



# EMCC case studies

## Corporate social responsibility in managing the transition to a market economy: Eesti Põlevkivi Ltd

**Introduction**

**Company profile and regional context**

**Restructuring at EP and its impact**

**Success factors**

**References**

**Annex**



## Introduction

Eesti Põlevkivi Ltd (EP) is a state-owned company, primarily involved in oil shale mining in the Ida-Virumaa region of Estonia. Oil shale is a fossil fuel that can be burnt directly as a low-grade fuel for power generation or heating purposes, and can also be used as a raw material in the chemical and construction material industry. The depth of the oil shale stratum in the region extends from 10 metres in the north to 70 metres in the south. As a result, some oil shale is mined in open-cast mines, but in areas with a high concentration of population this is largely done in underground mining operations because of the environmental impact of open-cast mining.

EP has an annual turnover of 1.8 billion EEK (approximately €115 million). The company was established in 1920 and was, for many years, the largest employer in Estonia. It continues to have particular relevance for the Ida-Virumaa region as the largest employer, offering higher than average salaries for this part of Estonia and often employing entire ‘family dynasties’. In 1999, EP had 7,034 employees. Today, as a result of restructuring, this number has been reduced to 3,500.

The company’s regional context is significant. Ida-Virumaa is situated in the north-eastern part of Estonia, close to the Russian border. In the early 1990s, the region was dominated by heavy industry, orientated towards the markets of the former Soviet Union. As a result of this industrial heritage, Ida-Virumaa has for many years been the region with the highest unemployment in Estonia. In 1999, when EP started its restructuring programme, Estonia faced a significant economic downturn (the average unemployment rate in the country was 12.7% and 20.5% in the Ida-Virumaa region). By 2006, this situation had significantly improved (6.2% and 12.7% unemployment rate, respectively). Less than 20% of the region’s population are Estonians and about 70% are Russians. EP employees reflect this profile.

Restructuring at EP started in 1999 to address its fragmented, over-bureaucratic structure and legacy of overproduction, inherited from its Soviet past. The company sold its non-core businesses and dramatically reduced overcapacity by closing a number of its mines. Following the divestment of its non-core businesses, restructuring was effected through three key measures — early retirement and enhanced pension packages, staff relocation, and re-training.

The company had a collective agreement stipulating that employee representatives needed to be informed of any job losses or significant changes in working conditions. In the case of mine closures, employee representatives were informed one year in advance to allow for a closure plan to be agreed, setting out all available social benefits and other assistance measures. Cooperation between management and the trade unions is characterised by both sides to be extremely effective and cooperative.

In 1999, the company had a top-heavy age pyramid, with 1,135 workers already beyond state retirement age. The first job reductions were therefore relatively easy to negotiate and carry out. The company subsequently introduced an enhanced company early retirement pension scheme for workers from the age of 52 (the retirement age for miners), benefiting a further 521 workers.

For those workers not eligible for pension benefits, the next option considered for staff affected by the closure of mines was relocation to different sites. This was negotiated with the trade unions and on the basis of one-to-one consultations with each member of staff. The company considered it to be its corporate social responsibility to ensure that, where possible, no family was left without a ‘bread-winner’ or an alternative source of income. Individual skills and work experience were also taken into account and, where possible, equivalent jobs were offered. For some workers, it was not possible to find jobs at the same level, in which case they were given the choice of either accepting a lower level position or taking up a redundancy package. Approximately 458 workers benefited from the internal relocation scheme. For those for whom neither retirement nor relocation were an option, training courses were offered resulting from negotiations with the trade unions, individual consultations with staff and in cooperation with the Public Employment Services. These

measures, which benefited 403 workers, were funded by the company and the state, which relinquished part of the dividend it takes from EP's turnover. According to data from the local employment services, only 10 of the company's workers made redundant were subsequently affected by long-term unemployment.

## **Company profile and regional context**

Eesti Põlevkivi Ltd (EP) is a state-owned company, primarily involved in oil shale mining in the Ida-Virumaa region of Estonia. Its parent company is Eesti Energia, Estonia's state-owned energy company. EP consists of the parent company and three subsidiaries:

- Põlevkivi Kaevandamise AS (a mining company);
- Põlevkivi Raudtee Ltd (a railway enterprise);
- Onika Eesti OÜ (specialised in producing explosives — EP owns 35% of this enterprise).

A further subsidiary, Mäetehnika Ltd (a mining machinery enterprise), was sold on 31 March 2007.

The EP Group has an annual production turnover of 14 million tons and a financial turnover of 1.8 billion EEK (approximately €115 million). EP was established in 1920 and was, for many years, the largest employer in Estonia (with about 10,000 employees at its peak). The company continues to have particular relevance for the Ida-Virumaa region as the largest employer, offering higher than average salaries for this part of Estonia.

The regional context is significant in understanding the fortunes of the company. Ida-Virumaa is situated in the north-eastern part of Estonia, close to the Russian border. In the early 1990s, the region was dominated by heavy industry, orientated towards the markets of the former Soviet Union. Among the region's 173,000 inhabitants, Estonians are in a minority, making up only 20% of the population; about 71% are of Russian nationality and the rest are from other groups. Ida-Virumaa has for many years been the region with the highest unemployment in Estonia. In 1999, when EP started its restructuring programme, Estonia faced a significant economic downturn: the unemployment rate in the country was 12.7%, while it was as high as 20.5% in the Ida-Virumaa region. The situation worsened in 2000, when the unemployment rates rose to 14.2% and 21.6%, respectively. By 2006, this situation had significantly improved, with the Estonian average unemployment rate standing at 6.2% for the whole country and 12.7% in Ida-Virumaa. Relatively good transport links and the presence of larger towns encouraged a number of large companies to establish sites in the region (e.g. Narva Elekrijaamad, Silmet, Viru Keemiagrupp, Nitrofert). Small enterprises have also been established to supply these companies and tourism has been developed significantly. One of the examples of the enterprises benefiting from increased tourism is the Toila Spa Hotel, which belonged to EP until the late 1990s when it was sold (just one of the examples of the non-core businesses divested by EP during its restructuring).

Today, the EP Group has 3,500 employees. Of these, 19% are managers, specialists and company officials, and 81% are blue-collar employees. Rather typical of a mining operation, only 19% of staff are female (mainly working in administration and management) and 81% are men. Reflecting the ethnic make-up of the region, 19% of EP employees are Estonians and 81% are not of Estonian nationality — primarily Russian nationals. Importantly, EP has long had a tradition of being an 'employer for life', with many 'family dynasties' working for the company. Even today, annual employee turnover is only 2%. The company strongly emphasises internal employee development and rarely advertises vacancies externally, preferring to find suitable candidates internally or from among the families of existing workers. EP is also active in the community, for example, reinstating the annual 'Miners' Day' event in 2000 and lobbying for the establishment of Ida-Virumaa College.

*'We are forward-looking and even when we had to make redundancies in 1999, we first tried to find a suitable job for those affected inside the firm. We promote internal career paths and very seldom advertise externally, first considering whether there is someone suitable inside the firm or in the family of one of our workers. We have a lot of "dynasties" and are orientated towards the long-term employment relationship.'*

Anneliki Teelahk, HR Manager, Eesti Põlevkivi

## Restructuring at Eesti Põlevkivi and its impact

The restructuring process at Eesti Põlevkivi Ltd (EP) essentially started in 1999 in an effort to:

- improve the competitiveness of the company in the face of greater global competition;
- improve the effectiveness of its operations;
- improve product quality;
- move to 'just in time' mining operations to avoid lengthy storage;
- rationalise the operations of the company closer to its core activities.

EP was considered to be too fragmented with its 14 subsidiaries, many of which were not related to the core activities of the company but had their roots in the company's 'Soviet style' organisational past. For example, EP owned a Spa Hotel, cultural venues, summerhouses and summer camps, as well as a building and supplies company. Most of these operations were unprofitable and were sold as a first step in the restructuring process.

There was also a recognition by both the company and the trade unions that the company's historical and cultural management heritage had led to endemic problems of overproduction of oil shale at a time when demand for this product was declining. The company was also seen to have an overblown bureaucracy, which needed to be reduced to make the organisation profitable. The company's position was evident from the information contained in its annual reports, which have to be made public by law.

*'It was clear that the company had to become profitable and overproduction had to stop. We perfectly understood that it was necessary to restructure the firm. The company's previous director, dubbed by many "the king of oil shale", had been working at EP for a long time and found it difficult to lay people off that he had been working with for a long time. This led to the problem being prolonged. In 1999, a new manager came in with the task of restructuring the company and making it profitable.'*

Rein Tallerma, Labour Protection Chief Inspector, EPTAL

In order to address these issues, EP closed Tammiku and Sompma mines in 1999. In 2000, Sirgala and Narva pits were merged. In 2001, Kohtla mine was closed and from 2002 work ceased at Athme mine. In addition to mine closures, the company also divested four of its non-core operations (including Toila Spa Hotel and Põlevkivi Commerce and Construction Ltd, as well as its other leisure resorts), leaving only railways and mining technical support in addition to the core mining operations. No exact figures are available regarding what happened to the staff affected by the sale of these companies, but many of the businesses, particularly on the tourism side, continue to flourish and expand under new ownership today.

The rationalisation of operations led to a reduction in employment from 7,054 in September 1999 to 4,169 in October 2005. Since then, ongoing rationalisation has continued, reducing the workforce further — to the current 3,500 staff. In

recent years, staff reduction has been effected through natural wastage and individual terminations rather than collective redundancies.

### Individual measures

A number of different measures were implemented to reduce the level of employment while seeking to soften the blow on individuals and the local community, including:

- pension scheme entitlements, including incentives for early retirement;
- internal staff relocation;
- training and re-training schemes.

#### *1. Pension schemes and early retirement*

At the time when the major restructuring took place, a significant proportion of EP's workforce had already reached retirement age. However, a number of individuals had continued to work in order to earn extra money to complement their pensions. This affected the age pyramid of the company, with management keen to rebalance this in favour of younger workers. It also meant that, in the first phase of restructuring, it was easier to make decisions on redundancies since the company was able to shed 1,135 employees on regular retirement pensions. After this initial reduction, the company preferred to consider staff relocations or re-training as options before implementing further retirement schemes for workers approaching retirement age. (These relocation and re-training measures are described below.)

In July 2000, EP launched a company retirement scheme that complemented the state pension and ran until 2006. This was funded entirely by the company in recognition that although miners over the age of 52 are officially entitled to a state pension, this is relatively low (about 2,300-2,400 EEK or €147-€153 per month) and was considered to be inadequate to sustain a reasonable standard of living. The company scheme was developed in close cooperation with the Ministry of Social Affairs, the Ministry of Economic Affairs and the Ministry of Finance.

At first, EP was able to secure tax breaks to help with financing this measure, but these were later phased out, leaving the company to bear the full cost. The scheme was funded from budget reserves and cost the company 42 million EEK (about €2.7 million). An additional pension of 1,450 EEK (about €93) per month was provided between 2001 and 2006. This was initially offered to workers entitled to a state pension on favourable conditions and who were five years younger than the state pension age. The scheme was later widened to cover all those eligible for a state pension under favourable conditions. About 521 workers benefited from this scheme.

In order to prevent the early retirement scheme acting as a disincentive to finding new employment, the company decided to allow workers to receive these additional funds even if they did find a new job — to encourage job search.

One of the reasons for the scheme being discontinued in 2006 was that the company felt that with improvements in the economy and increases in the state pension, early retirement would no longer bring the same financial hardships as it had done in the past.

The greatest challenge experienced by the company in respect of the company pension scheme was to convince employees that they would receive this money, and would continue to receive it, even if they started new employment. It should be noted that for a number of employees, the redundancy package constituted better compensation than the retirement scheme and some employees therefore opted for this instead.

The company has now begun to experience skill shortages, as working conditions in the mines continue to be difficult and the economic development of the region has meant that workers are finding it easier to gain employment on similar salaries elsewhere.

## 2. Geographical relocation of workers

As mines were closed down, the company placed a strong emphasis on internal relocation to other mining sites. In January 2000, a special Commission was created with EPTAL (the union representing most of the staff at EP), tasked with the internal relocation of employees. The Commission consisted of representatives of the mine to be closed down, representatives of the potential receiving mines and the Human Resources (HR) department. When deciding which employees were to be allocated to new positions, not only individual skills and work experience were taken into consideration, but also individual social and family situations, for example, whether the spouse was working or not. Because of the importance of EP employment in the community and the involvement of whole 'family dynasties' with the company, the principle was that each family had to have at least one wage-earner. For example, if two members of a family were working for EP, only one was laid off; similarly, if a wife was not working, the husband was not to be made redundant. These consultations were organised on a one-to-one basis.

*'We sat down and prepared a list of all employees including their socio-economic characteristics, including age, income, family members and their status in the labour market. On the basis of these, we decided who should be made redundant following the principle that, first, those will be laid off who could have some other income such as old-age pensions on favourable conditions. Secondly, we tried to relocate as many employees as possible or offer re-training. This way, it was possible to carry out closures rather peacefully.'*

Rein Tallerma, Labour Protection Chief Inspector, EPTAL, and  
Anneliki Teelahk, HR Manager, Eesti Põlevkivi

It was also decided that if a receiving mine did not, in fact, require any (or as many) additional staff, it had to make proportionate reductions in its workforce, using the same principles. This meant that the special Commission also went through the full list of employees from the receiving site to decide on candidates for early retirement, re-training or, where necessary, redundancy. One of the greatest challenges was to overcome traditionally very low mobility. Individuals were so used to being in the same job for a long time that even a move to a different part of the company, without the need for geographical mobility, often proved daunting. Similarly, it was not always possible to allocate a job with exactly the same profile or salary. If additional training was required to make the switch, this was offered, but there was no financial compensation for taking a lower level job in order to keep pay scales intact. If an individual refused to make this switch, a redundancy package was offered.

All mines are located outside towns and some of them are geographically very close together, which meant that none of the employees were required to move house. EP provides transportation for its staff to different mines, so this aspect did not pose any problems. Individuals switching jobs to a different site were able to preserve all their length of service benefits with EP, which also acted as an incentive to stay. About 458 employees benefited from such internal relocation schemes.

## 3. Training and re-training for new jobs

Training and re-training measures were offered to all those who were not entitled to retirement and early retirement schemes. This particularly affected workers at Athme mine because there was no possibility of relocation and many workers were too young to benefit from early retirement schemes. The training and re-training programmes were designed with the help of the Labour Department of the Ministry of Social Affairs and an agreement setting out the conditions for cooperation was signed. They were also developed in close cooperation with the Public Employment Services (PES), with whom the company developed a good working relationship.

Workers were initially provided with individual counselling on career development. On the basis of these interviews, a personalised intervention was developed, which could consist of a mixture of vocational training and social adaptation courses (e.g. interpersonal skills, coping with change, job search skills). Participants were entitled to receive 36,000 EEK (about €2,300) training allowance for the whole year of the programme.

The total cost to the company of this intervention was 1 million EEK (about €63,911) in training programme costs (paid to the local PES since they did not have sufficient state funding and training needed to be organised quickly) and 22 million EEK (about €1.4 million) in training allowance, the cost of the latter being shared between the state and the company. The state assistance came in the form of the government refraining from taking its usual dividend from EP's turnover (about 14.3 million EEK or €914,000), which went a significant way towards financing the re-training programmes; the company covered the remainder of the cost. EU funding was not available at the time.

*'We did not have the possibility to use EU money during this time. In the end, the Public Employment Office started to write proposals for EU funding. They did receive some, but not much, and it was all extra work for them. We did a lot of work together and did not look at the time. As a result, we became very good partners ... EP paid 1 million EEK to the local employment office for re-training courses as they did not have the resources from central government and we needed to act quickly.'*

Anneliki Teelahk, HR Manager, Eesti Põlevkivi

*'We criticised the government rather than the employer for designing employment programmes which did not work. The government prepared four employment programmes for the Ida-Virumaa region, none of which became operational. We accused the government of leaving the employment problems of the region unsolved and therefore requested "reprisal" in the form of allocating some of the dividends paid by the company to the state to re-training schemes. This led to the cooperation agreement with the government on the re-training allowance.'*

The re-training measures, which benefited approximately 403 employees, were designed in consultation with trade union representatives and negotiated through a process of social dialogue and in consultation with local employment services to ensure that the training offered was appropriate for the requirements of the local labour market. These negotiated solutions proved very effective and were later transferred to other enterprises in the energy and transport sectors.

*The idea for re-training came from the Minister for Social Affairs at the time, Mr. Eiki Nestor. He talked and talked about the necessity for re-training, but at the time nobody knew what kind of re-training was needed. It is not wise to train people and then have no suitable jobs afterwards. We took hold of the idea of training, but said that we first needed to analyse the needs of the local labour market and then design training accordingly. Training was provided by the Public Employment Office, which bought courses from relevant providers. These courses were designed based on interviews with local employers who provided information on their requirements. Many people went into tourism, catering and other manual jobs.'*

Rein Tallerma, Labour Protection Chief Inspector, EPTAL

At first, it was difficult to overcome the fears of employees who had been used to a 'job for life', particularly in an economic environment that was proving difficult in the early 2000s. However, once workers started to find new jobs in other industries, this positive experience became public and the media helped to disseminate these 'good news stories', making workers more confident that there was a future either inside or outside EP. Then, individuals increasingly began to choose the re-training options. Some employers, such as Falck (a private security company), immediately offered jobs to former EP staff. Re-training was also offered to allow workers to find employment in the tourism, manufacturing and catering industries.

### Compensation packages

For those not willing (or able) to choose other options, financial compensation packages were available. According to Estonian law, there are a number of brackets of compensation levels, depending on the length of employment:

- up to 5 years: a payment equivalent to 2 months' salary;
- 5-10 years employment: a payment equivalent to 3 months' salary;
- more than 10 years: a payment equivalent to 4 months' salary.

Workers made redundant by EP received higher than statutory compensation (on average, the equivalent of 8 months' salary), financed by the company.

According to the local PES, only 10 of the workers made redundant subsequently registered as long-term unemployed.

### Employee information and consultation

At the time of the restructuring, EP had (and continues to have) a collective agreement stipulating that employees must be consulted about significant changes in employment and working practices. Every time a mine had to be closed, the Executive Board of EP informed employees and the media one year in advance of the closure. At this time, a 'closure plan' was developed, setting out the number and types of workers affected, and the social benefits and other measures available to those threatened with redundancy. A trade union representative, the chief trustee, is also involved in all regular management meetings in the company headquarters and then informs the trustees at various other sites of significant developments. Under the Estonian Employee Trustee Act, an employee trustee (or trustee) is an employee elected in a general meeting of the company's employees to represent employees. Where there are various sites or subsidiaries of a company, trustees can elect a chief trustee who organises the activities of the trustees and represents them vis-à-vis the management.

Positive social dialogue and cooperation was seen by both management and employee representatives to be a significant factor in the successful and peaceful implementation of the restructuring measures.

*'The only possible way to go through a restructuring process is hand in hand. There was no "steamroller" method used. We had a lot of heated discussions with management, but eventually we always sat down together and jointly agreed on the best solutions. The overall environment was friendly and cooperative. We searched for solutions together as there was a shared understanding that things could not go on as in the past.'*

Rein Tallerma, Labour Protection Chief Inspector, EPTAL

## Success factors

A number of factors allowed restructuring at Eesti Põlevkivi Ltd (EP) to be carried out in a successful and peaceful way, which was considered to be socially responsible by both the trade unions and company management. These factors included:

- a shared understanding by both parties of the challenges that faced the company and the required solutions, among them the selling-off of its non-core operations and the cessation of overproduction in order that the company might survive and become profitable;
- a strong sense of corporate social responsibility on the part of the company to the region (which was already disadvantaged in terms of employment opportunities) and to its employees, many of whom involved entire ‘family dynasties’;
- effective and positive collaboration between the company’s management, trade unions and the Public Employment Services. Despite any significant prior experience of carrying out large-scale restructuring, all parties developed a joint sense of ‘muddling through’, with the common, overarching goal of acting in the best interests of the workforce;
- as a state-owned enterprise, EP benefited from its public sector status in being able to negotiate with government a reduction in dividends taken out, which allowed for the funding of a significant part of the re-training programmes.

### 1. Shared understanding of the challenges facing the company and the required solutions

As indicated above in the quoted remarks from a trade union representative at EP, both management and trade unions recognised that in order to make the business profitable, overproduction needed to cease and the company had to divest itself of its loss-making, non-core operations in order for it, as well as them, to survive. The trade unions even recognised that because of the paternalistic nature of the previous managing director, who had been involved with oil shale mining and EP for a lifetime, necessary restructuring was held back until he had been replaced by a new managing director. For several years, attempts had been made to maintain over-employment by reducing working hours to ensure that livelihoods could be sustained. Later, there was a recognition that this only prolonged the inevitable and added to EP’s difficulties.

### 2. Strong sense of corporate social responsibility

There was an understanding in the company that as the largest employer in the region and also being a public sector organisation, EP was required to implement the restructuring process in a socially responsible way, even if it did make the process more prolonged and expensive. As an employer of a significant part of the local community — and indeed, several generations of the same families — the company considers relations with employees, former employees and the wider local community to be of great importance. This approach also springs from a strong tradition of offering lifetime employment, with a commitment to the internal development and promotion of staff. Besides being an employer, EP also maintains wider activities in the local community, including the organisation of the Annual Miners’ Day Barbecue and support for the establishment of Ida-Virumaa College.

This sense of social responsibility for the community led to a close cooperation with the trade unions and other local partners to ensure that the impact of the restructuring on families and individuals was minimised. Some of this approach could be seen to stem from the company’s ‘Soviet’ legacy. However, having said that, many other Estonian companies also had this legacy, but did not carry out their restructuring in a similarly socially responsible way. The approach developed by EP is seen to be the result of a particular commitment by its managers to their staff and a wish to see the community continue to thrive.

### 3. Effective and positive collaboration between the actors

Based on the joint understanding of the need for change and the company's commitment to carry out restructuring in a socially responsible way, it was possible to develop a strong and effective collaboration with the trade unions and other local partners, in particular the Public Employment Services. None of the parties had had any significant prior experience of dealing with large-scale restructuring, but the common goal of acting in the best interests of the workforce and the willingness to invest a lot of time to make the process work contributed to the implementation of an effective and peaceful, albeit emotional, restructuring plan.

*'Everything was innovative for us, especially training and re-training and the re-training allowance paid by us. Training was effective because it was organised in accordance with the needs of the local labour market and the wishes of individuals.'*

Rein Tallerma, Labour Protection Chief Inspector, EPTAL

*'I would not do anything differently, although today our approach would be more systematic because we already know what to do. At the time, we had no support systems available, neither public nor from the EU, and no good practice examples we could use ... The most important thing was that we had one common goal — to find the least harmful ways to our employees to carry out the restructuring by relocating and re-training them and finding social assistance programmes. We did not argue on that as there was a strong feeling of corporate social responsibility.'*

*'There is a good partnership with the trade unions ... Maybe we have such a good social dialogue today because we have been through such difficult times together.'*

Anneliki Teelahk, HR Manager, Eesti Põlevkivi

Although the company benefited from the fact that many of its staff at the time of restructuring were already working beyond retirement age, thus making the first tranche of job losses easier to decide upon, it is still notable that the main emphasis subsequently was on seeking opportunities for relocation and re-training for individual members of staff, rather than relying entirely on early retirement or voluntary redundancies. The attention paid to detail in making decisions on relocations is maybe unusual, but served to convince both parties of the employer's goodwill and allowed job reductions to be carried out in a way that would have the least negative impact on families and individuals in the local community.

Despite their relative lack of experience, all partners were keen to ensure that any training offered would reflect the requirements of the local labour market in order to avoid any disincentive effects arising from workers receiving training that would then not lead to employment opportunities. The role of the media was critical in this. In the beginning, workers threatened with redundancy strongly feared that they would not be able to find new employment and would not be able to adapt to their new conditions, having been used to a 'job for life' culture. At this time, the company experienced some criticism from the media, but this quickly changed when the first 'success stories' of employees being successfully reintegrated into the local labour market became public. In effect, the media later came to support the company's efforts in offering re-training by delivering a positive image of this process to the general public.

It is possible that former EP employees were more likely to accept relocation to lower paid functions (where no equivalent post was available) or re-training to occupations in potentially lower paid jobs because, at the time restructuring took place, the overall economic situation of the region was difficult. Thus, workers were happy to retain any form of employment. No formal assessment has been carried out on the wage levels and terms and conditions of workers in their positions after re-training, having left EP's employment.

It is testament to the positive and cooperative relations between the company and the trade unions that the latter reserved their criticism largely for the government, which they felt had let down the region by failing to provide for effective alternative economic and labour market strategies.

#### 4. The benefits of public sector status

Despite the criticisms levied against the government, particularly by the trade unions, it is clear that EP would have found it more difficult to obtain assistance with the funding of its re-training programmes had it not been for the possibility to negotiate with the government to claw back some of the dividend usually paid by the company to the state. It is unclear whether the same assistance would have been available to a private sector organisation.

## References

Joint project of the European Social Partner Organisations, *Study on restructuring in the new Member States: Estonia Country Dossier*, 2006. Available at: <http://www.erc-online.eu/content/default.asp?PageName=OpenFile&DocID=17788>

## Annex

### Individuals consulted

Name	Organisation	Position
Anneliki Teelahk	Eesti Põlevkivi	HR Manager
Rein Tallerma	EPTAL (Mine Workers' Trade Union)	Labour Protection Chief Inspector