

### Social Dialogue in the Baltic States - Failure of Top-down Efforts?

The studies on labour politics in post-communist Central and Eastern Europe typically stress the weakness of labour<sup>1</sup> in the face of the dual transition to market economy and democracy. Amidst the mass layoffs, changing economic structures and unions' internal transformation, the number of union members decreased sharply in the 1990s throughout the region. The weakness of unions and the lack of or nascent employers' organisations were seen as impediments for the role assumed for them in a democratic society, namely that of participation in the socioeconomic interest representation and decision-making. This practise of general cooperation is termed social dialogue. It refers to "all types of negotiation, consultation and exchange of information between, or among, representatives of governments, employers and workers on issues of common interest."<sup>2</sup>

Promotion of social dialogue as an instrument for democracy, participation and rights at work is one of the main strategic objectives of the ILO.<sup>3</sup> Similarly, the European Union sees social dialogue as crucial for better European governance in terms of greater involvement of all actors in decision-making and implementation process.<sup>4</sup> The European Union stresses the importance of strengthening both bi- and tripartite social dialogue in the New Member States, especially with regard to enlargement and the Lisbon Strategy.<sup>5</sup>

Despite the efforts of the international actors, social dialogue remains rather undeveloped in the New Member States, with the Baltic States as extreme examples of undeveloped social dialogue. All the three Baltic States have formal tripartite councils, but there is little routine involvement of the social partners in governmental decision-making, and the social pacts have typically focused on the creation of institutions (LV 1996, 1999, 2004; LT 1995, 1999, 2005; EE 1999) rather than substantive issues (EE wages and wage procedures 1992, 2001).<sup>6</sup> Over time, however, the social dialogue institutions have changed to a differing degree in the Baltic States, showing differing results. Whereas the tripartite council of Lithuania has become more active and institutionalised over time, the Estonian and Latvian tripartite councils have become less important. The Estonian tripartite council has in practise been dismissed – there have been no meetings of the tripartite council since 2004. In Latvia, there was a pause between in the work of the tripartite council between 2001 and 2004, and the revival attempts have been meagre.

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<sup>1</sup> Stephen Crowley, "Explaining Labor Weakness in Postcommunist Europe: Historical Legacies and Comparative Perspective," *East European Politics and Societies* 18 (2004).

<sup>2</sup> ILO, *Tripartism* (2008 [cited 1.12 2008]); available from [http://www.ilo.org/global/About\\_the\\_ILO/Structure/tripartism/lang--en/index.htm](http://www.ilo.org/global/About_the_ILO/Structure/tripartism/lang--en/index.htm).

<sup>3</sup> ILO, *Strengthening Social Dialogue and Tripartism* (26.1.2009 [cited 18.2. 2009]); available from <http://www.ilo.org/public/english/region/eurpro/budapest/dialog/index.htm>.

<sup>4</sup> European Commission, *Scadplus: European Social Dialogue: A Force for Innovation and Change* (30.11.2007 [cited 20.2. 2009]); available from <http://europa.eu/scadplus/leg/en/cha/c10716.htm>.

<sup>5</sup> European Commission, "Communication from the Commission - Partnership for Change in an Enlarged Europe - Enhancing the Contribution of European Social Dialogue " (2004).

<sup>6</sup> "Ictwss: Database on Institutional Characteristics of Trade Unions, Wage Setting, State Intervention and Social Pacts in 34 Countries Between 1960 and 2007," (Amsterdam Institute for Advanced Labour Studies (AIAS), 2009).

Given that the three Baltic States have been subject to similar pressures from the ILO and the European Union in particular to develop their social dialogue procedures and institutions, it is curious to see that the social dialogue is getting more rooted in Lithuania than in the other two Baltic States. Thus, this paper aims to answer the questions of *whether and under which conditions institution-building from above leads to significant change in local behaviour, capacity-building among local actors and improvement of outcomes as hoped by the international actors?*

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