

# **What next for unions in Central and Eastern Europe? Invisibility, departure and the transformation of industrial relations**

**Umut Korkut**

Glasgow Caledonian University, UK

**Alex de Ruyter**

Birmingham City University, UK

**Manos Maganaris**

Glasgow Caledonian University, UK

**David Bailey**

Aston University, UK

**Corresponding author:**

Alex de Ruyter, Birmingham City University, 4 Cardigan Street, Birmingham B4 7BD, UK

Email: Alex.deRuyter@bcu.ac.uk

**Abstract**

This article examines union revitalization in Central and Eastern Europe, focusing on two countries: Hungary and Latvia. Trade unions have not only had to cope with a declining membership base, but have also had to respond to austerity programmes and government cuts in public sector employment. We argue that the inability of unions to provide a strong voice for alternative policies to the current neoliberal orthodoxy has been driven by a declining membership base, but also by weakened social dialogue mechanisms, limited industrial representation and an ageing membership profile, exacerbated by net outward migration in recent years. However, we find that unions in Latvia and Hungary have responded differently to these issues.

**Keywords**

trade unions, industrial relations, labour market, migration, Hungary, Latvia

**Introduction**

The global economic crisis and the neoliberal course of Europeanization have stimulated individualistic rather than collective actions from workers in Central and Eastern Europe (CEE), stimulating east-to-west migration (Stan and Erne, 2016), confronting CEE trade unions with hard choices. Illusions about capitalism were widespread with the collapse of the Soviet system during 1989-91; but the transition to a market economy would entail a radical decline in living standards, intensification of work and chronic job insecurity. In the region, the idea of rapid, systemic change had been discursively packaged as a quick 'entry into Europe'; this became the legitimating discourse for the transformation towards capitalism under an avowedly neoliberal agenda involving precarious labour markets, privatization, unemployment, social differentiation and the impoverishment of large sections of the population (Gowan, 1995: 53).

Weakening of the organizational links between workers has reduced the visibility of workers' issues; together with inter-EU emigration this has a negative impact on industrial relations in the countries concerned. With fundamental economic

transformation after EU accession, convergence with monetary union and recent austerity measures enacted as a result of the euro crisis, a Europeanization agenda oriented to economic efficiency and competitiveness has prevailed. This in turn has rendered the policy environment more unfavourable to union revitalization. Rather than being strong parties shaping policy decisions, trade unions have been marginalized. During the final stages of the accession negotiations, national governments as well as the EU sidelined them as interlocutors that could affect the shape of new Europe in the making (Korkut, 2002; 2007). Krzywdzinski (2010: 278) discusses the challenges in terms of five particular aspects: bargaining systems that are 'decentralized and conflict-oriented'; low collective bargaining coverage; limited union access to businesses; 'high inter-union competition'; and 'restricted access to political systems'. In addition to facing a neoliberal course of transformation, unions are also faced with the threat of becoming truly irrelevant for younger workers.

Could unions be at the vanguard of offering an alternative to the neoliberal model of economic transformation? One first needs to understand what precludes them from having a strong voice in labour relations in the context of east-to-west migration by younger, highly qualified workforce and (partly as a result) an ageing membership. Stan and Erne (2016: 168) demonstrate that unions can use the migration argument to strengthen their own effectiveness only 'if they are confronted with high levels of outward migration and retain the capacity to act strategically, including in the area of collective bargaining'. We question whether unions can indeed retain the capacity to act strategically, given emigration *and* ageing of their membership. Kahancová (2015) argues that the relationship between migration and union action can hardly be studied in CEE states with relatively low emigration rates. However, as in Hungary, it may be that statistics alone do not reveal the real trend of emigration and that qualitative data are needed to expose the underlying dynamics.

In this article we examine why trade unions appear to lack the capability to present alternative policies to those that have afflicted the working classes in particular. As unions have become less attractive to workers as vehicles for collective action, expressions of social unrest have shifted to social media and impromptu demonstrations, and have become primarily individualized (Mrozowicki et al., 2010). In Hungary, the major demonstrations against the government during autumn 2014, in line with new social movements, were organized via social media, without formal structures and with abundant use of humour and aesthetics (Kálmán, 2015). Moreover, whilst vigorous endorsement of economic 'shock-therapy' and privatization has limited union influence throughout the transition to capitalism (Ost, 2002; 2009), the situation is now that trade unions have become irrelevant in debates of how workers fare amidst economic and political transformation. This is not due to any improvement to the advantage of workers, but rather because of the enhanced ability of other political forces, namely the radical and populist right, to respond to feelings of vulnerability amongst workers more convincingly.

We further argue that migration is yet another reason why trade unions are 'becoming irrelevant'. Particular responses from trade unions to this general trajectory have been well-evidenced in the literature. In this respect, coalition-building with social movements and improving social representation are essential to promote union revitalization (Murray and Waddington 2005; Pulignano 2009). Before the new EU member states felt the full brunt of emigration, Meardi (2007) documented a range of new union practices across the region involving 'the resurgent "voice" from below, through strikes, organizing campaigns, informal collective protests and collective bargaining innovations'. In contrast, Ost argues that trade union revitalization in CEE could lead to 'aristocratic unionism', predicting (2009: 13) that 'labour is likely to remain

weak, with a few stronger unions emerging that are more elitist, male, “producerist”, and less class oriented’.

Mrozowicki et al. (2010: 236) illustrate the critical role that workers’ agencies can play to this extent in the shape of efficient representation of economic interests in the workplace to attract new members to trade unions. However, it is less clear to what extent unions are able to engage with revitalization strategies and whether these can bring positive or negative outcomes as the competing claims above attest. Underpinning these debates is a more fundamental question as to the role of unions: whether in accordance with the Marxist tradition, they are vehicles to promote class struggle and replace capitalism, or whether they are vehicles operating in a pluralist set-up of accommodation with capitalism. These standpoints influence union attitudes towards engagement with the state and wider society. We propose that the demographic composition of unions and their degree of appeal to younger workers are at the heart of these concerns, but there is a lack of literature exploring these issues.

Accordingly, we seek to assess these alternative claims through case studies of trade unions in Hungary and Latvia. With regard to an ageing membership, it is evident from previous literature that declining union density has been more severe in CEE than the EU-15. Waddington (2005) cites declines of 42.7 to 20.4 percent between 1995 and 2001 in the states (largely CEE) admitted in 2004, as opposed to 31.0 to 27.3 percent in EU-15 countries during the same period. Comparative data on union density in CEE states is patchy, making direct comparisons difficult, but data from Visser’s database (<http://archive.uva-aias.net/208>, accessed October 10<sup>th</sup> 2016) suggests that union density<sup>1</sup> declines have been particularly severe in Hungary, falling from 83.1% in 1990, to 20% in 2001. Similarly, Latvia also recorded in significant decline, falling from 46% in 1992, to 20.2% in 2003 (ibid.). Keune (2015: 12) further noted that union density for the under-35s in Hungary stood at only 7 percent, whilst for the 50+ age group it was 32.8 percent. The two countries are thus informative cases, not only in terms of the severity of the decline in membership, but also in terms of the divergence of union responses. These responses are explored below, where we present first the methodology that substantiates the article, before elaborating on contextual information on each country and presenting the findings of interviews carried in Hungary and Latvia in February 2016.

## **Methods and data sources**

We adopt a mix of primary and secondary data sources. With respect to primary data, the main method consisted of semi-structured interviews (for which an interview schedule is available from the authors). At the outset it should be emphasized that statistical data from Latvia was more accurate than that from Hungary. This was primarily due to the unitary trade union structure in Latvia, with one recognised union confederation LBAS (*Latvijas Brīvo arodbiedrību savienība*, Free Trade Union Confederation of Latvia) as against the fragmented structure in Hungary: five confederations at the time of writing, of which the largest is MASzSz (*Magyar Szakszervezeti Szövetség*, Hungarian Trade Union Confederation) formed by amalgamation in 2013. It was apparent that Hungarian unions encountered difficulties in

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<sup>1</sup> Union density is here defined as “net union membership as a proportion of wage and salary earners in employment” – where these are “employed wage and salary workers, source (unless stated otherwise) OECD, Labour Force Statistics” ([http://archive.uva-aias.net/uploaded\\_files/regular/ICTWSScodebook50-2.pdf](http://archive.uva-aias.net/uploaded_files/regular/ICTWSScodebook50-2.pdf))

simply collecting data from their members. In the five interviews held at various levels in MASzSz and Liga (its main rival), all interviewees raised attention to this issue. Therefore, data from Hungary must be regarded as a rough estimate by the respondents, and will be supported by the available secondary data. In contrast, the 4 interviewees in Latvia at LBAS and affiliated unions such as those in the communications, building, and education sectors were more precise with information.

The interviews explored the following issues. First, whether respondents could describe the age structure of their membership and whether this had changed over time, in order to test how far trade unions were facing the issue of an ageing membership, partly because of emigration, and whether they could evolve into appealing voices for the younger workforce in general. With the exception of the teachers' trade union in Latvia, none of the respondents provided an exact figure. The construction union in Latvia noted that they did have figures, but were reluctant to share them. The communication workers' union, however, could state the numbers but did not provide exact figures. As noted above, in Hungary these figures were inaccessible even for the confederations. The only respondent in Hungary who could state the actual number was Balázs Kovács, the leader of the Vasas Mercedes Benz Manufacturing Trade Union. As he led a plant-based union, he clearly had exact figures. Nonetheless, he also stated that the confederations in Hungary did not know either the total membership numbers or their characteristics.

Second, how did unions communicate with their members? This question reflected our assumption that social media such as Facebook and blogs would replace the traditional means of communication such as meetings and congress as well as newsletters. On this point, it became apparent that trade unions tended to shift to using new communication tools to the extent that they embraced managerialism. Our aim was also to see whether the use of new media tools could attract new workers as members. In brief, it seems that social media can work as a tool of communication to the extent that members have a desk-oriented work environment. However, in manufacturing and service industries (particularly retail), newsletters were still very effective. Finally, we also encountered altruistic activities such as charity events as tools for increasing the visibility of unions and hence attracting new members. Below we explore the impact of these different strategies, whilst relating this back to the fundamental theoretical issue of whether unions act either as interest groups seeking to accommodate capitalism whether they are social movements for reform.

The organizational structure of trade unions in Hungary and Latvia was also explored. Our aim was to examine whether senior positions were more accessible to younger workers. As elaborated further below, this also related to unions' recognition of the danger that an ageing membership posed for their membership as well as a shift towards managerialism in their day-to-day operations.

Finally, we explored the impact of emigration on membership and whether unions had any strategies to deal with this issue. As explained above, Latvian statistics were more accurate than for Hungary. When it came to strategies, however, what mattered was whether unions could attract the attention of the political parties to this issue. In Latvia, LBAS has been more vocal on thanks to its emphasis on low salaries in the country. The Hungarian confederations, however, were sidelined on this issue because of the lack of communication between Viktor Orbán's *Fidesz* government and worker organizations. It looks as if both the unions and the government are oblivious to the issue of emigration. As discussed in the following sections, this supports the assumption that Hungary and Latvia would diverge in their approaches to emigration.

## **Findings**

In both countries, trade union membership density is low by international standards: 11.6 percent of total employment in Latvia in 2010, or just over 100,000 employees in 2012 (ETUI, 2015); and 12 percent in Hungary in 2009. Union representatives confirmed these numbers in our interviews. But there are significant variations within both countries. In both countries, what appears to affect the unionization rate is whether workers can see any immediate returns for their membership fees. At plant level, the nature of relationship that union representatives and employers establish also appears to affect workers' interest in joining the union. Foreign multinationals seem to develop these relations better than national firms (interview with Balázs Kovács, Budapest, 8. February 2016).

As already noted, emigration poses particular challenges. With EU accession, hundreds of thousands of workers left their countries for EU member states willing to take them: Ireland, the UK and Sweden imposed no transitional restrictions. In some sectors, entire occupational groups left on such a massive scale that serious supply shortages ensued in their home countries, such as in the health sector in Estonia and Latvia, and skilled labour in the industrial and construction sectors generally. In Hungary, the negative impacts of migration could be seen in health care and the IT sector. Though dated, the 2012 *Manpower Survey* indicated that 35 percent of companies interviewed reported labour shortages. Furthermore, research published by the Demographic Institute of the Central Statistics Office (2013) showed that 7.4 percent of those in the age group 14-49 (around 335,000 people) moved abroad. This explained increasing applications for tax numbers in the Western Europe by Hungarian nationals (Tóth 2013: 7). However, in comparison to Latvians, Hungarians were relatively new migrant workers in the West.

According to Egils Baldzens, Vice-President of the LBAS confederation, Latvia has lost 10 percent of its workforce through emigration, particularly in younger age groups (interview, Riga, 12 February 2016). In Hungary, the government does not publish exact statistics on migration, to avoid facing the difficult question why so many younger Hungarians are leaving their homes to work in the west (interview with Laszlo Kozak, Liga, Budapest, 5 February 2016). Whilst evidence suggests that the intense post-EU-enlargement labour migration from CEE states has had a considerable impact on unions in the sending countries, responses seem to diverge. Latvian unions seemed to be relatively cognisant of the impact of emigration on their members (interviews at LBAS and affiliates, Riga, 10-11 February 2016); but Hungarian unions were either oblivious (interview at MASzSz in Budapest, 7 February 2016) or were otherwise impotent to offer any solutions (interview at Liga, 3 February 2016) to the effects of emigration on their membership. However, migration could have offered unions an opportunity to strengthen their bargaining positions, as it generated labour shortages and, in consequence, an upward pressure on wages.

Eventually, the departure of workers alters labour force composition, which translates into a direct effect on unions in terms of changes in union membership and density rates. This effect largely depends on the socio-demographic profile of emigrants. If these belong to groups with a low propensity to unionize --- the un(der)employed, unskilled, young or students, as the expert on youth affairs in MASzSz indicated (interview, Budapest, 10 February 2016) --- then migration might not entail losses in the current union membership, and hence might not change the membership base. It could even produce an increase in union density in the short run if migrant workers are not replaced by immigrants from other countries (unlikely given the current anti-immigrant stance of national governments). If, however, migrants belong to groups with a high

propensity to unionize (skilled workers or professionals, and middle-aged or older, employed in the public sector), unions could expect losses of current (and potential) membership, and hence decreasing density rates. This also means losses in institutional resources and unions' capacities for action, and as a consequence less potential for seizing opportunities from indirect migration effects. At interviews, the Latvian unionists articulated this more distinctly than their Hungarian counterparts. We now consider in more detail developments in each country.

## *Hungary*

Following EU membership, a neoliberal course of reform turned into an all-encompassing truth, facilitating and legitimizing economic reform policies in Hungary with the primary goal of Eurozone accession. When the economic crisis in 2008 put Hungary's national debt-to-GDP ratio at highest level in the developed world, it exacerbated the neoliberal tone of transformation. The primary impacts were that of wage cuts and unemployment hitting previously safer sectors such as the public sector (Cseres-Gergely; Kátay, and Szörfi 2013). In November 2008, Hungary had to use an emergency loan of around 20 billion euro from IMF to avoid insolvency as the global financial crisis gripped its markets. As a response to the financial crisis, a technocratic government took office in April 2009, replacing the left-liberal coalition, and introduced radical fiscal reform to reduce the country's large public debt. This political and economic quandary prepared ripe conditions for the neo-conservative Fidesz government led by Viktor Orbán winning at the 2010 election.

The Fidesz regime fostered a voluntarist economic system that supported a patriotic economic policy appealing to the defence of families and to national interests and sovereignty. An unreasonably low level of economic legislation was flanked by ad hoc economic decisions. The new economic rules had no regard for the economic capacities of the country, global economic changes, the requirements of international and national economic collaboration, the rule of law, harmonization of stability and accountability, fiscal, monetary, and income policy or the social impacts of economic decisions (Békesi 2014). Voszka (2014) argued that Orbán neither accepted a neoliberal nor a welfare state and aspired to choose another route: he was a neoliberal with respect to tax and social policy, whilst remaining paternalist in decreasing energy and water charges for families.

This economic governance regime affected trade unions. The Fidesz government initiated an economic transformation to tackle the two inherent problems of the Hungarian economy: high debt and high unemployment. It pursued low wages as a branding strategy to attract foreign investment in manufacturing, with the slogan 'the Hungarian labour force is well qualified and cost effective, which increases the country's international competitiveness'. The Hungarian minimum wage was far below the norm in EU-27 and in order to comply with fiscal deficit targets, the public sector was forced to impose severe reductions in wage costs (around 25 percent) (Cseres-Gergely et al., 2013).

The Fidesz government disregarded social dialogue and moved away from national tripartite structures. Orbán's position since the mid-1990s has been that trade unions belong to the past. Fidesz's approach has also been that social dialogue should merely operate as a mechanism to 'carry out what the government has already decided' (interview with György Károly, MASzSz), in line with a majoritarian democracy whose legitimacy rests on traditional family values, religion, spirituality and patriotism (Ladányi and Szelényi, 2014) rather than dialogue with social partners. Hence, while there are

merely two tripartite structures to co-opt workers; the National Occupational Health Committee and National ILO Committee, they operate as showcases for the international community and follow 'dialogue but not negotiation' (Károly).

In the absence of social dialogue, trade unions could not present any tangible benefits to their members (interviews at Liga and MASzSz, 4 - 10 February 2016, Budapest). Therefore, gaining visibility is the most important issue for trade unions. According to Károly, at the factory level the benefits of union membership are more visible, given that everyone knows who the union negotiator is and what they have achieved. Also, he indicated that unions suffer from lack of access to public and private media sources to illustrate what they do. In order to see if this was the case, the authors approached the union leader at the Mercedes-Benz Manufacturing Hungary (MBMH) Vasas plant, Balázs Kovács. This was a particularly young trade union with an average age in the mid-30s and a unionization rate above 50 percent in the plant (out of around 2000 workers). According to Kovács, they owed their success primarily to their employer's involvement, and the recognition that unions were important for communicating with their employees.

With regards to diversification of their communication tools towards social media, for Kovács it was not the tools of communication that mattered but rather the services that they provided. The provision of discount cards for shopping was one of their services. However, their continuous investment in community-building through organizing family days, Christmas and Easter events, and assisting with funerals and housing (in the instance of two homeless workers) made them more visible. They also operated Facebook and internet pages. They had approximately 400 members for their Facebook page, but at the time of writing their internet page was blank. Considering his success at the factory level, we enquired why Kovács would not aim to work at a more senior (confederal) level. He responded that the means to do so were blocked, even if he were to wish for a more active role at the confederation. However, in a different confederation, Liga, the communications expert László Kozák stated that the heads of the factory unions preferred to remain where they were simply because then they could remain key figures and run their own estates (4 February 2016, Budapest).

Another factor, however, was that the 'old guard' continued to occupy decision-making roles within the confederations. Previous research by Korkut (2005) demonstrated how trade unions carried out internal decision-making in Hungary. In the main, the heads of federations and confederations interviewed for that study were still occupying the same posts in Hungary more than 15 years later. They were the main obstacles for younger workers to join and become involved, and were out of touch with the requirements of new communication technologies, such as providing smart phones to their communication officers to follow up with e-mails (interview at KASz retail workers federation, 9 February 2016, Budapest). In addition, they did not train and prepare the younger generations for leadership positions. 'Younger generations can only come to leadership positions by fighting', but they lack leadership qualities without training (Károly).

In this environment, trade unions struggled to become visible and attractive to younger workers. In Hungary, as traditional instruments of interest representation have become blocked, unions tended to shift more towards charity acts and social responsibility events such as anti-racism flashmobs or pancake days to help the local hospital. However, these activities did not differ much from local Rotary Clubs as an example. The communication officers both at the confederation and the KASz federation complained that it was extremely difficult to develop activities that would attract younger workers. In the retail sector, people did not have time after working hours for trade union activities. At the factory level, Kovács also complained about the general individualism

that gripped younger people. Their activities have been successful to maintain links with their members. However, those activities are also for families and do not necessarily attract individuals. At the Liga confederation, Kozák complained that working hours were organized in such a way that there was no time left not only for trade union activities but also general socialization where people could discuss issues of common interest.

Finally, the approximate number of Liga members below the age of 35 was 33 percent of 100,000 members in total. However, of these, only 30 members took part in union activities. Liga had an average membership age of 45, according to Kozák, and given their very decentralized structure he was not even sure that the federations were communicating their activities to their members. This was unlike Western European countries where unions were more centralized and could easily communicate to individual members.

In Hungary, immigration did not become an immediate exit option for workers until after the global financial crisis hit the country. According to Hárs (2009), this was because Germany and Austria, the main destination countries for Hungarians, took a strict line on maintaining control over their labour markets from the beginning of the enlargement negotiations. Even within the UK labour market, the share of Hungarians amongst workers from CEE states remained low and did not show a notable increase until 2007. However, emigration became increasingly apparent amongst younger workers post-crisis. A 2013 survey suggested that 25 percent of respondents aged 18-39 expressed the intention to obtain long-term work abroad, with a further 23 percent desiring short-term work. From 2012 to 2013 the number of Hungarians living in Germany increased by 26 percent, which is one of the highest growth rates, following those of the migrants from Romania and Syria (Borbély and Neumann 2014).

Hungarian statistics reveal that younger workers as a percentage of the active population have significantly decreased. Between 1998 and 2010 the activity rate of 15-19 year olds decreased from 15 to 3.7 percent, and that of the 20-24 year olds from 60.6 percent to 44.8 percent, meanwhile the activity rate of 25-29 years old increased from 72.8 to 77.2 percent. Hungary has one of the lowest employment rates in the EU (in 2013 for persons aged 15-64 it was 59 percent, as against 64 percent for the EU28) and this was even more accentuated in the case of younger workers. The employment rate in 2013 for persons aged 15-24 was 19.7 percent (in the EU27 it was 32.6 percent) and for persons aged 25-29 was 68.8 percent (in the EU27, 71.9 percent). There is also an increasing share of precarious jobs, especially for young and low-skilled. Fixed-term employment in Hungary is not frequent (less than 10 percent of all labour contracts are fixed-term), but their proportion is much higher in the case of young people (around 25 percent). The share of unemployed young people increased as a result of the crisis from 2008 onward. The improvement in Hungarian economy, so far, has been partly due to large-scale public works and outward migration.

### *Latvia*

Unlike Hungary, Latvia, as a former constituent republic of the Soviet Union, faced the additional challenge of becoming a nation state as well as democratizing and embracing market reforms. However, in common with other CEE states, the dominant feature of transformation has been the process of privatization under the auspices of a neoliberal regime with strong nationalist overtones that has promoted macroeconomic 'stability' and hence tight control over government spending (Bohle, 2010). This resulted in unprecedented opportunities to expropriate the gains of privatization, and EU entry only increased pressures for flexibilization and informalization of the Latvian economy (Likic-

Brboric et al., 2013). Latvia was the first country in the CEE region to implement severe welfare state 'reforms'. However, the social costs involved in these transformations were legitimized through the construction of an identity politics so as to 'instill tolerance for social hardship' (Bohle, 2010: 5). It was notable that respondents commented in this regard that they only communicated to members in Latvian (and not Russian). In this context, the burden of welfare reform has fallen disproportionately on Latvia's large Russian-speaking minority. EU membership and access to transnational finance, as well as strong domestic wage growth aided by outward migration, ameliorated the worst effects of these policies for the majority.

However the downturn in 2008 exposed the fragility of these arrangements and social discontent amongst the Latvian majority has increased since the onset of the financial crisis (Bohle, 2010). The government was forced to take out an IMF loan of €1.7 billion in December 2008, accompanied by a structural adjustment programme noted by Bohle (2010: 11) as having been 'tough even by IMF standards'. By 2010 these austerity measures had seen a fall in government spending of 12 percent compared to 2008 levels (Kallaste and Woolfson, 2013: 257). Hence the labour market situation for Latvian workers deteriorated, with the total number of employees falling by over 17 percent, from 946,800 in 2008 to 782,400 in 2014 (Latvijas Statistika, 2015). The public sector has been a particular focus of cutbacks, with a 20 percent fall in employment during 2010 alone (Kallaste and Woolfson, 2013: 258). Conversely, the number of officially unemployed rose from 88,500 in 2008 to a peak of 205,000 in 2010, before falling to 107,600 by 2014. This suggests that for those made unemployed, recovery since the crisis has been insufficient to restore previous employment levels. As such, unemployment for many appeared to be a route to labour market exit, with the number of hidden unemployed (here defined as those individuals who were economically inactive because no work was available) having increased sharply in the immediate aftermath of the crisis; more than doubling between 2008 and 2009.

Another consequence of a stagnant labour market has been outward migration. This increased significantly after 2008, and net migration remained negative in the post-crisis period. An examination of employees by age group suggests that younger workers are most likely to emigrate: Latvijas Statistika data suggest that those aged 15-24 have experienced the greatest proportionate falls in employment, and an increase in the share of those aged 55-64 and 45-54. This finding was reinforced by a 2007 study of 8,005 Latvian residents during 2006 by Krišjāne et al. (cited in Eglīte and Krišjāne, 2009: 275-6), which found that 16.6 percent of respondents aged 20-29 and 15.4 percent of those aged 30-39 had worked abroad, as opposed to 12.4 percent of those aged 40-49 and 8.5 percent of those aged 50-59. Younger workers were also more likely to be high-skilled, and it is notable in this context that of those in the survey who had worked abroad, 30.9 percent had a tertiary qualification, as opposed to 21.1 percent of those who did not (Eglīte and Krišjāne, 2009: 277). Destination countries were primarily within the EU, particularly the UK and Ireland. Such individuals were primarily motivated to move by higher wages, although 'gaining experience' and improving language skills were also cited (Eglīte and Krišjāne, 2009: 277).

Whilst there have been attempts to establish tripartite arrangements, to the extent that these have functioned, they have merely served to legitimize austerity measures, and social dialogue remains 'biased towards the government' with minimal input from unions (Kallaste and Woolfson, 2013: 260). This view was reiterated by respondents, with the vice-president of the science and education union LIZDA (*Latvijas Izglītības un Zinātnes Darbinieku Arodbiedrības*), for example, commenting that despite the recent election, the expectation was that a centre-right coalition would continue (interview, 11 February 2016). A union can be established with a minimum of 50

members and in February 2015 there were 218 registered unions with 199 officially listed as 'active'. As such, union membership has fallen dramatically since the collapse of communism; from over 275,000 members in Latvia in 1995 (ETUI, 2015). There is currently only one union confederation in Latvia, LBAS (*Latvijas Brīvo Arodbiedrību Savienība*), which represents 20 individual affiliated unions, the largest being the LIZDA in the science and education sectors (approximately 30,000 members), LDzSA (*Latvijas Dzelzceļnieku un Satiksmes Nozares Arodbiedrība*) in railways and transport (approximately 13,000 members), LVSADA (*Latvijas Veselības un Sociālās Aprūpes Darbinieku Arodbiedrība*) in health and social care (approximately 12,000 members), and LAKRS (*Latvijas Sabiedrisko pakalpojumu un Transporta Darbinieku Arodbiedrība*) for those working in transport and public services (approximately 7,000 members) in 2012.

In considering the nature of union revitalization, it was apparent from the interviews that the union that had been most successful in this regard was LIZDA. The union has made a conscious effort to engage with younger workers, through the establishment of a 'young teachers' council' and the appointment of a vice-president (aged 28 at the time of writing), who had a background in public relations. His view of union effectiveness was grounded in the notion that a union was an enterprise (albeit a 'social enterprise') that was competing for members and thus had to provide an efficient service: 'if you look at unions as a social enterprise, then you need the management functions: operations, marketing and so on. A more professional approach, as the members are more and more asking: if they pay for your salary, what can they get for that? In this context, as with the Hungarian case, unions would appeal to prospective members in terms of the benefits they could offer, for example, store discount cards, legal services, free software downloads, or even the establishment of an insurance fund to cover members against accidents.

Related to this, as we have mentioned, all the representatives interviewed recognised the importance of using contemporary communication tools to engage with current members and to recruit new members, This was more marked for white-collar unions, but it was not seen as a panacea: the respondent from the communications union noted that 'face-to-face' meetings were still the most useful way of establishing dialogue with members. Each of the union representatives mentioned that their union engaged with social media and had a Facebook page, and made regular use of Skype, email and posting information on their websites, and all of the respondents mentioned that they had a dedicated press office: a function they felt was essential to promote their visibility in the national media as being involved in 'responsible' social dialogue with employers and the government.

In evaluating the effectiveness of these strategies, it was apparent that while these unions were very innovative in terms of servicing existing members and trying to recruit new ones, external (macro) factors continued to inhibit any significant growth. Respondents were keen to emphasize that they were 'responsible' social partners, but felt that the neoliberal environment militated against their appeal, and that the recent thrust of labour legislation had made the operating environment more hostile, with the government emphasising the growth of flexible forms of work, such as zero-hours contracts. The impact of outward migration continued to be felt, particularly in skilled sectors, with the communications union respondent noting that IT specialists could command 'excellent' wages in Norway (interview, 12 February 2016), whilst the LIZDA representative commented that lack of government support for basic funding of research and development meant that scientists continued to be targeted by foreign companies and to seek work abroad.

Moreover, in trying to appeal to younger workers, basic difficulties were apparent

in that the younger generations had far less notion of organizing collectively, and merely regarded unions as fee-for-service providers. In terms of average age of the membership, the telecommunications union reported between 30 and 40 years, but the LBAS respondent commented that the average age of a union member was more likely to be between 40 and 50. Thus, while the situation of younger workers could be regarded as precarious in terms of job security, they did not recognize this as a collective issue for mobilization against; they were described by respondents as short-term in their orientations and individualistic in their outlook. The construction union had accepted that pecuniary concerns were paramount for young people and had engaged with students at technical colleges by offering them free membership whilst they were students, as this enabled easier access than attempting to approach workers at building sites directly: 'you need to have permission from the employer to enter, and you can imagine that it's not going to be that easy if you state that you want to recruit workers to the union' (interview, 12 February 2016).

## **Discussion and Conclusions**

The findings presented above suggest that unions in Latvia and Hungary have followed different trajectories in terms of responding to the pressures brought about by operating in the Single Market, adjusting to a dominant neoliberal austerity agenda, and the related phenomenon of labour force emigration to western European countries. Both countries have suffered particularly in the post-crisis period of austerity, with government policies that have favoured market-led reforms but in practice have resulted in continued labour market stagnation. Both countries have also seen the emergence of an identity politics that has sought to shore up societal cohesion despite unpopular economic policies by diverting attention to purported 'external threats'.

However, the Latvian and Hungarian cases diverge in terms of how unions have first acknowledged and responded to migration and second how they have attempted to maintain membership. The Latvian unions have shifted towards managerialism, relying on the appointment of younger experts to senior positions in order to maintain communication and attract younger members. These younger specialists can reach decision-making positions for networking and communication, although they do not necessarily come from traditional-working class backgrounds. In contrast, the Hungarian union movement was faced with fundamental structural troubles and a leadership seemingly oblivious to workers' concerns. Accordingly, the incumbent trade union elite that has occupied presidential positions for decades has resisted the contribution that professional experts in communications and marketing could make. In both countries, unions have succeeded in maintaining their membership base and attracting younger members only to the extent that they have concentrated their activities on issues that appeal to traditional self-interest representation.

What do these findings suggest for a broader agenda of union revitalization in CEE countries? Our research suggests, first, that unions, rather than being a vehicle for a nascent class struggle, continue to be organizations that operate in a market environment and vie for membership on the basis of whatever 'benefits' they can procure for their members – despite the enactment of austerity economic policies. The Latvian unions in particular appeared to be less class-oriented and tended to what Ost (2009) termed producerist in character, but they also demonstrated innovative approaches to appeal to younger workers. This provided a clear contrast to the Hungarian case, where union structures appeared to have ossified despite one of the most severe falls in union density in Europe, and there was little manifest interest from a

long-entrenched union leadership in engaging with new technologies or new means of communication to recruit new members.

Second, in both cases, unions' recruiting and organizing abilities were constrained by the fact that the unions concerned were relatively limited in terms of their resources to mobilize and recruit members. Furthermore, unions have continued to be weakened by an unfavourable labour market environment in CEE countries that has seen prolonged high unemployment in the aftermath of the economic crisis, and the related phenomenon of outward labour migration that has disproportionately involved the younger and higher-skilled workers that unions need to recruit. However, union respondents were mixed in terms of their view of the impact of outward migration, although the key concern was whether such migrants belonged to groups with a high propensity to unionize: suggesting that there was no simple (negative) relationship between outward migration and union density and effectiveness. However, migration combined with high unemployment and unfavourable government policies has in turn contributed to a consequent ageing of the membership. This ageing, evident in both countries, was a process that curtailed the natural handover of trade union activism from the older generation to younger workers. This in turn could be seen as a long-term impact of the lack of internal union democracy that Baccaro (2001) and Korkut (2007) have previously discussed.

It is possible, of course, that in the current political climate pressures within EU countries will grow to limit the freedom of movement that has contributed to this phenomenon (as the 'Brexit' referendum that has resulted in the UK voting to leave the EU and the associated current negative focus on EU migrants attests). However, it remains to be seen what impact, if any, this would have on CEE countries, as freedom of movement within the Single Market continues to be a principle that EU members abide by. Apparent, however, is that political developments in CEE countries have continued to favour right-wing populist regimes that have been at best ambivalent to the interests of organized labour.

In this context, any notion of union revitalization can only be considered in terms of a broader alternative agenda to challenge the current neoliberal orthodoxy. For unions in CEE countries in particular, the ability to link up to wider international movements, and exert pressure on national governments, through bodies such as the ILO and the ETUC, is paramount. In this sense, technology has been an enabler, in allowing rapid dissemination of information, and enabling groups to come together to protest. However, unions also have a role to play in wider civic society and linking up with other groups that share an anti-austerity platform. In this context, unions need to adjust to the current environment if they are to renew their appeal, especially to younger workers. Hence, further research should be conducted to examine how unions are responding to this changed landscape.

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### **Author biographies**

Umut Korkut is Reader in Political Studies at Glasgow Caledonian University

Alex de Ruyter is a Professor and Director of Research for Birmingham City Business School, Birmingham City University

Manos Maganaris is a Senior Lecturer in International and Comparative Law at Glasgow Caledonian University

David Bailey is Professor of Industry at Aston Business School, Aston University.