Aitova, Gulnara

Book

Prospects and contradictions concerning social partnership in Russia in the age of globalisation

edition der Hans-Böckler-Stiftung, No. 298

Provided in Cooperation with:
The Hans Böckler Foundation

Suggested Citation: Aitova, Gulnara (2015) : Prospects and contradictions concerning social partnership in Russia in the age of globalisation, edition der Hans-Böckler-Stiftung, No. 298, ISBN 978-3-86593-203-7, Hans-Böckler-Stiftung, Düsseldorf

This Version is available at:
https://hdl.handle.net/10419/181752

298

Globalisation and Europeanisation

Gulnara Aitova

Prospects and contradictions concerning social partnership in Russia in the age of globalisation

edition
Hans Böckler
Stiftung

Gulnara Aitova

Prospects and contradictions concerning social partnership in Russia in the age of globalisation

edition 298

Gulnara Aitova

Prospects and contradictions concerning social partnership in Russia in the age of globalisation

Gulnara Aitova
Гульнара Аитова

Doctor of social philosophy
Senior Lecturer at the Institute of History and Political Science in Tyumen State University
Coordinator of the Youth academic project on critical marxism, member of editorial board of the book series of the Post-soviet school of critical Marxism "Alternativy"
Academic head of the collective scientific project "National peculiarities of understanding justice at the age of globalization" under the support of the grant of the Ministry of science and education (2014-2015)
Vice-head of the Department of Modern History and International Relations (from November 2014)

Hans-Böckler-Straße 39, 40476 Düsseldorf
Produktion: Setzkasten GmbH, Düsseldorf
Printed in Germany 2015
ISBN: 978-3-86593-203-7
Bestellnummer: 13298

Inhaltsverzeichnis

Abbreviations **7**

Introduction **9**

1 The genesis of the contradictions of labour relations in post-soviet Russia: a general overview **11**

1.1 From the Soviet model of labour relations to social partnership: the limits of transformation 11

1.2 'New' property and 'old' management in the context of labour relations 23

2 Trade unions in modern Russia between traditionalism and the challenges of market transformation **31**

3 The limitations of collective bargaining **37**

4 The problems of works-council institutionalization in Russia **45**

5 A comparative analysis of the Code of Laws on Labour of the Russian Federation (1992) and the Labour Code of the Russian Federation (2001): the legal framework and the guarantee of collective protection of labour rights **57**

5.1 The collective representation of workers' interests 59

5.2 Collective labour disputes 63

6 Conclusion **65**

Über die Hans-Böckler-Stiftung **83**

Abbreviations

Action	Inter-regional trade union of health workers (Межрегиональный профсоюз работников здравоохранения «Действие»)
CIS	Commonwealth of Independent States (Содружество Независимых Государств)
Co-Action	Murmansk regional territorial trade union organization of service workers (Мурманская областная территориальная профсоюзная организация работников по найму «Содействие»)
FNPR	Federation of Independent Trade Unions (Федерация независимых профсоюзов России)
FOM	Public Opinion Foundation (Фонд Общественное Мнение)
FPAD	Federation of Trade Unions of Air Traffic Controllers (Федерация профессиональных союзов авиационных диспетчеров)
IATUO	International Association of Trade Union Organizations of the Lukoil company (Международная ассоциация профсоюзных организаций компании «Лукойл»)
ICEM	International Federation of Chemical, Energy, Mine and General Workers' Unions
KTR	Russian Confederation of Labour (Конфедерация труда России)
MPRA	Inter-regional Trade Union of the Automobile Industry (Межрегиональный профсоюз работников автомобильной промышленности)
NABAT	Independent Trade Union of Metallurgists at the Ural Aluminium Plant (Независимый профсоюз металлургов завода «Уральский Алюминий» «НАБАТ»)
NOVOPROF	Inter-regional trade union "New trade unions" (Межрегиональный профсоюз «Новые профсоюзы» («Новопроф»))
NPG	Independent Trade Union of Miners (Независимый профсоюз горняков)
NPPO Zashita	Independent primary trade union organization for civil aviation, Irkutsk (Независимая первичная профсоюзная

	организация работников гражданской авиации «Защита», г. Иркутск)
PPO	Primary trade-union organization
PRBA	Trade Union of the Workers at Benteler Automotive (Профсоюз работников «Бентелер-Аутомотив»)
RAS	Russian Academy of Sciences (Российская академия наук)
Rosstat	Russian Statistics Agency (Росстат)
RPD	Russian Trade Union of Dockers (Российский профсоюз докеров)
RPSM	Russian Trade Union of Seamen (Российский профсоюз моряков)
RSFSR	Russian Socialist Federal Soviet Republic (Российская Социалистическая Федеративная Советская Республика)
RSPP	Russian Union of Industrialists and Entrepreneurs (Российский союз промышленников и предпринимателей)
RTK	Russian Trilateral Commission for the Regulation of Social and Labour Relations (Российская трехсторонняя комиссия по урегулированию социально-трудовых отношений)
Sotsprof	Association of trade unions (Объединение профсоюзов «Соцпроф»)
Teacher	Inter-regional trade union of education (Межрегиональный профсоюзов работников образования «Учитель»)
VKT	All-Russian Confederation of Labour (Всероссийская конфедерация труда)
VZIOM	All-Russian Public Opinion Poll Centre (Всероссийский центр изучения общественного мнения)
VZSPS	All-Union Central Council of Trade Unions (Всесоюзный центральный совет профессиональных союзов – ВЦСПС)

Introduction

This research is aimed at revealing the origins of the contradictions in social and labour relations in Russia since the collapse of the USSR.

Firstly, the market transformation of Russian society since the early 1990s has not developed a fully-fledged concept of labour relations. The concept of labour relations obtaining in Russia today is rather the product of the ignorance of the state authorities and has led to a situation of increased tension between labour and capital. In this sense, the objective demands of employees have usually turned into spontaneous protests, such as strikes. In most cases, the demands made have assumed a latent form without attaining a permanent framework of labour-conflict regulation. These contradictions in social and labour relations stem, on the one hand, from Soviet society, and on the other, have been generated by the transformation of the market itself. This raises the question: why does a model of social partnership limit itself only to its formal aspects rather than seek an essential shift in the direction of a positive change in labour relations?

Secondly, it should be noted that the transitional period from the beginning of the 1990s up to the present cannot be characterized as a homogeneous process. The transitional period of Russian society to a market economy, or rather, to its neoliberal variant, can be divided today into two phases concerning the transformation of the quality of labour relations. These somehow have their specificity both in terms of the reorganization of ownership and its impact on employment and also in terms of workers' self-organization, which, at every stage in its development, has had a different quality, depending on the concrete problems facing the workers. In particular, the author broadly identifies two phases in the post-Soviet period concerning labour relations: the first phase, relating to the first decade of social transformation (1992-2001) and the second phase, starting in 2001. This periodization formally coincides with the validity of the labour laws: the first phase regulated by the Labour Law Code of the Russian Federation (1992) and the second by the Labour Code of the Russian Federation adopted at the end of 2001. However, these legal frameworks merely reflect the real changes at work in society.

In the first phase, during the privatization of state property and the rise of new, private ownership, there were 1) certain legal guarantees given to the workers for the protection of labour inherited from the Soviet legal framework (e.g. the strictly limited list of reasons for the dismissal of an employee, a ban on overtime work, equal labour rights for women and men, guarantees of free trade-union activity,

etc.) and both old and new directors or owners also continued 2) to renew collective agreements with the trade unions. During this time, the system of social partnership, at least de jure, had a basis for progress, but in the 2000s, neo-liberal changes to the labour legislative eliminated the majority of preconditions necessary to preserve the social dialogue chiefly practised through collective bargaining and the regulation of labour disputes by regional institutions and demonstrated the inconsistency between the real intentions of capital, namely to increase profit, and the legal protection of labour rights, which exerted a great restriction on capitalist expectations. The contradiction has been resolved in the second phase, with a development stemming from the current Labour Code, in force since 2001, that has legalized the de facto existence of semi-authoritarian types of regulation concerning labour relations.

Thirdly, the author shows that, while rapidly integrating into the world economy via an openness towards direct foreign investment coming from leading capitalist countries, Russia is now objectively experiencing the impact of international labour rights and standards through its attempt to adopt an IFA and adapt international practices of workers' representation (e.g. works councils) to its labour system. The author tries to respond to questions about communication between Russian trade unions and globally-organized labour and about the consequences of the introduction by the Russian state in May 2013 of an institute of works councils into the national labour system.

In conclusion, some possible prospects for social partnership in Russia under the current circumstances have been delineated.

1 The genesis of the contradictions of labour relations in post-soviet Russia: a general overview

1.1 From the Soviet model of labour relations to social partnership: the limits of transformation

The Russian academic tradition regards the entity of social relations relating generally to the field of labour, unlike the term 'industrial relations'), as 'social and labour relations'. Nevertheless, labour relations as such are defined as the relation of an employee towards production and the results of his or her labour. This criterion can categorically indicate the nature of labour relations in the framework of a socio-economic system. At the same time, the term has been developed and applied by one of the founders of Russian industrial sociology, V. Gerchikov, to characterize labour relations in a broader sense: "Labour relations are relationships between groups of employees in an enterprise (organization) distinguishing themselves by specific interests in the field of labour, to some extent consciously seeing these interests as special (other than the interests of other groups), and carrying out some organizational steps to protect and implement their own interests"[1]. It should be added that the social dimensions of labour relations in the Russian version indicate the key role played in them by the state's authority.

The latter explains why a tripartite system of social partnership was chosen in the transition period. Namely, in the Soviet model of labour relations, the chief actors were the state, the trade union and the director of an enterprise (organization, institution). A key feature of the relationship between these entities was that they were not horizontally, but strictly hierarchically structured and all under the Party's bureaucracy. Being the sole holder of state property, the bureaucracy functioned as an 'employer' and granted respective functions to the corps of directors and directly-controlled trade unions, whose duties were limited to social security questions at the workplace. The contradictions of the Soviet social system implied that public ownership of the means of production contributed the results of production to social development, to the socio-orientated distribution of wealth created

1 Социальная траектория реформируемой России – Исследования Новосибирской экономико-социологической школы/ Ред. кол.; отв. ред. Т.И. Заславская, З.И. Калугина. Новосибирск: Наука. Сиб. предприятие РАН, 1999. С. 321.

by the working class. It was also able to guarantee full employment because the economy experienced no cyclical crises. However, the command-administrative system did not stimulate the self-organization of the workers, trade unions as such were transformed into a social department of the enterprises and their decision-making capacity was very limited.

State bureaucracy, representing itself on party committees as well as in the corps of directors of enterprises, was the power that ultimately decided on production matters. In the command-administrative model of the Soviet economy, workers were de facto alienated from the results of their labour. To draw an analogy, the bureaucracy had become a kind of substitute for the owner in the market economy[2].

Thus, the prevailing type of labour relations in contemporary Russia is directly related to previous periods in their evolution: ideological mobilization (1925-1940), patriarchally-hired labour with strong state paternalism (1940-1956), and the authoritarianism of the modern period[3]. In other words, the Soviet model of labour relations with its unresolved contradictions has degenerated in post-Soviet Russia into reactionary and sometimes even into archaic forms of relations between employers and employees.

As state bureaucracy, trade unions and directors of enterprises had previously been the main actors in labour relations, the tripartite model of social partnership was chosen as the most adequate under the new conditions. It introduced a similar triad of actors – the state, the employers and the employees. Paradoxically, its efficiency was complicated not only by the lack of a collective bargaining tradition where employees, represented by trade unions, and employers meet on equal terms, but also by the command-administrative model of management being transformed into another, capitalist-style "command-administrative" model of labour relations that was all too ready to neglect social dialogue completely. In a situation where the Russian state had gradually abandoned its social functions as well as the role of arbiter between employees and employers, the so-called authoritarian type of labour regulation came to predominate.

What are the origins of the evolution of this type of employment? The first argument to be focused on is the above-mentioned privatization processes of state

2 See in detail about the role and functions of the bureaucracy in Soviet society: Колганов А.И. СССР как [не] социализм // Альтернативы. №2. 2011. С. 68-91.

3 Воейков М.И., Анисимова Г.В., Соболев Э.Н. Трудовые отношения капитализма и российские трудовые ценности. М.: ИЭ РАН, 2009. С. 9-11.

enterprises and the creation of private property in Russia after the collapse of the Soviet Union.

Most Russian economists agree that there have been three phases of privatization: (1) privatization en masse, from 1992 to 1994; (2) the privatization of cash, from 1994 to 1999 and (3) limited cash privatization from 1999 to 2003. Currently, the government is considering launching a new phase of privatization. In general, the main feature of privatization is the imbalance between the interests of the various social groups or parties and the lack of transparency and independent public control[4]. In this regard, the process of privatization in Russia has been carried out using either criminal or semi-criminal methods or through informal non-economic interaction. This became a specific features of the transitional economy. The key actors in this informal interaction were non-economic clan-corporate structures. A professor of political economy, A. Buzgalin, defines their basic methods as personal union, conspiracy, agreement on the division of markets and spheres of influence, the 'rules' of competition, as well as extortion, bribery, blackmail, etc. Market competition arises as an imperfect and deformed mutant from birth[5]. Y. Drugov and Y. Simachev agree that the inactivity of the Russian legal system in practice and its adverse character towards law-abiding businesses led to "Russian economic entities starting to follow a dual strategy of behaviour based on family-clan relations. Some property transactions were concluded between people connected through relationships of varying degrees of intimacy. Others were transacted between people under the protection of the same criminal or (if associated with public authorities) semi-legal clan[6]. I. Rozmainsky characterizes the existing type of capitalism in Russia as family and clan capitalism: Family and crony capitalism is an economy with inefficient resource-allocation and slow economic growth, at least if you compare it with 'normal' market ('cash') economies. Inadequate and conflicting laws, the availability of legal voids (as contained in laws referring to other, non-existent laws); the prevalence of opportunism and the lack of foresight in investment politics; a low degree of rational economic behaviour, the fact that people focus on family and clan relations, a large amount of barter and non-cash payment, the huge size of the informal sector and the

4 Дзарасов Р.С. Механизмы накопления капитала и инвестиционные стратегии российских корпораций. Диссертация на соискание ученой степени доктора экономических наук. Москва, 2010.

5 Бузгалин А.В. Финансово-промышленные группы России: акселератор или тормоз модернизации? // Альтернативы. 1998. № 2.

6 Ю. В. Симачев, Ю. Другов. Правовое обеспечение экономических реформ: Предприятия. Гос. университет, Высшая школа экономики, 1999. 116 с.

gradual blurring of boundaries between legal and illegal activities – all of these characteristics of family and crony capitalism condemn it to wasting resources and to economic stagnation[7].

According to Rosstat, more than 62% of all enterprises and organizations had been privatized (more than 72% in industry) by the middle of the 1990s[8]. The first wave of privatization led to a sharp decline in production, to growing social differentiation among the population and to the reduction in the level of wages. In particular, by 2000, wages had been in steady decline: by one third between 1991 and 1995. In 2000, real wages stood at a half to a third of their 1991 level[9].

Privatization led to the following changes in the structure of employment. Firstly, it generated new interests among the directors of (formerly state-owned) private enterprises. The state, having ceased to exist as a direct power, could not play a part in collective and sectoral agreements etc. Thus these circumstances triggered a problem of interest representation on the side of the employers. It should be noted that employers (i.e. new owners) had no qualms about dodging their obligations. Subsequently, the formation of employers associations took place under pressure from the state and trade unions rather than as a voluntary initiative of insiders, namely former directors[10].

Secondly, the process of privatization affected the trade union movement in a special way. Having been integrated into the administrative system of Soviet enterprises (organizations) and having implemented mainly distributive functions, the traditional trade unions (e.g. the heir of the All-Union Central Council of Trade Unions, namely the Federation of Independent Trade Unions) were deprived of that status during the transformational period. Moreover, they were challenged to seek a new strategy in the relationship with the employers. As the 'eighties turned into the 'nineties, an independent, new trade union movement arose, actively promoting the labour interests of employees and regarding itself as powerful as the bosses. Altogether, the first decade of reforms caused the Russian trade unions to

---

7 Дзарасов Р.С. Механизмы накопления капитала и инвестиционные стратегии российских корпораций. Диссертация на соискание ученой степени доктора экономических наук. Москва, 2010. С. 119.

8 Экономические субъекты постсоветской России (институциональный анализ): десять лет спустя. Часть II. Российские фирмы. / Под редакцией д.э.н. проф. Р. М. Нуреева. Серия «Научные доклады: независимый экономический анализ», № 212, часть II. Москва, Московский общественный научный фонд, 2010.

9 Воейков М. И., Анисимова Г. В., Соболев Э.Н. Трудовые отношения капитализма и российские трудовые ценности. М.: ИЭ РАН, 2009. С. 9–11.

10 Борисов В.А. Есть ли в России социальное партнерство? Electronic source: http://www.isito.org/ru/articles/socpart/?PHPSESSID=92a8c1e81a0a7f8186b29ccdb7b66425

form different models of relationships with employers and the state, to search for internal forms of interaction within the trade union community and even a new image of trade unionism itself. How these problems were approached by traditional and alternative trade unions, will be discussed below. In short, it should be emphasized that a fundamental question for the trade union movement after the collapse of the USSR was to redefine the role and purpose of a trade union in the public's consciousness.

Thirdly, the new, private owners resorted to various methods of evading taxes, thereby legalizing the non-payment of wage debts. One such method adopted was to split companies into several subdivisions. Some of these 'daughter companies' simply served to accumulate wage and tax debts until they were declared bankrupt. At the same time, other divisions continued the business often with the same management. But the workers employed at the bankrupt daughter lost their jobs in return for the lowest compensation possible. Employment with the 'new' company demanded a 'new' application which also enabled the employer to get rid of unwanted trade union activists. It was a means of putting pressure on trade unions[11].

This is an incomplete list of initial changes generated by privatization. They combine with problems corresponding to the lack of an institutional framework for the regulation of labour relations at grass-roots level (enterprises) under the new conditions. As a response to the growing number of strikes between 1989 and 1991, especially in the mining industry, the Russian government initiated 'Social Partnership' in 1991[12]. It was declared as a principle for settling labour conflicts at the federal level. In particular, in the Presidential Decree On Social Partnership and Labour Disputes (conflicts), the chief activities of social partnership included: 1) signing annual general agreements between the Government of the Russian Federation and authorized representatives of the associations, by republic, of trade unions and employers, 2) signing tripartite sectoral agreements, and 3) sharing responsibility for the socio-economic development of a particular industry among the owners of production, 4) establishing Republic Commissions to sign the general agreements between employers, unions and government and 5) creating a mechanism for the solution of labour disputes consisting only in control functions on the side of the state authorities etc. At the enterprise level, however, there existed a lack of understanding of the role of social partnership

11 From an interview with a representative of the Tyumen regional trade-union centre, Tyumen, September 2012.

12 The Presidential Decree on social partnership: Указ Президента РСФСР № 212 «О социальном партнерстве и разрешении трудовых споров (конфликтов)» от 15.11.91 г.

and interest in promoting the principles and practice of equal partnership inherent in the ideology of a market economy.

Therefore, the key contradiction in the birth of labour relations in Russia consists in the ideological choice of the state as promoter of the social partnership model and its failure to stimulate its development. This failure means not only the inertia of the central and regional authorities when it comes to establishing social partnership as a specific framework of labour relations and regulations, but also a conscious, progressive abandonment of the state function of mediator in social and labour relations. This issue is central to understanding the birth of labour relations in Russia in the transitional period.

This inertia in establishing social partnership is not identical with a similar lameness on the part of many states concerning social questions. The Russian state played the decisive role in introducing capitalism. There was none of the usual governmental weakness towards big capital because, in Russia, it had yet to be created. So it is clear that, for the Russian state and its leading bureaucracy, the creation of capital and capital-owners had priority.

According to some economists and sociologists: "In our country, the state is not just a humble moderator of the dialogue, but an organizer and a full and active participant in the process. In this sense tripartism – the interaction of government, business and workers – most adequately reflects the Russian feature"[13].

At the federal level, social partnership is manifested in the work of the Russian Trilateral Commission for the Regulation of Social and Labour Relations (RTK). As already noted, the Commission is composed of representatives of the All-Russian associations of trade unions, nationwide employers' associations and the Government of the Russian Federation[14].

The representation[15] of the All-Russian associations of trade unions in the RTK is determined according to the number of members in a respective trade union. In this context, the dominant number of places on behalf of the trade union organizations belongs to the Federation of Independent Trade Unions (FNPR),

13 Воейков М.И., Анисимова Г.В., Соболев Э.Н. Трудовые отношения капитализма и российские трудовые ценности. М.: ИЭ РАН, 2009. С. 48.

14 Federal law on the Russian Trilateral Commission for the regulation of social and labour relations: Федеральный закон «О Российской трехсторонней комиссии по регулированию социально-трудовых отношений», 1 мая 1999 года N92-ФЗ.

15 The full list of the RTK members here: Electronic source: http://www.government.ru/gov/agencies/141/ (Last visit 27.01.2013)

which had up to 37 million members in the 1990s (now down to 23.5 million)[16]. On behalf of the new (alternative) associations of trade unions, previously the All-Russian Confederation of Labour (VKT) and the Confederation of Labour of Russia (KTR), up to 2.4 million members in the RTK are represented together. After the Unity Congress between the VKT and the KTR in 2011, the newly founded Confederation of Labour of Russia now represents 2 million[17]. The vast majority of the seats in the RTK on behalf of employers' associations belongs to the Russian Union of Industrialists and Entrepreneurs (RSPP).

Despite the fact that the Russian Trilateral Commission represents the official position of the government's commitment to social partnership through the adoption of general agreements, academic experts identify the following reasons for its disadvantages: the sole advisory status of the RTK giving rise to recommendatory provisions in agreements that are particularly violated by the Government itself. The latter can be seen in the uncoordinated adoption of the annual state budget without taking into account the commitments the Government made in the articles of the Agreement[18]. In addition, employers' associations consider the participation in social partnership at governmental level "as an additional channel of communication with the authorities" or the ability to "promote their corporate interests"[19].

The institutionalization of social partnership at the regional level limps behind the federal. The efficiency of regional trilateral commissions to resolve the social and labour disputes depends on the power of the regional governments. However, the question of how government implements the functions of the 'third' partner as an arbitrator between employers and employees depends on the given level of social conflict. For example, in the 1990s, the activities of public authorities mostly followed the pressure engendered by strikes and spontaneous protest movements caused by prolonged non-payment of wages. The peak of strike activity occurred in 1998 during the so-called 'rail war'. Wage debts had become a powerful im-

---

16 If to count the trade unions cooperating with the FNPR on the basis of agreements the number of FNPR membership is 24,2 millions of people // Постановление Исполкома ФНПР от 05.04.2011 г. № 2-11 О сводной статистической отчетности по профсоюзному членству и профсоюзным органам за 2010 год.

17 See the interview with the President of the KTR «Президент КТР Борис Кравченко: «Ни одна социал-демократическая партия не стала влиятельной без опыта жесточайшей борьбы на производстве». Electronic source: http://mpra.info/news/russia/152-Prezident-KTR-Boris-Kravchenko-Ni-odna-sotsial-demokraticheskaya-partiya-ne-stala-vliyatelnoy-bez-opita-zhestochayshey-borbi-na-proizvodstve (Last visit: 12.05.2013)

18 Борисов В.А. Социальное партнерство в России: специфика или подмена понятий. ИСИТО, 2001. С. 3.

19 Тюрина И. Становление социального партнерства в России / Профсоюзное пространство современной России / Под ред. В. Борисова, С. Кларка. М.: ИСИТО. 2001. С. 215.

petus in the rise of alternative trade unions. These urgent circumstances caused the inauguration of a trilateral inter-ministerial committee to sign up regional and sectoral agreements in the chemical and metallurgical industries as well as in the public sector. Being part of the litigation process, workers could now count on the mutual resolution of labour conflict.

The state has thus shown certain concessions by exerting administrative pressure on employers, but it can hardly be said that it fundamentally promotes the development of tripartism. The reasons for this policy lay in the specific, historically-developed matrix of the relationship between power and property in Russia, which could take different forms at different times, but as such reproduced no essential change. This is clearly the case concerning the period of transition to the market economy. How is that matrix expressed today?

At the end of the 1990s, the state, without trade-union consent, initiated a rather radical change in labour law, prompting it along the path of its deterioration, which was realized in the early 2000s. The memorandum of the Government of the Russian Federation and the Central Bank of the Russian Federation on economic policy and financial stability (20 July 1998) defined the steps in the implementation of economic measures in the country as a condition for receiving loans from the International Monetary Fund. It included measures of an openly anti-union nature to reform the labour market. Paragraph 35 of the document reads: Restrictions on the termination of employment agreements were a hindrance to the effective restructuring of enterprises and the distribution of labour resources in the economy. Prior to November 1, 1998, a new draft of the Labour Code of the Russian Federation will be introduced to the State Duma to bring labour law into conformity with the requirements of the market economy. The Code will set the minimum social security, enhance the role of individual employment agreements, including facilitating the termination of those agreements such as the elimination of the need and requirements of the consent of trade unions on hired-worker employment, and expand the possibility of concluding fixed-term and part-time employment contracts <…>[20]. Russian trade unions were able to see a copy of the memorandum only with the support of international trade unions.

The clan nature of the privatization of property is not the only feature of the development of Russian capitalism: the very nature of its informal ties, the tradition of

20 The Governmental Decree: Правительство Российской Федерации, Постановление от 20 июля 1998 г. N 851, г. Москва «Об утверждении Заявления Правительства Российской Федерации и Центрального банка Российской Федерации о политике экономической и финансовой стабилизации. Electronic source http://www.pravo.gov.ru/proxy/ips/?doc_itself=&backlink=1&&nd=201091687&&page=1&rdk=0 (Last visit: 19.11.2012)

unity together with power and property, demand the protection of property rights against state competitors. In this sense, the reverse processes ensued when the state began taking ownership of many large companies. As noted by the economist R. Dzarasov: if, in the 1990s, it was merely 'capture by the state', then it had become 'the capture of business' by the mid-2000s. It meant the division of property in big business in favour of the state bureaucracy"[21]. The process of the 'return' of the state into property between 2000 and 2003 was aiming at "optimizing direct involvement in the economy"[22]. In the following years, from 2004 to 2008, the state sector increased significantly. Currently, experts estimate the share of the state sector in Russia's economy to be close to 50%, especially in key sectors such as oil production at 40–45% (10% in 1998–9), the banking industry at 49% and transport at 73%[23].

In the late Soviet period – the Gorbachev era – "members of the bureaucracy had a natural tendency to 'add' property to government"[24] for which they were willing to give up a certain degree of power and reshuffle the system in order to purchase the property, thus becoming a motor of transformation. But after the first wave of privatization in the 1990s, the state bureaucracy, on the contrary, started again to take over property in public ownership because the badly-run economy required informal and material support from the state which, in return, wanted control over the assets. How is this merging of state and business interests reflected in the employment relationship? According to trade unionists, the functions of the state in regard to employment are defined as follows:

"<…> The State Labour Inspectorate advises employers on how to get rid of union leaders <…>, and collective agreements made in factories – they're capitulation contracts" (a member of the Tyumen regional trade union centre);

"<…> The state now determines everything, but often leaves the a priori weaker employee alone to face the employer" (a member of the Trade Union RAS, Moscow);

"<…> Officials everywhere are struggling to prevent normal trade union activities. Again, we have no perception of trade union culture, ranging from

21 Дзарасов Р. Ibid.

22 А. Радыгин, Ю. Симачев, Р. Энтов. Государство и разгосударствление: риски и ограничения «новой приватизационной политики» // Вопросы экономики. № 9. 2011. С. 13.

23 Source: http://www.vedomosti.ru/politics/news/5739621/esche_odin_byudzhet#ixzz2Q3TtLJ2m (Last visit: 16.04.2013)

24 Нуреев Р.М. Власть–Собственность в современной России (как проблема зависимости от траектории предшествующего развития). Electronic source: http://ecsocman.hse.ru/iconf/16207376/index.html (Last visit: 27.01.2013)

the governor to the employees, that the union has the right to engage in dialogue with the employer, is an instrument with real influence" (a member of the MPRA, St. Petersburg);

"<…> The state is entirely on the side of the employer. The state has been virtually eliminated from the establishment of social standards, which should limit the capacity of capital. By the way, without the establishment of such standards, all discussions about social partnership are demagoguery" (an expert from School of Labour Democracy, Moscow);

"<…> The government is doing everything to minimize the role of trade unions. Officials give only a formal reply. One solution is the Labour Court, but the current courts do not understand what is going on. <…> No court has ever overturned a decision made by the State's authority" (a member of the RPM, St. Petersburg).

"<…> The State is in fact a referee standing on the side of the employer. We cannot say that our state is the guarantor of social and labour rights" (a member of NOVOPROF, St. Petersburg);

"<…> The State is an open defender of employers and property owners through all available means of influence" (a member of the Ural trade union centre, Yekaterinburg);

"<…> The state in most cases takes the employer's side. This is evident from the repression of trade unionists, especially in large enterprises" (a member (1) of NPPO Zashita, Irkutsk);

"<…> Big business holds real power. Its lobbyists fill all the authorities and parliaments etc. They have the resources to represent those or other capital entities. The huge level of corruption in Russia has become legendary" (a member of the MPRA, Kaluga).

"<…> The state would play a positive role in social and labour relations if only it weren't corrupted by the employer, and that I believe in modern Russia has become a universal thing, especially if the employer is a large profitable enterprise, playing a big role in the infrastructure of the municipality of the region" (a member (2) of the NPPO Zashita, Irkutsk).

What is the reason for the unanimity of the respondents regarding the role of the state authority in labour relations?

In fact, today a 'fusion' of the interests of two of the three 'partners' has occurred. The ties between the state and business, especially strong, have become closer as if to add the direct ownership of property by the state bureaucracy to the established corrupt channels of communication. This reflects the traditional con-

tinuity of power and property in Russia and is the object of extensive economic, sociological and historico-philosophical research[25].

The essence of this power-property relationship is evident in the following descriptive comparison[26]:

Russian matrix of power-property relationships	**Western institutional matrix, or the system of individualized private property**
It presents itself as an institution of public utility and interest[27]	Private individual or collective ownership
Its actors are public officials, that is, owners of power	Private individual or collective ownership
These owner-holders are obliged by the hierarchical system to act within the overall economic strategy of the government	Free disposal and use of possession, etc.
A system of incentives secures administrative coercion and control	Individual incentives to increase personal wealth
Economic decisions like the allocation of resources or sales figures are made in a centralised and administrative way	Free market exchange (‘arm’s length’ transactions)
The guarantors of property rights are the special executive units of the central and regional authorities	Courts, law enforcement agencies
The deliberate decisions made by state officials concerning property have eroded the legal framework of ownership to such an extent that private companies also have to seek support from the state.	Property rights are well specified by legal procedures.

25 Бессонова О.Э., Раздаток: институциональная теория хозяйственного развития России. Новосибирск, 1999; Восленский М. Номенклатура: господствующий класс Советского Союза. М.: Прогресс, 1990; Радаев В.В., Шкаратан О.И. Власть и собственность. // Социологические исследования 1991 №1. С.50-61; Кирдина С.Г. Институциональные матрицы и развитие России. М., 2000; Нуреев Р.М. Власть–Собственность в современной России (как проблема зависимости от траектории предшествующего развития). Electronic source: http://ecsocman.hse.ru/iconf/16207376/index.html (Last visit: 27.01.2013)

26 More conceptual analysis of the Asiatic mode of property relations in: Нуреев Р.М., Рунов А.Б. Россия: неизбежна ли деприватизация? // Вопросы экономики. 2002. № 6. С. 10-31.

27 For example, Gazprom regards itself as a company of „national heritage“.

In different historical periods, the lay-out of the Russian power-property matrix and its formalization has depended on certain social conditions and constraints. In the case of the command economy of the Soviet period, that matrix was restricted by the social power of the working-class and the values of socialism displayed in such forms as the social protection of labour legally enforced by the Labour Law Code of the RSFSR of December 1918 (later of the USSR), free education, health and access to cultural benefits.

During the transition period, these restrictions were gradually lifted. Nowadays that matrix of power-property displays itself differently in its impact on the employment relationship. Namely, the increasing role of state bureaucracy as the guarantor of property rights through executive decision-making instead of through an independent legal system weakens its function as a protector of labour rights and interests.

As a result, state authorities have responded to labour conflicts either by their open or disguised backing of the employers' position, or by the repression of trade-union activists[28]. This practice of state mediation is at its most obvious in open labour conflicts. In particular, during the go-slow 'Italian strike' ('Bummelstreik', 'Dienst nach Vorschrift') in June 2009 at the Kaluga plant of Volkswagen Group Rus, organized by its PPO of the MPRA in response to bonus cuts by the employer and on account of inadequate safety conditions at the workplace, the regional governor expressed support for the employer's position, stating that there would be no toleration of significant losses for the foreign investor due to the strike[29]. The members of the MPRA at the Kaluga plant of Benteler Automotive, who also organized strikes, concluded that "the state took part in the labour conflict by sending police to surveille and surround the enterprise"[30]. Between 2007and 2010 at the Ural Aluminum Plant, the Independent Trade Union of Metallurgists NABAT faced constant control by the authorities rather than by the employer when employees demanded wage increases in accordance with sectoral agreements. Finally, the trade unionists faced criminal charges. The trade union Zashita in the

28 They are mostly from independent trade unions. The behaviour strategy of traditional unions within trans-national corporations is the same as in Russian enterprises. See e.g.: Чеглакова Л.М. Профсоюз в транснациональной компании (на примере металлургического завода) // Экономическая социология. Том 9. № 2. Март 2008. С. 46-55.

29 The interview with the representative of the PPO MPRA from the Kaluga plant «Volkswagen Group Rus», November 2012.

30 The prosecution office looks at the strike in Benteler-Automotive: Прокуратура присматривается к забастовке. В Калужской области бастует завод по производству автомобильных запчастей. Electronic source : http://www.gazeta.ru/auto/2012/03/30_a_4116109.shtml (Last visit: 19.12.2012)

Antipinsky Refinery Plant in Tyumen region has been trying to bring numerous allegations and claims to the prosecution office and the courts since 2011 and has not yet obtained legal support for the re-instatement at the workplace of the illegally-dismissed trade-union members who founded the union [31].

As a summary we can conclude that, having chosen tripartism as the basis of labour-relations regulation in post-Soviet Russia, the government has presided over its non-development. Without fulfilling the role of moderator between employers and employees, or at least neutralizing its role in labour relations, the state authorities have taken to using punitive and administrative functions against active employees' self-organizations, and that shifts the balance grossly in favour of employers. Without wishing to idealize the first decade of the transitional period (the 1990s), it should be noted that the legal framework of labour relations at that time, with strong pressure coming from the trade unions, was able to settle labour disputes through compromise. The second phase in the evolution of Russia's labour relations (the 2000s) is characterized by labour law itself losing even its formal status as a protector of labour rights.

1.2 'New' property and 'old' management in the context of labour relations

Another systematic contradiction in labour relations in Russia also originates in the Soviet system. During privatization, the majority of companies were taken over by the former directors, called 'insiders' in Russian economic discourse, as opposed to 'outsiders', meaning new investors. Between these insiders and the workforce, there still exists a long tradition of appealing to 'unity of interests' or common interests, which is used by directors to command a company to do his bidding. This inherited consciousness of the workers corresponds to their paternalistic expectations of the managers. This apparent dualism indeed enables insiders to use the old methods of 'managing by ideology' to dominate other company stakeholders, primarily its employees. In this way, the forms of the old 'command-administrative' management have a new content. This situation has,

31 The interview with the representative of the PPO Interregional association of workers trade union "Zashita" at the Antipino oil refinery production plant, September 2012, Tyumen.

however, neither contributed to the emergence of efficient private ownership nor to the creation of relevant rules and institutions in labour relations[32].
The basis of this contradiction lay in the interest of the nomenklatura bureaucracy and enterprise directors on carrying out the privatization of property. Therefore, taking certain advantages of the command economy in terms of labour relations regulation, insiders sought not to disrupt but rather preserve the old (command) ideology of commonality of corporate interests between management and employees of enterprises, but with the minimum of social obligations[33]. Moreover, it stymied the development of the skills and characteristics of the 'social partner' and weakened trade unions as potential counterparts. Finally, the 'new' owners lacked commitment from the start to setting the rules of labour relations in accordance with the social partnership system promoted by the government.

As already mentioned, it is hard at the moment to determine the quality of a fully-fledged 'partner' in the ranks of the employers. In this case, the association of employers (RSPP) at the federal level of social partnership largely represents the interests of Russian monopoly companies that are all somehow connected with the state, but not at all with the interests of small and medium business. This also makes clear why the general agreements adopted by the Trilateral Commission have recommendatory status and are not implemented at enterprise level. The RSPP does, however, set out to promote its understanding of social partnership. This means regarding as a partner in 'social dialogue' not only trade unions but also 'other' employees' organizations. According to these proposals, the government, by enacting the Labour Code of 2001, has restricted the rights of association of trade unions and reduced the compulsory level of social partnership, e.g. collective bargaining, to enterprise level, etc.

In general, during the first decade of transition, the employers' associations progressively focused on eliminating the trade-union right to conduct mandatory approval of employers' decisions, and on dissolving their role as direct representatives of employees in collective bargaining. After the collapse of the USSR, trade unions still had legal guarantees for their activity in the form of mandatory consent for the adoption of regulations at the enterprise level on the dismissal of employees, full-time or part-time union representatives or persons acting on behalf of the workers in collective bargaining, in labour disputes, etc.

---

32 Борисов В.А. Есть ли в России социальное партнерство? Electronic source: http://www.isito.org/ru/articles/socpart/?PHPSESSID=92a8c1e81a0a7f8186b29ccdb7b66425 (Last visit: 20.12.2012)

33 See the dynamics of the expenses reduction for social security by companies in the Table 3, Appendix 1.

Today, the initiatives of the RSPP for the adoption of the next Labour Code face tough criticism from the trade union associations. These initiatives include the changing forms of employment (part time or tele-commuting employment, precarious work), the augmentation of reasons for terminating a labour contract, the legalization of the temporary transfer of an employee to another employer under suspension of the basic labour contract, the demand for legislative recognition of other kinds of employees' organizations except trade unions (e.g. a representative body) that have the right to represent the interests of workers in social partnership[34]. According to an expert at the Centre of Social and Labour Rights, P. Bizyukov, these proposals had been put forward in the mid-2000s, but were first presented to the public as late as November 2010 during a period of workers' passivity[35].

Another employers' strategy involves the co-opting of traditional trade unions or the formation of so-called 'yellow' trade unions. A traditional trade union (e.g. the FNPR) on the company level (i.e. primary organization) obtains a position within the administrative structure of company management. In return, they generally accept the management position on labour conflicts[36], sign agreements on the employer's terms or only with his consent[37], including sectoral agreements and do not oppose the dismissal of 'trouble-makers'.

Moreover, we should note that one of the patterns of the 'old relations' between management and trade unions appears in the collection of membership fees by the company. This allows the companies to put pressure in certain cases on 'trouble-making' unions (as will be shown below).

Concerning 'yellow' trade unions, it is not so much the problem of establishing employer-friendly organizations themselves, but in conflicts arising when management attempts parallel negotiations with a trade union other than the one that initiated the labour conflict or strike[38]. In this situation, the union can be considered 'yellow' as it was not mandated by the workers engaged in their struggle. Only where alternative, militant trade unions have established roots in the work-force

34 RSPP position: Proposals for the radical modernization of labour law including the renovation of the Labour Code. Electronic source: http://xn--o1aabe.xn--p1ai/position/view/51 (last visit: 05.06.2013).

35 Бизюков П. Наследники роялистов // Авторабочий №39(26). Сентябрь 2012 г.

36 Interview with a representative of the PPO MPRA at the Benteler-Automotive plant, Kaluga, October 2012.

37 Interview with a representative of NABAT, Kamensk-Uralskyi, Sverdlovsk region, November 2012.

38 An interview with a representative of the Tyumen regional trade union centre, September 2012.

is the formation of 'yellow' or corporate unions considered by the management as a means of countering the strike.

What consequences has such a strategy brought?

In particular, the practice of informal employment has burgeoned. Professors T. Zaslavsky and M. Shabanov identify illegal labour practices as "a set of stable and massive social interactions associated with the violation of legitimate laws and other formal legal rules, as well as socio-cultural traditions regulating labour relations and the employment of citizens"[39]. Among them there are conflicting, antagonistic practices such as the violation of workers' rights and practices deemed relevant to the mutual benefit of both employer and employee[40].

Many sociological surveys affirm that labour relations are organized more in an informal way than according to formal rules and laws[41]. In matters of employment practice, the most numerous of these informal ways are work per verbal agreement and apparently formal recruitment, the difference between what is formal and what is not often taking on a deceptive character. In particular, the labour contract rarely contains all the conditions of employment; thus being outwardly formal, it can be informal in its content[42]. This problem is mainly evident in the labour market. As recognized by the Russian Federal Government itself, the labour market in Russia is not legitimized, since out of the 86 million people of working age, about 38 million are employed in non-transparent spheres[43].

As mentioned above, one of the features of informal practice in the workplace is its mutual character. In this respect, the cause lies in the adaptation to this situation by employees themselves. According to public opinion polls conducted by the VZIOM in 2011, 80% of the respondents believed that labour rights were not protected enough, and every second citizen (50%) believed that labour rights were not protected at all. Despite this, 67% of the respondents did not resort to any methods of labour-rights protection; those wanting to defend their rights did so mainly by addressing the employer (11%), the trade union (5%), the courts (or

39 Заславская Т.И., Шабанова М.А. Неправовые трудовые практики и социальные трансформации в России // Социологические исследования. 2002. №6. С. 3–17.

40 Ibid.

41 Клеман К. Неформальные практики российских рабочих. Экономическая социология. 2003 г.

42 Барсукова С. Формальное и неформальное трудоустройство в России: парадоксальное сходство на фоне очевидного различия. Electronic source: http://www.archipelag.ru/agenda/povestka/povestka-immigration/trud/neformal_trud/ (last visit: 04.03.2013).

43 Press-release. 3.04.2013. «Вице-премьер Голодец: 40 млн россиян заняты «непонятно где и чем» (Vice-Prime-minister Golodez: "40 million Russians are employed 'not clear where and how'"). Source: http://www.interfax.ru (Last visit: 19.03.2013)

legal intervention sought through personal connections) (6%), or by changing jobs and other actions (5%).[44]

Needless to say, the general tendency of workers in the 1990s to favour adaptation rather than confrontation in relations with employers due to their paternalist expectations, a legacy of the past that made for socio-political apathy among the population, lay in the interest of employers as well[45].

Protest activity and the struggles of workers in the 1990s were mainly aimed against wage debts and their injustice. These struggles did not result in ongoing resistance to the legal regulation of labour relations, not even in connection with the adoption of the new Labour Code, which abolished most of the significant social benefits and almost legalized overtime work, etc. Even though some of the struggles were quite militant, they did not help strengthen the labour movement, develop a common strategy of how to defend rights and interests or define a combination of conflict and cooperation. Moreover, the increase and stabilization of wages in the 2000s, compared with the 1990s in most economic activities (see Table 1, Table 2, Appendix 1), supported the tendency to adaptation – without any 'normal' form of resolution for labour conflicts having been found.

At the same time, the problem of wage arrears (see Table 4, Appendix 1) and dissatisfaction with management policy (dismissal of employees in connection with company liquidation) continue to be major causes of labour disputes (34% and 36% respectively out of all causes of protest)[46].

The non-payment of wages to immigrant workers, especially to those coming from the CIS countries, has become a widespread phenomenon. According to the Immigrant Workers' Union, 90% of applications from members of the union deal with issues of wage non-payment, and only 10-15% of all employers sign labour contracts with immigrant workers[47]. The results of sociological research on wage payment reveal that no more than 19% of respondents officially receive

---

44 Press issue of the VZIOM №1665. 12.01.2011. "Trade unions and labour rights of Russian citizens". – Пресс-выпуск ВЦИОМ №1665. 12.01.2011. «Профсоюзы и трудовые права россиян». Source: www.wciom.ru (Last visit: 19.03.2013)

45 Темницкий А.Л. Ориентации рабочих на патерналистские и партнерские отношения с руководством. 2004. С. 35.

46 Аналитический отчет «Трудовые протесты в России в 2008-2012 гг.» (по результатам мониторинга трудовых протестов Центра социально-трудовых прав). Electronic source: http://www.trudprava.ru/index.php?id=2228 (Last visit: 11.03.2013)

47 An interview with a member of the trade union of employed migrants, Moscow, January 2013 г. On the whole, the trade union helped members get 11 130 000 Roubles in wages // Вестник трудовой миграции. №11(47), ноябрь 2012. С. 2.

wages. The rest receive them in 'cash envelopes' (73%) or in other ways (8%)[48]. This also enables the employer to apply other forms of irresponsible treatment to immigrant workers. Cheap immigrant labour is used to minimize labour costs, including social protection.

Finally, the combination of the real economic interests of insiders and their ability to apply the rules of labour relations through the existing command-administrative channels has led to a degeneration both in effective economic strategy and the establishment of reliable labour relations. This has resulted in the emergence of archaic, pre-capitalist forms of relations between labour and capital.

Here are a few characteristics of modern labour relations, obtained from interviews carried out by the author in the autumn of 2012 that included members of trade union organizations (different sectors and activities), experts and social activists for the protection of labour rights[49]. They emphasize the following characteristics of labour relations in modern Russia: (1) the degradation and deterioration of employees compared with the previous period in the Soviet Union (MPRA, Teacher, St. Petersburg), (2) the employers compelling the enforcement of labour laws, (3) the huge corruption in a country that allows the feeble Labour Code to be ignored (most respondents interviewed agreed on this), and (4) the passivity and lack of trade union culture among the employees themselves (MPRA, St. Petersburg). They mention (5) that the collapse of the then-existing system was not followed by the creation of a reasonable and balanced European-type system (Trade Union of Workers of the RAS, Moscow), (6) the spread of precarious work (PPO MPRA Nissan, Leningrad region; the trade union Co-Action, Murmansk), (7) the loss of common interests not only within business firms, but also in state companies (a member of the company Singeos, Moscow), (8) that, in the employer-employee relationship, the employees display servile behaviour (NABAT, Kamensk-Uralsk) and (9) that social partnership on the basis of equality is much more utopian in Russian society than the self-governance of workers because of the current, unchecked implementation of the labour laws, the conventions of the ILO and highly corrupt official authorities (trade union Action, Ivanovo) etc.

Under these conditions, gender relations in the workplace have also changed. Indeed, the gender issue functions like a barometer of the employment relationship as gender differentiation covers all areas of activity and characteristics of

48 Quote: Labour migration in Russia – Цит. по: Трудовая миграция в Россию // Миграционный барометр в Российской Федерации. Electronic source: http://www.baromig.ru/experts/stati-o-migratsii/trudovaya-migratsiya-v-rossiyu.php (last visit: 11.03.2013).

49 Altogether 30 interviews.

employees in Russia. Gender differences were even stronger in wage payments and workplace status. In economic activities such as mining, manufacturing, transport, communications, real estate, the retail trade, construction, the hotel business, education, health and scientific research and development, the ratio of women's to men's wages is 64.1% (see Table 5, Appendix 1). In other words, men are much better paid than women, though (1) they both have the same number of children, (2) the level of education of women is higher than that of men, as they often graduate at universities. Recently the differences in female and male employment have become even starker. The male-dominated sectors of employment are clearly industry, construction and transport, the female-dominated being retail, public services and the public sector. In an interview, R. Sharifullina, a spokeswoman for the Petersburg Egida organization, which protects women's labour rights, identified such areas of non-recognition of female labour as being the oil and gas industry, forestry, transport and heavy machinery, the highest official authorities and company management. However, female labour is recognized in the sectors funded on a residual basis such as education and health, in non-profit social organizations or at the lower levels of state authorities. On the one hand, the subjective factors of such gender differences emanate from a patriarchal culture, chauvinism against women, and, on the other, from the lack of skill in self-organization among women themselves. However, the author suggests that the deepening political economical dimension of gender differences is the result of the whole process of the progressive restriction of employment guarantees and rights, including those pertaining to female labour, and the weak development of alternative trade-unionism in the female sectors of employment.

Finally, the content of the practices and methods applied by employers in regard to the regulation of labour relations can be characterized in terms of authoritarian types of employment. The paternalistic expectations of workers have become an important resource for employers' in their bid for domination. During the Soviet era, paternalism on the part of the bureaucracy was accepted in exchange for the political passivity of Soviet society and, at the enterprise level, in exchange for restrictions on self-organized labour institutions and the autonomous organization of trade unions in order to put them outside direct involvement in enterprise management.

At the same time, it must be asserted that Soviet society had known the potential development of self-organization in production. It is worth mentioning the activities of the factory committees, workers' control over production, which

developed rapidly, especially in the first decade of the Soviet state[50], and the brigade form of organization of production in the 1970s. They show the existence of grass-roots self-management at the workplace. However, these practices were unable to reverse the growing tendency towards bureaucratic control not only over the means of production, but also over the production process itself.

In not having overcome this tendency, Russian society has hardly been in a position to resist passive patterns of behaviour in labour relations since the collapse of the Soviet Union. As noted by A. Temnitskyi: "the real power of paternalism lies in the fact that in neither the labour co-operative nor in the Soviet labour collective was an employee so dependent on the employer as is now the case, given the present economic domination by the hosts and the vulnerability of the workers"[51].

As a member of the Russian Confederation of Labour put it, "the employees are afraid to defend their rights at the genetic level"[52].

It can therefore be said that, in the present conditions, its distorted form has obtained not only in relations of ownership: the occupation of property by a corrupt state bureaucracy (even after privatization) or informal governmental support (which, with few exceptions, is typical of a market economy), but in labour relations themselves. This latter means that paternalism in Russia today, in the relationship between capital and labour, is the re-iteration of its original significance, namely the direct surrender of the employee as junior partner to the senior status of both lower and higher management of a firm.

---

50 The movement of factory and plant committees covered about half of the enterprises counted by the industrial and professional census of 1918. / Дробижев В.З. Главный штаб социалистической промышленности (Очерки истории ВСНХ. 1917 – 1932 гг.). М. 1966. С. 46-50 и др.

51 Темницкий А. Трудовое поведение наемных работников в условиях состоявшейся адаптации: методологические подходы и некоторые результаты исследований / Доклады II Всероссийского социологического конгресса «Российское обществ и социология в XXI веке: социальные вызовы и альтернативы. Т.1. М.: Альфа- М., 2004.

52 An interview with a member of the Russian Confederation of Labour, January 2013.

2 Trade unions in modern Russia between traditionalism and the challenges of market transformation

This part of the study directly addresses the issue of self-organization of employees in the form of trade unions. This matter is relevant for several reasons. First of all, its importance derives from the fact that Russia is one of those countries where the number of economically active citizens is equal to half of its population. Currently, according to Rosstat data, it is 75.3 million (53% of the total population), with 71 million (94.2% of the economically active population) employed in the economy and 4.3 million (5.8%) in unemployment[53].

The author explores the issues related to the trade-union movement because unions are almost the only form of representation of employees' interests in contemporary labour relations. The Russian trade union-movement is very diverse, as it combines trade-union organizations that appear, on many issues, as competitors.

These contradictions appear more distinctly because of the domination of old ideas on trade unions and the search for a new image consistent with the rules of the market economy. In short, it is necessary to discover what role Russian trade unions play in labour relations. Is it possible today for the Russian trade-union movement to solve the problem of the struggle for labour interests and bring about the success of workers' self-organization in conditions of deformed, non-institutionalized capitalism? These are the main questions in this part of the study.

The trade union movement as a whole is thought of in academic literature and in practice as consisting of two types of union: the one 'traditional' and the other 'alternative'. Sociologists have maintained this division, which is based on activity and organization rather than on chronological principles. The term 'traditional trade union' is used of the successors to the Soviet trade unions. Peter Byuzyukov defines them as having such features as the continued existence of past organizational structure and personnel, an evolutionary method of reaching agreements and upholding the primacy of the interests of business over the interests of employees[54]. The 'traditional' trade union is often known as an 'official' union,

53 They did not have any employment but sought it actively (according to the methodology of the ILO, they are considered as unemployed). In the state offices on employment 1.1 million people are registered as unemployed. Source: Rosstat. 2. Занятость и безработица. Electronic source: http://www.gks.ru/bgd/regl/b13_01/IssWWW.exe/Stg/d02/3-2.htm (Last visit: 20.05.2013)

54 Бизюков П. Альтернативные профсоюзы: три эпохи / Профсоюзное пространство современной России / Под ред. В. Борисова, С. Кларка. М.: ИСИТО. 2001. С.98.

thereby emphasizing some governmental or state authority support. 'Alternative' trade unions are understood as a rejection of bureaucratic decision-making, prioritizing the interests of the workers and engaging in active methods of struggle such as strikes, protests and applications to courts[55].

To these characteristics should be added one more paradox. According to the Public Opinion Foundation (FOM) survey in 2011, "a trade union must", from the point of view of 81% of the respondents, "protect and defend the rights of workers", from that of 10% of the respondents, that it must "distribute social benefits", with 9% of the respondents remaining undecided on the issue[56]. In contradiction to this, the difficulties experienced by the trade-union movement indicate that a traditional attitude to trade unions still persists in the public's consciousness. The author therefore believes that the passive behaviour of employees in labour relations and the lack of desire to get involved in unionism is a symptom of this. Thus, according to the same FOM survey, only 14% of the respondents have joined trade unions, the remaining 79% have not[57]. In other words, the latter group of respondents were outside the scope of collective forms of labour-interest protection.

In the Soviet Union the All-Union Central Council of Trade Unions (VZSPS) represented the official trade union movement under the wing of the Communist Party. Its activities mainly focused more on such functions as the distribution of social benefits and social services (kindergartens, workers' recreation, gifts, celebrations among workers) rather than on issues such as wages, job conditions and workers' participation in the production process. With bureaucratic tendencies on the increase, the Soviet trade unions lost their purpose as institutions of workers' self-organization, thus turning the slogan "Union is a school of Communism" into the symbol of its degeneration. But even in the period of perestroika, when the VZSPS staged the 1988-1989 Congresses aimed at democratization, primary and regional trade union associations 'from above' could not solve the problem of democratic representation. For example, the renaming of the All-Union Central Council of Trade Unions (VZSPS) as the Federation of Independent Trade Unions of the RSFSR (FNPR) in March 1990 was supposed to represent a milestone on the road to a new and 'independent' trade-union centre in the transition to the market economy[58].

---

55 Ibid.

56 Профсоюзы в России. Опрос «ФОМнибус», 28-29 мая, 100 населенных субъектов, 43 субъекта РФ, 1500 респондентов // Доминанты. №22. 02.06.2011. С.46.

57 Ibid. P. 43.

58 Профсоюзы России: современный этап. 1990-2005 годы. М.: Изд-во АТиСО, 2005. С. 19.

Here, the author attempts to underline the key internal contradictions of that union in the post-Soviet era.

The Federation of Independent Trade Unions of Russia takes first place among all Russian trade union federations as the largest national union federation[59]. In the Soviet Union, the vast majority of the employed population were members of a trade union, so the FNPR automatically inherited this membership base from its predecessor. The key contradiction of the FNPR today has therefore been evolving between mass membership and the passivity of the primary (basic) trade union organizations at the regional level (regional committee) on the one hand and at the company level (PPO) on the other. The members of the FNPR only formalize their participation in the union during their time of employment in a company by paying their membership dues. The process of decision-making is granted to trade union professionals, representatives of the primary organizations, who are often far removed from specific problems of production and the interests of the rank-and-file members. In this sense, collective bargaining is conducted not only without directly consulting the members of the union, but also in the obscurity that such negotiations foster.

Secondly, if there is active participation by union members of the FNPR in the regulation of labour disputes at enterprise level, they usually face resistance from the higher trade-union bodies of the FNPR. For example, at the end of 2012, the primary trade union organization of the MP Salekhardenergo, a member of the Tyumen inter-regional trade union organization of workers livelihoods (FNPR), having initiated the process of amending a collective agreement, faced pressure from the employer. The regional office of the FNPR in Tyumen, however, sided with the management of the Salekhardenergo enterprise was forced to leave the FNPR federation, its chairman, Marat Mukhametov, dismissed by the employer and the re-organized union joined to the interregional trade union Novoprof. The management of Salekhardenergo refuses to transfer the membership fees to the newly-formed union, which contains more than 60% of the workforce, namely 850 people[60].

Thirdly, there is the contradiction between the compromising position of representatives of the FNPR in the relationship with the employer at enterprise level and the apparent criticism at the federal level of social partnership. As noted above, their support for the employers' proposals guarantees the primary organizations FNPR embeddedness in corporate management and their continued existence.

---

59 More information on the official web-site of the FNPR: www.fnpr.ru

60 Source: Novoprof // www.novoprof.org

Along with the traditional trade unions, new, independent trade unions emerged as the 'eighties turned into the 'nineties: the Socialist Trade Union Sotsprof (now the Association of Trade Unions Sotsprof), formed as an alternative to the VZSPS, and the Independent Trade Union of Miners (NPG). The latter became the symbol not only of the 1989-90 strike movement, but also of the political changes in the country at large, together with the Russian Seamen's Trade Union (RPM), The Russian Dockers' Trade Union (RPD) and the Federation of Trade Unions of Air Traffic Controllers (FPAD). These associations started the development of an alternative trade-union movement in Russia.

It should be noted that the Association of Trade Unions Sotsprof, which formed a counterweight to the VZSPS, had been launched as a political movement and participated in the first alternative elections to the Supreme Soviet of the USSR. Being the oldest independent trade union in the new Russia, Sotsprof evolved nonetheless towards a copy of the official trade unions, somehow supporting the country's political elite. In particular, Sotsprof's support for President Medvedev's initiative in 2011 should be emphasized[61]. Actually the status of 'official' trade union asserts that the past practice of subordinating trade unions to state power and thus removing them from the grassroots process is not a matter of history, but is assuming 'new' declarative form and reappearing in a modified form.

In general, during the 1990s there were three waves of alternative unions[62]. The first wave was directly linked with the birth of new independent trade unions between 1990 and 1995. At that time (1995), there were also large free trade union associations, namely the Confederation of Labour of Russia (KTR) and the All-Russian Confederation of Labour (VKT). The process of the unification of the two confederations began in 2008 and completed in 2011 on the basis of the Unity Congress of the Confederation of Labour of Russia[63].

The second wave of alternative trade unions in the 1990s, and associated with the 1996-98 strike movement, relied on mass discontent with the social situation in the country. The peak of the second wave of alternative trade unions was during the 'rail war' in 1998, which made it clear to employers and the state authorities that the denial of legal and constructive conflict-management can lead to mass protests and tensions in society at large.

---

61 See e.g.: «СОЦПРОФ поддерживает инициативы Президента РФ Медведева Д.А.». Electronic source: http://www.sotsprof.org/node/5537; «СОЦПРОФ поддерживает президента». Electronic source: http://www.sotsprof.org/node/8584 (Last visit: 5.04.2013)

62 Бизюков П. Альтернативные профсоюзы: три эпохи / Профсоюзное пространство современной России / Под ред. В. Борисова, С. Кларка. М.: ИСИТО. 2001. С. 38.

63 An interview with a member of the Russian Confederation of Labour, January 2013.

The third wave of alternative trade unions dates back to the years 1998-99 when unions were focusing on the legal protection of the interests of workers and appeals to the courts.

Today, however, under the existing difficult conditions engendered by the labour laws, a new generation of alternative trade unions has appeared. They are primarily the Inter-regional Trade Union of the Automobile Industry (MPRA), the inter-regional education trade union Teacher, the Interregional Trade Union of Novoprof ("new trade unions"), the Interregional trade union of health workers Action, the inter-regional trade union of higher education workers University Solidarity, the Independent Primary Trade Union Organization (NPPO), and Civil Aviation's Zashita etc.[64] Their common feature is the ability to find new forms of collective struggle in the conditions of new labour legislation limiting the rights and guarantees of trade unions.

Alternative trade unions have, in all phases, emerged in 'male' industries like transport or the car industry and most of their leaders are men. However, in the last two years, alternative trade unions have begun to emerge in the public sector (health, school and higher education), an area of female employment with women starting to participate in independent trade unions, which is also a new characteristic, though the process is slow. As pointed out by R. Sharifullina: "Women have more fear than men, fear for their kids being the foremost reason. The second is that a woman is not competitive in the labour market today because, unlike a man, it will be very difficult for her to find work again if she loses her job. The third reason is the lack of legal guarantees for large (regional) trade unions to confront a company with claims designed to improve the labour rights of women".

Thirdly, the new wave of alternative trade unions is attempting to form a "new union" image by influencing primarily the consciousness of the employees themselves. Information work and the organizing and teaching of members are seen as one of their chief activities.

In conclusion, this configuration of the Russian trade union movement, which is greatly under the influence of 'old' labour relations, can be regarded as a form of competition between official and alternative trade unions that, on the whole, does not directly involve union members as such. The struggle of the independent unions for freedom of association and recognition to be adopted as legal rights is in fact aimed at the omnipotent position of the employers as well as the state's official labour policies supporting it. The aim of traditional unions to be incorporated in companies alongside management with vocal criticism of the employers'

64 For more detailed information about some of these unions, see Appendix 2.

associations at the federal level restrains the labour system from developing social partnership and, in doing so, conveniently paves the way for low labour costs.

3 The limitations of collective bargaining

One of the fundamental questions of labour relations centres around the issue of collective bargaining. In Russian labour law, collective bargaining is only possible at the lowest level of social partnership, i.e. at enterprise level. Because the agreements adopted at the federal level of social partnership (general agreements), at the level of one or more regions (regional and interregional agreements), at the industrial (sectoral) level (industrial agreements) and the administrative-territorial (territorial agreements) level are not compulsory for employers and largely prescribe the minimum labour demands for a defined sector of the economy[65], trade unions have to launch additional collective bargaining at company level to confirm them.

The procedure of collective bargaining is spelled out in the rules of the Labour Code of the Russian Federation (2001). The main actors eligible to enter into collective bargaining under the Labour Code are the primary trade union organizations[66] or a representative body of workers in an actual company. They are considered components in the collective bargaining process on behalf of the employees. However, in order to become the initiators of negotiations, they have to comply with a number of conditions prescribed in Article 37 of the Labour Code.

The first option prescribed in Article 37 concerns the grounds on which the primary trade union organization (PPO) is eligible to submit a proposal to an employer to initiate collective bargaining if more than half (50%) of the employees of a company are its members. Otherwise, *the second option* is provided in which two or more of the primary trade union organizations, uniting more than half of the employees of one employer, may create a single representative body. If neither option is the case, the framework of the Labour Code lays down *a third option*, in which the right to collective bargaining is granted to the general meeting (or conference) of employees, which "may elect by secret ballot among the employees another representative body in order to endow it with the respective functions of representation".

The Labour Code does not accord the right to collective bargaining to a trade union body in a broad sense, but to the primary trade union organization at the company in question and sets (2) quantitative requirements of legitimacy for the

65 Олимпиева И.Б. Российские профсоюзы в системе регулирования социально-трудовых отношений: особенности, проблемы и перспективы исследования. Серия «Научные доклады: независимый экономический анализ», № 216. Москва, Московский общественный научный фонд; Центр независимых социологических исследований, 2010. С.39.

66 Before the adoption of the Labour Code in 2001, this provision was promoted by the FNPR.

primary trade union organization, or to a representative body. Consequently, the trade unions are restricted in launching and conducting collective bargaining on behalf of their members by the number of members they unite and by the existence of a primary trade union organization in the company.

As a consequence of the procedure described, or without active collective bargaining, collective agreements are signed mainly in two ways: (1) either an employer (more often represented by the state) tries to comply with the mere formalities so that an agreement does not contain any crucial requirements from the representative body of the employees, as the latter usually acts on the behalf of the official trade union; (2) or an employer is a big corporation that experiences the impact of global trade-union pressure (e.g. Lukoil, Gazprom).

According to the report of the Ministry of Labour in 2010, the number of workers covered by collective agreements was 27,933,794 (62,2%) out of 44, 933,685 employed in 4,279,761 organizations (including private companies and public structures)[67]. So it means that only a third of the economically active population (out of around 74 million) is under the protection of collective agreement. About 57% of all collective agreements (223,344 in 2010) were signed in companies with state or municipal forms of property. Out of all sectors of the economy, the highest percentage of collective agreements is to be found in education, the service sector, accommodation services, industry, health care, culture and art.

As reported by the regional state authorities on labour, the main factors impeding collective bargaining are the unstable financial conditions of companies, a lack of will on the employers' side to take on social obligations, the absence of trade- union organizations and employees' passivity towards the conduct of collective negotiations[68].

Collective agreements that are not formal cases, but signed as a result of successful strikes or other forms collective struggle are few and far between, yet these are the ones that most closely resemble international labour standards. However, as the right to strike has been denied since 2001 to many categories of professions (e.g. emergency law-enforcement agencies, rail, water, and air transport, hospitals

67 The information about the number of collective agreements in the regions of the Russian Federation which were in force in the organizations (private and public) on 31 December, 2010 – Сведения о количестве коллективных договоров в субъектах Российской Федерации, действующих в организациях по состоянию на 31 декабря 2010 года. Electronic source: http://www.rosmintrud.ru/docs/mzsr/letters/97

68 The analytical overview of 17 May, 2006 "About the development of social partnership in the regions of the Russian Federation with the results of 2005" – Аналитический обзор от 17 мая 2006 г. «О развитии социального партнерства в субъектах Российской Федерации по итогам 2005 года». Electronic source: http://www.rosmintrud.ru/docs/mzsr/letters/97

and communications services, energy suppliers of heating, water and gas), labour conflict today takes the form of spontaneous protests that cannot be submitted to the regulation of an existing legal framework.

That is why the collective bargaining mechanism is mostly an exception rather than ordinary practice. But when it does take place, it focuses on wage-bargaining and safety conditions at the workplace. In comparison with other BRIC countries, for example Brazil, such demands as gender equality in pay are not relevant at the moment in Russia. The most militant workers organizations struggling for collective agreements are largely the member organizations of the Confederation of Labour of Russia (KTR). Among them are numbered the Dockers' Trade Union (RPD), the Seamen's Trade Union (RPM), the Federal Union of Air Traffic Controllers (FPAD) as well as the practice of the primary trade union organizations of the Inter-regional Trade Union of the Automobile Industry (MPRA).

In particular, strikes were organized by the Dockers' Union in St. Petersburg in 2005 and 2007 and in Tuapse in 2007. In many cases, the dockers' strikes were caused by the wage and social-benefits cuts initiated by the new owners. As a result of the strikes, the RPD achieved higher wages, as well as a collective agreement in 2010[69].

The Federal Air Traffic Controllers Union made significant gains (a shorter working week, early retirement, additional holidays, etc.) in the period 1992–2002. In 2007, the FPAD was able to carry out collective negotiations with the employer – the federal state unitary enterprise State Corporation for the Organization of Air Traffic in the Russian Federation. Two partners signed a single collective agreement for all branches of the corporations in Russia that operated until 2010. In that year, however, the agreement was fragmented, under pressure from the employer, into the collective agreements of the branch offices; due only to the tremendous efforts in organizing various protest actions did the trade union manage to defend the validity of the unitary collective agreement.

The long-term strikes organized by the MPRA had a positive outcome. A collective agreement was signed between the Ford Motor Company (Vsevolozhsk City, Leningrad region) and the trade union MPRA of the Ford Motor Company. It guaranteed annual wage increases of up to 2.5% above inflation, as well as other bonuses and various compensation and incentive payments. The collective agreement provides for the limitation of the number of workers employed through agencies (precarious work) to 5% of the workforce.

69 An interview with a member of the RPD, St. Petersburg, November 2012.

In 2012 the collective agreement between the PPO MPRA and the management of the Kaluga plant Volkswagen fixed a formula of guaranteed annual wage increases above inflation of more than 2%. Thus, the minimum wage in Volkswagen rose in April 2013 to 30,647 Roubles, with a maximum of up to 32,443. Previously, the minimum wage had been 26,341 Roubles. In March 2012, the workers at the Kaluga plant of Benteler Automotive went on strike with the result that the plant's management and the PPO MPRA consequently signed a collective agreement. It fixed substantial wage increases and a 20% additional payment, or bonus, as part of the monthly salary. Previously, the workers depended on the good will of the management. The use of contract workers in Benteler was limited to 15% of the enterprise personnel under usual conditions (to 25% in expanded production) and to be transferred to the permanent staff of the enterprise every three months[70].

A special problem is guarantees for workers involved in collective bargaining. The legal framework establishes the following guarantees to employees: they cannot be subjected, disciplined, transferred to another job, moved, or dismissed by the administration without the prior consent of the body which authorized them to be representative. However, the law contains exceptional cases prescribing the termination of employment due to an offence for which, in accordance with the Labour Code, an employee can be dismissed.

The simultaneous existence of guarantees and legislative rule for dismissal of trade unionists in practice allows the employer to find an offence that can be estimated as a reason for dismissal. As the member of the Federal Union of Air Traffic controllers (Tyumen) pointed out: "an employer's representative knows that union activists are not protected by law and it is possible to invent a labour violation or technical discipline for an activist (because the responsibility does not arise). The law is viewed as formalist and grossly restricts the rights and benefits of employees"[71]. A member of the union Teacher affirms that "The majority of the labour protests outside the factory demonstrates that the regulatory system of labour disputes is working even worse than before. Organizing a trade union or even going on strike with the threat of losing your job hanging over you is impossible".

On the whole, trade union activists of different industries and experts agree on the "necessity for changes to the law on the trade unions' roles that today limits their capacity" (a Novoprof member, St. Petersburg) and there is a need to "restore the equality of trade unions in the collective regulation of labour relations and the

70 For more detailed information, see here: http://mpra.info/bonuses (last visit: 2.02.2013).
71 An interview with a member of the FPAD, Tyumen, October 2012.

provisions that protect trade unionists from lay-offs" (an expert of the School of Labour Democracy, Moscow).

The limitations of the Labour Code are made clear by the question of the types of agreement. For example, the Code does not lay down norms for agreements at the professional level. The Confederation of Labour of Russia criticizes that issue since employers' organizations often refuse to initiate negotiations on professional agreements by referring instead to existing sectoral agreements. Despite the fact that Russia has signed the basic conventions of the International Labour Organization in order to get closer to the international standards of labour rights protection, the provisions of the ILO Convention nos. 87 and 98 (freedom of association and the right to collective bargaining) are not fully implemented. In this regard, the Committee on Freedom of Association of the ILO regularly receives complaints from the Russian trade unions about the restriction on the right to collective bargaining and the discrimination of workers on the basis of their affiliation to trade unions. This Committee has addressed the Russian government with the request to amend Articles 25 (Levels of Social Partnership) and 45 of the Labour Code of the Russian Federation[72].

Russian labour relations have not yet been greatly influenced by the internationalization of labour standards, and the negotiation process, although the country has for some time been actively integrating into the world economy. Russian trade unions are members of the global trade-union organizations, but most of them do not have sufficient resources to sign International Framework Agreements. However, the solidarity positions and joint discussions on IFAs among international organized labour, namely the United Auto Workers (USA), IG Metall (Germany) and Canadian Auto Workers with the Inter-regional Trade Union of the Automobile Industry (Russia) have shown an incipient willingness to elaborate approaches to the question of IFA application.

At the moment, the only Russian company ever obliged to sign an International Framework Agreement is the trans-national oil company Lukoil. This corporation is considered the largest MNE based on Russian capital in respect to foreign assets and size of labour force[73]. The latter consists of around 150,000 employees, including 22,000 from outside Russia. The IFA agreement was, for the first time, signed in May 2004 by the International Federation of Chemical,

72 Руководители Минтруда и КТР провели рабочее совещание. Electronic source: www.ktr.su (last visit: 09.03.2013).

73 Papadakis K. Signing International Framework Agreements: Case studies from South Africa, Russia and Japan / International Labour Office, Industrial and Employment Relations Department. Working paper. Vol. 1. № 4. Geneva: ILO, 2009.

Energy, Mine and General Workers' Unions (ICEM) (meanwhile merged into IndustriALL) and the top management of Lukoil together with the Russian Oil, Gas and Construction Workers' Union. The agreement prescribes the labour guarantees referred to in the chief provisions of the ILO Conventions, in particular to the freedom of association and the right to collective bargaining, the abolition of forced labour and the ongoing struggle against child labour.

Two factors should at least be noted which paved the way to the IFA signing. Firstly, the role of the International Association of Trade Union Organizations of Lukoil (IATUO), a so-called corporate trade union. It delivered the information from the ICEM to the management about the need for the IFA and, at the same time, was under pressure from foreign branches of the union to start negotiations on the IFA. But on the 4 of October 2012, in the IFA prolongation, the IATUO took part as a party to the agreement[74]. Lukoil's management committed itself through the IFA to guarantee the right of primary trade union organizations to conduct collective bargaining in any enterprise of the corporation.

The second factor was the aspiration of Lukoil's top-management to work out a socially responsible image of the company at international level. This can also be regarded as a paramount reason for signing an IFA because Lukoil attempted to get market advantages with regard to other big oil multinational corporations.

To sum up, it can be concluded that collective bargaining in Russian has not yet become an effective tool for regulating collective labour relations. The tendency to the formal signing of collective agreements – that legacy of Soviet legal regulation – has not developed into a permanent mechanism capable of setting up compromises between two partners, although, as will be shown below, there were legal guarantees for its development in the 1990s. Employees nowadays seek solutions to problems less often in dialogue with their employers, so labour conflict regularly turns into spontaneous protest, with the workers' appealing for publicity or using external methods of pressure on company management. Labour conflict tends therefore to extend beyond the boundaries of enterprise and the launch of collective bargaining is not regarded as a direct approach to finding compromise. Collective agreements, signed as a result of collective struggle and actually responding to workers' demands, are the exceptions that serve only to show up a system that is far from developing progressively. The internalization of labour rights has started to gain influence only within large Russian multi-national corporations that have entered into the international market of the workforce. Al-

74 For more detailed information, see here: http://mopo.lukoil.ru/846/4143/index.html (last visit: 17/11/2012).

though Russia's burgeoning presence in the world economy could possibly bring about the changes needed, collective bargaining, in the meantime, still depends on the strength of organized labour at the enterprise level in order to become an efficient tool for the peaceful settlement of conflict.

4 The problems of works-council institutionalization in Russia

In Russia on 19th May 2013, a law enabling employers to establish works councils came into effect. Article 22 of the Labour Code was amended as follows: "An employer has the right to create a works council (except employers that are not individual entrepreneurs), which is an advisory body formed on a voluntary basis by the employees of the employer who have sufficient achievement and work experience in order to prepare proposals for the improvement of production and some production processes, for the introduction of new technologies, for the increase in productivity and to develop workers' skills. The warrants, the structure, the procedure of activity of the Council and its interaction with the employer are established by local regulation. The warrants of the works council cannot include the issues that, in accordance with federal laws, relate to the exclusive competence of management as well as to issues of representation and protection of social and labour rights and the interests of workers that, according to this Labour Code and other federal law, are under the jurisdiction of the trade unions as well as other representatives of the employees. The employer must inform the works council of the outcome of the proposals received from the works council and their implementation".

Before the adoption of this law, labour-relations experts and trade union activists together with the participating representatives of the Ministry of Labour and Social Security had discussed the interconnectedness between the practice of German works councils and Russian experience in representing workers' interests. This debate became relevant after the publication of the Presidential Decree in May 2012 On Measures for the Implementation of State Social Policy, which stated the need for the elaboration of proposals and amendments to the country's laws to establish works councils and determine their warrants[75]. An attempt to address the German model of works councils can be seen as a step towards eliminating the disadvantages in the existing system of social partnership. However, public opinion on this issue is not unanimous. Here are the following arguments.

In European countries (e.g. Austria and Germany), there is a kind of two-tier system of protection of labour rights, namely at the level of trade unions and

75 Указ «О мероприятиях по реализации государственной социальной политики» от 7 мая 2012 года № 597 // Указы Президента Российской Федерации В.В. Путина от 7 мая 2012 года №№ 594, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606.

works councils (Betriebsräte). Briefly, it should be noted that the works council must be initiated and elected by the employees of the enterprise themselves (by at least five people, according to German law)[76]. So it cannot be formed by the employer. The duties of a German works council include the scheduling of work-time, the supervision of the implementation of collective bargaining agreements between trade unions of the industrial sector and representatives of employers, the training of workers, etc. In this framework, the influence of trade unions is displayed through the representation of employees in collective bargaining. German trade unions organized on a territorial and sectoral principle are interested in increasing their representatives at the level of shop committees in enterprises (Vertrauensleutekörper) as well as in recruiting members to the works council.

Why did the Russian state introduce a law on works councils that takes the experience of the German model into account (the decree demanded proposals be submitted as early as December 2012)?

The Government of Russia has a quite definite position on encouraging foreign investment in the country's economy and, in particular, investment from Germany. As reported by the Ministry of Economic Development and Trade on the investment climate in 2011, Germany is a key investor country (11.0%), although it ranks fourth in investment terms, coming after Cyprus – a large offshore area (26.4%), the Netherlands (16.3%) and Luxembourg (13%). China ranks fifth (10.3%) and then the UK (8.0%))[77]. Whereby it can be assumed, of course, that the money coming from Cyprus, Luxembourg and the Netherlands is Russian money banked in these tax-havens, whereas the money coming from Germany can be considered as real direct foreign investment. It should be noted that German investment mainly flows into the mining and manufacturing sectors. The same ministerial report affirms that in 80 Russian regions, but mainly in Moscow and St. Petersburg, there are about 4,600 companies with German participation and about 800 enterprises with 100% German capital are registered with 1,816 branches and representative offices[78].

A significant share of government contracts is realized by German construction and engineering companies. They are involved in projects for the construction of the Olympic facilities in Sochi, in the construction of underground tunnels and

76 Betriebsverfassungsgesetz § 9, date of issue: 15.01.1972.

77 Российско-германское сотрудничество: создание благоприятного инвестиционного климата в Российской Федерации и направления развития Программы подготовки управленческих кадров. Доклад директора Департамента экономики социального развития и приоритетных программ, Махаковой Г.Ч., Ганновер, 10 ноября 2011 г.

78 Ibid.

highways criss-crossing the country, as well as in the reconstruction of airports in both the capital and in the regions[79]. The call from former Transport Minister, Igor Levitin, obviously sounded convincing enough for German businessmen to invest in specific infrastructure and transport projects in Russia[80].

At the same time, attention should be drawn to the position of the German business community itself. According to the survey The Business Climate in Russia 2011-2012 carried out by the Eastern Committee of the German Economics Ministry and the Russo-German Chamber of Commerce, "German companies in Russia are optimistic" and are waiting for "a positive effect on Russia's accession to the WTO"[81]. The respondents represented such industries as mechanical engineering, the construction sector, energy, the wholesale and retail trade, agriculture, etc. Out of these respondents, 49% are planning to invest in Russia and 64% intend to "increase the number of personnel and invest more than €880 million"[82]. The survey concluded that German companies will continue to take the lead position in employment over all other foreign investors in Russia[83]

As already noted, German capital is particularly interested in investing in such industries, including the localization of production, as the metallurgical, mining, construction and chemical industries, the energy and gas sectors, engineering and machine tools. These are the main areas of industrial production in the country where the labour force is needed[84]. Moreover, in 2009, the Russian government expressed its intention to allow the German business community to participate in the privatization programme[85].

---

79 German business– in Russian service – Немецкий бизнес – на российской службе. Electronic source: http://finance.bigmir.net/news/economics/17268-DW-Nemeckii-biznes-na-rossiiskoi-gosslyjbe (Last visit: 4.01.2013)

80 Russia calls on Germany to invest in transport sectors – Россия призывает Германию инвестировать в транспортные отрасли. Electronic source: http://www.dw.de (last visit: 3.12.2012).

81 «Деловой климат России 2011-2012 гг.», 9-ый опрос «Восточного комитета германской экономики» и Российско-Германской внешнеторговой палатой.

82 Ibid. P. 3.

83 Ibid. P. 5.

84 The access of Russia into the WTO gave hopes for German business – Вступление России в ВТО окрылило немецкий бизнес. Electronic source: http://www.dw.de (last visit: 3.12.2012); Немецкий концерн будет привлекать в Санкт-Петербург европейских поставщиков автокомплектующих. Electronic source:http://www.regnum.ru/news/1394868.html (last visit: 2.10.2012).

85 The deputy of Bundestag: "German companies in Russia work with double standards" – Депутат бундестага: «Немецкие компании в России руководствуются двойными стандартами». Electronic source: http://www.rosbalt.ru/main/2012/11/10/1057052.html (last visit: 2.10.2012).

Thus, one of the key reasons why state officials want to introduce works councils lies in their commitment to creating an enabling environment, particularly in the field of labour relations for the development of foreign business in Russia. As Germany is one of the countries with the lowest figures for days lost through strikes, German investors would clearly prefer to settle wage-disputes without strikes – all the more so when these companies produce for a market with a strong division of labour and a 'just-in-time' production mode such as can be seen in the car-industry. It therefore remains an open question whether these future work councils will increase the level of employee participation in production management and, with it, the necessary productivity and efficiency required or whether they will merely be used as a tool to pacify the only theatre of efficient struggle to defend workers' interests left– namely strike action.

In this regard, the question of fundamental importance is what could finally trigger the introduction of a system of works councils into the relationship between labour and capital in Russia?

We should pay attention to the fact that the state, although the initiator of the works-council idea, represents itself weakly in the matter of social partnership, often taking the side of the employer in practice or trying to present itself only as an employer. It has yet to take into consideration the specificity existing in the labour system in the country and how work councils could be structured within it. In this respect, the opinion of the unionist from the Interregional Trade Union of the Automotive Industry at the Volkswagen plant in Kaluga is significant: "In fact, the works council is a kind of 'wooden shirt' now being imposed on us whereas a culture must gradually form itself historically as the result of a specific development – but right now we are being deprived of our own development and civilized choice"[86].

The analysis of German work-council experience has mostly been superficially perceived by state officials. The need expressed by the trade unionists to comprehensively study the German social partnership model (Mitbestimmung) in advance met with no response because the German model of social partnership suggests that unions be recognized as equal partners in collective bargaining from the start. The chief task of the unions consists in representing the workers in collective negotiation on sectoral agreements with the employer and, as a rule, a trade-union organization need not be legalized in an obligatory way at company level because

86 Carrying out the sociological opinion poll among the trade unionists, the author posed them a question about their attitude towards the introduction of works councils according to the German model into the system of Russian labour and social relations.

the validity of the contract for a given company depends on its membership in the employer´s organization and on the individual membership of each worker.

This question was also the subject of discussion between the German Trade Union of Metal Workers IG Metall and the MPRA Union in St. Petersburg in November 2012[87]. The unionists from both countries agreed that if, in the Volkswagen plant in Wolfsburg, 90% of the workers are IG Metall members, then the works council is under the control of the union while, in Russia, independent trade unions are militant, but have only a small membership. Works councils can thus be ruled indirectly by employers.

Current Russian labour practice suggests, as noted above, that a trade union can obtain certain rights only after being legalized at the level of a particular company or firm.

This issue was of prime importance at the conference organized in September 2012 in Moscow by the Higher School of Economics, the Friedrich Ebert Foundation and the Centre for Social and Labour Rights, entitled Employee Participation in the Governance of Production. The Role of Trade Unions and Works Councils in the Regulation of Labour Relations. Professor V. Mironov, head of the Department of Civil Procedure Law at the University of Gubkin that *"... before we introduce anything, we have to completely change our judicial system. The German system is based on labour-court conflict. We have the same courts of general jurisdiction which deal simultaneously with criminal lawsuits and administrative penalties. Labour relations are for them of peripheral interest. By the way, when councils of judges and qualification boards appeared, we experienced a high level of corruption. So the idea of works councils should be accepted with extreme caution"*[88].

Director of the Centre for Social and Labour Rights (Moscow), E. Gerasimova, states that public opinion on the issue of the introduction of works councils, namely the need to develop appropriate mechanisms in the Russian situation for the distribution of power between the works councils and existing primary trade-union organizations, was not taken into account by the Ministry of Labour while the law was under elaboration. Finally she concluded:

> *"... even in the current, innocent version of the law, works councils can become the most loyal body that weakens and then expels the unions. Where and how can it be discerned that the initiative has not played a part in destroying*

87 Press-release: MPRA and IG Metall exchanging experiences in Petersburg – Пресс-релиз: МПРА и IG-Metall обменялись опытом в Петербурге. Electronic source: http://mpra.info/news/mpra/862-MPRA-i-IG-Metall-obmenialis-opitom-v-Peterburge (Last visit: 18.12.2012)

88 Что немцам хорошо, то у нас не нужно. Electronic source: http://lfpspb.com/proizvodstvennye-sovety-zachem/1859-chto-nemcam-horosho-to-u-nas-ne-nujno.html (Last visit: 13.10.2012)

the unions, or at least in weakening them? Is an effective self-governance of workers possible in such an atmosphere to which works councils should contribute? It turns out that the main purpose of the law has been to implement the Presidential Decree"[89].

The practice that the works council is not organized by workers but by the essential support of company management is today being tested in those enterprises with foreign capital. Usually the company initially organizes the so-called corporate union, whose role is to recruit more members. In most cases such unions are set up against independent ones, namely the alternative trade unions. On the basis of the corporate union, the attempt is made to establish a works council by 'election'.

In the case of Volkswagen's Kaluga plant, the so-called Independent Innovation Trade Union of the Volkswagen Group Rus was founded in the summer of 2012[90]. In a statement drawn up by the representatives of the primary trade union organization of the MPRA, a very critical attitude was taken towards the establishment of a third 'union' in the enterprise. The latter is estimated as an employer's intention to organize a works council which then represent all employees:

"It is clear that, in the present situation, the MPRA would take a majority of the seats in the works council, and such a council would be outside management control. The corporate trade union was founded in order to cause turmoil and confusion as well as to take away more potential seats on the works council from the MPRA"[91]. *In this respect one of the members of the PPO MPRA at Volkswagen in Kaluga stated, "The idea of a works council brings some uncertainty. The fact is that the employer is now trying to create such a council in the enterprise. If the works council organizes technical issues, such as clothing, then it will take on a huge load of problems associated with the trade union, and if the works council deals with the collective agreement, it'll be serious because it'll probe deep into the issue of wages. The union should have more influence in determining the relationship between the employees and the employer"*[92].

---

89 Вся власть – производственным советам? Electronic source: http://mpra.info/news/russia/1193-Kollektivnii-razum-iz-Germanii- (Last visit: 22.04.2013)

90 Раз профсоюз. Два профсоюз. Три профсоюз! 04.06.2012. Electronic source: http://vgr40.ru/news/2012-2-1/ (Last visit: 13.04.2013)

91 См.: На заводе «Фольксваген» создан третий профсоюз. 13.06.12. Electronic source: http://www.ktr.su/content/news/detail.php?ID=187 (Last visit: 9.10.2012).

92 Interview with a representative of the PPO MPRA from the Kaluga plant of Volkswagen Group Rus, November 2012.

The same scenario in the German factory Benteler Automotive in Kaluga was created by the PRBA union, the Union of Benteler Automotive Workers. A unionist from the MPRA union at Benteler Automotive assessed it as following:

> *"Now there is also this fashion for creating enterprise unions. <…> I have to be honest, there are some suspicions about works councils. How can the employees' structure protect the interests of workers when, in reality, it is dependent on the employer? If the union has its own organizational units, its leverage, the works council and its members will be paid by the employer. The works council does not have its own resources for collective action and leverage and, even if the employer wants it to, the works council cannot meet because of the absence of a meeting place. It's one matter when the works council organizes technical, social and domestic issues, but in our case the employers are trying to replace trade unions with an organization in which the works council allegedly works on behalf of employees. This is alarming, so I am sceptical about the practice of introducing works councils"*[93].

However, among the Inter-regional Trade Union of the automotive industry the opposite position towards the integration of works councils into Russian enterprises can be found. A representative of the MPRA from St. Petersburg states:

> *"I have no problem with the introduction of works councils. The main thing is that they should not take a perverted form, as happened at the birth of the councils of the workers' collectives. In my view, there must be a competent and balanced approach to this problem. We are not afraid because there's the outside world's experience in all this to go on and it should be adopted here. Currently the question of work councils is under discussion at Volkswagen. We're trying to negotiate and establish clear rules of the game, not so as to come up with some rigmarole about pseudo- and real democracy, but to carry out democratic elections. The functions of the works council and the trade union must be clearly set apart, as they are in Europe. In fact, my colleagues in the old trade unions fear all this as most of them already sit on works councils that have the same form world-wide. But even they do not fulfil the smallest number of relevant functions because, some companies excepted, they generally do not discuss questions of production"*[94].

It should be added that the MPRA's promotion of collective bargaining as a primary tool of social dialogue has attracted the attention of and support of the

93 An interview with a representative of the PPO MPRA from the Kaluga plant of Benteler Automotiv, October 2012.

94 An interview with a representative of the MPRA, St. Petersburg, November 2012.

European Works Councils of Volkswagen, the Ford Company, Benteler Automotive and members of the International Metalworkers' Federation. In the case of the Kaluga plant of the Volkswagen Rus Group, when the management refused to continue with collective negotiations in the summer of 2012, Volkswagen's European Works Council carried out a serious consultation in Wolfsburg with the management of the company in Russia[95]. This helped to promote further bargaining and get the collective agreement signed. Moreover, the MPRA takes part in Ford's European Works Council[96].

Among other problems, the question of representation on the works councils of German multinational companies remains open. In this regard, the example of the German global energy-corporation E.ON AG – E.ON Russia, which includes the Surgut GRES-2 branch, is demonstrative. In the spring of 2012, on the initiative of the All-Russian Electricity Trade Union and the primary trade union organization of Surgut GRES-2, consultations were held between the German trade union Verdi and the European Works Council of the corporation E.ON AG. T The issue of management compliance with the principles of social partnership was raised. According to the trade unionists, the solution to these problems should adequately increase the level of wages for workers and current lower-level social benefits[97].

During the consultations, the decision was taken to include representatives of the Russian contingent (with observer status only) in the newly-elected European Works Council of E.ON AG. This status implies a rather limited set of rights and the inability, therefore, to use that institution to directly influence the corporation's policy towards the company's Russian employees. In this context, the issue of equal participation in the activities of the works council at regional level is still open.

Secondly, there is a need to emphasize that the new law provides employers the right to set up works councils that are not in accordance with the European model of works councils. So, in the context of weakly-organized labour in Russia, the unbalanced diffusion of the representative rights of workers is made possible. Trade-union activists drew attention to the following aspects:

---

95 Press release: «Фольксваген»: стороны возвращаются за стол переговоров. 18.07.12. Electronic source: mpra.info

96 Press release: МПРА принял участие в заседании Европейского производственного совета «Форда». 26.06.12. Electronic source: mpra.info

97 Переговоры с представителями Европейского Производственного Совета глобальной энергетической корпорации E.ON AG. Electronic source: http://www.elprof.ru/materials/activity/mezhdunarodnoe-sotrudnichestvo/peregovory-s-predstaviteljami-evropejjskogo-proizvodstvennogo-soveta-globalnojj-energeticheskojj-korporatsii-eon-ag/ (Last visit: 7.11.2012)

A member of the trade union "Novoprof", St. Petersburg states:

"The model of works councils in the framework that V. Putin has proposed aims at putting an end to the trade unions and enterprises. This will lead to increased investment in the Russian economy because labour will become cheaper as a result. We understand perfectly that these works councils will be dependent on the employer because elections without democracy are nothing. Finally, there will be a whole raft of workers representing the interests of the employer. In Germany, the territorial or sectoral union does not need to be registered in the primary trade union organization in the company. It needs to win the election in the works council. As for Russia, the legislative initiative introduces these works councils without changing the law on trade unions and without restoring guarantees"[98].

A member of the Russian Trade Union of Seamen (RPSM), St. Petersburg:

"When I was in Germany and spoke to unionists, I asked whether they intervened in works-council competence. They replied that, on the contrary, it was more convenient to work with them because trade unionists themselves are part of the works council. In Russia today, we are not supposed to get involved in production activities, but we can still have our members maintain the works council and stay in the enterprise. The works council hears workers' opinions. Although, in our case, it may turn out differently. So the law can prescribe that collective agreements can only be concluded by trade unions and workers' organizations. Again, why should an employer want to have organized workers? If this can be done according to the German model, it will be great. However, if it is announced that the unions are no longer representative, I will not support such an initiative"[99].

A member of the Russian Dockers' Union of St. Petersburg asserts:

"The works councils in Germany actually work. Industrial branch unions exist that work in industry, i.e. with sailors, miners, metalworkers. But in a particular enterprise or plant at the mine, or in the port, there are works councils that co-ordinate their activities with the unions. We are faced with a situation where an employer creates a 'yellow union' that attracts people or, a real example here, in a chemical complex in the East Port, the employer created an employees' organization in which an employees were automatically enrolled when applying for a job and left it after dismissal. So the employer began to negotiate and sign a collective agreement with that structure. In

98 From an interview with a representative of Novoprof, St. Petersburg, November 2012.

99 From an interview with a representative of the RPSM, St. Petersburg, November 2012

fact, this body has replaced the union. I see in the creation of works councils, although officials say that their activities will not overlap with the union, a kind of 'alternative' to trade unions. We are well aware that if the union has at least some independence from the employer and the government, the works council will be completely under the employer's thumb"[100].

At a press conference in Moscow on October 5, 2012 with the leaders of the independent trade union determined to voice criticism of the social cut-backs ordained by the government, the chairman of the Federal Russian Air Traffic Controllers Union, a general secretary of the Confederation of Labour of Russia, Sergei Kovalev, concluded in addition to criticism of the current Labour Code of the Russian Federation (from 2001), which essentially limited the warrants of unions and the protection of trade union leaders, that "the initiative introducing works councils is another attempt to reduce the role and influence of trade unions"[101].

In this context, there are attempts to reduce the unions' positions in collective bargaining. According to the academic research on the global analysis of low-wage labour carried out by the International Labour Organization, there is an interconnectedness between low-wage labour and a low level of collective bargaining in the country. This situation is inherent today in emergent economies, where unions are often faced with the problems of limited rights to collective bargaining. Such limits cannot in the long term impede the trend to low wages[102]. As the research states, a country, in which union density stands at 15%, fails to reduce the degree of low-wage labour, whereas, in a country, in which union density stands at more than 50%, the low-pay phenomenon diminishes[103].

Thirdly, Russian labour legislation already provides the right to inaugurate a representative body through workers' initiative in Article 31 of the Labour Code provided there is no primary trade union organization in the company and as long the initiative does not unite more than 50% of the employees to enter into collective bargaining. According to Article 31 of the Labour Code, the representative body should be elected from the employees on the basis of a secret ballot at the general meeting. The representative body has the right to claim from the employer complete and accurate information necessary for collective bargaining and the implementation of monitoring collective agreements (Article 22), to represent the

100 From an interview with a representative of the RPD, St. Petersburg, November 2012.

101 Лидеры КТР провели пресс-конференцию в Москве. 5.10.2012. Electronic source: http://www.ktr.su/content/news/detail.php?ID=521&sphrase_id=187 (Last visit: 14.12.2012)

102 Lee S., Sobeck K. Low wage work: a global perspective // International Labour Review Special Issue: Low-Paid Work in Emerging Economies. Volume 151, 3. September 2012, pp. 141-155.

103 Ibid. pp. 153.

workers in collective bargaining (Article 36), to participate in the management of the organization (Articles 52, 53), etc.

Despite the fact that the representative body must be founded by the workers themselves, relevant practice reveals the opposite, as mentioned above: those employer-controlled entities, the so-called ‘yellow’ or ‘corporate’ trade unions.

To sum up, it can be concluded that the formal introduction of works councils by the new law has already shown that even the German model was merely a superficial, but not essential example, because the right to found a works council was granted to the employer. It is difficult to predict how newborn works councils will evolve within the Russian system of labour relations, but we have enough arguments to assert that they could well become a device to weaken the role of active trade unionism.

5 A comparative analysis of the Code of Laws on Labour of the Russian Federation (1992) and the Labour Code of the Russian Federation (2001): the legal framework and the guarantee of collective protection of labour rights

Despite such a short period in the historical perspective of the evolution of labour relations in post-soviet Russia, the legal concept of collective protection of workers' rights has undergone significant changes. In fact, it has reflected the deepening of the neo-liberal transformation of Russian society, especially in the process of the alienation of labour and the growing contradictions between labour and capital. Here, by a comparative analysis of the legal status (rights and guarantees) of the collective protection of workers labour rights laid out in the Code of laws on labour of the Russian Federation, (as amended by the Federal Law of 25 September, 1992 (№ 3543-1) and in the Labour Code of the Russian Federation of December 30, 2001 (№ 197)[104], the author will attempt to reveal the legal changes to the system of labour relations in the transitional period.

This study does not affect the ubiquitous criticism of legislation in terms of their application in practice. However, even only the line-item correlation of these labour laws shows that if the Labour Code, albeit amended in the early 1990s, was heir to the Soviet system and thereby retained a certain range of social and labour guarantees and benefits, the Labour Code that finally entered into force in 2002 announced a radical change in the development of labour relations. The new labour law enshrined the demand to restrict guarantees for the protection of labour. I would like, beforehand, briefly to identify the key conceptual differences between the Code of Laws on Labour (1992) and the Labour Code (2001).

First, the concept of the Code of Laws on Labour (1992) was based on the determination of important tasks, despite their pretentiousness, to protect labour rights, namely the regulation that stipulated "employment for all workers, promoting the growth of labour productivity, improving the quality of work, increasing the efficiency of production and also, on this basis, raising the material and cultural level of the working people, the strengthening of labour discipline and the gradual transformation of labour for the benefit of society as a vital necessity for every able citizen" (Labour Code, Article 1).

104 Hereinafter, the existing Labour Code of the Russian Federation dating from 2001 will also be written as 'the Labour Code', or 'the LC'.

The Labour Code determines the purpose of labour law as: "The objectives of labour law is the establishment of state guarantees of labour rights and freedoms for citizens, the creation of favourable working conditions and the protection of the rights and interests of workers and employers" (Labour Code, Article 1).

Secondly, the Labour Code (2001) specifies the direct participants in labour relations as employee and employer, whereas the Code of Laws on Labour (1992) specified relations, respectively, as employee and administration, enterprise, institution, organization and, in some cases, employer. In this sense, the Labour Code (2001) formalizes the equality existing between the employee and the employer. The provisions of the Code of Laws on Labour (1992) gave the employers positions without power in comparison with those given to the workers, so the Labour Code of 2001was designed to protect the rights and interests of the owners.

Thirdly, in contrast to the Code of Laws on Labour (1992) (up to 8 cases in Article 33), the Labour Code (up to 14 cases in Article 81) increases the grounds for termination of the employment contract by the employer. The provisions of the Code of Laws on Labour (1992) provided preferential rights to remain at work for certain categories of employed (Article 34) which have been overlooked in the Labour Code.

Fourthly, the Labour Code (2001, Article 99) simplifies the process of making the employee work overtime, extending the list of exceptional circumstances not requiring union consent, with a record only of its opinion and the written consent of the employee. The Code of Laws on Labour (1992) stipulated (Article 54), in principle, the inadmissibility of overtime, but prescribed an exhaustive list of exceptional cases and the mandatory consent of the union and the employee to engage in overtime work.

Fifthly, to be especially noted, when comparing the two labour laws, is the employment of young people and women. The Code of Laws on Labour (1992), in addition to the establishment of performance standards for workers under the age of eighteen that also had to be approved by an elected trade union body (Article 179), stipulated special obligations for the employer in matters of job quotas for young people (Article 181), the employer's liability for failure to hire graduates from educational institutions of primary, secondary and higher education in accordance with the agreements entered into by them with employers, or with agreements on training between educational institutions and employers (Article 182), etc. Contrary to this, the Labour Code (2001) includes none of these obligations and responsibilities.

The Code of Laws on Labour (1992) (Article 170) and the Labour Code (Article 261) do not allow the dismissal of pregnant women and women with children at the employer's instigation. However, whereas the Code of Laws on Labour (1992) confined itself to one exception, namely to those cases of dismissal – safeguarded with a compulsory guarantee of employment provided by the administration – attributable to the liquidation of the company, the Labour Code extends the category of exceptional dismissal (Article 261). In addition, the Labour Code does not mention the guarantees given to categories of women in employment (Labour Code, Article 170), the issuance of pregnant women to sanatoriums and rest homes and of concomitant material assistance (Labour Code, Article 171) and also lacks a clause about the organization of crèches and rooms for nursing, etc. in enterprises with extensive use of female labour. (Labour Code, Article 172).

5.1 The collective representation of workers' interests

The comparative analysis of the Labour Codes will show how the norms guaranteeing the warranty, authority and legal framework for the collective action of workers in their relationship with the employer were largely affected by the flexibilization of labour policies during the transitional period. The analysis will reveal the extent of the protection of workers' rights at the present stage in the development of social and labour relations. In this sense, the distinguishing feature of the Labour Code of the Russian Federation (2001) is that it has radically changed the concept of the legal regulation of labour relations between workers and employers. Retaining much of the regulatory concept of the Code of Laws on Labour (1992), it defines the role and mechanism of recognition of the institutions of workers self-organization (trade unions and other forms of union workers) differently, particularly with regard to collective bargaining, guarantees for workers representing the interests of the employees (union delegates etc.) and the degree of responsibility of the employer for failure to interact with the workforce about settling collective labour disputes, etc.

Therefore, given the differences in the definition of concepts in the Code of Laws on Labour (1992) and the Labour Code (2001), the author proposes, for the purposes of this research, to legally define what is meant by the "collective protection of workers' rights" as legal acts regulating social and labour relations between the group of employees (trade union, council of the labour collective, representative body or other forms of collective self-organization of employees)

and the employer (employer's associations). In this sense, the comparative analysis of the Code of Laws on Labour (1992) and the Labour Code (i.e. laws, both additionally enacted and existing, relating to the regulation of specific issues of interaction between employees and employer) will include 1) status, responsibilities, guarantees and legal frameworks for the collective protection of labour rights and 2) collective labour disputes.

The actors of collective protection of workers' rights: status, warrants and guarantees

The Code of Laws on Labour (1992), with regard to the collective protection of labour rights, referred to *the trade unions, workers councils and other legal forms of employee self-organization*. Chapter XV, Articles 225-226, 230-235 and 235.1, of the Code of Laws on Labour (1992) prescribed fundamental rights, powers and safeguards to trade unions and labour collectives.

According to Article 226, trade unions represent the interests of their members on labour and other socio-economic issues, participate in the establishment of working conditions and wages, monitor compliance with labour laws and regulations concerning labour protection, control housing and domestic-service workers. The key warrants and guarantees of trade unions, which were later to undergo particular alteration, included the right to make proposals for disciplining senior officials violating existing labour laws and regulations (Article 231) and for guarantees to workers elected to the union bodies as part-time members (Article 235), namely that they were not to be transferred to other work or subjected to disciplinary punishment without the union's prior consent (Article 235).

The requirement for the obligatory approval of the trade union body was the chief guarantee laid out in the Code of Laws on Labour (1992) in matters of dismissal by the administration of union members. Article 235 in particular, in addition to the general procedure relating to the dismissal of workers elected to trade union bodies as part-time members, required the prior consent from the lowest (enterprise) and the highest (regional, or sectoral association) body of the trade union.

The article of the Code of Laws on Labour (1992) guaranteed the protection of anyone elected to a trade-union body. Their dismissal by the administration (today, by an employer) was not permitted until two years after the expiry of their term, except in cases of liquidation or an employee being found guilty of violating the law.

Compared with the Code of Laws on Labour (1992) in terms of guarantees, the concept of the collective protection of the labour rights of workers according to the Labour Code (2001) is of a different nature. It establishes the concept of *employee representatives, which primarily includes primary trade-union or other representatives* elected by the employees (representative body) (Article 29). They represent the interests of workers in collective bargaining, the conclusion of and amendment to a collective agreement, the monitoring of its implementation as well as the right to participate in the management of the organization and settle labour disputes between employees and employer.

Chapter 58 of the Labour Code (Articles 370-378) sets up the basic rights of and guarantees for trade unions. However, as will be shown below, their direct implementation has been reduced to the rights enjoyed by primary trade union organizations (PPO). According to the Labour Code, a primary trade union organization or a representative body of employees of a particular employer are the entities having the right to collective bargaining. The difference between them, according to the amendments made in 2006, lies in a representative body (Article 31) being allowed to represent workers at the local level if 1) the workers are not united in any primary trade union organization, or 2) none of the existing trade union organizations includes more than 50% of the employees of the enterprise. In particular, the Russian Confederation of Labour (KTR) defends the requirement that affords a special role to the trade unions to represent workers' interests, while the representative body can perform this role if there is no trade union in the organization[105].

Attention should be drawn to the point where, in contrast to the Code of Laws on Labour (1992), in which trade unions had the authority to make decisions in relations with the employer, the Labour Code (2001) limits this by introducing the formulation *"considering the opinion of the trade union"* (Article 371). Articles 372-373 establish procedures for considering the opinion of the elected body of the primary trade union organization in making local regulations on termination of the contract with trade-union members by the employer.

Thus, the main difference in status between the actors in the collective protection of the labour rights of workers in the Code of Laws on Labour (1992) and the Labour Code is on the question of warrants. Whereas the Code of Laws on Labour (1992) gave a broad definition of trade unions, which provided them the right, regardless of whether they belonged to a single enterprise, a territory, an industry

105 Руководители Минтруда и КТР провели рабочее совещание. Electronic source: www.ktr.su (Last visit: 12.02.2013)

or a profession, to represent the interests of their members, the Labour Code only affirms collective rights as such for the primary trade union organization or any other representative body of employees. In other words, the Labour Code confines the rights of trade unions to company level as actors in the collective protection of workers' rights, thereby narrowing the scope of their legislative actions.

Furthermore, the guarantees to trade union members are different in content. The Labour Code, in comparison with the Code of Laws on Labour (1992), no longer provides the *mandatory requirement of prior consent* of the trade union on the decisions proposed by the employer. The refusal to institute this requirement and replacing it with the institution of merely considering trade-union opinion brings an imbalance into labour relations in favour of the employer.

In this context, the author considers it reasonable to elicit opinions from trade-union representatives and experts on the protection of labour rights capable of assessing the viability of the measures laid down in labour legislation from the standpoint of their experience and practice. In particular, according to a representative of the Inter-regional Trade Union of the Automobile Industry, St. Petersburg:

> *"<…> In our country, trade unions are tied to factories and enterprises, in contrast to those around the world. Only in a company do representatives of the primary trade union organizations have the right to negotiate with management. There is no equality, and all this has been done in order to weaken the unions. Moreover, from a political and solidarity point of view, such a system can turn a union inwards, to focus only on local (enterprise) problems. <…> As soon as an employee has changed their place of work, going from the Ford Company factory to General Motors, for example, where there is no legalized primary trade union structure, a union member is as good as lost to us. We've made changes to the Charter of the MPRA, but it's still very hard to bring help to individual union members".*

The representative of the St. Petersburg Society for the Social Protection of Citizens, Petersburg Egida, draws the following conclusion on the question of the principal shortcomings of current labour legislation:

> *"If the legislation permitted the territorial union to represent workers, then the negotiations would be led by people such as union leaders already-trained, and thus they would strengthen the position of the primary organization. In addition, in the 1990s, union leaders, deputies and members of the trade union could not be dismissed without the consent of the union. But employers have applied to the Constitutional Court with a suit to determine the illegality of the situation, and the right of consent has been declared unconstitutional. Previ-*

ously, when employers were trying to follow the law, workers were at least dismissed legally. Now they are fired illegally merely in order to remove the initiator of a union from the company, and directly someone's gone, they have no influence on employees and primary union organization disintegrates".

The representative of the Tyumen Regional Trade Union Centre (Tyumen) said,

"Previously, leaders of trade-union committees were well protected: the chairman and vice-chairman, particularly, could not be dismissed without union consent, but today the state authorities do everything possible to limit the rights of trade unions. The Labour Code has a clause, §374, which refers to guarantees for part-time union members. Whereas before, in order to dismiss or transfer anyone to another position, or to penalize the chairman and vice-chairman of the union, obtaining the consent of the basic trade union and the higher union body was necessary. Now that this law has been abolished, there is no way to negotiate and union opinion only need be taken into account. Nowadays, trade union refusal does not mean an employer is vetoed. After the introduction of the present Labour Code, free trade unions ceased to exist".

5.2 Collective labour disputes

Chapter XIV of the Code of Laws on Labour (1992) redirected the regulation of labour disputes between employees and management to Federal Law № 175 of November 23, 1995: On the Procedure for Resolving Collective Labour Disputes. The current version of the Labour Code (2001) devotes Chapter 61 to collective labour disputes: Consideration and Resolution of Collective Labour Disputes.

In Article 2, the Law On the Procedure for Resolving Collective Labour Disputes defined under collective labour disputes "unresolved disputes between employees and employers (hereinafter 'the side') on the setting and changing of working conditions (including wages), the conclusion, amendment and implementation of collective agreements, agreements on labour relations". Article 398 of the current Labour Code complements this definition with "… as well as the refusal of the employer to take into account the views of an elected representative body of employees when making local regulations."

The first fundamental change in the procedure for settling collective labour disputes is expressed in the rules dealing with the submission of requirements of the workers. The previous law defined bodies eligible to submit requirements as 1) a meeting (conference) of employees, where workers put forward demands or

requirements to the employer by majority vote at the meeting and 2) the body of trade unions and their associations themselves. The employer had to provide workers with the room for employees' meetings and had no right to prevent them being from being held.

Article 399 of the Labour Code currently supplements the requirements of the above conditions with 1) that the legitimacy of the meeting is upheld only when more than 50% of the employees attend and that 2) the conference be considered competent only if attended by at least two-thirds of the elected delegates. Article 399 also suggests as a condition the approval of such demands or requirement by the majority of workers at the general meeting and this also for the requirements coming from the trade unions. Additional conditions for the legalization of claims are thereby imposed on the trade unions.

At the same time, Article 399 offers an alternative form of submission of workers' requirements i.e. the collection of signatures from half of the company's employees if there is no opportunity to conduct a general meeting. This amendment was introduced in the Labour Code (2001) on the 22 November 2011 after the relentless insistence of alternative trade unions, especially the KTR[106].

The second major change relates to the exercise of the right to strike. Both Laws contain the same definition of the term 'strike'. In particular, a strike is defined as "a temporary voluntary refusal of workers to perform job duties (in whole or in part) in order to resolve a collective labour dispute".

In particular, the previous law On the Procedure for Resolving Collective Labour Disputes defined the illegal strike as one that, in the presence of a collective labour dispute, was declared without procedures, requirements, or deadlines announced in advance, thereby threatening the constitutional order of the country or the health of other persons; as any strike by employees of the Russian Armed Forces, law-enforcement agencies or the Federal Security Service. In addition, the courts are now empowered to declare any strike illegal.

Article 413 of the current Labour Code of the Russian Federation adds the following categories of employees prohibited from striking, namely other paramilitary forces, organizations involved particularly in dangerous types of production, emergency wards and medical care as well as those associated with vital provisions such as energy-supply (heating, water, gas), air, rail and water transport, communications and hospitals.

---

106 Поправки к Трудовому кодексу: стало ли проще организовать забастовку? 24. 12. 2011. Electronic source: www.rborba.ru.

6 Conclusion

This research has addressed the several questions concerning the development of labour relations in Russia during the transitional period. Analysis has shown that the limits of social partnership are connected with the non-constructive role of the state as moderator, with the employers in not undertaking the functions of social partnership and with the paternalistic consciousness exhibited by the workers themselves. This therefore raises the objective question of how far these contradictions are capable of resolution, given the conditions prevailing in a transitional economy. In this regard, it is necessary to employ a multi-pronged strategy capable of involving all the interested partners in change.

First of all, since the model of tripartite social partnership was chosen by the Russian government as the one most suitable for labour relations, it means that the state still continues to maintain the leading position in this field. In the long-term perspective, the extent of the state's efficiency in tripartite dialogue will mostly depend on the influence exerted by trade-union organizations. The experience of the last few years has shown that the KTR can influence labour legislation, albeit with extreme difficulty, through direct consultation with the officials. Moreover, as the pertaining semi-authoritarian labour relations are of a two-fold nature, the organized collective struggle of the workers can, on the one hand, compel employers to use the minimum instruments of social dialogue and, on the other, directly prompt state officials into undertaking moderating functions in accordance with their formal obligations to social partnership.

Secondly, the author has emphasized that the problem of chief importance in Russian trade unionism arises from the passivity of the employees themselves. In this case, trade unions today face the challenge of expelling traditional ideas in order to create new concepts of trade-unionism. Why exactly should this matter? The usage of "old" ideology in labour relations ("common interests" between employees and employers) from the employers' side nowadays militates against the development of a practical notion of partnership in social and labour relations – and official trade unions are prone to turning this state of affairs in their favour, so the task of progressive trade-unionism today ought to be one that focuses primarily on paving the way to a definition of social partnership and instilling it in the Russian workers' consciousness through participation in collective bargaining and social dialogue.

Thirdly, the circumstances of the integration of Russia into the world economy and its openness to direct foreign investment objectively demand the need to comply with international labour standards. In this respect, the ILO can play a major role

in providing the workers with information and an exchange of experience gained both in the field of collective bargaining and in the freedom of association. This research has shown that the internationalization process is still weak and contains many contradictions. It should be noted that IFA practice and the introduction of international experience in works councils are in an incipient stage of development in Russia today, so these need to be promoted in order to attain fruition. It can still be argued, however, that their effectiveness will largely depend on the extent of organized worker activity at enterprise as well as at global trade-union level.

Appendix 1: Tables

Table 1: The average monthly nominal wage of workers in the organizations[107] by economic activity (Roubles in 1995 – thousands)[108]

	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Entire economy	472,4	2223,4	3240,4	4360,3	5498,5	6739,5	8554,9	10633,9	13593,4	17290,1	18637,5	20952,2	23369,2
Agriculture, hunting and forestry	259,4	985,1	1434,6	1876,4	2339,8	3015,4	3646,2	4568,7	6143,8	8474,8	9619,2	10668,1	12464,0
Fishing, fish farming	746,2	2845,6	3839,3	5031,3	5444,5	7084,9	10233,5	12310,8	14797,0	19498,9	22913,5	23781,9	25939,9
Mining and quarrying	1067,2	5940,2	9099,2	11080,9	13912,4	16841,7	19726,9	23145,2	28107,5	33206,1	35363,4	39895,0	45132,0
Out of which:													
– Production of mineral energy	1211,9	6985,1	10905,4	13080,3	16135,5	19903,3	23455,9	27614,5	33275,5	39051,3	41568,3	46271,2	51587,9
– Mining, except energy	752,6	3999,5	5386,5	7035,0	9395,7	10876,6	13176,0	15363,7	19092,7	22937,4	24064,1	28305,8	33580,1
Manufacturing industries	453,8	2365,2	3446,6	4439,1	5603,4	6848,9	8420,9	10198,5	12878,7	16049,9	16583,1	19078,0	21780,8
Out of which:													

107 In the Rosstat „an organization" refers to all economic entities (companies private and state owned as well as other public social organizations as hospitals, schools etc.)

108 Hereinafter the statistic data was translated from Russian into English by the author. Table 1 – Source: Rosstat, 29.01.2013. http://www.gks.ru/wps/wcm/connect/rosstat_main/rosstat/ru/statistics/wages/labour_costs/# (Last visit: 14/04/2013). To compare 1 Euro = 40 Roubles.

	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
– Food production, beverages and tobacco	492,6	2183,4	3126,7	4065,9	5026,7	6065,8	7303,8	8806,7	11069,2	13930,4	15653,1	17316,9	19094,0
– Textile and clothing production	240,8	1214,8	1764,8	2241,7	2803,0	3356,5	3986,0	4964,3	6589,5	8453,6	9020,5	10302,1	11004,4
– Production of leather, leather products and footwear	277,1	1347,8	1986,1	2621,1	3230,0	3774,7	4695,3	5649,1	7537,0	9522,3	10073,2	11345,8	12350,9
– Wood processing and wood products	390,9	1739,1	2310,3	2980,2	3754,8	4614,6	5895,4	6950,4	8815,6	11301,1	10947,2	12720,4	13941,9
– Pulp and paper production, publishing and printing activities	569,7	2736,6	4309,0	5480,2	6848,4	7892,0	9418,6	10923,6	13792,0	17631,7	17707,1	20104,3	23710,2
– Coke and petroleum products	810,9	4916,3	7012,4	9625,3	11879,0	13729,3	19397,1	22319,6	28565,0	34912,5	37963,7	41563,4	48462,6
– Chemical production	517,6	2754,6	3901,8	4899,5	6154,8	7682,7	9928,3	11599,3	14615,9	18219,9	19428,7	22228,7	25582,7
– Manufacture of rubber and plastic products	424,6	2140,4	3032,2	3957,1	4950,7	5956,8	6879,2	8767,7	11082,6	13464,0	13850,6	15766,4	17713,3
– Production of other non-metallic mineral products	489,7	2182,0	3220,0	4134,2	5207,8	6422,4	7921,8	9983,8	13193,3	16371,8	16053,7	18117,5	20518,0

	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
– Manufacture of basic metals and fabricated metal products	687,9	3854,9	5242,4	6285,2	7731,2	9196,8	10260,7	12001,5	14990,7	18171,1	17946,3	21152,1	23887,1
– Manufacture of machinery and equipment	377,9	1975,3	3073,5	4066,6	5169,7	6514,2	8379,8	10418,0	13479,8	16940,0	17009,6	20102,5	22777,9
– Production of electrical equipment, electronic and optical equipment	370,7	2003,6	2998,8	3815,7	5108,5	6431,7	8218,8	10289,8	13114,4	16608,9	17360,4	20177,8	23375,3
– Manufacture of transport facilities and equipment	493,6	2454,1	3664,6	5099,9	6365,0	7828,0	9377,4	11431,2	14013,6	17330,9	17367,8	20766,4	24503,1
– Other manufacturing	373,8	2053,2	2738,2	3279,3	4045,2	5182,0	6386,8	8278,0	10114,1	12593,4	12543,1	13674,2	15573,3
Production and distribution of electricity, gas and water	786,9	3156,5	4434,8	5869,4	7235,3	8641,8	10637,3	12827,5	15587,3	19057,4	21554,2	24156,4	26965,5
Construction	587,3	2639,8	3859,3	4806,9	6176,7	7304,7	9042,8	10869,2	14333,4	18574,0	18122,2	21171,7	23682,0

	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Wholesale and retail trade, repair of motor vehicles, motorcycles and personal and household goods for personal use	357,6	1584,5	2294,9	3068,9	3974,2	4906,2	6552,1	8234,9	11476,3	14927,4	15958,6	18405,9	19613,2
Hotels and restaurants	325,3	1640,0	2403,6	3039,3	3966,7	4737,3	6033,4	7521,7	9339,0	11536,2	12469,6	13465,8	14692,5
Transport and communications	702,9	3220,2	4304,2	5851,5	7471,3	9319,9	11351,1	13389,9	16452,3	20760,8	22400,5	25589,9	28608,5
Out of which:													
– Communications	586,2	2879,2	4131,2	5661,5	7304,2	8974,2	11389,1	13220,3	16042,6	19918,1	20923,1	24275,0	26995,0
Finance	755,2	5232,2	8885,2	13245,9	15561,2	17383,8	22463,5	27885,5	34879,8	41871,8	42372,9	50120,0	55788,9
Real estate, renting and services	416,2	2456,7	3545,6	4677,1	6196,3	7795,4	10236,8	12763,2	16641,6	21275,0	22609,7	25623,4	28239,3
Public administration and defence, compulsory social security	517,0	2712,1	3754,9	5200,4	6913,8	7898,6	10958,5	13477,3	16896,3	21344,1	23960,0	25120,8	27755,5
Education	309,3	1240,2	1833,0	2927,3	3386,6	4203,4	5429,7	6983,3	8778,3	11316,8	13293,6	14075,2	15809,1
Health and social services	345,0	1333,3	1959,9	3141,3	3662,6	4612,0	5905,6	8059,9	10036,6	13048,6	14819,5	15723,8	17544,5
Other social and personal services	470,7	1548,0	2311,7	3183,1	3920,3	4822,7	6291,0	7996,4	10392,2	13538,6	15070,0	16371,4	18200,3

Table 2. The average monthly wage of employees * by professional groups[109]

(based on sample surveys of organizations in October; in Roubles)

* According to the surveyed economic activities

	2005	2007	2009	2011
Total	8694	13570	18084	22717
Managers of organizations and their departments (services)	15164	23934	33506	41581
High-qualified specialists	9414	14854	20119	24989
Mid-level training specialists	7201	11395	15058	18960
Workers involved in preparation of information, documentation, accounting and maintenance	5708	8800	12230	14807
Service workers, housing and communal services, trade and related activities	5684	8852	11969	14554
Skilled workers of industrial enterprises, arts and crafts, construction, transport, communications, geology and prospecting	9449	14555	18046	23104
Operators, machinists plants and machinery	9956	14815	18706	23477
Unskilled workers	3914	6199	8358	10533

109 Source: Rosstat, 2013. http://www.gks.ru/wps/wcm/connect/rosstat_main/rosstat/ru/statistics/wages/labour_costs/# (Last visit: 14/04/2013)

Table 3. Dynamics of the level and the structure of the organization (company) expenditures for labour force[110]

	Expenditures on an average per month for workforce[1)]	Expenditures on workforce[2)]	Out of them, in % as a result					
			Wage	Expenses				
				Supply of workers with accommodation	Social security	Professional training	Mass cultural service	Others
1995	1275,7	100	60,5	4,6	28,3	0,3	3,3	3
1996	1919,6	100	59,7	3,5	29,9	0,4	3,5	3
1998	2094,4	100	63,2	2	30,2	0,3	1,5	2,8
2000	4358,6	100	65,8	0,7	29,4	0,3	1,1	2,7
2002	7644	100	71,8	0,5	24,4	0,3	1	2
2005	13336,7	100	76,6	0,4	19,6	0,3	0,7	2,4
2007	20683,1	100	77,9	0,3	18,5	0,3	0,5	2,5
2009	28590,4	100	78,1	0,3	18,4	0,3	0,4	2,5

Explanations: 1) In 1995 and in 1996 – thousands of Roubles; 2) Without taking into account a group of taxes connected with the utilization of the workforce.

110 Source: Rosstat, 2013. http://www.gks.ru/free_doc/new_site/population/trud/tb1.htm (last visit: 14/04/2013).

Table 4. Wage debts to an employees' organization (at the end of the year, in millions of Roubles)111

	2004	2005	2006	2007	2008	2009	2010	2011	2012
Total of economic activities surveyed	14315	5756	4159	2668	4674	3565	2400	1766	1560
Agriculture, hunting and logging	3889	1778	1112	495	539	264	216	176	167
Fishing, fish farming	211	110	88	37	7	7	12	2	1
Mining and quarrying	640	144	220	197	275	103	96	87	67
Including:									
– Extraction of fuel energy mineral fossil	415	63	193	185	129	13	12	9	34
– Mining minerals, except fuel and energy	225	81	27	12	146	90	84	77	33
Manufacturing activities	4176	1955	1083	833	1840	1690	1234	778	785
Including:									
– Production of food, including beverages and tobacco	344	148	120	112	228	157	186	148	204
– Textile and clothing production	186	60	28	4	65	40	12	10	20
– Production of leather, leather products and footwear	25	1	6	3	5	9	2	3	0
– Wood processing and manufacture of goods from wood	113	90	82	12	87	116	81	30	40
– Pulp and paper production, publishing and printing activities	21	27	36	26	12	8	6	43	42
– Coke and Petroleum products	0,1	-	-	-	6	-	-	-	-

111 Source: Rosstat, 29.01.2013. http://www.gks.ru/free_doc/new_site/population/trud/zadol-kg.htm (Last visit: 14/04/2013)

	2004	2005	2006	2007	2008	2009	2010	2011	2012
– Chemical manufacturing	308	171	47	46	41	28	26	5	19
– Manufacture of rubber and plastic products	41	9	8	-	18	21	14	3	2
– Production of other non-metallic mineral products	281	98	48	18	234	193	172	132	63
– Manufacture of basic metals and fabricated metal products	166	105	69	12	134	124	110	89	82
– Manufacture of machinery and equipment	603	295	214	215	239	341	218	130	52
– Production of electrical equipment, electronic and optical equipment	460	153	44	61	210	184	134	140	145
– Manufacture of transport facilities and equipment	1078	400	168	136	346	175	165	29	95
– Other manufacturing	39	23	31	18	62	22	27	5	9
Production and distribution of electricity, gas and water	1118	521	695	465	295	83	151	99	66
Construction	1300	346	215	114	518	416	343	346	266
Transport	842	316	266	205	860	773	234	175	100
Real estate management	1042	259	195	95	67	50	39	26	24
Scientific research and development	427	190	110	112	188	150	61	60	69
Education	162	34	52	45	44	9	8	4	4
Health care and social services	256	30	60	56	27	8	3	4	4
Sewage, waste and similar activities	216	67	56	8	11	6	2	6	2
Culture	36	6	7	6	3	6	1	3	5

Table 5: The ratio of women's wages to men's wages in the economic activities surveyed
(based on the sample surveys of organizations in October, in %)[112]

	2005	2007	2009	2011
Total of economic activities surveyed	60,7	63,1	65,3	64,1
Mining and quarrying	70,2	75,9	76,8	74,6
Manufacturing production	67,1	67,6	69,4	70,1
Production and distribution of electricity, gas and water	80,0	81,2	82,2	82,9
Construction	77,0	79,2	86,3	85,8
Wholesale and retail trade, repair of motor vehicles, motorcycles, household goods and personal items	68,4	68,6	65,1	67,5
Hotels and restaurants	75,4	72,9	72,0	76,1
Transport and communications	70,5	70,0	70,2	72,0
Real estate, renting and service	76,9	79,1	81,4	78,4
Scientific research and development	69,3	69,6	73,1	70,8
Education	87,1	89,3	86,3	89,0
Health care and social services	84,6	85,1	83,3	83,3

112 Source: Rosstat, 10.05.2012. (Last visit: 14/04/2013)

Appendix 2:
Detailed information about alternative trade unions of the last decade

The Interregional Trade Union of the Automobile Industry (MPRA)[113] is by far the best example of the collective struggle of the workers for labour rights. The union was created in September 2006 by the workers' primary trade union organization at the Ford Motor Company (Vsevolozhsk) and the primary trade union organization of employees at Edinstvo-AvtoVAZ (Tolyatti). The MPRA is a member of the Russian Confederation of Labour and the International Metalworkers' Federation. Today the union includes 4,000 workers as members from more than 16 companies of the car industry. Among the most active union organizations, MPRA also operates in the General Motors and Nissan factories in the Leningrad region and in the Volkswagen and Benteler Automotive factories in the Kaluga region, etc.

First of all, we should mention that the birth of the MPRA was promoted not only by a number of trade-union leaders, but also brought about thanks to the grassroots efforts of the workers during a series of strikes at the Vsevolozhsk plant of the Ford Company that took place from 2006 to 2007. Their specific character lay in the way the strike campaign was prepared over a period of some months among the workers by activists who then founded the union. They dispelled prevalent myths about strikes, spread information about the company's benefits and encouraged workers not to take on additional financial obligations such as bank credits etc. for the time being. In a word, they tried to change the attitude of their fellow-workers. This was the new approach at the foundation of the MPRA union organization. Having taken into account the weak legal guarantees for trade union leaders and members, the MPRA initiators formed a team of employees ready to join and actively participate in trade union struggles before announcing the foundation of the primary organization in the enterprise to the employer. As one MPRA unionist noted: "Taking into account all the errors that can destroy a small group of insufficiently prepared unionists, we've started to promote a different strategy by first forming an initiative group that's well trained so that, after the legalized large primary organization is formed, the employer cannot immediately split the union".

As a rule, an initiative group for the establishment of a trade union consists of several people. In most cases, the initial task is to organize consultation with the employer on changing the work schedule, on issues concerning precarious labour

113 MPRA official web-site: mpra.info

(the trade union at Nissan has achieved the annual transfer of workers employed through agencies into the company's standing personnel) and on gathering employees' signatures in order to launch collective bargaining (at the General Motors plant, more than 1,200 were collected in this way).

Secondly, the union does not go in for conducting 'backroom' consultation between labour leaders and the employer, but through negotiation in an open and collective manner. According to a member of the MPRA in the Kaluga plant of Benteler Automotive, "we have a tradition that no important decision is taken without a vote and discussion among the workers. Even in the course of negotiations, we appeal to the workers. The main thing is maximum transparency: these or other union leaders clearly understand that they do not make the decisions, they are just 'talking heads'. Their power extends only so far as the decision is supported by the people. In the Benteler and Volkswagen plants, this practice is well on its way to success."

The Interregional Trade Union of Education Teacher[114] is almost the only alternative trade union in education. It is affiliated to the employees' Russian Confederation of Labour (KTR). The union is represented in cities such as Moscow, St. Petersburg, Perm, Novosibirsk and others. Primarily, the union has three objectives: 1) to spread information about the union and workers' rights, 2) to receive and disseminate information on the actual situation and changes to the regulatory framework and 3) to attempt to influence the government to change the law in the employees' best interests.

The KTR Teacher distinguishes itself from other unions by its direct attitude to the budget employment sphere where the employer is the state. This has its disadvantages as well as advantages: one drawback is that officials are not ready to concede anything to workers and possess huge resources much greater than those of any ordinary business entrepreneur; contrary to private business companies, however, the state is not indifferent towards its own reputation – and this plays in the union's favour. Another feature is that labour rights in the public sector are interconnected with constitutional rights to education and health care, which affords an absolute advantage. However, being a small union, Teacher does not participate in collective bargaining. Such sectoral agreements as exist in the field of education are formal, being signed by the official union.

The Interregional Trade Union Novoprof (new trade unions)[115] was founded in June 2011 and brings together different sectors of workers, regardless of their

114 The official web-site: pedagog-prof.org

115 The official web-site: www.novoprof.org

occupation and place of residence. Basically, the union includes workers in the service sector, construction, printing and the food industry. Novoprof is a member organization of the KTR. The primary Novoprof trade union organizations are represented in St. Petersburg, Omsk and Salekhard. Novoprof regards itself as a territorial organization and tries to apply international experience to involve workers in trade union activities. In St. Petersburg, the union is the only one with immigrant workers in its ranks – some 50% of its members are labour-migrants. The trade union advocates the enlargement of the trade-union movement not only through attracting new members and founding new unions, but also through interaction with other social movements in order to raise the educational level of the workers to form and express their own positions on issues of social and economic policy.

The inter-regional trade union of health workers Dejstvije (Action)[116] is the only alternative union for health-care workers, founded in late 2012 and directly affiliated with the KTR. The initiative to found the trade union was taken by its members after acknowledging that the citizens of the Russian Federation were now going through extremely painful changes in the social sphere, the complete failure of the state to fulfil its social obligations having by then become obvious.

However, Action now introduces the new concept of trade union organization and self-management tools wherever their primary trade union organizations function. In the spring of 2013, it had already organized a series of 'Italian strikes' in the clinics of Izhevsk, which were supported in many other cities. Doctors and union members were demanding higher wages and the reduction of the workload and thereby obtained concessions from the regional authorities. One of the primary tasks of the trade union is to establish and strengthen ties of solidarity both in the internal infrastructure of the organization and with other trade unions and their associations.

116 The web-site: action.klassenkampff.ru

edition der Hans-Böckler-Stiftung
Bisher erschienene Reihentitel ab Band 255

	Bestell-Nr.	ISBN	Preis / €
Enno Balz Finanzmarktregulierung nach der Finanzmarktkrise	13255	978-3-86593-105-4	16,00
Johannes Kirsch, Gernot Mühge Die Organisation der Arbeitsvermittlung auf internen Arbeitsmärkten	13256	978-3-86593-151-1	12,00
Kerstin Bolm, Nadine Pieck, Anja Wartmann Betriebliches Gesundheitsmanagement fällt nicht vom Himmel	13257	978-3-86593-152-8	12,00
Christiane Lindecke Neue Arbeitszeiten für (hoch)qualifizierte Angestellte	13258	978-3-86593-153-5	12,00
Jens Ambrasat, Martin Groß, Jakob Tesch, Bernd Wegener Determinanten beruflicher Karrieren unter den Bedingungen flexibilisierter Arbeitsmärkte	13259	978-3-86593-154-2	28,00
Klaus Maack, Jakob Haves, Katrin Schmid, Stefan Stracke Entwicklung und Zukunft der Brauwirtschaft in Deutschland	13260	978-3-86593-155-9	20,00
Klaus Kost, Lienhard Lötscher, Jörg Weingarten Neue und innovative Ansätze zur Regionalentwicklung durch unternehmerische Wirtschaftsförderung	13261	978-3-86593-156-6	25,00
Reingard Zimmer (Hrsg.) Rechtsprobleme der tariflichen Unterbietungskonkurrenz	13262	978-3-86593-157-3	15,00
Uwe Jürgenhake, Cordula Sczesny, Frauke Füsers Berufslaufbahnen von Betriebsratsmitgliedern	13263	978-3-86593-159-7	20,00
Felix Ekhardt Sicherung sozial-ökologischer Standards durch Partizipation	13264	978-3-86593-175-7	15,00
Reingard Zimmer (Hrsg.) Tarifeinheit – Tarifpluralität in Europa	13265	978-3-86593-161-0	18,00
Heiko Geiling, Stephan Meise, Dennis Eversberg Die IG Metall lokal	13266	978-3-86593-162-7	32,00
Michael Gümbel, Sonja Nielbock Die Last der Stereotype	13267	978-3-86593-163-4	28,00
Günter Pochmann, Markus Sendel-Müller, Sven Kischewski, Marion Houben Internationale Bilanzpolitik	13269	978-3-86593-165-8	29,00
Thorsten Ludwig, Holger Seidel, Jochen Tholen Offshore-Windenergie: Perspektiven für den deutschen Schiffbau	13270	978-3-86593-167-2	25,00
Achim Sollanek, Pascal Hansen Bankbilanzen nach IFRS	13271	978-3-86593-169-6	24,00
Johannes Koch, Winfried Heidemann, Christine Zumbeck Weiterbildung im Betrieb mit E-Learning, Web 2.0, Mikrolernen und Wissensmanagement	13273	978-3-86593-172-6	15,00

	Bestell-Nr.	ISBN	Preis / €
Heinz-Jürgen Klepzig, Johann Lachhammer, Ulrike Martina Dambmann Going-offshore – Standortverlagerung ins Ausland Grundlagen	13274	978-3-86593-160-3	25,00
Heinz-Jürgen Klepzig, Johann Lachhammer, Ulrike Martina Dambmann Going-offshore – Standortverlagerung ins Ausland Handbuch	13275	978-3-86593-163-3	25,00
Lasse Pütz, Manuela Maschke (Hrsg.) Compliance – ein Thema für Betriebs- und Aufsichtsräte	13276	978-3-86593-174-0	22,00
Nora Gaupp Wege in Ausbildung und Ausbildungslosigkeit	13277	978-3-86593-176-4	22,00
Wiebke Friedrich, Christoph H. Schwarz, Sebastian Voigt Gewerkschaften im demokratischen Prozess: 10 internationle Beiträge	13278	978-3-86593-177-1	29,00
Karl-Jürgen Bieback Verfassungs- und sozialrechtliche Probleme einer Änderung der Beitragsbemessungsgrenze in der GKV	13280	978-3-86593-182-5	15,00
Jürgen Dispan, Heinz Pfäfflin Nachhaltige Wertschöpfungsstrategie	13283	978-3-86593-184-9	15,00
Johannes Blome-Drees, Reiner Rang Unternehmensübernahmen durch Belegschaften im Rahmen von Unternehmensnachfolgen, Unternehmensverkäufen und Unternehmenskrisen	13284	978-3-86593-186-3	20,00
Achim Sollanek, Jeanette Klessig Die Mindestanforderung an das Risikomanagement bei Kreditinstituten (MaRisk)	13285	978-3-86593-187-0	12,00
Thorsten Sellhorn, Katharina Hombach, Christian Stier Strategische Finanzberichterstattung durch Pro forma-Kennzahlen und Finanzgrafiken	13286	978-3-86593-189-4	20,00
Christiane Kohs Der Jahresabschluss der Holding	13287	978-3-86593-190-0	12,00
Judith Beile, Benjamin Kratz, Malte Pohlmann, Katrin Vitols Nachhaltigkeitsberichte im Vergleich	13288	978-3-86593-191-7	32,00
Antje Blöcker Arbeit und Innovationen für den sozial-ökologischen Umbau in Industriebetrieben	13289	978-3-86593-192-4	22,00
Peter Wilke, Thorsten Ludwig, Katrin Schmid, Jan Ulatowski, Matthias N. Winter Struktureller Wandel und nachhaltige Modernisierung – Perspektiven der Industriepolitik in Norddeutschland	13292	978-3-86593-196-2	32,00

Ihre Bestellungen senden Sie bitte unter Angabe der Bestellnummern an den Setzkasten oder unter Angabe der ISBN an Ihre Buchhandlung. Ausführliche Informationen zu den einzelnen Bänden können Sie dem aktuellen Gesamtverzeichnis der Buchreihe **edition** entnehmen.

Setzkasten GmbH
Kreuzbergstraße 56
40489 Düsseldorf
Telefax 0211-40 800 90 40
mail@setzkasten.de

Hans-Böckler-Stiftung

Die Hans-Böckler-Stiftung ist das Mitbestimmungs-, Forschungs- und Studienförderungswerk des Deutschen Gewerkschaftsbundes. Gegründet wurde sie 1977 aus der Stiftung Mitbestimmung und der Hans-Böckler-Gesellschaft. Die Stiftung wirbt für Mitbestimmung als Gestaltungsprinzip einer demokratischen Gesellschaft und setzt sich dafür ein, die Möglichkeiten der Mitbestimmung zu erweitern.

Mitbestimmungsförderung und -beratung

Die Stiftung informiert und berät Mitglieder von Betriebs- und Personalräten sowie Vertreterinnen und Vertreter von Beschäftigten in Aufsichtsräten. Diese können sich mit Fragen zu Wirtschaft und Recht, Personal- und Sozialwesen, zu Aus- und Weiterbildung an die Stiftung wenden.

Wirtschafts- und Sozialwissenschaftliches Institut (WSI)

Das Wirtschafts- und Sozialwissenschaftliche Institut (WSI) in der Hans-Böckler-Stiftung forscht zu Themen, die für Arbeitnehmerinnen und Arbeitnehmer von Bedeutung sind. Globalisierung, Beschäftigung und institutioneller Wandel, Arbeit, Verteilung und soziale Sicherung sowie Arbeitsbeziehungen und Tarifpolitik sind die Schwerpunkte. Das WSI-Tarifarchiv bietet umfangreiche Dokumentationen und fundierte Auswertungen zu allen Aspekten der Tarifpolitik.

Institut für Makroökonomie und Konjunkturforschung (IMK)

Das Ziel des Instituts für Makroökonomie und Konjunkturforschung (IMK) in der Hans-Böckler-Stiftung ist es, gesamtwirtschaftliche Zusammenhänge zu erforschen und für die wirtschaftspolitische Beratung einzusetzen. Daneben stellt das IMK auf der Basis seiner Forschungs- und Beratungsarbeiten regelmäßig Konjunkturprognosen vor.

Forschungsförderung

Die Forschungsförderung finanziert und koordiniert wissenschaftliche Vorhaben zu sechs Themenschwerpunkten: Erwerbsarbeit im Wandel, Strukturwandel – Innovationen und Beschäftigung, Mitbestimmung im Wandel, Zukunft des Wohlfahrtsstaats, Bildung für und in der Arbeitswelt sowie Geschichte der Gewerkschaften.

Studienförderung

Als zweitgrößtes Studienförderungswerk der Bundesrepublik trägt die Stiftung dazu bei, soziale Ungleichheit im Bildungswesen zu überwinden. Sie fördert gewerkschaftlich und gesellschaftspolitisch engagierte Studierende und Promovierende mit Stipendien, Bildungsangeboten und der Vermittlung von Praktika. Insbesondere unterstützt sie Absolventinnen und Absolventen des zweiten Bildungsweges.

Öffentlichkeitsarbeit

Mit dem 14-tägig erscheinenden Infodienst „Böckler Impuls“ begleitet die Stiftung die aktuellen politischen Debatten in den Themenfeldern Arbeit, Wirtschaft und Soziales. Das Magazin „Mitbestimmung“ und die „WSI-Mitteilungen“ informieren monatlich über Themen aus Arbeitswelt und Wissenschaft.
Mit der Homepage **www.boeckler.de** bietet die Stiftung einen schnellen Zugang zu ihren Veranstaltungen, Publikationen, Beratungsangeboten und Forschungsergebnissen.

Hans-Böckler-Stiftung
Hans-Böckler-Straße 39 Telefon: 02 11/77 78-0
40476 Düsseldorf Telefax: 02 11/77 78-225

www.boeckler.de

This book provides an analysis of the contradictory nature of the social partnership system in Russia which was triggered by the process of neoliberal globalization. Being part of the "growing economies" BRICS and rapidly integrating into the world economy through opening for foreign direct investments coming from leading capitalist countries, especially from Germany, Russia is experiencing the impact of the transition to a market economy on labour relations. This moment ties up with specific features of the Russian history of labour relations, so there is a definite lack in Germany and other countries of knowledge and understanding regarding the Russian labour system. Hence, this study aims to clarify this problem.

The book shows that as in other transitional economies a driver of market changes has yet to emerge. In Russia state bureaucracy takes the function of initiator and actor of market reforms. The state has to take part in resolving the contradiction between low labour standards existing in national companies with middle and low levels of capitalization and the developments in multinational corporations which are gradually going ahead to collective conflict resolution. The perspectives in the social partnership in Russia are closely connected with the development of independent trade unions as an equal counterpart.

9 783865 932037

ISBN 978-3-86593-203-7
€ 18,00