

FROM MONISM TO DIVIDED UNIONISM?

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INTRODUCTION

Hungarian society was among the first in Central and Eastern Europe to try to cut off the political and ideological bounds of the Soviet-type political and economic system. Soon after the failure of the 1956 revolution, the Hungarian Socialist Workers Party (Communist Party), launched the policy of gradual reform in the direction of the mixed economy: for instance, the growing importance of the second economy since the late 1950s, the different waves of decentralization-centralization in the state and the co-operative sectors, and finally the introduction of "inside contracting" within the state sector and the policy package from the early 1980s aimed at creating small businesses. Together, this produced a combination of a mixed economy and a political system known as "soft Communism."¹ Due to the cumulative character of the economic and political changes, we could notice without surprise the flexibility and radical pragmatism of the last Communist government, under the pressure of the forces of opposition and the changing pattern of super-power relations. This government officially declared the revolutionary

¹ These changes could not produce any significant privatization: the share of the private sector represented only 3-4 percent of the entire the property structure. During the two years following the free election of 1990, 27 percent of all Hungarian state property was privatized.

character of the 1956 uprising, initiated negotiations about the departure of the Soviet troops stationed in Hungary since the end of World War II, demolished the "iron curtain" and—within an extremely short period of time—introduced a democratic constitution and accepted the multiparty system. These political changes culminated during spring 1990, when through the free and democratic election the movement towards a Western-style market economy accelerated.

In the following chapters, we shall try to illustrate the main dimensions of the creation and the erosion of the monist system of industrial relations which functioned in the centrally-planned command economy. During this attempt, we shall try to avoid the so-called "label-type" approach and thus refrain from using such loaded terms as "Communist" and "post-Communist" society.

In the ex-socialist countries, economical and political development did not and do not follow a single model of socio-economic development. For instance, their current efforts to escape from the failure of the so-called "command economy" also vary according to two distinct strategies. One group advocates the well-known "shock therapy" (these are the "big-bangers")—to a lesser extent, Poland and Russia belong to this category. Their opponents, the respective country's group of "gradualists"—including Hungary and former Czechoslovakia—prefer step-by-step changes which are "less costly economically and more feasible politically" ("Eastern Europe Hesitates," 1992: 13). At this moment, it is difficult to know in advance the socio-political outcome of current changes. These societies are still in the phase of political and economic transformation. However, whatever will be the course of events and the pathway followed, it is clear that new systems of values, norms and patterns of individual and collective behavior are emerging.

MONISM BASED ON THE POLITICAL-IDEOLOGICAL AND ECONOMIC MONOPOLY

After World War II—more exactly from 1949 onwards—a particular system of political-ideological and economic monopoly was created in Hungary, under the auspices of the Soviet political-ideological influence and military presence. The economic monopoly was primarily based on the

almost-complete nationalization of the industrial, trade and service sectors. To illustrate the degree of changes in the country's property structure, it is worth noting that, before the Second World War, only ten percent of all industrial assets were state-owned (Bakos, 1991). Nation-wide nationalization was accompanied by the introduction of branch-oriented economic policy and the introduction of centralized ("socialist") planning. The key function of socialist planning was to replace the market allocation of resources by the bureaucratic (redistributive) system of regulation. The following table illustrates the degree of centralization in the Hungarian manufacturing sector (Kornai, 1990).

Table 2.1: Size Distribution of Hungarian Manufacturing Firms (1989)

	<i>Hungary</i>	<i>Sample of capitalist economies</i>
<i>Average number of employees per firm</i>	186	80
<i>Percentage distribution of employees by size category (number of persons)</i>		
10–100 persons	14%	35%
101–500 persons	26%	33%
501–1,000 persons	19%	13%
> 1,000 persons	41%	19%

Source: Kornai, 1989.

Note: The figures refer to averages of various years in the 1970s. The capitalist economies sampled are Austria, Belgium, France, Italy, Japan and Sweden.

Centralized planning and the nationalization of property have touched not only the industrial and service sectors but also agriculture. Table 2.2 illustrates the dominance of state ownership in the ex-socialist countries compared to the capitalist market economies.

Table 2.2: Percentage of State and Public Firms in Different Countries
(their share of production in different years)

<i>Country</i>	<i>Percentage</i>
Czechoslovakia	97.0
East Germany	96.5
USSR	96.0
China	73.6
Hungary	65.2
France	16.5
Italy	14.0
West Germany	10.7
Spain	4.1
USA	1.3

Source: Richet, 1990.

The first campaign of collectivization was carried out during the first half of the 1950s, with the second one at the end of that decade. As a result of these forced campaigns of collectivization and organizational concentration in this sector, the majority of agricultural co-operatives' and state farms' activities embraced more than one village. This also means that the key political actor in the Hungarian villages was the co-operative president and not the local community (government) leader or Party secretary.

The economic monopoly was completed by the political-ideological monopoly of the Communist Party. During the 1950s, the traditional partners in industrial relations—government, employers, employees and their respective organizations—had the sole obligation to execute the decrees of the ruling Communist Party. In this quasi-Orwellian world, the Communist Party and its leadership tried to develop and maintain an image of the omnipotent and ever-reaching power. The following slogan describes this approach: "The Party knows everything, is present everywhere and is capable of doing everything." According to such an ideology, conflicts of in-

EROSION OF THE MONIST SYSTEM (1968–1988)

Industrial-relations systems, according to the following broad definition, can be understood as the totality of actors, institutions and procedures concerned with determining wages and controlling working conditions (substantive rules) and with the structuring of the bargaining process (procedural rules). The cumulative character of the political and economic changes in Hungarian society have had important impacts on the actors, institutions and procedures of that system.

From the beginning of the 1970s, the changing way of life, the visibility of conflicts of interests and their dynamic role in society was accepted even in Communist Party documents. According to them, socialism "does not differ from capitalism in that there are no interest conflicts (in socialism) but it does differ in that the class basis of the structural conflicts has come to end" (Pozsgai, 1989: 74).

The growing acknowledgment of organizational conflicts and interests relations has led to careful measures—at both the national and local (firm) level—of co-ordination and representation of interests (Makò, 1990: 186–187). Among the important elements of these changes was the development of the second economy (economic activities organized outside the official economic institutions) from the end of the 1960s onwards. The growing economic importance of the second economy became visible from the mid-1970s. At the end of this decade, one-third of all household income was generated from this source. The role of such economic activities was extremely important in agriculture, housing construction and the service sector (Gábor et al., 1990). The existence of the second economy generated not only extra income, but also enlarged the opportunities for individual and collective actions. Thus, an important segment of employees could fulfill their needs and learned how to manipulate social relations distinct from official industrial-relations institutions.

The informal sector gave a chance for "exit" and "entry" within the first economy via this individual—sometimes collective—mobility, which produced not only financial (economic) but also social benefits for the people concerned. The other important step in the liberalization of the Hungarian economy before organizational decentralization and privatization, was the introduction of the "New Economic Mechanism" in 1968, which was aimed

terests do not exist; therefore, the autonomous social actors and institutions inherent to the interest representation of employees and employers are unnecessary. This factor, along with other reasons, explains why the autonomous institution of industrial relations is missing in the ex-socialist countries.

If we would like to qualify the nature of the relations among state, employers and employees, Schmitter's concept of the "monist" model of interest mediation seems to be a suitable category. The monist model is defined as "a system of interest representation in which the constituent units are organized into a fixed number of singular, ideologically-selective, non-competitive, functionally-differentiated and hierarchically-ordered categories, created, subsidized and licensed by a single party and granted a representational role within that party and *vis-à-vis* the state in exchange for observing certain controls on their selection of leaders, articulation of demands and mobilization of support" (Schmitter, 1974).

The industrial-relations partners had the sole obligation to execute the party's resolution, as translated into plans and indicators. This autocratic arrangement is often called the "Stalinist" variant of the industrial-relations system in the centrally-planned command economies (Héthy and Csuha, 1990: 10).

In this system of industrial relations, the conflicting interests of different socio-occupational groups were suppressed. But in 1956 at a national level, and during the 1970s in various forms of illegal strikes ("quota restriction"), workers demonstrated both individual and collective forms of resistance (Héthy and Makò, 1989: 161-183). The different forms of the "restriction of output"—which we could interpret as an "informal voice option" of the workers—clearly illustrated that the structural and hierarchical relations of the social division of work cannot be "overthrown" through revolution or nationalization of property. The differentiation of social relations and consequent ideologies in the labor process can be explained, on the one hand, by the social division of labor within the firm; and on the other, by the continuous changes taking place in the various components of the wider socio-organizational spaces in society.

at the regularization of the economy using economic tools instead of administrative ones.

The following four types of indirect (economic) regulators replaced the administrative tools of central planning (Richet, 1989):

1. financial regulations;
2. wage regulations;
3. price regulations; and
4. foreign-trade regulations.

The step-by-step (the so-called "gradualist") "marketization" of the Hungarian economy was accompanied by a limited increase in union autonomy and a shift in its function. Compared to the union's function during the 1950s (the well-known "transmission belt" function), the Hungarian unions from 1968 on tried to fulfill a "double-function" to represent the interests of their members and to be loyal towards company management. In relation to these changes, it is necessary to mention the veto right of the unions and, from the mid-1970s, the increased power of shop stewards in the field of working conditions. The high level of participation in the second economy and in such organizational innovations as "inside contracting" revealed that "in Hungary, very different social groups have experiences not only to be adopted to an interventionist, bureaucratic state but to the market mechanisms as well, through their social relations which opened channels for actions on the basis of reciprocity" (Makò and Simonyi, 1990: 15).

COMPANY UNION AS A TRANSITIONAL ELEMENT OF THE NEW INDUSTRIAL-RELATIONS SYSTEM?

The briefly-described changes in the direction of a mixed economy gradually eroded the monist system in Hungary. Within the labor-market context of full employment, important socio-professional groups disposed a strong, very often informal bargaining positions in relation to the state company's management. Employment policy in the former socialist countries produced a constant labor shortage, in which individual workers have an important bargaining position in the form of the "exit option."

The "exit option of adaptation" means that employees or members of an organization move from less to more desirable situations to realize their

interests and ambitions. The other well-known mechanism of adaptation is the "voice" option. But only the independent and influential interest representation organizations—for instance, unions—could provide the workers with a "voice" in the economic system at both a national and a firm level. In this sense, "voice" means talking and negotiating about problems, "discussing with an employer conditions that ought to be changed rather than quitting" (Freeman and Medoff, 1966).

From the late 1960s until the second half of the 1980s, under the circumstances for a large segment of the workforce of a "tight labor market," the "exit" and "entry" options represented the main forms of individual adaptation within the economic system (Dubois and Makò, 1988). This does not mean that the well-known "voice" option was completely missing. The general weakness and the lack of autonomous union organization for the majority of employees did not result in a situation in which all groups of workers were "defenseless" against enterprise management. The "core" workers gained significant "informal" bargaining power from their specific professional knowledge, working ability, monopolistic positions in the labor process and their well-placed position in the political organization. The important informal "collective voice" of the core working group in one engineering firm during the early 1970s is well illustrated by the following statement of the management shop-floor representative: "These ... men, however much they quarrel among themselves, are always in agreement seen from outside. They know what they have to do and why, are they extremely intelligent and very good also at their skill" (Héthy and Makò, 1989). In such cases, union leaders at the firm level formed a coalition of interests with state firm's managers in order to avoid central wage control and to increase the wages of their members. At the branch level, even the minister tacitly supported strike threats or other forms of collective pressure to keep the privilege of his branch or sector during the redistribution of the state resources (Herczog and Pál, 1991: 74). From time to time, occupational groups in a strong position in the "worker's state" (for instance, miners, steelworkers, metalworkers) have threatened strikes: for example, before the Hungarian Socialist Workers Party Congress in 1985, to keep their privileged position in spite of the economic decline of these production sectors (Tellér, 1991: 22).

Gradually, the monist system was transformed into a kind of company ("in-house") unionism. This process is well illustrated by the results of an international survey carried out in the middle of the 1980s in the electric

and electronic industries. The social patterns of company unionism were reflected in the employees' opinions collected in the former socialist countries.² The data collected in ten countries show that there are no clear differences between the capitalist and the ex-socialist countries concerning the workers' identity towards the firm. However, a significant difference can be noticed in relation to Western European and other countries regarding their identity with the firm and the unions. For instance, the identity with the firm among the Western European workers (German, Italian, French, English, and Swedish workers) means exclusively an identity with the company's management; while in the case of the ex-socialist countries (the Hungarian, Polish and Yugoslav firms which participated in the survey), as well as in Japan and Hong Kong, this identity extends to the whole community of the firm, including not only identity with co-workers but also with management. The identity with the whole community of the firm may be explained in the following way.

Workers' thinking and attitudes towards the different roles of management and the unions are not deeply rooted in the class-based interest and organizational structure (Ishikawa, 1990). This tendency was reinforced by the introduction of the Enterprise-Council system in 1985. This body of "quasi-self management" carried out strategic decisions in the large and medium-sized state firms. One-half of all enterprise-council members were elected directly by the rank-and-file employees; the other half were members (*ex officio*) of management or delegated by the company's director. In practice, the enterprise council became the new tool for managerial control and accelerated the "deregulation" of the union's already-weak role in long-term business decisions. The short life of the enterprise council had strengthened company unionism (Makò, 1987).

The increasing economic and social importance of employee participation in the second economy, as well as in the activity of "inside contracting" within the state firms without union control, had developed the amorphous and diffuse social relations among the future partners of the autonomous industrial-relations system. Such a constellation of social relations in any economy facilitates both the development of company unionism and non-cooperative union activities. In addition, the growing uncer-

² In 1985, *Denki Roren*, the Japanese Trade Union of the Electric and Electronic Workers, initiated and financed an international survey on the workers' attitudes related to work, firms and union activities.

tainty in the economic situation—incalculable effects of the recession, rapidly-increasing unemployment, privatization and decentralization of the economy—altogether diminished the unionization rate and the relative power of the unions.

In Hungary, the birth of the independent autonomous union movement preceded the free elections and the collapse of the Communist political system in the 1990s. To the great surprise of some new union leaders, the appearance of independent unions did not produce any clear-cut changes in the above-mentioned identity pattern. Instead of a massive support of the new, independent unions, there was a development of a segmented and rivalry-stricken movement.

EMERGENCE OF THE AUTONOMOUS INDUSTRIAL-RELATIONS SYSTEM

THE LIMITED LEGITIMACY OF THE COUNCIL OF INTEREST RECONCILIATION

The less visible and less dramatic, but long-term devastating social consequence of the "real-socialism" was the dissolution of civil society and its replacement with the illusion of it. By "civil society," we mean institutions based on voluntary membership and organized to express the individual and collective aspirations and interests of their members. For instance, among the constituent elements of any civil society, free trade unions—or in a more general sense, autonomous industrial relations—were missing. National and international experiences warn us that the management of workplace-related conflicts with long-term efficiency is inconceivable with the lack of visibility and predictability of relations among the independent social actors in economic life. The democratically-elected new Hungarian Government—free elections were held between March 25 and April 8, 1990—has been confronted with numerous urgent economic and social problems, such as a huge foreign debt, industrial restructuring, a high inflation rate, and rapidly-growing unemployment. Unfortunately, the development of the autonomous system of industrial relations has received relatively little attention. Political forces in power or in opposition are dealing with this social institution in accordance to the shifting constellations of power among them.

The ambiguous relations of the government and the political parties to the unions are well reflected in the functioning of the national-level bargaining institution: the Council for Interest Reconciliation (CIR). In the summer of 1990, the activity of CIR was renewed by the new, central-right coalition government. This Tripartite Council for Interest Reconciliation had been created by the last Communist government in 1988. At that time, only the official union (National Council of the Hungarian Unions, SZOT) and four employer's organizations were invited to the negotiating table. The newly-emerging independent unions (for instance, the Democratic League of the Independent Unions) were excluded.

The newly-elected government invited the representatives of all seven union confederations and nine employees' organizations. The basic rules and regulations of the CIR were adopted in autumn 1991. Its tasks and goals are as follows:

- I. to deal with the basic economic, wage, social and labor issues prevailing in the work environment;
 - II. to explore and conciliate the interests and ambitions of employers, employees and government in order to prevent incidental conflicts and to exchange information of proposals and alternatives; and
 - III. to provide help in solving conflicts arising in the work environment by mediating among the three principle partners. On any partner's initiative, it endeavors through negotiation to settle matters on a national level.
- IV. The functions of the CIR are
- A. common decisions on issues related to working conditions (for instance, minimum wage);
 - B. consultation on the most important economic, political and strategic issues, as well as on principles related to the work environment; and
 - C. to express its opinion on the most important laws and on other forms of regulations concerning labor (Arbitration and Conciliation Advisory Service, 1991).

The new government—elected in spring 1990—did not take the activity of the CIR seriously until late autumn 1991. For instance, the representatives of the government in the CIR did not consult their partners about such important bills as those on social security, taxation and Enterprise Councils until that time. Significant modification in the government position towards the social partners of the CIR occurred after the "taxi-drivers'

blockade" of October 1991. Following two days of hesitation, the government was forced by nation-wide social unrest to pay serious attention to the participation of employees' and employers' organizations in the work of CIR (Ládo and Toth, 1991).

The important and legitimated role of the CIR in the conflict resolution of the "taxi-drivers' blockade" demonstrated that the "labor problems become not just unrest, and not just private affairs; rather, they escalate into pervasive confrontations, generally violent, which threaten the very democratic political structure itself" (Inkheles, 1990). But why did the government not take the employer's and employee's side within the CIR more seriously? What are the sources of rivalry and lack of solidarity among the union federations?

DIVIDED UNIONS

The new independent unions appeared in the political arena before the free national election of 1990. For instance, the Democratic League of the Independent Unions (*Liga*) was created on May 14, 1988. This union had significant political credibility due to non-cooperation with the last Communist government. In spite its political legitimacy, *Liga* did not become popular among the mass of employees. Among the political parties, it has the support of the leading liberal party in opposition, the Alliance of the Free Democrats. The other newly-emerged independent confederation represents continuity with and nostalgia for the short-lived "Workers Councils" of the 1956 revolution. Having the same name, this confederation tries to combine the wish for self-management and job unionism. From an ideological point of view, it represents a mixture of social-democratic, Christian values and strong anti-Communism. Its activity is influenced by the initially-dominant political party of the first ruling coalition, the Hungarian Democratic Forum.

During the process of the emerging of new, independent unions, the so-called "old" (or "traditional") unions also underwent important structural changes, in accordance with the following principles (Héthy, 1991):

- a) neutrality from the political parties; and
- b) decentralization and democratization of their internal organizational structure (creation of the confederation with maximum autonomy for member unions).

As a result of these changes in the union movements, the following seven union confederations participate in the activity of the CIR (Népszavva, 1992: 32):

1. *National Confederation of the Hungarian Unions (MSZOSZ)*: Having the strongest bargaining position (approximately 1.7 million members), this confederation is very influential in the big firms and the public sector. The newly-born independent unions have many conflicts with this confederation, mainly due to disputes about the division of union property. This confederation now follows the values of social democracy.

2. *Democratic League of the Independent Unions (Liga)*: With approximately 250,000–300,000 members, this union also tries to represent social-democratic values.

3. *National Confederation of the Worker Councils*: This confederation has approximately 50,000 members.

4. *Worker's Solidarity*: With approximately 75,000 members, this union lacks bargaining skill; hence, its influence at CIR negotiations is weak.

5. *Grouping of the Intellectual Unions*: This union has approximately 65,000 members.

6. *Co-ordinating Forum of the Unions for Public-Sector Employees*: This union has approximately 500,000–600,000 members.

7. *Autonomous Unions*: With approximately 350,000 members, this union has played an important mediating role between the MSZOSZ and Liga.

Among the seven union confederations, solidarity and common action has developed very slowly. In 1991, the relations between the restructured "old" union confederation and the new independent unions became so conflictual that the new Parliament issued Act No. XXVIII/1991 aimed at temporarily freezing union assets. Another intervention of Parliament that same year was the obligatory renewal of the membership fee (Act No. XXIX/1991). Mainly due to the rivalry among the unions, the government follows a dualistic strategy in relation to the unions:

A) It invites all existing unions to the bargaining table of the CIR and declares the importance of the all industrial-relations system's partners.

B) In the everyday practice of the CIR, it tries to make use of the division among the unions. Especially at the beginning, the government accepted collaboration with the strongest union confederation (MSZOSZ), though often questioning its political legitimacy. In its relations with the

new independent unions, the government's behavior reflected the weakness of its partners.

From the employers' side, nine associations are currently participating in the CIR. Their strategy and behavior have been shaped by the forms of ownership (public versus private), the size of the firms and their capital. Their positions during the debate between government and unions fluctuates according to the dimensions mentioned above. The key factor of their "fluctuating behavior" is the dominance of the public property—the state is still the largest employer. In the future, in the course of privatization, the interests of the different employers' organizations will be more homogeneous than at present (Bossanyi, 1991: 51–60).

Coming to the union side of the industrial-relations system, the crisis of the Hungarian trade-union movement represents a multidimensional social and ideological phenomenon:

- Firstly, the political legitimacy crisis is a perverse effect of 40 years of autocratic-version state corporatism. This political legitimacy crisis concerns mainly—as has already been mentioned—the largest employee organization, the National Alliance of the Hungarian Unions (MSZOSZ).

- Secondly, the newly-emerged "independent" unions or other type of employee's interest organizations (for instance, *Liga* or the "Solidarity Workers' Alliance") were unable to increase their membership at a significant rate.

- Thirdly, the government does not want to continue a serious dialogue with these unions. Its approach varies according to the state and nature of conflicts among the unions. Finally, we have to mention another, in general scarcely-noticed, component of the union crisis. In the Hungarian economy of the 1980s on, we can see an important shift in employment structure and production methods. Among other factors, this means the growing importance of the service sector, the expansion of non-standard employment, the decentralization of the manufacturing sector, and rapidly-growing small firms.³ Without the analysis and the evaluation of these changes, it would be impossible to produce an appropriate diagnosis and policy for the creation of a new industrial-relations system.

³ In 1988, for instance, firms employing a maximum of 20 employees represented 14.5 percent of all economic organizations in Hungary. By 1990, the number of firms of the same size reached 55.9 percent.

Nowadays, we can observe a radical shift from hegemonic Marxist ideology (an important base for the autocratic version of state corporatism) in the direction of a liberal-conservative ideology based on the supremacy of private ownership. In relation to that change, we share the anxiety expressed by an expert on the Hungarian economy as follows: "les changements politiques ont amené au pouvoir de nouvelles majorités libérales ou conservatrices qui cherchent à se débarasser rapidement de toutes les institutions économiques mises en place par le pouvoir précédent. Cet argument pour le libéralisme n'est pas sans présenter de certains dangers: la croyance que la seule privatisation permet à atteindre l'économie de marché et à travers d'elle, l'abondance, laisse peu de place à l'analyse du possible échec du marché dans plusieurs secteurs" (Xavier, 1991).

The experience of privatization following the 1990 political collapse of the socialist political and economic system, supports the above ideological one-sidedness and its alarming social consequences for the emerging trade-union movement. According to the early accounts of the privatization, the Hungarian unions are now playing a diminishing role both at the national and firm level. Like other government institutions, the key institution of the privatization process, the State Property Agency (SPA), tries to bypass the weak, divided and therefore low-profile unions (Solt and Förstl, 1992: 23).

In Hungary, even the multinational companies of the developed capitalist countries—which all have their own heritage of strong unions—do not apply the ethical code of firm behavior accepted and used in their home country. They frequently do not take unions seriously as a social partner, nor do they apply the environmental standards respected at home. For instance, in one Hungarian county, the regional asphalt road-building company was bought by an Austrian firm. The new owner did not make a collective agreement with the unions, its management preferring individual work contracts. The employees who did not sign the contract became the target of potential dismissal.

Only a few militant and well-prepared unions can reach to any great degree a so-called "collective agreement" which includes certain guarantees

FUTURE PROSPECTS OF THE INDUSTRIAL-RELATIONS SYSTEM IN HUNGARY

concerning employment, wages and other working conditions. According to these circumstances, the unions are likely to revise their political neutrality and develop alliances with political forces. For instance, in spring 1992, the largest trade-union confederation (MSZOSZ) revised and decided to give up its political strategy "to keep the same distance from each political force." Both pressure from the government and its unpredictable behavior forced them during the election to support candidates from the Hungarian Socialist Party. This was the only party in opposition which did not vote in Parliament the previous summer to freeze union assets. During the 1992 Congress of the Hungarian Socialist Party, the president declared his party's eagerness to form "an election alliance with the unions belonging to the National Confederation of the Hungarian Unions" (Kéri and Gál, 1992: 4).

Following the decision by the Constitutional Court, the majority of the trade-union confederations (six out of seven) achieved an agreement in May 1992 concerning union elections (according to the legal terms of Act XXVIII/1991) as well as works-council (*Uzemi Tanács*) elections (as set down in the New Labor Code, Act XXII/1992).

The results of this election mainly contributed to the settlement of conflicts and rivalry resulting from the legitimacy issues between the *new* and *renewed* trade-union confederations. During the national elections for trustees of the Pension Fund and Health Fund—organized on May 21, 1993—at least two important social facts were noticeable. First, the rate of participation in the elections was much higher than during the elections of politicians either into Parliament or into local administrative self-governance bodies. In the case of the trustees for the Health Fund, 39 percent of the total voting population voted in the election; and in the case of the trustee for the Pension Fund, 50.1 percent participated. The other surprising fact was that the so-called "renewed trade-union confederation" (MSZOSZ) received the majority of the votes and in the future was therefore able to play an extremely important role in these organizations, the importance of which—according to international experience—is growing.

According to preliminary data regarding firm-level works-council elections, the National Confederation of Hungarian Unions (MSZOSZ) won more than 60 percent of the votes. The results of the national and firm-level union elections ended the legitimacy and representativity debate among the different union confederations. The works-council elections held in summer 1995 produced the same result as in 1993.

The need for innovative solutions in the field of the Hungarian industrial-relations system could be satisfied by using the various national experiences revealed in international perspectives (Kasvio, Makò and McDaid, 1990). The current process of European integration creates both challenges and opportunities for the renewal of industrial relations in the ex-socialist countries. By implementing new political and economic systems in these countries, we should learn from each other's successes and failures. Such "collective learning," and the co-operation based on it, could play an important role in mutual understanding and co-reaction in the new European social institutions.

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THE ROLE OF THIS ANALYSIS

The aim of this article is to present the history of trade unions against the background of the postwar history of Poland. The importance of Polish trade unions has always been a derivative of general conditions that were external to them and that changed over time. The first period of their history concerns the years 1945-1980, when the trade unions had the role of a "transmission belt" between the authorities and the society.

The second period of their history covers the years 1980-1989: that is, the years of the economic and social crises. During this time, Solidarity was created, which was not only a trade union but also a powerful social movement with the goals of social, political and national emancipation.