

# The Paradox of Post-Communist Trade Unionism: ‘You Can’t Want What You Can’t Imagine’

Epp Kallaste \*  
Charles Woolfson \*\*

## Abstract

*This article explores employee attitudes towards trade union membership in the post-communist Baltic countries of Estonia, Latvia and Lithuania. It reports on a comparative empirical social survey of attitudes towards representation. We suggest that in addition to those employees who are union members and those who fall within an identifiable ‘representation gap’, there is a sizeable group of ‘undecided’ employees who could be persuaded to join trade unions, if they could see the relevance of collective representation. We argue that this relatively large group could be specific to the Central and East European countries, and employees who fall within the commonly understood representation gap in other countries can be found within this undecided group in Baltic countries. Trade unions therefore face a considerable challenge in proving their relevance to such employees, a problem that has wider resonances in a European context but may be more difficult to resolve in the Central and East European countries.*

## Introduction

Trade union density is falling in most of the world, and nowhere has the decline been as steep as in former Soviet bloc countries and specifically in Baltic countries. The main forces re-shaping the landscape of industrial relations in post-communist societies are considered to be, in addition to overall common structural trends in industrial societies, a specific historical inheritance driven by general ideological reasons, and the particularities of the institutional set-up of post-transition industrial relations (eg. Lado 2002; Crowley 2004; Mailand and Due 2004; Ost 2007).

It is important for existing and new trade unions both in the West, and in the former socialist bloc countries of the East, to know what the attitudes of employees towards the trade union movement are, and whether there are any

---

\* Estonian Center for Applied Research CentAR, Tallinn

\*\* Institute for Research on Migration, Ethnicity and Society, Linköping University, Sweden

possibilities for increasing union membership. In other words, are there any employees who might be interested in joining trade unions? The low level of membership might be because of reduced demand for trade unions, or alternatively, because of restricted access to trade union membership, which would be expressed as frustrated demand. Frustrated demand for unionisation is created by employees who would like to have union representation, but do not have it for some reason. Such frustrated demand might exist because of restrictions such as information barriers, or high fixed costs of unionising (such as the high cost of organising employees' meetings, bureaucratic impediments in registering a union — for example, legal requirements for a high membership threshold, or the necessity to disclose a full list of potential members' names and addresses), as a result of which trade union membership is not attainable. This article uses data from the *Baltic Working Environment and Labour (BWEL) Survey* (2006) conducted by the authors in Estonia, Latvia and Lithuania, to determine the extent of demand for trade union representation in Baltic countries. It adds to the existing literature on the representation gap by exploring specifically post-communist societies, with their rather different backgrounds and experiences.

We find that alongside the low revealed demand for unionisation (i.e. actual union membership), there is, contrary to what could have been expected, rather low frustrated demand for trade union membership in comparison to the size of the representation gap in other countries (Farber 1983; Farber and Krueger 1993). However, in addition to frustrated demand, we find there to be quite a significant group of employees (the 'undecided'), who are not able to determine whether they would like to have union representation or not. By adopting an approach which sees trade union membership as an 'experience good' (Gomez and Gunderson 2004; Bryson et al 2005) we argue that this sizeable undecided group is accounted for in the context of post-communist societies because employees have no direct experience of the value or benefits that trade union membership could offer. We argue that the enduring legacy of the Soviet trade unions and the impediments posed to collective organisation in post-communist free-market economies have created a situation, where current employees are not able to assess the functions that trade unions could fulfil, and therefore they are not able to positively affirm or reject the value of trade union representation. However, we also argue that since it is now a generation since the demise of socialism in Eastern Europe, faced with the imperatives of the free market in terms of struggles for acceptable workplace terms and conditions, it might be expected that employees would be inclined to seek collective forms of protection and representation in the workplace, although not necessarily via trade unions. It is this uncertain, fluid, and somewhat amorphous area that the current article seeks to probe empirically.

There are very few analyses looking at the decline of trade unions in the Baltic countries and at perceptions of employees with respect to collective representation. There are several studies of the ambiguous character of social dialogue in Central and East European (CEE) countries in relation to its real impacts in furthering workers' interests and voice (eg. Lado 2002; Martin

et al 2003; Mailand and Due 2004 etc), and, for Central European countries, there is also evidence of ambivalent attitudes towards representation issues (eg. Blanchflower and Freeman 1997; Pollert 1999; Frege and Tóth 1999). Using data gathered to analyse employees' attitudes to trade unions in the Baltic countries, we determine the groups of employees who could form a potential demand for trade union representation.

The article proceeds as follows. First, we present the theoretical considerations used for deriving the demand for trade union membership. Following this, the extent of trade union demand from research on Anglo-American countries is presented. In the third section, the situation in the Baltic countries regarding trade union density decline is explained and finally, we derive estimates of the character and demand for trade unions in Baltic countries from the *BWEL* (2006) survey data.

## Theoretical Considerations

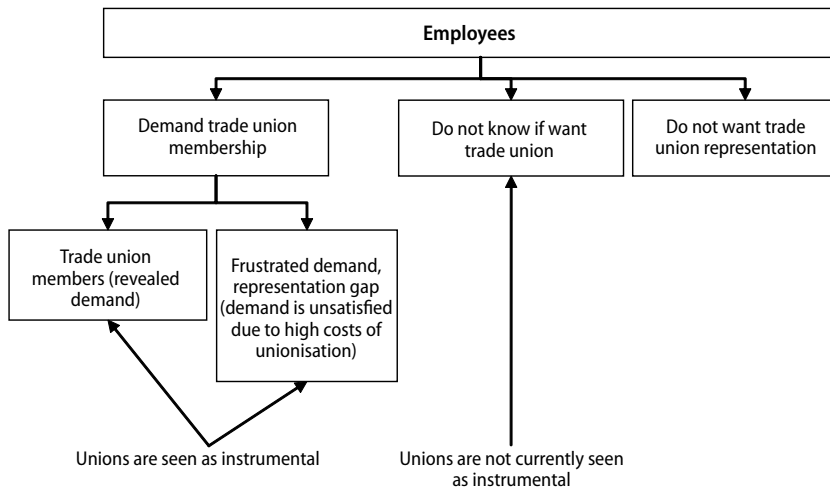
The main question concerning trade union revitalisation in the Baltic countries, as well as elsewhere, is this: are trade unions able to keep their present membership and, relatedly, are there any groups of employees who could become trade union members, so that trade union density would start to increase? This question is, in the first instance, why would employees join unions and how are these decisions arrived at?

The queuing model of Farber (1983) implies that observed trade union membership is a visible part of the latent demand for trade union membership. The employee demands trade union membership if the value of unionisation for him/her is higher than the costs. There are two possibilities as to routes to unionisation: (1) entry to already unionised jobs or (2) organisation of unions where they are absent. Since organising a union is more costly, employees prefer the first route. However, there are not so many unionised jobs available as employees might wish. Workers are not necessarily able to take up already unionised jobs because the eventual decision about who gets these jobs is not made by employees but by the employer, and there may not be enough unionised jobs accessible. Those employees for whom the costs of organising a new union are higher than the value of unionisation are in the queue for already-unionised jobs. The employees in the queue for unionised jobs form *frustrated demand* which is also called the *representation gap* or unmet demand.

The queuing model assumes that people are aware of the value that the trade union offers to its members. However, this assumption is questionable. As Gomez and Gunderson (2004) and Bryson et al (2005) suggest, there is substantial uncertainty related to the value of unionisation, which is an unknown *before* the membership is experienced. Therefore, trade union membership is akin to what are termed experience goods. Bryson et al (2005) refer to three properties of trade unions as experience goods, which explain persistent differences in youth-adult trade union membership. These are: (1) informational asymmetries; (2) uncertainty and risk; (3) attribution errors. While explaining the possible differences in trade union membership for different age cohorts, these properties are also helpful in explaining gross country differences where

the institutional framework is similar. While attribution error (i.e. tendency to prefer the situation which is chosen already) helps to explain the persistence of existing membership levels, we are more interested in impacts of the two first factors.

**Figure 1: Schematic Chart of Representational Demand**



Informational asymmetries make it difficult for non-unionised employees to assess the value of unionisation if they have had no experience of unionisation before. They would be willing to unionise if the value of union membership were to be clearer for them. Social networks (colleagues, family, friends) with experience of union membership carry norms of unionisation and are able to give information regarding trade union membership. Therefore, the costs of union membership are higher for those who have restricted social interaction (as applies to younger employees, for example) than for those who have prior experience of union representation. Even though informational asymmetries increase the costs of union membership for certain groups, these do not necessarily have to influence the latent demand for unionisation (Bryson et al 2005).

While older employees have been more exposed to different union and non-union environments, they attach lower uncertainty to expected payoffs for union membership and therefore face lower costs of unionisation (Bryson et al 2005). We transfer similar argumentation to cross-country comparisons. Employee attitudes reveal that in the Baltic countries, there is a lack of knowledge of the role of trade union activities in a market economy and relatedly, almost no social networks with experience of trade unions in a market economy context. This should lead to lower trade union membership compared to countries with similar industrial relations systems. However, if employees across countries and age cohorts have similar desire for collective representation as assumed in the analysis by Bryson et al (2005), then lower actual union

membership figures should be accompanied by higher frustrated demand. In the Baltic countries, then, demand for trade unions should be significantly higher than revealed by present actual trade union membership figures — for example, in the *BWEL* (2006) survey. At the same time, we expect that the ‘Soviet legacy’ plays some role in shaping expectations regarding the value that trade unions might have for employees. In determining the extent of potential demand for trade union membership, we look first at the size of the representation gap as characterised within research in Anglo-American countries.

## The Representation Gap in Anglo-American Countries

There is a body of research available on the representation gap in several Western countries (for recent studies, see Heery 2009; Pyman et al 2009 for Australia; Freeman 2007 for USA; Haynes et al 2006 for New Zealand; Charlwood 2002 for the UK; Gomez et al 2001 for a comparison of the representation gap in USA and Canada). The representation gap is most widely researched in Anglo-American countries where Freeman (2007: 1–2) estimates that in the mid-1990s in the USA, 32 per cent of non-union workers would have voted for trade unions if representation elections were held, 44 per cent of employees as a whole favoured trade union representation, and the vast majority (85–90 per cent) wanted to have a greater collective say at the workplace than they currently had. In 2005, the share of non-union employees who would have liked to have union representation had risen to 53 per cent. If employees had the possibility of acquiring union representation, the unionisation rate would have been 58 per cent. Haynes (2006: 201) indicates that in New Zealand in 2003, the share of employees in non-unionised workplaces who would join a union, if there was one present, was 32.4 per cent. Charlwood (2002: 464) based on 1998 data estimates for the UK that 40 per cent of employees in non-unionised workplaces expressed willingness to join a union (50 per cent for manual and 33 per cent for non-manual workers). Bryson (2003: 24) based on 2001 UK data indicates that 16 per cent of employees in non-unionised workplaces say that they would join a union if there was one, and another 30 per cent say it is quite likely they would join. Pyman et al (2009: 12) report that, based on Australian data from 2003–2004, the share of employees in non-unionised workplaces who would be likely to join a union if there was one available was 38.5 per cent.

The Baltic countries with their largely decentralised industrial relations frameworks are more similar to the Anglo-American countries than to Continental European or Northern European countries. Even though within Anglo-American countries there are differences in union recognition processes and bargaining, for present comparative purposes, these are regarded as a broadly similar industrial relations system. The Baltic countries also share some important similar traits with the Anglo-American countries, having adopted a radically free market approach in the post-communist period (Bohle and Greskovitz 2007). There is currently low average trade union membership, the main bargaining level is at the company level, and there is little or no coordination or centralisation.

Bryson et al (2005) analysed and compared demand for trade unions among young and adult employees in Britain, Canada and USA. It was found that the total demand for trade unions in all age groups was roughly similar (about half of employees). However, the actual level of trade union membership was lower among young people than among adults and frustrated demand respectively higher. This confirmed the broad assumption that employees have roughly similar preferences across the borders and groups. While other research suggests different results (see eg. Farber and Krueger 1993, who conclude that private and public sector employees have different demands for trade union representation), based on results of Bryson et al (2005) we would assume that the frustrated demand is rather high in Baltic countries as membership is very low.

Perceptions concerning trade unions in Baltic countries are a relatively unexplored field. There is one previous study which suggested, based on employee attitudes towards collective bargaining in Baltic countries, that there is a group of employees who would prefer more collective forms of activity in the workplace than they had (see Antila and Ylöstalo 2003: 66). We proceed by analysing the demand for unionisation in Baltic countries in greater depth, using data derived from the *BWEL* (2006) survey.

## Data

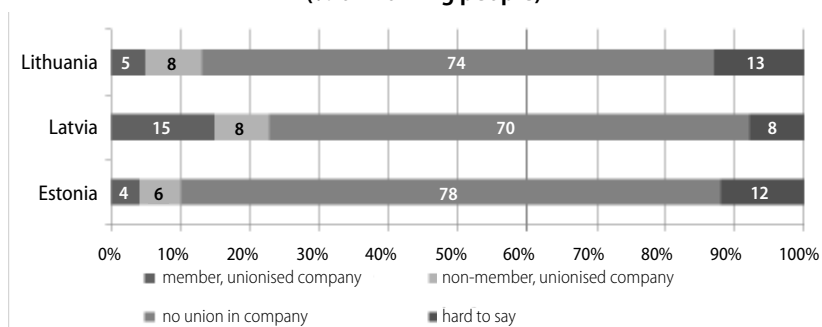
Specific survey data for employees' perceptions regarding trade unions in the *BWEL* (2006) survey comprise a sample of 800 employers and around 1200 employees, conducted in each of the three Baltic States in 2005–2006. The survey population is based on a representative sample of enterprises considering economic activities relative to the proportional contribution to national GDP, further stratified by regions, ownership and company size.

In terms of gauging reliability and validity, the *BWEL* (2006) survey has a historical benchmark. It takes forward some of the key issues of two previous surveys conducted in the Baltic States for the Finnish Ministry of Labour, the *Working Life Barometer in the Baltic Countries*, while also exploring other issues not covered in previous surveys (Antila and Ylöstalo 1999, 2003). In all of the tables presented below, indicators refer to working people, with farmers and self-employed eliminated. This leaves a sample size of 1129 workers in Estonia, 1219 in Latvia and 1142 in Lithuania.

## Trade Union Membership in Baltic Countries

The fact that trade unions have not found a 're-invented' position in the new economic system in Baltic countries is reflected in continuously declining membership. Almost 100 per cent trade union membership in the beginning of the 1990s has been reduced to around one-fifth or less of employees by the beginning of the 2000s. Self-reported trade union membership in the *BWEL* (2006) survey indicates union density at 5 per cent in Lithuania, 15 per cent in Latvia and 4 per cent in Estonia. The share of employees working in unionised companies ranges from 10 per cent in Estonia to 23 per cent in Latvia.

**Figure 2: Presence of unions in the workplace and trade union membership (% of working people)**



Source: BWEL (2006)

Trade union membership in the Baltic countries has been in decline as in the rest of the CEE countries. In the Baltic States and Poland, trade union membership is the lowest in the European Union according to Visser (2009). However, this applies more or less to all CEE countries. Only Slovenia stands out with rather high union membership due to a totally different collective bargaining system established after leaving the Soviet bloc (Lado 2002). While from a European perspective, the Baltic countries are often viewed as forming a homogeneous group with fairly similar economic, cultural and social backgrounds, there are important differences between them in the post-Soviet period — for example, in the evolution of legal frameworks governing the right to strike (Petrylaite and Woolfson 2007). There are also differences in trade union organisation and density levels. For present purposes, Latvia stands out among Baltic countries with slightly higher trade union membership. This is mainly due to the higher public sector unionisation rate in Latvia. In 2002, union membership in public the sector in Latvia was as high as 38 per cent, while private sector unionisation was only 8 per cent. One of the reasons for this difference might lie in the survival of a single trade union confederation, as against their fragmentation in both Estonia, and especially in Lithuania, where three — previously four — confederations existed until recently in openly competitive mode. Overall trade union density in all the Baltic States has declined steeply and the decline continues with, for example, Estonia recording an average annual decline of one percentage point during the last seven years (Estonian Labour Force Surveys 2001–2008). At the same time, in all of the three Baltic countries there is, established by law, the possibility for non-union employee representation, in line with European directives. Employee representatives have similar rights to information and consultation as trade union representatives and, in the case of Estonia, this extends to specific ‘substitutional’ capacity to conclude collective contracts (Kallaste and Jaakson 2008). There is also mandatory health and safety workplace representation established in all three Baltic countries, offering another — although generally weaker — form of collective representation (Woolfson et al 2008). In the current article, for analytic purposes, we treat Baltic countries as a homogeneous group.

The decline of trade union membership in general is explained also in the CEE countries by well known reasons like globalisation, structural shifts in the economy, increase of atypical forms of employment, and so on. The steeper decline of trade union membership in CEE countries is first and foremost explained by the abolition of de facto obligatory membership after the Soviet period (Järve et al 2001). Trade unions in the Soviet Union played a totally different role compared to that in a market economy. Trade unions did not act as independent organisations of employee representation. Instead, their leaders were automatically members of the Central Communist Party and unions functioned as a state-party arm in the workplace (Héthy 1999). The main function of trade unions was to distribute, as part of the planned economy, not unimportant social benefits, but no collective bargaining was present. Developments after gaining independence are the result of trade unions having to establish an entirely new role as bargaining agents within the new economic system.

Lado (2002) brings out the reasons for weak sectoral collective bargaining in Hungary. These can rather straightforwardly be used in the other CEE countries for explaining the overall weakness of collective industrial relations and low level of trade union membership. Lado (2002) points out that (1) structural instability in the economy which followed the regaining of independence resulted in economic restructuring which was not conducive to the creation of a sound collective bargaining platform and institutions; (2) extreme diversity of enterprises has not enabled companies to agree on sectoral level bargaining; (3) the recession which followed the collapse of the Soviet Union did not leave much room for collective bargaining; (4) negotiations at state tripartite level have restricted the development of lower level agreements; (5) the top-down development of social partner organisations — especially trade unions — has not favoured active workplace organisation by unions; (6) shortcomings in legislation have not supported collective negotiations; (7) the social partners are institutionally weak (with low level of resources, fragmentation etc.); (8) there exists a lack of political will for bargaining, and weak institutional enforcement mechanisms for collective agreements.

In all of the Soviet bloc countries trade unions played a different role from that in market economies, but in Baltic countries the decline of trade union membership has been even more precipitate. There might be several reasons for this state of affairs. The starting point for reforms in the rest of the CEE countries which are now part of the EU was different from that in the Baltic countries. As Bohle and Greskowits argue (2007), 'Slovenia, Hungary and Poland had relatively marketised economies already in 1989, while the Baltic countries had to start "from scratch"'. Additionally, in Baltic countries, being fully incorporated into the Soviet Union as member republics, trade union institutions from branch level upwards were directly responsible to the central 'All-Union' apparatus of the Soviet Union. The other countries, which were not republics of the Soviet Union had their own central trade union institutions. Therefore, it might be hypothesised that in Baltic countries, the trade unions faced even more difficulties in establishing themselves in the new economic system, as these were perceived as part of the foreign (occupier) governmental



apparatus. Thus, the legacy of the Soviet Union might play a bigger role in the decline of trade union membership in the Baltic countries than elsewhere.

The legacy argument is elaborated by Frege and Tóth (1999). They argue that different theories explain the formation of underlying attitudes. If cultural theories are taken as a basis, then norms, beliefs and attitudes resulting from socialisation experiences suggest that trade union activities in Soviet era labour relations imply a negative attitude towards trade unions today. By contrast, rational choice theories of behaviour establish that commitment is a form of specific support that is contingent primarily on assessment of institutional performance. In this case, perceptions on the effectiveness of unions today should determine employees' level of commitment. This approach would suggest that not only the past legacy, but also the current actions of unions are important, thus combining the two propositions. Ost (2009) also argues that the current revitalisation of trade unions in CEE is inhibited by the image that trade unions have gained in post-communism times through adverse actions of their leaders. Ost argues that trade union leaders worked together with political elites to transform the countries to market economies at the expense of employees whose interests were sacrificed in order to accelerate economic transformation. Even if the leaders of trade unions would like to change the situation now, the legacy of this peculiarly 'post-communist' engagement has created distrust towards trade unions. Thus, we can explain current low membership levels by a combination of factors derived from both Soviet and post-Soviet periods. The question then is one of how the frustrated demand may be assessed. Is low density an indication of overall frustrated demand as well? There are two hypotheses:

1. If employees perceive current trade unions as 'Soviet' or 'post-Soviet' era organisations with no value in a market economy, and they have no idea of the alternative role of trade unions in a market economy, then there is likely also to be a *low* frustrated demand for unions. However, assuming that propensities for collective representation are similar across borders, a rather high demand for some type of collective representation in relation to contract formalities, although not necessarily for trade unions, should be present.
2. If employees believe that trade unions could be instrumental for collective representation, even though the current ones are not, the frustrated demand for union representation could be *high*.

We explore these hypotheses below.

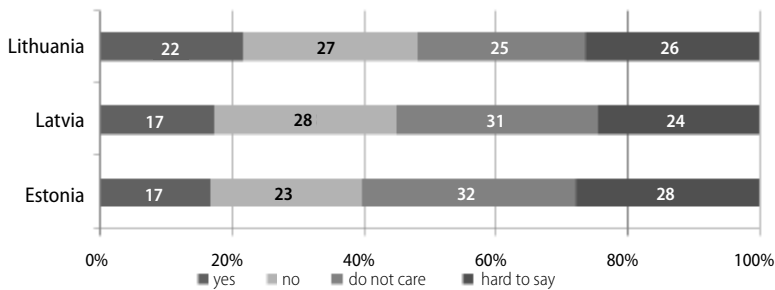
## **Frustrated Demand and the Undecided**

The *BWEL* (2006) survey addressed the representation gap with the following question: 'If there are no trade unions in the workplace, would you like there to be one?'. The respondent had a choice of answering 'yes', 'no', 'do not really care either way' or 'hard to say'. Employees who do not have a union in their workplace, but who would like to see one (response 'yes') are referred to here as frustrated demand. There is a danger that the results 'overstate' the repre-

sentation gap, since not all of those who claim they would like to have a trade union in their working place necessarily intend to become members of it. The problem of identifying the 'free-riding' response is present as employees may state the desire for collective representation through unions, but are unwilling to pay for it, thus intending to free-ride. In any event, these are the employees who at least express a desire for union representation, no matter whether they are willing to pay for it or not.

The data reveal that in Estonia and Latvia, 17 per cent of working people belong to the group who do not have a trade union present in their working place, but would like to have one. In Lithuania, the share is 22 per cent (see figure 3). The lowest representation gap is in Latvia, where the union density is highest. However, the *BWEL* (2006) survey shows that most employees either do not care if there is a trade union or have difficulties in deciding whether or not they want one.

**Figure 3: If there is no union in your workplace, would you like there to be one? (% of working people in the establishments where there is no union)**



Source: *BWEL* (2006)

Even though the data from different surveys in other countries are not directly comparable, it is apparent that the shares of employees in non-unionised workplaces who would like to have union representation in the Baltic countries are lower than in Anglo-American countries, especially considering that in our formulation the representation gap might be overestimated. As stated above in Anglo-American countries, the share in 2003–2005 is found to be one-third of employees in non-unionised workplaces, in New Zealand (Haynes 2006) and in Australia (Pyman et al 2009) somewhat greater, and over 40 per cent in UK and USA (Charlwood 2002; Freeman 2007).

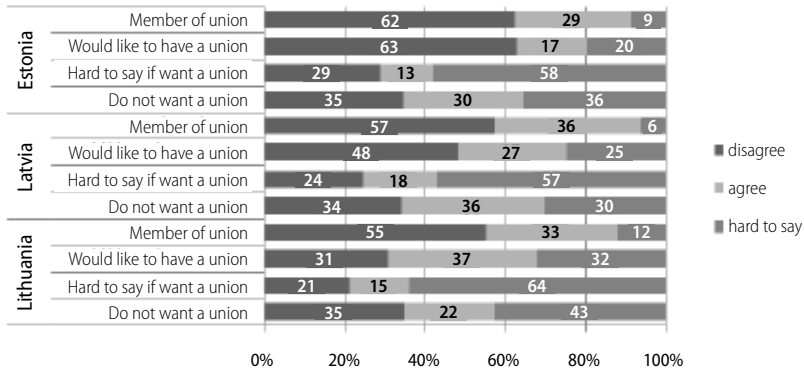
The lower representation gap in the Baltic countries does not seem to support the assumption of similar desire for union representation across free market economies. This would also suggest that the demand for trade unions is still to some extent influenced by the Soviet-era legacy, owing to which the total demand for trade unions is lower than in the other countries.

Analysing more closely those who constitute the groups of non-unionised employees, there appears to be a significant group that does not express a definite standpoint with regard to the desire to have trade union representation. In countries where trade union activities are well established, this group is generally smaller. In the Baltic countries, we can identify those who would like to have trade union and comprise the representation gap, and another much larger group who are undecided, but have not rejected union membership completely.

The survey was designed so that respondents could take a positive or negative attitude towards having a union, could remain indifferent, or could adopt an indecisive position. The last group is around one quarter of employees in establishments without trade unions. This group is higher than the frustrated demand and almost equal to those who are definitely against trade unions in the workplace. It is this rather large indecisive group which could be a crucial reserve for future potential trade union members, if they were to choose in favour of trade union representation. Together with the group of roughly one quarter who fall into the 'classical' representation gap, they comprise 45 per cent in Latvia, 41 per cent in Estonia and 48 per cent in Lithuania of the workforce in non-unionised establishments — in other words, much closer to the representation gap sizes found in the studies for the Anglo-American countries. The total demand for trade union membership as the sum of trade union members and frustrated demand to total number of employees, ranges from 10 per cent (younger employees) to 40 per cent (older employees). If those who are undecided are taken into account, the shares increase from 30 per cent to 60 per cent for different groups of workers.

The group which is undecided about joining trade unions is also more undecided about the instrumentality of trade unionism or its 'benefit' (see figure 4). Of trade union members, 62 per cent in Estonia, 57 per cent in Latvia and 55 per cent in Lithuania responded that membership brings benefit to trade union members. Among those who comprise frustrated demand, the respective shares are 63 per cent in Estonia, 48 per cent in Latvia and 31 per cent in Lithuania. Of those who are 'undecided', 58 per cent in Estonia, 57 per cent in Latvia and 64 per cent in Lithuania find difficulty in forming an opinion as to whether or not benefits attach to being a member of a trade union. Thus, we identify an additional group (undecided employees) of potential trade union members in the CEE countries — employees who could be among those who express frustrated demand, if they would be more certain concerning the benefit of trade union membership. This group of employees might be a particular phenomenon of the CEE countries, where the history of trade unions is totally different and their bargaining effectiveness under the previous system was rather limited, if not altogether non-existent (see eg. Herod 1998).

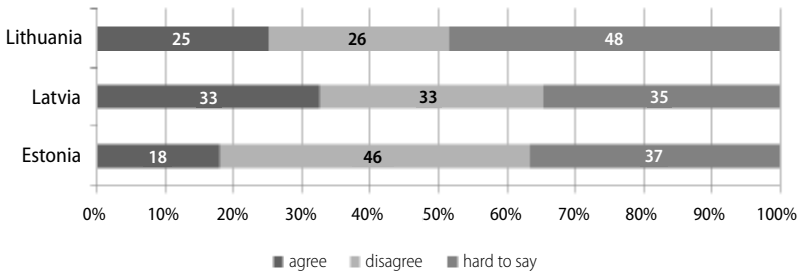
**Figure 4: It does not bring any benefit being a member of the trade union (% of respective group)**



Source: BWEL (2006)

Since union membership is low in Baltic countries there are very few employees who have had any exposure to social networks that are aware of trade union activities. The background survey on employee perceptions confirms that knowledge concerning activities of trade unions is absent. Of the total of employees surveyed, only 18 per cent in Estonia, 25 per cent in Lithuania and 33 per cent in Latvia say that they ‘completely agree’ or ‘rather agree’ with the statement that they know about the work that trade unions are concerned with, whereas the rest either do not know, or find it difficult to form an opinion on this matter (see figure 5).

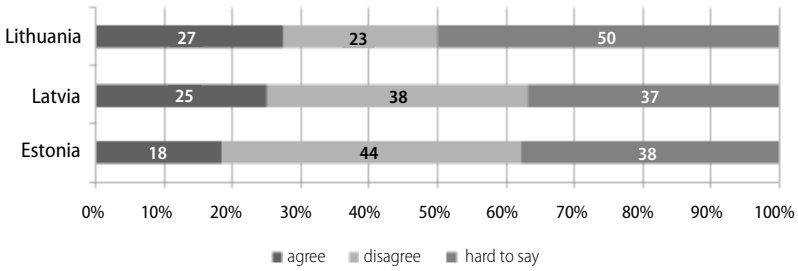
**Figure 5: I have good knowledge of how the trade unions are working (% of working people)**



Source: BWEL (2006)

At the same time, the share of those employees who think that trade unions activities are not needed because unions are ‘old-fashioned’ or obsolete is rather low (see figure 6).

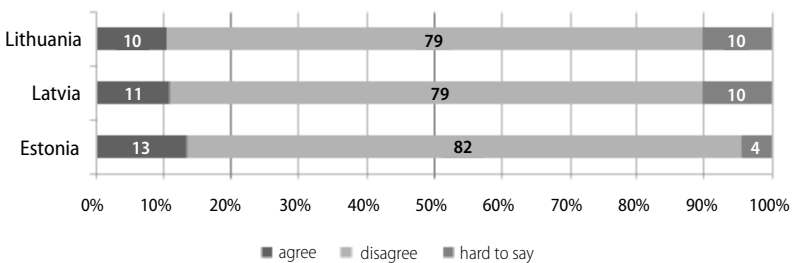
Figure 6: Actions of trade unions are old-fashioned (% of working people)



Source: BWEL (2006)

Even though the majority of employees are not able to formulate their views on this matter, we suggest that trade unions are not seen today as ‘old-fashioned’ institutions, which in the context of the post-communist Baltic countries implies the epithet of a ‘Soviet era relic’. Neither are they perceived in a more contemporary view, simply as ‘irrelevant’ in the new context of the market economy (see figure 7). We hypothesised that if trade unions are seen as Soviet-era organisations then there would also be lower frustrated demand for trade unions, which might be replaced with that for some other form of collective representation. Even though trade unions appear not to be regarded as irretrievably ‘contaminated’ by their Soviet era ‘legacy’, there is still not the anticipated frustrated demand for trade union representation expressed either. This suggests that experience with regard to gains and costs of trade union membership is unknown, and that employees are largely unaware of potential benefits of trade unions in the new post-communist market economies.

Figure 7: Trade unions are not needed in today’s workplace (% of working people)



Source: BWEL (2006)

To conclude, we agree with Ost (2007) that post-communist trade unions have been unevenly successful in popularising and publicising their activities and, as an empirical case in point, employees in Baltic countries do not know what gains to expect from trade unions.

## Concluding Remarks

Trade union membership is rather low in Baltic States. Using the *BWEL* (2006) survey data, the current article estimates the demand for trade union representation in the Baltic countries. Based on similar analyses in Anglo-American countries, we would have expected there to be rather high frustrated demand for trade union membership. Our results show the actual representation gap is relatively small compared to other countries for which comparable research is available. If trade unions could attract all those falling into the representation gap, union density would rise to the level of a quarter of workforce, whereas the research in Anglo-American countries finds the share to be around half of the workforce.

The analysis also revealed that if the trade unions could demonstrate their instrumentality, there is specifically in post-Soviet states an even bigger group of potential trade union members than the present representation gap holds. Some 26–28 per cent of respondents in non-unionised establishments responded ‘I do not know if I want a trade union.’ This group is different from those who definitely did not want a trade union at their workplace and from those who ‘did not care’ if there is a union present. If a person has chosen the response ‘I do not know’ instead of ‘I do not care’, it suggests that the respondent has not yet decided between ‘no’ and ‘yes’ and does not know which to choose. Employees who fall into the representation gap see unionism in instrumental terms. Those who are indecisive are not sure about instrumentality and they constitute a significant proportion of employees that is more than would be expected as a mere statistical artefact in questionnaire responses to a survey of this scale. Instead of increased demand for trade union membership (combining membership and frustrated demand), as Freeman (2007) found for the US, in the Baltic countries, the largest group of employees do not know what they want. As trade unions are an ‘experience good’ and there are hardly any employees with experience of the role of trade unions in a market economy, they simply do not know if they would like to join a union, even if membership were to be a possibility.

Information about specific groups of employees and their general lack of awareness of trade union activities should help focus trade union attention in terms of possible future strategy. The only way to persuade those holding an indifferent position to take a favourable standpoint towards unions is through popularising their activities. It is a rather complicated task because if trade unions are experience goods, these are best advertised through word of mouth referral via social networks (Bryson et al 2005). Today, as the level of union membership is already very low and as union membership tends to be ‘path-dependent’, higher membership density is therefore even harder to achieve. Complicating the picture somewhat, even though we treated Baltic countries as a uniform group, there have been in practice somewhat different development paths for trade unions, non-union forms of representation and representation with regard to working environment.

It might even be that employees in the indecisive position with respect to demand for trade union representation could indicate desire for some differ-

ent form of available representation other than trade unions — for example, via forms of workplace consultation mechanisms such as works councils. The tentative positive conclusion is, however, that those employees who comprise the most significant proportion of the potential representation gap have not yet formed clearly negative attitudes towards union membership. Given the right impetus, the trade union movement might still capture a desire for representation, in circumstances in which a collective defence of employee interests seems to make practical sense. The immediate circumstances of global economic recession and, in particular, of protracted economic downturn in the Baltic region do not offer much by way of encouragement. Due to the higher union membership levels in Latvia, there is perhaps a more favourable longer-term basis for reversing the overall tendency towards decline. But the potential for trade union renewal remains weak, and we suggest, is further undermined by the severity of the contemporary economic downturn in all three Baltic states (European Commission 2009).

Nevertheless, eventual recovery, even of a limited nature, will pose anew issues of acceptable terms and conditions of employment, in a context in which the shift in workplace power towards employers has previously been significant, and may be perceived as in need of collective rebalancing towards the independent representation of the interests of employees.

## References

- Antila, J. and Ylöstalo, P. (1999) *Working Life Barometer in the Baltic Countries 1999*, Labour Policy Studies No. 214, Ministry of Labour, Helsinki.
- Antila, J. and Ylöstalo, P. (2003) *Working Life Barometer in the Baltic Countries 2002*, Labour Policy Studies No. 247, Ministry of Labour, Helsinki.
- Baltic Working Environment and Labour (BWEL) Survey* (2006) An empirical survey of employee attitudes to issues of representation in the workplace in enterprises in the three Baltic States of Estonia, Latvia and Lithuania (original data in authors' possession).
- Blanchflower, D. G. and Freeman, R. B. (1997) 'The attitudinal legacy of communist labour relations', *Industrial and Labour Relations Review* 50 (3), pp. 438–459.
- Bohle, D. and Greskovits, B. (2007) 'Neoliberalism, embedded neoliberalism and neocorporatism: Towards transnational capitalism in Central-Eastern Europe', *West European Politics*, 30 (3), pp. 443–466.
- Bryson, A. (2003) Employee desire for unionisation in Britain and its implications on union organising, PSI Research Discussion Paper No. 12. Policy Studies Institute, London, available: <http://www.psi.org.uk/pdf/rdp/rdp12-Employee-Desire-for-Unionisation.pdf> [accessed 1 September 2009].
- Bryson, A. and Gomez, R. (2005) 'Why have workers stopped joining trade unions? The rise in never-membership in Britain', *British Journal of Industrial Relations* 43 (1), pp. 67–92.
- Bryson, A., Gomez, R., Gunderson, M. and Meltz, N. (2005) 'Youth-adult differences in the demand for unionisation: Are American, British, and Canadian workers all that different?', *Journal of Labour Research*, 26 (1), pp. 155–167.

- Charlwood, A. (2002) 'Why do non-unionised employees want to unionise? Evidence from Britain', *British Journal of Industrial Relations*, 40 (3), pp. 463–491.
- Crowley, S. (2004) 'Explaining labour weakness in post-communist Europe: Historical legacies and comparative perspective', *East European Politics and Societies*, 18 (3), pp. 394–429.
- Estonian Labour Force Surveys (2001–2008) Statistics Estonia, database.
- European Commission (2009) Economic forecast spring 2009. Directorate-General for Economic and Financial Affairs, Brussels, available: [http://ec.europa.eu/economy\\_finance/publications/publication15048\\_en.pdf](http://ec.europa.eu/economy_finance/publications/publication15048_en.pdf) [accessed 1 September 2009].
- Farber, H. S. and Krueger, A. B. (1993) 'Union membership in the United States: The decline continues' in B. E. Kaufman and M. M. Kleiner (eds) *Employee Representation: Alternatives and Future Directions*, Industrial Relations Research Association, USA, Wisconsin, pp. 105–134.
- Farber, H. S. (1983) 'The determinants of the union status of workers', *Econometrica*, 51 (5), pp. 1417–1437.
- Freeman, R. B. (2007) Do workers still want unions? More than ever. EPI Briefing Paper No. 182, 22 February. Economic Policy Institute, Washington, available: <http://www.sharedprosperity.org/bp182/bp182.pdf> [accessed 1 September 2009].
- Frege, C. M. and Tóth, A. (1999) 'Institutions matter: Union solidarity in Hungary and East Germany', *British Journal of Industrial Relations*, 37 (1), pp. 117–140.
- Gomez, R. and Gunderson, M. (2004) 'The Experience good model of trade union membership' in P. V. Wunnawa (ed.) *The Changing Role of Unions. New Forms of Representation*, M.E. Sharpe Inc., Armonk, pp. 92–114.
- Gomez, R., Lipset, M. S. and Meltz, N. (2001) Frustrated demand for unionisation: The case of the United States and Canada Revisited, CEP Discussion paper 0492. Center for Economic Performance, London School of Economics and Political Science, available: <http://cep.lse.ac.uk/pubs/download/dp0492.pdf> [accessed 1 September 2009].
- Haynes, P., Boxall, P. and Macky, K. (2006) 'Union reach, the "representation gap" and the prospects for unionism in New Zealand', *Journal of Industrial Relations*, 48 (2), pp. 193–216.
- Heery, E. (2009) 'The representation gap and future of worker representation', *Industrial Relations Journal*, 40 (4), pp. 324–336.
- Herod, A. (1998) 'Theorising trade unions in transition' in J. Pickles and A. Smith (eds) *Theorising Transition: The Political Economy of Post-Communist Transformation*, Routledge, London, pp. 187–206.
- Héthy, L. (1991) 'Industrial relations Eastern Europe: Recent developments and trends' in R. J. Adams (ed.) *Comparative Industrial Relations. Contemporary Research and Theory*, HarperCollinsAcademic, London, pp. 124–139.
- Järve, J., Kallaste, E. and Eamets, R. (2001) Töösuhitud Euroopa Liiduga liitumise taustal, Report for Friedrich Ebert Foundation, mimeo.
- Kallaste, E., Jaakson, K. and Eamets, R. (2008) 'Two representatives but no representation: Cases from Estonia', *Employee Relations*, 30 (1), pp. 86–97.



- Lado, M. (2002) Industrial relations in the candidate countries, European Industrial Relations Observatory. European Foundation for the Improvement of Living and Working Conditions, Luxembourg, available: <http://www.eiro.eurofound.eu.int/2002/07/feature/tn0207102f.html> [accessed 1 September 2009].
- Mailand, M. and Due, J. (2004) 'Social dialogue in Central and Eastern Europe: Present state and future developments', *European Journal of Industrial Relations*, 10 (2), pp. 179–197.
- Martin, R. and Cristescu-Martin, A. (2003) 'Employment relations in Central and Eastern Europe in 2002: Towards EU accession', *Industrial Relations Journal*, 34 (5), pp. 490–509.
- Ost, D. (2007) 'After postcommunism: Legacies and the future of unions in Eastern Europe' in G. Phelan (ed.) *The Future of Organised Labour*, Peter Lang, London, pp. 305–332.
- Ost, D. (2009) 'The end of postcommunism — Trade unions in Eastern Europe's future', *East European Politics and Societies*, 23 (1), pp. 13–33.
- Petrylaite, D. and Woolfson, C. (2006) 'Missing in action: The right to strike in the post-communist new member states — an absent EU competence', *International Journal of Comparative Labour Law and Industrial Relations*, 22 (4), pp. 439–468.
- Pollert, A. (1999) 'Trade unionism in transition in Central and Eastern Europe', *European Journal of Industrial Relations*, 5 (2), pp. 209–234.
- Pyman, A., Teicher, J., Cooper, B. and Holland, P. (2009) 'Unmet demand for union membership in Australia', *Journal of Industrial Relations*, 51 (5), pp. 5–24.
- Visser, J. (2009) The ICTWSS database: Database on institutional characteristics of trade unions, wage setting, state intervention and social pacts in 34 countries between 1960 and 2007, Ver. 2, January 2009. Amsterdam Institute for Advanced Labour Studies, University of Amsterdam, available: [http://www.uva-aiaas.net/uploaded\\_files/regular/TheICTWSSDatabaseandcodebook.pdf](http://www.uva-aiaas.net/uploaded_files/regular/TheICTWSSDatabaseandcodebook.pdf) [accessed 1 September 2009].
- Woolfson, C., Calite, D. and Kallaste, E. (2008) 'Employee "voice" and working environment in post-communist New Member States: An empirical analysis of Estonia, Latvia and Lithuania', *Industrial Relations Journal*, 39 (4), pp. 314–334.