

## SOCIAL DIALOGUE ON EUROPEAN RAILWAYS: SEARCH FOR A BALANCE

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### ABSTRACT

The reform of the railways in the EU was followed by strengthening of the position of the industry in the transport market, and at the same time by the necessary support rendered to rail companies that perform important social functions. In this context, the authors distinguish the activities of the committee

for social dialogue in the railway transport, which, in cooperation with the European Commission carries out projects and prepares decisions designed to protect the interests of staff, labor rights of wage earners, and simultaneously preserves the opportunity for mutually beneficial cooperation between trade unions, businesses and governments.

**Keywords:** railways, personnel, human resources, labor market, social dialogue, trade union, business, state.

**Background.** As part of the transport development strategy for the EU in the late XX – early XXI centuries a special place is occupied by reform of public railway monopoly models, the principles of which were defined in EU Directive 91/440 on division of functions of maintenance of railway infrastructure and organization of operational work. Major changes were limited to the fact that further development of the industry is possible only while strengthening its position in the transport market and creation of conditions to ensure that unprofitable economies, performing socially significant functions, would receive adequate support from stakeholders, including the state [1].

During implementation of this directive by public authorities of the EU countries the following aspects were implemented:

1) Write-down and restructuring of debt, taking measures for financial rehabilitation of railway monopolies and partial cancellation of the state subsidy system;

2) Division and organizational separation of railway monopolies into two sectors – infrastructure and operation, as well as providing the possibility of entering the market to private companies;

3) Introduction of a self-sufficiency system (i.e. recognition as a basic target reference point not receipt of profit, but achievement of break-even).

The main directions of reforming are identified in the fourth railway package. This document of the European Commission presents a set of measures, which key reference point is an innovative component in organization of competition in the passenger transportation market, which requires simultaneous technical and structural changes. As a result, better service of transport services consumers, receipt of savings of 40 billion euros by 2035 and increase of industry's customer focus are expected [2].

The fourth railway package affects standards, quality of services, structural reforms, professional skills of specialists. Primarily a reduction of administrative costs and simplifying the entry of new operators into the market of services are provided for. It is anticipated to replace the national system of permissions with certificates for operators issued by European Railway Agency, as well as for the right to use locomotives and rolling stock. According to experts, such a measure will not only reduce the time to entry the railway operator's market (by 20%), but will also reduce cost (also by 20%) [3].

Analyzing the mechanism of reforming of railways of the EU countries, it is necessary to separately highlight the activities of the committee for social

dialogue in the railway transport – representatives of trade unions, business and government agencies, including European Transport Workers Federation (ETF), Community of European Railway and Infrastructure Companies (CER), as well as European Association of Rail Infrastructure Managers (EIM).

Institutional framework of this dialogue is the Decision of the European Commission dated 20 May 1998/500 / EC. It contains provisions regarding establishment and organization of committees of sectoral social dialogue, intended as central bodies for consultation, joint initiatives and negotiation [4]. The committees include representatives of trade unions and business organizations, taking into account the independence of social partners. They should carry out their work in cooperation with the European Commission, their participation in social dialogue concerns specific sectors of the economy or categories of workers, committees consist of organizations which are themselves an integral and recognized part of the EU Member States and have the ability to enter into agreements, representative for several Member States.

**Objective.** The objective of the authors is to consider the issues of social dialogue, which is implemented on European railways.

**Methods.** The authors use general scientific methods, comparison, evaluation approach, analytical method.

### Results.

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Among the problems, to which the most attention is paid in the European social dialogue committee on railways, a special place is occupied by social aspects of the industry's restructuring.

In 2013, ETF and CER organized a joint project «Social aspects of personnel protection in case of change of a railway operator (the current situation)». The goal is to get an idea of how the provisions of the EU Directive 1370/2007 are implemented, what remedies are used to guarantee social standards for the personnel when the operator changes.

Report prepared in the framework of the project explores the practice of competitive bidding (tendering) in rail passenger transport in 10 EU Member States. It is noted that there are very different situations from the point of view of social protection of workers in case of the operator's changes and especially the application of Articles 4(5) and 4(6) of the EU Directive 1370/2007. On the one hand, some Member States have established national rules similar to the provisions of the directive, and laid the foundation for social

partnership in the industry. On the other hand, there are states where the social aspects in general are not taken into account when tendering. This increases the risk of social dumping and associated decrease in attractiveness of work at a time when the shortage of skilled staff affects the quality of customer service.

In the final document of CER and ETF project the partners recognize that good social standards are a fundamental condition for provision of qualitative services. They agree that competition should not affect the nature of the staff work. They are willing to work to ensure that at the conclusion of collective agreements in the rail transport the provisions on compulsory establishment of social standards and social criteria for participation in the tender were included in them. This is the best way to ensure that protection of employment and fulfillment of social obligations towards staff are the rules of conduct for all operators.

ETF and its Italian subsidiary FILT-VIKT implemented a project funded by the European Commission under the title «ERTMS – a new technology for the rail industry. Anticipating its impact on employment and social conditions (AIMESC) – VS / 2009/0176» [5]. ERTMS is a traffic control system on the European railways, including a single European standard and accompanying signaling equipment, developed and implemented in order to improve cross-border interoperability of existing railways.

The authors of the project prepared a report containing a number of conclusions concerning ERTMS impact on employment and working conditions. They revealed an increase in social tension, a readiness of locomotive drivers, dispatchers and train maintenance personnel for protest actions. It is noted that the system has increased interest in rationalization; it formalizes processes and makes the entire organization of the railways more «transparent» for observation. As a consequence, the management increases its prerogatives, especially in terms of administrative burden and control, but needs cooperation, especially of locomotive drivers and dispatchers.

The report includes recommendations on main directions of cooperation of social partners. Organization of staff training is in the foreground. Training activities that allow employees to get acquainted with ERTMS technology, are lengthy and costly, require periodic updates, but it is a necessity, because the staff needs additional competencies such as communication skills, conflict management, language skills, etc.

In the activities of the European social dialogue committee on railways a separate place is occupied by projects related to risk management.

In 2013 a joint project of ETF and CER «PSR-Rail – identification and prevention of psychological risks in the rail industry» was completed [6]. It was aimed to analyze psychosocial risks and losses in the professional environment and development of preventive measures to improve the situation in the companies.

As it turned out, psychosocial risks on railways relate mainly to stress, harassment and acts of domestic violence as well as violence and aggression against staff by third parties and passengers. This can be dangerous for health and safety of staff, bad for motivation and maintaining a positive working environment and threatens with unforeseen and often high costs of companies to cover the costs of reproduction of human resources.

An integrated approach is required for prevention of psychosocial risks. The European social partners have concluded that the management of these risks is not only to be part of programs of health protection and improving transport safety, but also considered in all relevant areas of policy, including work organization, internal communications, etc. For companies risk reduction means a reduction in costs and increase in profits. For workers – it is to increase the quality of work, to reduce health problems.

The team of specialists, carrying out the project, prepared guidelines for identification and prevention of psychosocial risks, in which in addition to theoretical studies there are examples of formulation and implementation of action plans of railway companies. Particular attention is paid to the risks associated with railway restructuring process [7], as well as recommendations to subsidiary companies and trade unions, which should undertake their own commitments to address the problems of social and psychological risks of their employees.

In 2011–2012, ETF and CER implemented a joint project «The lack of safety and a sense of insecurity in the railway passenger transport» [8]. The aim of the project was to discuss personal safety issues of workers and passengers on public railway transport, prevention of aggression and violence. The starting point was a conviction that the topic is relevant both for workers, who, together with passengers are direct victims of aggression, violence and abuse, as well as for companies which are interested in ensuring safe transportation of people.

ETF and CER signed the document «Promoting safety and a sense of security against violence by third parties in the European railway sector – Recommendations of the European social partners of the rail sector», which highlighted:

- Safety management and technical measures;
- Preventive training and staff awareness;
- Dissemination of best practices;
- Dialogue with politicians, other stakeholders and social partners (civil and social dialogue);
- Regular evaluation of effectiveness of measures [9].

In developing the recommendations European social partners were guided by the intention to initiate strategies aimed at prevention of violence by third parties; contribute to improvement of working conditions in the railway passenger transport.

Among the issues that are on the agenda of the social dialogue committee for the railways since the early 2000s there is the increase of women's participation in the actions of the industry:

- It is a proven fact that gender diversity helps to improve the socio-psychological climate in the organization and to achieve the quality of work;
- Enormous potential of the female workforce is accumulated, in terms of education, skills and qualifications, and the companies with a policy of equal gender opportunities will have an advantage in the competition for this potential;
- Women make up the majority of staff in modern service companies, including on the European railways.

It is in this context a project entitled «Enhancing participation and advancement of women's integration into the railway professions» is being implemented [10]. Its development began with creation of a joint working group on equal opportunities in Brussels in December 2001, which purpose was to investigate the reasons for a low level of female employment in



the sector. As a result, it was managed to gather a large amount of scientific information that allowed to look first at the European railway transport «through the eyes of a woman».

In 2004, ETF and CER continued with a series of visits to companies in eleven EU Member States. Six meetings with participation of trade unions and representatives of the railway business were held. The data obtained were summarized in the final report, which included the following conclusions:

- Women make up only 18,8% of total employment in 11 railway companies under survey; there is a tendency to reduce a level of female employment on the European railways, due to the accelerated pace of restructuring;

- The railway sector is characterized by horizontal and vertical segregation: among women workers clerks dominate, while in technical occupations men dominate; management positions are equally divided between men and women; only 1% of women are in leadership positions in the surveyed companies;

- The gap in wages between men and women (in average industry wages) varies between countries, ranging from 10 to 30%;

- Women - railway specialists share a strong view that maternity leave has a negative impact on career development and remuneration [11].

In 2006, a discussion was held on gender equality and measures on individual issues were taken. At the same time materials of the research was used that was held by the European Foundation for improvement of living and working conditions [12].

On June 12, 2007 in Rome, ETF and CER signed «Joint recommendations to increase participation and improvement of women's integration in the rail industry» [13]. The ceremony took place at the conference, which was attended by representatives of railway trade unions and the companies from 17 European countries. These recommendations include actions that can help increase the share of female employment and form a culture of gender equality in the sector, traditionally dominated by men. In particular, it is supposed:

- Creation of conditions for development of technical rail professions by women;

- Improvement of their access to all rail occupations;

- Improvement of balance between work and personal life of women – railway specialists;

- Implementation of safety and security measures in the workplace, the possibility for women to choose shift work on transport;

- Ensuring equal access for men and women to train railway professions;

- Promoting a culture of gender equality in the workplace.

At the company level, the following types of actions are recommended:

- Combating stereotypes;

- Development of non-discriminatory criteria for access to the railway occupations;

- Promotion of women at all decision-making levels;

- Provision of funds for women taking care of children;

- Adaptation of the working environment to the needs of women and men.

In the same 2007 ETF implemented a project «Mobilizing trade unions to promote gender equality in transport», which was funded by the EU. The project had three areas: 1) revision of existing tools,

instruments, measuring systems to ensure gender equality at the European and national levels; 2) identification of workplaces in which there are problems; 3) identification of the best methods by which trade unions can contribute to the solution of these problems [13].

In 2011–2012, a joint project of ETF and CER for advancement of women in the railway sector covered 25 companies from 17 European countries. Three thematic seminars were conducted within its framework, an overview of development of women's employment, analysis of the results of comparative studies on implementation of recommendations of social partners were performed, a manual on implementation of best gender practices was prepared [14].

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In connection with accession of new members representing Central Europe and Baltic countries to the EU in the early 2000s, there is a new area of activity of the European social dialogue committee on railways.

In 2004, the European social partners organized two meetings with participation of five new Member States. These meetings took place in Budapest, where there were representatives of Slovenia and Hungary, and Bratislava, where the involvement in the social dialogue was demonstrated by the railways of Slovakia, Czech Republic and Poland. Both events were held with the financial support of the European Commission. The workshops served as a good example of a common response to the new circumstances.

In 2006, in course of two workshops organized by the European social partners in Tallinn and Bucharest, the participants were able to see how varied are continental industrial traditions and how this diversity has increased with accession of Central and Eastern Europe countries to the European Union.

The information collected on the basis of meetings and workshops was summarized and published in a form of brochures, which are recommended for social partners of the rail sector in all EU Member States [15].

The project «Strengthening of social dialogue at the enterprises of railway transport of the Baltic countries by disseminating European experience of financial participation of workers» VS / 2007/0545 is worth noting [17]. Its component part was a study entitled «The European experience of employee participation in financial results of enterprises and the possibility of its use in the Baltic countries», conducted by the Institute for European Studies in cooperation with trade unions of railway workers and employees of the sector of traffic of Latvia, railway workers of Lithuania and Estonia [16]. Analysts conclude that in the Baltic States there is an urgent need for implementation of the European social model of development, including its elements such as social partnership with its usual system of financial participation of employees in business activities of their companies.

Such systems might exist especially successfully in the companies, which were formed in the process of restructuring of railways, because organizations of trade unions of railway workers operate in them. The most powerful system is in Latvia, but it has also good prospects in Lithuania, Estonia. Trade unions have a rich experience of collective labor contracts, which is an essential prerequisite to implementation of the known forms of financial participation of employees.

The problem is, however, insufficient activity of social partners, detachment of the state from



addressing pressing issues of life of the working population. Providing tax incentives and clearer legislative regulation certainly would significantly accelerate the introduction of financial participation systems in Baltic States.

From 1 June 2010 to 31 May 2011 the project «Social Dialogue in Transport Sector – Romania, Bulgaria, Macedonia and Croatia» was carried out. The work was coordinated by ETF [18] and it was aimed at improving the exchange of information and experience between representatives of trade unions with all parties interested in cooperation. Among other things, a handbook on social dialogue was developed and the report was prepared by the EU [19].

**Conclusion.** Social dialogue on railway transport has become an integral part of the industry reform mechanism. Due to the activity which is carried out in the European social dialogue committee by representatives of trade unions, business and government, guarantees for realization of labor rights of wage earners are created. The experience gained by the European social partners, can be applied in our country, taking into account the specifics of Russian railways restructuring. After all, search for balance of interest for each of the parties to the social dialogue (including trade unions representing the staff of branch structures) is a permanent task, which should be solved by all the participants of the labor market.

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