



Modern Institutes and Regulatory Forms of Social and Labor Relations in Russian Society

Konstantin V. Vodenko^{1,2*}, Olga M. Shevchenko³, Tatyana I. Barsukova⁴, Ekaterina I. Hubuluri⁵, Natalya V. Mishina⁶

¹Platov South-Russian State Polytechnic University (NPI), Novocherkassk, Russia, ²Southern Federal University, Rostov-on-Don, Russia, ³Southern Federal University, Rostov-on-Don, Russia, ⁴North-Caucasus Federal University, Stavropol, Russia, ⁵Rostov State Transport University, Rostov-on-Don, Russia, ⁶Rostov State Transport University, Rostov-on-Don, Russia.

*Email: vodenko-kv@rambler.ru

ABSTRACT

Social and labor relations hold a special place in human life determining the level of its welfare, social status and way of self-realization in society. The post-Soviet transformations connected with the formation of new political and economic institutes demanded an essential change in the system of social and labor relations. However, Russian practice speaks for the fact that, despite significant changes in the system of interactions between the subjects of labor activity, the current labor potential does not correspond to those calls which the country at the present stage faces. The key problems in the sphere of social and labor relations in Russia are the infringement of the rules of law regulating the organization of labor activity, the highly qualified personnel deficiency, the deterioration of professional education quality, the low salary level, demographic problems, and so on. The current situation forces researchers to analyze the specifics of social and labor relations in Russia, to reveal the reasons preventing the process of the formation of their civilized organizational forms and conditions which speed up the occurrence of a new model of social and labor relations standing up requirements of the present stage of the Russian society development.

Keywords: Social and Labor Relations, Regulatory Forms, Russian Society, Modern Institutes

JEL Classifications: J01, J50, J80

1. INTRODUCTION

Nowadays Russia faces the problem concerning the formation of the effective system of social and labor relations that stands up requirements of the present stage of social development. Successful modernization of society also depends on the quality of the model of social and labor relations developed in the country. Over the last decades the system of social and labor relations in our country has undergone the significant transformation as a result of the formation of new social and economic and political institutes regulating the sphere of production, services and labor forces in general. However, despite significant changes in the system of interactions between the subjects of labor activity, Russia is not still behind developed countries in the creation of

modern institutes and principles of the organization of social and labor relations.

Unfortunately, the current labor potential of Russian society is characterized by experts as inappropriate to those calls which the country at the present stage faces. First of all, the matter concerns the heavy deficit of highly skilled workers and engineering skills, the deterioration of professional education quality, the low salary level, demographic problems, and so on.

The current situation with labor forces in the country and the quality of institutes defining the organization of social and labor relations in the country determines the scientific relevance and social importance of research in this sphere.

2. METHODOLOGY

A neo-institutional approach is the theoretical and methodological background to research of social and labor relations (Simon, 1997).

This approach opens the door for research of social and labor relations in a sociocultural context where there is a certain system of formal and informal institutes aimed at the regulation of social relations in the sphere of work. The matter concerns both legal mechanisms regulating the organization of social and labor relations and rules, traditions, stereotypes which are not fixed in normative documents and are broadcasted from generation to generation.

Conceptual for research of the specifics of social and labor relations the theory of “the dependence on previous development” which allows to consider cultural and civilization a context in which space social institutes regulating the sphere of work are formed acts.

As to foreign scientist, E. Schumacher, who thinks that the features of social relations including labor-management ones are determined by the main worldview values and principles characteristic for the corresponding civilization model of society, is among them being a supporter of the theory of “dependence on the previous development” (Schumacher, 2012).

In Russian social knowledge R. Nureev, S. Kirdina, Yu. Latov, and others (Nureev and Latov, 2010; Kirdina, 2000) hold the concepts of “original development.” The authors uphold a hypothesis of the existence of institutional matrixes (in particular, East and West) determining the development of this or that society. An institutional matrix S. Kirdina determines as “a steady, historically developed system of basic institutes regulating the interconnected functioning of the main public spheres-economic, political and ideological” (Kirdina, 2000; Chueva et al., 2016).

In our opinion, it is obvious that Russian social institutes having direct influence on the formation and functioning of an institute of social and labor relations, in turn, are the result of the cultural and historical development of society. The long process of the development of social institutes in a certain sociocultural context, certainly, forms a certain institutional matrix of the social development keeping and broadcasting its system of worldview reference points that is quite conservative beginning in culture that withstands any changes. Therefore, the view of our research assumes the study of the specifics of social and labor relations in Russia in the context of revealing the influence of formal and informal institutes which are defined both by historical features and current trends of the country development on them (Vodenko et al., 2016).

3. MAIN PART

Theoretical and methodological approaches developed in Russian and West economic and sociological thought in research of the sphere of social and labor relations have its own specifics. A tool approach within which social and labor relations are considered

only as a system of direct relations between workers and employers and a set of organizations which conduct their regulation such as labor unions, government, a number of international institutes mostly prevails in west tradition. Thus, the search of consensus between the main subjects of social and labor relations-a worker and an employer-steps forward (Budd, 2016).

In Russian social knowledge there are two key approaches in understanding of the essence of social and labor relations. One of the approaches presents more limited treatment of this concept referring social and labor relations especially only to the sphere of the labor organization considering them only as relations “... between workers, personnel groups concerning planning, division and co-operation of labor, motivation and stimulation, rate fixing, account and assessment of labor, and so on” (Belkin and Belkina, 2007).

Expanded understanding of social and labor relations allows to study them in wider social context where they, in fact, are identified with public relations. The last ones are considered as relations “between participants of public practice (transforming activity) concerning its social goal, social results and concerning the formation and change of conditions and ways of labor activity” (Rakitskaya, 2003). Broad interpretation of social and labor relations allows to investigate them as a set of economic, legal, social and psychological aspects of interaction of people in the course of labor activity.

In scientific literature an integrated approach to analysis of social and labor relations is presented in the works of V. Burlyayev, E. Nekhoda, I. Prosvirnina and others.

As E. Nekhoda says, the concept of “social and labor relations” includes a wide range of questions concerning professional education of workers, the development of systems of social protection; the questions connected with salary, conditions and the organization of labor and the questions concerning the social development of a man, motives, values, and purposes of activity (Nekhoda, 2007). Thereby, social and labor relations represent a complex of relationships and social communications developing in the course of labor of people.

In fact, in practice social and labor relations represent a quite complicated system of relationships mostly penetrating all spheres of public life such as economic, legal, social, spiritual ones. Owing to a variety of social and labor relations the scientists try to conduct their systematization on the basis of various criteria. The most conceptual, in our opinion, is the classification of social and labor relations by the object-to-subject basis. According to this classification the scientists point out (Bezzubko and Nekhoda, 2013):

1. Productive-economic relations developing between owners of production means and hired workers
2. Productive-technological relations between workers in the course of labor activity
3. Productive-organizational relations between managers and performers
4. Social and psychological (interpersonal) relations that are human relations arising in the process and concerning labor

activity caused by personal qualities and psychological features of human behavior

5. Motivational and labor relations including relation of a worker to labor activity, the conditions and payment for his labor.

In scientific literature social and labor relations are also considered as “a set of interactions of workers both direct and mediate in the collective labor process” (Burlyaeva and Prosvirina, 2008). These relations, according to researchers, are formed on the basis of historically developed ideas on labor culture in general.

It should be noted that the features of the cultural and civilizational development of the countries and regions have significant impact on the relation to labor, the rules of its organization, value motivations which are enshrined in social institutes and broadcasted from one generation to another.

A religious factor has special impact on the formation of the system of value orientations in the course of the cultural and civilizational development of the countries. Starting with the era of the world religions, a confessional idea starts to determine the content of culture including culture of relations developing in the course of labor activity (Kirik et al., 2015).

M. Weber, who claimed that the values lie at the heart of motivation and the organization of people’s activity which are set by religious systems, paid his attention to this fact for the first time (Weber, 1990; Vodenko et al., 2015).

It should be noted that exactly Christianity has introduced to the West European culture respect for labor as to moral charitable activity contrary to the ancient world where labor was considered only as a destiny of slaves. At the same time, in Christian ethics the relation to labor was dual. In early Christianity labor was considered as a severe punishment which followed the Fall of Adam, but in the XII-XIII centuries the theologians began to emphasize other ideas which step-by-step considered labor as a charitable kind of activity (Vodenko and Tikhonovskova, 2015). A perfect example of such relation to labor is the construction in the 40s in the XII of the Chartres Cathedral by thousands of Norman pilgrims which were directed by a belief in righteousness and salutariness of their labor activity (Goff, 1992).

Catholicism and Orthodoxy were developed as a result of civilizational synthesis within two cultural worlds-the West and East-dividing among themselves all-Christian cultural space. Both dogmas have issued and fixed in themselves civilizational distinctions of these regions and put two main ways of the development within all-Christian civilization.

Value orientations of Catholicism and Orthodoxy and Protestantism then appeared in the XVI century had significant impact on the organization of economic life of society. Catholicism is characterized by an aspiration to embody the Christian principles in everyday life of people: “Catholicism as if looks at the sky from the ground, rationally builds a ladder to the sky paying much attention to material problems” (Koval, 1994; Kobersy et al., 2016).

In an orthodox picture of the world spiritual things have an absolute priority over material ones focusing a man not on a material benefit and practical interest, but on the moral content of his activity.

Thus, in orthodoxy economic ethics and practical labor activity has subordinated status in comparison with spiritual labor. The confessional norms of orthodoxy legitimated the existence of poverty in society. Success and material benefits of a man were separated from his own economic activity and responsibility.

Such specifics of perception of the world define a subject matter of such values as success, and labor. So, if the western type of culture is characterized by attitude to success as a result of its own efforts, in the Russian mentality considers success just a result of luck (Shkaratan, 2003).

Protestantism which rethought and formed the system labor ethics of classical capitalism which is based on the principles of individualism, rationalism, empiricism, aspiration to profit had a great influence on the specifics of the western model of social and labor relations.

The features of the cultural and civilizational development of the countries are the cornerstone of the formation of various models of social and labor relations. So, the Western model of the organization of social and labor relations is mostly characterized by the prevalence of formal institutes that is embodied in an obligation of the execution of the labor contract between a worker and employer which accurately defines:

1. Extent of submission of the worker to the employer
2. The contracted period (uncertain term, temporary, seasonal)
3. The organization of labor hours (part-time, flextime, domestic labor)
4. The use of a workplace and good condition of subjects and instruments of labor (materials, equipment) (Nekhoda, 2007).

Thus, following procedures intended for the definition of employment conditions, salary and social security of hired workers is an important thing for the west model of labor relations. The main institutes regulating labor relations in the European countries are:

1. Trade-union organizations
2. Contractual methods of the regulation of labor relations between social partners in the form of collective treaties (agreements) and individual labor contracts
3. Participation of hired workers in business management
4. Legal forms and methods of labor dispute and conflict resolution procedures.

A characteristic feature of the West model of social and labor relations is their democratization which is shown not only in activity of the trade-union movement but also in real participation of workers in business management. The last one can be carried out in two forms:

- Disseminating information to hired workers by employers or their representatives on forthcoming personnel changes, changes in the strategy of the enterprise, and so on. This form assumes consultation of both parties on the most important

aspects of management and the prospects of the enterprise development

- Employee representations (production councils) and their direct impact on decision-making. This form is legislatively fixed and the right of a casting vote is given to production councils.

In general, it is possible to note that the principle of equality of all subjects (a worker, an employer, the state, labor unions), maximum accounting of the interests of all parties within law approving the norms and rules of interaction of all participants of social and labor relations is the basic principle of the organization of social and labor relations in the countries of Western Europe (Shevchenko, 2015).

The Russian model of social and labor relations is characterized by prevalence of the state interests in infringement of interests of other subjects of relations. Such model of relations is caused by the specifics of Russian statehood which main features are: Paternalism as relations of guardianship of the state over the members of society; sacralization of state power which leads to full absorption of a person by the state, the implementation of all its instructions; a primacy of state power over law (Lubsky, 2008).

Historically developed Russian statehood determines the institutional features of social and labor relations. The researchers note that in Russia social and labor relations are developed on relations of the strong vertical power structure, nationalization of all forms of labor activity, the policy of state paternalism. Thus, the Russian model of social and labor relations is characterized by the strong regulation of activity of subjects and the forms of their interaction from the state or the front office (Fauzer et al. 2010).

An authoritative form of the organization of labor activity was fully realized in the Soviet system. With the absence of citizens' economic motivation for labor activity the state has actively used ideology by means of which the calls to labor feats and achievements "were conducted, the call to mass enthusiasm had to fill the low qualification of workers, weak organization of labor activity, poor quality of planning and output, low efficiency of research and technical studies and unsatisfactory level of their introduction into production" (Khanin, 2003). However, it should be noted that hard authoritarianism in the organization of social and labor relations was compensated by the Soviet state with a number of advantages in the social sphere: General employment, the existence of high social guarantees; even income distribution, and so on. According to researchers, the state of a paternalistic type is characterized by the considerable regulation of social and labor relations (Fauzer et al., 2010).

4. FINDINGS

Analysis of the specifics of models of social and labor relations allows to speak about the need of the creation in Russia of modern institutes and forms of regulation of social and labor relations relying on the best world experience. Transformation of the whole system of social and labor relations in Russia has to be guided by the solution of a wide range of problems, first of all:

- In the field of salary and income of workers in general and their regulations
- In the field of employment of the population by means of the realization of state programs in labor market
- In the field of education, namely, the developments of systems of professional training and retraining
- In the field of social protection including the creation of worthy working conditions, rest, level of provision of pensions
- In the field of social responsibility, namely, the formation of a socially responsible employer.

The institute of social responsibility is "a set of subjects and relations between them providing the achievement of interest balance and the formation of uniform 'active' social economic space" (Roshchina and Shchadilov, 2013). The system of social responsibility includes the following elements:

1. Instruments of activation of social responsibility of subjects of social and labor relations
2. Social and economic relations developed on the principles of social responsibility
3. Organizational and legal forms of economic activity serving the principles of social responsibility
4. Connections between subjects of social and economic relations developed on the principles of social responsibility.

It should be noted that in the XXI century the formation of social responsibility is the most important condition of social development of the country and a basis of economic security (Maslennikova, 2010). The formation of the institute of social responsibility promotes accommodation of interests of participants of the labor process and labor relations, allows to establish the optimum balance of interests in the system of social and labor relations. Moreover, social investments (financial means, material, technological, administrative, information resources) directed by business activity on the implementation of socially significant projects and corporate social programs, promote inclusion into the interests of all parties and the achievement of positive social and economic effects both for the state and for business itself and hired workers. Thus, social responsibility of all participants of labor promotes the organization of civilized social and labor relations relying on the principles of partnership, solidarity, mutual aid and mutual understanding. These principles are the cornerstone of the modern concept of social and labor relations.

5. CONCLUSION

Comparative analysis of two models of social and labor relations allows to make the following conclusion.

Within Russian traditions in the sphere of labor relations informal institutes which are guided by the principles of "administrative decision," strict submission of a worker to the heads of enterprises or government officials, non-material motivation and paternalism prevail.

For the west model of social and labor relations relationships between all subjects are developed on the basis of social partnership which reflects historically caused compromise of the

interests of the main subjects of economic processes and expresses the public need for social peace as one of the conditions of political stability of the state. Social partnership between all subjects of social and economic relations represents an institutional alliance uniting material, financial, human resources on a reciprocal basis (Fukuyama, 1996).

In the sphere of social and labor relations the European countries show a priority of formal institutes penetrating all levels of management. The majority of norms, rules, styles of behavior is regulated by developed mechanisms of social protection, social partnership and collective and contractual regulation. In the majority of the European countries social and labor relations are developed on the basis of democratic institutes of interaction that allows to be receptive to new calls and requirements of the modern development of society. So, for example, processes of the European integration have seriously influenced the transformation of social and labor relations and mechanisms of their regulation. It has found its reflection in the formation of the all-European system of collective and contractual relations, the formation of councils of operating “euro-enterprises,” individualization of labor contracts, all-European standards of the organization of the system of social insurance, and so on.

In Russia over the last decades the system of social and labor relations has also underwent the significant transformation connected with the development of market relations and institutional changes in the political sphere of the country. If at the initial stage of reforms the statutory regulation of the sphere of labor relations was focused only on the problems of the formation and stabilization of the labor market, now there is an urgent problem concerning the search and development of the new model of social and labor relations meeting the requirements at the present stage of the development of the Russian society.

Unfortunately, the practice shows that Russia is lagging behind a civilized form of interaction of labor subjects. The current model of social and labor relations can be characterized as transitional, connected with the decreased role of the state in the economic sphere, the weakening of paternalistic functions in the system of social and labor relations. According to researchers, the current model of social and labor relations is based on “relations of mistrust and disrespect of the parties to each other, confrontation, antagonism, voyeuristic competition” (Lubsky, 2008).

Despite the development of market economy and distribution of values of liberal ideology in the country, most people are focused on the preservation of the authoritative role of the state as the main subject in the sphere of regulation and control over social and labor relations and also on the realization of paternalism in the system of social guarantees. These orientations do not promote the formation of the modern model of social and labor relations which would promote effective use of labor forces and provide the worthy standard of living and labor quality.

In this regard, the question concerning the need for increasing social and economic efficiency of economic subjects’ activity through the creation of the conditions for effective functioning

of an institute of social partnership between all subjects of social and labor relations—workers, employers, officials and labor unions is greatly discussed now.

REFERENCES

- Belkin, V., Belkina, N. (2007), *Economic Theory of Labor*. Moscow: Institute of Economics, the Ural Branch of Russian Academy of Sciences. p127.
- Bezzubko, L., Nekhoda, E. (2013), *Social and labor relations: The results of researches in Russia and Ukraine*. Tomsk: Publishing House of Tomsk State University. p12.
- Budd, J. (2016), *Labor Relations: Striking a Balance*. 3rd ed. Available from: http://www.en.wikipedia.org/wiki/Labor_relations. [Last retrieved on 2016 May 2016 03].
- Burlyayeva, V., Prosvirmina, I. (2008), *Social-labor Relations as a Set of Interactions of Workers in the Collective Labor Process*. V. 2. Social Sciences. In: *Materials of the XII Regional Scientific and Technical Conference “High School Science - To the North Caucasus Region”*. Stavropol: NCFU. p174.
- Chueva, T., Niyazova, G., Metsler, A., Shkurkin, D., Aznabaeva, G., Kim, L. (2016), *Approaches to the development of endowment funds in Russia as an instrument of mixed financing of the social sphere*. *International Review of Management and Marketing*, 6(1), 261-266.
- Fauzer, V., Nazarova, I., Fauzer, V. (2010), *Social and labor relations: Content, mechanism of management, foreign experience*. Syktyvkar-Ukhta: USTU. p19.
- Fukuyama, F. (1996), *Trust*. New York: Free Press. p480.
- Goff, J. (1992), *Civilization of the Medieval West*. Moscow: Progress-Academy.
- Khanin, G. (2003), *Soviet economic miracle: Myth or reality?* *Free Thought - XXI*, 8, 52-62.
- Kirdina, S. (2000), *Institutional Matrixes and the Development of Russia*. Moscow: Thesis.
- Kirik, V., Popov, A., Posukhova, O., Serikov, A., Shevchenko, O. (2015), *Conceptual and methodological research of xenophobia in social sciences*. *Mediterranean Journal of Social Sciences*, 6(4), 183-189.
- Kobersy, I.S., Khasiyeva, L.G., Yakhina, V.D., Ignatyeva, O.V., Goloshchapova, L.V., Shkurkin, D.V., Sadykova, L.R. (2016), *Approaches to implementation of motivation as the complex conditions of increase of efficiency of social and labor relations: International experience*. *International Review of Management and Marketing*, 6(1), 208-217.
- Koval, T. (1994), *Orthodox ethics of labor*. *World of Russia*, 2, 54-96.
- Lubsky, R. (2008), *Statehood as a dominant form of the civilizational development of Russia*. Rostov-on-Don: Publishing House of SFedU.
- Maslennikova, E. (2010), *Management of social and labor relations in the context of providing economic security of society*. *The bulletin of Omsk university. Economic Series*, 1, 89-94.
- Nekhoda, E. (2007), *Methodological and theoretical bases of research of social-labor relations*. Tomsk: Publishing House of Tomsk State University. p33.
- Nureev, R., Latov, Y. (2010), *Russia and Europe: A track effect (experience of the institutional analysis of the history of economic development)*. Kaliningrad: Publishing House of Immanuel Kant Baltic Federal University.
- Rakitskaya, G. (2003), *Social-labor Relations (The General theory and Problems of the Formation of their Democratic Regulation in Modern Russia)*. Moscow: Institute of Prospects and Problems of the Country. p70.
- Roshchina, I., Shechadilov, G. (2013), *Social responsibility in the sphere*

- of social-labor relations: Problems, mechanism of functioning and development. Tomsk: TML-Press. p82.
- Schumacher, E. (2012), *Small is Beautiful: A Study of Economics as if People Mattered*. Moscow: Higher School of Economics.
- Shevchenko, O. (2015), Factors of increasing migrant-phobia in the modern world. *Smalta*, 1, 55-59.
- Shkaratan, O. (2003), Russian culture of labor and managements. *Social Sciences and Up-to-dateness*, 1, 30-54.
- Simon, G. (1997), Sustainability as a process and product of thinking. *Economic Questions*, 3, 7-15.
- Vodenko, K., Tikhonovskova, S. (2015), The influence of religious values on the development and functioning of economic institutions. *Mediterranean Journal of Social Sciences*, 6(3S4), 45-52.
- Vodenko, K., Cherkesova, E., Shvachkina, L., Fateeva, S., Erosheva, I. (2016), He specifics of the socio-cultural determination of the current economic activity. *International Journal of Economics and Financial Issues*, 6(S1), 206-210.
- Vodenko, K., Polozhenkova, E., Matyash, T., Burmenskaya, D., Shvachkina, L. (2015), Socio-cultural context and theological sources of the modern European science formation: Theoretic-methodological ideas and approaches. *Mediterranean Journal of Social Sciences*, 6(5S3), 99-107.
- Weber, M. (1990), *Protestant Ethic and "Spirit of Capitalism"*. Moscow: Progress.