



Universiteit Leiden

**TRADE UNION CAPACITY IN THE AGE OF
NEOLIBERALIZATION: COMPARATIVE ANALYSIS OF
PUBLIC SECTOR IN LITHUANIA**

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List of Abbreviations

- LGS Lietuvos gydytojų sąjunga
- LFDPS Lietuvos farmacijos darbuotojų profesinė sąjunga
- LSSO Lietuvos slaugos specialistų organizacija
- LSADPS Lietuvos sveikatos apsaugos darbuotojų profesinė sąjunga
- LMS Lietuvos medikų sąjūdis
- LŠPS Lietuvos švietimo profesinė sąjunga
- LŠĮPSP Lietuvos švietimo įstaigų profesinė sąjunga
- LMPSP Lietuvos mokytojų profesinė sąjunga
- LAMPSS Lietuvos aukštųjų mokyklų profesinių sąjungų susivienijimas
- LŠDPS Lietuvos švietimo darbuotojų profesinė sąjunga
- LŠMPS Lietuvos švietimo ir mokslo profesinė sąjunga

Chapter 1: Introduction

Since the end of the Cold War industrial relations (IR) in Central and Eastern Europe (CEE), on top of inherited ideological-institutional legacies from the Soviet era, have undergone significant structural changes that are widely believed to have diminished organized labor's power and significance. According to the leading political economy and IR approaches, the pattern is the most pronounced in what are referred as neoliberal Baltic states, featuring among the weakest labor movements across CEE that are resembled in lagging behind IR regimes institutionalization, trade union density and collective bargaining coverage. However, when we turn our focus to the public sector explicitly, the manner and degree in which IR regimes have changed across CEE varies in ways that stand in tension with broad widely accepted labels, leading to mistaken ideas.

To prove the inconsistency of the exaggerated regional patterns and typologization, Lithuania is a case in point. Against its allegedly neoliberal backdrop, public sector trade unions from healthcare and to a lesser degree education sub-sectors in the past few years managed to obtain considerable concessions to the workers they represent. Cases of education and healthcare are interesting not only for defying the odds of generally unfavorable soil for labor movements to be viable, but also for the variance in outcomes the organized labor from the two sub-sectors managed to obtain.

While the relatively superior performance of public sector labor movement can in part be explained with higher degree of protection from market pressures, less elastic labor market and structural peculiarities of employment, knowing this, only untangles the external conditions upon which the capacity of trade unions is embedded and tells us half of the story for the successes and failures in trade union performance. Accordingly, in order to untangle the internal dimension for public sector trade union capacity in Lithuania, research will employ Power Resource Theory (PRT) addressing the following question: **why in the past few years have public healthcare labor movement fared better in terms of outcomes from collective bargaining process compared to education trade unions?**

Focusing on public sector industrial relations explicitly while examining the causes for the trade union successes and failures has implications not only for a more nuanced comprehension of CEE IR regimes in the face of widely accepted regional patterns which appears to be lacking from the existing research, but also for IR stakeholders, including workers, and is of particular interest for efforts aimed at improving IR regimes efficacy. In the absence of a nuanced account, features and

sources of variance in the bargaining power of unions in CEE are easily misunderstood and can contribute to a misunderstanding of trends in the region and within countries.

In order to answer the research question, I will first provide an overview of CEE IR background and leading approaches that debate its development and occurring regional patterns. Then, I will introduce public sector IR data that is incongruent with the leading approaches and touch upon recent developments in Lithuania's public sector IR. Chapter 3 will discuss the theoretical implications for public sector relative preeminence and test how Lithuania's case fits them. Then, I will proceed with the occurring puzzle and elaborate on the selection of Power Resource Theory (PRT) as a theoretical framework to explain the variance in outcomes between the two sub-sectors. Chapter 4 will set out a method to test the proposed hypothesis. Chapter 5 will provide a case study of each sub-sector and then will proceed with the comparison of causes for the successes and failures in performance of labor movements. Chapter 6 will conclude the research and discuss the implications of the results for Lithuania's and CEE IR.

Chapter 2: Context and Leading Approaches of CEE IR

2.1 Institutional and Ideological Legacies

There is a general scholarly consensus, with a notable exception of Slovenia, about underdeveloped IR in Lithuania and the rest of the CEE. While some authors originate the general weaknesses of IR systems from institutional and ideological legacies from the Soviet era and largely see CEE as a more or less uniform unit (Ost, 2000; Crowley, 2004), others tend to be more delicate regarding the generalization and emphasize the sub-regional divergence in political economies that also differently conditioned the development of IR regimes (Feldmann, 2006; Bohle & Greskovits, 2012).

Regarding the first grouping of authors, after the Cold War as a rule the largest and the most influential trade unions in CEE were inherited from a fundamentally different political economy where the establishment of them served a substantially different purpose. Institutionally, during the Soviet times, trade unions were allies of the management, encouraged increased production and to some extent facilitated social welfare provision (Crowley, 2004). Accordingly, under the market economy conditions trade unions generally failed to fathom their shifted political and social role, thus falling through in proving their instrumentality to workers (See Kallaste, Woolfson; 2009). Ideologically, as post-socialist/communist CEE societies largely stigmatized Soviet legacies or institutions and viewed them as not complementary to capitalist development and integration with the West, trade unions were unsure whether to defend the workers from capitalism or help to embrace it. Therefore, trade unions were facing a dilemma: on one hand, taking an over anti-capitalist stance, they would risk to jeopardize their already weak support from the society even more; on the other hand, helping to bring capitalism about would go against their purpose and operational goals, such as: “*delivering concessions like higher wages, job security, better work conditions, and limiting the managerial authority*” (Crowley, 2004).

2.2 Varieties of IR Regimes in CEE

Although the institutional and ideological legacies significantly aggravated the development of IR across CEE, other strand of literature argues that the situation is not uniform and underlines different post-transitional political economy development trajectories that also caused a variance in degree of the state of IR regimes in the region.

Notable attempts to decompose the region into different units for analysis were inspired by Hall and Soskice (2001) *Varieties of Capitalism* approach (Feldmann, 2006; Buchen, 2007; Adam, et. al.; 2009). As of widely known, institutional arrangements within advanced capitalist regimes significantly differ across the world. Yet, they can be grouped into two main categories: Liberal market economy (LME) or Coordinated market economy (CME). Obviously, the more features of CME ideal type a country possess, the more favorable the conditions for IR development and *vice versa*. This approach is applicable to a certain degree to CEE likewise. It is evident empirically from two of the CEE political economy antipodes — Baltic States and Slovenia. While Baltic States meet the LME criteria the most and consequently feature significantly weaker and decentralized organized labor’s position which is resembled in overall the lowest across the region trade union density and collective bargaining coverage, Slovenia is categorized as a CME and features the most developed IR system similar to Western European neocorporatist state model (See table 1).

However, the LME and CME dichotomy is binary. Even though it allows to categorize two extreme cases within CEE, such as Baltic States and Slovenia, it overlooks the peculiarity of more intertwined and fuzzy economies in Visegrad sub-region that do not easily map on the bimodal type. Interestingly, Visegrad states feature in overall higher trade union densities and significantly higher collective bargaining coverage compared to Baltic States, but still lag behind Slovenia which calls for alternative frameworks to grasp the CEE IR.

Table 1. Collective bargaining coverage and trade union density in CEE (excl. Romania).
Data source: International Labor Organization (ILO). Time range: 2014-2016

Country	Trade union density (%)	Collective bargaining coverage (%)
Bulgaria	13.7	10.8
Czech Republic	12	46.3
Estonia	4.5	18.6
Hungary	8.5	22.8
Latvia	12.6	13.8
Lithuania	7.7	7.1
Poland	12.1	17.2
Slovak Republic	11.2	24.4
Slovenia	26.9	70.9

2.3 Transnational Capitalism and Trimodal Trajectory

To make more sense out of the haziness of CEE blackbox, inspired by Polanyi's *The Great Transformation*, Bohle & Greskovits (2007; 2012) proposed a more comprehensive way to understand the diversity of CEE political economies and IR regimes. According to this approach, after the collapse of the Soviet Union, independent CEE states have found different, but patterned solutions to the Polanyi's proposed trinity of fundamental conflicts between: "*market efficiency, social cohesion, political legitimacy*" (Bohle & Greskovits, 2012). The patterned transformational divergence resulted in distinctive features post-socialist/communist CEE regimes have developed that can be grouped into three main units according to their similarity. First, Baltic states and to some extent Romania and Bulgaria, feature relatively prevalent market radicalism combined with obscure domestic compensation for occurring adjustment costs and general exclusion of its citizens and organized social groups from policy formation or making, thus captured as a neoliberal block. Second, Visegrad states are characterized as an intermediate case, featuring constant mediation between market efficiency and social cohesion that result in more egalitarian, but not necessarily quality democratic governments, therefore, referred as embedded neoliberal block. Third, Slovenia features the most inclusive, egalitarian and the least radical in terms of market efficiency stance. Accordingly, it is prescribed to the neocorporatist model.

In similar vein to the *Varieties of Capitalism* approach, the capacity of trade unions is embedded in their external conditions that are largely determined by the type of capitalism and institutional environment they operate in (See Table 1; Kahancova, 2015). Although even the neocorporatist or embedded liberal block over the years experienced significant neoliberalization, the angles of the trajectory are varied and not as profound as in the neoliberal block. This framework generally explains of a more frequent instance of stronger trade unions and higher institutional support for more substantiated outcomes from collective bargaining in embedded neoliberal or neocorporatist, compared to neoliberal block.

Table 2. Preconditions for the variation in trade union capacity and action across CEE (Kahancova, 2015).

Labor Mobilization			
		Low	High
Institutionalization of bargaining	High	CZ, HU, PL, SK (Visegrad – embedded liberal block)	SI (neocorporatist block)
	Low	EE, LV, LT (Baltic States – neoliberal block)	BG, RO (neoliberal block)

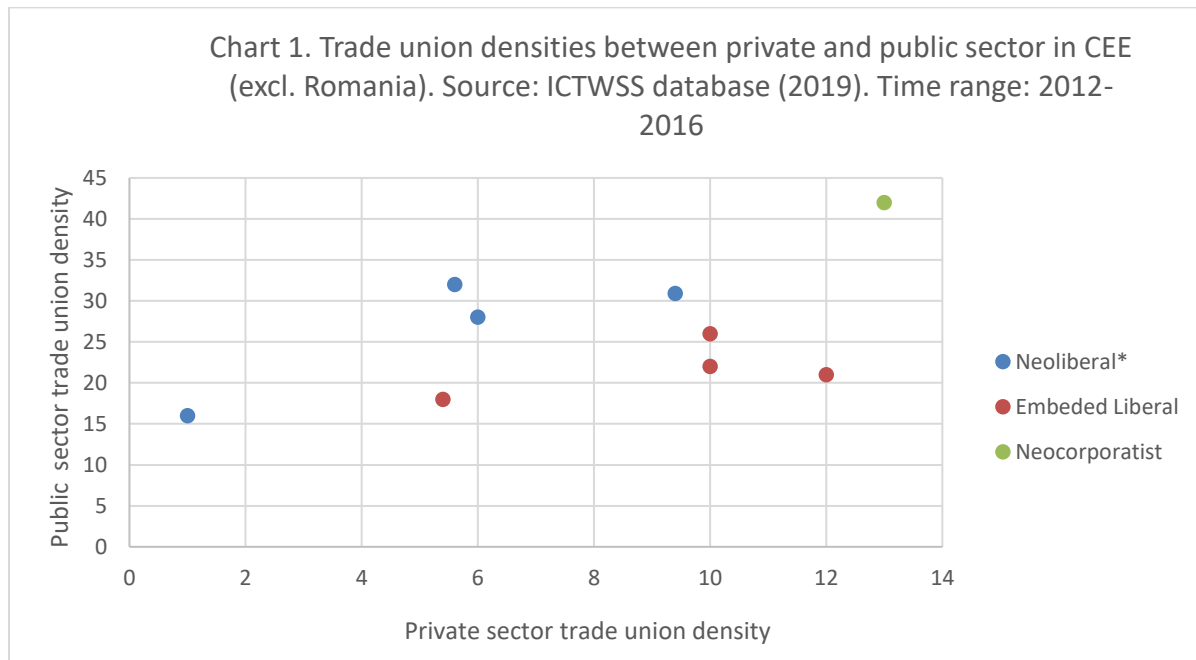
2.4 Public sector IR incongruence with the leading frameworks

As we turn our viewpoint from the national level dynamics to the public sector explicitly, alleged IR regional differences that stem from sub-regional trimodal trajectories, do not transpire to the proposed labelling as accurately. Interestingly, public sector labor movements in what are referred as neoliberal states in some respects even surpass those in Visegrad block.

First, although the institutionalization is a broadly applied term that can mean either the involvement of labor in a decision-making process or just a legal base that sets the limits for industrial activity, such as rights for association, bargaining and strike, public sector IR in CEE do not correspond to the proposed tri-modal categorization at least in one aspect of it. While there is no aggregate statistical data that distinguishes between public and private sectors in terms of labor involvement, legal limits for industrial activity raise suspicion to the proposed variance in institutionalization levels (See Table 2). Poland features the strictest legal regulation for public sector trade unions, while in Lithuania and Slovenia labor movements have the most favorable legal basis to act. On top of that, neoliberal Estonia in this account surpass embedded neoliberal Slovak Republic and Hungary (Visser, 2019).

Second, despite unavailable data regarding the collective bargaining coverage rates between the two sectors in CEE, trade union densities cast additional doubt to the widely accepted labels. The arrangement of countries according to their trade union density rates in public sector considerably differ from private sector or national level densities. For example, Latvia’s private sector trade union density is 5.6 %, while in public sector it stands at 32 %. Interestingly, while private sector labor in neoliberal CEE states tends to be the least unionized, public sector unionization rates even surpass those in embedded liberal block (See Chart 1). It suggests that even

if the private sector's labor is pressured more heavily by neoliberal state approach in neoliberal block, it does not transpire to the public sector as much.



Third, although one could argue that neoliberal economic regime would mean more state retrenchment to public services provision in neoliberal than in embedded liberal or neocorporatist states, the differences and their effects to the public sector IR systems are ambiguous. While Lithuania, Bulgaria and Romania share the lowest public expenditure rates, Estonia and Latvia are more similar to Czech Republic, Slovakia and Poland in this regard (Eurostat, 2018). In addition, lower public expenditure has a twofold effect to the public sector industrial relations: on one hand, higher fiscal constraints negatively affect employer attitudes towards labor demands to reach a compromise; on the other hand, fiscal constraints and negative employer attitudes ignite a higher discontent from the labor, thus resulting in more militant action and heavy pressure towards the employer. Accordingly, as observed by Kahancova (2015), more severe labor backlash strategy can work similarly well in comparison to cooperative approach in gaining concessions which means that significantly more mobilized public sector trade unions in neoliberal block can compensate for the alleged lack of institutionalization through instigation of political pressure.

Literature provides worthy empirical examples in CEE regarding the argument. While most of the governments in CEE during the post global financial crisis period undertook considerable austerity measures that cut the financing for public services provision, generally stronger public

sector labor movements in terms of mobilization, strayed away from traditional institutionalized bargaining channels and employed more adversarial strategies that materialized in certain reversion of deterioration of employment conditions (Bernaciak, et. al. 2011; Kahancova & Szabo, 2012). Although the pattern is more pronounced in embedded neoliberal block, there is a mounting evidence from neoliberal states likewise (Adăscăliței & Muntean, 2019; Boganoski et. Al., 2014).

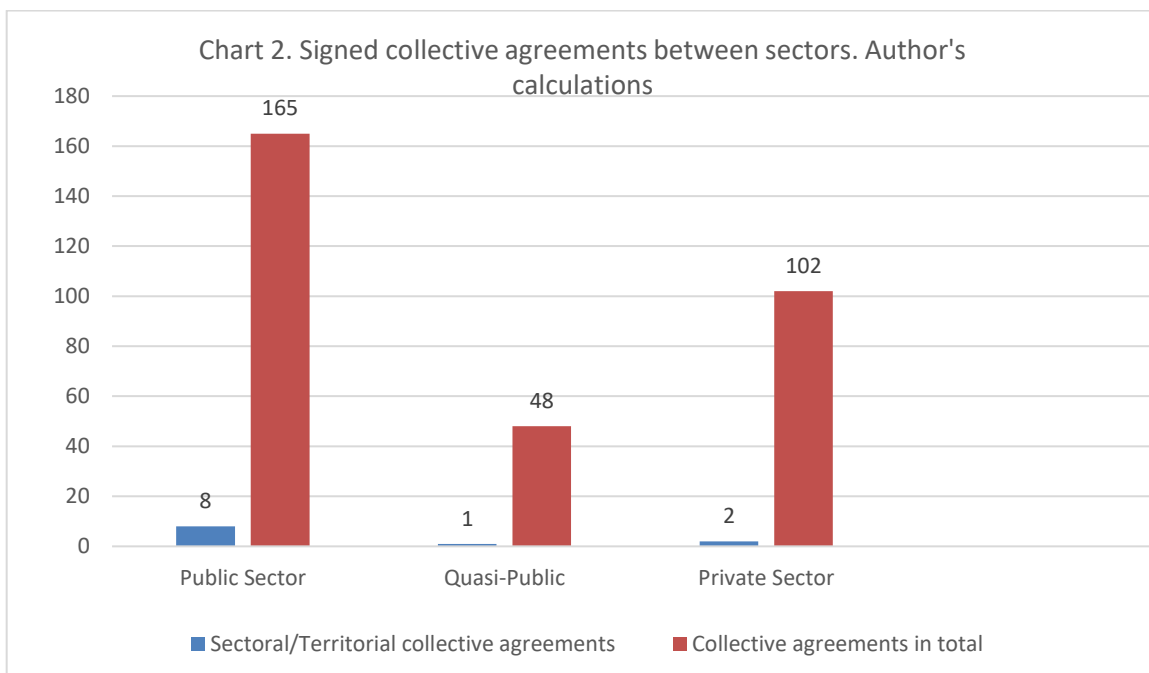
Consequently, as seen from various dimensions that make up the viability and role of trade unions within IR regimes, we should not take national IR contexts for granted as widely accepted sub-regional differences considerably lose their weight in public sector.

Chapter 3: Causes for the developments in Lithuania's public sector IR and occurring puzzle

3.1 Public Sector IR Developments in Lithuania

In the previous chapter stated insights regarding the public sector IR incongruence with the leading approaches start to make even more sense when we consider public sector IR historical patterns and recent developments in Lithuania. Historically, though with the less substantive outcomes, most of the industrial activity revolved around public sector. According to the Department of Statistics of Lithuania (2019), since the year 2000, when statistical data of strikes has been started to be collected, until the end of 2018, 1,370 strikes were organized. Interestingly, almost all of the strikes were organized by the public sector workers.

Taking a look at all of the collective agreements that, by the time of writing, are legally binding and registered in the registry of Ministry of Social Security (2020), similar conclusions about asymmetrical intensity in industrial relations between private and public sectors can be drawn (See Chart 2). By quasi-public I refer to privatized, but largely public owned enterprises. The figures become even more significant when one takes into consideration the fact that public sector workers comprise 22,8 % of all active employees in Lithuania (OECD, 2017).

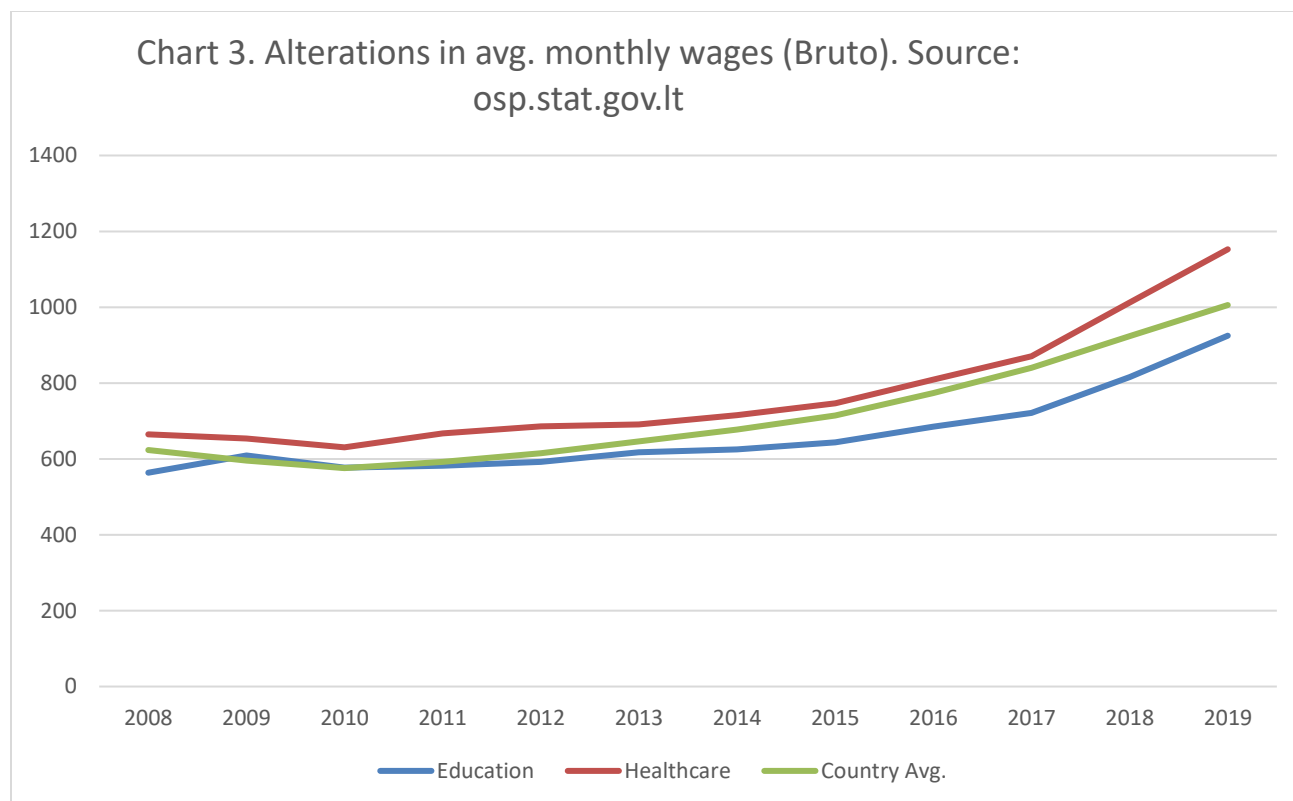


Moreover, despite more or less ambiguous developments in national tripartite collective bargaining historically and recently, sectoral collective agreements in education and healthcare sub-sectors in the past few years featured relatively considerable improvements in working conditions and wage increases for workers (Woolfson & Kallaste, 2009; Mundeikis, 2018; Eurofound, 2017).

Public education labor movement with the Ministry of Education and Sports in November 2017 signed a collective agreement that foreseen the implementation of a new wage-setting method which involved a more equitable wage determination for teachers. In addition, the government pledged to appoint additional 93 mln. EUR for wage increases under a new wage-setting system in the next two years. Although the enforcement of the new system led to some unintended negative externalities that were not thoroughly discussed beforehand, over the course of two years, education labor movement managed to amend some of the unsatisfactory aspects of the new system and additionally increased the financing for pre-school and pre-elementary teaching staff and higher education workers' wages.

Meanwhile public healthcare labor movement over the course of roughly 2 years with the Ministry of Healthcare signed two collective agreements that also included some significant amendments. As a result, public healthcare workers experienced an unprecedented increase in wages and other improvements in employment conditions, such as additional vacation days, implementation of universal wage floor for medical personnel and significant social and economic incitements for resident doctor staff (SAM, 2018).

However, besides other improvements in employment conditions, as seen from the Chart 3, public education wage increases significantly lagged behind the healthcare rise in wages. Although over the course of 2 years public education wages began to close the gap with the average country wage level, wages for healthcare workers experienced an unprecedented rise and further widened the previously existed gap either between the country or education sector average wage levels.



The occurring disparities not only raise questions why public sector organized labor is more preminent and shows a tendency to be significantly less affected by national political economy and IR contexts, but also why the successes between its sub-sectors vary considerably in substance.

3.2 Theoretical Implications for Public Sector IR Preeminence

To explain the public sector IR preeminence, literature propose various explanations. Although there seem to be a range of variables that affect the gap between the two sectors, three main groupings of explanations gather the most attention.

Most notably, market constraints in an ever globalizing and competitive market more negatively affect private sector's labor leverage and bargaining power compared to public sector. Private sector most frequently consists of enterprises that are exposed to international market forces that pressure the overall prices of goods and services to converge. If firms in this sector raise their output price, they risk to lose competitiveness or employment (Traxler & Brandl, 2012). However, non-trading sector (i.e. public sector), which is sheltered from international competition is able to externalize the output prices in parallel with surging wages (Garrett & Way, 1999).

Moreover, in relation to market constraints, public sector workers reinforce their leverage through the inelasticity of demand for their labor (Katz, et. al. 2015). Alternative sources for public sector services or production are much more difficult to come by. Drawing from Alfred Marshall's conditions, first, public employers are facing much higher obstacles in substituting their employees through automation of production process than in private sector. Second, the elasticity of final goods is much greater in private sector. It means that public sector has an advantage, because most often it is the sole provider of specific services or production. Public sector services/production most often cannot simply go out of business and be substituted by the competitors in a short term.

Other strand of the literature emphasizes structural peculiarities of public employment that generate a higher need for union representation. Homogenous character of terms and conditions in public employment make individual bargaining less likely to be viable. Therefore, public workers have a higher necessity to gain improvements in wages or working conditions through collective action and union representation (Bordogna & Pedersini, 2013). In addition, trade union representation is substantially more segmented in public sector. It is reflected in relatively strong professional groups and identities.

Lastly, public-private industrial relations gap may be a subject to employers' attitudes to labor movement that seem to differ between the two sectors. Although public sector is much more affected than private sector by political pressures, public demands or fiscal constraints, in practice, public employers tend to follow the letter of the law better (Katz, et. al. 2015). Accordingly, public employees are more sheltered from the possibility to encounter negative attitudes concerning union affiliation from their employers that may undermine their career prospects (Bordogna & Pedersini, 2013). Relatively lower management opposition to public workers can be associated with now generally more relaxed legal environment regarding the rights for association, collective bargaining and strikes, compared to strict regulatory limitations in the past (Freeman, 1988; Kearney & Mareschal, 2014). Most usually it is in government's own interest to maintain overall employment levels and wages, especially during the economic downturn as a form of vote-seeking behavior. Moreover, public sector unions, especially in the sectoral bargaining pose a significantly higher threat to government's legitimacy (Traxler, Brandl, 2010).

3.3 Framing Lithuania's Case into The General Theoretical Propositions

To put these theoretical considerations into the context of Lithuania, evidence from already existing researches provide sufficient proof for the unionization gap. Due to meticulously implemented Washington Consensus neoliberal policies in the early 1990s, as mentioned previously, Lithuania most generally is prescribed to neoliberal political economy type (Norkus, 2008; Bohle & Greskovits, 2007a, 2007b, 2012). Unlike to other CEE states, such as Czech Republic, Slovakia, Poland or Slovenia whose post-socialist economic integration and development relied on *dependent industrialization* from the West, Baltic states were subject to *dependent financialization*. These circumstances did not allow for Lithuania to significantly transform and renew its industrial base (Berniacak, 2015). As a consequence, Lithuanian enterprises mainly export raw materials or traditional industrial goods that can be prescribed to the lowest value-added production segment (Bohle, 2008; Greskovits, 2005). These settings generate uneven dynamics in the industrial relations that make the probability of compromise between capital and labor in private sector less likely for largely three reasons: 1) internationalization of markets with monetary conservatism; (2) high share of labor costs in the production process; (3) Low sunk-costs into the production infrastructure (Norkus, 2008).

Accordingly, private sector was much more significantly affected by neoliberal orthodoxy than public sector, which resulted in labor market dualization into primary and secondary markets (Juska & Woolfson, 2015). Primary market turned out to mostly consist of self-regenerating public employment, while most of the private sector employment largely featured low-skill and low-wage employment. In addition, public sector employment features higher levels of social protection and benefits compared to secondary employment segment. The labor market bifurcation increased private sector's employment precariousness which limited labor's ability to oppose the capital. As a result, since Lithuania joined the EU in 2004, exit to Western/Northern European states as a more formidable option to significant number of workers followed.

Although labor exodus abroad since Lithuania joined the EU would suggest about improved labor's that remained in the country leverage to raise their voice collectively, in reality, emigration positively altered the situation of an average skilled worker through the creation of more favorable conditions to his/her's power to negotiate wages on an individual basis. This materialised in the significant salary increases of the years prior to the recession in 2007–2009 (Sippola, 2017). It is also important to mention that the post-crisis period was marked by a skyrocketing growth of

shadow economy, which, regarding the labor market, explicitly consists of private sector activities and full or partially illegal employment (Žukauskas, 2013). Obviously, organized interest representation is hardly feasible while operating in informal working environment.

On the other hand, Blažienė et., al. (2019) argued that both private and public sectors suffer from the relatively low trade union density rates that lead to generally low spread of collective bargaining and collective agreements for different reasons. In public sector, significant number of employment and working conditions, including remuneration issues, are strictly regulated by national legislation, leaving little room for manoeuvre in collective bargaining. In addition, the state role of participating in collective bargaining has been somewhat ambiguous.

In private sector employers tend to be reluctant to take the role as social partners. Furthermore, private sector mainly comprises small and medium sized enterprises (SMEs), which generally lowers the need for collective interest representation and does not go in hand with Lithuania's labor code that does not allow for union representation in enterprises with less than 20 employees (Blažienė et., al., 2019). Moreover, there seems to be incongruence of labor vs employer organizations in private sector (Blažienė et. al., 2019).

Lastly, according to Kalanta (2019), as Lithuania's economic growth became led by exports in the post 2009 global financial crisis period, favorable price trends in the international market to export-exposed sector created particular circumstances upon which profits increased faster than labor costs. As long as this *status quo* remains, export-exposed businesses have a luxury to employ a strategy that is not complementary with social dialogue and its institutions.

3.4 The Puzzle of Different Outcomes from Activity Between Healthcare and Education Sub-sectors

To summarize, CEE political economies differ in their institutional arrangements and approaches in solving fundamental capitalism conflicts between *market efficiency*, *social cohesion* and *political legitimacy*. These varied settings undoubtedly translate into the role and capacity organized labor features within the regimes. Accordingly, while organized labor is the most organized and influential actor within the regimes that give priority to social cohesion and civic inclusion into the political process at the expense of market efficiency, it is the least significant within the regimes that do otherwise. Therefore, neoliberal market-oriented approach in Lithuania is one of the least favorable soils in CEE for trade unions to be viable. It is clearly visible from

national trade union density and collective bargaining coverage that are among the lowest across CEE.

However, while the effects of Lithuania's capitalist regime undeniably undermine private sector's organized labor as observed by various authors from already existing researches, its effects are significantly less profound to public sector. Higher degree of protection from market pressures, less elastic labor market and structural peculiarities of employment do play an important role that make up the settings for public sector trade unions in neoliberal states to feature much more similar or in some respects even more superior conditions for labor organization compared to embedded neoliberal block.

This nuanced account allows to fathom more clearly the instance of a relatively substantive organized labor's in public sector performance in neoliberal Lithuania. However, even though the cases of public healthcare and education stand as proof for the argument, the considerable disparity in outcomes between the two sub-sectors from the collective bargaining makes one to wonder why seemingly the same medium to act, that is public sector, resulted in such variance of organized labor achievements. IR literature in Lithuania so far not only tend to overlook different external conditions between the private and public sectors, but also internal dynamics for trade union capacity in public sector that seem to play a role in causing the variance in outcomes from industrial activity.

While external public sector conditions upon which capacity of trade unions is embedded are more or less untangled, exploring further the question of **why in the past few years have public healthcare organized labor fared better in terms of outcomes from the collective bargaining process compared to education trade unions**, can deepen our understanding about internal dynamics of the sector itself and how certain trade unions can make more out of the generally more favorable circumstances than others. Focusing on this question has implications not only for bridging the gap regarding the literature of trade union capacity in the rest of the CEE where each case demonstrates varied and puzzling dynamics of public sector organized labor capacity, but also for IR stakeholders, including workers, and is of particular interest for efforts aimed at improving the efficacy of IR regime.

Chapter 4: Theoretical Framework and Hypothesis

In order to answer the research question — Power Resource Theory (PRT) will be applied for the analysis. PRT originated from the attempts to explain the expansion of welfare state in advanced capitalist countries in the late 1960s and early 1970s. It takes issue with the functionalist approach which strictly associates the emergence of welfare state with high economic development and points out that the prevalence of welfare policies within a state, rather depends more on the strength of labor movement (Olsen & O'Connor, 1998). It also disagrees with the pluralist account of power to which it is a widely scattered resource across the society and to a certain degree goes in hand with the Marxist notion that the capitalist class is by far the most powerful actor in a given capitalist regime in owing to its control over the means of production. However, the balance of power between labor and capital, according to the PRT, rather than being absolute, *is fluid, and therefore variable* (Olsen & O'Connor, 1998).

In a way PRT coincides with the *Varieties of Capitalism* or *Transnational Capitalism* approaches as they apportion the regimes considerably according to their capital vs. labor relation, however, PRT has wider means of application. The defined power balances between capital and labor within regimes in previously discussed *VoC* or *Transnational Capitalism* approaches are tied to their national contexts and, as observed previously, do not transpire to the public sector as much. Therefore, the static national level balance of power overlooks the fluidity of different capital and labor power balances between the two sectors of the economy.

In accordance to this reasoning based on the PRT logic, public sector organized labor is embedded in more lenient power balance between capital and labor which generates more favorable settings for trade unions to nudge the decision-making process regarding the employment conditions towards its advantage from industrial activity more significantly compared to private sector. However, the capacity of public sector labor that is embedded in more favorable external settings compared to the rest of the economy is only a half of piece to the puzzle. How well more favorable external conditions by public sector trade unions are utilized, depends on how well developed are their internal *power resources* that lay the foundations for the success of particular strategies trade unions may employ.

Although there are mainly two strategies organized labor can employ, that is adversarial and cooperative, the latter one in the past decade in CEE significantly lost its relevance even in generally more favorable external environments for industrial activity. As a rule of thumb, during

the post global financial crisis period, if trade unions had any success, it was largely from their strategies that began to mainly rely on: “*their position as veto players within the system*” (Bernaciak, 2011). Evidence from Adăscăliței & Muntean (2019) and Kaminska (2015) researches also support the case of a significance for success from implementation of more hostile trade union strategies. Accordingly, this leads to a reasonable expectation that relatively more successful outcomes from industrial activity in healthcare sub-sector were caused by employment of more effective adversarial strategy of trade unions. Though the effectiveness of employment of particular strategy depends on how well developed are corresponding *power resources* (Adăscăliței & Muntean, 2019).

Drawing upon trade union capacity literature in CEE and already knowing the outcomes in trade union performance, we can apply a deductive epistemology to test the causal effect between available internal *power resources*, their strategic application and outcomes form collective bargaining in public sector in Lithuania (Trampusch & Palier, 2016). According to this reasoning, it is useful to state the hypothesis: *relative success of healthcare organized labor was caused by its more developed adversarial power resources that were more effectively applied in corresponding strategies in collective bargaining process compared to labor movement in education sub-sector.*

Before diving deeper, it is essential to define what are the main adversarial power resources and to which strategies they are applicable. Among the adversarial power resources, three main components stand out:

1. *Associational power.* It originates from the organization of workers as a collective (Adăscăliței & Muntean, 2019). It serves more of a signaling tool that increases the credibility of the possibility of a strike. Use of this particular power resource has relatively low costs for trade unions as it is largely applied to inform other negotiating parties of an existence of a possible strike and its scale, that is strike threats.
2. *Structural power.* It is an essential power resource for trade unions which stems from the position of workers in the economic system and can result in immediate results to the raised demands by the workers. This power has two subtypes: marketplace bargaining power and workplace bargaining power. The first of the sub-types regards the position of workers in the labor market. The second one derives from how well the workers are integrated into the production process. The more essential workers are to the production process, the more

disruptive and detrimental can be the outcomes to the businesses or institution. The strategic use of this power resource largely involves pickets or warning strikes.

3. *Organizational power*. Although associational power is a significant resource to consolidate the strength of the trade union and can be determined by the sheer number of memberships, it overlooks the importance of organized labor coordination and mobilization of membership. Deployment of this strategy is a costly endeavor, because in an instance of unorganized and uncoordinated action it can backfire *when mobilization fails to bring the desired outcome* (Adăscăliței & Muntean, 2019). According to Gumbrell-McCormick & Hyman (2013) organizational power stems more from willingness to ‘act’, rather than ‘willingness to pay’ for the trade union membership and is essential to the success of such adversarial strategies as strikes.

Table 3. Power resources and corresponding strategies

Power resources (independent variable)	Corresponding strategy (conjecturing mechanism)	Outcome from the bargaining (dependent variable)
Associational →	Strike threats	
Structural →	Pickets and warnings strikes	
Organizational →	Strikes	

Chapter 5: Methodology

5.1 Comparative case study, theory testing process tracing

As the research question seeks to examine the causes for the variance in outcomes (dependent variable) from the collective bargaining processes in healthcare and education sub-sectors, multi-method approach of comparative case study together with theory testing process tracing will be applied.

This selection of combining two methods is largely encouraged due to unrealistic Mill's method of difference requirements for causal relationship estimation between independent and dependent variables. Controlled comparison between the cases cannot be assured as they are almost never identical. Mill himself admitted that this method cannot work precisely in a presence of equifinality. A phenomenon when the same outcome can be caused by different combinations or ways of variables (Bennet, 2009).

Although Mill's method of difference applied in a loose manner is considerably heuristic, its accuracy and validity can be supplemented by historical explanation of cases or, so to say, process tracing. Using this method, a theory can be used at each step of a particular bargaining process to explain how variables made gradual steps to the ultimate outcome, thus opening the black box of the causality between X and Y (Bennet, 2009). However, process tracing is often used as an umbrella term that consists of various approaches for different purposes. As mentioned in the previous chapter, the research already knows the independent variables, that is power resources, intervening mechanism – employment of corresponding strategies, and dependent variable – outcome from the collective bargaining process. The hypothesis hints us that a theory testing process tracing method would serve well in the pursuit of answering the research question.

“In theory-testing process-tracing, we know both X and Y and we either have existing conjectures about a plausible mechanism or are able to use logical reasoning to formulate a causal mechanism from existing theorization” (Beach & Pedersen, 2013).

Therefore, the research will initially introduce each case separately, beginning with a brief description of each sector's main worker grievances and their origins, followed by description and inclusion of power resources, their application to trade union strategies and interplay with the collective bargaining process outcomes. Then, research will proceed with the comparison of both cases and clarification of independent variables (power resources) connection with the dependent variable (outcomes from collective bargaining).

5.2 Operationalizing independent variables: three dimensions of adversarial power resources

1. *Associational power resources* of trade unions will be measured by the number of their members.
2. *Structural power resources* of trade unions will be measured through an inquiry of labor market demands and supply, competition between private vs. public sectors in analyzed sub-sectors.
3. *Organizational power resources* concern the ability and capacity of trade unions to act in a coordinated manner. Therefore, it will be operationalized through an inquiry of the ability of trade unions to coordinate their actions unanimously and obediently.

5.3 Data sources

Main data sources for the research will be: collective bargaining protocols, collective bargaining agreements, interviews with the trade union members and trade union surveys, trade union communication channels (websites and social media), legal documents such as Lithuania's labor code, media articles and video reports. Research will also use a variety of quantitative data largely from the Department of Statistics of Lithuania.

5.4 Timeframe for the analysis

Main timeframe for the analysis: 2017-2019 (3 years). This is due to the fact that a new labor code was passed and came into force in 2017. Moreover, collective agreements between the government and education and healthcare sectors were signed after 2017. Plus, since the new government was elected in 2016, this timeframe will serve to control the variable of political cycles and accordingly changing attitudes from employers to labor movement every four years.

Although the main timeframe for the analysis will only be three years, research will also provide variety of quantitative data that goes back to 2008 to contextualize the tendencies and patterns in power resources.

Chapter 6: Analysis

6.1 Case study: Education

Despite being relatively underfinanced in the context of the Baltic States regarding the GDP/education expenditure ratio, public education in Lithuania has not been properly optimized to the changing structural needs that stem from a large network of education institutions and generally decreasing number of students each year (Eurydice, 2018/19; Eurostat, 2018). Over the years there were many attempts to implement various reforms to adapt to occurring challenges, however, without significant success. It seems that Lithuania's education system is under a constant reform that confuses and irritates both education workers and society. The main grievances education workers and their trade unions over the years have clearly expressed are low wage levels that were increasingly lagging behind the country's average and excessive workload workers are obliged to deliver outside contact teaching hours preparing for classes or participating in various school activity programmes that are not paid for (Antavičius, 2016). Increasing workload is evident from the statistics showing that over a decade the number of teachers for each 100 students had decreased from 12,1 to 11 (See Table 3).

Table 4. Changes in labor force dynamics in public education. Source: Osp.stat.gov.lt

Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Number of teachers for 100 students	12.1	12.1	11.7	11.2	10.9	10.8	10.9	10.8	11.1	11.1	11
Job vacancies in education sector	652	253	265	303	296	417	437	439	366	458	356

Furthermore, as seen from the table above, although the demand for education workers over the last decade stayed relatively moderate and more or less the same, there is a growing need to attract new and young pedagogues now, because, according to the estimations from one trade union survey, in 15 years from now, around 40-50 % of teachers will retire (Eurydice, 2018/19; Mundeikis, 2020). Moreover, there is also a competition for the labor force from private sector which comprise 1/12 of all education workers (Viešjojo sektoriaus tendencijos, 2019).

Constant dissatisfaction among the workers in the largest employment segment in public sector, is evident from the incidence and scale of occurring strikes. Although this is also in part of relatively favorable legal basis for trade union association and rights for strike compared to other spheres of public employment, education sub-sector is the ultimate champion in this regard, as it basically causes all of the strikes in the country.

Table 5. Strike occurrence and scale in public education and overall number of strikes in the country.
Source: osp.stat.gov.lt

Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Education workers that went on strike (real and warning)	7961	-	-	-	5558	-	1591	7126	6295	-	4498
Number of strikes/ Education	112	-	-	-	193	-	78	296	242	-	196
Number of strikes/ Country	112	-	-	-	193	-	78	296	242	1	196

Public officials being aware of the persisting problems that were vocally expressed in 2015-2016 strikes, in order to appease the labor dissatisfaction and increase the prestige of the profession, make it more competitive and attractive for young workers as a viable career option at least to some extent, introduced a new wage-setting system, called a statutory payment (Etatinis apmokėjimas) to the trade unions during the collective bargaining process as a fairer and more equitable solution for wage determination for teachers (LŠDPS). Although this proposal does not concern pre-school or higher education workers, new wage setting method had to broaden the conception of teachers' work including work outside contact hours from teaching in class (SMM, 2018). Moreover, in the first version of the collective agreement that was signed in 2017-11-06, the government pledged that over the course of 2018-2019 it will appoint additional 93 mln. EUR to incrementally increase the wages for education workers (LPSK, 2017).

Although the collective agreement was signed by 6 education trade union confederations that collectively unite approximately 12,000 education workers, one other key trade union — LŠDPS, which accounts for around 5,000 unionized education workers, decided not to put its signature on the document (See Table 5). According to the chairman of LŠDPS Andrius Navickas, the whole full-time payment model has not been discussed enough and in proper depth. It was still unknown

exactly how and to whom the wage increases were going to bring the most significant, if any effect. Despite the absence of LŠDPS, collective agreement was still concluded as it met the legal labor code requirements for the number of representative parties that are required to conclude the sectoral collective agreement (Labor Code of Lithuania, 186-202)

Table 6. Source: 2017-11-22 collective agreement and trade union survey.

Collective agreement (not incl. Amendments)	Key trade union confederations in the collective bargaining process	Total estimation of trade union members/Membership of signatory trade unions
2017-11-22 (valid until a termination or a new agreement is signed)	1. LŠPSP * 2. LŠIPSP * 3. LMPSP * 4. Solidarumas 5. LAMPSS 6. Sandrauga 7. LŠDPS (non-signatory trade union)	18,000/13,000

*LŠPSP, LŠIPSP, LMPSP in May, 2019 merged into one separate trade union confederation – LŠMPS.

Fast forward to November 2018, after a few months of implementation of the new full-time payment system education community was frustrated by its effects in practice. While to some teachers' wages increased, to others they shrank (Jurkevičius, 2018; Laučius, 2018). Even if there was a noticeable discontent with the new system largely across the whole sector, signatory trade unions from the collective agreement were entrapped legally and could not initiate corresponding action, such as a strike, as *de jure* government actions met its broad obligations in the agreement.

However, LŠDPS — a non-signatory trade union without avail with threats to start a strike to initiate a dialogue with the Ministry of Education and Sports and to amend the new method for wage determination on 12 November, 2018 went on a strike (LŠDPS, 2018). Its main demands for the amendment of the new wage-setting method were to increase fixed salary coefficient for teachers by 20 %, set the ceiling for in class contact hours number to a maximum of 18 hours/week and lower the number of students in classes.

The strike was spreading with each day and over a course of a month was joined, according to different sources, by around 200 - 400 teachers. With the increasingly mounting political pressure, on 28 November, LŠDPS trade union representatives, were invited to the Ministry of Education and Sports to renegotiate the terms of and conditions for the potential upgrade for the new wage-setting system (Želnienė, 2018). However, after unsuccessful attempts to reach a compromise

during that day, teachers decided to stay in the premises as long as it takes to reach an agreement and occupied the Ministry building for the rest of 3 weeks. This particular action ignited massive public attention to the issue, was at the center of the media and resulted in the Minister of Education and Sports resignation on 4 December, 2018 (Jablonskaitė, 2018).

Between the beginning of teachers' stay in the Ministry and Minister's resignation, other trade unions joined the re-negotiation process likewise. Interestingly, most of their representatives were much more lenient to the proposed solutions by the Ministry and argued that the state budget for the next year is already formed which leaves not enough space for maneuver for additional concessions (Laisvės TV, 2018). It created a certain fragmentation between LŠDPS and largely all other trade unions as they shared significantly different visions for the changes and their execution timeline in education system. A more lenient negotiation stance of other trade unions, can in part be explained with their closer ties with the government's ruling party, as some of the administrative staff from LŠMPS (LŠĮPSP, LŠPSP, LMPSP merged into one trade union) belong to the ruling party and work as advisors to some members of the national parliament (Bručkienė, 2019). Naturally, LŠMPS may had been incentivized more to resolve the conflict on peaceful terms without putting government's legitimacy into jeopardy.

However, a newly assigned temporary Minister of Education agreed with the LŠDPS on some wage-setting system amendments and formed a work group to further fix the obscurity of the system. During the summer of 2019, the government and four trade unions (LAAMPS, LŠMPS, Solidarumas and Sandrauga) agreed on additional financing of 117,6 mln. EUR on wage increases for teachers, pre-school teachers and higher education workers starting next year (LŠMPS, 2019; Elta, 2019). However, fast forward to Autumn, in the preliminary state budget plan only additional 55,5 mln. EUR were assigned to the education. Accordingly, trade unions announced a warning strike scheduled on 28 November as the government violated the terms and conditions of the agreement. After the strike, government agreed to find additional 50 mln. Eur and follow its obligations (LRV, 2019).

Interestingly, it was agreed that the wage increase by 10% for teachers, and higher education workers was scheduled only from September 2020. Which means that the total yearly wage increase was determined to be only 3% which is barely higher than usual yearly inflation rate. Along these lines, LŠDPS once again refused to be a signatory party and criticized the amendment of the collective agreement as being too lenient to the previously stated demands and experienced

struggle (LŠDPS, 2019). In addition, pressuring dissatisfaction with the achieved outcomes was expressed by many not unionized higher education workers and researchers. Claiming that the representative trade union for higher education – LAAMPS did not sufficiently represent the interests of the whole professional community, mostly not unionized higher education community organized a picket called *The Last Priority*, upon which the largest Lithuania's Universities were giving out *diplomas* for free, however, without avail to impact any changes.

Although there were significant wage increases for preschool teachers and the full-time payment methodology underwent particular corrections, government's pledge to incrementally increase wages for teachers and higher education workers until their average wages reaches 1.3 country's average in 2025 is yet to be materialized. Concerning is the fact, that agreements with the current government may be pushed aside and ignored after 2020 parliamentary elections in an instance of other political parties forming a new ruling coalition.

6.2 Case Study: Healthcare

Financing for healthcare in Lithuania has been below that of countries with similar economic development (OECD, 2018). Furthermore, similarly to education, healthcare system is significantly affected by changing demographics and urbanization. Although the average number of medical staff for the whole population has been systematically increasing, one needs to consider considerably aging population and the growing need for medical services (See Appendix, Table 7). It is evident from the demand of healthcare workers in the labor market which over the last decade considerably increased (See Table 8). Moreover, due to relatively available exit option to other EU countries where employment conditions are more competitive and considerably large country's private healthcare sector which features slightly higher average wages, labor market is in constant competition for healthcare workforce. Accordingly, there are significant structural incentives if not to ensure superior employment conditions in public healthcare, at least to keep up with the competition from the private sector.

Table 8. Labor market demand for healthcare workers and total labor force of healthcare and social work workers in private and public sector. Source: osp.stat.gov.lt

Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Job Vacancies (Q4)	1125	513	508	506	540	786	566	820	1160	1339	1321
Labor force in public sector	74,000										
Labor force in private sector	20,300										

On top of that, demand for medical services in less populated regional areas is too low for hospitals to operate in a financially sustainable and effective manner which results in drastic disparities in wage levels for medical personnel between different healthcare institutions. Insufficient wages also cause healthcare workers to work in multiple locations exceeding full-time working limits (15 Min, 2018). Moreover, there is a persisting problem of underpaid resident doctor staff which provides low incentives for young professionals to integrate into Lithuania's healthcare labor force as residents after their graduate studies (Saukienė, 2016).

Although without particular strike actions, healthcare workers grievances from insufficiently financed and optimized public healthcare system are evident from various vocal pickets or protests. Lack of strike occurrence within healthcare sector can in part be explained with stricter legal constraints for industrial action. According to the Labor Code of Lithuania (2016, 234-260), healthcare workers are considered to be essential workers, therefore, the warning of an upcoming strike has to be announced 5 working days sooner than it is to most of the other workers. In addition, even with an approval to start a strike, medical workers have to ensure the provision of minimal health services. Naturally, the potential to significantly disrupt the production process is lower which provides lower incentives to start a strike in the first place.

It would be reasonable to consider the 2017-06-16 collective agreement as a starting reference point to the whole bargaining process that tried to address the persistent healthcare system issues and workers' demands. The collective agreement was signed between 5 trade unions that unite approximately 23,000 healthcare workers and Ministry of Healthcare. Although initially it had no substantive improvements in employment conditions as its purpose was more to maintain *status quo* in accordance to soon to be enforced new labor code which is less favorable for healthcare workers, over the course of one year it had some significant amendments (JGA, 2017; Also see Table 8).

Table 9.

Collective agreement (not incl. Amendments)	Key trade union confederations in the collective bargaining process	Total estimation of trade union members/Membership of signatory trade unions in the second collective agreement
1. 2017-06-16 (valid until 2018-12-31) 2. 2019-01-01 (valid until 2021-12-31)	1. LGS 2. LFDPS 3. LSSO 4. LSADPS 5. Solidarumas* 6. LMS (not a trade union)	23,000/21,000

*Signatory trade union only in the 2017-06-16 collective agreement.

Later in the year trade unions and one key association for healthcare workers — LMS (Medics of Lithuania) with the Ministry of Healthcare representatives began to work on the wage increase question. Although initially there was a proposal for a wage increase by 15 % starting from July, 2018, LMS took a tougher stance and demanded a 30% increase starting from January, 2019. The expressed proposal did not gather much support from the largest healthcare trade union confederation LGS, but was backed by LSADPS which mediated the divergent positions among the LMS and LGS (Lprofsajungos, 2017). According to the LMS leader Vytataus Kasiulevičius, the LGS did not see LMS as a sufficiently representative and competent organization to properly participate in the decision making as LMS was just a newly established and inexperienced organization, not even a trade union (Kasiulevičius, 2017). However, in the end trade unions and Ministry of Health managed to find a consensus and as a result agreed on wage increase by 20% starting from May, 2018. On top of that, the government committed to increase the wages for nurses and doctors until they reach 1,5 and 3,0 country's average wage respectively in the second half of 2020. Government indeed put significant effort to follow its promises and in 2019 appointed additional 41,5 mln. EUR for wage increases by another 15 % (SAM, 2019).

However, the beginning of 2018 started with a protest against unacceptable wage levels for resident doctor staff. Young professionals from healthcare, backed by LMS and supported by other trade unions, organized a protest march starting in Vilnius Airport called *The Last March of Medics to The Airport* in order to highlight the increasing emigration of resident doctor staff to foreign countries and generally persisting problems in healthcare (Petkevičė & Plikūnė, 2018; Alkas,

2018). Although since the beginning of a new year their wages increased by 12 %, the amount did not appear as sufficient. LMS also initiated a petition to more rapidly improve the healthcare system by increasing wages and improving other employment conditions that gathered 42,000 signatures of medical workers and patients. After their march to the central government building they've discussed their grievances with both Prime Minister and Minister of Health. Opposing sides have found some common grounds and the government pledged to undertake certain actions to fix the issues. After one year, resident doctor scholarships and wages were merged which equalized the income between those residents who pay tuition fees and those who do not. In addition, government appointed additional one-time stipends for every resident for as much as 227 EUR. Moreover, since 1 of January 2019, junior and senior resident doctor wage coefficients increased from 3,5 to 7,6 and 4,0 to 8,1 respectively (Kasnikovskytė, 2019).

Later in the year 2018, LMS organized another picket to remind the government about its obligations and highlighted other problematic areas in public healthcare employment conditions. It would be too bold to state that this particular event had caused a direct effect to later improvements of employment conditions, but once again the picket kept the topic lively which did not reduce the political pressure to the government (Juškytė, 2018).

4 of May, 2018 marks another stage in wage increase bargaining as trade unions and the Ministry of Health agreed on a relatively detailed appendix of the collective agreement which defines the wage structure for healthcare workers in different medical fields. In addition, the agreement sets the minimum wage *floor* requirements to inhibit the wage disparity between different hospitals (SAM, 2018).

As a final nail to the collective bargaining process we could consider a new collective agreement that was signed in 31 of August, 2018. The agreement constitutes higher personal responsibility for medical workers for their committed errors in the workplace. Accordingly, Solidarumas did not see the content of the agreement as satisfactory and refused to its signature on it, while LMS supported Solidarumas position. Notwithstanding this drawback, the agreement also had particular benefits to workers, such as additional vacation days for signatory union members, supplementary payments for deviations from regular working conditions and additional funds for personnel training that thus were accepted as sufficient improvements by all of the other trade union confederations that unite 21,000 members. Also, other key previously signed arrangements such as wage floor stayed legally binding (SAM, 2018).

6.3 Comparison

Both of the analysed sub-sectors feature similar patterns in grievances. However, as seen from the average increase in wages and other improvements in employment conditions, healthcare labor movement fared relatively better than education trade unions. PRT allowed to put important elements for trade union power estimation together which helped to unleash the differences of trade union capacity to influence the collective bargaining process.

To begin with, key healthcare trade union confederations featured considerably higher membership numbers in nominal terms compared to education trade unions. The relative difference is even greater, because education sub-sector is around 1/3 larger than healthcare sub-sector in terms of total labor force (See Table 9). In addition, the second largest trade union in education LŠDPS which unites around 5,000 education workers, lowered the overall organized labor associational capacity potential as it could not establish common grounds with other trade union confederations, thus limiting the overall leverage of education workers representatives in the negotiations.

Table 10. Sources: osp.stat.gov.lt, Viešojo sektoriaus tendencijos (2019), trade union surveys.

Sub-sector	Overall membership of key trade union confederations	Total labor force (public sector)
Healthcare	23,000	74,000
Education	17,000	124,900

Interestingly, even having more developed associational power resources, healthcare organized labor did not materialize them into corresponding strategy, that is strike threats. An important intervening variable – legal basis for industrial action considerably lowers its potential effectiveness in an instance of this strategy employment. Even if, for example, LMS wanted to initiate a strike action – it could not legally to do so, because it was not a trade union. Meanwhile, even though having considerably more favorable basis to act, but more obscure associational power resources, employment of a strike threat strategy resulted in insignificant outcomes to education organized labor.

Regarding the structural power resources, healthcare sub-sector once again had a relative advantage. Higher labor market demand, relatively easily attainable exit option and significantly larger private sector provide more leverage to bargain for benefits in working conditions to public sector healthcare compared to education trade unions. The strategic use and effectiveness of this particular power resource is evident from the narrative healthcare workers pushed during their pickets demanding higher increase in wages for resident doctor staff and improvements in healthcare generally. The strategic effectiveness of this power resource is evident from the corresponding outcomes to organized labor’s action. Contrary, featuring considerably lower structural power resources, a picket initiated by higher education workers was largely ignored by political officials.

Table 11. Sources: osp.stat.gov.lt, Viešojo sektoriaus tendencijos (2019)

Sub-sector	Job vacancies as of 2018	Public/private labor force
Healthcare	1321	74,000/20,300
Education	356	124,900/10,400

Lastly, the organizational power resources and their strategic use are ambiguous in both sub-sectors. While historically and more recently education trade unions are the most familiar with the strategic use of this power resource, they lack consistency in the coordination of action. During the collective bargaining process there was a sense of animosity and competition, particularly between the two largest trade union confederations — LŠDPS and LŠMPS. While in 2015-2016 all of the key trade unions were unified in strike action to initiate the bargaining process to address the key sectoral issues that materialized in new wage-setting method proposal by the Ministry of Education and Sports, later on, the visions diverged and there was a constant opposition between the trade unions themselves. Inner division between education trade unions is only useful for the opposing party in the bargaining process as it can manipulate trade unions to take a more obscure deal more easily, which, as observed from the case, can result in institutional setbacks to correspond with the according action when the agreement does not bring the expected outcomes. Although taking the deal might be better than nothing at all, potential pay-out would be undoubtedly higher if labor movement was able to catalyze its adversarial strategy through more developed organizational power resources maintaining robust unity and coordination of actions. Meanwhile, in healthcare sub-sector, even though LGS and LMS had some episodes of

confrontation and division, the crystallization of more common positions was mediated by other trade unions. In addition, trade unions were more supportive to each other as it is evident from more unified trade union participation in the organized pickets. Even though the relatively higher organizational capacity did not materialize into strike action partly due to less favorable legal basis to disrupt the production process and other constraints, it helped to maintain a more consolidated position of labor movement in general that supplemented its structural power resources strategy to obtain more significant outcomes.

Chapter 7: Conclusion

The main purpose of this research was to untangle rather unlikely instance of positive developments in Lithuania's public sector IR that stand in tension with the logic of leading CEE political economy and IR approaches. As explored under the closer scrutiny, public sector IR are considerably incongruent with the widely accepted national level categorizations of CEE political economy and IR regimes. Although it is true that the more market oriented the capitalist approach within the state, the more undermined private sector's organized labor, the same dynamics, in owing to their higher degree of protection from market pressures, less elastic labor market and structural peculiarities of the employment, do not translate to the public sector IR as much.

However, although similarly conditioned by more favorable external conditions upon which public sector organized labor capacity is embedded, some labor movements still manage to utilize them more than others, as it is evident from the disparity in outcomes from industrial activity between the education and healthcare sub-sectors.

Accordingly, as external conditions rather explain the general preeminence of public sector IR over the private sector, research further focused on trade union capacity that stem from their internal power resources. Drawing from the occurring patterns of trade union capacity in the rest of the CEE during the post global financial period in accordance to the PRT, I hypothesized that, having more developed adversarial power resources, healthcare organized labor managed to apply corresponding strategies more effectively than education labor movement that resulted in more benefiting outcomes to workers.

According to the defined three dimensions of adversarial strategy power resources, healthcare organized labor featured superiority in all of them. However, due to intervening legal constraints, the potential effectiveness in use of the strategies that stem from associational and organizational power resources was much more limited. Nonetheless, acknowledging its relatively more competitive position in the labor market, either domestically or transnationally, healthcare labor organized effective pickets and protests that had a direct effect to more benefiting outcomes to workers. In addition, more developed organizational power resources helped during the bargaining process to maintain a more unified, thus more leveraged stance against the opposing bargaining party – Ministry of Health.

Meanwhile, the effectiveness of strategic employment of associational and structural power resources in education sub-sector was undermined by significantly disrupted organizational

capacity of trade unions to find common grounds and coordinate the action in a cohesive manner. Significant fragmentation among the education sub-sector organized labor did not allow to unleash its full associational, structural and organizational power potential and resulted into more lenient adjustment to government's proposals and less substantive outcomes to workers.

The research has implications for both CEE and Lithuania's IR. While the external capacity of private sector organized labor in the neoliberal backdrop is nearing the endgame and is in dire straits, public sector labor movements still have a drop of hope. Research also confirmed the general pattern and observation made by Bernaciak (2011) that trade union strategies in CEE began to mainly rely on: *"their position as veto players within the system."* In accordance to the results from the analysis, the capacity of organized labor to succeed in applying adversarial strategies significantly depends on the ability of different trade unions to act in a coordinated and cohesive manner.

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Appendix:

Table 6. Alterations in public healthcare labor force to overall population and aging population.

Source: osp.stat.gov.it

Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Number of Nurses for 10,000 Residents	71.4	72.3	68.4	75.8	76.3	75.9	76.3	76.9	77.3	77.6	78.12
Number of Doctors for 10,000 Residents	42.1	42.1	43.3	44.4	45.6	46.1	46.2	46.7	48.0	48.9	49.9
Median age of the entire population	39	39	40	41	41	42	42	42	43	43	43