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Book Review:

Labour and Social Transformation in Central and Eastern Europe. Europeanization and beyond. By Violaine Delteil and Vassil Nikolaev Kirov (eds), New York, Routledge, 252 p.

Slavina Spasova and Bart Vanhercke

How has labour been transformed in the former “Workers’ States” in Central and Eastern European countries (CEECs) over the past quarter of a century? This volume edited by Violaine Delteil and Vasil Kirov provides dense empirical evidence and proposes multiple theoretical frameworks to explain a complex phenomenon. One of the main achievements of the contribution is that the authors capture both the plurality and the specificity of labour and capitalist transformations in the region. This raises more philosophical questions about the limits and frontiers (Schengen) of the long-expected “return to Europe” of a region which, for centuries, has been entwined in various economic and political, external and domestic dependencies.

The present volume tackles three interrelated issues. The first one is cross-cutting and concerns the limits of the process of Europeanisation of industrial relations. What is more, the reader is challenged by a discussion of a process of “de-Europeanisation”, supposedly occurring after the outbreak of the financial, economic and social crisis of 2008. More than being a mere discrepancy vis-à-vis the European norms, this de-Europeanisation is seen as the rejection of these norms, which results in increasingly divergent political (nationalism) and economic developments, both across and within the countries. The second theoretical challenge of the book is to analyse the variety of economic, political and cultural dependencies of these “semi-peripheric capitalisms”, in the words of Bohle and Greskovits (2012). It thereby provides an important contribution to the “diversity of capitalisms” (DOC) approach and contributes to understanding the impact of the crisis on these capitalist regimes. The empirical evidence presented in the book shows that this impact is unevenly distributed, reflecting the diversity of economic and political regimes. Moreover, the volume highlights the ambivalence shown by domestic actors to foreign economic and political (mostly foreign direct investments, FDI) dependencies and the way these are channeled and instrumentalised by these same actors. The third, more empirical issue is related to some signs of a labour awakening — unfolding after decades of labour weakening — since the outbreak of the crisis, in the context of “adversarial politics”. There has been a modest increase in “pro-active” strategies by labour, ranging from pro-active expertise to innovative protest strategies.

These three interwoven issues are analysed in original and empirically rich contributions. The first part of the volume assesses the diversity of capitalist developments through the heuristic value of the concept “dependent capitalism”. The author of the first chapter, François Bafail, presents an analysis of an issue rarely tackled in the academic literature on CEECs: trends in property rights, banking capital and industrial relations over the past twenty-five years. The chapter emphasises the specificity of capitalist developments in these countries which no longer share a common destiny as they did fifteen years ago. Endogenous developments, underpinned by the logic of appropriateness of international norms, have been critical to the success of Europeanisation of labour and industrial relations. The uneven ideational and material resources of domestic actors have also resulted in intrastate economic

and social discrepancies in most CEECs. This issue of “segmented capitalism” is analysed in the case of Hungary in the volume’s fifth chapter by Makó and Illéssy. The chapter presents original data that show the segmentation of Hungarian capitalism between local and foreign-led firms, which has relied heavily on FDI and failed to integrate small and medium-size enterprises in the global value chain. These developments also appear to have an impact on the labour process and training. The chapter also increases our theoretical understanding of the nested external and domestic dependencies of “segmented capitalism”.

With a view to further refining this concept, Drahokoupil and Myant, in Chapter 3, analyse the rules and practices governing transfer of labour within multinational companies (MNC) in the Czech Republic and Poland. The authors conclude that there is a selective and limited harmonisation of labour standards in some MNC subsidiaries, and that local management can play a significant role. Yet, economic dependency does not result in political and institutional dependence. This complex interaction is described as a “segmented political economy”, where domestic business actors, much less economically powerful than MNCs, are the main factors influencing domestic politics and labour institutions. In a similar vein, Hunek and Geary (Chapter 4) show that the management of local subsidiaries possess power resources in terms of knowledge of the domestic employment culture, and can gain considerable autonomy from the headquarters. In this respect, the Europeanisation of human resources (HR) practices is only partially accomplished. In addition, these two chapters also add an insightful contribution to previous research by Bluhm, Martens and Trappmann (2014) on the practices of domestic and foreign employers, differentiating between and within both groups.

The first part of the book ends with a chapter by Markova, who tackles the complex issue of labour migration and migrants’ remittances (the action of sending money home in payment or as a gift) by the example of the “remittance-based” economies of Moldova, Albania, Ukraine and Bosnia-Herzegovina. This original contribution based on a longitudinal data analysis from the beginning of the 1990s shows the complex, multi-layered economic but also societal impact of remittances. On one hand, the chapter reveals how in some cases the — significant — economic remittances have even surpassed FDI flows of capital, especially in the Western Balkans. On the other hand, by examining the case of Bosnian-Herzegovinian and Ukrainian migrants in the UK, the author highlights the selectivity in access to emigrant donor funding of established home actors, and underscores the need for transparency which can benefit small organisations and even individuals. Moreover, media representations of returnees and diasporic communities are often troubled by elitist and alienating discourses which have a significant influence on public opinion.

The second part of the book retraces the issues of multiple dependencies, particularly in light of the Europeanisation process, and concentrates on ‘labour agency’. The role of trade unions is central in this narrative. The contributions in this part also describe the multiple facets of labour “resistance”, the outcomes of which range from new forms of labour protest to populism and economic nationalism. In Chapter 7, Meardi provides a detailed analysis of the limits of the EU hard and soft “acquis” in the enforcing of labour standards during the accession process. Although all CEECs rapidly concluded the chapter on social and labour issues of the enlargement negotiations, the author points out that “specific choices by policy makers and employers actively constructed the enlargement as a social deregulation process”. Moreover, although there was “compliance” with the soft norms, it appears that the nature of the regulations was “easily distortable”. Therefore, rather than convergence with the European social model, there are illustrations of the divergence in working conditions which occurred after adoption of the acquis. Meardi equally analyses the role of unions during this period as “disposable to politics”, and not empowering of labour in the region, despite the possibilities enshrined in the acquis. Consequently, resistance has led to workers “voting with their feet”, namely to support populist and extreme right parties (Meardi 2012). More generally, the

author argues — but does not empirically underpin his claim — that, together with the financial crisis and the role of the Barroso European Commission, enlargement is one of the factors which “has stopped social initiatives at community levels”.

The limits to Europeanisation are equally documented in Chapter 8 by Bonnet. The author indeed comes to the puzzling finding that Poland, in spite of (a) having been the first recipient of the EU’s structural funds since 2007, and (b) the essential role of the ESF for developing Active Labour Market Policies (ALMPs) in the country, has seen only a partial Europeanisation of its employment policy. The author convincingly argues that EU ideas and norms regarding the labour market are not accepted at the local and subnational level. In addition, the ESF’s partnership principle results in formal rather than real collaboration between subnational actors. As a result, the author concludes, the ESF mainly helps to maintain the status quo. While the “Three I’s of International Political Economy” (Ideas, Interests and Institutions) provide a useful starting point for the chapter, we feel that the author could have been more precise in identifying the precise mechanisms of Europeanisation through which the combined effect of EU funds and the European Employment Strategy could be assessed (see, for example Verschraegen et al., 2011 and Van Gerven et al., 2014). Similarly, the focus of the chapter on the subnational level eliminates the possibility of testing some of the most promising theoretical frameworks in this line of empirical inquiry: those of multilevel governance, including in the context of the European Semester (which is lacking in the discussion), and the ongoing decentralisation process of the Polish employment policy through the ESF (which is acknowledged by the author).

The drift of the European project away from the ideal of “social democracy” is equally exemplified by Delteil and Kirov in Chapter 10, describing the evolution of social norms and the limits of the Europeanisation process during the crisis in Bulgaria and Romania. These “weak states” are analysed as “paragons” (a model of excellence) but also as “laboratories” of “dependent capitalism”. According to the authors, the insistence of the European Union on the implementation of social dialogue at all levels of industrial relations has certainly led to the creation of new formal consultation institutions. Moreover, trade unions have made use of the EU’s but also the ILO’s recommendations on tripartism in order to legitimise their political and economic role, mainly through acquiring expertise in a context of lacking state expertise and meagre legitimacy of political actors. However, the authors point to several caveats when describing a “low road Europeanisation” in the field of labour relations through “soft” recommendations. Especially during the crisis, they note “the absence of voluntarism in the EU to promote a top-down convergence in the systems and practices of East European industrial relations”. In this respect, domestic actors used the EU’s bail-out conditionality in the context of the European Semester to further push their agenda aimed at considerably restricting labour and union rights. The authors furthermore explain how some, still weak, resistance has spread to groups of trade unions and NGOs. Some more unusual groups, [e.g.] uniting trade unions and employer’s organisations, are seen as the result of the paradigm of cooperative social partnership.

The role of trade unions in the context of economic dependency is also at the core of Myant’s analysis (Chapter 9) of the Czech case. In a different perspective from that of the “weak states” Bulgaria and Romania, the author explains that Czech trade unions appealed to the ‘European Social Model’ in order to resist liberalisation of employment and restriction of workers’ rights. Unlike their counterparts in many CEECs, Czech unions possess political resources without commitment to political parties. Therefore they had a real impact, particularly on employment law, during certain periods of the transition process (be it mostly under the rule of left-wing governments). In a similar vein, the question of trade union power resources, and particularly ideational and narrative powers with regard to the new emerging challenges of precarious work is tackled from a sociological perspective by Mrozowicki, Karolak and Krasowska (Chapter 12). The authors highlight the ambivalent impact of the

accession process on labour and workers' conditions. EU accession clearly brought about several worker-friendly developments: non-discrimination principles, favourable formal regulations on temporary agency work, introduction of works councils and European Works Councils, and the replacement of civil contracts by labour contracts. But accession also contributed to deregulation through the increase in flexible and fixed-term contracts. This chapter echoes a recent study showing the growing precarisation and the "hard work" in new atypical employment in CEECs, as well its significant influence on workers' life and sense of belonging (Holtgrewe, Kirov and Ramioul 2015). Importantly, the chapter identifies three "waves of precarisation" over the last 25 years, which have impacted mostly young people working in "junk jobs". Deprived of any collective bargaining and union coverage, the frustration of these workers became the reason for innovative unionisation campaigns and practices. Nevertheless, the authors point out that these sporadic new union tools, "surfing on the end of patience" of some segments of the workforce, have to be combined with a profound ideational and organisational change in order to "frame workers' collective interests in economic terms".

Precariousness of work and job mismatch are also analysed by Ilieva-Trichkova and Boyadjieva in Chapter 11 of the volume. These authors fill a gap in the literature on CEEC labour developments by analysing the expansion of higher education in these countries and its impact on employability. They point to the strong impact of the EU on the expansion of higher education through the Bologna process, as well as to the EU benchmarks, programmes and funding in the field of education. However, the authors also point to the limits of the Europeanisation process in terms of graduate employability. In this respect, EU benchmarks have not taken into account the institutional contexts and the identity of the heterogeneous groups of graduates. The authors conclude that there is considerable variation in graduate employability according to the capitalist regimes identified by Bohle and Grescovits (2012): embedded neoliberal regimes perform better and have less vertical employability mismatch and lower unemployment rates. However, the authors call for a narrowing of the analysis of capitalism by its further distinguishing between countries with regard to higher education and graduate employability.

Rather than an overarching theoretical framework to explain how labour has been transformed in the former "Workers' States" in CEEC in the past 25 years, the authors of this volume offer an in-depth assessment and test various hypotheses and analyses in the light of the heuristic concept of "dependent capitalism". Political and policy responses in the field of labour and industrial relations seem to diverge after 2008: the EU has ceased to be the veritable "convergence machine" it was expected to be. In this respect, the edited volume provides a valuable tool to counteract simplistic political responses. It should therefore be a reference work not only for scholars but also for those involved in Central and Eastern European politics and policy-making.

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