Ideological underpinnings of the development of social dialogue and industrial relations in the Baltic States

A report for the NFS written by Markku Sippola

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1. Introduction

The state of industrial relations (IR) in Estonia, Latvia and Lithuania contains a dilemma. On the one hand, the IR situation can be characterised as backward and stagnated. On the other, there is a continuous expectation of change for the better in terms of union power. This has been the case at least for a decade. The impact of Soviet legacies on trade unions, the weak state of social dialogue as well as the virtual absence of sectoral dialogue were central features of the Baltic IR ‘model’ already in the early 2000s. In the current post-financial crisis situation, the Baltic States continue to face the dilemma of stagnating IR but hopes for trade union revitalisation. On the one hand, the effect of the financial crisis in 2007–2009 has been detrimental to Baltic IR, which had not been strong at any time since the restoration of independence (Lulle 2013). The times of crisis can, however, provoke innovative elements in trade union organising, as Estonian examples have shown (Kall forthcoming), and IR has been re-politicised to some extent in Latvia and Lithuania (Blaziene 2015; 2016a; 2016b; 2016c; Karnite 2015a; 2015b; 2016).

After the collapse of the Soviet Union, the BS made remarkable progress in restructuring the economy, reorienting to new markets and reallocating resources to new sectors (Eamets and Masso 2005, 72). The Baltic States clearly distinguished themselves from the rest of the former Soviet republics in terms of the rapidity and scope of their economic reforms (Pabriks and Purs 2002, 90). The Baltic States have also been fortunate in comparison to the other CEE countries that served as satellites of the Soviet Union or FSU countries. GDP, salaries and direct foreign investment rose more rapidly in the Baltic States than in other CEE countries until the onset of the recession in 2008.

Transformation to a market economy advanced at a different pace in each of the three countries: the most rapid implementation of liberal policy took place in Estonia, followed by Latvia and, more hesitantly, by Lithuania (Hunya 2004, 93). The transition strategy adopted in Estonia and Latvia differed significantly from that of Russia. Estonia was most keen to follow IMF policy recommendations and Latvia soon followed the ‘Estonian model’ (Nikula 1997, 18). The trend towards rapid reforms in Estonia and Latvia inspired a sort of ‘Protestant ethic’ explanation, according to which more traditional, Catholic and family-based relations were more common to Lithuania (Norkus 2007). Nevertheless, a more convincing explanation for the ‘backwardness’ of reforms in Lithuania is the country’s larger share of agriculture in the economy and later modernisation.

While economic growth and financial ‘pegging’ to the Euro have been highly prioritised in the BS, social and employment issues have not been very high on the political agenda. Toots and Bachmann (2010) argue that the ‘catching up’ idea of social welfare is not acute in the BS under contemporary post-modern conditions. The Baltic ‘welfare regime’ is a mixture of post-modern and modern ideas, while it seeks simultaneously to increase flexible employment (post-modern path) and decrease poverty levels (modern path). Paradoxically, a combination of neoliberal and post-communist principles prevail, and despite a relatively good fiscal balance, new social risks are poorly met (Toots & Bachmann 2010).

Unionisation rates (one of the most important indicators of the state of trade unionism) are among the lowest in the Baltic States among European countries: at 8–10% of the workforce. There is some research on the

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1 My personal experience in investigating IR in the Baltic States dates back to the beginning of the 2000s, when I carried out my PhD fieldwork. If I compare the overall atmosphere of that time to what Lulle (2013) describes in the summary of her Friedrich Ebert Stiftung report from the 2010s, the situation looks strikingly similar: “Trade unions (TU) in the Baltic States are generally weak and stigmatised as ‘Soviet style’ organisations. TUs are in a particularly difficult situation in Estonia. Social dialogue in the Baltic States is rather weak and declarative, especially during the crisis years; sectoral social dialogue is largely absent” (p. 1.).
‘acquiescence’ (passivity in protesting, lack of union activism) in Central and Eastern European (CEE) countries in general and in the Baltic States in particular (Crowley 2002; Woolfson & Beck 2004). The IR situation would be different had there been an atmosphere of discontent among Baltic labourers or if historical currents had played a supportive role in the trade union movement. What is more, the Baltic States have been EU member states since May 2004, which has made it possible for workers to move abroad if working and labour conditions prove unsatisfactory.

There are completely different regimes of IR on the opposite shores of the Baltic Sea. The Nordic countries are well-known for their high unionisation rates and robust union structures, whereas, since the restoration of independence, the Baltic States have had chronically low unionisation rates and weak union structures. One might doubt that the divergence between geographically close labour market regimes will last forever – especially if a neo-classical economic ‘equilibrium’ scenario comes true. The opportunity for companies from highly unionised Nordic countries to invest in sparsely unionised Baltic countries raises the spectre of “regime shopping” with employers seeking to move to locations where unions have been unable to exert their influence. Trade unions operate in the common Baltic–Nordic geographic space of labour and product markets. As Commons (1913) predicts, unions which organise only part of a market will be plagued by instability caused by competition from unorganised lower-waged workers.

The paper is structured as follows: after the introduction, in Section 2, the foundations of the hegemonic ‘one-nation’ and ‘getting-rid-of-communism’ political-ideological principles are introduced; and the penetration of the neo-liberal ideas into the Baltic political scene are elucidated. These developments are related to the Russian ‘question’ (the presence of sizeable Russian minorities in Latvia and Estonia in particular), which dates back to the ‘Russification’ of these countries during the Soviet era. As one has to note the fundamental impact of Soviet trade unionism on the current IR situation in the Baltic States, efforts to ‘Europeanise’ the Baltic IR realm are almost as profound. Therefore, in Section 3, the major effects of EU accession of the Baltic States in 2004 are put forward; particular attention is given to the adoption of European ‘social dialogue’ model. Section 4 embraces the main chronological account of events concerning the ideas revolving around IR development in the Baltic States. A point of departure here is to show the dynamics of a few features of IR (e.g. weak legitimacy of the unions, insufficient social dialogue at all levels) that appear to persist and some divergent developments in the re-politicisation of the labour movements. The discussion section draws together the main ideas and ideologies associated with Baltic trade unionism, that is, the notions of ‘acquiescence’, ‘getting-rid-of-communism’, instrumentalism, neoliberalism, ‘one-nation’, ‘social dialogue/partnership’ and the dilemma of ‘ politicisation’ and suggests future lines of IR development in the Baltic States.

2. One-nation/getting-rid-of-communism, neo-liberalism and the Russian ‘question’

The peoples of the Baltic States have embraced an enthusiastic ethos of restructuring their countries in the aftermath of Soviet occupation. The civic movements that led to the re-gaining of independence in 1991 were intertwined with anti-communist political mobilisation (Ruuutsoo 2003, 250). The aspiration to rid themselves of the socialist system’s legacy gained widespread popular support among titular (non-Russian) populations as rapid privatisation, restoring national currencies and radical political and economic reforms were carried out in the 1990s (Sippola 2014, 119). The nationalistic, pro-republican views had the upper hand in the beginning of the transition period, which resulted in an arrangement where a bulk of the Russian-speaking population found itself without citizenship or voting rights (Mygind 1997, pp. 134–35). Mygind (1997, p. 134) concluded that ‘As a result of this, a vacuum existed on the left of the political spectrum in [Latvia and Estonia].’
Neo-liberalism triumphed in general within CEE countries because of a disillusionment with state socialism (Nissinen 1999, 20). At the peak of the economic boom in the first decade of the 2000s, one could argue that ‘the paradigm of neo-liberal reconstruction [was] actively implemented in the [previous] decade and a half’ (Woolfson 2007). The anti-socialist political climate in the post-Soviet Baltic States has left its mark on the evolution of the welfare regime in these countries. Even left-wing politicians regarded the Nordic social-democratic welfare model as too leftist and instead favoured the Continental European Sozialstaat, while right-wing politicians even found the Bismarckian model too ‘solidaristic’ and turned to more liberal welfare policies (Toots & Bachmann 2010). The obvious insufficient militancy of Baltic trade unions relates to chronic uncertainty in labour markets on the one hand, but in Estonia and Lithuania in particular, it is also intertwined with the ‘Russian question’. The latter factor, associated with the experiences of Russification under the Soviet regime, hampered the emergence of an effective, coherent civil society, i.e. the cohesion between the Russian and titular nation populations. For the ‘titular nation,’ acquiescence mirrors the silent acceptance of a ‘Western,’ neo-liberal stance. Non-citizen Russians have perceived that trade unions – or other avenues provided by civil society – are not the way to defend their cause, since these organs are too closely associated with the previous regime.2 The historical perspective that the Russian populations carry a more collectivist worldview, inherited from the earlier period of Soviet (Russian) dominance, is still valid in today’s Baltic political environment. A significant factor in the developments since the restoration of independence has been that particularly in Estonia and Latvia, trade unions have a considerably larger proportion of Russian members than the percentage of the population comprising the Russian minority would seem to indicate. Many ethnic Russians were urban industrial workers. For instance, Estonia’s ethnic Russians from the eastern Narva and Kohtla-Järve regions played a visible role in internal discussions in the early 1990s. Trade union leadership had to ensure that multi-ethnic variation would not become an internal factor or, indeed, that it could not be exploited externally.

Lithuania inherited a much smaller Russian population as a legacy of the Soviet era than Latvia and Estonia. Accordingly, there was less need to eradicate everything associated with the Soviet Union, including trade unions and labour demonstrations. Nonetheless, the country had perhaps the strictest anti-strike legislation of any FSU country in 2007–2008, which did not manage to eliminate dozens of teachers’ work stoppages, however (Petrylaite 2010). There was even a one-day hunger strike organised by the Lithuanian Trade Union Confederation (LPSK) against government attempts to reduce public-sector wages (Blaziene 2009). Although the effects of these stoppages were modest, they made some commentators conclude that the era of merely accepting unsatisfactory labour conditions was over and that Lithuanian employees were seeking new avenues to express their dissatisfaction (Petrylaite 2010).

3. The effects of EU accession on IR (especially when it comes to ‘social partnership/dialogue’)

As regards EU accession, Estonia belonged to the initial group of six countries negotiating for accession in 1997, whereas Latvia and Lithuania were among a group of ten admitted in 1999. The negotiations for accession concluded in 2002, resulting in the admittance of the countries into the EU in May 2004. The Baltic States scored well in the accession process in terms of political and economic criteria for the adoption.

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2 Amongst the non-citizen Russian population in Estonia, there was an apparent lack of interest in politics compounded by a lack of institutional bases for nationally-based mobilisation (Smith 2002, p. 76). A sign of indifference of non-citizens towards politics in Latvia was that half of them could not assess their political views according to the traditional left-right scale (Pabriks & Purs 2002, p. 84). However, in the 2010 Latvian elections, ethnic Latvians voted mostly for neoliberal Latvian parties, and the 30% Russian-speaking minority voted with similar consistency for their (loosely Keynesian) party (Hudson & Sommers 2011).
implementation and enforcement of the *acquis communautaire*. All this occurred in the framework of Europeanisation, a process in which EU rules and norms were incorporated into domestic policymaking (Jacobsson & West 2010). These norms were supposed to create pressure for reforms and changes in policies, structures and processes in the accession countries. However, the policy areas of social affairs and employment received less attention in the legal transposition of the *acquis* in the BS than the other areas (ibid., 103). Baltic trade unions did not play the same kind of active role as in the Nordic countries in influencing public opinion regarding EU accession. Nor was accession particularly motivated by social concerns, or by the need to balance the economic and social aspects; the general purpose of accession was to achieve economic and political aims.

The enlargement of the European Union (EU) coincided with a decline in union membership and power in many European countries during the last decades of the 20th century (Boxall & Purcell 2003, 165). It is remarkable that the demand for workplace ‘partnership’ simultaneously became more articulated, especially in the UK. The notion of ‘social partnership’ largely originates in the EU’s “social Catholic” idea of corporatist social policy and to a lesser extent in industrial relations (Kettunen 2001, 158). The notion of ‘social dialogue’ goes hand in hand with the idea of partnership; social dialogue is functional for European civil society and is meant to compensate for the EU’s ‘democracy deficit’ (ibid.). The use of ‘social dialogue’ as a model for post-communist industrial relations is not only due to EU legislation but also reflects the views of a part of the political elite in these countries. Social dialogue and tripartite cooperation were also seen as apt models to reconcile differing interests that arose between workers, employers and governments in the new post-socialist situation. Western commentators and Soviet liberals took a stand in the early 1990s that the best way to resolve conflicts of economic interest between labour and management after the collapse of the USSR was a negotiated transition with the ideology of ‘social partnership’ (Clarke and Fairbrother 1993a, 91).

Although the Baltic governments and social partners promoted the idea of social dialogue in the early 2000s, it became clear in the time of my fieldwork in the BS, carried out in 2004–2006, that employers’ associations were particularly reluctant to take on the issue. Employers focused on social partnerships with state agencies rather than trade unions; this became evident when I made an inquiry into the policy papers of employers’ associations. The overall tendency in the Baltic States was that social dialogue was carried out mainly at national level, while there was barely even a mention of anything in sectoral level documents. The official use of the terms ‘social dialogue’ and ‘industrial relations’ had typically been left to the national confederations of employers in the Baltic States. The fact that the state of social dialogue is weak, especially when it comes to the institutional structures of tripartite and bipartite dialogue and consultation at central level, is a generally accepted view (Jacobsson & West 2010).

The legal underpinnings of EU integration are reinforced by the rulings of the European Court of Justice (ECJ). Recent ECJ rulings have tested the consistency between the Baltic and Nordic models in favour of the former. Although primacy has been given to trade unions in collective bargaining, according to the EC directive the negotiations are not by definition supposed to be done with trade unions. The unexpectedly negative

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3 The process of harmonising the accession country’s laws with EU norms.
4 An exception to this rule was the Latvian Construction Contractors’ Association (LBA) that promoted social dialogue in public. According to the association’s website, the goal of the association, as of 2006, was “…to co-ordinate and protect the interests of members of the Association in the building market and to retain good relations between employers and employees and with customers.” Market activity was mentioned first, whereas industrial relations came next. The main social partner, the Latvian Builders’ Trade Union (LCA) was also on the list of partners.
5 Repercussions of this are seen in the dispute in 2005 between the Swedish building trade union and the Latvian Government concerning the Laval un Parteneri case, in which the Swedish counterpart regarded that Nordic unions have been granted the right to implement directives via the collective agreements, and the Latvian counterpart relied directly on the directives.
outcome for the Swedish trade union in the ECJ ruling on the Laval case might have shaken the power balance between capital and labour in the Baltic–Nordic IR context.

4. Convergence and divergence of the trade-union idea in Estonia, Latvia and Lithuania throughout the ‘transition’ decades

When the Soviet system collapsed, the existing forms of social relations within the enterprise constrained the formation of an independent workers’ movement. The IR point of departure in the Baltic States was more or less the same, given the common trajectory of their Soviet past. However, some diverging features between the Baltic States that started to take shape in the early 1990s continued throughout the 2000s. We now take a chronological excursion to the convergent and divergent IR tendencies in the Baltic States and consider IR development separately in the 1990s, 2000s and 2010s.

4.1. Early 1990s: IR in the Baltic States takes shape

While the years of national awakening in 1987–1991 saw a proliferation of participation in civil society in the Baltic States, the membership of any kind of associations was in a steady decline after that. Overall trust in institutions declined as cynicism towards the ‘civil society’ avenue of influence increased. In Estonia, an overall decrease in participation in different types of joint actions and societies was due to the diminishing enthusiastic ethos, which united the nation in the years of the reawakening (Järve 1996, 163). Neither were the associations used for advocating the interests of social groups nor did citizens acknowledge their potential in regulating social life tensions. The idea of participatory citizenship was acute immediately after independence was regained, but individuals’ personal spheres subsequently took precedence over public concerns (Lagerspetz 2004, 102).

As we speak of Soviet legacies, the ‘historical record’ of the Soviet Union and the (de-)politicised role of Baltic trade unions, we need to consider the links between politics and unions during the Soviet era and what happened in the transitional period. The trade union served as a ‘school of communism’ and the ‘transmission belt for the policies of the party’; an idea that has persisted within the new workers’ movement (Clarke and Fairbrother 1993b, 155). Clarke and Fairbrother even argue that this idea was a major barrier to the development of trade unions that could articulate workers’ interests. Consequently, west European models are not directly applicable to the Baltic region. The emerging production regime must be understood as a hybrid, consisting of elements from the Soviet past and the market economy (ibid, 175).

The structure of Soviet trade unions served as the basis of the trade union movement in the Baltic States. In Estonia and Latvia, major confederations were characterised as ‘reformed unions’, in which the union structures and practices remained more or less unchanged from the way they were prior to 1989 (Nikula 1997, 128–129). Although trade unions distanced themselves from the Communist Party of the Soviet Union in the late 1980s and participated in the movement that demanded economic and political independence in Estonia and Latvia, they carried out reforms without the participation of rank-and-file members (Nikula 1997, 128-129). This had serious consequences for the future legitimacy of the labour unions among workers. Why was it not possible for the BS trade unions to follow the Czech-Slovak model, for instance, and simply move to a new structure with their members? In many cases the union leadership did not have sufficient contact with its members; it did not reach out to them; it did not have political alternatives to offer. This was further complicated by the ethnic issue, especially in Latvia and Estonia.

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6 I agree with Michael Burawoy’s idea that the post-socialist transition must be understood in terms of transformation, instead of as a series of epochal ‘breaks’ where social relations and practices carry over traditions from the previous Soviet era (Pickles 1998, 174).
Since the early 1990s, the unionisation rate has been highest in Latvia, followed by Lithuania and Estonia (where it is lowest). The historical-structural differences between the Baltic States and the other former east European socialist countries deserve our attention. In Poland, for instance, why was the independence-related movement intertwined with the trade union movement “Solidarity” while labour unions in the Baltic States had a marginal societal role? There are various institutional explanations for this, such as the fact that the Baltic States share a distinctive feature of having been subject to Soviet-type modernisation (Nikula 1997, 18), and at the political level actors are seeking to getting rid of all influences of the Soviet time (Nikula 1997, 18; Rahikainen & Ylöstalo 1997, 71). Younger workers were more likely opposed to trade unions but many senior workers remained members on the basis of social custom, although most did not believe in their influence (Rahikainen and Ylöstalo 1997, 71). In Estonia, employees showed little interest in trade unions, which, in Rahikainen and Ylöstalo’s opinion, was “easy to understand in a country that strives to erase ‘all things Soviet’”. Furthermore, the influence of trade unions was negligible in practice, especially as social policy was carried out by other means and obligatory employment was no longer in practice. (Ibid, 75.)

The early 1990s laid the groundwork for the continuing delegitimising spiral of Baltic trade unionism. The historical-structural factors for a poor point of departure are mentioned above, as are the ideological underpinnings. One might argue that the seeds of the so-called ‘servicing unionism’ were sowed early in that decade. In the early 1990s, wages were the most important work incentive and the instrumentalist orientation towards work was prevalent, especially among industrial workers (Melin 1995, 77). With the overall de-politicising climate as regards the trade union movement and instrumentalist orientations prevailing, one possibility for union revival was economic/business unionism. David Ost (2002) aptly argued that union renewal is possible in CEE countries through economic (business) unionism rather than embracing political strategies or turning to social movement activities. This argument deserves consideration in a Baltic context, namely as the Baltic citizens’ race to enhance their standard of living and achieve western standards was interconnected with the growing importance of instrumentalist values. Thus, Baltic unions needed to show their instrumentalist value (how they could improve labour conditions) in order to gain new members, which they were incapable of doing.

4.2. Growth period: mid-1990s – mid-2000s

After the initial transition period in the early 1990s, the neoliberal grip of rightist forces consolidated their positions in the Baltic political arena. The Estonian and Latvian political scenes were totally dominated by centre-right parties, whereas in Lithuania that scene leaned towards the centre-left (Jacobsson & West 2010, 103). The decline in trade union membership that started in the 1990s continued, although the rates did not drop as sharply. The continuing weakness of the Baltic labour movement could be the result of a number of coinciding factors, including weak corporatist institutions, union competition, individual emigration and legacies from the Soviet era (Crowley 2002, 5; Wolfson and Beck 2004, 227–228). As the weak status of unions became status quo, the ‘social custom’ explanation of trade-union membership (Visser 2002) became

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7 Unionisation rates dropped from about 100% in the early 1990s to 10–20% within a decade (Antila and Ylöstalo 2003, 68).
8 The reputation of trade unions being mere passive relicts of the socialist era is not always justified. We have to bear in mind that unions played an important part in the actual overthrow of the communist governments before the collapse of the regime. Cases in point are Solidarity in Poland and Podkrepa in Bulgaria, which organised protests and mass demonstrations, acted as unions, political parties as well as centres of intellectual leadership (Dirtrich and Haferkemper 1999, 144).
9 This is in line with Charlwood’s (2002) evidence from Britain that the willingness of the non-union workforce to join unions increases where job dissatisfaction, left-wing views and union instrumentality gain ground. The combination of these three factors explains the proneness to unionisation more clearly than any of the factors alone. Still, the perceived instrumental orientation of workers (the belief that a union would make a workplace better) is the best single factor in anticipating unionisation (Ibid).
manent.\textsuperscript{10} The logic goes that as unionisation rates in certain sectors within a country (as was the case in the BS) decline, both the effectiveness of unions and the single worker’s loss of reputation due to non-membership weaken (Visser 2002).

From time to time, there were signs that trade unionism was reviving. In Estonia, a planned strike by doctors and healthcare workers was averted by last-minute agreements entered into by trade unions, employers and the state mediator (Baltic Times, 18–24, January 2007). In case of failure to reach an agreement, the industrial action would have spread nationwide and extended to sectors of the labour force such as railway workers, pilots and seamen – groups regarded as highly unionised in Estonia (ibid).\textsuperscript{11} Trade-union membership increased in some strategically important industries such as the maritime industry.\textsuperscript{12}

The notable differences in union representation become visible when looking at Baltic union structures. The simplest structure in the BS appeared in Latvia, where the Confederaion of Free Trade Unions (LBAS) started to unite all workers. There were two equally powerful (or weak) confederations in Estonia, the EAKL (representing mostly blue-collar workers) and TALO (representing mostly white-collar workers). EAKL had 43,776 members, and TALO had 30,000 members in 2005 (Kallaste 2005, 114); LBAS had 165,000 members in 2900 enterprises (Pavuk 2008b).\textsuperscript{13} In Lithuania, the state of affairs got more complicated.\textsuperscript{14} The Lithuanian Labour Federation, LDF, used to be the smallest of the confederations and had a rather marginal role. Estimates of membership figures varied from 2,000–3,000 to 15,000 (Davies 2004, 56). LPS Solidarumas had 58,000 members and LPSK about 110,000 members in the early 2000s. The year 2007 saw a ‘declaration of cooperation’ between these three confederations stating that they hoped to unite in the future (Carley 2008, 30).

During this period of IR development, an external factor came into play. The Baltic States joined the EU in May 2004, which prompted the first great wave of emigration from these countries (the second occurred during the crisis in 2007–2009). Given the tight labour market due to the exodus of workers abroad, one might wonder why remaining workers did not use their collective voice. One explanation lies in the situation of the Baltic labour market. Emigration improved the situation of the average skilled worker and increased their power to negotiate wages on an individual basis. This materialised in the significant salary increases of the years prior to the recession in 2007–2009. In Latvia, there were year-to-year salary increases of up to one third and over a quarter in increases in Estonia and Lithuania (Woolfson et al. 2008).

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\item \textsuperscript{10} According to Visser (2002, 406–407), unions fail to attract members for two reasons: (a) they do not deliver the services or goods that workers expect; or (b) they are unable to uphold the norm of social custom. Social custom theory explains diverging unionisation trends between sectors within a country and gives us a clue about why unionisation rates differ from one country to the next.
\item \textsuperscript{11} Tia Edith Tammeleht, legal secretary for the EAKL, was quoted in The Baltic Times as saying: the planned action was the first major activity for years, and “this is the first time in recent history that we had such a wide sectoral action. It shows that unions are becoming stronger, and that workers have more power”.
\item \textsuperscript{12} The dispute between the shipping company Tallink and the seamen’s trade unions of Sweden and Finland resulted in a membership rise of 40% for the Estonian seafarers’ union EMSA (The Baltic Times, 25–31 January 2007). This provided proof of the power of international union cooperation and is captured by a quote made by Harri Taliga, president of EAKL: “When the Estonian people saw that unions overseas can be a real power, seamen membership numbers increased by 40%”. (ibid)
\item \textsuperscript{13} One of the strongest unions in the whole Baltic region was the Latvian Education and Science Workers’ Trade Union (LZDA), which united 56,000 members and accounts for 80% of the employees in these sectors (Pavuk 2008b). The union was famous for its meetings, demonstrations and picketing for rising workers’ salaries. It also had its own strike fund (Pavuk 2008b).
\item \textsuperscript{14} The largest confederation, LPSK (Lithuanian Trade Union Confederation), unites most of the unions but there are historical and political reasons behind the existence of another confederation, the Lithuanian Trade Union “Solidarumas”.
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The transition period strengthened individuals’ responsibility to find solutions and cope with the risks and contradictions caused by social and economic restructuring (Kalmus & Vihalemm 2006). This was mirrored in the development of values. A comparison between Swedish and Estonian values (ibid.) displays a predominance of post-material values in the former and modern values in the latter. Kalmus and Vihalemm concluded that social atomisation in Estonia was in part a carry-over from the Soviet era when the forced feeding of Soviet ‘collectivism’ made individuals to resort to informal social structures. In fact, the desire for collective negotiations was greater than what actually occurred. According to Antila and Ylöstalo (2003, 84), a significant portion of employees would have preferred collective agreements to individual agreements on many issues between employer and employee. Such an aspiration for collectivism withered away a few years later, as the proportion of those desiring individual wage negotiations increased to 80% (Woolfson et al. 2008).

4.3. From the financial crisis in 2007 to the present: a decade of austerity and emigration

By the onset of the crisis in 2007–2009, unionisation rates in the Baltic States had stabilised at their low levels (8–10%), which hints that the nadir of Baltic IR had passed. As soon as the labour market changed from tight to loose at the onset of the recession, employers proposed cutting salaries by up to one-third. We saw some commonalities in the IR situation among the BS, since all these countries relied on a similar ‘austerity’ recipe for balancing their budgets due to the recession, a policy that had repercussions by prompting a massive emigration of labour force (Sippola 2013). This policymaking did not, however, lead to remarkable political unrest. The ostensible unity in the voting behaviour in the 2010 Latvian elections allowed the legislators to conclude that the internal devaluation policies had been successful (Hudson & Sommers 2011). In the Estonian finance minister Jüri Ratas’s words, ‘nobody would take to the streets flying the red flag’, as noted in an article in The Economist on 1 January 2011. Explanations for tranquillity were sought from other sources of national mentality. In the same article, when asked why Estonians do not take to the streets, Estonia’s president Toomas Ilves was quoted as saying: “Maybe it’s our peasant mentality”.

It seems that the Baltic unions were more compliant with the ‘austerity’ agenda – the financial situation of the countries was indeed dramatically bad – at the onset of the recession than they are today. The Baltic labour movements reacted to public-sector cuts differently in different countries. Public-sector cuts in Estonia did not incite worker protests in this sector (Kunnas 2010), which was replicated in Lithuania, where the only remarkable mass protest was in January 2009, which had no influence on government policy (Petrylaite 2010). It is noteworthy that the prime minister’s campaign for unpaid leave in summer 2009 did

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15 This analysis gave support for the picture of Estonian society as consisting of “losers” (relying on “nostalgia” and “spiritualisation”) and “winners” (achievement-oriented) in transition.

16 The shift from collectivistic to individualistic emphasis is, indeed, linked with the “evolution toward a market-based economy” (Vadi & Buono 1997, 74), which is seen an inevitable development rather than resulting from an ideological learning process. Jerschina & Górniak (1997) go even further in associating “leftist orientation” (which they derive from the scale measuring the combination of egalitarianism and economic statism) with nationalism and authoritarianism, while they associate “progressive” Western values with such attributes as achievement orientation, political activism and economic optimism. This dichotomy is formed without considering an alternative explanation emphasising that citizens in desperate and subordinate position are “passive”, “nationalistic” or “leftist” because they may have nothing else to resort to except their social networks, or the only way these people can show their resistance is silence.

17 However, the trend in wage bargaining seemed to be towards individual agreements in Estonia, according to the Working Life Barometer 2005 (Working Life Barometer 2005, 60, 62). Over 60% of workers negotiated their wages on an individual level. The same proportion of workers preferred this method of negotiation.

18 In that case, some 7,000 people gathered in one of the largest mass meetings since regaining independence. The gathering was organised by trade unions and was defensive in nature: it was meant to call on the government to guarantee certain social benefits and rights as well as keep its obligations to consult unions within the framework of ‘social dialogue’ (Woolfson 2010). This desperate attempt to make union ‘voices’ heard did not succeed in the desired manner, and the protests took an increasing ‘muted’ form throughout 2009.
not provoke any significant opposition by trade unions, despite the policy’s clear contravention of the established Labour Code (Petrylaite 2010). Eventually, all three Lithuanian trade union confederations endorsed a ‘historical’ social pact with government and employers, which in effect suspended union protests in exchange for government promises to continue social dialogue, but with necessary wage and benefit cuts (Woolfson 2010). However, the depression that began in 2008 sowed some seeds of change in the political scene. In general, there has been an inclination towards leftist views in the BS in times of deteriorating living conditions, whereas favourable economic conditions have paved way for the diffusion of neoliberalist ideology from global level/Nordic neighbouring countries to the Baltic States (Jahn 2016, 174).

However, when it comes to the Latvian trade union movement, a process of re-politicisation may have been underway for a while. Public-sector reforms incited protests by members of the Latvian Trade Union of Educational and Scientific Employees (LIZDA) in late 2009 (Curkina 2009). Also, around 5,000 students are reported to have taken to the streets of Riga to protest deep spending cuts. Latvian trade unions have been more or less active in involving themselves in politics until today. For example, the Latvian Union of Health and Social Care Employees (LVSSDA) signed a cooperation agreement with the centre-left pro-Russia political party Saskaņa in January 2015 (Karnite 2015a). This came only a few weeks after the Free Trade Union Confederation of Latvia (LBAS) concluded a cooperation agreement with the same party. Several government-opposing strike threats and public protests, organised by the Latvian Trade Union of Education and Science Employees (LIZDA), associated with a proposed ‘new model’ of teachers’ pay have occurred in 2016; also the LVSADA repeatedly threatened protest action unless healthcare funding was increased (Karnite 2016).

The politicisation of industrial relations has perhaps started to manifest itself in Lithuania as well. Worth noting in this respect were two separate teachers’ stoppages in December 2015, involving around 15% of education workers, and a two-week teachers’ strike in the spring of 2016, involving around 10% of educational establishments, for a permanent increase in education funding (Blaziene 2016a; Blaziene 2016b). Also, political mobilisation occurred from the summer of 2015 to the summer of 2016, when trade unions campaigned against a new ‘social model’ in Lithuania (bringing more ‘flexicurity’) and against new a Labour Code that makes it easier to dismiss employees, allows more flexible forms of employment and amendments to working hours legislation (Blaziene 2015; Blaziene 2016c). In their opposition to the Code, the unions sided with the President of Lithuania, who vetoed a number of the provisions of the code in autumn 2016 (Blaziene 2016d).

In Estonia, there are contradictory reports about the politicisation of industrial relations. On the one hand, Osila et al. (2015) calculated that no more than zero working days were lost in industrial actions in 2013 and 2014 in Estonia. On the other, there are various reports of miscellaneous protests in recent years, including a nation-wide teachers’ strike in March 2012, a healthcare workers’ strike in October 2012, a regional bus drivers’ warning strike at Gobus in October 2014, massive demonstration of agricultural workers in Tallinn in September 2015, and a nation-wide healthcare workers’ warning strike in September 2016. Although various politicians have supported workers’ views in the demonstrations, explicit alliances between political parties and trade unions are not in sight.

5. Discussion

What lessons are to be learned from the ideological underpinnings of IR for the development of trade unionism in the Baltic States? What conclusions must be drawn on the basis of the main ideas and ideologies associated with Baltic trade unionism, that is, the notions of ‘acquiescence’, ‘getting-rid-of-communism’,

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19 The strike ended when the unions signed an agreement with government ministers to provide an extra €8 million to increase teachers’ pay and to continue negotiations on the education collective agreement (Blaziene 2016b).
instrumentalism, neoliberalism, ‘one-nation’, ‘social dialogue/partnership’ and the sensitive issue of ‘de- and re-politicisation’?

The main union structures have remained relatively unchanged since the early 1990s. The same weak points, the impact of Soviet legacies on trade unions, the weak state of tripartite cooperation and social dialogue – as well as the virtual absence of sectoral dialogue – have remained central features of the Baltic IR ‘model’ until now. No radical reform of the unionism model occurred until recently; the easy adoption of European ‘social Catholic’ models of ‘social partnership’ and ‘social dialogue’ went well with post-Soviet trade unionism. In general in CEE countries, a more confrontational mode of action gave way to more conformist ‘social partnership’ in the transition decades.

In terms of scope, the social dialogue cultivated in the BS is slightly different from the standard ILO definition of “social dialogue and tripartism”. According to ILO, in addition to negotiation, consultation and sharing information between labour market parties, social dialogue also includes collective bargaining, dispute prevention and resolution and corporate IR actions (ilo.org); only the first function is relatively comprehensively accomplished at nation-level social dialogue. When it comes to ILO preconditions for sound social dialogue (ibid.), the Baltic States provide an enabling legal and institutional framework, satisfactory respect for rights of freedom of association and collective bargaining, while there is a lack of political will to engage in social dialogue and weak capacities of management and labour to participate in full social dialogue.

Different labour market parties have taken different approaches to social dialogue and these have remained more or less the same until today. In my analysis of the developments in the early 2000s, I found that employers in particular were reluctant to take on social dialogue. However, a quick media survey of recent years proves that employers are relatively intensively involved in nation-level social dialogue, which means that they are not indifferent to the idea of social partnership. It seems that governments have been most enthusiastic about social dialogue, implying that social dialogue in these countries has largely remained at the national level. As regards trade unions, it seems that social partnership has offered a smooth transition model for IR in the post-Soviet context, which is not too confrontational in relation to the employers.

A worst-case scenario is that the ‘conformist’ nature of social partnership – as judged on the basis of the social dialogue agendas in the 1990s and early 2000s – can lead to upholding a state of IR stagnation in these countries. However, from a positive perspective social dialogue is capable of maintaining the credibility of the trade unions in the eyes of Baltic citizens at a time when the status of trade union movements in these countries is its weakest. In other words, the model adopted by Baltic trade unions can momentarily keep them functioning while finding parallel, indigenous (inherently Baltic) solutions for carrying out sector-based and nation-level IR. Social dialogue can function “by default” with weak organisations representing the partners if their voice is recognised as representative and if it is not contested by other organisations. The ‘organising model’ unionism in the wake of establishment of the Baltic Organising Academy (BOA) in 2012 (Kall forthcoming) can serve as a supplement to current models of social partnership and ‘servicing unionism’. However, directly adopting the underlying principles of BOA to the Baltic context might pose problems, since it could be considered too ‘political’ and narrowing to Baltic trade unions’ autonomy.

In terms of overall political development, it is observed that the ideological foundations of the one-nation discourse and getting-rid-of-everything associated with the communist past is drying up in the face of today’s austerity and post-modern individualism. This discourse has dominated for a quarter of a century now and, of course, international tensions can contribute to its persistence. The conventional political centre-right views are evidenced to give way to centre-left political opinions as people face deteriorating economic conditions. As to the economic prosperity and equal distribution of the benefits of economic growth, the crisis years 2007–2009 gave a warning signal to the peoples of the Baltic States; the reactions to the crisis have varied from emigrating abroad to a revival of social unrest. Accordingly, re-politicisation of Baltic trade
union movements has occurred to some extent in Latvia and Lithuania (Blaziene 2015; 2016a; 2016b; 2016c; Karnite 2015a; 2015b; 2016). When it comes to the acquiescence of the Baltic worker, i.e. the propensity not to protest or unionise, the situation is more complicated, since the reasons for such behaviour can derive from both Soviet ‘quiescent’ behaviour and the downward spiral of union legitimacy in the Baltic States throughout the transition decades. As collective action has not borne any fruit, Baltic citizens do not readily see it as a method to use in case of employment-related problems. Rather, the worker is destined to remain loyal to one’s employer or accomplish an individual ‘exit’ (see also Sippola 2013).

Is the missing link between political parties and trade union mobilisation one of the factors hampering the revitalisation of labour movement in the Baltic States? There has been an underlying agreement in Baltic societies that trade unions should be depoliticised. However, some trade union leaders have been active in party politics or have left the trade unions to engage in political activity. The absence of viable popular resistance to austerity in the BS is based on the assumption – as well as other geographic and financial sector reasons – that the population in these countries has remained relatively de-politicised as a legacy from a Soviet past and a lack of credible collective action models. (Sommers et al. 2014). After discouragement after failed protests, Baltic people may quietly choose to emigrate rather than continue to protest against their governments (Sippola 2013; Sommers et al. 2014). In effect, austerity is antithetical to the Social Europe vision (Sommers et al. 2013); by accepting austerity measures (or passively accommodating to them), the people of the Baltic States are silently allowing the anti-Social Europe movement to gain ground.

An alternative path to take for Baltic unions would be to acknowledge the current de-politicised, utility-maximising premises of citizens, and to emphasise the instrumentalist value of trade unions. The race of Baltic citizens to enhance their standard of living and achieve western standards was seen already in the 1990s. This was interconnected with the growing importance of instrumentalist values emphasising personal, immediate and tangible gains. Therefore an option for the Baltic unions would be to show their instrumentalist value – in which ways they have been able to improve labour conditions – in their efforts to recruit new members. However, workers need to take a collectivistic point of view of their instrumentalism in some way. I have encountered such sentiments among Estonian migrant workers in Finland, whom I investigated in 2013–2014. Besides the purely instrumentalist orientation (emphasisising security) in the accounts of Estonian workers, some stories of the interviewees hinted that being a union member also requires collectivism. This is at the core of the instrumental collectivist idea of becoming a member (Bradley, 1999; Lockwood 1996, 57–58). This is also a key to understanding the contradiction between individualism and collectivism in the context of working class solidarity. Healy et al. (2004, 452) point out that the instrumental collectivist orientation is different from its individualist counterpart in that given the former orientation, individuals recognise their own weakness in relation to their employer; this signifies a point when they turn to unions to gain access to power.
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