



Challenges for Organising and Collective Bargaining
in Care, Administration and Waste collection sectors
in Central Eastern European Countries

CHALLENGES FOR ORGANISING AND COLLECTIVE BARGAINING IN WASTE MANAGEMENT SECTOR IN LITHUANIA

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TABLE OF CONTENTS

1. METHODOLOGICAL PREFACE.....	3
2. GENERAL CHARACTERISTICS OF THE SECTOR.....	4
3. MAJOR PROBLEMS AND CHALLENGES IN THE SECTOR.....	5
4. CHARACTERISTICS OF SOCIAL DIALOGUE ORGANISATIONS IN THE SECTOR.....	7
4.1. Challenges for organising employees	7
4.2. Good practices for organising employees	8
4.3. Characteristics of employer representation.....	8
5. COLLECTIVE BARGAINING AND OTHER FORMS OF SOCIAL DIALOGUE IN THE SECTOR - CHARACTERISTICS.....	9
5.1. Content analysis of collective agreements.....	9
5.2. Other forms of social dialogue.....	10
5.3. Impact of European sectoral social dialogue.....	11
6. CONCLUSIONS AND RECOMMENDATIONS	13

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1. METHODOLOGICAL PREFACE

This report was prepared through desk research, a brief examination of the legislative framework and analysis of data provided by the National Data Agency (Statistics Lithuania) and State Social Insurance Fund Board, as well as interviews with social partners operating in waste management and related sectors, and of collective agreements relevant to the sector and provided for in the Register of Collective Agreements.¹

However, the main source of information, presented in the report is interviews conducted with both sectoral and company-level trade unions and employer representatives. In total, five interviews were conducted during March-April 2024. Interviews were conducted in person (three interviews) and by phone (two interviews), each taking approximately 45 minutes; comprehensive write-ups were prepared for all interviews.

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¹ Register of Collective Agreements. Ministry of Social Security and Labour. Available at: <https://socmin.lrv.lt/lt/paslaugos/-administracines-paslaugos/kolektyviniu-sutarciu-registras-ir-kolektyviniu-sutarciu-registravimo-tvarka/>

2. GENERAL CHARACTERISTICS OF THE SECTOR

Waste management in Lithuania is regulated by the Law on Waste Management of the Republic of Lithuania (1998, No VIII-787). It lays down the general requirements for waste prevention and management; the conditions under which a material or object may not be considered waste; the State regulation of waste management; the basic principles for the organisation and planning of waste management systems; the economic and financial arrangements for waste management; and other relevant aspects. Also, the Waste Management Regulation (1999, No 217), which lays down requirements for the segregation, temporary storage, collection, transport, treatment, additional requirements for the management of biological and hazardous waste, the specifics of the trade in waste, the requirements for the technical regulation of the recovery or disposal of waste, etc. The Ministry of the Environment of the Republic of Lithuania is the main authority responsible for the sector.

Biomethane production is being promoted in the country, the sector is developing rapidly and the municipal waste management system has been improved in recent years. Despite progress, the EC estimates that there is a risk that Lithuania may not meet the 2025 targets for the preparation for re-use and recycling of municipal waste and for the recycling of packaging waste.

There are currently no registered companies in Lithuania operating in NACE 39 – Recycling and other waste management. The collection, treatment and disposal of waste and recovery of materials (NACE 38) was carried out by 260 enterprises in 2022, 255 in 2023, and 270 at the beginning of 2024. The number of employees in NACE 38 at the beginning of 2024 was 8,646. According to Statistics Lithuania, this figure has been slowly decreasing during recent years. Exception was only the first year of the pandemic, when the number of sectoral employees increased by almost 2% (see Table 1).

Table 1. **Number of employees in NACE 38 in Lithuania at the beginning of the year in 2028-2024**

	2018	2019	2020	2021	2022	2023	2024
Employees	9,170	8,950	8,917	9,070	8,681	8,450	8,646

Source: Statistics Lithuania (based on the Register of Legal Entities)

According to the data of the State Social Insurance Fund (Sodra), the average gross monthly wage in the sector in 2022 was €1,589. The sector employs more men than women; average income of men is higher than that of women.

It should be noted that, in Lithuania, there are two groups of waste management companies: municipal and private. Municipal companies provide waste management along with other utility services. Mainly, waste services are integral part of utility services. Municipal companies are tightly regulated by municipalities in setting tariffs for services and by the State price regulator in setting a cap on profits in order to protect public interest and to ensure quality and affordable services. Private waste companies (mainly national ones) are not so strictly regulated by the State.



3. MAJOR PROBLEMS AND CHALLENGES IN THE SECTOR

Due to the specific structure of Lithuania's regions (mostly small towns with a declining working-age population and concentration of population in big cities), waste sector companies face **challenges in recruiting employees**. Younger workers opt for better-paid jobs, while older employees are reluctant to take on physically demanding tasks.

Wages in the waste management sector are not competitive enough, with only highly skilled workers receiving higher salaries. Workers are generally paid the minimum monthly wage, except for categories of workers such as lorry drivers and higher grades of workers who work with software, routing, data processing, etc. Consequently, working-age individuals, especially young people, often seek employment in higher-paying sectors. This has led to an **aging workforce issue**.

It is worth noting that **waste management jobs in Lithuania are perceived as lacking prestige and respect**, further exacerbating recruitment issues. Waste management work has always been seen as "dirty, menial work" for decades, and the lack of job prestige perpetuates the difficulty in attracting younger employees. However, changes in job conditions and technologies make these positions different from the past, which yet needs to be emphasised.

Collaboration with the PES helps in filling vacancies, and as the most important criterion is for the worker to meet the requirements for the job, nationality is not the most important aspect. For example, some Ukrainians who migrated due to the war in Ukraine work in the sector.

Mainly, employers of municipal utility companies (including waste management services) commit to ensuring safe working conditions and providing necessary equipment. Also, some few provisions ensuring the safety and health of workers are contained in collective agreements. However, in companies without trade unions **health issues are not always adequately addressed among workers due to working conditions**.

Transitioning to a circular economy poses a significant challenge, requiring new technologies and skill sets, both for employees and employers. Moreover, companies must balance between labour shortages and the need to contribute to reducing the amount of waste and resource use, to shift to a more advanced, greener, more socially responsible, and citizen-friendly waste management structure. Mainly, municipal companies strive to optimise services and operate as sustainably as possible to comply with the requirements. In this context, automation is generally not seen as a challenge but as an opportunity, and is being gradually implemented to optimise processes without posing big challenges to employees. Technological advancements are managed smoothly, with employees adapting to changes through training.

The sector faces a constant risk of privatisation as well as emergence of private monopolies. Private companies often prioritise profit over quality, posing risks to public services. If the infrastruc-

ture related to the provision of the public service is transferred to a private entity, and consequently there is no competition in the market, local authorities have no real leverage in the long term to ensure high quality and rational prices for households. The provision of public services then becomes dependent on one particular private entity and possibly a monopoly might emerge. Luckily, for now, public interest is still maintained to prevent the negative consequences seen in foreign examples.

Considering the EU waste legislation, such as the Waste Framework Directive, it does not present direct challenges for the municipal waste management sector. However, employers emphasise **a lack of a clear legal framework and a national waste sector policy**, solutions based on analysis, and a common mechanism for efficient, high-quality and continuous waste collection and recycling. The expectations include methodological support for municipalities in the field of waste management, a control system, monitoring, and a database accessible to all.

It is important to note that the above-mentioned challenges are mainly observed in municipal companies. In the private waste management sector, where there is less accountability and transparency and possibly a lower level of worker representation, issues and challenges may differ.



4. CHARACTERISTICS OF SOCIAL DIALOGUE ORGANISATIONS IN THE SECTOR

In the Lithuanian waste sector, social dialogue is **mainly conducted at company level, in a bilateral format** between employers and trade unions, as no ministry has the mandate to negotiate agreements at sectoral level, with the waste sector being delegated to municipalities. Moreover, there is no sectoral trade union, uniting a meaningful number of sectoral employees. Some problems in the sector could be solved at the Tripartite Council of the Republic of Lithuania, however, no attempt has been made so far.

Considering the main stakeholders in the sector, on the employer side, there is the *Association of the Municipal Utility Companies of Lithuania* (Lietuvos savivaldybių komunalinių įmonių asociacija), representing mostly municipal utility companies (including waste management), the *Lithuanian Association of Regional Waste Management Centres* (Lietuvos regioninių atliekų tvarkymo centrų asociacija), which is mainly responsible for landfills and the *Lithuanian Association of Utilities and Waste Managers* (Lietuvos komunalininkų ir atliekų tvarkytojų asociacija), which generally brings together private legal entities working in the field of utilities and waste management.

As for the employee side, there are the *Lithuanian Federation of Public Service Unions* (Lietuvos visuomeninių paslaugų profsąjungų federacija) and the *Lithuanian Industry Trade Union Federation* (Lietuvos pramonės profesinių sąjungų federacija), both affiliated to the national-level union – the Lithuanian Trade Union Confederation (Lietuvos profesinių sąjungų konfederacija), the European Public Service Union and the Public Services International). The second largest *Lithuanian Trade Union Solidarumas* (Lietuvos profesinė sąjunga “Solidarumas”) also possibly represents few waste workers and is affiliated to the European Trade Union Confederation.

However, there is no official data on membership of the waste management workers in the above-mentioned trade unions. To our knowledge, there are at least one company, acting in the waste management sector, which is a member of the *Lithuanian Industry Trade Union Federation*. The *Lithuanian Federation of Public Service Unions* has several member unions in companies operating in NACE 36-37.

4.1. Challenges for organising employees

Trade unions in Lithuania were negatively affected by **a belief that they are a Soviet legacy**, leading to reluctance among workers to join them. This perception is still persistent. The organisations faced huge **challenges during privatisation processes**, losing members and attractiveness, experiencing leadership shortages. This also affected trade unions in the utilities and waste management sector. Another important factor – **a fragmentation of trade unions**: trade unions at company level dispersed into multiple centres, hindering significant progress in trade union growth.

Fear of job loss and income instability: trade union leaders may be reluctant to confront employers due to concerns about their own job security. This is very much relevant for organisations in remote regions and small cities. Thus, in the regions with small enterprises and smaller workforces, organising employees into trade unions is particularly challenging.

On the other hand, **sectoral organisations find it difficult to reach and motivate local trade unions** to join the sectoral organisations due to physical and technical constraints. While trade unions are present in almost all municipal service companies, their existence and influence in the private sector is uncertain.

4.2. Good practices for organising employees

In Lithuania, it has recently been observed that **the most successful practices in attracting trade union members are when collective agreements apply only to trade union members**. Employees then see the benefits of additional guarantees for union members and want to be covered too. This encourages them to join a trade union. Employees see that they are not only guaranteed material benefits, but also receive legal assistance, advice, etc. from their trade union. It is worth noting that such unions take the strict position that assistance will be provided only to union members: non-members are not provided with trade union help.

The interviewees also mentioned cases where employers themselves had a positive attitude towards the trade union, understood its meaning and even encouraged new employees to join the union. However, such positive attitude of employers towards trade unions is certainly not common in Lithuania.

4.3. Characteristics of employer representation

Some waste management companies are affiliated to industry associations representing different segments of the waste management industry (e.g., waste collection, recycling, disposal, municipal companies, private entities, etc.). Membership in these associations is not compulsory. The degree to which the associations or individual companies cover the whole industry is unclear.

Based on the Lithuanian legislation, the associations can negotiate and conclude sectoral collective agreements on behalf of their members. However, **motivation of the associations to participate in sectoral collective bargaining and to conclude agreements with trade union organisations is low**. Employers' associations claim they do not have mandate from their members to sign sectoral collective agreements.

Moreover, municipal employers are accountable to municipalities, which raises the question of whether each municipality will agree to provide funds to meet the needs set out in the agreements. The sufficiency of funds for the provisions of collective agreements is also called into question by the **strictly state-regulated and limited profit ceilings** of municipal enterprises.



5. COLLECTIVE BARGAINING AND OTHER FORMS OF SOCIAL DIALOGUE IN THE SECTOR – CHARACTERISTICS

According to the information, provided in the National Register of Collective Agreements, there are four currently valid collective agreements signed in companies with main activities in NACE 38. In total, these agreements cover approx. 900 employees or 10% of sectoral employees. However, these figures might not show the real situation, first, because not all valid collective agreements might be registered at the Register, second due the fact that waste workers usually are classified as public utility workers and work usually for public utility companies. It is therefore likely that collective agreements in companies, if they exist, cover all public utility workers, without excluding waste management workers. It is for the general conference of company's employees to decide whether the agreement applies to all employees of a specific company or only to trade union members. For example, according to the local union representative interviewed, a collective agreement only applies to union members in the company he represents.

Collective bargaining in the sector takes place mainly at local level, between the company's trade union and the employer. Collective bargaining at sectoral level does not take place due to the reluctance of employers to join employers' associations. And those who are in these organisations claim that they do not have the authority to negotiate on behalf of their members. Also, as mentioned above, there actually is no sectoral union representing waste management employees in particular.

Overall, social dialogue in the sector is ongoing and, according to the interviewees, is fairly smooth.

5.1. Content analysis of collective agreements

Four company-level collective agreements were selected for the content analysis of collective agreements: three agreements in force in municipal waste recycling companies and one – in a private company, all covering workers in different regions of Lithuania. Additionally, provisions of the National Collective Agreement were also analysed.

The analysis has shown that **the agreements in these companies only marginally improve workers' conditions compared with collective agreements in larger, privately-owned industrial companies, but this may be due to the tight regulation of municipal utility companies' tariffs and the cap on profits set by municipalities and the State price regulator.** On the one hand, such strict regulation is positive in terms of transparency and accountability to consumers, but on the other hand it limits the funds available for additional guarantees for employees under collective agreements.

Yet, some interviewees noted that even with limited options, **employees in companies with collective bargaining feel safer and are more loyal** than in companies without collective bargaining. Also, some employees say that it is very important for them to know that the agreements provide for clear and specific salary payment terms and conditions.

All the collective agreements analysed mostly provide for additional compensatory or vacation days for employees, depending on seniority, benefits for childbirth, marriage, funeral, etc. Also, considerable attention is paid to guarantees for employee safety, allocation of funds for leisure, sports, and additional benefits for vacations, incentives, specific guarantees for trade unions and the like. Yet, **there is a lack of special provisions for professional training, retraining, information and consultation procedures, better conditions for fixed-term employees**, which would be important in the context of waste management companies.

Only one collective agreement of a municipal waste management company defines some information and consultation procedures, e.g., that the employer undertakes to provide the union with all relevant information concerning the company's activities and the workforce by 1 April annually. **There is also a lack of clear provisions on procedures for wage increases or indexation.** Only one collective agreement in force in a municipal company determines some criteria for wage indexation: it provides for an annual review and indexation of wages at least equal to the inflation rate of the previous year.

On the other hand, the collective agreement of a private company has a clear system of wages, overtime work regulation and payment, equal opportunities policy and the procedure for its implementation, which are defined in the annexes of the agreement.

As of January 2024, **the National Collective Agreement** also covers part of the workers in the waste sector. This agreement is signed and discussed annually between the Minister for Social Security and Labour and representatives of national trade union centres. It is primarily applicable to employees in the public sector, but one specific provision also applies to members of trade unions in municipal utility companies: they are entitled to two additional days of paid leave for self-education.

It has been observed that trade union membership in companies covered by the National Collective Agreement has started to grow, as workers value the benefits they receive. This suggests that incentives on the part of the Government to promote social dialogue are necessary in strengthening workers' bargaining power.

5.2. Other forms of social dialogue

According to the Labour Code, in companies where the number of employees is 20 or more, but there is no trade union, a works council has to be established. However, in practice, **works councils tend to perform a more formal function rather than truly representing the interests of employees.** Moreover, the functions of works councils are limited to consultation and information provision. They do not have power to negotiate collective agreements with employers – such a mandate is held only by unions. So, it can be said that **if there is no trade union, there is no collective bargaining.**

Also, in most municipal utility companies, **occupational safety and health committees are established**, aiming to solve specific work safety problems and improve workers' safety at workplaces. These committees consist of employers and trade union representatives. Often a chairman of the trade union is elected to the committee.



Another important social dialogue mechanism is **the Tripartite Council of the Republic of Lithuania**. However, according to some interviewees, the problems of the waste management sector have not yet been discussed at the Council. This might be due to the lack of representativeness in sectoral trade unions as well as in employers' associations.

5.3. Impact of European sectoral social dialogue

The results of the interviews and the overview of the practical situation allow us to assume that representatives of employers and employees willingly gain experience in other European countries and cooperate with colleagues from other countries. Employers mention Italy and Scandinavian countries as an example to follow. Meanwhile, trade union representatives say that problems of the waste management sector are mostly examined in the context of utility services, through European umbrella organisations (e.g., EPSU, PSI, ETUC social dialogue committees).

Although there is enough of a good will to solve problems of the sector following good practice of other European countries, efforts are fragmented and **there is a lack of practical mechanism that would encourage the representatives of employers and trade unions to jointly search for specific solutions** by strengthening the involvement of employees in collective bargaining and improving social dialogue.

6. CONCLUSIONS AND RECOMMENDATIONS

The analysis of the waste management sector points at a need for the stakeholders **to jointly tackle current problems**, which are numerous and significant. After all, ageing and labour shortages will gradually create even greater challenges for companies in striving to provide sustainable, transparent, and environmentally friendly services, maintaining quality services in times of crisis, and implementing EU's policies.

It is important **to develop a sectoral social dialogue strategy**: establishing a platform for regular communication and collaboration between employer associations, trade unions, the Government, and municipalities; strengthening the role of the stakeholders by increasing membership in employer associations and encouraging trade unions to organise into sectoral organisations; setting a mechanism for negotiating sectoral collective agreement.

In the current context, the incentive to encourage employers to negotiate and conclude collective agreements with workers before there is awareness should come from the Government. A step in this direction has already been taken by signing the National Collective Agreement. However, it is necessary **to extend the provisions** of this collective agreement and **to set up incentives for private sector companies** to engage in social dialogue. For this purpose, it is important **to use the Tripartite Council mechanism** to raise sector-specific issues within the existing framework of national social dialogue.

„ *A sense of security and certainty means a lot to workers. Some choose to work for this company precisely because the collective agreement is firmly in place on pay, other guarantees. Even if the pay is lower than in other companies without a collective agreement,*” trade union’s representative.

„ *There is still a perception that waste management is a dirty job. It is rarely thought that workplaces have changed now, equipment and technology are constantly improving, so the workplaces are very different from those that existed decades ago,*” employers’ representative.