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Improving Collective Bargaining in
European Union. Comparison of
Different Industrial Relations
Regimes – ImproCollBar 101052292

Reframing the Social Dialog in Romania: collective bargaining at sectoral level

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Reframing the Social Dialog in Romania

- *Collective Bargaining Sectors* -

Gabriela Negoita & Ciprian Panzaru



Introduction

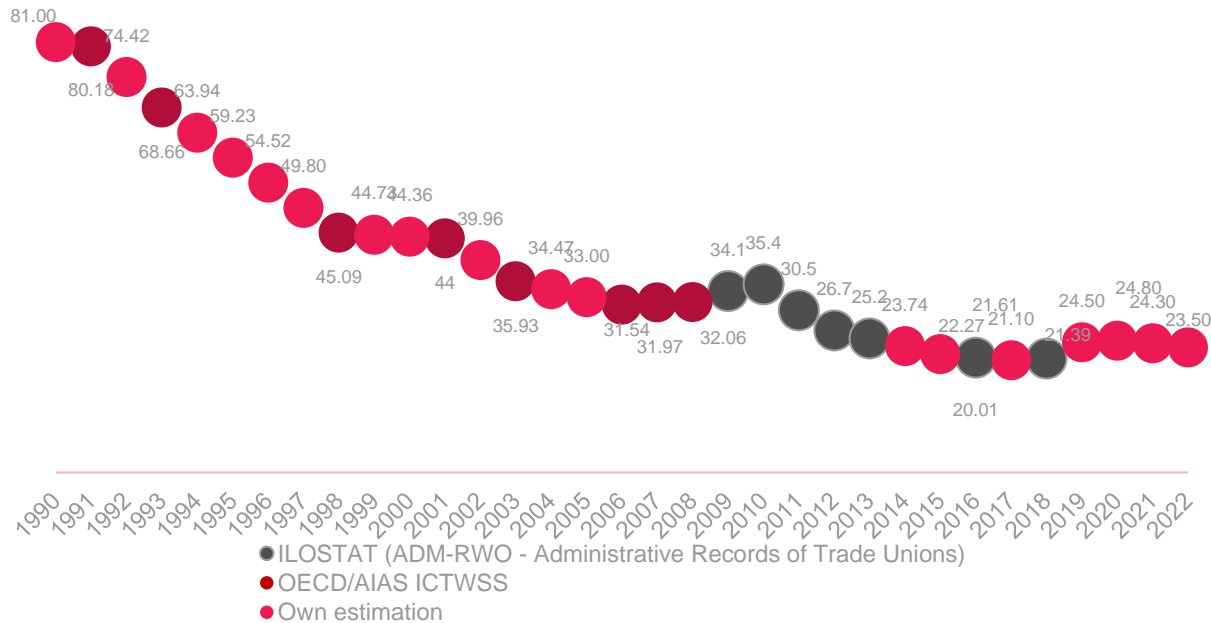
Population | 19.9 million people

Labor force | 8.381 million people (47.17% of population)

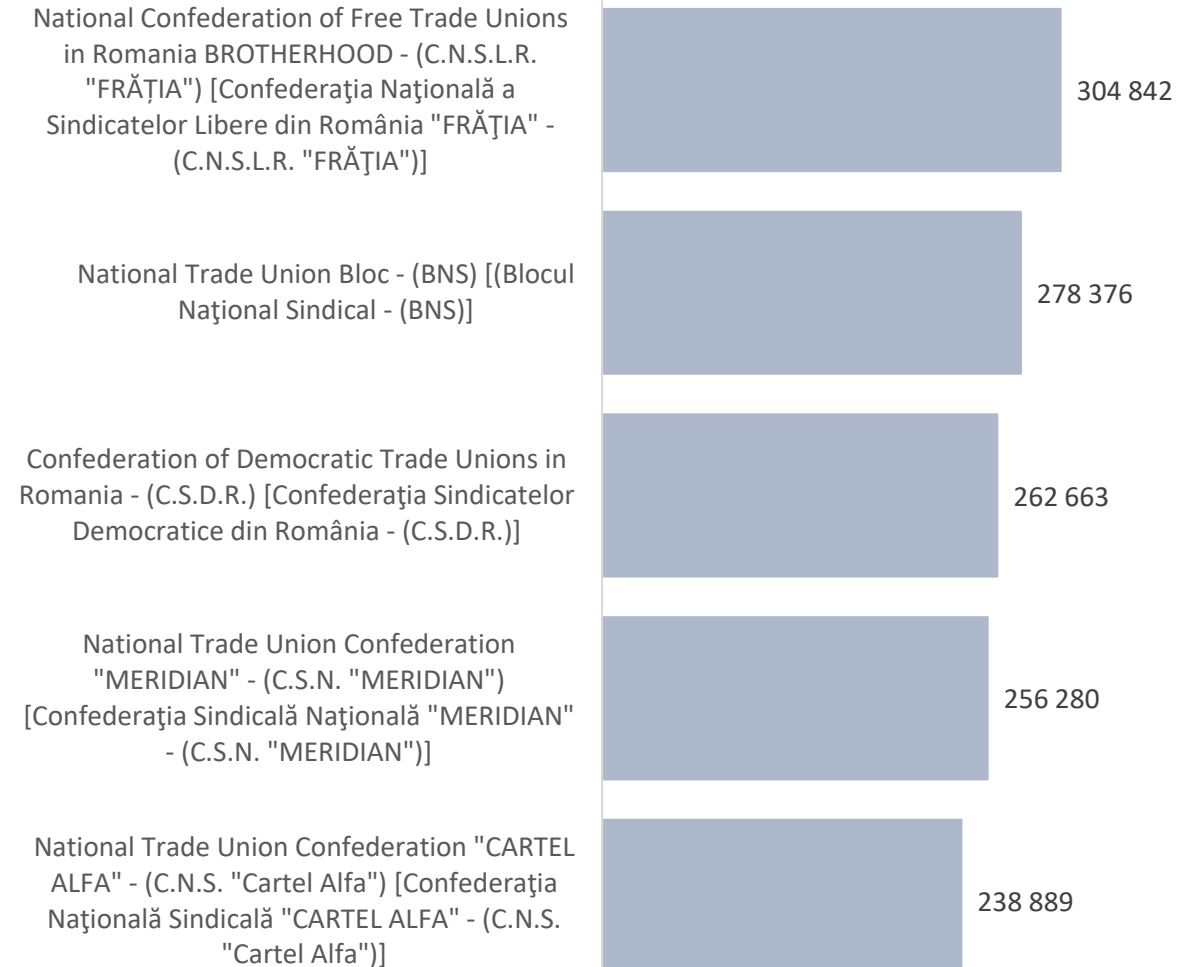
Unemployment rate | 5.17%

Long-term unemployment rate | 2.79%

The trade union density



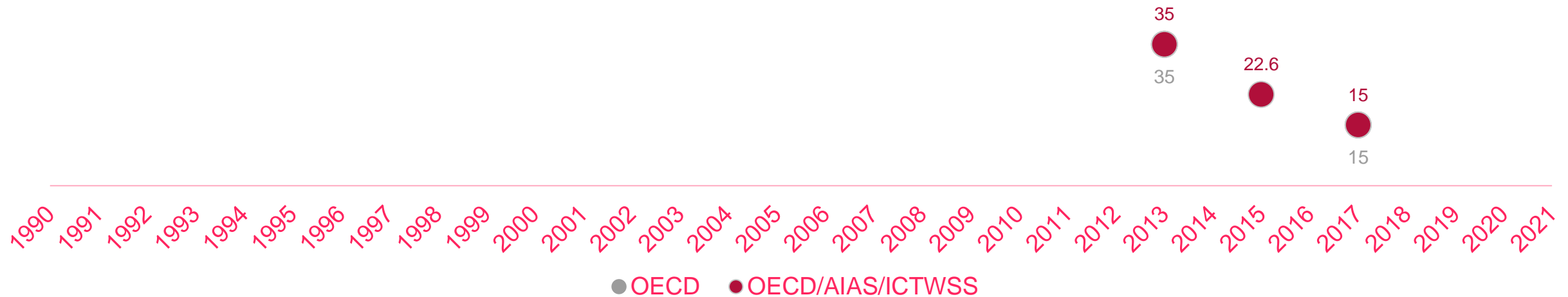
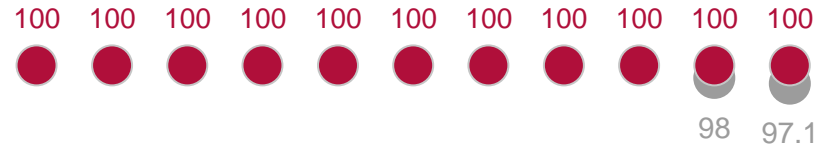
Main Trade Union Confederations (no. of members)



Development of trade unions in historical perspective

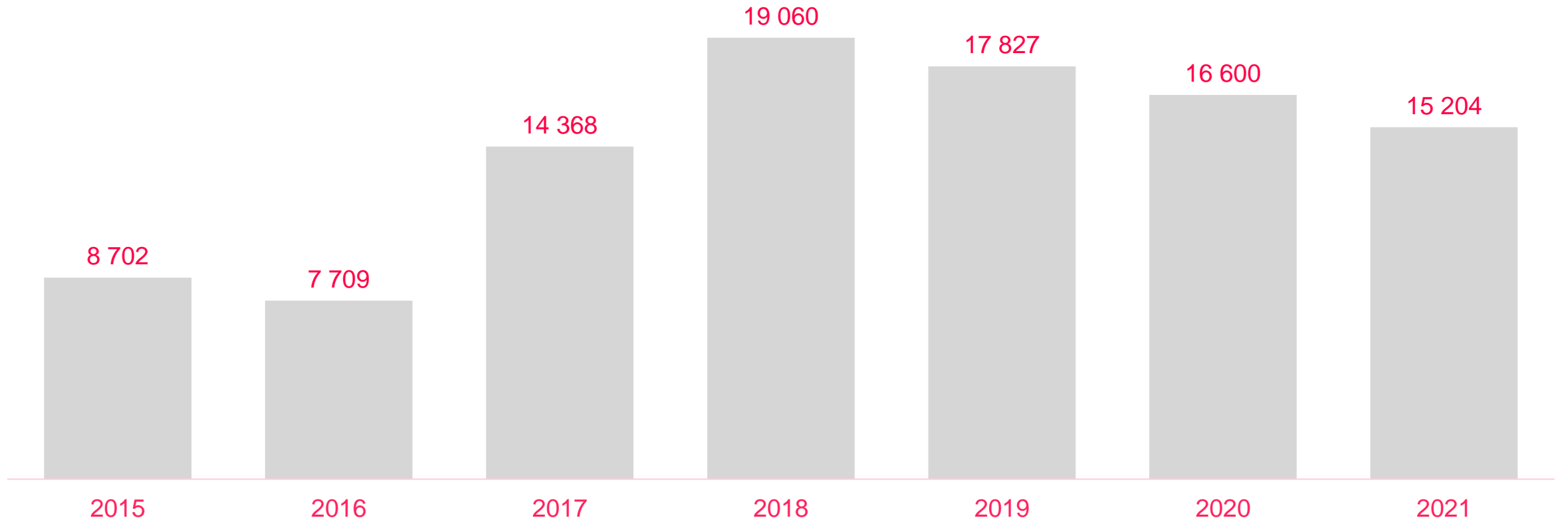
Collective bargaining coverage

Collective bargaining is mandatory
both at **group level**, if the unit has at
least 10 employees, and **sectoral level**



Development of trade unions in historical perspective

Number of collective bargaining (company level)



Development of trade unions in historical perspective

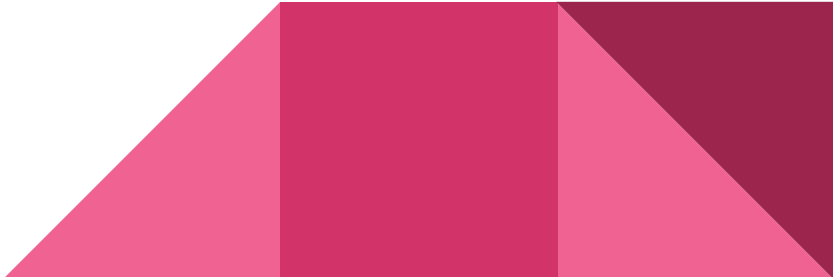
Covid 19 crisis impact

- called for an increase in unemployment benefits, (which had remained unchanged since 2008)
 - initiatives related to short-time work, technical unemployment, and compensation for childcare during school closures
- three labor disputes were recorded (prior to the declaration of a state of emergency in March 2020)



Legal and political-economic context for trade unions

Legal framework for trade unions

- the legal landscape of Romanian industrial relations is amid transformation. Social partners in Romania are now implementing **a new Social Dialogue Law (367/2022)**.
 - positive changes are expected by social partners (trade unions and employers' representatives) after many years of struggling to overcome the negative impact of the labor legislation changes in 2011.
 - for more than 11 years, in Romania, the trade unions organization, representativeness and its entire activity (including collective bargaining, freedom of association, labor disputes, organization of strikes) have been regulated and deeply negatively impacted by the older one (SDL 62/2011).
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The new law on social dialogue is a true game changer

- four significant reforms -

- The obligation to perform collective bargaining at both the unit (if it has at least 10 employees) and at the bargaining sector level;
 - The possibility to perform collective bargaining at the national level;
 - New obligations for employers to inform and consult employees' representatives/trade union representatives;
 - Extension of the range of cases triggering collective labour disputes.
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Legal and political-economic context for trade unions

Main changes in fundamental rights of trade unions

Main changes in fundamental rights of trade unions		Before Social Dialog Act SDA 62/2011	Key changes after adoption of SDA 62/2011 SDA	Key changes after adoption of SDA 367/2022
Collective Bargaining	National level	<ul style="list-style-type: none"> ➤ Trade unions negotiate collective labour agreements (CLA) annually national, cross-industry collective agreements, binding on all. 	<ul style="list-style-type: none"> ➤ CLA at national level abolished; ➤ Trade unions can't negotiate cross-sectoral CLAs. ➤ Collective agreements can be negotiated at unit, group and sector level. 	<ul style="list-style-type: none"> ➤ CLAs can be negotiated: <ul style="list-style-type: none"> ➤ at unit level; ➤ at unit group level; ➤ at collective bargaining sector level; ➤ and at national level.
	Sector level	<ul style="list-style-type: none"> ➤ 20 sectors (out of a total of 32) were covered by CLA in 2011 	<ul style="list-style-type: none"> ➤ 0 CLAs active at sectoral level in 2021 	
	Company level	<ul style="list-style-type: none"> ➤ Trade unions were considered representative if their density was $\geq 33\%$. 	<ul style="list-style-type: none"> ➤ Trade unions are considered representative if their density is $\geq 50\%+1$ and the component trade union organizations have a combined membership of at least 7% of the workforce in the sector or group of units. ➤ Collective bargaining is only compulsory at unit level, unless the unit has fewer than 21 employees. 	<ul style="list-style-type: none"> ➤ Trade unions are considered representative if their density is $\geq 35\%$ and member trade union organizations have a membership of at least 5% of the employees/workers in the collective bargaining sector or group of units. ➤ Collective bargaining is mandatory at the unit level with at least 10 employees/workers and at the level of the collective bargaining sector.

Legal and political-economic context for trade unions

Main changes in fundamental rights of trade unions

Main changes in fundamental rights of trade unions		Before Social Dialog Act SDA 62/2011	Key changes after adoption of SDA 367/2022
<i>Freedom of association</i>	<ul style="list-style-type: none"> ➤ A minimum of 15 employees from the same profession can form a trade union. 	<ul style="list-style-type: none"> ➤ A minimum of 15 employees from the same company is required to form a union. => Trade unions cannot be formed in more than 90% of companies in Romania with less than 15 employees. 	<ul style="list-style-type: none"> ➤ At least 10 employees/workers from the same unit or at least 20 employees/workers from different units in the same collective bargaining sector are required to form a union.
<i>Actions of protest</i>	<ul style="list-style-type: none"> ➤ Conciliation/mediation before the strike was not compulsory. ➤ Trade unions had the right to organize protest actions to enforce the CLA. 	<ul style="list-style-type: none"> ➤ Conciliation/mediation mandatory before initiation of the protest. ➤ Employees do not have the right to strike if: <ul style="list-style-type: none"> - CA provisions do not apply; - Settlement of the dispute requires legislative changes. 	<ul style="list-style-type: none"> ➤ Conciliation/mediation mandatory before initiation of the protest. ➤ Employees do not have the right to strike if: <ul style="list-style-type: none"> - CA provisions do not apply, with some exceptions at sectoral level. - Settlement of the dispute requires legislative changes.

Activities Sectors	employees [%]	CCM group [%]	CCM unit [%]
S1 Agriculture, aquaculture and fisheries. Forestry and hunting economy	2.4	0	3
S2 Mining and quarrying	0.2	0	1
S3 Energy, oil and gas and energy mining	3.9	0	1
S4 Food, beverage and tobacco industry	3.1	0	5
S5 Textiles, textile products, clothing. Leather and footwear	2.7	0	5
S6 Logging and primary processing of wood. Manufacture of paper and paper products	1	0	2
S7 Chemical and petrochemical industry and allied activities	2	0	2
S8 Manufacture of glass and fine ceramics. Manufacture of building materials - manufacture of other non-metallic mineral products	0.7	0	1
S9 Manufacture of basic metals	0.5	0	0
S10 Manufacture of machinery and equipment and of fabricated metal products	6.1	0	6
S11 Manufacture of electrical, electronic and fine mechanical equipment. Other industrial activities	1.8	0	1
S12 Manufacture of furniture. Other manufacturing	1.2	0	2
S13 Community services and utilities. Waste management, remediation and environmental protection activities	3.1	10	2
S14 Civil and industrial construction	7.5	5	8
S15 Commerce	14.9	0	13
S16 Land transport and related services	5.3	0	3
S17 Water transport and related services. Air transport and related services	0.8	0	1
S18 Post and courier services	0.8	0	0
S19 Tourism, hotels and restaurants	3.1	0	4
S20 Culture and media	1.9	0	1
S21 Information technology and telecommunications	3.3	0	1
S22 Financial, banking and insurance activities	1.6	5	1
S23 Assistance, consultancy and support services. Other service activities	10.3	10	7
S24 Public administration. Activities of extraterritorial organisations and bodies	5.6	19	2
S25 Pre-university education	5.1	29	4
S26 Higher education	1	5	0
S27 Health. Veterinary activities	5.2	14	2
S28 Social work	1.7	5	1
S29 Sports activities, gambling and betting. Other associative activities	2.7	0	1
S30 Scientific research and technological development	0.4	0	0



Trends and Developments in Sectoral Bargaining

Recent trends, developments, and challenges in sectoral bargaining

- ❑ HG no. 171/March 2023 **redefines the collective bargaining sectors** extending them **from 30 to 58**.

- ❑ Executive aims to:
 - *make collective bargaining more flexible and encourage collective bargaining at sectoral level between the social partners on the basis of common interest and by agreement of the parties;*

 - *improve the legislative framework for social dialogue in order to increase the number of collective labour agreements and protect resources and workers.*

Recent trends, developments, and challenges in sectoral bargaining

- ❑ The legislative act sought to comply with a number of principles:
 - *the sectors of activity must be distinct in terms of their field of activity and homogeneous in terms of their structure;*
 - *the basic criterion for defining sectors is the four-digit Classification of Activities in the National Economy - CAEN code;*
 - *collective bargaining is free and voluntary, including the determination of the sectoral levels at which the social partners wish to negotiate a collective agreement;*
 - *the possibility for the trade union or employers' federation to become representative in several sectors of activity, which gives the right to negotiate several collective agreements at the level of the different sectors of activity, if the conditions of representativeness for each sector of activity are met.*
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