

RETHINKING THE NON-RESILIENCE OF TRADE UNIONS IN ARMENIA: HOW TO PROTECT SOCIAL RIGHTS AND FREEDOMS OF WORKERS?

ASHOT ALEKSANYAN  AND ARUSYAK ALEKSANYAN 

Abstract

This article analyzes the non-resilience nature of the social partnership of labor relations in Armenia after the Velvet Revolution and the legitimate change of public authority in 2018. Reimagining the agenda of European integration, democratization and anti-corruption policies implies strengthening the social dimension of trade unions and effectively protecting the social rights and freedoms of workers and their labor interests. The civilizational significance of social partnership in post-revolutionary Armenia should help reduce social inequality among social groups and strata, as well as develop a dialogue between business and labor. The result of social dialogue should be a gradual improvement in the quality of life and humanization of labor relations, as well as a civilized resolution of social conflicts.

Particular attention in the article is paid to the legal and legitimate dimensions of social partnership in labor relations of the post-revolutionary Armenian society. In this sense, the article analyzes the Constitution, legal norms, national legislation, public authorities, European and international governmental organizations and their conventions and resolutions, through the effective implementation of which the new government has tried to ensure the rule of law since 2018, thereby minimizing informal norms of labor behavior, shadow economy and employment.

Keywords: resilience, non-resilience, trade unions, social partnership, social dialogue, Armenia, political populism, European integration, civilizational mechanism

Introduction

The institutionalization of resilient social partnership is a decisive resource and condition for the development of trade unions and small businesses in modern Armenia, as they contribute to coordinating the interaction of entrepreneurs with actors involved in this area of social and economic relations. The role of trade unions and business in creating

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Journal of Political Science: Bulletin of Yerevan University, Vol. 1, No. 1, May 2022, Pp. 78-106



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Received: 25.02.2022

Revised: 10.03.2022

Accepted: 29.03.2022

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the national wealth and progress of Armenian society is so significant that it is legitimate to consider the institution of social partnership in its development as a way to reach a compromise between social actors representing different interests of an economic, political and social nature, as a factor of social integration of societies of different levels and growth in the quality of life of the population. However, in this area, the contradiction between the need to institutionalize social partnership in Armenian small business as a democratic condition for its development is clearly manifested and the lack of effective directions for the implementation of social dialogue. There is also a contradiction between the need to apply an institutional approach to the study of social partnership in the development of trade unions and small businesses.

Global and regional market transformations have contributed to a radical change in social responsibility at all levels of Armenian society. Despite the external stability of the political order, the processes of increasing social tension in various spheres are going on in Armenian society. In addition to the deepening contradiction between labor and capital, trade unions and business, social inequality is exacerbating, social and economic differentiation among regions and sectors of the national economy is increasing, and the burden on the social sphere is growing. In the future, these processes will cause social conflicts and disintegration of Armenian society. As the experience of the EU countries shows, small business is one of the significant factors contributing to the solution of the tasks of sustainable development. Members of trade unions and representatives of small businesses constitute the core of the middle class, which acts as the main stabilizing factor in transit social relations. The growth of small business contributes to an increase in the level and quality of life of small entrepreneurs themselves, and due to the creation of additional jobs in small enterprises, it becomes possible for the poor to improve their financial situation. Independent trade unions help alleviate social inequality and reduce social tensions.

The Soviet past and the shadow of trade unions

The Soviet experience of the trade union movement was that the main role of trade unions was to orient workers towards the ideology of the ruling Communist Party, therefore trade unions were part of public administration and a regime system with a vertical hierarchy. Despite the different status and opposing interests, the Soviet trade unions united both workers and heads of enterprises. This situation was observed not only in the USSR but also in all other socialist countries. It is obvious that in the USSR the trade unions were state-owned, and therefore they openly abandoned any confrontation with the heads of enterprises. In a sense, these state-owned trade unions were completely dependent on the one-party system, which occupied a dominant position in this hierarchy. As a result, trade unions in a totalitarian political system turned into a networked bureaucratic structure with orders and accountability. It can be concluded that the social gap among the workers was so much that the members of the trade unions themselves began to perceive membership fees as a form of tax.

Although trade unions were formally an integral part of all enterprises in the USSR, they paid little attention to the protection of social rights and freedoms, as well as the

representation of workers. The protection of the social rights and freedoms of workers was reduced to the fact that without the official consent of the trade union, the administration of the enterprise could not fire an employee, change working conditions, etc. The representative function of trade unions was essentially denied, since the Communist Party of the Soviet Union (CPSU), both at the level of the Soviet Union and at the Soviet republican levels, represented the interests of all workers. Basically, the trade unions were engaged in holding labor demonstrations, organizing a socialist competition, distributing material benefits, maintaining labor discipline, conducting campaigning, engaging in propaganda, developing artistic activities in labor collectives, etc. As a result, the trade unions of the USSR played the role of social and household departments of both enterprises and the Communist Party.

The experience of the Soviet trade unions is important, since being controlled by the CPSU and the regime system, the trade unions were de facto deprived of the opportunity to resolve issues of quality of life, improvement of working conditions and wages. Employees signed contracts that obliged them to observe labor discipline, fulfill and overfulfill labor plans. Any organized confrontation with the leadership was strictly prohibited. The ban extended to the struggle for workers' rights and strikes, and their organization was threatened with criminal cases, prison and other types of punishment.

After the collapse of the USSR, the shadow mechanisms of the Soviet economy persisted in independent Armenia as well, forming a severe crisis of trade unions. If earlier membership of workers in trade unions was compulsory, later in independent Armenia the membership of workers in trade unions was terminated, they didn't see any benefit in being members of this bureaucratic organization. The phenomenon of a lack of relationship between trade unions and workers was the strikes in the late 1980s and early 1990s when the leadership of the trade unions was not on the side of workers, but on the side of government officials. In the last years of the regime system of the USSR, it became obvious that there was no real influence of trade unions in the political, social, economic and other spheres.

Within the Soviet trade union movement, there were three levels of control. The *first* is the CPSU one when the top managers and representatives of the workers' collectives were controlled through the party organization. As a rule, all representatives of the working groups were members of the CPSU, as were all the leaders of the working groups. They were included in the system. If someone violated the rules of the party game, then it was necessary to have a party card on the table and the loss of their status in this space. Considering the essence of the totalitarian political system, then the workers had phobias and they were afraid of it.

The *second* system of control is the Komsomol¹, which, as an organization of youth workers' unions, controlled the youth totally (Hulicka 1962; Tirado 1993). Almost all young workers were members of the Komsomol, but not all passed into the category of party workers. This meant that the city and district committees of the CPSU directed and resolved questions about the activities of the trade unions. Considering the management of the trade unions, the reports of the trade unions at the party meetings and bureaus were of great importance, and the party organizations should regularly include them in their

¹ Internet portal of the CIS. 2021. "What legacy did the Komsomol leave." Accessed February, 2022. <https://e-cis.info/news/566/95861/>.

work plans, and then carry out the hearing of the reports of the trade unions, steadily monitor the implementation of decisions taken to increase the efficiency of the work of the trade unions (Hewes 1932; Schwarz 1959; Pravda 1983; Courtois 1990). Since the party leadership exercised control precisely through the communists in the administration of trade unions. In the political system of Soviet society, the role of trade unions was key in informing the party leadership, the activities of local trade union committees in organizing and conducting competitions, increasing productivity, improving working conditions and living conditions of workers. Deeply covering the foreign and domestic policy of the CPSU, popularizing the ideas of proletarian internationalism in the communist education of workers and civil servants (Frank 1978; Brown 1978; Grybkauskas 2020).

And for the third control system, which was not ideologized in any way, but there was a mechanism of social responsibility through the trade union. If the Komsomol and the CPSU had an ideological one, the trade union acted exclusively through the support of social, cultural and monetary procedures. The trade union was engaged in the distribution of such benefits as apartments, vacation tickets, quotas for travel and treatment, preferential vouchers for children in pioneer camps, household appliances, etc. All this could be obtained only by those who either worked at the enterprise for a long time, showing their loyalty to it, or occupied a significant position, or were distinguished by some achievements. There was a queue to receive benefits, and the biggest punishment from the trade union is the exclusion of workers from this queue. Of course, some workers had conflicting behavior, criticized the authorities or were dissident. But this reduced the standard of living of their families, as they lost the right to social support. For example, an employee could no longer get a voucher for treatment or vacation, which was especially relevant in case of illness or injury.

In the process of transition from socialism to post-socialism, spontaneous groups of workers and strikes began to emerge, which were facilitated by the processes of 'perestroika' and mass protests toward national independence in all the Republics of the USSR (Driscoll 2015). The scale of these strikes was large, this has never happened before in the history of the USSR. It is interesting how the then Soviet trade unions reacted to these strikes. Representatives of the All-Union Central Council of Trade Unions (ACCTU) came as part of a government commission to all the Republics of the USSR to negotiate with the striking workers. And in the negotiations, they, as a rule, supported the government. This was such a momentous event that it became clear that the pro-government orientation of the ACCTU is an instrument of pressure on the workers. After such events, the workers began to refuse membership and create their own independent trade unions.

Strange as it may seem, but the intensification of the crisis was facilitated by the reform and liberalization of labor legislation, giving more freedom to trade unions and workers, who only on a voluntary basis had to decide to become or not to become a trade union member. For example, due to privatization or due to the absence of trade union members at many enterprises, trade unions were disbanded, and newly formed business groups and new owners hindered the activity or the creation of trade unions. Such crisis situations marked the beginning of the transformation of trade unions and the creation of new trade unions became the starting point for new approaches to the regulation of labor

relations, joint meetings with their colleagues, thereby protecting their social rights and freedoms, creating new collective agreements with fair requirements. Collective agreements, of course, were in the Soviet Union, but sometimes they were signed by the administration of the enterprise, the trade union and the labor collective, that is, the trade union and the labor collective were not the same things. Interestingly, the transformation of trade unions took place in different ways in the Republics of the USSR. Basically, at the initial stage, the trade union movement in Russia, Belarus, Ukraine and Kazakhstan was more effective than in other republics.

The new trade unions offered the parties to take on certain obligations and comply with them. And if they are not respected, then the workers can go on strike. It is important to note that at that time the administration and the head of the enterprises were furious that they had to take obligations to someone and that sanctions could be imposed on them for non-performance. The strength of the trade union was great, and such agreements began to be concluded, but unfortunately, this did not last long. The political leadership of the Republics of the USSR and the post-Soviet transit regimes in the 1990s, in the context of the emergence of market mechanisms in the economy and inflation (Darden 2009), excluded trade unions from the political process. Even the basic strategic rules of economic reforms and laws were adopted without the participation of trade unions, and subsequently, these legislative procedures limited the influence of trade unions. Apart from the Baltic countries, in other post-Soviet republics where new liberal forces came to power (Herzig 1996; Hoffer 1998; Smith 1999; Meleshevich 2007; Mandel 2012), the trade unions there actually ceased to be an actor, but formally existed in their own. Trade unions gradually ceased to be a socially significant institutional structure and actor. And in those post-Soviet republics where interim governments and power elites were formed during political transformations and social earthquakes, trade union leaders were able to adapt to the new environment, thereby constructing trade union organizations (Uhlin 2006).

In this context, it should be noted that the period of the Armenian transit of power from the Soviet to the post-Soviet had its own legitimate and legal features, taking place without violence. After the parliamentary elections in 1990, the Armenian SSR Supreme Council, when the new parliament elected the leader of the Pan-Armenian National Movement (PANM) Levon Ter-Petrosyan as the Chairman of the Supreme Council², the parliament began the formation of independent Armenian statehood. The name of the country was legally renamed the Republic of Armenia and the termination of the Constitution and laws of the USSR on the territory of the independent republic was also announced.

Although in post-Soviet Armenia the Law on Trade Unions was adopted in 2000³, however, the guarantees of trade union activity were later seriously weakened. This had a negative impact on the fact that restrictions on strikes were actually introduced. And it

² The National Assembly of the RA. 2022. "The History of Armenian Parliaments: The Supreme Council of Armenia of the First Convocation." Accessed February, 2022. <http://www.parliament.am/parliament.php?id=parliament&lang=eng>.

³ The National Assembly of the RA. 2000. "Law of the Republic of Armenia "On trade unions" (adopted on 05.12.2000). Accessed February, 2022. <http://www.parliament.am/legislation.php?sel=show&ID=1504&lang=rus>.

all started with the trade union leaders, as the previous organizational order changed when it was possible to change them only with the consent of the higher trade union bodies. And then it was decided that they can be dismissed on a general basis, and higher trade union bodies can express their motivated opinion, but it has practically no force. In fact, the people who organize the activity downstairs were left defenseless. The second point was the weakening of the bargaining positions of trade unions in the process of collective bargaining. The procedure was revised, certain preferences were given to employers, and the possibilities of trade unions decreased. Formally, the right to strike is written in the RA Constitution⁴, it is in the RA Labor Code (LC)⁵.

The LC describes the procedure for calling a legal strike, but since the adoption of the LC, all trade unions have unequivocally said that this is an impossible procedure. It is long, complicated and it is necessary to draw up a lot of all sorts of approvals, documents, and after all this, the employer can disrupt this procedure at any time. For example, when the trade unions started to do something, they missed the deadlines for agreeing on one document, everything, the whole procedure is stopped, it is necessary to start everything from the beginning. Unfortunately, there are many cases when trade unions tried to organize a legal strike, and the employer frustrated them. There are those few who still went through this entire procedure. For example, the strike of workers of the Nairit chemical plant, large mines in Syunik (mining enterprises of Kapan, Kajaran and Agarak), doctors of polyclinics, teachers and scientific researchers, metro, tram and trolley bus drivers and others who organized a legal strike. But every strike situation ends in a completely pointless way, because while these unions or groups of workers are preparing these strikes, the employers are starting structural changes in their labor departments where the members of this union worked. In the case of metro, tram and trolley bus drivers, the employer put them in for repairs, reviewed all technological processes, etc. And they went on strike in conditions where there is no work, and the employer has not suffered any damage. They went on strike for a couple of weeks and then went to work. That is, the right to strike and to use this right in real life as one of the most powerful tools for influencing workers on the employer becomes useless for trade unions. In this context, the activities of the branch Republican Unions affiliated with the Confederation of Trade Unions of Armenia (CTUA) are also incomprehensible, since even the official website of the CTUA⁶ does not provide accurate and up-to-date information about their activity and the main strategies for protecting the social and labor rights and freedoms of workers.

The CTUA and their sectoral trade unions do not so much shape the agenda in the social and labor interests of workers as they adapt to the conditions offered by the employer. All this has formed a certain legal, political, economic and social space in which trade unions are forced to survive, as in a close zone of interaction. And they cannot go beyond these limits, as they adapt to the current non-resilient situation. This

⁴ The Office to the President of the RA. 2015. "The Constitution of the Republic of Armenia." Accessed February, 2022. <https://www.president.am/en/constitution-2015/>.

⁵ ILO. 2021. "The Labour Code of the Republic of Armenia." (unofficial translation) (Adopted on November 9, 2004). Accessed February, 2022. <https://www.ilo.org/dyn/travail/docs/961/Labour%20Code%20ENG.pdf>.

⁶ CTUA. 2022. "Branch Republican Unions Affiliated with the CTUA." Accessed February, 2022. <http://hamk.am/members.php?lang=eng>.

negatively affects the image of trade union resilience. Among CSOs in Armenia, the lowest rating is for trade unions that can do something in large enterprises. Heads of large enterprises with a high level of technology, understand the scope of their legal and social responsibilities, as well as the fact that they need to be somehow more careful with trade unions. In such cases, the trade unions have no choice, as they negotiate with them within the limits to which the employer agrees. Unfortunately, there are many such examples of the fact that as soon as the trade unions tried to demand more than the employer is ready to give, sanctions from the employers immediately turn on and the trade union leaders know that there is a risk, a high probability of a conflict of interests, so they do everything to avoid conflict.

The new trade unions understand this very well. For example, over the past decades, trade unions have emerged among workers in the information technology, telecommunications, mining, services, and transport sectors (especially when foreign companies came to Armenia). Even the unions of these foreign companies understand that they need to be careful because if the employer starts a conflict with the union, very few can withstand it. A huge number of trade union organizations ceased to exist because the employer simply destroyed them. And he destroyed them, taking advantage of the institutional opportunities provided to him by the LC of the RA, as well as the possibilities of informal pressure. Since in the conditions of the informal economy and the transit political regime, both the republican and local authorities actually protect the interests of employers. Every year, the unfavorable environment and the conflict situation continue to worsen, and trade unions become non-resilient and have a weak influence. Such trade unions are forced not so much to form an agenda in the social and labor interests of workers as to adapt to the conditions that the employer offers them. This, of course, deprives workers of opportunities. Adaptive strategies of personal and group behavior become decisive, which also leads to an increase in the size of the informal sector of the economy.

The main reasons for the emergence and growth of the shadow sector in Armenia are the crisis state of the national economy and the unstable political situation, which negatively affect the resilience of trade unions. The bureaucratic mechanism puts pressure on businesses and employers to 'go into the shadows', thereby showing the unwillingness of entrepreneurs to pay high taxes and fees. In the process of formation of market institutions in Armenia, a significant informal sector of the economy was formed, in which 15-25% of the economically active population are involved, which means limited or no protection of social and labor rights of workers by trade unions.

According to the report of the International Monetary Fund (IMF), the shadow sector of the economy in countries with economies in transition, on average years from 1991 to 2017, is more than 40%. For example, in Armenia, the shadow sector of the economy is 42,59% of the country's GDP, in Georgia - 64,87%, and in Azerbaijan - 52,19% (Medina and Schneider 2018).

Figure 1. Size and development of the shadow economy among the countries of the South Caucasus from 1991 to 2003

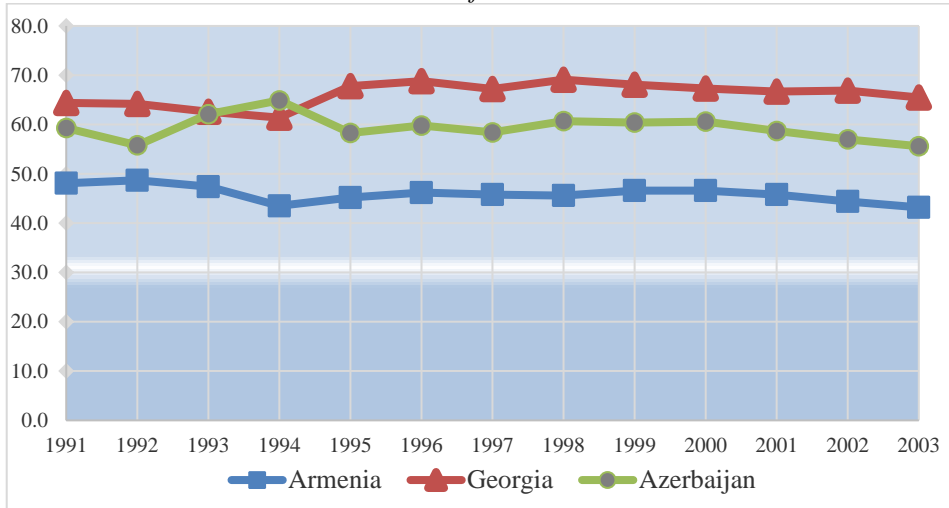


Figure 1 shows that from 1991 to 2003 Georgia had the highest level of the shadow economy, followed by Azerbaijan and Armenia. This means that trade unions and employment in the informal economy can be viewed as a way of adapting to the new market environment of those social strata of the population that initially did not have the necessary and sufficient resources to be included in the legal market economy, and also found themselves incapable of objective social and economic reasons to ensure an acceptable level of well-being for their families. In the context of the transition to a market system of regulation in the countries of the South Caucasus, the informal economy developed on the basis of those specific norms of relations that were characteristic of the shadow economy that had developed back in the Soviet era. The growing importance of the shadow economy in terms of creating new jobs in Armenia and providing income for the population indicates the urgent need for a detailed structural analysis of informal employment from the position of trade unions in order to develop resilient measures to regulate it, which determines the relevance of this research topic.

Another challenge for trade union resilience is to protect the rights and freedoms of self-employed people who also work through digital platforms. Basically, they do not have their trade unions in Armenia to defend labor rights and participate in various social communities, networks and platform employment. On the one hand, the self-employed carries out activities close to entrepreneurial, that is, aimed at making a profit and bearing all the risks on it independently. However, according to the above definitions, there are still a number of fundamental points that distinguish the status of self-employed from the status of an individual entrepreneur. *Firstly*, a self-employed citizen, unlike an individual entrepreneur, does not have the right to hire employees permanently, but, at the same time, may have one or more business partners who also have the status of self-employed. The logic is that as soon as the self-employed takes on an assistant on a labor contract, he buys labor and appropriates surplus-value, that is, he moves from personal

labor or artel relations to the exploitation of labor, and is no longer self-employed, acquiring the classic characteristics of an individual entrepreneur. *Secondly*, the self-employed have the right to perform work or provide services only to individuals. *Thirdly*, the self-employed can profit solely from the implementation of their personal labor function and personal labor participation, while individual entrepreneurs have the right to profit from the use of property, the sale of goods, the performance of work or the provision of services. From the point of view of the trade union dimension, self-employment is considered as the initial stage of entrepreneurship, since many individuals use it as a transitional social bridge between employment and entrepreneurship.

Figure 2. Size and development of the shadow economy among the countries of the South Caucasus from 2004 to 2017

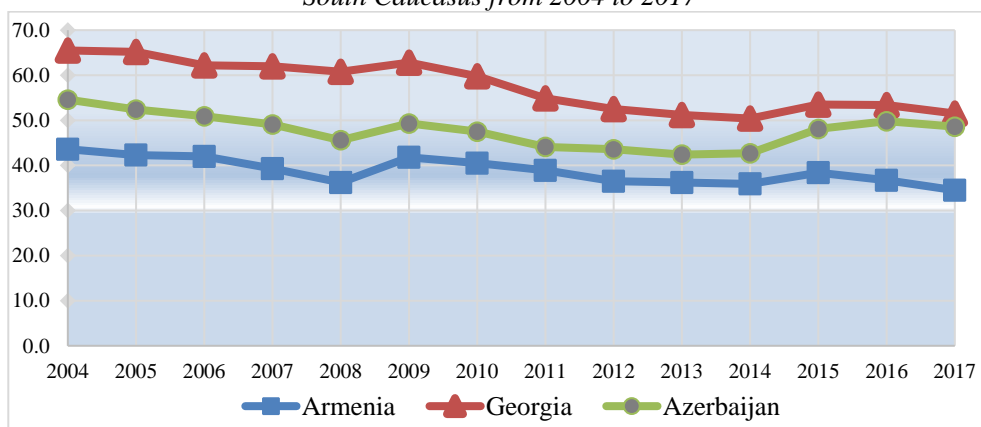


Figure 2 shows that from 2004 to 2017, among the countries of the South Caucasus, Armenia have the lowest level of the shadow economy. From the point of view of the trade union dimension, the informal economy is characterized by the so-called ‘forced entrepreneurship’ and ‘the shadow labor force’, when economic actors are engaged in entrepreneurial activities, guided not so much by the motives of maximizing income and expanding business, but under the influence of the current social and economic situation: unemployment, non-payment or delays in wages, low wages at the same place of work.

The informal economy and the informal sector, as opposed to the formal sector, show the resilience of employment and the contribution of the formal sector to the value of GNP, as well as the effectiveness of the development of policy and legislative recommendations concerning the formal and informal sector (Medina and Schneider 2018; Barsukova et al. 2018, 29-31). From the point of view of the trade union dimension, the informal economy is the result of non-resilient public economic policies and business practices aimed at weakening the trade union movement. The key issue in the study of the nature of informal employment in Armenia is to identify the motives that guide individuals in choosing such a status in employment, whether their choice is uncontested or it is voluntary and is due to the formed mentality, conditions or capabilities of the modern economy and its regulatory system. There are widespread cases when informal employment practices are used by employers to reduce labor costs and fulfill their social obligations to employees. As a source of additional informal

income or an opportunity to try your hand at entrepreneurship without additional costs and risks, self-employment is spreading among the population. It is important to note that the key role of trade unions in ensuring decent employment (Ghai 2003), by which the ILO understands the following: “Decent work sums up the aspirations of people in their working lives. It involves opportunities for work that is productive and delivers a fair income, security in the workplace and social protection for families, better prospects for personal development and social integration, freedom for people to express their concerns, organize and participate in the decisions that affect their lives and equality of opportunity and treatment for all women and men”⁷.

Thus, if for the public authorities of Armenia self-employment is a promising direction in the fight against unemployment, then the protection of social and labor rights of self-employed citizens remains open even outside trade union involvement. On tax incentives for the self-employed have become widespread in Armenia in the wake of the fight against the consequences of the financial and economic crisis, as one of the tools of anti-crisis measures aimed at reducing social tension in the labor market. This measure to combat unemployment among the population, which fell under the reduction of personnel at enterprises, in terms of stimulating them to organize their own business, gave generally positive results.

In the Armenian labor market, self-employment is in many ways one of the least studied and controversial subject of research. Complicating the task of studying this segment of the labor market is its heterogeneity and wide distribution in many areas of activity, ranging from information technology (programming, development and support of websites), multimedia (creation of audio, video, photo and text content) and education (tutoring, online courses etc.) to the provision of one-time household services (repairs, household assistance, production and sale of consumer goods, etc.).

The development of self-employment in Armenian society is promoted by the spread of digital platforms of the labor market, which, mostly without any participation of trade unions, allow direct interaction between the employer as a customer of services and the employee as a contractor, mainly for a one-time transaction. Since there are different approaches to understanding self-employment, it is broader and narrower, as to narrow-profile highly qualified specialists. From the point of view of informality, self-employed and independent workers make a significant contribution to the deformalization of labor relations and the lack of resilience of trade unions. Interestingly, freelancers draw up a formal written contract with the customer for the purpose of their own safe transaction. In addition to a safe transaction, where the digital platform of the market itself is the guarantor of the fulfillment of obligations, the most popular forms of interaction between the customer and the contractor are verbal agreements, in which, at best, the terms of cooperation are fixed in correspondence.

A large role in this cooperation is given to social connections, freelancers often find their customers through already proven channels and prefer to cooperate with those with whom they have already had an experience of interaction or have common partners. The main institution of promotion on the digital platform of the market is a system of reviews and ratings. In addition to a source of additional income, self-employment acts as a

⁷ ILO. 2022. “Decent work.” Accessed February, 2022. <https://www.ilo.org/global/topics/decent-work/lang-en/index.htm>.

school of entrepreneurship, after the strategy of additional income, this type of strategy ranks second. It is obvious that freelancers with minimal risk and investment are used as a transitional bridge between employment and self-employment. An analysis of the social motivational preferences of freelancers in Armenia shows that this type of employment covers the most ambitious, enterprising group of the population, able to take risks and take responsibility without the participation of trade unions, which confirms the hypothesis of the self-employed as potential entrepreneurs.

Non-resilience of trade union as a social earthquake

More than 30 years after independence of Armenia, when on August 23, 1990, the Supreme Council adopted the Declaration of Independence⁸, and on September 21, 1991, the citizens of the Armenian SSR voted for independence from the USSR in a referendum, thereby strengthening statehood. For the Republic of Armenia, this is a sufficient period for a comparative analysis of the past experience of the trade union movement, social dialogue and partnership. Obviously, compared to the civilized development of the Armenian statehood, this is, of course, a short time. In the context of the dynamism of political, social, economic and cultural reforms in modern Armenia, development trends show the need to continue further modernization of the trade union movement.

The loss of resilience of the Armenian trade unions continued despite the fact that Armenia became a member of the UN, OSCE, and Council of Europe and began cooperation with the EU, as well as despite the approved international new commitments in the field of humanizing labor relations. Unfortunately, even after the Velvet Revolution, the trade union movement did not become stable and did not return to the mainstream of political and economic events. Even the COVID-19 coronavirus pandemic, through the emergency situation, the war and other important events in 2020-2021, did not activate the trade unions of Armenia. They have not solved two urgent tasks: 1) what functions should be considered priority by the trade unions and 2) what should be the autonomy of the trade unions.

After the Soviet legacy, Armenian trade unions faced new challenges. The main difference between today's trade unions and the former Soviet-type trade unions is their non-state nature, independence from business and enterprise administration. The membership of these trade unions is unique in that they do not include the head of the company, enterprise, director general of the managing organization, etc. The development of the Armenian trade unions proceeded in two ways: 1) trade unions of a new type, which were formed as alternative trade unions and they are guided by the protection of social rights and freedoms, 2) traditional trade unions, which continue to consider themselves the heirs of the Soviet-type trade unions, continue to help employers maintain contact with workers.

In the era of globalization and integration, in modern Armenia, social partnership and dialogue were formally proclaimed as a civilizational mechanism of social policy, and a

⁸ The National Assembly of the RA. 2022. "Armenian Declaration of Independence (Adopted 23.08.1990)." Accessed February, 2022. <http://www.parliament.am/legislation.php?sel=show&ID=2602&lang=eng>.

legal framework for social partnership and dialogue was developed with the participation of public administration and authorities, trade unions and civil society organizations (CSOs) responsible for their implementation. But even after the Velvet Revolution in Armenia, when the new government and parliament tried to activate social partnership in labor relations, unfortunately it continued to be poorly implemented in various sectors of employment. Even in the public sector of employment, there are a considerable number of socially significant jobs with low wages.

To understand the depth of the existing problems in this area, it is enough to look at the trends in employment and unemployment in Armenia from 2004 to 2020 (See Figure 3).

Figure 3. Unemployment rate of the countries of the South Caucasus from 2004 to 2020 (World Bank 2022a)

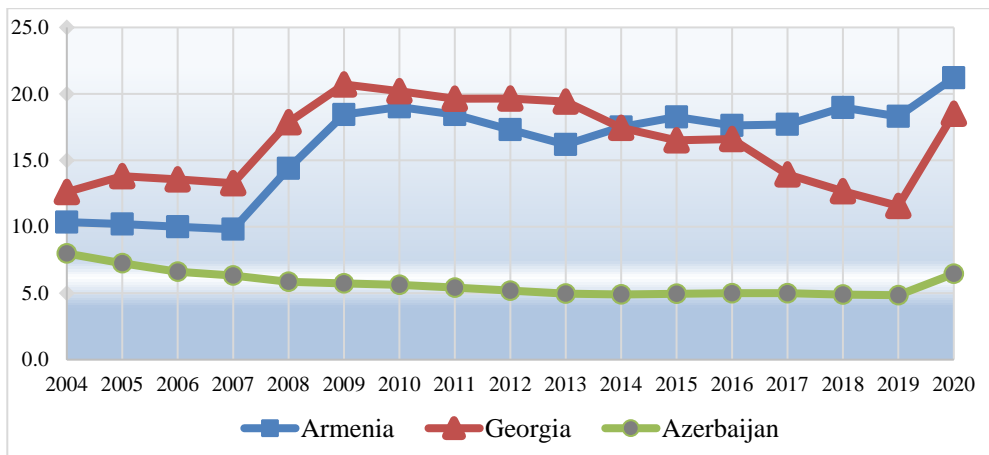
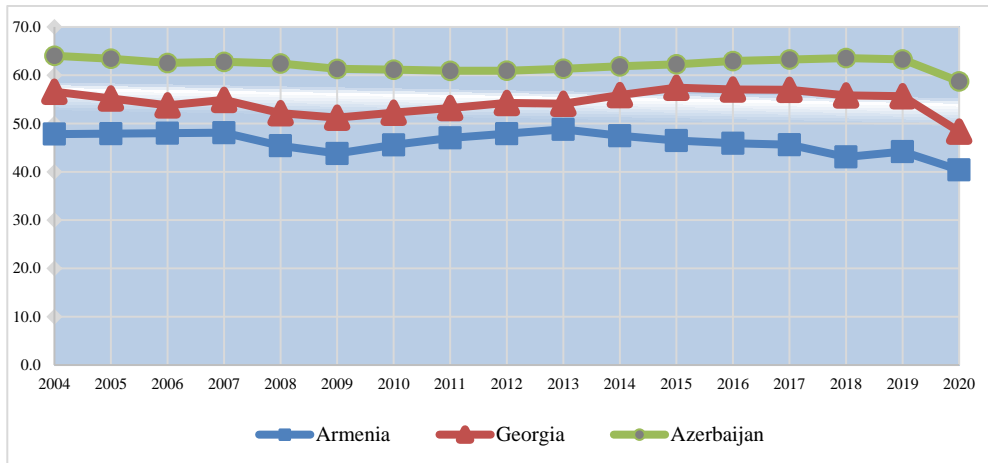


Figure 3 shows, that in 2020, Armenia has the highest unemployment rate, followed by Georgia and Azerbaijan. In particular, the rate registered by Armenia in 2020 (21.2%) is the highest in the last 20 years. Analyzing the data from 2004 to 2020, we can say that the average unemployment rate in Armenia and Georgia in these years is 16%, while the world average unemployment rate is 6-7%. Georgia's data shows that after the global financial and economic crisis in 2009, when the unemployment rate reached almost 21%, Georgia made clear efforts to reduce it to 11.6% in 2019, which, however, worsened again in 2020 reaching 18.5% due to the coronavirus. The latter fact indicates that the protection of the labor rights of workers and their insurance guarantees in case of emergencies are far from ideal.

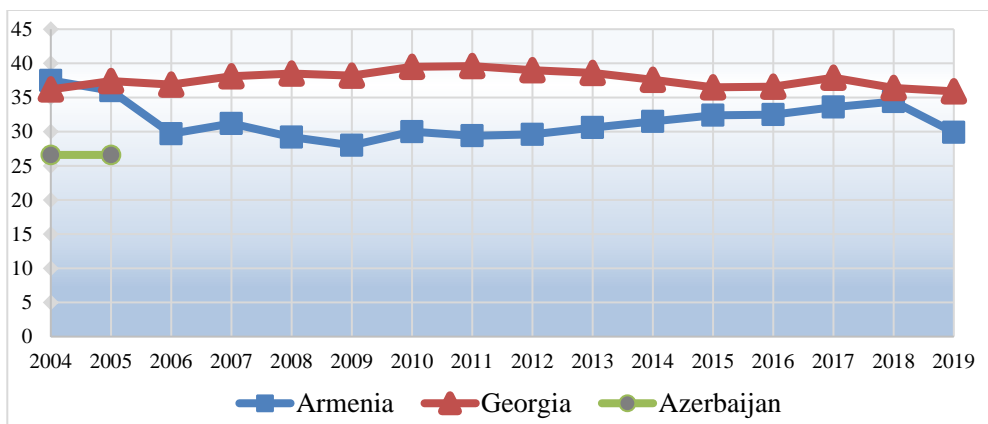
A similar situation can be observed when examining employment data (See Figure 4).

Figure 4. Employment rate of the countries of the South Caucasus from 2004 to 2020 (World Bank 2022b)



In Figure 4, we can also notice that from 2019 to 2020, the employment rate in the observed countries fell sharply due to the epidemic. In this regard, such relevant questions are raised: what system of social guarantees in case of emergencies exists; what guarantees should be provided to employees; by whom should they be provided; by whom should control over their implementation be exercised? According to the data presented, the lowest level of employment is in Armenia, followed by Georgia and Azerbaijan. The average value for Armenia for the indicated years is 46%, while the world average is 57%.

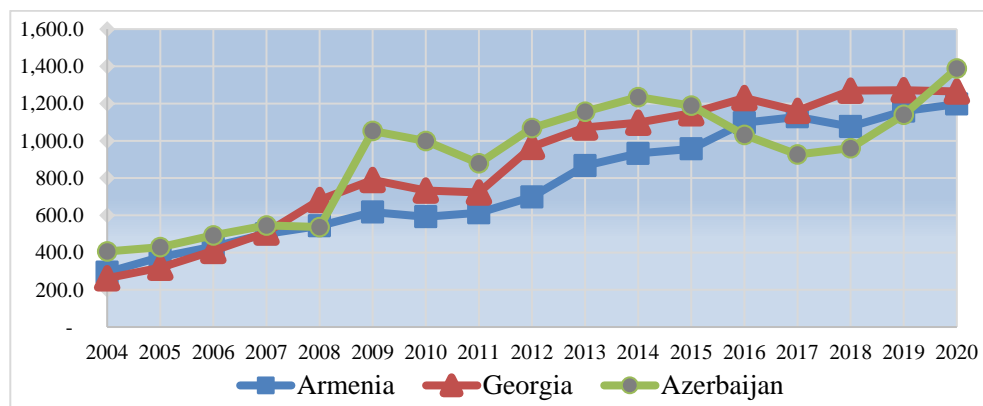
Figure 5. Gini Index of the countries of the South Caucasus⁹ from 2004 to 2020 (World Bank 2022c)



⁹ No data is available for Azerbaijan.

Another important indicator for assessing the situation is the Gini index, which shows the inequality of people's incomes (See Figure 5). Violation of the social rights of workers and working conditions, insecurity in this area exacerbate the social problems of people, leading to the polarization of society and the concentration of income. The level of income inequality by income is higher in Georgia (35.9) than in Armenia (29.9). Interestingly, this indicator, which is closely related to the poverty rate, shows a better situation in Armenia compared to Georgia, while the poverty rate in Armenia is much higher at 27%, while in Georgia it is 21% (World Bank 2022d).

Figure 6. Real wage (\$, ppp) of the countries of the South Caucasus from 2004 to 2020¹⁰



A certain positive trend can be seen in the data on real wages (See Figure 6). The positive fact is that from year to year (with some fluctuations due to inflation) real wages increased in Armenia, Georgia and Azerbaijan. Azerbaijan has the highest real wage (\$1388), followed by Georgia (\$1265) and Armenia the lowest (\$1197). In general, the difference in real wages between these three countries is not significant. It should only be noted here that fluctuations in real wages in Azerbaijan turned out to be more sensitive to the impact of external factors such as the financial and economic crisis, global fluctuations in oil prices, etc.

The main focus of discussions about the non-resilience of post-Soviet trade unions leads to why the trade union movement was unable to provide standard employment, open-ended contracts, stable hours of work and rest, rationed wages, workers' participation in the formation of labor relations through collective action and negotiation. The statement that a standard trade union is normal for post-Soviet society does not mean that it should be the only one. In the non-public sector of employment, there is a tendency to violate the labor rights and social interests of workers, due to legal nihilism and the underdevelopment of the social responsibility of employers, their focus only on their personal interests. At the same time, many workers are not ready to fulfill their labor duties at a high level, bear individual responsibility for the result of their work, and focus on demonstrating the formal aspects of work to the detriment of quality. There are also

¹⁰ Data source – authors' calculations based on official data from National Statistical Agencies.

situations in which the observance of the labor rights and interests of some employees leads to an infringement of the labor rights and interests of both the employer and other employees. Due to the non-resilience of trade unions, social indicators are in an earthquake, which manifests itself in the precariousness of employment, ineffective salary management, pension reform, unemployment and poverty in the Armenian shadow economy. This phenomenon of non-resilience of trade unions and social earthquake, of course, is not only national, but also post-Soviet in nature.

The main dilemma of the public policy of labor market regulation is to ensure a resilient level of employment and observance of labor rights while maintaining social security for both working and non-working citizens: temporarily unemployed, pensioners, women on parental leave, students, etc. Different countries choose for themselves optimal strategies for achieving this balance, however, in the Armenian reality, the European social model can be resilient. As a rule, when choosing a course focused on creating social stability and providing maximum support to workers and vulnerable segments of the population, that is, a model of a social state, the public authorities are forced to act harshly on the preservation of jobs and impose a significant tax burden on businesses and wealthy citizens. A significant role in maintaining the required level of social protection of workers is played by labor market institutions, such as the trade union movement, the minimum wage, the collective agreement, tariff agreements, etc., which, on the one hand, really help to prevent job losses, reduce income levels and social protection, provided by employers, and on the other hand, they cause pressure on employers, which creates certain incentives for them to withdraw part of their activities 'into the shadows'.

In Armenia, during market reforms and the transformation of trade unions and the labor sphere in the early 1990s, there were certain steps towards integration with international and European institutions for regulating the labor market and fairly strict labor legislation was adopted that protects the interests of workers, providing, in particular, for limiting the possibility of dismissal without good reason, social partnership, trade union movement, minimum wage institution, collective agreement, unemployment benefits and other support measures. But, despite the desire for European integration in Armenia, a system of labor market regulation has formed in many respects different from the examples of developed, European countries, including the post-communist countries of Eastern Europe, as well as Armenia, which went through a transitional period of economic transformation. Among the shortcomings of the environment of trade union activity in Armenia, one can single out a high level of tax burden on the economically active population and the development of social dependency. This approach is followed by most European countries within the framework of the European social model (ESM), but with the active participation of the European Trade Union Confederation (ETUC), situational analysis on social change is done mainly by the European Trade Union Institute (ETUI) (Dølvik and Visser 2001; Hyman 2005; Copeland 2012; Dannreuther 2014).

In the case of the Armenian trade unions, there is a different approach, in which the public administration limits its participation in the regulation of social and labor relations between the employee and the employer, giving the latter wide freedom in matters of hiring and firing. With this model, labor legislation is close in essence to civil law, and

there is high labor mobility in the labor market. As a result, social tension is exacerbated due to insufficient support for vulnerable groups of the population, as well as increased competition from workers for jobs, rising unemployment and labor migration. In many respects, it is the specific nature of the Armenian labor market that contributes to the shadow economy and non-resilience of trade unions. The existing institutions of the labor market, for all their apparent rigidity, are of low efficiency and are not able to provide decent employment to the worker in the country, but at the same time they are a significant obstacle to achieving the necessary flexibility of the labor market in the conditions of modern transformations, let's consider their main shortcomings.

In the socially unfavorable conditions of Armenia, trade unions should be key in CSOs. Both focus groups and experts agree that the main activity of trade unions should be the protection of social and labor rights and freedoms of employees.

- Answering the question: “In your opinion, what should trade unions do first of all: distribute social benefits among workers or protect the rights and freedoms of workers?”, focus group participants believe that trade unions should protect the rights and freedoms of workers. In a survey of experts, a similar distribution of answers is observed: only 7% of experts hold the view that trade unions should distribute social benefits among workers, and 83% believe that trade unions should first of all protect the rights and freedoms of workers.
- Answering another question: “Why do workers not trust unions in Armenia?”, focus group participants and experts believe that unions are in a cycle of survival. The focus group participants, discussing the problem, were almost unanimous in their opinion: the surviving trade unions do not deserve the trust of their members.

How justified are the hopes of public authorities and local government those collective agreements concluded by trade unions can become effective protection of the rights and freedoms of employees, and that trade unions themselves will become a key among CSOs?

The focus group participants, discussing the problem, were also unanimous in their opinion that the trade union leader receives a salary from the administration, and a trade union office are located in the administrative building, and, of course, depends on it. In the materials of focus groups and experts, one can also find explanations for why there is such a low level of trade union membership and few independent trade unions: in the interests of business and entrepreneurship, there are managed trade unions; otherwise, they dissolve themselves as unnecessary. It is clear to the participants of the discussion and experts that it is necessary to organize somehow. People themselves must come to the creation of such new organizations, because otherwise the entrepreneur will suck all the juice and pay the minimum.

A significant part of experts argues that the role of trade unions in the Armenian transit society is illusory, and through actions and manifestations they are trying to maintain their image. Experts are confident and regret that in the medium and long term, trade unions have no prospects of becoming a real social force. It is obvious that if there were strong trade unions in Armenia, then Armenian society as a whole would only benefit from the presence: there would be less abuse by employers, and, accordingly, fewer threats of spontaneous protests destabilizing the economy and the social situation. Experts see the reason for the absence of strong trade unions in the low social activity of

the population, the lack of skills of solidary behavior, on the one hand, and the pressure of employers and officials bought by them, on the other.

The attitude of employees of social science teachers in high schools to trade unions is shown by the results of a study of the opinions of focus groups. According to the opinions of the participants of the discussion, it is clear that they name the following as reasons for distrust towards trade unions as CSOs in Armenia: 1) their activities are invisible, useless and inefficient; 2) they do not protect the social and labor interests of workers, but only fulfill the will of the administration; 3) the employer and business will never allow a true union. It is necessary that public authorities and local government in this situation become, first of all, the social partner of the trade union, and not the employer, because the function of public authorities and local government should be on the rule of law, and protect the weak (employees) from the strong (employers) who violate Constitution and legislation of the RA.

The ruling party and trade unions: from the periphery to shadow

The first ruling party was the PANM¹¹, which began to form in a situation of transit of public power from the Soviet to post-Soviet and independent Armenia. The Armenian transit was unique and non-violent, since after the elections in 1990 the Supreme Soviet of the Armenian SSR, legally and legitimately, on August 23, 1990, the Independence¹² of Armenia was declared, and on August 24, 1991, the Armenian SSR has renamed the Republic of Armenia. This regime transit marked the beginning of a new stage not only in independent statehood and the Armenian multi-party system.

The emergence of a multi-party system in Armenia is a civliarchic process, determined by many different factors and dependent on conflicting regional conditions. In this regard, the experience of building statehood, in which political democracy is still being formed, is extremely important for the social and cultural characteristics of the development of the ruling parties, as well as for developing effective strategies for supporting democratic institutions and CSOs in Armenia.

The structural design of political parties in a representative democracy supports the conviction that the formation of a resilient multi-party system conditions a successful democratic transformation in Armenia. In the context of the transformation of the political regime, the copying of institutions and practices typical of democracy is painful, as a rule, inconsistent and specific to Armenia and other post-Soviet countries. The study of the experience of the NIS, which are on the way to the formation of democracy, is extremely important for a theoretical understanding of the general patterns and features of the development of parties and the formation of party systems. At the same time, this process is determined by many factors and conditions, which limits the copying of

¹¹ Wikipedia. 2022. "Pan-Armenian National Movement." (Founded: February 20, 1988 - Dissolved: February 23, 2013). Accessed February, 2022. https://en.wikipedia.org/wiki/Pan-Armenian_National_Movement#cite_note-1.

¹² The National Assembly of the RA. 2022. "Armenian Declaration of Independence (Adopted 23.08.1990)." Accessed February, 2022. <http://www.parliament.am/legislation.php?sel=show&ID=2602&lang=eng>.

established institutions, norms and practices from democratic systems to the Armenian transit system.

The level of development of parliamentarism in Armenia testifies to its democratic principles and the quality of life of the ruling party and political parties, influencing the responsibility of public authorities and local government. The state of modern Armenian parliamentarism is largely determined by the general state of political culture and dialogic relations of the ruling party in society. The phenomenon of the ruling party and parliamentarism are relatively new in Armenian politics and are still at the stage of their development. A large number of Armenian citizens do not perceive the ruling party and the parliamentary form of government as a necessary phenomenon for the country and its democratic development. Experience shows that the presence of a ruling party means only the presence of a parliament in the country, which in fact is not an understanding of the phenomenon of parliamentarism.

The lack of experience in political dialogue and partnership in Armenia shows that the ruling party, which came to power as a result of winning free elections, creates a need to ignore not only parliamentary parties and blocs, but also non-parliamentary parties, social movements, trade unions and CSOs. Concerning the Armenian realities, one can see an incomplete multi-party system, in which there is either no mechanism for civilian control over power, or the role of dialogue and partnership among political parties in shaping the strategy of the external and internal political agenda is not decisive. Within the incomplete party system, there are such types as non-resilient, peripheral and pseudo-party systems.

Characteristic of post-Soviet, post-revolutionary and post-war Armenia, the supremacy of group interests at an early stage in the development of a multi-party system is due to the key role of leaders. The personal and group nature of most of the new Armenian political parties was the reason why the initial 'hyperactivity' of the multi-party system was replaced by the rapid decline of most political parties and their withdrawal from political life. Only those political parties remained in which the leader and the group act within the framework of the party charter and ideological foundations that prevent the degradation of organizational structures.

The organizational evolution of the political parties of modern Armenia shows the quality and level of resilience of the main types of social connection with the leader, interest groups, party apparatus, hierarchical structure, civil initiatives, ideological supporters, etc. In the early stages of the development of a multi-party system, one of the above social ties dominates, depending on which particular social stratum representatives created the political party and which social group they were guided by. At the same time, there is a tendency for a certain degradation of party structures, in which during periods of social earthquakes and crises, revolutions and conflicts, emergency situations, a higher type of social connection is replaced by a lower one, and if this does not happen, then the party actually leaves the political space.

The Armenian multi-party system can be characterized as incomplete and non-resilient, that is, one in which political parties, even being represented in parliament, do not have a decisive say in determining and implementing dynamic domestic and foreign policy strategies. This applies to the ruling party and even in cases where there is a coalition agreement and a government.

The multi-party system of Armenia arose on the wave of civil disobedience and national independence movements, when the collapse of the totalitarian regime of the USSR brings to the surface many unstable political formations. At the initial stage of the formation of political parties, one of the signs of the party system was the absence of a center of power recognized by all. An example of this is the initial stage from 1990 to 1998 and the configuration of political forces in the Supreme Council. In fact, the Communist Party and the PANM were represented in the legislature, and then several party factions were created in the parliament. It can be stated that from 1990 to 1998 the ruling party was the PANM. At this stage, the key was the historical mission of strengthening the independence of Armenia, protecting Nagorno-Karabakh and building statehood (Declaration of Independence, Renaming the Armenian SSR to RA, Referendum on Armenia's secession from the USSR, Election of the First President of the RA). This stage also includes the adoption of the RA Constitution and the elections to the National Assembly of the RA on July 5, 1995. The PANM ruling party was represented in the parliament as part of the "Republic" Unity and 4 more political parties.

Regarding the dialogue and partnership between trade unions and the ruling party PANM from 1990 to 1998, it can be characterized that it did not exist. With the collapse of the USSR, a crisis in the common market began in independent Armenia and industrial enterprises stopped, which led to a sharp drop in the quality of life, an increase in unemployment, poverty, etc. The trade unions of independent Armenia were not ready for such a decline in the scale of production and non-resilient activities of the ruling party, carried out within the framework of social policy. The lack of dialogue between the ruling party and trade unions has become another reason for unfair legalization, extremely uneven distribution of property and other wealth, resulting in a sharp differentiation of the population in terms of income and quality of life. There was not even a dialogue on such issues as, for example, formal changes in the Labor Code of 1972¹³, adopted back in the Armenian SSR. The transition from a planned economy and state property of the Soviet type to market relations and private property of a liberal type became a social earthquake and crisis. All this happened against the backdrop of the Nagorno-Karabakh conflict, and in this situation, the most important task of public social and economic policy was to ensure stability and an adequate level of national security. For the ruling party and the new political elite, local armed clashes and inter-ethnic conflict in Nagorno-Karabakh became a challenge. Considering that Azerbaijan implemented a policy of hard power against the Armenian national movement, deported residents from Azerbaijani cities and villages, as well as from Nagorno-Karabakh. Thousands of refugees from Azerbaijan flocked to sovereign Armenia, Azerbaijani refugees flocked in the opposite direction, and the negative consequences of the war in Nagorno-Karabakh threatened a large-scale regional war. This makes the social and economic, and often the political situation, dependent on the state of national security. However, ensuring social dialogue and partnership with trade unions is one of the important components of national security, requiring the ruling party and the government to address such problems as labor market instability, declining real wages and low public confidence in the authorities, inflation and insufficient financing of the real sector of the

¹³ Arlis. 2005. "The Labour Code." (Date of adoption: 16.06.1972; Date of entry into force: 01.10.1972; Date of invalidation: 21.06.2005). Accessed February, 2022. <https://www.arlis.am/documentview.aspx?docid=17>.

economy, low quality of life, growth of risks and disproportions in economic activity, etc.

At the second stage of the formation of political parties, peripheral party systems were formed, which were represented in the parliament, but had practically no levers of influence on the executive and legislative powers. This stage took shape from 1998 to 2008 with the resolution of the crisis of legitimacy by constitutional means in 1998 based on the results of the Early Presidential Elections in Armenia and continued until 2008. In 1998, a non-partisan candidate for the President of the RA defeated party candidates from the People's Party of Armenia (PPA) and the National Democratic Union (NDU). In this situation and subsequent events, the key position of the President of the RA in the structure of public authorities has been given a special role. Since in the conditions of the presidential form of government, the President of the RA until 2018, when the reality of Armenia made the transition of government from presidential to parliamentary. It was the domination of the President of the RA in the mechanism of checks and balances that formed such a way of interaction between the branches of public power, in which none of them manages to have either formal or actual supremacy over the president. This was facilitated by the majoritarian electoral system that existed before the 2017 parliamentary elections, and before that, majoritarian deputies supported the pro-presidential parliamentary party. An example of this is the elections to the National Assembly of the RA on May 30, 1999, when the "Unity" bloc was supported by majoritarian deputies. Another example is when, after the elections to the National Assembly of the Republic of Armenia on May 25, 2003, on May 12, 2007, and also on May 6, 2012, the Republican Party of Armenia was also supported by majoritarian deputies.

After the constitutional referendum on December 6, 2015, the gradual entry into force of changes to the Constitution of Armenia. The elections to the National Assembly of the Republic of Armenia, held on April 2, 2017, made it possible for new political parties and blocs to enter the parliament. Nevertheless, the ruling Republican Party received 49,15% of the vote and, in coalition with the Armenian Revolutionary Federation (Dashnaksutyun), formed the government, and achieved a stable majority in parliament. Despite all this, anti-government movements and civil disobedience called "My Step", which began on March 31, 2018, and was led by opposition figure and MP Nikol Pashinyan, gained support from the side of the Armenian society. The end of the term of office of the President of RA and the transition from a presidential to a parliamentary republic was marked by possible cardinal transformations of the party system, which is associated with an increase in protest sentiment and a decrease in the legitimacy of the party of power, which was expressed in mass protests after the elections to the National Assembly of Armenia in 2017.

The results of the Early Parliamentary Elections in Armenia on December 9, 2018 and June 20, 2021 showed that the "Civil Contract" party in power has massive support, as it received 70.43% and 53.92%, respectively. However, this has led to an unstable party system in which there are a high proportion of voters who often change their party preferences between elections. The Armenian party system is fragmented, as it includes a large number of parties. Electoral mobility reflects the instability of the electoral process, the instability of relations between political parties and citizens, and the dissatisfaction of the population with their socio-economic situation. At the same time,

electoral mobility opens up opportunities for the emergence of new political parties that better meet the demands and needs of citizens.

The Armenian experience of party building has clearly demonstrated that the long-term monopolization of the political space has a catastrophic effect on the political development of Armenia, as the society loses confidence in the authorities, becomes apathetic and citizens do not seek to form and join various associations. Moreover, the political elite, understanding the specifics of the ongoing transitional processes, associated with the constant threat of loss of power, takes on the function of shaping the political space, through the adoption of laws that restrain party building, as well as through the creation of administrative parties “from above” that do not have the support of citizens, but having the organizational and financial support of the executive branch.

At the third stage of the formation of political parties, pseudo-party factors arose, which became strong in relations between parliamentary and non-parliamentary parties and public authorities. The place of ‘the ruling party’ is occupied by ‘the party of power’, which does not form the government and does not determine the main priorities of public policy and sustainable development strategy, but, on the contrary, is itself a tool in the hands of the ruling bureaucracy, seeking to establish control over the parliament. Globalization and integration processes, the implementation of an open economic policy, as well as the dependence of post-Soviet, European and different countries determined the urgency of developing resilient mechanisms for Armenia’s national security, its opposition to external and internal threats.

A comparative analysis of the reasons for the decline in the authority of the party of power, parliamentary and non-parliamentary political parties shows the strengthening of the role of social networks and the media, the democratization of party structures, the gap between promises and real actions, increased financial pressure caused by the outflow of members. To date, political parties have become organizations managed by professional managers, whose task is to attract the electorate, using all possible modern technologies and tools for this. Using the resources and opportunities available to them, political parties counteract the trends that threaten them; clearly realizing that the function they perform in structuring voting and selecting candidates is completely monopolized by them, which makes them a unique and irreplaceable political institution. At the same time, parties, despite the exclusivity of their role in the political process, strive to deal with modern challenges, making attempts to democratize their structure in order to maintain competitive advantages in the political space and increase political resources.

Committee on Economic and Social Affairs as an Instrument for Reforming Social Dialogue and Partnership

Due to shortcomings in the system of social dialogue and partnership, the trade unions operating in Armenia do not yet have resilient social and labor functions. Armenia has adopted constitutional and legislative procedures for social partnership, ratified ILO conventions and basic conventions, which are the necessary legal and political basis for building a culture of responsible relations and participation in trade unions.

Guided by the Program “Development of the sphere of labor and social protection arising from the provisions of the National Security Strategy of the RA”¹⁴, and also taking into account the “Work, Armenia” Strategy¹⁵ approved by the Government of the RA in 2019 and the civilizational significance of trade unions, it is necessary to create Committee on Economic and Social Affairs (CESA) as a body under the Government of the RA. The CESA will be able to coordinate relations with the CTUA, developing and implementing strategic programs and activities in the social and labor spheres. The CESA should use more effectively the potential of trade unions in protecting the social and labor rights and freedoms of workers by introducing a national model of social audit. In this context of the development of a participatory approach to the management of social and labor relations, the CESA may change the content of the employee incentive system due to the expansion of its actors, which will imply the harmonization of the goals of the parties to social and labor relations at the stages of formation, operation and development of this system, and its management will be based on the use of laws and principles of systemic, process and situational approaches.

The key results of the CESA’s activity will be the development of tools and practical recommendations in the field of formation, operation and development of a system of employee incentives based on a participatory approach. The most socially significant outcomes will include the following:

- The development of incentive systems for employees based on participativity and aimed at the humanization of social and labor relations, which should include technological components that involve the enrichment of labor, the expansion of the labor functions of the employee, their participation in the management processes of the organization. This will allow modifying the conceptual foundations of employee incentives, including the essential aspects of incentives, clarifying the purpose of incentives, supplementing its functions, principles and factors.
- It will ensure the harmonization of the goals and interests of management actors through the participation of employees, the development of the organization’s human potential and the creation of conditions for its effective use. The content of this incentive system is revealed in the fact that it is both a system and a process that are under the influence of factors of the external and internal environment, and all parties of social and labor relations participate in its formation and maintenance, which ensures the simultaneous achievement of their goals and creates synergy effect.
- To develop the resilience and interconnectedness of the participatory, systemic, process and situational approaches to managing the employee incentive system based on the principles of participativity, which determines its distinctive characteristics compared to other incentive systems: ensuring the participation of

¹⁴ Program “Development of the sphere of labor and social protection arising from the provisions of the National Security Strategy of the RA (unofficial translation) (Appendix N 1, to the decision of the Government of the RA of April 15, 2010 N 452-N).” Accessed February, 2022. <https://www.arlis.am/-DocumentView.aspx?docid=57985>.

¹⁵ “Work, Armenia” Strategy (Annex 1, to the decision of the Government of the RA of December 5, 2019 N 1753-L).” Accessed February, 2022. <https://www.e-gov.am/gov-decrees/item/33051/>.

employees in the formation and functioning of the incentive system, flexibility and transparency, the availability of indicators to differentiate the level of remuneration and other remuneration, focus on the development of labor abilities and individual needs, connection with the strategy and personnel policy, based on the employee evaluation system, focus on decent and fair remuneration.

- It will provide a universal algorithm for developing a methodology for assessing the effectiveness of the employee incentive system based on a participatory approach. This means that it will propose a methodology for assessing the effectiveness of the employee incentive system for the healthcare sector, which is distinguished by the inclusion of indicators of economic and social efficiency from the perspective of the employee and the employer, and the author's methodology was tested in three healthcare institutions belonging to different forms of ownership and differing in the specifics of the organization of the provision of medical services.
- It will be revealed on the basis of documents, statistical and empirical studies, and economic analysis that the structures of employee incentive systems in budgetary and commercial healthcare organizations do not correspond to the content of the employee incentive system based on a participatory approach. This will allow the CESA to: 1) Determine the content and stages of transformation of the incentive system for healthcare workers in Armenia; 2) Conduct a comparative analysis of employee incentive systems in budgetary and commercial healthcare organizations, which made it possible to identify elements of the employee incentive system that need improvement and determine the directions for their development.
- A mechanism for the interaction of social partners in the organization in the formation of a system of incentives for employees will be proposed, including forms of interaction between actors of social and labor relations. The functioning of this mechanism allows the CESA to create a balance and harmony of interests of each of the social partnership groups at the organization level.
- Innovative methods of material and moral incentives for employees based on a participatory approach will be proposed and justified, involving the introduction of a grading system of remuneration and non-standard forms of employment, taking into account the specifics of the form of ownership of the organization and categories of workers, the use of which ensures fairness and transparency, which contributes to an increase in labor productivity, reducing alienation and achieving job satisfaction.

The CESA should introduce a universal algorithm for developing the stages of building a methodology for assessing the effectiveness of the trade union system and protecting the rights of workers, including:

- Determination of a set of indicators that allow assessing the system for protecting the rights of workers. These indicators must necessarily take into account the sectoral specifics of trade unions;
- Determination of the frequency of assessment: month, quarter, half year, year;
- the development of a universal scale that allows the transfer of indicators measured in different ways into a single system of assessments;

- Drawing up a formula for an integrated assessment of the effectiveness of the system for protecting the rights of workers. Here it is necessary to take into account the degree of influence of each indicator on the overall efficiency, for which it is recommended to introduce correction factors;
- Development of a reasonable scale for singling out groups according to the degree of effectiveness. Groups tend to stand out in a range from complete inefficiency to a high degree of efficiency. Numerical intervals can be different. This is largely determined by the formula for an integrated assessment of the effectiveness of the system for protecting the rights of workers.

Conclusion and discussion

A comparative political analysis of the main factors of non-resilience of trade unions and social partnership in Armenia makes it possible to identify the significant shortcomings of the current Armenian legislation regulating social partnership relations and to formulate proposals aimed at its improvement.

- Social partnership is a civilarchic multifaceted phenomenon, which at the same time is an element of the labor law method; political and legal ideology; principle and instrument of labor law; a mechanism to protect the social rights and freedoms of workers; a way to coordinate and ensure the interests of employees, representatives of employees, employers and representatives of employers in the field of labor and other directly related relations.
- Social partnership and dialogue are integral attributes of the welfare state and the rule of law. In this regard, one of the main functions of social partnership and dialogue is the restriction of freedom of entrepreneurial activity and freedom of individual contractual relations in order to civilarchically resolve the contradictions that arise between employees and employers and achieve a balance of interests of social partnership actors.
- The Armenian system of social partnership and dialogue combines non-resilient elements of bipartism and tripartism, but at all levels informally bipartism predominates, and formally bipartism. In this context, the forms of social partnership are not its elements, but are ways of interaction between the actors of social partnership and their representatives. It is the forms of social partnership that ensure the resilience of the entire system of social partnership and the interconnection of its elements.
- Article 42¹⁶ of the LC of the RA indicates only some forms of social partnership. The absence of an indication of the possibility of implementing social partnership and dialogue in resilient forms is a significant shortcoming of the Armenian labor legislation. It is relevant to eliminate which it seems appropriate to create civilarchic conditions for the participation of employers and their associations,

¹⁶ ILO. 2021. "The Labour Code of the Republic of Armenia." (unofficial translation) (Adopted on November 9, 2004). Accessed February, 2022. <https://www.ilo.org/dyn/travail/docs/961/Labour%20Code%20ENG.pdf>.

trade unions and other representative bodies of workers in promoting employment.

- The Armenian legislation lacks resilient mechanisms for the form of participation of employees in the management of an enterprise, which leads to conflicts in the legal regulation of these relations. To solve this problem, the following can be proposed: Firstly, the forms of participation in management can be considered as ways for employees and their representatives to exercise the rights to participate in the management of the organization, and, secondly, they can be defined as specific rights of employees and the powers of their representatives in participation in management.
- The labor collective became non-residential in connection with the adoption of the Labor Code of the RA led to a sharp reduction in the degree of participation of workers and their representatives in the management of organizations. It seems appropriate to develop the concept of a labor collective applicable to modern Armenian conditions, for this, a labor collective should be understood as a social and labor association of workers that has organizational unity, common isolated social and labor interests and is created for joint labor activity in a particular organization. The labor collective includes all employees of the organization, except for members of the management bodies who have concluded labor contracts with the employer, the head of the organization, his deputies and other representatives of the employer, the list of which is approved by the collective agreement. It seems resilient to develop procedures for the inclusion of employee representatives in the management bodies of legal entities belonging to commercial organizations, with the exception of small and medium-sized businesses, and legal guarantees for the implementation of these procedures.
- The legal regulation of collective bargaining as a form of resilient social partnership should be based on the principle of tariff autonomy, one of the elements of which is the non-interference of public authorities in the process of collective bargaining. This would make it possible to bring together the Armenian and European systems of resilient social partnership, taking into account the historical traditions and peculiarities of the Armenian legal system. In Armenia, on the contrary, public authorities and local governments quite often take part in collective bargaining to conclude agreements, so the principle of tariff autonomy is not applicable to the Armenian legal regulation of collective bargaining.
- In accordance with the ILO guide for improved governance of national tripartite dialogue (ILO 2013), consultations can lead to mutual understanding of the parties and the development of declarations, joint statements, conclusions or reports by them, but do not involve the signing of any agreements, and the purpose of tripartite collective bargaining is to conclude agreements, which requires acceptance compromise solutions. It seems that this criterion of resilient differentiation of these forms of social partnership should be applied to the Armenian system of social partnership as well.
- For the resilience of the Armenian legal regulation of mutual consultations, it would be advisable to supplement the Labor Code of the RA to indicate that

mutual consultations are carried out by the Republican Tripartite Commission¹⁷, and also to fix the main types of mutual consultations on the regulation of social and labor relations. The participation of representatives of employees and employers in resolving labor disputes as a resilient form of social partnership in relation to Armenian labor law covers pre-judicial and out-of-court mechanisms for resolving labor disputes. Since it can be resilient if all mechanisms for resolving labor disputes, including judicial ones, are considered social partnerships.

- The legal regulation of conciliation procedures needs resilience. First of all, the RA Ministry of Labor and Social Affairs needs to develop resilient recommendations for resolving a collective labor dispute using conciliation procedures, since the current recommendations and their norms are not resilient in the context of European social integration and do not take into account the national experience accumulated over the years in resolving labor disputes, as well as the changes that have taken place in the Armenian system of social partnership under the influence of the COVID-19 pandemic, post-revolutionary and post-war factors.
- The number of strikes in Armenia is insignificant, but the reasons for this are different. In Armenia, conciliation procedures are non-resilient, so trade unions are forced to resort to strikes, but most of them are recognized by the courts as illegal due to violations, even minor ones, of the procedures for calling or conducting them. In this regard, employees are often forced to resort to actions that are not regulated by law.

It seems that further development of the topic of research on the non-resilience of Armenian trade unions should go in the following directions: drawing up recommendations and proposals for improving legislation aimed at resilience and increasing the efficiency of workers' participation in the management of the organization, creating mechanisms for interaction between the elected bodies of primary trade union organizations and labor collectives. In the future, ways should be proposed to eliminate gaps and conflicts in the legal regulation of mutual consultations on the regulation of labor relations and other relations directly related to them. It is necessary to improve the formation of conciliatory resilient mechanisms and a resilient mechanism for labor disputes.

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