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# TRADE UNIONS AND PROFESSIONAL ASSOCIATIONS AS CIVIL SOCIETY ACTORS WORKING ON THE ISSUES OF LABOUR RIGHTS AND SOCIAL DIALOGUE IN ARMENIA

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# **Trade unions and professional associations as civil society actors working on the issues of labour rights and social dialogue in Armenia**

**Arman Sargsyan, Lucia Kováčová and Mária Sedláková**

This report was elaborated within the project “Mapping Studies of Trade Unions and Professional Associations as Civil Society Actors Working on the Issues of Labour Rights and Social Dialogue in six Eastern Partnership Countries” funded by the European Union’s “Eastern Partnership Civil Society Facility – Regional Actions” Project and implemented by the Central European Labour Studies Institute (CELSI).

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## Abbreviations

CSO	Civil Society Organization
CTUA	Confederation of Trade Unions of Armenia
EPSU	European Federation of Public Service Unions
GoA	Government of Armenia
ILO	International Labour Organization
IMF	International Monetary Fund
ITUOJ	Independent Trade Union Organization for Journalists
ITUWE	Independent Trade Union of Workers in Education
LGPSEA	Local Governments and Public Service Employees of Armenia
RUEA	Republican Union of Employers of Armenia
MEDI	Ministry of Economic Development and Investments
MLSA	Ministry of Labour and Social Affairs
MOH	Ministry of Health
MOJ	Ministry of Justice
NGO	Non-Governmental Organization
RUTUOHW	Republican Union of Trade Union Organizations of Health Workers of Armenia
SME	Small and Medium Enterprises
YSU	Yerevan State University

## **Executive summary**

Unlike in most European countries where the trade union movements appeared during the Industrial Revolution, trade unions in Armenia were formed in the Soviet era under the dominance of the state as a single employer. Unemployment was non-existent and resistance or criticism towards the state regarding working conditions was unacceptable. With this legacy, trade unions have not served their true mission of independent organizations representing the interests of workers. Like in other socialist countries, unions were perceived as an extended hand of the state facilitating re-distribution of goods and services at workplaces.

After gaining independence, during democratic transition associated with a changing structure of the labour market and rising number of many small and medium-sized enterprises in the private sector, trade unions aimed to adjust to the new conditions and transform effective safeguards of employees' rights. Currently a few factors why trade unions in Armenia are not effective in labour rights protection can be identified: low trust and misunderstanding of employees and the wider public towards the role of trade unions (coming from Soviet times), high unemployment, which is associated with a fear to be fired if an employee voices claims against employers especially in certain areas of the economy with monopolistic players. Moreover, about 40% of working people are engaged in agriculture; they are considered as "self-employed" and are not organized in trade unions. Military and law-enforcement bodies are, according to valid legislation, prohibited to form trade unions. These factors of low union density and low trust in the society towards union activities complicate the formation and further activities of trade unions in Armenia.

Nevertheless, the current socio-economic development in Armenia, aiming at strengthening civil society organizations as well as the development of SMEs, create opportunities for trade unions to be more proactive, recruit new members and improve their public image.

The report addresses several questions for understanding the current state, general technical, quantitative and qualitative information on trade unions and professional associations. Unlike trade unions that represent the interests of labour in general and enjoy the exclusive right to collective bargaining, engage in labour advocacy on improving working conditions and contribute to such improvements also via policy influence such as tripartite social dialogue, professional associations protect the interests of specific professions but not necessarily their working conditions.

The Confederation of Trade Unions of Armenia (CTUA) passed a remarkable road after the Soviet period in order to transform into an institution responding to current market mechanisms. Nevertheless, the level of its recognition in society is still low. Trade unions in Armenia are mainly institutionalized in CTUA system, which is part of the national tripartite social partnership. However, there are several other functioning trade union organizations which are independent from the current CTUA.

CTUA was established in 1992 and is a solely national level trade union institution in Armenia currently with a hierarchical organizational and membership structure. Trade union organizations operating at the company level (base organisations) are organized in regional union confederations, which make up the sectoral branch republican trade unions.

The main findings of the report are constructed within three directions of possible solutions: 1) Building trade union capacity, 2) Improving the coordination and effectiveness of trade unions' cooperation initiatives and 3) Bringing trade unions' voice into development policymaking processes, promoting social protection, social dialogue and labour rights.

## **Introduction**

Countries within the Eastern Partnership region underwent a largescale economic, political and societal transition after the fall of state socialism and gaining independence. Development of a vibrant civil society shall be an inevitable part of the process. The success of building a civil society not only depends on the aims of the country's political leadership, but also on the kind of non-state actors that persist or emerge in these societies. Trade unions and professional associations belong to key interest representation organisations that representing workers in case of trade unions and persons in particular professions/occupations in case of professional associations. Through their focus on the labour market, working conditions, workers' rights and fostering social dialogue, they inevitably contribute to building democracy and a modern way of interest representation in a functioning market economy.

The European Union considers civil society organisations as key political actors in the development and democratization processes. A strong civil society involved in social, economic and political dialogues and capable of engaging in policy strategy is desirable to make development more effective and promote and/or strengthen democratization processes. In order to consider support for strengthening the civil society addressing labour rights, this report is a result of a mapping study of the current situation relating to trade unions and professional associations, as membership-based civil society actors in the Eastern Partnership (EaP) region with a key role in the transition to new economic labour relations and inclusive growth. The purpose of this study is to assess the potential and need for the provision of EU support to this group of civil society and provide recommendations.

This report was elaborated within the project “Mapping Studies of Trade Unions and Professional Associations as Civil Society Actors Working on the Issues of Labour Rights and Social Dialogue in six Eastern Partnership Countries” funded by the European Union's “Eastern Partnership Civil Society Facility – Regional Actions” Project and implemented by the Central European Labour Studies Institute (CELSI).

The main objective of the report is to map out the current situation relating to trade unions and professional association in the Republic of Armenia. Utilizing an actor-oriented approach, the report aims to identify the core resources of trade unions and professional associations and their



needs to strengthen institutional, structural and organisational resources in order to increase their influence on promoting labour rights, protection and social dialogue.

The report is based on (1) secondary data on trade unions in Armenia from different sources mainly legislative and strategic documents, administrative data and statistics, and policy papers, and (2) primary data obtained by semi-structured interviews (carried out in June 2019 among 12 representatives of EU, trade unions, professional associations and other CSO's) with the key stakeholders (representatives of trade unions, employers, NGOs engaged in the labour rights issues, representatives of the Government, etc.).

The local expert conducted a literature review and analysed data on trade unions in Armenia and, based on the designated structure, prepared the preliminary report. Based on desk research, the local expert in close cooperation identified the key respondents (listed below) and contacted them prior to the mission. A mission plan with specified interview dates and times was prepared. All respondents were informed about CELSI as a research institute, the project that we are implementing, and the outcomes that the mission is contributing to. All respondents were invited to declare they participate voluntarily in the interview by signing a consent form prior to starting the interview. The consent form was translated to Armenian language. Interviews where respondents declared their consent with recording were recorded.

The mission was guided by a semi-structured interview questionnaire that included analytical questions. These questions were not raised to the respondent directly but served to guide the researcher to raise the question in a simple and clear way but be able to analyse the answer from the respective analytical perspective. Therefore, interview questions were not strictly those listed in the questionnaire. Experience shows that indeed the respondent provided a more informative and encompassing answer if we raised simple and direct questions. The interview with the EUD did not follow the semi-structured questionnaire; instead, questions were individually adjusted. The focus of the EUD interview was to obtain information about the scope of EUD's activities in Armenia in the light of Eastern Partnership priorities, experience with supporting/cooperating with trade unions and professional associations, and expectations on the missions' findings. The names of the respondents were anonymised, only affiliation to the organisation was disclosed. Detailed notes from all interviews are available in English upon the request.

The report is structured as follows. First, it presents the societal context in which the trade unions and professional organisations operate. The second chapter depicts the structure, size and position of the main trade unions and professional associations in Armenia. The legislative framework describing the current and proposed legislation related to social dialogue and evaluation of the tripartism is detailed in the third chapter. The assessment of the extent of particular organisation's influence and independence from the political pressure is provided within the fourth chapter. The fifth, sixth and seventh chapter discuss the financial and human resources as well as international cooperation determining the trade unions' and professionals' associations' activities and impact in the country. Finally, based on the mapping study and our analysis, the final section includes recommendations for the EU's role in supporting unions and other civil society organisations in Armenia.

# **1. Brief Overview of the Political, Economic and Social Situation in the Country**

After the known secession from the Soviet Union in 1991, Armenia is still in the phase of establishing its democratic institutions. In December 2015, the country held a referendum which approved the transformation of Armenia from a semi-presidential to a parliamentary system. As a result, the president was stripped of the veto power and the presidency was downgraded to a figurehead position elected by parliament every seven years. The president is not allowed to be a member of any political party and re-election is forbidden. After the 2018 Revolution in Armenia, there have been certain reforms in different areas, such as formalisation of economy, fighting against corruption, innovative development programs, etc. As a result of the last parliamentary elections after the revolution, among eleven participating political parties, My Step alliance got 70.42% votes and is the leading political party in Armenia currently.

Not a very long history of democratic modernization and sustainable environment of the civil participation means that the social dialogue institution and social partnership need to be more developed in order to work more effectively. Considering the fundamental principle that the protection of social rights and freedom can only be created in democratic political system, the vector of this development is positive<sup>1</sup>.

In April 2009, the Confederation of Trade Unions of Armenia (CTUA) and Republican Union of Employers of Armenia (RUEA), with the Government of Armenia (GoA) signed a tripartite social partnership agreement “National Collective Agreement” for the improvement of tripartite socio-economic relations in the Republic of Armenia. A formed Republican Tripartite Commission (RTC) holds regular meetings (2-4 times a year), raising various legal and organizational issues and adopting solutions. MLSA official web page lists Republican Tripartite Commission’s meeting notes and other related documents. The National tripartite social dialogue brings together GoA, representatives of workers and employers to discuss public policies, laws and other decision-making that affect the social partners. Besides other social partners from civil society, political inclusiveness is ensured: the head of the Commission is the minister of the Labour and Social Affairs (MLSA), and there are also members from the GoA, such as deputy minister of the Ministry of Justice (MOJ), representatives of the Ministry

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<sup>1</sup> CIVICUS (2019), State of Civil Society.

of Economic Development and Investments (MEDI) and Ministry of Health (MOH). Another priority area is strengthening social dialogue and collective bargaining as an important precondition of the labour law reforms and, in this respect, further promotion of the ILO's Decent Work Agenda in the country. Tripartite constituents have an agenda to further strengthen the institutional and functional frameworks of the Republican Tripartite Commission (RTC) and to develop social dialogue and collective bargaining at the republican, sectoral and enterprise levels.

Armenian civil society organizations (CSOs) nowadays include a wide range of NGOs, on the national and regional level, implementing different activities. The extension of their role is also determined by the diversity of socio-economic challenges, and as a result there is a tangible representation of NGOs in main socio-economic areas, such as education, social protection, entrepreneurship, and health. EU continuously supports civil society projects in Armenia to promote democratic governance and human rights and a significant number of projects are currently being carried out across a wide range of sectors, regions and cities in Armenia. As of April 2019, there are 4,374 NGOs and 231 professional associations functioning in Armenia<sup>2</sup>. Armenia transfers from the middle-income to a higher middle-income country<sup>3</sup> with GDP per capita of around \$4,000 in 2018. In January 2015, Armenia joined the Eurasian Economic Union, but has remained interested in pursuing closer ties with the EU as well, signing a Comprehensive and Enhanced Partnership Agreement with the EU in November 2017. Armenia's rising public debt is leading GoA to tighten its fiscal policies – the amount is approaching the debt to GDP ratio threshold set by national legislation. Armenia's economic freedom score is 67.7, making its economy the 47th freest in the 2019 Index<sup>4</sup>.

The economy of Armenia grew by 5.2% in 2018 and reached a nominal GDP of approximately \$12.4 billion per annum, while per capita GDP grew by 7.9% and reached \$4,186. Its GDP grew 40.7% between 2012 and 2018, and key banking indicators like assets and credit exposures almost doubled. Growth more than doubled in the first quarter 2019: +7.1% year-on-year, and quarter 4 2018: +3.1% year-on-year, on the back of robust activity growth in the construction, trade, and services sectors.

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<sup>2</sup> Ministry of Justice, State registry reports, NGO Center (2018), National Review on Civil Society Supportive Environment, Lilit Stepanyan (2017), Civil Society Organizations in Armenia.

<sup>3</sup> According to the IMF methodology.

<sup>4</sup> 2019 Index of Economic Freedom.

The GoA plans a 4.9% growth in GDP for 2019. Moreover, in its five-year GoA programme, GDP is projected to grow by at least 5 per cent per year. In the coming years, a significant reduction in poverty and unemployment and an increase in the pace of exports is expected. The emphasis is on the effectiveness of the fight against corruption and the reduction of the shadow economy. On the production side, the main driver was the 9 percent growth in services in 2018. Industry grew by 3.4 percent, with a significant shift from mining to manufacturing.

Currently, the unemployment rate of Armenia is 20.4%, with 5% increasing trend during the last 10 years. The employment rate is 45.4%. The working age population out of labour force (economically inactive population) is 865,800, or 29.1% of population currently. Labour resources (working age population) is 2,015,300. The average monthly wage in Armenia is 325 euro and the minimum wage is 134 Euro (included income tax). 79,975 salaried employees have a minimum or lower wage and those population forms 14.8% of total salaried persons<sup>5</sup>. The poverty level in Armenia is 25.7% for 2018, which is almost 3.7% lower, compared with 2017. The share of moderate poor is 10.6% as compared to 12.6% in 2008. The share of the extremely poor was 1.4% as compared to 1.6% in 2008. The total poverty is currently lower than the pre-crisis level of 2008.<sup>6</sup>

Armenia encounters demographic challenges, as well. The fact that over the past 20 years, the average annual size of the population has decreased by nearly 13,000 with a noticeable decrease of fertility, raises concerns. According to International Organization for Migration (IOM), a total number of emigrants from Armenia reaches 951,000 currently<sup>7</sup>. The latter is quite a clear reflection of non-inclusive economic growth during the last two decades in Armenia, and a lack of opportunities to succeed in the labour market.

Corporate social responsibility (CSR) is not yet fully established in Armenia and many employers do not have internal rules or procedures to have a solid principle on how to implement CSR programs. There is also a gap in legislation and targeted legal solutions are not available.

The country adopted all the ILO core conventions and implemented corresponding changes in national legislation. In May 2019, ILO's Decent Work Country Programme for 2019-2023 was

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<sup>5</sup>Analysis (carried out by the national expert) from the March 2019 database of salaries of the State Revenue Committee.

<sup>6</sup>Statistical Committee (2018) Social Snapshot and Poverty in Armenia.

<sup>7</sup>IOM (2019), Migration Data Portal.

signed by the Armenian tripartite constituents and ILO. Armenia is a member state, which ratified the Convention on the Elimination of all Forms of Discrimination Against Women (CEDAW). It joined the Council of Europe (CoE) in 2001 and became a member of some regional treaties, which emphasize the principles of elimination of gender discrimination, such as CoE Convention on Protection of Human Rights and Fundamental Freedoms and European Social Charter. The coordinating authority is the MLSA.

## **2. Mapping Trade Unions and Professional Associations Involved in the Issues of Labour Rights and Social Dialogue**

### **2.1. Landscape of trade unions and professional associations**

Trade unions in Armenia are mainly institutionalized in CTUA system (included in the tripartite social partnership). However, there are several other functioning trade union organizations which are independent from the current CTUA.

CTUA was established in 1992 and is a solely national level centralized trade union institution in Armenia currently with a mechanistic organizational structure (see Figure 1). Trade union organizations operate at the lowest, company level (base organisations) and those organizations are confederated at regional unions, which make up the sectoral branch republican trade unions. Sectoral, or branch refers to the corresponding sector of the economy and republican refers to its macro level activity in the country.

As of January 2019, CTUA includes 19 sector-level or branch republican trade unions with 622 base trade union organizations, 113 regional units, and 176,661 members<sup>8</sup> operating in various sectors and industries. Only seven branch republican trade unions out of total 19 have regional units (see Appendix 1). CTUA participation rate has a sustainable decreasing trend during last years: as of January 2018, CTUA reported to associate 641 trade union organizations with 191,098 members. In January 2010, the number of trade union organizations were 717 and the number of members presented 251,187. According to one of the respondents, this decrease may be mostly due to the negative demographic trends and employment decrease in Armenia<sup>9</sup>.

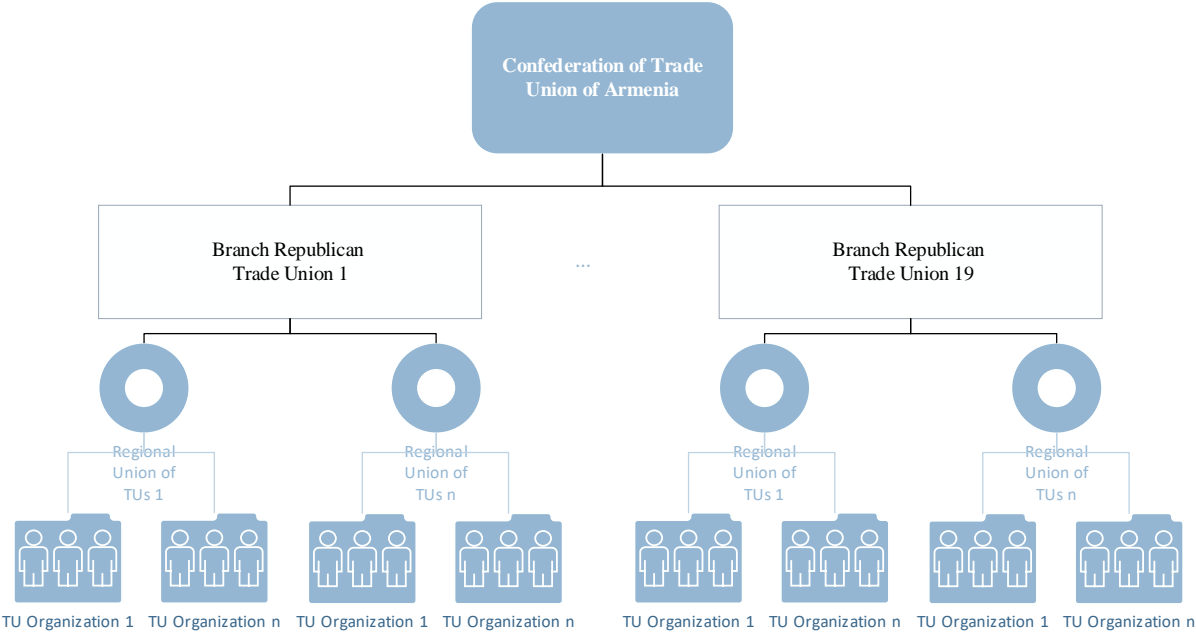
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<sup>8</sup> Interview AM 4.

<sup>9</sup> Interview AM 4.

Official statistics shows that in 2018, the number of contract-based employed population in Armenia was 603,300 compared to year 2010 when it was 529,100.

**Figure 1: Organizational structure of CTUA in Armenia**



CTUA’s overall management structure consists of the General Meeting, Board and Executive Committee. The General Meeting is a supreme management body of CTUA, and oversees amending and adopting the charter, electing executives, etc. General Meetings are being held once per five years. CTUA Board consists of 58 members from branch republican trade unions and organizes meeting not less than once per year, adopting budget, observing audit reports, creates committees, and similar. CTUA has an audit commission, youth commission, gender issues commission and property formation commission. All branch republican trade unions can nominate representative members for CTUA commissions. According to our respondent, the membership of the Board is designed in a way that the maximum number of members one trade union organization can appoint is six.<sup>10</sup> This measure prevents larger trade unions from controlling the agenda within the CTUA. The Executive Committee consist of one member from each branch republican trade union and holds meeting not less than once per three months. As our respondent stated, the agenda of meetings is proposed by the Chairman, but representatives of any trade union organizations can raise issues they consider important.<sup>11</sup>

<sup>10</sup> Interview AM 4.  
<sup>11</sup> Interview AM 4.

Nevertheless, another respondent states that even if a member organization raises issues there are not addressed effectively by CTUA.<sup>12</sup>

CTUA's organizational structure assumes both horizontal and vertical relationships. Horizontal relationships refer to the cooperation between sectoral trade unions and trade union organizations. Head offices of the sectoral branch republican trade unions are located in the same CTUA building in Yerevan which provides an opportunity to be interrelated and to discuss cross-cutting issues in a short period of time. Nevertheless, there is no evidence about an active cooperation between trade union organizations. Horizontal cooperation between 622 trade union organizations is not so effective also due to the absence of modern IT solutions and online cooperation networks. As for the vertical organizational relationships, the CTUA Board and administration are in charge of organizing vertical management procedures. CTUA works on its overall public development based on social partnership institution, ILO's decent work concept, representation and protection of labour rights, healthy and safe work, international cooperation<sup>13</sup>.

The geographical locations of trade union organizations are not equally distributed due to the population and economic polarization in Yerevan. In regions (in Armenian marzes) most of trade union organizations are in agriculture, mining, and light industry.

The general density of branch republican unions is not high in Armenia. First, total trade union density is not high and is only 17.46%, from 1.01 million working population in Armenia. In branch republican unions, densities vary. The rough compilation shows that sectoral densities vary from 3% in agriculture to 88% in education and science (see Figure 2).

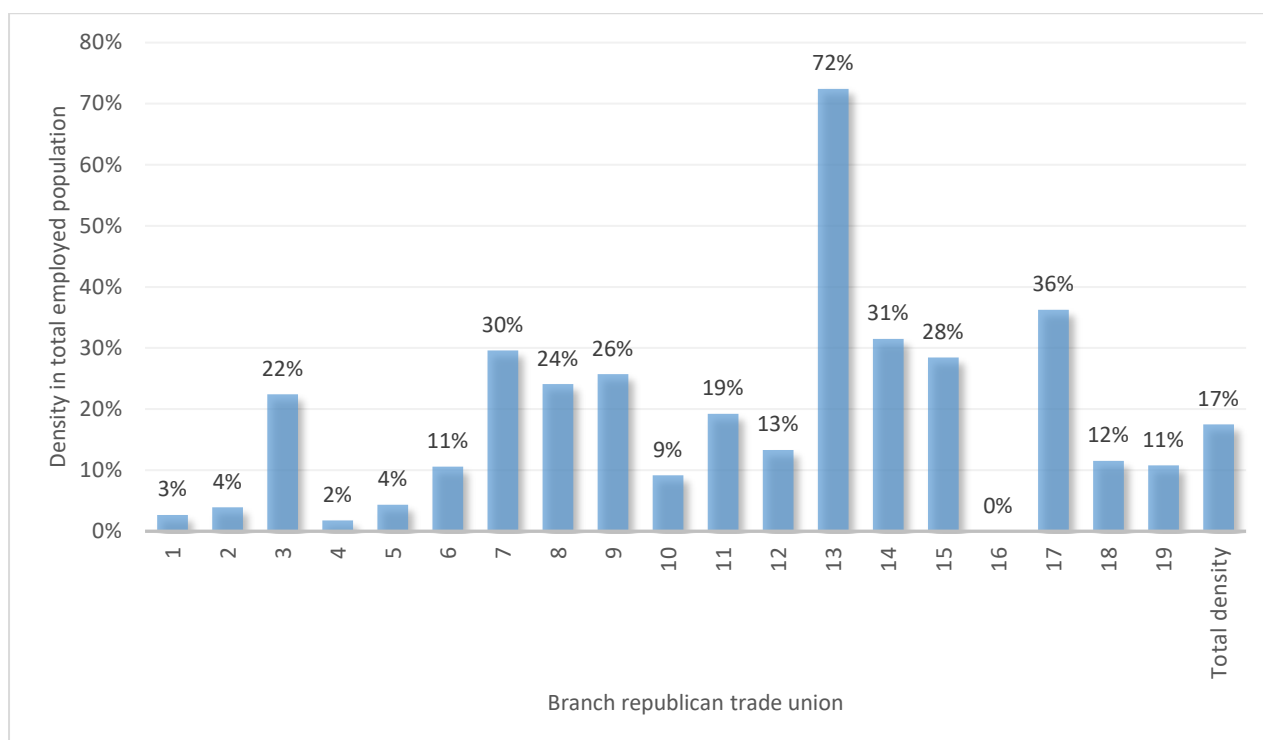
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<sup>12</sup> Interview AM 10.

<sup>13</sup> Sources of provided information are CTUA statutes, other documents and media materials from the CTUA official web site.



**Figure 2: Density of trade union members in total employed by economy sectors, Armenia, 2019**



Coding of sector-level/branch trade unions:

1	Workers of Agro-industrial Division of RA
2	Health Workers of Armenia
3	Workers of Commerce, Catering, Consumer Cooperatives and Enterprises
4	Workers of Car-Agricultural-Machine-Building and Forest-Paper-Wood-Manufacturing Industries of Armenia
5	Workers of Industry
6	Banks, Financial Institutions Employees and Professional Employees of Trade
7	Institutions of Higher Education in Armenia
8	“Electrotradeunion” Trade Union Organizations of Armenia
9	Workers of Armenian Electronic Sphere
10	Workers of Light Industry
11	Organizations of Miners, Metallurgists and Jewelers
12	Employees of Municipal Economy and Public Utilities
13	Workers of Education and Science of Armenia
14	“Miabanutyun” Workers of Information Technologies, Aviation and Means of Communication
15	Workers of Culture of Armenia
16	Workers of Construction and Building Materials Industry
17	Workers of State Enterprises, Municipal Authorities and Public Services
18	Workers of Services sector, Food and Fishing Industry
19	Workers of Transport and Communication

Occupations that are excluded (prohibited by the law) to join trade union organizations are those from the military and law-enforcement agencies. There is no public information on occupational sectors where employers try to stimulate employees to join trade unions. However the higher number of trade union members in the public sector (compared to the private sector), particularly in education and science, municipal authorities or institutions of higher education, can be a result of the Soviet legacy, possible influences and pressures from the state as an employer to join trade unions.

Currently, there is a limited cooperation between trade unions and NGOs in Armenia. One respondent stated that the Local Governments and Public Service Employees of Armenia cooperates with a women's rights organization, OxYGen, and other activists in the field of the labour right protection, while the Advanced Public Research Group provides training to newly established independent trade unions of journalists and teachers.<sup>14</sup>

Regarding cooperation with the **women's rights organisations**, the OxYGen representative stated that both the employer's organisations and trade unions lack awareness about the gender-specific barriers to the labour market as well as labour rights violations. In general, trade union representatives are not considered particularly sensitive to "gender" as a concept and its implications for the labour rights and the overall position of women in the labour market. Thus, there are currently no noteworthy projects or activities on women's rights in the labour market carried out in collaboration between the trade unions and NGOs.<sup>15</sup>

NGOs in Armenia are active in almost all sectors of civil society and there are around fifteen NGOs active in employment programs and labour rights in Armenia. In addition, a small ILO office and more recently the Human Rights Defender of Armenia, follow labour rights issues. In early May 2019, the MLSA organized public hearing discussions as a platform for the representatives of NGOs to discuss draft legislation (e-drafts are also available for providing comments) and, as one respondent<sup>16</sup> further stated, the NGOs were very active in this respect.

According to the State Revenue Committee data on registered trade union organizations as of April 2019, there are 647 registered trade union organizations in Armenia. Taking into account

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<sup>14</sup> Interview AM 10.

<sup>15</sup> Interview AM 8

<sup>16</sup> Interview AM 8

that CTUA has only 622 organizations, the remaining 25 can be described as independent organizations, outside of the CTUA system.

Strengthened by the outcomes of the revolution, after an initial struggle with obtaining registration from the government, two new independent trade unions have emerged in Armenia. The mapping exercise showed that there is a total of three new and publicly active independent trade union organizations with modern strategic views and approaches. The most active modern trade unions are the Independent Trade Union Organization of Journalists (ITUOJ), the Independent and Free Trade Union of Medical Workers (IFTUMW), "Education and Solidarity" Independent Trade Union for Education Workers (ITUEW). According to some respondents, both ITUJ and ITUEW trade unions were founded as a response to a criticism that traditional trade union organisations (referring mainly to CTUA) do not represent the interests of workers effectively<sup>17</sup>. Even though still small in numbers in terms of their membership base, independent trade unions hope to be in an opposition to the traditional representation, referring mainly to their values and style of work rather than its structure.

A recent survey on collective labour rights showed that there is a very low level of awareness of the real role of trade unions both among trade union members and the broad public<sup>18</sup>. The sociological study was conducted using qualitative methods. In-depth interviewing was carried out with the engagement of all parties, including sectorial experts involved in the topic of the study. In February 2019, a GoA – CSO conference on “Current state of trade unions, development prospects” was organized. The conference report states that besides other factors, the lack of financial and professional capacities of unions contribute to the low level of trust in trade unions.<sup>19</sup>

Trade unions in Armenia face specific obstacles in attracting young workers. The CTUA established the Committee on Youth Affairs promoting the interests of young workers<sup>20</sup>, while the Republican Union of Trade Union Organizations of Health Workers of Armenia established the Youth Council and organizes social events to attract young people.<sup>21</sup> Another respondent stated that young people are interested in joining trade unions, but they perceive them as Soviet-type organizations, hence, it is necessary to change this perception.<sup>22</sup> As the respondent further

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<sup>17</sup> Interviews AM 7 and AM 11.

<sup>18</sup> APRG (2019), Collective Labor Rights Protection Mechanisms.

<sup>19</sup> ALA (2019), Current state of trade unions.

<sup>20</sup> Interview AM 4.

<sup>21</sup> Interview AM 2.

<sup>22</sup> Interview AM10.

states, that is why the Local Governments and Public Service Employees of Armenia started to use different tools and strategies (FB pages, social events, etc.) to attract new members.<sup>23</sup>

As of April 2019, there are 231 professional associations registered in Armenia<sup>24</sup>. The analysis of the actual current state of professional associations in Armenia shows that at the functional level and targeting, there are mainly three types of those organizations: (a) associations representing professionals in various professions or branches, (b) associations representing companies in various sectors and (c) associations dealing with various individual interests, hobbies, etc. Normally, **associations must be registered as NGOs**, but before 2016, the Civil Code of Armenia included the “union of legal entities” type of organization. On the other hand, the word “association” can be included in the name of an organization with any legal type and the most popular type remains the NGO currently. Based on a rough estimation, from the mentioned 231 associations, around 25% address interests of professionals in various fields/branches, around 60% have tangible activities in the corresponding sphere and around 85% are somehow related to the labour market. The NGO sector is quite active in social protection and labour rights issues in Armenia. One of the more recent cases worth mentioning is the campaign against a government plan to cut the maternity benefits of employed women in 2015<sup>25</sup>.

The law on NGO (2016) defines that a trade union cannot be founded as an NGO in Armenia. Despite this regulation, an “indirect” protection activity of employed specialists is noticeable in some professional associations, such as Armenian Association of Drivers NGO, etc. This can be interpreted that suchlike professional associations sometimes act as non-formal “yellow” trade unions. It shows that there is some process of formation of modern “yellow” trade unions in separate spheres. Professional associations are mostly located in Yerevan, also some of them are in other biggest cities of Armenia (Gyumri, Vanadzor, etc).

## **2.2. Trade unions and professional associations in the public and private sectors**

From 19 sector-level, branch republican trade unions the following six include mostly or fully public sector employees:

### **1. Workers of State Enterprises, Municipal Authorities and Public Services**

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<sup>23</sup> Interview AM10.

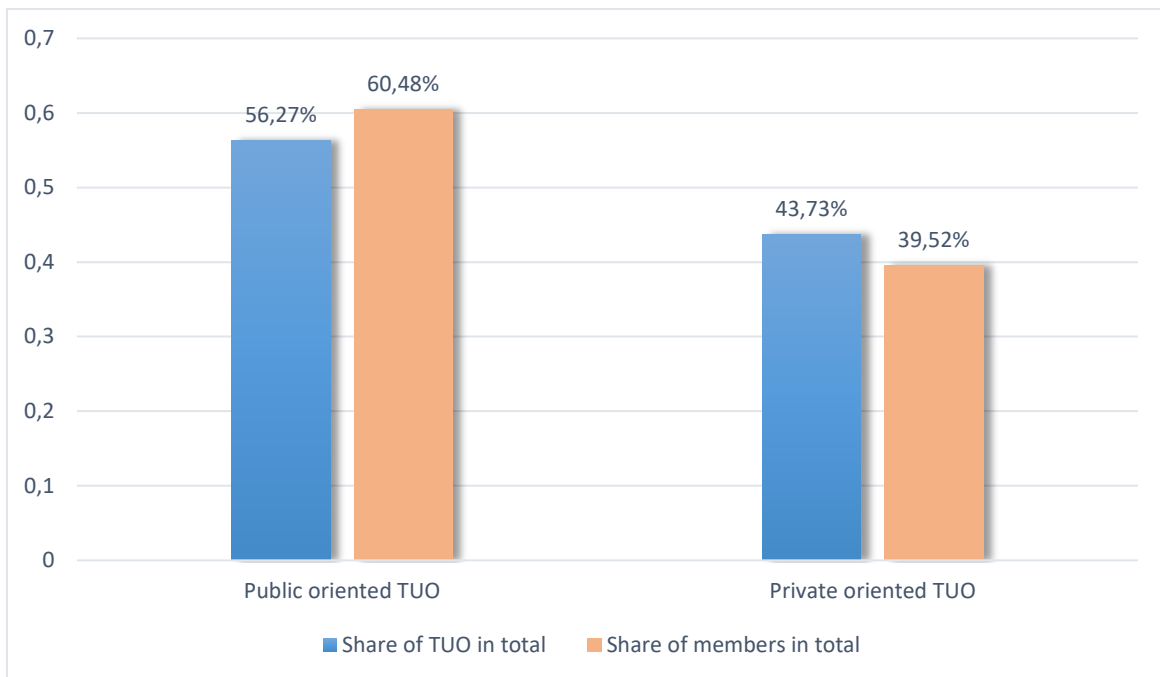
<sup>24</sup> Ministry of Justice, State registry reports, NGO Center (2018), National Review on Civil Society Supportive Environment, Lilit Stepanyan (2017), Civil Society Organizations in Armenia.

<sup>25</sup> A. Hakobyan, T. Margaryan (2015), CSO Engagement in Policy-Making in Armenia.

2. Employees of Municipal Economy and Public Utilities
3. Workers of Education and Science of Armenia
4. Institutions of Higher Education in Armenia
5. Health Workers of Armenia
6. Workers of Culture of Armenia

The first three of the above-mentioned branch unions usually include public sectors employees. Only part of the higher education and health institutions belongs to the private sector. According to the official statistics, 92% of employees in higher education are from public institutions<sup>26</sup>, which could reflect the limited presence of private universities in Armenia. Considering this diversification, a rough estimation shows that the first four branch republican trade unions mentioned, associate around 350 trade union organizations and 106,852 individual members. Those public sectors cover 56.3% of all trade union organizations and members represent around 60.5% of the total number of members of CTUA (see Figure 3).

**Figure 3: Public – private diversification of republican branch trade union organizations**



The density of public-oriented trade unions is quite high. Again, according to the official statistics only 24.5% of the total employed population is from public sectors. However, the

<sup>26</sup> Statistical Committee (2018) Labour market of the Republic of Armenia.

actual share of public sector employees in CTUA is almost 57%. This shows a high polarization of CTUA members in the public sector.

The public branch republican trade union named “Workers of State Enterprises, Municipal Authorities and Public Services” has a separate website<sup>27</sup>, showing its activities, events, etc. This entity also has a youth sub-direction mainly organizing leisure-oriented events and similar activities.

The advocacy activities of all four public branch republican trade unions are mainly related to raising various issues to the GoA on labour rights and ongoing reforms issues. CTUA official sources of public unions publish letters, reports, and discussion results on different issues. Several branch unions’ latest published announcements are a few years old. However, is no structured information on the achieved outcomes. The focus on legislation is not a distinct feature of Armenian trade unions. Especially in the region of Central and Eastern Europe, in an environment with lower law enforcement, unions at sector level also primarily aim at legislative changes and other strategies, such as collective bargaining, are used less often. This allows them first to secure better working conditions legislatively and thus for all, and second, it legitimizes their power and position within the society. Another example can be drawn from unions in Slovakia. The main confederation pushes for legislative changes to the minimum wage within the tripartite body (negotiations with employers’ associations and the government), which effectively undermines their position in collective bargaining over wages and wage increases at lower levels (sector and company). This, in the long term, may also hinder the position of trade unions vis-a vis other social partners, since unions are not legislative actors *per se*, and the main focus of their attention should be functioning social dialogue structures and collective bargaining.

The Local Governments and Public Service Employees of Armenia (LGPSEA; a member of CTUA) involves 52 trade union organizations representing employees of the public sector (public administration, self-government organizations and public service providers). Due to the gap in legislation, there is no collective agreement at the sector level, because there is no legal body on the employer’s side to negotiate with.<sup>28</sup> Collective agreements are signed at the company level, but it is not true for all trade union organizations, since some employers are not willing to do so. Specific issues LGPSEA wants to address are: (1) the social package (including

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<sup>27</sup> USLGPSEA official web site- [http://www.arhmiutyun.org/home\\_eng.html](http://www.arhmiutyun.org/home_eng.html)

<sup>28</sup> Interview AM 10.

health insurance), which is provided only to the civil servants but not to community servants; (2) unjustified dismissals; (3) low wages, especially for community employees. In this respect, our respondent further claimed that direct negotiations with the National Assembly could be beneficial, but even though there are no legal barriers to do so, there is no tradition of such as a cooperation.<sup>29</sup>

The Republican Union of Trade Union Organization of Health Workers of Armenia (RUTUOHWA; a member of CTUA) includes over 300 trade union organizations representing about 19,000 health care workers in both private and public sectors (hospitals, polyclinics etc.). Collective agreements are signed at both sector and company level. According to one respondent<sup>30</sup>, for several years, employers were not willing to sign collective agreements, but the situation has improved since the decentralization of the management of health care facilities. The main issues regarding the labour rights protection in this sector are: (1) low wages; (2) unjustified dismissals; (3) dense work schedules; (4) late provision of the state funding for the overall healthcare sector. The respondent<sup>31</sup> also stated that collective bargaining is not effective. In this respect, better and more centralized categorization of wages in the health care sector and workload standards for the medical staff would foster their bargaining power.

Branch republican trade unions covering mainly private sectors are related to around 270 trade union organizations. Some branch unions, “Workers of Agro-industrial Division of RA”, “Workers of Industry”, “Banks, Financial Institutions Employees and Professional Employees of Trade”, “Organizations of Miners, Metallurgists and Jewellers”, etc., are relatively active in events organizations and raising issues to the GoA. Several branch republican trade unions have official Facebook pages, but the general activity and quality rate have significant space for the improvement. As mentioned above, associations have the legal status of NGOs and as usual, the initiatives of formation come from the corporate levels. Nevertheless, there are associations which include professionals or employers from the whole sphere that can be somehow interpreted as public, such as the Armenian Association of Social Workers, the Association of SME Professionals, the Armenian Association of Neonatal Medicine, and alike.

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<sup>29</sup> Interview AM 10.

<sup>30</sup> Interview AM 2.

<sup>31</sup> Interview AM 2

### **3. Legislative Framework that Governs the Activities of Trade Unions and Professional Associations**

#### **3.1. Legislative framework governing the role and functions of trade unions and professional associations in the country**

According to the Civil Code (1999) and the law “On Trade Unions” (adopted in 2000 and revised in 2006, 2011, 2016 and 2018), trade unions are registered as non-governmental not-profit organizations (legal entities) without affiliation to any political party. Legally, the trade union organization shall be founded based on the decision of the founding assembly (congress, conference) convened on its founders' initiative (no less than 3 employees). The funding assembly adopts the organization's statute, elects the governing and supervising bodies. Members of trade union organization can be persons within or outside of the territory of the Republic of Armenia, including foreign citizens and persons without citizenship. The employee can be a member of more than one trade union organization if this does not contradict with their statute. The procedure of becoming member of a trade union organization shall be defined by the statute of that organization. Members of the armed forces and law enforcement bodies of the Republic of Armenia cannot be trade union members. A representative of an employer cannot be elected to the governing body of a trade union organization provided that a trade union operates on the premises of this employer.

The registration procedure currently takes about 30 days. One respondent<sup>32</sup> stated that the GoA aspires to make the registration period shorter (they aim for three days as in the case of registration of business enterprises). According to another respondent<sup>33</sup>, there were certain obstacles in registering independent trade unions at the Ministry of Justice as there are no legal grounds in the domestic legislation for establishing independent trade unions. The founders of ITUOJ had to refer to the international law to be allowed to get registered.

The law stipulates that trade unions are independent and non-political bodies. They have a right to negotiate with employers, local authorities and other involved parties to protect the workers' rights, give opinions and submit written applications to the GoA and the Parliament on various labour-related issues, lobby their agendas, as well as organize strikes, peaceful demonstrations

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<sup>32</sup> Interview AM 8.

<sup>33</sup> Interview AM 11.



and other mass activities for the same reason. Also, in companies with more than 50% trade union members, the trade union may sign a collective agreement with the employer and in this case, the rest of employees (non-trade union members) are automatically covered by the provisions of the given collective agreement. The legislation allows the workers to freely establish trade unions but, nowadays a trade union is usually established within comparatively bigger organizations. Most of the trade unions have been operating since the Soviet times so, in post-soviet period, they were re-established after the establishment of CTUA on the national level.

The law states that trade unions shall be independent from the state bodies, local self-governing bodies, employers and other organizations and parties and shall not be accountable to them or subject to their control, except in cases stipulated by law. State bodies, local self-governing bodies, employers, other organizations and individuals shall not be allowed to impede or interfere in the implementation of rights defined by trade union, except in cases stipulated by the law. According to article 14 of the law, trade unions can cooperate with and be a member of international and other foreign trade union organisations. The objectives of trade unions, as defined by the law, are the following:

- To represent and protect the labour and other related social rights and interests of trade union members against the employer and/or third person.
- Upon the employer's invitation, take part in drafting production plans and implementation of those plans.
- Present suggestions to the employer to improve labour and recreation conditions, to implement new technology, reduce handwork, revise production norms, revise wages and the procedure for revising them.
- Cooperate with the employer in providing salary bonuses and other incentives to its members. In this respect, trade union can participate in co-financing or financing of bonuses and other programs or can simply negotiate with employers over implementation of such programs. This function of trade unions derives from the strong embeddedness of trade unions in distributing company-specific benefits in the past and is similar to some other EaP countries (most notably, Ukraine and Azerbaijan). This is however less the case in Georgia where trade unions are weakly presented at the workplace level and are have to a greater extend made themselves truly distinguished from the operation of the employer. In Ukraine, some trade unions still benefit from the opportunity of co-determination of social benefits, but in fact that is their only role and

they are otherwise not real independent representatives of workers' interests). This role of unions is on the one hand attractive for the workers, but on the other hand is a source of dependence of trade unions on the employer or serving the employer interest due to employer control over social benefits.

- Upon the employer's request, discuss issues related to a member having breached labour discipline. Trade unions should defend the workers' rights vis-à-vis the employer, which also applies to cases of breaching labour discipline. However, at the same time, if the union is not independent from the employer, this function is one of those (together with distributing social benefits) where such dependence is most obvious, and in fact it is not the workers' rights, but the employers' standpoint, that is supported by unions (similar to Azerbaijan).

Trade unions, as provided by law, have the right to present a solicitation to state bodies, local self-governing bodies, an employer or other persons with the aim to protect trade union members' rights and interests, as well as to file a petition against their actions. Trade union representatives have the right to visit workplaces and examine working conditions. In response to the solicitation, an employer is obliged to inform the trade union about the measures taken on the issues that were raised. Trade unions have the right to obtain and distribute information from state bodies, local self-governing bodies, employers. Trade unions also have the right to participate in drafting and providing legislative initiatives.

The legislative environment of trade unions is also highly interrelated to and depending on employment and labour legislation.

The law enforcement of the Labour Code is limited due to the absence of a full/fledged State Labour Inspectorate. In 2014, the State Labour Inspectorate was significantly reduced to a point that many would claim that it was *de facto* abolished, and the remaining and rather limited competences of occupational safety and health were transferred to the Ministry of Health. Since then, the inspectors at the Ministry of Health deal only with violation of rights that affect health and safety at the workplace but there is no direct place for unions nor workers to bring other breaches of labour rights. As a result, employees must court case if their rights are violated and as most Armenians do not trust the courts and would not wish to/ or could pay the fees associated with a court case this effectively undermines their rights.<sup>34</sup> In 2019, the new

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<sup>34</sup> Interview AM 3.

Government announced intentions to reinstate the State Labour Inspectorate and the work on bylaws was initiated in second half of 2019.

According to Articles 20 and 22 of the Law on Trade Unions of the Republic of Armenia, TUs have the right only to organize and hold strikes in the manner prescribed by the Labour Code. According to the article 74 of the Labour Code, there are several legal obstacles in exercising the right to strike. If collective negotiations fail, trade unions have the right to organize strikes provided that the following legal requirements are met if that decision was approved by a secret ballot by two thirds of the total number of employees of a specific organization. The employer must be informed in writing 7 days prior to the intended date of the beginning of the strike. It is also possible to organize warning strikes lasting not more than 2 hours. In case of a warning strike, the employer must be informed three days prior to the strike.

According to one respondent<sup>35</sup>, as a result of these strict requirements, there have been very few strikes in the last decade, and thus, this right cannot be effectively utilized. However, unions can organize and carry out illegal strikes, for which they bear full responsibility. According to Article 73 of the Labour Code of the Republic of Armenia, the strike is the temporary termination of employment for the purpose of resolving collective labour disputes. So, TUs may organize a strike in the manner prescribed by the law in force only if there is a collective labour dispute and solely for the purpose of resolving it. The law still does not regulate relations with the organization of a strike for the protection of economic and social interests, which is not required by a collective labour dispute (a requirement of the Constitution). In fact, outside collective labour disputes, strikes organized and conducted by TUs will be considered illegal and their organizers will be held liable by law.

State bodies, local self-governing and other organizations, their officials, as well as other persons in compliance with the Legislation of the Republic of Armenia are obliged not to violate the rights of trade unions and members.

According to the Labour Code of the Republic of Armenia among the fundamental principles of labour regulation, it is indicated that collective agreements cannot contain conditions which are less favourable to workers than those stipulated by the labour legislation. If collective agreements contain such provisions, they are deemed invalid. The Labour Code deals with the collective bargaining process, the regulation, preparation, conclusion, and execution of

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<sup>35</sup> Interview AM 3.

collective agreements. Collective agreements can be concluded at state, branch, regional and company levels. Nevertheless, one respondent<sup>36</sup> claimed that there are often no collective agreements on the sectoral level, because there is no counterpart on the employer's side (such as in the case of the mining industry).

In August 2015, the GoA, RUEA and CTUA signed a tripartite collective agreement<sup>37</sup>, which defines additional guarantees of addressing social-labour and socio-economic relations and joint activities of the parties for their implementation aimed at increasing employment and enhancing social partnership. The parties commit to follow the requirements of the ILO Conventions (ratified) and the revised European Social Charter in their respective activities. Also, the parties come to an agreement that the draft laws, which concern the rights and interests of employers and employees, should first be submitted to this tri-partite commission for the review before submitting to the designated body for adoption. Nevertheless, the decisions made on the tripartite level are not binding even if all the parties hold the same position.<sup>38</sup>

Another priority for the tri-partite commission is to facilitate the establishment of trade union organizations with the employers which so far do not have them. The main areas of the Commission's work are the following: Workers' Safety & Health; Work, Salary & Workers' living standards; Labour Market & Employment; Social Insurance & Social Protection and Socio-Economic Field. The chairman of the Commission is the MLSA. Each of the involved parties should have an equal number of (five) representatives. The Commission holds quarterly, as well as, when needed, ad-hoc meetings. The decisions of the meetings are sent to the Prime Minister. Recently, since 2018 two tri-partite meetings have been organized and there is a consolidated will to make amendments in the tri-partite collective agreement, making it more targeted and related to the current state of the business sector, labour market and social issues.

The Law on Trade Unions has been almost unchanged since the last amendments in 2006. Amendments are very technical due to changes in related codes. It is obvious that the law does not take into account current needs and priorities, such as corporate social responsibility, more comprehensive framework of members' rights, a more efficient management structure and more comprehensive responsibility framework.

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<sup>36</sup> Interview AM 4.

<sup>37</sup>URL: [http://www.hamk.am/social.php?lang=arm&social\\_id=35](http://www.hamk.am/social.php?lang=arm&social_id=35)

<sup>38</sup> Interview AM 4.

One important issue is that trade unions are deprived of the opportunity to represent and protect the collective interests of their members in court. This is due to barriers in the court legislation, stating that the courts serve first of all person's and citizen's personal rights and not CTUA rights<sup>39</sup>.

The "Law on Non-Governmental Organizations" regulates the formation, functioning and rights of professional associations. The law defines the legal status of professional associations, regulates the relations arising regarding its establishment, management, functioning, reorganization, and liquidation. According to the law, a professional association is a non-governmental union of the citizens of the Republic of Armenia, citizens of foreign states, stateless persons, and legal persons, and has a status of a non-commercial organization. A professional association may have unlimited or limited membership.

The goal of a professional association is to engage in activities stemming from its statutory goals. The statute must set the statutory goals of the professional association. The principles of functioning of the professional association are legality, non-discrimination, good faith, common interests of its members, voluntary membership, autonomy, accountability. The law has been adopted in 2016 and is quite comprehensive but did not allow *Actio Popularis*, which is expected to be changed in the revisions planned for late 2019 and early 2020.

### **3.2. Recent or proposed legislative amendments to labour legislation in the country**

Armenia has ratified 23 ILO conventions, which constitute the country's labour legislation framework, and particularly the Labour Code of Armenia. Armenia has committed itself to adhering to international standards such as Article 11 of the European Convention on Human Rights, which includes the right to form trade unions and guarantees their basic rights. The Decent Work Country Programme (DWCP) for 2019-2023 was signed in Armenia in May 2019 by the Armenian tripartite constituents<sup>40</sup>.

The labour legislative framework in the Republic of Armenia is contained in the Constitution, as well as the Labour Code, Law on Employment, and other legal acts in the social and economic field. The Labour Code of the Republic of Armenia was adopted on November 9, 2004 and deals with various aspects of collective and individual labour relations. The Labour Code touches upon the framework of trade unions and employers' association regulation,

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<sup>39</sup> APG Group (2019), Expansion of authority of Armenian trade unions.

<sup>40</sup> MLSA official source - [http://www.mlsa.am/?page\\_id=1355](http://www.mlsa.am/?page_id=1355)

collective bargaining and collective agreements, contracts of employment, hours of works, paid leave, maternity protection and maternity leave, minimum age and protection of young workers, equality, pay issues, workers' representation in the enterprise, labour disputes settlements, strikes and lock-outs.

The Ministry of Labour (MLSA) is currently working on amendments to the Labour Code and public discussions are being organized. There is no final draft of amendments at the moment, but the general vector is to make it more relevant to the European Social Charter and ILO recommendations, especially conventions 87, 98, 111 and 138<sup>41</sup>. Also, practical cases in Armenia will be considered. The main issues on which there is a focus are: working hours, work leave, and forced work. One of the issues related to working hours is that working time is defined as 24 hours, which raises adequate concerns in particular spheres. Another issue is that the Labour Code stipulates that employees are allowed to take work leave only after 6 months since they started working. Furthermore, the current stipulations related to unpaid leave push employers to non-standard solutions. For example, when a worker needs to participate in a mid-term study program abroad, which is related to his/her current job, an unpaid leave does not apply, and the worker needs to formally quit his/her job.

In 2017 and early 2018, there were attempts of the previous Government to loosen the labour rights of employees working in the small business sector. According to one respondent<sup>42</sup>, this measure would primarily have jeopardized the labour right protection of women who are overrepresented in small enterprises and, thus, could have been affected most. Eventually, the proposal was dropped.

As mentioned earlier, the government elected in December 2018 has expressed and is demonstrating political will to re-establish the State Labour Inspectorate with professional and trained staff in the next 2-3 years. As one respondent<sup>43</sup> stated, the MLSA is seeking advice from and is working on necessary changes in cooperation with ILO with Central and Eastern European experiences as inspiration. EU experts may also assist in setting functioning and operating norms for the Inspectorate. The re-establishment of the Inspectorate is supported by the social partners as well.<sup>44</sup>

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<sup>41</sup> Interview AM 8.

<sup>42</sup> Interview AM 9.

<sup>43</sup> Interview AM 8.

<sup>44</sup> Interviews AM 1 and AM 4.

CTUA and RUEA are in a close touch and hold internal and public discussions and public events related to labour legislation amendments. Also, based on informal conversations, it is known that several active NGOs and professional associations are participating in these discussions. MLSA seeks to find optimal solutions also within the tripartite committee framework.

In June 2019, the GoA approved the draft proposal of the Government of the Republic of Armenia on the draft law on "Making Amendments to the RA Law on Minimum Monthly Salary". Based on amendments, the minimum wage will be increased by 24%, to 68,000 AMD. This is based on research and calculations of the minimum living costs, taking into account Armenian macroeconomic conditions, social indicators, employment and living conditions.

Currently, a new Republic of Armenia Employment Strategy covering the period 2019-2023 is under development. The new document will include several innovative initiatives, such as corporate social responsibility, social entrepreneurship, digitalization, new principles of monitoring and evaluation, etc.<sup>45</sup>

#### **4. Political Influence of Trade Unions/ Professional Associations**

After the USSR period, trade unions lost much of the power and influence the state had granted. However, Soviet institutional behaviour and legacy has had a tangible impact on the understanding of trade unions' role and working methods. Recent political changes in Armenia, the continuous development of CSOs and parallel social developments, and a more innovative reforms agenda of the GoA, create a good basis for trade unions to become more transparent, participatory, cooperative and innovate/modernise themselves.

There is continuous and active cooperation between CTUA and political parties. Relationships with the political movements can be described as indirect. CTUA branch republican trade unions are addressing their issues on labour rights mainly to the government. The lack of cooperation with political parties comes also from the not very active involvement of CTUA in ongoing labour and employment related legislative amendments and proposals. Well-grounded cooperation with political parties will give wider possibilities to CTUA to be more effective in reaching lawmakers on legislative concerns.

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<sup>45</sup> The author of this report is participating on the draft strategy.

Trade unions are not actively performing their primary function, which is to represent employees' interests. There is a misunderstanding of the role of trade unions among employees and due to high unemployment, most employees refrain to initiate any actions against their employers due to a fear to be fired. After the Soviet Union, the trade unions themselves need capacity building to effectively work with private employers with a view to protect the rights of employees, as well as improve their image among the employees and the general public. This, coupled with a misunderstanding of their role and low support, make trade unions weak. This is also a result of weak relationships with policymakers.

The newly established Independent Trade Union Organization of Journalists, according to one respondent<sup>46</sup>, cooperates with the elected members of the National Assembly since three out of twelve founders of ITUOJ were elected to the National Assembly. Within this platform, they try to impact legislative proposals and drafts, and raise different issues such as enabling trade unions to appeal to the court on behalf of their members.<sup>47</sup> Imposing political pressure on the MPs is exercised also by the Independent Trade Union of Workers in Education. As one respondent claimed, personal links are the most effective tool in Armenia to influence decision-making.<sup>48</sup> This may also reflect the small-state nature of politics in Armenia.

## **5. Finances and Funding of Trade Unions and Professional Associations**

Based on the legislation, trade union's property is constituted from entry fees, membership fees, voluntary investments, donations and other sources not prohibited by the Law.

According to the CTUA charter, each republican branch trade union pays an entry fee of three hundred times the minimum wage.

Republican branch trade unions pay CTUA monthly membership fees based on the number of members in the trade union organization, as follows

- up to 2,000 members - 5,000 AMD,
- from 2,001 to 5,000 members - 10,000 AMD,
- from 5,001 to 10,000 members - 15,000 AMD,

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<sup>46</sup> Interview AM 2.

<sup>47</sup> Interview AM 2.

<sup>48</sup> Interview AM 7.



- from 10,001 to 20,000 members - 20,000 AMD,
- from 20,001 to 30,000 members - 25,000 AMD,
- more than 30,001 members - 30000 AMD.

Trade union organizations collect fees from member employees and the size of fee is fixed in each republican branch trade union charter. A fee is usually 1% of the member's salary. The CTUA budgetary capital is deposited in banks, thus yielding additional monthly operating income.

Trade unions are still struggling to consolidate their financial basis. Most branch republican trade unions cannot meet the exigencies of all their primary organizations because of insufficient funds. A lack of funds also negatively affects:

1. involvement in litigations;
2. actions in defence of labour rights (such as walkouts);
3. active cooperation with mainstream media;
4. using and developing information databases (e.g. of their members);
5. maintaining websites and conducting public relations (PR) campaigns, and
6. possibilities of conducting effective, large-scale campaigns (to promote initiatives etc.).

The situation is further aggravated by low membership fees, which may be welcomed by members but hinder the trade unions' effectiveness. In fact, better performance would serve to motivate employees to join trade unions and pay membership fees in the first place, and without it trade union staff salaries also remain low and unattractive<sup>49</sup>.

According to the APG Group, if theoretically all trade union members are paid a minimum monthly salary, in case of 191.098 members the financial flow to trade union will make up AMD 105,103,900 monthly and AMD 1,261,246,800 or USD 2,600,000 annually. Not taking into account how the budget is allocated, which part stays in primary organizations and which part is transferred to branch unions and CTUA, generally, the amount of USD 2,600,000 is circulated within the trade union system<sup>50</sup>.

Few donor organizations run projects with the CTUA (like Friedrich Ebert Foundation funding seminars and discussions, Open Society Institute funding the study on implementation of labour

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<sup>49</sup> Tiruhi A. Nazaretian Tilman Alexander Busch, Armenian Trade Unions – Problems and Challenges, Friedrich Ebert Foundation, February 2017.

<sup>50</sup> Collective Labor Rights Protection Mechanisms in Armenia Research Report, US Embassy in Armenia, APG Group, Yerevan 2019.

legislation, etc.) but these projects are small and fragmented and it can be said that the CTUA lacks the capacity to attract donor/international organizations to utilize their financial and advisory support.

CTUA has real estate capital in the territory of Armenia and some of the buildings are being given rented out so that there is additional income from this source.

Generally, there is a noticeable gap in the overall infrastructure, facilities, availability of professional and highly motivated staff and IT solutions available to trade unions. This shows the insufficiency of financial resources which brings to the low level of overall effectiveness.

## **6. Human Resources of Trade Unions and Professional Associations**

CTUA and its branch republican unions are located in the same office/building in Yerevan. According to unofficial sources, professional staff has higher education, but the age level is high and staff capacities are limited.

Observations of CTUA's capacities, as well as public resources and PR campaigns show that awareness raising campaigns and other online communication tools could be used more frequently and more effectively. This is mainly the consequence of a lack of younger, more motivated staff with better soft skills, analytical and IT skills. Poor English language skills presents an issue as well. For example, "Workers of State Enterprises, Municipal Authorities and Public Services" republican branch trade union staff do not have any members with knowledge of English currently.

The trade union leaders, especially on national and sectoral levels, mostly represent the middle and senior age groups.

Staff trainings are available, but there is a need to update them in terms of used methodologies, including planning of the trainings, need assessment, better targeting of trainings and similar.

Technical capacities are not enough. CTUA needs to be technically upgraded to modern IT solutions. For example, CTUA do not have a relevant professional database of its infrastructure

and members. Online resources are not comprehensive and well structured. CTUA is not properly using social networking for internal online communication<sup>51</sup>.

CTUA does not use modern monitoring and evaluation methodology and tools. Such tools can be used to learn about the current state and capacity of the union in three main areas (internal organizational capacity, capacities to relate and capacities to influence and deliver), looking both at internal and external factors that affect the functioning of the union. A second way is to use tools to identify capacity areas that need to be strengthened, and to reflect on strategies to do so. A final application is assessing the progress in the capacity of the organization, for example after a period of capacity strengthening interventions.

Poor capacities and human resources are an issue. CTUA can sharply raise its effectiveness and the good will with parallel involvement of technical capacities and tools and involvement of highly motivated young staff.

Local Governments and Public Service Employees of Armenia face similar problems and lack capacities in terms of English language skills<sup>52</sup>. One respondent<sup>53</sup> stated that the Republican Union of Trade Union Organizations of Health Workers of Armenia encounters a shortage of human resources which does not allow them to engage more in negotiations with the GoA.<sup>54</sup> English language skills do not present an obstacle since health care workers (especially doctors and nurses) are usually capable of communicating in English. The respondent also further stated that expertise in terms of defining the standards of the workload of the medical staff would be needed.

Poor capacities are particularly relevant for the newly established independent trade unions which lack financial resources (also due to a currently low membership) for employing a permanent staff and renting an office.<sup>55</sup> According to respondents, this limits their ability to increase the membership base and to implement their activities.<sup>56</sup>

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<sup>51</sup> Expert have the information from internal discussions and observing CTUA online resources.

<sup>52</sup> Interview AM 10.

<sup>53</sup> Interview AM 2.

<sup>54</sup> Interview AM 2.

<sup>55</sup> Interview AM 11.

<sup>56</sup> Interview AM 11.

## 7. International Relations

CTUA is an affiliated organization of the International Trade Union Confederation. CTUA is also a member of the General Confederation of Trade Unions based in Moscow, Russia. The General Confederation of Trade Unions is widely recognized at the interstate level in the Commonwealth of Independent states. This institution was founded on April 16, 1992 and includes regional international trade union organizations. The General Confederation of Trade Unions organized several mutual events (seminars, conferences, trainings) with CTUA.

Both the Republican Union of Trade Union Organizations of Health Workers of Armenia and the Local Governments and Public Service Employees of Armenia are members of EPSU and attend seminars organized by EPSU. EPSU provides them with expertise and exchange of information which is particularly beneficial for them.<sup>57</sup> One of our respondents is, for instance, a member of the Health Care Committee at EPSU. In addition, both organizations cooperate with the ILO office via CTUA or individually. Cooperation with the ILO consists mainly of organizing workshops and seminars, and in this respect exchange of expertise including in the Decent Work Agenda.<sup>58</sup>

## Conclusions

Taking into account the broad understanding of the current state, obstacles, challenges and development gaps in Armenia, this section summarizes the particular resources informing the willingness and ability of unions, professional associations and other NGOs to advocate for workers' interests and labour rights. The summary draws on three types of resources, including institutional, structural and organizational resources that influence the operation of these types of organizations.<sup>59</sup>

Institutional factors are *de jure* and *de facto* support for trade unions' activities in the form of labour laws, social compromises agreed (e.g. with the government) in the past. Evidence in this report documents that the actual strength of unions using their institutional resources is dependent on employers' support for collective bargaining and accepting unions as a

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<sup>57</sup> Interview AM 10.

<sup>58</sup> Interview AM 2 and AM 10.

<sup>59</sup> Rebecca Gumbrell-McCormick and Richard Hyman (2013) Trade Unions in Western Europe, Doellgast, V., Lillie, N. and Pulignano, V. (2018), Reconstructing Solidarity, Aurora Trif, Magdalena Bernaciak, Marta Kahancová (2019) Thinking 'out of the box': Trade union innovation.

negotiation partner. In addition, unions are formally involved in tripartite social dialogue, which is their most important entry to policy making.

Structural resources are primarily contingent on the extent to which workers have a strategic position within the labour and product market as well as the ownership and size of companies. International market competition can hinder unions’ activities by increasing employers’ prerogatives to set working conditions, including by relocating (or threatening to do so) to countries with low(er) labour standards and dominance of labour-intensive activities controlled by large multinational companies can be challenge for trade unions to be in controlling position. However, many larger Armenian employers are either using raw materials from Armenia or are providing services (e.g. the larger supermarket chains) that cannot be easily moved to other countries.

In this respect, particularly vulnerable are female workers that are overrepresented in small business companies, and, thus, the protection of their rights might not be monitored effectively. That puts women in a particularly disadvantageous position also due to the fact that the trade unions do not consider women’s rights and gender-specific labour rights violations as a part of their agenda; therefore, labour unions should be strongly encouraged to strengthen their capacity in this area and start addressing these issues and launch activities to reduce these vulnerabilities in a more structured manner and thereby contribute proactively to improving labour rights protection of Armenian female workers.

In a broad sense, the weakness in institutional and organizational resources are the most important challenges for unions, professional associations and other NGOs involved in defending labour rights in Armenia. Regarding structural resources, the most important factor that polarizes the extent of advocating for labour rights is the existence of ‘outsourced’ businesses with about 50% concentration of international companies. Some of these companies are European owned and should be adhering to international and European labour standards.

The key findings of this study are summarized in Table 1 below.

**Table 1: SWOT analysis of the trade unions, professional associations and other CSOs in Armenia**

Strength	Weakness
<i>Characteristics of trade unions / professional associations / other CSOs that give them an advantage over others to be involved in civil society development, enhancing democracy, and be involved in policy dialogue.</i>	<i>Characteristics of the trade unions / professional associations / other CSOs that give them disadvantage relative to others to be involved in civil society development, enhancing democracy, and be involved in policy dialogue</i>

<p>Trade unions: The main institutional strength of trade unions is the formalized involvement in policy dialogue based on signed tripartite social partnership agreement “National Collective Agreement” between CTUA, RUEA, GoA are related only to institutional factor and regular meetings, availability of the discussions legal and organizational agenda. However, there is an empty space available to enhance this dialogue with other state bodies as the National Assembly, etc.</p> <p>Professional associations: Such organizations dealing with the labour advocacy are noticeably involved in enhancing democracy taking into account their programs and activities. This mainly refers to the institutional and organizational resources.</p> <p>Other CSOs: possess expertise in labour advocacy and are therefore good at civil society development and enhancing democracy. Expertise mainly derives from their institutional and organizational resources.</p>	<p>Trade unions: lack of innovative solutions and stagnation in good will development,</p> <p>Professional associations: Little opportunity to engage in policy dialogue; lack of institutional resources (specific legislation – PAs are mostly registered as NGOs).</p> <p>Other CSOs: N/A</p>
<b>Opportunities</b>	<b>Threats</b>
<p><i>Elements in the environment that the trade unions / professional associations / other CSOs could exploit to its advantage in the future to be involved in civil society development, enhancing democracy and be involved in policy dialogue. Describe the internal and external factors.</i></p>	<p><i>Elements in the environment that could hamper hamper/be a barrier for trade unions / professional associations / other CSOs to be involved in development of the civil society, enhancing democracy and in policy dialogue. Describe the internal and external factors.</i></p>
<p>Trade unions: Opportunities in internal development of staff capacities, public relations and infrastructures. Unions’ services to members should be more tangible and attractive for an average employee. Also, opportunity to change legislation to make it more practical and development oriented.</p> <p>Professional associations: N/A</p> <p>Other CSOs: N/A</p>	<p>Trade unions: Decreased public trust, fundamental reorganizational necessity.</p> <p>Professional associations: can be viewed as competition to trade unions, especially in policy involvement. Clarity of interests between unions, PAs and NGOs is needed to avoid overlapping capacities and competition.</p> <p>Other CSOs: N/A</p>

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## Annex: List of interviews and codes

Code	Interviewee - name of the organisation	Type of organisation	Private/public
AM 0	<u>Delegation of the European Union to Armenia</u>	Intern. Org.	N/A
AM 1	The Republican Union of Employers of Armenia	EO	Private
AM 2	Republican Union of Trade Union Organizations of Health Workers of Armenia	TU	Public
AM 3	Institute of Public Policy	CSO, NGO	Private
AM 4	Confederation of Trade Unions of Armenia	TU	Public
AM 5	Advanced Public Research Group	CSO, NGO	Private
AM 6	Union of Information Technology Enterprises	EO	Private
AM 7	Independent Trade Union of Workers in Education	TU	Public
AM 8	Ministry of Labour and Social Affairs of Armenia	Governmental	Public
AM 9	oxYGen (an independent advocacy and development foundation)	CSO, NGO	Private
AM 10	Local Governments and Public Service Employees of Armenia	TU	Public
AM 11	Independent Trade Union Organization for Journalists	TU	Public
AM 12	Central Election Committee	Governmental institution; expert	Public



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