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Striking with tied hands: Strategies of labor interest representation in post-communist Romania and Ukraine

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Chapter 6: Contention in and for the Plant. Emergence and Outcomes

6.1. Introduction

Why do unions engage in contention at some plants and not at others? And why do some emerge successful out of contention while others do not? Unions taking the struggle over jobs into the streets, mobilizing workers and larger communities remain quite singular cases in post-Communist Europe. The occupation by workers of the harvester plant in Kherson, Ukraine in February-March 2009 remains a singular example in Ukraine and one of the very few known in the former Soviet republics.¹³³ That such cases remain exceptional should not come as a surprise: Particularly in the post-Soviet context, with management still a part of trade unions and controlling union funds, trade unions show little interest for the autonomous, efficient, and legitimate representation of workers. And, quite similarly to the situation of trade unions in Central Eastern Europe, in Romania highly decentralized trade unions face powerful multinational corporations, making effective threatening for such unions quite difficult.

Comparing the difficulties of labor representation in Romania and Ukraine, it appears that in the Romanian cases labor could focus more on the effectiveness of its actions. Ukrainian labor could deal with the effectiveness of labor representation only after winning the autonomy of trade unions. Trade union autonomy precedes effectiveness as a necessary condition for success. Trade unions that are not autonomous do not take up worker demands that pit them against the employer. This does not mean, however, that workers automatically disagree with the outcomes of a situation where trade unions are not autonomous of the employer. Quite to the contrary, many workers welcome the social benefits – the social wage – they receive from their plant in the form of housing, medical insurance, or pension supplements that they could not find elsewhere. It matters little that it is management that provides these funds while the union administers them under the condition that it will not interfere in the conditions that govern the labor exchange between workers and the employer (wages, employment, fair treatment at work).¹³⁴

In post-Soviet countries such as Ukraine, there is little to gain for workers and trade unions from striving to achieve a different outcome than having distributive, non-autonomous trade unions. Understanding that this is the equilibrium path – the situation that all members of the relevant triad, workers, trade unions and the employer, have little incentive to leave - is crucial in thinking about organized labor in post-Soviet countries. Yet then why is there sometimes, even under the burden of structural difficulties, contention between employers and unions? Chapters 4 and 5 have shown that there are cases in these contexts when unions do engage in contention with employers. In most of these cases contention emerged when the employer lost its interest in production, intended to close down the plant, and, most importantly, cut the funds that provided the basis for social wages and very often gave up paying any wages whatsoever. Often the unions and workers did not know whether the employer would really close down the plant (owners expressed such intentions only in Vinnitsa and Kherson, in all other Ukrainian and Romanian cases owners denied such intentions), but interpreted the emergence of wage arrears as evidence of soon-to-come asset-stripping. The moment when wage arrears emerge is a moment when the potential for unions' autonomy increases, when workers have lost everything the employer could offer and that prevented workers from pressuring the union to

¹³³ Another example is the several-months long occupation of the Cellulose Paper Plant in Vyborg, Russia in 1999-2000; Pulaeva/ Clarke 2005.

¹³⁴ This issue has received extensive attention in the literature (see Mandel 2004; see Ashwin 1998 for introductions and overviews).

achieve labor representation. For workers and unions, the only way to save the little there is left – the basis for the provision of their jobs, the plant – is to try and disrupt property relations by contesting the employer’s right to close down their plant. This translates into taking the struggle out of the plant and into the streets, in an effort to convince authorities to support the workers’ attempt to disrupt property relations around the plant.

For post-communist Romanian labor, in contrast, the difficulty is not one of leaving an equilibrium path. It faces the more classical dilemma of late capitalism, where organized labor has lost its power of posing threats to production because of the employer’s ability to relocate production (Burawoy 1985) but where worsening living standards and work conditions push workers to protest and pressure their unions. Unions are autonomous, it is just that they lack the means of being also efficient, the means to achieve what workers push them to do. Disrupting production or simply withholding productivity can actually trigger the employer’s decision to move production eastwards. The little there is left for plant-level unions to do is to explore the freedom for decision left for management at the plant, and seeing how much they can pressure management – including by limited disruptive threats – without triggering the employer’s decision to close the plant. Same as in Ukraine, there are strong incentives to stay away from disruptive tactics. What is different is that under ‘normal’ conditions – i.e. when there are no wage arrears - management cannot push back the workers’ dissatisfaction with work and pay conditions via social wages. Workers can translate dissatisfaction into action more easily than in the post-Soviet context; the trick for them is to do so without triggering plant closure and job loss. Practically this means again taking struggles out of the plant and into the streets and courts, in an effort to force the state to return to the plant, not necessarily to re-nationalize it but to enforce relevant legislation and improve pay and working conditions. Like in Ukraine, this often becomes a struggle over enforcement, fought more often between workers and authorities than between workers and employers.

It is one thing to ask about the origins of contention at these plants; another query – and the one that leads this dissertation – is to ask about the outcomes of such contention. The empirical cases have shown that there are tremendous differences between what unions could achieve in roughly comparable situations: While some avoid making any threats to the employers, even when confronted with violations of workers’ rights to timely pay and decent working conditions, others take up the issues raised by workers and effectively reach their partial resolution. This chapter traces back the differences in labor representation between trade unions’ episodes of contention to the different strategies and strategy elements that unions used given the situation they were in (whether they were facing employers interested in production or not).

The chapter has the following structure: The next section goes after the question when contention emerges at post-communist plants. It revisits the game theoretical framework presented in Chapter 3 and aimed at understanding the equilibrium path of labor facing structural difficulties, and uncovers important anomalies. Specifically, my game-theoretical analysis of union strategy in response to employer intentions predicted that unions will avoid disruption when confronted with employers interested in production. The expectation was met in three cases (COS, ZAZ, KrAZ 2005), and failed in two other cases (Siderurgica and KrAZ 2003-2004). The game-theoretical analysis also predicted that unions will use disruptive threats and even carry them out when confronted with asset-strippers (employers not interested in production). This prediction was more successful, with five cases meeting it. But it, too, failed in one case (HMZ 2006-2007). Five out of the eleven cases are off the predicted equilibrium path. What happened? In the next section I show when and why unions left the equilibrium path, and how they could avoid the costs associated with leaving it. The third and last part asks about the outcomes of contention: why some unions emerge successfully out of episodes of contention while others do not. It answers this question by returning to the set of propositions detailed in Chapter 3 and discussing how, depending on employer intentions, various strategic elements combined to bring about successful labor representation.

6.2. The Emergence of Contention: Off-the-equilibrium-path Actions

Trade unions in Western European countries have been concerned with “the traditional core agenda of ‘bread-and-butter’ collective bargaining over wages and other conditions of employment” (Hyman 1997: 319). They have also been concerned with “the right to fair treatment”, relating “more to procedure, status and opportunity: rights limiting employers’ arbitrary authority and underwriting employment protection, ‘fair’ mechanisms for promotion of career and advancement [...] and the regulation of production, the allocation of work and the determination of workloads” (Hyman 1997: 319). Workers and unions have also been concerned with pressuring the state to provide social welfare. In post-communist Europe, however, and in post-Soviet countries like Ukraine, unions have favored the provision of social welfare over wages or the right to fair treatment. Social welfare is often not paid for and administered by the state, but paid for by the (today private) employer and administered – via the collective agreement – by trade unions. In practice this leads to a paternalistic regime (Burawoy 1985), where decisions over what workers want and how much they should receive are taken exclusively by the employer and where the employer also takes up the task of ensuring the “reproduction of labor power” (Burawoy 1985; Lee 2007). It is a different type of paternalism than the one witnessed in capitalist countries without a communist history: It has retained the discretionary, no-alternative features it had developed under communism; furthermore, the state leaves significant welfare tasks such as housing and healthcare provision to be administered and funded by plants (Ashwin 1998). This does not mean that post-communist paternalism does not have beneficial effects for workers. Such effects often take the shape of a “social wage” (Mandel 1998, 2001), comprising housing subsidies or medical insurances, often vital in offering workers means of subsistence that the state is so far incapable or unwilling to provide. But it also means that workers have so far little say over bread-and-butter or procedural issues. This also offers unions the opportunity to follow a road of ‘least resistance’ to management, rather opting for welfare provision than for risky collective bargaining over wages and fair treatment.

Crises of wage arrears – crucial for triggering contention episodes pitting unions against management

Nevertheless, contention around wages, employment, and work procedures does arise. As seen in the empirical chapters, the employer’s intention whether to produce at the plant or not makes a big difference for triggering conflict. For unions and workers, an employer interested in production makes it difficult to converge on an anti-management stance, while employers uninterested in production offer workers and unions no choice but to make and carry out disruptive threats. Cases in both countries have shown this; once employers became unable or unwilling to pay wages, workers in the Romanian towns of Reșița and Oțelu Roșu and in the Ukrainian cities of Vinnitsa and Kherson interpreted wage arrears as evidence for asset-stripping and launched protracted struggles for saving jobs (in all cases by fighting for re-nationalization). Employers that stop paying wages provide an opportunity for organized labor as they remove the workers’ dependency problem on management; the “cash nexus” (Marx/Engels 1967 [1848]) is dissolved. At the same time such employers make the union incapable of providing social welfare (when they stop paying wages, employers also stop paying for social welfare), thus lowering the workers’ disincentive to collectively organize against the employer.

Sometimes contention arises also in the absence of wage arrears, for instance when employers announce collective layoffs. The underlying mechanism triggering contention is the same as in situations of wage arrears: The cash nexus is dissolved for the workers facing layoffs, and the social

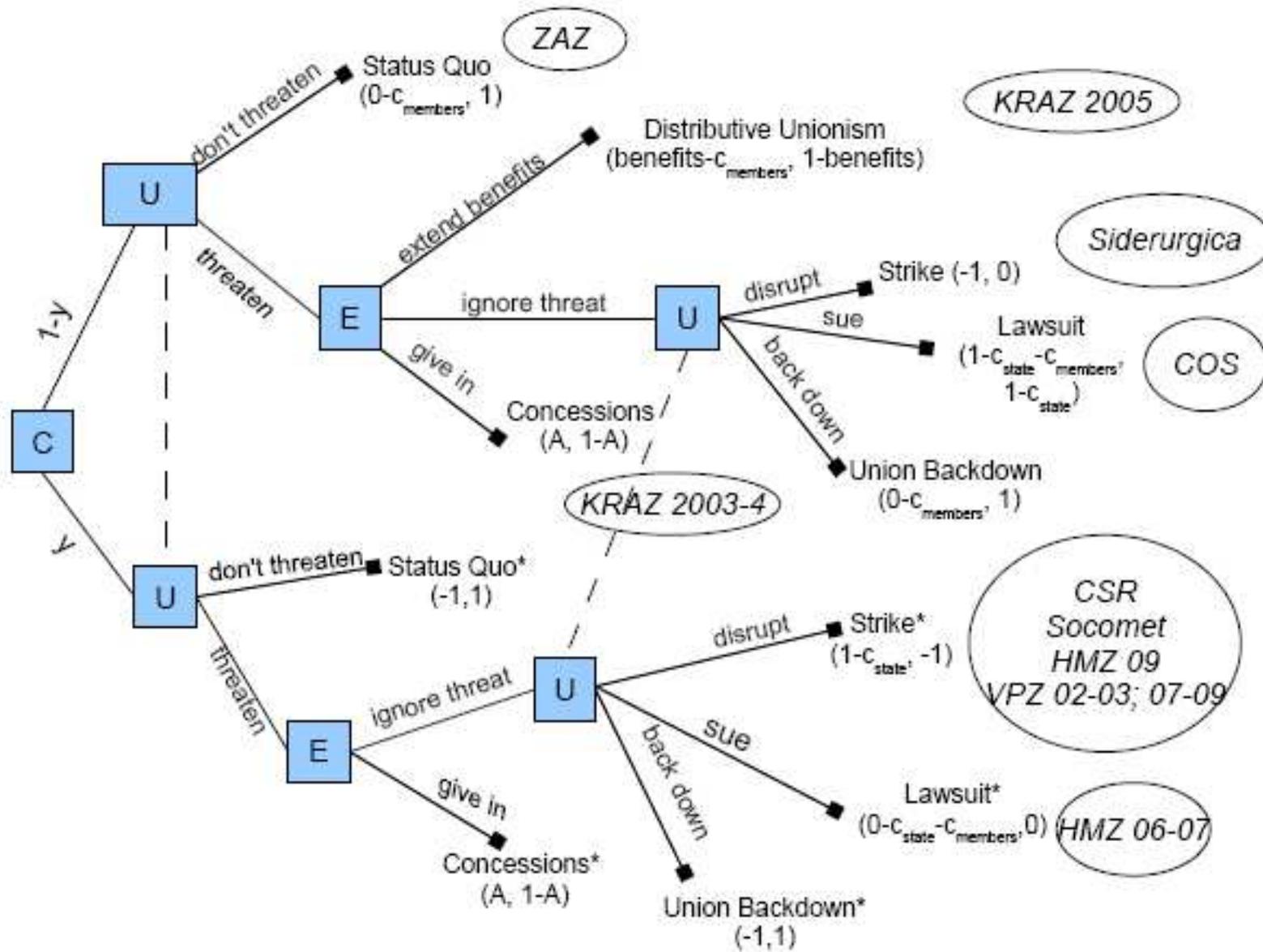
wage provided for them by the union (something keeping them from targeting protests at the union) loses its relevance for containing contention. Furthermore, other workers might interpret collective redundancies as a sign of imminent plant-closure and might get involved in contention despite not being themselves targeted for layoffs. Whether other workers join contention or not depends on the stance and actions of the union (whether it is interested in supporting protesting workers), or of the informal leaders or groups of leaders that spring up from the ranks of the laid-off workers.

Conciliatory or conflict-oriented? Why some unions go for disruption

In Chapter 3 (A Theory of Labor Strategy), I expected to find all cases of actual disruptive action (or threats to engage in disruptive action) in the lower half of the game. In the upper half, where the employer is interested in production, I did not expect to find any cases of unions engaging in contention, given the important disincentives present in the game's upper-half for unions to go for disruptive actions or threats. But actually comparing the eleven episodes of contention to the game theoretical framework leads to a puzzle: Some cases contradict the expectation that trade unions only engage in contention when labor faces asset-strippers because only asset-strippers create crises of wage-arrears. There are unions even in the game's upper half that take part in contention and use disruptive actions or threats thereof – the cases of Siderurgica in Romania and KrAZ in Ukraine. I argue that in order to understand the difference between the ‘equilibrium-path’ unions (not making any threats or limiting threats to suing in situations with employers interested in production) and the conflict-oriented ones (making disruptive threats despite facing employers interested in production) one has to take into account the strategies and specific situations of the latter group of unions. Simply put, the union at Siderurgica had found out how to make strike threats without having to face the costs that such moves would normally impose on a union; the KrAZ union found itself in a situation of extreme economic distress, leading to a crisis of wage arrears and preventing the owner from extending social benefits, something that increased the union’s autonomy. These are exceptional cases, idiosyncrasies, but ones from which much can be learned in terms of strategy, as I will argue in the chapter's next section. The remainder of this section explains why we can generally expect trade unions to avoid disruptive actions and threats in the upper half, i.e. in situations where employers are interested in production. It also explains more fully the puzzle formulated above, i.e. why there are unions that leave the equilibrium-path of avoiding disruptive actions.

Figure 6.1 returns to the game-theoretical analysis presented in Chapter 3 by assigning the cases presented in Chapters 4 and 5 to the game-theoretical outcomes. Symbols in the figure refer to Chance (C) (a way to represent the trade union’s incomplete information, as it does not know what kind of employer it faces, see Morrow 1994: 55), union (U), and employer (E). I explained the actions, pay-offs, and outcomes in Chapter 3. The cases (the contention episodes) are named after the corresponding plant’s name and the years when the contention episode took place wherever mentioning the year was necessary to distinguish between several episodes of contention at the same plant.

Figure 6.1: The Union Strategy Game with Cases



There are fewer cases than outcomes, and I consider some outcomes to be practically impossible. For instance, there are no situations in which employers pursuing asset-stripping give in to the threats of unions (no asset-stripper gives up asset-stripping if confronted only with a threat from the union; see outcome Concessions* in the lower half of the game). This is so because of the context of structural difficulties for labor: Employers know that unions in their country are weak and hardly a force to reckon with. If a majority of the population does not trust labor unions to defend their rights, one should not expect employers to have a different opinion about unions. In the Romanian cases, there is a chance that the asset-stripping employers were miscalculating (given the pre-privatization experience of unions with conflict), but not in Ukraine. There is also no union doing nothing (not even threatening) when facing an asset-stripper (outcome Status Quo* in the lower half of the game). Although the situation is logically possible, in all the cases studied during fieldwork, worker protests and the breakdown of the distributive model due to wage arrears crises pushed unions to at least threaten employers. In the upper half of the game, only one case lies on the equilibrium path (Lawsuit outcome, the case of the COS). There is no case for the “Union Backdown” outcome, which is expected since the corresponding action does not lie on the equilibrium path. But this does not explain the two episodes of contention in which unions threatened (KrAZ 2003-2004) and even carried out threats (Siderurgica).¹³⁵ These cases need explaining, since they do not lie on the equilibrium path. I offer an explanation for these cases below.

The lower half of the game finds all cases but one on the equilibrium path (the Strike* outcome), but the game fails to make any further distinctions among these cases. We know that in three of these cases unions could achieve re-nationalization or block plant closure via state intervention (in Reșița, Vinnitsa 2002-3, and Kherson 2008-9), while in two episodes of contention (Socomet in Oțelu Roșu and Vinnitsa 2007-9), unions could not stop plant closure. I discussed the differences between these cases at length in Chapter 5, arguing that in the latter two contention episodes one union (at Socomet) used the wrong strategy (did not take the conflict out of the plant) while in the second case (Vinnitsa 2007-9) outside support proved ineffective. The case of the second contention episode in Kherson (marked *HMZ 06-07* in Figure 6.2.) is off the equilibrium path; instead of trying to disrupt property relations, the unionists in Kherson engaged in lengthy legal action for the return of wage arrears, while the employer laid off one third of the workers, sold the plant, and never returned arrears. The explanation provided in Chapter 5 for the union's actions in the first episode of contention in Kherson was that during this episode, instead of striving to ensure effectiveness, the union was paralyzed by the fight between its conciliatory, distributive-oriented leadership and the conflict-oriented group of workers. Only after the group of workers secured several key positions in the union council could the union also deal with effectiveness concerns and try to solve the wage arrears crisis. In other words, before being capable of taking equilibrium-path actions (implying that it would fight the employer by trying to trigger state intervention), the union first had to become autonomous. I return to this topic in Chapter 7.

¹³⁵ The other two cases not on the equilibrium path are ZAZ and KrAZ 2005, although both met the prediction that given employers interested in production, the unions will avoid disruption. In the case of ZAZ, we have seen that there is little agency behind the union's actions. It is to such an extent under the control of the employer, that it is actually the employer making the move in the game instead of the union. The employer obviously favors a situation in which it gets a maximum payoff. However, it does extend benefits to the union to administer. The explanation in Chapter 4 is that the employer extends social benefits not in response to union threats, but out of concern about the high worker turnover. KrAZ 2005 features a union that has reached the Distributive Unionism outcome in a second round of the game, when the employer actually found (on the basis of the outcome of the contention episode in 2003-2004) the threats of the union credible. What, however, requires an explanation is why the employer found the union's threats credible in the first round (in the first contention episode).

6.2.1. Plants in Ukraine: The Paternalism Dilemma

In order to explain the off-the-equilibrium-path episodes in the upper half of the game, I turn to a strategic-form modification of the game in Figure 6.1 to present the reasons for unions avoiding disruptive threats (being conciliatory), i.e. the reasons for their being on the equilibrium path (see Table 1). It is useful again to differentiate between the Romanian and Ukrainian cases, given that the situation in the Ukrainian cases is more complicated. The reason why Ukrainian unions face a more complicated situation is, again, the existence of the social wage (comprising various fringe benefits), the discretionary ways in which the employer can use the social wage (in Figure 1 the corresponding move is the employer’s “extend benefits” action), and the fact that management infiltrates union ranks. I will start with the Ukrainian situation, a situation I call “the dilemma of paternalism game”. The dilemma is that workers cannot act collectively against employers when the employer is interested in production, but when they have incentives to act collectively against employers they can no longer pose threats of disrupting production.

The employer moves first by investing in production and offering workers social benefits (in Table 6.1 below, “employer maintains production”). A situation where the employer is acting in this manner is the case of the KrAZ car plant in Kremenchuk (Chapter 4). Alternatively, the employer can abandon production and thus increase the workers’ incentive for organizing collectively – as seen in the two contention episodes in Kherson. Organizing collectively against an employer interested in production would mean that workers lose wages and social wages. The employer will maintain production as long as $x > y$, i.e. as long as the benefits from production outweigh the benefits from selling assets. It is assumed that by organizing collectively, workers have the means of at least stopping asset-stripping, for instance by occupying the plant or blocking the plant gates (as seen in Kherson and Vinnitsa). Such actions cannot bring workers the maximum pay-off that the game allows for, i.e. the pay-off that they get in the upper-right cell (a pay-off of 1, meaning that they get wages and social wages). Nevertheless, the threat of workers organizing collectively should deter employers from engaging in asset-stripping. (Employers could in response to credible threats initiate negotiations, offering workers severance payments in exchange for proceeding with the plant’s closure.) In practice, however, such deterrence rarely takes place. Obviously, the decision whether to asset-strip or not depends also on other factors, not captured in the game (related for instance to the political and economical context), but threat enforcement also plays a part: If the workers cannot credibly convince the employer that they can organize collectively and block asset-stripping, the employer will engage in asset-stripping if $y > x$.

Table 6.1: Plants in Ukraine: The ‘dilemma of paternalism’-game

	Workers organize autonomously	Workers do nothing
Employer maintains production	(0,0)	(x,1)
Employer abandons production	(0,0)	(y,-1)

Note: $x, y > 0$. Upper-left outcome: workers can unite and strike, but the employer can retaliate by withholding the social wage. The employer incurs a loss from the disruption in production (pay-off 0,0 means that the employer makes no profit and that workers do not receive a wage nor social benefits as they are on strike). Upper-right outcome: workers refrain from collective action and receive the social wage; employer presumably makes profit. This outcome constitutes equilibrium: As employers anticipate workers uniting they will be interested in production to the extent that $x > y$, i.e. production is more profitable than asset-stripping (“x” is a variable representing the opportunity cost of giving up the alternative, something that the workers are uncertain about). Lower-left outcome: workers unite against an employer uninterested in production as soon as

the employer stops paying them wages and social wages; employer incurs a loss ($x, y > 0$) as workers will presumably try to interfere with employer's plans for the plant; workers do not get wages or social benefits, but at least prevent the plant's closure. Lower-left outcome: workers do not unite and risk losing their jobs as the employer favors selling assets over production; employer makes a profit from asset-stripping the plant.

Again, the dilemma is that workers do not have incentives to act collectively against employers when the employer is interested in production, but when they have incentives to act collectively against employers they have fewer means of posing threats (disrupting production via strikes is not effective anymore since the employer is not interested in production). Workers and unions actually solve this dilemma when facing employers not interested in production by finding other ways of posing threats to the employer and moving to disrupt property relations. Since such actions – in the form of plant occupations – are illegal, or – in the case of re-nationalization – do not depend on workers' immediate efforts but on the authorities, disrupting property relations requires taking the conflict out of the plant and engaging with the authorities. But the problem for workers is that such actions can hardly constitute the basis for threat *potential*: Threats of disrupting property relations are less credible than production-disruption threats, since they rely on the cooperation with and support for the workers of other actors (the authorities). In other words, these are threats that might need to be carried out in order to constitute effective actions.

The dilemma of paternalism explains why in the Ukrainian cases it is very rare that unions make disruptive threats against employers interested in production, at least as long as the employer allows them to administer a social wage and take the road of least resistance. The KrAZ cases are very relevant here, since in the first contention episode the trade union actually made a disruptive threat, threatening re-nationalization (by activating its connections to the State Property Fund). The trade union and the employer were off the equilibrium path in the first episode. The union leaders at the time used a situational definition presenting the employer as having no interest in production. The new employer was not paying any wages whatsoever (including the social wage), something that enabled – actually forced, given worker pressure – the union to protest. As soon as the economic situation of the plant improved, the employer extended the union benefits to administer, and union leaders then chose to take the road of least resistance offered to them by the employer. The reason why the case was off the equilibrium path was that - despite facing an employer interested in production – the union acted as if this was not the case, as if it were facing an asset-stripper. For the respective contention episode (KrAZ 2003-4) this proved effective, but when the employer had the funds again, the union went back to distributing social benefits and the old (2004-5) team of leaders was forced out of the plant. As to the employer in the first contention episode, political-economic factors linked to the employer's situation rendered the State Property Fund threat credible. They might have induced the employer to end the game in an off-the-equilibrium path outcome (the Concessions outcome).

6.2.2 Plants in Romania: The Efficiency Dilemma

In Romania management has no discretionary power via control over union ranks and funds, as there is no social wage to administer, and there is another legislation governing management membership in unions. For this reason, in comparison to their Ukrainian counterparts, Romanian unions have a stronger bargaining position vis-à-vis management. The difference is that Romanian unions are more autonomous at the workplace level, since management is not part of the union and does not offer the union social wages to administer.

Table 6.2 below is the strategic-form modification of the game in Figure 6.1 for the Romanian cases. It starts with a situation when workers move first, as they initiate protests over a violation of

their rights or interests at the plant. If workers decide to protest by disrupting production (hoping to achieve the upper-left outcome that could be the equivalent of a wage increase – they can move first in this game since they have less to lose than in the paternalism game) the employer can retaliate by abandoning production – the upper-right outcome. The employer makes no profit from production, but the employer’s action of abandoning production causes workers to lose their jobs (this is the worst outcome for the workers, -1). This deters the workers from disrupting production and instead leads them to not engage in collective action anymore - the lower-left outcome. Nevertheless, this is an outcome that satisfies workers only as long as the employer pay-off y (from abandoning production and selling plant assets for a profit) is smaller than x (the pay-off from production), since the employer will abandon production for $y > x$ (if the profits from asset-stripping outweigh those from production). In other words, it can very well be that the employer has a dominant strategy (abandoning production, for $y > x$), and workers are uncertain over the value of y – there is a chance that the employer will move unilaterally and the workers can hardly gauge that chance. If benefits from asset-stripping outweigh those from production, if $y > x$, then workers risk losing about as much as in a situation in which they had organized collectively and triggered the employer’s relocation decision: their jobs. The workers’ dilemma is that workers do not know what is the most effective option: do nothing in order not to trigger plant closure while there could be room for gains from collective action, or act collectively and risk losing their jobs. I call this the “effectiveness dilemma”, as workers do not know to what extent acting collectively will be effective.

Table 6.2: Plants in Romania: The ‘effectiveness dilemma’ game
(workers move first)

	Employer maintains production	Employer abandons production
Workers collectively disrupt production	(1,0)	(-1,0)
Workers do nothing	(0,x)	(-1,y)

Note: $x, y > 0$.

Fieldwork helped to elucidate two solutions to the efficiency-dilemma game, and also understand why there was one contention episodes with unions ending up off the equilibrium path. First, workers can get out of this dilemma by individually choosing to leave; part of the huge (90%) reduction in the workforce that took place at Siderurgica in Hunedoara is due to the fact that workers individually left the plant. To what extent leaving the plant is an option depends greatly on the availability of other jobs, unemployment benefits, possibility to migrate, and other factors. But not all workers can leave: In all plants I studied there were groups of workers that stayed at the plant and faced the dilemma above. The second solution refers to a situation where organizing collectively actually allows workers to make other threats than disrupting production or to pressure authorities to interfere on their side. This can help workers move closer to the upper-left outcome, making sure that their actual pay-offs will be smaller than 1 (in order not to trigger the plant closure decision). I am not claiming that a pay-off of 1 automatically leads to plant closure, just that the employer can retaliate if confronted with worker demands that cut too deeply into the its profits. The union at the steel plant in Hunedoara made threats in a situation in which my game theoretical analysis predicts that they would be confronted with extreme consequences (plant closure). Similarly, the union at COS Târgoviște, while being on the equilibrium-path and suing the employer, managed to turn the lawsuit into a tool with an underlying logic resembling that of disruption: by carrying out court orders, the union could block plant accounts and block managerial activity at the plant (and eventually also production). Basically, such a situation would lead the union to face the same costs as Siderurgica above – it could

trigger plant relocation and job loss for all workers. Yet in Târgoviște, too, the union proved inventive. Both at Siderurgica and at COS the unions found that some threats work if they target management rather than the company as a whole (and the owner), and carefully addressed threats to management rather than to the entire company. Furthermore, in Târgoviște the union learned how to carry out threats partially, to hurt only management and not also production; it also offered management to give up a court case that would have gotten it the full realization of worker demands (and might have triggered the plant's relocation) in exchange for management accepting part of the demands. Formally, what trade unions in Hunedoara and Târgoviște did by organizing collectively was to achieve a payoff of z , with $0 < z < 1$. They would give up parts of their demands in order not to trigger plant closure, but would nevertheless achieve results that were relevant to the workers and at least partially satisfied worker demands.

The game-theoretical arguments above lead to the expectation that workers have more to lose than to gain from collective actions as long as employers are interested in production. The costs for the workers of staying inactive – not engaging in collective action – increase as soon as the employer loses interest in production. Contention between union and employer emerges around crises of wage arrears or collective redundancies, or when unions face asset-strippers, or when unions find ways to threaten employers that do not risk triggering extreme consequences such as plant closure. But what happens after workers and their unions have decided to fight employer actions that they perceive as violations of worker interests? The game theoretical framework only explains when trade unions should and can make use of disruption. However, it offers no answer to the question why and when such disruption is also effective. We know for instance from Chapter 5 that the many episodes of contention ending in the game's lower half Strike*-outcome differ greatly in what unions could achieve; some unions saved their plants, effectively fighting asset-stripping, others could not. In order to answer the question when and why union actions can be effective, the following section returns to the propositions formulated in Chapter 3 in order to draw the relevant conclusions from the case material presented in chapters 4 and 5.

6.3. Outcomes of Contention and Strategy: Revisiting the Propositions

Contention emerges when the employer's ability to pay social wages decreases or when trade unions find ways to threaten and carry out threats without triggering plant closure. But what are the outcomes of contention, and what explains that some unions solve such episodes of contention effectively while others do not? The set of propositions developed in Chapter 3 should tell us what led to success or failure in each of the cases.

Before revisiting the propositions in detail, it is useful to present an overview of the relevant aspects of the cases. Table 6.3 below lists the cases on the rows while the columns include the elements studied in each contention episode: labor interest representation, the structural difficulties faced, employer intentions for the plant, and strategy elements. It also mentions whether there were crises of wage arrears accompanying or triggering conflict at each plant. The table includes information also about whether the conflict took place over the issue of the plant's survival or not, and about the interaction mode (conflict-oriented or conciliatory, in other words whether the union made use of disruption or not) and country context. The table also includes a column giving preliminary information about the proposition that applies to a certain case and whether the proposition is confirmed or refuted. The table shows that there were five cases where trade unions could achieve labor interest representation, the cases scoring a "+" on all the dimensions of labor interest representation. At a first glance, it seems that success always required a shared situational definition and threat potential, less so

outside support. I discuss in the remainder of this section to what extent the case studies brought confirmation of my theoretical expectations about whether and how strategy explains successful labor representation.

Table 6.3: Cases, conditions, strategies, and outcomes

Context	Contention in or for the plant	Interaction mode	Contention episode (name of plant)	Proposition	Structural difficulties			Employer Interest in production?	Wage Arrears	Strategy			Outcome (labor interest representation)		
					Mobilize*	Threaten (privatized plant)	Isolation(de-centralized labor)			Shared situational definition	Threat potential	Outside support	Autonomy	Legitimacy	Effectiveness
RO no managerial power over union funds and ranks	in the plant	Conflict-oriented	Siderurgica 2004-2009	Confirms P3	-	+	+	+	-	+	- cannot threaten owner, only management	-	+	+ input - output	-
		Conciliatory	COS 2004-2009	P2 refuted	+	+	+	+	-	+	+	-	+	+	+
UKR; Managerial power over union funds and ranks			ZAZ 2002-2008	Confirms P4	+	+	+	+	-	-	-	-	-	-	-
		Conflict-oriented	KrAZ 2003-4	Confirms P4	+	+	+	+	+	+	+	+	+	+	+
		Conciliatory	KrAZ 2005	Confirms P4	+	+	+	+	-	-	-	-	-	-	-
RO; no managerial power over union funds	for the plant	Conflict-oriented	CSR 2001-2003	Confirms P6	-	+	+	-	+	+	+	+	+	+	+
			Socomet 2001-3	Confirms P6	+	+	+	-	+	+	- keeps protests at plant	+	+	+ input - output	-
UKR; Managerial power over union funds and ranks		Conflict-oriented	VPZ 2002-2003	Confirms P6	-	+	+	-	+	+	+	+	+	+	+
			VPZ 2007-2009	Confirms P6	-	+	+	-	+	+	- limited to local authorities	-	+	+	-
		Conciliatory	HMZ 2006-2007	Confirms P5	+	+	+	-	+	-	-	-	+	+ input - output	-
		Conflict-oriented	HMZ 2008-2009	Confirms P6	+	+	+	-	+	+	+	+	+	+	+

P1) *Strategy matters: The more a union makes use of strategy elements, the more it can address worker demands and bring about labor representation.*

This hypothesis was tested and confirmed by means of careful case selection, and across the cases. The claim I make is that unsuccessful unions – i.e. those failing to bring about labor representation – are unsuccessful because they did not have a strategy (in terms of the three strategic elements), or used the wrong one given the situation they were in (for instance, using strikes against asset-strippers). Differences in terms of labor interest representation between episodes of contention at the same plant and between different plant-level unions that are located in the same industry part of the same branch-level organizations can be traced back to the strategies of those unions. The role of fieldwork was to find out whether such differences were indeed related to strategy or instead to some case-specific elements that made labor interest representation easier (or even more difficult) for a union than generally allowed for by the conditions of structural difficulties for organized labor. Throughout fieldwork I could identify only one union (the wheel-plant KrKZ in Kremenchuk), presented below, where a high level of labor interest representation occurred in the presence of – and was probably due to – getting around the conditions of structural difficulties. In contrast, in all other cases studied throughout fieldwork I could trace back the variation in terms of outcomes to strategy, to whether unions used the strategic elements explained above or not, and to whether the strategic elements the unions used were appropriate given the employer’s intentions.

The wheel-plant KrKZ (*Kremenchuts’kyi Kolisnyi Zavod*) in Kremenchuk is organized by an ASMU plant level union. ASMU leaders in Kyiv presented the plant-level union as one of their most successful. For them “successful” meant regularly signing and enforcing the collective labor agreement, the high amount of social benefits that the union administers, the timely payment of wages, and a wage level that is equal to or above the branch-level minimum. At the plant I found indeed that the trade union was apparently doing a better job than other plant-level unions in my sample at plants where employers were paying wages on time. First, the union had significant co-decision rights: Management asked for its signature for making investments at the plant. Second, by comparing the minimum wage as agreed in the plant’s level collective agreement of 2007 (the year of fieldwork) with the corresponding branch-level minimum, I found that the minimum wage at the plant was much higher than the latter figure; in fact, the branch-level minimum would not reach the level at the KrKZ even in 2008.¹³⁶ Of course, many plants pay wages higher than the minimum wage agreement. But what is important here – and shows that the union was doing a better job than the union at the ZAZ, for instance (see Chapter 4) – is that the difference was inscribed in the collective agreement. On the downside, I found that at least one plant manager was a member of the union council and taking part in its meetings. This is a sign of low autonomy from management. The trade union leader explained, however, that the presence of the manager in the union council gives her more power since she can directly “name and shame” management and talk with management if other union council members raise critiques of it (KrKZ 2007).

But what was special in terms of structural difficulties about this union was that it did not really face the weight of the structural difficulty of threatening, because of the type of privatization it had gone through. In short, the government sold the shares to various business groups and partly also to workers; there was no majority shareholder. There was no owner to decide whether to move production or engage in asset-stripping. Management depended on the plant for its wages, and therefore also on good relations with the union. Furthermore, managers and union leaders had been in office since the times of the Soviet Union and had developed an amicable relationship. Contrast this to the story of the union in Vinnitsa, based at a plant under the control of a large food-industry corporation with no interests in developing the ball-bearings production at the Vinnitsa factory. A first attempt to close the

¹³⁶ *Zmini ta dopovnennya do kolektivnogo dogovoru na 2007 rik*, Kremenchuk: 2007 [“Changes and annotations to the collective agreement for the year 2007”; document in Ukrainian, in the author’s archive].

plant in 2002 prompted a long conflict between employer and union, made only worse by the four changes in management between 2003 and 2009; the various general managers tried different approaches to fight the union, including refusing recognition, asking for union membership and suing the union upon refusal, and an attempt to set up a parallel union. In contrast to the KrKZ union, the union in Vinnitsa fully faced the structural difficulty threatening and did develop a strategy to restore its threat potential vis-à-vis employer. Establishing threat potential vis-à-vis such an employer was indeed a challenge for the union in Vinnitsa; it was only developed over protracted contention and relied twice on taking the conflict out of the plant and triggering state intervention.

It is cases such as the ones in Vinnitsa and Kherson – allowing for comparisons between several episodes of contention at the same plants - that show that strategy makes a difference for labor representation. For instance, the struggle for the survival of the harvester plant in Kherson showed that there was very little that the union could achieve before the worker protests in December 2006, which made the union autonomous. Before those protests, the union – much indebted to the Soviet model of industrial relations – had no other strategy to fight plant closure and the increasing wage arrears than writing letters to state officials in Kyiv. After the protests, the strategy of the union changed to include disruption threats based on a shared situational definition culminating with the February 2009 factory occupation; it was this strategy that returned the wage arrears and postponed plant closure by at least one year.

P2) If an employer is interested in production and has no power over union funds and ranks, a conciliatory union can rely on threat potential alone in bringing about labor representation. In the case of a conciliatory union, threat potential relies on non-disruptive threats and can do without a shared definition of the situation, at least over the short term (during initial episodes of contention).

The case of the contention episode at the COS steel-plant in Târgoviște refutes the proposition (Chapter 4). Even if the trade union could pose threats that required only successful legal action (the court case over wage payments), the union had to deal with the strategic element of a shared situational definition. It did not have to deal with it because it needed a mobilized workforce as a source for threat potential. Instead, it needed a shared situational definition precisely because it had used legal action that took two years before bringing any significant results. During those years, both workers and parts of the union council expressed deep disagreement about the choice of litigation, demanding instead that the union organize strikes (this was a demand coming from the workers) or that it become more conciliatory (a demand coming from parts of the union council). The union had to steer carefully between these two positions and in the end could not prevent the opposition in the union council from developing into a splinter group.

Refuting this proposition has one crucial implication. It shows that having threat potential in the absence of other strategic elements does not work in any of the two country-contexts. Such a situation would have been one in which the union could have effectively furthered certain worker demands by threatening to take the employer to court. The closest case to this situation is the case of COS, where the union did threaten only with court action – and did so effectively. However, even in this case this action took so long that it also required dealing with the element of the shared definition of the situation. The union leaders had to give in to pressure from below and organize a strike, a measure deemed more effective by worker delegates. Without the strike the union leaders would have risked losing the workers' support for the lawsuit.

P3) If an employer is interested in production and has no power over union funds and ranks, a conflict-oriented union must reach a shared definition of the situation with workers, in order to establish threat potential. Threat potential and a shared definition of the situation are necessary conditions for success when a conflict-oriented union confronts an employer interested in production.

This proposition is the basis for the “effectiveness dilemma” game presented above. If a union seeks to promote goals by disruptive measures, it has to ensure that workers support and participate in taking those measures – for instance, a strike. Workers, however, might face serious disincentives when it comes to supporting such measures, since they can lose their jobs if protests will trigger plant closure. Support for this proposition comes from the case of plant *Siderurgica* in Romania (the first contention episode in Chapter 4). The case shows that the union could find ways to mobilize workers without triggering the plant’s closure. It did so by relying on workers for making strike threats and – most importantly - by differentiating between various levels of management: It directed the strike against local management (with some room for decisions over wages). The union is listed as unsuccessful because it did not satisfy the key worker demand – reduction of work overload (which was not at the discretion of local management). Instead, it avoided worker dissatisfaction by winning wage increases (via strike threats). I regard the union’s actions of differentiating between different addressees of a threat – in that case, between local management and higher levels of the owning company - as part of the process of constituting a threat (namely addressing a threat). The case showed that the situation for a union is not hopeless even if it faces one of the world’s biggest multinationals. There is room for some labor interest representation if the union targets local management instead of higher company levels.

P4) If the employer is interested in production and operates in a context with strong managerial power (control over union funds and ranks), there cannot be any labor representation, irrespective of whether the union is conciliatory or conflict-oriented.

This proposition stems from the “dilemma of paternalism” game presented above. It claims that where employers pay for social wages and leave unions to administer them, the unions have no prospects of becoming autonomous, and autonomy is a precondition for (or necessary ingredient of) effective labor representation. The cases of the contention episodes at the KrAZ seem to raise doubts about the proposition: After all, this is a case where the union did threaten and confronted the employer over a crucial issue for the workers – wage arrears. However, this only happened when the union had no other choice: The employer had stopped paying social wages, and the union gave in to worker pressure and accepted to represent them on the issue of wage arrears. The union gave up its militant stance as soon as the financial situation of the employer improved and the employer resumed the practice of extending to the union social benefits to administer. In other words, the KrAZ-case is not an exception to the proposition, as contention between management and trade union at this plant emerged only when management could not afford to maintain distributive unionism at the plant anymore – could no longer pay for limiting the union’s autonomy. The contention episodes in Kherson serve to demonstrate this point again, as fieldwork was able in those cases (because I could often directly observe what happened) to provide more details about how managerial power limits labor representation. In short, only when management lacked the funds to pay for wages and fringe benefits did the trade union become vulnerable to the demands from below, from workers asking that it become autonomous and take over their demands rather than distributing social benefits. Ensuring labor interest representation meant in Kherson that the two dimensions of labor representation could only be handled separately, in that case over two distinct episodes of contention. In the first episode, pitching workers against the leadership of the distributive union, workers forced the election of new leaders and thus ensured the union’s capacity of acting autonomously from management. Only in a second episode of contention could the partly reformed union also ensure that worker demands would be effectively met.

P5) If the employer is not interested in production, conciliatory unions cannot pose threats to the employer and therefore cannot bring about labor representation.

This proposition states that a union that avoids disruptive threats or outright disruption when facing an asset-stripper (employer not interested in production) is bound to fail. This seems quite self-evident, and the reader might rightly raise the question which union would ever stay conciliatory (not make disruptive threats or engage in disruption) when confronted with the prospects of plant closure. The answer is a simple one: a union indebted to the Soviet model of unionism, which ever since its establishment has worked by distributing benefits and not by representing workers vis-à-vis management. In my sample there is only one union that was in that situation, but I came across others during fieldwork.¹³⁷ The case included in this dissertation is the case of the 2006-2007 contention episode in Kherson, when the HMZ union avoided calling any strikes - even in situations when workers were unpaid - or taking any other disruptive action. The union did not mobilize the most basic ingredient for any union's threat potential - workers organizing a strike or a factory occupation. The employer could easily ignore a union that posed no threats. The situation changed only in December 2006, when the union's lack of resolve triggered a wave of worker protests that brought down half of the union council. It was only in response to these protests that the employer agreed to pay workers part of their wages.

P6) When dealing with an employer with no interest in production, conflict-oriented unions have to take struggles outside the plant. Outside support becomes necessary for success.

The first half of this proposition - that unions have to take struggles out of the plant if facing asset-strippers - finds confirmation among cases from both countries. Unions achieving limited (Vinnitsa 2002-2003, Kherson 2008-2009) or almost full (CSR 2001-2003) success against employers with no interest in production all took the conflict out of the plant. They also underwent a transformation in terms of constituting threats; union leaders at these plants understood that disrupting production is not an effective strategy against these employers. Instead, they either calibrated threats to achieve disruption against asset-stripping employers (the case of the factory occupation in Kherson), or changed the addressees of threats, targeting state authorities rather than employers to trigger their involvement (Vinnitsa and CSR in Reșița). This process of "threat transformation" along the dimension of constituting threats is presented in more detail in the next chapter.

There are also two cases where unions did not take struggles out of the plant, in Oțelu Roșu (2001-2003, Romania) and Kherson (first contention episode, 2006-2007, Ukraine). The union in Kherson, at least in the contention episode of 2006-2007, never tried taking the struggle out of the plant; it did not even try to achieve or threaten any disruption. The union in Oțelu Roșu actually switched from an approach where it relied on mobilized workers to achieve disruption against authorities *outside* the plant to one using workers to disrupt only management actions within the plant. This change in strategy proved ineffective and triggered a rift between workers and union leaders in terms of situational definition, with the workers eventually abandoning union actions.

The cases presented in Chapter 5 actually cast new light on the proposition's second part. Unions in Vinnitsa, Kherson (2008-2009), and in Reșița were effective with very little outside support from other unions for the disruptive actions they initiated; the main form of outside support they could secure was the authorities' involvement in the form of extending material support to workers (Reșița) or negotiating with the employer to accept at least some union demands (Reșița and Kherson). These unions had no allies outside their plants and were offered only little assistance by national unions, with the exception of the union in Reșița (where support from national unions was present, but was not as important in bringing about labor interest representation as the mobilized workforce). The unions in Vinnitsa, Kherson, and Reșița relied exclusively on their mobilized members to target authorities (via

¹³⁷ Also Ashwin 2004 came across many more similar instances of unions' lack of support for contention in her 33 case studies of plant-level conflict in Russia.

demonstrations and road blocks in Vinnitsa and Kherson, and via the hunger strikes and road blocks in Reșița) and employers (the 2009 factory occupation in Kherson).¹³⁸

By showing that they can be successful with little outside support, the unions in Chapter 5 show that even highly isolated unions can achieve sufficient disruption to be effective in posing their demands. This is a relevant finding especially for Ukraine, where sources of outside support are limited, given that Ukrainian unions are not only extremely decentralized but also tributary to a model of unionism that prevents them from supporting each other. Because of Soviet-type (distributive rather than representative) unionism, there is little to draw unions to the struggles of other unions, even when they are members of the same branch-level organization, something further exemplified below. This leaves unions in Ukraine without the most basic source of outside support, trade union solidarity. Chapter 5 has shown how isolated Ukrainian unions were in their struggles, largely – or totally - marginalized in the world of the ASMU. Rather than break such isolation, the unions in Vinnitsa and Kherson relied on their mobilized workforce to trigger outside support in the form of the authorities' involvement to pressure employers to at least return wage arrears and postpone plant closure.

Discussion

Summing up, revisiting the propositions has shown that there are several key lessons about successful labor interest representation to draw from Chapters 4 and 5. First, *all* unions – whether conciliatory or conflict-oriented (using disruptive threats and actions or not) – need to pose some sort of threat to employers if they want to be effective. In other words, there can be no labor interest representation without at least some threat potential (whether the threat actually had to be carried out is a different topic, to be discussed below). The strong connection between labor interest representation and threat potential is not as intuitive as it sounds: Union leaders – throughout my study but also in, for instance, Ashwin/ Clarke 2003 - regard disruption or the threat thereof as a weapon of the last resort, not as the basis for successful labor interest representation. This was often also one of the reasons for the extremely contested character of situational definitions within unions: It was especially incumbent union leaders that unequivocally rejected disruption and thus entered conflict with the rank-and-file that demanded other union actions (that would show results more quickly). That I came across such rejection mostly in a post-Soviet country, Ukraine, and less so in Romania, could indicate that such rejection is due to the distributive model of trade unionism offering union leaders an alternative to engaging in labor interest representation.¹³⁹

Sometimes it was not enough for successful labor interest representation that trade unions only make threats. Threats had to be carried out (at least partly), particularly when dealing with employers not interested in production, with asset-strippers. In these cases, in which unions tried to stop asset-stripping or achieve the return of their plants to state property, unions no longer tried to threaten the employer directly. Instead, unions tried to trigger state intervention as a means of bringing the employer under pressure. In other words, in such instances threat potential required outside support in the form of state intervention. Unions carried out threats to prompt state intervention, and because

¹³⁸ The union in Vinnitsa did find some support from a *foreign* trade union, the Canadian AutoWorkers' union. It was this organization that provided the union in Vinnitsa with an old printer, two computers, and Internet connection.

¹³⁹ It can also be that union leaders declare in interviews that strikes or the threats thereof are means of the last resort, as few union leaders would want to add more strain to their relationship with management by being too confrontational in their declarations (and praising strikes too much might be perceived as confrontational). It happened, for instance, when on fieldwork in Hunedoara that the union leaders repeatedly denied ever having made any strike threats in conversations with me, although I had press reports covering contention episodes when they had publicly made strike threats. Union leaders were, in this case, trying to prove that they are a viable negotiation partner for management, something that they declared to me in an interview (see Chapter 4). But it is also true that some union leaders might want to evade strikes because of how unequal the distribution of costs within the plant and union for carrying out a strike is. Because of the intricate procedure for organizing legal strikes, any mistakes in carrying out a strike can offer management the grounds for lawsuits imposing strike costs on union leaders (see again Chapter 4, the COS Târgoviște contention episode in Romania).

threats were carried out it is probably more suitable to talk of the importance of disruption itself as a strategic element than of threat potential alone. The target of disruption was not so much the state: Where unions relied exclusively on disruption targeting the state (for instance, to retaliate against what workers considered an unjust privatization), such disruption – in the form of roadblocks – proved no match for the overwhelming strength of the state’s law enforcement organs. Instead, successful trade unions targeted disruption at stopping employer actions at the plant (most evidently via factory occupations) and at creating visibility around such actions (for instance via the hunger strikes in Reșița), thus creating an incentive for politicians to profit from that visibility and get involved in addressing worker demands.

There is no single way to bring about threat potential and also successful labor interest representation (the effectiveness dimension is particularly problematic here). Depending on the context (employer intentions, presence or absence of wage arrears crises) – different combinations of the other two strategic elements (shared situational definition, outside support) and threat potential brought about effective labor representation.¹⁴⁰ Having threat potential always required at least bringing about a shared definition of the situation, regardless of employer intentions. In other words, unions that make effective threats as a rule have to ensure unity. Sometimes the shared definition of the situation became the basis for threat potential in the form of a mobilized workforce. Outside support proved necessary whenever trade unions tried to disrupt the employer’s control over the plant (as the union leaders believed to be facing asset-strippers). Since such disruption or the threat thereof involves violating an owner’s legal property rights over a plant, disruption or disruptive threats required state support or state involvement, an aspect of outside support. In all three cases of unions successfully fighting off plant closure, the unions’ strategies included all three strategic elements. The union could credibly threaten the employer only once it had triggered the authorities’ involvement (finding outside support), and it could trigger the involvement only by relying on a mobilized workforce creating visibility (via roadblocks and demonstrations) around worker demands. What varied was the extent to which unions could do without permanent sources of outside support. In Ukraine, unions in Vinnitsa and Kherson could achieve significant labor representation in the absence of permanent sources of outside support such as support from wider trade union organizations.

A shared situational definition matters for threat potential because from a labor perspective it is more than only a matter of having anything to threaten with. As argued in Chapter 3, it is also an instance of organization of attention, a central process out of which decisions arise. The cases in Chapters 4 and 5 showed how the shared situational definition matters for internal union decision-making about threats: The unions having difficulties in ensuring a shared situational definition had a more difficult time in dealing with critical choices about constituting threats, to whom to address a threat, and what exactly the threat should be given the addressee. Since there was disagreement about the extent to which to trust the employer’s commitment to production, there was also intense disagreement about what kind of threat to use vis-à-vis the employer. This point will be taken up again in the next chapter.

6.6. Conclusions

This chapter was dedicated to the following two questions. In section 2 I asked about the sources of contention at the plant, about when contention emerges at the post-communist plant between workers and unions, on one side, and the employer, on the other. Section 3 dealt with the outcomes of

¹⁴⁰ The point about different factor combinations, depending on the context, explaining an outcome resonates with the tradition of qualitative comparative analysis; see Becker 1997.

contention: How can one make sense of the differences in outcomes between cases? Why is it that some contention episodes end with unions successfully defending worker rights while others do not?

As to the first question – when does contention emerge – the answer offered in this chapter first consisted of two elements: the existence of wage arrears crises to dislodge the distributive model of unionism (this concerns only the Ukrainian cases) and the presence of asset-strippers (employers not interested in production), meaning the prospect for workers and unions of losing their jobs (this concerns the cases in both chapters). But the theory developed with game theoretical tools in Chapter 3 led to an apparent anomaly. It predicted that, given structural difficulties for labor action, unions will stay away from contention and not make any disruptive threats if employers are interested in production. Yet some cases did not fit this prediction, as unions nevertheless got involved in several contention episodes. The theory also predicted that when facing asset-strippers, unions will put up a fight and try to trigger state intervention. Most unions fit that prediction, but here, too, there was a case contradicting it, where the union failed to take almost any action against the employer. What happened?

Revising the building blocks of my theory I found that there is room for inventiveness in labor action, and that there is a third element explaining the emergence of contention: the ability of some unions to find out how to achieve disruption or threaten with disruption without triggering repression or plant closure. In contrast, I could observe how another union, even when faced with extensive layoffs, wage arrears, and imminent plant closure was very reluctant in organizing a response to employer actions. The response my theory predicted came only in a second contention episode at that plant (the harvester plant in Kherson, Ukraine), and not also in the first one. In the next chapter, I make what happened in that contention episode and a comparison between unionism models in Romania and Ukraine the basis for analyzing how the distributive model of unionism (characterizing the union in Kherson during the first contention episode) makes it more difficult for labor to develop strategy elements.

My theory was useful in plotting a theoretically-expected course of action for unions depending on employer intentions for plants, and measuring whether and how the empirical cases diverge from those expectations. But it could only hint at what explains the divergence. It furthermore lumped together quite a few rather different contention episodes as ending the same way, by triggering state intervention. It did not offer any insight into how these cases differ, why in some situations of state intervention unions could at least stop asset-stripping while in others they could not. As seen in Chapter 5, although they all witnessed contention, these cases differed tremendously in the extent to which unions achieved labor representation; some saved plants and jobs, others failed to do so.

The second question leading this chapter set out to establish whether and which strategies or strategy combinations can lead to successful labor representation in each context. Based on the data presented in Chapters 4 and 5, I turned to examining to what extent the theory of labor strategy and propositions developed in Chapter 3 match the case studies in describing what led to success in terms of labor interest representation for each contention episode. Confronting propositions with cases led to several insights. First, the cases showed that labor interest representation always needs threat potential. There are several ways for a union to develop threat potential – relying on a mobilized workforce (or at least ensuring that the rank-and-file and the union leaders share the same situational definition), on outside support, or both. The presence of distributive unions makes it very difficult for workers and union leaders to reach a shared situational definition; only a crisis of wage arrears, or the presence of an asset-stripper, dislodging the distributive model, can create the conditions for union leaders and members to reach a shared situational definition, a crucial ingredient for threat potential. One of the propositions for which I found confirmation across the cases argued that when confronting asset-strippers, unions have to mobilize outside support, at least in the form of triggering state intervention. For unions it proved quite difficult to manage state intervention. But those that kept the threat of disruption real vis-à-vis authorities and combined it with high visibility of their protests – with threat

potential relying extensively on a mobilized workforce - were more successful than those that gave up mobilizing workers for protests outside the plant after achieving state intervention.

In the next Chapter I turn to the question why so few trade unions could develop the strategic elements allowing them to save plants or improve pay and working conditions; if more unions would use the strategic elements, there would be less cases of asset-stripping than mentioned in Chapter 1, or plant closures would be accompanied by significant severance payments as in Vinnitsa. I describe the obstacles to strategic action by comparing the strategies of unions in Romania and Ukraine. Obstacles emerge foremost from the extreme complications to successful labor representation that post-Soviet unions face due to the distributive model of unionism (administering social benefits), obstacles that Romanian unions do not face. First, unions in post-Soviet countries have to become autonomous before they can achieve effectiveness, and the move to autonomy takes place with little assistance or support from the majority of other unions, which prefer the distributive model. But distributive unionism also leads to more contestation around situational definitions, hampers the development of alternative union leadership given the possibilities for management to influence union elections, and more generally favors the repression of alternative leaders. Distributive unions also, if pushed to confrontation, favor the 'legal' approach of taking employers to court irrespective of how inefficient such an approach can be. Last, because it limits the establishment of alternative leadership and the increase in union autonomy, distributive unionism makes it difficult for unions to calibrate threats to employer intentions. I treat these obstacles in detail in Chapter 7. Chapter 7 then moves to specify – on the basis of the comparison between unionism models and what led to the divergence between Romania and Ukraine (regarding the ability to bring about successful labor representation) - some implications for the entire post-communist region, situating Romania and Ukraine in their regional context. It shows that the problems plaguing labor in both countries are not specific to them but instead are part of a larger phenomenon of low union responsiveness to the demands of workers and low government and national union responsiveness to the struggles of plant-level unions.