COLONIZING LATVIA?
A Piece of Swedishness in the Forests of Talsi

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This article investigates the ways in which Latvian sawmill workers understand the effects of global capitalism in postsocialist Latvia, here represented by the establishment of a Swedish industry in the forest-rich region of Talsi. Technology, organization, language, culture, as well as “masters”, are imported specially from Sweden, and all are deemed necessary in order to make the plant competitive. The article is concluded with a discussion of how we shall understand this kind of colonization project with stability as an inbuilt goal in relation to a world economy that all the more builds on transitory relationships to places, as well as rapid movements across state borders. The article also problematizes the conceptualizations of postsocialist studies in relation to concepts such as postcolonialism, neocolonialism and neocapitalism.

Keywords: workers culture, global capitalism, neoliberalism, neocolonialism, Latvia

In 2002, under the heading “Entrepreneurs in the world, not just in Sweden,” the Swedish Trade Council described on their website the new global economic scene for Swedish entrepreneurs with ambitions to expand: “Now,” it was claimed, “is a time of internationalization.” The statement continued: “For you as an entrepreneur, this is a time of opportunities. Out there is now here at home. This provides you with new conditions to take your company where you want. (...) Now, it is markets and industries that decide, creating new business opportunities.”

Many companies have followed the rhetorical device that “out there is now here at home,” such that the rhetoric is now borne out in reality. Thus in other information publicized by the Swedish Trade Council from the same year, exact records were issued about the expansion of Swedish companies on the other side of the Baltic Sea – such as in Latvia. In Latvia at this time there were 240 Swedish companies, altogether employing 10,385 people. While the majority was small-scale companies, employing between 10 and 20 people, larger companies, such as the clothing labels Almina and Anastasia, now based in Riga, employ 900 and 740 respectively. In addition, this region plays host to a number of smaller subsidiaries of well known Swedish corporations, such as ABB, Ericsson, Skanska and Electrolux.

These figures tell the tale of an expansive flow of capital, machine parks and entrepreneurs over the Baltic Sea since 1991, the year of Latvia’s independence. One industry which, already early on in this process, was enticed by the hidden wealth in rural Latvia was the forest industry. The region of Talsi
was particularly attractive in this respect, since 55 percent of the total area of the region was woodland. Bergkvist-Insjön – a sawmill plant with its head office in the province of Dalarna, Sweden – was one such company, which, as early as 1995, began to explore the possibilities for a sawmill plant in Lauciene, a village located about ten kilometres east of the city of Talsi.

In an autobiography, in a chapter entitled “Adventures in the East” (author’s translation), one of the initiators, Ulf Bergkvist – the main owner and chairman of Bergkvist-Insjön – explains how it all began with a hunting trip to Estonia and Latvia in January 1993. Together with his sawmill colleague Karl Hedin and Lennart Daniels, an entrepreneur in the wood industry, Ulf was travelling on the forest roads hunting the skittish lynx (Bergkvist 2006). After a successful day for the band of would-be hunters, the organizer of the expedition, Daniels, exclaims: “Boys, this is precisely what I promised; an exciting lynx hunt in foreign lands. Furthermore, the outlays for this sort of expedition are, as you know, very low” (2006: 96).

The rendering the trip receives in Bergkvist’s autobiographical account is clearly inscribed in a classic colonial discourse. We meet “civilized” Europeans who during their hunting adventures in the Baltic “wilderness” not only encounter an excess of grouse, lynx and fox, but also human beings and countries in penury and deterioration, in need of Western solicitude, investment and expertise (cf. Domanski 2004). During the course of the journey the hunter’s gaze is successively replaced with the gaze of the businessman, who begins to see slumbering pecuniary possibilities in the midst of post-Soviet disorder. At the end of the chapter, Bergkvist summarizes his impressions thus:

We had seen the vast, partly untouched and unkempt forest resources. In our eyes, they appeared underutilized, neglected, but just as well with a wood quality which in many respects is similar to Sweden.

We had seen collapsed kolkhozy [a Russian form of collective farms] and old Soviet industry projects which were now left gray and deserted. (…) We had seen a whole lot of poverty, hardship and a population with a vast element of alcohol abuse. But we had also met hard-working and generous people with a strong belief in the future. (…) On our next trip, we were to penetrate deeper into the economic conditions surrounding forest values, local timber pricing, logging and shipping costs. (2006: 99)

The evaluation of these business opportunities was apparently successful; the building of the logging company Vika Wood would be initiated in 1995. But the site was not new in all respects; the sawmill building in Talsi was bound up with the fate of another plant: the establishment of the Latvian site was causally connected to the closure of existing premises in Sweden. In a written history of the company, to be found on the website of the Upplandian community Skyttorp, one could read:

**Skyttorp’s Saw and Carpentry Factory** (…) After the saw house had been burnt down on 1 March, 1987, a new and top modern sawmill was rebuilt on the same spot. After a new bankruptcy in 1991, the sawmill was bought by Domänverket in 1992, which subsequently sold it to Hebeda Trä [a company name, literally meaning ‘Hebeda wood’]. In the autumn of 1995 operations in the factory, which now has just over 20 people employed, will end, the sawmill will be dismantled and moved to Talsi, Latvia. The new name is Vika Wood.

Swedish sawmill technology, in the form of complete facilities, coupled with the know-how of Swedish entrepreneurship migrated overseas, taking possession of what was considered virgin land. This transfer was preceded by market calculations and risk analyses about wood quality, infrastructure and wage costs. But, for the Swedish entrepreneur, one unknown quantity remained: the Latvian workforce. There may have been the acknowledgement that the Latvians are generous and hard-working; still, the entrepreneurs asked themselves: how will they adjust to new social and economic conditions, how will they
manage the demands of a modern, capitalist industry, especially after decades of a communist-planned economy?

**Background, Aim and Methodology**

This specific case study is part of a larger everyday- and actor-oriented research project, which has as its primary focus transnational movements of capital, factories, commodity, services and workforce in the Baltic Sea area. Throughout this research process, I have investigated the ways in which, in different local and national contexts, industry workers both understand and cope with the new work-related conditions that have been instigated by processes of Europeanization and globalization, processes which, while doubtlessly economic, must be viewed in light of the development of new information and communication technology, and, politically, against the backdrop of the ideological hegemonization of neoliberalism (Castells 1996; Harvey 2005).

In a newly completed study, I discuss the personal accounts of vulnerability and insecurity, as they come to be experienced by the employees of Flextronics – a transnational corporation, which has manufacturing facilities in the Swedish towns of both Karlskrona and Visby (Lindqvist & Lindqvist 2008). Threats of relocation are ever present, sometimes drastically concretized by the wholesale closure of factories. It is a fate which, with the advent of the new millennium, was inflicted upon Flextronics in Visby. There, the workforce saw “their” production distributed to other branches within the corporation, but also to the national competitor in Karlskrona, as well as Gdansk in Poland, and to one of the corporation’s Hungarian facilities. It is for comparative purposes that the Flextronics study will be combined with the case of the sawmill in Talsi.

The aim of the present article is to critically assess the ways in which the effects of global capitalism in postsocialist Latvia are discussed and interpreted in the context of a Swedish sawmill company that uprooted and relocated to the forest-rich region of Talsi. The key question is, what is the character of such a project when viewed and evaluated from societal contexts with different historical, political and cultural conditions? What do these historical experiences mean for the employees’ ways of understanding the influx of foreign capital and Western knowledge, when the border opens towards a world outside of the Eastern bloc? Concomitantly, how do the Swedish entrepreneurs view both the investment and the Latvian workforce recruited for the purposes of production? To what extent is this foreign investment to be seen as some kind of neocolonialism?

Methodologically, the study belongs to the ethnographic tradition. The approach is qualitative, and the analysis is based on a number of narratives, all of which articulate the same phenomenon from different positions. The material from which this study draws consists of fifteen interviews, all with employees at Vika Wood, and all collected between the years of 2004 and 2005. The sample is not systematic; instead it consists of people in the areas of both production and management who on request were willing to participate in the study. The composition of informants is mixed. It includes both men and women of different ages, and all are ethnic Latvians. The interviews were conducted in Latvian and translated into Swedish. The length of the conversations – which took place in the workplace, cafés, or in the workers’ homes – varied between one and three hours. The quotes taken from the interviews, and which are used in this text, serve as examples so as to give an impression of some of the more dominant trends emerging out of the interview material. For reasons of limited space, the article does not allow particular attention to be paid to any specific variations within these broader trends. The analysis is also based on a longer interview with the Swedish CEO (conducted in March 2010), as well as other sources, including the CEO’s autobiography (published in 2006) and related narratives, as told through newspaper articles, relevant websites and other Internet data.

**Postsocialism and Global Capitalism**

This study can be positioned in the anthropological field of research that seeks to interrogate the effects of global capitalism on local class relations and the life situation of individuals (cf. Miller 1997;
and postsocialism easily lead to a kind of geographic, ethnographic and methodological isolationism (cf. Owczarzak 2009: 3). Boundaries that can prevent a broader understanding of the processes taking place in this part of the world are created. In this context, one can regard the dichotomy of East and West as convenient shorthand, left over from the days of the Cold War, one that is still central to how academic studies on societal transformation are both organized and understood. One effect of this discourse is that the talk of “societal transformation” refers to the East, while simultaneously the West is assigned the function of both, descriptively, the economic and political model and, normatively, the role model to which the East is compared and contrasted, and ultimately forced to conform. The relationship implies a hierarchization based on a difference in time and space; West represents the advance with which East has to play catch up (Hörschelmann 2002).

Katherine Verdery designates a way beyond this trope of in-contemporaneity, and in a way that transgresses the divide between the East and West. The point of departure for this perspective is her discussions concerning the possibility of applying postcolonial studies to the postsocialist context (1996, 2002). Analogous to the discussion on Orientalism – which Edward Said famously articulated – the East functions as the “Other” of the West. Thus, it is not just the colonies of the Third World but also socialism in the Second World that function as the constitutive outside in the construction of the “Western” (cf. Owczarzak 2009: 5). Verdery states that both postsocialism and postcolonialism have their foundation in the same historical time, that of the Cold War (2002: 18).10

Therefore, she proposes “post-Cold-War studies” as a term that links seemingly disparate regions like Africa and Eastern Europe in an analysis of the process of global capitalism. Moreover, and inspired here by postcolonial theory, Verdery makes a swift and meaningful turn by stating that the Cold War is not over; there is still reason to divide the world in a “West” and the “Rest”, which in the case of postsocialist studies discloses itself through an investigation into the transfer of Western institutions and


Considering the geographical and political context, this ethnographic research can also be placed within the broad field of postsocialist studies. This field of scholarship acknowledges the necessity of understanding overarching theories about “the transition” in relation to the social practices and constructions of meaning of everyday life (cf. Burawoy & Verdery 1999; Hann 2002). On the quotidian level, “the transition” is rarely a simple and one-dimensional path from one economic-political system to another. When a study takes its starting point at the locus of single places and individuals it soon becomes clear that there are radically different ways in which postsocialist change is lived, experienced and interpreted. The strength of this perspective is that it shows how specific places, depending on their local history, follow different paths in the way of approaching and dealing with this profound transformation. The multiplicity of specific conditions function as tools to articulate contemporary everyday practices, in a situation of uncertainty, where the past is interwoven with the future (Kalb 2002: 323). The transformation never entails a simple break with the past, nor is it the case that the future is eminently predictable (Hörschelmann & Stenning 2008: 345).

In parallel with this broad research, a rather animated debate has ensued over whether the concept of postsocialism is a suitable umbrella term for studies conducted within the Eastern bloc. David A. Kideckel has remarked that it is a peculiar term, since it defines societies as what they are not, rather than what they are (2002: 115) – a discussion to which I wish to return at the end of the article. Another problem is that the concept of postsocialism homogenizes an expansive area of land that in reality is heterogeneous in relation to the differing developmental paths that each state has taken, a relationship that not least anthropological studies have been able to confirm. It has also been pointed out that terms like socialism and postcapitalism easily lead to a kind of geographic, ethnographic and methodological isolationism (cf. Owczarzak 2009: 3). Boundaries that can prevent a broader understanding of the processes taking place in this part of the world are created. In this context, one can regard the dichotomy of East and West as convenient shorthand, left over from the days of the Cold War, one that is still central to how academic studies on societal transformation are both organized and understood. One effect of this discourse is that the talk of “societal transformation” refers to the East, while simultaneously the West is assigned the function of both, descriptively, the economic and political model and, normatively, the role model to which the East is compared and contrasted, and ultimately forced to conform. The relationship implies a hierarchization based on a difference in time and space; West represents the advance with which East has to play catch up (Hörschelmann 2002).

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know-how to the states of the former Eastern Bloc, a kind of research that enriches the general knowledge of neocolonial processes (2002: 19). Don Kalb assents to this description, adding that the Cold War has only changed character. Gone is the obsession with conventional territorial conquest and border control. Such strategies have been replaced with more sophisticated forms of institutional and cultural warfare (2002: 324). Nina Glick Schiller sees in finance capitalism such a neocolonial form that gives dominant states power over others, without recourse to any military occupation or direct colonization. Rather, neocolonial strategies often appear in supposedly humanitarian and altruistic forms such as loans, investments and aid activities (cf. Hassler 2003: 191). According to Glick Schiller, it is important to reintroduce a discussion of politics and power inequalities between states into the field of transnational studies and globalization (2006: 9–10).

So as to reconnect these general thoughts back to the present study, the thoughts of Verdery, Kalb, Glick Schiller, amongst others, should serve as a warning to us, namely that such attention to cultural, social and historical specificity, should not obscure certain similarities between general tendencies of neocolonialism in operation in the present conjuncture and, for our purposes, the relation that exists between Sweden and Latvia. As a consequence of the end of the Cold War and the entry of post-communist states into the European Union – as well as the international trade of capital and commodities – countries like Sweden and Latvia are today subjected to similar forces in relation to economic globalization. Up until the financial crisis in 2009, Latvia constituted an attractive country for foreign investment. The speed of reform in a neoliberal direction was notable, also within a global comparative framework. In 2005, under the euphemistically edged criterion of “ease-of-doing-business”, the World Bank ranked the Latvian state in 26th place (of 150) (Woolfson 2008: 80).¹¹

Other similarities hold, however. Both countries are currently located in a political, economic and cultural hinterland, caught within the indeterminate time of the “post-“. After strong national borders and strict state control of the economy – which is to say, in the case of Sweden, after the golden age of the welfare state and, in the case of Latvia, after the Soviet communist regime. The effects of postsocialism on Sweden are clear, none more so than in terms of its ideological drift; the socialist line, which, for so long, the Swedish social democrats tacked, lost both direction and momentum in the 1980s, during which time neoliberal ideas began to gain ground within the movement (cf. Harvey 2007: 23). This neoliberal advance in the West, later conjoined with the postcommunist era in Eastern Europe, has contributed to its vicelike hegemonic grip, strangling all political alternatives (socialism or any other economic model) as live possibilities.

The Good Father

A palpable difference between the Swedish electrical fitters employed by Flextronics and Latvian sawmill workers at Vika Wood is that the latter express very few complaints about the course development has taken after national independence and Latvia’s subsequent economic integration as a free market economy. They claim to be pleased with the working environment, the management, wages, colleagues etc. – with life in general. They regard themselves as subordinates in what is otherwise a positive cumulative process, in which everything is always-already improving – a common trope which hearkens back to the modernist narrative of progress. What gives these workers a sense of security and belief in the future is, however, neither the significance of Latvia’s regained independence, nor the fact that, since 2004, the country has been a member of the European Union. Most of them may have voted for EU membership, but mainly because they felt there was no alternative. When the topic is broached in conversation, concern is raised about the dangers of being swallowed up by a new empire, so soon after the gaining of national political independence. When, on the other hand, they speak in favour of EU integration, the justification is couched in terms of national security, namely protection from the perceived threat coming from its neighbour in the East (Jfr Herd & Löfgren 2001).
If it is neither a pride in national sovereignty nor unity in an integrated Europe that explains the sense of confidence experienced amongst Latvian workers, then it is because this confidence has another source: the newly established, foreign-owned companies that have taken root there since Latvia opened its borders to Europe and the Western world. One of them is Vika Wood, of which 60 percent was owned by Swedish capital interests, with the remaining 40 percent belonging to the Finnish trading house Thomesto (Bergkvist 2006: 103). The Swedish ownership was particularly active, because the operations in Lauciene were to a great extent directed from its parent company in Insjön, Sweden.

Ivars Grintals, who works at Vika Wood, gives voice to a general attitude about the company, when he remarks:

the best wages in all of Kurland, you have at Vika. The best workplace – nothing like it exists elsewhere. If Vika Wood did not exist, I would still have worked in the slaughter house.

Vika Wood is the type of company that emerged as a direct consequence of economic globalization – of free trade and open borders, a free market economy which seems to have taken over from the Soviet state like a kind of people’s protector, a guardian of the people. The new Latvian state has, in accordance with neoliberal overtures, prescribed that politics be divorced from economics, and that politics have a more obscure role in the daily life of its citizens. In such an ideological climate, the political task of the state is restricted to ensure that the private right to ownership, the free market and free trade is guaranteed (Harvey 2005: 2), which paradoxically demonstrates that, in practice, the market economy cannot work without political intervention (Venn 2009: 212). There is then, even if exponents of neoliberalism would disavow it, an intimate relation between individual sovereignty and legislative authority which carries on unabated in the transition from the Soviet model to the present consolidation of a market-based democracy.

But let us move away from a principled likeness to an evaluation of the two alternatives. When one listens to the narratives of the sawmill workers about the many advantages of Vika Wood, one gets the impression that a “bad” patriarch has left the room, only to be replaced with a “good” one. To speak with Katherine Verdery, one could say that “socialist paternalism” (1993: 39) has simply been replaced with a neocapitalist one. All companies are of course not of the exemplary kind. On the contrary, there are quite a few “bad fathers” left in the region; for example in the form of the slaughter house, of which Grintals reminds us in the aforementioned quote. A telling fact is that the foreign-owned companies appear to have immunity from such characterizations. Indeed, very often the working conditions experienced during the Soviet era are used as a convenient foil with which to contrast the “new” and “ideal” conditions described. Such is the case with Grintals when he recollects:

In those days there were kolkhozy, they just shouted at you, pressured you, always. But here there is no boss shouting at you. You do your job and everything is perfect … I cannot find words to describe our management … if you so woke me up in the middle of the night, I would say that it is the best management you can get.

Grintals’ recollection plays on classical patriarchal relationships. First, the cruel master is described as the one who (through his intermediary) barks orders at his subjects; thereafter the benign master is installed, reigning with a gentle hand. Here also are exhibited the typical elements of deference and humility.

The Swedish Model

The Swedish-owned company appears to have found loyalty, order and discipline from the employees on a mode of thinking which builds on friendliness, honesty and care. By examining the details as to how specifically the working conditions are organized at Vika Wood (both inside and outside of the workplace), it is possible to see an attempt by the owners to implement parts of what is often referred
This process extended far beyond the bounds of the local population, not directly engaged in the activities at Vika Wood. This meant the Latvian workers would imbue and live their lives through Swedish cultural practices. It was no longer sufficient to show competence qua sawmill worker; rather, the model of the ideal worker in this case was constituted through a set of ethnic attributes and socially embedded practices. By speaking Swedish, by thinking and practising “Swedishness”, but moreover by taking heed of the advice proffered by his “Swedish” counterpart, in order to internalize his working practices to the highest possible degree – it was argued that, on these bases, the project on the other side of the Baltic Sea would have an improved chance of profitability. By internalizing a “Swedish” work ethic – in terms of professional integrity and other everyday behaviour – the Latvian workers were expected to become culturally competent as producers in a capitalist economy. Daphne Berdahl writes in a similar vein about the experiences of Eastern Germans who, after the integration into the united Germany, were imagined to suffer from a lack of cultural competence as consumers in a market economy, and which therefore called for intense “enlightening” activities (2005).

However, education in the Swedish language was not just to be carried out in Insjön. In the town of Talsi, and the village Lauciene also, courses were arranged for parts of the local population, not directly engaged in the activities at Vika Wood. This meant a significant part of people living in the region being conversant, to a greater and lesser degree, in Swedish. This active construction (this “Swedish-making”) extended, then, far beyond the bounds of the

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14 In nuce, such a model builds on a will to compromise, on a peaceful coexistence between both parties of the employer–employee relation. It carries with it an idea that only social welfare can guarantee high productivity which will be of mutual advantage for work and capital, for worker and capitalist alike. At bottom, there is an investment in an idea of shared social responsibility (see Hort 1994). This is teeming with cultural significance. At stake is an attempt to form and shape the Latvian workforce in accordance with Swedish norms, habits and recommendations, adjudged to be conducive to high productivity. The region is thus not merely penetrated economically, but culturally.

We get a better picture of this process if we study the Vika Wood’s website. It says the company’s goal is to produce sawn goods of Scandinavian standard (which implies high standard, indirectly inferring that the Latvian standard is of lesser quality). With regards to drying, measurements and shipment we are informed that “this will be accomplished through experience and knowledge from Swedish owned sawmills to the local work force, both blue and white.”15 Under the heading “History” one can further read that this transfer of Swedish technology and knowledge already began two years before the production started in 1997. The building may have commenced in 1995 and continued in 1996. But the actual construction of the site was, at the same time, combined with “training people in the parent company in Sweden.”16

It was not considered possible to induct the would-be Latvian workforce in Talsi into new employment practices. The presumptive employees were initially recruited through a rigorous selection process, which, according to information from the Swedish owner, was intended first and foremost to weed out the ones adjudged to be suffering from alcohol problems. Here we encounter a common part of a Western colonial discourse, namely the portrayal of the “Others” in the East as bearers of bad habits, idleness and lack of self-discipline (Buchowski 2006). Those who passed the test were sent to the parent company in Sweden, located next to the river Dalälven in the village of Insjön. But the intention was wider than merely a conveyance of the requisite technological skills needed for modern timber production at Bergkvist-Insjön. The 35 selected (more or less) workers were placed in separate houses and flats in the village, with the expectation that they would live and partake in community life for about a year. In these surroundings, the Latvian workers would acquire a proficiency in Swedish; this they would achieve through socializing with the locals. But, also, through being encouraged to participate as an active member of the community – like for example the celebration of Midsummer and rowing contests on Dalälven – it was hoped that the Latvian workers would imbue and live their lives through Swedish cultural practices. It was no longer sufficient to show competence qua sawmill worker; rather, the model of the ideal worker in this case was constituted through a set of ethnic attributes and socially embedded practices. By speaking Swedish, by thinking and practising “Swedishness”, but moreover by taking heed of the advice proffered by his “Swedish” counterpart, in order to internalize his working practices to the highest possible degree – it was argued that, on these bases, the project on the other side of the Baltic Sea would have an improved chance of profitability. By internalizing a “Swedish” work ethic – in terms of professional integrity and other everyday behaviour – the Latvian workers were expected to become culturally competent as producers in a capitalist economy. Daphne Berdahl writes in a similar vein about the experiences of Eastern Germans who, after the integration into the united Germany, were imagined to suffer from a lack of cultural competence as consumers in a market economy, and which therefore called for intense “enlightening” activities (2005).

Ethnologia Europaea 41:2
http://www.mtp.hum.ku.dk/details.asp?eln=300304
immediate and proximal needs of the company.

The production manager at Vika Wood speaks excellent Swedish, not least because he must liaise with his Swedish superior on the phone several times a day. During these phone calls, the problems that invariably stem the flow of production are discussed. This indelible presence of “Swedishness” in Vika Wood’s daily activities is further compounded by the fact that a Swedish contact is a frequent guest at the sawmill. Therefore, while the day-to-day management is left to the Latvian workforce, this is only nominally the case; rather, an atmosphere of constant monitoring shows up the ever-presence of Swedish expertise, even when physically absent. In this way, the geographical distance between the headquarters in Sweden and the subsidiary in Latvia is bridged. Swedish dominance, in the form of ownership and leadership (and a presumably higher knowledge capital), is thereby ensured, consistently redrawn and reiterated via representative contact and scrupulous monitoring.

But the Latvian workers are the first to draw out the positives. For them, this cultural presence shows itself not as needless meddling but as a sign of a sincere interest in the well-being of its employees. After all, the owners pay relatively high wages, social security contributions and see to it that the state cash in the regulated taxes. The interviewees were thus of the persuasion that this kind of felicitous behaviour towards both employees and the state was an exception and not the rule. As Girts Kierpe says:

This company gives us more than what the state gives. We have a card, which means that the company has insured us. If you need, for example, a quick surgical treatment you can use this card …

Another interesting imprint of the symbolic significance of “Swedishness” derives from the name given to the Latvian sawmill. “Vika” in Vika Wood is the name of a small village in the middle of Dalarna. Similar to the previously mentioned Skyttorps Sågverk (Skyttorp’s Sawmill), and Toftans Sågverk, Vika Vimo Sågverk belonged to one of the three industries bought up and closed down in accord with the business plan that made possible the financing of the company’s relocation to Latvia (Bergkvist 2006: 103). The name of Vika followed the new subsidiary as a reminder of its national and regional origins. Since Dalarna is often characterized as the most genuine Swedish province in the kingdom, the choice of name is laden with particularly strong national connotations. The name operates as a signifier which marks the land and buildings as being the propriety of Sweden (Frykman & Löfgren 1987). This might seem obvious; nonetheless, it is still worth noting that the naming was a particular concern for the foreign owners, a matter over which the population of Talsi did not exercise any influence.

No Union, Please
The strong union tradition – arguably a central element in the Swedish model – has been entirely absent in the cultural transmission process at Vika Wood. Trade unionism has undoubtedly buttressed a strong social democratic heritage, playing a formative role in the shaping of the identity of modern Sweden. Even if the impact of the unions has decreased over the last decades (an attrition resulting from increased individualization, privatization, flexibility and decentralization), the prevailing norm is still that each wage worker is a member or should hold union membership (Sverke & Hellgren 2002). While the union movement in Sweden has lost members in recent restructurings of its economy, Sweden’s level of organization remains comparatively high (Andersen 2006; Kjellberg 2009).

Here, though, a certain limit is reached as to how far entrepreneurs are willing to transpose the Swedish model onto their foreign investments. The sawmill workers at Vika Wood are surprised, not to say slightly shocked, when asked about the absence of union recognition in their workplace. They readily seek to reassure how they have everything they could possibly need; why, they say, “rock the boat” by broaching such a demand with their benign employers? It is clear that on their visits to Sweden – where they were schooled in the skills of the trade by Swedish colleagues – no thoughts were given with respect to the long-standing relations between unions and
companies in Swedish society. Whether the reason was due to a relatively low level of union consciousness among the employees at Insjön, or, alternatively, if the local union deliberately avoided any form of engagement, it would be improper to conjecture. All in all, not many references were made to the Swedish workers who acted as supervisors during their time at Insjön. Nor, for that matter, were the workers forthcoming when it came to talking about their social involvement in the village.

It is obvious that the actor steering the process of establishing a Swedish industrial project in the woods of Talsi is the band of entrepreneurs, investors and company leaders. Only this side of the two dominating parties within the Swedish job market has had direct influence over the regulations and principles upon which relations between employer and employees at Vika Wood have been founded. In Sweden, due to a strong, collectively mobilized counterforce, employers were often pushed into a politics of compromise. However, this was not the case in Latvia. Such a situation afforded businesses the opportunity to create a little home out-there, on foreign shores – at least, as the party of the employer would have us see it – all the while sifting through the traditions and practices of Sweden that did not altogether fit with their neoliberal worldview. One could say that the work practices installed at Vika Wood were predicated on a neoliberal utopia, namely a society based on free entrepreneurship with minimal political intervention. It was an ideal that could find its realization only outside of the borders of Sweden; indeed, as the research of the sociologist Charles Woolfson testifies, Latvia soon became the ideal country in this respect (Woolfson 2008).

The unions, that other potent actor in Swedish political and economic life, have not taken any active part in this adventure of colonization. Judging from what has taken place historically, it seems as though the political obligation of the enshrinement of workers’ rights have to a greater extent coincided with the borders of the nation state.19 Seemingly the right of economic migrancy has its limits, after all. When the borders towards the East opened, the economic elite may have seen business opportunities flourish. But, for the unions it has mostly entailed a threat to the livelihood of its members. Economic globalization carries the real risk that the strong gains made by the Swedish workers movement during the twentieth century in securing advantageous working conditions might be unceremoniously rolled back. Founded on my own study about Flextronics workers in Sweden, workers’ concerns about the opening towards the East often return to an anxiety about wage dumping and unemployment (Lindqvist & Lindqvist 2008; Lindqvist 2010). An illuminating example in this regard, which coveted much attention internationally, was the so-called “Vaxholm conflict”. Here, a Latvian building company responsible for building a school in Vaxholm, a city in Sweden, was said to pay substantially lower salaries to its Latvian workforce than the negotiated minimum wages secured for Swedish builders (Woolfson & Sommers 2006; Picard 2008).

But even if the union movement had taken a more active part in the establishment of this Swedish-owned company in Latvia, by applying more pressure for union recognition, the successes of such an intervention are far from guaranteed. One cannot underestimate the prevailing paternalistic attitudes harboured by many of the Latvian sawmill workers. In interviews, it becomes obvious that they do not associate unions as a natural element in market-economic relations. As has been illustrated by a great deal of research in the area, the union is rather an institution associated with the communist-planned economy and, by implication, is articulated with the oppression of the Soviet era (see Kubicek 2004; Bohle 2006; Ost 2009).

It is in this context that we can introduce a movement tending in the opposite direction to capital flows and investment paths. Such a movement does not concern capital and machines, but the free movement of people. We are introduced to the economic migrant, who, as a consequence of unemployment and hardship in the home country, offers his or her services for relatively low prices in Western countries such as Sweden (cf. Eglitis & Lace 2009). Such is the case with the Vaxholm example cited above. The corollary is that the denomination of “low costs”,...
about which entrepreneurs and investors enthuse as the capital advantage of placing production in the Baltic States, has begun to gain currency within Swedish businesses.

The Gathering Clouds

Even if the sawmill workers at Vika Wood claim to be very pleased with the working conditions within the foreign-owned company, they are, at the same time, not unconscious of the fact that Europeanization and economic globalization have their less salubrious effects. One can catch a glimpse of such reticence and resistances in conversations. There are also signs and events in geographically neighbouring regions, showing that the conditions for business and work in the Baltic States are not too dissimilar to Sweden. Robert Matisons, who is also employed at Vika Wood, explains how there is currently a shortage of wood, which means that there are fewer working hours than usual at the plant. In his words:

There has been talk about importing wood from Belarus, but no wood arrives. There are a few sawmills that have moved to Belarus since the government of Belarus does not allow wood to be exported out of the country. Then they moved the production to Belarus – companies which have the same type of production as Vika Wood...

Matisons realizes that the destiny of other sawmill workers in Latvia could also affect him. “The move of production” is a phenomenon of intimidation equally true here as it is for the Swedish electrical fitters working at Flextronics – a company which lacks a home country and thus has no duties towards any locality where it sets up its site for commerce. Matisons’ hopes for the future is that Vika Wood shall stay in the country until he himself retires, an event scheduled in ten years. It is noteworthy that he speaks of ten years. The board chairman, Ulf Bergkvist, says in an interview for the Swedish local paper Dalademokraten in 2004 (April 13) that the investments in the Baltic states are presently very profitable and that he expects the good times to last for a further ten to fifteen years. In that statement one can forebode that the Bergkvist-Insjön’s possession of Talsi is seen as temporary, interesting only for as long as the venture is “profitable”.

But the threat to (relative) welfare does not come from the volatility of foreign capital. The logic of the game of the market is to be followed, not questioned. The strangers who are feared and blamed are rather workers from abroad who are prepared to sell their labour-power for a lower price than the Latvians will accept. Robert Matisons speaks of those who always intrude “us Latvians”, at the present not the Russian masters, but now, as a consequence of globalization and European integration, people who are festooned with the label “economic refugees”. Turks are mentioned as an example, with the addition: They come here and want to work at Vika Wood and they do it cheaper.

This talk is pretty remarkable, since the interviewer also hears the views of many Latvians who now work abroad, both inside and outside of the European Union, for example in Norway, Ireland, Germany, Sweden, Hungary et cetera. As the case of the conflict in Vaxholm shows, the Eastern European workforce is attractive on the Western European job market, since they usually work for lower wages compared to the domestic workforce. But such cases are not spoken of as “economic refugees” – even if it would be justifiable to say so, considering the problems of unemployment and poverty with which Latvia is presently struggling (cf. Eglitis & Lace 2009). So, the motif for this migration to “abroad” is similar to the wishes of the workers in the Talsi region to gain employment in the foreign-owned Vika Wood. In this connection, one can possibly speak of an inner and an outer migration with the common aim, via abroad, to reach welfare and security in a working situation which is equivalent to the one the workers think exists in the West.

In this view of economic migrants, there is, across the Baltic Sea, agreement. Workers on both sides relate to the same discourse on the relationship between national territory and “refugees”. It appears as if the volatility of capital and work becomes visible and possible to question only when it takes the form of the “foreign worker”. This attitude relates to
a customary strand of thought within the workers movement, namely to perceive “outsiders” as potential threats, as with “strike breakers”, in the initial stage of a strike (Pajares 2008).

**Conclusion**

As previously mentioned it was half a decade since I undertook the fieldwork for this study. Considering the rapidity of movement and rearrangements of capital and machine parks in the global order, which David Harvey has called the order of “flexible accumulation” (1989), it is fair to presume that many significant events, directly or indirectly impacting on Vika Wood, have taken place. As I mentioned earlier, Ulf Bergkvist’s more or less explicit intention was for the Swedish engagement with Vika Wood to endure for a further ten to fifteen years. But interest cooled far earlier. Already three years subsequently, the Swedish capital stakeholders had left Vika Wood.22 The reason, published in *Falu Kuriren* in 2006 (September 21), was indicated by Bergkvist as part of a new “business strategy”. Henceforth, the company would concentrate its efforts on the home market. That, in reality, the reason was limited to issues of profitability does not appear likely, considering what is declared in the historiographic note on its website about the good and positive ways in which the company has developed.

The prompt decampment from Talsi was not particularly surprising considering the rapid mobility which generally prevails on the transnational finance and business markets. A company that fits well into that turbulence is the telecom corporation Flextronics, which I have investigated in a parallel study. Flextronics does not have a home country. It moves from place to place over the world; the choice of location for manufacturing is solely steered by questions of profitability. If it is considered advantageous for the company as a whole, facilities can swiftly be liquidated and new ones erected in presently more lucrative locations (Lindqvist & Lindqvist 2008).

But in the example regarding the Swedish-owned Vika Wood in Latvia there is something which appears irrational from a strictly profit-maximizing perspective, particularly when one considers that the activities were divested when the sawmill had advanced to be the largest one in Latvia.23 If flexibility, risk management, and the importance of avoiding territorial duties are the watchwords within late modern transboundary capitalism, then why this drive to possess Latvian ground and Latvian minds? Why such an emphasis on draping the project in “Swedishness”? Why establish such strong, emotional ties between Swedes and Latvians, through, amongst other things, a year-long stay for the prospective workforce in the village of the Swedish headquarters?

There is a difference between Flextronics and Bergkvist-Insjön to which one must pay attention. In the first case, we are dealing with a transnational corporation which lacks territorial anchorage,24 while in the latter case we are dealing with a relatively small company with a clear regional and national residence. The conditions for transnational industry establishments differ by the way in which the latter company’s establishment of Vika Wood in Latvia is seen as a national extension of a mother activity with a solid national anchorage. The conditions for transnational industry establishments differ by the way in which the latter company’s establishment of Vika Wood in Latvia is seen as a national extension of a mother activity with a solid national anchorage. The sawmill on the other side of the Baltic Sea can, for that reason, be regarded as an economic supplement to an activity which is perceived as Swedish – regardless of which national soil may serve these genuine Swedish business interests. The Swedish-making-process is, from that perspective, an unreflected way of legitimating this circumstance.

Another possible explanation has its ground in the specific societal context in which the establishing takes place. In brief, such an explanation would amount to emphasizing the strength which the construction of sameness demands in a reality which until recently has been deeply penetrated by a political and economical system that demands the maintenance of another type of subject. So, at the same time as the Latvians were conceived as ideal for a market-economy production by not being union organized, culturally they were perceived as not yet properly equipped for functioning effectively in a profit maximizing organization. The Swedish-making was, from this vantage point, a way of transferring individuals who were socialized in a planned
economic system over to a mentality, a life style and a work ethic that was presumed to make, in a climate of global competition, Vika Wood a successful company. Thus a colonial discourse intersected with nationalism, since parts of the Swedish model and everyday culture were utilized as an instrument for first deculturation, then neoliberal acculturation.

Neocolonialism is a suitable concept to describe transnational processes of this kind. It is a type of colonialism that is more difficult to distinguish than its classic counterpart, since it, as previously mentioned, occurs with neither elements of violence nor any clear state intervention. “The transition” is, in this regard, seen as the path to “normalization”. David Kideckel is, as I previously mentioned, critical against the concept of postsocialism, since it obscures what this normalization process is really about, namely an unreflective attitude towards a specific form of capitalism. He means that the problem is not that the development is too slow, but too fast; not too little capitalism but too much. Neocolonialism is Kideckel’s term for this variant, and which, with regards to social inequalities and class differences, far exceeds its Euro-American form (2002: 115). Without a strong middle-class and any durable democratic traditions, the gap between elite and underclass is extensive. One can assume that such a variant generates different forms of resistance than those we find in Western societies. To use Karl Polanyi’s model, the East is (still) missing the double movement, that is, a strongly organized societal defence, so as to counteract the negative effects of a self-regulated capitalism ([1994]2002: 155ff.). The form of capitalism that people in the former Eastern Bloc were confronted with in the early 1990s was not perceived as a neoliberal modification, but capitalism per se. There was, therefore, and “ideally speaking”, no room for any form of political regulation. A strong individualism was coupled with an equally strong anticollectivist trend. Against that background, it is not difficult to understand the lukewarm reception to unions that appears in the interview material. It is not a matter of lacking enlightenment from the West, but more about the prevailing circumstances that seem not to make possible countermovements that one would often associate with forms of resistance in the West. The sawmill workers’ general talk of the working conditions at Vika Wood shall therefore not be understood as a sign of neither complacency nor ignorance, but as a rather logical reaction in a state where a new colonial power – with the same force, but different means – has changed the tribune. The appreciative talk used by those interviewed should also be seen in relation to people who, in having past experiences of dictatorship, are perhaps more inclined to be compliant when somebody, who they might perceive as a representative of the new power, begins asking questions.

“The Cold War is not over; its influence is felt even now,” writes Katherine Verdery in a discussion on how else one can understand the political and scientific interest in “privatization”, “marketization” and “democratization” imposed on the ex-socialist “Other” (2002: 20). In line with Verdery, I argue that cultural research has a lot to contribute in the analysis of the microprocesses of neocolonialism and neocapitalism. In the prevailing case this happens to concern the intricacies of quotidian practices around foreign investment in a postsocialist country. But, it can just as well concern places far beyond Europe, where neoliberal reforms radically transfigure both culture and living conditions for single individuals. Postsocialism, then, is part of a global phenomenon (Owczarzak 2009: 4).

Notes
1 www.swedishtrade.se, accessed October 15, 2002. All translations in this article were made by the author.
2 The characteristics of the colonial discourse are nicely drawn in Marianna Torgovnick’s analysis (1990: 26–34) of Henry Stanley’s book In the Darkest of Africa. In the same way as Stanley, the Swedish entrepreneurs encounter a foreign land with the authoritative gaze. They see a virgin, but simultaneously chaotic state in need of restoration and cultivation, something which is presumed not to be possible without Western guidance (cf. Loomba 1998: 43ff.).
3 In this experience, the foreign entrepreneurs could relate to an overarching discourse in the postsocialist context. The years after Latvian independence in 1991 is often vernacularly called “the time of confusion” (cf. Humphrey 2002).
5 Uppland is a province located slightly north of Stockholm, on the East coast of Sweden.
7 This article is based on three multidisciplinary research projects focusing on postsocialist cultural change in the Baltic Sea region, with a particular emphasis on Latvia: Nations and Unions: A Multidisciplinary Project on National Identity and Transnational Movements in the Baltic States (cf. Lindqvist 2003); Senmoderna avtryck: Transnationalism och kulturella förändringar i Östersjöområdet (Lindqvist & Lindqvist 2008); Global kapitalism och vardagliga motståndsförmåner i gränssnittet mellan Öst och Väst (cf. Lindqvist 2010, as well as the present article).
8 In line with the theorization of Banjerjee and Lindsted, I define neocolonialism as an intersection between the discourses of colonialism and globalization – an articulation that makes globalization equivalent to precisely this kind of new global colonization (2001: 694). From this point of view, power is not based on political conquest and control, but, rather, on economic and ideological dominance (see also Glick Schiller 2006).
9 Cf. Soyuz’ (Post-Communist Cultural Studies Interest Group) presentation at the symposium “Walls and Bridges: Refiguring Socialist and Postsocialist Spaces in a Deterrioralizing World,” held at Bryant University, March 3–5, 2006.
10 The Cold War constituted a foundation, not only for neocolonialism, but also for postcolonial studies as such. The Cold War forced the West to expropriate countries and regions that were (as yet) not dominated by the Soviet empire. Likewise, the Soviet Union acted in a similar manner as a colonial power, annexing the republics and satellite states that kept the West at a comfortable distance from the centre of the empire (Verdery 2002: 18).
11 At the same time, Charles Woolfson points out the uncertainty as to whether the market reforms have been to the benefit of the working people to the same extent as it has the elites. The reforming zeal has, amongst other things, resulted in an increased unemployment, raising social inequalities, low wages, poor working conditions, insecure employment conditions, corruption and labour emigration (2008: 81).
12 Since the Eastern European revolution was a bourgeoisie revolution without a bourgeoisie – which is often claimed – there was an available place in the new social structure for foreign owners to occupy (see, e.g., Bohle 2006: 75–76).
13 In a discussion of the characteristics of socialist nation, Verdery writes: “Subjects were presumed to be neither politically active, as with citizenship, nor ethnically similar to each other: they were presumed to be grateful recipients – like small children in a family – of benefits the rulers decided upon them. The subject disposition this produced was dependency, rather than agency cultivated by citizenship or the solidarity of ethnonationalism” (1993: 45).
14 This informal spirit – whereby employees, regardless of position, are called by their first names – is also called “Scandinavian”, as it is said to be commonly practiced by Nordic employers (Sippola 2006: 92).
17 The establishment of the sawmill was preceded by the purchase of wooded areas in Latvia. This serves to highlight the colonial character I find to be characteristic of this process.
18 As a result of a continuous polarization between left and right during the twentieth century it has become “common-sense” that the job market is represented by two opposing parties: work and capital, that is, of unions and employer organizations. On the political arena, this bisection has been reflected in the existence of leftist political parties versus right-wing oriented parties. The hallmark of the Swedish model in relation to these areas was the establishment of a will to compromise and peaceful coexistence, where official agreements were made and conflicts solved by way of peaceful negotiations.
19 This does not mean that Nordic unions have not assisted their Baltic counterparts. On the contrary, they have been quite intense in providing material support, education and recruitment campaigns since 1990, but they have been defensive and not very successful. It is symptomatic that Markku Sippola writes that the fundamental reason for their engagement was triggered by the danger, perceived by the Nordic union movement, of the existence of a “union free zone”. The danger of [companies’] movement was the incentive (2006: 10).
20 In light of Daina Egliti’s and Tana Lace’s sociological depiction of the current situation on the Latvian countryside, with vast numbers of unemployment and extensive poverty, it is likely that the fact that one has a relatively safe form of employment is reason enough to be content with one’s own situation (2009: 332).
21 One of the migrants says the following about the advantages of holding employment in Ireland: “In Ireland I have a job, I feel stable – I will get my wage on time; If I know my rights, then there are responsible government institutions that will help me if they are violated” (Indans et al. 2007: 24, in Eglitis & Lace 2009: 342). It is easy to see the similarity with the Vika Wood workers’ judge-
ments of the advantages of the Swedish-owned company.
22 Vika Wood was sold to the Icelandic wood processing concern Norvik. The company is still an economic success story, with an annual production (2010) of 281,000 cubic metres of sawn goods (www.vikawood.lv/eng/company/history, accessed October 12, 2011).
24 Flextronics’ organization resembles the world order that has followed in the wake of globalization, and that Hardt and Negri have named Empire, which is mainly characterized by the trait that sovereignty no longer has any territorial centre: “In contrast to imperialism, Empire establishes no territorial centre of power and does not rely on fixed boundaries or barriers. It is a decen- tred and deterritorializing apparatus of rule that progres-sively incorporates the entire global realm within its open, expanding frontiers” (2000: xii).

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