

Evolution of Social Partnership in Russian Industrial Relations System: External Challenges, Internal Contradictions, Mechanisms of Institutional Change[†]

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Abstract: This paper explores the peculiarities of labour interest representation within the contemporary system of social partnership in Russia. It seeks to examine how the Russian system of social partnership managed to remain nearly unchangeable for more than 15 years despite its inefficiency, caused by institutional path-dependency. Further, the evolution of electoral and lobbying strategies of Russian trade unions is analysed, demonstrating the growing politicization of trade unions in the past decade. We argue that political involvement in labour unions has developed into a parallel informal institution that serves to compensate for the low efficiency of the tripartite model of social dialog.

Keywords: trade unions, social partnership, direct political involvement, path dependency, parallel institutions

JEL Classification Numbers: L16, J51, J53

1. Introduction

Social partnership is a neo-corporatist model of institutionalized cooperation between trade unions, employers, and governments. After the collapse of communism, it was introduced in Russia and other Eastern European countries as a basis for the newly created industrial relations' systems. The core of the social partnership system is the neo-corporatist ideology of social dialogue, which is centred around the consensus between the contradicting interests of labour and capital. At the government level, coordination is achieved through inclusion of collective representatives of labour and capital as 'social partners' in the policy making process. Social dialogue takes the form of tripartite commissions where the state can work with representatives of trade unions and employers' associations. The negotiations between the partners and the state result in so-called social pacts—formal multi-policy agreements among the governments, unions, and employers. At the workplace level, consensus between social partners is achieved through the procedures of collective bargaining and the institutionalized mechanism of labour disputes reconciliation.

Before 1989, social partnership as a model of coordinated interests of labour and capital was primarily a continental Western European phenomenon (Hassel, 2009). Western European corporatism was based on well-functioning market mechanisms (Vickerstaff et al., 2000) and was closely linked to social democratic politics (Ost, 2001). After the collapse of communism in 1989, all post-communist countries

in Eastern Europe and the former Soviet Union adopted a tripartite model of industrial relations. Among the main incentives for the adaptation of the social partnership system by post-communist governments of Central and East European countries (CEE) was the desire to join the European Union. Adoption of social dialogue as the core of the EU model of social integration was aimed to prove that post-communist countries were able and willing to move in the European direction. Another reason was pressure from international financial institutions such as the World Bank, the International Monetary Fund (IMF), and the Organization of Economic Cooperation and Development (OECD), which the governments frequently had to follow to secure foreign direct investments. Among internal reasons for the preference of the social partnership model was the fear of social protests during that were expected as a reaction to the first steps of economic liberalization. Inclusion of trade unions in tripartite negotiations should lead to the mechanism of ‘political exchange’ (Streek and Hassel 2003), according to which trade unions restrain protests in exchange for keeping the interests of labour in social policy. Moreover, the governments were interested in sharing responsibilities with the ‘social partners’ (trade unions and employers’ associations) in anticipation of difficult economic reforms. For trade unions, the social partnership model was attractive as it legitimated their position in the new economic and political order and guaranteed integration into the European system of social dialogue. Overall, the adoption of the institution of social partnership was dictated by the interests of the governments and their social partners rather than by the realities of the post-communist context (Avdagic, 2005; Vickerstaff et al., 2000; Pollert, 2000).

The social partnership model originally contained the contradictions between the neocorporatist nature of tripartism and the neoliberal scenario of economic reforms. The neocorporatist model was effective under the conditions of the successful economy and well-developed welfare state, while post-communist economic reforms implied privatization and restructuring of the economy, which would inevitably entail a sharp decrease in real wages, endanger job security, and increase unemployment. The process of institutional transfer of the Western-European social partnership model has resulted in imitation of partnership (Vickerstaff et al., 2000), weak institutional capacity of trade unions to influence labour and employment relations (Pollert, 2000; Avdagic, 2005; Cook, 2010), and ‘illusory corporatism’ (Ost, 2001) because of poor inclusion of organized interests in policy making.

In Russia, introduction of the social partnership model followed a similar pattern as that in CEE countries. The Yeltsin government followed the recommendations by international financial and economic institutions because it needed support in the implementation of economic and social reforms. Similar to the CEE countries, the Russian government sought to share responsibilities with the representatives of labour and capital (Kozina, 2013) and relied on cooperation with trade unions in curbing the expected labour protests. The distinctive feature of the Russian model of social partnership was that ‘political exchange’ between unions and government was based on the informal compromise that trade unions would preserve the property inherited from the Soviet times and the social function of administering the social insurance system and monitoring health and safety at the workplace (Cook,

2007).

The initial mismatch between the social partnership model and the Russian context of the social and economic reforms was worsened by the path-dependent character of the established social partnership institutions. In particular, their low efficiency was predetermined by the inertia of the regulating state institutions and the residual dominance of the state in policy-making. Imbalance of power between the state and social partners undermines the core principle of social partnership and prevents trade unions from promoting labour interests in the development of labour and social policy.

Under such conditions, Russian institutions of social partnership are at best imperfect and are incapable of fulfilling all their necessary functions. Hence, the question arises as to what fills this vacuum of the institutional performance, particularly, how the interests of labour are represented when the institutions of social partnership are ineffective or not functioning.

The aim of this paper is to show how given an inefficient path-dependent institution of social partnership, political practices and mechanisms used by trade unions evolve to compensate the low institutional capacity of trilateral bodies of social dialogue, such as tripartite (trilateral) commissions designed to include trade unions in policy making process political practices used by trade unions are extra-institutional since they are realized beyond the formal institutional framework of social partnership. Mostly, these practices have an informal character since they are primarily based on informal and interpersonal relations between trade union leaders and representatives of political institutions and personalities. This paper demonstrates how the evolution of political practices has eventually resulted in the formation of a 'parallel' institution of direct political involvement of trade unions. It considers the emergence of a parallel informal institution as a way to cope with path dependency of the formal trilateral institutions of social partnership. In this article, I argue that this informal parallel institution not only exists alongside the formal institution of social partnership by serving the same function of labour interest representation but also is used by trade unions to increase the efficiency of path-dependent institutions of social partnership.

The analysis is based on the author's several studies in the recent years on Russian trade unions and the Russian social partnership system¹. The article has the following structure. The first section briefly describes the Russian model of social partnership and demonstrate its path dependency, particularly, the continuing dominance of the state in policy making, imbalance of power between social partners, and low institutional status of trilateral bodies. The next section analyses the historical evolution of the political strategies of trade unions and traces out the process of institutionalization of the most successful political practices and mechanisms. The last section shows that path dependency and inefficiency of social partnership are the main reasons for the politicization of trade unions in Russia, which differs from the case of European countries, where trade union politicization is caused by exogenous neoliberal trends in the economy. This section also discusses the theoretical contribution of the study, particularly the role of informal parallel institutions of political participation in compensating the inefficient performance of the formal path-dependent institution of social partnership.

2. Russian Model of Social Partnership

2.1. Formation

The process of formation of the Russian social partnership system started in the early 1990s with the passage of two decrees: the presidential decree On Social Partnership and Conciliation of Labour Disputes (conflicts) (1991) and the governmental decree About Russian Tripartite Commission on Regulation of Socio-Labour Relations (1992). These decrees marked the beginning of the institutionalization of the social dialogue in Russia and facilitated the establishment of trilateral commissions by bringing together trade unions, employers, and state representatives at the federal, regional, and territorial levels.

Generally, researchers highlight two phases in the process of the formation of the institution of social partnership in Russia. The first phase occurred during the 1990s, when the legal and the normative frameworks were developed and the patterns of interaction of 'social partners' were first outlined. During the 1990s, a number of important federal laws came into effect, such as On Collective Contracts and Agreements (1992), On the procedures for settling collective labour disputes (1995), and On Trade Unions, their Rights and Guarantees (1996). The legal transformation of the 1990s was not confined to the federal level; several laws concerning social partnership were passed on the regional level as well. It is worth noting that the first laws on social partnership were passed on the background of a severe economic crisis in Russia, which worsened the already inherent conflict between capital and labour.

The second phase of the social partnership system began in 2002 and was marked by the passage of the new labour code. The labour code finalized the formation of the industrial relations model in Russia as based on the system of social partnership; it also defined the role of labour unions in this model. The passing of the new labour code was a long process, which lasted for almost three years (from 1999 to 2002) and which became an issue of acute contention between the labour unions and the employers. While the new code did not introduce significant changes into the system of trilateral institutions of social partnership, it resulted in weakening the influence of the labour unions on policy making and their capacity to represent the interests of labour at the enterprise level (e.g., Bronstein, 2005; Olimpieva and Bizyukov, 2013; Kozina, 2009; Ashwin, 2004).

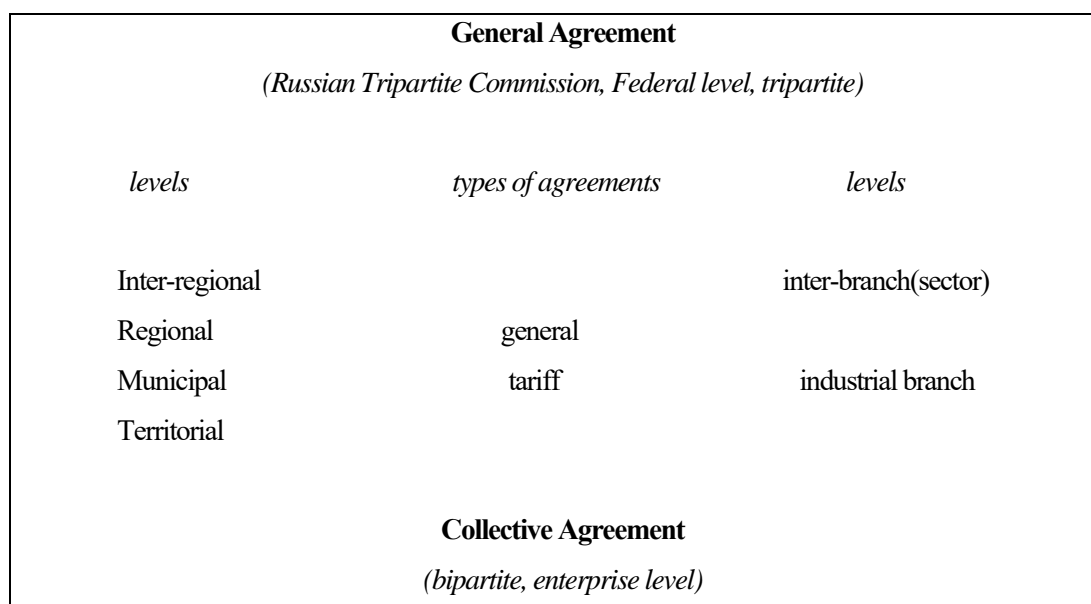
2.2. Current social partnership in Russia

Russian social partnership system is characterized by a complicated design. It includes eight levels of interaction between social partners that imply seven types of agreements depending on the number of partners (bipartite or tripartite), area or regulation (federation, region, several regions, industrial branch/es or sector/s, territory, and enterprise), and the content of agreement (tariff agreements or general agreements) (Vinogradova et al., 2015) (Figure 1).

At the firm level, interactions between workers and employers are regulated by the bipartite institution

of collective bargaining between the primary trade union organization and the employer. The negotiations result in a collective agreement, which contains basic provisions regarding remuneration, working conditions, and other issues of socio-labour relations at the enterprise level.

Figure 1. Social partnership system in Russia



The SP system has two vertical dimensions—territorial and industrial. The vertical character of the system means that provisions adopted at the upper level are obligatory for implementation at the lower level.

At the top level of social partnership system is the Russian Tripartite Commission for the Regulation of Social-Labour Relations (RTC), which consists of 90 representatives of the partners and the state (30 from each party) (see Figure 2).

The employers are represented by a number of national business associations, such as the Russian Union of Industrialists and Entrepreneurs, Chamber of Commerce, and All-Russian Public Organization of Small and Medium sized Businesses, and by the top managers of the largest Russian companies. The employees are represented by the Federation of Independent Trade Unions of Russia (FNPR), which includes about 30 percent of Russia’s labour force, and by three representatives of the so-called ‘alternative’ or ‘free’ unions that represent about three percent of workers. Seven working groups within the frame of tripartite commission are supposed to consider issues of labour and social regulations in specified areas. The general agreement adopted by RTC provides general principles of regulation of labour relations at the macro (federal) level.

Figure 2. Russian Tripartite Commission on Regulation of Labor and Social Policy (2015)

The coordinator of the RTC: Deputy Chairman of the Russian Government

Government:

- Ministry of Labor and social policy (3)
- Other Ministries and State Departments (27)

TUs:

- FNPR (“official” unions) (27)
- “Alternative” unions (3)

Employers:

- Russian Union of Industrialists and Entrepreneurs (7)
- Chamber of Commerce (1)
- Association of Small and Medium Businesses (OPORA) (2)
- Big industrial companies (4)
- Other Associations (16)

Working groups

№1 Working Group in the field of economic policy;

№2 Working Group on income, wages and standard of living;

№3 Working Group on Labor Market Development and guarantees of employment;

№4 Working Group on social insurance, social protection, branches of the social sphere;

№5 Working Group on the protection of labor rights, protection of labor, industrial and environmental safety;

№6 Working Group in the field of socio-economic problems of the northern regions of Russia;

№7 Working Group on social partnership and coordination of the parties' agreement.

Sources: <http://www.solidarnost.org/special/profdict/RTK.html>;

<http://government.ru/departament/141/members/>

On paper, Russia appears strong in terms of its number of social partnership agreements. By the beginning of 2011, the number of collective agreements at the enterprise level reached 220,000, covering 27,900,000 people or 62 percent of the total employed in the economy (Vinogradova et al., 2015). Additionally, 11,700 social partnership agreements were concluded on the other levels of social partnership system (federal, regional, industry and etc.) (ibid.). However, in practice, all experts agree that the effectiveness of the existing system of social partnership is low on all levels.

2.3. Path dependency of tripartite institutions of social partnership (RTC)

The main problem of the Russian social partnership model is its path dependency, which is manifested in the continuing dominance of state institutions in the development of labour and social policy. At the federal level, this is reflected in the imbalance of power between the participants of the Russian Tripartite Commission, which undermines the core idea of social partnership and basic principle of partners' equality. The asymmetrical nature of this social dialogue leads to a situation in which the unions and employers do not negotiate but fight with each other for direct influence over the state, which is the most powerful player (Olimpieva, 2012; Olimpieva and Orttung, 2013).

Another effect of path dependency is the low institutional status of the RTC. The General Agreement achieved by the RTC is only a directive. As an advisory body, the RTC can provide consultations to federal state institutions regarding the socio-economic policy and suggest amendments to federal and other normative acts. However, its decisions are not binding and do not have the veto power. The RTC has been mostly reduced to approve documents that had already been adopted by the government. The low status of the institutions of social partnership is also reflected in the character of representation of state bodies in the RTC. According to the RTC participants, very often, officials who represent governmental bodies at the RTC meetings are not eligible to make decisions².

The Russian Tripartite Commission on Regulation of Labour and Social Policy has undergone a number of changes since it was established in 1992. During the 1990s, the Law on RTC slightly changed and some amendments were introduced by focusing mainly on the order and eligibility of the parties' representation. The problem of social partners' representation was central for that period because the business sector was at the initial stage of formation and there was no business association that would represent the organized interests of the employers. In addition, trade unions were undergoing intensive post-Soviet organizational restructuring and creation of the new Federation of Independent Trade Unions of Russia. Thus, amendments to the Law introduced in 1996 specified that only particular type of trade unions, namely, "All-Russia trade unions" (representing more than a half of employees in particular industry or acting in more than a half of regions of Russia) were eligible to represent labour interests in the RTC. Another amendment increased the number of representatives in the RTC from each party from 14 to 30.

After 2000, when the processes of business organizational development and trade union construction were mostly completed, the evolution of the tripartite commission continued through the improvements

in the content of General Agreements and RTC work in general. In the previous decade, the agreements began to increasingly focus on the practical issues of socio-economic regulation, suggesting changes in tariff system and federal normative system of social planning, and developing staged plans to achieve socio-economic targets (Kozina, 2009). However, the non-obligatory character of the RTC decisions nullifies these positive trends. For example, the 2008–2010 General Agreement suggested linking the level of minimum wage guaranteed by the state with the level of minimum subsistence as an urgent necessity. It was a rare case when the initiative of trade unions achieved a consensus between social parties (Vinogradova, Kozina, and Cook, 2015). However, the provision has not been realized; currently, the minimum wage in Russia still constitutes about 55 percent of minimum subsistence (Shmakov, 2016).

Despite all the amendments and changes in legislation, the dominant role of the state and low status of RTC in policy-making remained unchanged. The current tripartite institutions do not provide labour unions with efficient institutional levers to influence policy-making and legislative processes in the social and labour sphere. The inefficiency of the system becomes even more obvious when it is challenged by the deterioration of the economy. The economic crisis of 2008-2009 exacerbated the contradiction between labour and capital, making the position of labour more vulnerable. In these circumstances, the need for labour interest representation becomes more urgent at all levels, while the adjustment of the model to the rapidly changing environment is inhibited by path dependency of social partnership. The next section demonstrates how Russian trade unions cope with the path dependency of social partnership by using instruments of direct political involvement.

3. Direct Political Involvement as a Mechanism of Labour Interest Representation: Evolution and Institutionalization

The Russian social partnership system does not imply direct involvement of labour unions in the political processes and institutions. Trade unions cannot directly participate in the elections and create political parties. The Constitution of 1993 deprived trade unions of the right to introduce legislation directly to the State Duma. Hence, the existing model of social partnership provides tripartite negotiations as the only institutional way for trade unions to influence policy-making.

However, Russian trade unions have been involved in political activities including both electoral and lobbying processes since the beginning of the 1990s. The political strategies of the trade unions have been mostly based on personal ties and informal mechanisms. This is perhaps why the role of Russian trade unions as political actors is usually underestimated by scholars. This section describes the main trends in the evolution of electoral and lobbying strategies of Russian trade unions since 1990 and provides examples of the most successful political tools they use in their struggle to influence policy making and legislation³.

3.1. Evolution of trade unions' electoral strategies

Electoral strategies serve to promote trade unions' representatives to legislative bodies. Thus, the trade unions use a variety of tools, such as building alliances with political parties, forming electoral blocs with various parties and movements, and even creating their own party. The set of political tools used by trade unions at every instance is predetermined by the political context. The evolution of Russian unions' electoral strategies evolved as the labour unions acquired greater experience with politics and in accordance with political possibilities of each historical period (Picture 3).

Figure 3. Evolution of the Electoral and Lobbying Strategies of Russian Trade Unions since the beginning of 1990s

| | 1990s | 2000s |
|----------------------|--|---|
| Electoral strategies | <ul style="list-style-type: none"> - alliances with political parties (“political party sopping”(Cook 2007); - building electoral blocks (Civic Union, Union of Labor, Fatherland, etc.) | <ul style="list-style-type: none"> - alliance with the ruling party (United Russia, ONF); - building of own political party (Union of Labor, 2012) |
| Lobbying strategies | <ul style="list-style-type: none"> - informal contacts with deputies and bureaucrats in state executive bodies; - regular consultations with FNPR, department for contacts with State Duma | <ul style="list-style-type: none"> - creation of Solidarity group, blocking Labor Code adoption; - Ministry of Labor, Duma Committee of Labor and Social Policy - informal alliance with President Putin |

In terms of the electoral strategies, the period of the political pluralism of the beginning of the 1990s could be referred to as ‘political party shopping’, the term coined by Linda Cook in her book on post-communist welfare states (Cook, 2007). Deprived of their right of legal initiative, labour unions were ready to align with any party that offered to promote labour interests in Duma. In their fight against the negative consequences of liberal reforms, labour unions aligned with a wide spectrum of parties and even with their ideological opponents. For instance, in 1992, the Federation of Independent Trade Unions of Russia (FNPR) cooperated via Civic Union Alliance with the Russian Union of Industrialists and Entrepreneurs, representing the main Russian industrial lobby and the biggest employer association.

During the 1995 State Duma elections, the FNPR created its own political bloc, the Union of Labour. During the 1999 elections, the Union of Labour allied with the Fatherland (Otechestvo) party, winning about 20 seats in the parliament. Successful strategies on the part of labour unions allowed Andrei Isayev, the deputy chair of FNPR, to become a chair of the Duma Committee on Labour and Social Policy.

After 2000, due to the general strategy of political centralization following the coming to power of Vladimir Putin, the number of parties competing for the seat in Duma significantly decreased; few were

able to pass the new electoral barriers. Because of these new political circumstances, the main political strategy of FNPR was redirected to building alliance with the strongest players in the political field. Therefore, the Union of Labour was united with the new ‘party of power’, Unity (Edinstvo), soon to turn into the United Russia—the strongest and most influential party in Russia which has had an absolute majority in Duma since 2003. Thanks to its alliance with the United Russia, FNPR was successful in advancing its representatives – members of United Russia - into State Duma. The alliance between the Putin-made socio-political coalition All-Russia People’s Front (ONF) and the public movement, People for Defense of Labour (Chelovek v zaschitu truda) created by FNPR made it possible for the candidates without party alliance with the United Russia to advance into Duma. All member organizations of FNPR supported ONF, and the leader of FNPR Mikhail Schmakov became a member of the ONF Coordinating Council.

Liberalization of the political sphere and softening of the legislative barriers for party registration in 2012 brought back the importance of the political strategies of party building. FNPR brought back to life the political movement, Union of Labour, and converted it into a political party aimed to express the interests of the working class. Although officially, FNPR cannot create parties, it is clear that Union of Labour is its project, supported and promoted by the ‘Committee on the political analysis and action’, created by FNPR in 2004. Despite the initial lack of success of the new party at the local regional elections in 2013, labour unions are actively preparing for the next Duma elections upcoming in 2016. The party now has already created branches in 53 regions of Russia.

3.2. Evolution of the lobbying strategies of Russian trade unions

Lobbying strategies are realized by trade unions to promote labour interests in Duma and other legislative institutions. Among the main lobbying strategies used by Russian trade unions are forming parliamentary groups, establishing formal and informal contacts with members of parliament and their factions, and finally, building ties with executive agencies and officials. Starting from 1992, FNPR constantly worked to form a lobby in the higher legislative institutions. Lobbying took different forms and ranged from the informal consultations with deputies of different factions to the informal formation of a group of deputies ready for collaboration with FNPR.

After successful parliamentary elections of 1999, an inter-factional informal group, Solidarity, had been formed in the State Duma, which became the major communication channel between FNPR and the deputies. Initially, it consisted of about 25 members, including representatives from Fatherland-All Russia, the CPRF, Unity, the Union of Right Forces, Regions of Russia, the agro-industrial group, and a number of independent deputies. Owing to Solidarity, trade unions were able to block the first version of the Labour Code introduced by the government from reaching the floor. The government offered extremely ‘liberal’ provisions regarding basic parameters of work, such as, possibility of work outside the normal business day ‘at the initiative of the employee’ (effectively leading to a twelve-hour workday and a fifty-six-hour work week) without overtime guarantees (article 98). The draft code was developed

through violations of many international standards. It did not consider a number of basic principles of social insurance, employment assistance, protection against unemployment, etc. The Solidarity group suggested an alternative version drafted from the perspective of trade unions (see more details in Olimpieva and Orttung 2012). Although the compromised version that was finally approved remained ‘antiunion’ in essence (especially in terms of possibility of labour protests), the ability to block the adoption of the government’s bill can be considered a victory for unions’ lobbying strategy.

After 15 years, Solidarity group remains the major lobbying instrument of labour unions in the parliament. It currently includes 24 members, most of whom (18) are representatives of the United Russia, 3 people are from Just Russia, and 3 are representatives of Communist Party (KPRF) (Information Bulletin FNPR 2011-2015).

In addition to constantly working on strengthening the labour unions’ influence in the State Duma, FNPR lobbies their political interests by creating a personal alliance with Vladimir Putin. In fact, the alliance with the president has been one of the key political strategies of FNPR since his first presidential term in 2000. Official labour unions supported Putin during the most difficult moments of his presidency. To begin with, FNPR supported the president during the difficult elections of 2000. FNPR also remained loyal to Putin during Medvedev’s presidency and they stood by him at the time of the public unrest and protest movements of 2011-2012 caused in part by the president’s decision to come back to power. FNPR also served as one of the pillars of Putin’s electoral campaign of 2012: prior to the elections, it used its broad mobilization resources to draw the support for the president; and post-elections, it organized mass rallies to defend the president against the ‘white revolution’. The strategy of loyalty to Putin paid off. After Putin returned to power, among the first decrees, he created the Ministry of Labour—the key counteragent of FNPR—which is something the unions had demanded for over eight years, ever since the ministry’s liquidation in 2004.

FNPR is a member of the Public (expert) Council that has been recently created by the Ministry of Labour. The purpose of the council is to initiate suggestions for optimization of the state social and labour policy. Although the decisions of the council have only a directive character, it serves as an effective ‘access point’ (Grevtsova, 2014), allowing trade unions to promote their position to the state executive bodies.

3.3. Institutionalization of political activities of Russian trade unions

The political practices and mechanisms that the Russian trade unions have used since 1990 have eventually evolved into a sustainable institution of direct political involvement. Today, (official) trade unions have been largely incorporated into the Russian political system. Among the main electoral and lobbying functions, the following sustainable mechanisms and practices can be distinguished (see Figure 4):

In recent decade, the new organizational formats have been established within FNPR, which marked institutionalization of political activities. The prominent ones among them are the Committee on

Figure 4. Institutionalization of political participation of trade unions

| | |
|---|--|
| <u>Electoral strategies</u> | |
| ❖ | Alliance with United Russia (party electoral platform) and ONF (non-party platform) |
| ❖ | Alliances of Just Russia and Communists (branch and regional organizations) |
| ❖ | Union of Labor (53 regions, Duma elections 2016) |
| <u>Lobbying strategies</u> | |
| ❖ | Informal inter-factional group “Solidarity” |
| ❖ | the deputy chair of FNPR is a chair of the Duma Committee on Labor and Social Policy |
| ❖ | Close informal ties with the Ministry of Labor and Social Policy, |
| ❖ | participation in the Public Council created by the Ministry of Labor |
| ❖ | Direct informal ties with President Putin since 1999 |
| <u>Changes in FNPR organizational structure</u> | |
| ❖ | Department for Interaction with State Duma (since 2003) |
| ❖ | Committee on Political Analysis and Action (since 2007) |

Political Analysis and Action created in 2007, the special Department for Interaction with the State Duma, which has been working within FNPR since 2003, and the political party, Union of Labour.

Among other institutional forms of political activities are the aforementioned lobbying group ‘Solidarity’ and the Public Council under the Ministry of Labour. There are also other formal and informal mechanisms of political influence, such as regular meetings of FNPR representatives with politicians and executive officials, regular informal contacts of unions’ leaders with the heads of departments of the Ministry of Labour, and direct contacts between the chair of FNPR and the president.

The existing institution of the unions’ political participation reflects the characteristics of the Russian institutional system such as strong hierarchy and centralization, as well as the dominance of the informal mechanisms and networks over the formal procedures and institutions. Institutionalization of political participation of labour unions is a bottom-up process. By the method of trial and error, the most successful approaches and formats of political participation were discovered and developed. Another distinctive feature of the new institution is its informal character, meaning that they are realized beyond official institution of social partnership and strongly based on informal and inter-personal ties. Institutionalization of the informal political practices occurs due to their greater flexibility and ability to adapt to the realities of the political context in Russia. The fact that the informal institutions in Russia are rooted in the political context and exploit the available informal mechanisms accounts for their relative efficiency and ensures their survival and prevalence over the formal ones.

Since 1990s, the direct political participation of trade unions has always been more effective than

the formal institution of social partnership. This can be proved by 'success stories' of blocking of the liberal version of Labour Code in 2000 and reestablishment of the Ministry of Labour. According to Linda Cook, political influence of labour unions was one of the main reasons why liberalization of the welfare state during the 1990s was 'locked in place' despite of severe economic crisis (Cook, 2007: 26). Since 2000, when the Solidarity group was created, labour unions claim to have promoted over 300 amendments to the Labour Code (Isaev, 2015). Among the recent achievements are the fixation of the minimal wage in correspondence to the minimal subsistence level in the Labour Code in 2008. It could be assumed that due to trade union lobbying, the liberalization of the social sphere, including pension reforms, has been stocked and the retirement age remains low despite the growing economic pressure for the necessity of pension reform. Overall, it can be concluded that between the 1990s and the 2010s, Russian trade unions have achieved much more influence on policy-making and legislation through informal political channels and tools than via formal social partnership institutions.

3.4. Politicization as a forced strategy

Apparently, the increasing intensity of the direct political participation by the labour unions is a strategy that Russian labour unions are compelled to turn to in order to compensate for the weakness of the institutions of social partnership. The necessity to become politically involved has increased in the recent years due to the increasingly prominent neoliberal trends in Russian economic policy and the state's responses to the challenges of globalization, the necessity of the welfare state reform, the issues of migration and precarious labour.

It is crucial to note that the increasing politicization of the Russian labour unions is not aimed at regime change. Labour unions support the existing regime and distance themselves from the critical rhetoric of non-systemic opposition and, especially, from any activities aimed at the regime change. They also work to prevent labour protests from turning into political protests and solely support the economic demands. The major goal behind the creation of their own party is to acquire representation of labour in the State Duma sufficient to participate in the law-making process and to influence the state politics in the sphere of labour.

Growing politicization of the Russian trade unions is causing significant contradictions within the labour union system itself. Although trade unions are traditionally inclined to the leftist ideology as representing organized interests of the working class, they are supposed to be politically neutral as public organizations. Trade union members are free to have different political preferences. In this context, the strategy of FNPR leadership to build alliance with the United Russia party becomes the source of dissatisfaction and resistance arising from the lower echelons of the labour union organizational structure. However, the labour unions that are a part of FNPR fully realize that close contact with the political parties is a necessary evil. Some regional and sectoral subdivisions of FNPR build political alliances with the systemic opposition (e.g., Just Russia, Communist Party), which helps them to advance their representatives into the regional parliaments.

4. Discussion

The paper has outlined the design and structure of the Russian social partnership system and its slow evolution because of state domination in policy making. It has also analysed a wide spectrum of electoral and lobbying strategies used by the Russian trade unions to influence policy making in the social and labour spheres. We have demonstrated the bottom-up process of institutionalization of the direct political involvement and the emergence of a sustainable informal institution of unions' political participation. Political activities of trade unions have an informal character because they go beyond the official frame of the social partnership model and use their informal ties with politicians and state officials. The new institution serves to compensate the inefficiency of neocorporatist bodies of social partnership for labour interests' representation at the polity level.

4.1. Reasons for direct political involvement

The Russian social partnership model is not exceptional in terms of using political tools to advance representation of labour interests. In European democracies, corporatist mechanisms are often complemented by political activities of trade unions. Trade unions use different political channels within the constitutional framework of liberal democracies, primarily in the form of alliances with political parties and blocks. Some scholars argue that neo-corporatist systems would not be effective without political support from the socio-democratic parties (Streek and Hassel, 2003). The balance between political and corporatist tools used by the unions for policy-making, varies depending on changes in the economic and political context. With the spread of neo-liberalism undermining corporatist systems, trade unions in European countries increasingly resort to political levers including informal links with political parties and state officials (Toft and Parsons, forthcoming; Svensson and Oberg, 2002). Some scholars refer to informal political practices used by unions within the framework of European neocorporatist systems as 'gray power' of trade unions (Toft and Parsons, forthcoming).

Unlike democratic countries with developed neo-corporatist systems, the politicization of labour unions in Russia, rather than their being caused by the increasing pressures of economic liberalization, was triggered by the ineffectiveness and path dependency of the Russian model of social partnership.

As noted above, the system of social partnership in Russia was developed using the European experience of social dialogue and as such contradicted the situation of neoliberal economic. However, a more important reason for the ineffectiveness of the Russian model is its path-dependent nature manifested through the prevailing dominance of state in the formation of the social and labour politics. The causes of state domination are deeply rooted in the Russian model of capitalism and cannot be eliminated without profound change in the institutional configuration of the national political economy. This means that the endogenous potential for adaptation of the institution of social partnership to the Russian context is very low. While its function is improving overall, the improvements are only

superficial. Change occurs only 'at the margins' (Campbell, 2009), leaving the core dysfunction caused by the path-dependent state institutions intact. Therefore, the institution as a whole retains its 'illusory' nature (Ost, 2001), that is, the inability to facilitate inclusion of social partners, specifically, trade unions, in policy-making. In this context, political involvement of trade unions serves to fill the vacuum of labour interests' representation that cannot be fulfilled by the path-dependent institution of social partnership.

4.2. Social partnership and involvement in politics as 'parallel' institutions

The study has introduced the notion of 'parallel institution' to address the situation when two institutions serve for implementing the same function, which in the case of our analysis is the representation of labour interests in policy-making. One of these institutions, social partnership, was deliberately created 'from above' through institutional transfer of a western model. Another institution, direct political involvement, has evolved as a bottom-up process of crystallization of the most effective political practices and mechanisms. The degree of informality predetermines differences in adaptive potential of the institutions. The formal framework of social partnership generally hinders its possibility to change in response to exogenous challenges, while the mostly informal character of political involvement provides high flexibility of this institution through the development of new effective patterns of political activities in response to the constantly changing economic and political environment. Social partnership and political involvement do not compete with each other but rather complement each other (although not in a sense of complementary institutions in the variety of capitalism approach (Hall and Soskice, 2001)).

4.3. Parallel institution as a mechanism to cope with path dependency

The emergence of parallel institutions can be seen as one of the mechanisms through which the development and the adaptation of the 'inert' or path-dependent institutions take place. From the perspective of the functionalistic approach, the term 'path dependency' generally has a negative connotation and is used to explain the inefficiency of institutions. The major issue with path dependency is that under its conditions, the institutions follow the patterns that were successful in the past without considering the actual context, thus preventing the process of institutional innovation. This situation decreases the efficiency of path-dependant institutions (Campbell, 2009). The concept of path dependency thus interpreted is actively used to explain the issues connected with the transfer or borrowing of the institutions, especially during the process of post-communist transformation. However, while this concept is helpful in explaining why the borrowed institutions are ineffective, it fails to account for how the necessary functions are performed under the conditions of the institutional inefficiency.

The peculiarity of social partnership as an institution borrowed in the course of post-communist transformation is its limited ability to change because its institutional design was predetermined

politically and ideologically. In this context, the only possibility for trade unions to improve institutional functions was to resort to practices and mechanisms outside official institutional frame. In this regard, the parallel institution of political involvement allows us to understand how path dependency of social partnership remains unaltered for an extensive period of time despite the low efficiency that it exhibits.

Our research reveals that the strengthening of the parallel institutions can influence the path dependent institution. Trade unions as the main beneficiaries of trilateral dialogue (Ost, 2001) are generally interested in the strengthening of social partnership institutions. The trilateral neo-corporatist structure of the social partnership is ideologically aimed at preventing the outbreak of social conflicts by institutionalizing the labour unions' participation in policy making. For instance, FNPR has been using its lobbying potential to increase the institutional status of the trilateral commission, particularly, to strengthen its role in development of the labour legislation. Due to FNPR's lobbying initiatives in the Ministry of Labour, the government approved the amendments to the law on Russian Tripartite Commission (RTC), which made the consultations with the trilateral commission on the legislature and other legal documents concerning the issues of labour obligatory. Thus, labour unions improve the function of the trilateral commission by using the informal mechanism and power they acquire via the parallel informal institution of political participation.

Analysis of the evolution of the labour unions' political participation is of great interest as an example of bottom-up formation of the informal institution. In the future, it is important to analyse the specificities of the political inclusiveness of labour unions from the perspective of the particularities of the Russian political sphere as well as to compare the analogous institutional phenomena present in other countries.

[†] I am grateful for the Joint Usage and Research Center of the Institute of Economic Research, Kyoto University, for financial support for this article.

Notes

¹ In particular, the paper applies the outcomes of the following projects: Labour Movement in Post-Soviet Russia: A New Political Agenda. Johns Hopkins University's School for Advanced International Studies, 2012; Trade Unions and NGOs: Challenges for Collaboration in the USA and Russia. International Philanthropy Fellows Program, Center for Civil Society Studies, Johns Hopkins University, 2010 –2011; The Alternative Trade Unions in the System of Labour Regulation, CISR, 2010; Trade Unions and Working Class in Contemporary Russia, CISR, 2009; and so on.

² See, for example, the interview with the vice-chair of FNPR, Nina Kuzmina http://www.solidarnost.org/thems/20years-of-FNPR/20years-of-FNPR_7399.html ('The government introduces the representatives of the ministries to the RTC. Unfortunately, very often, they are not eligible to make decisions.')

³ In this paper, we take a close look at the so-called ‘official’ labour unions as represented by the Federation of the Independent Trade Unions of Russia, which covers about 30 percent of the country’s labour force or about 27 million people. Although the so-called ‘alternative’ labour unions, which account for about 2 percent of the workforce, also apply political tools, the forms of their political involvement differ from political practices used by their official counterparts.

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