (BCA) gives the minimum framework for further negotiations at enterprise level. According to the Bulgarian Branch Chamber of Energy, 13% of the enterprises are covered by BCA. About 50-55% of employees are estimated to be covered by BCA. Coverage rate in the electricity sector has been very high compared with most of other sectors in Bulgaria. Social consequences of privatisation are one of the main issues of collective bargaining at the moment.

There is a tripartite concertation in Cyprus for the country's overall economic and social policy, which also includes concertation at sector level. Collective bargaining in Cyprus is based on the enterprise level, which also corresponds to the sector level since there is only one company in the electricity sector. The number of collective agreements signed in the electricity sector since the establishment of the Electricity of Cyprus amounts to about 25. The coverage rate of collective agreements in the electricity sector is nearly 100% of the employees. The positions of the players with regard to future developments in the social dialogue in the electricity sector are positive and they believe in negotiations "in a spirit of good faith and mutual understanding".

An institutionalised tripartite concertation does not exist in any sector in the Czech Republic. However, some organisations mention the existence of some forms of tripartite concertation in the power sector. These forms of concertation concern mainly mass redundancies in the power sector as a consequence of the privatisations. The content structure of Higher level collective agreements (HLCA) had already been stabilised in previous years, in particular as regards the following issues: the formulation of provisions affecting the definition of the subject and scope of the HLCA, the rights and duties of the parties, and safety and provisions regarding the protection of health at work. Although wage issues tend to be formulated in a more specific manner in Enterprise level collective agreements (ELCA), negotiations on wages often cause the greatest complications in concluding HLCAs. The coverage rate of HLCAs is between 8.3 and 9.3% of the enterprises in the sector and between 58.6 and 76.4% of salaried workers of the sector. According to the organisations, the ELCAs cover between 16

and 17.2% of the enterprises in the sector, and between 81.2 and 83.8% of salaried workers in the sector. Generally speaking, the actors agree that cooperation in the area of social dialogue is good.

In the energy sector, as in majority of sectors in Estonia, tripartite concertation does not exist. Bipartite social dialogue takes place only at enterprise level. According to the Register of Collective Agreements, there were four collective agreements in the energy sector in 2002 (they covered together 4,080 employees). Two collective agreements were concluded at enterprise level in 2003 (covering 4,842 employees) and two collective agreements were signed in 2004 (covering 580 employees).

In the Hungarian system of labour relations, tripartite dialogue is only organised at national level; Tripartite agreements are also reached on decisive processes affecting the sector. Bipartite collective bargaining takes place at two levels in the sector: corporate and sector. In the latter, there are long traditions of bipartite social dialogue, and therefore this level is more developed. According to one of our interviewees, there is a noticeable shift, at the present time, towards a mutual relationship between corporate and sector collective bargaining. The negotiating partners conclude collective agreements in the sector, and so-called sector wage agreements. One of the most important changes in the system of the Hungarian labour relations has been the mandatory establishment of sector dialogue committees.

In Latvia, There is no tripartite concertation in the sector of electricity. Bipartite negotiations in the sector take place only at the enterprise level. However, since Latvenergo produces more than 90% of electricity generated in Latvia, all agreements concluded also apply to the whole sector and should also cover small electricity producers. A General Agreement covers the employment conditions of all Latvenergo employees.

In Lithuania, there is no tripartite concertation at the sector level. Collective bargaining in the electricity sector takes place at enterprise level. About 40 collective agreements have been signed in the electricity industry (collective agreements concluded since 2002, currently valid). The agreements include detailed tables on hourly and monthly wages for different classes of workers, conditions on employment and firing, working time, rest time, vacations, working conditions and agreement not to call strikes. About half of firms and 90% of workers are covered by collective agreements.

In Malta, the form of tripartite concertation that exists in the electricity sector is linked to the collective bargaining process due to intervention of the State as an actor in the public sector. Actually, the Collective Bargaining Unit (CBU) was set up to monitor the financial aspects of the collective agreements negotiated in the enterprises or corporations which are run / owned by government (Including Enemalta). The aim is to streamline salaries and wages in the parastatal enterprises in relation to the wage policy of the government and to maintain relativity with the scales of salary governing public sector employees. Collective bargaining is conducted at enterprise level. There are two separate collective agreements covering different grades of workers. All workers are covered by these collective agreements.

There is a tripartite concertation for the electricity sector in Poland within the sector working group on Energy. This sector working group considers general questions on the organisation and restructuring of the sector and proposals for modifications to the two existing sector collective agreements. In 1993, a supra-company collective labour agreement was concluded for all the workers in the energy sector. In 1996, the employers' organisations concluded two separate collective agreements, which dealt with different groups of workers. Since then, they have been regularly renewed with minor modifications. In the electricity sector, the conclusion of collective agreements at the company level is also a well established and structured practice. In principle, these agreements aim to provide advantages that are superior than or specific to what has been agreed at the sector level. These agreements are regularly renewed and or modified according to agreements between the parties.

In Romania, there is no formal tripartite concertation in the sector. However, it does happen that the Government consults or meets the participants in social dialogue, operating in the industry, in particular cases, such as restructuring in the sector. Collective bargaining takes place both at sector and enterprise levels. Provision of collective work contracts concluded at sector level is minimal and compulsory for the negotiations at enterprise level. Collective work contracts negotiated at sector level cover a broader field than just the electricity sector. The coverage rate of the sector collective work contract is more

than 90% of enterprises and more than 95% of employees. The coverage rate of the sector collective work contract is more than 90% of enterprises (this figure corresponds to enterprises with 21 and + employees) and more than 95% of employees.

In Slovakia, there is a sector tripartite concertation in the electricity sector. Discussions deal with draft legislation concerning the power sector, core documents for operation of the power sector, and social issues in the sector. At the sector level, the parties conclude Higher Level Collective Agreements, which provide the terms and conditions for employees in the sector and which establishes the relationships between the partners. At enterprise level, the partners conclude enterprise collective agreements. The terms and conditions agreed in the enterprise collective agreement can only improve the terms and conditions contracted in the sector collective agreement. All major companies have now concluded enterprise collective agreements (about 90 %).

The situation of the electricity sector in Slovenia is particular because of the role of the State as the main employer in the sector. The consequence is that the State is the signatory party of sector collective agreements. In the future, collective agreements will probably also be signed by sector employer associations. The sector level is the more developed level of collective bargaining, even if there is a tendency to emphasise the enterprise level. The first collective agreement concluded at the sector level for the electricity sector was signed in 1992, and the second in 1996. Collective agreements in Slovenia have a general validity and cover all companies and all employees in the sector. Representatives of employers and employees estimate that the bipartite social dialogue at the sector level is well developed and continues to improve. At enterprise level, collective agreements have been concluded in all companies in the sector (with one exception) and apply to all employees.

There is no tripartite concertation in the electricity sector in Turkey. Collective bargaining in the sector takes place at company (establishment) level and at workplace level. In 2003, 80 collective agreements were valid in the energy sector, including the electricity. They covered 64,529 workers in 2,078 workplaces.

EMPLOYERS' AND EMPLOYEES' ORGANISATIONS

Concerning the organisations of employers and workers, the electricity sector is generally characterised by a not very significant number of organisations (with some exceptions). On the employer's side, there are some cases in which there is no employers' organisation. The main company or the State plays the role of an employers' organisation in social dialogue. When there are several employers' organisations, they often cover different membership domains. On the employees' side, there are generally few organisations or, when they are more numerous, they often cover different categories of workers.

The Bulgarian Branch Chamber of Energetic is the only employer's organisation, which plays a role in social dialogue in the electricity branch. There are three trade union organisations that participate in tripartite and bipartite social dialogue in the electricity sector in Bulgaria.

There is no employers' organisation in Cyprus. However, the Electricity Authority of Cyprus, the public corporation in the electricity industry, plays the role of an employer's organisation in the electricity sector. The EAC takes part in consultations and collective bargaining. It has the authority to sign collective agreements. EAC also takes part in tripartite concertation. The employees of the Electricity Authority of Cyprus are organised in four trade unions. Employees are organised in these trade unions according to their categories and professions.

In the Czech Republic, there is one employer organisation in the sector: the Czech Association of Employers in the Energy Sector. There are three trade unions operating in the sector: Trade Union of Power Industry Workers (the most important), The Czech Trade Union of North-western Power Workers and The Trade Union of Nuclear Power Workers.

In Estonia, there are two employers' organisations (one specific to the electricity sector, and the other, operating for the energy sector) and one trade union organisation.

In Hungary, there are three trade union organisations and one employers' association in the electricity sector. The most important trade union is the Trade Union Association of Electricity Industry Workers (VDSZSZ); the second most important trade union is the Trade Union of Mine Industry Workers; the third largest trade union is the Liga Electricity and Heat Energy Industry Trade Union (Liga VHSZ). The employers are represented by an employers' association, the Employers' Association of Electricity Industry Companies.

There is no employer organisation operating at sector level in Latvia. Latvenergo supplied around 93% of the total electricity generated in Latvia and employs about 90% of the employees in the electricity sector. Therefore, Latvenergo is the main actor of social dialogue in the electricity sector. It is all the more true since agreements negotiated by Latvenergo also cover the rest of small electricity producers. The Latvian Trade Union Enerģija is the only trade union which operates in the sector.

In Lithuania, the Lithuanian Electricity Association is the only organisation in the sector but does not take part in collective bargaining. It is not a part of its statute and it is not granted by its members to negotiate on their behalf. The Lithuanian Federation of Energy and Electrical Workers Trade Union prepares methodological material for its member unions' participation in collective bargaining at enterprise level. The member unions have signed 40 collective agreements at enterprise level.

Collective bargaining is conducted at enterprise level in Malta. The main players involved in this process are the General Workers' Union (GWU) through its Chemicals, Energy and Printing Section, the Enemalta Professional Officers Union (EPOU), the Union of United Workers (UHM) and the Enemalta Senior Staff Union. Workers are organised in the trade unions according to their professional grades. The two first organisations are the main players, whereas the two others do not have an active role in collective bargaining. On the employers' side, the Enemalta Corporation is represented in collective bargaining by the Assistant Human Resource Manager and the Deputy Chairman.

On the employer's side, there are five organisations that are recognised for participating in bipartite social dialogue in the electricity sector in Poland. These organisations are principally organised according to activities. In 1996, all employers' organisations were grouped in a federation of employers' organisations for the sector. This federation coordinates the other organisations and allows a greater consistency without substituting the employers' organisations. Five organisations represent workers in this dialogue. Only the two unions that are members of NSZZ "Solidarnosc" are structured according to sub-sectors. The other unions group workers more transversally, particularly by professions.

In Romania, the Employers' Federation "Energetica" is representative for the electricity sector and covers all the sub-sectors. The Federation participates in collective bargaining at sector level. There are four trade union organisations in the sector, with all professional categories of workers in each of them. They are recognised as representative for the electricity sector.

The employers in the power industry are represented by the Union of Employers of Power Industry in Slovakia. The Union of Employers participates in collective bargaining at the sector level. The Slovak Trade Union of Workers in Energy and the Association of Trade Unionists in Nuclear Power of the Slovak Republic are the two trade union organizations participating in collective bargaining in the sector. They have different membership domains.

There is no employers' organisation taking part in collective bargaining in the electricity sector in Slovenia. The employer is represented by the State. In the future, collective agreements will probably also be signed by sector employer associations. The Trade Union of Workers in Energy Activities of Slovenia is the branch organisation of the Association of the Free Trade Unions of Slovenia (*Zveza svobodnih sindikatov Slovenije*, ZSSS) which operates in the energy sector.

In Turkey, employees of the electricity sector are represented by three trade unions, of which one is able to participate in collective bargaining (because it is able to pass the obligatory 10% threshold). The trade union is able to take part in collective bargaining is the Union of Turkish Energy, Gas and Water Workers' Unions. There is no organisation that represents employers in the private sector. In the public sector, there is one employer organisation that represents most of the Turkish public sector, the Public Industries Employers' Association of Turkey. This organisation negotiates collective agreements for public sector workers under a Labour law contract (mostly blue-collar workers) with the trade unions mentioned above. There are also four public servants' trade unions, which operate under the Public Servant Trade Unions Act. These public servants' trade unions have no right either to participate in collective bargaining or to strike.