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## **Post-crisis innovation within Estonian private sector unions**

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### **Introduction**

This chapter depicts the innovative practices that Estonian private sector unions, mostly the Estonian Trade Union Confederation (Eesti Ametiühingute Keskliit, EAKL) and its affiliates, have pursued since 2008. EAKL is Estonia's biggest trade union confederation and unites mostly private, but also some public sector, unions. In addition, the chapter documents the establishment of the Estonian financial workers union, which is not a member of the central federation, but certainly a new development in the Estonian trade union movement given that, before its establishment, the finance sector was without union coverage. The account focuses on private sector unions since, during the period under consideration, most innovation has taken place within them.

The chapter shows that, since 2008, Estonian private sector unions have demonstrated innovativeness on all three dimensions outlined in this book's introductory chapter. Firstly, unions have implemented new strategies, having recourse to organising and heightened mobilisation, as well as service-oriented instruments; and they have also engaged with identity politics and disseminated benchmarks on employment standards within Estonian society. Secondly, they have targeted new employee groups in previously unorganised companies and sectors. Thirdly, EAKL has implemented several organisational innovations insofar as it strengthened sectoral unions' administrative capabilities and developed a new electronic communications system. Innovation has been driven by factors engendered in the post-crisis environment which are external to unions but unionists' agency has also played an important role.

The analysis is based on 16 semi-structured interviews (including two follow-ups) conducted between 2014-2016 with officials and activists from trade unions that have demonstrated innovativeness during the period under study. Interview data is supplemented with documentary research, including union documents and media reports. Innovative union practice is defined as 'a course of action differing from the one pursued in the past, staged by a trade union to address a newly-emerging challenge or tackle an existing problem more effectively' (see Bernaciak and Kahancová in the Introduction).

The chapter is structured as follows. Firstly, it gives an overview of the country's socioeconomic setup in relation to the position of unions. Secondly, it presents selected instances of union innovation and examines their drivers. Finally, it evaluates the sustainability and impact of unions' initiatives. Brief conclusions follow.

## **1. Estonian industrial relations before, during and after the crisis**

In order to gain legitimacy and establish themselves as the representatives of workers' interests, Estonian unions have had to overcome socialist and, later also, post-socialist legacies (e.g. Ost 2009) after Estonia regained its independence. However, this has been difficult both because of factors external to the trade union movement and internal union bureaucracy, as well as the lack of experience and the meagre resources within the union movement. To make up for the latter shortcomings, Estonian unions have been supported by their Western, especially Finnish, counterparts since the early 1990s in a variety of ways, with the central aim of capacity building (Skulason and Jääskelainen 2000). Cooperation projects have mostly focused on building up sectoral-level bargaining mechanisms, but these have been not very successful as employers have shown very little interest in engaging with unions.

Concerning the factors external to labour organisations, following Estonia's regaining of its independence in 1991 its political and economic elite has tried to distance the country from anything associated with the previous Soviet order, including politically left ideas and trade unions. The result has been that it has adopted radical socioeconomic reforms, including extensive privatisation and liberalisation of the economy. The country has pursued neoliberal policies ever since and these have been generally accepted by the public without major protests, as macroeconomic stability and independence from Russia have been seen by large segments of society as the ultimate goals. Lagerspetz (2001: 413) argues that, by the end of the 1990s, 'the prevailing goal – national prosperity as expressed in monetary terms – has become taken-for-granted; other possible meanings of a free and just society have become forgotten or delegitimized.' In a similar vein, public discourse on class and inequality issues has been marginalised – although Estonia is a highly unequal society – and the focus has rather been on the national/ethnic discourse, together with 'transition culture' lionising the capitalist future (Helemäe and Saar 2015). Estonia, together with other Baltic counties, has also undergone heavier deindustrialisation and deskilling compared to other Central and Eastern European (CEE) countries (Bohle and Greskovits 2007), which has further undermined unions' position by destroying their industrial strongholds.

Present-day Estonia's industrial relations are characterised by low union density, limited employer coordination, decentralised collective bargaining, low collective bargaining coverage and weak social dialogue (Bohle and Greskovits 2012; Feldmann 2006). Trade union density has declined since the early 1990s and stood at around seven per cent in 2011 (Visser 2015). The company is the main focus of collective bargaining, while sectoral level agreements are rare. The initiative to bargain is usually taken by trade unions whereas employers are not interested in concluding collective agreements.

Estonian unionists have been influenced by the West European union movement: they see themselves mostly as social partners both to the state and employers and try to stay on good terms with them, without expressing more radical ideas about class struggle and without exercising more militant tactics to reach their goals (Kall 2016). Industrial action has been

very rare in Estonia and has mostly taken place in the transport sector (Carley 2013). Unions have generally declared themselves apolitical organisations, representing members with different world views and cooperating with all political parties that are willing to cooperate. Social movement unionism and joint activities with non-union civil society associations has not been high on the agenda for unions, either, which can, to some extent, be explained by the general weakness of civil society in Estonia. Cooperation with civil society actors takes place mostly when unions consult different actors before formulating their opinions on planned policy changes. New civil society actors who would partly take over the role of unions have, so far, not appeared.

Throughout most of the postsocialist period, routine servicing has been the instrument used by Estonian trade unions; they have also been characterised by low levels of worker mobilisation and involvement in union action (Kall et al. 2015). These characteristics can possibly be explained both by the socialist unionism legacies of passive union membership and by the most extensive cross-border cooperation projects in which Estonian trade unions have participated being run by the Nordic, especially Finnish, unions who are traditionally focused on servicing and collective bargaining. One of the Estonian union officials noted, after being engaged in a new organising-model initiative presented later in this chapter:

[...] in previous years... maybe communication with workers was a bit superficial meaning that, well, let's say a person came, wanted to join a union; we were really glad that he/she joined and we did talk a bit about trade unions, but long and comprehensive conversations with workers we did not have. Moreover, workers should actually realise that they are the trade union. [...] That the trade union is not somewhere far away, it is not the president, it is not the finance officer [...] Actually, they themselves [the workers / union members] can make a change, can improve their situation in the company (interview ETKA 2014).

Moreover, unions have targeted mostly 'traditional' employees on standard employment contracts – and often in sectors and companies with strong traditions of unionism dating back to the Soviet period, without having any special initiatives towards those in non-regular employment arrangements – the self-employed, part-time and agency workers and those on temporary contracts. This might be because the latter groups are more difficult to represent, considering the limited resources unions that have, even though this might also stem from non-standard forms of employment being less widespread in Estonia than in other European countries (ILO 2015; cf. Butković, this volume, for the Croatian case).

As regards the public perception of trade unions, survey results indicate that, rather than being anti-union, a large proportion of workers are unaware of the role of unions or perceive them as ineffective organisations. For example, in a representative survey conducted in 2011, 43 per cent of Estonian non-unionised respondents answered the question 'What should unions do, so that you would join a union when you have the chance?' by responding that trade unions should be more active and vigorous so that they would be listened to and that being a

member would provide real benefits. In addition, 15 per cent stated that trade unions should provide more information or advertise themselves more and only 7.5 per cent claimed that they did not want to join (Hill and Knowlton 2011: 21).

During the economic crisis, Estonia's neoliberal policy paradigm became even more pronounced (Kattel and Raudla 2013) and the position of unions as political actors further weakened. Consultative processes with the social partners remained limited; decisions were made fast and at the level of the ministries, with a particularly strong position held by the Ministry of Finance. In contrast to several other European countries, public protests were practically absent even though unemployment levels rocketed. The reason for societal quiescence was that the government was successful in constructing a simple and persuasive crisis discourse: Estonia could not abandon the currency peg and the euro must be adopted (and it was, in 2011), and thus adjustments to the budget, together with expenditure and wage cuts, were inevitable (Kattel and Raudla 2013; Thorhallsson and Kattel 2013).

After the economic crisis hit Estonia hard in the second part of 2008, it became even more evident that trade unions were weak and largely incapable of negotiating tangible gains or even reducing the losses incurred by their constituencies. Gonser (2010) argues that, during the downturn, unions further lost their structural, associational and institutional power. Structural power was negatively affected in view of rising unemployment levels. The loss of associational power was mainly due to union members either being made redundant or stepping out of the union as a cost-saving measure. Declining institutional but also associational power resulted from the further weakening of collective bargaining and social dialogue mechanisms. The result was that the number of newly signed collective agreements decreased considerably during the economic crisis. There were 88 either company or sector level agreements signed in 2007, but only 53 in 2010 (Kollektiivlepingute andmekogu 2016). At sectoral level, in two sectors with extended collective agreements, unions' attempts to start dialogue during the crisis were unsuccessful. At company level, 'successful negotiated responses' to the crisis included achieving a consensus on postponing bargaining and making trade-offs (such as substituting a decrease in wages with unpaid leave), but there were also unilateral employer actions (Kallaste and Woolfson 2013).

At national level, the government to a great extent ignored unions' voice during the crisis. Firstly, in 2009 it unilaterally modified a pre-crisis tripartite agreement on amendments to the new Employments Contracts Act that was supposed to follow the principles of flexicurity. Its main argument justifying the unilateral changes, reducing previously-agreed unemployment benefits and the number eligible for those benefits, was economic feasibility. The unions demanded that social dialogue was resumed and, when this did not happen, they organised small-scale strike action in 2009 in protest at the government's unilateral approach (about 1 800 people took part in the strike; Nurmela and Osila 2009). The changes pushed through by the cabinet were, nevertheless, adopted. Unionists themselves were not very satisfied with how the industrial action turned out as too few people participated and there were no transport disruptions that would make the protest more visible (interview EAKL1 2014). In the end, the

new law decreased employment protection and simplified redundancy procedures so unions' institutional power was further weakened (Gonser 2010).

Social partners also felt excluded from decision-making when the government formulated and enacted austerity measures (Nurmela and Karu 2008). There was a tripartite agreement signed in 2009 that dealt with the (re)training of employees, but it remained of marginal importance and did not counterbalance all the unilaterally imposed measures (Kallaste and Woolfson 2013). The government continued to ignore social dialogue practices when the economy started to recover. For example, the reserves of the Unemployment Insurance Fund were consolidated into the general state budget despite the opposition of unions and employer federations (Kallaste and Woolfson 2013: 260). By the same token, between 2008 and 2012 annual minimum wage negotiations between employers and union representatives were also not held and the minimum wage rate remained constant. All in all, with the government not taking into account any proposals for anti-crisis measures formulated by the unions, making unilateral changes in the labour legislation and continuing to ignore tripartite negotiations even when the economy recovered, the weak social dialogue structures that had previously existed were completely marginalised (Woolfson and Kallaste 2011).

To conclude, trade unions have struggled to maintain their legitimacy and power ever since Estonia regained its independence. They have mostly relied on routine servicing of their members and been involved in peaceful collective bargaining and social dialogue. However, given low and declining membership levels, a continuing lack of legitimacy and the failure of social dialogue and other traditional ways of operating, especially during the crisis, but also before and after it, they have launched several innovative practices that depart from or are complementary to the ways in which they have operated so far. The next section examines these initiatives in more detail.

## **2. Innovation within Estonia's private sector unions**

This section explores the innovative practices undertaken by Estonian private sector unions since the outbreak of the crisis. All instances of innovation presented below are, to a certain extent, interrelated: for example, both the implementation of the organising model and changes within EAKL have facilitated the extension of union activity into previously non-unionised companies and sectors; while they have widened the scope of the activities that unions are engaged with as well as the range of instruments that they use.

### ***2.1. Innovative choice of strategies and instruments***

As regards new service-oriented instruments, EAKL – together with its member organisations – launched a four-year training programme in 2009 for union activists and officials at different levels. The project was financed by the European Social Fund and aimed to improve

unions' ability to engage in social dialogue and policy-making and to prepare development bargaining plans and strategies for unions. Within the framework of the programme, various information materials and strategic documents (such as 'Trade Unions 2020') were prepared,<sup>1</sup> surveys were conducted that identified both the external and the internal problems that unions faced and training sessions and seminars were organised for nearly 2 000 participants (Sõelsep 2013).

After the crisis, EAKL and its affiliates took several other initiatives to build and disseminate benchmarks on employment standards in society. For example, in 2010 they organised a week-long campaign in several Estonian towns, for the first time actively consulting people on the problems in their working lives and discussing how unions could help resolve them (EAKL 2010). Similar information days were also staged in subsequent years. A more recent example of an initiative of this kind involved a nationwide signature collection campaign to restore compensation for the first days of sick leave, launched by EAKL in April 2015. This has been the most extensive signature-collection initiative in which the unions have, so far, been involved. Currently the first three days of sick leave are without any compensation for workers; according to unions, this means that workers, especially low-wage earners, go to work sick because they cannot afford to stay at home. Signatures were collected electronically, but unionists also travelled across the country to collect them and to inform the wider public about the issue. Around 25,000 signatures were accordingly handed over to Parliament in May 2015, in addition to a policy proposal for a change in the legislation. At present the issue is still under debate: the Parliament's social commission has agreed to support the proposal in part and has ordered an analysis of its potential effects. EAKL also created a Facebook group (which in June 2016 had over 4 500 members) to disseminate information on this topic and to collect the stories that people have related of going to work while sick. There is wide popular support behind this issue and, this time, politicians are at least not able to ignore the unions' policy proposal. Having hired some young officials, EAKL is generally extending its activities in social media (interview EAKL3 2015).

The most significant instance of strategic innovation within the Estonian trade union movement, however, is the establishment of the Baltic Organising Academy (BOA), financed by Nordic unions, and the related adoption of an organising model of unionism. Estonian unions have traditionally, as mentioned in the previous section, relied on a social partnership ideology coupled to a servicing model of unionism. The turn towards organising marks a shift in unions' strategy insofar as it puts an emphasis on empowering and engaging workers at shopfloor level and implies a more confrontational stance vis-à-vis employers (Kall et al. 2015). In this respect, it is not only changing the strategies and tactics of unions, but it is also transforming the way unionists see themselves and their roles within companies and in society as a whole.

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<sup>1</sup> The materials are still available on EAKL's internet site at <http://www.eakl.ee/?pid=228&lang=5> (in Estonian).

BOA was born out of the acknowledgment among some Nordic and Baltic union leaders (of whom the Estonian and the Finnish have been the main advocates) that, in order to prevent the Baltic countries from becoming a totally union-free zone, it is necessary to work beyond national and sectoral boundaries. The Baltic unions have been supported by their Nordic counterparts in numerous ways since Lithuania, Latvia and Estonia regained their independence but attempts to transfer the Nordic model, based on social partnership and a solidaristic wage policy, to the Baltic region has not been very successful, as evidenced by continuously falling union density and the dwindling power resources of labour organisations.

Estonian unions were willing to engage with the initiative to a greater extent than their Latvian and Lithuanian counterparts, so the BOA project was first launched in Estonia where the fieldwork started in 2012. Estonians' openness and Finnish unions' support resulted from previous sustained cooperation between unions from these two countries which facilitated trust, common understanding and shared objectives. However, the main advocates of the model devoted considerable time to convincing their more sceptical counterparts to join the initiative: they had to demonstrate the suitability of this new strategy in Baltic countries, while previous failures of cooperation projects had to be overcome. The Latvian and Lithuanian unions were less willing to engage with the project possibly because of a reservation towards being controlled by Nordic unions. In addition, compared to Finnish-Estonian cooperation, their interactions with Nordic unions had been less frequent and had not led to the emergence of close, trust-based relations (Kall et al. 2015).

In Estonia, six manufacturing, service and transportation sector unions, as well as EAKL, got involved in BOA. From the Nordic side, 11 Finnish, two Swedish and four Danish unions in different sectors committed financial and/or human resources to the programme. In addition, the Friedrich Ebert Foundation and the Council of Nordic Trade Unions supported the initiative (Häkkinen 2013: 6). Finnish unions justified their support for the project by pointing to the notion of free movement of labour and services within the European Union. Specifically, they argued that, due to the interconnectivity of the Estonian and Finnish labour markets, non-unionised Estonian workers working both in Estonia and Finland influence working conditions in Finland. In addition, Finnish unionists agreed that previous cooperation had not been successful in raising unionisation rates in the Baltic states (Kall et al. 2015).

BOA's funding is based on annual fundraising and the funds obtained in this way are directed to organising work. Estonian unions are committed to invest at least 35 per cent of campaign-generated membership fees in further organising (Häkkinen 2013: 7). In each sector, organisers focus on several strategic companies. Campaigns aim to achieve a high trade union membership rate in the target companies, set up an on-site organisation, elect shop stewards and start collective activity leading to the conclusion of a company-level collective agreement. The most important elements are one-to-one conversations with workers to figure out the topics that are most important to employees and what employees want to improve the most. In addition, a significant amount of organisers' time and energy is devoted to explaining to employees what a trade union is and what its goals are.



In order to organise workers and start collective agreement negotiations, organisers apply a comprehensive set of tactics that depend on both company and sectoral specificities going beyond the scope of the tactics traditionally used by Estonian unions. These include conducting surveys among workers to identify the most acute problems in a specific workplace, petitions, campaigns to raise awareness (both towards customers/the general public and certain groups of workers), attracting media attention when an employer is hostile to unions, establishing Facebook groups, wearing signs to create a feeling of unity and solidarity between workers and, in the case of multinational companies with Nordic origins, asking for support from union operations at company headquarters. One major difference to American organising campaigns is the lack of cooperation with social movements, as social movement unionism is practically non-existent in Estonia and weakly developed also in other CEE countries (Mrozowicki 2014; for recent Slovenian experiences, see Samaluk, this volume).

Sectoral-level unions connected to the Academy have also started to cooperate more closely with each other by staging joint social campaigns and helping each other with industrial actions, given that this kind of activity is also financed by BOA. For example, in 2014 seafarers' and private service workers' unions (EMSA and ETKA, respectively) launched an awareness-raising campaign 'Decent work, decent salary'. With this campaign, financed by the Danish union for hotel workers, the unions aimed to raise awareness among both workers themselves and the general public of the employment conditions of hotel workers (cleaners and chambermaids) by distributing leaflets near harbours and large hotels in Tallinn (ETKA 2014). Such activities can be regarded as engaging with identity politics as they intend to empower low wage-earning (mainly female) workers while, at the same time, making these groups of workers and their employment conditions more visible to society.

The Estonian Seafarers Independent Union (EMSA) has also used the organising model, although it was not part of the official BOA project. One of their officials, however, was previously engaged with the Academy and, when he started working for EMSA, got involved in promoting and practising the approach within the union. Following BOA's logic, he led one-to-one conversations with staff in the Tallink hotel chain and soon identified a future trade union activist who later became a head shop steward. Despite management opposition and the different tactics used by the employer to undermine the trade union which included, inter alia, the creation of a 'yellow' union, EMSA staged several successful campaigns. In December 2014, the unionisation rate at Tallink hotels was 60-90%; in addition, EMSA managed to sign a collective agreement that secured hotel workers a gradual wage increase and other benefits. Moreover, EMSA was financed in 2014-15 by the Nordic Transport Workers Federation (NTF) and the International Transport Workers Federation (ITF) to organise one of the dry bulk terminals, so it also used the strategies inspired by the organising model there (interview EMSA 2014).

In addition to BOA's launch, 2012 was marked by a considerably heightened mobilisation of trade unions in Estonia – the country that traditionally recorded the lowest strike records in Europe (Vandaele 2014). In early March 2012, several unions, as well as non-unionised workers in transport and healthcare, organised solidarity strikes to back the industrial action being staged by teachers and to support trade union demands of the government. Unions explicitly demanded that the government restored social dialogue and included trade unions in the decision-making process on labour policy issues.<sup>2</sup> The strikes spread over the whole country and are known as the 'strike week' – the most extensive industrial action since Estonia regained its independence. The protests gained considerable attention, partly because they affected people's daily lives due to transportation stoppages; they were also widely covered in the media. Moreover, the healthcare unions mobilised their ranks later that year and carried out an extensive strike wave that lasted for 25 days. Both strike waves brought modest wage increases and some other benefits to teachers and healthcare workers but, equally importantly, they have shown that unions are capable of mass mobilisation.

## ***2.2. Organisational innovation within EAKL***

In 2013, EAKL saw a leadership change as well as the replacement of some of its officials. In late 2012, Harri Taliga, president of EAKL since 2003, suddenly announced that he would resign and a new, younger president, Peep Peterson, was elected.<sup>3</sup> Peterson has a Social Democratic party background and, because of that, some unionists considered him unsuitable for the position. One of the union officials interviewed put it that the Estonian trade union movement had been 'a bit allergic' to political parties and thus some members preferred to retain the organisation's political neutrality. Peterson promised to withdraw himself from party politics while being President of EAKL. Before taking up the post, he had run one of Estonia's most visible sectoral unions, the Estonian Transport and Road Workers Trade Union. He stated that he was not satisfied with the way EAKL was reactive rather than proactive in relation to the policy-making process; he was also determined to halt the trend of membership decline (Vahter 2013).

The leadership change facilitated several changes within the confederation. For example, in 2014 the organisation hired an analyst, a civic activist connected to the Social Democratic Party with an economics and philosophy (ethics) background. The aim of hiring her was, arguably, to make EAKL more forward-looking and strategically capable (interview EAKL3 2015). Currently, EAKL is administering a project that aims to strengthen sectoral unions' administrative capabilities and, where possible, make them less dependent on EAKL. The

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<sup>2</sup> At that time, collective labour legislation was also under review and there were plans to make changes to the legislation, to which unions were opposed (EAKL 2012), in addition to the failed social dialogue negotiations in 2008-09 during the implementation of the Employment Contracts Act.

<sup>3</sup> In the past, Peterson had twice been nominated to run against Taliga, but lost.

project includes developmental conversations between EAKL and its affiliates to examine the strengths and weaknesses of specific unions and to facilitate possible mergers of different unions from the same or overlapping sectors.<sup>4</sup> In this context, an EAKL official concludes that the lack of financial resources hampers unions' prospects for innovation and growth:

[Based on the developmental conversations] I dare say that about half [of the 19 affiliates] are willing to develop further, but half of those don't have the resources for that; as you know, if you have few members then you have little money and you cannot perform those tasks (interview EAKL3 2015).

Recently, EAKL launched another major initiative – a new electronic communications system that would facilitate communications between EAKL and its affiliates and which would enable organisations to share information and resources, and increase organisational democracy (interview EAKL3 2015). This has the potential to boost affiliates' engagement with the confederation but, as it is still in its initial stages, it is not yet possible to evaluate its effectiveness.

### ***2.3. New target groups***

Within the framework of the Baltic Organising Academy, several Estonian sectoral unions are expanding their reach and organising previously non-organised companies as well as sectors operationally linked to them. For example, the Estonian Transport and Road Workers Trade Union (ETTA) organises workers employed in logistics. Furthermore, EAKL's analysis detected the sectors without any trade union presence and developed a strategy to cover the whole economy with sector-specific unions. Construction was one of the industries without any union, so EAKL initiated several meetings with the aim of setting one up. These meetings were directed towards workers in construction and encompassed employer representatives and labour inspectors. Worker participation was low, but one of EAKL's affiliates, the Estonian Metalworkers Trade Union Federation, decided to change its name into the Industrial and Metalworkers Trade Union Federation (IMTAL) and to widen its scope so that it could organise construction workers (interview EAKL3 2015). In 2016, IMTAL concluded a cooperation agreement with Finnish construction workers union Rakennusliitto, which states that members of IMTAL can also turn to the Finnish union while working in Finland, and vice versa (IMTAL 2016).

In 2013, the first Estonian union for financial workers (Eesti Finantssektori Töötajate Liit, EFL) was created. In contrast to the top-down organising approach adopted in the construction sector, EFL was a bottom-up, grassroots initiative. Several finance sector workers

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<sup>4</sup> On the other hand, during the interviews some officials from the sectoral unions affiliated to EAKL expressed concern that they were not as aware of the activities and plans of EAKL as they had been during the previous administration.

set up a union for which they work *pro bono* and which workers can join for free. An EFL official explained that they had decided not to set a membership fee to encourage workers to join but that, in the long run, introducing a fee might become a necessity (interview EFL 2015). At the end of 2015, EFL had around 150 members without staging any campaigns or organising activities. According to the official, the need to create a union was related to there being no form of worker representation in the sector and to the example set by the Nordic finance sector unions.

In Nordea, one of the multinational banks operating in Estonia, workers established an EFL unit and used the new structure to counter the dismissal of workers and company restructuring proposals, and to address the gender pay gap in the finance sector that is the biggest in Estonia (Mets 2015). Sustaining union activity at Nordea is difficult as the management fired union's shop steward after he had turned to the Labour Dispute Committee, claiming that the employer had discriminated against him because of his involvement in the union. The Committee ruled that there was indeed discrimination and that the bank should cease, but the shop steward was sacked instead. When he appealed to the Labour Dispute Committee, the latter ruled that the dismissal was unlawful and that the worker should be reinstated and compensated. However, the bank did not follow the Committee's ruling and appealed to the court. Ultimately, Nordea agreed to pay significant financial compensation to the shop steward and he withdrew his statements. However, he is still involved in the activities of Nordea's union, while the bank continues to refuse to cooperate with workers' representatives (Postimees 2016).

Unlike unions in several other CEE countries (see e.g. Mrozowicki and Maciejewska, this volume), Estonian labour organisations have not been active in representing non-standard workers. This is likely to be due to the lack of resources that makes it difficult for unions to represent workers even on standard contracts, but it also stems from non-standard working arrangements not being as widespread a phenomenon in Estonia as in other countries (ILO 2015). The share of workers with non-standard working arrangements being rather marginal, unions have not framed these types of employment as particularly problematic and, consequently, have not engaged with them.

#### ***2.4. Drivers of innovative practices***

It can be argued that the innovative practices presented in this chapter address the challenges of the external post-crisis environment, in which unions' structural, institutional and associational power had declined even further. Unions had lost their members, employers were unwilling to engage in collective bargaining and national level social dialogue mechanisms were further weakened due to the government's unilateral policy-making. Employees' increased mobilisation – in particular the 'strike week' of 2012' – was, to a large extent, a consequence of the government's unwillingness to acknowledge unions' consultative

role; it also resulted from workers being tired of wage cuts and other employer-directed changes and it was thus easier for union leaders to mobilise them.

In the context of the crisis demonstrating that unions were incapable of defending workers' rights through social dialogue and collective bargaining, several administrative capacity-building initiatives have been launched. However, the decision to launch one or the other initiative have still been in the hands of union leaders, which points to an important role being played by union agency. This assertion is consistent with Heery (2005), who claims that external factors alone are not sufficient to push unions to innovate. In the Estonian context, the role of both local and, in the case of BOA, also Nordic trade unionists should not be underestimated. In Estonia, trade union density has been on the decline since the early 1990s but the organising approach was adopted only in 2012, under the influence of strong advocates of the model from Finland and Estonia. Several other innovations – hiring an analyst; strengthening sectoral unions' administrative capabilities via developmental conversations and mergers; and developing a new electronic communications system – similarly materialised only after the change within EAKL.

### **3. Sustainability and impact of union innovations**

Estonian unions have, since the late 2000s, demonstrated innovativeness as regards all three dimensions of innovation identified in the Introduction: they have used new strategies and instruments; implemented organisational changes; and targeted new employee groups and the wider public. The most important instruments used in this regard have been heightened mobilisation, engagement in identity politics and in the dissemination of benchmarks within society, servicing and the adoption of the organising model.

As regards the direct effects of the heightened mobilisation of private sector unions and the 'strike week' of 2012, collective labour legislation is still on hold and the changes to which the unions were actively opposed have not been implemented. However, union mobilisation might be only one of the reasons for this development. In 2014, the International Labour Organisation sent a letter to the Estonian government in support of several of the unions' demands, claiming that some of the changes proposed by the government were against international labour standards (ILO 2014). In addition, the legislative standstill might be related to continuing political games. However, at least one of the union officials interviewed (interview EAKL2 2014) considered it a small union victory that the changes had not been implemented.

Unions have also engaged with identity politics and attempted to build and disseminate benchmarks on employment standards within Estonian society. There have been several awareness-raising campaigns directed towards the general public and/or particular groups of workers. Engaging with these instruments helps unions gain greater legitimacy; workers seem increasingly to feel that unions are dealing with issues which are important to them, an

important consideration given that, in Estonia, the awareness of what unions do and belief in their effectiveness has been rather low. In addition, the campaigns have given the general public the possibility of demonstrating that they agree with unions' objectives. By putting their signature on a union petition, people feel that they are, in some way, involved in the policy-making process.

Moreover, it is likely that new elements of servicing, such as EAKL's training programme for union activists and officials, has raised unions' professionalism in representing workers and engaging in social dialogue. In addition, EAKL has also carried out, and is still planning to implement, several organisational innovations, led by the new president of the federation. These aim to strengthen the capabilities of the sectoral unions and those of the central federation alike, but also to cover the whole economy with unions. These initiatives, if successful, will certainly strengthen the Estonian trade union movement, even though it is early at this point to be evaluating their effects.

The biggest innovation, however, was the launch of BOA and the adoption of the organising model of unionism. BOA has brought membership gains and influenced the identity of the trade unionists engaged in the project, but it has also had wider implications for the Estonian labour movement. BOA's strategy has proven to be successful on several accounts. First of all, organisers I interviewed are certain that, given enough time, many people would become more open towards the idea of joining unions, change their thinking and gain more confidence. Secondly, after the start of organising activities, employers seem to have changed their attitude towards employees. Some have taken steps to unify pay systems (the same wage for the same work), replaced (illegal) fixed-term contracts with open-ended ones and increased wages even on sites without collective agreements. There is also some evidence of the success of the model in terms of membership growth, even though growth has been rather slow and the campaigns small-scale. According to data provided by BOA officials (Häkkinen 2014), by November 2014, i.e. less than three years after the launch of the organising drive, the BOA project has brought over 1 200 new members, 50 shop stewards and 15 new union organisations. In several of the organised companies, unions have also managed to sign collective bargaining agreements. Concerning the BOA-induced changes in union identity and ideology, trade unionists themselves have become more acquainted with the organising model and the 'organising turn' seems to be making ground among union officials both within and beyond the BOA project. The organising model is currently also advocated by EAKL, which has incorporated elements of it into its general training module for shop stewards. It therefore seems that these ideas have spread within trade union structures and might also influence unionists outside the original BOA structures.

Still, despite several victories, the organising approach is not without disadvantages and some unionists have questioned its suitability. It is, in many respects, different from previous forms of union action, so it is understandable that some union officials feel uneasy about it. Firstly, it is different since the aim is to mobilise and empower workers at shopfloor level so that they

themselves set the agenda. Thus, it decreases the autonomy of sectoral unions and challenges the role of union officials. One of the organisers explained:

[...] XXX [an older trade union official] who is running it [one of the unions involved in BOA], she is, well, old-school. [...]. For her, the trade union is still like... sitting in the office and waiting until workers come there (interview BOA 2016).

Secondly, BOA's organising approach assumes that union members are willing to get involved in more aggressive tactics, such as keeping organising secret for a certain period or organising industrial action, especially if the employer refuses to cooperate. This increased worker/union activism has facilitated tensions among some unionists favouring less radical approaches (and ones more traditional for Estonian unions) when communicating with employers.

Thus, the most important future challenges for unionism based on the organising model are whether officials currently chairing unions perceive the approach as something of their own, and will want to engage with and invest in it when the foreign funding ends, and whether the model gains ground outside BOA structures as well. There are some promising developments. For example, the Finnish metalworkers and private service sector unions are also making use of the organising model after seeing that it works in Estonia, while one of the Estonian organisers has recently started working as a BOA coordinator in all three Baltic countries, and trains also Latvian and Lithuanian unions on the model's principles.

Unfortunately, there are no comparative studies that would enable an evaluation of how the public perception of unions has changed during these years. Nevertheless, a survey (n= 2007, age 15+) carried out in 2015 showed that 67.5 per cent of the Estonian population agree that employees need strong trade unions to protect their interests, with only 7 per cent disagreeing with that proposition (ISSP 2015). This might indicate that initiatives like the awareness-raising projects that have kept unions in the picture have had a positive impact on the perception of unions. According to the same survey, union density in late 2015 was 8 per cent (ISSP 2015), which is around the same as it has been in previous years (Visser 2015).

Another indicator that helps evaluate the effectiveness of the initiatives described above is the number of collective bargaining agreements signed. Information included in the collective agreements register (which, however, might not cover all agreements) does not provide a very optimistic picture. In 2014, the number of newly signed agreements was 50 and in 2015 only 38, compared to 53 in 2010 and 88 in 2007 (Kollektiivlepingute andmekogu 2016). Alongside the argument that the external environment has become more difficult for unions during the post-crisis period, so one could wonder if the number of accords would be even smaller without unions' innovative actions.

Finally, most of the new developments within the Estonian trade union movement have relied on funding either from foreign unions or the EU. This raises the question of the sustainability of these activities and highlights the project-based nature of recent trade union initiatives in Estonia. It seems, however, that organising new sectors and unorganised companies, but also conducting different awareness-raising campaigns, might help strengthen the unions immediately (as regards membership levels and increased legitimacy) and bear more long-term results for the union movement as well. Capable and forward-looking leaders have a major role in the process, especially in the case of organisations as small and top-down managed as Estonian trade unions.

Even so, it has to be noted that the innovative practices presented in this chapter have been carried out by a certain group of private-sector unions, but a large number of labour organisations have been rather passive. Therefore, the question remains how to motivate the more passive unions to get involved in assertive, innovative actions.

## **Conclusions**

This chapter argued that, despite a generally weak position and meagre resources that were further depleted during the recent economic crisis, several Estonian private-sector unions and the Estonian Trade Union Confederation have become involved in a variety of innovative initiatives. These have included the development of new strategies and instruments, an increased focus on unorganised sectors and companies, and the implementation of organisational changes within the confederation. At the same time, unions have put much more effort in being visible: they have launched awareness-raising campaigns, showing that unions are there and are dealing with ‘real’ problems. There have also been periods of heightened mobilisation which indicate that, if Estonian unions are pushed too far, they are willing and able to react more militantly as well.

The most far-reaching innovation in the Estonian context has been the adoption of the American-style organising model. For unions that have embraced it, it signifies a move away from routine servicing to direct engagement with rank-and-file members and the latter’s involvement in setting unions’ goals. It has also brought more militancy into unions’ actions and thus departed from the cooperation-oriented union-employer relations that had been characteristic of Estonian unions prior to BOA. This innovation can have a considerable impact on the Estonian labour movement as a whole but, in order to achieve this goal, unions that are currently outside the BOA project need to demonstrate a willingness to take on the organising agenda. In any case, expanding to new sectors and companies, and aiming to cover the whole economy with at least the possibility of joining a union, has been an important development, as sectors like finance and construction have, previously, been union-free. The next step for Estonian unions might be to target non-standard groups of workers as these groups have, thus far, not featured high on unions’ agenda.



All in all, these innovations might stop, or at least slow down, the downwards spiral of membership decline and have the potential to increase the legitimacy of unions. On the other hand, at least up to this point, most Estonian unions have continued to require considerable foreign financial assistance to get engaged in them, which raises the question of their long-term sustainability.

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