

Report on Employee Involvement in Estonia

Dr. iur. Merle Muda
Department of Labour and Social Security Law
Faculty of Law University of Tartu
Merle.Muda@ut.ee



11 March 2005

1. Introduction

In Estonia, employees participate in labour relations mainly via shop stewards and trade unions. However, the role of employees in work organisation and social affairs has not been significant. This is particularly due to the historical development of employees' organisations. The first traditional trade unions were established in Estonia in the 1930s, but they were terminated in 1940 when the Soviet Union occupied Estonia. During the Soviet period, the main task of trade unions was to implement the directives of the Communist Party, not to protect and advocate the interests of employees. Trade union reform was implemented at the beginning of the 1990s.

2. Forms of Employee Involvement

2.1 Shop Stewards

The legal status of shop stewards is regulated by the Employees' Representatives Act (hereinafter: ERA; available on the Internet in English at <http://www.legaltext.ee>). According to ERA, a shop steward is an employee of a company, agency or other organisation (hereinafter: company) who is elected by the members of a trade union or by a general meeting of employees who do not belong to a union to represent the employees in labour relations with the employer. Hence, a shop steward may be a trade union representative, as well as a representative freely elected by a general meeting of employees (i.e. unorganised employees). In practice, shop stewards are usually elected in companies with a trade union.

2.2 Trade Unions

According to the Trade Unions Act (hereinafter: TUA; available on the Internet in English at <http://www.legaltext.ee/>), a trade union is an independent and voluntary association of persons which is founded on their initiative, and the objective of which is to represent and protect the employment, service-related, professional, economic and social rights and interests of employees.

TUA provides that a trade union may be founded by at least five employees at the company level. A federation of trade unions may be founded by at least five trade unions.

At least five national federations or trade unions bringing together employees by area or profession may found a trade union confederation.

Although TUA establishes advantageous conditions for the foundation and operation of trade unions, currently only about 13 per cent of employees are trade union members.

2.3 Other Forms of Participation

In addition to shop stewards and trade unions, employees participate in occupational health and safety via working environment representatives and the members of working environment councils (see the Occupational Health and Safety Act; available on the Internet in English at <http://www.legaltext.ee/>).

In the case of collective redundancies and the transfer of an enterprise an employer must inform all employees, if there are no elected employees' representatives in the company (see the Employment Contracts Act, available on the Internet in English at <http://www.legaltext.ee/>).

Pursuant to the Act on Employee Involvement in the Activities of Community-Scale Undertakings, Community-Scale Groups of Undertakings and European Companies, employees' representatives are elected to special negotiating bodies and statutory representative bodies by general meetings of employees.

3. Competence of Employees' Representatives

3.1 Competence of Shop Steward

According to ERA, shop stewards' obligations are as follows:

- 1) to monitor compliance with the terms of collective agreements, employment contracts and labour laws;
- 2) to observe the peace obligation during the term of a collective agreement;
- 3) to mediate between the parties in labour disputes;
- 4) to communicate information concerning labour relations to the employer or the employer's representative and to employees, their unions and federations;
- 5) to keep any business or professional secrets which become known to them.

In order to enable them to perform their duties properly, ERA also provides shop stewards with a number of rights:

- 1) to freely examine working conditions and work organisation;
- 2) to receive information from the employer necessary for pursuing their activities, as well as on the details of labour disputes;
- 3) to suspend the termination of employment contracts in the case of collective redundancies;
- 4) to freely disseminate information pertaining to work and trade union activities to employees;

- 5) with the employer's agreement, to use the employer's premises, telecommunications systems, photocopying facilities and means of transport in the performance of their duties;
- 6) to notify the owner of the enterprise, government agencies, unions, and so on, of violations of labour laws, collective agreements, employment contracts or other agreements pertaining to work.

The rights and duties of a shop steward elected by a trade union are detailed in TUA.

3.2 Competences of Representatives Elected by a Trade Union

According to TUA, employees have the right to act as elected representatives of a trade union. TUA does not lay down a definition of such a representative, but in practice an elected representative of a trade union may be either a shop steward, a member of a trade union management board, or any other representative elected by the trade union.

TUA sets out the competences of elected trade union representatives acting at company level:

- 1) entering into collective agreements or other contracts pertaining to employment, service or social issues;
- 2) cooperating with the employer and state agencies in order to improve the occupational health and safety situation;
- 3) cooperating with state employment agencies and local governments on issues relating to the improvement of employment, training, in-service training, professional skills and professional training;
- 4) participating in the consulting and informing of employees, and in decision-making to the extent regulated by TUA and other legislation and agreements;
- 5) examining employment contracts and collective agreements, as well as other documents concerning working conditions, if this is requested by a trade union member;
- 6) representing and protecting trade union members in labour dispute resolution bodies, in relations with state and local government agencies, employers and employers' associations.

TUA lays down detailed rules on the right to be informed and consulted for trade union representatives. The procedure for collective bargaining and entering into collective agreements is provided by the Collective Agreements Act (available on the Internet in English at <http://www.legaltext.ee/>). The rights of elected trade union representatives in settling collective labour disputes are set out by the Collective Labour Dispute Resolution Act (available on the Internet in English at <http://www.legaltext.ee/>).

4. Conclusion

In Estonia, employees principally participate in employment relations via shop stewards elected by a trade union. The rights and obligations of shop stewards are regulated by law, and the competences of shop stewards elected by a trade union are broader than those of representatives elected by a general meeting of employees.

Although ERA and TUA provide extensive rights for employees' representatives, employees do not exercise these rights often because at many companies no employees' representatives have been elected and furthermore, employees lack the necessary knowledge and skills. It will probably take years to develop constructive cooperation between the social partners in Estonia.