

Line Eldring

Trade unions that cross borders

A study of the cooperation agreement between Latvijas Celtnieku Arodbiedrības (LCA) and Fellesforbundet



Line Eldring

Trade unions that cross borders

**A study of the cooperation agreement between
Latvijas Celtnieku Arodbiedrības (LCA)
and Fellesforbundet**

© Fafo 2015

ISBN 978-82-324-0233-5 (paper edition)

ISBN 978-82-324-0234-2 (web edition)

ISSN 0801-6143

Cover design: Fafo Information office

Printed in Norway by: Allkopi AS

Contents

Preface	5
1 Introduction.....	7
Research questions and implementation	7
Report structure	8
2 Latvia in the open European labour market	11
Emigration from Latvia after 2004	11
Labour and service mobility from Latvia to Norway	13
The (un)organized Latvian labour market	16
3 The cooperation: its initiation and organization	19
The first step	19
The cooperation agreement.....	21
Organization of the cooperation.....	25
Who unionizes whom?	27
4 Effects of the cooperation agreement	29
Membership recruitment.....	29
Handling of cases	33
Effects of the cooperation agreement for LCA.....	36
Effects of the cooperation for Fellesforbundet	36
5 The experiences of Latvian workers in Norway.....	39
Stories	39
Summary	43
6 Conclusions	47
References	51

Preface

In 2007, Latvijas Celtnieku Arodbiedrības – LCA (The Latvian Builders' Trade Union) and Fellesforbundet signed an agreement that commits the parties to comprehensive organizational and union-related cooperation. Such cooperation is frequently being called for in an increasingly globalized labour market, while there are few examples of such cooperation being implemented in practice. In this report, we will take a closer look at how this cooperation was initiated, how it has been organized and the results that have been produced.

The study is based on interviews with officials and staff of LCA and Fellesforbundet, interviews with Latvian trade union members who are working or have worked in Norway and a review of relevant documentation and statistics.

The project has been funded by the Norwegian Confederation of Trade Unions (LO) and implemented in close collaboration with Fellesforbundet and LCA. I wish to thank the two unions for the help they have provided and for sharing their information and experiences. Special thanks go to Ieva Gretere, Janis Guzans, Liga Kokmane and Mara Tomšone from LCA, as well as Kjell Skjærvø and Arvid Eikeland from Fellesforbundet. Many thanks also to Ina Holmstad for her assistance and interpretation services during my first visit to Riga, and to Viestarts Gailitis and Iveta Medvida for their interpretation during later interviews. I also wish to thank all representatives and members of LCA and Fellesforbundet who provided a wealth of information during my interviews with them.

At Fafo, I wish to thank Kristin Alsos for her valuable comments on the report draft, and Guri Tyldum for her contributions to some of the interviews. Last, but not least, my thanks go to Fafo's information department for design and production of the final report and to Erik Hansen (Akasie språktjenester AS) for translating the report expertly into English.

Line Eldring, Fafo

1 Introduction

This type of cooperation ought to be undertaken by the entire European trade union movement. This is solidarity – that everybody keeps talking about.¹

Immigration and posting of tens of thousands of workers from EU countries in Eastern Europe to Norway since 2004 have reaffirmed the need for cooperation between Norwegian unions and unions in the workers' countries of origin. Only a minority of the labour migrants are unionized in their home countries. Some join Norwegian unions while staying in Norway, while others remain non-unionized. Although Norwegian trade unions maintain cooperation projects with the labour movements in a number of Eastern European countries, this most often takes the form of solidarity, capacity-building and the like, and far more rarely involves specific cooperation on organization, recruitment and assistance to members. A real bilateral, organizational cooperation has proven difficult to establish. One key exception is the cooperation agreement between Latvijas Celtnieku Arodbiedrības – LCA (The Latvian Builders' Trade Union) (– LCA) and Fellesforbundet (The Norwegian United Federation of Trade Unions), which involves extensive union-related and organizational cooperation across borders. This cooperation thus provides an interesting example of how cross-border cooperation between trade unions can be established and produce results. The objective of this report is to investigate the factors that have helped produce this outcome, the experiences gained, and the effects it has had on the two unions and their members.

Research questions and implementation

The purpose of the project has been to document the process involved in establishing the cooperation agreement, the implementation of the cooperation itself and the results that have been achieved. Key questions in the study have included:

- How was this cooperation initiated? Which steps led to the signature of the first cooperation agreement?

¹From an interview with Mara Tomsonsone, former leader of LCA.

- What concrete results has the agreement produced in terms of membership and casework?
- What are the members' experiences of the agreement?
- What have been the effects of the agreement for LCA and Fellesforbundet?
- How is the transfer value to other unions and countries being assessed?

The study was undertaken in the period from spring 2013 to spring 2014. We conducted interviews with trade union officials at the central and local levels in both Norway and Latvia as well as with some Latvian union members, and we have reviewed relevant documentation in Fellesforbundet and LCA. Data were mainly collected in personal interviews, with the exception of one interview that was conducted by telephone. The interviews were open-ended, although based on an interview guide that was adapted to the various groups of informants. The interviews were partly conducted one-to-one and partly as group interviews. We made two visits to the LCA office in Riga, in the spring and autumn of 2013 respectively. During these visits we conducted interviews with staff, union officials and members of the LCA, but there were also some more informal conversations and meetings. A representative of Fellesforbundet participated during the first visit, and a joint interview with the LCA representatives was conducted.

Table 1.1 Overview of qualitative interviews. Number of informants and number of interviews.

	Fellesforbundet (central and local levels)	LCA (central level)	Union members	Other organiza- tions in Latvia	Total
Number of interviews	7	4	6	2	19
Number of informants	8	5	7	3	23

The interviews with the LCA representatives and the Latvian union members were mainly conducted with the aid of an interpreter. Contact with the Latvian union members was established through the LCA office in Riga and Oslo Byggningsarbeiderforening (Oslo Building Workers' Union (Local 603)), a local branch of Fellesforbundet). The interviews had a duration of one to two hours, the group interviews lasted somewhat longer.

Report structure

Chapter 2 addresses the development in labour migration from Latvia to Norway and some features of the Latvian labour market. Chapter 3 describes the establishment of

the cooperation agreement between LCA and Fellesforbundet in more detail, the content of the agreement and the organization of the cooperation. Chapter 4 describes the effects of the cooperation agreement with particular attention to the growth of membership in the LCA. Chapter 5 provides a glimpse of some individual narratives told by Latvian construction workers who work or have worked in Norway. Chapter 6 gives a brief summary and concluding points on the basis of the preceding chapters.

2 Latvia in the open European labour market

Latvia joined the EU in 2004, and with its two million inhabitants it is among the smallest and also poorest countries in the union. The country has a dramatic history: after a couple of decades of independence before the Second World War, it was annexed by the Soviet Union in 1940 and subsequently occupied by Germany in the years 1941–44. The country was reintegrated into the Soviet Union in 1944, and did not regain its independence until 1991. Approximately two-fifths of the current population are of Russian origin (Hazans 2012).

Latvia has struggled with the readjustment from a planned to a market economy, and both production volumes and living standard plummeted during the first years after liberation. In the years from 1999 to 2007, however, the country saw major economic progress, with annual growth rates exceeding ten per cent. This upturn ended in a major crash landing in 2008, when Latvia was the EU country to be hardest hit by the financial crisis. The collapse in the financial markets wreaked havoc on the economy, and unemployment rates rose sharply to more than 20 per cent. Today unemployment has abated, but remained at 10.5 per cent in the fourth quarter of 2014, with much higher rates among young people. After some years marked by major cuts in public spending and wage cuts approaching 40–50 per cent, the economy is now recovering, and Latvia introduced the euro in early 2014.

One almost immediate consequence of Latvia's membership of the EU was extensive emigration to Western EU countries. As we will see in the following, this has entailed some dramatic effects for Latvia's population structure.

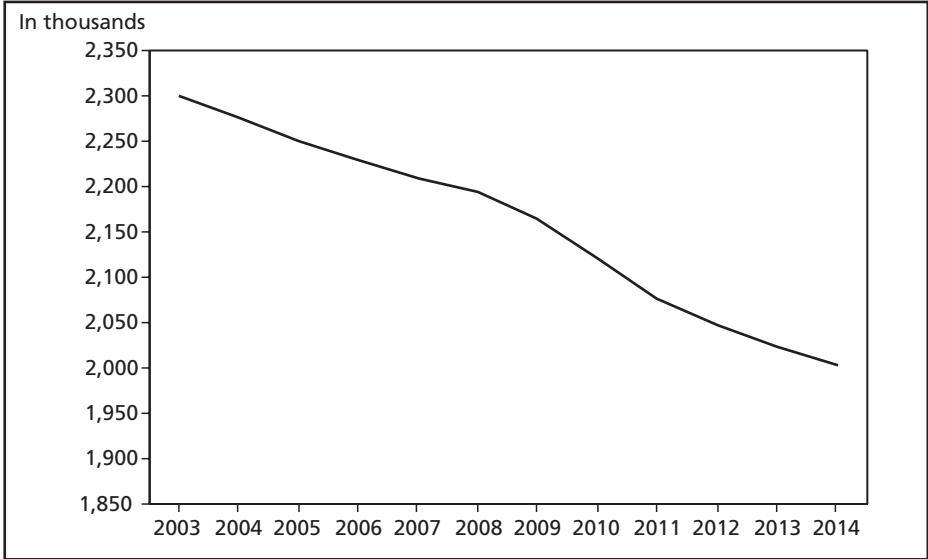
Emigration from Latvia after 2004

In the context of the EU expansion eastwards, many of the “old” EU countries chose to implement transitional arrangements that imposed certain restrictions on the mobility from east to west (Dølvik & Eldring 2008). These countries included Norway, which until 2009 upheld requirements for near-fulltime work and wage levels in accordance with Norwegian standards as conditions for granting work permits. Nevertheless, this

implied a considerable liberalization of the immigration regulations for Latvians as well as others. Moreover, the transitional arrangements did not encompass service mobility, meaning that from day one, the borders remained open to service suppliers and posted workers from the new member countries. Other EU countries chose transitional arrangements that were somewhat more restrictive than the Norwegian one, while others, such as the UK and Sweden, chose not to impose any restrictions at all. All in all, major opportunities to seek work abroad were open to Latvians and there were many who made use of these opportunities. During the first years there was especially large emigration to the UK and Ireland, while in later years there has been increasing emigration to Germany and the Nordic countries. Different sources give varying figures for net emigration from Latvia, but it has remained at a high level ever since 2004. Emigration accelerated after the 2008 financial crisis, and was at its highest in net terms in the years 2008–2011. Emigration has undoubtedly helped reduce unemployment, not least in the wake of the financial crisis (Hazans 2013).

A more indirect expression of this emigration is the reduction in the number of inhabitants in Latvia. In Figure 2.1 we can see that the population decreased by nearly 300 000 – fully 13 per cent – during the period 2003–2014.

Figure 2.1 Latvian population figures 2003-2014.



Source: Central Statistical Bureau of Latvia

Not only has the population of Latvia decreased, the age composition has also changed. The proportion of elderly people has increased significantly and there are fewer children and adolescents, all of which has increased the care burden on the working population,

in the short as well as the long term. This development has given rise to deep concern in Latvia and has been referred to as a “demographic disaster”.² In a population survey in 2012, three-fourths of the respondents reported that they regarded emigration as a major threat to Latvia’s future (Hazans 2013). The comprehensive emigration has also entailed a loss of sorely needed skills (“brain drain”) in Latvia; skills that in many cases are not utilized to their full potential in the recipient countries (“brain waste”).

An essential question pertains to whether the emigrants will ever return home. However, we will not know the answer to this question before they actually do return. Their propensity to return home will depend on the economic development in both the home and host countries. Various surveys undertaken so far show that the majority of the migrants have fairly long-term plans to remain abroad (Hazans 2013).

Labour and service mobility from Latvia to Norway

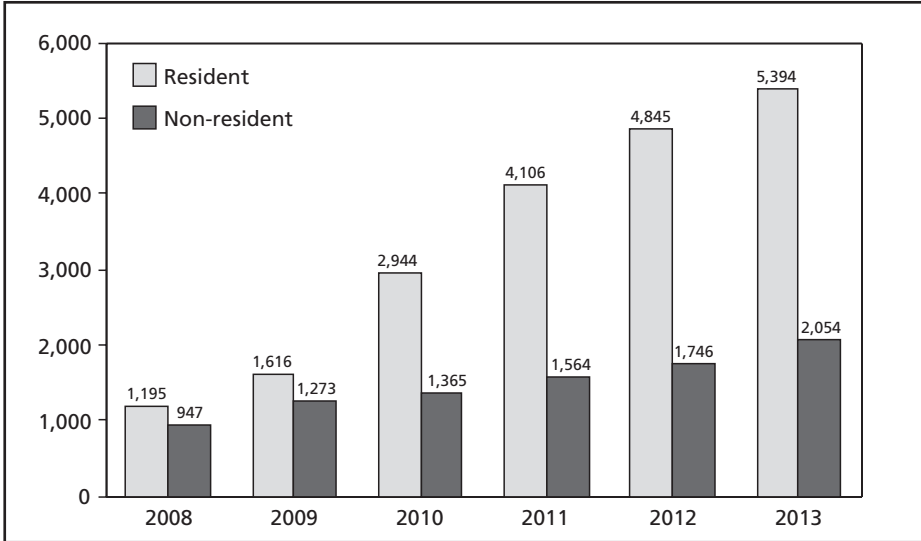
The labour and service mobility in the wake of the EU/EEA expansions in 2004 and 2007³ represents the largest wave of immigration to Norway in modern history, and most likely in all its history. In 2004, less than 7000 citizens of the Central and Eastern European EU countries were registered as resident in Norway, but by 2014 this figure had risen to 160 000 (Statistics Norway 2014). To these can be added a considerable number of posted workers and service suppliers who are not registered as resident. The bulk of the immigration to Norway after 2004 has originated in Poland and the Baltic countries.

At the end of 2013, somewhat more than 135 000 people from Eastern European EU countries were employed in Norway. Of these, approximately one-quarter were on short-term contracts and not registered as residents. In addition, some labour migrants have arrived from the east without being captured by these statistics, as well as a considerable number of employees from Western EU countries and the Nordic region. Immigration from Latvia has also increased sharply, although their real numbers are far below those from Poland and Lithuania. Figure 2.2 gives an overview of the growth in the number of employees from Latvia in Norway, by residential status.

² <http://www.france24.com/en/20120522-latvia-emigration-population-brain-drain-economy/>

³ Estonia, Latvia, Lithuania, Poland, Slovakia, Slovenia, the Czech Republic and Hungary joined the EU in 2004, while Bulgaria and Romania entered in 2007. In 2013, Croatia also joined the EU. These countries are often referred to as the EU-10.

Figure 2.2 Employed immigrants and non-resident wage earners from Latvia aged 15–74 in the period 2008–2013 (fourth quarter). Stock figures.

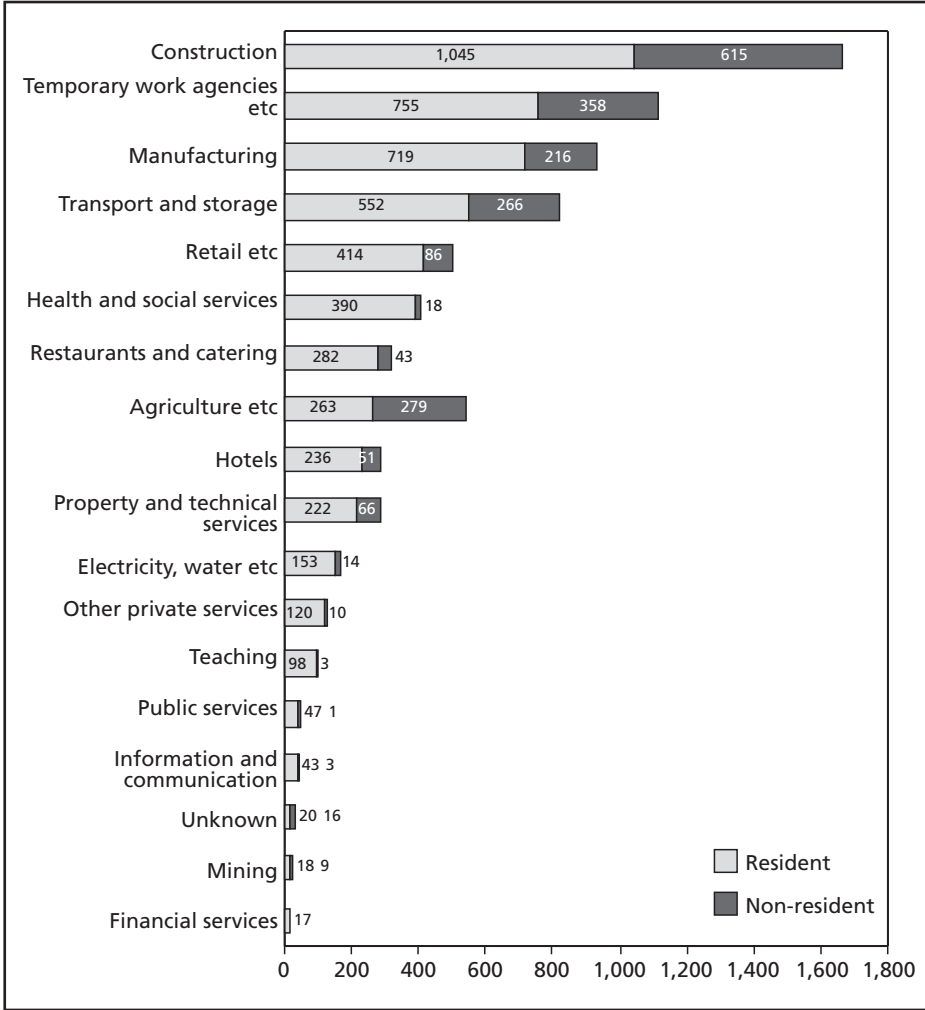


Source: Statistics Norway 2014

There has been a steady increase in the number of Latvians working in Norway over the last six years. In the fourth quarter of 2013 a total of 7488 employed Latvians were registered, compared to 2142 in the fourth quarter of 2008, i.e. a near-tripling. There has been growth among residents and non-residents alike. Non-residents include posted workers and persons with short-term jobs in Norwegian enterprises. However, the group of residents has grown most. While non-residents accounted for nearly half of all Latvian employees in Norway in 2008, their proportion had decreased to 28 per cent by 2013. The figure is based on stock figures that show how many were registered as employed in Norway at these two points in time, irrespective of their time of arrival. Statistics Norway’s figures on residents (all categories, including the non-employed) testify to a steady increase in immigration from Latvia over the entire period from 2003 to 2014. While 589 Latvians were resident in Norway in 2003, their number had grown to 9435 persons by 2014 (Statistics Norway 2014). Of these, 41 per cent were women. Figures from the Central Office for Foreign Tax Affairs also show a steady increase in the number of posted Latvian workers throughout this period.

Although Latvian labour migrants and posted workers are employed in a variety of industries in Norway, there is a major concentration in certain industries. Figure 2.3 shows the number of Latvians by industry and residential status.

Figure 2.3 Number of employed immigrants and non-resident wage earners from Latvia aged 15–74 in 2013 (fourth quarter), by industry.



Source: Statistics Norway 2014

The picture is quite similar to the one for Eastern Europeans in Norway in general. The construction industry has recruited by far the largest number of Latvians – more than one in five is working in this industry. In total, more than 1660 Latvians were registered as employed in construction at the end of 2013. Most likely, the majority of these are working in housing construction. Other large proportions are found in the business services sector, manufacturing and transport/storage. The category “business services” includes leasing and probably includes also a number of employees of

temporary work agencies that lease workers to industries that tend to recruit Eastern Europeans in general, such as construction and manufacturing.

In brief, a steady stream of Latvians have arrived in Norway since 2004, but with a relatively sharp increase after the 2008 financial crisis. The charts are based on stock figures showing the number of people who were registered as employed in Norway at these points in time, irrespective of the time of their arrival. As regards the inflow of new labour migrants, figures from the Directorate of Immigration on new registrations of EEA citizens⁴ provide an indication. In 2012 a total of 1904 Latvians registered with “purpose work”, but by 2014 this figure had declined to 1374. This indicates a stabilization and a slight decline in labour immigration from Latvia. Figures from Latvia confirm that emigration slowed down somewhat in 2012. Compared to immigration from Poland and Lithuania, only few Latvians have arrived in Norway in absolute terms. However, seen in relation to the population in the countries of origin, the migration rate from Latvia to Norway is twice as high as that from Poland to Norway.

The (un)organized Latvian labour market

As in the most Eastern European countries, the Latvian labour market is on the whole weakly unionized, especially among employees. Latvia has one large national trade union confederation, the Free Trade Union Confederation (Latvijas Brīvo arodbiedrību savienība – LBAS), to which nearly all unions belong, including the LCA. LBAS encompasses 20 industries and unions of varying size. In the autumn of 2013 they reported to have approximately 100 000 paying members.⁵ Most of these work in the public sector. Employees in small and medium-sized enterprises tend to be non-unionized, nor are they covered by collective agreements. The largest employers’ association is the Latvian Employers’ Confederation (Latvijas Darba devēju konfederācija – LDDK). In 2012, total unionization rates were estimated to comprise 11.5 per cent of employees and 42 per cent of employers.⁶

Latvijas Celtnieku Arodbiedrības – LCA (The Latvian Builders’ Trade Union) (was established in 1990. In 2013, the union had approximately 1000 members, compared to more than 2800 members before the financial crisis. The union organizes both blue-

⁴The registration scheme permits EEA citizens to live in Norway and even work without having to apply for a work permit, as long as they register with the police. EEA citizens who intend to stay in Norway for more than three months are obligated to register.

⁵In comparison, the Norwegian Confederation of Trade Unions (LO) has nearly 900 000 members, approximately 150 000 of whom are unionized in Fellesforbundet.

⁶Karnite, R. (2014), *Latvia Industrial Relations profile*. Eurofund: EurWork

and white-collar employees in the construction industry, the construction materials industry and vocational schools.

LCA's main counterpart on the employer side has been (Latvijas Brīvo arodbiedrību savienība – LBAS) (The Latvian Builders Association)), which was established in 2006. In the same way as LCA, the LBA was badly shaken by the financial crisis and saw many of its members disappear. In 2013, LBA had a little more than 100 member enterprises, which is less than half of its former membership.

The relationship between LCA and LBA more or less collapsed in the wake of the financial crisis, but both parties report that it is in the process of a certain re-establishment. According to LCA, the LBA does not take a hostile view of the trade union movement and the parties meet in various settings, for example in consultations with the authorities.

In 2005–2006, a handful of the largest construction enterprises in Latvia broke away from LBA to form the association BASP (Būvniecības attīstības stratēģiskā partnerība). The BASP members account for a major proportion of the industry turnover. The LCA reports that they have talks with the BASP, but no agreement. Another employer association is Par Būvmateriālu Ražotāju asociāciju - BRA (The Building Material Manufacturers Association). The LCA has signed a collective agreement with them, but the LCA states that it contains few figures and is mostly of a “declarative” nature.

In 2012, only 16 per cent of all employees in Latvia were encompassed by a collective agreement, and wage bargaining in the private sector takes place exclusively at the enterprise level. In the years prior to 2009, the construction industry was covered by a generally applied collective agreement, and both LBA and LCA describe the agreement as essential for establishing an acceptable wage level in the industry. According to representatives of LBA, both parties had recognized the low-pay problem, and this forced them to cooperate to establish a minimum wage for the industry. However, in order to enact general application of a collective agreement, the employers' association which is party to the agreement must employ more than 50 per cent of all workers in the sector in question, or account for more than 60 per cent of the total turnover. After LBA lost a large proportion of its membership this criterion was no longer fulfilled, and the generally applied collective agreement was not renewed after its expiry.

Like the other Baltic countries, Latvia has a statutory minimum wage. In light of the limited scope of regular collective agreements, the importance of the minimum wage floor increases. The minimum wage, which applies to all employees, is determined by the government in consultation with the social partners.⁷ In 2014, the minimum wage was increased for the first time in three years, from 200 lats (approximately 280 euros)

⁷Masso, J. and K. Krillo (2010), Estonia, Latvia and Lithuania: Minimum wages in a context of migration and labour shortages. In: Vaughan-Whitehead, D. (ed.) *The Minimum Wage Revisited in the Enlarged EU*. ILO: Geneva.

to 225 lats (approximately 320 euros) per month. Since January 2015, the Latvian minimum wage has amounted to 360 euros per month.

3 The cooperation: its initiation and organization

EU enlargement and the ensuing labour mobility have made a powerful impact on the Norwegian labour market and Norwegian labour market policies during the last decade. Policies enacted by the red-green government to combat social dumping in the years 2006–2013 entailed implementation of a number of measures seeking to counteract increasing low-wage competition – ranging from introduction of stricter regulations to provision of additional resources to inspectorates and various other initiatives. The current conservative government is now following up with a strategy to combat illegal practices in working life. Fellesforbundet, which has been under pressure from a large inflow of low-paid labour in its sectors, has not only supplied key premises to this policy development, but also taken innovative steps of its own, prioritized resources to this area and engaged in reinforced efforts at the central and local union levels. This has included a willingness to test out and improve the long-dormant mechanism for general application of collective agreements, unionization of foreign workers and preparation of information material – to mention only a few.

The idea that it might be appropriate for Fellesforbundet to establish cooperation with unions in the main countries of departure, i.e. Poland and the Baltic countries, surfaced at an early stage. In the following we will take a closer look at how this led to the signature of the cooperation agreement between LCA and Fellesforbundet, and how this cooperation is organized.

The first step

Fellesforbundet had several intentions behind its attempt to establish stronger ties with the Eastern European trade union movement. First, such a cooperation was in itself deemed able to help stem the tendency towards social dumping, through unionization of labour migrants. Second, the internationalization of the Norwegian labour market provided a new space for exercising solidarity in practice, by helping to revive the trade unions in Eastern Europe. The presence of thousands, and gradually also tens of thousands, of workers from these countries in Norway could at least in theory

provide opportunities for developing “trade union skills” in the labour migrants, skills that later would be of benefit to the unions in their home countries.

With this in mind, Fellesforbundet held exploratory talks with relevant unions in Poland and the Baltic countries, with largely disappointing results. For various reasons the opportunities for cooperation appeared poor – the unions were either so weak as to be little suitable as partners, and/or they appeared to be mostly concerned with obtaining resources, without having any real interest in more operative and practical collaboration.

In principle, the Latvian situation is quite identical. The Latvian labour market is poorly organized, employees and employers in equal measure. In general, the differences between the Latvian and the Norwegian labour market are much more marked than the similarities: there is little trust between the parties and the conditions for workers are generally described as unpredictable and poor.

Quite specifically, the first step towards cooperation between the two unions was taken at a Nordic-Baltic conference in Jurmala in 2005, with participation from a number of unions in the Nordic and Baltic countries. The conference was held in the context of a three-year Nordic-Baltic project involving several Nordic trade union organizations, intended to help the Balts build stronger unions. Three conferences were held under the auspices of Nordisk Industri (in Vilnius in 2004, in Jurmala in 2005 and in Tartu in 2006). According to Fellesforbundet this project brought few concrete results, however. At the conference in Jurmala in 2005, Kjell Skjærvø from Fellesforbundet was among the participants. In a comment in the debate, he underscored that if Baltic workers obtain positive experiences of trade unions while working abroad, this might help build the unions at home. Mara Tomšone, who was leader of the LCA at the time, liked what she heard. According to Tomšone, she and LCA had developed ideas about cooperation with unions in countries that received Latvian workers, but had not yet found an appropriate setting to present this idea: “Everybody kept talking, but there were no constructive proposals” – such was her description of prevailing Nordic-Baltic cooperation. Tomšone and Skjærvø established contact at the conference, and she invited him to Riga for a follow-up meeting and further discussion on potential cooperation. Both sides describe the meeting between the two union representatives as the start of what would turn out to be a long-lasting cooperative relationship.

In retrospect, Fellesforbundet summarizes thus: “It may appear incidental that we cooperate with LCA, but it isn’t. We made serious attempts to find cooperation partners in the other countries as well.” Previously, LCA had maintained some measure of cooperation with Nordic unions, as well as some contact with the German construction workers’ union IG BAU. The cooperation with the Swedish union Byggnads came to

an abrupt halt after the Laval affair⁸ in 2004, while links to the Finnish unions have mainly consisted in exchange of information. According to LCA, they had no explicit strategy for establishment of cooperation with Norwegian unions, but the positive contact with the representative of Fellesforbundet and their “good and practically oriented” discussion was decisive for their willingness to engage in this effort.

The cooperation agreement

Fellesforbundet, represented by Skjærvø, followed up the contact with Tomsone through a visit to Riga in July 2005. The discussions about a possible design for the cooperation continued, and in the autumn a draft cooperation agreement was prepared for submission to the board of Fellesforbundet:

“At the meeting (1 July) union chair Mara Tomsone raised the issue of whether we would consider entering into a cooperation agreement that would regulate cross-border work by Latvian companies in Norway. According to her proposal, the agreement should be based on the understanding that when workers are posted in the context of service provision, standards for wage levels and labour conditions in the country where the work is undertaken should apply, that efforts should be made to unionize Latvian workers posted to cross-border work in LCA, and that Fellesforbundet should assist LCA members posted to work in Norway.” (Internal memo 13.12.2005).

According to Tomsone, the matter was also extensively discussed in LCA, and the union leadership was authorized to continue discussing the cooperation agreement with Fellesforbundet. On 20 December 2005 the board of Fellesforbundet made a formal decision that authorized the administration “to enter into a cooperation agree-

⁸ The Laval affair refers to a conflict in Sweden over a construction project at a school in Vaxholm outside Stockholm. The conflict occurred when the Latvian construction firm Laval un Partneri rejected a request from the Byggnads union to sign a collective agreement for the Latvian workers employed at the site. Instead, they signed an agreement with LCA, which gave the workers far poorer conditions. The conflict resulted in lawsuits and gradually also in a legal amendment in Sweden. Many have regarded the “Lex Laval” as an outright attack on the right to stage industrial action and the Swedish model of agreements. Unsurprisingly, the relationship between Byggnads and LCA deteriorated after this incident, although LCA played only an indirect role in the case. An interview in the trade union journal *Magasinet för fagorganiserte* (2/07) describes how the lack of contact between LCA and Byggnads caused LCA to come out in support of Laval. Tomsone, president of LCA at the time, stated that: “We should have made contact with the Swedish unions and exchanged information on the Laval construction company, which was involved at Vaxholm. The agreement that we have with them (i.e. Laval) contains a provision stating that they must abide by EU directives on work abroad.”

ment with LCA regarding Latvian construction workers posted in Norway.” The draft agreement contained the following points:⁹

- a) LCA and Fellesforbundet will cooperate in seeking to ensure that Latvian construction workers posted in Norway are members of LCA.
- b) LCA and Fellesforbundet will inform each other about Latvian companies that undertake activities in Norway and Norwegian companies that undertake activities in Latvia.
- c) LCA and Fellesforbundet agree that for workers posted in the context of service provision, wages and labour conditions in the host country shall apply.
- d) LCA and Fellesforbundet will cooperate to inform members of LCA about the wage levels and labour conditions that apply in Norway.
- e) LCA and Fellesforbundet will cooperate in monitoring compliance with these wage levels and labour conditions in connection with cross-border work in Norway by enterprises with which LCA has signed a collective agreement.
- f) Fellesforbundet will assist members of LCA in conflicts over wages and labour conditions.
- g) If assistance is required on a matter that for legal or other reasons incurs a use of resources in excess of what can be handled within normal financial frameworks, Fellesforbundet shall contact LCA to discuss principles for distribution of the costs.

The decision was implemented a little more than a year later, when Kjell Bjørndalen, then president of Fellesforbundet, and Mara Tomsons, president of LCA, signed the agreement in Oslo on 17 January 2007. In an interview in Fellesforbundet’s journal, Bjørndalen stated the following:

“To us, this is a new form of cooperation. We have sought to protect construction workers, for example those from Poland, against exploitation and degrading conditions by unionizing them in Fellesforbundet. We will be there for Latvian workers too, although they will be members of the union in their home country. This will provide us with experience in how labour immigration can best be handled” (*Magasinet for fagorganiserte*, 2/07, p. 7).

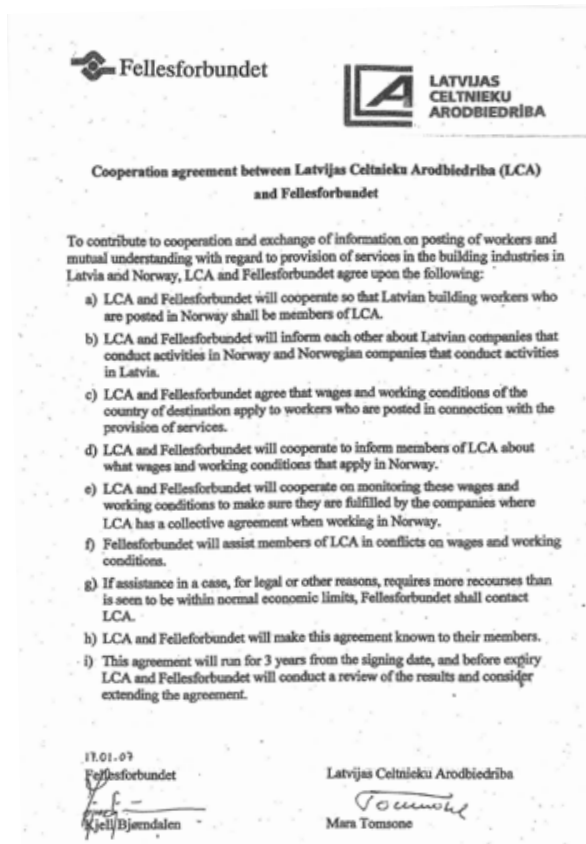
A key element of this cooperation that was not directly regulated through the agreement was that Fellesforbundet also provided financial support to LCA to ensure that

⁹ Memo, Fellesforbundet 13.12.2005

they had resources available to implement their part of the agreement. The funds would be used for wages to a staff member at the union office in Riga, conferences and information meetings, information campaigns and assistance to Latvian construction workers. In addition, Fellesforbundet covered all costs incurred in Norway, such as travel to Riga, interpreting services and not least all resources linked to provision of assistance to Latvian workers in Norway.

The first cooperation agreement was valid for a period of three years. In addition to the items above, it contained a statement saying that the unions would inform their members about the agreement, and that the agreement should be evaluated before any decision for an extension was made.

Box 3.1 The first cooperation agreement between LCA and Fellesforbundet, 2007.



After the expiry of the initial agreement period, it was renegotiated and continued and subsequently extended for two more years until 31 December 2013. At the time of our study, the agreement had been in effect for a total of seven years.

Box 3.2 The cooperation agreement between LCA and Fellesforbundet, in effect at the time of study.

SADARBĪBAS LĪGUMS STARP LATVIJAS CELTNIĒKU ARODBIEDRĪBU UN NORVĒGIJAS ARODBIEDRĪBU APVIENĪBU FELLESFORBUNDET

Latvijas Celtnieku arodbiedrība (turpmāk LCA) un Fellesforbundet (turpmāk līguma puses) noslēdz sekojošu sadarbības vienošanos:

- 1) Puses sadarbojas, lai veicinātu celtniecības darbinieku, kuri strādā Norvēģijā, organizēšanu par biedriem vai nu LCA, vai arī Fellesforbundet.
- 2) Puses informē viena otru par latviešu uzņēmumiem, kuri veic darbību Norvēģijā un norvēģu uzņēmumiem, kuri veic darbību Latvijā.
- 3) Puses ir vienojušās, ka, nosūtīt darbiniekus komandējumā pakalpojumu veikšanai, attiecināmi tie algas un darba nosacījumi, kuri ir spēkā valstī, kurā tiek veikti darbi.
- 4) Puses sadarbojas, informējot LCA biedrus, celtniecībā strādājošos no Latvijas un citas ieinteresētās puses par algas un darba nosacījumiem Norvēģijā un par vienošanos starp LCA un Fellesforbundet.
- 5) Puses sadarbojas, lai šie algas un darba nosacījumi tiktu pildīti no to Latvijas uzņēmumu puses, kas veic pasūtījumus Norvēģijā.
- 6) Fellesforbundet sniedz palīdzību LCA biedriem tiesisku strīdu gadījumos, kuri saistīti ar algas un darba apstākļu nosacījumiem.
- 7) Ja kādas lietas risināšanā nepieciešams resursu patēriņš, kurš pārsniedz to, kas tiek segts noteiktā ekonomiskā atbalsta ietvaros, Fellesforbundet jākontaktējas ar LCA par šo lietu.
- 8) Fellesforbundet sniedz LCA ekonomisku atbalstu šī līguma realizēšanai pēc tuvākas vienošanās.
- 9) LCA iesniedz Fellesforbundet ziņojumu par līguma realizāciju vienu reizi gadā.
- 10) Līgums var tikt pārtraukts, abām pusēm rakstiski vienojoties, vai arī uzteikts no vienas puses, brīdinot par to 6 mēnešus iepriekš.
- 11) Labu laiku pirms līguma beigu datuma abas puses veic rezultātu novērtēšanu un izvērtē līguma turpināšanas iespējas.
- 12) Līgums ir spēkā līdz 2013.gada 31.decembrim.

..... 2012

Jevgeņijs Servuts

Arve Bakke

The agreement signed in 2012 is in essence identical to the original one, although it contains some clarifications and certain administrative specifications. One key point, however, was amended when the agreement was revised. The first item in the revised text was changed from “LCA and Fellesforbundet will cooperate in seeking to ensure that Latvian construction workers posted in Norway are members of LCA”, to “The parties will cooperate in seeking to ensure that Latvian construction workers posted in Norway are members of LCA or Fellesforbundet”. This is a more approximate

formulation, reflecting the fact that it may occasionally be difficult to distinguish posted workers from other labour migrants. We will return to the issues concerning the eligibility for membership of the respective unions.

International cooperation is itself nothing new for Norwegian trade unions, neither for Fellesforbundet, nor for the LO. However, such cooperation has rarely pursued such specific objectives or had such a design as the agreement between Fellesforbundet and LCA. We are not aware of any similar bilateral agreements between unions in Western and Eastern Europe. This makes the agreement unique, and in the following we will take a closer look at how this cooperation was organized in practical terms.

Organization of the cooperation

Fellesforbundet has mainly handled the agreement at the central level, although it was agreed that the Oslo Byggningsarbeiderforening (Local 603) should have a special responsibility for Latvian construction workers on behalf of the central union. Local 603 has been provided with resources for this purpose and has implemented the agreement on a day-to-day basis. Thus, the agreement has been endorsed by the central union administration, while a local union has been responsible for its operative implementation. The LCA office in Riga has only a small staff that cooperate closely, so that the cooperation with Norway has been well known to all those who are present in the office on a daily basis.

In terms of resources, the cooperation encompasses two main components. First, Fellesforbundet has granted financial support to LCA to ensure that they have personnel resources to hold up their part of the agreement, specifically 1000 lats per month (approximately NOK 11 800 in 2013). Second, Local 603 has received a financial compensation for accepting the responsibility for handling matters for LCA members in Norway. This includes a responsibility for assisting local unions in Fellesforbundet in other locations in Norway in matters pertaining to LCA members. According to the agreement for the period 2012–2013, this has amounted to costs incurred by a 30 per cent full-time equivalent, telephone and postal charges, fees, per diem and travel costs. Furthermore, the local union has been permitted to invoice the central office for time used in excess of this framework if specified by special agreement. According to the local union, their time use has occasionally exceeded a 30 per cent full time equivalent by a large margin. In the period 2008–2013, Oslo Byggningsarbeiderforening had a Latvian-speaking official who was charged with the main responsibility for communicating with members and the LCA office.¹⁰

¹⁰Ina Holmstad was the official in charge in 2008–2012, Martin Selickis in 2013 and Kjell Skjærø in 2014–2015.

In our interviews, representatives of the LCA office in Riga and Local 603 stated that the parties remain in frequent and good communication. They have not invariably been in agreement regarding how specific matters should be handled, but there appears to have been a direct and candid dialogue that has helped produce solutions. The unions have discussed the possibilities for establishing a joint membership database, but this has not materialized for reasons of privacy concerns as well as resources. The parties have communicated by telephone or email, often as frequently as several times per week. The contact has mainly focused on current matters for LCA members, but also on collection of information on Latvian enterprises that operate in Norway. It is our impression that communication has functioned well and has benefited both parties. In addition, representatives of Local 603 have regularly visited Riga to follow up matters and practical aspects of the cooperation. When visiting Riga, representatives of Fellesforbundet have generally also used this opportunity to meet LCA members whose cases the union has handled. LCA on the other hand, did not visit Oslo during the first years after the initial stage of the cooperation. In 2014, two representatives of the Riga office participated in an LBAS delegation that visited The Norwegian Confederation of Trade Unions (LO), and had a meeting with the Oslo Byggningsarbeiderforening on this occasion.

As regards the cases that should be dealt with by Fellesforbundet, the parties seem to follow a clear principle for their practice:

All assignments must come from LCA. They must want us to take the case. How the LCA arrange matters regarding the choice of cases is entirely up to them. We don't want an agreement with them on this. It's up to the LCA. If you think that it makes sense, we'll handle the matter. (Representative of Fellesforbundet in a group interview with the LCA).

The Norwegian side expressed understanding of the fact that many Latvians have little familiarity with trade unions, but that this should not be an impediment for assisting them when they are in need. A representative of Fellesforbundet nevertheless stated:

But the Latvians should not be able to use the trade unions as a revolving door only when they need help. We have gradually taken a stricter approach as more people learn what a trade union is. There is by now a fairly large segment that has spent a considerable time in Norway. They know about us, but they have chosen not to join the union. To these, we say no. We look more kindly on those who are new in Norway, though. (Representative of Fellesforbundet in a group interview with the LCA).

According to LCA, they fully share this view, and they added that they often need to consider whether or not to address matters that occurred in the past. The quota-

tion above indicates that the union has made assessments in line with the practice for provision of assistance to Polish workers during the first years after EU enlargement in 2004. Although as a main principle the provision of assistance was conditional on membership, this rule was somewhat relaxed for a period of time. This undoubtedly helped build trust among Polish construction workers and to some extent accelerate the unionization of these labour migrants (Eldring et al. 2012).

The specific and ongoing cooperation between Fellesforbundet and LCA has thus been structured around the cases that have arisen for LCA members in Norway. In contrast to most cooperation projects involving trade unions in Eastern and Western Europe, only a minimal amount of time and resources has been spent on general meetings or seminars:

This cooperation hasn't generated a single conference, only practical work. (From a group interview with representatives of Fellesforbundet and LCA).

Who unionizes whom?

The cooperation agreement encompasses two key elements that are ground-breaking in more than one sense: first, that Fellesforbundet shall assist in recruiting members for the Latvian construction workers' union, and second, that the union shall assist these members if they so need during their stay in Norway.

One can imagine situations in which it will not be entirely obvious what union a Latvian worker in Norway should join, and this was consequently a topic in the discussions between Fellesforbundet and LCA. As a main principle, posted workers belong in the LCA, while it will be natural for Latvian workers employed by a Norwegian enterprise to join Fellesforbundet. Some cases have been unclear, and this was the background to the amendments to this item when the agreement was revised.

The main point is that they are members of one of the unions. If their only affiliation with Latvia is their Latvian nationality, they can be in Fellesforbundet. Some LCA members have requested to join Fellesforbundet. And vice versa, because in our opinion they should be in LCA. (From a group interview with representatives of LCA and Fellesforbundet).

Potential members (in Norway) are provided with information on the unions, to choose for themselves what union they will approach. LCA has established an electronic solution for joining, making it easier for Latvians working in Norway to join the Latvian union. In some cases, Latvian members of Fellesforbundet have been transferred to LCA when their stay in Norway has come to an end. The unions have

different membership dues: for LCA members the dues amount to one per cent of gross wages, while Fellesforbundet has minimum dues of 1.5 per cent. Most local unions also collect an administration fee, and in Oslo Bygningsarbeiderforening total dues amount to two per cent of gross wages. This price difference does not seem to have given rise to any tactical adaptation with regard to membership, however. According to the union representatives, there have been no problems associated with the choice of what union the workers should join:

There have been no conflicts regarding what union they should join, none whatsoever. We use discretionary judgement.

There have been discussions as to whether LCA membership should include further entitlements in Fellesforbundet, such as attending members' meetings, access to training courses and the like. In practice, the contact between the LCA members and Fellesforbundet has focused on problems and has been linked to practical matters and assistance:

Now we see them only when they have a problem. They might believe that the trade union is a debt-collection agency. (Representative of Fellesforbundet in a group interview with the LCA).

In light of the basic notion that the period of work in Norway – and the membership of LCA – in the long term may help build a stronger trade union movement in Latvia, this is obviously an important point.

4 Effects of the cooperation agreement

An evaluation of the results of an intervention entails an examination of its objective. The overall objective of Fellesforbundet has been to help strengthen the trade union movement in Latvia. The cooperation agreement can contribute to this by increasing LCA's membership base and helping to reinforce competence and knowledge in LCA about the trade union's work, casework and organization. It may also be assumed that for Fellesforbundet, an objective has been for the agreement to provide a better insight into the situation for Latvian workers, both in Latvia and Norway, and thereby also to strengthen the trade union's own work aimed at this group. It is difficult to make a precise assessment of this type of cooperation. First, we lack knowledge of how the situation would have looked without the cooperation agreement, and second, there may be longer-term effects that are not immediately captured. Of course, this does not make it impossible to refer to results and effects, and in this chapter we will examine the growth of membership in LCA and the degree of organization of Latvian construction workers in Norway, how matters are dealt with, and the effects of the cooperation agreement for LCA and Fellesforbundet, respectively.

Membership recruitment

A clear results indicator is the development in membership of LCA and Fellesforbundet. With regard to LCA, the picture is greatly complicated by the effects of the financial crisis, which virtually decimated the Latvian building and construction industries. Revenue in 2010 was less than half that of 2007, and employment in the sector was massively reduced. This development is reflected in LCA's membership figures which fell significantly in this period. From a membership of 2823 in 2007, the figure fell to 1016 in 2010 – and has been maintained at approximately the same level since. According to LCA they have a total of 2000 registered members, but only a little more than half of these are active, paying members. Activity in the sector has shown a slight upturn (14.6 per cent growth in 2012), but in autumn 2013 this had so far not resulted in an increase in membership.

Table 4.1 LCA members, 2003-2012.

Year	Number of members
2003	3010
2004	3101
2005	3168
2006	2973
2007	2823
2008	2865
2009	2327
2010	1016
2011	1019
2012	1022

Source: LCA

Given that the cooperation agreement deals primarily with the organization of Latvian workers in Norway, the figures for recruitment of members to LCA in Norway are a better expression of the results. LCA has run statistics on this, and Table 4.2 provides an overview of the number of new members it has registered as a result of the agreement up to autumn 2013.

Table 4.2 Number of members recruited to LCA in Norway, by time of recruitment.

Time period	Number of members
17.1.2007-31.12.2007	22
2008	3
2009	53
2010	36
2011	35
2012	42
1.1.2013-16.9.2013	11
Total	202

Source: LCA

Overall, according to LCA, in the period 2007–2013 the agreement resulted in recruitment to the trade union of a little more than 200 Latvian construction workers who have worked in Norway. We can observe from this that the recruitment actually increased in the wake of the financial crisis, which can be attributed to a rise in the number of Latvian workers in Norway after 2008, and hence the number of potential members in Norway. In relation to the total membership of LCA, the members

recruited in Norway represent a significant number, even though the figures themselves are relatively small. There is no overview available of whether these have maintained their membership, but according to LCA the organization is characterized by a large turnover of members.

The purpose of the cooperation agreement has been to recruit members to LCA or Fellesforbundet, and the growth in membership of Fellesforbundet will therefore also be of interest. The union does not record the nationality of its members, but it does record their main language. This means that the figures in Table 4.3 are minimum figures – it is conceivable that there are members who are not registered according to the language of their home country. However, we can assume that those who are registered with Latvian as their language are from Latvia. Some of the members with Russian as their language may also be from Latvia. Unfortunately we do not have figures for this over time, so we are only able to comment on the situation today, not on developments since 2007. As of December 2013, 90 Latvian speakers and 44 Russian speakers were registered as members of Fellesforbundet, a total of 133 persons. The union had a total of more than 4800 East European members, which fully demonstrates that the union's efforts to recruit migrant workers have borne fruit. This applies particularly to Poles. They are overall the largest group of migrant workers from the new EU member states, but also in relative terms Fellesforbundet has unionized far more Poles than Latvians.

Table 4.3 Number of members of Fellesforbundet with East European languages.

Language	Number of members (December 2013)
Latvian	90
Russian	44
Polish	3966
Lithuanian	564
Rumanian	108
Estonian	20
Bulgarian	14
Total members with East European languages	4806

Source: Fellesforbundet

Table 4.4 shows the distribution of the Latvian- and Russian-speaking members by county.

Table 4.4 Number of registered members in Fellesforbundet with Latvian or Russian as their main language, by county in Norway.

County	Latvian	Russian
Hordaland	30	11
Oslo	24	13
Møre og Romsdal	8	0
Nord-Trøndelag	7	4
Buskerud	6	2
Rogaland	6	5
Hedmark	3	0
Telemark	3	1
Oppland	1	1
Aust-Agder	1	
Sør-Trøndelag	1	4
Sogn og Fjordane	0	3
Total	90	44

Source: Fellesforbundet

Hordaland and Oslo stand out clearly as the two counties with the most Latvian members. With regard to Oslo this is scarcely surprising, given that Local 603, Oslo Byggningsarbeiderforening, is located here.

Statistics from LCA and Fellesforbundet reveal that the number of Latvian members is modest, but the figure must be seen in connection with membership potential. As we saw in Chapter 2, in 2013 there were 1660 registered Latvians employed in the construction industry. Those who may be working in industrial/heavy construction fall outside Fellesforbundet's field of organization. In addition there are those employed by temporary work agencies, whose workplaces we do not know, but we may assume that some are employed in the building industry.

A closer analysis of the registry statistics from Statistics Norway enables us to estimate the degree of unionization somewhat more accurately (than using Fellesforbundet's statistics which are based on registration by language).¹¹ Figures from 2012 indicate that around 9 per cent of Latvians who were registered as resident in Norway

¹¹ Results based on research conducted as part a research programme on labour migration, funded by the Norwegian Ministry of Labour and Social Affairs.. This material only captures memberships in Norwegian unions.

and worked in the construction industry were unionized in a Norwegian trade union. Among non-residents almost none were unionized (in Norway), which is unsurprising. When we look at Latvians working in the construction industry who arrived in Norway between 2005 and 2008, and were in Norway for the whole period 2009–2012, we find that 14.5 per cent were unionized. This shows that the inclination to join a union increases with length of residence in Norway. The corresponding figure for Poles with the same length of residence was somewhat higher, at 19 per cent. Seen in the context of there being far more Poles working in Norway, and the fact that a great deal of information and unionization work has been targeted at this group, the difference between the groups does not appear dramatic. Although the degree of unionization among Latvians is far lower than among Norwegians (estimated at 39 per cent in the construction industry (Nergaard 2014)), the figures provide grounds for some degree of optimism - not least they debunk any myths about East European migrant workers being “immune to unionization.”

Handling of cases

Recruitment of more members will always be an almost unquestionable objective for a trade union. With regard to East European union members in Norway, the accompanying volume of cases tends to be greater than for other members. This means that a precondition for active organizing is also the capacity to handle cases. In general it appears that both LCA and Fellesforbundet attempt to follow the principle that a person must be a member when a matter arises, in order to receive support from the unions. Notwithstanding this, workers who are presumably in a situation that is difficult or fraught with risk are more easily motivated to join, and “regular” members in stable work situations are underrepresented. This means that the workload associated with East European, including Latvian members is large, and that the unions will have limitations in capacity, not only in terms of recruitment but also in receiving new members. This is a type of underlying factor that as far as we can judge has had a limiting effect on recruitment, also in view of the fact that Fellesforbundet, or Local 603, has been relatively inactive with regard to marketing the cooperation agreement to other branches of Fellesforbundet. A large-scale recruitment of members to LCA under the auspices of other branches would have given Local 603 an unmanageably large caseload. The impression is that the LCA agreement is relatively little known outside Local 603, and has therefore been of less importance for the unionization of Latvians to the LCA outside their geographic area. However, this appears to a large extent to signify a practical assessment and not the result of a lack of effort or follow-up of the agreement’s intentions.

Through the various periods of the agreement, the unions have dealt with a number of different cases for Latvian construction workers in Norway. Very many of these concerned wage demands. We do not have a complete overview of the entire time period, but for 2012–2013 alone, Local 603 reported having dealt with 29 cases for 77 members. They also report that the cases vary greatly with regard to their complexity, the resources needed to process them, and the time taken to resolve them. The main impression is that the collaboration on cases between LCA and Local 603 has been active and functioned well, also with regard to which cases should be addressed. In its report¹² from 2012–2013, Local 603 writes:

“In most of the cases we have achieved some type of solution, either through payment by the employer, or by the party that was jointly and severally liable, or through the workers receiving a wage guarantee. It is impossible to make a statement about ‘the clear-up rate’ without a further review. Nor is it possible to say whether the cases are generally easy to resolve or are more complex and labour-intensive. The casework time also varies greatly.”

The interviews with representatives of Fellesforbundet and LCA, and with LCA members in Latvia and Norway have provided us with a degree of insight into some of the cases. It is evident that very many of the cases would not have been resolved optimally in the workers’ favour if Fellesforbundet had not been involved. The cooperation agreement appears to have been of great significance for several reasons. First, it has meant that Fellesforbundet has been involved in the cases at hand, which in many instances they would not otherwise have been. Second, it is difficult to imagine that LCA would have managed to support its members with regard to cases that have arisen in Norway. This has to do with language barriers, insufficient knowledge of regulations and fewer resources more generally. Third, it is probable that a fair proportion of the cases would not have been resolved without the close collaboration with LCA. This applies to those cases for which information on enterprises has been required from the Latvian side, and not least to communication and maintaining contact with the affected Latvian workers. In Fellesforbundet’s own evaluation¹³ of the partnership agreement in 2010, it was underscored that in “several of the cases that Fellesforbundet has dealt with on behalf of Latvian construction workers, LCA has been an important contributor in terms of obtaining necessary and correct information.”

¹² Report on Local 603’s work on follow-up of the cooperation agreement between Fellesforbundet and LCA 2012–2013. Dated 30 November 2013.

¹³ Evaluation of the cooperation agreement between Fellesforbundet and LCA and proposals for future collaboration. Fellesforbundet, 1 December 2010.

A “legendary” case, in the sense that representatives of both LCA and Fellesforbundet often refer to it, is the case of Rena camp.¹⁴ This is an example of a serious case in which both LCA and Fellesforbundet were very much involved – and of a case that was resolved. In 2009 the Latvian firm Kvinta Plus was a subcontractor for another Latvian firm on a building project at Rena military camp. The generally applicable collective agreement rate at that time was NOK 132.50 per hour, whereas the Latvian workers who were posted there received only NOK 60–70 per hour and no statutory per diem. The unions tell us that there was a great deal of “toing and froing” in the case, and that LCA worked with regard to the enterprise in Latvia, while Fellesforbundet had contact with the workers in Norway. “Then Mara (Tomsone) called and said: ‘Now I’m coming to Norway’”. They drove to Rena and met with the Latvian workers late that evening. “After 20 minutes with Mara they signed up as members of LCA,” Fellesforbundet’s representative tells us. LCA acquired 22 new members following this visit. In an interview with us, one of the Latvian workers gives the following description:

Mara from LCA came to Rena. We gathered together, and she told us the situation. The problem was that we actually received wages, but a Latvian middleman took part of the money. The biggest issue was that the wages the employees signed for were more than they actually received. The problem was that the Latvians didn’t know their rights – I didn’t know that I was entitled to NOK 132, or a per diem. We had several meetings around this table here in Riga. After three or four months we received the money. I am still in contact with one of the other workers, and he too is still a member of LCA.

According to LCA, a collective agreement was negotiated with the enterprise, and therefore this is one of presumably few examples of the establishment of a collective agreement between LCA and a Latvian enterprise in connection with a contract in Norway. In 2011 the police imposed a corporate penalty on Kvinta Plus in the form of a writ for NOK 100 000 for gross underpayment. According to a report in *Hamar Arbeiderblad* daily newspaper, it took a long time to establish who was responsible for the illegality. It was furthermore stated that the state would presumably see none of the money, since Kvinta Plus was at that point technically bankrupt.

¹⁴What is presented here is based on information from interviews and a report in *Hamar Arbeiderblad* daily newspaper on 17 February 2011.

Effects of the cooperation agreement for LCA

The representatives from LCA tell of a harsh reality in the Latvian labour market and the challenging conditions for the union and its members – with regard both to relations between the social partners, and wage and working conditions for Latvian construction workers, as well as retention and recruitment of members. In this situation, the cooperation agreement with Fellesforbundet is described as very important for them. It has provided staffing resources for the union’s office and contributed to the organization of more members. LCA furthermore emphasizes that the agreement has given inspiration to its work and an insight into the Norwegian way of conducting union work, and has provided Latvian workers with better knowledge of their rights in Norway. The many concrete results for its members that the agreement has brought in the form of cases resolved and payment of outstanding wages have been of particular significance. They are also of the opinion that the cooperation has helped give the union movement in Latvia a more positive image – and that Latvians have received a better impression of Norway. The interviews with individual members who have received support from LCA and Fellesforbundet have also provided clear examples of cases being resolved in members’ best interests.

Much new information to support this summarization has come to light through further interviews. Even allowing for the fact that the economic contribution in itself may be sufficiently motivating to “brag” about the agreement and wish it to continue, our assessment is that LCA’s positive comments about its experiences with the agreement are based upon the actual contribution it has made to improving and enhancing its activity in terms of union-related work and recruitment.

Effects of the cooperation for Fellesforbundet

The effects that the agreement has had for Fellesforbundet might appear to be somewhat less clear. The union is large and has many branches, and it is Local 603 that has had primary contact with LCA - and mainly through their case officer and interpreter. The cooperation agreement appears to be little known in other branches of Fellesforbundet, which, as mentioned above, is presumably in part due to practical considerations of the volume of workload that can be handled within the framework of the agreement. For the casework (for cases related to Latvian workers) that is dealt with in Local 603, the agreement has undoubtedly been important in accessing information, following up workers who have returned home, and so on. In addition, the Latvian-speaking union official has received many enquiries from all over Norway, which have not necessarily resulted in matters that have to be followed up. According

to the reports from Local 603, the volume of work associated with the agreement has largely exceeded the financial contribution made by Fellesforbundet.

For those who have been intensely involved in the implementation of the agreement, we believe that the cooperation has contributed to a far better insight into the conditions of Latvian workers both in Norway and Latvia. At a more general level, we consider that the agreement has helped to strengthen Fellesforbundet's international profile and provided experiences which could boost future international solidarity work under the auspices of the Norwegian union movement. The project was designed within the framework of the union's extensive efforts to combat social dumping, and has helped to complement this priority area. This has not been a "top-down project" in which a weaker partner seeks to be trained and schooled through conferences, seminars and study trips – but a collaboration characterized by joint efforts.

5 The experiences of Latvian workers in Norway

In connection with the project, interviews have been conducted with a small cluster of Latvian trade union members in Norway and Latvia. The main purpose was to obtain information on why and how they had been unionized. These interviews do not constitute a representative material and cannot be used to paint a general picture on how it is to be a Latvian construction building worker in the Norwegian labour market. These individual interviews nevertheless provide valuable information on the possible nature of the realities on building sites – and not least on which factors may play a part when an important decision is to be made in this context, namely that of joining or not joining a trade union.

Stories¹⁵

Edgars is in his early 40s and is a skilled craftsman. He first worked in Norway before Latvia joined the EU, and at that time he travelled on a tourist visa and engaged in illicit work. In 2006 he began working for a Norwegian building contractor who had set up a company in Latvia. He never registered as resident in Norway, although he stayed in the country for one year. Initially he worked as a carpenter, later as a tiler. The Norwegian contractor in due course reduced his wages, and he quit. Edgars paid tax in Latvia, but does not know whether he actually worked illicitly or legally in Norway. In 2012 he returned to Norway, this time to work for a temporary work agency. He then worked on a project managed by one of the largest building contractors in Norway, and says that everything appeared quite above-board. There was a rush to finish, and he had to work at weekends. The first instalment of his wages was paid to him in Norway, but subsequently the agency had no further work, and he had to wait for the remaining instalment in Latvia. This was despite the fact that he had entered into a contract with the agency, and his timesheets had been signed by the main contractor. Edgars describes the situation as very unpleasant. All his papers should have been in

¹⁵The informants have been anonymized, and some details of their stories have been changed to maintain their anonymity.

order, and the amount in question was significant. Throughout his stay in Norway, he had the feeling that not everything was as it should be, and he had thought about contacting Fellesforbundet, but this was difficult because the place where he worked was in a remote location. He says that the hiring firm “messed him around” for a considerable period. He then began an Internet search for trade unions, and discovered LCA. He noticed that they had an agreement with Fellesforbundet, and says that were it not for this cooperation agreement he would not have contacted LCA. He obtained assistance, and six months later he received the wages he had earned. He now engages in illicit work in Latvia, but is still a member of LCA and pays his dues. He says that he attempts to persuade co-workers to become unionized, but does not think that they will join the union. Edgars has no plans to return to Norway; he says that he was frightened by not receiving wages, and he experienced that being a labour migrant in Norway entailed a fairly big risk. When asked whether there is something that the unions should do better, he replied that very few are familiar with LCA, and that few Latvians in Norway know about the cooperation agreement with Fellesforbundet.

Juris is in his fifties, a partly self-taught craftsman, and in 2008 he started working for a Norwegian-Latvian construction company. Approximately 20 Latvians were employed by the firm. He did not register as resident, but paid tax in Norway. He enjoyed his job, particularly since it was interesting from a skills perspective. He lived in accommodation provided by his employer. There were 20 men living in one flat, and they shared one bathroom. The employer deducted rent from his wages. After a few months the firm went bankrupt, but Juris says that he was fortunate and was paid the wages to which he was entitled (NOK 127 per hour). A few weeks later the Norwegian partner set up a new company, which only dealt with manpower leasing. In principle the conditions for employees were the same as previously - wages were usually delayed, but were always paid nonetheless. Juris tells us that this engendered a constant feeling of living under stress: Will I be paid or not? After a few years the firm was given increasingly fewer building contracts. The employees were given some snow-clearing work and began to receive part of their wages in cash. When the firm went bankrupt, they had worked for two months without pay. At the same time they had to pay for their accommodation and were in the red. The owner of the flat (who was not the employer) began to demand money from them: “The problems increased daily, like a snowball effect - because we had to eat every day and had no work and nowhere to live. Finally we got an illicit job and travelled home when we had enough to pay for our flights.” When they arrived in Latvia, a co-worker contacted them and told them about LCA. They had never heard about the trade unions while they were in Norway, and Juris says: “The problem is one of obtaining information, not that we do not want to join.” They contacted the LCA office in Riga, which supported them further. She (in LCA) told us that LCA has a representative in Norway, and asked us for documentation and wage slips. These

were sent to Oslo, where it was taken further. After a while I received a letter from Norway, and some time later all the money appeared in my account. Perhaps it was a legal case that they won.” Juris returned to Norway and obtained a job in a Norwegian building firm with several Latvian employees. Due to an injury, he quickly returned home again, and since then has worked in Latvia: “Now I am working in a firm where I have an employment contract. As long as I am working in construction, I will be a member of LCA until I go to my grave, in case I have problems.” He tells us that he recommends everyone to become members, but that his co-workers are generally not unionized. According to Juris, the problem is that the minimum wage is so low that it is scarcely possible to survive on it. He believes that if it were higher, people would be more motivated to join the union.

Martins is in his early thirties and first came to Norway when he was 25 years old. Since then he has had several periods of working in Norway, but now plans to travel home to his family in a couple of years’ time. Initially he travelled here to work for a Latvian temporary work agency with a Norwegian boss. He worked as a carpenter for eighteen months and then went home. A couple of years later an acquaintance from his time in Norway contacted him, wondering if he would go back there with him. He was later offered a job with a Norwegian temporary work agency. In that firm there were problems with wage payments, despite the fact that he had a contract and signed timesheets. During that period he became a member of LCA and contacted them for assistance. They in turn contacted Fellesforbundet, which dealt with the matter, and they were paid the money. He was in contact with LCA approximately three times in connection with this case. He also receives emails with information and has been offered courses, but has not made use of these offers. In response to the question of why he became a member of LCA and not Fellesforbundet, he says that contact with LCA is easier because they speak Russian. And he does intend to return, so it is a good idea to have union membership. He thinks that he will maintain his membership when he returns to Latvia. It does not cost a great deal, and he pays his dues annually – when he has an overview of how much he has worked. He is currently employed by a temporary work agency in which around one half of the employees are unionized. He says that they have proper contracts, and receive wages for public holidays as well as sick pay. They do all types of jobs, and have not experienced being without a project. He states that the firm has an active trade union, and that Fellesforbundet’s representatives constantly attempt to recruit him. He tells us that he is a member of LCA, which has a cooperation agreement, but that this is seemingly not good enough. He finds it slightly uncomfortable.

Peteris is around 40 years old and had been in Norway for eight years when we spoke with him, and a member of Fellesforbundet for seven of these. He came to Norway

as an employee for a Latvian firm. They went bankrupt, and he started work in a new firm with a Norwegian owner. All twelve of the people working there were registered as sole proprietors even though in reality they were employees of the firm. They earned very little and five of them took action against the firm. Fellesforbundet took the case to court, and they were refunded the money to which they were entitled. Since then he has worked for various temporary work agencies, with intermittent periods of unemployment. Peteris has heard of the cooperation that Fellesforbundet has with LCA, but for him it has seemed most natural to be a member of Fellesforbundet. He tells us that some of those who were assisted by Fellesforbundet are no longer union members. In response to the question of what is needed in order for more Latvians to be unionized, he mentions less costly dues and more information regarding the assistance that the trade union can provide if people encounter difficulties: “For me, being a member of Fellesforbundet has provided a guarantee,” says Peteris. However, he is pessimistic about the possibility of establishing a strong trade union movement in Latvia.

At the time of interview, **Andris and Aivars** had been in Norway for approximately three years, and work as carpenters. Around one year ago they came into contact with a large Norwegian construction company that encouraged them to start a sole proprietorship and become self-employed. In addition to having a contract with this company, they have also taken many other jobs – mostly on the private market and frequently a combination of illicit and legal work. Andris tells us that he became a member of LCA before he left for Norway, since he had been tipped off that there might be a lot of dirty tricks there. He says that he did not know about the cooperation with Fellesforbundet. In the job that he had before becoming self-employed, he was fired the same day because of a discussion with a middle manager. Andris said, “Then I’ll call the union,” and the boss replied, “Fuck you,” with the accompanying gesture. Andris called LCA, and they put him in touch with Fellesforbundet, who quickly entered the picture and he received all the money to which he was entitled. They tell us that this boss, and also other employers, are “scared” of Fellesforbundet, and hence cases are resolved. Andris and Aivars think that the great majority of Latvians in Norway have been tricked during their first period in the country: “It virtually never happens that you go straight into a good job.” They speak of great vulnerability in the Norwegian labour market and say that: “We thought we were leaving for civilized Europe. We don’t think we can ever become fully-fledged members of Norwegian society.” Both plan to travel back soon to their families in Latvia. When asked why they had joined LCA before they left, they reply that it was not particularly costly at only NOK 30–50 per month. They also say that LCA has a great deal of information about working in Norway – both on its website and in brochures available from their office. “People need information that the trade union can help them, but they often think that nothing bad can happen to them. Then they come to Norway and are tricked into working for

way below the minimum wage, or they have to work twice the hours they are paid for. People think they have no other choice than to accept it – but those who are members of a trade union are viewed differently. People don't want to mess them around. Those who don't have the trade union behind them prefer to go home, for they cannot fight for their rights by themselves.”

Andris and Aivars say that they are very satisfied with the follow-up from Fellesforbundet – almost a little overwhelmed. However, at the same time they are concerned about developments in the market around them. There are so many dirty tricks, according to them. People are increasingly late with payments, and there are many actors who are out to make money from the labour force. Norway is rapidly moving towards Latvian structures, they maintain. In any case, they do not believe that there is a secure future for them in the Norwegian construction industry.

Summary

As stated in the introduction to this chapter, we cannot draw any general conclusions about the situation for Latvian migrant workers in Norway on the basis of the interview material. However, the information we have obtained through the interviews provides a foundation from which we can summarise a few points:

- *The dangers of the Norwegian labour market.* Something which made a strong impression in the interviews with the Latvian construction workers is their experience of the Norwegian labour market as a risky and dangerous place to be. This does not accord well with the image we have of Norway as the “best country in the world”, with a well-regulated labour market characterized by equality. We may well believe that this still holds true for the majority of employees in Norway – but the interviews give a glimpse into some of the darkest corners of our labour market. There is an increasing amount of documentation on criminality in the labour market and social dumping, especially in the construction industry. “Everyone” agrees that this is not good, not least because it threatens the competitiveness of serious enterprises. The stories told by the Latvian construction workers are a reminder of the strains placed on individuals in work situations where wages are unpaid, or other quite basic rights are not in place. The Latvian employees also react strongly to this, and it is not necessarily the case that these are practices they are accustomed to at home. A few of the workers we interviewed in Riga were clear that they did not wish to take the chance of working in Norway again - they regard it as being too fraught with risk.

- *Incidentally unionized?* It appears evident that the chance of not being unionized is much greater than that of being so. For the Latvians, as for Norwegian workers, it is quite crucial to have actually heard of the trade union. Among our informants there were two essential channels of information: co-workers and friends, and/or the Internet. Some had received advice from acquaintances about joining a trade union, usually in the context of having experienced problems with wages or contracts. Others had come across LCA or Fellesforbundet when they were looking for information on the Internet about working in Norway. All of them underlined the great importance of available information in Latvian or Russian.
- *Maintenance of membership?* It is a known fact that not everyone maintains their membership after having received assistance from the trade unions – and both LCA and Fellesforbundet are concerned with counteracting “the revolving-door issue.” Our informants belong to the group that take a more long-term view of their membership. Several of them apparently signed up when they encountered problems, but they have continued to be members afterwards. The question, then, is what caused them to remain. For many of them it is evident that the support they received from the trade unions has contributed to a feeling of loyalty of some kind, which has made them continue their membership. Furthermore, they have actually experienced that their membership has been crucial to resolving important cases. They also generally report that being a union member has not created problems in relation to their employer, but have found that their own position at work has been strengthened. Several mention the importance of the dues not being excessively high, but maintain that the level of the LCA membership dues is quite acceptable.
- *Trade union ambassadors?* We came into contact with our informants through the trade unions, so those we spoke with are presumably members with a relatively close relationship to the unions in that they were put forward and were also available for interviews. This is also reflected in their generally positive attitude towards both LCA and Fellesforbundet. A number of them said that they are attempting or have attempted to persuade co-workers to become unionized, but often without success. It is difficult to fully ascertain how specific these recruitment attempts have been, but there is presumably a further potential to have members disseminate information to their networks – either through brochures and the like, or items featuring the website address of LCA and/or Fellesforbundet.
- *Trade union competence.* We did not delve deeply into this topic, but our main impression was that those we interviewed had had little or no involvement in the work of the organizations as such. Our main impression was also that knowledge or insight into how Norwegian working life functions or is organized was fairly limited. This is hardly surprising in view of the fact that most spoke little or no Norwegian

and their working existence in Norway had been characterized by frequent changes of job and a great deal of insecurity. Essential preconditions for participation in trade union activities in Norway were therefore not in place.

6 Conclusions

The background to this project was a desire to document the cooperation agreement between LCA and Fellesforbundet, rather than to undertake an evaluation in the traditional sense. As shown in the preceding chapters, the review of documentation and the interviews with various parties have provided a certain opportunity to assess whether the intentions behind the agreement have been fulfilled and what effects it has produced. By way of conclusion we would like to mention the following points:

- *A unique agreement.* The agreement represents an extremely rare example of bilateral organizational cooperation between trade unions in Western and Eastern Europe. One of our interviewees stated that: “This cooperation hasn’t generated a single conference, only practical work”. We may assume that only very few cooperation projects involving Western and Eastern European trade unions can be summarized in this manner.
- *Hard times in Latvia.* Over the course of the agreement period, the situation in the Latvian labour market has changed dramatically for the worse. The organizations have been weakened even further and the conditions in working life became significantly harsher after the financial crisis. Thus, international cooperation in support of the Latvian trade union movement has increased in importance.
- *Increasing labour migration from Latvia to Norway.* Since the 2008 financial crisis, the number of gainfully employed Latvians in Norway has tripled. The project’s target group, Latvian workers in Norway, has thus grown.
- *Effective organization and good communication between the parties to the agreement.* The practical work has been well organized, and communication between LCA and Fellesforbundet/Local 603 has been continuous, unbureaucratic and effective.
- *202 new LCA members.* This is the number of new members who have joined as a result of the agreement during the period 2007–2013. Given the fact that LCA now has a total membership of a little more than 1000, this is not an insignificant number. However, it should be admitted that the absolute number is fairly modest, and there are indications that there is a relatively high turnover of members.
- *Few Latvian workers in Fellesforbundet.* The purpose of the cooperation agreement was to recruit Latvian workers to LCA when they were staying in Norway on short-

term assignments, although a potential indirect effect could be that more Latvians would join Fellesforbundet. A review of the union's membership statistics shows that 133 members are registered with Latvian or Russian as their native language. Consequently, it appears that the agreement has failed to produce any major results in terms of the unionization rate among Latvian construction workers resident in Norway. However, an analysis of registry statistics from Statistics Norway shows that among Latvians working in the construction industry, who arrived in Norway in the period 2005–2008 and remained in Norway through the entire period 2009–2012, the unionization rate amounted to 14.5 per cent. This shows that the propensity to join unions increases in proportion to the time of residence in Norway. Admittedly, the equivalent figure for Poles with the same period of residence was somewhat higher at 19 per cent. Although the unionization rate among Latvians is far lower than among Norwegians, the figures give grounds for a cautious optimism. Not least, they disprove any myths claiming that Eastern European labour migrants are “immune to unionization”.

- *Great significance for LCA.* The agreement has been very important to LCA. It has increased the membership base, improved LCA's access to resources at the union office and reinforced their unionization efforts.
- *Reinforcement of Fellesforbundet's activities for international solidarity.* The agreement is little known in Fellesforbundet's local unions, with the exception of Local 603, which has been in charge of the implementation. Nevertheless, the agreement must be deemed to have provided a considerable contribution to the international profile of the union, in addition to providing a supplementary element to the efforts to combat social dumping.

Our main assessment of the agreement and the way it has been followed up is positive. Merely the signing of such an agreement would qualify for great acclaim. This enthusiasm would obviously have abated if the parties had later failed to follow up the agreement. The review has shown that this agreement is far from dormant - on the contrary, it has spurred considerable activity in the parties involved, who have also had devoted staff members to take care of matters on a daily basis. In conclusion, we would like to add some reflections and questions that may possibly be of use in the further process related to the agreement and of interest to other trade unions:

- *Could Fellesforbundet have gained more from the agreement?* In practice, the cooperation agreement has been limited in scope, and one may ask whether it could have been marketed more widely within Fellesforbundet's organization. The considerations related to the capacity for handling casework appear well-founded, and Local 603 has accepted a lot of work and responsibilities as it is. Despite this, we believe that it might be useful to discuss whether the cooperation with LCA can provide

a basis for recruitment of more Latvian members to Fellesforbundet. For example, the efforts have produced a lot of new knowledge about Latvia and the situation of Latvian workers in Norway, and this might form the basis for further strategies and efforts in this area.

- *Why LCA?* Another question that may be raised is whether it would have been more ideal to establish cooperation with a construction workers' union in Poland or Lithuania, since there are far more workers from these countries than from Latvia in Norway. In 2005, when the cooperation with LCA was initiated, the unions in these countries were deemed less suitable as partners to Fellesforbundet. Since a long-term and positive cooperation with LCA has now been implemented, this has reinforced the basis for a continued partnership with LCA. Despite this, there may be good grounds to consider a closer cooperation with unions in Poland and Lithuania in the future. Most likely, this would be conditional on a positive development within the trade union movement in these countries (unfortunately, there are few indications to this effect so far), and on an interest on the part of Fellesforbundet to maintain its international activities.
- *For how long?* The cooperation agreement has lasted for three periods and a total of more than eight years. The assessment of whether the agreement should be renewed again has not been part of our mandate, although as a general comment we would like to note that a phasing-out of this type of partnership ought to be planned well ahead of time, for several reasons. First, it will be essential for LCA to have time to readjust administratively and in terms of resources. Second, there is much to indicate that a strategy should be formulated regarding how the results from the cooperation agreements can be continued in other forms, if relevant. One vulnerability of this cooperation is that even though it has been endorsed by the organizations on each side, most of the day-to-day work has been undertaken by devoted individual staff members, in Latvia as well as in Norway. It should be considered how the knowledge, relationships and good practices can best be maintained within the organizations, even though there might be changes in the personnel directly involved.
- *Relevance for other parts of the trade union movement?* One of the questions raised in our project pertains to whether the experience from the cooperation between LCA and Fellesforbundet may also be of relevance to other unions and in other areas. Our answer is a resounding yes, since these experiences ought to be of major interest, in Norway as well as internationally. First and foremost because they demonstrate that it is indeed possible to undertake cross-border cooperation that reaches far beyond mere good intentions, general information and training activities and arrangement of international conferences and seminars (although these may obviously also have

a positive effect). The special feature of this cooperation agreement is its direct link to the core activities of the unions involved – unionization and assistance to members – across national borders that are otherwise quite strict. To be sure, there is considerable cooperation within the European trade union movement, through international confederations, between unions in large multinational enterprises and in other ways. The special feature of this agreement, however, is its focus on activities in support of a very vulnerable group, namely migrant construction workers.

- *A blueprint is unlikely to be a solution.* This notwithstanding, we will not unconditionally recommend other unions to use this agreement as a blueprint. Neither the establishment, nor the implementation of the agreement would have been possible without a relationship of trust between the parties, thorough endorsement by the central-level management of both unions and committed local staff to take responsibility for follow-up. One of the informants in LCA told us that “Mara and Kjell are the twin heroes of this story!” The question is: without these two, would there have been a story to tell? We believe that the answer is both yes and no. The good contact between the leader of LCA and the representative of Fellesforbundet and the strong commitment shown by them were key preconditions for the initiation of the cooperation. At the same time, it seems clear that both parties had a strategic perspective on this contact, which was based on the situation experienced by both unions in their home countries. Fellesforbundet recognized that there were increasing problems of social dumping of posted Eastern European workers on Norwegian building sites, while LCA struggled to recruit members and follow up Latvian construction workers on assignments abroad. A further crucial factor was that both parties succeeded in obtaining endorsement of the idea in their respective unions. Moreover, Fellesforbundet’s allocation of resources, in the form of financial contributions to the LCA administration in Riga and coverage of costs for caseworkers and interpreters in Oslo, has been completely decisive for the outcome. On the part of LCA, cooperation has continued since Mara Tomson’s resignation as leader, and the relationship appears to be well embedded in the entire organization. Experience from the cooperation between Fellesforbundet and LCA ought to serve as inspiration for other parts of the Norwegian and international trade union movement, but should be adapted to local conditions, relevant strategies and the resource situation of the individual unions.

References

- Eldring, L., Fitzgerald, I., Arnholtz, J. (2012), Post accession migration in construction and trade union responses in Denmark, Norway and the UK. *European Journal of Industrial Relations* 18(1): 20–35.
- Dølvik, J. E. & Eldring, L. (2008). *Mobility of labour from the new EU states to the Nordic region. Development, trends and consequences*. TemaNord 2008:537. Copenhagen: Nordic Council of Ministers.
- Hazans, M. (2012). Selectivity of migrants from Baltic countries before and after enlargement and responses to the crisis. I B. Galgoczi, J. Leschke & A. Watt (red.), *EU labour migration in troubled times*. Surrey: Ashgate.
- Hazans, M. (2013). Emigration from Latvia: Recent trends and economic impact. I OECD, *Coping with Emigration in Baltic and East European Countries*. OECD Publishing.
- Karnite, R. (2014). *Latvia Industrial Relations profile*. Eurofund: EurWork.
- Masso, J. & Krillo, K. (2010). Estonia, Latvia and Lithuania: Minimum wages in a context of migration and labour shortages. I D. Vaughan-Whitehead (red.), *The Minimum Wage Revisited in the Enlarged EU*. ILO: Geneva.
- Nergaard, K. (2014). *Organisasjonsgrader, tariffavtaledekning og arbeidskonflikter 2013*. Fafo-papir 2014:14.

Trade unions that cross borders

In 2007, Latvijas Celtnieku Arodbiedrības – LCA (The Latvian Builders' Trade Union) and Fellesforbundet signed an agreement that commits the parties to comprehensive organizational and union-related cooperation. Such cooperation is frequently being called for in an increasingly globalized labour market, while there are few examples of such cooperation being implemented in practice. This report takes a closer look at how this cooperation was initiated, how it has been organized and the results that have been produced.



Fafo

P.O.Box 2947 Tøyen
N-0608 Oslo
www.fafo.no/english/

Fafo-report 2015:38
ISBN 978-82-324-0233-5
ISSN 0801-6143
Order no. 20443