

Chapter 7

Dependence, adaptation and survival: social dialogue in multinational corporations in Romania

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1. Introduction

As in other countries in the region, multinational companies (MNCs) have become important agents of economic growth and development in Romania. They have also successfully pressed for changes to labour law favourable to themselves which has, in turn, led trade unions to change their demands and also their strategies and methods.

This chapter uses an original dataset compiled on MNCs in Romania (Muntean 2021) and in-depth interviews with management and workers' representatives to track the development of labour relations in MNCs in the retail and automotive sectors. It explains how differences in the fragmentation and concentration of workforces, differences in the organisation and strategies of management and workers' collective organisations and contextual factors such as workforce migration and the Covid-19 pandemic crisis affect the local, sectoral, national and transnational social dialogue.¹

In the second section the chapter discusses the evolution of foreign direct investment and changes in employment relations. The third section presents a multidimensional framework of analysis for understanding the factors that influence social dialogue in companies, such as the strategies of social partners to adapt and survive, and the costs of different types of power and strategy. The fourth section analyses social dialogue in the retail sector while the fifth analyses the automotive sector. The sixth section presents empirical findings and conclusions.

2. MNCs and Romanian employment law

Economic reforms in the early 90s brought slow privatisation, with the substantial redistribution of state assets to crony capitalists accompanied by high levels of corruption. A second wave of privatisation from the late 90s and early 2000s led to the sale of state assets in automotives, banking, heavy industry, energy and oil. During the same period, in the retail sector, foreign companies established greenfield stores as part of their regional or global chains. The privatisation process was accompanied by the development of the services sector, but also by a strong deindustrialisation of the

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