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**MONOGRAPHS ON THE SITUATION OF SOCIAL PARTNER ORGANISATIONS
IN THE CANDIDATE COUNTRIES (BULGARIA, ROMANIA AND TURKEY) : SHIPBUILDING INDUSTRY**

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ABBREVIATIONS

Organisations:

CESA:	Community of European Shipyards' Associations
EMF:	European Metalworkers' Federation
ETUC:	European Trade Union Confederation
ICFTU:	International Confederation of Free Trade Unions
IMF:	International Metalworkers' Federation
ORGALIME:	European Federation of Engineering Industrial Associations
UNICE:	Union of Industrial and Employers' Confederations of Europe

Abbreviations used in the text and in tables in the national summaries:

CB:	Does the organisation take part in collective bargaining?
Density companies or enterprises:	Number of enterprises of the sector affiliated to the organisation divided by the total number enterprises of the sector
Density SW:	Number of salaried workers of the sector affiliated to the organisation divided by the total number of salaried workers of the sector
SME:	Small-to-Medium Enterprise
SW:	Salaried workers

INTRODUCTION

PRESENTATION OF THE STUDY

This report has been produced as part of the research into the institutional representativeness of social partners in the European Union, and the situation of trade unions and employers' associations in the candidate countries. The research has been conducted by the Institut des Sciences du Travail (Université catholique de Louvain) at the request of the Employment and Social Affairs Directorate-General of the European Commission (Call for tenders No VC/2004/0547).

The issue of the representativeness of European organisations came to the fore in the context of the promotion of social dialogue. In a communication published in 1993¹, the European Commission set out three criteria determining the access that employers' and workers' organisations had to the consultation process under Article 3 of the Agreement on Social Policy. According to the terms of this communication, the organisation must: (1) *be cross-industry or relate to specific sectors or categories and be organised at European level; (2) consist of organisations which are themselves part of the social partners structures of Member States which have the capacity to negotiate agreements, and which are representative of all Member States, as far as possible; (3) have adequate resources to ensure their effective participation in the consultation process.* In 1996, it adopted a consultation document² that sought to bring together the widest range of views on the measures to be employed in fostering and strengthening European social dialogue. At that point, given that the social partners at European level were, and still are, in the process of structuring themselves and accepting new applications for membership, the European Commission conducted a study on the representativeness of inter-professional and sector organisations in the European Union, and in a new communication³ in 1998, announced the measures that it proposed to take in order to adapt and promote social dialogue at European Union level. In it, the Commission reaffirmed the three criteria established by the 1993 Communication, permitting European organisations to be recognised as representative for consultation purposes under Article 3 of the Social Policy Agreement. Finally, in 2002, the Commission reaffirmed its support for a strengthening of social dialogue in its communication *The European social dialogue, a force for innovation and change*⁴. In the respect of the three criteria set up by the Commission, as has been pointed out in previous studies⁵, *the changes focus on the disappearance of demands relating to the inter-sector nature of organisations and on the fact that they are established in all Member States; the new rules have not been formulated in a very restrictive manner, they only require employers' and workers' organisations to represent "several" Member States. This relaxation of the implementation condition might pose a demarcation problem in the sense that there is no criterion setting out a minimum number of Member States to activate it.*

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

² COM(96) 448 final of 18 September 1996 concerning *the development of the social dialogue at Community level*.

³ COM(98) 322 final of 20 May 1998, Communication from the Commission, *Adapting and promoting the Social Dialogue at Community level*.

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

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

Against this background, it is clear that one of the main issues, both for the Commission and for the European social partners, is the enlargement of the European Union and its impact on the process of social dialogue at Community level: *The Communication underlines the vital role and the weaknesses of social dialogue in the candidate countries. Much has been achieved over the past decade with the support of Community programmes and initiatives. However, a lot remains to be done to strengthen the capacities of social partners and involve them in the accession process*⁶. As far as the European Commission is concerned, it is *only with sufficiently robust national structures that the social partners will be able to participate effectively in negotiations and in other European social dialogue activities and also implement agreements at national level*⁷.

The development of social dialogue, therefore, formed part of the “*acquis communautaire*”(community achievement): *The Treaty requires that social dialogue be promoted and gives additional powers to the social partners. The candidate countries are, therefore, invited to confirm that social dialogue is accorded the importance required and that the social partners are sufficiently developed in order to discharge their responsibilities at European Union and national level, and to indicate whether they are consulted on legislative drafts relating to the taking over of the employment and social policy acquis... Therefore, the development not only of tripartite structures but also of autonomous, representative bipartite social dialogue is an important aspect for the future involvement of the candidates countries' social partners in the social dialogue activities developed at European and national level*⁸.

Enlargement of the European Union is a major issue from a quantitative and qualitative point of view: *The quantitative leap is quite clear as soon as the number of partners rises. The delegations taking part in social dialogue will be enlarged, and that, as we know, does not facilitate dialogue. However, the leap is also qualitative in that the new entrants present the industrial relations systems they have inherited from their national histories*⁹.

The aim of the report is to produce a study that sets out both brief descriptions of the way that social dialogue functions in the countries concerned, and descriptions of the various workers' and employers' organisations involved in social dialogue at sector level. This study may be seen as a tool to help understand these quantitative and qualitative factors.

RESEARCH APPROACH AND COMMENTS ON METHODOLOGY

For the purposes of this study, a network of University researchers throughout the three candidate countries was set up. These researchers are independent of both the European Commission and employers' and workers' organisations. Each researcher was charged with drawing up a report based on a common template. A questionnaire tailored to the specific realities of the shipbuilding industry sector was elaborated to that effect. Each national report issued by the expert was submitted to the national organisations in order to enable them to make comments on collected data. The IST took charge of coordinating the study and drawing up the summaries. Constant communication and ongoing collaboration between the IST, national experts and national organisations takes place in order to associate the various players of the process of research. The report is also checked by the European organisations and their members in order to enable them to make comments on the report. This phase of consultation represents an important stage of research. Lastly, the report is checked by the European Commission's services. The IST wishes to stress its independence with regard to the political consequences and decisions which may be made on the basis of this study.

⁶ COM(2002) 341 final of 26 June 2002, Communication from the Commission, *The European social dialogue, a force for innovation and change*.

⁷ *Op cit.*

⁸ *Enlargement of the European Union. Guide to the negotiations. Chapter by chapter*, European Commission, DG Enlargement, June 2003.

⁹ Léonard E., Spineux A., *Les relations industrielles en Europe aujourd'hui*, Institut des Sciences du Travail, UCL, 2003 (unpublished).

The research process, in its design, comprises a phase of collection of data on the players and the social dialogue in which they participate, but also an active approach embracing the building of a consensus, which is an integral part of the process of social dialogue itself. Thus, whereas in a good number of cases the data collected do not permit total definition of the role played by the organisations, the contacts made during the data collection and the discussions with the different players concerned should be an integral part of a process of mutual recognition¹⁰. The main sources used within the framework of this study are thus the social partners themselves.

Lastly, a few words on the consultation process involving the European social partners must be added. The organisations which have been consulted are cited in annex. The comments that the IST received from these organisations, and those of their members have been incorporated in different ways, depending on the kind of information received:

- The observation is directly included in the content of the report
- When a difference of opinion exists between the employers' or workers' organisation and the expert, the observation is included as a footnote in the report, as well as the justification of the expert.

The consultation for this report on the shipbuilding industry took place during the months of November-December 2005.

Finally, given that national situations are very changeable and evolve rapidly, it is important to stress that the aim of this study is to take "a snapshot" of the situation of the organisations in 2005. Interviews with the organisations took place, and the national reports were written, between April and July 2005.

DELIMITATION OF THE SECTOR

Basically, the shipbuilding sector may be limited to activities included in the *NACE classification – REV.1, section D, division 35, group 35.1: Building and repairing of ships and boats*.

This group is divided into two classes:

- 35.11: Building and repairing of ships;
- 35.12: Building and repairing of pleasure and sporting boats.

Code 35.11 *Building and repairing of ships* includes the following activities:

- building of commercial vessels: passenger vessels, ferry-boats, cargo ships, tankers, etc.;
- building of warships;
- building of fishing boats.

This class also includes:

¹⁰ Reply to Call for Tenders VT/2002/83. Studies on the representativeness of the social partners at sector level in the European Union and monographs on the situation of the social partners in the candidate countries, Institut des Sciences du Travail, UCL, 2002.

- construction of drilling platforms, floating or submersible;
- construction of floating structures: floating docks, pontoons, coffer-dams, floating landing stages, buoys, floating tanks, barges, lighters, etc.;
- maintenance, repair or alteration of ships.

The following activities are excluded from this class:

- manufacture of ships' propellers, see code 28.75;
- manufacture of marine engines, see code 29.11;
- manufacture of navigational instruments, see code 33.20;
- manufacture of amphibious motor vehicles, see code 34.10;
- manufacture of inflatable boats or rafts, see code 35.12.

Code 35.12 *Building and repairing of pleasure and sporting boats* includes the following activities:

- building of inflatable;
- building of sailboats with or without auxiliary motor;
- building of motor boats;
- building of other pleasure and sporting boats: canoes, kayaks, skiffs;
- maintenance, repair or alteration of pleasure boats.

The following activities are excluded from this class:

- manufacture of marine engines, see code 29.11;
- manufacture of sailboards, see code 36.40.

At European level, the workers' organisation (EMF – European Metalworkers' Federation) engaged in the sectoral social dialogue committee dedicated to the shipbuilding industry, covers the totality of NACE 35.1. The employers' organisation (CESA – Community of European Shipyards' Association) only covers NACE 35.11 *Building and repairing of ships*.

The delimitation of activities covered by the "shipbuilding industry" social dialogue committee does not include military shipbuilding production. Therefore, the *building of warships* has been excluded from the scope of activities covered by this study.

NATIONAL REPORTS

BULGARIA

1. Description of the sector

Delimitation and activities of the sector

Bulgaria started to harmonise its statistical data with European standards a few years ago and National Statistical Institute (NSI) adopted the NACE classification in full. Activities included in the sector accordingly correspond to NACE DM 35.1 "Building and repairing of ships and boats".

Socio-economic features of the sector¹¹

As the tables below show, sector 35.1 constitutes a small industry in Bulgaria: in 2002, it accounted for 0.19% of the national GDP, and produced added value for 0.22%; in terms of share of total employment, the sector accounted for 0.18% in 2003. The shipbuilding sector is fully privatised (99.7%). There is only one micro public company, and it employs only four people.

Trends: share of the DM35.1 sector in GDP (%)

	2000	2001	2002
DM 35.1	0.24	0.24	0.19

Trends: produced added value in the Bulgarian shipbuilding sector (AVP, %)

	2000	2001	2002
DM 35.1 total	0.27	0.27	0.22
Private sector	0.37	0.28	0.29
Public sector	0.05	0.25	0.01

Number and size of companies in the sector (DM35.1)

Year ⇒	2000	2001	2002	2003
Number of companies (total)	328	307	287	288
without employees	219	183	164	161
1-10 employees	82	88	86	85
11-100 employees	17	26	29	34
>100 employees	10	10	8	7
Private sector - number of companies	326	306	285	287
Public sector - number of companies	2	1	2	1

¹¹ The data are provided by the NSI, and were last updated in 2003. A note will make clear where other sources are used.

Summary table: Companies (2003)

Sub-sectors	Number of companies	% companies without SW	% companies with < 10 SW	% companies with 10 to 100 SW	% companies with > than 100 SW
Sub-sector 35.11	278	54.5	28.5	11.1	2.4
Sub-sector 35.12	10	1.4	1.4	0.7	0.0
Total of sector 35.1	288	55.9	29.9	11.8	2.4

SW: Salaried Workers

Source: NSI, national accounts database

The table shows that most companies have no salaried workers, although the leading companies in the sector are large (there are seven major enterprises); of these, only the shipbuilding plant in the town of Russe is currently operating effectively. Companies in the sector are concentrated in certain regions: close to the Black Sea coast (in the towns of Varna and Burgas) and along the Danube (in Russe). There are no multinational companies in the sector¹².

The most significant and dynamic change in the size of companies has been observed in the process of privatisation, with large-scale enterprises being replaced by SMEs, which usually operate as sub-contractors for the big private companies. In most cases, the owners of these SMEs are former employees of the former public companies.

If we summarise the estimates of most experts¹³, we may tentatively conclude that the underground economy currently makes up no less than 25% of the Bulgarian economy, and that the same figure may be applied to the shipbuilding sector. Legislation passed in 2003 helped to decrease the shadow economy significantly, and positive effects were first observed in the second half of 2004. Those involved in the shadow economy are mostly Russian and Ukraine immigrants.

¹² The plant situated in the town of Russe is Austrian-owned, but according to the social partners, it is not a multinational company.

¹³ There have been very few surveys of the shadow economy in Bulgaria, but they produce similar figures. According to the findings of one of them, companies hide about 35% of their labour costs and 10-50% of their receipts (Hidden economy in Bulgaria, Project of Agency for economic analyses, Institute for market economy, Harvard University, 2000). And a survey of enterprise directors carried out by the National Statistical Institute (NSI) in 2001 (Opinions and Assessments of Business Managers in Bulgaria regarding Corporate Taxation. Statistika, No 4, 2001, p.56) shows that most companies did not give true estimates of their results, but rather understated sales. The average estimate was that 20% of total sales were concealed. The same figure is given in the "Common report for the evaluation of priorities in Bulgaria" (October 2002, p. 9). Yet, as Michael Cayton states in his report for the OECD "Few would be surprised if the actual figure were even higher than 20%. In any case, it is obvious that statistical adjustment for a problem of this magnitude is inevitably difficult and uncertain"(Michael Cayton. Estimating The Non-observed Economy in Bulgarian National Accounts, p. 19. Paris, 14-16 April 2003. Workshop on National accounts for South East Europe).

Data from the Labour Force Survey (LFS)¹⁴: Summary table: Workers (2003)

Sub-sectors	Number of workers	Number of SW	Number of SW / number of SW in the country (%)	Number of SW in companies < 10 SW / number of SW in the sector (%)	Number of SW in companies 10-100 SW / number of SW in the sector (%)	Number of SW in companies > 100 SW / number of SW in the sector (%)
Sub-sector 35.11	5,099	4,767	0.23	5.45	19.26	73.36
Sub-sector 35.12	101	94	0.00	0.33	1.60	0.00
Sector 35.1 total	5,200	4,861	0.23	5.78	20.86	73.36

SW: Salaried Workers

Sources: NSI, LFS (2003)

National Accounts data: Number of workers in the sector (employees; other than employees) – 2003

Total number of workers	Employees (salaried workers)	Other than employees
5,821	5,481	340

In line with the National Classification of Professions, the National Statistical Institute divides employees into nine categories:

Salaried workers by professional category in the shipbuilding sector 2003¹⁵

Categories	Number
1.Managers, senior officials, legislators	288
2.Professionals (analytical specialists)	316
3.Technicians, applied specialists and associated professionals	404
4.Clerks (supporting personnel)	188
5.Service workers, shop and market sales workers, and guards	94
6.Agricultural, forestry and fishing workers	0
7.Craft and related workers (in manufacturing)	2,977
8.Machine operators, assemblers and transport vehicles	601
9.Elementary occupations/non-qualified workers (labourers)	487
Non classified	126
Total	5,481

Despite all the difficulties involved in transforming this classification to fit the “white-collar/blue-collar” dichotomy, it is clear that most are blue-collar workers.

Pay in the shipbuilding sector is 38% above the national average. Of salaried workers in the sector, 4,569 people are male (83.4%) and 912 are female (16.6%).

¹⁴ The NSI operates with two different database sources: the National Accounts and the Labour Force Survey (LFS). The data from these two sources do not always match: data from the National Accounts are preferred for calculations regarding the economic structure, while LFS figures are used as a calculation base for the working population structure and density.

¹⁵ Workers on parental leave have been excluded.

Gross average annual salary in Bulgarian currency (BG leva), in DM35.1

2000	2001	2002	2003
3,820	3,800	4,127	4,583
Country average 3,321			

Recent developments show that the sector's economic indicators have tended to decline in terms of GDP and produced added value. Moreover, the number of companies is falling, and the privatization process has led the sector to the brink of bankruptcy. The sector is disappearing. Before privatisation, Bulgaria had three relatively large shipbuilding establishments together with about ten machine-building plants supplying the equipment needed for shipbuilding (i.e. machine assembly parts like engines, pumps and boats). The volume of production has fallen sharply.

2. Organisations active in the sector

Workers' organisations¹⁶

According to Bulgarian employment legislation, only organisations that are affiliated to central trade union organisations recognised as representative¹⁷ at national level are entitled to operate at sectoral level. As a result, there are only two federations in the sector:

- the National Trade Union Federation Metal-Electro, a member of the Confederation of Independent Trade Unions in Bulgaria (CITUB);
- the Trade Union Federation of Machine-builders and Metalworkers Podkrepa, a member of the Confederation of Labour Podkrepa (CL Podkrepa).¹⁸

These do not exclusively cover the shipbuilding industry sector as they also operate in other (related) sectors.

It should be noted that a small trade union called "Shipbuilder", which is member of the CITUB, has officially authorised the National Trade Union Federation Metal-Electro, to represent it on the tripartite council and to sign sectoral collective agreements on its behalf.

The **National Trade Union Federation Metal-Electro** (Nazionalna sindikalna federazia "Metal-elektro") is a not-for-profit organisation. It was established in 1907, and acquired its independent status in 1987. This organisation covers all the activities of NACE DM 35, 34, 28, 29 (except 29.11) and 27.5. It is financed by membership fees. The Federation has ten people working for it: five on full-time employment contracts and five on civil contracts. It has 15,000¹⁹ members, 2,000 of them in DM 35.11 (it has no member in DM 35.12). Of these, 5% are white-collar workers, 75% are blue-collar workers and 20% are managers.

¹⁶ The source for quantitative data is the internal statistics of the sectoral organisations themselves. The data are sufficiently reliable as the figures for trade union membership were checked by the Ministry of Labour and Social Policy in the course of counting procedure in 2003-2004.

¹⁷ The government regularly conducts a formal tally of organisations claiming representativeness every four years. This procedure provides social dialogue with a degree of stability for at least three years, and reduces the number of disputes relating to formal representativeness at national and sectoral level.

¹⁸ These organisations on the list of EMF affiliates do exist, but they have nothing to do with shipbuilding. They both cover metallurgy and some related activities.

¹⁹ Source: organisational membership records last updated in January 2005. Similar figures were officially confirmed by the Ministry of Labour and Social Policy in the end of 2003 in the course of the regular tally of social partners in Bulgaria.

The trade union negotiates directly, and is empowered to sign collective agreements at sectoral level. At enterprise level, it takes part in consultation exercises indirectly through its company sections. The Federation also participates in tripartite consultation. In 2003-2004, it signed one sectoral collective agreement.

The **Trade Union Federation of Machine-builders and Metalworkers Podkrepa** (Sindikalna federazia na machinostroitelite I metalorobotnizite " Podkrepa") was established in 1990 as a not-for-profit organisation. It covers all activities in NACE DM 35, 34, 28, 29 (except 29.11) and 27.5, and is financed by membership fees. It has three people working for it on full-time employment contracts. The Federation has 6,800 members, but only 325 in 35.11; it has no members in DM 35.12; of these, 32.3% are white-collar workers, and 67.7% are blue-collar workers.

The Federation takes part in tripartite consultation, and at bipartite sectoral level, it negotiates directly, signing one collective agreement in 2003-2004. The organisation also takes part indirectly in consultations at enterprise level through its company sections.

Trade Unions

Organisation		Type of SW	Members	Members working in the sector	Density ²⁰	CB	National affiliations		European affiliations		International affiliations	
Original name	English name	Type	Number	Number	%	yes/no	Direct	Indirect	Direct	Indirect	Direct	Indirect
Nazionalna sindikalna federazia "Metal-elektro"	National Trade Union Federation "Metal-Electro"	Mainly blue-collar	15,000	2,000	40	yes	CITUB	No	No	EMF, as an observer ²¹	IMF	No
Sindikalna federazia na machinostroitelite I metalorobotnizite " Podkrepa"	Trade Union Federation of Machine-builders and Metalworkers Podkrepa	Mainly blue-collar	6,800	325	6	yes	CL Podkrepa	No	No	No	IMF	No

SW: salaried workers

Density: number of salaried workers affiliated to the organisation / number of salaried workers in the sector

CB: Does the organisation take part in collective bargaining?

Employers' organisations

As for workers' organisations, Bulgarian employment legislation provides that the only bodies entitled to operate in the sector must be members of the five "umbrella" employers' organisations: BIA (Bulgarian Industrial Association), BCCI (Bulgarian Chamber of Commerce and Industry), UPEE, BUPE "Vuzrazhdane" and EABG. However, not all of them have structures in the shipbuilding industry sector. In fact, only one employers' chamber is interested in collective bargaining and tries to play a role in social dialogue.

The **Bulgarian Branch Chamber – Machine-building** (Bulgarska Branshova kamara – Mashinostroene) is a not-for-profit organisation. It was established in 1991, and was re-registered in 2001. This organisation is funded by membership fees, services for members, economic activities and participation in international projects, and covers all activities in NACE DM 35, 34, 28, 29

²⁰ Density is calculated on the base of LFS data

²¹ Forum for South-Eastern Europe

(except 29.11) and 27.5. There are six staff members: four on full-time contracts and two on civil contracts. In total, it represents more than 220 enterprises, of which 5 are in DM 35.1 (3 in 35.11 and 2 in 35.12). All are private. The organisation negotiates and signs collective agreements at sectoral level. One agreement was signed in 2003-2004. It also takes part at tripartite consultation.

Employers' organisations

Organisation		Sub-sectors covered	Companies	SW in DM35.1	Density Companies	Density SW ²²	CB	National affiliations		European affiliations		International affiliations	
Original name	English name		number	number	%	%	yes/no	Direct	Indirect	Direct	Indirect	Direct	Indirect
Bulgarska branshova kamara - mashinostroene	Bulgarian Branch Chamber – Machine-building	NACE DM35, 34, 28, 29 (except 29.11) and 27.5	>220 in total; 3 in DM 35.11 and 2 in DM 35.12	3,400 ²³	4% (Companies without SW are excluded)	70%	Yes	BIA; BCCI; AIC	No	No	Orgalime, as an observer	No	No

SW: salaried workers

Density companies: number of companies affiliated / total number of companies in the sector

Density SW: number of salaried workers in the affiliated companies / total number of salaried workers in the sector

CB: Does the organisation take part in collective bargaining?

3. Industrial relations in the sector²⁴

Tripartite concertation

Sectoral tripartite concertation takes place in Bulgaria within the framework of “Sectoral/Branch Councils for Tripartite Cooperation”, which are operated by the government through the relevant ministry (i.e. the Ministry of Economy for the shipbuilding sector). The Labour Code prescribes that each Sectoral/Branch Council for Tripartite Cooperation should include two representatives from the Ministry or from another state institution responsible for the sector or branch, two representatives from each representative sectoral/branch trade union federation, and two representatives from each representative employers' organisation. The Chairman of the Sectoral/Branch Tripartite Council is usually a representative of the state (e.g. a Deputy Minister, a Head of Department or some other senior expert). The only criterion for representativeness at this level is the affiliation of sectoral organisations to nationally representative trade union confederations, or employers' associations, as the case may be. Trade unions and employers' associations that are members of non-representative organisations can neither take part in sectoral/sub-sectoral bargaining nor be party to sectoral/branch collective contracts.

²² Density is calculated on the basis of LFS data.

²³ Estimate of the organisation

²⁴ The NSI does not collect information relating to collective bargaining matters (e.g. coverage of agreements and the number of collective agreements at company level). Unfortunately, there is no tradition in Bulgaria of processing such data – that is to say no institution provides detailed, reliable information on the subject. Even the social partners in the relevant sectors rarely have any idea about the quantitative dimensions of social dialogue.

Concertation of this type is the general rule but, given the gradual disengagement of the state, the social partners in the shipbuilding sector are beginning to conclude that the mechanism has been in decline for about 2-3 years, and is tending to become the exception in the sector. They say that the reasons for this are the infrequency and ineffectiveness of meetings: during the last 2-3 years, there has only been one meeting, and that was initiated by the employers' chamber on the subject of scrap prices. No collective agreements have yet been signed at this level.

Bipartite social dialogue

Bipartite collective bargaining in the shipbuilding industry takes place at sectoral and enterprise level. According to the Labour Code, enterprise-level collective agreements may only include better conditions for workers than those agreed at sectoral level. In the shipbuilding industry sector, sectoral and company-level bargaining runs in parallel. If there is no sectoral collective agreement, enterprises do not conclude company agreements²⁵. As regards links between tripartite and bipartite level, the social partners rarely turn to tripartite concertation in the sector if bipartite negotiations fail²⁶; this is particularly true given that, since privatisation, the state has become increasingly disengaged from tripartite concertation.

At sectoral level

At this level, the players are the National Trade Union Federation "Metal-Electro" and the Trade Union Federation of Machine-builders and Metalworkers Podkrepa on the workers' side; and the Bulgarian Branch Chamber – Machine-building on the employers' side. They have sufficient legal acumen to negotiate and sign collective labour contracts (agreements) at sectoral level²⁷. There are no disputes relating to recognition issues between the actors. It should be noted that the Labour Code states that employers' organisations must participate in collective bargaining, but the obligation is meaningless as there is no compulsion to sign the collective contract. As a result, negotiations can last for years.

One collective agreement, the "Sectoral Collective Labour Contract for workers in the metal industry" is currently in force (Bulgarian law says that each sector can have only one collective agreement in force). It was signed in July 2004 and will remain in force till 31 December 2005. It includes provisions about the following issues: social dialogue and conditions for trade union activity; employment; training and re-training; working time, breaks and holidays; remuneration and compensatory payments; occupational health and safety; and social and cultural benefits. The agreement covers 4% of companies. These companies are among the largest in the sector. According to employers' estimates, about 70% of employees (mainly blue-collar staff) are covered.

According to the social partners, this agreement is very standard, and the negotiated conditions are close to the minimum levels stipulated by law. There are no significant deviations from what is covered in the legislation. The same social partners admit that the negotiated conditions are not the best, but they are pleased to have managed to conclude an agreement at all. In their opinion, that is a success in itself.

²⁵ That is why the coverage of sectoral and company collective agreements in this sector is the same. In many other sectors, the coverage of company collective agreements is usually greater than that of sectoral collective agreements.

²⁶ In these circumstances, the semi-negotiated sectoral collective labour contract (agreement) simply remains unsigned.

²⁷ The representativeness of the social partners at sectoral and branch level only depends on affiliation to the nationally representative employers' or workers' organisation.

There is a procedure for extending collective agreements to parties that are not signatories to the agreement. The Minister of Labour and Social Policy is empowered to extend either the whole content of the collective contract, or only parts of it; however, all Ministers have so far refused to authorise such extensions, and there has not yet been a single case of a sectoral collective agreement in Bulgaria being extended.

At enterprise level

All legal trade unions can negotiate with the employer in the bargaining process at enterprise level, but the dominant players are the same as at sectoral level, that is to say the sections of the federations of the nationally representative trade union confederations (i.e. – the CITUB and Podkrepa). There are no disputes between the players regarding recognition issues.

There are no data available about the number of company-level collective agreements – the social partners are not prepared to offer estimates – but there are at least five. At this level, the signatory parties are the employer (in public companies, the employer is deemed to be the manager, who is authorised by the principal – i.e. the Ministry) and trade union sections. Negotiations usually deal with the following matters²⁸: (1) general issues; (2) employment and professional qualifications/vocational training; (3) working hours, leave, holidays etc.; (4) salaries, wages and other payments (such as compensatory payments and benefits); (5) health and safety at work; (6) social insurance; (7) trade union activity in the enterprise; (8) the voluntary settlement of collective labour disputes; (9) the procedure for individual workers joining the collective contract; (10) final statements. Under the terms of the Labour Code, the duration of the agreement must be set out in the contract itself, but cannot be less than one year or more than two years.

Unlike collective agreements concluded at branch and sectoral level, enterprise-level contracts cannot be extended to parties that are not signatories to the agreement. There is, however, a clear legal procedure for unionised or non-unionised workers personally joining the company agreement. Non-unionised workers may join the collective contract, but they may be asked to pay a “solidarity fee”. This happens if a special fund has been established in the enterprise for this very purpose. The amount of “solidarity fee” is set out in the collective contract (if such a fee exists), and as a rule is not very large. The practice of a “solidarity fee” is becoming less and less common²⁹.

Given the lack of data on the number of company collective agreements, it is not possible to calculate the coverage rate of enterprises any further. However, there are grounds for believing that only companies that are members of the branch chamber have signed such agreements. That means company coverage of at least 4%. This percentage may be higher if non-member companies have collective agreements. We can offer only estimates from sectoral social partners about the coverage of salaried workers: according to branch chamber estimates, about 3,400 employees (70%) are covered by company collective agreements; of them, 2,400 (50%) are trade union members; the rest (20%) benefit from the extension procedure at company level.

4. Conclusion

The shipbuilding industry sector is very small in terms of contribution to the economy, employment and number of companies. It is mainly made up of companies with no salaried employees at all (56%) and of companies employing fewer than ten (30%). This means that about 86% of companies are directly or indirectly excluded from social dialogue by default. Social dialogue in the sector takes place at sectoral tripartite level and at sectoral and enterprise bipartite level. The development of sectoral and company levels runs in parallel. If there is no sectoral collective agreement, enterprises do not conclude company-level collective agreements.

²⁸ The CITUB has published a manual for activists recommending this structure of company-level collective agreements.

²⁹ A worker who wants to join the collective contract must make a written application to do so, and must submit it either to the employer, or to a trade union section that is a signatory to the collective contract in question. The procedure is used effectively at this level as it largely depends on individual employees applying on an individual basis.

Abbreviations

AICB:	Association of Industrial Capital in Bulgaria
BCCI:	Bulgarian Chamber of Commerce and Industry
BIA:	Bulgarian Industrial Association
CITUB:	Confederation of Independent Trade Unions in Bulgaria
LFS:	Labour Force Survey
NSI:	National Statistical Institute
CL Podkrepa:	Confederation of Labour Podkrepa

ROMANIA

1. Description of the sector

Delimitation and activities of the sector

In statistical terms, the shipbuilding industry sector comes under NACE Rev 1.1 classification, codes 35.11 and 35.12. The main activities are: the building and repairing of commercial vessels, passenger vessels, ferryboats, cargo ships, maritime and river tankers; the building of fishing boats and drilling platforms; the building of floating structures (floating docks, pontoons, barges and floating tanks); and the maintenance, repair and alteration of pleasure boats. Other activities relate to the building and repairing of other pleasure and sporting boats. Lastly, the sector incorporates activities that are excluded from NACE 35.1 (e.g. the manufacture of ships' propellers, ship engines, navigational instruments, and accessories and equipment for the building and repair of ships).

Socio-economic features of the sector³⁰

Romania has a long tradition and history in the building and repairing of ships. Romania's position with access to the Black Sea and a 1,000-kilometre stretch of the Danube flowing through it has contributed to the development of shipbuilding for as long as 160 years³¹.

There are no data regarding the sector's share of GDP or added value as the two are calculated on the basis of national economy branches, rather than types of activities. Nevertheless, it is estimated that the share of shipbuilding in the GDP and the added value are close to their respective shares at the level of the industry branch, namely, 6.2% of GDP³² and 8.2% of added value in 2004³³.

Summary table: Companies (2002)

Sub-sectors	Number of companies	% companies without SW	% companies with 1 to 10 SW	% companies with 10 to 49 SW	% companies with 50 to 249 SW	% companies with > than 250 SW
Sub-sector 35.11	283	11.3	38.5	29.0	16.6	4.6
Sub-sector 35.12	26	11.5	46.2	38.5	3.8	0
Total of the sector 35.1	309	11.3	39.2	29.8	15.5	4.2

SW: Salaried Workers

Source: National Institute of Statistics

³⁰ The sector does not feature clearly in official statistics being located in the "manufacturing" section. Source: Romanian Statistical Yearbook, National Institute of Statistics, 2004.

³¹ Program for the development of the shipbuilding sector – proposal, ANCONAV, March 2004.

³² Growth by comparison with the previous year.

³³ National Institute of Statistics, Monthly Statistical Bulletin, No 2/2005.

At the end of 2002, there was a total of 309 enterprises in the sector, the overwhelming majority being in the shipbuilding and repair sub-sector (35.11), and only 26 engaged in building and repairing pleasure and sporting boats (35.12). Most enterprises use sub-contractors for the manufacture of certain components that are needed for the building and repairing of ships. Of all enterprises in the sector, 13.2% were financed by foreign capital. Currently, only one shipyard is owned by the state; the rest belong to the private sector.

The sector is dominated (95.8%) by small and medium-sized enterprises (under 250 salaried workers); all the large enterprises in the sector (4.2%) belong to the shipbuilding and repair sub-sector (35.11). There are no large enterprises in the construction and repair of pleasure and sporting boats sub-sector (35.12), and 85% of enterprises in this sub-sector are small (companies with fewer than 50 salaried workers and those with no salaried workers at all). As for geographical distribution, the majority of enterprises in the sector, especially those specialising in shipbuilding and repair, are located in towns on the Black Sea and along the Danube³⁴; most are concentrated in south-eastern Romania.

There are no data regarding an underground economy in the sector, but it is thought to be very small.

Summary table: Workers (2003)

Sub-sectors	Number of workers	Number of SW	Number of SW / number of SW in the country (%)	Number of SW in companies < 10 SW / number of SW in the sector (%)	Number of SW in companies 10-49 SW / number of SW in the sector (%)	Number of SW in companies 50-249 SW / number of SW in the sector (%)	Number of SW in companies > 250 SW / number of SW in the sector (%)
Sub-sector 35.11	27,617	27,564	0.60	1.46	6.61	17.57	73.07
Sub-sector 35.12	366	359	0.01	0.17	0.89	0.23	0
Total of the sector 35.1	27,983	27,923	0.61	1.63	7.50	17.80	73.07

SW: Salaried Workers

Source: National Institute of Statistics

Altogether, 27,983 people are employed in the sector, and 27,923 of them are salaried. However, according to ANCONAV³⁵ figures, salaried employees in the shipbuilding and repair sector total around 17,500. The ANCONAV General Manager points out that the data provided by National Institute of Statistics also include salaried employees in enterprises that also act as subcontractors in shipbuilding, although their main activity lies elsewhere.

It is believed that the skills level in the sector is “good to very good”³⁶. Older workers may use the vocational school as a training base, while the younger ones graduate from a specialist high school: certain jobs call for a high level of skill, and can only be performed by workers who are *certified in the register*³⁷. The workforce is mainly male, with women accounting for only about

³⁴ In towns such as Galati, Tulcea, Constanta, Mangalia, Oltenita and Braila.

³⁵ ANCONAV (Romanian Shipbuilders' Association) is an employers' organisation active in the shipbuilding industry sector.

³⁶ The proportion of unskilled workers is very small – (around 1-1.5%). Privatisation has played an important role in the growth of skills levels: for example, all workers at the Mangalia shipyard have benefited from training sessions at the “mother” company in Korea, and staff at the Galati shipyards have been trained in the Netherlands. (Source: Gheorghe Catrinescu, Executive General Manager, ANCONAV).

³⁷ This involves rules in registers for the design and building of ships

20%³⁸, although it is worth noting that women now do jobs (e.g. welding) that were once considered to be exclusive to men. At sectoral level, average monthly gross salary in 2004 was 11,576,000 lei (around EUR 286), while net average salary was 8,100,000 lei (around EUR 200)³⁹. Salaries in the shipbuilding industry sector are higher than national average salaries⁴⁰.

Strategies adopted by companies are marked by innovation, not only in technological areas but also in management, organisation and human resources. Some companies are also adopting strategies based on specialisation and costs in order to face up to globalised competition.

Important changes have taken place in the size of enterprises since 1990. On the one hand, restructuring and privatisation and shifts to a style of management that focuses on enhanced work productivity and efficiency have led to a reduction of the number of workers in all enterprises, although shipbuilding enterprises have continued to be large. On the other hand, newly established small and medium-sized enterprises are engaged in a series of related activities, or else produce accessories and equipment for the sector. Shipbuilding being a global market, growth and trends in the sector in Romania are closely related to growth in the sector at a European and international level. The last 15 years have been marked by major changes such as the move to a free-market system, the process of privatisation, appeals to investors, improved technology, and rising levels of skills among the workforce. Other changes relate to the orientation of production mainly towards export: in 1989, over 80% of production was linked to Romania's own commercial fleet; now over 98% of deliveries are dedicated to exports. This almost exclusive orientation towards exports – it is the only chance of survival that the shipbuilding sector has had since 1989 – was stimulated by lack of demand on the internal market. Today, according to Lloyd's Register Fairplay Service statistics, the Romanian shipbuilding sector is a major player on the European and international market in terms of volume of activity. From the point of view of deliveries in 2003, Romania ranked 7th in a list of 12 listed European countries; as for orders, it ranked 3rd ⁴¹, thereby underlining importance of the Romanian shipbuilding industry in Europe and in the world.

2. Organisations active in the sector

Workers' organisations

The **Federation of Romanian Employees within Naval Industry**⁴² (Federatia Sindicatelor Navalistilor din Romania – **FESINAR**) is a federative trade union structure made up of 11 trade unions⁴³. It is an autonomous, apolitical, not-for-profit association with its own capital. The Federation was founded in 1990. A new structure, the Trade Union Federation of the Industry Employees – Engineering (FSLI METAL), was set up on 17 November 2004 following a merger with the Trade Union Federation of the Aeronautical Industry (FSIAR) and FSLI METAL. Inside

³⁸ Cf. Aurel Oprea, FESINAR president

³⁹ Cf. Aurel Oprea, FESINAR president. The average exchange rate of the lei to the euro in 2004 was 40,531.11 lei/1 euro. Cf. www.bnr.ro, Exchange rates, average annual values.

⁴⁰ The national average gross monthly salary in 2003 stood at 6,637,900 lei (around EUR 177), while the average net monthly salary in the industry was 4,867,200 lei (EUR 130), and in the manufacturing industry, 4,360,000 lei (EUR 116). Source: Romania's economic and social state in 2003, National Institute of Statistics, 2005, pp. 166-167. The average exchange rate of the lei to the euro in 2003 was 37,555.871 lei/1 euro. Cf. www.bnr.ro, Exchange rates, average annual values.

⁴¹ ANCONAV, Program for the development of the shipbuilding sector, March 2004, p.13

⁴² Sources: (1) Interview, Aurel Oprea, President of The Federation of Romanian Employees within Naval Industry – FESINAR; (2) Law 130/1996, amended and complemented by Law 143/1997

⁴³ It is organised and functions in accordance with trade union legislation and its own statutes.

this structure, FESINAR has become the Naval Department. As the new structure has not yet acquired a legal personality, FESINAR has not been dissolved as a federation, and still functions as a separate organisation.

FESINAR has almost 15,000 members in all social and professional categories, ranging from unskilled workers to managers. All are employees (the association has no retired members), and all work in the shipbuilding industry sector. The organisation employs two salaried workers. FESINAR is financed by dues, donations and sponsorships.

FESINAR takes part in negotiations at enterprise level. In both 2003 and 2004, it signed 13 collective contracts at this level. FESINAR and ANCONAV, the naval builders' professional association, also meet on a consultative basis, with FESINAR sending a representative to the professional association's meetings. There, the Federation can only receive information on certain subjects, and may not take part in decision-making.

Procedures for direct affiliation to the EMF and IMF have been initiated.

Two other Romanian trade unions are members of the EMF. They are:

- The **National Trade Union Federation** (Federatia Nationala Sindicala – **METAROM**) which was founded on 7 March 1990 and represents the metallurgy sector (ferrous and non-ferrous metallurgy and refractory products) (NACE codes 27 and 26.26)); it does not represent workers in the shipbuilding industry sector.
- The **National Trade Union Federation Solidarity Metal** (Federatia Nationala Sindicala Solidaritatea Metal), which was founded in February 1990. It represents the machine construction and ferrous and non-ferrous metallurgy sectors, but not the shipbuilding industry sector.

Trade Unions

Organisation		Type of SW	Members	Members working in the sector	Density	CB	National affiliations		European affiliations		International affiliations	
Original name	English name	Type	Number	Number	%	yes/no	Direct	Indirect	Direct	Indirect	Direct	Indirect
Federatia Sindicatelor Navalistilor din Romania, FESINAR	The Federation of Romanian Employees Within Naval Industry	Workers; Technical/ economic and administrative specialists with higher education, staff in senior positions	15,000	15,000	53.7	Yes	BNS	No	The procedure leading to affiliation to the EMF has been initiated	ETUC	The procedure leading to affiliation to the IMF has been initiated	ICFTU

SW: salaried workers

Density: number salaried workers affiliated to the organisation / number of salaried workers in the sector

CB: Does the organisation take part in collective bargaining?

Employers' organisations

There is no employers' organisation that deals specifically with the shipbuilding and repair sector in Romania. Some companies are affiliated to the **Machine-Building Industry Employers' Federation** (FEPA-CM) and to the **National Association of Shipbuilders in Romania** (ANCONAV), although the latter is not an employers' structure but a professional association.

The **National Association of Shipbuilders in Romania**⁴⁴ (Asociatia Nationala A Constructorilor De Nave Din Romania – **ANCONAV**) is a professional organisation⁴⁵. It was founded in 1995 in accordance with the provisions of Law 21/1924⁴⁶. The purpose of the Association is “to promote closer relations among commercial firms and specialists in shipbuilding and other related fields, with a view to consulting on problems of common interest, supporting and protecting the Association’s interests, and facilitating the exchange of information and contacts with state representatives and governmental and legislative bodies and with similar structures from abroad⁴⁷”. ANCONAV represents 24 firms in the shipbuilding and repair branch, and in other sectors such as ship accessories and equipment. Most of the members are large enterprises, and all are private; almost 85% are foreign capital-based. The organisation does not employ salaried workers⁴⁸. Dues finance it.

At sectoral level, ANCONAV initiates consultative meetings between general assemblies of the Association and representatives of shipbuilding trade unions with a view to establishing reciprocal agreements on problems of common interest. It also takes part in consultations at the level of member enterprises and foreign partners, but does not negotiate or sign collective agreements.

ANCONAV is directly affiliated, as a member with full rights, to CESA.

The **Machine-Building Industry Employers’ Federation**⁴⁹ (Federatia Patronala Din Industria Constructiilor De Masini – **FEPA-CM**) is a federative structure that represents the machine-building industry branch. It is an apolitical, not-for-profit organisation that is independent of governmental structures. It has its own capital and was founded in 1993⁵⁰. The Association aims “to represent, promote, support and defend the technical, legal and social interests of economic agents in the machine-building industry in their dialogue with the public authorities⁵¹”. The chief sectors represented are those defined by NACE codes 28, 29.1, 29.5, 34 and **35**. FEPA-CM represents 124 enterprises and 115,000 employees in total; over 90% are private capital firms, and almost 45% are foreign capital companies. There are many large enterprises, but there are also some small and medium-sized companies⁵². The organisation is financed by members’ dues, sponsorships, activities, and training exercises. It employs two full-time and three part-time staff.

⁴⁴ Sources: (1) Interview, Gheorghe Catrinescu, Executive General Manager; (2) ANCONAV Statutes; (3) Romanian Shipbuilding Industry, ANCONAV; (4) Bulletin ANCONAV, No 24/2004

⁴⁵ ANCONAV Statutes, Chapter 1, Article 1

⁴⁶ It functions under the aegis of the Governmental Order of 30 January 2000 concerning associations and foundations, and in accordance with the Statutes adopted by the founding members.

⁴⁷ ANCONAV Statutes, Chapter 1, Article 1

⁴⁸ All of its activities are carried out by volunteers, who receive no financial remuneration.

⁴⁹ Sources: (1) Interview, Marin Voinea, General Manager, Employers Association from Machine Building Industry – FEPA-CM; (2) Presentation leaflet FEPA – CM; (3) Unique Collective Work Contract on national level 2005 /2006, Romanian Official Monitory year 173 no.1/february 2005; (4) Unique Collective Work Contract on Machine Building Branch/2005, Romanian Official Monitory year 172 no.15/december 2004.

⁵⁰ A National Association of Administration Boards in the machine-building industry was formed back in 1991 before employers’ organisations were set up. It later merged with another association in the electro-technical industry, although the latter has since left. The present federation, which only represents machine-building, is made up of members of the machine-building association and of another employers’ structure, the Fraternisation Federation, which covers factories in the town of Brasov.

⁵¹ Presentation leaflet, page 1

⁵² When the Association was founded, only large enterprises joined. Although there are many large enterprises currently, there are also some small and medium-sized ones.

The Federation represents five enterprises, and approximately 11,000 workers, in the shipbuilding industry⁵³. It has negotiated, and signed, a collective agreement for 2000-2004 with the trade unions, and has signed additional clauses to this contract every year. At the end of 2004, the Federation signed a new collective agreement at branch level for 2005. It is important to bear in mind that this agreement covers the entire machine construction branch.

Employers' organisations

Organisation		Sub-sectors covered	Companies	SW	Density Companies	Density SW	CB	National affiliations		European affiliations		International affiliations	
Original name	English name		number	number	%	%	yes/no	Direct	Indirect	Direct	Indirect	Direct	Indirect
Asociatia Nationala a Constructorilor de Nave din Romania, ANCONAV ⁵⁴	National Association of Shipbuilders in Romania	shipbuilding industry and additional related fields	24	17,000	- 7.8 % of all firms, including SMEs ⁵⁵ - 39.3% of firms with more than 50 employees	61.0	No	No	No	CESA	No	No	No
Federatia Patronala din Industria Constructiilor de Masini, FEPA -CM	Employers' Association from Machine Building Industry	-Machine building industry: code NACE 28, 29.1, 29.5, 34, 35	124 in total; 5 in the shipbuilding industry	115,000 in total; 11,000 in the shipbuilding industry	- 1.6% of shipbuilding industry firms.	- 39.4% of shipbuilding SW	Yes	CONPIROM	No	No	UNICE	No	No

SW: salaried workers

Density companies: number of companies affiliated / total number of companies in the sector

Density SW: number of salaried workers in the affiliated companies / total number of salaried workers in the sector

CB: Does the organisation take part in collective bargaining?

3. Industrial relations in the sector

Tripartite concertation

There is no tripartite concertation in the shipbuilding industry sector. Consultative and other meetings do take place between the social partners (FESINAR and FEPA-CM) and government officials on issues specific to the shipbuilding industry sector, but they are not permanent institutions and they are not held within a formal structure, but only when problems in the sector call for

⁵³ The shipyards at Tulcea, Braila, Mangalia, Turnu Severin and Navexim Galati.

⁵⁴ A professional body

⁵⁵ The indicator density of companies is irrelevant because, according to data from the National Institute of Statistics, small and medium-sized enterprises represent 80% of all firms in shipbuilding and repairs (NACE code 35.11 and 35.12), but they are not affiliated to owners' associations, trade unions or professional associations.

them. In other respects, when there are issues of common interest, ANCONAV, which is not an employers' structure but a professional association, invites FESINAR to take part in dialogue with the authorities and at its own meetings. No agreements or other documents are signed at this level. These consultations represent a form of communication, and a way of discussing issues in the sector in an attempt to find solutions.

Indirectly, through the representatives of the trade union confederation to which it is affiliated (BNS), FESINAR participates in the structures of tripartite social dialogue (the Economic and Social Council, and social dialogue commissions in Ministries and in Prefects' offices).

Bipartite social dialogue

There is no collective bargaining at shipbuilding/repair sectoral level as there is no employers' organisation that deals specifically with the sector, but there is bipartite social dialogue covering the entire machine-building branch between FEPA-CM and the trade unions. A collective agreement for 2000-2004 was signed within the framework of social dialogue, and additional clauses have been agreed every year since. A new branch-level collective agreement for 2005 was signed at the end of 2004⁵⁶: it deals with such matters as working time and rest time, wages, holidays, conditions of employment, health, vocational training, and individual contracts of employment. Annex 4 of this agreement⁵⁷ specifies the branches for which the agreement has been signed, together with clauses referring to the sectors in each branch. The machine construction branch consists of the sectors that come under NACE codes 28, 29.1-29.5, 34 and 35. It should be noted that the provisions of the collective agreement at branch level are minimal, and are mandatory at enterprise level⁵⁸.

Reciprocal recognition of the social partners is established on a legal basis in Romania. The Collective Agreement Act⁵⁹ establishes the criteria that have to be met by trade unions and the owners' association if they wish to achieve representative status at a certain level (national/branch/group of units/enterprise); if they succeed, they are empowered to negotiate and sign collective agreements. There are no disputes between the players on issues of representativeness.

Bargaining in the shipbuilding industry sector is much more developed at enterprise level than at sectoral level. At this level, the players are the owner of the enterprise (represented by the Board) and salaried workers (represented by the legally constituted trade unions or, where no representative trade union has been constituted, by the elected representatives of the salaried workers⁶⁰); 13 collective agreements have been signed at this level⁶¹. They focus on working time and rest time⁶²; staff salaries; working conditions and working protection; social conditions; work organisation and distribution; social protection measures; women and children's work and protection; the signing, executing, amending, suspending and terminating of individual contracts of employment; vocational, economic, social and trade union training; and trade union rights and immunities. Collective agreements normally last for one year, but the parties can agree to longer

⁵⁶ Single Collective Work Contract on Machine-Building Branch/2005. According to the Romanian Official Monitory year 1972, No 15, December 2004, 363 enterprises are covered by the provisions of this work contract.

⁵⁷ The Romanian Official Monitory, Year 173, No 1/ February 2005

⁵⁸ Law 130/1996 republished, regarding the collective working contract, Article 8(2)

⁵⁹ Law 130/1996, amended and complemented by Law 143/1997

⁶⁰ Law 130 republished, Article 14(a) & (b)

⁶¹ Cf. Aurel Oprea, President of FESINAR

⁶² This category includes normal working hours, shorter working hours, overtime, holidays, normal holidays and additional leave.

durations, and additional clauses are signed annually to amend certain provisions of the agreement. The coverage rate of collective agreements as a percentage of the total number of enterprises is 4.2%: 13 enterprises signed collective agreements in 2004; most of them were large enterprises, but there were also some medium-sized ones. Moreover, 53.6% (around 15,000 salaried workers belonging to all social and professional categories) of salaried workers within the sector are covered by enterprise-level collective agreements. The provisions of collective agreements at enterprise level are applied to all salaried employees within the enterprise, whether they are trade union members or not.

It is important to bear in mind that the law relating to collective agreements provides that the “collective bargaining at unit level is mandatory, except where the unit has fewer than 21 salaried workers⁶³”: this means that small enterprises, which account for the majority, are under no obligation to sign such agreements. This is the reason for the low coverage rate of collective agreements in relation to the number of enterprises.

4. Conclusion

The Romanian shipbuilding industry sector has a history, a tradition and experience going back over 160 years; it has been favoured by the country’s geographical location near the Black Sea and on the Danube. Before 1989, the sector was well developed, but since 1990, it has undergone restructuring and privatisation. Today, nearly the entire sector is privately owned and production is mainly oriented towards export. The sector has also witnessed a reduction in the size of enterprises, but the most important shipyards are still large.

As regards social dialogue, the most important factor to bear in mind is that there is no employers’ organisation to represent the sector. However, ANCONAV, which is a professional association, acts as an effective partner in dialogue for the trade union in the sector, inviting FESINAR to consultative and other meetings that it has with representatives of government, and with the Boards of Directors of enterprises affiliated to the Association, regarding issues of common interest in the sector. However, it is not a negotiating partner. The absence of an employers’ organisation in the sector means that social dialogue at sector-level is poorly developed. Given these circumstances, the most developed form of social dialogue is to be found at enterprise level. Finally, the scope of collective agreements in relation to the number of enterprises is low (4.27%), and the proportion of salaried employees covered by these contracts is around 55.0%. This situation is due to the large number of small enterprises that are not under an obligation to sign collective agreements.

Abbreviations

ANCONAV:	National Association of Shipbuilders in Romania (Asociatia Nationala A Constructorilor De Nave Din Romania)
BNS:	National Trade Union Block (Blocul National Sindical)
FEPA-CM:	Employers’ Association from Machine Building Industry (Federatia Patronala Din Industria Constructiilor De Masini)
FESINAR:	The Federation of Romanian Employees within Naval Industry (Federatia Sindicatelor Navalistilor Din Romania)
FSIAR:	Trade Union Federation of the Aeronautical Industry

⁶³ Law 130, republished, Article 3(1)

FSLI METAL:

Trade union federation of the Industry employees – Metal (Federatia Sindicala a Lucratorilor din Industrie – Metal)

TURKEY⁶⁴

1. Description of the sector

Delimitation and activities of the sector

There are three important official sources of information on the manufacturing industry in Turkey. Activities included in the shipbuilding industry sector vary depending on the source:

- the DPT (State Planning Organisation) uses the five-digit STIC (Rev 3) classification in its 5th Development Plan Special Commission Reports along with Custom Tariff Statistics. On the basis of these two classifications, the DPT deems the shipbuilding industry to consist of the following sub-sectors: new ship construction, yacht building, ship repair, shipbuilding sub-contracting, and technical services;
- the CSGB (Ministry of Labour and Social Security) publishes Labour Statistics (LS) twice in a year. Its definition of the shipbuilding industry includes the production, repair and dismantling of, and alterations to, all kinds of vessels (but excluding the construction of warships) in shipyards⁶⁵. Although the LS are controversial, they give detailed information about the rate of unionisation, employment, collective agreements, and strikes and lockouts in the shipbuilding sector;
- the DİE (State Statistics Institute) uses ISIC Rev 2, and provides no information on the shipbuilding industry in its Statistical Year Book of Turkey⁶⁶.

Socio-economic features of the sector⁶⁷

The Turkish shipbuilding industry is one of the largest in the Balkans and the Middle East. In 2004, the total value of production (ship and yacht building, ship repair, alteration and maintenance) was about USD 2.5 billion, that is to say approximately 1% of Turkey's GDP⁶⁸. A total of 310 vessels of various types and sizes were built between 1995 and 2004⁶⁹. Of these, 44.2% were exported. Turkey has specialised in the construction of oil and chemical tankers; this represents 54% of total shipbuilding production. As for the ship repair sub-sector, annual repair capacity and

⁶⁴ **Methodological remark from the national expert:** "An analysis of the shipbuilding industry in Turkey faces major limitations. The industry has an extensive informal economy, and information on various aspects of the sector is accordingly very limited. There is hardly any detailed information. Serious problems are also caused by the inconsistency and unreliability of the available data. Moreover, trade union and employer associations provide very limited information, and there is no information on employment and industrial relations, particularly at sub-sectoral level. Information drawn from interviews and other sources will therefore be used together with the quantitative information available".

⁶⁵ The CSGB uses a system of sectoral classification established by a 1983 Decree, and claims that they were scientifically designed in line with international standards. The system has 28 industrial sectors; shipbuilding is the 14th sector.

⁶⁶ The DİE only provides information on the shipbuilding industry in its "General Industry and Workplace Survey".

⁶⁷ Most use will be made of Labour Statistics as they are the only source of information on collective bargaining, unionisation and employment.

⁶⁸ Source: The World Bank, (2004), "Turkey at a Glance", http://www.worldbank.org/data/countrydata/aag/tur_aag.pdf. In 2004, the value of new shipbuilding came to about USD 1.5 billion, and ship maintenance and repair to around USD 1 billion.

⁶⁹ GİSBİR, (2005), Shipbuilding Industry in Turkey and Annual Report 2004, Istanbul, p. 3

demand are growing fast, and 1,338 ships were repaired in 2004⁷⁰. Lastly, about 160 yachts were built in Turkey in 2003⁷¹ and 99 ships were dismantled. Demand in the yacht industry (the construction of sailing boats and yachts) and in ship dismantling is also growing rapidly.

Summary table: Companies (2004)

Sub-sectors	Number of companies	% companies without SW	% companies with < 10 SW	% companies with 10 to 100 SW	% companies with > than 100 SW
Shipbuilding	ND	ND	ND	ND	ND
Yacht Building	ND	ND	ND	ND	ND
Ship Dismantling	ND	ND	ND	ND	ND
Total of the sector	822	ND	70.8	27.3	1.9

SW: Salaried Workers

Source: CSGB, Labour Statistics, Ankara, 2004 p.125

According to the LS, there are about 822 enterprises in the Turkish shipbuilding industry, but it needs to be borne in mind that firms are obliged to inform and register with the CSGB when they commence trading, and inform the Ministry when they close down. However, some small firms, particularly those employing 1-9 workers, tend not to inform the CSGB when they close down, so the true figure could be 5% lower than that set out in the LSs: it is estimated that about 780 firms operate in the sector.

Of these, 98.1% have fewer than 100 workers, and the majority of them, including shipbuilders, tend to be family businesses run by family members, and not by professional managers. Generally speaking, small firms are technologically backward, and work as sub-contractors in the shipyards. Apart from four mega yacht builders, there are no multinational companies operating in the industry.

The DPT (State Planning Organisation) also publishes data on the shipbuilding industry in Turkey. According to its figures, there are currently 46 private and 2 public shipyards specialising in the building of new ships and in the maintenance, repair and alteration of ships in Turkey⁷². They are mainly located in Tuzla Bay in Istanbul. There are also more than 10 mega yacht builders (mainly located in Tuzla and Bodrum) and 20 ship dismantling firms⁷³. Ship dismantling firms operate on state-owned land rented for a five-year period in İzmir. Contracts are renewed every five years.

⁷⁰ GİSBİR (2005), Shipbuilding Industry in Turkey and Annual Report 2004, Istanbul, p. 16.

⁷¹ GİSBİR. Of these 160 yachts, 18 were mega yachts; the rest were boats of various sizes (clippers, gullets, motor yachts, ketches, sailing boats, rowing-boat and schooners for sea cruises.

⁷² The CSGB (Labour statistics, LS) definition of the shipbuilding industry includes almost all manufacturing, repair, maintenance, dismantling, design, servicing and sub-contracting activities in the shipbuilding industry; that is why these figures differ from those of the DPT. In other respects, LSs provide no information at sub-sectoral level, but they are consistent, and they have therefore been used to provide contextual data, even though some of the data are inaccurate. LSs are moderately reliable on numbers of workers and firms.

⁷³ DPT (2001), Gemi İnşa Sanayi Özel İhtisas Komisyonu Raporu, Sekizinci Beş Yıllık Kalkınma Planı, Ankara; GİSBİR (2005), Shipbuilding Industry in Turkey and Annual Report 2004, Istanbul, p. 16.

Summary table: Workers (2004)

Sub-sectors	Number of workers	Number of SW	Number of SW / number of SW in the country (%)	Number of SW in companies < 10 SW / number of SW in the sector (%)	Number of SW in companies 10-100 SW / number of SW in the sector (%)	Number of SW in companies > 100 SW / number of SW in the sector (%)
Shipbuilding	ND	ND	ND	ND	ND	ND
Yacht Building	ND	ND	ND	ND	ND	ND
Ship Dismantling	ND	ND	ND	ND	ND	ND
Total of the sector	11,753	11,753	0.24	15.7	58.3	26

SW: Salaried Workers

Source: CSGB, Labour Statistics, Ankara, 2004 p.125, http://www.csgb.gov.tr/CGM/01-2005_2821_istatistik.htm

A total of 11,753 workers are officially employed in public and private firms in the sector⁷⁴, but it should be noted that shipbuilding is organised around a complex multi-layered sub-contracting system: according to a GİSBİR official, 90% of production is subcontracted. In some extreme cases, particularly in ship maintenance, repair and modification activities, there can be as many as four or five layers of sub-contractors. Generally speaking, firms on the first two layers are officially registered, but some sub-contractors on the third, fourth and fifth levels may be individuals working quite informally on their own, and operating on a piecework basis either alone or with teams consisting of relatives or friends. Some internal, and most external, sub-contractors⁷⁵ also employ most of their workforce informally⁷⁶; it follows that, as available statistics only give information on formal employment and given that the CSGB estimates that 51.8%⁷⁷ of the workforce in Turkey are informally employed⁷⁸, it is estimated that there are approximately 30,000 people employed in the private shipbuilding sector, including managerial, administrative and technical staff.

More than 6,000 workers were employed in the two public shipyards in the 1990s, but employment has fallen sharply as a result of extensive rationalisation and sub-contracting: 600 workers are currently employed in public shipyards, but they have much more stable jobs, more favourable work, and better working conditions. Wages and social benefits are slightly higher, and working conditions are much better, than in the private shipbuilding industry.

⁷⁴ Source: Labour Statistics. However, according to the DIE Workplace Survey, there were 486 firms and 8,938 employees in the shipbuilding industry in 2002, and there is no detailed information about the size of firms and the distribution of work (DİE, 2002 Genel ve Sanayi İşyeri Sayımı, Ankara); on the other hand, the GİSBİR Shipbuilding Industry Report 2004 claims that there are 14,750 workers employed in the sector: of these, about 4,500 are employed by the main firms and the rest are employed by internal sub-contracting firms. Neither of these sources gives any detailed information on employment.

⁷⁵ Sub-contracting relations may be internal or external. Internal sub-contracting firms operate as separate legal entities within a main firm such as a shipbuilding firm or shipyard: they form part of the main shipbuilding firm's internal structure, and their owners tend to be former charge-hands or supervisors from the shipbuilding firm, and who now act as supervisors of their own employees. The employees of internal firms work alongside those of the shipbuilding firm, and perform similar tasks, and receive different wages. In some extreme cases, they do even not know who they are working for. By contrast, external sub-contracting firms are formally established enterprises with different legal entities and offices outside a shipbuilding firm/shipyard. The new Labour Code No 4857, which was enacted in 2003, explicitly prohibits internal sub-contracting relations, but at the time that this research was being conducted, many shipbuilding companies were still engaged in sub-contracted relations of this kind.

⁷⁶ İşçi Bülteni, (2005), "Güvencesiz Bir İş Sahası, Ocak Özel Sayısı.

⁷⁷ Officials from two different trade unions estimate that about 60-90% of the workforce are employed informally. If we accept that the rate of informal employment is around 60%, there must be at least about 30,000 people employed in the shipbuilding industry.

⁷⁸ Source: CSGB (2004), The Social Security Proposal, http://www.csgb.gov.tr/projeler/sos_guv_reform.pdf.

The workforce in the sector is predominantly male, and no women are employed in the shipyards as production workers. There are no official statistics for skill composition. Wages in the sector are relatively high, with even the lowest wage about 40% higher than the minimum national wage, but in sub-contracting firms, wages are about 30% lower than those in the main firms. Furthermore, wages in unionised main firms are about 25-40% higher than in non-unionised main firms⁷⁹. The differences in wages are associated with social benefits provided under the collective agreement. It should also be noted that many workers do piecework work or are employed on a daily rate. Daily wages depend on the worker's skill and experience, and on the urgency of work as well as the risks, dangers and responsibility involved in performing the work task⁸⁰.

Turkey currently has about 2% of the world's shipbuilding capacity. The origin of the industry in Turkey goes back to the 15th century, but it was not until the early 1980s that a fully-fledged industry developed. Incentives given to building and operating sea-going vessels resulted in a short-lived boom during which the industry operated at full capacity. Further expansion was blocked from the mid-1980s onwards and throughout the 1990s by developments such as the incentive to import second-hand and older ships because of the freight crisis, the economic crisis and the elimination of state subsidies. However, shipbuilding firms used the time to obtain quality certificates, train their labour force, and improve their export capacities. Demand has grown sharply since 2002, and figures for annual ship production and shipyards' rates of capacity utilisation have risen markedly⁸¹. A GİSBİR official says that shipyard order books are already full until 2008, and it would appear that this expansion will be sustained over the next few years.

2. Organisations active in the sector

Workers' organisations

The **Dok Gemi-İş** (Union of Port Dock and Shipbuilding Industry Workers of Turkey) was set up in 1946. In 1962, it became a national union affiliated to the IMF, and later affiliated to Türk-İş, the largest trade union confederation in Turkey. The union first managed to organise in public-sector dockyards and expand its organising activities to the private sector during the 1970s; indeed, the union was so successful in the public sector that it convinced management to consult the union, and seek its approval, for new recruits to the workforce. However, the early 1980s were marked by internal strife and rivalry within the union, and the Ministry of Labour voided its General Congress in 1983. The balance of the power shifted in the public sector in the early 1990s as management unilaterally decided to reduce the workforce by imposing compulsory retirement, sub-contracting and temporary employment schemes with a view to enhancing productivity and profitability in line with the government's privatisation programme⁸². The union organised a series of actions that included protest meetings and strikes⁸³, but it failed to prevent management implementing the scheme.

⁷⁹ For example, in the largest shipbuilding firm, which has been unionised for more than 25 years, the lowest wage is about USD 532, average wages are around USD 700, and the highest wages are about USD 950. The average wage for ordinary core workers in non-unionised main shipbuilding firms is about USD 500, compared with about USD 350 in sub-contracting firms.

⁸⁰ The lowest wage is about USD 11; it is paid to those who have no skills, and who do simple tasks such as cleaning and grinding; the top wage is USD 45, and is paid to those who perform the dirtiest and most hazardous jobs.

⁸¹ Akdemir, N. (2004), "Sermaye Birikimi ve Kalkınma Sürecinde Enformelleşme" (Informalisation in the Process of Development and Capital Accumulation). (Basılmamış Yüksek Lisans Tezi), Marmara Üniversitesi Sosyal Bilimler Enstitüsü, İstanbul.

⁸² Dok-Gemi-İş, (1991), "İstinye Tersanesi Böyle mi Olmalı?" (Should İstinye Dockyard be like this?), Dok-Gemi İş Dergisi, Temmuz /Ağustos No. 21/22. İstanbul.

⁸³ Tur, Nazım, (1991), "İşçi Mitinglerinin ve Eyelmelerinin Düşündürdükleri", Dok Gemi-İş Dergisi, Mayıs /Haziran 19/20.

In 2005, the Dok Gemi-İş officially has 4,175 members and organises 10 private and 2 public shipyards. It employs 7 members as high-level union officials together with another 5 people to run Head Office. Only shop stewards are trained at Head Office; ordinary members receive training during the summer holiday. The education programmes are delivered by academics from universities and certain public institutions: they focus on health and safety, labour law and trade unionism, and working class issues.

The union negotiates and signs collective agreements at enterprise and establishment levels.

The **Limter-İş** (The Union of Port, Dock, Ship Building and Repairing) was founded in 1976 to cater for the shipping and shipbuilding industries. It is affiliated to the DİSK (Revolutionary Workers' Union Confederation) and the IMF. The Limter-İş is a very small union. It has neither sufficient funds nor sufficient members to be effective, and it does not have any staff; it therefore sustains its activities through donations and self-sacrifice, together with assistance from other DİSK-affiliated unions. The union's heyday was in the late 1970s, when it managed to organise the first strike in the Marmara dockyards in 1979, but the National Security Council suspended its activities in 1980 following the military takeover. It was allowed to reassume its activities in 1991.

The Limter-İş managed to pass the industry threshold by recruiting more than 10% of the workforce in the shipbuilding industry in 2000, although it has not yet succeeded in signing a collective agreement⁸⁴. According to Limter-İş officials, it is almost impossible to organise the workforce in the shipbuilding industry because of the multi-layer sub-contracting system. What is more, any attempt to join a trade union, particularly Limter-İş, results in dismissal and, in the case of core workers, even black-listing.

Trade Unions

Organisation		Type of SW	Members	Members working in the sector	Density	CB	National affiliations		European affiliations		International affiliations	
Original name	English name	Type	Number	Number	%	yes/no	Direct	Indirect	Direct	Indirect	Direct	Indirect
DOK GEMİ-İŞ	Union of Port Dock and Shipbuilding Industry Workers of Turkey	Blue-collar	4,175	4,175	35.5	Yes	TÜRK-İŞ	No	No	No	IMF	No
LIMTER-İŞ	The Union of Port, Dock, Ship Building and Repairing	Blue-collar	1,186	1,186	10.1	No	DİSK	No	No	EMF	IMF	No

SW: salaried workers

Density: number of salaried workers affiliated to the organisation / number of salaried workers in the sector

CB: Does the organisation take part in collective bargaining?

Employers' organisations

The **GiSBİR** (Shipbuilders Employer Associations of Turkey) was established in 1971. It represents private shipbuilding, yacht building, and maintenance and repair shipyards. The GiSBİR General Secretary deals with industrial relations issues, and no other specialists are employed. The Association has organised courses and seminars for technical staff and workers employed

⁸⁴ Although Limter-İş has achieved competency in three firms since reassuming its activities in 1991, employers have refused to recognise it for the purposes of representing workers, and went to court to seek re-determination of the union's competency at their workplaces, while at the same time dismissing all unionised workers (Limter-İş, 2003). The court accepted the union's competency and reinstated the dismissed workers, but the employer refused to take part in collective bargaining and to reinstate the workers. Limter-İş went on strike for about seven months.

by its members: the training has focused on CAD/CAM (Computer-Aided Design/Computer-Aided Manufacturing), health and safety, new technology, total quality, and productivity. According to an Association official, almost all core workers in member firms have participated in health and safety seminars.

The GİSBİR is not a formally recognised employer body or social partner, but a lobbying organisation. It therefore does not formally participate in any collective bargaining, but it does informally negotiate with a trade union. Indeed, in order to secure new shipping orders from European countries, and against a backdrop of pressure to comply with ILO policy and EU regulations, the GİSBİR decided to alter the shipbuilding industry's image of being opposed to trade unions, and in late 2004 commenced negotiations with the Dok Gemi-İş on a group collective agreement. Despite this attempt to negotiate informally with the trade union, it seems that the GİSBİR prefers to remain a lobbying organisation, rather than become an officially recognised employer body or social partner.

The TÜHİS (Heavy Industry and Service Sector Public Employer Union of Turkey) is a public employer association. It was established by a public firm linked to the Ministry of Transport in the early 1980s. The TÜHİS is empowered to engage in collective bargaining and to sign collective agreements in all industrial branches⁸⁵.

The TÜHİS currently has a total of 53 members, 3 of which operate in the shipbuilding industry sector. It participates in collective bargaining with 24 trade unions in 17 industrial branches, and sign 52 collective agreements. These agreements cover about 240,000 workers. Its staff sit on a large number national and sectoral committees and commissions as members, representatives or delegates, and they express TÜHİS's views on issues such as productivity, recruitment, technical education and training, industrial relations and collective bargaining. The TÜHİS periodically organises seminars and training programmes for relevant personnel in member firms.

Employers' Organisations

Organisation		Sub-sectors covered	Companies	SW	Density Companies	Density SW	CB	National affiliations		European affiliations		International affiliations	
Original name	English name		number	number	%	%	yes/no	Direct	Indirect	Direct	Indirect	Direct	Indirect
GİSBİR	Shipbuilders Employer Associations of Turkey	1.Shipbuilding/Repair 2.Yacht Building/Repair 3. Ship Dismantling	42	4,500 (estimate)	5.1	38.2	Yes, but informally	No	MESS	No	No	No	No
TÜHİS	Heavy Industry and Service Sector Public Employer Union of Turkey	17 sectors in total In the shipbuilding industry: 1. public shipbuilding 2. public ship repair and maintenance	- 53 in total - 3 in the shipbuilding industry	2,066	0.3	17.5	Yes	No	No	No	No	No	No

SW: salaried workers

Density companies: number of companies affiliated / total number of companies in the sector

Density SW: number of salaried workers in the affiliated companies / total number of salaried workers in the sector

CB: Does the organisation take part in collective bargaining?

⁸⁵Trade unions and private employer associations are only permitted to operate in a single industrial branch, but by government decree, the two public sector employer associations are allowed to operate across industrial branches.

3. Industrial relations in the sector

Collective bargaining in the shipbuilding industry sector only takes place at establishment (workplace/plant) and enterprise (multi-plant belonging to a single employer) levels⁸⁶: 8 collective agreements covering 1,245 workers were signed in the shipbuilding industry sector in 2003, and in 2004, there were 13 collective agreements covering 1,501 workers (12.7% of the official workforce in the sector) in 15 establishments. It should be borne in mind that managerial, administrative and technical staff together with low-grade white-collar workers (about 10% of the workforce) are exempt from the coverage of collective agreements, even if they are members of the trade union that signs collective agreements at the workplace where they are employed. And temporary workers, sub-contractors' workers and trainees are not covered either. In other respects, workers who are not trade union members can be covered by the collective agreement if they have paid a "solidarity due"⁸⁷. In 2004, 27.2% of workers covered by collective agreements were not trade union members, and it appears that although 142 union members (10% of workers) did not pay their union contributions in 2004, they were covered by the collective agreements. It may therefore be concluded, in the light of the debate on informal employment, that only 5% of the workforce are covered by collective agreements.

Collective Agreements Signed in Turkish Shipbuilding Industry Between 2002 and 2004

Years	Number of CAs			Number of establishments			Number of workers			Those paying trade union contributions			Those paying the "solidarity due"		
	PB	PR	T	PB	PR	T	PB	PR	T	PB	PR	T	PB	PR	T
2002	2	2	4	4	2	6	843	76	919	501	45	546	342	31	373
2003	2	6	8	4	6	10	843	402	1,245	502	240	741	-	162	162
2004	3	10	13	5	10	15	677	824	1,501	443	508	951	234	174	408

Source: CSGB, Labour Statistics for 2002, 2003, 2004⁸⁸

PB: Public Sector; PR: Private Sector; T: Total

With regard to the representativeness criteria for employers' organisations to be established with the aim of operating at sectoral level, it is sufficient for them to meet the competency criteria. For trade unions, Collective Bargaining Act No 2822 contains a dual threshold (competency for taking part in collective bargaining and competency for concluding a collective agreement):

- the first threshold for a trade union is at sectoral level: a trade union has to recruit at least 10% of the workforce in a sector where it operates⁸⁹;

⁸⁶ The process of collective bargaining in Turkey is regulated by Collective Bargaining Act No 2822 whereby, although trade unions and employers' organisations can only be established at a sectoral level, collective bargaining can only take place, and agreements can only be concluded, at workplace/plant and enterprise (multi-plant) levels. According to this Act, the enterprise level refers to an undertaking belonging to a corporate body, corporation, or public organisation or institution having more than one workplace/plant/establishment in the same sector (Source: Dereli, (1997), Labour Law and Industrial Relations in Turkey. London: Kluwer Law International).

⁸⁷ According to Collective Bargaining Act No 2882, to be covered by a collective bargaining, employees do not have to be members of the trade union that signs a collective agreement in their place of work. If there is a valid collective agreement in their place of work, it is sufficient for them to pay the solidarity due to be covered by the collective agreement. Neither the employer's consent nor that of the trade union is required for this to happen.

⁸⁸ The CSGB started providing information on the coverage of collective agreements in 2002. The coverage of collective agreements is one of the least controversial areas of LSs. Although the trade unions have not confirmed some of the figures, particularly those relating to the paying of solidarity dues, the figures are taken directly from the collective agreements that have been signed, and may therefore be considered to be fairly reliable.

- the second threshold is at establishment or enterprise level: a union must recruit at least 50%+1 of the workforce in order to take part in collective bargaining and sign an agreement in an establishment/enterprise in the sector.

According to the LSs, both shipbuilding industry trade unions (Dok-Gemi-İş and Limter-İş) meet the industry-level competency criteria, but only the former signs collective agreements. On the employers' side, one organisation (TÜHİS) in the shipbuilding sector negotiates and signs collective agreements; in the private sector, no employers' organisation formally has the capacity to participate in collective bargaining and conclude collective agreements.

Recognition is one of the most widespread problems besetting the collective bargaining process. According to officials from both trade unions, an employer's first reaction to the attainment by a union of the competency criteria at establishment/enterprise level is to refuse to recognise the union, and to apply to a court for re-determination of the union's competency. This process may take up to two years, and during this time, either union members are dismissed by the employer or workers resign from the union⁹⁰.

The terms of collective agreements signed in the Turkish shipbuilding industry are valid for three years in the private sector and for two years in the public sector. As regards content, collective agreements include provisions relating to such matters as wages and social benefits, the collection of union contributions, the election and duties of shop stewards, disciplinary committees, promotions, the employment of temporary workers, overtime working and payment, holidays, and health and safety. Most collective agreements also include an appendix dealing with disciplinary codes and procedures. Generally speaking, the minimum levels of provisions contained in collective agreements are regulated by employment legislation. According to Collective Bargaining Act No 2822, a collective agreement can be extended to a non-unionised firm or firms by the decision of the Cabinet following a request from an employer or a trade union or the Ministry of Labour and Social Security. Generally speaking, this procedure is not very common in Turkey, but it has exceptionally been invoked twice in the shipbuilding industry⁹¹.

One trade union (Dok Gemi-İş) and the lobbying organisation, the GİSBİR, are currently involved in negotiations with a view to signing a group collective agreement for the entire shipbuilding industry from 2006 onwards, but the GİSBİR is seeking a strong assurance and commitment on a non-strike deal from the Dok-Gemi-İş. As the law prohibits the inclusion of such a clause in collective agreements, some GİSBİR members are not convinced. According to the Dok Gemi-İş and GİSBİR officials, they are about to complete negotiations on this issue.

There is also an informal social dialogue structure called the Public Collective Agreements Coordination Committee, which has been in existence since the late 1980s and covers the whole public sector. The government and officials from Turk-İs⁹² meet on this committee to negotiate and sign framework agreements. Such agreements set the limits for the wage increases and bonuses that have to be complied with in all public sector collective agreements signed by Turk-İŞ and public sector employer unions (TÜHİS and KAMU-İŞ).

⁸⁹ The absence of sectoral level competency does not prevent a trade union and an employer from signing a collective agreement. They may sign a collective agreement as long as they recognise each other, but the agreement is not legally binding.

⁹⁰ Officials from both unions have reported such problems.

⁹¹ The first occasion was in 1999 (Resmi Gazete, 8 Mart 1999). The whole collective agreement signed between the Dok Gemi-İş and the largest shipbuilding firm was extended to other 29 shipyards in Tuzla Bay. The second extension took place in 2004. The collective agreement between the Dok Gemi-İş and the largest shipbuilding firm was again extended to 26 other shipyards.

⁹² Türk-İş is the only confederation participating in this structure. In the public sector, the Dok Gemi-İş, which is the only union that organises the shipbuilding industry, is affiliated to Turk-İş.

4. Conclusion

Although the origins of Turkish shipbuilding go back to the 15th century, a modern shipbuilding industry was only established in the early 1960s. It has now become the largest in the Middle East and the Balkans. The essential feature of the Turkish shipbuilding industry today is the existence of a multi-layered sub-contracting system and extensive informal employment.

The main mechanism for social dialogue is collective bargaining at establishment and enterprise level. There are two trade unions, the Dok-Gemi-İŞ and the Limter-İş, both of which have passed the sectoral threshold for competency, but only the Dok-Gemi-İŞ signs collective agreements. There are also two employers' organisations, the GİSBİR and the TÜHİS, but the former is basically a lobbying organisation and is therefore not competent to take part in collective bargaining and conclude collective agreements, although it informally negotiates collective agreements with the Dok Gemi-İş.

A total of 13 collective agreements covering 15 establishments were signed in 2004, but due to extensive informal employment and economy, it is not surprising that the rate of unionisation and the coverage of collective agreements are very low. Both are likely to rise in the coming years as the trade union and GİSBİR are currently negotiating a group collective agreement. Although the GİSBİR has no plans to become a formal employer representative dealing with industrial relations and collective bargaining issues, there are grounds for believing that the GİSBİR may soon become an official partner.

Abbreviations

CSGB:	Ministry of Labour and Social Security
DiE:	State Statistics Institute
DiSK:	Revolutionary Workers Union Confederation
Dok Gemi-İş:	Union of Port Dock and Shipbuilding Industry Workers of Turkey
DPT:	State Planning Organisation
GİSBİR:	Shipbuilders Employer Associations of Turkey
Limter-İş:	The Union of Port, Dock, Ship Building and Repairing
LS:	Labour Statistics
MESS:	Metal Manufacturing Employers' Association
TÜHİS:	Heavy Industry and Service Sector Public Employer Union of Turkey

ANNEX

A. References (Besides the interview of organisations' representatives – see B. Validation)

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B. Consultation

Bulgaria

Name of the organisation consulted	Name of the person consulted	Function of this person in this organisation
National trade union Federation 'Metal-electro'-CITUB	Assen Assenov Sonia Todorova	President Assistant
Trade Union Federation of Machine-builders and Metalworkers Podkrepa	Nedko Nedev Mila Merdjanova	President Federal secretary
Bulgarian Branch Chamber - Machinebuilding	Tzvetana Yankova	In charge for social dialogue

Romania

Name of the organisation consulted	Name of the person consulted	Function of this person in this organisation
Romanian Shipbuilders Association ANCONAV	Gheorghe Catrinescu	Executiv General Manager
Employers' Association from Machine Building Industry FEPA-CM	Marin Voinea	General Manager
The Federation of Romanian Employees Within Naval Industry FESINAR	Aurel Oprea	President of FESINAR
The National Trade Union Federation METAROM	Aurel Radi	President of MEIAROM
The National Trade Union Federation Solidarity METAL	Gheorghe Sora	President FNS Solidarity METAL

Turkey

Name of the organisation consulted	Name of the person consulted	Function of this person in this organisation
LİMTER_İŞ	Cem Dinç	President
DOK-GEMİ-İŞ	Ayhan Demirbozan	General Secretary for Organizing
GISBİR	Nermi Negiz	General Secretary
GISBİR	Nuri Güzel	International Relations Secretary

European Organisations consulted

Name of the organisation consulted	Date of the sending of the report
EMF	November 7, 2005
CESA	November 7, 2005