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

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Chapter 7: The Difficult Road to Strategy

7.1. Obstacles to Making Use of Strategy: A Ukraine-Romania Comparison

7.1.1. Labor Interest Representation and Outside Support

If the strategic elements are what it takes to bring about successful labor representation, why is it that we do not see unions make use of these strategic elements more often? This chapter answers this question by combining insights on the models of unionism prevalent in the two countries with information on how the strategic elements and the dimensions of labor representation work. Starting from a Ukraine-Romania comparison, the chapter's first section argues that the prevalence of the distributive model in Ukraine – with the FPU (the Federation of Trade Unions of Ukraine) actively defending it by marginalizing representative unions – explains why it is so difficult for unions to make use of the strategic elements. The section presents how the distributive model interacts with each of the three strategic elements; how it complicates labor representation (in comparison to the Romanian setting) by decoupling two dimensions of labor representation, autonomy and effectiveness, forcing labor to deal with them in separate contention episodes; and how it hinders the emergence of leadership and enables repression.

In other words, the Ukrainian trade unions' weakness relative to their Romanian counterparts can be conceptualized in terms of the following two interrelated issues: the Ukrainian plant-level trade unions' reluctance to assist struggling workers, and the Ukrainian national- and branch-level trade unions' reluctance to assist the few trade unions that do support struggling workers. This Chapter's second part extrapolates from the argument to wider post-communist Europe, attempting to categorize the region's trade unions along these two dimensions. It hypothesizes that the problems with the establishment of representative unions beset not only Ukrainian trade unions but also unions in other post-communist countries. Based on a review of the literature on labor in various post-communist countries, the chapter shows that the problems facing labor in Ukraine are not particular to that country. Furthermore, and perhaps more importantly, categorizing trade unions in post-communist countries along the two dimensions mentioned above allows for a more sensitive categorization in terms of labor "weakness" or "strength" of post-communist labor.

One finding that stands out relates to the supplementary difficulties that beset Ukrainian (and more generally, post-Soviet unions) in comparison to those in other post-communist countries. In terms of strategy, trade unions in Ukraine have to deal with the issue of autonomy *and* achieve effectiveness; furthermore, autonomy precedes effectiveness, so that it is very likely that unions cannot handle these two tasks at the same time (only an autonomous union can fight for effectiveness). Most importantly, *struggles for autonomy happen in isolation*, because the larger trade union scene still has to move away from the distributive unionism model towards the representative one, a tremendous task still ahead in Ukraine.¹⁴¹ This becomes clear if comparing the amount of support that branch- and national-level unions extend to plant-level unions in the two countries.

Although not necessary for success in any of the cases presented in Chapter 5 ("Struggles for the Plant"), *outside support* varied greatly among the cases particularly when it comes to the availability of support from other plant-level unions or from the higher echelons in the union hierarchy (branch- and national level organizations). In the case of the Romanian unions in Reșița and Oțelu

¹⁴¹ This statement holds for several of the former Soviet republics where the distributive model is still dominant, including Russia and Belarus.

Roșu, the plant-level unions coordinated their actions and received assistance from the branch and national levels, while the national union officers contacted the highest government officials and negotiated with them plans to save the plants. National union officers also mediated meetings between government officials and plant-level leaders and hosted delegations of plant-level leaders in Bucharest. A similar pattern of supportive presence of other trade unionists at the site of a beleaguered plant-level union was visible also during fieldwork at Siderurgica in Hunedoara and the COS in Târgoviște (also in Romania, Chapter 4). Union leaders from other plant-level unions and branch- and national-level organizations all came together in Hunedoara in early 2007 to promise Mittal Steel, the owner of Siderurgica, an industry-wide strike should there be no increase in wages at Siderurgica. Similar instances of support were found also for the union at the COS, despite many other plant-level and branch-level union leaders criticizing the approach of the COS union as too uncompromising (B1 2009; H1 2009).

Contrast this with the approach of the FPU and the ASMU towards their beleaguered plant-level unions. With Vinnitsa the longest case of conflict over the future of a plant in Ukraine, the involvement of higher level union organizations (branch-level ASMU and national-level FPU) was minimal. The ASMU organized meetings with politicians in Kyiv only on the two occasions that the workers of the ball-bearings plant organized pickets in the capital in 2008. Despite the case being from time to time brought up in both the FPU newspaper *Profspilkovi Visti* and the ASMU newspaper *Yednist'* (proving that FPU and ASMU leaders knew about the case), no FPU official ever traveled to Vinnitsa. The current ASMU president (in office since 2000) also never visited the plant-level union. Despite FPU property estimated at billions of dollars (Kubichek 2004), neither the FPU nor the ASMU ever extended material help to the workers receiving no wages for months. Picketing workers had to find means by themselves to pay for the bus to take them to the pickets they organized in Kyiv.¹⁴²

The marginalization of struggling unions in the world of the FPU and the ASMU is even more evident in the case of the 2008 Kherson factory occupation. The ASMU vice-president did visit Kherson in the occupation's first week, when there were talks at the plant-level union about leaving ASMU and joining the Miners' Union NPGU, the only competition in Ukraine to FPU (and implicitly to ASMU). ASMU promised help and support that never materialized. After the occupation's violent end and 60% layoffs ASMU issued no note of protest, although the law requires the employer to agree on any layoffs exceeding the number of 30 workers with the union. It never extended any juridical help – although it has specialized lawyers – to the fired workers, a key demand of workers in the occupation's aftermath. After reporting about the occupation in one article in its newspaper in February 2009, ASMU paid attention to HMZ again only in May 2009, when the union staged demonstrations in support of the owner in Kyiv. The union was by that time cleared of radicals from the initiative group (all fired) and the demonstration in Kyiv happened at the initiative and with the financial support of the owner. The owner paid all expenses related to the demonstration, including some 100 workers 20 dollars each to participate (see Chapter 5).

There are at least three ways of explaining such differences between Cartel Alfa and the FPU and why the FPU keeps its distance from plant-level unions in Kherson and Vinnitsa: the bigger size of the FPU, the marginality of farm-machine industry for the FPU, and the lack of a break in Ukraine with the distributive model imposed on unions by the communist regime. First, one could argue that the FPU, at least ten times the size of Cartel Alfa, has other, more important sectors to take care of than machine-building. But this argument is not persuasive, since plants such as the ones in Vinnitsa and Kherson represent rare cases in the world of the FPU; the FPU would not have been overburdened by

¹⁴² Before 2000 the situation within ASMU resembled much more the one within Romania's Cartel Alfa. In 1991-1999 the former ASMU president (in office until 1999) often travelled to Vinnitsa and other plants to assist the plant-level union in negotiations and advise it on its strategy (Mandel 2004, and personal report of the former ASMU president, ASMU 2000, in the author's archive). See Chapter 2 for a more elaborate discussion on this shift.

assisting the unions at these two plants. Second, if marginal for the 11-million-member strong FPU, the two plants were much more central in the ASMU world, with no other similar episodes of contestation taking place within the ASMU during that time. For Cartel Alfa, in comparison, steel workers indeed played the main role in its establishment, together with machine-builders, miners, and petro-chemical workers. Third, Cartel Alfa emerged in 1990-1992 with an explicit agenda of breaking with the unions' communist, close-to-management past. It was, as described in Chapter 2, a union established bottom-up around a reform agenda to democratize the unions, in the sense of re-establishing them from the shop level upwards (B2 2009). This never happened with the large communist union organizations in Russia and Ukraine. If in 1990 Romanian trade unions in most industrial sectors were disbanding and re-establishing themselves bottom up, unions in Russia and Ukraine continued with the same cadres and agendas as during the Soviet Union.

The reason why I present this discussion here is that such differences in the larger union organization's approach vis-à-vis struggling plant-level unions are important for understanding the scope for reform at the plant level. In Romania the move towards autonomy was made in a big-bang fashion in 1990. Established as unions to protect members against the state employer's abuse, Romanian unions in key industries such as steel, machine-building, mining, and petro-chemicals could develop resources for mobilization before privatization that Ukrainian unions could and would not. Rather than in a big-bang fashion, moves towards autonomy at the plants in Vinnitsa and Kherson were made gradually, with wage arrears crises prompting worker action against inactive trade unions that gradually replaced union council members with representatives of workers. The big strategic advantage of the union in Vinnitsa vis-à-vis the employer was that by the time of privatization it had already completed this process; it entered conflict against the private employer with a membership trained in protests and a leadership that had risen from the shops. In contrast, the union in Kherson went through a first wage arrears crisis to trigger worker discontent against the union only after privatization. While the union underwent the changes demanded by workers (usually the election of production worker representatives to the union council), the employer completed the judicial liquidation of 2006-2007, laid off one third of the workers and sold the rest of the plant. It was only vis-à-vis the second private employer to take control over the harvester plant that the union could pose a threat when it occupied the plant in 2009.

The distributive model discussed below not only complicates labor interest representation, it also severely limits the prospects for the emergence of an alternative leadership and the options available to that leadership. Not only is it more difficult in Ukraine than in Romania to find outside support, but the presence of a distributive union at the plant limits the chances that union members can reach a shared situational definition. Understanding this point helps explain why it is so difficult for post-Soviet labor to reach shared situational definitions, a vital ingredient for constituting threat potential.

7.1.2. The Challenge of Reaching a Shared Situational Definition

Unions are sites of contention where union leaders have to aggregate into one position a wide and sometimes conflicting variety of worker interests (Offe/ Wiesenthal 1980). In the case of distributive unions, an alternative leadership challenging the distributive model emerges only in moments of crises, such as crises of wage arrears. In normal times the emergence of alternative leadership is generally barely possible, as worker groups that seek an alternative to distributive unions will have to compete with the offer of social benefits and the social wage offered by the employer to the distributive union (Petrova 2001). Crises of wage arrears sever that link between union and employer, but this does not necessarily also mean that the union will distance itself from or reject the distributive model. In fact,

the leaders of a distributive union will usually make sure that there is an alternative definition of the situation to the one formulated by worker groups challenging their leadership. If unions in the Offe and Wiesenthal (1980) account aggregate various worker interests, distributive unions in crisis fragment more than they aggregate. Even in situations of wage arrears, leaders of distributive unions argue in favor of giving the employer more time and avoiding disruptive actions. Since union groups will be split between the position of the incumbent union leader and that of groups of workers challenging that leader, it is much more difficult to achieve a shared definition of the situation. And we have seen that a shared situational definition is a key element in mobilizing workers, and in having threat potential.

At a plant not presented in the empirical chapters, the harvester plant in Ternopil', it took two years of fights within the union to reach a shared situational definition and launch protests. Wage arrears first appeared in 2005, but the union would strike and also launch street protests only in 2007. The protests returned the workers wage arrears and triggered the authorities' interest in the case, leading to the arrest of the plant's general manager for embezzlement and not paying workers their wages. As with the suicide in Kherson, it took an extreme event to launch protests: the management's decision in January 2007 (i.e. in winter) to cut gas and hot water supplies to worker dormitories. Up to that moment, the union council was paralyzed by a fight over the situational definition between the two wings of the union: the moderates, indebted to the distributive model and united around the union leader, and a group of challengers. The situational definitions of the two groups were completely opposed. Below is an excerpt from the protocol of a meeting between governor, union leader, and a challenger group member from January 2006. Even with the workforce down 10 times since the fall of the Soviet Union, the harvester plant still was Ternopil's biggest remaining industrial unit, employing some 1,150 people in 2006. News about wage arrears, wildcat strikes, and protests within the plant had reached the governor's ears, who called the union representatives to inform him personally about "the economic situation at the *Ternopil'skyi Kombainovyi Zavod* [The Ternopil' harvester plant, TKZ] and the ways of increasing the enterprise's work effectiveness." In the words of the governor (excerpt and translation from the Ukrainian original cited below, Fn. 143),

Our region does not have big, strong industrial enterprises and I am not indifferent to the fate of the harvester plant. The regional administration is interested that the factory keeps working, that the workers get wages, and that a competitive production develops. I want to hear from the collective how the enterprise is working, and how its management is working.

The two union representatives repeated their opposing standpoints in front of the governor. Here is what the union leader said:

Today there are 1,143 people working at the plant. With the coming of the new owner the situation improved, at this moment the [branch-level] tariff system is respected. The average monthly wage of a worker of the plant is 460 hryvnyas [EUR 40]. Considering the experience of the plant's workers, we want to preserve the [current number of] jobs. Starting with February 6, we will go over to a 100% work load at the enterprise. [...] Today the enterprise is developing new models that in the shortest time will be offered to the customers. One of these novelties is harvester [model] "Hazda", whose production project will be completed this spring. We wish to receive help in enlarging markets for the plant's production. [...] It is important and vital that the plant gets access to state aid. The government needs to pay attention to the proper support of a national producer of agricultural machines.

Here is the perspective of the challenger group representative (an engineer to lead a two-week strike in 2007):

The owner is not interested in the functioning of the plant and doesn't invest any money. We were not paid the wages for November and December 2005. True, there is work on diversifying the assortment of products made at the plant. But we have only one order from Rostov [Rostov-na-Donu, a city in Russia] for the production of gears. In 2005 the regional administration created a working group for regulating the question of transferring the dormitories [where 3,000 workers and their relatives live] to the property of the city of Ternopil', but the problem stays unsolved. [Plant] building number eight was sold, but we haven't seen where the money went. They [management] did not even liquidate the wage debt. We found out from the press that the money from the sale [of building number 8] reached 8 million hryvnias [around 1 million Euros]. Currently the local prosecutor is investigating the problem. At the beginning of the year the enterprise contracted a loan and guaranteed it with the dormitories. What can we expect?¹⁴³

The union leader continued pressing in favor of showing understanding vis-à-vis the plant's new management and avoiding any disruptive actions. Protests would erupt only one year later, under the leadership of the engineer mentioned above and the regional FPU leader (a rare case of involvement of higher FPU echelons), and only after the workers had already taken their discontent to the streets after their dormitories were left without hot water and heating in winter. What is important about this episode is how the active opposition of the union leader to any disruptive actions cost the union time in addressing the workers' demands (returning wage arrears, nationalization of the dormitories) and made the workers' plight only worse. Nothing of what the union leader said above ever materialized: No new harvesters were ever launched or produced, production was cut down to making only gears rather than entire harvesters, wage arrears reached seven months, and – following worker protests - the police arrested the general manager on the charge of embezzlement (precisely over the issue of the UAH 8m from the sale of the building mentioned by the engineer above).

¹⁴³ Excerpts are taken from *Protokol no. 6: Naradi pri golovi oblasnoi derzhavnoi administratsii* [Protocol No. 6: Meetings with the Head of the Regional Administration], January 26, 2006, Ternopil'. (Own translation from Ukrainian; document in the author's archive.)



Picture 10: Abandoned production halls and equipment at the harvester plant in Ternopil', Ukraine (taken by the author, September 2007)

7.1.3. The Challenge of Consolidating Leadership

At a more basic level of analysis, the distribution of social benefits constitutes a source of power (and in post-Soviet countries it happens in a discretionary fashion; Ashwin 1998), one that union leaders seek to secure in order to avoid the risky and difficult representative model of unionism. The group of radical workers at the harvester plant in Kherson was well aware of this fact. Remember the circumstances under which this group emerged. No protests ever took place in Kherson without some guidance and previous mobilization. This holds also for the protests in the suicide's aftermath, in December 2006. Although the conciliatory wing described the protests as spontaneous, unguided, and "crazy", the speed with which workers knew whom to elect to the council in December 2006 indicated that the December 2006 protests had their leaders. One of these leaders – whom the workers elected to the union council in December 2006 – later recalled how important the issue of wage arrears was in convincing people to protest, at the same time admitting his involvement in the protest: "When workers don't get their wages, you don't have much explaining to do" (H3 2007). It was the wage arrears crisis – culminating with the Atanasov suicide – that facilitated the group's access to the union council. In normal times (i.e. when workers get their wages and social wages regularly), other rules apply, which I re-tell below in the words of members of this radical "initiative group".

The group of workers elected to the council in 2006 was a far-thinking one, and in its definition of the situation combined a critique of the employer as an asset-stripper with one of the trade union. In September 2007 they published a letter in the ASMU's newspaper *Yednist'* ("Unity").¹⁴⁴ In the text called "Acting jointly" they formulated several points of critique of the existing trade unions in the country and suggestions to bring about "the defense of workers' interests". The workers suggested that trade unions should set up their own political party for "defending worker rights" and recommended that the legislative priority of the party should be a "law that, in the event that the owner does not secure the development of production and decent pay, allows the state to nationalize the enterprise". But before the unions set up such a party, they would have to undergo internal reform:

One of the most important questions for a plant-level union is who is leading it. If the leader is an *obshchestvennik* [a person dedicated to serving the public good] then this is a success for the union, but if this place is taken by a former member of administrative personnel, problems arise immediately. The existing electoral system allows the election of a leader who is convenient for management. It does not matter what positive qualities he has – subconsciously he knows that there is *adminresurs* [management funds that can be spent discretionarily on influencing elections]. We are not in favor of conflict with management, but the union should be totally autonomous. Only under such a condition can we achieve a decent life for workers. In order to eliminate *adminresurs* and give union members the possibility to influence the leading union hierarchy, we demand that the leader of the union organization be elected directly, via secret voting involving all members of the union (*Yednist'*, September 2007; own translation from Russian).

Here the workers criticize the existing electoral system in the ASMU, prevalent in post-Soviet unions, a system that has received little attention in the literature (with the exception of Ashwin/ Clarke 2003 and Borisov 1999).¹⁴⁵ Workers directly elect only shop-floor delegates, who subsequently elect a union council. The union council then elects a trade union leader. In their text "Acting Jointly", the workers argued that during union council elections, management can interfere by using its funds to convince union council members to support the candidates that management favors. It is important to underline that the workers perceive that the problematic interest representation in Ukraine (or the "defense of toilers' interests", as they call it in the text) is directly related to issues of trade union organization. They also underline the importance of *adminresurs* (in this context, various "resources" such as social benefits at the discretionary disposal of management) for determining the outcomes of elections. It is only when "resources" such as social benefits are not available – for instance during crises of wage arrears - that the distributive unionism model can be challenged. The story of how the worker group rose to power confirms this point: By mobilizing fellow workers during a wage arrears crisis, they forced direct elections to the union councils and won half of the seats (normally elections should have taken place at shop level to nominate delegates who then elect a union council).

¹⁴⁴ I presented background information about *Yednist'* in Chapter 2.

¹⁴⁵ Ashwin and Clarke (2003: 214) write about Russian unions that "when it comes to the election of a new trade union president, the candidate will often be nominated in consultation with management and the post is effectively a managerial appointment." The ASMU statute is conspicuously silent about the details of elections. It does say that "the highest organs of the plant-level union are the trade union elections, conferences" (ASMU 2005: 12, article 5.4, author's translation from the Ukrainian original, in author's archive). The "conferences" are the organs electing the union council (ASMU 2005: 12, article 5.5.5.), but the statute offers no details about how these conferences come about. It only requires that such conferences organize elections for union council at least once every five years (ASMU 2005: 15, article 5.14.). The union vice leader explained that, in practice, it is the smallest units of the union (at the level of shop section) that organize meetings and send delegates to the big conference electing the union council (H2 2007).

7.1.4. The Repression Sequence

But if crises of wage arrears and ensuing conflicts give rise to alternative leadership, what happens to it after the resolution of wage arrears crises? The critical time for groups of workers challenging the distributive model is the return to normal times, i.e. when wages arrive on time and management has money for social benefits. What happens is a sequence of events that I refer to as the repression sequence, consisting of three distinct moments:

- 1 a wage arrears crisis producing worker groups that challenge the distributive model, and also facilitating a shared definition of the situation and mobilization; usually some gains in terms of labor interest representation follow;
- 2 a return to the regular payment of wages and social wages coupled with the availability of union leaders to take up distributive roles;
- 3 a wave of reprisal against worker challenger groups.

Only one union in my post-Soviet sample managed to break this sequence (the VPZ union in Vinnitsa); one can gauge the elements that helped it break the sequence by comparing it with the unions that could not oppose repression, the unions in Kremenchuk, Ternopil', and Kherson. In Kremenchuk and Ternopil' the repression sequence took place as described above: Management brought down challengers by using its powers over union funds and ranks during elections as described in the "Acting jointly" letter; later management fired the challengers from the plant. In Kherson the challenger group re-emerged despite repression in 2007, but after the 2009 occupation's brutal end all but one group member were fired: five out of six; all five fired ones had by that time become union council members (basically the second contention episode of 2008-2009 ended with the repression sequence).

In Vinnitsa the union's move to autonomy occurred four years before privatization and eight years before management's boldest attempt to exert control over the union – a move in 2006 to make the general manager a member of the union. Management made three attempts to take over or eliminate the union: The first came in 2004 in the form of denying the union's registration at the plant after the plant's judicial reorganization and registration under a new name (which judicially meant that it was a different plant). The union's response was to call a worker conference to establish a union at the "new" plant, and then send over 1,000 check-off requests from the workers to the company's accounts department (tactics similar to the actions of the union in Kherson against BTS in 2007; actually, the union in Kherson took inspiration from the one in Vinnitsa, H1 2007).¹⁴⁶ This is apparently all it took for management to give in and recognize the union. The general manager also tried setting up a separate union and asked foremen to pressure employees to participate in a constituting assembly. The foremen refused and asked the union for protection from management pressure (V1 2007). Third, in 2006 the union refused the general manager's membership request, and the manager sued the union on the claim that he is also an employee and that the union cannot deny him protection. The union won the lawsuit in 2007. This lawsuit - over the legality of management's trade union membership - became an absolute premiere in Ukraine (*Profspilki Ukrainy*, September 2007).

How could the union resist these attempts? First, in Vinnitsa there was no distributive union anymore after 1998, when strike waves led to the complete reform of the union into a representative one. There were no union leaders in office to whom management could have transferred the administration of social benefits. The challengers of 1998 had had enough time to consolidate and build a united and mobilized membership by 2002, the moment of privatization. The union also kept control

¹⁴⁶ Check-off requests are requests to transfer individual membership fees from employee salaries to the union's account. The requests actually force management to recognize the employees' union membership.

over layoffs at the plant, achieving that layoffs – most importantly the 50% one of 2003 - would not target any of its activists and participants in the 2002 protests over stopping plant closure and returning wage arrears. In short, this was a united collective distrustful of an employer that had tried once to close the plant, something that people remembered: “[Whenever there is a] production stop at the plant, people immediately come together [for protest]. Everybody remembers perfectly the year 2002, when they wanted to close the plant. They told us the same fairytales that nobody will close the plant, that they have a business plan for a year, and despite this they tried to do it [close the plant]” (interview with worker in Vinnitsa, V3 2007).

The problem with the Vinnitsa story is that it is extraordinary. Few plants in Ukraine saw pre-privatization contention resulting in union reform. A further peculiarity of the union in Vinnitsa is the way the 1998 reform of the union took place: The conflict over wage arrears coincided with union elections; actually, the job of union leader had been vacant for several months. This allowed the challenger group to take control over the union without opposition, something that was not possible at any of the other plants I studied. At the plants in Kremenchuk, Ternopil’, and Kherson there was always opposition to the challenger group coming from the people that had been in charge of the union during the times it could perform distributive tasks. Being so special due to the way it underwent reform, the story of the Vinnitsa union is hardly replicable. This means that the prospects of repression in the aftermath of protests and management attempts to take control over unions remain very real for the many other unions that did not make the move towards autonomy before privatization.

7.1.5. The Irrelevance and Dangers of the “Legal Way”

Most of the unions presented in this study avoided using the two most basic tools in labor’s repertoire of contention: striking and suing the employer, or “the legal way”. Those that used these tools did so with little effectiveness, or had to face additional problems triggered precisely by the use of those tools (more on this below). One of the propositions discussed in the second section of Chapter 6 even argued that the “legal way” – taking the employer to court or expecting state arbitration to solve conflicts with employers – is quite ineffective in solving workers demands, unless combined with strategic elements, such as most importantly the shared situational definition. But, despite the claim in the proposition and the cases presented here, many unions nevertheless go exclusively for the legal approach, following in the footprints of the Kherson union that asked the state for mediation (a procedure of applying for state-monitored negotiations over collective agreements) during a conflict with an employer not interested in production. Some authors claim that the legal way is the union’s preferred response to situations of conflict with employers, at least in the post-Soviet countries. These authors (Clarke 2005, Clarke/Pringle 2007) specifically connect the strong preference for the legal way with the prevalence of the distributive model of unionism. The main critique of the legal way expressed by these authors is that it fragments worker interests and makes collective action more improbable. The cases of contention episodes presented in Chapters 4 and 5 also show other, equally problematic aspects of the legal approach. Not only does it cost time but it often stays without results and, most critically, is so intricate that violating any legal procedure opens ways for the employer to get back at the union.

Take for instance the harvester plant TKZ in Ternopil’, which in February 2007 went on strike over the issue of wage arrears. By that time the 1,000 workers of the plant had not seen any wages since October 2006 and the wage debt to workers reached some Eur 500,000. The February 2007 strike lasted for two weeks. Coupled with street protests, it triggered the authorities’ involvement. The city council interfered by pressuring the state prosecutor to investigate plant accounts. The investigation led to the arrest of the plant’s general manager (due to missing Eur 2m). Probably fearing that more

investigations could cause them to lose the plant, the owners found the money to pay the wage debt in March, following a shareholder assembly. But the strike turned out to be the source of the workers' defeat at the TKZ. Claiming that the union had not followed all the legal procedures, management sued the union and won, the strike being declared illegal. Management never tried to make the union pay for the production stop – there was nothing to pay for, since there was no production anymore, and the workers' strike had actually been a protest against management's incapacity to supply the plant with orders. What management did was fire the most active participants in the strike and in incidents outside the plant, motivating its decision by claiming that the workers had illegitimately left their workplaces (since the strike had been declared illegal). The fired workers were also the leaders of the conflict-oriented wing in the union, including the engineer cited above.¹⁴⁷

The reason why the court declared the strike illegal is the following: The day the strike started, the union leaders handed over their demands to management directly, in front of the people but without asking for a formal proof that management had actually received the list of demands. In court, management simply stated that the union organized a strike without ever communicating its demands. This was enough for the court to rule against the union, despite the fact that the union organized the strike after the legal work-conflict procedure, during which it had communicated its demands to management many times (interview with strike organizers, Te4 2007).¹⁴⁸

In Vinnitsa union members – and most importantly the union leader – developed a deep distrust of the legal way. Here is how the union leader perceived the issue of asking for the state mediation procedure regulating work conflicts (the procedure is mandatory if a union wants to strike legally):

According to the law management does not have the right to refuse negotiations and taking part in the mediation procedure. If it does that [refusing negotiations] it places itself outside the law. In this case, the working collective can exert pressure on management via pickets, organizing of successive meetings demanding that management respect the law. The law foresees the responsibility of the managers for refusing negotiations and taking part in the mediation procedure. You can take management to court on this issue [refusing negotiations] but I consider this to be hardly effective. The court, the authorities, they always support management. They will not do this [support management] openly, publicly they don't support it, but looking at the practice in Ukraine and other countries, the resolution of the lawsuit takes many months, and the small fine – if there will be one at all – does not even scrape management.¹⁴⁹

The union in Vinnitsa actually accompanied its requests for state mediation with pressure on management to join the mediation procedure. Furthermore, rather than organizing legal strikes, it relied on the following steps of organizing conflict at the plant (in the words of a participating shop steward):

¹⁴⁷ With them out of the plant, management could strike a deal with the union's conciliatory wing, consisting of production workers in the only shop engaged in marketable production, shop 18 (producing gears for Rostov-na-Donu). The payment of wage arrears signaled to the conciliatory wing that the employer is interested in production and led it to declare its readiness to work with the new management; the organization's unity was lost. Management offered workers in shop 18 wages 4-6 times higher than what it paid the rest of the workforce. All other workers receive wages at the minimum level of 2004 branch-level agreements: some 40 Euros/month. By the time the fired workers won the lawsuits returning them to the plant, they found that management had re-organized the plant's shop structure so as to benefit the union leaders it favored in elections. In the elections, management – represented by its foremen - made sure that during the open voting procedures everyone voted for "its" candidates, led by the union leader cited above (Te10 2007).

¹⁴⁸ Being declared illegal, the strike does not show up in the strike statistics communicated to the ILO by Ukraine's State Statistics Committee. This can be clearly seen by taking a look at the number of workers listed on the ILO's statistics webpage as having been on strike in 2007 in Ukrainian manufacturing: only 227, although only at TKZ the number of strikers approached 1,000 (<http://laborsta.ilo.org/>, retrieved December 11, 2009).

¹⁴⁹ The excerpt is taken from an internal ASMU report detailing among other issues the situation in Vinnitsa in the words of the plant-level union leader. The report came out under the old ASMU leadership (own translation from Russian, ASMU 1999, in the author's archive).

When the people have had enough, they come together spontaneously, 1-2-3 and it's done, [all] the shop is out at the main entrance. This is no strike. It's a spontaneous work stoppage. Because a strike – according to our new laws – is very hard to organize if one would follow the law. First you have to send in a letter [a request to the state to organize a strike and wait] for 12 days [for the answer]. First a work conflict commission has a look at it, then the sides can make proposals, then a commission has to check whether the sides stuck to the proposals or not. The entire procedure can take half a year [that is an exaggeration, but the procedure takes at least 40 days, Te4 2007]. So it's better if we spontaneously drop work, go to the shop foreman and tell him to call the director [i.e. the general manager], and that as long as the director isn't here, no one will go back to work. And that's it. And then the director comes and like a broken record repeats that it's [wage arrears] because of the difficult economic situation. He doesn't give any details, any numbers, simply no explanation. They don't care. There was a worker conference, but they did not look at it. They are supposed to take it into account. They didn't. I don't know what it's like with the laws over there in Romania, but here it's all about the money. How many times did we explain to them [the requirements of] the branch-level minimum, of the special working clothes... They don't give a damn [literally: “they'd spit on it from the innermost depths of their souls”]. (V3 2007)

The spontaneous work stoppages mentioned by the stop steward above made sense during the times when the plant had an employer interested in production (the state, in the case of the ball-bearings plant in Vinnitsa). But they made less sense once the union faced an employer not interested in production.

In Romania, the prospects of achieving success by relying on the legal approach look somewhat brighter. Among the Romanian cases of contention presented in this dissertation, the union in Târgoviște (Chapter 4) relied on lawsuits to pressure the employer to raise wages to the legal minimum. But here, too, the action took more than one year before showing any results, and offered the employer the chance to sue the union over several issues (described in Chapter 4) and extend the conflict by at least half a year. On the other hand, among the Romanian cases it was even possible to use the legal approach – basically, relying on taking the employer to court – when facing an employer not interested in production. The union in Reșița, for instance, (Chapter 5) tried to achieve the “judicial reorganization” of the plant on its own: It contacted and grouped together all 71 creditors of the much-indebted CSR-plant. The thinking behind the initiative was that the union would be able to rely on courts to achieve - via a lawsuit initiated by creditors - the cancellation of the privatization contract. In the end the plan failed because of the government's opposition.¹⁵⁰ Yet this option was not available at all to the Ukrainian unions that I studied during fieldwork: In their cases the creditors were connected to the employer, and the company debt was part of the scheme to bankrupt and asset-strip the plant.

¹⁵⁰ While the union was organizing the creditors, the employer Noble Ventures (NV) and the government signed an addendum to the privatization contract granting the NV new tax deductions, a re-organization of debts and assistance in getting credit. NV promised investment and no layoffs for five years. The union, having so far refused any new negotiations with NV, claimed that the addendum forced it to accept negotiations, “as all our enemies would have blamed us for ruining the CSR” (R1 2007). Following government pressure, state creditors dropped demands for judicial reorganization.

7.1.6. Calibrating Threat Potential to Employer Intentions: Finding the Right Threat

What is so extraordinary about workers coming up with the idea of a factory occupation or storming the local authorities? The final issue addressed in this chapter is the problem of threat transformation. Threat transformation refers to the complex changes that a union has to go through in order to be capable of doing something as seemingly easy as adjusting means to goals, finding the right threat in the right situation (what I introduced in Chapter 3 as calibrating threats). In the cases presented in Chapter 5, in order to get to the point where they calibrated the threat to the situation of facing, say, an asset-stripper, unions in Vinnitsa and Kherson had to undergo several profound changes, changes that I group under the concept of “threat transformation”: a change in leadership to make the union more autonomous and a change in the way leaders think about the means available to them in order to avoid the time-costly legal way. It also had to reach a shared definition of the situation to mobilize workers notwithstanding the efforts of at least part of the union council to buy the employer more time.

One could observe these complications in the way the union in Kherson acted during the contention episode of 2006-2007: Trade union leaders were used to thinking and acting in terms of a non-disruptive model of unionism, workers had not taken part in collective action before, and union and workers were running out of time (layoffs were imminent and wage arrears increasing). One should not be surprised, then, that the only improvements that the union could make during that episode were gains in autonomy and parts of the union leadership starting to take into account the mobilized workforce as a source of threat potential. It took two years and a crisis bigger than the one of 2006-2007 (because it involved the announced layoff of the entire workforce) to see that threat potential put to use in the form of the 2009 factory occupation. Finally, actually carrying out threats exposed the union to repression, a backlash from management, bringing back to power the old leadership of the union. All of the later disruptive actions – the roadblocks in summer 2009 – took place without the knowledge of the people in charge of the union, whom road block organizers now suspected of working for management and informing it of their actions.

Chapter 3 distinguished theoretically between several moments in the development of threats: constituting (addressing and calibrating), communicating, and enforcing threats. The cases in Chapter 5 showed that communicating and enforcing were not as problematic, since all unions presented in that chapter had to carry out threats. Constituting – a process that precedes communicating and enforcing – however, proved deeply problematic, especially in the Ukrainian cases. Constituting a threat was difficult because of the transformation along the lines mentioned above that distributive unions have to undergo. In the Ukrainian context further problems arise from the employers’ capacity to hide their identity: Business people in Ukraine often hide their identity and control companies via intermediaries. Actually, the owner of the plant in Vinnitsa was the first one to publicly admit – in 2004 - the links to the full set of companies he controls (*Delovaya stolitsa*, October 24, 2005). Addressing and communicating threats to such employers is nearly impossible, unless the union pressures authorities to reveal the owner’s identity. This, for instance, happened in the case of the union in Kremenchuk (the truck plant): The union’s connections to the State Property Fund helped reveal the identity of the owner. Other unions, however, failed to do the same – for instance in the case of the union in Ternopil’ - and were left fighting in the dark. For all the reasons mentioned in this section, the challenge of threat transformation and implicitly labor interest representation is often a bridge too far for post-Soviet unions.

Are there any implications of the analysis in this section for other post-communist countries? Are there any implications for understanding one of the post-communist transformation’s major puzzles, the phenomenon of labor weakness, the lack of widespread and effective labor revolt in response to economic policies that led to a tremendous decline in living standards in the 1990s? I argue

that the analysis above holds two implications that help us to nuance the claim of labor weakness and construct a more refined categorization of post-communist labor. Rather than one outcome describing labor's situation in all post-communist countries, I introduce a categorization that shows that there are considerable differences between countries in terms of what labor – workers and trade unions – did and achieved in response to declining living standards. The categorization also points to the fact that rather than a single explanatory factor – ideological legacies – there are multiple causes at work behind the phenomenon of labor weakness.

7.2. Applying the Romania-Ukraine Comparison to the Wider Post-communist World

This part of the chapter applies some of the findings developed by means of the Romania-Ukraine comparison to the wider post-communist context. It introduces a more refined categorization of countries in terms of labor strength than the categorization found so far in the literature on post-communist labor. In defining labor strength, I start from Crowley's (2004: 400) definition of "labor strength [...] as the ability of unions to secure material rewards for its [sic] members and exercise a degree of authority at the workplace and over national policy". This definition assumes an unproblematic relationship between workers and trade unions (it virtually equates labor with trade unions). But inquiring into the differences between Romanian and Ukrainian labor led me to the finding that many post-communist trade unions had or still have to overcome a rift between trade unions and workers before actually attempting to secure material rewards. The problem with the definition above is that it does not distinguish between what unions achieve and what they *try* to achieve. Linking union strength to achievements only raises a well-known comparability issue (Hyman 2001), since using the definition above for multi-country analysis assumes that contexts of trade union action are comparable. However, the Romania-Ukraine comparison has shown that country contexts are difficult to compare, and achievements have to be judged in light of what was possible in a given context. My suggestion is to focus also on what trade unions actually did (what they tried to achieve) instead of exclusively on what they achieved. What I consider particularly relevant here is the extent to which unions offered support to the worker protests over the first decline in living standards sparked by the post-communist transformation. The extent of such support is highly relevant for labor strength because it shows the extent to which trade unions were capable of overcoming the rift between union organizations and workers. Therefore, I reformulate the definition above in the following way: Labor strength is the ability of unions to support and channel contention emerging from the rank-and-file, secure material rewards for their members, and exercise a degree of authority at the workplace and over national policy". As I argue below, using this definition helps uncover much more variation in post-communist Europe than using that of Crowley.¹⁵¹

¹⁵¹ The distinction I draw here between labor's ability to channel contention from below, on the one hand, and securing material rewards for workers, on the other hand, resembles the distinction introduced by Grdešić (2008) between labor's societal and political power in the post-Yugoslav context (see also discussion of the Polish and Hungarian trade unions' problematic capacity to mobilize in Deppe/ Tatur 2001: 91). However, the point I make here – labor's attribute which I try to capture – is more basic than in the societal-political power distinction. In that account, societal power refers to the trade unions' capacity to mobilize membership, while I refer to labor's capacity to respond to discontent from below in the first place. This is a question more of organizational structure (involving autonomy) and processes by which unions form their goals (whether those goals are informed by membership interests and demands) rather than trade union choices or ability (in the sense of cunningness) to take the initiative or not and mobilize workers (in Grdsic's and also Deppe and Tatur's account). The distinction I formulate above resonates more with Westergaard's formulation of the trade unions'

In the case studies presented in chapters 4 and 5 I explored the differences between how trade unions in Romania and Ukraine respond to worker pressure. One of the findings was that in Ukraine, a country representative for the wider post-Soviet realm (except for the Baltic States), labor suffers from rifts along the following lines. First, there is a rift between workers, on the one side, and trade unions that favor distributive over representative tasks, on the other (points 1.2-1.4 in the section above). In Ukraine the regime change brought by the fall of the Soviet Union and independence did not undermine the conditions for the existence of distributive unions: Quite to the contrary, many welfare functions such as housing and healthcare provision stayed at the plant-level, and there was no widespread public reaction against the former communist trade unions pushing them to reform and accept the representation of voices from below like in Romania. This section formulates this fact as a question that it tries to answer across a wide range of post-communist countries: How open were trade unions towards supporting worker demands, specifically in those countries where, like in Ukraine in 1993 or in Romania repeatedly throughout transformation, workers did try to mobilize in response to declining living standards? How trade unions responded to worker protests is important for establishing whether they reformed to become representative and whether they could find the most logical basis for a trade union of workers (see Offe/ Wiesenthal 1980), for building up strength vis-à-vis governments and employers: worker protest potential. The issue here is whether trade unions accept or reject the chance of using contention and worker militancy for gaining power in relation to the government (see Pollert 2001, Tóth 2001). Note that in many post-communist countries protests over falling living standards started bottom-up, first with a wave of uncoordinated plant-level strikes around the issue of price increases. Examples include Poland, Bulgaria, Romania, Yugoslavia, and Ukraine (1993), while Czechoslovakia, Hungary, Russia and the Baltic States did not witness such protests. How national union structures responded to these strike waves should constitute a first indicator of labor strength in post-communist countries.

The second rift runs between the central organs of the FPU and the few plant-level unions that have undergone reform in the direction of representing worker interests during crises of wage arrears and collective layoffs. Central FPU organs and the vast majority of distributive plant-level unions tend to marginalize and ignore the struggle of representative unions (section 1.1. above). In Romania, on the other hand, despite a similarly de-centralized trade union scene there are instances of plant-level trade unions coordinating their efforts to extract concessions from employers. Building on an argument formulated in the literature on the Western working class, I argue below that the rift between struggling plant-level unions and the wider trade union organization witnessed in Ukraine is crucial for understanding the prospects for labor militancy and strength in post-communist Europe.

Contention between employers and workers, or worker militancy, emerges in the accounts of Westergaard and Resler (1975) when the mechanism tying workers to plants breaks down (they define this mechanism as purely pecuniary). But in studying contention in Britain around 1968 Westergaard and Resler argued that contention often remained isolated, with national union leaders looking away and demoralizing the wider working class. In Westergaard and Resler's analysis, the central leadership of trade unions bears the blame for the "code of restraint" (absence of contention) among British workers until the intensification of labor militancy starting with 1968. In a passage that resembles many of the works dedicated to the situation of post-communist labor, Westergaard and Resler link the apathy of the working class, "its feelings of powerlessness to achieve fairer shares in society [to] the official labor movement's involvement in compromise and tactical bargaining", the "labor movement's enmeshment, in Parliament and local council chambers as well as across negotiating tables in industry, in a pattern of accommodation which showed few signs of disruption" (Westergaard/ Resler 1975: 406-7). Similarly to the authors who would 25 years later link the "weakness" of post-communist labor to

involvement in the "crystallization and cohesion of discontents" and the "recreation of collective organization for their expression" (1970: 130).

the ideological legacy of communism, Westergaard and Resler, too, note the apathy and feeling of powerlessness of workers. But in their account, the argument is reversed: Here it is not worker “distrust” that explains the union leaders’ inactivity (as in a recent reformulation of the ideological-legacy argument, Ost 2009), but vice-versa: It is the labor leaders’ lack of resolve and distance from the rank-and-file that engenders worker apathy. Conversely, a change in the national union leaders’ attitude towards demands from the workers in the direction of a more critical stance towards government translated into an increase in labor militancy in the strike wave to start in 1968 (Crouch 1978: 251).

Below I offer a categorization of post-communist countries in terms of degrees of labor strength which asks for each post-communist country whether labor experienced the two rifts identified as partly responsible for the varying labor strength in Romania and Ukraine (the rifts between protesting workers and plant-level unions and the rift between national- and branch-level unions and the few struggling plant-level unions in Ukraine). What follows in Table 7.1 is a more fine-grained categorization of labor in the post-communist countries of Europe than the one we have so far (in Crowley/ Ost 2001, Crowley 2004), which lists all post-communist countries as having “weak” labor. The advantage of such a more fine-grained categorization is that it differentiates between post-communist countries and allows for multi-causal explanations of degrees of labor strength or weakness. In the previous categorization, placing all post-communist countries in one category led scholars to assume that there can be only one explanation for all countries having the same score on the labor strength variable – their communist past.

Table 7.1 ranks most post-communist European countries on several dimensions deemed crucial for labor strength. (I leave out the war-torn Western Balkan and South Caucasus post-communist republics, the Central Asian countries, for which there is not enough data, and Belarus, which has seen very little of the market reforms that other countries underwent.) All countries listed below underwent market reforms to some degree in the 1990s, and in all these countries market reform went together with a strong initial deterioration of living standards, referred to as the transition recession (and usually measured as the size of the drop in GDP). The second column provides the time-frame studied for each country. The time-frame for each country is set to include the years of the initial transition recession and of the biggest deterioration in living standards (measured as the years of continuous fall in real wage levels). I set the time-frame to five years because, according to the data in Boeri/ Terrell 2002, the fall in real wages lasted on average five years. It was during this period that the transformation literature expected most worker protests.

The third column shows whether the country has experienced worker protests in response to the deterioration of living standards. I am particularly interested in worker protests in manufacturing - rather than, say, mining – as manufacturing bore the brunt of market reforms, seeing most job destruction, subsidy reductions, and privatization. A country received a “yes” in this column wherever protests spread beyond the boundaries of isolated plants to engulf entire regions (as Ukraine’s 1993 ‘general’ strike in the Donbass region) and countries (such as the 1990 nation-wide strikes in Bulgaria or the ones in 1992 in Poland). The next (fourth) column asks whether representative plant-level unionism emerged or not, either via the establishment of entirely new unions (as with Cartel Alfa in Romania) or via the reform of already existing ones (as in Slovenia). I assume that plant-level unions’ participation in such protests is a good indicator of the establishment of representative unionism. The fifth column shows whether national level union leadership supported the plant-level unions’ involvement in worker protests. The sixth column shows what kind of response trade unions received from governments. The data for this table is based on a literature review of country case studies and (especially the data in the fourth and in the fifth column) my own research, as indicated in more detail at the bottom of the table.

The importance of government response to labor actions features heavily in this dissertation, but the contention episodes in Romania and Ukraine scored relatively similarly on this issue: Governments were largely unsympathetic of union action, either ignoring what little protest there was (as in Ukraine)

or actively fighting unions (as in Romania around the year 2003, see Chapter 2). Basically this was largely the pattern throughout post-communist Europe as a whole, as Avdagic (2004) pointed out, but there was one exception. Stanojevic's (2003) comparison of government response to union strikes in Slovenia and Serbia shows that in Slovenia government was sympathetic of union demands and accepted that unions have a say over market reforms from the transformation's onset, initiating a unique, negotiated approach to transformation (Bohle/ Greskovits 2007).

Table 7.1: A diverse landscape: Labor in the manufacturing sectors of post-communist countries
(Time- frame: years of deteriorating living standards due to transition recession)

Country	Time-frame	Did workers in manufacturing protest?	Were plant-level unions responsive to worker protests?	Was the union's central leadership responsive to plant-level demands?	Was the government open to union demands?
Czech Republic	1989-1995	No	No	No	No
Hungary	1989-1995	No	No	No	No
Lithuania	1990-1995	No	No	No	No
Russia	1992-1997	No ¹⁵²	No	No	No
Bulgaria ¹⁵³	1990-1996	Yes	No	No	No
Slovakia	1990-1998	No	No	No	No
Ukraine	1990-1998	Yes ¹⁵⁴	No	No	No
Poland	1989-1995	Yes	Yes	No	No
Romania	1990-1995	Yes	Yes	Yes	No
Slovenia	1990-1995	Yes	Yes	Yes	Yes

Sources: Tóth 2001 (Hungary); Ost 2004 (Poland); Avdagic 2004 (Czech Republic); Gradev 2001, Kirov 2005 (Bulgaria); Kideckel 2001, Bush 2004, and own research (Romania); Ashwell/ Clarke 2003 (Russia); Mandel 2004, Kubichek 2004, and own research (Ukraine); Dovydeniene 1999, Woolfson/ Beck 2004 (Lithuania);¹⁵⁵ Stein 2001 (Slovakia); Stanojevic 2003 (Slovenia).

¹⁵² Protests in the form of strikes, road blocks, and demonstrations in Russia's manufacturing spread only in 1997-1999 (Greene/ Robertson 2009), five years after the start of shock therapy. Even then, such actions happened without the involvement of the distributive unions of the FNPR. The time-frame for Russia in the table above is 1992-1994, the years of the first privatization drive and of the highest decline in living standards. (Spulber 1997: 125: "At the end of the first privatization drive in 1994, on the basis of the 1991 level equaling 100, wages stood at 34 percent and pensions at 22 percent of their previous levels.")

¹⁵³ Kirov (2005) mentions that in Bulgaria representative trade unionism at the plant level was very slow to emerge, which probably also explains why there was so little opposition among the two major trade union confederations to the shock therapy initiated by the government in 1991 (although there were negotiations between government and unions to offer limited social protection to affected social groups); opposition emerged, however, around 1994, when the two unions joined forces, leading to the fall of the government in 1997. Kirov (2005: 132) also notes that as late as in the early 2000s management still held important positions in trade union organizations, a sign of little reform, making the situation of plant-level trade unions similar to what I found in Ukraine; there was, however, a more active central union leadership after the onset of shock therapy, also organizing anti-government protests, especially in support of plant directors facing government-initiated dismissal (Gradev 2001).

¹⁵⁴ Worker protests and strikes in Ukraine took the form of a general strike in 1993 (yet largely concentrated in the Eastern Ukrainian Donbass area) demanding a referendum over the resignation of President and Parliament. Miners were the driving force behind the strike, but most other heavy industry branches also joined in. This was a bottom-up strike, spreading without the involvement of any trade unions, and quickly ended after the strikers realized their political demands. The problem was that "[...] the strike had been a spontaneous eruption of anger. The political demands of the workers were purely negative, to remove all those individuals who had been responsible for previous policies, but the workers had no clear demands and no positive program of their own, so that it was easy for the movement to be co-opted and forced into established institutional channels, with the benefits falling to the directors and not to the workers" (Borisov/ Clarke 1994: 12).

¹⁵⁵ I present here only Lithuania, since it is the only Baltic country that does not suffer from extreme ethnic divisions, which in Latvia and Estonia reinforce the fault-line between winners and victims of transformation, pitting against each other "a state administration dominated by Western-inspired ethnic Latvians [or Estonians] and an industrial sector dominated by Russophones" (Nørgaard/ Johannsen 1999: 150), with the latter bearing the brunt of economic reforms and also subject to political discrimination. In Lithuania the pro-independence political movement *Sąjūdis* forced the former communist trade unions to reform and Parliament stripped the trade unions of most of their communist-inherited property (something that

The following picture emerges from the table above. In the aftermath of regime change, in four countries (those showing only “no” values) there was little trade union reform towards the representative model of trade unionism, and there was also no worker militancy, if one is to leave out the mining sector (with its huge strikes in Russia and Ukraine in 1989 and 1991). Distributive unions remained the main organizers of employees in the biggest post-Soviet country, Russia, in charge of administering workplace welfare. Russia is also where there were the least labor protests against market reform, even when wage arrears crises became endemic (although a strike wave would take off in 1997, five years after the start of shock therapy). Representative trade unions did spring up in mining, establishing the Independent Union of Miners (still existing in Russia and Ukraine), but endorsed government pro-market policies fully. In Lithuania, as in the other two Baltic countries in the context of the fight for independence from the Soviet Union, working-class protests had little appeal for the majority groups as they could have taken an anti-national turn (this was for sure the image created around trade unions by the politicians of the independence movements). Instead, protest behavior took the very common post-communist form of bringing back to power the former Communists or left-wing formations. This group of countries also includes Hungary, Slovakia and the Czech Republic, countries where the lack of widespread plant-level contention is probably due to very different reasons than in Russia. For instance, Hungarian workers initially had some protection due to their participation in secondary labor markets (Neumann 2005). Furthermore, governments used “strategic demobilizations”, preventing protests by extending workers substantial severance and retirement payments (Greskovits 1998, Vanhuysse 2007).

The next group of countries has at least seen worker protests. In Bulgaria (in 1990 and Ukraine (1993) there were widespread worker protests in manufacturing, but the trade unions did not endorse them, and worker protests did not target union organizations to reform them. In Ukraine the former communist union federation FPU strongly backed the distributive model and avoided becoming involved in strikes such as the largely bottom-up organized general strike of 1993. Bulgaria offers a similar picture, with workers organizing large protests and strike waves in 1990, but with only 15% of such actions taking place under trade union organization (Gradev 2001). The difference to Ukraine is that unions lost their distributive tasks and nevertheless did little to challenge government policies despite demands from below.

In the third group of countries (Poland, Romania, Slovenia) trade unions underwent reform and unions backed the protests of workers against governments. This group can be further differentiated by introducing a distinction between the countries where the entire trade union scene backed worker protests and those where the central trade union leadership acted against its plant-level organizations and tried to marginalize protests. In Poland the central level of union leadership did not endorse the protest wave from below, even at the cost of opposing its own rank-and-file. The fact that in Poland Solidarity's leadership made this choice probably led to the dramatic deterioration of its image in the eyes of its workers, as implied by Ost (2005). One can compare the bitter fate of Solidarity in Poland with the one of Cartel Alfa in Romania. Representative trade unions with an explicit anti-communist agenda were the norm in Poland's and Romania's heavy industry branches, launching large labor protests around the start of the transformation period. The difference between the two countries lies in how central union leaders responded to plant-level initiated militancy. In Poland, Solidarity opposed

never happened in Russia and Ukraine). Coupled with the sky-rocketing inflation in the early 1990s pushing people to protest, trade union reform and the elimination of the material basis for distributive unionism seemed to set the stage for strong labor influence in Lithuania. In fact things turned out differently. Joining unions was at least at the beginning of transformation seen as an anti-Lithuanian action that would endanger independence (Dovydeniene 1999; for the so-called ‘one-nation identity’ thesis, see also Woolfson/ Beck 2004). Public discontent did not take the form of worker protests, but instead led to the ousting from power of *Sąjūdis* in 1992 and their replacement with former communists (Nørgaard/ Johannsen 1999).

the protests with the exception of a short period in 1992; after all, Poland's first non-communist government – to start market reform – was heavily dominated by Solidarity, and Solidarity leaders avoided protests against a government that they perceived as their own (Ost 1995, 2005). After 1992, Solidarity leaders chose to mobilize their members along national and religious lines rather than class lines (Ost 2005). That this was a strategic choice of Solidarity leaders and not some ideological legacy preventing them from understanding the role of unions in capitalist societies can clearly be seen from the stance of Rural Solidarity, Solidarity's arm in farming. Rural Solidarity (later to become the *Samoobrona* political party) apparently was not plagued by ideological legacies, as in 1991-1993 it successfully fought for influence in Warsaw and against market reform (Zbierski-Salameh 1998, see also Chapter 1). In Romania, the leaders of Cartel Alfa (the union federation to organize most of the country's industry at the transformation's beginning) supported plant-level actions and channeled them into anti-government protests repeatedly throughout transformation, and most actively around 1990 and 1999 (see Chapter 2; in Romania, however, in contrast to Solidarity in Poland, Cartel Alfa developed a national leadership only around 1992; B2 2009).

In the remaining two countries, Romania and Slovenia, the trade union leadership supported the voices from below. What further differentiates this group is the government response to what was at the start of transformation a united worker-unions labor scene. In Romania, the leadership of Cartel Alfa followed the demands from below, supporting them in repeated industrial action against government. However, unions in manufacturing and mining were met with hostility by the government. Government actually responded positively to trade union demands of being granted co-decision rights over market reform only in one country, Slovenia. Post-communist governments generally chose to ignore the demands of both workers and trade unions, and as a rule (with the one exception mentioned above) carried out market reforms without seeking the approval of voices from civil society. In some of these countries (the Central Eastern European and Baltic ones) governments interpreted the electorate's initial support for democratic candidates in post-communist Europe's first free elections as a mandate for reform, a "window of opportunity" (Balcerowicz 1995) that market reformers should seize and profit from to pursue their policies while the costs of reform had not yet undermined that support. Support dwindled away, with electorates bringing to power former Communists in several post-communist countries (in Poland, Hungary, Bulgaria, Lithuania) only to see that former Communists would follow almost the same policies as their predecessors (Tavits/Letki 2009).

Government response is an important issue, if one takes seriously Burawoy's claim that "a social order reveals itself in the way it responds to pressure" (Burawoy 1998: 17). If one is to see the degree to which governments reflect the will of majorities as a measure of democracy, then most post-communist governments were very far from such a notion of democracy throughout transformation. They pursued economic reform in a top-down manner, with little to no consultation with other social forces (Poznanski 2001; see Greskovits 1998 for what he terms the governments' "loneliness of the economic reformer"-syndrome). They forfeited electoral promises to conduct reforms in consultation with unions (in Hungary, for instance, but in Romania, too), and where they met with resistance, they used force to overcome it, as in the case of overcoming resistance to privatization in Romania around 2003 (see the case of *Siderurgica*, Chapter 4).

The categorization in Table 1 of post-communist countries throws a different light on the question why there was no revolt (Mandel 2001) or why labor is "weak" in Eastern Europe. It shows that in post-communist Europe there is not just one outcome to be explained (labor weakness), but an entire range of outcomes. This means necessarily that there cannot be only one explanation (in terms of one factor) for the situation of labor in every country. It also shows how severe the problems were that affected the development of trade unions: political isolation (no 'natural' allies among political actors, but instead a political scene united behind the market economy imperative), trade union personnel unaccountable to union members, and strong divisions between the central levels of the unions and the plant-level organizations. The table also shows that there was revolt – understood as worker protests in

the sectors most affected by transformation, manufacturing – in many post-communist countries. Revolts in the form of plant-level spontaneous strikes were the norm throughout post-communist Europe at the beginning of transformation. The problems for labor appeared at the level of worker-union linkages, with trade unions in some countries still indebted to a model of unionism that avoids (and can get away with ignoring) worker militancy. This is a finding of this dissertation which stems from the Romania-Ukraine comparison but suggests that the problem of plant-level unions unresponsive to the workers' plight probably was a wider phenomenon (not only one particular to Ukraine). Problems also appear where – despite plant-level unions supporting worker protests – the national union leadership ignores the efforts of protesting plant-level unions and workers because of different political priorities (the case of Solidarity in Poland, but also the case of the instances of isolated, struggling unions in Ukraine). Finally, Stanojevic's analysis (Stanojevic 2003) of the varying degrees of openness of political elites to the demands of unions is complemented here with data on other countries based on secondary analysis, only to show that with the exception of one country, governments were in general hostile towards unions (see Avdagic 2004; Gradev 2001; Mandel 2004); this of course raised significant obstacles to labor's attempts to influence market reforms.¹⁵⁶

7.3. Conclusions

In this chapter I have provided an overview of several of the ways in which the distributive model of unionism hinders the prospects of labor interest representation. Most importantly, distributive plant-level unions have first to achieve autonomy, and only after that can they also be effective. This leads to a situation where plant-level unions that have just become autonomous find themselves marginalized in branch- and national-level union structures that favor the distributive model. Such marginalization limits the plant-level union's sources of outside support, as other unions – indebted to the distributive model - will not support it in its actions against the employer. Reaching a shared situational definition is also more difficult in a context where distributive unionism is the norm. For instance, if during crises of wage arrears worker groups demand disruptive actions against the employer, the distributive union's leaders will often argue against the use of such actions and in favor of giving the employer “more time”. I could often observe how contention episodes triggered by crises of wage arrears gave rise to alternative leaders usually emerging from protesting worker groups. But the distributive model limits the chances that such a leadership will consolidate by enacting something I called “the repression sequence” - eliminating alternative leaders from the plant as soon as crises of wage arrears end and management has funds again to spend on the distributive model.

Furthermore, distributive unions tend to address worker grievances by making use of the “legal way” - taking the employer to court or initiating the state mediation procedure for solving employer-employee conflicts. But the “legal way” is utterly ineffective in situations pitting unions against asset-strippers, and can even turn against its initiators (the union), as intricate legal procedures offer employers the chance to themselves initiate law suits and stop union actions. The successful unions in my sample avoided the “legal way” as a lengthy and costly procedure that usually fails to pose any threat to the employer.

Finally, the distributive model also limits the capacity of unions for “threat transformation”, of actually being able to calibrate threats to employer intentions and switch from threatening an asset stripper with disrupting production to threaten instead with occupying the employer's property (from disrupting production to disrupting property relations). A union gets there – to the point of calibrating

¹⁵⁶ In social movement theory the extent to which “elites” (including governments) are open to or support demands coming from below is considered a key explanatory factor for the success of social movements (see Tilly 1978).

threats to employer intentions - only after a move to autonomy, most often involving a change in leadership. In my sample this happened when it did happen over at least two successive contention episodes: In the first contention episode, workers would not have significant successes vis-à-vis employers (in, say, stopping the build-up of wage arrears or collective layoffs), but would at least reform the union, making it more autonomous of management. With the union reformed along these lines, in the next contention episode there would be more success fighting wage arrears or collective layoffs.

The Romania-Ukraine comparison and specifically the discussion on outside support and shared situational definition helped identify two differences between the two countries in the way trade unions respond to contention. I called these differences rifts in the union–workers relationship and in the relationship between national labor federations and struggling trade unions. In the chapter’s second section, I introduced the argument that whether labor is plagued by such rifts or not is crucial for understanding labor’s capacity to support and channel contention (labor’s societal power; see Grdešić 2009). In turn, the study of labor’s capacity to channel contention is relevant for understanding labor strength in post-communist countries. On the basis of literature reviews, I then examined whether other post-communist countries, too, witness rifts as the ones presented above. The goal and relevance of the analysis was to shed more light on the question of what labor strength is in Eastern Europe and to what degree labor in various post-communist countries is weak or strong.

The analysis helped unravel important differences between and commonalities within three groups of countries in the way trade unions responded to worker protests. Most importantly, it appears that trade unions in most post-communist countries were presented with a choice over whether to back such protests or not, and over whether to make such protests the basis for trade union attempts to influence government. Only in three countries did trade unions back such protests, and only in two countries did trade unions use such protests to attempt to gain influence over government. Equally importantly, the analysis takes us beyond previous mono-causal explanations for labor strength in Eastern Europe and allows for the incorporation of multiple causes for labor strength–outcomes in the comparative analysis of post-communist labor over time and space.

The next and concluding chapter revisits and comments upon the most important findings of this dissertation. It starts with reviewing the question when contention emerges at post-communist plants. It continues with discussing the findings on strategy: How can labor successfully go through contention episodes, and how do the different strategic elements contribute in bringing about successful labor interest representation? The discussion in this chapter has drawn a pessimistic picture of the chances of unions to achieve successful labor interest representation especially in countries witnessing a prevalence of the distributive model. But what are the prospects for change in these countries? And how could research assist and inform such change? Understanding that the existence of the distributive model is deeply rooted in the functioning of the post-Soviet state is crucial: One should not expect a push from politicians in the direction of limiting or reforming distributive unionism. But other avenues are still open. Assistance from the international trade union scene can play a role, as it did in the 1990s (at least in Ukraine), if it focuses on fighting the marginalization of the few unions that achieved the change from distributive to representative unionism. Research can also help: We need to know more about how the internal power structure of trade union organizations changes, also changing the degree to which larger trade union structures are ready to assist militant struggling plant-level unions. Furthermore, we need to know more about how reform towards representative unionism takes place at post-communist plants. The case studies in Kherson and Vinnitsa offered at least two causal pathways to reform, centered on the different ways in which alternative leadership emerged in those cases. Especially the issue of how alternative, reformist leadership emerges – as part of the broader topic of reforming distributive unions – requires more research.