

TRANSFORMATIONS AND TRANSITIONS: THE CHANGING NATURE OF LABOR ORGANIZATIONS IN POST-COMMUNIST EUROPE AND THE IMPLICATIONS FOR LABOR IN CUBA

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The Central and Eastern European region is of critical importance to the world political economy. Many think that the tone of the new world order will be set in the 21st Century by the events occurring in this region. Not surprisingly, interest in the region has grown immensely in the last decade, especially among business people and political analysts. Rarely, however, have labor organizations received serious attention in the transition stories of Central and Eastern European countries. In fact, unions are either ignored as social actors in the process of society creation or seen as anachronistic political institutions responsible for retarding the fall of communism as well as the rebuilding of new social relations of production.

The labor movement in Cuba suffers the same lack of attention when it comes to its role in a possible political and social transition on the island. This is understandable, given the role of the main confederation, the Confederación de Trabajadores Cubanos (CTC), as a transmission belt of party policies in the arena of industrial and labor relations. Still, it is instructive to look at the role of Central and Eastern European unions in the transition process of the region as a way of understanding the potential for organizations of Cuban workers to be agents of change.

This paper presents the experiences of the major confederations of six Central and Eastern European countries in the process of transition and discusses some of the implications that their experiences hold

for Cuban labor in transition. The six countries are the Czech Republic, the Slovak Republic, Hungary, Bulgaria, Romania, and Belarus.

The paper divides the topic in the following manner. First, I will look at the two dominant paradigms guiding the analysis of transition in Central and Eastern Europe, then I will present some of the common characteristics of the regional transition process. The common characteristics of pre-transition unions are then presented followed by the principal changes in the structure of labor relations in the process of transition. Some of the general issues facing labor leaders in all countries because of the transition process are then discussed. Finally, we look at the case of Cuba and how some of the current changes in the economic and social structure are shaking, and establishing, the foundation for the role of unions in the future transition of the country.

TRANSITION AND UNIONS IN CENTRAL AND EASTERN EUROPE: THEMES IN THE LITERATURE

Except for the obvious case of Poland, where the role of Solidarity in the transition process has been well documented, the vast majority of the academic and professional literature on the post-communist transition does not analyze the role of labor organizations in this process. Labor organizations, after all, were but one set of the many institutions attempting to keep viable a bankrupt system. The few studies that have considered unions as players in the process look

at unions as either: 1) mediators or obstructors of economic transformation or 2) how labor is developing its relationships with emerging state structures (Thirkell, 1994; Jones, 1992). Most of the massive literature accumulated over the last six years on communist societies in transition has focused on the political or economic factors associated with the collapse and subsequent reconstruction of the societies in question.

In this context, two general paradigms of analysis seem to emerge as most promising for the analysis of the role of unions in the transition process: the “*tabula rasa*” paradigm and the path dependency paradigm (Stark, 1992).

The paradigm which can be called the “*tabula rasa*” paradigm associates the collapse of communism with the collapse of all or most of the social structures existing within the old communist regimes, thus creating a social and economic “*tabula rasa*” where free market gurus can exercise their craft. Indeed, most western social scientists have been preoccupied with the total collapse idea in part because an image of an all-powerful state loomed so large in their portrayal of state socialism before the changes of 1989. It is not surprising that in its absence, the transitional period is viewed as without institutional form and void of social organization.

The path analysis paradigm focuses on the continuation of social relationships from old to new political structures. According to these analysts, some the social relationships which existed in the old system contributed directly to the collapse of communism and now these relationships are determining how specific societies pull themselves together after the collapse. They argue that, while it is clear that the old communist state attempted to dominate all aspects of individual and organizational behavior, it is also evident that it failed to do so uniformly across all levels of society (Bruszt and Stark, 1991).

Ethnographic studies of work environments and survey research, support this view of change and continuity in the former Soviet bloc. There existed a multiplicity of social relations that are less hierarchical and centralized in structure (see Stark and Nee,

1989) than the ideal communist model that we often assume existed before 1989. This literature suggests the existence of parallel structures in the informal and formal labor networks. For our purposes, this means that instead of an institutional vacuum, analysts find routines and practices, organizational forms and ties, informal leadership and followers at the shop floor level that serve as the basis for organizational development and coordinated actions in a post communist social structure. These organizational forms varied across the societies in the region but they existed everywhere and they influenced the development of the current labor movement.

At the shop floor level, research suggests that the production process led to bargaining between supervisors and informal groups; groups that existed with relative independence from the massified labor bureaucracy, and from which some present labor leadership arose. These groups would often see themselves, as a vice president of the Slovak confederation reported, as units that could “correct” some of the orders sent down by the Party.

This view of transition as a continuity of pretransition social processes is presented by David Stark as the “path dependency model.” Stark describes that the paths taken by each society to free itself from state socialism determines the choices available to solve the economic, social and political problems of transition. In an elaborate sociological comparison of privatization strategies in Eastern Europe, Stark (1992) develops a typology of the different strategies of privatization adopted by the countries in the region. He concludes that to explain these distinctive strategies of privatization, one must begin by taking into account the social forces propelling each society away from the communist model of organization:

...their distinctive paths of extrication from state socialism-reunification in Germany, capitulation in Czechoslovakia, compromise in Poland, and electoral competition in Hungary... The collapse of communism in East Germany resulted in the colonization of its new political institutions during incorporation into the powerful state of the German Federal Republic. The capitulation of Communist authorities in Czechoslovakia after decades of suppressing almost all

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institutions of civil society, meanwhile, resulted in the rapid restructuring of its political institutions with relatively few remnants from the earlier period. Communism did not collapse in Hungary and Poland; its demise was negotiated in both countries.

In support of this view, Bruszt (1992) points out that trade unions existing in Czechoslovakia in 1990 bore relatively little resemblance to the pre-1989 unions—in contrast to Hungary and the other former communist countries, where the old official union remained the largest and most powerful trade union confederation, and to Poland where both Solidarity and OPZZ are the continued legacy of the 1980s. This pattern of numerical dominance of the pre-1989 trade unions is found in all of the countries studied.

GENERAL CHARACTERISTICS OF THE EASTERN AND CENTRAL EUROPEAN SOCIAL TRANSITION

Given the massive nature of the changes occurring in Eastern Europe, it is worthwhile remembering that even in the apparent balkanization of the monolithic Soviet Bloc there remain strong similarities among countries. Or, at least, the challenges which each confront have common roots and profiles even while solutions are characterized by rediscovered nationalist traditions and processes. This section presents some of the common features of the transition process in the societies studied.

All of the countries share with Cuba features derived from their common organizational legacy based on central planning. The structure and institutions of the labor markets in centrally planned economies developed some distinguishable characteristics.

- They all had extremely high workforce participation rates, especially among women. In the Soviet Union the female participation rate was over 80 percent while Eastern European countries averaged over 70 percent. (Western European rates hover around the 50 percent mark.)
- Countries sharing the legacy of central planning also tend to have large firms, with the average employment per firm being about 200 workers, against 80 workers in Western Europe.
- Wage and income differentials were small. Studies show that the income of two randomly selected workers differed by less than 45 percent in Central and Eastern Europe, while it differed by 65-75 percent in Western Europe and more than that in the U.S.
- School enrollment was high and basic education was considered to be of relatively high quality with literacy rates approaching 100 percent in all countries.
- The traditional socialist labor market also depended a great deal on subtle and sometimes not so subtle admonitions to work, mandatory assignments of graduates, strict control of migration, and involuntary recruitment of labor to carry out specialized tasks.
- The essential elements of the transition process as they are usually described in economic terms, stabilization, liberalization and institutional reforms, created a situation where the uncompetitive nature of the existing sectors became obvious but the emerging sectors remain too weak to alleviate the situation.
- When changes began, an unprecedented fall in GDP and real wages was felt in all countries, the structure of labor demand changed dramatically and nearly 200 million workers had to adjust to new rules of the game while job security for many disappeared. Unemployment emerged for the first time as a political and economic concern.
- Wage differentials increased. For instance, in Poland wages of two randomly selected white collar workers differed by 42 percent in 1987 and by 51 percent in 1992.
- Regional differentials, long a characteristic of developed economies, became evident, even in smaller countries like Hungary, where regional unemployment in 1993 ranged from 7 to 46 percent.
- All societies faced the issues of unemployment, inflation, drop in real wages, political instability and others and there was no easy way out.

- The number of working poor in the former centrally planned economies has risen across the board, especially in the countries where working hours were cut, rather than employment. Overall increases in poverty are most dramatic in the CIS countries in general and Belarus specifically.
- All of the countries of the ex-Soviet Union and Eastern Europe lacked a large labor force not allocated to protected sectors of the economy. This created problems in restructuring strategies. (See *1995 World Development Report*, Barr, 1994.)

These structural similarities gave rise to similar policy issues during the process of transition.

- Destruction of old jobs became unavoidable and how to do it became a political question.
- In general, the governments did not undertake dramatic transition policies until each felt strong enough to survive the political fallout.
- Where the government is successful in establishing its commitment to reform, such as is the case in the Czech Republic, transition processes seem to point in a positive economic direction.
- Although it is difficult to untangle cause from effect in the transition process, there are signs that countries that move rapidly to establish reforms are also the quickest to record gains for labor.

General Characteristics of the Pre-Transition Unions in Socialist Totalitarian Societies

The centralization mentioned above also contributed to the creation of common characteristics among the labor confederations in the different countries. These characteristics are shared by the Cuban official labor movement.

- The one party system which prevailed extended its control over the workforce through a one confederation system. The labor movement, in effect, was the most socially pervasive method of social control.
- The one confederation system in each country served, in the Leninist tradition, as a transmission belt between the party and the workers, pro-

viding incentives and controls to direct the behavior of the enterprise and of the workers.

- Leadership in the confederation was bestowed upon those whose allegiance to the party was beyond reproach (in all countries top leaders had to be members of the party) and who maintained a base among the workers. This legacy explains the divisions, sometimes bitter, that exist today in all countries between those who held positions in the old union system and those who consider themselves representatives of “free labor”, e.g., free from any ties to the old communist order.
- Transition economies inherited heavily unionized labor markets with above 90 percent of workers belonging to unions in all countries.
- Unions in pre-transition societies functioned primarily as social, not economic organizations; as the gatekeepers to the socialist welfare state.

In order to understand the nature of labor relations in pre-transition societies one must first understand that the terminology used, although similar to that used in market economies, does not mean the same things.

- wages were not the price of labor negotiated in the process of bargaining between social actors, but a reward for labor provided by the central authorities first to enterprises and then by enterprises to employees, according to their ideological and production “merits”;
- unions were not organizations which defend the rights of workers against the interest of employers, but organizations designed to support the fulfillment of the state established production plan in the domain of labor relations;
- supervisors and plant managers are just as much employees as those whose work they supervise, only their position in the hierarchy is higher;
- the government was not an enforcer of labor law and mediator of labor conflict, it was the universal owner and employer;
- enterprises were not (and most still are not) organizations producing profits for their individual

owners, but mere organizational units in the state hierarchic system;

- laws governing labor relations were not designed to protect the legitimate expectations of social actors or to prevent conflict among them. They were understood to be orders from the central committee intended to achieve certain production and social control results (Jezek, 1993).

PRINCIPAL CHANGES IN THE STRUCTURE OF LABOR RELATIONS IN THE PROCESS OF TRANSITION

Confederation Structure

The most significant evidence of the changes in industrial relations in transition societies is the development of independent trade unions. This has and continues to come about in two ways. First, through the creation of new organizations and movements that have no connection with the state, and second, through the reform and revival of state controlled trade unions.

The new independent unions were established in all countries before or after the political changes attempting to follow the example of Solidarity in Poland. In Hungary many of the smaller new unions united to form the Democratic League of Independent Trade Unions (LIGA). In a similar way Podkrepa was established in Bulgaria and Fratia emerged in Romania. Other new union confederations have since emerged in these countries. On the other hand, with the exception of the former Czechoslovakia where the traditional unions officially were dissolved, the trade unions of the party state survived. They redefined their functions and made the representation of workers' interests their principle priority. They also declared their independence from all political parties, and democratized their organizational structures.

Despite these reforms, the traditional unions continue to be looked upon with suspicion and even hostility by the some of the new democratic governments, parliamentary parties and foreign support organizations. Regardless of government attitudes and actions, the traditional trade unions have remained, in numerical terms at least, large and strong organiza-

tions. Traditional trade unions have had difficulty, just like new unions, functioning in the murky political environments of transition and have established, just like new unions have attempted to establish, policies fluctuating between confrontations and pragmatic cooperation with emerging political leadership.

However, most trade unions have accepted the inevitability of transformation, and generally speaking have not actively opposed the basic concept of economic reform and greater reliance on market forces. This does not mean that they have accepted all aspects of economic reform. For instance, trade unions like MSZOSZ in Hungary, and CITUB in Bulgaria have opposed various manifestations of economic neo-liberalism and have been prepared to threaten or even abandon the tripartite council as a form of protest against the social consequences of extending privatization to public utilities and cutbacks in government services. Moreover, to varying degrees each assisted the socialist parties in their respective countries to achieve national election victories in 1993-94 hoping to influence the economic development policies of the government.

The relations between competing trade union confederations are complex and far from homogenous across the countries of the region. In Hungary, seven major trade union confederations exist, of which six participate in the tripartite council. Of these, the most significant is the National Confederation of Hungarian Trade Unions (MSZOSZ) which now claims to have about one million members. This compares with a peak membership level which exceeded 2.5 million at the end of 1990. In Bulgaria Podkrepa (Support) and the "successor" Confederation of Independent Trade Unions (CITUB) are in a similar position. Romania has the largest number of trade union confederations, officially numbering around 20 in 1996. More recently there has been some consolidation and the trade union scene is now dominated by four organizations: CNSLR-Fratia, ALFA CARTEL, BNS (National Trade Union) and the recently created Confederation of Democratic Trade Unions of Romania (CSDR). In the former Czechoslovakia the Czech and Slovak Federation of Trade Unions (CSKOS) was the dominant organiza-

tion prior to the division of the country. Subsequently, CSKOS was formally dissolved and the union structures in the two republics--which had previously been part of the confederation--also split and assumed the role of the dominant national trade union confederation in their respective countries. The Czech and Moravian Labor Confederation (CMKOS) and the Confederation of Trade Unions of the Slovak Republic (KOZSR) now stand as the dominant confederations in each country.

The co-existence of old and new trade unions engendered division and confrontation in several countries. The example of Poland, where the two major confederations did not talk to each other for years, is relevant, while in Hungary the relations of the large "traditional" MSZOSZ, LIGA and the Workers Councils (another newly formed confederation) were severely strained by conflicts and debates about legitimacy and representativeness between 1990 and 1992.

The thorny issues underlying these conflicts between old and new unions in all countries are the different political perspectives of the organization as well as the disputes over the redistribution of the assets of the state controlled unions. The matter of redistribution was resolved in Czechoslovakia as early as 1990, but in the other countries of the region several years were necessary to reach a compromise. For example, in Hungary a compromise was not reached until late 1992 and in Romania the issue remains a political wedge used by the government to divide the union movement. Discussions have been initiated this year (1996) to expand the function of administering the assets, currently performed by CSLNR/Fratia and Alpha, to include the BNS.

Despite inter-trade union friction, events since 1989 have demonstrated that democratic reform of an existing trade union structure and the establishment of new competitor unions can have a mutually beneficial impact. Not only were the new independent unions a desirable addition in their own right, they also helped to accelerate the pace of reform in the traditional unions.

It is notable that in some countries where the union movement has gone through a period of fission over the last few years there are tentative indications that this trend may be starting to reverse itself. In Romania, as mentioned, the conflictive issue of union patrimony is bringing three major confederations closer together and the movement is also uniting to combat the passage of a new Collective Bargaining Law perceived as being anti-union.

One factor spurring greater unity in the trade union movement is that since 1993 in most countries the traditional reformed trade unions (MSZOSZ in Hungary, CITUB in Bulgaria) had consolidated their positions as the largest and politically most powerful confederation while their rivals seem to have lost ground. For example, in Hungary the new organizations have a small and shrinking membership base and little political influence with the socialist government. Only in Romania, where the CNSLR/Fratia, although still the largest, is facing direct competition from Alfa Cartel, BNS and the newly formed CSDR, has the successor union failed to grow in power.

In general, the trade unions in the countries covered by this study have devoted very little attention to recruiting members from the new and expanding sectors of the economy. In most countries the new private sectors are growing slowly and unions have more pressing problems than to organize this relatively small number of workers. Despite this, by the standards of the OECD countries, trade unions in Central and Eastern Europe remain numerically strong and politically significant.

Tripartism

Perhaps because of the ambivalent nature of political alliances, unions have expressed much of their political voice through the tripartite process at the national level. National tripartite forums have been established in all countries except Romania. In Romania a PHARE project designed to establish such a forum is currently underway. The forums have some similar characteristics, given the nature of the tripartite model, but each country approached the quest for tripartism in its own unique fashion.

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Following the tradition of Western industrial countries where tripartism exists, such councils tend to have limited authority to implement policy decisions and really rely on the good will of the government to see the product of their consultations reflected in policy or programs. They merely have the power to “advise” the government on economic and other policy issues. Without exception, this advisory tradition is maintained in the countries with functioning tripartite councils.

Nevertheless, in all countries where they exist, tripartite bodies have exerted direct influence on the establishment of minimum wage limits (Czech and Slovak Republics, Bulgaria, and Hungary) while in Hungary the council’s workgroup on labor market issues has the authority to determine the principles and direction of expenditures on training and other employment programs.

In Romania, the failure of the government to quickly commit to the establishment of a tripartite council has created an environment of animosity and competition among the major trade union confederations as the government fails to establish definitive participation criteria and conditions.

Collective Bargaining

Little variety exists in the collective bargaining models being supported by confederations in each country. Most confederations are working hard to establish blanket agreements, through tripartite bodies or national agreements, but enterprise level agreements, although allowed by all labor laws, are reportedly declining. The general decline in local agreements is well documented in Hungary but further research needs to be done to discover the nature of enterprise level collective bargaining in most countries (Héthy, 1995).

The exception to this tendency is Romania where the collective bargaining law requires all state employees to be covered by an enterprise level agreement. In this case, only those employees working in the slowly expanding private sector are not protected by a collective bargaining agreement.

In general, one can identify similar characteristics in the nature of collective bargaining in all countries studied.

- In all countries three levels of bargaining exist although bargaining activity is not shared equally among the three levels.
- The national agreements establish the minimum standards that subsequent branch and local agreements must meet. This agreement is reached among representatives of labor and the government and the emerging employer organizations. The confederations are the labor representatives at this national level of bargaining.
- In all countries, the employer organizations are the weak link in collective bargaining at the national level.
- In all countries unions were active in the creation of employer organizations so that they could have social partners in negotiations.
- The corporatist solution, associated with decades of positive industrial relations and good wages and job security in Western Europe, is the one most commonly preferred by the confederations of each country. Given the desire for tripartism and the tradition of centralized industrial relations, the national level, corporatist bargaining model dominates in all countries studied.

All countries have redrawn the legal framework of labor relations in the last five years. The dominant features of labor legislation in the studied countries are the following:

- Emphasis on the principle of free association or union membership rights;
- Creation of independent labor organizations;
- Defining labor organizations as non-political organizations and restricting direct participation in the political process of these organizations;
- Establishing numerical lower limits on labor organizations.

The representative of the various ministries in the region expressed concern that collective agreements at

any level other than the national level would be disruptive to the development strategies of the countries. While minister officials are not going to promote eliminating lower level agreements, they also would like to control the process. In the Czech Republic, for example, while local collective agreements are declining, the ministry can extend branch agreements to the local level after a review process. The ministry officials estimated that about 30 percent of the petitions to extend the branch agreement to a specific work place are granted. It is worth noting that these same officials also insist that unions should stay out of national level policy issues and concentrate on dealing with member grievances at the shop floor level. It seems that they want agreements, but agreements that are signed on their terms with social partners that they can control.

Unions and Politics

The relationship between political institutions and unions has changed since 1989 in all countries. What a high ranking ministry official from the Slovak Republic said about unions in the Slovak Republic can be said about unions throughout the region. "The trade unions are trying to find their niche. They want to influence politics but in a careful way."

The role of workers and their organizations as catalyst for social change in the process of transition varied from country to country. Yet, if we look at the development of independent labor movements in each country studied, we see that there are two dominant organizational models of labor involvement in the process of transition. The Internal Combustion model, characterized by the establishment of strike committees as units of opposition within the monolithic state controlled confederation, was utilized in Czechoslovakia and Belarus. The transformation of the Czech Moravian Labor Confederation and the Labor Confederation of the Slovak Republic represent the success stories of this model. In Belarus, the strike committees were unable to mobilize enough resources to transform the official labor confederation primarily because the political structure of the State remained unchanged and continued to rely upon and support the official confederation as a control mechanism.

The Independent Organization model, which, as the name implies, entails the establishment of organizations outside of the official labor confederation, served to form strong opposition confederations in Hungary, Bulgaria and Romania. The ultimate example of this model is the case of Romania where we find the labor movement fragmented into four major confederations but with an additional sixteen other organizations claiming to be confederations. (This aberration is created by a labor law which allows sixty workers to create a confederation.)

Along with these organizational models, we have to consider the timing of their creation. In Belarus, Czechoslovakia, Hungary, and Bulgaria, the independent and opposition organizations developed to some degree before the political changes occurred. In Romania opposition organizations were formed after the crumbling of the political control structure.

In all cases, the grass roots level served as incubators for the leadership of the newly created or reformed confederations. Whether elected or in a more informal fashion, grass roots leaders have carried their support to the national level in all countries. Even in Romania, where major restructuring of the confederations did not occur until after the death of Ceausescu, the leaders of the major confederations emerged from the leadership of local unions. In Bulgaria, the leadership of Podkrepa even included a clause in its constitution that no one who ever held any type of position in the pre-transition communist structure could hold leadership position in the labor confederation.

In general, the principal role of trade unions in the process of political change can be described as follows. First, in each country an alternative labor organization emerged early in the process of transition which was identified strongly with the process of socio-political change. This was the case of Podkrepa in Bulgaria in 1990, LIGA in Hungary in 1988, Fratia in Romania in 1990 and of the various strike committees emerging in Czechoslovakia, and Belarus during the same time.

Second, these organizations became instrumental in developing strategies of opposition at the national

and regional levels. The union structure was ideally suited for coordinating widespread opposition and mobilizing citizens.

Third, labor unions became critically important because they were relatively well organized representatives of the emerging interests of a broad section of the citizens of each country. They immediately became the largest civic organizations in each country, dwarfing the size of even the largest political party. They were organizations with a truly mass membership and which existed purely to represent the interests of not only workers but pensioners and the unemployed.

Fourth, the very structure of the labor organizations changed because the structures that gave them their primary characteristics of dependency and subordination, the party and the state, changed. That is why even the traditionally unions were forced into some sort of reform process.

Fifth, labor laws were changed that institutionalized the independence and functions of the new labor movement. In all countries strike and dispute resolution statutes were introduced (Hungary, March 1989; Bulgaria, March 1990; Czechoslovakia, 1991; Romania, 1991).

These elements combined to make the alternative and transformed labor organizations into social movements with goals that, in the context of social change sweeping all countries, were as much political as they were related to the specific issues of labor relations. This socio-political character of labor organizations was more pronounced in Bulgaria and Hungary where alternative organizations emerged with strong support from professionals and intellectuals, but even in Romania, where the confederations shunned political activity, they were strongly in opposition to the post Ceausescu government, which they considered a neo-communist extension of power.

The pressures from alternate organizations and the disintegration of the communist state forced the established labor structures to undergo irreversible change. The confederations serve to unite the political activity of the member unions but no longer control the internal operations of the affiliates.

In the emerging labor legislation in the region, pain is taken to make clear the independence of labor organization from the political process. Given the legacy of party control, this is understandable. A clause is usually included in the statute defining a labor organization which specifies that it is a non-political entity, functioning as a civic organization.

In cases, such as in Bulgaria, where unions have played a significant and direct role in political developments, members have recognized the importance of having a strong, representative voice at the national level. Podkrepa in Bulgaria was an important element of the UDF and its ultimate ascent to power in the 1992 elections. While it received its share of criticism for tying its fortunes, and the fortunes of its members, to one party, it reversed its support for the UDF when the party turned a deaf ear to the union agenda. Similarly, CITUB was always perceived as the old union which supported the socialist ascent to power in the 1994 elections, yet it is a vociferous opponent of the government's wage and unemployment policies.

General Issues Facing Labor Confederations after Transition is Initiated

As the transition process grinds on, labor confederations in Eastern Europe must decide whether to be on the bus of transition or off. All have decided to sit as close to the front as possible.

- No leaders of a major confederation in the region oppose the reform process. They do have specific concerns about the impact of reform on their members and this concern is manifested by demanding a voice in the decision making process, and, sometimes, in the opposition of specific reform strategies.
- In all countries labor sees itself as a partner in the transition process even when specific interests vary from those of capital or government. In all countries, except perhaps Belarus, labor has received some benefits in the restructuring of economic, social and political relations.
- The trade union movement in all countries sees itself as playing a fundamental role in the creation of a national social-economic infrastruc-

ture, this includes contributing to: (1) the creation of a legal framework for trade union activity, addressing issues such as representativeness, autonomy, redistribution of trade union assets and, more generally, recognition of the role of the social partners; (2) the promotion of bipartite or tripartite dialogue in order to monitor economic and social developments; (3) the establishment of collective bargaining and possibility of concluding agreements at all levels of economic life (enterprise, branch and nationwide); (4) the development of a system of social security, including compulsory and complementary insurance and unemployment benefits, protection of minimum wages and family rights. This system should be administered by the direct contributors, e.g. the representative organizations of workers and employers; (5) the adaptation of national legislation to international and European standards and conventions such as the ILO Conventions, The European Social Charter and the European Charter on Social Security.

Similar organizational questions confront the leaders of the confederations studied. Among these are:

- The question of how and to what extent labor should be involved in the political arena is a question that confounds all labor leaders. Given the negative legacy of labor and political party relationships, and the fact that their members span the ideological spectrum, most leaders find themselves unsure of their actions when asked to become involved politically.
- Trade unionists in all countries stress the importance of trade union education and training trade union activists; of independence from political and state structures; of financial independence based on self-supporting mechanisms such as membership fees; of technical and political independence through the development of its own capacity to elaborate legal, economic and social strategies.
- While they recognize the importance of developing concrete services to meet the aspirations of their members, most confederations have prob-

lems extending services to the members, primarily for financial reasons.

- In all countries, most of the money collected in dues stays at the local union level. A varying percentage reaches the federation level and a much smaller portion is remitted to the confederation.
- A major hurdle facing all union leaders is the desire by the membership to the reestablishment of the social service network in place during the communist era. At the base level, most of the money is utilized to provide these “social services” to the members; services attempt to maintain some continuity from the pre-transition era, e.g. day care support, sports teams, vacations.
- The confederation services to the members, when they have something to offer, consist of more general activities such as insurance policies, legal support, and in the case of one confederation in Hungary, credit cards.
- Training or retraining initiatives are seen as activities that belong in the government sphere and for which confederations lobby.

SOME LESSONS FOR CUBAN LABOR TRANSITION

Perhaps it is in the arena of unions and politics that we can draw the most direct implications for the existing situation of workers in Cuba. As mentioned above, in three of the six countries studied, opposition structures arose within the state controlled confederation. In the other three, independent organizations served as forces of social mobilization either before (Hungary and Bulgaria) or after (Romania) the collapse of the Soviet-supported regime. Also of importance is the fact that in all cases, the base organizations (local unions) gave rise to a large number of the labor leaders that rose to prominence after the loosening of political controls.

In recent years, events have contributed to the fragmentation of the monolithic CTC structure as the dominant control mechanism of the Cuban worker. The restructuring of the Cuban economy during the 1990s has had an important impact on the nature of labor relations in the country. Processes such as

growth of unemployment and the creation of the class of workers known as “disponibles,” the emergence in some sectors of a mixed economy, and the strengthening of foreign investments have created friction within the CTC, which has become accustomed to the harmonious operations of its transmission belt role.

Contributing to the friction has been the redistribution of the labor force into emerging sectors of the economy. Tourism, pharmaceuticals and biotechnology are sectors that have received an infusion of labor partly because of the interest of foreign capital in the growth of the associated industries. Similarly, the non-state sector has grown at a rapid rate through the creation of the Unidades Básicas de Producción Cooperativa (UBPC) and the extension of laws permitting small scale entrepreneurial activity (the “cuentapropistas”). These two activities have grown from comprising 5.9 percent of the labor force in 1988 to 30.2 percent of the labor force in 1994. The most recent figures that I have—from November 1994—put the “cuentapropistas” at 208,500 workers with licenses to operate private businesses; 60,000 of these were unemployed or “disponible,” 56,000 had other employment, 50,000 were retirees and 38,000 were “housewives.” The licenses are approved by individual “municipios” so this contributes to the general process of decentralization of production. These sectors are not under the control of the CTC, a fact that has increased the debate on the role of the confederation in the process of economic restructuring.

In 1993, the National Assembly of Popular Power (Asamblea Nacional del Poder Popular) worked with the Workers Parliament (Parlamento Obrero) at each worksite to analyze the problems of production afflicting the country. The recommendations of the Parlamento Obrero were taken to the CTC, which created a new grouping within the enterprises called the Assemblies of Economic Efficiency (Asambleas de Eficiencia Económica). According to my sources, these Assemblies are an attempt to rejuvenate the labor movement by involving the rank and file in enterprise-level decision making and changing the bureaucratic nature of the CTC structure. It is unlikely that any of these goals are attainable but what does

seem to be occurring is that the rank and file is communicating more at the base level.

There are indications that at the grass roots level within the CTC, leaders are questioning the traditional functions of the organization. Current debates within the CTC manifest growing concerns about the organization’s ability to play a role in the current economic transformations being implemented. In the tourism and services sectors, the role of the CTC is increasingly under fire. Issues of representability and protection of employment rights are being discussed more or less openly. Undoubtedly, these types of concerns will serve to create different interest groups within the CTC. How these groups are able to express their disagreement will influence the development of the confederation as a catalyst or retardant of change.

If the voices of reform within the CTC are supported by dynamic changes at the national and international social and political levels, as was the case in Czechoslovakia, then the Internal Combustion model might ignite organizational transformation and maintain the labor movement as a viable agent of change in the ensuing period of transition.

Regardless of the transformation of the CTC, it appears certain that the process of political transition in Cuba will engender a proliferation of small, independent labor organizations. In recent years, the activities of small, independent labor groups have increased in activity in Cuba. While these groups are small and afflicted with much infighting and competition, their very existence presents the potential for the expression of dissenting voices and mobilization. If political changes occur which transform the system and its existing institutions, these “grupúsculos” will be rendered marginal unless they can establish strong coalitions among themselves and with international organizations. The marginalization of opposition labor groups will bring with it competition and conflict and the smaller organizations will find it difficult to compete with the transformed remnant of the CTC. If this fragmentation continues too long (as has been the case in Belarus) and labor laws are created which encourage the fragmentation of the labor

movement (as in Romania) the labor movement will be weakened as a force of social change.

A post transition society will present Cuban labor leaders with many of the same challenges being faced today by leaders of the former Soviet Bloc. The social costs of privatization, the organizing of the rapidly growing private sector, unfriendly government policies, recalcitrant labor leadership and a membership

that will long for the “good old days” of full employment and bountiful social benefits will burden new leaders with an almost unbearable load. If one adds to this the myriad problems that can arise if labor has to deal with Cuban-American capitalists from Miami, one begins to appreciate the difficulties facing free labor in Cuba.

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