



# PARTICIPATIVE ENERGY

Increasing employee involvement in conflict prevention  
and resolution during energy sector restructuring



## NATIONAL REPORTS

POLAND SERBIA SPAIN PORTUGAL BULGARIA



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*“Collective dispute is a natural part of social dialogue”.*

[Representative of the Social Dialogue Council of Dolny Śląsk,  
comment during a group interview]

## Introduction

Currently, European economies and social models are facing many challenges: the crisis caused by the COVID-19 pandemic and the war in Ukraine, digitalisation and automation, adaptation to the requirements of the European Green Deal in recent years also, inflation and the crisis of rising living costs, as well as many other factors at national and sectoral level. Companies need to prepare for these changing circumstances and implement an effective change management strategy, which may also mean restructuring processes. The crises, as mentioned above, can trigger different reactions from employees. Most often, in the case of deficits in social dialogue, these can take the form of conflicts and even industrial disputes.

The main objective of this study is to describe the experiences of companies and employees in managing change in restructuring processes in the energy sector in Poland in terms of the practice of employees' right to information and consultation, as well as the right to collective bargaining, including the peaceful resolution of industrial disputes in the workplace.

The subject of the national research presented in this report is the diagnosis of the processes of prevention and resolution of industrial disputes in the energy sector in recent years, which is to identify challenges and problems related to these processes. The material collected - in terms of problems and good practices - will be presented at a Round Table for the exchange of experiences and mutual learning of the partners in the project “Participative Energy - Increasing employee involvement in conflict prevention and resolution during energy sector restructuring” hereafter called “Participative Energy” in short.

The following instruments were used to answer the research questions posed above:

**Desk research**, including available subject literature, research reports, publicly available statistical data and newspaper articles on dispute resolution in the energy sector;

**In-depth interviews** with a representative of the sectoral social partners to gather qualitative information on the current state of restructuring processes and dispute resolution in the sector and potential challenges in the coming years. As part of this study, interviews were conducted with representatives of trade unions and employers' organisations from the Lower Silesian Voivodeship by the methodological guidelines of the "Participative Energy" study;

**Focus group interview** with representatives of trade unions and employers' organisations from the energy sector from the Lower Silesian Voivodeship aimed at compiling participants' opinions on restructuring and dispute resolution processes in the energy sector. A total of 8 people attended the focus group; the meeting lasted approximately 2 h and took place online on 23 February 2023. The focus group was conducted according to the guidelines of the "Participative Energy" survey methodology;

**The online survey** aimed to collect quantitative information from workers and employers in the sector on how they assess dispute resolution in the energy sector. A total of 60 responses from respondents were collected - the survey results should therefore be considered complementary and illustrative for the qualitative research. A questionnaire developed as part of the "Participative Energy" survey methodology was used.

The Polish industrial relations system is described in the literature as a hybrid - having elements of different systems such as pluralism, neo-corporatism and statism, i.e. "corporatism in the public sector, pluralism in the private sector" (Morawski 1995). It is characterised by a high level of decentralised collective bargaining, underdeveloped sectoral collective bargaining and relatively weak social dialogue institutions at the national level. Collective bargaining coverage is less than 15 per cent; company-level agreements predominate over post-company agreements, and sectoral bargaining is virtually non-existent. Collective agreements are rarely found in private companies but are more often present in the public sector and foreign-owned companies. According to the latest data, the unionisation level was 11% in 2021 and has remained stable recently. However, there has been a process of declining unionisation since the 1990s.

Social dialogue in the energy sector is well-developed compared to the rest of the economy. Trade unions are active in all major companies and are involved in collective bargaining at the company level. According to trade unions operating in the energy sector, the predominant context for collective disputes is the implementation of the European Green Deal and its multiple consequences. This policy is expected

to result in mine closures and a significant transformation of the form of companies in the sector, which will entail restructuring and job cuts. In such a context, industrial disputes seem inevitable. It is, therefore, crucial to prepare unions and workers for this inevitable process by equipping them with the tools and knowledge of their rights so that they can articulate their interests and be constructive partners in managing change. This is a prerequisite for a just transition and social cohesion in the affected sectors and regions.

The report provides an overview of the legal regulations at the national level covering the protection of labour rights in the resolution of industrial disputes, followed by a sectoral analysis of industrial dispute resolution and restructuring practices and the strategies of the social partners in the energy sector adopted in this context. Due to the partnership design of the Energy for Participation project and the nature of the respondents, the conclusions focus on the Lower Silesia region of Poland. The national report concludes with comments on the challenges faced by the social partners in ensuring full participation and information in industrial dispute resolution processes in Poland.

## Prevention and resolution of industrial disputes in the energy sector in Poland

### The regulatory landscape for the resolution of industrial disputes and restructuring

Poland's collective dispute resolution system is defined by the Act of 23 May 1991 on resolving collective disputes (Journal of Laws of 2020, item 123). The main provisions regulating labour conflicts in Poland, whose parties are the employees represented by trade unions and the employer (or employers who employers' organisations may represent), will be presented hereto. An industrial dispute may concern working conditions, wages or social benefits, trade union rights and freedoms of employees or other groups. The Act sets out the following stages for the resolution of collective disputes:

**Bargaining.** A collective dispute begins when the employer rejects the trade union's demands (within no less than 3 days). The employer must immediately enter into negotiations to resolve the dispute by mutual agreement and inform the local labour inspectorate of the dispute. The trade union may declare its intention to organise a strike. However, the strike cannot take place earlier than 14 days after the dispute is notified. This stage may end with signing an agreement or a memorandum of difference. In the latter case, the dispute proceeds to the mediation stage;

**Mediation.** If the dispute continues, the law requires the involvement of an independent mediator, who may be a person on the government list. The parties to the dispute must agree to the person's selection; if they do not agree, the mediator is designated by the Minister of Labour. The mediation proceedings end with the signing of an agreement by the parties or, if there is no agreement, with the drawing up of a protocol of divergence indicating the parties' positions. If the mediation procedure shows that it does not resolve the dispute within the set time limit, the union may organise a one-off and no longer than 2 hours warning strike. After unsuccessful mediation, the union may proceed to the strike phase or take the case to the social arbitration college at the district court;

**Strike.** The union may proceed to the strike phase if the pathway mentioned above is exhausted. A strike is a collective stoppage of workers from working to resolve a dispute. Participation in a strike is voluntary. A strike may be organised without following the above rules if the employer's unlawful actions have prevented bargaining or mediation and if the employer has terminated the employment relationship with the union activist leading the dispute. The trade union calls a strike after obtaining the consent of a majority of the voting employees, with a turnout of at least 50% of the employees. The strike should be announced 5 days in advance. An employee's participation in a legal strike does not constitute a breach of his or her employment duties, but the employee will not be paid. The trade union may establish a strike fund and dispose of the funds accumulated therein.

Violation of the law is punishable by a fine or imprisonment. In addition, the organiser shall be liable for damages caused by an organised strike contrary to the provisions of the Act in accordance with the Civil Code.

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The following number of collective disputes have been recorded in recent years: 2018 - 354; 2019 - 708; 2020 - 384; and 2021 - 712 (Ministry of Family and Social Policy, 2021, 2023). The electricity, gas, steam and hot water generation and supply sector have seen an increasing number of disputes in the following years: 2018 - 15; 2019 - 42; 2020 - 54; and 2021 - 80 disputes, and it was the third sector in Poland with the highest number of industrial disputes in 2021. In all these years, wages were the main subject of collective disputes (about half of all reported causes), with working conditions being the second most reported cause.

#### **Practices and the main problem in restructuring and resolving industrial disputes**

The main results of the study will be described together through the triangulation of the research methods used (desk research, individual interviews, focus groups and a survey). The survey in the Participatory Energy project was conducted on a group of 60 respondents in the first months of 2023, all of whom are trade union members. The survey results must be interpreted in the light of this sampling. It should also be noted that the sample is not representative and was conducted through an online survey sent out through a contact base to trade union members. Almost all

respondents were male (54 people) and were employed in a large enterprise under 250 employees (55 people) owned by the Polish capital (52 people).

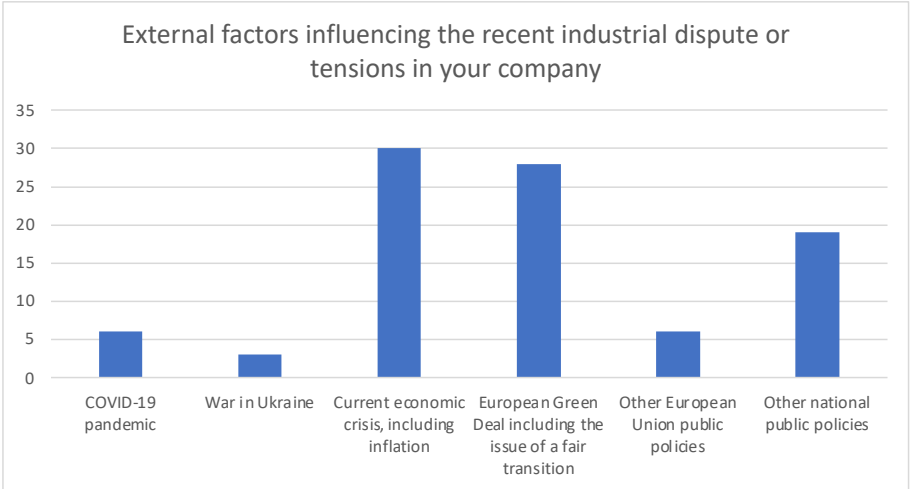
Almost all respondents in the survey had been in contact with an industrial dispute: either formally conducted under the provisions of the law (44 persons) or in preparation (9 persons), most of which involved wage negotiations (46 persons). This result aligns with statistics from the Ministry of Family and Social Policy, which identifies this factor as the most important cause of industrial disputes nationwide. Similarly, people surveyed in the focus group and individual interviews formulated a similar conclusion.

The most influential context for emerging tensions and industrial disputes in the energy sector is the current economic crisis in the form of rising prices and living costs, as well as European Green Deal policies (including the issue of a just transition). In the survey, as many as 19 respondents identified other national policies - without indicating a specific source.

Within the framework of the individual interviews, examples were given of public policies influencing the building up of tension, e.g., the Anti-Crisis Shield, the conditions of which were not always adapted to the needs of companies and their employees and sometimes excluded some of the entities from being able to benefit from support. This became a cause of exacerbating the financial difficulties of these companies and brought some of them to a critical state, resulting in the need to seek external investors and the associated restructuring. An example of such a company was described in an interview with a representative of an employers' organisation from the Lower Silesian region. Due to financial difficulties, the company was taken over by another company from the Wielkopolskie Voivodeship. Public institutions also played an important role, refusing to support the company in any way, even though the matter had been discussed at the Provincial Social Dialogue Council and the government ignored the demands. In breach of the company's collective agreement, the new employer started to pay salaries in instalments and initiated a procedure of group redundancies. However, the employer did not guarantee statutory severance payments to employees, as well as took over Social Fund resources without a legal basis, significantly lowered health and safety standards by breaching regulations (e.g. lack of proper heating in production halls) and forced a breach of working time regulations (10 days of night shifts consecutively). The trade unions at the plant have announced an industrial dispute hoping that a formal procedure notified by the public authorities will force the new employer to comply with common and company law.

Other factors, such as the COVID-19 pandemic and the war in Ukraine, have not directly impacted company tensions to any significant extent, as have other public policies of the European Union. Participants in the focus group and individual interviews conducted with representatives of trade unions and employers' organisations also expressed a similar opinion.

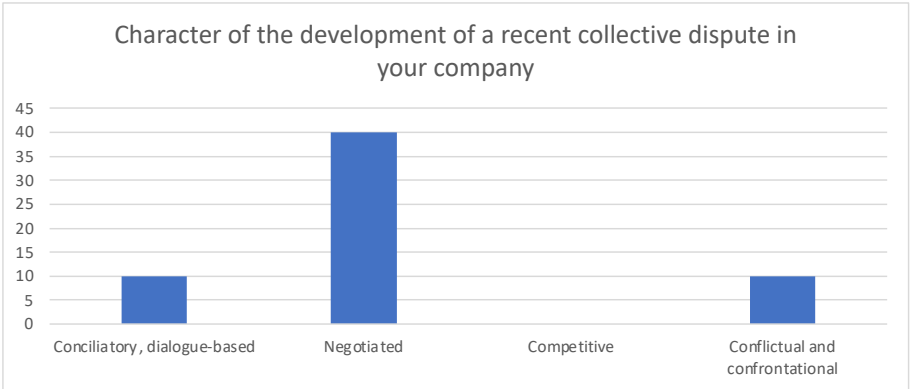
**Table 1. External factors influencing recent industrial action or tensions in your company, number of responses indicated**



Source: own elaboration, N=60, multiple responses possible

The collective dispute referred to by respondents in the survey was most often, in their view, a negotiated process. However, there were also processes assessed as conciliatory, based on dialogue, and on the other hand, processes of conflict and contentious nature. Still, they were indicated less frequently than processes of a negotiation nature.

**Table 2. Nature of the most recent industrial dispute in your company, number of responses indicated**



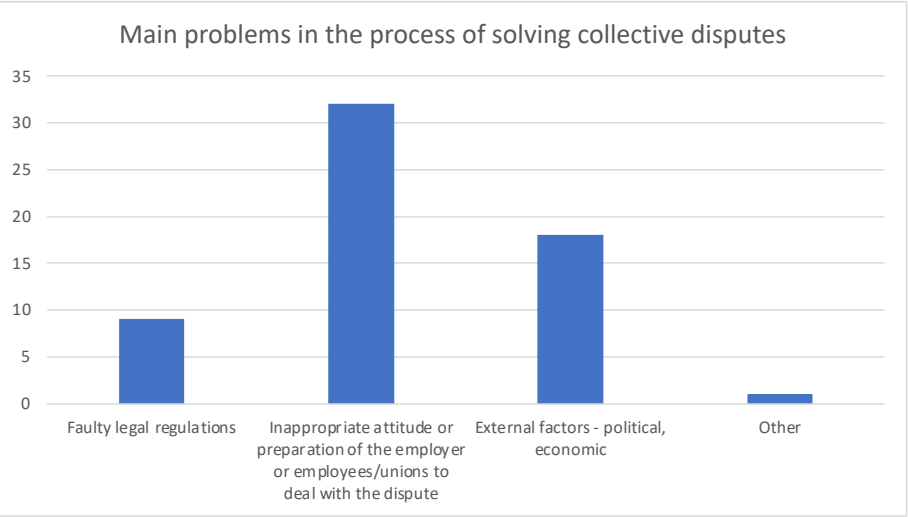
Source: own elaboration, N=60

Inadequate attitude or preparation of the employer or employee party to deal with the dispute was cited by trade union members participating in the survey as the main problem in resolving collective disputes. A significant proportion of respondents also pointed to external factors of a political or economic nature. The smallest number of people indicated defective regulation.

In the focus group and individual interviews, the topic of the amendment of the Act on the Resolution of Collective Disputes in Poland, which is currently under way, came up. However, representatives of trade unions with whom the survey was conducted referred to these proposals rather negatively. They assessed that the current regulations work well enough and were also proven in practice - in particular during the 1990s when collective disputes and social tensions were at their peak in connection with the country's economic transformation. Attempts to amend the Act were assessed as restricting workers' rights and impediments imposed on the dispute procedure, making it more difficult to conduct strikes in Poland. One of the unfavourably assessed provisions is, for example, the proposal for a maximum period of 9 months for the conduct of the dispute, which in the opinion of the trade union, is too long. According to the unions, the entire dispute should not exceed 3 months. Otherwise, it builds up employee dissatisfaction on a long-term basis and distrust in the employer and the trade union organisation conducting the procedure.

Regarding the regulatory aspect, the focus participants recalled that from 1994-2009, an Act on the Negotiated System of Shaping the Increase of Average Wages defined the mechanism and the wage increase forks applicable also to the energy sector. This law was abolished, inter alia, at the request of the trade unions because, in their view, it provided too rigid a mechanism for wage increases, which meant that in times of economic prosperity and the continuing strength of the trade unions after the transformation period, it was possible to negotiate larger increases than those resulting from this law. However, now that the trade union movement is much weaker and there is little coverage of collective bargaining agreements, this law could stabilise wage increases. From the current perspective, many trade union representatives regret the withdrawal of this law due to the lack of a legal basis to formulate wage demands, resulting in the initiation of industrial disputes. Within the framework of the focus, there was a demand for the reinstatement of the law on the Negotiated System of Shaping the Growth of Average Wages.

**Table 3. Main problems in the process of solving collective disputes the number of indicated answers**



Source: own elaboration, N=60

The most common factor for the occurrence or aggravation of industrial disputes in their workplaces, respondents to the survey indicated violations of established industrial dispute procedures and disrespect or ignorance by the employer. A significant proportion of respondents also indicated an aggressive and uncompromising attitude and inadequate soft skills on the employer’s side of the dispute. Some respondents indicated that these competencies were also lacking regarding employee representation. Other factors relating to trade union attitudes were indicated by respondents least frequently - but were nevertheless signalled by respondents.

In the group interview, the above factors were also supplemented by a lack of understanding of the subject of the dispute on the employer’s part and an attempt to prove that the employees were wrong. In the described case of an industrial dispute, which took place in one of the small companies of a larger capital group involved in cleaning up post-mining pits (German owner), the employer used various forms of intimidation and blackmail, such as the threat of liquidation of the company in Poland. This indicated a lack of sensitivity on the part of the employees. Management representatives of the Polish company hid behind the fact that they did not agree to accept the wage demands of the German owner.

Another focus group participant pointed to a specific collective dispute dynamic in capital groups. Often, representatives of employers in daughter companies cite the lack of consent of the parent company to raise wages and the need to transfer the profit generated to the parent company as the reason for rejecting wage demands (although this argument is not always true in the opinion of those interviewed). From this point of view, some focus participants like the provision in the law amendment on resolving industrial disputes, which says that disputes can be conducted not only with the direct employer but also with the parent employer. Unions also like this demand in the budget sector because wages are shaped at the level of ministries and not at the workplace level (e.g., school). The opposite strategy was observed by other focus participants, who pointed out that the employer in the daughter company, to ensure raises for its employees, encourages unions to initiate an industrial dispute to have a stronger argument in wage negotiations with the parent company.

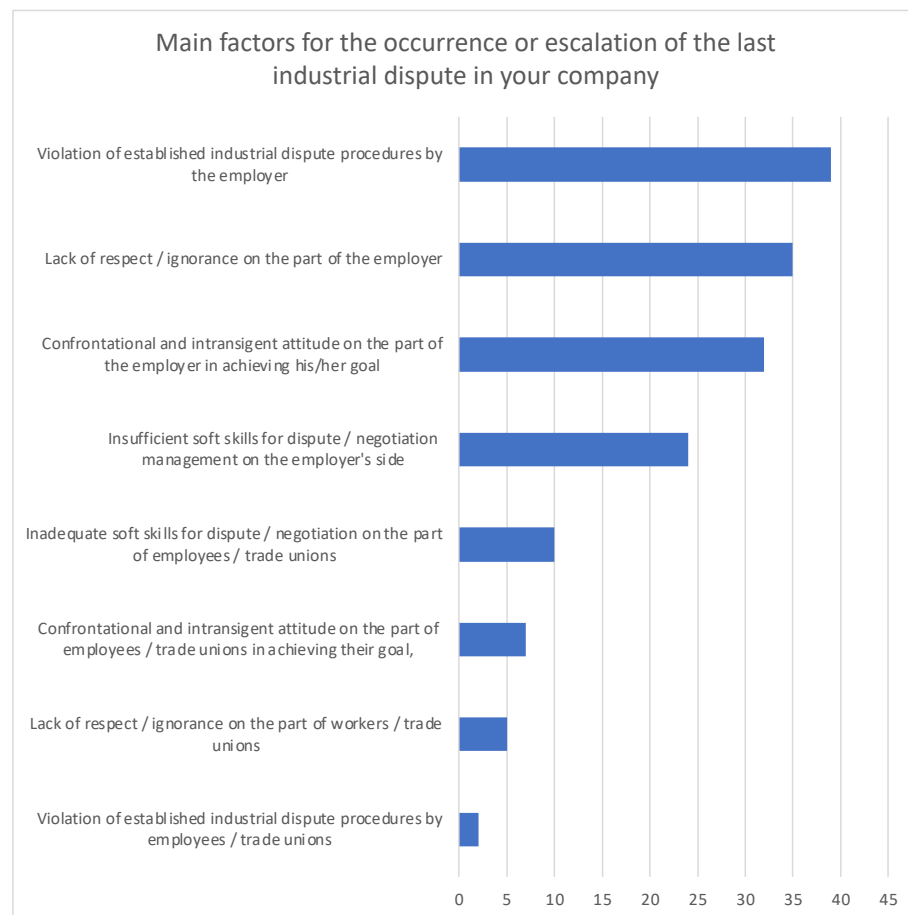
The example of a company where an industrial dispute occurs yearly concerning the wage negotiation calendar emerged during the focus interview. According to the trade unions, this is a manifestation of inadequate budget planning for the following years on the employer’s part, which does not consider an increase in the value of the wage fund. It may also be a form of negotiation strategy on the part of the employer, who, in response to the demand for raises, may use budget plans and thus weaken the bargaining position of employees by not wanting to share the profit earned together.

Focus participants also pointed out that employers often try to gain a stronger bargaining position by stirring up conflict between company trade union organisations or putting a wedge between union representation and union employees. A fertile ground for this strategy is a historical dispute between the two largest union headquarters, which not infrequently reproduce axes of identity division also at the workplace level.





**Table 4. Main factors for the occurrence or escalation of the last industrial dispute in your company, number of responses indicated (multiple responses possible)**



Source: own elaboration, N=60

Respondents in the survey were also asked to indicate factors that mitigate or lead to the end of industrial disputes in their workplaces. The factor most often indicated was the ability to find a mutually satisfactory solution. Other factors were indicated significantly less frequently and included: clarity of roles and responsibilities of the parties to the dispute; the dispute was conducted in adequate premises and time; the parties to the dispute acted transparently based on a full set of information available to both parties, avoidance of entering into personal conflicts, commitment to the same values important in the context of the workplace. Respondents also did not miss the issues of appropriate soft skills in handling a dispute or treating the parties with respect and mutual understanding. However, these were the factors indicated least frequently.

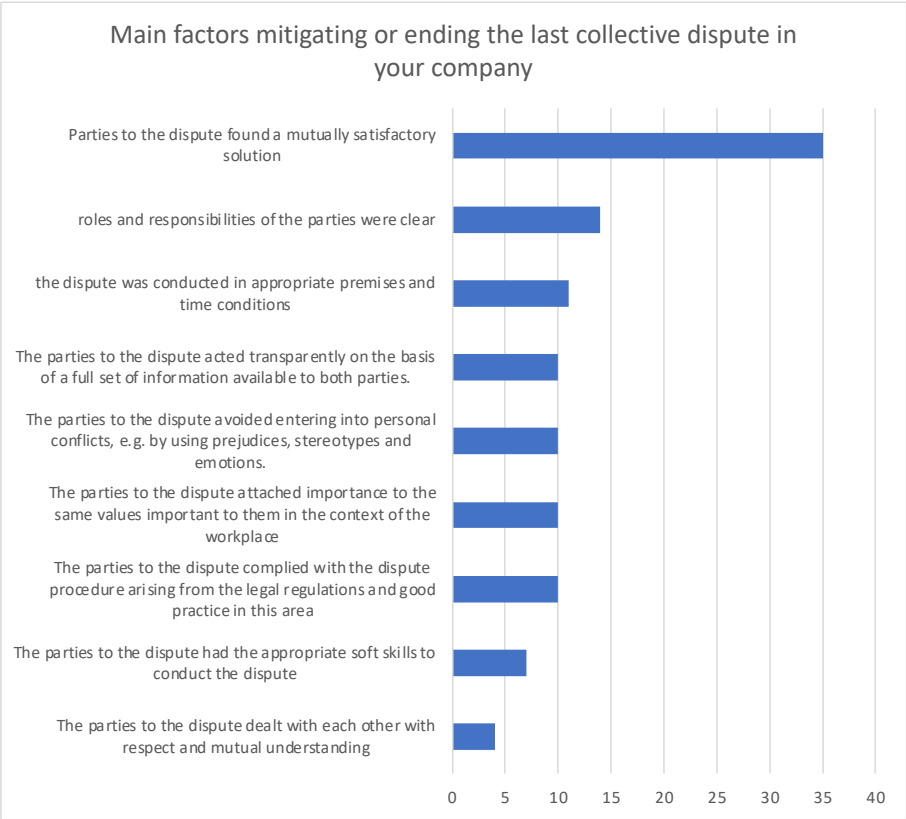
During the focus interview, participants also pointed to other factors or circumstances conducive to resolving industrial disputes. One participant considered that the main factor was a well-organised and dialogue-open labour representation in the form of a trade union, which can competently articulate workers' interests and sentiments towards the employer and effectively implement the demands raised. However, while maintaining the available mechanisms for social dialogue and workers' rights. "The stronger the trade union is, the greater the chance of a positive resolution of the dispute for them". From this point of view, a large union size and a high level of unionisation as a percentage of the workforce are crucial. Conversely, a barrier is the opposite of this, i.e., trade union organisations are too fragmented and conflicted at the company level.

The duration of the industrial dispute also plays an important role. In the opinion of the focus group participants, the dispute must be resolved as quickly as possible. If, after three meetings, there is no agreement between the parties, a protocol of divergence must be signed. Otherwise, the dynamics of the dispute become blurred, the parties forget the reasons for the dispute, and emotions take over, which tend to evolve into a personal conflict between the interviewees. Employers keen to keep the industrial dispute going for a long time to blunt its dynamics, hoping for employee fatigue and a withdrawal of demands or acceptance by the employer's side, may take a slightly different perspective. The short duration of disputes is also important for unions because of the existing division of the costs of an industrial dispute between the employer and the unions.

The representative of the employers' organisation also cited other success factors. In a company with a very acute wage dispute turning into a personnel conflict, negotiations were transferred from the company level to the provincial (regional) level to the Lower Silesian Social Dialogue Council. The terms of the wage agreement were negotiated by the employers' organisations and trade unions to which the parties to the dispute belonged. Still, the parties did not negotiate directly, only on their behalf. A joint solution was found by bypassing the personnel conflict, and the agreement was signed. In the case of this dispute, the employer also decided to extend the dialogue beyond the union representation and talk directly to the crew members. The following activities were conducted: A. training courses for employees, during which employees were asked about salary expectations and working conditions, as well as prospects for professional development; B. transparency of salaries was introduced in the form of open salary grading included in the regulations - which gave employees fuller information about their future professional path (promotion path); C. several bonuses were introduced, i.e. regeneration allowance (hot meal during the day), picnics for employees, a sports club co-financed by the company and the local government was established; D. salaries were also raised, although at a lower level than in the trade union proposal. The broadening of the social dialogue made it possible to better understand the employees' needs and respond to them more accurately. It can be assessed that the dispute revealed the inadequacies of the procedures for information and consultation with employees. Employees ultimately gained due to the dispute, and the satisfaction survey conducted among employees showed relative satisfaction with the changes introduced.

On the other hand, the employer could moderate wages to a level acceptable to it. The limitation of this solution, however, is that it undermines the legitimacy of the trade union to conduct wage negotiations on behalf of the employees and, in the long term, may negatively affect the formation of partnership and trust between the employer and the social partner. In this context, it is worth considering extending social dialogue mechanisms, for example, by setting up a works council or increasing the scope of issues discussed with the trade union (apart from just wage demands).

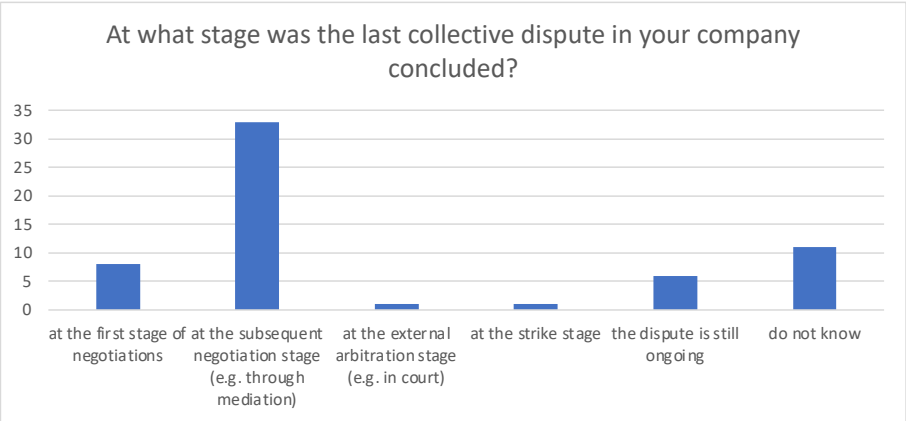
**Table 5. Main factors mitigating or ending the last collective dispute in your company, number of indicated answers (multiple answers possible)**



Source: own elaboration, N=60

Collective disputes were rarely resolved in the first stage in the companies where the respondents were employed. Most industrial disputes are resolved at the mediation stage after several meetings. Few disputes in these companies reached the strike stage. It is also worth noting that in some of the surveyed companies, the dispute was still ongoing at the time of the survey, and it was not yet known at what stage it would end.

**Table 6: Responses to the question, “At what stage was the last collective dispute in your company concluded?” The number of responses indicated**

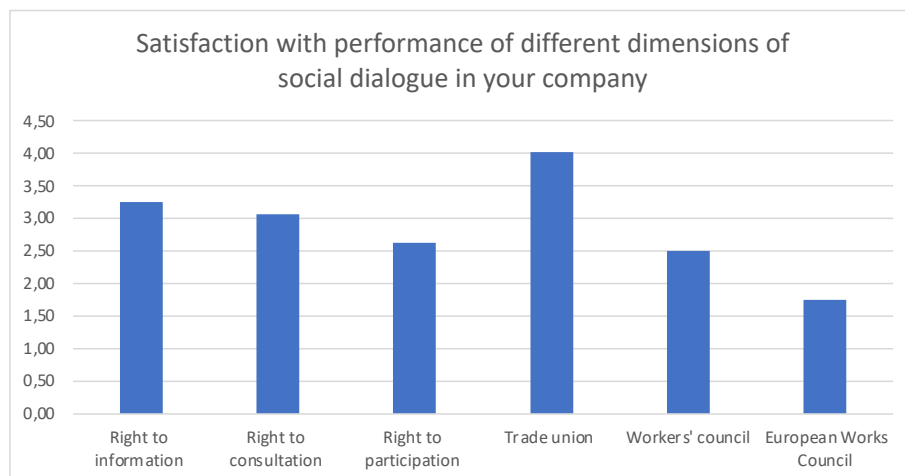


Source: own elaboration, N=60

Respondents were asked in the last part of the questionnaire to assess the dimensions of social dialogue and employee representation at their workplace. The activity of trade unions was rated best among other forms (as a reminder - respondents were trade union members only). The information and consultation processes and the mechanism of employee representation on the supervisory board or the company’s management board (right to employee participation in management, PPZ) received average ratings - with the majority being positive - although the latter dimension scored slightly below average. Respondents’ satisfaction with the operation of works councils and European Works Councils was rated lowest.



**Table 7. Satisfaction with the performance of different dimensions of social dialogue in your company, an average of indicated answers**



Source: own elaboration, N=60, average scores (arithmetic mean) on a scale from 1 to 5 where 1 means very dissatisfied, 3 - neither satisfied nor dissatisfied (average score) to 5 very satisfied

## Conclusions

To summarise this report on the analysis of industrial dispute resolution in the energy sector in Poland, the following conclusions can be drawn:

A well-functioning and long-tested legal basis regulates the principles of collective disputes in the country. In particular, trade unions are not interested in the introduction of the provisions of the draft amendment of this law, which is currently under way in Parliament;

The number of industrial disputes has been increasing in recent years (in the period 2018-2021), including in the electricity, gas, steam and hot water generation and supply sector;

The main external factors influencing the increase in tensions and the initiation of industrial disputes in the energy sector are inflation and the European Green Deal, as well as other national policies (e.i. Crisis Shield);

The majority of collective disputes assessed by respondents are negotiated much less often than conciliation or conflict and confrontation;

The main problems with the industrial dispute procedure are on the side of internal relations at the company level between the employer and employees; external factors seem to have less influence, while the shape of regulation is rarely an issue in the context of industrial disputes - although respondents indicated that they would be happy to reinstate the Act on the Negotiated System of Shaping the Increase of Average Wages in force in the period 1994-2009;

Trade unions identify reasons on the employer's side as the main factors for the occurrence or aggravation of industrial disputes: violation of industrial dispute procedures, disrespect or ignorance, confrontational and uncompromising attitude, and insufficient competence. Nevertheless, trade unionists pointed out that these factors sometimes also apply to the union side;

The capital structure of the company also shapes the dynamics of an industrial dispute - if we are dealing with a capital group, arguments about the role of the parent company in wage formation in the subsidiaries are also involved in the negotiations;

Other factors that exacerbate the dispute are the employer's exploitation of antagonisms between unions, driving a wedge between union representation and the work team, presenting false information, prolonging the dispute, inappropriate financial planning to have an argument about the lack of funds for raises, etc.;

On the side of factors mitigating the dispute or leading to its termination, trade unions mainly mentioned the possibility of finding a solution that satisfies both sides, while they less frequently indicate procedural and psychological factors;

The qualitative study showed that well-functioning social dialogue procedures and, a high level of unionisation, a short time for dispute resolution (so that disputes do not turn into personal conflicts) are mitigating factors;

The representative of the employers' organisation considered the expansion of previous social dialogue practices involving all employees as a success factor;

Most often, disputes referred to by respondents ended at the mediation stage. There were rarely strikes, but it was also rare that an agreement was reached at the very first talks;

In the survey, when asked about their level of satisfaction with different dimensions of social dialogue in the context of industrial action, trade union members gave the best marks to trade union activities, medium marks - with an overwhelmingly positive majority - were given to information and consultation processes and the mechanism of employee representation on the supervisory board or company management (score slightly below average). Conversely, respondents' satisfaction with works councils and European Works Councils was rated lowest.

Project methodology (including research tools - in-depth interview and focus group guide, survey questionnaire) "Participative Energy – Increasing employee involvement in conflict prevention and resolution during energy sector restructuring"

Ministry of Family and Social Policy (2020), *Rozwiązywanie sporów zbiorowych. Informator 2018–2019*, Biblioteka Dialogu Społecznego, Warsaw <https://www.gov.pl/web/dialog/biuletyny--ksiazki--brozury>

Ministry of Family and Social Policy (2023), *Rozwiązywanie sporów zbiorowych. Informator 2021*, Biblioteka Dialogu Społecznego, Warsaw <https://www.gov.pl/web/dialog/biuletyny-ksiazki-brozury>

Morawski, W. (1995) „Korporatyzm: wyłanianie się nowych stosunków pracy w Polsce”, in: Kowalik, T. (ed.), *Negocjacje. Droga do paktu społecznego*. Warsaw: IPISS

Act of 23 May 1991 on the resolution of collective disputes. <http://isap.sejm.gov.pl/isap.nsf/DocDetails.xsp?id=WDU19910550236>

Act of 16 December 1994 on the Negotiating System of Increasing Average Remuneration in Business Entities and Amendments to Certain Acts <https://isap.sejm.gov.pl/isap.nsf/DocDetails.xsp?id=wdu19950010002>

## Introduction

### Research Objectives

The main objective of the research carried out with regard to the Republic of Serbia is building the capacity of social partners for enabling employees to exercise their right to **information, consultation and participation**.

The conducted research gives relevant data (information) about the current situation regarding information, consultation and participation of employees in the decision-making process in the energy sector, as well as about the measures undertaken with the aim of preventing conflict during decision-making in the companies in Serbia.

Specific research objectives relate to determining the reasons for low participation of employees, as well as to strengthening the capacity of all involved social partners for the purpose of greater participation at a company level.

### Overview of Industrial Relations (at the National Level and in the Energy Sector)

Industrial relations in Serbia, and thus in the domestic energy sector, consider the country, the union organizations and employers (association of employers) as social partners.

The issue of restructuring has been one of the most complex issues in Serbia for the past two decades for all social partners, and as such, it has also affected the energy sector. The root of the complexity of this issue lies in the inadequate implementation of the law. The aim of restructuring is to assess what kind of business model a company needs in order to successfully position itself on the market, with the final result being a company that operates successfully. This is a process that inevitably enters in the sphere of employees' rights, which is why their participation in decision-making is one of the most important requirements, as well as the establishment of mechanisms for the prevention or the resolution of disputes that may arise in such circumstances.

### Methodology Adopted During Research

The main tools for the collection of information are in compliance with the chosen project methodology.

The subject of the research carried out in the Republic of Serbia relates to the diagnosis of restructuring processes in the energy sector in the last five years. The research was primarily conducted in order to identify the problems and challenges related to the aforementioned processes.

Desk research, in-depth interviews, a focus group interview and a survey were used as research instruments.

Desk research relies on the research of publicly available data and professional literature in the field that is the subject of the research.

In-depth interviews – three in-depth interviews were carried out with trade union representatives and the representatives of employers, in accordance with the given guidelines.

The focus group interview was conducted with 6 representatives of employees in the Serbian energy sector, also in accordance with the given guidelines.

Survey – a total of 100 printed questionnaires were distributed to employees and employers in the Serbian energy sector, and 30 completed forms were returned. Questionnaires were filled out by 8 women (26.6%) and 22 men (73.3%). Ten respondents did not declare their age, while the average age of the respondents was calculated based on 20 given answers - 51.75.

During the data collection process, basic research ethics were used, which ensures the highest level of anonymity of the interlocutors who served as data sources.

## Prevention and Resolution of Conflicts in the Energy Sector of the Republic of Serbia

### Legal Regulations that Govern the Protection of Employees' Rights in Dispute Restructuring and Resolution

In the restructuring process, employees' rights include, first of all, their right to be timely informed, consulted, as well as the right which enables them to participate in decision-making that affects employment rights. In the Republic of Serbia, no special act has been identified that elaborates on the issue of employees' participation in decision-making processes and the use of information and consultation mechanisms. First of all, this complex social relation has no basis in the Constitution of the Republic of Serbia from 2006 ("Serbian Official Gazette", nos. 98/2006 and 115/2021), and since the highest legal act does not contain a single provision that could, either directly or indirectly, refer to the information and consultation mechanisms, or to the co-decision-making of employees, it can be concluded that the domestic legislator did not give constitutional and legal importance to this issue.

When looking at the overall set of domestic regulations, information and consultation mechanisms can be recognized in the Employment Act ("Serbian Official Gazette", nos. 24/2005, 61/2005, 54/2009, 32/2013, 75/2014, 13/2017 – Constitutional Court Decision, 113/2017 and 95/2018 – authentic interpretation), in a total of two declarative and general articles in which there are no legal instruments that could ensure practical implementation:

1. Article 13 of the Employment Act: "Employees shall be entitled, directly or through their representatives, to association, participation in the bargaining process for the conclusion of collective agreements, peaceful settlement of collective and individual labor disputes, consultation, information and expression of their opinion on important issues in the field of labor.

An employee, or his/her representative, due to activities referred to in paragraph 1 hereof, may not be held responsible or put in a less favorable position in terms of working conditions, if he/she acts in compliance with the Act and the Collective Agreement."

2. Article 205 of the Employment Act: "Employees of an employer that has more than 50 employees may set up a council of employees, in accordance with the Act.

A council of employees shall give opinions and participate in the decision-making regarding employees' economic and social rights, in the manner and under the conditions stipulated in the Act and the bylaws."

The participation of employees in various forms of information, consultation and decision-making processes at the level of the European Union is legally based and institutionalized, which is why it is possible to apply these mechanisms.

EU Directives guarantee a minimum framework for the employees' participation in information and consultation processes, but do not restrict Member States in terms of expanding this right in their national legal systems.

**In the conducted research, when it comes to question no. 11: What, in your opinion, are the main problems in the process of resolving collective disputes, out of 30 completed questionnaires, a total of 8 answers stated that the problem was the lack of statutory regulations, which is 26.6%, and which represents a significant share in the total number of answers.**

In order for the Republic of Serbia to reach the European level of application of information and consultation of employees in all sectors, including in the domestic energy sector, it is necessary to legally regulate this issue under a separate act, or to supplement the existing provisions of the Employment Act with bylaws that would prescribe clear procedures and sanctions for non-compliance. Also, it would be of particular importance to strengthen the role of trade unions in the segment of information, consultation and participation of employees under an act, since today in Serbia, union organization of employees is the only organized way to inform and involve employees.

## Practice and Key Problems in Dispute Restructuring and Resolution in the Energy Sector

Having in mind the fact that the domestic regulations regarding the informing of employees and their participation in decision-making is incomplete and lacks clear procedures and sanctioning mechanisms in case of non-application of the prescribed provisions, the most common problems that arise in the process of restructuring in the energy sector concern disputes that arise in relation to employees and other participants in the social dialogue, due to the untimely informing of employees about the changes that the restructuring entails.

The terms “information” and “consultation” as such appear in Article 13 of the Employment Act. However, it can be noticed that paragraph 1 of this article, in addition to the terms “information” and “consultation”, contains and enumerates other terms (association, expression of opinions...), but in an unsystematized way and without further elaboration, which ultimately compromises the implementation of the aforementioned mechanisms in practice.

Article 205 of the Employment Act, which stipulates the possibility of establishing a council of employees of employers that have more than 50 employees, is not written in an imperative form, and therefore the legislator here gives the possibility, but does not stipulate an obligation. Moreover, this article does not contain procedures, which makes its application in practice more difficult, and in order to apply it adequately, bylaws also need to be adopted, which has not yet happened.

The council of employees did not take off in practice in the Serbian energy sector, as shown by the conducted research. Namely, when it comes to question no. 15: **On a scale of 1 to 5, please rate your level of satisfaction with the functioning of the different levels of social dialogue in your company: e) council of employees (if the same exists in your company), out of 30 filled out questionnaires, 22 were returned without an answer to the sub-question 15.e (73.3%), i.e., since the same does not operate, it was not possible to rate it.**

In the domestic legal system, information and consultation of employees is reduced to the narrow scope of rights, does not include issues related to the introduction of new technologies, organization and the like, and thus it can be noted that these concepts have not been transposed into domestic legislation in the way in which they are used in the EU countries.

When it comes to employee participation in decision-making, information and consultation, the Serbian energy sector shares the fate of other industries and activities, since the Employment Act applies to all sectors, and is the only legal act that uses the terms “information” and “consultation”.

**Directive 2002/14/EC of the European Parliament and of the Council of March 11, 2002** establishing a general framework for informing and consulting employees in the European Community – Article 4, paragraph 2:

“Information and consultation shall cover:

- (a) information on the recent and probable development of the undertaking's or the establishment's activities and economic situation;
- (b) information and consultation on the situation, structure and probable development of employment within the undertaking or establishment and on any anticipatory measures envisaged, in particular where there is a threat to employment;
- (c) information and consultation on decisions likely to lead to substantial changes in work organization or in contractual relations, including those covered by the Community provisions referred to in Article 9(1).”

Considering the content of information and consultation defined under the EU directive, it can be concluded that employees in the Serbian energy sector do not enjoy such a substantive right in practice, since we do not have a legal framework nor a practice for employees (in this case trade unions as employee representatives) to be informed and consulted on such a wide range of issues. The implementation of Directive 2002/14/EC in the national legislation would provide a significant degree of guarantee for the participation of employees in consultation, information and co-decision-making on issues that directly or indirectly relate to employees, and organizational issues or issues regarding the development of activities ultimately affect employees as well.

Statutory regulations in the area of resolving labor disputes in the Republic of Serbia have been established, since, in addition to the Employment Act, the Labor Disputes Peaceful Settlement Act was adopted (“Serbian Official Gazette”, nos. 125/2004, 104/2009 and 50/2018), the provisions of which are implemented and expanded under collective agreements. (In Article 2 of this Act, collective labor disputes also include disputes concerning “the exercise of the right to information, consultation and participation of employees in management, in accordance with the Act”).

Trade unions have a mostly positive experience with the involvement of their representatives in proceedings initiated in connection with labor disputes, as this enables them to be informed and consulted, and to have their opinion taken into account in the final decision-making process.

The National Agency for Peaceful Settlement of Labor Disputes has been operating in Serbia for the last 18 years. It was founded with the aim of providing easier access to justice for employees and employers, and in its 18 years of work, almost 20,000 disputes have been resolved before the Agency, about 19,000 of which were individual and about 1,000 were collective disputes. In the first years of the Agency's operation, the problem was convincing primarily the employees to settle disputes in this manner. There was fear as to whether this would be successful, whether someone was more in favor of the employers. But, after 18 years of experience with the Agency's work, employees and trade unions are increasingly demanding that disputes be resolved before the Agency, which means that trust has been gained and that this institution has influence when it comes to dispute settlement.

### Strategies Adopted by Social Partners with the Aim of Preventing Undesirable Practices within the Sector, including the Analysis of Institutional Capacities of Social Partners (Description of Best Practices, if Possible)

Employees in the energy sector are organized through union organizations at a company level, as well as at the broader, sectoral level, where employees from individual companies are represented through their elected and authorized union representatives. Trade union bodies at the sectoral level consist of representatives of individual trade unions from the same sector, and this represents a model for the inclusion of employees in wider, sectoral trade unions.

At a company level, trade unions are organized in union organizations within which the members, who represent the assembly, elect committees as bodies in charge of achieving the objectives and tasks defined by the Articles of Association.

When it comes to labor rights in the energy sector, unions exercise their influence through the mechanisms of social dialogue and collective bargaining. Since collective agreements are such that they provide employees with rights with a scope broader than the prescribed statutory minimum, it can be stated that trade unions justify their role in this way, especially considering the fact that trade unions in Serbia are the only entities that have the possibility to use information and consultation mechanisms to a certain extent in their relation with employers. The signed collective agreements confirm that the trade unions, as one of the contracting parties, are successful in securing labor rights with a scope broader than the prescribed statutory minimum.

It is through continuous social dialogue and collective bargaining that we strive to prevent undesirable practices in the sector.

In the Republic of Serbia, the Employment Act guarantees the freedom of union organization of employees, as well as the right of a trade union to be “informed by the employer about economic, labor and social issues that are of importance for the position of employees” (Article 209 of the Employment Act). At this moment, employees in the Serbian energy sector can exercise their right to information and consultation only through their union representatives, in accordance with the statutory provisions, as well as in accordance with signed collective agreements with employers.

It is possible for collective agreements to expand the scope of the right to information of trade unions, as only representatives of employees, i.e., to provide for the obligation of employers to notify (inform) trade union representatives on other issues as well, i.e., to ensure that the same are not limited to economic, labor and social issues that are of importance for the position of employees.

Thus, for example, the Collective Agreement for NIS a.d., in the section that regulates the mutual relations of the signatories, stipulates the formation of a bargaining committee that would include the representatives of the employer and of the trade

union. Article 89, paragraph 2 of the Collective Agreement stipulates that “the bargaining committee shall be obliged to consider at least once every two months the current issues related to the Employer’s business activities, the material and social position of employees, as well as the mutual relations between the representative union and the Employer, and to regularly inform the authorities it represents”. In this provision, there is an extension of the right to information / notification of the trade union (employee representatives) in relation to the prescribed statutory minimum, since the Collective Agreement also stipulates providing information on the employer’s business activities, and not only on the issues that are of social and economic importance for the employees.

## Conclusions

### The Most Important Conclusions Drawn from the Research

Employees in the Serbian energy sector exercise their rights to information, consultation and participation through their union organizations to the greatest extent possible, and they have shown a very high level of satisfaction with the organizations’ work. When it comes to question no. **15 in the questionnaire – 15: On a scale of 1 to 5, please rate your level of satisfaction with the functioning of the different levels of social dialogue in your company - d) trade union**, out of 30 filled out questionnaires, one did not contain an answer to question 15.d, twenty-two respondents put the rating of 5 (very satisfied), which makes 73.3% of respondents, six respondents put the rating of 4, which is 20% of respondents, and one respondent put 3 as his/her rating.

Also, research and discussions with the focus group, as well as interviews, showed that there had been no collective disputes in the energy sector in recent years. One respondent stated that there had been preparations for a collective dispute, but that it did not take place. The reason for this particular situation was salary bargaining. The tension was resolved in the first phase of bargaining and the matter could be resolved, based on dialogue, which testifies to the adequate level of understanding between employers and employees’ representatives. The current economic crisis, including inflation, is recognized as the main factor with a direct effect on tensions in companies in the energy sector, which could have been expected, having in mind the fact that, according to the latest data of the National Institute of Statistics, the annual inflation rate of 15.1% was recorded in April 2023.

When it comes to the level of respondents’ satisfaction with the right to information, 30% of the respondents rated their satisfaction with 5, while 26.6% of the respondents gave a rating of 4. The lowest rating (1) was given by 10% of the respondents, and the same was with the rating of 2 - 10% of the respondents.

The level of respondents' satisfaction with the right to consultation showed the following: 30% of the respondents gave the highest rating (5), 23.3% of the respondents gave a rating of 4. The rating of 1 was given by 6.66% of the respondents, and the rating of 2 by 26.66%.

The conversation with the focus group also confirmed the fact that there had been no collective disputes in the energy sector in the last 5 years in Serbia, which was assessed as very positive by all participants. Instead of collective disputes, experiences with occasional tensions caused by the economic crisis and inflation were more common. Based on the conversation, it was concluded that in such situations, the discussions between the employer and the employees were usually based on dialogue and bargaining, which is recognized as the main reason why tensions did not turn into collective disputes.

Through in-depth discussions, a common opinion was formed, i.e., that the most important union organization in the Serbian energy sector was the Independent Union of Serbian Energy Sector Employees. Also, through this source, it was confirmed that in the last five years, no collective disputes had been conducted in the energy sector in Serbia. The issue of salaries was singled out as the most important topic in relation to which tensions occasionally arise, which is also expected, considering the high rate of inflation.

At this moment, employees in all sectors in Serbia, including the energy sector, exercise the right to information and consultation through their union organizations, and it is important to note that the scope of this right is significantly narrower than the scope of the rights from the European directives, as well as that collective agreements stipulate the same in more detail, if both contracting parties agree. Informing and consulting employees and enabling their participation in decision-making is of essential importance for the prevention of potential conflicts with participants in the social dialogue, and thus these rights are particularly emphasized in the context of the study's objectives.

## Recommendations for Resolving Identified Problems

The participation of employees in the decision-making process is not only an important communication tool, but also a means of ensuring the legitimacy and transparency of decision-making and making business decisions in the energy sector, which directly or indirectly relates to employees. Trust in the management and their business decision-making is of crucial importance, because the appropriate involvement of employees in the decision-making process, including unpleasant measures, such as the implementation of decisions, can positively affect the mood of employees, their sense of belonging to a company, as well as the acceptance of changes that come with any restructuring process.

When it comes to employee participation, there are no specific statutory regulations in the Republic of Serbia that apply exclusively to the energy sector. This sector, just like other industries, regulates the rights of employees based on the Employment Act and collective agreements signed with employers, which are based on the Employment Act. Collective agreements also regulate the matters of dispute resolution in more detail.

Social dialogue entails the participation of employees in making decisions that relate to them or that are directly addressed to them, and it should be emphasized that the role of employees should not interfere with the roles and responsibilities of the company management, which in turn is liable to the holders of equity entrusted to them, as well as to the employees, and we should not forget the liability for the damage and the criminal responsibility of the management. The scope of the management's responsibilities requires relative leeway in making business decisions, but it is certainly necessary to ensure the adequate, either direct or indirect, role of employees. The Act stipulates minimum frameworks for the roles of the employees' representatives, which can be upgraded depending on the needs of the company and specific circumstances.

In order for the right of employees to participate in decision-making in the energy sector to be improved in practice, I believe that it is necessary to establish a complete legal framework in the first place (e.g. to pass an act on employee participation and regulations that would stipulate clear procedures, etc.), and at the same time, to educate employers, trade unions and employees about the manners and effects of exercising this right. In the process of preparing the legislation, it is necessary to include trade unions, which at this moment, as representatives of employees, represent the most important channel for the exercise of the right to information and consultation, and which, with the implementation of employee participation, will become an important, trained and experienced partner to all parties.

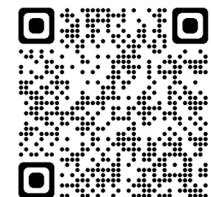


### Energy Transition, Closure of the Energy Mining Sector, and Coal-fired Power Plants in Spain, and the Beginning of Transformation

In 2010, the Kingdom of Spain, together with the owners of coal mining companies, sent an official communication to the European Union announcing the decision to close them by the end of 2018.

Upon the conclusion of the “Framework of Action for Coal Mining and Mining Regions for the period 2013-2018”, at the beginning of 2018, CCOO Industria and UGT-FICA began discussions with the Spanish government to negotiate an agreement for the definitive closure of the energy coal mining sector, in the middle of the year there was a motion of censure of the PP government by the PSOE, a motion that went ahead on 1 June 2018, at which point negotiations came to a standstill.

In the same month, CCOO presented a proposal document to the Spanish government, within the Ministry for Ecological Transition, outlining suggestions for a Just Transition in the energy sector.



Through the efforts of the trade unions and multiple meetings, new negotiations were initiated to find definitive solutions for the complete closure of this mining sector. The process concluded successfully with the signing a new agreement on 24 October 2018, called the **“Framework Agreement for a Just Transition of Coal Mining and Sustainable Development of Mining Regions for the Period 2019-2027.”**



With the closure of coal mining, the companies that own the thermal power plants where the coal was burned have two options:

- make environmental investments for the efficient and environmentally sustainable burning of imported coal;
- operate until June 2020.

The owner companies are beginning to opt for the simplest option, to request the closure of these facilities. At the same time, the trade unions have been telling the government that this decision was the most likely because we were already observing a lack of plant maintenance. After many meetings, we reached a consensus with the Ministry to urge the companies to present an alternative industrial plan together with the closure plan.

The companies reacted with a total refusal, and we initiated bilateral meetings with each of them and parallel discussions with the Ministry for Ecological Transition to find common ground and encourage voluntary objectives in the search for solutions. The government pledged to put legal and financial mechanisms on the table to facilitate solutions, alternatives, business opportunities, and protection for those affected by the closures. The companies were expected to present alternative business plans, actively cooperate with their suppliers and allies to attract other businesses to the affected areas and provide solutions for the affected workers, both their employees and subcontractors.

Finally, in two phases, in April 2020 and March 2021, the trade unions managed to sign the second tripartite agreement: the electricity companies that own the plants, the Ministry for Ecological Transition and the Ministry of Labour and the CCOO Industry and UGT-FICA trade unions, **“Agreement for a Just Energy Transition for Closing Power Plants; Employment, Industry and Territories.”**



Both mining and plant closures agreements have the same structure and pursue the same commitments with some changes, improving the latter over the former and improving commitments and guarantees.

## Structure of the agreements

Within the scope of the application, the mining agreement lasts until 2027, and the plant closure agreement continues until the objectives of having the same volume of employment as was lost due to the closures have been achieved.

- **Social Plan**
  - ✓ Own personnel:
  - ✓ in mining
    - pre-retirement, incentivised redundancies, zero counter;
    - employment exchange;
    - outplacement agency;
    - outplacement of surplus workers in the rehabilitation of degraded areas and new green economy activities;
    - training and re-skilling;
  - in electricity companies, the same as above, except that workers from the main company will be relocated to the company's production centres;
  - ✓ contract personnel:
    - Employment exchange and preferential participation in the dismantling and rehabilitating of degraded areas and new green economies.
- **Industrial Plan:**
  - ✓ own business projects with own investments and investments in other activities;
  - ✓ support for attracting investment;
  - ✓ Just Transition Agreements;
- **Training:**
  - ✓ universities and vocational training;
  - ✓ courses for new skills or installers;
  - ✓ in order to achieve these objectives, a Royal Decree was issued with a budget of 15 million euros.
- **Monitoring Commission:**
  - ✓ all signatories participate in a minimum of two meetings to monitor compliance with the agreements;
  - ✓ next meetings:
    - mining – June 2023;
    - thermal power plants – July 2023.

For the decommissioning of areas degraded by coal mining, a Royal Decree approved a budget of 150 million euros. There are currently 117 people working in the mining employment exchange.

As part of the agreements signed, the Institute for Just Transition created a mechanism to develop preferably industrial economic activities for renewables, circular economy and its entire value chain with the figure “Just Transition Agreements”, in which a collaboration agreement is signed between the central government, the Autonomous Communities and the Federation of Municipalities “represented by a mining mayor” and participation in the information of the signatories of the tripartite agreements signed.

## Just transition agreements

The Just Transition Agreements, a tool of the Institute to implement the Just Transition Strategy in the territories affected by the closure of coal mines and thermal power plants, is included in the Law on Climate Change and Energy Transition.

There are currently 15 Just Transition Agreements (JTA) in 197 municipalities in 8 Autonomous Communities:

- ✓ Andalusia: JTA of Puente Nuevo-Valle del Guadiato (Córdoba); JTA of Carboneras (Almería); JTA of Los Barrios (Cádiz);
- ✓ Aragon: JTA of Aragon (Teruel and Zaragoza);
- ✓ Principality of Asturias: JTA of Suroccidente, JTA of Valle del Nalón and JTA of Valle del Caudal-Aboño (Asturias);
- ✓ Castilla-La Mancha: JTA of Zorita (Guadalajara and Cuenca);
- ✓ Castilla-León: JTA of Bierzo-Laciana (León), JTA of Montaña Central Leonesa-La Robla (León) and JTA of Guardo-Velilla (Palencia);
- ✓ Castilla-Leon and Basque Country: JTA of Garoña (Burgos, Álava);
- ✓ Galicia: JTA de Meirama (A Coruña) and JTA de As Pontes (A Coruña, Lugo);
- ✓ Balearic Islands: JTA of Alcudia (Mallorca).

The European Union created the Just Transition Fund with a global budget of 17,500 million euros for 2021-2027, of which Spain allocated 868.7 million euros.

Thanks to the Just Transition Fund's aid, it is expected to contribute to creating 6,000 jobs in these territories and support more than 1,900 companies, mostly SMEs.

The distribution of the European Just Transition Fund by Autonomous Community has been established as follows:

- ✓ Andalusia: 154 million euros;
- ✓ Aragón: 92 million euros;
- ✓ Principality of Asturias: million euros;
- ✓ Castilla y León: 197 million euros;
- ✓ Galicia: 111 million euros;
- ✓ Balearic Islands: 17 million euros;
- ✓ Management of the Institute for Just Transition: 52 million euros.

The following table shows that within all the participation processes of the various agreements, 1,887 projects have been submitted from 765 participants.

| AUTON-<br>OMOUS<br>COMMU-<br>NITIES | AGREEMENTS             | Date of<br>signature  | Prelim-<br>inary<br>diagnosis<br>and de-<br>limitation | Defin-<br>itive<br>diagnosis | End date              | Num-<br>ber of<br>actors<br>in-<br>volved | Number<br>of sub-<br>mitted<br>propos-<br>als |
|-------------------------------------|------------------------|-----------------------|--|------------------------------|-----------------------|---|---|
| Aragón                              | Aragón                 | 22 May 2020           | Yes  | Yes                          | 7 June 2020           | 67  | 173   |
| Asturias                            | Suroccidente           | 25 March 2020         | Yes  | Yes                          | 13 Decem-<br>ber 2020 | 42  | 85  |
|                                     | Caudal-Abaño           | 25 March 2020         | Yes  | Yes                          | 21 June 2020          | 60  | 96  |
|                                     | Natón                  | 25 March 2020         | Yes  | Yes                          | 21 June 2020          | 47  | 69  |
| Castilla y<br>León                  | Bierzo-Laciana         | 12 Novem-<br>ber 2022 | Yes  | Yes                          | 31 July 2020          | 163                                       | 415   |
|                                     | MCL-La Bobla           | 12 Novem-<br>ber 2020 | Yes  | Yes                          | 31 July 2020          | 63  | 160   |
|                                     | Guadro-Velilla         | 12 Novem-<br>ber 2020 | Yes  | Yes                          | 31 July 2020          | 71  | 247   |
| Andalusia                           | Carboneras             | 9 March 2021          | Yes  | Yes                          | 6 Septem-<br>ber 2020 | 24  | 60  |
|                                     | P.Nuevo-VGua-<br>diato | 9 March 2021          | Yes  | Yes                          | 31 July 2020          | 38  | 182   |
|                                     | Los Barrios            | 9 March 2021          | Yes  | Yes                          | 30 April 2021         | 20  | 53  |
| Galicia                             | Meirama                | 10 Novem-<br>ber 2021 | Yes  | Yes                          | 31 July 2020          | 36  | 65  |
|                                     | As Pontes              | 10 Novem-<br>ber 2021 | Yes  | Yes                          | 8 June 2021           | 38  | 58  |
|                                     |                        |                       |  |                              | <b>TOTAL</b>          | <b>765</b>                                | <b>1,887</b>                                  |
| Balearic<br>Islands                 | Alcudia                | 9 March 2022          | Yes  | Yes                          | In progres            |   |   |

Projects that are in the process of being processed for implementation once the dismantling of electrical installations and mining areas has been completed.

- ✓ Onshore wind farms.
- ✓ Photovoltaic farms.
- ✓ Green hydrogen and storage plants.
- ✓ Biomass plants.
- ✓ Tyre factory.
- ✓ Biofuels factory.
- ✓ Wind maintenance logistics centres.
- ✓ Battery recycling factories.
- ✓ Wind blade recycling plants.
- ✓ Glass production plant.
- ✓ Ash revalorisation plants.
- ✓ Biomethane and fertiliser plants.
- ✓ Solar panel factory.



### Introduction

This project, called "*PARTICIPATIVE ENERGY*", find out whether the rights of workers in terms of participation, information and consultation are fulfilled in companies and workplaces, as well as to understand the reasons why they are not long-lasting in full, so that, through a preventive methodology, it is possible to promote and facilitate the realization of these workers' rights, especially in companies in the energy sector.

In order to put the previous objectives into practice, this project has the second objective of developing a conflict prevention methodology, which will include on-line training and information/awareness campaigns, as well as a conflict prevention manual, so that it is possible to strengthen the capacity for dialogue and negotiations between social partners in companies, as well as to strengthen the dialogue between workers and employers at the national and international level.

With the privatization of companies in the energy sector in Portugal, the panorama of industrial relations in the sector has changed significantly, both in terms of the services provided and in terms of labor relations.

Today, we are witnessing the degradation of responses given in cases of anomalies and phenomena, which are deficient and long-lasting.

Also, due to the fact that outsourcing has taken place, labor relations have led to an increase in job insecurity and an increase in precarious ties in companies, as well as to wage freezes and the withdrawal of workers' rights in the sector.

Four methodologies were used in this study:

#### **Desk research;**

**Field research** - different information about the resolution of disputes in the company was collected from workers in the energy sector.

The questionnaire was distributed by hand (paper format) to 25 workers, having managed to collect 20 surveys, which will be the sample for the research in question;

**In-depth interviews** - with 5 union representatives, who are also workers in the energy sector, conducted personally. Each interview lasted about 45 minutes and had the main objective of gathering information about the status of recent restructuring processes and the resolution of disputes that may have occurred;

**Focus group interview** - with 8 union representatives, with the main objective of gathering opinions on restructuring processes and dispute resolution in the energy sector. This interview was conducted in a hybrid mode (face-to-face and online), lasting an hour and a half.

Based on the results of the previous work, it was possible to prepare a national report, in order to build, together with the other four national reports, effective instruments for conflict resolution, effective implementation of the right to participation, information and consultation, and the improvement of social dialogue.

### Desk research analysis of the current knowledge level

In Portugal, in the energy sector, there are few companies where there is social dialogue, bearing in mind that there are 3 large groups in this sector, and then there are some small companies.

In large companies, those that employ thousands of workers, the disputes that existed until a few years ago were precisely about the right to work and wages, disputes that intensified when they were privatized and where the new owners began to question the rights of workers, i.e. collective bargaining and wage increases.

These privatizations have led to companies emptying their staff, by outsourcing many of the services they provided and are providing, leading to the intensification of insecure contracts and low wages.

In the last 5 years with the so-called energy transition and goals defined by the European Commission - EU, in Portugal the Government decided to foresee a time frame for achieving it, which led to the premature closure of three production units, which led many workers to unemployment and for which solutions are slow to be found.

During these restructurings, no space was ever given where workers could discuss solutions that would protect employment either with companies or with government officials.

Approximately three years after the closure of the first production unit, the vast majority of workers have not received training in order to return to the labor market in the environment in which they live, but also in the sector in which they have always worked, which proves that the promised new jobs in the field of green energy are far inferior to those that have been closed.

## Research results

The results of survey analyzes and extended interviews are presented here. These results show that in 55% of the companies where the respondents work, there have been labour disputes in companies/workplaces in the last 5 years, for various reasons, with salary negotiations being the most pronounced reason, among which is still the most present today, driven by the current economic crisis and inflation (41.18%).

### SURVEY ANALYSIS

For this analysis, 20 surveys were collected between January and February 2023, using the traditional method, that is, the paper.

Most respondents are between 35-54 years old (60.00%), men (75.00%), work in multinational companies (60.00%), with more than 250 employees (45,00%).

Considering the geographical location where the surveys were conducted, all respondents represent Portugal.

From this analysis, it can be concluded that in the majority of respondents' companies (but which is an indicator of the current social situation in companies in Portugal) there were labor disputes (55.00%) or there were preparations for them (15.00%)., that is, 70% of the respondents had work tensions, mainly due to salary problems.

For the majority of respondents, the biggest problem in solving these problems is the attitude or inadequate preparation of the employer, the conclusion is from the answer to question 12 of the survey, where the respondents said that the main factors that led to disputes were: confrontation and inflexibility of the employer in achieving his goal (28.57%), insufficient interpersonal skills of the employer in the domain of disputes/negotiations, such as insufficient ability to listen and understand, insufficient ability to effectively communicate and transmit information, etc. (25.71%) and disrespect / ignorance of the employer (20,00%).

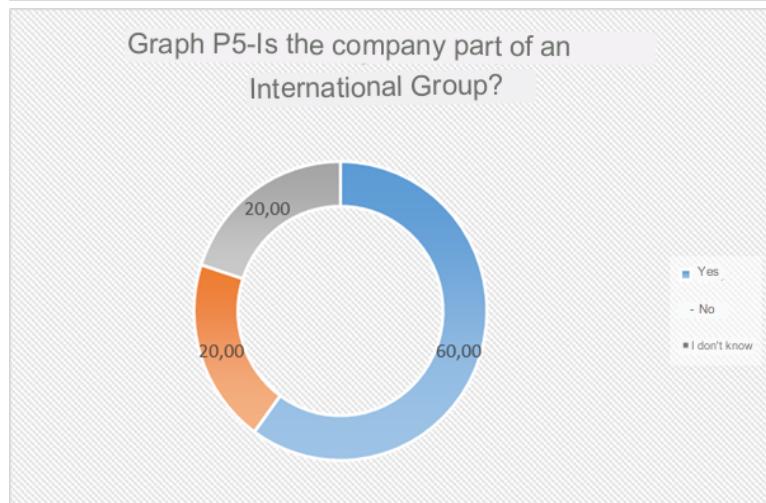
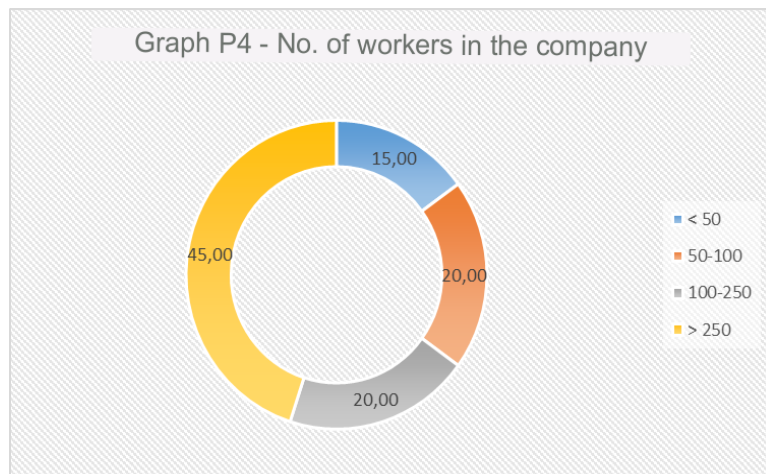
Through the survey, we learned that the last dispute in the company was resolved due to the fact that the actors were aware of their role and responsibility (22.73%), that the parties to the dispute avoided getting into personal conflicts (18.18%) and that the parties to the dispute treated each other with respect and understanding (13,64%).

Finally, according to the degree of satisfaction with the functioning of the different levels of social dialogue in the company, the union received the highest class with 3.42, followed by the right to information with 2.57, which is, however, a negative rating on the scale used.



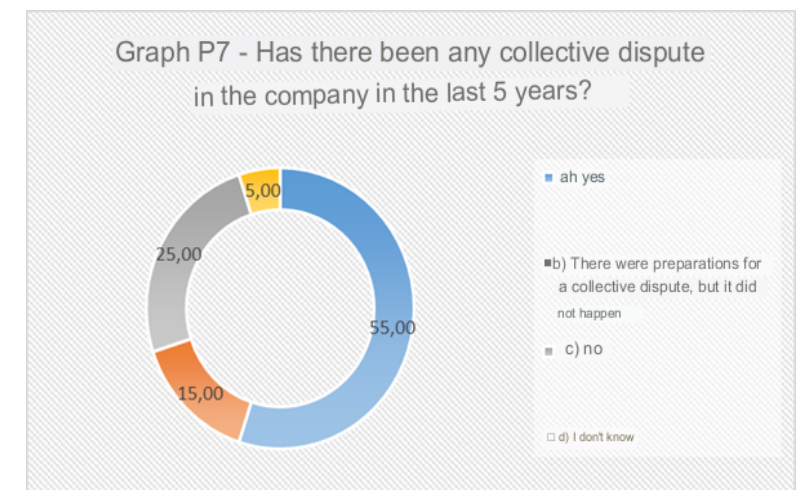
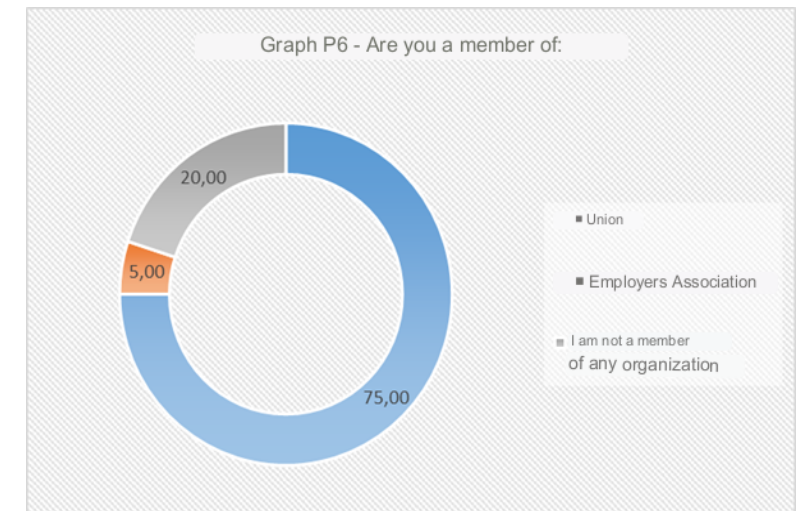
**Specific Conclusions per Question** – the results of 12 questions from the project survey will be presented below.

To the question - *What is the size of your company (number of employees)? (P4)* - almost all respondents belong to large and medium-sized enterprises. According to survey responses, the majority (45.00%) work in companies with “more than 250 employees”; “between 100 and 250 workers” and “between 50 and 100 workers”, 20.00% in each group. And 15.00% of respondents work in small companies, with “less than 50 employees”.



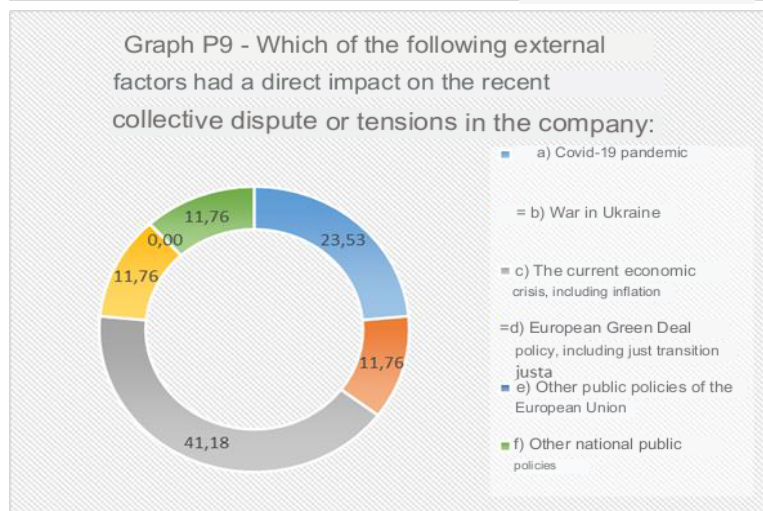
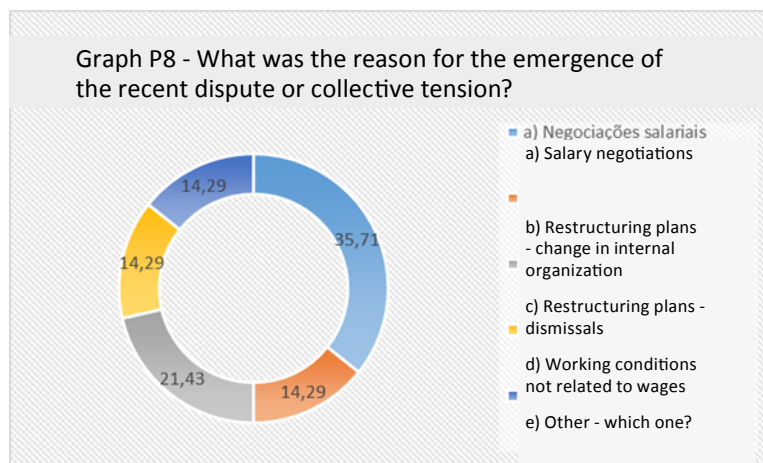
When asked *If the company they work for is part of an international group? (P5)* - the majority (60.00%) answered “Yes”, only 20.00% answered “No”. However, 20.00% of respondents answered “I don’t know or I have no answer”.

Respondents were asked *If they are members of any organization: a trade union or employers’ association (P6)* - The majority (75.00%) are members of a “trade union”; 20.00% “were not members of any organization”; and 5.00% belongs to “employers’ associations”.



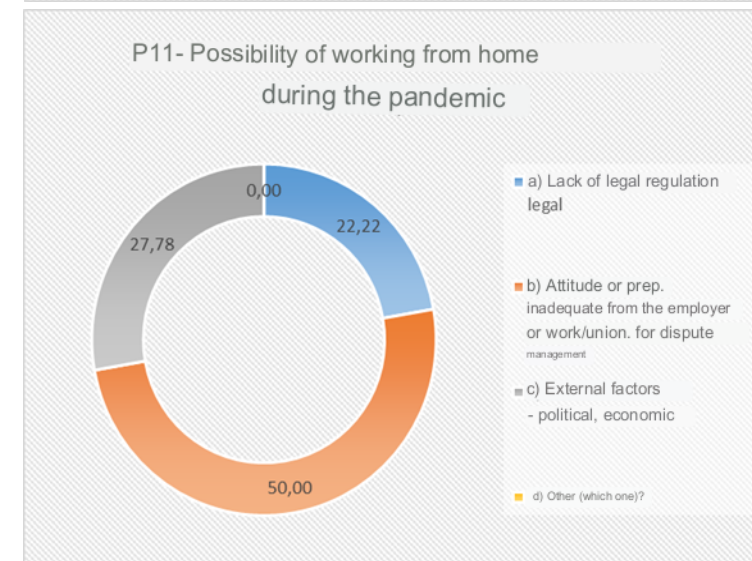
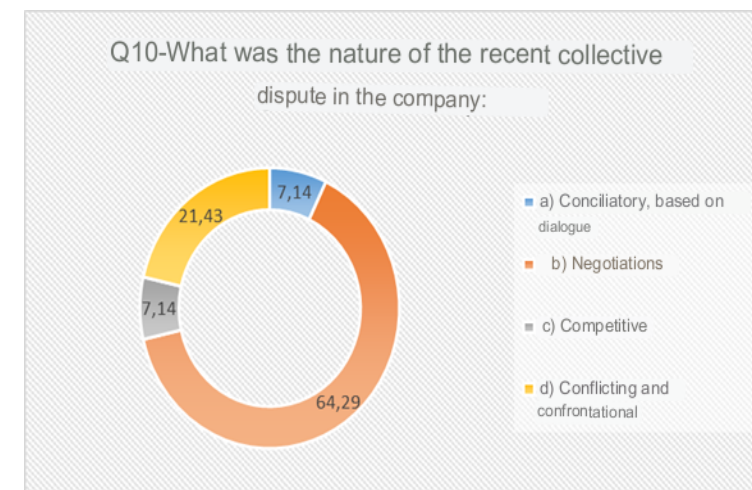
In the seventh question (**P7**), the question was asked *If, in the last 5 years, there was a collective dispute in the company where the respondents work* - the majority (55.00%) answered “Yes”; (25.00%) “No”; 15.00% said that “there were preparations for a collective dispute, but it did not happen”; and 5.00% said “I don’t know”.

To the question - *What was the reason for the recent dispute or collective tension? (P8)* - the majority (35.71%) answered that it was about “salary negotiations”; 21.43% “Restructuring plans - layoffs”; 14.29% “Restructuring plans - change of internal organization”; 14.29% “Working conditions not related to wages”; and 14.29% “Other” related to “Occupational Safety and Health (OSH)” and “dismissal due to maternity leave”.



According to the respondents - *of the external factors (presented) those that had a direct impact on the recent collective dispute or tensions in the company (P9)* - are: “current economic crisis, including inflation” (41.18%); the “Covid-19 pandemic” (23.53%) and 3 factors with 11.76% each “War in Ukraine” were mentioned; “European Green Deal policy, including a just transition”; and “other national public policies”.

Faced with the question - *What was the nature of the recent collective dispute in the company (Q10)* - the majority (64.29%) answered that it was “negotiations”; 21.43% “conflicting and confrontational”; 7.14% conciliatory, based on dialogue; and also 7.14% of “competitive” nature.



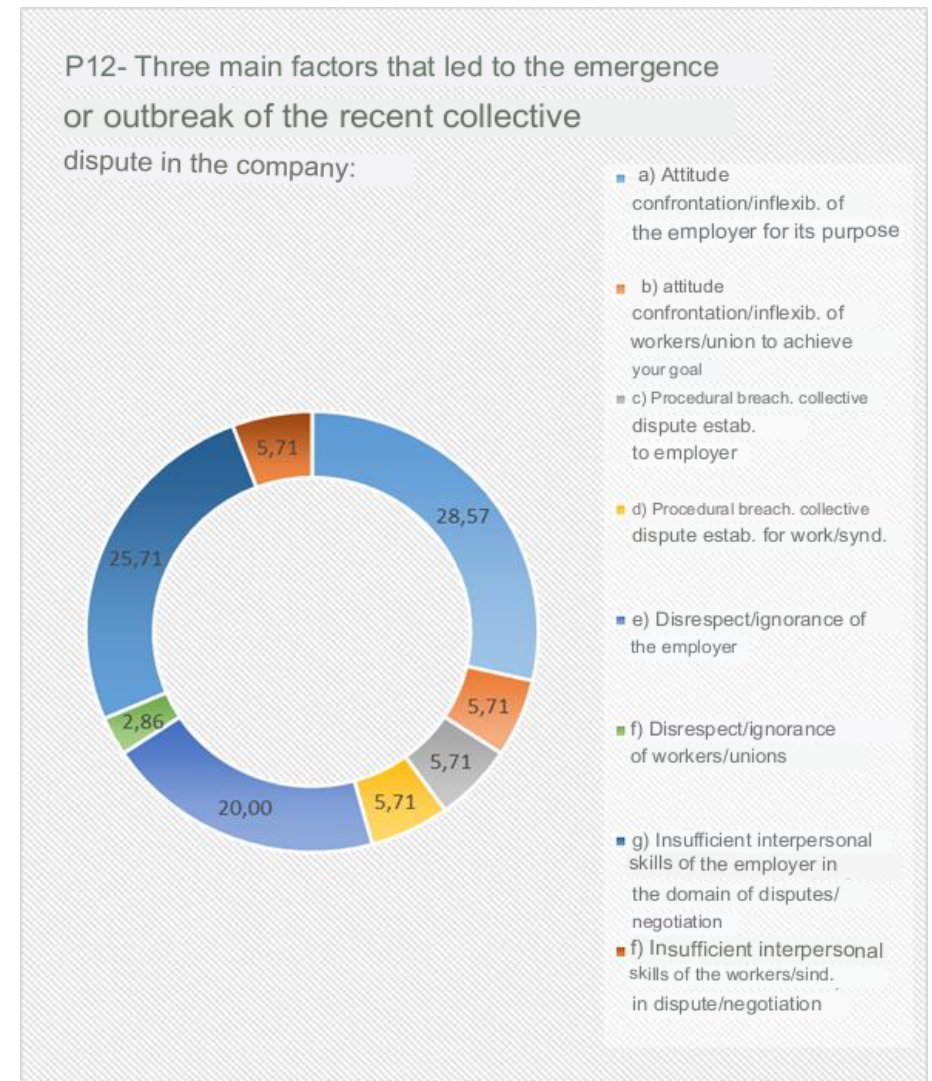
In question 11, the question was asked - *What are the main problems in the process of collective dispute resolution (Q11)* - the respondent can name up to 3 problems. Most of the responses were for “inadequate relationship or preparedness of the employer or workers/unions for managing disputes” with 50.00%; 27.78% said that “external factors - political, economic”; “Lack of legal regulation” is the third problem that is indicated (22.22%). It should be noted that although there is an option in the survey - “Other”, no respondent answered.



Question 12 also allowed for multiple choices, where it was asked to - “list the three main factors that led to the emergence or outbreak of a recent collective dispute in the company” (Q12). In descending order there are:

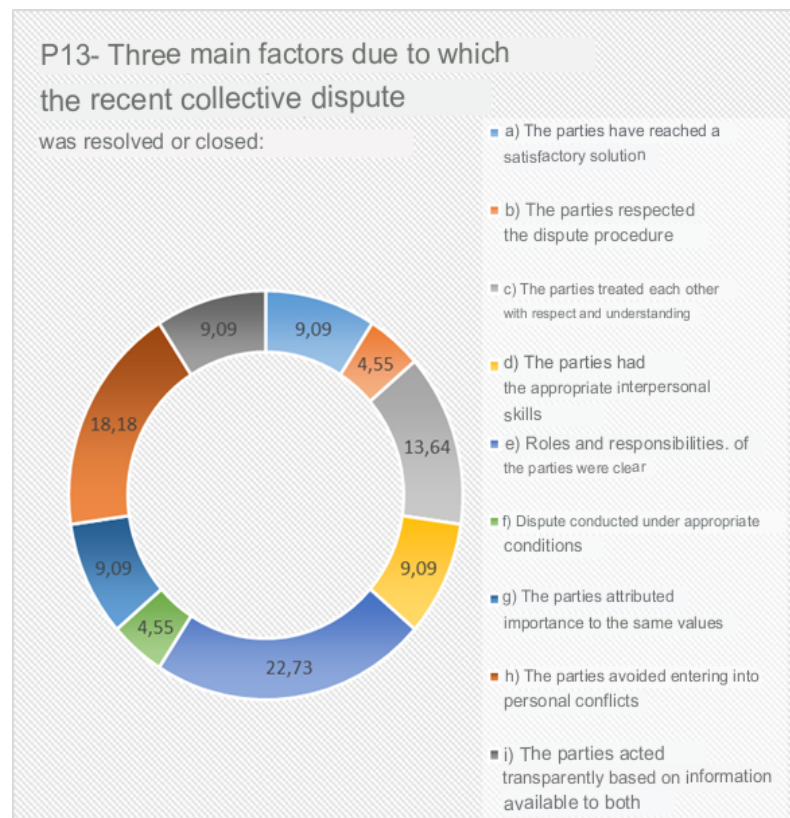
- 28.57% - Confrontational and inflexible attitude of the employer in achieving the goal;
- 25.71% - Insufficient interpersonal skills of the employer in the field of disputes/ negotiation, for example, insufficient ability to: listen and understand; to effectively communicate and transfer information; for finding solutions and rational conversation, etc.;
- 20.00% - Employer’s disrespect/ignorance;
- 5.71% - Confrontational and inflexible attitude of workers/unions in achieving their objective;
- 5.71% - Violation of collective dispute procedures established by the employer;
- 5.71% - Violation of collective dispute procedures established by workers/unions;
- 5.71% - Insufficient interpersonal skills of workers/unions in dispute/negotiation, e.g. insufficient ability to listen and understand, insufficient ability to: communicate and transfer information effectively; to find solutions and rational conversation, etc.
- 2.86% - Disrespect/ignorance of workers/unions.

It should be noted that the 3 main factors that led to the appearance of collective disputes in the company are all related to attitudes, incapacities and disrespect of the employer!

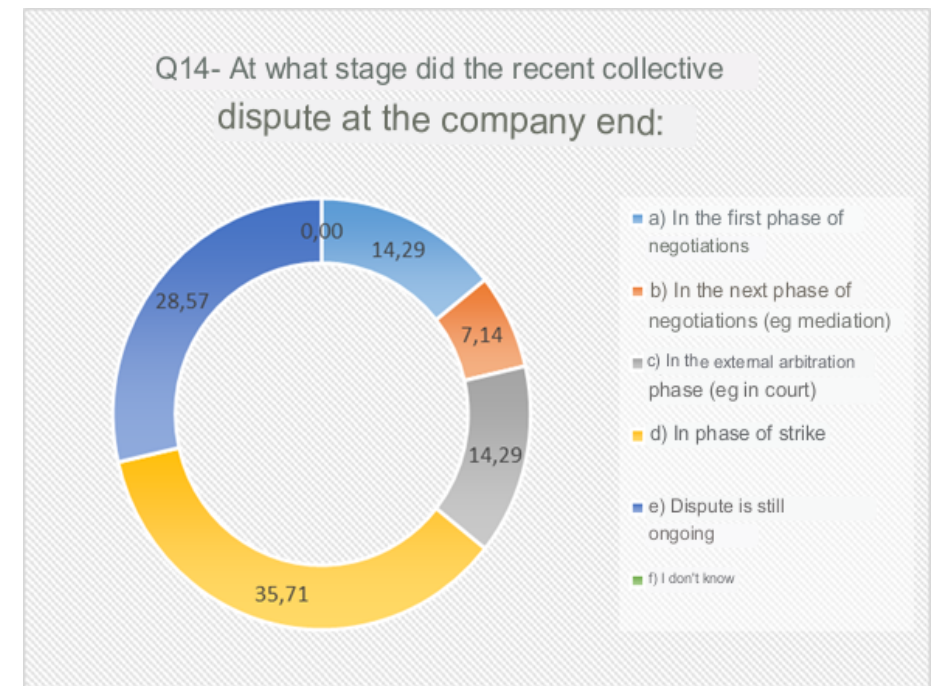


Question 13 was also multiple choice, where you were asked to – “list the three main factors that led to the recent collective dispute in the company being resolved” (Q13). Respondents mentioned:

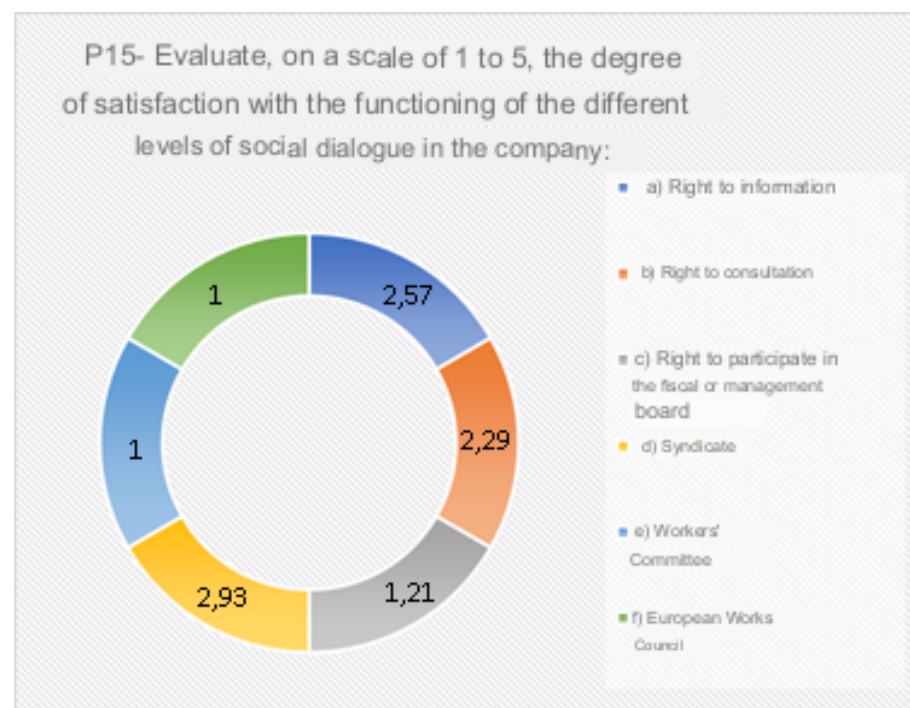
- 22.73% - The roles and responsibilities of the parties were clear;
- 18.18% - Disputing parties avoided getting into personal conflicts, e.g. caused by prejudices, stereotypes, emotions;
- 13.64% - Disputing parties treated each other with respect and understanding;
- 9.09% - Disputing parties reached a mutually satisfactory solution;
- 9.09% - Disputing parties had the appropriate interpersonal skills to conduct the dispute;
- 9.09% - Disputing parties attributed importance to the same values that are important to them in the context of the company;
- 4.55% - Disputing parties respected the dispute procedure arising from legal regulations and best practices in this area;
- 4.55% - The dispute was conducted under appropriate conditions.



To the question - *At what stage did the recent collective dispute in the company end (P14)* - the majority of respondents (35.71%) answered that it was “in the strike stage”; 28.57% said that “the dispute is still ongoing”; 14.29%, “in the first stage of negotiations”; 14.29% “at the stage of external arbitration (eg in court)”; and 7.14% “in the next stage of negotiations (eg mediation)”.



Through this question, we can conclude that currently in Portugal, disputes between employers and workers are resolved only when they go on strike, because otherwise the dispute is still ongoing or ends up in court. But there are also cases in which it is possible to eliminate the conflict already at the first stage of negotiations. The most common reasons (strike, “still in progress”) stem mainly from the Labor Law and its successive amendments (currently in the 23rd revision), because from revision to revision, more and more powers are given to the employer and less power and rights to the workers.



In the last question, you are asked to - “evaluate on a scale of 1 to 5 the degree of satisfaction with the functioning of different levels of social dialogue in the company” - (P15) - “Trade Union” got the best result with 2.93; followed by “right to information” with 2.57; “right to consultation” with 2.29; “the right to participate in a representative in the supervisory board or management board” is already close to very bad with 1.21; both “Workers’ Council” and “European Works Council” received a minimum score of 1.00. This last value, which is too low, is (partially) (negatively) affected by the number of responses for these groups, so that the value of the Workers’ Committee and the European Works Council must also be ignored.

## ANALYSIS OF IN-DEPTH INTERVIEWS

The interviews were conducted in January and February 2023. The interviews were conducted face-to-face and lasted an average of 45 minutes. 5 workers in the energy sector were interviewed. All participants are union representatives, which means that there is a union in the companies where they work.

From the in-depth interviews we can summarize the following.

In the conducted interviews, it was established that there is applicable collective bargaining, which is the basis for solving existing collective disputes.

In recent times, existing disputes have mainly been related to working conditions, wages and the closure of production units to achieve the goals of the European Green Agreement.

Disputes relating to salary increases and working conditions arise every year and are resolved through agreements with companies, although there are some that remain unresolved from year to year, leading to a breakdown of workers’ trust in the employer.

In the last three years, two electricity production units and one oil refining unit were closed, which led to many workers being pushed into unemployment, without the government or companies finding a solution to this problem that continues to this day.

This situation, in addition to having contributed to the increase in the number of unemployed people, has made Portugal more dependent on energy purchased from other countries.

These are the factors that most exacerbate collective disputes.

The external factor that currently most influences and aggravates existing disputes are related to the European Green Deal and Just Transition, and government policies.

The interviewees highlighted the lack of involvement of workers’ representatives and their respective unions in the discussion to reach solutions that do not involve the loss of many hundreds of jobs, as is being seen at the moment.

The recommendations given by the respondents mainly refer to their inclusion in the discussion on the measures to be taken for workers affected by job loss and who have to undergo professional retraining and integration into the company’s staff in other areas of work, a solution that would enable a faster reduction of weekly working hours, as in other European countries.



Through this investigation, we can conclude that more than half of the companies in the energy sector in Portugal do not use their obligation to allow workers to participate, provide information and consult. Nor do they involve workers, their representatives and their unions in decision-making discussions.

This fact has caused several labor disputes in companies over the years, mostly related to salary issues.

In the last 3 years, the situation has worsened due to the closures and the lack of solutions for the workers affected by them. A situation that can be (better) resolved by involving workers' representatives and their unions, retraining/training affected workers and reintegrating them into company staff, even in other areas of work.

This reintegration, retraining and training can even serve to reduce weekly working hours, thus achieving a fair transition where no one is left behind and allowing the worker to better balance professional life with personal and family life.

**National research including documentary research methods, in-depth interviews, focus groups and survey**

## Introduction

The mining industry is an important factor in the prosperity of any country. The mineral raw materials extracted from the subsoil are the basis for the development of the industry as a whole. Without energy, without metals, without industrial raw materials and construction materials, there is no stable economy. However, the rapid globalization of the world economy and, above all, the collapse of the principle of self-sufficiency in mineral raw materials at any cost, the scientific and technical revolution in technologies and the use of alternative energy sources are intensively changing the conditions in this sector, new rules are being introduced, very difficult due to its specificity and require its mandatory adjustment. The problem is valid for all countries, but it is especially severe for the countries of Eastern Europe, after the adoption of the new economic principles.

The process of restructuring the mining industry is specific, complex and difficult and requires assistance, control and management. It is necessary to build an adequate structure to replace them.

The mining industry in the Republic of Bulgaria is a structurally decisive industry and one of the main drivers of the state economy, through increasing the consumption of raw materials from the domestic market and the production of final products with high added value. The mining industry develops through effective, complex and long-term exploitation of underground resources, in accordance with the requirements of sustainable development, including three aspects: economic, ecological - green mining industry, social - corporate social responsibility.

Exploitation of coal depends to a large extent on the operation of thermal power plants and the consumption of electricity in the country and for export, and it constantly creates problems for producers in their daily work and uncertainty about the future.

There are good practices, both in the EU and in Bulgaria, which can and should be applied and continuously improved to achieve sustainable development of the mining industry.

The mining sector forms 5% of the GDP in the country and provides direct employment to 30,000 people, and through related industries to 120,000, therefore the



proper functioning of the economy and social development must be protected. A National Strategy for the Development of the Mining Industry has been developed, which aims at the sustainable development of the industry by ensuring a balanced economically, socially and environmentally responsible approach to the exploration, extraction and processing of underground resources in the Republic of Bulgaria. Achieving this goal requires creating a transparent regulatory and fiscal environment, as well as an accessible and efficient institutional environment.

The mining industry is developing in a dynamic environment that requires adequate and timely political decisions. For this reason, it is planned to monitor the realization of the goals and priorities established by the National Strategy in order to determine the need for changes both in the foreseen mechanisms and in the legal basis. Monitoring will be carried out on the basis of quantitative and qualitative indicators, including geological, economic, ecological and social indicators during the implementation of the Strategy.

The principles of sustainable development should be incorporated into the strategy of the mining industry and reflected in the new law. They are common to the state in all respects and there should be synchronization at the national level.

A prerequisite for the sustainable development of the mining sector is a constructive dialogue between all interested parties - business, government and non-governmental organizations.

The mining industry is fundamentally different from other industries because nothing can be solved in one annual cycle.

Coal mining is a sub-sector that continues to be the backbone of the Bulgarian electricity industry in the form of the modernization of the “Mini Marica-East” EAD, which has been operating for 65 years and has geological reserves of almost 1.8 billion tons. This means that for another 60 years the mines can provide light and heat to our homes. Globally, the “coal mining” sub-sector is under pressure from environmental organizations and international institutions. The implementation of the emission levels associated with the proposed best available techniques affects the largest existing national energy resource - the East Mariska lignite basin, from which Bulgaria receives 45% of the electricity produced in the country.

Our country always supports and follows the environmental policies of the EU. In recent years, huge funds have been invested in all sectors to reduce harmful emissions, but the sudden collapse of the coal-fired power industry would cause a problem with unpredictable consequences for Bulgaria, both in terms of society and the energy security of the country and the region.

## Industrial relations review

At the national level, a number of member states are taking action to protect their interests, but even large countries cannot be alone in this fight. Therefore, it is important to look for supporters in order to achieve national goals that lead to development and an increase in living standards without economic shocks associated with hard-to-achieve climate ambitions in the transition to a low-carbon economy.

The national positions of countries with similar problems to ours - Poland and the Czech Republic - clearly show their intention to conduct negotiations to achieve maximum financial support for the implementation of projects with a low carbon footprint, including:

- development of “green infrastructure” and promotion of clean mobility;
- renovation of buildings;
- increasing energy efficiency;
- promoting energy sources that will enable the achievement of climate neutrality by 2050;
- promoting joint scientific research and innovation in the field of low-emission technologies;
- promoting the circular economy and climate-responsible public procurement.

The role of the executive is seen as key to ensuring the effectiveness and efficiency of the steps taken, so it is important at this stage to agree on the principle issues of general national policy on the Green Deal:

- Which sectors and structural companies are at risk of closure due to the low-carbon transition or the pandemic situation?
- What are the short-term measures resulting from already adopted national plans and programs that should be implemented in the period up to 2025?
- What are the financial mechanisms available for implementing short-term measures?
- Who are the leading units for planning and implementing specific measures at the regional and sectoral level and are they ready to perform the expected tasks?

In the case of restructuring through new investments - introduction of new technologies and/or shutdown of activities and production (partially or completely), the consequences for people working in the mining industry will be a drastic increase in the percentage of people with no alternative for another job in the region or in Bulgaria with the same profession, and also a drastic increase in the percentage of people who will seek work abroad in the same or similar profession.

If it becomes necessary, due to new environmental conditions, for companies to stop working at some point, it will also affect the economy and unemployment in the area, because people from five districts work in this sector.

Due to the high qualifications of a large part of workers and employees in companies, a large part of them, especially younger and middle-aged, will be forced to seek their existence abroad together with their families due to the lack of companies in the region and country that match their qualifications and education. A small part of the workers would find an alternative job in other related companies in the country, which matches their education and qualifications. Another part would be forced to retrain for another type of job in the region and in the country.

In any case, however, the most difficult picture would be from a demographic point of view, because a large part of these people will prefer to realize themselves abroad, based on their qualifications and education, together with their families, if they cannot find suitable alternatives in Bulgaria.

Last, but not least, in this situation, a large part of the workers will be forced to look for an alternative outside the labor market in Bulgaria, both because of the loans they regularly paid until then and because of the difficulties they would have in repaying them in the future.

The decarbonization policy has a very pronounced effect on Bulgarian industry, especially on energy-intensive industries, which may be put under regulatory pressure through new legislation and the risk of higher electricity prices.

All this requires the development of specific proposals for measures to reduce negative social impact. There can be no European Green Deal without national, regional and industrial relations between companies and social partners.

The developed sectoral measures within the National Tripartite Agreement represent a good basis for the creation of a targeted national action program, but it is necessary to supplement the planned measures in order to achieve a high level of absorption of targeted EU funds. Efforts should be focused on those opportunities that lead to the creation of new jobs, increasing the competitiveness of companies, strengthening supply chains with high national participation.

Within the National Tripartite Agreement, special attention is paid to coal regions and the need to plan a package of social measures to ensure a smooth and fair transition.

Trade union councils in a number of sectors show convergence in proposed measures for economic recovery, which goes in parallel with the long-term goals of climate policies and environmental improvement. Issues of transition (closing of active industries and creation of new ones), as well as social costs of this transition (release of employees in traditional activities and retraining), cause concern at the national and sectoral levels.

## Methodology adopted during the research

Five people participated in the in-depth interviews, and eight workers and employees in the mining company participated in the focus group, with the aim of collecting qualitative information about the process of restructuring and resolving disputes in the sector and the potential challenges that the sector will face in the coming years. The interviews were personally conducted by an expert from the „Union of Independent Miners’ Unions - KNSB“, but the interlocutors wished to remain anonymous.

Brief introduction to the interlocutor in individual interviews:

1. Mechanical Engineer
2. Energy engineer
3. Vulcanizer
4. Accountant
5. Railway and facilities maintenance worker

In the focus group, the participants were trade union activists of a trade union organization in a mining company.

The expert presented the legislation governing collective disputes in the country:

### 1. Constitution of the Republic of Bulgaria

Article 50. Workers and employees have the right to strike in order to protect their collective economic and social interests. This right is exercised under the conditions and according to the procedure established by law. The Constitution of the Republic of Bulgaria also establishes in Art. 48, art. 49, paragraph 1, Art. 51 and 52 basic labor, insurance and trade union rights that may be the subject of a possible Collective labor disputes. These are: right to work, occupation and place of work, right to association, right to health and social insurance.

### 2. Labor Law (LL)

Article 357. Labour disputes are disputes between the employee and the employer concerning the creation, existence, performance and termination of the employment relationship, as well as disputes concerning the performance of collective agreements and the establishment of seniority.

### 3. The Law on the Settlement of Collective Labor Disputes (LSCLB) - the main source of the legal framework of Collective labor disputes.

Article 1. (1) This law regulates the procedure for resolving collective labor disputes between workers and employers on issues of employment and insurance and living standards.

(2) In collective labor disputes, workers are represented by the bodies of their professional organizations, and employers are represented by their managers, unless the parties have authorized other bodies or persons.

**The Rulebook on the Organization and Work of the National Institute for Concili-**

**ation and Arbitration** should be mentioned as an important part of the legal framework that regulates the procedure and method of resolving collective labor disputes.

After conducting the interview, we briefly describe the obtained results:

1. The main reasons for the emergence of a collective dispute between an employee or an employee and an employer regarding the creation, existence, fulfillment and termination of labor relations, as well as disputes regarding the fulfillment of a Collective Labor Agreement (CLA) and the establishment of a working seniority.
2. Labor disputes can be divided into two major divisions according to their subject matter and the entities involved in them:

A) Labor disputes between an individual worker and his employer in connection with the creation, existence, performance and termination of an individual employment relationship and related insurance relationships are individual.

B) Collective labor disputes.

Bulgarian legislation, and especially the Law on the Settlement of Collective Labor Disputes, lacks a clear, comprehensive definition of the term „collective“ labor dispute. However, it is clearly a dispute between the employer(s) and more than one, usually large group of workers and employees regarding their employment relationship.

The characteristic of these disputes is that many workers and employees are united by a common dispute with the employer (employers) on issues that concern them not as parties to an individual employment relationship, but as a workforce.

From this point of view, the subject of the collective labor dispute is important - it is related to the settlement of labor and insurance relations and the standard of living. At the base of this subject, however, there is always some common interest of the group of workers and employees.

Or, a collective labor dispute is a dispute between workers and employees as a community that is the bearer of common rights and interests and their employer or a group of employers (employers' organization) regarding the violation of these rights and interests. These are usually labor disputes that arise in connection with the conclusion, amendment and implementation of collective labor agreements. Collective associations of the parties are usually involved in these disputes, depending on the level at which the Collective Agreement (CA) was concluded (branch level, enterprise level and agreements concluded on a territorial basis).

Collective labor disputes, as well as individual ones, often arise from the existing legal regulation of labor and insurance relations, but unlike individual ones, they are related to its general and equal application in relation to all workers and employees in the company.

The prevention and resolution of labor conflicts is attracting more and more attention, as effective preventive actions and the regulation of labor disputes are of decisive importance for the creation of safe and productive labor relations. Procedures for regulated labor disputes represent a means of collective bargaining between interested parties and contribute to the promotion of social partnership.

In the Bulgarian mining industry, the occurrence of conflicts is inherent and inevitable, the establishment of effective procedures for the prevention and resolution of disputes is of key importance to minimize the manifestations and consequences of conflicts in the workplace.

Conflicts and disputes can be minimized, but the nature of employee-employer relations in a market economy makes conflicts inevitable.

But it is not always necessary that conflicting interests lead to constant disputes. Workers and employees and employers can work together to resolve their differences and reach mutual agreement without their disagreements escalating into formal disputes. Conflicting interests causes the need for discussion and negotiation, while a common interest creates an incentive to reach compromise and agreement. Disputes can be prevented and settled through the actions of the parties themselves, without the intervention of third parties. An effective system for the settlement of labor disputes firstly aims at their prevention, and subsequently their peaceful resolution when they have arisen despite the preventive measures taken, mainly thanks to the efforts of the disputing parties themselves.

The interaction between workers and employees and employers within the company can be based on harmonious cooperation, but it can also be marked by conflicts and disputes. Even when the atmosphere is generally conducive to productive work, the very nature of the employment relationship leads to inevitable conflicts. Of course, they can be overcome without the intervention of outsiders, although it is advisable that the company sometimes voluntarily turns to third parties for help.

In order to stimulate cooperation in the workplace, an agreement must be reached between the management and the employees of the company to build better relations between them and work meetings that benefit both parties. Namely:

- information exchange;
- conversations;
- hearing the other party;
- discussion;
- negotiations;
- making decisions.

For effective collaboration in the workplace, adequate systems must be established to support positive interaction. Similar systems can:

- prevent serious disputes by facilitating the resolution of various complaints;
- contribute to the quick resolution of problems and complaints as they arise;
- improve working conditions and working environment;
- increase labour productivity and increase the competitiveness of companies;
- contribute to building trust and respect between workers and employees;
- improve the decision-making process at all levels;
- support the pursuit of common interests;

The main conclusion we can draw is that conflict arises when two or more parties are convinced that the goals of their activities are incompatible.

In the Bulgarian mining industry, the main goal of conflict management is to prevent destructive conflicts and facilitate the adequate resolution of constructive conflicts.

Good practices to follow in relation to dispute prevention include the following activities:

- anticipating conflicts and assessing their direction;
- preventing or encouraging conflicts;
- conflict regulation;
- conflict resolution.

In recent years, as a result of the strengthening of the globalization process, the impact of the world financial and economic crisis on economic structures, the relocation and closure of companies, more and more attention is being paid to changes in the forms and mechanisms of employee representation as a consequence. The presence of networks of companies from different sectors creates conditions for complicating the decision-making process. This new way of organizing the economy implies new aspects of employment, working conditions, balance between business and private life. Inequalities between companies and working conditions in them, inequalities and fragmentation in value systems are increasing, which implies a new way of representing wage workers, which poses new challenges for trade unions.

#### Summary of the analysis of the questionnaire-based study:

1. The age limit of the respondents: 45-55 years
2. Gender of participants:
  - a. Woman – 30%
  - b. Man – 70%
3. The country they represent:
  - a. Bulgaria - 100%
4. The company they work for is:
  - a. over 250 employees
5. The company they work for is not part of an international corporation?
6. All are members of the Trade Union
7. Type of collective dispute in the company where they have worked for the past 5 years:
  - a. There were preparations for a collective dispute, but it never happened

8. The reason for the recent collective dispute or tension is:e:
  - a. Salary negotiations
9. External factors that directly influenced the recent collective dispute or tensions in the company are:
  - a. The current economic crisis, including inflation;
10. The nature of the recent collective dispute in the companies is:
  - a. Conciliatory, based on dialogue
11. The main issues in the collective dispute resolution process are:
  - a. External factors - political, economic
12. The three main factors that led to the creation of a collective dispute in the company are:
  - a. Confrontational and uncompromising attitude of the employer in achieving his goal
  - b. Confrontational and unyielding attitude of employees/unions in achieving their goal
  - c. Violation of the established collective dispute procedure by the employer
13. Three main factors due to which the collective dispute in the company was resolved or ended:
  - a. The disputing parties reached a mutually satisfactory solution
  - b. The disputing parties treated each other with respect and understanding
  - c. Disputants avoid entering into personal conflicts, for example: conflicts caused by prejudices, stereotypes, emotions
14. The last collective dispute in the company ended at the stage:
  - a. In the first phase of negotiations
15. Degree of satisfaction with the functioning of different levels of social dialogue in the company:
  - a. Right to information - 3
  - b. Right to consultation -
  - c. The right to participate, i.e. representative in the supervisory board or in the management board (if there is one in your company) - 1
  - d. Trade union- 5
  - e. Employees' council (if it exists in your company) - 1
  - f. European employee council (if your company has one) - 1

## Main conclusions

1. The necessary tools for the implementation of the participation of workers in Bulgaria in the restructuring process must be:
  - conditions for social dialogue
  - respect for basic principles and the right to association and collective bargaining
  - availability of a favorable environment for industrial relations, as well as respect for the role of social partners
  - essential role of social partners for stable economic and social development
  - strengthening the role of international cooperation in the field of poverty reduction, promotion of full employment and dignified work
  - Government and representatives of workers and employers to be able to freely and openly exchange their ideas and experiences, encouraging permanent mechanisms for dialogue and consensus building
  - specific tools in areas such as occupational safety and health.
2. In Bulgaria, in order to stimulate cooperation in the workplace, an agreement must be reached between the management and the employees of the company to build better relations between them and in work meetings that are beneficial for both parties.
3. Workers and employees must be involved in decision-making and company management in order to fully utilize new forms of work organization and anticipate economic changes. This will set a good example for creating quality employment, supporting social inclusion and promoting a participatory economy.
4. Positive impact of trade union activity in deciding labor issues.
5. Reaching an agreement regarding the implementation of decarbonization measures.
6. The general preparation for restructuring should be carried out on the basis of an up-to-date Energy Strategy, which should reflect not only the ambitions to stop the production of energy from coal, but also the development of new base capacities, as well as the development of network infrastructure. Therefore, it is necessary to speed up the preparation of the document on the strategic development of the industry.
7. Formulate and approve a new operating model of thermal power plants with operational tasks in winter periods and with the constant task of maintaining readiness as a strategic energy reserve. It is necessary to update the assessment of the adequacy of the system and seek the necessary state aid for certain production capacities, in order to guarantee the security of electricity supply in the long term, until the construction of suitable replacement capacities.
8. Indicators related to the reduction in the number of employed persons are in the function of implementing measures to create new jobs and opportunities. The requested number of surpluses from mining and coal-fired electricity production should be transferred to a period of 3 years after 2026, i.e. after 2030, in order to enable the implementation of the foreseen measures to create conditions for a just transition.
9. Present the indicators related to the creation of new jobs, as well as to indicate the risks for the implementation of the indicators in the event of a reduction in employment in coal mining and energy production from coal, in the event of a delay in measures for the preparation of new industrial projects.
10. Have detailed planning of measures, beneficiaries and aid intensity for the affected coal regions, taking into account synergy with other financial sources. Already in the initial phase of the implementation of the plans, each affected party - employees, municipalities, production and research centers - should see their place in the transition processes.
11. State the priority of the coal region in the implementation of projects for industrial zones, the construction of pilot plants, new renewable energy capacities and new production complexes, when such are offered, and for this provide additional funds to support investments.
12. Considering the great importance of the task of restructuring employees towards new industrial employment in the same regions, a mechanism should be proposed for the initiation of skills mapping activities, given that it has competences and a developed network of local units, on the basis that the implementation of this activity should be immediately started.
13. It is necessary to change the regulatory framework, so that a complete general plan for the development of disturbed areas that are subject to recultivation and the implementation of new land use, industrial conversion, etc., including the necessary environmental assessment, can be drawn up in a short period of time.
14. Adhering to the principle of partnership and creating a unique mechanism for the selection, coordination and monitoring of projects that use the Just Transition Fund with the participation of social partners at the national level.







## PARTICIPATIVE ENERGY

Increasing employee involvement in conflict prevention and resolution during energy sector restructuring



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