

INDUSTRIAL RELATIONS AS A FACTOR OF ECONOMIC RESILIENCE

Tatiana V. Sannikova
Master's Degree Student

Ludmila M. Nizova
*Doctor of Economics, Professor of the Department of Social Sciences and Technologies,
Volga State University of Technology*

Labour Economics is primarily the employers' and employees' behavior in response to the common stimuli of wages, prices, profit and non-monetary factors in the field of labor relations ...R.A. Ehrenberg, R.S. Smith [1]

Summary: *Based on the foreign and domestic scientific concepts the theoretical, legal and practical issues of industrial relations, as a form of economic resilience, have been studied. The comparative monitoring survey of the social partnership development in the Russian Federation and in the Republic of Mari El helped to evaluate the regulation of industrial relations with consideration for engagement of employees in managing and distributing the business activities outcomes. The experience of the Republic of Mari El in enhancing the role of tripartite commissions to provide the employee's economic resilience in terms of wages, favorable work conditions creation, employees' life and health preservation and protection against unemployment have been summerised.*

Keywords: *industrial relations, economic resilience, wage earner, wages, costs of labour, labour market, labour protection, occupational health and safety.*

ARTICLE INFO

Article history:

Received 20. october 2016 Recived in revised form 27. october 2016 Accepted 15. december 2016. Available online 31. december 2016.

1 INTRODUCTION

Industrial relations lay down the foundations of social stability in the society. The evolution of industrial relations development in the world lies deep and is directly related to the improvement of differentiation of labour. For instance, in the 19th and 20th centuries the development of industrial relations was accompanied by social conflicts, having been caused by the struggle of the working class for their political, social and economic rights. The research is aimed at studying the changes occurring between the subjects of employment relations and theoretical developments of such foreign experts as: W. Petty, F. Quesnay, A. Smith, J.B. Say, D. Ricardo, K. Menger, O. Böhm-Bawerk, F. Wieser, K. Marx, A. Marshall and others [2].

The authors of the concepts of the nature of industrial relations and the methods of their regulation in the Russian Federation are L.I. Abalkin, E.G. Antosenkova, S.D. Valentey, E.Sh. Gontmaher, R.S. Greenberg, R.P. Kolosova, S.G. Strumilin and others.

In accordance with the Conventions and Recommendations of the International Labour Organisation the most important lines of industrial relations improvement are the problems of organisation and costs of labour, demand and supply for labour generation, labour management and quality of living [3].

2 GOAL

To provide the employee’s economic resilience in the market economy conditions in the Russian Federation a social partnership for regulation of industrial relations is widely used. It helps to engage employees in running the enterprise and in the distribution of business activities outcomes in view of the requirements of the Constitution of the Russian Federation [4] and the Labour Code of the Russian Federation [5]. In such a way, the Russian Tripartite Commission was established and the General Agreement between the national associations of trade unions, the employers’ national associations and the Government of the Russian Federation for the period of 2014 - 2016 was signed at the federal level. The Agreement covers such areas of regulation of relations as economic policy, wages, incomes and living standards of the population.

3 METHODS AND RESULTS

As is well-known, the centre of industrial relations is a human factor. Attaching the special importance to the employee’s economic resilience in the Republic of Mari El, the Republican Tripartite Commission for regulation of industrial relations has been working since 1999. The Commission concludes the Republican tripartite agreement between the Government of the Republic of Mari El, the Union of Trade Union Organisations Association of the Republic of Mari El and the Republic’s Association of Employers. Besides, 18 Republican industrial agreements, 17 regional agreements, 25 sectoral and municipal agreements and 6 other agreements have been concluded [6].

The related parties’ interaction helped to solve the following problems of industrial relations in the Republic of Mari El:

1. Raising the minimum wage for industrial workers. Monitoring the minimum wage dynamics at the industrial enterprises of the Republic in accordance with the above Agreement showed the wage growth by 213.6% (from 4,330 rubles in 2011 to 9,251 rubles in 2016) over 5 years. A comparison of this figure with the minimum statutory monthly wage established in the Russian Federation suggests a positive trend: from 8.7% in 2012 to 49% in 2016. If the minimum wage for the whole country in 2016 is 6,204 rubles, the minimum wage at the manufacturing industries of the Republic of Mari El is 9,251 rubles. Even after July 1, 2016 with the increase in the minimum wage to 7,500 rubles, the minimum wage established in the Republic is higher by 23% (Figure 1);

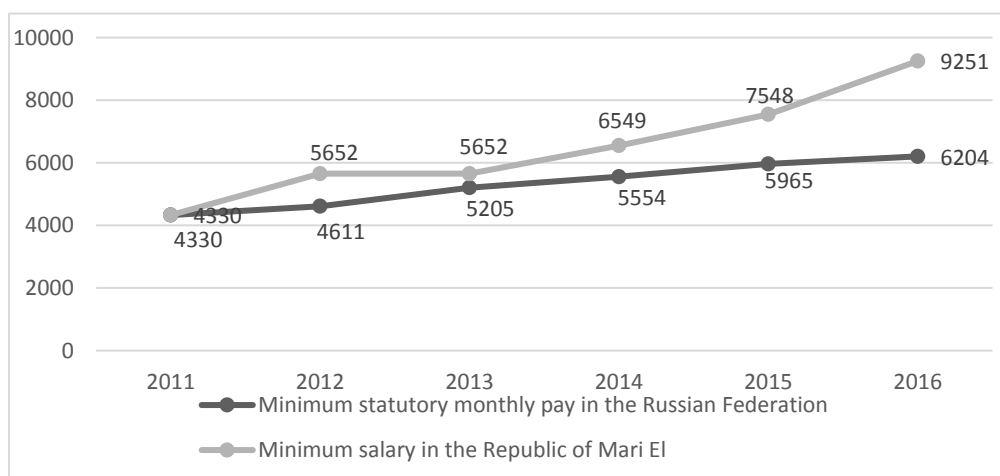


Figure 1 - The dynamics of minimum monthly wage growth established in the Republic of Mari El and that in the Russian Federation (rubles).

2. Development of favorable working environment, occupational health and safety. The focused effort to ensure the constitutional employees’ right for work in conditions meeting the safety and hygiene requirements is made in the Republic.

The employers calculate the funds required for financing occupational safety measures; take action to remove from operation the equipment and facilities which endanger workers’ safety; introduce innovative technologies eliminating adverse industrial environment effects; take measures to raise payments for heavy work and hazardous work conditions. This work under collective agreements helped to reduce significantly the work-related incidents, including production fatalities. If in 2010, 692 employees had on-the-job injuries, in the Republic, in 2015 this figure was 380 or by 36 percent less (Figure 2).

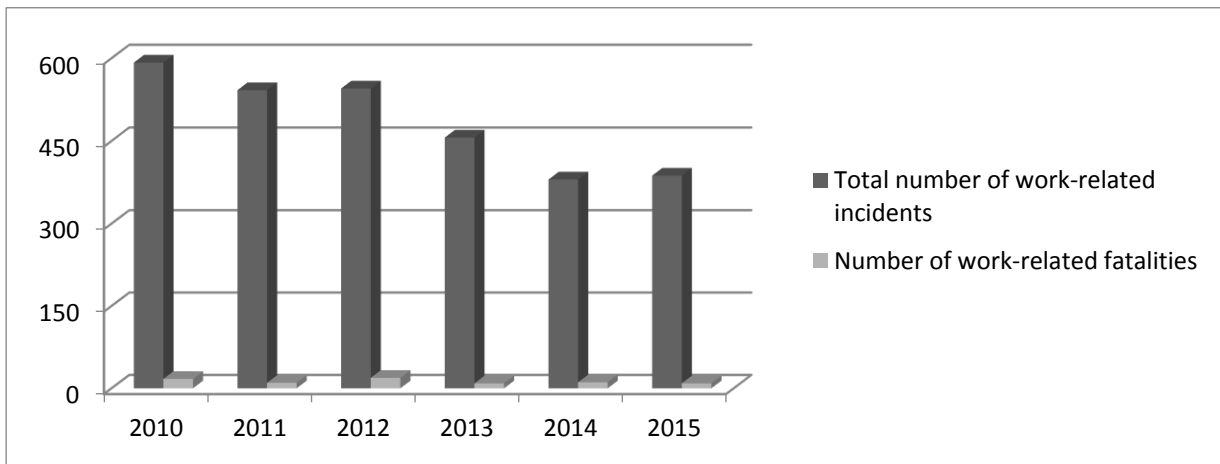


Figure 2 - Dynamics of occupational injuries indicators, including fatalities.

3. Protection against unemployment. The target programme of Promotion of Employment of the Mari El Republic’s Population for 2013-2020 is successfully implemented. This programme states the quota for employment of socially vulnerable groups. In-service training for engineering staff and workers’ upgrade training is provided at the large-scale enterprises. The economic conditions for entrepreneurship and self-employment opportunities are created. Further training for jobs to be in demand in the labour market is available. The expansionary measures in the Republic are taken for the employers to participate in the creation of specialised jobs for the disabled. The package of the above measures provided means for keeping the level of registered unemployment and tensions in the labour market, for increasing the number of quoted workplaces for the disabled people (Figure 3) and reducing their share in the composition of the unemployed (Figure 4).

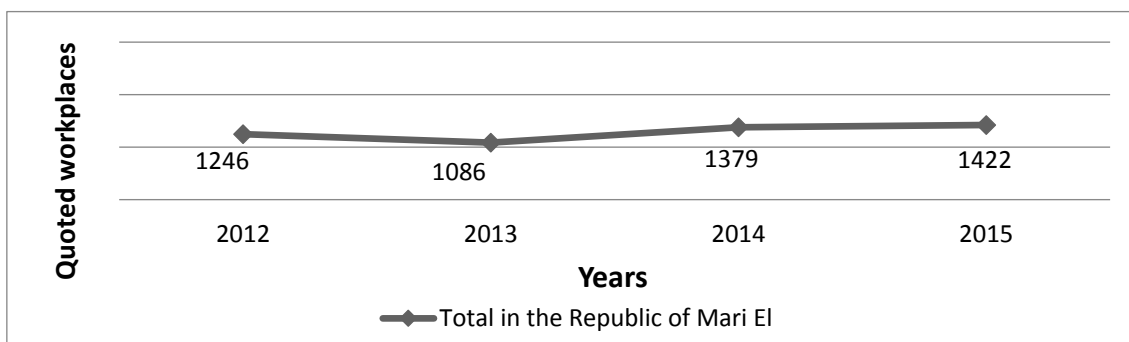


Figure 3 - Dynamics of quoted workplaces, pcs.



Figure 4 - Dynamics of the share of the disabled people among the unemployed, %

4 CONCLUSION

However, the monitoring survey has shown that there are still the opportunities to improve industrial relations in order to enhance the workers' job security. According to the authors, the purchasing power of the population at the expense of the balance of salaries and wages between the managerial staff and the personnel as a whole should be increased. The Republican Coordinating Board to monitor the workers' rights compliance in the field of occupational safety and health should be established. A civilised labour market by means of its equation with the educational services market, as well as the labour demand and supply should be set.

REFERENCES:

- [01] Ehrenberg, R.J., Smith, R.S. Modern Labour Economics. Theory and Public Policy. M. Publishing House of Moscow State University, 1996. 800 p.
- [02] Anthology of Economic Classics. Petty, W. Smith, A., Ricardo, D. M., 1993. 485 p.
- [03] Conventions and Recommendations adopted by the International Labour Organisation. Vol. 1-2. Geneva: ILO, 1991. [electronic resource]. URL: <http://www.ilo.org/ilohex/Nussian/docs>
- [04] The Constitution of the Russian Federation: (Publ. with the amendments to the Law on Amendments to the Constitution of the Russian Federation on December 5, 2008 No. 6 Federal Constitutional Law of December 30, 2008 No. 7, Federal Constitutional Law of February 5, 2014 No. 2. Federal Constitutional Law of July 21, 2014 No.11 Federal Constitutional Law of February). Ros.Gou, 2015, July 20.
- [05] The Labour Code of the Russian Federation. Moscow: Prospect, 2016. 256 p.
- [06] Nizova, L.M., Sannikova, T.V. Tripartism as Industrial Relations Management Phenomenon. European Social Science Journal, No.1, 2016, p. 126-135.