

Federal State Autonomous Educational Institution for
Advanced Professional Training ,
«National Research University “, High School of Economics,
High School of Law



PRESENTATION

***“MINIMUM WAGES IN RUSSIA : EFFECTIVENESS
OF LEGISLATIVE MECHANISMS OF REGULATION”***

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MINIMUM LABOUR WAGE

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On 01.01.2013, the Russian Federation introduced the minimum labour wage (MLW) at 5,205 roubles (Federal Act # 232-FZ dated 03.12.2012)

Decree of the Government of the Russian Federation # 227 dated 18th March 2013

“On establishing a minimum living standard per capita and for the main socio-demographic groups of the population on the territory of the Russian Federation for the 4th quarter of 2012 “

1. The minimum living standard for the whole of the Russian Federation as of the 4th quarter of 2012 is set at 7,263 roubles for the able working population. ...

Constitutional bases for the issue

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«Every person has the right to receive remuneration for labour not below the level set by the federal law on minimum wage fixing».

Art. 37 Constitution of the RF

The minimum wages are set simultaneously for the entire territory of the Russian Federation by federal law and shall not be lower than the **minimum living standard** of the able-bodied population.

Section 1 art. 133 Labour Code of RF

The sequence and schedules for stage by stage raising of minimum wages to the level provided by section one of article 133 of the Labour Code of the Russian Federation **are set by federal law.**

Art. 421 , Labour Code of RF

International legislative standards

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Every worker enjoys the right **to receive just and satisfactory remuneration which ensures worthy human existence for the worker and the family .**

(Art. 23 Universal Declaration of Human Rights)

The countries participating in the International Pact on economic, social and cultural rights dated 16th December 1966 (Russia as one of the participants in the Pact)) recognize the right to receive remuneration which ensures all the working people as a minimum **satisfactory existence for them and their families** in accordance with the principles of the Pact .

(Art. 7 Pact)

The problem as such

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Question # 1 :

HOW CAN MINIMUM WAGES SET BELOW THE MINIMUM LIVING STANDARD OF THE ABLE-BODIED POPULATION ENSURE A WORTHY EXISTENCE FOR THE WORKER AND FAMILY ?

The problem as such (continued)

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Question # 2 .

Why is there no federal law setting the system and schedules for stage by stage raising of minimum wages to a level provided by section 1 of article 133 of the Labour Code of the Russian Federation (i.e. the living standard of the able-bodied population) ?

Labour code of the RF on minimum wages

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The system of the **basic state guarantees** for remuneration to workers incorporates the size of the minimum labour wage in the Russian Federation.

(Art. 130 Labour code of RF)

The monthly wage of a worker who had worked full time and performed fully all labour norms (work duties) shall not be less than the minimum fixed wage.

(Section.3 ,Art. 133 Labour code of RF)

«... On the basis of Art.7 of the Constitution of the RF, Art.23 of the Universal Declaration of Human Rights and Art.7 of the International Pat on economic, social and cultural rights, all the law enforcement agencies (courts, labour inspections) in response to demands by workers receiving wages below the minimum standard of life shall claim the employers to pay wages on the level of the minimum living standard».

Situation preceding 2007

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- ❑ Minimum wages are identified as monthly earnings set by federal law for unskilled labour during full working hours in performance of simple duties under normal working conditions.
- ❑ The minimum wages do not include stimulating (bonuses) and compensation payments.

Current model : shortcomings

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- ✓ the legal principles for additional payments to the level of minimum fixed wages have not been identified ;
- ✓ Salaries (tarifs) are set much lower than the minimum fixed wage;
- ✓ Within the budget sphere there is a widespread situation when stimulating payments are formal and fictitious and merely bring the monthly wages to the minimum fixed wage ;
- ✓ Performance of additional duties (art. 60.2,151 Labour code of RF), night shifts, overtime work, etc. have lost any meaning for many categories of workers and is particularly painful in the budget sphere ;
- ✓ Work in abnormal conditions is not taken into consideration (work in the Far North and other similar regions, heavy manual work entailing harmful or dangerous conditions, etc.) **are ignored by courts**

Current model : favourable aspects

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NO

**OR « THERE IS
NO MONEY ! »»**

Legal stand taken by the Supreme Court of the RF

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In accordance with Article 50 of the Labour Code of the RF the district coefficient for workers employed in the Far North and percentage payments for work history in the regions of the Far North shall be calculated in addition to the existing wages which without these payments cannot be less than the minimum wages fixed by federal law throughout the entire territory of the Russian Federation.

(Decision by the Supreme Court of RF # 3-B11-4 dated
8th April 2008)

Legal stand taken by the Supreme Court of the RF (continued))

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The wages of workers employed in the Far North and similar regions shall be equal to the minimum fixed wages, **with additional payments equal to the district coefficient and supplementary payments for work history in the given regions**

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Decision by the Supreme Court of RF # 3-B11-4 dated 8th April 2008)

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Regional alternatives for solution of the problem

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The minimum fixed wage incorporates the minimum payment to the worker who has fulfilled the monthly norm of work hours as set by legislation of the RF and performed labour duties (labour norms), and also includes the rates (salary) or non-rated payments, plus bonuses and other payments **with the exception of payments made under Articles 147,151,152,153 of the Labour Code of the RF .**

The minimum fixed wage in Moscow is set at **12,200 roubles** as of 1st July, 2013.

(par.1 -2 Agreement on minimum wages in Moscow for 2013)

Logics of the Ministry for Labour of the RF

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- Art.37 of the Constitution of the RF states the right of every one to remuneration not below the minimum fixed wage as set by the Federal Law.
- The concept of wage means remuneration in the form of salary and/or rated payment.
- This means that compensations and stimulating payments do not constitute labour wages and shall not be taken into consideration in comparing them with minimum fixed wages.

Proposals of the Ministry for Labour of the RF

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«The monthly wages of a worker who had worked full hours during that period shall not be less than the minimum fixed wage (Art. 133 ,Labour Code of the RF)

- This eliminates the risk of employers setting for workers excessive labour norms with the aim of reducing expenses due to higher minimum wages.

Models worth thinking about

(«Law on minimum wages “ (Israel)

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Workers over 18 years of age working full time have the right to receive a minimum wage set for :

- ❑ A month ;
- ❑ A day ;
- ❑ One hour of work.

Calculation system :

- Monthly wages - 45% of the average monthly wages set on the labour market;
- Minimum wages per day - $1/25$ of the monthly minimum fixed wage;
- Minimum hourly wage – $1/8$ of the daily minimum wage.

Data on minimum fixed wage are published on the first of April every year.

Back into the future

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Proposal by FNPR (O. V. Sokolov, E. I. Kosakovskaya), State Duma Committee for labour, social policy and veteran affairs (A. S. Leonov) :

- ✓ *Attachment of minimum fixed wages to minimum living standard of the able-bodied population of the RF ;*
- ✓ *Granting authority to set regional minimum fixed wages on the territories of the RF.*

«Under no circumstances shall the rated remuneration be lower than the minimum living standard set by the People's Commissariat of Labour for the population of each region of the RSFSR...»
(Art.. 58 ,Labour Code of RF, 1918)

**THANK YOU FOR YOUR KIND
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