

Where to find power resources under a hostile government? The prospects for trade union revitalization after the loss of institutional resources in Hungary and Romania

European Journal of
Industrial Relations
2023, Vol. 29(1) 25–42
© The Author(s) 2022



Article reuse guidelines:

sagepub.com/journals-permissions

DOI: 10.1177/09596801221136959

journals.sagepub.com/home/ej



Aurora Trif

DCU Business School, Dublin City University, Dublin, Ireland

Imre G Szabó

Department of Political Science, Central European University, Vienna, Austria

Abstract

The experience in Western Europe suggests that overreliance on institutional stability hinders trade union revitalization. This paper explores the other side of this coin: what is the impact of dismantling industrial relations institutions on union revitalization? It investigates the drivers and outcomes of the main revitalization strategies used by trade unions in Hungary and Romania as a response to the frontal attack of governments on their institutional supports post-2008. In both countries, national-level confederations took political action seeking to amend the labour laws that undermined their role and influence. At the company and occupational level, some trade unions increased their organizing efforts to retain their influence under an adverse legal framework. This article reveals that deinstitutionalization can be a driver of revitalization when trade unions are willing to take small steps to strengthen their links with rank-and-file members and with other unions, social movements or international organizations by using a combination of revitalization strategies. It also shows that unions have to simultaneously draw on different sets of power resources, particularly a mixture of organizational and societal power resources, to revitalize after losing institutional resources.

Corresponding author:

Aurora Trif, DCU Business School, Dublin City University, Dublin 9, Ireland.

Email: aurora.trif@dcu.ie

Keywords

Hungary, institutions, retail, revitalization, Romania, trade union

Introduction

While there is little doubt that trade unions struggle to maintain their role and influence in adverse conditions, scholars disagree on whether adversity pushes unions to revitalize. This article investigates the drivers and outcomes of the main revitalization strategies used by unions in hostile conditions in Hungary and Romania, where the 2008 crisis brought economic hardship and the most severe political attack on industrial relations institutions in the region (Müller et al., 2019). Specifically, it examines whether the undermining of institutional support for union activities (deinstitutionalization) has been a driver or inhibitor of (i) political actions by union confederations and (ii) organizing efforts targeting vulnerable workers in public workfare schemes in Hungary and retail sector in Romania. Although certain cross-national differences exist, Hungarian and Romanian unions have both faced comparable challenges in terms of the severe undermining of national institutions during the 2008 crisis. Accordingly, similar developments were expected in both countries. The selected union initiatives are critical cases (Gerring, 2007) that contribute to a better understanding of why and how some unions are able to revitalize in adverse contexts.

The findings of this study are based on in-depth interviews with key informants conducted by the authors between 2011 and 2016 for several research projects on union responses to the 2008 crisis. It draws primarily on semi-structured interviews with representatives of unions and employers and experts conducted in both countries in 2011 for a project on the impact of the 2008 crisis on industrial relations in CEE (Szabó, 2013; Trif and Stoiciu, 2017) and in 2014–16 for a project centred on union innovation in specific CEE countries (Szabó, 2017; Trif and Stoiciu, 2017). The authors also reviewed relevant documents, including legislation, collective agreements, union policy statements and social media reports.

This article reveals that a hostile external environment can be a driver of union revitalization strategies, including organizing workers with a very weak capacity to disrupt production. The findings show that the main revitalization strategies adopted by Hungarian and Romanian unions as a response to deinstitutionalization were twofold. At the national level, confederations took (often unsuccessful) political actions seeking to amend (or revoke) the labour laws that undermined their role and influence. At the company or occupational level, some unions increased their organizing efforts to retain (or restore) their influence (e.g. their eligibility for collective bargaining) to adapt to the post-2008 legal framework. Yet, organizing was successful only in a limited number of companies or occupations and, the national union density continued to decline. Also, political actions had limited effects on restoring unions' influence. Nevertheless, the article indicates that unions in an increasingly hostile global context do have some scope for organizing workers and strengthening their organizational capacity and influence when they use a

combination of revitalization strategies. This is more likely to happen if unions simultaneously draw on organizational and societal power resources.

The remainder of this paper is organized as follows. The next section presents the conceptual framework. Then, it reviews the literature on the main strategies used by Hungarian and Romanian unions to consolidate their power resources after 1989, focussing on the central role of institutional resources until the 2008 crisis. This is followed by a review of the institutional changes adopted during the 2008 crisis and a comparative analysis of their effects on union revitalization in the selected cases. The discussion and wider implications are presented in the final section.

Power resources and union revitalization in an adverse context

Union revitalization refers to actions taken by unions ‘to restore their strength and influence’ (Kumar and Schenk, 2013: 16). There are four sets of power resources that unions can deploy to strengthen their organizations and increase their influence, namely, organizational, institutional, structural and societal resources (Lehndorff et al., 2018). The main organizational resources are threefold: proactivity (i.e. the willingness of union leaders to change their strategies and instruments), union density and internal cohesion (e.g. the ability of unions to mobilize their members) and links with other unions (e.g. collaboration with domestic unions and/or alliances with international unions) (Doellgast et al., 2018; Lévesque and Murray, 2002). In addition, unions can draw upon three sets of external resources to increase their influence, namely, institutional (i.e. statutory and non-statutory support for union actions); structural, referring to factors affecting workers’ capacity to disrupt production associated with the demand in the labour market (e.g. unemployment rate and workers’ skills) and the product market (Silver, 2003); and societal, referring to the support of the wider public for unions as well as union coalitions with non-union groups (e.g. social movements, non-governmental associations and political parties) (Lehndorff et al., 2018). The control of unions over strengthening their power resources varies, ranging from the highest concerning their organizational resources, followed by institutional and societal resources, to the lowest concerning structural resources (Lehndorff et al., 2018).

Debate persists in the extant literature on whether a severe decline in union power resources fosters or hinders union revitalization (Hassel, 2007). One strand of the literature argues that hostile conditions inhibit union revitalization leading either to their marginalization, dualization or replacement (Visser, 2019). In his seminal work on the future of CEE unions, Ost (2009) argues that post-communist unions are unlikely to adopt revitalization actions in an adverse context, and should they do so, would support workers with strong structural (and institutional) resources, such as those in the automotive sector. Ost (2009) indicates that union leaders will accept the worsening of working conditions for the most vulnerable workers based on efficiency considerations. Hence, the trend to consolidate so-called ‘elitist’ and ‘producerist’ unions representing skilled male workers on standard work contracts - which emerged during the period of post-communist transition - is expected to intensify in the future (Ost, 2009). Accordingly, at worst, a hostile environment prevents union revitalization leading to marginalization. At best, it

results in union actions leading to a widening of the gap in employment conditions between the unionized and non-unionized workforce, the so-called ‘dualization’ scenario (Visser, 2019). Finally, the continuous decline in union power resources can also lead to a gradual substitution of unions by alternative forms of employee voice in the workplace (Visser, 2019).

Another strand of the literature argues that an adverse context can trigger union revitalization actions (Gumbrell-McCormick and Hyman, 2013; Murray et al., 2020). Based on evidence concerning unions’ actions in the U.S. since the 1990s, Weil (2005) claims that a hostile environment forces unions to reassess the effectiveness of their organizing efforts in advancing workers’ interests. He indicates that context-related challenges, including institutional erosion can be overcome by unions that strengthen their organizational capacity, which is a precondition for building new external leverage. As unions have more control over their own organizational capacity than their external leverage (Lehndorff et al., 2018: 10), Weil (2005) argues that adverse external conditions foster union revitalization efforts. Yet, it remains unclear whether post-communist unions, which used to rely on institutional support, are willing and able to adopt revitalization strategies when their institutional resources are severely undermined (Doellgast et al., 2018; Ost, 2009).

Challenges and opportunities for union revitalization in Hungary and Romania

Similar to other post-communist unions, most Hungarian and Romanian unions accepted neo-liberal economic reforms seeking to transform centrally planned economies into functioning market-economies during the 1990s (Korkut, 2006; Ost, 2009). The newly established (weak) governments in the region often asked for union support to introduce painful reforms for workers during the 1990s (Bohle and Greskovits, 2012). These neo-liberal reforms led to massive job losses (weakening structural resources) and a severe decline in union density (weakening organizational resources) during the 1990s (Trif et al., 2016), while unions expected that in the long-term, those reforms would enhance workers’ living standards. Despite being more prone to strike than their counterparts in other CEE, the majority of Hungarian and Romanian union actions did not seek to prevent the introduction of neo-liberal reforms (Crowley, 2004). At best, their actions slowed the pace of economic reforms. Ost (2009) argues that this strategy of limited (or lacking) resistance to economic liberalization during the 1990s prevented post-communist unions from taking actions that would restrict employers’ quest for low labour costs in CEE countries.

In exchange for their acquiescence and cooperation in building a market economy, the Hungarian and Romanian governments accepted unions’ demands for a favourable institutional environment. In both countries, labour laws adopted during the 1990s supported the development of bipartite collective bargaining and tripartite consultation between unions, employers and the government (Meszmann, 2016; Trif et al., 2016). The favourability principle (i.e. the rule according to which lower-level collective bargaining can only improve on the conditions set at higher levels) was enshrined into law in both

countries (Müller et al., 2019). Although labour law and collective bargaining differences existed in the two countries (e.g. statutory *erga omnes* extension of collective agreements at cross-sectoral and sectoral levels was present solely in Romania, which led to higher collective bargaining coverage), generally only unions operating in large companies were able to significantly improve the minimum legal standards in both countries (Trif et al., 2016).

To preserve their institutional position, post-communist union leaders maintained strong links with political parties (Korkut, 2006). In Hungary, there was a ‘revolving door’ between the unions and the Socialist Party. For instance, Sándor Nagy, the chairman of the National Confederation of Hungarian Trade Unions (MSZOSZ) remained a member of parliament representing the Hungarian Socialist Party, despite the fact that the socialist-led government implemented austerity measures in 1995. Similarly, in Romania, Victor Ciorbea, a former leader of the National Democratic Trade Union Confederation of Romania (CSDR), served as prime-minister in 1997–1998. The continuation of the communist legacy of strong linkages between unions and political parties contributed to low public trust in unions, namely, 31% in Hungary and 35% in Romania in 2007 (Eurobarometer, 2020). Similar to other post-communist unions, Hungarian and Romanian unions prioritized external links with political parties rather than developing other societal resources, such as gaining support from the wider public or forming alliances with (emerging) non-governmental organizations.

Strong institutional support together with the widespread union acceptance of the economic liberalization also resulted in the weakening of the organizational resources of post-communist unions (Ost, 2009). Their reliance on statutory rights has reduced the need to recruit members (Korkut, 2006). Accordingly, it contributed to the severe decline in union density, falling to 14% in Hungary and 32% in Romania in 2008 (Trif and Stoiciu, 2017). In addition, top-down decision making has prevailed in many post-communist union organizations, where leaders became increasingly detached from the rank-and-file and were either unable or unwilling to prioritize members’ participation in a democratic decision-making process (Korkut, 2006). Also, the union movement is fragmented in both countries, with six confederations operating in Hungary and five in Romania (Fulton, 2018). Nevertheless, unlike their Hungarian counterparts, Romanian unions rarely compete for members, as they are generally split based on the structural characteristics of the labour force, for example, white collar and blue collar workers; different occupations, such as nurses and doctors; or operate in different (sub)sectors (Trif et al., 2016). Despite some differences, by and large, there were similar patterns of interplay between union power resources in Hungary and Romania. More specifically, in both countries unions benefited from relatively strong institutional resources between 1989 and 2008 combined with relatively weak organizational, structural and societal resources.

The reliance of unions on institutional power resources in the form of statutory rights however made them vulnerable to political and economic cycles. This became evident post-2008, when the right-wing Hungarian and the centre-right Romanian governments considerably restricted the role and influence of unions (Glassner, 2013). In 2011, governments in both countries dismantled crucial institutional pillars that had supported

union activities. First, the Labour Code amendments considerably increased employers' prerogatives to unilaterally set working conditions. In Hungary, the new Labour Code redefined the employment relationship as a civil law contract between two equal parties. In addition to making it easier to dismiss employees, a 'reverse' favourability principle was introduced in several areas, such as overtime and paid leave. Consequently, individual employment contracts and collective agreements are allowed to set less favourable provisions for workers than the minimum standards set by the Labour Code (Szabó, 2013). In Romania, amendments to the Labour Code also made it easier for employers to dismiss employees, including shop stewards, as well as to increase workloads unilaterally and to use flexible working time arrangements (Trif and Stoiciu, 2017).

Second, the alteration of strike laws curbed unions' bargaining power in both countries and other fundamental union rights were also undermined in Romania. The new legal provisions restricted the right to strike in the public sector in Hungary and in Romania restrictions apply also to the private sector. Moreover, the adoption of the 'so-called' Social Dialogue Act (SDA) in 2011 has undermined unions' rights to organize workers and to bargain collectively in Romania; for example, it is no longer possible to unionize workers in companies with fewer than 15 employees (Trif and Stoiciu, 2017). By prohibiting cross-sectoral agreements that set minimum standards and wage indexes for all employees, combined with abolishing the automatic extension of sectoral agreements and making it far more difficult for unions to negotiate company-level agreements, in particular by raising the representativeness threshold from 33% to more than 50%, the SDA caused a massive decline in bargaining coverage (from over 90% to circa 35% in 2012) and union density (from 35% to circa 20% in 2012) (Trif and Stoiciu, 2017). Thus, the undermining of the role of unions in collective bargaining was greater in Romania than in Hungary, as Hungarian unions had less statutory support for it before the recession.

In addition, governments in the two countries undermined institutional power resources by weakening the national tripartite institutions. In Hungary, the Orbán government abolished the tripartite National Interest Reconciliation Council in 2011, the main forum where the government had consulted unions on key labour market issues and where unions used to have co-decision power on minimum wage setting (Szabó, 2013). This relatively strong tripartite body was replaced with a toothless advisory forum comprising unions, employers organizations, and other civil society organizations. Likewise, the Romanian Economic and Social Council, which had *de jure* similar functions as its Hungarian counterpart, was replaced by a weaker tripartite body established under the SDA provisions. Before 2010, the Economic and Social Council was supposed to be consulted on all legal changes affecting labour, but social partners input was often ignored, which was the main reason why all five unions confederations, together with the four largest employers' organizations (out of 13) withdrew from this national tripartite body in 2011 (Trif and Stoiciu, 2017). Despite certain procedural differences, there was a similar 'frontal assault' on the role and influence on Hungarian and Romanian unions during the 2008 crisis, which led to a radical shift from a regulatory framework supporting union activities to one that restricted fundamental union rights in both countries.

However, institutional support can hinder union revitalization. Hassel (2007) convincingly argues that strong institutional support in Germany has contributed to maintaining a strong union influence via industry-level bargaining, while also contributing to membership decline. Accordingly, it is unclear whether the severe undermining of the institutional support for union activities drives or inhibits union revitalization strategies. In order to explore this issue, the current study examines the drivers, strategies and outcomes of union revitalization in adverse contexts in Hungary and Romania.

Deinstitutionalization and political actions by Hungarian and Romanian union confederations

At the national level, the most important revitalization strategy used by both Hungarian and Romanian unions was political action seeking to revoke or amend the labour laws that undermined their role and influence. Despite having a common driver of political action, namely, deinstitutionalization, the process and outcomes of their political actions varied across the two countries, initially contingent on their post-communist legacies.

In Hungary, post-communist unions have been traditionally fragmented and divided. There were six competing confederations prior-2008, MSZOSZ, LIGA, the Forum for the Cooperation of Trade Unions (SZEF), the Autonomous Trade Union Confederation (ASZSZ), the Confederation of Unions of Professionals (ÉSZT) and the National Confederation of Workers' Councils (MOSZ) (Fulton, 2018). Confederations were formed partly around different economic activities: SZEF and ÉSZT represents public sector employees, whereas the other confederations have a mixed membership. The main dividing line within the Hungarian labour movement is historical: LIGA and MOSZ were newly established in 1989, while the other four confederations emerged as reformed organizations from the unified communist union confederation (Fulton, 2018). Apart from their ideological differences, the relationship between the two camps has been hostile owing to disputes over the assets (mostly real estate) inherited from the communist confederation (Szabó, 2013). Furthermore, the post-1989 institutional framework did not alleviate divisions within the Hungarian labour movement. Unlike in Romania, it did not provide unions incentives to cooperate, such as the legal requirement to jointly negotiate a single cross-sectoral collective agreement (Trif et al., 2016).

Nevertheless, in the wake of the political assault on union rights post-2008, Hungarian confederations began to overcome their historical divisions. To deal with the radical curtailment of individual and collective labour rights proposed by the draft of the new Labour Code, all six confederations jointly turned to the International Labour Organisation (ILO) and the EU commissioner for Employment, Social Affairs and Inclusion in 2011. As a result of the serious concerns expressed by the ILO and the EU concerning the draft legislation, the government removed the most controversial measures from the final text of the legislation (e.g. concerning legal protections and time-off guarantees for union representatives at the workplace) (Neumann, 2012). This coordinated action of confederations has also prevented the nationalist government from building a narrative that specific unions turned to international organizations to advance their exclusive goals by undermining national competitiveness. Their common appeal to international

organizations delivered a breakthrough in negotiations between the unions and the government. This initiative shows the importance of strengthening both internal relations within the labour movement and external links in a bid to resist further undermining of unions' role and influence in a hostile environment.

Moreover, this relatively successful action was followed by other tentative steps towards cooperation within the Hungarian labour movement. In 2013, three confederations, MSZOSZ, ASZSZ and SZEFE merged into the Hungarian Trade Union Confederation (MASZSZ) (Fulton, 2018). However, in the same year, one of the largest constituent unions of LIGA broke away and formed its own confederation. Surprisingly, in 2015, former arch-enemies LIGA and MASZSZ started collecting signatures together for a referendum on early retirement for men similar to existing provisions for women. While this initiative failed, LIGA ousted its controversial long-time leader in 2016, whose departure opened avenues for cooperation. The newly elected chairwoman declared her intention to build closer links with membership and other confederations (Lencsés, 2016), signalling the desire to ease tensions within the labour movement. In line with Weil's (2005) argument, the hostile institutional environment has pushed Hungarian confederations to start overcoming their historical divisions. However, it has not led to further mergers or other forms of (formal) organizational restructuring of Hungarian confederations, and it has achieved little in terms of political influence.

In contrast to their Hungarian counterparts, the five Romanian confederations cooperated before 2010 (Fulton, 2018). Inter-union cooperation was facilitated by the lack of a clear division between the old, reformed unions, and newly established organizations. In 1993, the reformed and largest of the new union organizations merged to create the National Free Trade Union Confederation of Romania – Frația (CNSLR-Frația), the country's largest confederation. There are four other important union confederations: the National Trade Union Block (BNS); the CSDR, created in 1994 as the result of a split from CNSLR-Frația; the National Trade Union Confederation Cartel Alfa; and the Meridian. Despite a widely publicized proposed merger of three of these five confederations in 2007, namely, CNSLR-Frația, BNS and Meridian, it did not take place. From 2011, the BNS further attempted to merge with CNSLR-Frația and Cartel Alfa, but these plans were abandoned by 2013 (Fulton, 2018).

Unlike in Hungary, the drastic legal changes in 2011 led to increased fragmentation and divisions among the five Romanian confederations. These confederations fought together against the 2011 legal changes that undermined employment rights; they signed a cooperation protocol with the centre-left opposition and sought to influence government decisions via tripartite bodies and mobilized workers to protest against labour law changes (Trif, 2013). However, the limited effects of their political actions, combined with the prohibition of cross-sectoral collective bargaining and corruption allegations targeting confederation leaders, have undermined inter-confederation cooperation. At a first glance, developments in Romania appear to be in line with Ost's (2009) view that CEE unions are more likely to perish than revitalize in increasingly deregulated labour markets.

In this dire context where traditional political action failed, the BNS confederation however utilized a new political instrument, namely a civil society initiative, which primarily aimed to strengthen the protection of vulnerable workers by amending the new

Labour Code regulations. Specifically, the BNS sought to use the provision of the Romanian constitution that allowed citizens to initiate a bill if it was supported by at least 100,000 citizens with voting rights. Despite having more than 200,000 union members and inviting the other four confederations to support the scheme, the BNS was unable to gather 100,000 signatures in 2012 (Trif and Stoiciu, 2017). Nevertheless, the confederation secured the required level of support in a second attempt to introduce this bill in 2014, after strengthening their internal relations with rank-and-file members. Thus, the persistence of union leadership played a key role in adopting this novel initiative.

The 2014 campaign was the first initiative by a Romanian confederation to invite citizens and rank-and-file members, as well as lower-level union officials, to have direct input into a draft bill using instruments of direct democracy that are relatively new also to unions in Western Europe (Erne and Blaser, 2018). In addition to gathering signatures, the BNS consulted its supporters on the draft law and incorporated some of their suggestions in its proposal (Trif and Stoiciu, 2017). The democratic process used to gain support for the civil legal initiative helped the BNS to strengthen its organizational capacity. First, union members recognized that, rather than furthering leaders' interests, this confederation genuinely sought to improve employment conditions, which helped rebuild rank-and-file members' trust. Second, the campaign improved bottom-up communications within the organization and boosted internal democracy which enhanced vertical integration within the confederation. Although the bill was passed by the Senate in 2015, it has not yet been debated in the plenary session of the Chamber of Deputies.

Despite its failure to amend labour legislation, this action has contributed to the adoption of other revitalization strategies. Enhanced internal democracy has enabled the BNS to introduce a virtual interface to provide individual services. The platform, launched in 2015, was part of an initiative seeking to provide transparency concerning all actions taken by unions at each organizational level. Apart from making it easier to communicate with members, this platform allows the BNS to reach under-represented and vulnerable groups, including young workers, teleworkers and other workers on atypical contracts. In this way, the BNS broadened its target group to include those who could potentially become union members. Interestingly, the BNS attempted to use this platform before 2008, but it could not implement it due to resistance from lower echelons in the hierarchy; it was reported that company-level unions did not want it, as they often under-reported membership level to pay lower fees to federations and confederations (Trif and Stoiciu, 2017). The BNS leader was outspoken about internal issues, including the fact that company-level union leaders use their position for personal gain. This suggests that the BNS perceived that it was more critical for them (than for other confederations) to tackle both internal and external challenges. Importantly, the case of BNS reveals that even failed political actions can contribute to strengthening union organizational capacity via organizational restructuring and servicing.

Summing up, the findings suggest that the frontal attack on industrial relations institutions triggered the adoption of political action by confederations complemented by some (informal) organizational restructuring within the labour movement in each country. In response to government attacks on industrial relations institutions, Hungarian confederations have gradually begun to improve their horizontal relations. In contrast, the

failure of joint political actions and protests of confederations to resist government attack on workers' rights in 2009–2010 has led to a sudden deterioration of both horizontal and vertical links within the Romanian labour movement. In addition, initial attempts by the BNS to use a novel political action were unsuccessful due to insufficient member support, while the perseverance of the leadership led to partial success in consolidating the BNS's vertical links. Furthermore, scattered attempts by the other four Romanian confederations to address the interests of vulnerable groups through servicing (e.g. individual cases of litigation) had a limited impact on strengthening unions' organizational capacity (Trif and Stoiciu, 2017). The BNS case illustrates the importance of having a systematic long-term approach to organizational capacity building, starting with strengthening the internal relations between leadership and rank-and-file members. Nevertheless, neither BNS nor any other confederations in the two countries were able to restore their role and influence to the level that they had before 2008, despite using a range of revitalization strategies. Accordingly, the outcomes of union revitalization actions under such adverse conditions remain modest.

Organizing vulnerable workers during the 2008 crisis in Hungary and Romania

Considering that Ost (2009) predicted that post-communist unions would support only workers with strong structural resources in adverse contexts, this study examines why and how some unions were able to organize workers with weak structural resources, namely, temporary workers on workfare schemes in Hungary and retail workers in Romania during the late 2000s. The selected occupational groups possess low structural resources, primarily because workers can be easily replaced as their jobs require low-skilled labour (Trif et al., 2016; Mrozowicki et al., 2013). Moreover, participants in workfare schemes and retail workers have a weak capacity to disrupt production as they only provide local services. Last, but not least, the high voluntary turnover makes it very difficult for unions to organize and mobilize workers in both occupations. Nevertheless, unions have some experience in organizing and representing the interests of retail workers in Romania, while workers on workfare schemes emerged as a large precarious group during the 2008 crisis in Hungary. Yet, union density in retail was below one per cent in Romania, while sectoral collective bargaining ceased following the drastic legal changes in 2011 (Trif et al., 2016). Thus, the selected union initiatives represent extreme (critical) cases identified by authors in terms of organizing workers with the weakest structural resources in each country.

The most salient labour market development affecting low-skilled precarious workers in Hungary after 2008 was the expansion of workfare programs. The Orbán government made it compulsory for unemployment benefit seekers to partake in public workfare schemes, which has led to a massive growth in the size of workfare programs: the number of participants increased from 35,000 in 2008 to more than 200,000 in 2015 (Scharle, 2016: 55). These programs provide work for the long-term unemployed in various unskilled activities, such as cleaning public buildings, waste collection, park and road maintenance and agricultural work. Participants in workfare programs have short, fixed-

term contracts, with the possibility of renewal (Busch and Bördös, 2015). There is high labour turnover due to the fact that employers can easily end their work contract. At the same time, workers leave voluntarily when they find better jobs.

The increase in the size of this group of vulnerable workers has opened an opportunity to organize them, but this action was not taken by existing company or sectoral unions (Meszmann, 2016). Instead, it emerged from two opposite margins of labour activism: from former confederation officials involved in politics on the one hand, and from grassroots civil society organizations on the other.

The first organization, the Trade Union of Workfare Employees (KMSZ), was established in 2012. One of the key founders of KMSZ was László Kordás, a former vice president of MSZOSZ (2002–2004), who also served as a state secretary for employment affairs in the socialist government between 2004 and 2006 (Kordás, 2015). While reaching out to structurally weak workers was not considered a viable strategy by established unions, the task was accomplished by this former senior union official. Leading an organizing campaign has strengthened Kordás's position within the trade union movement, in a context where confederal leadership normally has little leverage over its constituent unions. It contributed to his election as the chairman of the newly formed confederation MASZSZ in 2015. In sum, the emergence of a large group of vulnerable workers combined with the weakening influence of confederations spurred a union leader to organize them.

The second organization, the Movement of Workfare Employees for the Future (KMJ) illustrates the grassroots method of organizing public works participants. Its establishment by a Budapest-based activist group in 2012 was part of increased social movement activity following the Orbán government's punitive measures against marginalized social groups such as the long-term unemployed and the homeless (Szabó, 2017). As securing better employment is the main goal of participants on workfare schemes, KMJ assists them by providing relevant services (which are open to non-members): language, computer and communication skills training, as well as legal advice (Vojtonovszki, 2014). These services increase the chances of participants in public works programs to get standard employment in the regular labour market, which no union has previously delivered. The success of using a combination of organizing and servicing revitalization strategies demonstrates that labour organizations can help workers to improve their structural resources by assisting them in getting jobs in other sectors or occupations.

The other labour organization, KMSZ, did not engage in this 'individual empowerment' approach to increase the employability of public works participants. KMJ and KMSZ have not worked together due to their different ideological backgrounds and the fact that KMJ's main geographical activity area is Budapest whereas KMSZ's membership base is in rural areas. Nevertheless, this also means that the two groups did not compete for members.

In both cases, there was heavy reliance on external links to organize workers with very weak structural resources. In terms of external links, the KMJ is part of the Hungarian Network Against Poverty, illustrating a unique form of organizing vulnerable workers by a non-union organization that is part of a broader social movement. The KMSZ has more traditional external links with the Socialist Party. Also, both organizations sought to

increase their organizational capacity through public discourse (i.e. political action strategies). KMJ was able to attract public attention with a street protest in early 2013, where they also handed the ministry a petition demanding the improvement of labour standards in workfare schemes. Due to its strong media presence, the ministry communicates with KMJ and in some cases takes measures to address the issues raised by the organization. For example, KMJ successfully pressured the ministry to allow workers to take time off from their public works duties when attending a job interview in the regular labour market (Szabó, 2017). KMSZ on the other hand took advantage of its base in the countryside, with the leaders of the movement and other socialist party-affiliated politicians organizing a ‘Hunger March’ to Budapest in the winter of 2012.

Similar to participants in public workfare programs, workers in the retail sector are very difficult to organize. Apart from a high labour turnover, the majority work either in small firms or multinational companies (MNCs), both of which are rarely unionized (Mrozowicki et al., 2013). In Romania, the retail sector had 730,000 employees in 2015, of which approximately 100,000 worked in large MNCs while the remaining 86% were employed in small and medium enterprises (Trif and Stoiciu, 2017). The Federation of Commerce Unions (FSC), the only sectoral organization, represents less than one per cent of the sectoral labour force. It lost the majority of its members in the 1990s, when most retail companies were privatized.

In order to ensure its survival, the FSC prioritized organizing workers following a change of leadership in 2001. In the first phase of the organizing campaign, which was launched before the 2008 crisis, the union sought to develop 20 territorial (county) organizations to create a critical mass of union structures and activists and reach the threshold needed to become representative at the sectoral level. In the context of high labour turnover, these initial attempts failed. None of the new union structures survived, but the organizing team trained approximately 500 union activists, some of whom subsequently helped organize workers. Despite the failure to set up territorial structures, the experience gained from the first attempt to organize workers played a key role in preparing and implementing the second phase of the organizing campaign.

Between 2006 and 2009, the FSC focused on organizing workers in MNCs using their international links. First, the German service sector union *ver.di* officials provided support in the form of training and access to relevant senior managers in German companies operating in Romania, which helped the FSC unionize workers in retail chains such as Metro, Real, and Selgros. By 2008, unions had successfully negotiated company-level collective agreements covering all employees in these MNCs. Second, the FSC gained the assistance of UNI Global (with which it is affiliated) to organize workers in the Carrefour chain. Their request for international support came when a local initiative to organize Carrefour workers resulted in the harassment of the union members and their leader (Trif and Stoiciu, 2017). In response, UNI Global put pressure on the Carrefour management to allow the FSC to unionize workers in their Romanian subsidiaries as freedom of association was covered by the International Framework Agreement signed by the company. Consequently, management has allowed the chain’s unionization and reinstated the company-level union activists who were fired. The first company-level collective agreement in Carrefour was concluded in 2009. Finally, the FSC managed to organize

workers in other MNCs, such as Billa and Penny, but the union density in those chains was rather low by the end of 2010.

The third phase of the organizing campaign commenced with the FSC's annual congress in 2011, which led to two important changes. First, the FSC decided to use an organizational restructuring strategy to revitalize by switching its affiliation from CNSLR-Frația, whose leader was associated with corruption allegations, to Cartel Alfa. Second, the FSC re-focused its organizing efforts on MNCs with over 20% union density in order to secure over 50% density, the new threshold required by the SDA to bargain collectively. The FSC's consolidation efforts were successful in four MNCs: by 2012, more than 50% of the labour force was unionized at Carrefour, Selgros, Metro and Real which enabled company-level unions, with the support of FSC, to negotiate collective agreements.

The long-term organizing campaign staged by the FSC helped revitalization in three ways. First, the strategy of organizing workers at the company level by a sectoral federation is novel in Romania given that, as a rule, federations associate already established unions (Trif and Stoiciu, 2017). In the case of the FSC, the federation's activists visited the outlets of retailers and held discussions with individual workers during their lunch or cigarette breaks and at the end of their working day to persuade them to join unions. Second, the organizational changes implemented by the FSC, in particular the leadership change and the switch of confederal affiliation, are rare in Romania. According to senior managers at Selgros and Carrefour, the FSC leadership elected in 2001 played a pivotal role in convincing them of the potential benefits of working with unions resulting in partnerships with these employers. Finally, FSC targeted workers in MNCs who are often difficult to unionize. Similar to the Hungarian cases, the organizing campaign of the FSC in the Romanian retail sector shows that even unions with very weak structural resources can take revitalization actions to strengthen their organizational capacity, with external support.

A number of similar developments in the Hungarian and Romanian cases are at odds with Ost's (2009) argument concerning the aversion of CEE unions towards organizing workers with weak structural resources. It is true that initially, there was limited (if any) unionization and protection of workfare participants and retail workers at the establishment level by the post-communist union organizations. However, in both countries, leadership at different levels of the union hierarchy intervened to organize workers with weak structural resources. In Hungary, a former leader of a national confederation extended organizing activity to a formerly unrepresented group of workers, while in Romania, a sectoral federation started organizing workers at the company level. In this way, they not only consolidated internal relations within their organizations but also increased their external legitimacy in society.

In sum, developments in these critical cases show that adverse conditions can trigger revitalization actions. In each case, union leaders or civil society activists seized the opportunity to organize groups of workers with very weak structural resources that were formerly barely or not at all represented. Their actions contributed towards rebuilding unions' legitimacy, representativeness, and empowered vulnerable workers. Thus, the findings demonstrate that hostile external conditions can be a driver of revitalization.

Developments in both countries shows that a combination of revitalization strategies is needed to strengthen union organizational capacity.

Discussion and conclusions

The experience of unions in Western Europe suggests that overreliance on institutional stability hinders union revitalization (Hassel 2007). This paper explores the other side of this coin: what happens to union revitalization when institutional stability is dismantled? In particular, it contributes to the debate on whether hostile conditions foster or hinder union revitalization by investigating the opportunities and challenges for union revitalization in Hungary and Romania, where unions operated under hostile institutional conditions after the 2008 crisis.

By and large, the findings are in line with the literature arguing that adverse conditions can foster union revitalization (Gumbrell-McCormick and Hyman, 2013; Murray et al., 2020). In both countries the highly unfavourable post-2008 environment pressured union leaders to step up revitalization strategies to maintain their role and increase their influence vis-à-vis employers and governments. To avoid union marginalization, some unions sought to prove their importance in the society by organizing the most vulnerable groups of workers (e.g. the Trade Union of Workfare Employees in Hungary) or by seeking to improve their legal protection (e.g. the BNS in Romania). Similarly, other unions (e.g. the FSC in Romania) prioritized organizing vulnerable (retail) workers in companies where they could achieve a higher threshold (50% union density) necessary to be eligible to bargain collectively following the 2011 legal changes. The dismantling of institutions during the late 2000s forced unions to reconsider their strategies and find ways to represent the increasing share of vulnerable workers. In notable contrast to Ost's (2009) 'dualization' argument, the findings show that it was the vulnerability of workers (and unions) that triggered the organizing campaigns rather than their structural strength. Still, the findings revealed that in hostile conditions, unions achieved a degree of revitalization by combining multiple strategies (e.g. organizing, organizational restructuring, partnership with employers and international links by FSC in Romania; organizing and servicing by KMJ and, organizing and political action by KMSZ in Hungary) and drawing simultaneously on different sets of power resources, particularly a mixture of organizational and societal power resources.

The analysis at the confederal level revealed that union leaders responded to the exclusion from state-supported institutions with direct political action. While the immediate impact of this action was limited in both cases (governments did not withdraw labour market liberalization measures), in both cases it contributed to the revitalization of unions by boosting their internal and external leverage. Therefore, the current study also expands Weil's (2005) work, by showing that not solely unions which strengthen their organizational capacity by organizing workers first, are able to build new external leverage in an adverse context.

This paper also adds to Weil's (2005) work in the sense that not only proactive but also reactive union leaders who are willing to strengthen both their internal links with rank-and-file members and external links with other unions, social movements or international

organizations can adopt revitalization actions in a hostile environment. The findings show that revitalization requires persistence; in order to succeed, leaders need to learn from their unsuccessful endeavours and not to give up after an (often) failed initial attempt at revitalization (e.g. the BNS and retail unions in Romania). In these cases, unions achieved a degree of revitalization only after expanding their repertoires from one strategy to multiple ones (e.g. by integrating organizing with international collaborations in the case of FSC and by adding organizational restructuring to political action in the case of the BNS).

This study shows that several complementary revitalization actions are needed to strengthen unions' organizational capacity. There is no single revitalization strategy that provides the key to turning around the fortunes of unions in the two countries. Instead, a pragmatic approach that takes advantage of any arising opportunities to achieve greater public visibility, and step-by-step organizing can lead to improved internal relations within organizations and increased external legitimacy in society. Regarding the latter point, it appears that the actions taken by Hungarian and Romanian unions during the 2008 crisis contributed to more positive public opinion towards unions in both countries (Eurobarometer, 2020). This improvement is especially remarkable in Hungary, where positive views of unions increased by 19 percentage points to 60% from 2015 to 2019 while the share of negative views shrunk to 33%. In Romania, the share of positive views increased from 47 to 60% during the same period. While these developments are in line with EU-wide trends, in 2019 (for the first time since records started), there was a higher percentage of the public reporting positive views of unions in Hungary and Romania than the EU average (Eurobarometer, 2020). Strengthening societal resources in terms of public visibility and a favourable union reputation is vital to gain public support for union actions vis-à-vis employers and governments, particularly when unions have low membership. An overall friendly public opinion can also help unions restart workplace-level organizing after the COVID-19 pandemic.

Apart from the positive change in public opinion, the wider effects of revitalization on the strength of the labour movement may take a long time (if ever) to become noticeable in CEE countries. Unions' revitalization actions after 2008 have not brought a return to the pre-2008 union density or industrial relations institutional framework. Despite the economic recovery from the mid-2010s until the 2020 pandemic, the hostile legal environment proved to be sticky in both countries. The decline in union density combined with the growing share of vulnerable workers makes it essential for unions to adopt further revitalization actions to survive and to preserve their role in society. In a global context where unregulated markets facilitate the transfer of labour practices from low labour cost countries to developed countries to reduce labour costs (Doellgast et al., 2018), the experiences of unions in countries with limited employment protection are becoming more important for understanding the prospects of industrial relations in developed countries.

Acknowledgements

The authors would like to thank Magdalena Bernaciak, Guglielmo Meardi and Richard Hyman for their valuable comments on earlier versions of this article.

Declaration of conflicting interests

The authors declared no potential conflicts of interest with respect to the research, authorship, and/or publication of this article.

Funding

The authors disclosed receipt of the following financial support for the research, authorship, and/or publication of this article: This work was supported by H2020 European Research Council, Award Number: 725240, European Commission, VS/2014/0534.

References

- Bohle D and Greskovits B (2012) *Capitalist Diversity on Europe's Periphery*. Ithaca: Cornell University Press.
- Busch I and Bördös K (2015) Adatgyűjtések a közfoglalkoztatásról (Data collection on public works programs) In: Fazekas K and Varga J (eds) *Munkaerőpiaci tükör 2014. MTA Közgazdaság- és Regionális Tudományi Kutatóközpont Közgazdaság-tudományi Intézet*, pp. 76–85.
- Crowley S (2004) Explaining labor weakness in post-communist Europe: historical legacies and comparative perspective. *East European Politics and Societies* 18(3): 394–429.
- Doellgast V, Lillie N and Pulignano V (2018) From dualization to solidarity: Halting the cycle of precarity. In: Doellgast V, Lillie N and Pulignano V (eds) *Reconstructing Solidarity: Labour Unions, Precarious Work, and the Politics of Institutional Change in Europe*. Oxford University Press, pp. 1–61.
- Erne R and Blaser M (2018) Direct democracy and trade union action. *Transfer: European Review of Labour and Research* 24(2): 217–232.
- Eurobarometer (2020), *GESIS Eurobarometer Data Service*. Available at: <https://www.gesis.org/eurobarometer-data-service/home> (Accessed 14 January 2022).
- Fulton L (2018) *Worker Representation in Europe*. Brussels: Labour Research Department and ETUI. <https://www.worker-participation.eu/National-Industrial-Relations> (accessed 14 January 2022).
- Gerring J (2007) Is there a (viable) crucial-case method? *Comparative Political Studies* 40(3): 231–253.
- Glassner V (2013) Central and eastern European industrial relations in the crisis: national divergence and path-dependent change. *Transfer: European Review of Labour and Research* 19(2): 155–169.
- Gumbrell-McCormick R and Hyman R (2013) *Trade Unions in Western Europe: Hard Times Hard Choices*. Oxford: Oxford University Press.
- Hassel A (2007) The curse of institutional security: the erosion of German trade unionism. *Industrielle Beziehungen* 14(2): 176–191.

- Kordás L (2015) Kordás Iászló, a magyar szakszervezeti szövetség elnöke. Available at: <https://szakszervezetek.hu/portre/57-kordas-laszlo-a-magyar-szakszervezeti-szovetseg-elnoke>
- Korkut U (2006) Entrenched elitism in trade unions in Poland and Romania: an explanation for the lack of union strength and success? *Economic and Industrial Democracy* 27(1): 67–104.
- Kumar P and Schenk C (2013) Introduction. In: Kumar P and Schenk C (eds) *Paths to Union Renewal. Canadian Experience*. Toronto: University of Toronto Press, pp. 15–26.
- Lehndorff S, Dribbusch H and Schulten T (eds) (2018) *Rough Waters: European Trade Unions in a Time of Crises*. 2nd and updated edition. Brussels: European Trade Union Institute.
- Lencsés K (2016) *Kemény Munka Lesz Helyrehozni a Károkat Gaskó Habzsi-Dózsije Után*. NOL.hu, 30 May. Available at: <http://nol.hu/belfold/kemeny-munka-lesz-helyrehozni-a-karokat-gasko-habzsi-dozsije-utan-1617539> (accessed 14 January 2022).
- Lévesque C and Murray G (2002) Local versus global: activating local union power in the global economy. *Labor Studies Journal* 27(3): 39–65.
- Meszmann T (2016) *Precarir Project Report - Hungary*. Bratislava: CELSI.
- Mrozowicki A, Roosalu T and Senčar TB (2013) Precarious work in the retail sector in Estonia, Poland and Slovenia: trade union responses in a time of economic crisis. *Transfer: European Review of Labour and Research* 19(2): 267–278.
- Müller T, Vandaele K and Waddington J (2019) *Collective Bargaining in Europe: Towards an Endgame*. Brussels: European Trade Union Institute (ETUI).
- Murray G, Lévesque C, Morgan G, et al. (2020) Disruption and re-regulation in work and employment: from organisational to institutional experimentation. *Transfer* 26(2): 135–156.
- Neumann L (2012) Hungarian unions: responses to political challenges. *Management Revue* 23(4): 369–385.
- Ost D (2009) The consequences of postcommunism: trade unions in Eastern Europe's future. *East European Politics and Societies* 23(1): 13–33.
- Scharle Á (2016) Mennyit nőtt a foglalkoztatás 2008 óta Magyarországon? In: *Társadalmi Riport 2016*. Budapest: TÁRKI, pp. 54–71.
- Silver BJ (2003) *Forces of Labor: Workers' Movements and Globalization since 1870*. Cambridge: Cambridge University Press.
- Szabó I (2017) Hungary: inertia of the old actors, constrained innovation from the new. In: Bernaciak M and Kahancová M (eds) *Innovative Union Practices in Central-Eastern Europe*. European Trade Union Institute. Brussels, pp. 91–110.
- Szabó IG (2013) Between polarization and statism – effects of the crisis on collective bargaining processes and outcomes in Hungary. *Transfer: European Review of Labour and Research* 19(2): 205–215.
- Trif A and Stoiciu V (2017) Turning crisis into an opportunity: innovation within the Romanian trade union movement. In Bernaciak M and Kahancová M (eds) *Beyond the Crisis: Innovative Practices Within CEE Trade Union Movements*. Brussels: ETUI.
- Trif A (2013) Romania: Collective bargaining institutions under attack. *Transfer: European Review of Labour and Research* 19(2): 227–237.
- Trif A, Koukiadaki A and Kahancová M (2016) *The Rise of the Dual Labour Market: Fighting Precarious Employment in the New Member States through Industrial Relations: Comparative Report (Croatia, Czechia, Greece, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia and Slovenia)*. Brussels: European Commission.

- Visser J (2019) Trade unions in the balance. ILO Working Paper. International Labour Organization. Available at: <https://econpapers.repec.org/paper/iloilowps/995046393402676.htm> (accessed 13 February 2020).
- Vojtonovszki B (2014) Beszámoló az eddigi munkáról [Report on activities]. In: *Közmunkás blog*. Available at: <https://m.blog.hu/ko/kozmunkasmozgalom/image/BESZ%C3%81MOL%C3%93%20AZ%20EDDIGI%20MUNK%C3%81R%C3%93L.pdf> (accessed 14 January 2022).
- Weil D (2005) A strategic choice framework for union decision making. *Working USA* 8(3): 327–347.

Author biographies

Aurora Trif is an Associate Professor in International Employment Relations and Human Resource Management at Dublin City University Business School, Ireland. Her research interests include comparative employment relations in Eastern Europe, precarious work, trade union innovation, work conflict, workplace partnership, and compassion at work.

Imre G. Szabó is a visiting professor at Central European University, Vienna. His research focuses on labor politics and public service governance in a European comparison.