LIBERALIZATION AND LABOR INCORPORATION IN POSTCOMMUNIST EUROPE: A Paired Comparison of Poland and the Czech Republic

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Abstract

A second generation of studies of post-communist labor has begun to take variations in labor relations more seriously despite continuing evidence of union decline and labor passivity. This paper is a contribution to this batch of studies, employing a paired "most similar systems" comparative analysis of Poland and the Czech Republic between 1989 and 2010. In lieu of familiar indicators such as union density or strike frequency, I look at the ability of labor to dilute or slow down efforts to boost employer flexibility in the process of revising labor codes and other regulations related to collective bargaining, job rights, and working conditions. Despite the role played by Solidarity in bringing down the communist regime and designing privatization in Poland, I show that Czech labor had more long run success in preempting the dilution of key provisions related to long-term contracts and collective bargaining coverage (among other things). In explaining the variation, I construct a modified version of the "labor and left" thesis once used to address variation across advanced capitalist economies in Europe, a thesis that has been viewed as irrelevant or inapplicable when it comes to Central and Eastern Europe. I point to the role of the main Czech legacy union (CMKOS) in preventing the dilution of labor power. I also emphasize the stability of the Czech party system and the crystallization of an electorally viable set of left parties (an ex-communist party AND a revived social democratic party) that, despite their differences, have lined up on the same side in opposing employer flexibility and courting working-class support. This argument also implies that history continues to matter, but not in a linear fashion: inherited legacies do not simply continue to exert the same causal effects across time and space, but key historical elements do matter in complex explanations of emergent differences as we move further beyond the crisis and uncertainty of the early years of postcommunist transition.

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“Numbers only tell part of the story. Where many observers around the world see only decline, I see increased democracy, greater pragmatism and freedom for millions of workers to form representative organizations to engage in collective bargaining with their employers and to participate in decisions affecting society and the workplace.”


**Introduction**

This paper is motivated by the question of whether the optimism implied in the former ILO Director-General’s statement may be more warranted in some places than others. Despite the decline in density and influence of trade unions worldwide, there remain important cross-national differences in labor relations. These differences – evident in such aspects as the content of labor regulations, the use of temporary fixed-term contracts, and the extent of coverage under collective bargaining – may not be as large as they were a quarter or half century ago. Nevertheless, they have a significant impact on the actual well-being of workers in different countries and thus point to consequential differences in modalities of labor politics. This suggests that labor’s effectiveness in a global age is not merely a function of union membership. Much depends on how organized or fragmented that membership is and how concentrated or dispersed the labor’s resources are within a given context and institutional setting.

This paper is concerned with the fate of organized labor in post-communist Europe, where labor has been viewed as even more weak and passive than in other places where union decline has accompanied economic liberalization. Employing a paired comparison of the Czech Republic and Poland, I seek to establish, and trace the sources of, emergent variations in labor relations across two Visegrád countries that were once governed by communist parties but are now European Union members with consolidated democracies as well as functioning market economies that have been integrated into the global economy. Certainly, all other things being equal, more cases may be preferable when it comes to mitigating the problem of “too many variables, too few cases” in a small-N comparison. Yet, in the absence of a book-length study, it

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3 This paper, in fact, is part of such a project, comparing three pairs of post-communist cases chosen from different regional settings: Poland and the Czech Republic as EU members, Russia and Kazakhstan as hybrid regimes
is difficult to trace the complex, interactive processes that contribute to the twists and turns of labor politics over two decades across several cases. Within a single article, paired comparisons involving well-matched cases at least offer the possibility of a dramatic leap beyond single-case studies in our ability to conceive of new hypotheses while also preserving the possibility of closer attention to context-specific processes. Here, the two countries have been chosen to satisfy the conditions for a “most similar” systems approach. Poland and the Czech Republic are both postcommunist countries that have made a successful transition to a market economy, that have established viable democratic institutions, and that are now members of the European Union. In typologies of postcommunist capitalist economies, the two countries are frequently classified in the same category, as Bohle and Greskovits have recently done under the label of “embedded liberalism” (which distinguishes all of the Visegrád countries from the “neoliberalism” of the Baltic states and the “neocorporatism in Slovenia). And, in relation to organized labor, Polish and Czech unions have both experienced significant union decline, with levels of union density converging at a level close to 15 percent (see Table 1 in the next section).

Despite these similarities, variations can be identified in labor’s role in the transition, and in the extent and sources of organized labor’s weakness. These variations may seem small at first glance but they are potentially significant against the backdrop of the struggles faced by labor worldwide in the face of global pressures for flexibilization. To gauge the extent of labor weakness/strength, I eschew such standard indicators as union membership (which has fallen in virtually all countries where manufacturing accounts for a declining share of GDP); labor militancy (which has fluctuated greatly within countries, with high militancy in CEE contexts often being a sign of unions’ inability to bargain effectively); or the performance of formal corporatist institutions (which may produce tripartite agreements but not necessarily social protection in the absence of widespread coverage and stable employment). Instead, I focus on the varying levels of ease with which labor regulations have been revised to increase employer flexibility. The push by business for greater “flexibilization” has been a key challenge facing unions and workers worldwide for more than two decades now. But, the challenge is even more powerfully felt, both in material and symbolic terms, in societies that effectively made a virtue out of “rigidity” in communist systems of industrial relations. With some minor variations, these systems were embedded in a system of central planning and featured highly codified regulations that guaranteed long-term employment security, made unions the custodian of key social benefits, and limited the freedom of managers to dismiss or reassign workers. In the process of post-communist transitions. In postcommunist CEE, what is intriguing is that elites who were

descended from the Soviet Union, and China and Vietnam as Asian authoritarian regimes where communist parties remain in power but have diluted the requirements for party membership while vastly expanding the scope of private enterprise.


willing and able to jettison the entire system of central planning and craft brand new constitutions somehow felt obliged to retain and revise, rather than discard or completely rewrite, the elaborate labor codes they had inherited from their communist predecessors. To be sure, in Poland and the Czech Republic as in other CEE countries, labor regulations have been relaxed dramatically to give businesses to greater operational flexibility. But, at least through the first two decades of transition, it is also evident that employer flexibility was constrained to a significantly higher degree in the Czech Republic, with consequences evident in such areas as the percentage of employees with long-term rather than temporary contracts, the extent of collective bargaining coverage for the workforce, the procedures and costs of termination, and the observance of labor standards. This is the variation that this paper seeks to elaborate upon and partially explain.

Significantly, the time period under consideration stretches from 1989 until 2010. This periodization not only provides an opportunity to update stories of postcommunist labor based mostly on observations drawn from the first decade of transition; it also offers a chance to develop a revised narrative that discounts the extreme uncertainties and exceptionally fluid dynamics during the early years of transition (from 1989 through the mid-1990s) and takes into account the gradual emergence of more “routinized” interactions from the late 1990s onward.\(^7\) The sense of chaos and crisis evident in the first years of postcommunist transformation undoubtedly had a profound impact on all actors’ goals, choices and relationships, with workers fearing loss of material security and political elites fearing a social backlash that could halt the transition. While these early dynamics continued to shape the subsequent evolution of labor politics across CEE countries, it is also important to recognize that, over time, a more stable pattern of labor politics crystallized within a more predictable setting. The emerging modes of labor relations featured actors with greater familiarity with the new institutional environment and with the ebbs and flows of political competition and economic performance. At the same time, trends since 2010 are not taken into account in light of the fact that a number of special policies and provisions have been introduced in several CEE countries, including in the sphere of labor relations, to cope with exigencies triggered by the global financial crisis. It is simply too soon to tell whether these provisions will be extended, and whether or how they will redefine core aspects of labor relations going forward.

The first section below considers existing treatments of postcommunist labor, distinguishing between a first generation of studies that understandably focused on the common challenges facing labor in the CEE region and an emergent second generation of comparative studies that has been more concerned with variation-finding comparative analysis. The second section examines the extent to which revisions of labor codes as well as other industrial relations acts and social policies have combined to enhance employer flexibility between 1989 and 2009. I argue that this process advanced faster and further in Poland – and thus produced less favorable consequences for labor – than was the case in the Czech Republic. In section three, I go on to

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\(^7\) The implications of the extreme (Knightian) uncertainty and tremendous fluidity of the early transition years has not been adequately taken into account in postcommunist transformations. A notable exception is Bohle and Greskovits; see also my own treatment of Russian labor politics in Rudra Sil, “The Fluidity of Labor Politics in Postcommunist Transitions: Rethinking the Narrative of Russian Labor Quiescence,” in Gerald Berk, Dennis Galvan and Victoria Hattam, eds. Political Creativity: Reconfiguring Institutional Order and Change (Philadelphia: University of Pennsylvania Press, 2013).
develop a causal story that partially explains this variation, focusing on how the specificities of the transition process shaped the possibilities for two factors that jointly represent necessary conditions for relatively more favorable outcomes from labor’s perspective: (i) the concentration of labor power through a large trade union federation that represents at least half of the unionized workforce and has significant material resources inherited from the communist era; and (ii) the possibilities of an electorally viable left-of-center block in the parliament that inherently adopts a more pro-labor legislative agenda and that (officially or unofficially) draws electoral support from organized labor. The fate of organized labor thus depends on both its degree of internal unity and its support for stable left-of-center party (or set of parties) that independently adopts a platform that speaks to the concerns of most workers in most sectors. In then clarify how my argument may be distinguished with a number of specific propositions previously offered on labor politics in Poland and the Czech Republic. The concluding section highlights the need to adjust our measures of labor influence as well as our understandings of the role of historical legacies as postcommunist transitions move forward in time.

I. The Comparative Study of Post-Communist Labor: Taking Differences Seriously

The success of the Solidarity-led movement in Poland, along with other instances where labor played a highly visible role in challenging communist regimes during the late 1980s (the miners’ strikes in the Soviet Union – initially spawned hopes that unions could spearhead the emergence of civil society throughout the postcommunist world. Within a decade after the fall of communism, however, a much bleaker picture emerged: “Not only have unions not experienced a rebirth – on the contrary, they have seen a drop in membership – but they have been largely unable to create for themselves a pronounced political role to allow them to shape the postcommunist transformation.”

Given the general consensus that labor throughout the CEE became weaker, it is not surprising that the reasons for this have been traced back to one of the key elements shared by CEE countries: their common inheritance of a communist system of labor relations in which unions served as transmission belts for party apparatchiki and managerial elites. A key element of this inheritance were “legacy unions,”9 those trade unions that had descended from, or been carved out of, official trade union federations set up by the communist regime. Although such unions benefitted from the assets, membership base, and organizational structures inherited from their predecessors, they were thought to exhibit “weak union identities” wedded to preexisting practices of collaborating with state and management to fulfill production targets and preserve labor peace.10 And, to the extent that some (especially newer) unions adopted more independent stances, they were hampered by workers’ own anxieties with respect to their jobs, wages, and benefits; these anxieties, far from spurring unrest,

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9 The term “legacy union” is from Teri Caraway, “Pathways of Dominance and Displacement: The Varying Fates of Legacy Unions in New Democracies,” World Politics 64, 2 (2012): 278-305. Note that the concept need not be limited to postcommunist settings.

made it easier for a new cohort of elites across postcommunist Europe to lock in social policies that marginalized unions and produced deep divisions across segments of the workforce.\textsuperscript{11}

Of course, most studies of postcommunist labor took note of particularities of labor politics and union behavior in individual countries. Given that most of these studies were single-country analyses, however, these particularities did not stand in the way of linking case-specific causal stories to a general meta-narrative of weak or quiescent labor. Even with collections of essays that were organized around similar questions, the absence of a standard set of metrics for comparing the extent and pathways of labor’s decline meant that there was no systematic way to establish, let alone explain, variation in outcomes. This dynamic is evident the volume compiled by Crowley and Ost, which is perhaps the single-best source for an overview of labor politics in the first decade of postcommunist transition. While the country-specific insights captured in this volume are truly impressive and extremely valuable, each of the chapters follows slightly different rules for coding labor strength/weakness and produce differently structured causal stories that are difficult to systematically compare. Thus, even as particularities and cross-national variation are acknowledged, these do not stand in the way of a more general conclusion concerning the basic elements of labor weakness such as falling union density, low and ineffectual strike action, toothless collective bargaining, weak political alliances, and lack of influence over public policy.\textsuperscript{12}

The pattern is also evident in small-N studies where a standard set of concepts and measures are employed to guide the analysis of data and construct case-specific causal stories. In Kubicek’s comparative study of Russia, Ukraine, Hungary and Poland, for example, while the initial analytic framework draws attention to the differences in the pace of reform and initial position of unions, the conclusion essentially reaffirms the typical indicators of common labor weakness such as internal divisions among unions, the absence of societal trust, and lack of visibility in new sectors. Vanhuysse’s comparative study of Hungary, Poland and the Czech Republic moves away from mechanical treatments of historical legacies and emphasizes the strategic aspects of social policy; yet, the explanatory framework is designed to illuminate a common dynamic whereby organized labor in all three countries was left enfeebled by divisions and workers’ anxieties, which were similarly exploited by all three countries’ political elites’ through the selective use of social benefits to temporarily pacify different groups of workers. Both are important and sophisticated contributions to comparative labor politics, but in both, potentially significant variations and case-specific particularities are submerged under the more general narrative of postcommunist labor weakness, as affirmed in the subtitle of Kubicek’s book: “From Solidarity to Infirmity.”\textsuperscript{13}

The point of the above discussion is \textit{not} that the first generation of studies on postcommunist labor is somehow flawed or unhelpful – far from it. In fact, it is difficult to imagine a field of “postcommunist labor” without these studies. And, it is even more difficult to refute the claim that labor in postcommunist settings \textit{has} been generally weak or quiescent. It is worth noting, however, that these studies, while acknowledging differences and particularities,
tended to mute their theoretical significance in the face of the overwhelming evidence of labor weakness throughout the CEE region during the 1990s. This militated against the systematic development of inferences that might point to conditions under which relatively more labor-friendly outcomes could be expected to appear, particularly in an era when organized labor in advanced industrial countries was also struggling to maintain its relevance in the face of union decline. Moreover, given that the majority of studies focused primarily on the first decade of transition, it is worth emphasizing that anywhere from a third to a half of this period consisted of a tremendously fluid time when workers, union leaders, political elites, and economic reformers were all coping with extreme uncertainty and learning to adjust to radically new institutional environments (n. 7). Indeed, this may be one reason why Ost and Crowley defined labor weakness as the inability to negotiate outcomes that are in accord with their interests, while observing that “labor is still not clear where its interests lie.”14 The latter observation is interpreted as evidence of labor weakness, but it also underscores the fact that, during the early years of transition, none of the actors in the story of postcommunist labor politics were certain about what their interests were, let alone how to assess the costs, benefits, and risks of any one strategy for pursuing these interests. This is precisely why paying closer attention to the second decade of transition is more than a practical move to update the story of postcommunist labor; it is also a crucial analytic move that separates the initial effects of extreme anxiety and uncertainty from the dynamics that emerged as unions became more clear about their new roles as defenders of workers’ interests, and as workers came to understand how those roles might relate to their well-being in a market economy.

In more recent years, there has emerged a second generation in the study of postcommunist labor. This group of studies is marked by a common interest in establishing, and then seeking to explain, cross-national differences in labor politics through systematic variation-finding comparative analysis. Some have emphasized the significance of differences in the extent of labor fragmentation, and in the nature of relationships with political parties, with inter-union competition being seen by some as a potential source of useful militancy, but by others as a mostly divisive force that makes it difficult to extract concessions through formal bargaining processes.15 Others have observed that, despite the apparent quiescence of labor at the national level, significant variations have emerged in the frequency of labor protest in specific locales or sectors, not only in even in the case of hybrid regimes.16 Still others have focused on differences in the impact of organized labor and social dialogue on economic restructuring in countries with more consolidated and transparent democracies,17 and others have put more stock on how previously obtained concessions, resources and experiences helped some unions (such as Solidarity in Poland) to exert relatively greater influence on the design and implementation of

privatization processes.\textsuperscript{18} And, with the EU accession drawing attention to the issue of minimum labor standards for member states, some studies have focused on how variation in state capacity affects the ability of organized labor to influence industrial relations,\textsuperscript{19} how the presence of multi-national corporations can generate more focused labor mobilization among unions,\textsuperscript{20} and how the combination of high union density and robust corporatist institutions (as evident in Slovenia) might serve as a model for regenerating labor influence.\textsuperscript{21}

These studies collectively suggest that organized labor’s prospects are not uniformly dismal in all post-communist settings. They also imply that union weakness, even where it is more pronounced, is not simply an inevitable result of communist legacies, especially in those CEE countries where democratic institutions have been in place for nearly a quarter century. At the same time, the studies offer different metrics for measuring labor strength/weakness, different sets of positive and negative cases, and different causal mechanisms and explanatory strategies. The rival claims and varied observations contained in these studies have yet to be assessed or aggregated in a way that allows us to trace the overall trajectories and prospects of labor mobilization across nations and over time. The remainder of this paper takes some preliminary steps in this direction by first considering the relative efficacy of organized labor in Poland and the Czech Republic (treating the latter as the more successful case), and then outlining a causal story that adjusts standard narratives about communist legacies and highlights how distinct modes of transition led to different degrees of fragmentation in labor power and to different roles for left-of-center parties that voluntarily pursued labor-friendly agendas as labor politics became more normalized and predictable after the mid-1990s.

\section*{II. Gauging Labor Strength/Weakness Across Postcommunist Settings}

The assumptions governing communist-era labor relations – which stressed the unity of interests among planners, managers and shopfloor workers – were fundamentally in conflict with the very idea of a labor market based on contracts among individual workers and employers. In the course of postcommunist transitions, state, business and labor had to develop fundamentally different understandings of industrial relations and fundamentally different conceptions of their respective roles and interests. And they had to go through this transformation in a time when governments and employers throughout the world were continue to push for “flexibility” in their ability to employ/dismiss workers, establish short-term contracts, and adjust working hours

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\textsuperscript{18} Agnieszka Paczyńska, State, Labor, and the Transition to a Market Economy: Egypt, Poland, Mexico, and the Czech Republic (University Park, PA: Pennsylvania State University Press, 2009).

\textsuperscript{19} Bohle and Greskovits, p. 191.


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according to shifting production requirements. In contrast to developing or industrialized countries engaging in liberalization and privatization, postcommunist countries were coping with the simultaneous (re)establishment of democracy and markets; the dismantling of an entire system of central planning predicated on state-managed production and full employment; and the construction of a market-based system of labor contracts that would take into account the worldwide push for flexible employment practices suitable for a global post-Fordist era. This is a far greater challenge than that faced by labor in places that embarked on neoliberal reforms in an environment that already had a private sector, functional labor markets, and some experience with bargaining between representatives of business and labor who are not formally beholden to government ministries or ruling parties.\textsuperscript{22}

\textit{II. a. The Complex Challenges Facing Postcommunist Labor}

Trade unions in the communist era had been treated as “transmission belts” in managing social benefits and ensuring smooth production in line with plan targets; the independent representation of workers’ interests was limited to the watchdog function of ensuring that dismissals or reassignments were conducted properly.\textsuperscript{23} With the advent of postcommunist transitions, trade unions quickly had to adjust to a radically different set of roles, expectations, and constraints in an entirely new institutional setting. In the process, they had to redefine their relationship with employers, who now had entirely different attitude towards labor costs, as well as with union members, who were trying to understand the new rationale behind a more voluntary form of membership. As a result, the challenge facing organized labor in postcommunist countries was of an entirely different order of magnitude and intrinsically more complex, at least when compared to that facing labor in other countries undertaking neoliberal reforms. Thus, even if it might be true that postcommunist labor was exceptionally weak or passive in the first decade of transition, this is not as much as a “surprise” or “puzzle” as some initially suggested.\textsuperscript{24} Considering the enormity and simultaneity of the many transformations that postcommunist labor was adapting to, it is only to be expected that they would wield less influence than labor in places where fluid labor markets and independent unionism had emerged well in advance of pressures stemming from post-Fordism.

Under these conditions, the usual metrics for estimating relative labor “strength” or “weakness” do not map on well to the conditions of employment that workers experienced in the course of transition. Perhaps most problematic is establishing the significance of the steep decline in union membership and density during the first decade of postcommunist transition. Most communist regimes featured an artificially high level of union membership, usually in the

\textsuperscript{22} For a systematic discussion of the similarities and differences facing labor in postcommunist and late-developing societies, see Rudra Sil and Christopher Candland, “Institutional Legacies and the Transformation of Labor: Late-Industrializing and Post-Socialist Economies in Comparative-Historical Perspective,” in Candland and Sil, eds. The Politics of Labor in a Global Age: Continuity and Change in Late-Industrializing and Post-Socialist Economies (New York: Oxford University Press, 2001).

\textsuperscript{23} For an overview of communist-era trade unionism, see Alex Pravda and Blair A. Ruble, eds. Trade Unions in Communist States (Boston: Allen & Unwin, 1986).

\textsuperscript{24} Crowley (2004); Kubicek (2004); Ost and Crowley (2001a, 2001b).
neighborhood of 80-90 percent (but closer to 55-60 percent in Poland where the communist regime had not pursued full-scale collectivization or comprehensive unionization in agriculture). This high level was the result of automatic enrollments and dues check-offs at all workplaces, accompanied by a system of union-managed enterprise-centered distribution of social benefits. It is hardly surprising that the end of the dues check-off and the removal of unions from the distribution of social benefits would instantly lead to a mass exodus from unions. What is often ignored, however, is the reduction in the rate of union decline over time. As Table 1 shows, the figures for membership and density in Poland and the Czech Republic dropped far more quickly in the 1990-1995 period (with density dropping by an average of 4-6 percent a year) than in the period since 2000 (when the decline averaged 1 percent a year).

<table>
<thead>
<tr>
<th>Year</th>
<th>Czech Republic</th>
<th>Poland</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990</td>
<td>3,820,000 (78.8%)**</td>
<td>6,300,000 (53.1%)</td>
</tr>
<tr>
<td>1995</td>
<td>2,000,000 (46.3%)</td>
<td>3,420,000 (32.9%)</td>
</tr>
<tr>
<td>2000</td>
<td>1,080,000 (27.2%)</td>
<td>2,550,000 (24.1%)</td>
</tr>
<tr>
<td>2005</td>
<td>785,000 (19.7%)</td>
<td>1,992,000 (19.0%)</td>
</tr>
<tr>
<td>2009/10</td>
<td>709,000 (17.3%)</td>
<td>1,850,000 (15.0%)</td>
</tr>
</tbody>
</table>

* Data from the Organization of European Cooperation and Development (OECD.stat); extracted April 30, 2013. The 1990 data is for the Czech region of Czechoslovakia but is comparable to later data on the Czech Republic.

The story of union decline in the west or in some parts of the developing world reflects a quite different dynamic related to a slower, longer-term structural shift from an industrial society with a large blue-collar workforce to a post-industrial society with a much larger portion of the workforce in the services. It may be possible to compare this pattern of union decline to what happens in many postcommunist countries during the second decade of transition, since we begin to see the effects of integration into the EU and global economies and of the rise of a private service sector that accounts for an increasingly large portion of CEE economic growth. But, this also implies that we need to discount the exceptional drop in union density in CEE countries during the first five years, or else we risk overestimating union decline in later years to the point that they seem to be headed towards extinction.

It is also not safe to assume that relative labor strength can be accurately gauged by comparing frequency of protests and strikes organized by unions. The challenges of mounting

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25 See also Klaus Armingeon, “Trade Unions and Industrial Relations in Postcommunist Countries: A Comparison with Established Democracies,” Presented at the Conference of Europeanists (Council of European Studies, Chicago, March 2006).
effective forms of collective action in the early years of postcommunism have been well-documented, especially given the lingering tendencies among union officials to be cooperative and the extreme anxiety of workers fearful of dismissals. Protests and strikes did occur more frequently in some countries than others, as was the case during certain periods in Poland, Bulgaria, and Romania. Yet, even in these cases, it is clear that labor militancy at best produced temporary concessions in particular sectors, and at worst was an indication of unions’ inability to bargain effectively in defending workers’ jobs and livelihoods. In effect, militant unions, primarily in Southeastern Europe, may have been able to win several “battles” but in the process weakened their chances of moving forward in the bigger “war” for more meaningful influence and participation.

Similarly, the establishment of formal corporatist institutions or negotiation of general tripartite agreements may create an illusion of labor influence that is at odds with the realities on the ground. Much depends on whether formal participation translates into positive outcomes for labor, for example where this participation either divides the labor movement or enables certain political elites to elicit the support of union leaders at the expense of the rank-and-file. It is especially important not to overestimate the significance of union involvement in the implementation of privatization or other aspects of economic restructuring requiring mass layoffs or wage cuts. The author of one recent study, for example, is deeply impressed by Solidarity officials’ presence in negotiating the terms and methods of privatization in certain sectors. But, the entire framework within which these negotiations were conducted allowed for the prospects of sharply rising unemployment as well as steep declines in real wages, which, in turn, undercut Solidarity’s and other Polish unions’ collective prospects for stemming membership decline and mounting effective challenges on behalf of the working class. Thus, formal, institutionalized consultations over market reforms cannot be taken as an indicator of labor strength in the absence of a more unified trade union movement that pursues objectives that actually matter to its rank-and-file members, most notably job and income security.

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28 Kideckel; see also Bohle and Greskovits, pp. 184-91.

29 Ost (2000).


31 Paczyńska.

II.b. Constraining Employment Flexibility: Poland versus the Czech Republic

In view of the limitations of standard indicators of labor strength in the context of postcommunist transitions, I focus on variations in the extent to which shifting labor regulations and social policies constrain employers in search of increased flexibility in employment practices. Flexibility refers to the ease with which employers can hire or dismiss workers, the cost of dismissing workers, the possibilities for hiring workers on the basis of temporary (fixed-term) contracts, and the opportunities to adjust wages and benefits in a manner that is not constrained by collective bargaining agreements protected by national law. Flexibility may well be a desirable attribute of labor markets all other things being equal, and it may well be a basis for greater efficiency and more cost-effective strategies for boosting economic growth. However, I am not concerned here with the impact of labor regulations on growth or productivity; I am concerned here with estimating the relative weakness/strength of organized labor. For this purpose, especially in postcommunist settings where job security was typically guaranteed and “rigidities” in employment were considered to be the norm, the central issue is whether organized labor is able to resist the efforts, led by business and often backed by the state, to limit the pace and scale of layoffs necessitated by redundancies and bargain for better job security and social protection for employees.

In effect, regulations that enhance flexibility in labor markets and employment practices are also ones that compromise job security and potentially allow for reductions in real wages and in the level of social benefits necessary to avoid poverty. Of course, formal constraints on employers can often be ignored or bypassed; thus it is also important to examine whether emergent variations in the content of labor regulations, especially are correlated with variations in actual employment levels and working conditions (unemployment rates, coverage under collective bargaining agreements, restrictions on fixed-term contracts, and the costs to employers of layoffs). In the remainder of this section, I provide some preliminary evidence that Czech unions have done significantly better than Polish unions, at least through the end of the 1989-2009 period, in constraining employer flexibility and ensuring regulations and policies that maintain (relatively) high levels of social protection for employees.

Labor regulations were initially not a focus of postcommunist market reforms. The post-1989 governments in both Poland and Czechoslovakia were focused on large-scale economic restructuring – meaning the removal of price controls and the privatization of state firms and other assets – while preempting a major social backlash anticipated by many observers.33 In the Czech case, what stood out was the role of labor sympathizers in the Czech Ministry of Labor who pressed the Václav Klaus government to establish a pact establishing wage restraint in exchange for employment stability. In the Polish case, what stood out were the opportunities granted to Solidarity trade unionists to present alternative plans for privatization that might protect certain categories of rank-and-file workers in certain sectors while arranging unemployment benefits and generous severance packages for others.34 In the Czech case,


although real wages declined for a short period, the low level of unemployment (under 5 percent for most of the 1990s), backed by a campaign to build public support for mass privatization, served to preempt a major social or electoral backlash and keep Klaus’ government intact through 1997. In Poland, however, the combination of hyperinflation, sustained decline in real wages, and double-digit unemployment led to rising militancy initially pushed by non-Solidarity trade unionists and the 1993 electoral defeat of candidates that had once been backed by Solidarity in favor of ex-communists. However, in neither country was the story initially about trade union effectiveness: Polish unions in the early 1990s were too committed to building a market economy to worry about the social protection of workers, and Czechoslovak unions were busy trying to reorganize and assess whether existing structures could be adapted to new roles.

Labor’s battle to constrain employer flexibility began in earnest in the mid-1990s in the context of amending the Labor Code, the document that has the greatest bearing on the social protection of employees. Whereas all countries have labor regulations of some sort, most postcommunist countries inherited detailed, comprehensive Labor Codes (drafted in 1965 in Czechoslovakia and in 1974 in Poland). These codes were crafted for use within a system of central planning in which the interests of planners, managers and workers were assumed to be more or less unified, thus confining the role of trade unions to assisting in achieving production targets, maintaining labor peace, and managing the distribution of enterprise-provided social benefits. One would have expected that in the context of a transition to a market economy and a multi-party democracy, such a code would be immediately jettisoned along with other institutions of central planning. Yet, in most of the CEE, and certainly in Poland and the Czech Republic, the Labor Code was retained as the main basis for regulating employment relations, with new acts added on in 1990-92 to address collective bargaining and the right to strike. The first efforts to amend labor codes in Poland and the Czech Republic got under way under left-of-center governments, with revised versions adopted in Poland in 1996 and in the Czech Republic in 2000. A more significant, and more hotly contested, round of revisions preceded the adoption of the 2002 version of the Polish Labor Code (with minor adjustments in 2004 to meet standards set in the EU’s Charter of Fundamental Rights) and the 2006 version of the Czech Labor Code (which incorporated these standards). Both of these revised codes reflected a much stronger push by business to promote substantially greater flexibility of employers, to go along with a more serious curtailment of the role of unions and of the rights and guarantees for workers.

Yet, in the end, the results were more satisfactory to the trade unions – and more unsatisfactory to business associations and right-of-center parties – in the Czech Republic, while the reverse was true in Poland. Czech unions initially opposed any revisions to the Labor Code, but in the context of obligations and competitive pressures related to EU accession, they opted to join tripartite discussions with employer organizations and a left-of-center government to help draft revisions to the Code in 2006. The unions pushed to maintain some constraints on employers, and in the end, they were relatively satisfied with the revisions to the point that they

protested later in the year when a newly elected right-of-center government considered postponing enforcement of the revised Code by one year.37 Polish unions, on the other hand, even ones allied to the left-of-center government in power at the time, not only objected to the revisions of the Labor Code but were quickly pushed to the sidelines while government and business negotiated to dramatically increase employer flexibility.38 Table 2 captures several important and consequential differences in the amount of flexibility available to employers in the 2002 Polish Code and the 2006 Czech Code.

<table>
<thead>
<tr>
<th>Table 2</th>
<th>Employment Regulations – Czech Republic and Poland</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maximum total duration of fixed-term contracts (through 2009)</td>
<td>24 months</td>
</tr>
<tr>
<td>Percent of workforce with fixed-term contracts, 2011</td>
<td>8.0%</td>
</tr>
<tr>
<td>Collective agreements percent of workforce covered (2008/9)</td>
<td>41%</td>
</tr>
<tr>
<td>Firing costs (weeks of pay for notice period and severance)</td>
<td>21.7 weeks</td>
</tr>
<tr>
<td>Paid maternity leave</td>
<td>28 weeks</td>
</tr>
</tbody>
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Most significant among these are the limitations on fixed-term (temporary) contracts. Whereas the Polish Labor Code removed all restrictions, the Czech Labor Code established a maximum limit of two years for fixed-term contracts (whether in the form of a single contract or a series of contracts renewed continuously). These limits would be extended in the Czech Republic in 2012 in the midst of a global and EU financial crisis, but up until that point, the restrictions on fixed-term contracts had an extremely important effect in ensuring adequate opportunities to earn adequate incomes and retain job-related benefits through full-time employment that also enjoyed the protection of other labor regulations noted below (such as collective bargaining or dismissal/severance requirements). Thus, in Poland, the percentage of

employees on fixed-term contracts at the end of 2011 was the highest out of the EU at 27.2 percent and nearly double the 14.1 percent average for the EU-27 countries; by contrast, in the Czech Republic, the corresponding figure was just 8 percent, 6 points below the EU-27 average.

With respect to collective bargaining, which in the Czech Republic is covered in a separate 1991 that is not formally a part of the Labor Code, national-level tripartite agreements are generally more likely to have been reached and implemented in the Czech Republic than Poland. Moreover, the possibilities for concluding higher-level agreements (involving multiple employers who negotiate with unions at the sectoral or regional level) are far more likely to be concluded in the Czech Republic than in Poland. But, the most reliable indicator of trade unions’ stronger role in wage bargaining in the Czech Republic is the overall coverage offered by any type of collective agreement. Although the percentage of workforce covered by company-level or higher-level agreements has generally fallen throughout the CEE region, at the end of the second decade, the ratio was still significantly higher in the Czech Republic than in Poland. The Czech Statistical Office reports that about 41 percent of the workforce was covered by some form of collective bargaining agreement in 2009 (with another 41 percent definitely not covered, and an additional 17 percent unclear about the legal status of their contracts). In Poland, the Labor Inspectorate, while it does not offer exact figures for the percentage of workers covered by collective agreements, noted in June 2008 that fewer than 2 million workers out of a workforce of 12 million were covered by agreements, implying somewhere around 14-18 percent coverage.

Also relevant to employer flexibility are the procedures and requirements for dismissal. The 2002 version of the Polish Labor Code and the 2006 version of the Czech Labor Code both made it easier to arrange for layoffs, especially under conditions of labor redundancy. However, the overall costs to employers for laying off a worker in the Czech Republic were significantly higher owing to the longer period of notification as well as the more substantial requirement of severance pay (Table 2). Poland made allowances of one month’s pay in cases where those being terminated were eligible for retirement or disability benefits, but otherwise immediately transitioned newly unemployed individuals into the unemployment insurance scheme. The Czechs also had an unemployment insurance system, but even so, the Labor Code mandated a three-month severance package, even for those who had worked for as few as nine months with a single employer. In terms of weekly salary, the net cost of firing an employee in the Czech Republic was 50 percent higher than in Poland.

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41 The European Industrial Relations Observatory (EIRO) reports 30% as the figure for Poland, but it is likely that this is the result of a higher rate of double-counting of employees who may be covered by both company-level and higher-level (national-sectoral) agreements; see Fulton (2011). A report prepared for the European Trade Union Institute (Gardawski et al. 2012) also notes that the rate of coverage in Poland was already lower than 25 percent by the mid-2000s and likely to have dropped significantly then. This also makes the 14-18 percent estimate seem more plausible.

It is true that Poland’s unemployment insurance scheme was designed to be pay a higher level of benefits over a longer period of time in order to offset the lack of guaranteed severance pay. However, the qualifying rules are much more stringent in Poland despite its higher rate of unemployment (365 days of work in the preceding 18 months, as compared with 12 months of work in the preceding 36 months in the Czech Republic). The actual payout in Poland is a flat rate (about 110-160 Euro, based on the number of years the beneficiary has worked) and lasts for 6 to 18 months in duration, depending on the regional unemployment rate and other household income. This is certainly not a higher enough level of protection to offset the higher vulnerability to unemployment in Poland. In fact, it is the Czech Republic that has been regarded as having a generous earnings-related scheme even by EU standards: the payout begins at 65 percent of one’s monthly earnings and then declines to 45 percent in the fifth month, with the duration of the benefit lasting 5 to 11 months, depending on age. Moreover, in relation to the well-being of the newly unemployed, it is worth noting that the Polish unemployment scheme is not considered to have been effective in reducing the likelihood of poverty whereas the Czech system is viewed as one of the most effective systems at preventing poverty among those facing termination.43

There are also other indications that employer flexibility has been relatively more constrained in the Czech Republic than is the case in Poland. As Cook has noted, in both de jure and de facto observance of international labor standards among the accession states, Poland has relatively weak labor standards, whereas the Czech Republic, along with Slovenia, are the two strongest enforcers of labor standards among the CEE countries.44 In a similar vein, the European Participation Index (EPI) of European Trade Union Institute, which employs standardized measures of worker participation rights to compare EU member states, includes the Czech Republic among the 12 countries of the EU-27 coded as having “stronger participation rights.” Poland, on the other hand, is among the remaining 15 countries thought to have “weaker participation rights.”45


44 Cook sees Slovenia’s relative success here as partly a function of its strong unions, which remained cohesive and maintained relatively high density into 2000. This generated power to bargain effectively to uphold labor rights and ensure a more gradualist transition strategy. Cook (2010), pp. 176-9; see also Miroslav Stanojevic, “Avoiding shock therapy: trade unions’ role in the transition to a market economy in Slovenia,” in D. Dimitrova and J. Vávrokx, eds. Trade union strategies in Central and Eastern Europe: Towards Decent Work (Budapest: International Labor Organization, 2005), pp. 229–64. However, the Czech case is more useful than Slovenia for my purposes because the latter’s success in observing labor standards has not coincided with a sustained effort to reign in employment flexibility. Slovenia does especially poorly in terms of percentage of the workforce on temporary (fixed-term) contracts with 19.2 percent at the end of 2011. This figure is slightly better than Poland’s, which is the worst in the EU at 27.2 percent, but is well above the EU-27 average of 14.1 percent and far above the Czech rate of 8.0 percent. The data is from the European Union (Euro stat), available at: http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=lfsa_etpga&lang=en (accessed June 3, 2013).

One could argue that these differences do not necessarily benefit labor if the net effect of these various limits on employer flexibility (from restrictions on fixed-term contracts to systematic adherence to collective bargaining procedures and labor standards) is to reduce employers’ propensity to engage in hiring or increase the likelihood of foreign firms relocating to other countries. Indeed, there have been instances where subsidiaries of foreign companies have made precisely this threat in the face of strikes threatened in relations to wages, as in the case of Skoda auto plant under Volkswagen ownership.\(^{46}\) If this were to be a typical response to reduced employer flexibility, however, then we should be seeing foreign investment falling and unemployment climbing in the Czech Republic relative to Poland, where employer flexibility is higher.

Yet, precisely the opposite has been true. The Czech Republic has generally been the best performer among the Visegrád countries in terms of per capita foreign investment inflows, with an average annual figure far higher than that of Poland.\(^{47}\) As for unemployment, during the fast half the 1990s, Poland had the highest rate in the CEE region, reaching double-digits during 1993-1995, while the Czech rate of 3-6 percent was the lowest in the region, thanks in part to the low-wage / low-unemployment pact made at the outset. Yet, as Table 3 indicates, even after this “unemployment miracle” had run its course, the Czech Republic remained during the late 1990s remained on par with the average unemployment rates of the EU-15 and was still among the lowest among CEE countries.\(^{48}\) After 2000, as unemployment throughout the CEE region rose significantly, the rate in the Czech Republic exceeded 8% on only three occasions (2000, 2001, 2004). By contrast, Poland’s rate during this period remained one of the highest among CEE countries, reaching close to 20 percent for several years (2001-2005) and falling below 8 percent in only one year (2008). Also, the more problematic and less malleable long-term unemployment rate – the percentage of the workforce that has been unemployed for over 12 months and is able and seeking to resume work – has been much lower in the Czech Republic, remaining at 4 percent or below until 2010, while the rate in Poland reached double-digits between 2002 and 2005.\(^{49}\)

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47. Prior to the European financial crisis, in 2007-2008, per capita foreign investment in the Czech Republic was 60-65 percent higher than in Poland. With the effects of the crisis felt, Poland edged ahead of the Czech Republic in 2009, but the Czech figure was more than double that for Poland in 2010. As of 2011, per capita foreign investment in the Czech Republic was 30 percent higher than in Poland. Data based on total foreign investment as listed by the Organization of Economic Cooperation and Development (OECD), available at http://www.oecd.org/statistics, and population as listed by the World Bank at http://data.worldbank.org/indicator/SP.POP.TOTL (sites accessed August 10, 2013).


Of course, unemployment rates are a function of many factors, including overall economic growth, structural shifts in the economy, and demographic trends. It is also true that dismantling command economies predicated on full employment would inevitably bring a rise in unemployment. Yet, from the very beginning, the challenges created by rising unemployment and the costs of active labor market policy payouts were far greater for Poland than for the Czech Republic. This difference may not constitute direct evidence of relative trade union strength in the two countries. Yet, in assessing the role of labor in constraining employment flexibility, it is worth recognizing that, all other things being equal, stricter limits on fixed-term contracts, more explicit procedures for collective bargaining, and higher costs for termination are precisely the kinds of industrial relations attributes that facilitate consistently lower rates of unemployment.

The differences outlined here are not large in absolute terms as far as workers’ living standards are concerned. And, on the whole, there is no question that, over time, business has come to enjoy greater flexibility while workers have less social protection throughout the CEE region. Yet, in the context of global competitive pressures that have boosted employer flexibility everywhere at the expense of old social pacts and labor-friendly regulations, any comparative analysis of the current capabilities and future prospects of organized labor must take seriously variation in such areas as employment security, decent working conditions, representation in wage bargaining, and social benefits. In all of these areas, labor in the Czech Republic has enjoyed a significant and sustained advantage over labor in Poland at least through the second decade. It is thus worth considering whether the mechanisms generating this variation might be portable and whether they might, under different conditions, generate even wider variations in labor relations.

### III. Labor and the Left – Once More Unto the Breach

The causal argument offered here emphasizes two jointly necessary conditions, both of which are partly tied to the dynamics of transition, in facilitating relatively more labor-friendly outcomes, at least in regard to containing the social impact of greater employer flexibility. The first is the emergence of a cohesive labor movement, defined here as one in which a single trade union federation is able to account for over one-half of the unionized workforce, with adequate

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50 Ringold.
material assets that can be leveraged to advocate on behalf of members on issues that are not confined to any single workplace. Company unions are crucial in wage bargaining, but multi-workplace union federations are more crucial when it comes to legislation govern collective bargaining procedures. Company unions may be able to mobilize in order to resist layoffs in a particular location, but a more unified trade union organization is necessary to press for general restrictions on the termination of large numbers of workers. Company unions may be able to go on strike to protest the hiring of temporary workers, but a multi-workplace organization is needed to preserve restrictions in the Labor Code on the duration and use of fixed-term contracts labor code. Yet, operating at a multi-workplace level requires coordination, which in turn requires organizational linkages as well as a concentration of resources that can be deployed systematically to pursue agendas that affect workers in different sectors. In the face of declining union density, it is all the more critical for labor to be able to concentrate its resources so as to press for the laws and regulations that might preempt a fall in employment levels, real wages and working conditions across companies and sectors. This is more likely when a single trade union federation has the resources and membership to shape labor’s agenda and conclude agreements with state and business, even if there are few overt indications of industrial conflict.

These better outcomes are more likely if a second factor is also present. That factor is the presence of a viable, stable party (or set of parties) on the left that is likely to, with or without formal ties to unions, adopt positions in legislative debates that overlap with the agendas of trade unions. These positions would include resistance to excessive employer flexibility and offer support for higher job security, real wages, and social benefit levels for workers. Arguments about the limitations of union-party linkages in CEE countries tend to discount the specific content of a party’s program or ideological commitments, in part because of a political context in which all governing parties, including ex-communists, were initially constrained by both international obligations and the basic imperatives of transitioning to a market economy. This is one reason why some have been skeptical of the applicability to CEE countries of classic arguments about the role that left-of-center social democratic parties have played in promoting relatively pro-labor agendas in advanced industrial economies.51 But, again, it is important to separate the behaviors of parties in the early period of postcommunist transition from behaviors that might emerge once new political and economic institutions are in place. That is, once a market economy is functioning, left-of-center parties, whether ex-communist parties or resurrected social democratic parties, are in a position to behave somewhat like their counterparts in Western Europe (even joining with the latter to form blocs in the European parliament!) and are more clearly distinguishable from right-of-center parties on the basis of relatively more pro-labor stances in debates related to social policy and industrial relations. Under these conditions, labor begins to benefit from the presence of viable, recognizable left-of-center parties that seek working class support and have enough clout to slow down efforts to dilute worker-friendly labor regulations. This does not imply EU-wide convergence in labor politics; it only suggests that, after the initial period of transition, the range of variation across CEE countries is likely to increasingly correspond to the range already evident in Western Europe.52


52 Armingeon.
Thus, the general argument here (see Figure 1) is that, under conditions of declining union membership in the midst of postcommunist reforms, the drift towards progressively greater employer flexibility is likely to be better contained (i) where there exists a unified trade union federation that can concentrate its resources and memberships to pursue agendas that relate to multiple workplaces and sectors, and (ii) where these agendas overlap with those of one or more parties on the left that can collectively manage to periodically form government or, failing that, form a sizable enough opposition to block pro-employer legislation. Thanks in part to the nature of the transition process (discussed below), these conditions emerged in the Czech Republic by the late-1990s and remained in evidence through the second decade of the transition, including during a critical 2002-2006 period when amendments to the Labor Code as well as other social policies were being hotly debated. Similar conditions might have emerged in Poland had the transition process unfolded differently. As things turned out, however, Solidarity’s shift from opposition movement to a party charged with reform left labor deeply divided and even forced Polish ex-communists to squander their initial electoral success (1993-97) on pursuing compliance with international institutions overseeing its transition to a market economy.

![Figure 1: Labor Power and Strength of Left Parties](image)

III.a. Labor Power: More Fragmented in Poland

In relation to the labor side of the equation, the degree of labor power fragmentation has been far greater in Poland and the Czech Republic from even before the transition unfolded. The story of Polish trade unions under communism is somewhat distinctive in that the Polish regime never pushed for the same level of comprehensive unionization that other communist regimes did. The decision not to pursue collectivization in the face of agrarian protests also meant that agricultural workers were not systematically organized into unions that could be managed by the Communist Party-backed centralized trade union apparatus. Polish communist labor relations also produced a more robust history of autonomous worker mobilization than in other communist bloc countries, with workers in many firms and sectors engaging in uprisings for independent
Although the regime periodically responded to these demands with selective concessions, including with a new Act on Trade Unions that would decentralized union structures, the regime sought to reestablish tight control over unions and labor’s frustrations continued to grow. These frustrations ultimately helped to transform the Solidarity trade union front into a full-scale resistance movement against the regime during the 1980s. It is during this period in which the present fragmentation of Polish labor has its roots. When Solidarity was formally declared to be an illegal body for a brief period in 1982-84, it went underground and developed its own independent source of finances, while the government sought to undercut its membership by establishing yet another regime-sponsored trade union apparatus, the All-Poland Alliance of Trade Unions (OPZZ). Although it was seen as a creation of the old communist regime, OPZZ survived and became the main voice of labor discontent in the first years of market reforms. In the meantime, Solidarity activists emerged victorious and its trade unions supported Solidarity politicians who were at the forefront of crafting the postcommunist transformation. It is true that Solidarity was the beneficiary of significant financial resources made available to it by foreign sponsors, including the United States’ National Endowment for Democracy and the Central Intelligence Agency as well as the George Soros Open-Society Foundation. But, the value of these resources for the livelihood of workers and the rights of trade unions is questionable, since Solidarity quickly became the main architect or a reform program. Thus, Solidarity’s rank-and-file found itself without a voice to represent concerns over plummeting real wages and skyrocketing unemployment, while the leadership accepted the premise that high unemployment was a necessary if temporary condition for completing the dismantling of the old regime and establishing a full-blown market economy. Under conditions of extreme hardship, OPZZ began to attract new members and became a viable alternative to the trade union membership, and several groups left Solidarity’s national organization to form an alternative radical group (Solidarity 80) to take on the government. Although labor protests surged in 1993, and Solidarity trade unionists did organize some of these protests, the divisions within the labor movement were already entrenched, with little possibility for concentrating labor power to resist further changes that might weaken trade union rights and social protection for employees.

Even after the initial transition was well under way, these divisions within the labor movement became a key element of the more routinized patterns of labor politics that crystallized in Poland from the mid-1990s on. Solidarity unions typically sided with right-of-center political parties (even as they changed labels and leaders), whereas OPZZ tended to ally with the ex-communist party that led the Democratic Left Alliance (SLD). The fundamentally

54 Gardawski et al.; Paczyńska, ch. 2.
55 Paczyńska, p. 54; see also Jan Kubik and Grzegorz Ekiert, “Civil Society From Abroad: The Role of Foreign Assistance in the Democratization of Poland,” CIAO Working Papers (June 2001).
56 Ost (2005), chs. 3-4.
58 Ost (2005), ch. 4; and Gardawski et al.
different alliances and agendas of the two largest federations essentially resulted in a “bipolar” system, one with very little cooperation between the unions even in the rare instances where the two unions were both dissatisfied with some legislation or social policy. Moreover, the memberships of the two federations evolved in a manner that made it difficult for either to trump the other in becoming the predominant voice within the labor movement as a whole. At the time that the SLD-led government of 2001-2005 set out to revise the Labor Code, although Solidarity with its 696,000 members and OPZZ with its 667,000 members accounted for over two-thirds of a unionized workforce of over 2 million, neither could claim to represent more than one-third of the total workforce.

In the Czech case, the Czechoslovak Central Trade Union Council tended to follow the Soviet model of trade unionism to a far greater extent than the Polish unions had. Thus, it was generally more comprehensive in automatically affiliating nearly all employees in all state-owned enterprises across sectors. There had been brief discussions about how the trade unions should respond to the political shifts initiated by reform-minded Alexander Dubček in 1968, and at the height of the Prague Spring, the unions even held elections in which 85% of the incumbents would lose their seats. Following the Soviet invasion that put an end to this brief experiment with reform, however, the Central Trade Union Council generally continued to act as “transmission belts” between the regime and the workforce almost all the way until the velvet revolution of 1989. The unions were not a part of the Civic Forum that emerged under the leadership of Václav Havel, and only after the protests against the communist regime kick into high gear did the unions finally call for a general strike in support of regime change.

In the early stages of the debate in Czechoslovakia over the pace and scope of neoliberal reforms, trade unions were virtually invisible, perhaps because past experiences and organizational structures had left them ill-prepared for the kinds of bargaining that emerged. After the Czechoslovak Central Trade Union Council was disbanded, most of its constituent branch, regional, and company unions reorganized first as the Czechoslovak Trade Union Confederation (CSKOS) and then, following the Czech-Slovak split in 1993, as the Bohemian-Moravian Trade Union Confederation (ČMKOS). The absence of a clear-cut position on key elements of the neoliberal reform package, including privatization, gave impetus to the view held by some that Czech unions in the postcommunist era have been toothless and quiescent. This also tends to support the more general notion that “legacy unions” in postcommunist contexts are

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59 Avdagic (2005) 
62 Paczyńska, ch. 2. 
63 Pollert. 
64 E.g., Paczyńska; see also Gerald McDermott, Embedded Politics: Industrial Networks and Institutional Change in Postcommunism (Ann Arbor: University of Michigan Press, 2002), p. 69.
unlikely to be effective representatives of working class interests given their focus on retaining inherited assets and resources.  

Yet, it is important to note that, in relation to the aspect of neoliberal reform most relevant to the workforce – employment stability – a bargain had been struck early on between different wings within the Civic Forum movement. One of those wings consisted of neoliberal reformers led by Václav Klaus, but the other included labor sympathizers who were either reform communists banned from the Communist Party for their participation in the attempted reforms of 1968 or other dissidents committed to social democratic values. And, out of this wing came key actors, including the ex-communist Deputy Prime-Minister Valtr Komárek and the social-democratic Labor Minister Petr Miller, who effectively managed to push Klaus to negotiate a pact to ensure low unemployment while promoting a more robust system of tripartite bargaining at which unions could later play a more meaningful role. Moreover, the unions did win one early victory on their own that had long-term consequences: in a new law on collective bargaining adopted in 1990, CSKOS managed to prevent the establishment of works’ councils at workplaces that already had union organizations so as to ensure the latter’s bargaining power would not be diluted. It would therefore be a mistake to interpret the role of unions in the first two years of transition as either completely ineffectual or as indicative of perennial labor weakness.

Second, as labor politics became more routinized after the mid-1990s, ČMKOS’ role became more visible, more institutionalized, and more effective, at least relative to the roles played by either Solidarity or OPZZ in Poland or by most other trade union federations in the CEE region. Certainly, ČMKOS may be regarded as a quintessential postcommunist legacy union in that it inherited the bulk of the membership and the organizational structures and resources from the communist-era trade union apparatus. But, this inheritance, over time, became a crucial asset for organizing labor action, developing expertise at its central offices, and providing legal and technical assistance to branch and company affiliates. Significantly, although ČMKOS subsequently lost a few of its branch affiliates (such as the railway workers’ union and doctors’ union) to a newer federation, the Association of Independent Trade Unions (ASO), it had over 600,000 members or over 70 percent of the unionized workforce at the time of the debates over the Labor Code under the 2002-2006 government. As of 2008, ČMKOS continued to represent nearly 60 percent of the unionized workforce, while ASO, the second largest federation, accounted for just 20 percent (with the rest either remaining independent or joining up with much smaller federations). ČMKOS still holds most of the seats assigned to

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65 Caraway, who coined the term “legacy union,” believes this to be the case with Russia’s main trade union federation during the 1990s. Elsewhere, I have shown that the story of Russia’s legacy union is more complicated, with survival efforts sometimes mistaken for unreflective docility; see Sil (2013).


67 Pollert, p. 20.

68 Carley.
organized labor on the Czech Tripartite Council and it is the only Czech trade union federation to belong to the International Trade Union Confederation since 1990.\textsuperscript{69}

\textbf{III.b. Left Parties: More Stable and Consequential in the Czech Republic}

Left parties became a part of the political landscape almost immediately after the transitions got under way in the CEE region. In the midst of deepening public anxiety over rising prices and job loss, communist successor parties in the Visegrád countries managed to resurrect themselves in the context of electoral politics during the early years of transition, taking advantage of their inherited organizational resources and bargaining experiences to build a new electoral base.\textsuperscript{70} All of these parties had the opportunity to leverage “portable skills and usable pasts”\textsuperscript{71} in the new context of markets and democracy. At the same time, from the very beginning, there was significant variation in how effectively they managed to broaden their electoral base.

In this regard, the Polish ex-communists did well to reorganize themselves as the Social Democrats of the Polish Republic (SdRP) and form a broad Alliance of the Democratic Left (SLD) that could take on new issues, create a sense of profesionalism and competence, and draw new groups of disgruntled voters, including those that may have once been deeply dissatisfied with the old communist regime. In contrast, the Czech ex-communists not only retained the label of “communism” in their name, the Communist Party of Bohemia and Moravia (KSČM), but tended to draw from a narrower band of voters. This is evident in survey data reveals that, in terms of key issues such as support for the government’s role in employment, social insurance, and assistance to private enterprise, the average gap between KSČM supporters and the rest of the electorate was often 20 to 30 percentage points, whereas the gap on those same issues between supporters of the Polish ex-communists and the rest of the electorate was 3 to 6 points.\textsuperscript{72} That is, the Polish SdRP was significantly more successful in reinventing itself as a catch-all party, with the ability to simultaneously signal their competence in moving forward with reforms in direction of market capitalism while protecting some of the social guarantees of communism and reducing social costs of reform for the most vulnerable groups.\textsuperscript{73}

This contrast is borne out in the electoral performance of ex-communist parties is taken the sole indicator. Indeed, the SdRP-led Polish Democratic Left Alliance managed to form the government as early as 1993, and after being defeated in 1997 by the right-of-center Solidarity Electoral Action, came back to increase its vote share to 47 percent and form the government

\textsuperscript{69} See Myant’s excellent overview of ČMKOS’ behavior and its relationship to other trade unions in the Czech Republic.


\textsuperscript{72} Grzymała-Busse, p. 142, 163.

\textsuperscript{73} Cook and Orenstein, pp. 74-5.
again in 2001-2005. By contrast, the Czech KSČM, generally received between 10 and 15 percent of the vote share (exceeding that range only once, in 2002, getting 18 percent of votes and 20 percent of the seats). Whereas the SLD was in a position to form the government for eight of the fifteen years between 1990 and 2005, the KSČM never formed the government and has not been officially a part of any governing coalition.

The causal story in this paper, however, rests not on the performance of the ex-communist parties, but on the collective ability of a more broadly defined set of parties to the left-of-center to influence legislative outcomes. It is thus necessary to consider also the role of newly formed or resurrected social democratic parties, even if they were initially competitors of – and unwilling to work with – the communist successor parties. The issue here is not which left parties were most effective as parties, or even whether left parties were willing to collaborate with each other to form electoral blocs or coalition governments. For the purposes of understanding variation in labor-friendly legislative outcomes, what counts is the extent to which the parliament was made up of politicians belonging to any left-of-center party that resisted policies that would increase inequality and positioned themselves as defenders of the interests of socially weaker segments of society.74

Of crucial significance here is the fact that there was very little aside from the Polish SLD to represent the left, whereas in the Czech Republic the KSČM actually stood further to the left of a still distinctly left-of-center Czech Social Democratic Party (ČSSD). The ČSSD was a recognizable organization in that it had a significant and reasonably successful electoral past prior to communism. Its formation dated back to the late 19th century, its vote-share climbed as high as 30 percent (in 1919), and it was a part of several coalition governments in the interwar years.75 The ČSSD was resurrected in the midst of the velvet revolution of 1989, and, after a slow start in the 1990 and 1992 elections, proceeded to finish in first or second place in vote shares in every parliamentary election since 1996. The ČSSD’s leadership emerged from either among social democrats who had been previously apolitical, or reform communists who had backed Alexander Dubček in 1968 but had then been purged and left to become part of the dissident movement. Thus, ČSSD leaders understandably refused to work with the KSČM, and in 1998, the ČSSD even turned down a chance to pursue a coalition government with the communists in favor of an alliance with its main opponent on the right, the Civic Democratic Party (ODS).

Yet, when it came to the straight-forward issue of how to vote on particular legislative issues, the ČSSD and KSČM independently lined up to the left on several occasions, including, crucially, during the ČSSD-led government of 2002-2006 when the Czech Labor Code was passed. In fact, under Jiří Paroubek, who served as ČSSD Prime Minister in 2005-2006, the ČSSD and KSČM jointly worked on revisions to the Labor Code as well as on a number of


issues. Consequently, for the specific purpose of it makes sense to take into account the total electoral support of the KSČM and ČSSD parties, at least insofar as their collective votes in the parliament are what made the difference between whether the right-of-center parties favoring greater employer flexibility got their way at crucial junctures.

In Poland, the main party that was not part of the Democratic Left Alliance but supported the SLD government of 1993-1997 was Pawlak’s Polish Peasant Party (PSL), but this party’s ideological agenda included right-wing issues such as opposition to abortion. Thus, the party pivoted to the right, aborted a brief attempt to work with the SLD during the first year of the latter’s 2001-2005 government, and then threw in its lot with the right-of-center Civic Platform (PO) in 2007. In 1993, a social democratic party, Labor Union, managed to get 7 percent of the vote and garner 41 seats in the 460-seat Sejm, but the party failed to cross the threshold in subsequent elections. Other parties that have embraced leftist social or economic programs at various points have frequently tended to also identify with religious or cultural values that typically made them line up alongside the right-of-center parties when it came time to form coalitions. Thus, the left in Poland is primarily about the SLD, and while the SLD did well to maintain vote shares of between 10 percent and 15 percent (in 2002). The stability in the performance of both SSD and SLD parties, at least insofar as their collective vote shares plummeting to 11-13 percent in the 2005 and 2007 elections, and dropping to just 8 percent in 2011. Thus, during the last three elections, the main lines of competition have between two right-of-center parties, with the left becoming a non-factor in Polish national elections.

In the Czech Republic, while the KSČM by itself may not have fared as well as the Polish SdRP as an individual party, the combination of KSČM and ČSSD in the Czech Republic came to constitute a much stronger force on the left than any combination of left parties in Poland. In fact, in recent years, even the KSČM by itself has been more consistent than the Polish SLD, usually maintaining vote shares of between 10 percent and 15 percent (with an all-time high of 18.5 percent in 2002). In 2010, the KSČM’s individual vote share in 2010 was 3 percent higher than the Polish SLD. The position of the Czech left improves dramatically when we factor in the much greater electoral clout of the ČSSD, which has generally managed to garner 22 to 32 percent of the electoral vote since 1996. The total number of seats in the Czech parliament held by left-of-center politicians belonging to the KSČM or ČSSD has ranged from a low of 41 percent (in 2010) to a high of 55 percent (in 2002). The stability in the performance of both parties to the left of center is consistent with the stability of the Czech party system as a whole, which has been regarded as one of the less volatile in the CEE region in terms of huge electoral swings from one side of the spectrum to the other.

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77 Ibid., pp. 29-31. Polish election data are from Poland’s National Electoral Commission (http://pkw.gov.pl/)

Of course, for the purposes of the argument here, what counts is not the electoral success of various left parties, but whether these parties, whether working in concert or individually, have been in a position to effectively block right-of-center parties from pushing for greater employer flexibility at the expense of labor. Thus, in addition to the shares of votes and seats garnered by left parties, we need to consider the linkages between left parties and the unions, particularly around the time when crucial issues related to employer flexibility (and thus to the social protection of labor) have been placed on the legislative agenda. The Polish left’s biggest successes were when it formed governments in 1993-1997 and 2001-2005. It was indeed during those governments that the Polish Labor Code was revised, first in 1996 and then again in 2002. While the first set of revisions was relatively more worker-friendly than the second set, the two together combined to generate a much higher level of employer flexibility as we saw above. This is a reflection of two constraints that the Polish left had to contend with while in power. First, on both occasions, its governments were constrained by significant international obligations linked to restructuring and macroeconomic policy, with the International Monetary Fund and World Bank keeping a close watch on things in the mid-1990s and the European Union monitoring whether the conditions for EU accession were being met in the early 2000s. In both cases, the SLD governments actually did well to honor their commitments and move forward on specific targets, including cutting down the level of deficit spending; but, this also meant that it failed to come through on the expectations of its supporters with respect to better social safety nets and improved living standards for the poor and unemployed.79 Moreover, when it came to labor relations, the SLD could only count on support from the OPZZ, while Solidarity trade union activists worked closely with right-of-center parties to block the left while focusing more on right-wing ideological causes linked to Catholic Church and issues such as opposition to abortion. The union-party ties constructed by Solidarity’s trade union activists and political elites are not terribly surprising in view of the role Solidarity played as a resistance movement in creating the new regime and launching privatization, but, these ties also effectively dealt a blow to prospects for a unified front to protect workers’ livelihoods in the private sector.80

On the Czech side, ČSSD has been able to count on the support of the largest trade union federation, ČMKOS, ever since the early 1990s. The relationship between ČSSD and ČMKOS are not as institutionalized as those between OPZZ and the left parties or between Solidarity and the right parties in Poland.81 And ČMKOS leaders officially claim to be neutral insofar as they do not formally endorse any one party. Even so, the ties between ČSSD and ČMKOS have been very clear since the early 1990s, as have been their respective agendas and positions with respect to the issues bearing on the employer flexibility. At the time of its reestablishment in 1989, the ČSSD was led by individuals who were either trade unionists or had sympathy for the role trade unions should play in a market democracy. These included the “sixty eighters” – those reform communists who had been pushed out of the Communist Party after the end of the Prague Spring – were would-be members of the Civic Forum who advocated on behalf of trade unions.82 One noteworthy case is Richard Falbr, a Vice-Chairman of ČSSD at the time of its reestablishment,
who was an active branch union chair at the time and would later become the Chairman of ČMKOS. It is also worth noting that both Falbr and one of his successors as ČMKOS’ chair, Milan Stech, would run on ČSSD tickets to become members of the Czech Senate, with Falbr subsequently getting elected to the European Parliament. As for the ex-communist KSČM, although it did not get much support from organized labor, it did not undercut whatever collaboration took place between ČMKOS and ČSSD (and even supported both in slowing down the push for greater employer flexibility in the revisions to the Labor Code in 2006). In the meantime, the second largest trade union federation, the Association of Independent Unions (ASO), was not only far smaller than ČMKOS, but also had no clear alternative agenda of its own. Although its top leaders sometimes favored the lower spending preferred by right-of-center elites, its regional and branch unions have collaborated with ČMKOS unions and have drawn upon the legal and technical expertise that ČMKOS generated at its national headquarters. Thus, while Poland ended up with two sets of tightly coupled party-union alliances that worked against each other, the Czechs had a more stable left that had the backing of the largest trade union federation and did not have to contend with any significant mobilization by labor against its electoral campaigns or legislative agendas.

III.c. Contending Views on Czech and Polish Labor

Whereas the general literature on postcommunist labor has been considered above, I focus now on how the above argument might relate to specific propositions concerning the two cases compared here. There is, of course, the view that the two countries are not so different from each other when it comes to labor politics. On the one hand, we have seen studies that highlight the common weakness, fragmentation, and ineffectiveness of organized labor throughout the Visegrád group of countries. On the other hand, there has been a shift in recent years in which the Visegrád group is recognized as having done relatively well in establishing an embedded form of liberalism with reasonably generous levels of social protection for the workforce. Without challenging either of these contending perspectives, the argument above has proceeded on the presumption that both sets of commonalities contribute to conditions for a “most similar systems” design for comparative analysis. This is not useful for all purposes, but it does help to probe emergent differences in the level of employer flexibility as indicated in revised labor codes and related labor regulations and social policies.

In studies that do focus on variation between Poland and the Czech Republic, the argument here parts ways with those who view Polish labor as faring comparatively better. Paczyńska and Kubicek, for example, tend to see the Polish labor movement as relatively more successful in part because of the resources, membership and organizational structures developed by Solidarity in the course of challenging the communist regime. Paczyńska specifically emphasizes the accumulation of “legal prerogatives, financial autonomy, and rich experience of successfully confronting the state.” In addition, she views the tight, direct linkages between

83 Myant (2010).
84 Crowley (2004); Ost (2000); Ost and Crowley (2001a, 2001b); Vanhuyse.
85 Bohle and Greskovits.
Solidarity trade unionists and Solidarity-backed political elites as producing a major victory for workers since trade unions came up with alternative privatization proposals in which autonomous workers’ councils would have the formal right to approve privatization plans (even if they did not, in fact, exercise this right until it was already evident that privatization would be accompanied by mass layoffs).  

This view neither coheres with the labor-related data in the previous section, nor seems realistic when we consider the large gap in preferences that Paczyńska herself notes between the views of Solidarity’s rank-and-file members and its leadership on such crucial issues as the acceptability of unemployment or redundancy layoffs in the course of privatization. There is also no consideration of the deep split in the labor movement as a result of the survival and expansion of the alternative union, OPZZ (National Association of Trade Unions), which had been set up in 1984 by the communist regime to undercut Solidarity. Moreover, Ost’s authoritative study of Solidarity offers an extensive and well-documented account of how the political linkages between Solidarity trade unionists and political elites ultimately amounted to a rejection of the interests and necessities of those on whose behalf the Solidarity movement had supposedly acted in confronting the Polish regime in the 1980s. The comparative analysis above diverges from Paczyńska’s treatment of Poland and is more in line with Ost’s: “Solidarity consistently sought to organize labor anger away from class cleavages and toward identity cleavages instead, with negative consequences both for the quality of Polish democracy and for the effectiveness of its trade unions.”

Paczyńska’s view of Czech labor weakness, which is anticipated in some early studies of Czech industry, similarly depends heavily on the observation that Czech trade unionists had no role in designing privatization plans and were thus unable to slow the pace of privatization. This view ignores the host of relatively labor-friendly outcomes noted above, beginning with the unions’ ability to forestall work councils that would have undercut their bargaining leverage. It also also fails to recognize that the single-most important issue in relation to privatization, the limits on mass dismissals, had already been negotiated behind the scenes by left-of-center politicians (such as the aforementioned Valtr Komárek and Petr Miller) who had been part of the Civic Forum and who essentially channeled the preferences of trade unions at a time when the unions themselves were trying to reorganize themselves and reconstruct a centralized federation. The point is not to diminish the value of Paczyńska’s otherwise illuminating analysis of the role of labor in the privatization process. However, if we focus less on the pace of privatization and more on the protection of labor in a functioning market economy, then it is the Czech unions that emerged as more successful ones, at least compared to Poland.

The argument offered in this paper builds upon, but remains distinct from, Avdagic’s and Robertson’s accounts, which both engage in small-N comparison and draw attention to the variables of union cohesion and party-union linkages. On the issue of union cohesion, in

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86 Paczyńska, p. 64; see also Kubicek (2004).
87 Paczyńska, p. 160
88 Ost (2005), p. 35.
89 E.g., McDermott.
90 Avdagic (2005); and Robertson (2004).
contrast to Robertson’s analysis, I suggest that, while inter-union competition within the same sector may well pave the way for more frequent and more visible forms of contention (in order to attract members that other unions are competing for), it is an open question as to whether this type of contention actually translates into protection of the more fundamental legal and institutionalized provisions to support trade unions’ collective rights or workers’ job and income security over the long term. And, in slight contrast to Avdagic’s account, I suggest that there is no need to distinguish between the variables of union unity or fragmentation and inter-union cooperation where there is fragmentation. The central issue remains the same: concentrating the power of labor – all the members and resources available to trade union bodies at all levels – so as to exert pressure on government and business elites when the social protection of workers and the constraints on employer flexibility are about to be watered down. It does not matter whether this is pursued through strategic coordination between unions belonging to different national centers, or through a single dominant federation, so long as there are possibilities for mobilizing rank-and-file members to press left politicians to dilute employer-friendly measures, and so long as material assets and organizational resources can be pooled together to support this mobilization.

On the issue of party-union linkages, I offer a more significant amendment to the views of Avdagic and Robertson, that close links between parties and unions tend to have a negative impact on labor’s position in CEE countries. I agree with both, and with Ost, that the Polish case does demonstrate the potential pitfalls of labor working too closely with political elites. It is clear that Solidarity union officials in the 1990s parted ways with their rank-and-file members in pursuing collaboration with political elites who had also emerged from the Solidarity movement of the 1980s and were fully committed to equating the defeat of communism with the pursuit of rapid and radical market reforms. However, one must be wary of overgeneralizing from the Polish case, or allowing the Polish story to color the analysis of how party-union linkages have worked out in other cases. In the case of the Czech Republic, for example, Avdagic focuses on the absence of formal links between the main Czech union and the main left parties and contrasts this to the more direct links between Solidarity politicians and trade unionists. However, as noted above, one cannot discount the role of left-of-center Czech politicians who were a part of the Civic Forum and would help resurrect ČSSD while cultivating support from the unions and vigorously supporting trade union rights in the first years of transition.

Moreover, as noted above, there was significant and sustained cooperation – whether official or not – between ČSSD parliamentarians and ČMKOS, with several highly visible figures actually holding key positions in both organizations at different points in time. It is equally clear that right-of-center parties viewed ČMKOS as a problem, just as ČMKOS leaders saw the right parties as the main proponents of measures benefiting employers. These observations suggest that whether or not party-union links are formalized does not matter outside of Poland as Avdagic and Robertson imply. The latter two also tend to downplay the agendas and ideologies of the specific parties involved, and Avdagic explicitly challenges the portability of arguments about the role that social democratic parties played in supporting pro-labor agendas in the west. Yet, the Czech ČSSD, while it initiated the process of revising the Labor Code in

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91 Ost (2005).

92 E.g., Huber and Stephens.
2006, ultimately produced amendments that unions had helped write and were eager to put into motion (and that business associations and right-of-center parties criticized as continuing to hamper flexibility). As labor politics became more routinized throughout the CEE, I have argued, what came to matter most was not the robustness of official party-union links but rather the presence of a viable left party (or set of parties) that, in the tradition of social democratic parties in Western Europe, was already inclined to resist efforts that undercut trade union rights and the social protection of workers.

**Conclusion: History Still Matters – Just Not in Linear Fashion**

The time may be ripe to broaden our conception of the role of history in the political economy of the CEE region beyond the legacies of communism in order to include consideration of the legacies of the varied choices and conditions that characterized the early period of postcommunist transition.\(^\text{93}\) The first generation of studies on postcommunist labor were disproportionately influenced by observations drawn from the chaotic environment marked by tremendous uncertainty of the early years of transition. These studies acknowledged particularities but downplayed them in favor of broader generalizations about extreme labor weakness and passivity. Moreover, in explaining labor’s weakness, many arguments focused on deterministic understandings of seemingly unalterable forces – such as communist legacies or the decline in union membership— that were beyond the control of organized labor. The argument in this paper has built on, and sought to constructively engage, what might be called a second generation of studies of postcommunist labor. These studies self-consciously engage in variation-finding comparative analysis in order to identify and explain emergent particularities in a more “normal” period of postcommunist labor relations.\(^\text{94}\)

This paper has developed a distinctive variant of the “labor-and-left” argument in order to explain why Czech labor was relatively more successful than Polish labor in holding back the push for employer flexibility during the first two decades of transition. This does not, however, imply that we should summarily dismiss earlier arguments about the role of historical legacies in shaping the relationship between state and labor in postcommunist settings. The legacies of communist-era trade unionism matter a great deal for the argument offered here. However, these legacies do not necessarily unfold in linear fashion, and they do not exert the same effects indefinitely. Much depends on contextual factors that shift over time and can either reinforce, diffuse or deflect the initial effects attributed to inherited legacies.

\(^{93}\) The point has been made explicitly in relation to postcommunist labor in David Ost, “FutureThe Consequences of Postcommunism: Trade Unions in Eastern Europe’s Future,” *East European Politics and Society* 23, 13 (February 2009): 13-33. This view is also implied in Bohle and Greskovits, who contend that social policymaking evolved significantly beyond the early years of uncertainty and crisis once capitalist economies began to function in a more predictable, normalized fashion.

Certainly, ingrained habits of labor-management cooperation were carried forward by legacy unions descended from communist-era federations, and certainly the absence of an independent role for unions in representing the discrete interests of workers made it difficult for organized labor to develop an effective strategy for protecting workers in the midst of neoliberal reforms. However, in the course of the first decade of transition, the expectations and habits of both union leaders and rank-and-file members ended up shifting fairly significantly as the extreme uncertainty accompanying the dismantling of communist institutions gave way to concerns over job security and real wages in an emergent market economy. Thus, in time, the more relevant and durable legacies proved to be not the ideational elements of communist-era labor relations but the physical assets and organizational elements drawn from the communist era system of industrial relations, but then redeployed as labor actors grew accustomed to a new institutional environment marked by market forces and democratic contestation. These inherited material and organizational assets have either been ignored, or been treated as problematic in that they might incline union leaders to trade away labor rights in exchange for continued control of these assets. Yet, with the consolidation of markets and democracy, the assets inherited by some legacy unions from the communist period potentially came to represent useful resources in making up for the decline in union membership and supporting the acquisition of the skills and expertise needed for participating in a new institutional environment.

In the Czech Republic, ČMKOS' inherited organizational structure and resources not only made it a player in the recrafting of a new order but also empowered key left-of-center government officials to negotiate from a position of strength, accounting for why a committed neoliberal reformer like Václav Klaus had to agree to social pacts designed to stabilize employment levels in ways that Polish reformers did not have to worry about. In subsequent years, ČMKOS financial and organizational resources increasingly became more of an asset than a liability, supporting the establishment of labor research and legal expertise which proved crucial in tripartite negotiations as well as in resolving industrial disputes. In Poland, OPZZ was a relatively recent organization, set up in 1984 by an enfeebled communist regime trying to dilute Solidarity’s popularity. For its part, Solidarity did secure financial resources made available to it by generous foreign sponsors, including official agencies in the United States government. However, it also very quickly became only one of several trade union federations, with OPZZ in particular becoming a large federation that pursued a distinct agenda of its own. More importantly, Solidarity’s broader investment in leading the reform process also meant that it could not use what resources it had for ends that might provide long-term benefits to the workers it had once sought to mobilize.

Moreover, the specific “paths of extrication”95 from communism also had major implications for organized labor’s ability to act in a concerted fashion to defend the interests of workers in the midst of a turbulent, anxiety-ridden period of radical institutional change. In Poland, this process left organized labor deeply divided, and turned the trade unions with the greatest access to the new elites, Solidarity, into the latter’s collaborators in the push for a rapid transition to a privatized economy. Also, given the twin roles played by Solidarity and the Catholic Church in organizing resistance to communism, the trade union elites who were

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supposed to most vigorously defend the interests of labor effectively ended up identifying with the social values of the Catholic Church and adopting a more entrenched opposition to parties on the left. These same unions, under Lech Walesa, also ended up leading the charge for radical market reforms, prepared to pay the price in the form of massive unemployment. This in turn helped to further undermine union membership and labor’s general bargaining power while severely weakening any prospects for a vigorous political push for pro-labor social and employment policies.

Czechoslovakia’s transition, on the other hand, was led by a more heterogeneous group of elites under the rubric of the Civic Forum. This group included reform communists who had been pushed out of the party apparatus in 1968 but who were sympathetic to labor and had the ear of left-of-center politicians involved in negotiating social pacts with the neoliberal reformers led by Václav Klaus. In the meantime, the labor movement remained on the sidelines until the final stages of the velvet revolution. This gave the impression that labor would not be as strong a player in a postcommunist Czechoslovakia as it already seemed to be in Poland; however, in time, what proved more significant was the ability of the unions to reorganize as a centralized federation that maintained a broad cross-regional, cross-sectoral membership base (first as CSKOS and then, after the split with Slovakia, as ČMKOS). The transition essentially left in place a fairly cohesive organizational structure around which most unions could be reorganized. Many units eventually split off, but no single alternative trade union center was large enough to compete with ČMKOS in the way that OPZZ and Solidarity competed with each other.

Moreover, in both countries, as the institutional environment became more predictable, the extent of labor weakness became less a function of the unchanging reconstruction of ideational features inherited from communist-era trade unionism and more a function of “normal” aspects of labor politics seen in other countries facing union decline and a push from business organizations for greater employment flexibility. In this environment, history still mattered, but it mattered primarily insofar as whether it had unfolded in a manner that generated the two conditions I view here as jointly necessary for mounting any sort of resistance against the watering down of labor rights and standards so as to enhance employer flexibility. It was in the Czech Republic where these two conditions ended up emerging and becoming consequential, as a more unified trade union federation facilitated a greater concentration of labor power than in Poland, while offering support to an electorally viable social democratic party that was sympathetic to the social protection of labor.

These differences, across two EU parliamentary democracies, also suggests that regime-type is not enough of a predictor of the political opportunity structures for labor. Democracy obviously does matter, since the contrasting patterns of labor politics described above assumes competing parties and independent trade unions. But, democracy, by itself, can just as easily lead to 20 percent unemployment as to pacts that limit unemployment to 5 percent even in the midst of mass privatization. Thus, much depends on the specific characteristics of the main players in labor politics beyond the company level: trade union federations at the branch or national level, and political parties that support a left-of-center agenda insofar as they seek to constrain employer flexibility and maximize social protection of labor in a market environment. Postcommunist transformations may represent fundamentally different phenomena from economic liberalization or democratization in places where a private sector and labor market already exist. But, once the initial period of flux and uncertainty gives way to a more
“routinized” institutional environment, workers, unions and politicians all figure out their respective roles in the arena of labor relations.

This does not make postcommunist CEE countries identical with their counterparts in the West or in developing areas, as is amply evident in the significance attached to the debates over amending labor codes originally devised in the communist era. Yet, there are certain aspects evident in the course of those debates that point to mechanisms and processes that are portable to other contexts where union membership is in decline and where employers are pushing for greater flexibility. The greater the concentration of labor power, both in terms of resources and cross-sectoral coordination, the higher the likelihood that left-of-center parties will pay attention to unions; and the more electorally stable the left parties are during crucial policy debates, the more the outcome of these debates will contribute to the well-being of workers and to the future “opportunity structures”96 within which the labor movement must operate.

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**List of Most Common Abbreviations**

ASO: Association of Independent Trade Unions (Czech Republic)
ČMKOS: Czech-Moravian Confederation of Trade Unions
ČSSD: Czech Social Democratic Party
KSČM: Communist Party of Bohemia and Moravia
ILO: International Labor Organization
ITUC: International Trade Union Confederation
NSZZ: Independent Self-Governing Labor Union “Solidarity”
ODS: Civic Democratic Party (Czech Republic)
OPPZ: All-Poland Alliance of Trade Unions
PO: Civic Platform Party (Poland)
PiS: Law and Justice Party (Poland)
PSL: Polish People’s Party (Pawlak’s Party)