



Mapping gaps and challenges in building effective wage policies in the Russian Federation

Anna Bolsheva

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**Mapping gaps and challenges in building effective
wage policies in the Russian Federation**

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**ILO Decent Work Technical Support Team and
Country Office for Eastern Europe and Central Asia**

Moscow, 2014

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Foreword

Wage policies and labour market institutions play a crucial role in building equitable societies and sustainable economies, in which the fruits of progress are shared with all. Recent trends around the world reveal that in many countries wages have not grown as rapidly as labour productivity, leading to a decline in the share of national income paid out as labour compensation. A majority of countries have also experienced growing inequality in the personal distribution income – with incomes increasing much more rapidly at the top than in the middle or at the bottom of the distribution. Such trends can be harmful for social justice, and can lead to “internal imbalances”, inducing families to borrow beyond their means and exerting a downward pressure on household consumption and aggregate demand. In other countries, wages have increased more rapidly than labour productivity, eroding external competitiveness and sometimes discouraging investment. Unsurprisingly, therefore, wage policies today stand at the centre of policy-making, receiving close attention from governments and social partners who – within their own national context – seek to ensure that minimum wages, collective bargaining, and other labour market institutions contribute to fair, efficient and inclusive labour markets.

The present working paper is the first ILO publication which specifically covers the minimum wages and collective bargaining on wages in Russia. The main purpose of this study is to review the design and the level of the national minimum wage as well as of regional minimum wages in three diverse economic regions – one selected from the highly developed cluster (Moscow), one selected from the developed regions cluster (Sverdlovsk oblast) and one selected from the moderately developed cluster (Krasnodar krai) – which have a regional collective agreement on the minimum wage. The national minimum wage in Russia is fixed by federal law whereas there is an institutional procedure for determining minimum wage policy. It is the subject of negotiations in the Russian Tripartite Committee, and particularly the subject of the General Agreement between the employers’ association, trade unions and the government of the Russian Federation. Since 2007, the opportunity has existed to set regional minimum wages above the federal rate which can be applied in 43 regions in Russia. The minimum wage set in the Regional Agreement covers all workers in each respective region, except public employees paid from the federal budget. The paper also reviews some aspects of collective bargaining in these three regions and touches upon the issues of labour market information systems with particular focus on wage statistics. It ends with a set of recommendations.

We trust that this report will serve as a useful reference particularly for those concerned with the development of wage policies in Russia.

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List of Abbreviations

| | | |
|---------|---|--|
| CBA | – | Collective Bargaining Agreement |
| GDP | – | Gross Domestic Product |
| FNPR | – | Federation of Independent Trade Unions of Russia |
| ILO | – | International Labour Organization |
| KTR | – | Confederation of Labour of Russia |
| MTC | – | Moscow Tripartite Committee |
| Rosstat | – | Federal State Statistic Service |

Introduction

Economic Development in the Russian Federation over the last five years

The 2008 global crisis started in the financial sector, but within a short time it strongly affected the industrial and service sectors in Russia. The event accentuated the economy's vulnerable side: the economic model was based on revenues from the export of oil, energy and raw materials and the country's budget depended substantially on oil price developments.

The crisis had considerable social and economic implications for labour, in particular as regards the increase in the unemployment rate, the reduction of nominal and real wages and the erosion of living standards.

In order to overcome the impact of the crisis, the Russian government launched a Programme of Anti-Crisis Measures for 2009. It was adopted in March 2009 and included a wide range of activities to support business and develop state social guarantees for the population (Government of the Russian Federation 2009). The President called for a "modernisation" plan for the Russian economy which was aimed at combating corruption and bureaucracy and diversifying the economy. The latter targeted a reduction of the country's dependency on oil and gas revenues and development of the real sector (Arguments and Facts 2008).

Despite the Anti-Crisis Measures Programme and the "modernisation" campaign of the Government, Russia's high dependence on raw materials exports remained a driving force in the economy. In 2011, the share of raw materials in the total volume of the Russian Federation export reached 70.3% (Federal State Statistic Service 2013), and 40% of Russia's GDP was generated by exports of raw materials (Reshetnikova 2011).

In 2010–2011 oil prices increased (~109\$/bbl in 2011) and Russia almost reached pre-crisis indicators (Oil prices in 2008–2013). However, in 2012 economic growth slowed as oil prices remained relatively stable. In 2013 the trade in global markets did not deliver the expected relief while oil prices retreated, stabilising below \$100/bbl during the second quarter of 2013 (World Bank 2013). In the beginning of 2013 the Russian Prime Minister stated that 50% of the state budget consisted of raw materials export revenues (Korrespondent.net 2013).

The economic slowdown of 2012–2013 in Russia was aggravated by weak domestic demand. Weakness in domestic demand was reflected in subdued investment and consumption activities. In 2013, consumption, the important growth driver in the past, expanded at a much slower pace than the year before. In the previous 3 years the relatively high level of consumption growth was stimulated by the considerable volume of credit taken out by the population. As a result, in 2013, the population of the Russian Federation had to use their income to pay credit debts ahead of consumption needs (World Bank 2013). This suggests that the effects of labour market policies and wage developments on household consumption and aggregate demand should be given further consideration.

Investment activities tapered sharply as large infrastructure projects for the Winter Olympic Games in Sochi and the Northern Stream pipeline neared completion. These might also impact negatively on employment indicators in 2013–2014. The new large infrastructure projects for the World Cup 2018 will also require considerable investments that might prove to be a challenge in economic slowdown circumstances (World Bank 2013).

Table 1 shows the socio-economic changes in the Russian Federation economy over the last six years.

Table 1. Social-economic indicators in the Russian Federation in 2007–2012

| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|---|----------|----------|----------|----------|----------|--------------------------|
| The GDP growth | 8,5% | 5.2% | -7.8% | 4.5% | 4.3% | 3.4% |
| Productivity growth | 7.5% | 4.8% | -4.1% | 3.2% | 3.8% | 3.1% |
| Average nominal wage per month (in rubles) | 13 593.4 | 17 290.1 | 18 637.5 | 20 952.2 | 23 369.2 | 26 628.9 |
| Average median wage | 8 876 | n\ | 13 192 | n\ | 16 043 | n\ |
| Annual inflation rate | 11.9% | 13.3% | 8.8% | 8.8% | 6.1% | 6.6% |
| Subsistence minimum level per month (in rubles)* | 4 159 | 4 971 | 5 572 | 6 138 | 6 878 | 7 049 |
| Unemployment rate | 6.0% | 6.2% | 8.3% | 7.3% | 6.5% | 5.5% |
| Population with income below subsistence minimum level¹ | | | | | | |
| Millions of people | 18.7 | 18.9 | 18.5 | 18.1 | 17.9 | 15.6 |
| Percentage from the total population | 13.3 | 13.4 | 13.2 | 12.8 | 12.7 | 11 (preliminary data) |

Exchange rate on 20.11.2013: 1\$ – 32.6 rubles; 1€ – 44.03 rubles
Source: Rosstat (Federal State Statistic Service 2013)

Characteristic of Minimum Wage Setting in the Russian Federation

Convention No. 131. In the context of the 2014 discussion of the ILO General Survey concerning minimum wage systems around the world, the Government member of the Russian Federation mentioned that the country was currently examining the conformity of national legislation with the Convention, with a view to preparing the ground for a possible ratification. (ILC, 103rd session, May–June 2014, Provisional Record, 13, Part one, paragraph 158).

According to the Labour Code of the Russian Federation, there is a uniform national minimum wage, which covers all the workers in Russia. The size of the national minimum wage is to be fixed in federal law and the payment of wages that are below the minimum wage is prohibited (Labour Code of the Russian Federation 2011).

In 2000 the government decided to delink the minimum wage and social security payments, estimations of taxes, civil penalties, compulsory fees etc. Before 2000 the amount of social security benefits, taxes and penalties was estimated in multiple uniform minimum wages. In June 2000 Federal Law # 82-FZ on Minimum Wage specified that estimations of civil penalties, taxes and other payments that are linked to the minimum wage should be calculated from the basic tariff of 100 rubles. In August 2000 special law # 122-FZ determined that scholarships and social security benefits should be set as a fixed monetary amount.

Debates around minimum wage definition were raised in 2007 after amendments to the Labour Code. The previous legislation defined the minimum wage as a monthly wage for unskilled employees who worked standard

¹ The subsistence minimum is an official poverty line in the Russian Federation. The level of poverty is measured by comparing the population's income with the level of the subsistence minimum.

working hours at simple tasks in standard working conditions. It pointed out that the size of the minimum wage did not include compensation (for example, compensation for hazardous working conditions), incentives and social benefits. The new law stated that the monthly wage of an employee who worked standard working hours and performed job tasks could not be less than the minimum wage (Labour Code of Russian Federation 2001). Thus, the main debates were about how to determine the level of the minimum wage. As there remains no clear definition in the law of what should be included in the amount of the minimum wage, this question tends to end up in court.

The national minimum wage is to be fixed by federal law. However, there is an institutional procedure for determining minimum wage policy. It is the subject of negotiations in the Russian Tripartite Committee, and particularly the subject of the General Agreement between the employers' association, trade unions and the government of the Russian Federation. The General Agreement usually contains general provisions concerning minimum wage policy, but not concrete measures regarding the minimum wage level, criteria, increases etc. Thus, in the General Agreement for 2011–2013, it was stated that “the parties consider it necessary to develop and implement a set of measures to ensure workers' rights to decent work, to improve real wages, income policy and living standards...for this purpose, the parties enter into the following commitments... to organise consultations to determine the minimum wage level as laid down in Article 133 of the Labour Code... to analyse the current system of minimum social guarantees, including minimum wages and social transfers in terms of their impact on poverty reduction” (General Agreement between Russian Trade Unions, Employers Association, Government for 2011–2013).

Since 2007, the opportunity has existed to set regional minimum wages in the Russian Federation. There are 83 regions in Russia. While the national minimum wage is to be set by federal law, the regional minimum wage can be set by a Regional Collective Agreement (Article 133.1 of the Labour Code). According to Article 45 of the Labour Code, a Regional Collective Agreement is a legal act concluded between representatives of employees and employers on the regional level and it regulates the general principles of social, labour and related economic relationships. Regional Collective Agreements can be bipartite or tripartite (Labour Code of the Russian Federation 2001).

The law does not make it compulsory for the regions to negotiate regional minimum wages. It gives the social partners at the regional level the right to bargain for higher minimum wages than the national one, within the framework of Regional Agreement negotiations. As a rule, the minimum wage set in the Regional Agreement covers all the workers in a particular region, except public employees paid from the federal budget (these workers are covered by the national minimum wage). However, regional social partners are free to set special minimum wage regulations for the employees of a particular sector, or district or to exclude that particular category of employees from the regional minimum wage coverage (Labour Code of the Russian Federation 2011).

Regional minimum wages and regions for the research

The latest analysis of the regional minimum wages in 2013 demonstrated that the number of regions with a regional minimum wage increased to 51 regions (Annex.1). In 39 regions social partners conducted Tripartite Agreements specifically about regional minimum wage; in 11 regions minimum wage was negotiated in the frame of the general Regional Tripartite Agreements; and in one region (Khakassia Republic) the regional government established a regional minimum wage for public workers in its governmental decree. Regions choose different criteria for their minimum wages in 13 regions minimum wage was equal to the regional subsistence minimum; in 28 regions the minimum wage was lower than the regional subsistence minimum; in 12 regions the minimum wage was higher than subsistence minimum. In most of the regions minimum wage was established for private sector employees; for public employees the national minimum wage was applied; in 20 regions there was a universal regional minimum wage for public and private sector employees; in 3 regions a special regional minimum wage was set for employees in the agricultural sector (Centre of economic analysis and expertise 2013).

The purpose of the current study is to analyse three different and diverse economic regions of the Russian Federation and discuss possible progress towards effective wage policies that ensure both competitiveness and a fair share to workers. For this reason the classification of regions developed by Grigoriev L., Urojaeva U., Ivanov D. was chosen to identify three regions for the research (Annex 2). The classification demonstrates

regional diversity based on regional industrial specialisation, level of employment in these industries and economic development indicators. Four main groups of industries in Russia were considered: agriculture, natural resource mining industries, manufacturing and market services. Thus, this classification gives a picture of regional diversity based on economic and industrial development indicators (Grigoriev, Urojaeva and Ivanov 2011).

According to the authors of the classification, moderately developed regions can be identified as a collective portrait of Russia with all its national characteristics and difficulties. In the future, they, like the developed regions, should improve the competitiveness of the leading industries. Considering the purpose of the study it was proposed to choose regions from different clusters: one region from the high developed regions cluster (Moscow), one from the developed regions cluster (Sverdlovsk oblast) and one from the moderately developed regions cluster (Krasnodar krai).

All of the selected regions conduct Regional Agreements on minimum wages that provide a good platform for comparative analysis.

Moscow is the capital of the Russian Federation, a city with federal status. It is the biggest city in Russia and the biggest regional economy with the highest regional GDP indicator. Moscow is considered as the largest financial centre and economic government centre in Russia. Besides national and regional government authorities, Moscow hosts more than half of the banks registered in the Russian Federation and the central offices of big companies. Moscow has highly developed services and trade sectors, developed manufacturing industries and is also the centre of the post-industrial economy (Official Moscow web-page 2013).

Sverdlovsk oblast is located in Ural Federal District of the Russian Federation with the regional centre in Yekaterinburg (the fifth largest city in Russia). Traditionally, the economy of the Sverdlovsk region was driven by industry. This region belongs to the group of top ten regions, which produces 40 % of the industrial products of the Russian Federation. Trade and service sectors are also developing in Sverdlovsk oblast due to foreign direct investments growth (BankGorodov.ru 2013).

Krasnodar krai is located in the South Federal District of the Russian Federation with the regional centre in Krasnodar. Traditionally in the structure of Krasnodar krai regional GDP the agricultural and transport sectors have been dominant. Due to the fact that Krasnodar krai hosted the Olympic Games in Sochi in 2014, the regional GDP structure has changed and the construction sector moved into the top position. Olympic investments helped the region to overcome the 2008–2009 crisis without too much of a decrease in GDP growth (BankGorodov.ru 2013).

Table 2. Regional GDP indicators

| Regional GDP per capita (in rubles) | 2007 | 2008 | 2009 | 2010 | 2011 |
|--|-------------|-------------|-------------|-------------|-------------|
| Moscow | 601 149.9 | 734 242 | 628 930.3 | 730 774.2 | 865 642 |
| Sverdlovsk oblast | 189 763.4 | 213 922.3 | 191 412 | 243 234.2 | 294 180.1 |
| Krasnodar krai | 125 700.4 | 155 103.6 | 165 555.1 | 196 914.3 | 233 913.7 |
| Regional GDP growth (%) | 2007 | 2008 | 2009 | 2010 | 2011 |
| Moscow | 8.3% | 7.7% | - 12.8% | 1.4% | 2.8% |
| Sverdlovsk oblast | 9.4% | 2.5% | - 11.6% | 11.4% | 8.9% |
| Krasnodar krai | 10.3% | 8.8% | -1.8% | 6.2% | 7.6% |

Exchange rate on 20.11.2013: 1\$ – 32.6 rubles; 1€ – 44.03 rubles
 Source: Rosstat (Federal State Statistic Service 2013)

Minimum Wage Settings in Moscow, Sverdlovsk oblast and Krasnodar krai

According to Article 133 of the Labour Code, the level of the national minimum wage is fixed in federal law. It is important to highlight that up to now, the minimum wage has not met the criteria laid down in Article 133 of the Labour Code. Since 2002, when the new Labour Code was introduced in Russia, the minimum wage was not allowed to be lower than the subsistence minimum (Labour Code of the Russian Federation 2011). According to law, the amount of the subsistence minimum is determined quarterly by reference to the consumer basket and the compulsory fees and taxes. There are national and regional subsistence minimums (Federal Law 1997).

Thus, since 2002, the amount of the national minimum wage should have been in line with the national subsistence minimum (Labour Code of Russian Federation 2001). However, the government interpreted this legal provision as the long-term goal to be reached in 2018 (see ILC, 103rd session, May–June 2014, Provisional Record, 13, Part one, paragraph 158); the special law on the minimum wage increase (according to the Article 421 of the Labour Code) has not been adopted, and the difference between the minimum wage and the subsistence minimum has therefore continued to date. Table 3 shows the difference between these two indicators from 2002 to 2013.

Table 3. National minimum wage and subsistence minimum (in rubles)

| Year | Subsistence Minimum\ per employee | Minimum wage | Ratio Minimum Wage\ Subsistence minimum |
|------------|--------------------------------------|--------------|--|
| 2002 | 1 968 | 450 | 22.8% |
| 2003 | 2 304 | 600 | 26.0% |
| 2004 | 2 602 | 720 | 27.6% |
| 2005 | 3 255 | 800 | 24.5% |
| 2006 | 3 695 | 1 100 | 29.7% |
| 2007 | 4 159 | 2 300 | 55.3% |
| 2008 | 4 971 | 2 300 | 46.2% |
| 2009 | 5 572 | 4 330 | 77.7% |
| 2010 | 6 138 | 4 330 | 70.5% |
| 2011 | 6 878 | 4 611 | 67.8% |
| 2012 | 7 049 | 4 611 | 65.4% |
| 2013 1Q | 7 633 | 5 205 | 68.2% |

Exchange rate on 20.11.2013: 1\$ – 32.6 rubles; 1€ – 44.03 rubles
Source: Rosstat (Federal State Statistic Service 2008)

It is important to note that, despite the fact that the minimum wage is lower than the subsistence minimum, this subsistence minimum is itself very low and arguably does not fully reflect employees' needs. It includes a basket of basic goods but does not take account of necessary expenditure on education, healthcare, childcare, etc (Bolsheva 2012).

Table 4 shows that the minimum wage is a small percentage of the national nominal average wage. By international standards this percentage is extremely low, as a majority of countries have minimum wages set at around 40 per cent of average wages (see ILO Global Wage Report 2010/11) or, in advanced economies, between 40 and 60 per cent of median wages (see ILO Global Wage Report 2012/13)².

² Average wages are the sum of all wages divided by the number of employees, and the median wage is the wage of the worker in the middle of the distribution with half of workers earning more and the other half earning less.

Table 4. Average nominal wage and national minimum wage (in rubles)

| Year | Average nominal wage in rubles | Nominal minimum wage in rubles | Ratio minimum wage\ Average nominal wage |
|------|--------------------------------|--------------------------------|--|
| 2002 | 4 360.3 | 450 | 10.3% |
| 2003 | 5 498.5 | 600 | 10.9% |
| 2004 | 6 739.5 | 720 | 10.6% |
| 2005 | 8 554.9 | 800 | 9.3% |
| 2006 | 10 633.9 | 1 100 | 10.3% |
| 2007 | 13 593.4 | 2 300 | 16.9% |
| 2008 | 17 290.1 | 2 300 | 13.3% |
| 2009 | 18 637.5 | 4 330 | 23.2% |
| 2010 | 20 952.2 | 4 330 | 20.7% |
| 2011 | 23 369.2 | 4 611 | 19.7% |
| 2012 | 26 628.9 | 4 611 | 17.3% |
| 2013 | n\ a | 5 205 | |

Exchange rate on 20.11.2013: 1\$ – 32.6 rubles; 1€ – 44.03 rubles

Source: Rosstat (Federal State Statistic Service 2013)

According to the ILO, the elements to be taken into consideration in determining the level of minimum wages should include: (a) the needs of workers and their families, taking into account the general level of wages in the country, the cost of living, social security benefits, and the relative living standards of other social groups; and (b) economic factors including the requirements of economic development, levels of productivity and the desirability of attaining and maintaining a high level of employment.

The low level of the national minimum wage in Russia suggests that it does not yet give sufficient weight to the objective of providing for the needs of workers and their families in order to guarantee them a decent standard of living. This makes regional minimum wages all the more important. According to the law (Article 133.1 of the Labour Code) social partners can improve minimum wage functionality at a regional level by conducting Regional Collective Agreements and setting a regional minimum wage higher than the national one.

Minimum wage settings in Moscow

Moscow is considered as the biggest regional economy with the highest regional GDP indicator. Standards of living and wages are higher in Moscow than in other regions of the Russian Federation. Even before 2007, when the Labour Code introduced regulations on regional minimum wage settings, Moscow social partners set the regional minimum wage above the national standard. The Moscow Government, Regional Trade Union Federation (affiliated to the Federation of Independent Trade Unions of Russia) and Moscow Employers' Confederation used to sign Regional Tripartite Agreements about working conditions in Moscow and included minimum wage settings in such agreements (Regional Tripartite Agreement in Moscow for 2007). From 2008 special Regional Agreements on minimum wage have been in place.

Since 2009 the Moscow Regional Agreement on minimum wage has included provisions concerning minimum wage definition and states that minimum wage is a payment to an employee who works standard working hours and performs job tasks, including tariff rate (salary) or remuneration according to a non-tariff system, as well as bonuses, allowances, other bonus payments, excluding overtime work, work in hazardous working conditions, a combination of job tasks, work during weekends and public holidays (Regional Agreement on Minimum Wage in Moscow in 2008).

The Moscow Regional Agreement covers all employers operating on the territory of Moscow if they do not exercise the right to lodge a written refusal to be a party of the Agreement within 30 days of its official publication. According to the Labour Code the regional minimum wage cannot cover employees paid from the federal budget.

Table 5 shows regional minimum wage development in Moscow over the last seven years.

Table 5. Regional minimum wage in Moscow

| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|-------------------------------|-----------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Minimum Wage in Moscow | 5 400 (01.05.2007) | 7 650 (01.09.2008) | 8 500 (01.05.2009) | 9 500 (01.01.2010) | 10 400 (01.01.2012) | 11 300 (01.01.2013) | 11 700 (01.01.2013) |
| | 6 100 (01.09.2007) | 8 300 (01.01.2009) | 8 700 (01.09.2009) | 10 000 (01.05.2010) | 11 100 (01.01.2012) | 11 700 (01.07.2013) | 12 200 (01.07.2013) |
| | Regional Agreement | Regional Agreement on MW | Regional Agreement on MW | Regional Agreement on MW | Regional Agreement on MW | Regional Agreement on MW | Regional Agreement on MW |
| National Minimum Wage | 2 300 | 2 300 | 4 330 | 4 330 | 4 611 | 4 611 | 5 205 |

Exchange rate on 20.11.2013: 1\$ – 32.6 rubles; 1€ – 44.03 rubles

Source: Rosstat (Federal State Statistic Service 2013)

Moscow is one of the exceptional regions in the Russian Federation where regional minimum wage is exceeding the regional subsistence minimum level, and the ratio of regional minimum wage to the regional average nominal is higher than the national ratio shown in Table 4. However, despite the fact that regional minimum wage in Moscow is one of the highest in Russia, it is still low by international standard when compared to the average nominal wage.

Table 6. Regional minimum wage, regional subsistence minimum, regional average nominal wage in Moscow

| | Regional Minimum Wage | Regional subsistence minimum for employees (IV Q) | Ratio Regional Minimum Wage\ Regional subsistence minimum | Regional average nominal wage | Ratio Regional Minimum Wage\ Regional average nominal wage |
|-------------|------------------------------|--|--|--------------------------------------|---|
| 2007 | 6 100 | 6 624 | 92% | 23 623 | 25.8% |
| 2008 | 7 650 | 7 510 | 101.8% | 30 552 | 25% |
| 2009 | 8 700 | 8 398 | 103.6% | 33 358 | 26% |
| 2010 | 10 000 | 9 825 | 101.8% | 38 411 | 26% |
| 2011 | 11 100 | 10 346 | 106.3% | 44 899 | 24.7% |
| 2012 | 11 700 | 10 998 | 106.4% | 47 876 | 24.4% |

Exchange rate on 20.11.2013: 1\$ – 32.6 rubles; 1€ – 44.03 rubles

Source: Rosstat (Federal State Statistic Service 2013), Mosgorstat (Moscow State Statistic Service 2013)

Moscow is one of the regions where the Moscow Tripartite Committee (MTC) has made alternative calculations for the regional subsistence minimum. Calculations of this minimum are based on the extended consumer basket that was adopted by Moscow Tripartite Committee in 1999. Although the state subsistence minimum is an official indicator in Moscow, MTC subsistence minimum is used by trade unions in collective bargaining and as an argument for the regional minimum wage increase. MTC subsistence minimum is substantially higher than the state subsistence minimum (Urshina 2007). At the end of 2012 MTC subsistence minimum wage was calculated as 14 540.69 rubles, and state subsistence minimum was equal to 10 998 rubles (Moscow Trade Union Federation 2012).

The percentage of the population with income below the subsistence minimum (poverty line in the Russian Federation) is one of the lowest in the country. In 2011 this indicator reached 10%.

Table 7. Population living below subsistence minimum level in Moscow (in millions)

| | 2007 | 2008 | 2009 | 2010 | 2011 |
|---|-------------|-------------|-------------|-------------|-------------|
| Population with income below subsistence minimum level | 1.32 | 1.41 | 1.17 | 1.14 | 1.15 |
| Percentage from the total population | 11.88 | 12.52 | 10.33 | 9.96 | 10 |

Source: Rosstat (Federal State Statistic Service 2013), Mosgorstat (Moscow State Statistic Service 2013)

Minimum wage settings in Sverdlovsk oblast

In 2007, when amendments to the Labour Code gave regions of the Russian Federation the opportunity to establish regional minimum wages, social partners in Sverdlovsk signed the first Regional Agreement on minimum wage. The Agreement was signed by Regional Government, Regional Trade Unions' Federation (affiliated to the Federation of Independent Trade Unions of Russia) and Regional Employers' Association. Social partners agreed to increase minimum wage from 2 300 to 2 900 in 2007 and up to 3 500 rubles in 2008 (Regional Agreement on Minimum Wage in Sverdlovsk oblast 2007). In 2009–2011, after a substantial minimum wage increase at the national level, regional authorities in Sverdlovsk oblast did not set a regional minimum wage, and, thus, the national minimum wage settings were in force.

In 2012 a new Regional Agreement was signed in Sverdlovsk oblast. According to this Agreement the regional minimum wage was increased to 5 300 rubles. The Agreement included provisions concerning regional minimum wage definition in Sverdlovsk oblast and stated that regional minimum wage included a basic wage tariff, compenstion and incentive payments. Moreover the Agreement stated that minimum wage settings would not be applied to the compensation payments provided in Collective Agreements which were signed before the Regional Agreement on minimum wage (Regional Agreement on Minimum Wage in Sevrlovsk oblast 2012).

Regional Agreements on minimum wage for 2007 and 2012 covered all employees (in public and private sectors) in the Sverdlovsk oblast, except workers who were paid from the federal budget. However, according to the law, employers have the right to refuse to be part of such agreements. The Labour Code gives employers the right to lodge a written refusal to be party to an agreement within 30 days of the official publication of the agreement.

In 2013 the Additional Agreement to the Regional Agreement on minimum wage was signed between social partners. The new Agreement provided a regional minimum wage increase for regional public workers, chemical industry workers, engineering workers, light industry workers and agricultural workers from 1st of October 2 013 up to 6 095 rubles and from 1st of October 2014 up to 7 090 rubles. For private sector workers the Agreement provided a regional minimum wage increase up to 6 095 rubles from 1st of July 2013 and up to 7 090 from 1st of July 2014 (Additional Agreement on Minimum Wage in Sverdlovsk obalst 2013). Table 8 shows the regional minimum wage development in Serdlovsk oblast since 2007.

Table 8. Regional minimum wage in Sverdlovsk oblast

| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|--|-----------------------|-----------------------|-----------------------|-------|-------|--------------------------------|----------------------------------|
| Minimum Wage in Sverdlovsk oblast | 2 900 (from 01.10) | 3 100 (from 01.07) | 4 330 | 4 330 | 4 611 | 5 300 | 6 095 |
| | 3500 (from 01.10) | | Federal Law #82–FZ | | | Regional Agreement on MW | Additional Agreement on MW |
| National Minimum Wage | 2 300 | 2 300 | 4 330 | 4 330 | 4 611 | 4 611 | 5 205 |

Exchange rate on 20.11.2013: 1\$ – 32.6 rubles; 1€ – 44.03 rubles

Source: Rosstat (Federal State Statistic Service 2013)

Table 9 summarises information about the ratio of the regional minimum wage to the regional subsistence minimum and the regional average nominal wage. It shows that the situation with regard to the regional minimum wage in Sverdlovsk oblast reflects the situation on a national level – the minimum wage size is lower than the subsistence minimum and is also low compared to the average nominal wage. Sverdlovsk social partners, especially trade unions, claim that their goal is to increase the minimum wage up to the regional subsistence minimum level. The regional subsistence minimum can be considered as a realistic the ideal criterion for the regional minimum wage in Sverdlovsk oblast.

Table 9. Regional minimum wage, regional subsistence minimum, regional average nominal wage in Sverdlovsk oblast

| | Regional Minimum Wage | Regional subsistence minimum for employees | Ratio Regional Minimum Wage\ Regional subsistence minimum | Regional average nominal wage | Ratio Regional Minimum Wage\ Regional average nominal wage |
|-------------|------------------------------|---|--|--------------------------------------|---|
| 2007 | 2 900 | 3 818 | 91.2% | 13 986.9 | 20.7% |
| 2008 | 3 500 | 4 565 | 76.7% | 17 526.7 | 20% |
| 2009 | 4 330 | 5 433 | 79.7% | 17 336.3 | 25% |
| 2010 | 4 330 | 5 907 | 73.3% | 19 756.7 | 22% |
| 2011 | 4 611 | 7 184 | 64.2% | 22 179.2 | 20.8% |
| 2012 | 5 300 | 7 096 | 74.7% | 25 138.8 | 21% |

Exchange rate on 20.11.2013: 1\$ – 32.6 rubles; 1€ – 44.03 rubles

Source: Rosstat (Federal State Statistic Service 2013), Sverdlovskstat (Sverdlovsk State Statistic Service 2013)

Up until recently, the regional minimum wage increase had a weak impact on poverty reduction in Sverdlovsk oblast; the number of people living below the subsistence minimum level did not start to reduce until 2012, coinciding with the year in which the minimum wage was increased above the federal level.

Table 10. Population living below subsistence minimum level in Sverdlovsk oblast

| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|---|-------------|-------------|-------------|-------------|-------------|-------------|
| Population with income below subsistence minimum level thousands of people | n/a | 455.05 | 457.85 | 431.16 | 452.14 | 371.67 |
| Percentage from the total population | 10.4 | 10,5 | 10,6 | 10,0 | 10,5 | 8,6 |

Source: Rosstat (Federal State Statistic Service 2013), Sverdlovskstat (Sverdlovsk State Statistic Service 2013)

Minimum wage setting in Krasnodar krai

Krasnodar krai was one of the first regions in the Russian Federation where the regional minimum wage for the private sector was set at the level of the regional subsistence minimum. The first Regional Agreement on minimum wage was signed in 2008 by Regional Government, Regional Trade Union Unite Organisation (affiliated to the Federation of Independent Trade Unions of Russia) and Regional Employers' Association. Public workers paid from federal, regional and municipal budgets were not covered by the Agreement, and national minimum wage settings were applied to this category of workers. Unlike the Regional Agreement in Sverdlovsk oblast, the Agreement in Krasnodar krai did not give clarification on what payments should be included in the minimum wage. In this respect it is possible to assume that debates about minimum wage definition on the national level are also relevant to the Krasnodar krai regional minimum wage (Regional Agreement on MW in Krasnodar krai 2008).

The regional subsistence minimum was chosen as the minimum wage criteria for private sector workers. The Agreement stated that if subsistence minimum level decreased the minimum wage size could not be decreased.

In 2012 a new Regional Agreement was signed with the same minimum wage settings for private and public workers (Regional Agreement on MW for 2012–2014 in Krasnodar krai). According to the Agreement employers had the right to lodge a written refusal to be party of the Agreement within 30 days of the official publication. There is a procedure governing this refusal. First, the employer has to explain the grounds for the refusal

after consultation with the local trade union organisation. Then the employer is invited to a regional tripartite committee to negotiate the refusal. Simultaneously, the refusal will be sent to the labour inspectorate, which has the right to verify its conformity with labour legislation.

Table 11 shows regional minimum wage development in Krasnodar krai.

Table 11. Regional minimum wage in Krasnodar krai

| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---------------------------------------|--------------------|---|--|--|--|---|-----------------------------------|
| Minimum Wage in Krasnodar krai | 2 300 | 4 691 (3Q) 2 300 (public sector) | 5 628 (3Q) 4 330 (public sector) | 6 135 (3Q) 4 330 (public sector) | 6 463 (3Q) 4 611 (public sector) | 6 740 (3Q) 4 611 (public sector) | 7 702 5 204 (public sector) |
| | Federal Law #82-FZ | Regional Agreement on MW from 20.03.2008 Regional Government decrees about subsistence minimum level in 3Q in 2008, 2009, 2010, 2011 | | | | Regional Agreement on MW In 2012–2014 Regional Government decrees about subsistence minimum | |
| National Minimum Wage | 2 300 | 2 300 | 4 330 | 4 330 | 4 611 | 4 611 | 5 205 |

Exchange rate on 20.11.2013: 1\$ – 32.6 rubles; 1€ – 44.03 rubles

Source: Rosstat(Federal State Statistic Service 2013)

Table 12 and Table 13 summarise information about the ratio of the regional minimum wage to the regional subsistence minimum and to the regional average nominal wage in the private and public sectors. Regional subsistence minimum and average nominal wage indicators in Krasnodar krai are lower than national and the ratio of the minimum to the average wages for private sector employees is higher than at the national level. However, the situation with regard to the regional minimum wage for public workers in Krasnodar krai more closely reflects the situation of the national level – the minimum wage size is lower than the subsistence minimum level and substantially lower than the average nominal wage.

Table 12. Regional minimum wage for private sector, regional subsistence minimum, regional average nominal wage in Krasnodar krai

| | Regional Minimum Wage | Regional subsistence minimum for employees | Ratio Regional Minimum Wage\ Regional subsistence minimum | Regional average nominal wage | Ratio Regional Minimum Wage\ Regional average nominal wage |
|-------------|------------------------------|---|--|--------------------------------------|---|
| 2007 | 2 300 | 4 105 (4Q of 2012) | 56% | 10 260 | 22.4% |
| 2008 | 4 691 (3Q) | 4 691 (3Q) | 100% | 13 162.5 | 35.6% |
| 2009 | 5 628 (3Q) | 5 628 (3Q) | 100% | 14 953.2 | 37.6% |
| 2010 | 6 135 (3Q) | 6 135 (3Q) | 100% | 16 329.9 | 37.6% |
| 2011 | 6 463 (3Q) | 6 463 (3Q) | 100% | 18 415 | 35% |
| 2012 | 6 740 (3Q) | 6 740 (3Q) | 100% | 21 870.1 | 30.8% |

Exchange rate on 20.11.2013: 1\$ – 32.6 rubles; 1€ – 44.03 rubles

Source: Rosstat (Federal State Statistic Service 2013), Krasnodarstat (Krasnodar State Statistic Service)

Table 13. Regional minimum wage for public sector, regional subsistence minimum, regional average nominal wage in Krasnodar krai

| | Regional Minimum Wage | Regional subsistence minimum for employees (average of the year) | Ratio Regional Minimum Wage\ Regional subsistence minimum | Regional average nominal wage | Ratio Regional Minimum Wage\ Regional average nominal wage |
|-------------|------------------------------|---|--|--------------------------------------|---|
| 2007 | 2 300 | 4 105 (4Q of 2012) | 56% | 10 260 | 22.4% |
| 2008 | 2 300 | 4 633 | 49.6% | 13 162.5 | 17.5% |
| 2009 | 4 330 | 5 545 | 78% | 14 953.2 | 28.9% |
| 2010 | 4 330 | 6 116 | 70.7% | 16 329.9 | 26.5% |
| 2011 | 4 611 | 6 381 | 72.3% | 18 415 | 25% |
| 2012 | 5 205 | 6 647 | 78.4% | 21 870.1 | 23.8% |

Exchange rate on 20.11.2013: 1\$ – 32.6 rubles; 1€ – 44.03 rubles

Source: Rosstat (Federal State Statistic Service 2013), Krasnodarstat (Krasnodar State Statistic Service)

The number of people living below the poverty line (subsistence minimum level) has been decreasing in Krasnodar krai over the last 6 years: in 2007 19.4% of the population of the region had income below the subsistence minimum level, and in 2012 this indicator decreased to 12.2%.

Table 14. Population living below subsistence minimum level in Krasnodar krai

| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|---|-------------|-------------|-------------|-------------|-------------|-------------|
| Population with income below subsistence minimum level thousands of people | n/a | 917.4 | 959.0 | 791.9 | 705.8 | 645.7 |
| Percentage from the total population | 19.4 | 17.7 | 18.5 | 15.2 | 13.5 | |

Source: Rosstat (Federal State Statistic Service 2013)

Similarities and differences

Comparative analysis of minimum wage policies in three regions of the Russian Federation demonstrates that social partners develop different approaches to the minimum wage. In Moscow and Sverdlovsk oblast regional trade unions, the government and employees agreed on a minimum wage definition. In Sverdlovsk oblast the Regional Agreement states that regional minimum wage includes a basic wage tariff, compenstion and incentive payments. Such an approach is not supported by the unions on the national level; Federation of Independent Trade Unions insists that the minimum wage should include only the basic wage tariff and all compensations and incentives should be paid above the minimum wage (Bolsheva 2012).

Minimum wage level, criteria and coverage are different in all three regions. In Krasnodar krai only private sector workers are covered by the minimum wage and the subsistence minimum was chosen as the minimum wage criteria. In Sverdlovsk oblast and in Moscow the regional minimum wage covers all workers, except

employees paid from the federal budget. In Sverdlovsk oblast the subsistence minimum is considered as the appropriate criteria to set the minimum wage, but to date the minimum wage size has not reached this level. In Moscow the minimum wage is higher than the state subsistence minimum level, but lower than Moscow Tripartite Committee subsistence minimum indicator.

The ratio of regional minimum wage to the average nominal wage varies across the three regions, but is generally on the low side. In Moscow, Sverdlovsk oblast and Krasnodar krai regional minimum wages are substantially lower than the average nominal wage (representing 20% to 30% of the average nominal wage). The ratio of the minimum wage for private sector workers to the average nominal wage in Krasnodar krai is higher and closer to international practice (37.5% of the average nominal wage in 2009–2010).

The number of people with income below the subsistence minimum has been decreasing in all three regions with the most considerable decrease in Krasnodar krai (from 19.4% of total population in 2007 to 12.2% in 2012).

Collective bargaining in Moscow, Sverdlovsk oblast, Krasnodar krai

The framework for the collective bargaining system in Russia is set by the institution of “social partnership”. Russian legislation structures social partnership on three levels: national, regional and local, where tripartite or bipartite negotiations can be held. At the national level, there are General Agreements between the federal government, employers’ associations and national trade union federations; and Sectoral Agreements between national sectoral unions, federal government and/or national employers’ associations. At the regional level, there are Regional (Territorial) Agreements and Regional (Territorial) Sectoral Agreements between regional trade unions, regional government and/or employers’ associations; and at the local (enterprise) level there are Collective Agreements between trade unions and the employer within the particular company concerned. Within this basic three-level system of agreements, it is also possible to conduct Sub-regional and Multi-regional Agreements (Labour Code of Russian Federation 2001).

Federation of Independent Trade Unions of Russia (FNPR) – the biggest trade union federation in Russia, recommends that its affiliates follow the principles of the unite bargaining campaign, which is based on three pillars: common terms, uniform demands, united action. Common terms imply a continuous sequence of negotiations since completion of negotiations on one level stimulates negotiation on another. Thus, the unite bargaining campaign starts in April with negotiations on the General Agreement and ends in December–January with Collective Agreements at the enterprise level. The uniform demands principle means that all trade unions should focus their negotiating strategy on agreed common demands concerning the living standards of workers and their families. Unite action principles imply solidarity and support for collective bargaining campaigns from trade unions of different levels (FNPR 2002).

Collective bargaining coverage in Russia is estimated to be more than 70% (International Labour Organization 2010). This high figure has been achieved as a result of the provisions of Russian law that make it possible for the government to extend the coverage of an agreement to all the employers in a particular sector or region. As a rule, a Sectoral Agreement and a Regional Sectoral Agreement cover all workers in the sector or region. An employer has the right to send a written refusal to join the Agreement within 30 days of its official publication (the same procedure as for the Regional Agreement) (Labour Code of Russian Federation 2001).

Therefore, the 70% collective bargaining coverage can be regarded as a formal figure, and the extended system of collective bargaining does not mean that wage bargaining takes place at all levels. Although according to the law it is possible to organise wage negotiations at the national, regional and local levels of the collective bargaining system, there are only a few examples of wage negotiations at the sectoral and regional levels. In most cases, real wage negotiations take place at the enterprise level between enterprise-level trade union organisations and management. Negotiated wages are laid down in the Collective Agreements and cover all workers of the company (Bolsheva 2012).

Collective bargaining in Moscow

The collective bargaining process takes place in Moscow region at a regional level, district level, regional sectoral level, and enterprise level (Moscow Trade Unions Federation 2012).

At the regional level the Moscow Government, Moscow Trade Unions Federation and Moscow Employers’ Confederation negotiate a Tripartite Agreement. In 1993 social partners established the Moscow Tripartite Committee – an official tripartite body where all negotiations concerning Regional Agreements take place (Moscow Trade Union Federation 2012).

The latest Tripartite Agreement was signed for three years from 2013 to 2015. The Agreement includes the obligations of social partners concerning economic policy in the region, labour market regulation, wages and population income, social protection (including social benefits and pension rights), occupational health and safety and environmental protection, youth policy (including social guarantees for young workers), sport and cultural events, and social partnership development. With regard to wages and the income part of the population, the Agreement includes a commitment to set minimum wage not lower than regional subsistence minimum, to comply with regional minimum wage regulation according to the Regional Agreement on MW, and to provide

guarantees for workers in the case of wage arrears and dismissals. Social partners also agreed to use the subsistence minimum calculations of the Moscow Tripartite Committee as a social reference for employers to improve living standards. The Agreement includes provisions concerning regional government subsidies to develop social partnership and ensure the education of social partners. It is important to note that Moscow government is extensively involved in the social partnership development and provides considerable subsidies for trade union and employers' capacity building, supports different programmes, and establishes special bodies that help to prevent and resolve collective disputes. For example, in 2001 Moscow government founded the Labour Arbitrage Court to resolve collective disputes in Moscow (Moscow Trade Unions Federation 2012).

Overall, the Regional Tripartite Agreement can be considered a social policy agreement that guarantees state involvement in social partnership development (Regional Tripartite Agreement in Moscow for 2013–2015).

There are 11 districts in Moscow where Trade Union District Councils, District Administration and District Employers Association negotiate District Collective Agreements. Usually social partners establish District Tripartite Committees to negotiate Agreements and monitor their implementation. District Collective Agreements can be considered as framework agreements with general rules for social partners. Trade Union District Councils, District Administration and District Employers Association do not negotiate tariffs and wages (Moscow Trade Unions Federation 2012).

On the regional sectoral level, trade unions, employers of a particular sector and the government department responsible for the sector can negotiate Sectoral Regional Agreements. However, Sectoral Agreements are set mostly in the public sector in Moscow (Moscow Trade Unions Federation 2012).

Regional Tripartite Agreements provide recommendations for social partners on the enterprise level concerning Collective Agreements. Regional Agreements recommend increases in wages according to the rise in the consumer prices index, and the establishment of a fixed part of wage at a level of not less than 2/3 of the total month's remuneration; excluding night shift payments in the minimum wage size. The Regional Agreement does not consider productivity growth as a criterion for wage adjustment (Regional Tripartite Agreement in Moscow for 2013–2015).

Thus, social partners at the regional level consider that real wage negotiations take place at the enterprise level between trade unions and employers. It is worth emphasising that not all of the enterprise-level trade union organisations are involved in wage negotiations. Employers try to keep unilateral control of wages and only strong trade unions can convince them to negotiate. The amount of wages that are subject to collective bargaining at the company level varies from company to company (Bolsheva 2012).

Collective bargaining in Sverdlovsk oblast

In Sverdlovsk oblast the collective bargaining process is structured at a regional level, municipal (territory) level, regional sectoral level, municipal (territory) sectoral level and enterprise level (Decree about Social Partnership Development in Sverdlovsk oblast 2002).

On the regional level two Regional Agreements were signed: the Regional Tripartite Agreement in Sverdlovsk oblast for 2013–2014 and the Agreement for small and medium size enterprises for 2013–2015.

The Regional Tripartite Agreement is negotiated in the frame of the Regional Tripartite Committee, which was founded in 2005 and includes representatives of Sverdlovsk oblast government, Trade Union Federation and Employers Association (Law of Sverdlovsk oblast "On Tripartite Committee" #36-OZ 2005). The Regional Agreement sets general rules concerning labour market regulation and economic policy in the region, wages system, social protection (including social benefits, benefits for youth and pension rights), occupational health and safety and environmental protection and social partnership development. Regarding the wage system, the Regional Agreement has established the wage system in Sverdlovsk oblast according to the Unite Scale of Tariffs for private sector workers. The scale system means that all wages are calculated based on the wage of the first grade worker with the lowest qualification; the wages of workers with higher qualification are calculated by adding a coefficient to the wage of the first grade employee. The system of wages for public workers is regulated by laws and National Sectoral Agreements, but the Regional Agreement provides the requirement

for Sverdlovsk oblast government to increase wage fund by a certain percentage (from 5% to 15%) (Regional Tripartite Agreement in Sverdlovsk oblast for 2013–2014).

According to the Tripartite Agreement Sverdlovsk oblast government ensures organisational and methodological support to the Regional Tripartite Committee provides subsidy to trade union educational organizations, provides favourable lease terms for trade union organizations to rent state owned facilities, and provides tax incentives.

The Regional Agreement for small and medium size enterprises for 2013–2015 was signed between Sverdlovsk oblast Government, Trade Union Federation and the Employers' Association of small and medium size enterprises. As a Regional Tripartite Agreement it also establishes a scale system of wages according to the Unite Scale of Tariffs for employees of small and medium size enterprises. However this Agreement differs from the Regional Tripartite Agreement in that it sets a minimum tariff for the first grade employee and determines an average real wage. According to Annex five of the Agreement these indicators are calculated in accordance with subsistence minimums.

The Trade union Federation in Sverdlovsk oblast provides data on a number of Territorial Collective Agreements in local municipalities and on Territorial Sectoral Collective Agreements. There are 73 local municipalities in Sverdlovsk oblast and at the beginning of 2013, 39 of them had Territorial Collective Agreements. The collective bargaining process takes place in the frame of the Territorial Tripartite Committees of each respective municipality. In 30 local municipalities, 37 Territorial Sectoral Collective Agreements (mostly for public sector workers) were signed (Trade Union Federation of Sverdlovsk oblast 2013).

In 2008 the Trade Union Federation in Sverdlovsk oblast adopted minimum standards that trade unions in the private sector should include in Collective Agreements at the enterprise level. Regarding wage regulations these minimum standards include provisions that the tariff rate of the first grade employee should be set at the level of 75% of the official subsistence minimum for an employee in Sverdlovsk oblast; the fixed share of wages should be not less than 50% of total remuneration; wages should be increased according to the consumer price index in Sverdlovsk oblast; and that the minimum wage of a full time employee should not be less than the official subsistence minimum level. Trade Union Federation in Sverdlovsk oblast recommends that an enterprise level trade union organisation should include not less than 50 % of the standards in Collective Agreements (Trade Union Federation of Sverdlovsk oblast 2008).

According to the Trade Union Federation in Sverdlovsk oblast 182 Collective Agreements at the enterprise level were conducted in the region in 2011. Trade union Federation managed to analyse 53 Collective Agreements and highlighted that enterprise level trade union organisations include minimum standards in the Collective Agreements. Some Collective Agreements include provisions above minimum standards. This is typical for the Steel and Mining Industry union where enterprise level trade unions determine minimum wage in the company above the subsistence minimum indicator. Taking into consideration the scale wage system in Sverdlovsk region, this means a general wage increase in the company. Trade unions also include wage increases according to the consumer price index in Collective Agreements at the enterprise level (Trade Union Federation of Sverdlovsk oblast 2011).

Collective bargaining in Krasnodar krai

In 2012, the collective bargaining system in Krasnodar krai included the Regional Tripartite Agreement; 25 Regional Sectoral Agreements; 44 Territorial Tripartite Agreements; 139 Sectoral Agreements on the territorial level; 17 882 Collective Agreements, including 7 369 Collective Agreements signed by trade union organisations; 10 other agreements (Unite Trade Union Organisation in Krasnodar krai 2013).

The Regional Tripartite Agreement for 2011–2013 is signed by the Krasnodar krai Government, the Trade union Unite Organisation and the Employers' Association. Negotiations take place in the frame of the Regional Tripartite Committee. The Regional Agreement provides general regulations on economic policy in the region, employment, living standards, social protection and social benefits, occupational safety, health and environmental protection, and social partnership development. Social partners have agreed that one of the main goals in the regional wage policy should be a real wage increase reflecting the productivity increase. However, the

Agreement does not provide concrete measures to implement this goal. It includes general provisions concerning minimum wage policy and recommendations for Collective Agreements at the enterprise level.

The Regional Tripartite Agreement recommends that enterprise level trade unions include in the Collective Agreements provisions concerning a fixed wage share of 70% of total remuneration; a wage increase allied to the consumer price index; compensation of lost income in the case of wage arrears; and a ratio of 6 to 1 for the wages of top management and average workers of the company.

The Tripartite Agreement does not include special commitments of the regional government to support the development of the social partnership by providing subsidies or other support measures. The Agreement states that social partners should implement the agreed policy to develop a social partnership in the region (Regional Tripartite Agreement in Krasnodar krai for 2011–2013).

There were 25 Regional Sectoral Agreements; 44 Territorial Tripartite Agreements; and 139 Sectoral Agreements on the territorial level in 2012. Territorial Tripartite Agreements were negotiated in the frame of the Territorial Tripartite Committees. Regional Sectoral Agreements and Sectoral Agreements on the territorial level are mostly signed for the public sector workers. For example, in the educational sector 100% of workers were covered by Collective Agreements in 2012. In general all these Agreements provide additional or special social benefits (for example the possibility of spending vacations on the Black Sea at reduced prices) for workers of particular a sector or territory (Unite Trade Union Organization in Krasnodar krai 2013).

According to the report on collective bargaining prepared by Krasnodar krai Trade union Unite Organization in 2012, 17 882 Collective Agreements were signed in the region and only 7 369 of them were signed by trade union organisations at the enterprise level. Therefore, it is possible to assume that more than 10 000 Collective Agreements in Krasnodar krai were signed either by workers councils (more likely), or by trade unions not affiliated to the Trade Union Unite Organisation. It is worth highlighting that 17 882 Collective Agreements cover 14.6% of employers that employ 60% of the total workforce in Krasnodar krai (Unite Trade Union Organization in Krasnodar krai 2013).

The Trade Union Unite Organisation in Krasnodar krai considers that Collective Agreements in the region have become more specific in their content, especially in sections on wages, employment, health and safety, training and social security. As an example the Trade Union Unite Organisation in the Collective Agreement of Russian Post provides for a 13% annual wage increase, medical and pension insurance and other benefits (Unite Trade Union Organisation in Krasnodar krai 2013).

It is interesting to look at the situation in the construction and building materials industry in Krasnodar krai since preparations for the Sochi Olympic Games required considerable construction work and brought significant investments to the sector. According to the Trade Union Unite Organisation in Krasnodar krai there is a Regional Sectoral Agreement in the construction and building materials industry that provides higher standards for construction workers than the Regional Tripartite Agreement. All Collective Agreements in the construction and building materials industry set a minimum wage above the regional subsistence minimum. The minimum wage corresponds to the minimum wage rate of the 1st grade construction worker determined in the Regional Sectoral Agreement in the construction and building materials industry. In the IV quarter of 2012 this was calculated as 6 848 rubles (Unite Trade Union Organisation in Krasnodar krai 2013).

Similarities and differences

Regional Tripartite Agreements in Moscow and in Krasnodar krai can be considered as social policy agreements that include different types of social benefits for employees. Thus, these Agreements cannot be considered as wage bargaining agreements.

In Sverdlovsk oblast the social partners put the wage system on the regional collective bargaining agenda. However, different Agreements that exist in Sverdlovsk oblast with numerous standards for wage settings make the whole system very complicated for practical implementation. In Moscow and in Sverdlovsk oblast the Regional Tripartite Agreements guarantee state (government) involvement in social partnership development.

Regional Governments in both regions provide subsidies to social partners, support programmes, provide tax incentives, etc.

Regional Sectoral Agreements and Sectoral Agreements on territorial level are conducted mostly in the public sector. This fact can be explained in several ways. First, an analysis of National Sectoral Agreements demonstrates that over 60 Agreements exist in the Russian Federation (Ministry of Health Care and Social Development of Russian Federation 2011). Therefore the framework provided by Territorial Collective Agreement, Tripartite Agreements and National Sectoral Agreements is adequate for sectoral social partners in the private sector and they do not need an additional agreement. Secondly, quite often employers do not form regional sectoral employers' associations in the private sector, and, thus, the third party of social partnership system is absent.

Regional Tripartite Agreements provide recommendations for social partners at the enterprise level concerning Collective Agreements. These recommendations include concrete wage settings like wages increasing in line with the consumer prices index, the establishment of a fixed wage at a certain level, etc. Therefore, it is possible to conclude that regional social partners acknowledge that real wage bargaining takes place at an enterprise level.

The amount of wages that are subject to collective bargaining at an enterprise level is usually higher than the amount of the minimum wage. Basically, the wage amount depends on the company's profits and the strength of the trade unions' position during negotiations.

It can be concluded that despite a well-constructed legal framework for wage bargaining, the system is relatively weak and wage negotiations remain uncoordinated. Agreements at regional and territorial levels have extensive coverage, but lack wage settings. Actual wage bargaining takes place at an enterprise level and depends on the business profits and the strength of the trade union. This leads to a situation when employees of the same profession who work in the same sector and region, but in different companies, can receive a very different wage.

The weak stage of Regional Sectoral Agreements enforcement can be clearly seen with the situation in the construction and building materials industry in Krasnodar krai, where during the preparation for the Olympic Games labour rights violations have been reported (Human Rights Watch 2013).

Labour Market Information Systems

The Federal State Statistic Service is the main source of statistical data that is used by social partners for negotiations on national, regional and sectoral levels. The Federal State Statistics Service (Rosstat) is a federal executive authority responsible for public policy and legal regulation of official state statistics, the development of official statistical information on social, economic, demographic, environmental and other social processes in the Russian Federation, and control in the field of official statistics. Rosstat develops and approves official statistical methodology for federal statistical surveys and official statistical information, and ensures compliance of this methodology with international standards and principles of official statistics (Federal Law 2013).

Official state statistics apply to official statistical information, the primary statistical data, and administrative data. Official statistical information is the summary of aggregate documented information on the massive quantity of the social, economic, demographic, environmental and other social processes in the Russian Federation. Official statistics on GDP and other macroeconomic indicators are developed based on national accounts information – a set of balance tables and methods for their preparation. Primary statistical data is the documented information about the federal statistical observation received from respondents, or information directly documented in the federal statistical observation. Administrative data is official statistical documented information received by federal authorities of the Russian Federation, local authorities, government agencies in the exercise of their administrative functions (permits registration, enforcement), as well as by other organisations to which the implementation of administrative functions is assigned by the legislation of the Russian Federation (Federal Law 2013).

Concerning labour market information, the Federal State Statistic Service provides official statistics on employment, unemployment rates, job cuts and new workplace development, industrial actions and strikes, average nominal wages, wage structure, wage share in GDP, wage arrears, working conditions etc. Rosstat also gives official statistical information about the poverty level in the country, population income, subsistence minimum, and social protection coverage. Recently Rosstat has developed the Decent Work indicators table according to the ILO Decent Work Agenda content. All this information is publically available on the Rosstat web page (Federal State Statistic Service 2013).

In each region of the Russian Federation there is a Regional Department of the Federal State Statistics Service that implements a federal statistical work plan; provides official statistical information for regional state authorities, local authorities, mass media, organisations and citizens; collects primary statistical data and administrative data, etc (Federal State Statistic Service 2013).

Although the Federal State Statistics Service provides extensive data on official statistics, certain limitations on this data concerning labour market information should be outlined. Rosstat does not give figures for real wages, provides limited calculations of median wage (only for 2005, 2007, 2009, 2011, 2013); provides limited information about strikes and collective disputes; and does not provide information on collective bargaining in the country.

There is no alternative organisation to the Federal State Statistics Service that provides comprehensive statistical data. Some regional social partners develop their own methodology to calculate social economic indicators. For example, Moscow Tripartite Committee has adopted the extensive consumer basket and calculates a regional subsistence minimum according to this basket.

Expert organizations, NGOs and academia also conduct research about the labour market in Russia. For example, in 2013 Ria Rating presented research on wage differences in the region (Ria Rating 2013), and the Centre of Labour and Social Rights researched the labour market and migration (Center of Social and Labour Rights 2013).

The Labour market information system in the Russian Federation lacks a reliable and comprehensive source on collective bargaining issues. Rosstat does not provide statistical information about collective agreements in the country. The Ministry of Labour and Social Development of the Russian Federation and regional governments, Trade Unions and Employers Associations make available fragmented information about National,

Sectoral and Regional Collective Agreements. Information about Collective Agreements at the enterprise level is provided by Trade Unions but does not give the full picture on Collective Agreements in the country. For example, Unite Trade Union Organisation in Krasnodar krai provides information about all CBAs that existed in the region in 2012, while the Trade Union Confederation in Sverdlovsk oblast provides information only about CBAs conducted in 2011.

The Federation of Independent Trade Unions of Russia (FNPR) presents extensive reports on Collective Bargaining Agreements (CBAs) in Russia. These reports include qualitative and quantitative information about CBAs on all the levels of social partnership. However data provided by FNPR is limited due to the fact that it is based on information from FNPR affiliates. In some cases information from the FNPR affiliates is not comprehensive, and some affiliates do not provide any information on CBAs to the FNPR central body.

Conclusions and Recommendations

In 2012–2013 the economy of the Russian Federation experienced the second wave of the economic slow-down. Despite attempts by the Russian Government to diversify the economy after 2008–2009 crises, the economic model is still based on revenues from the export of oil, energy and raw materials and the country's budget still depends substantially on oil price developments.

In this respect it is important to consider wage policies both for the long term as well as in times of economic crisis and recovery. As was proposed in the ILO Global Wage Reports 2010–2011, collective bargaining and the establishment of a minimum wage, when they are well coordinated, can help achieve a balanced and equitable recovery by ensuring that working families share in the fruits of future economic growth. At the same time, preventing the purchasing power of low-paid workers from falling can contribute to a faster recovery by sustaining private household consumption and aggregate demand.

At the moment, the national minimum wage in Russia is low and does not yet serve its original purpose of meeting the needs of workers and families in order to guarantee them a decent standard of living. Analysis of the minimum wage settings in three economically diverse regions of the Russian Federation demonstrated that the levels of economic and industrial development in the Russian regions improve upon the national minimum wage standard, but that minimum wages nonetheless remain low. In order to change this situation, the criteria for setting the minimum wage should be changed with a view to provide a better balance between the needs of workers and their families, and economic factors. In this respect, the national subsistence minimum is a useful indicator for setting a minimum wage, but should be complemented by taking into account the minimum wage's percentage of the national and regional average or median nominal wages, with an annual adjustment according to the inflation anticipated over the following year and the evolution of labour productivity. The recommended percentage of average or better median wages can be between 40% and 60% (Herr and Kazantziska 2011). Among the analysed regions the minimum wage of private sector workers in Krasnodar krai is closer to the proposed criteria (37.6 % of the average nominal wage in 2009–2010). The poverty reduction indicator is also higher in Krasnodar krai than in Moscow and Sverdlovsk oblast.

The framework for the collective bargaining system in Russia is set by the institution of “social partnership”. Social partners on national, regional and enterprise levels have rights to negotiate wages and working conditions and sign Collective Agreements. The high figure of collective bargaining coverage in Russia (more than 70%) has been achieved as a result of the provisions of Russian law that make it possible for the government to extend the coverage of an agreement to all the employers in a particular sector or region. However, despite a well-constructed legal framework for wage bargaining, the system does not function properly and wage negotiations remain uncoordinated. Agreements at the national, regional and territorial levels have extensive coverage, but lack of wage settings and mechanisms of enforcement. As a result, workers covered by National or Regional Collective Agreements are not protected by their provisions in the workplaces (example: Construction workers in Krasnodar krai).

The analysis of the collective bargaining situation in three regions demonstrated that only in Sverdlovsk oblast have the social partners put the wage system on the regional collective bargaining agenda. However, different Agreements that exist in Sverdlovsk oblast with numerous standards for wage settings make the whole system very complicated for practical implementation.

Although according to the law it is possible to organise wage negotiations at the national, regional and enterprise levels of the collective bargaining system, in most cases, real wage negotiations take place at the enterprise level. Negotiated wages are to be laid down in the Collective Agreements and cover all workers of the company. The actual result of the wage bargaining depends on the business profits and the strength of the trade union. Not all of the enterprise-level trade union organisations are involved in wage negotiations. This leads to a situation where employees of the same profession who work in the same sector and region, but in different companies, have considerably different wages.

It is reasonable to assume that if wage bargaining remains at the company level, only a limited number of trade union organisations will be involved in wage negotiations. This can lead to imbalances and tensions among un-

ions and workers within the same sector. A proposal could be to hold sectoral wage negotiations at the regional level. Such an approach also increases the meaningfulness of regional minimum wage negotiations, since it enables social partners to coordinate wage policy in the region and enforce a minimum wage at the appropriate rate.

It is also important to consider that social partners rely on the Federal State Statistics Service data which has certain gaps. In particular, Rosstat does not provide statistics about Collective Agreements in the Russian Federation. In order to formulate efficient wage policy, social partners need to develop systematic data on all Collective Agreements in the country. This will help to monitor the implementation of Collective Agreements, avoid overlap in Collective Agreements' provisions, and increase their efficiency.

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Annex 1.

Regional Minimum Wage (MW) in the Russian Federation in 2013

| | Region | MW in 2013 (in rubles) | Regional Agreements. Legal acts on MW |
|---------------------------------|------------------|---|--|
| Central Federal District | | | |
| 1. | Belgorod oblast | 6 641 (private sector) 5 205 (public sector) | Regional Tripartite Agreement in Belgorod oblast for 2011–2013 Federal Law #82-FZ |
| 2. | Bryansk oblast | 5 706 (private sector) 5 205 (public sector) | Regional Agreement on MW in Bryansk oblast in 2013 Federal Law #82-FZ |
| 3. | Vladimir oblast | 5 205 | Federal Law #82-FZ |
| 4. | Voronezh oblast | 6 524 (for private sector) 5 205 (for public sector) | Regional Tripartite Agreement in Voronezh region for 2011–2013 Federal Law #82-FZ |
| 5. | Ivanovo oblast | 6 706 (for private sector) 5 205 (for public sector) | Regional Tripartite Agreement in Ivanovo oblast for 2012–2014 Federal Law #82-FZ |
| 6. | Kaluga oblast | 7 234 (for private sector) 5 205 (for public sector) | Regional Agreement on MW in Kaluga oblast from 16.09.2013 Federal Law #82-FZ |
| 7. | Kostroma oblast | 7 556 (for private sector) 5 205 (for public sector) | Regional Agreement in Kostroma oblast in 2011–2013 Federal Law #82-FZ |
| 8. | Kursk oblast | 6 180 (for private sector) 5 205 (for public sector) | Regional Agreement on MW in Kursk oblast in 2013–2015 Federal Law #82-FZ |
| 9. | Lipetsk oblast | 6 159 (for private sector) 5 205 (for public sector) | Regional Agreement on MW in Lipetsk oblast in 2012–2014 Federal Law #82-FZ |
| 10. | Orel oblast | 5 205 | Federal Law #82-FZ |
| 11. | Smolensk oblast | 5 205 | Federal Law #82-FZ |
| 12. | Yaroslavl oblast | 7 386 (for private sector) 5 205 (for public sector) | Regional Tripartite Agreement in Yaroslavl oblast for 2011–2013 Federal Law #82-FZ |
| 13. | Moscow | 11 700 12 200 (from 1 st of July 2013) | Regional Agreement about MW in Moscow in 2013 |

| | Region | MW in 2013 (in rubles) | Regional Agreements. Legal acts on MW |
|------------------------------------|--------------------|--|--|
| 14. | Moscow oblast | 9 000 10 000 (from 1 st of May 2013) | Regional Agreement on MW in Moscow oblast |
| 15. | Ryazan oblast | 6 100 | Regional Agreement on MW in Ryazan oblast in 2013 |
| 16. | Tambov oblast | 7 000 (for private sector) 5 401 (for public sector) | Regional Agreement on MW in Tambov oblast |
| 17. | Tver oblast | 7 727 (for private sector) 5 205 (public sector) | Regional Agreement in Tver oblast in 2011–2013 Federal Law #82-FZ |
| 18. | Tula oblast | 10 000 (for private sector) 7 000 (for public workers) | Regional Agreement on MW in Tula oblast |
| North West Federal District | | | |
| 19. | Republic Karelia | Public workers 6 837 (north regions) and 5 494 for other regions Private workers 8 404 (north regions) and 7 256 for other regions | Regional Agreement on MW in Republic Karelia. Governmental decree #556p-II |
| 20. | Komi Republic | 5 205 | Federal Law #82-FZ |
| 21. | Arkhangelsk oblast | 5 205 | Federal Law #82-FZ |
| 22. | Vologda oblast | 5 205 | Federal Law #82-FZ |
| 23. | Kaliningrad oblast | 6 500 (01.01.2013) 7 000 (from 1 st of May 2013) | Regional Agreement on MW in Kaliningrad oblast |
| 24. | Leningrad oblast | 6 800 7 000 (1 st of September 2013) | Regional Agreement on MW in Leningrad oblast |
| 25. | Murmansk oblast | 9 112 9 590 (1 st of March 2013) 10 165 (from 1 st of July 2013) 10 730 (from 1 st of November 2013) | Amendments to the Regional Agreement on MW in Murmansk oblast in 2011–2013 |
| 26. | Novgorod oblast | 6 935 (for private sector) 5 205 (for public sector) | Regional Agreement on MW in Novgorod oblast in 2013 Federal Law #82-FZ |
| 27. | Pskov oblast | 5 205 | Federal Law #82-FZ |

| | Region | MW in 2013 (in rubles) | Regional Agreements. Legal acts on MW |
|-------------------------------------|----------------------------------|--|---|
| 28. | Nenetskiy AO | 5 205 | Federal Law #82-FZ |
| 29. | St-Petersburg | 8 326 | Regional Agreement on MW in St-Petersburg in 2013 |
| South Federal District | | | |
| 30. | Republic Adigea | 5 205 | Federal Law #82-FZ |
| 31. | Republic Kalmikia | 5 205 | Federal Law #82-FZ |
| 32. | Krasnodar krai | 7 702 (for private sector) 5 205 (for public sector) | Regional Agreement on MW in Krasnodar krai in 2012–2014 Federal Law #82-FZ |
| 33. | Astrakhan oblast | 6 760 (for private sector) 5 205 (for public sector) | Regional Agreement on MW in Astrakhan oblast in 2013 – 2015 Federal Law #82-FZ |
| 34. | Volgograd oblast | 9 052 (for private sector) 5 205 (for public sector) | Regional Agreement on MW in Volgograd oblast Federal Law #82-FZ |
| 35. | Rostov oblast | 5 205 | Federal Law #82-FZ |
| 36. | Dagestan Republic | 5 205 | Federal Law #82-FZ |
| 37. | Republic Ingushetia | 5 205 | Federal Law #82-FZ |
| 38. | Kabardino-Balkaria Re- public | 7 172 | Regional Agreement on MW in Kabardino-Balkaria Republic in 2011–2013 |
| 39. | Karachaevo-Cherkesk Republic | 5 205 | Federal Law #82-FZ |
| 40. | Republic North Osetia | 5 205 | Federal Law #82-FZ |
| 41. | Chechnya Republic | 7 927 (for private sector) 5 205 (for public sector) | Regional Tripartite Agreement in Chechnya Republic for 2011–2013 Federal Law #82-FZ |
| 42. | Stavropol krai | 6 923 (for private sector) 5 205 (for public sector) | Regional Tripartite Agreement in Stavropol krai for 2013–2015 Federal Law #82-FZ |
| Privolzhsky Federal District | | | |
| 43. | Bashkortostan Republic | 6 848 | Regional Tripartite Agreement in Bashkortostan Republic for 2011–2013 |
| 44. | Republic Mari El | 5 205 | Federal Law #82-FZ |
| 45. | Mordovia Republic | 5 205 | Federal Law #82-FZ |
| 46. | Tatarstan Republic | 5 205 | Federal Law #82-FZ |
| 47. | Udmurtia Republic | 5 207 | Regional Agreement on MW in Udmurtia Republic |
| 48. | Chuvashia Republic | 5 205 | Federal Law #82-FZ |
| 49. | Perm krai | 5 205 | Federal Law #82-FZ |

| | Region | MW in 2013 (in rubles) | Regional Agreements. Legal acts on MW |
|---------------------------------|-------------------------|--|---|
| 50. | Kirov oblast | 5 205 | Federal Law #82-FZ |
| 51. | Nizhniy Novgorod oblast | 7 140 (for private sector) 5 205 (for public sector) | Regional Agreement on MW in Nizhniy Novgorod oblast in 2013 Federal Law #82-FZ |
| 52. | Orenburg oblast | 5 205 | Federal Law #82-FZ |
| 53. | Penza oblast | 5 205 | Federal Law #82-FZ |
| 54. | Samara oblast | 5 205 | Federal Law #82-FZ |
| 55. | Saratov oblast | 5 205 | Federal Law #82-FZ |
| 56. | Ulyanovsk oblast | 6 897 (for private sector) 5 205 (for public sector) | Regional Tripartite Agreement in Ulyanovsk oblast for 2013–2015 Federal Law #82-FZ |
| Ural Federal District | | | |
| 57. | Kurgan oblast | 6 553 (for private sector) 5 205 (for public sector) | Regional Agreement about MW in Kurgan oblast Federal Law #82-FZ |
| 58. | Sverdlovsk oblast | 6 095 (from 1 st of July 2013) 7 090 (1 st July 2014) | Regional Agreement on MW in Sverdlovsk oblast |
| 59. | Tumen oblast | 7 970 (for private sector) 5 500 (for public sector) | Amendments to the Regional Agreement on MW in Tumen oblast |
| 60. | Chelyabinsk oblast | 7 630 (for private sector) 5 205 (for public sector) | Regional Agreement on MW in Chelyabinsk oblast Federal Law #82-FZ |
| 61. | Khanty-Mansi AO | 10 250 | Regional Agreement on MW in Khanty-Mansi AO |
| 62. | Yamal Nenets AO | 11 171 | Regional Agreement on MW in Yamal Nenets AO |
| Siberia Federal District | | | |
| 63. | Altai Republic | 5 205 | Federal Law #82-FZ |
| 64. | Republic Buryatia | 6 693 | Regional Agreement on MW in Republic Buryatia |
| 65. | Republic Tiva | 5 205 | Federal Law #82-FZ |
| 66. | Republic Khakassia | 5 533 (for public sector) | Regional government decree from 30.05.2012 |
| 67. | Altai krai | 6 760 (for private sector) 5 205 (for public sector) | Regional Agreement on MW in Altai krai in 2013–2015 Federal Law #82-FZ |

| | Region | MW in 2013 (in rubles) | Regional Agreements. Legal acts on MW |
|----------------------------------|--------------------------|---|--|
| Siberia Federal District | | | |
| 68. | Zabaikalsky krai | 5 500 for public and agriculture sector 7 368 for public sector workers in the North 6 782 for private sector 8 817 for private sector in the North | Regional Agreement on MW in Zabaikalsky krai |
| 69. | Krasnoyarsk krai | 5 205 | Federal Law #82-FZ |
| 70. | Irkutsk oblast | 5 205 | Federal Law #82-FZ |
| 71. | Kemerovo oblast | 9 138 (for private sector) 5 205 (for public sector) | Regional Tripartite Agreement in Kemerovo oblast for 2013–2015 Federal Law #82-FZ |
| 72. | Novosibirsk oblast | 9 030 (for private sector) 6 200 (for private sector in agriculture) 5 205 (public sector) | Regional Agreement on MW in Novosibirsk oblast Federal Law #82-FZ |
| 73. | Omsk oblast | 5 722 (for private sector) 5 205 (for public and agriculture sectors) | Regional Agreement on MW in Omsk oblast Federal Law #82-FZ |
| 74. | Tomsk oblast | Equal to the subsistence minimum for private sector workers (8 941– North regions, 8 943 – Sterjnevoi city, 8 017 – Asino city, 7 088 – Tomsk; 7 553 – Tomsk area and other regions) From 5 205 to 8 083 – for public sector | Regional Agreement on MW in Tomsk oblast |
| Far East Federal District | | | |
| 75. | Republic Sahka (Yakutia) | 10 540 | Regional Agreement on MW in Republic Sahka (Yakutia) |
| 76. | Kamchatka krai | 12 200 | Regional Agreement on MW in Kamchatka krai |
| 77. | Primorsky krai | 5 205 | Federal Law #82-FZ |
| 78. | Khabarovsk krai | 8 142 | Regional Agreement on MW in Khabarovsk krai |

| | Region | MW in 2013 (in rubles) | Regional Agreements. Legal acts on MW |
|-----|-----------------|---|--|
| 79. | Amur oblast | 5 535 – south regions 5 995 – north regions | Regional Agreement on MW in Amur oblast |
| 80. | Magadan oblast | 13 050 | Regional Agreements on MW in Magadan oblast |
| 81. | Sakhalin oblast | 11 490 | Regional Agreement on MW in Sakhalin oblast in 2013 |
| 82 | Jewish AO | 5 995 (for private sector) 5 205 (for public sector) | Regional Agreement on MW in Jewish AO Federal Law #82-FZ |
| 83. | Chukotka AO | 5 205 | Federal Law #82-FZ |

Annex 2. Classification of Regions in the Russian Federation

| HIGHLY DEVELOPED REGIONS | |
|---|--|
| Financial economic centers | Moscow, St-Petersburg, Moscow oblast |
| Resource export oriented regions | Komi republic, Sakha (Yakutia), Sakhalin oblast, Tumen oblast, Khanti-Mansi AO, Yamal Nentsk AO |
| DEVELOPED REGIONS | |
| Regions with diversified economy | Tatarstan republic, Nizhniy Novgorod k oblast, Novosibirsk oblast, Rostov oblast, Samara oblast, Sverdlovsk oblast |
| Regions with developed manufacturing industries | Volgograd oblast, Irkutsk oblast, Leningrad oblast, Lipetsk oblast, Novgorod oblast, Omsk oblast, Chelyabinsk oblast, Yaroslavl oblast |
| Regions with developed natural resource mining industries | Bashkortostan republic, Belgorod oblast, Kemerovo oblast, Murmansk oblast, Tomsk oblast, Krasnoyarsk krai, Perm krai |
| MODERATELY DEVELOPED REGIONS | |
| Industrial and agricultural regions | Karelia republic, Khakassia republic, Udmurtia republic, Primorsky krai, Khabarovsk krai, Arkhangelsk oblast, Vladimir oblast, Ivanovo oblast, Kaliningrad oblast, Kaluga oblast, Kostroma oblast, Ryazan oblast, Smolensk oblast, Tver oblast, Tula oblast |
| Agricultural and industrial regions | Buryatia republic, Mari El republic, Mordovia republic, North Ossetia-Alania republic, Chuvashia republic, Altai krai, Kamchatka krai, Krasnodar krai, Stavropol krai, Astrakhan oblast, Bryansk oblast, Volgograd oblast, Voronezh oblast, Kirov oblast, Kurgan oblast, Kursk oblast, Orenburg oblast, Orel oblast, Penza oblast, Pskov oblast, Saratov oblast, Tambov oblast, Ulyanovsk oblast |
| LESS DEVELOPED REGIONS | |
| Regions with deposits of raw materials | Zabaikalsky krai, Amur oblast, Magadan oblast, Chukotka AO, Nentski AO |
| Agricultural regions | Adigea republic, Altai republic, Dagestan republic, Ingushetia republic, Kabardino- Balkaria republic, Kalmikia republic, Karachaevo-Cherkessia republic, Tiva republic, Chechnya republic, Jewish AO |

Annex 3.

List of Collective Bargaining Agreements Applied in the Research (in English and Russian)

National level

General Agreement between Russian Trade Unions, Employers Association, Government for 2011–2013 (*Генеральное соглашение между общероссийскими объединениями профсоюзов, общероссийскими объединениями работодателей и Правительством Российской Федерации на 2011–2013 годы*)

Regional level

Moscow

Regional Tripartite Agreement in Moscow for 2007 (*Московское трехстороннее соглашение на 2007 год между Правительством Москвы, московскими объединениями профсоюзов и московскими объединениями промышленников и предпринимателей (работодателей)" от 12.12.2006 г.*)

Regional Tripartite Agreement in Moscow for 2013–2015 (*Московское трехстороннее соглашение на 2013–2015 годы между Правительством Москвы, московскими объединениями профсоюзов и московскими объединениями работодателей (с дополнениями и изменениями, принятыми на заседаниях Московской трехсторонней комиссии по регулированию социально-трудовых отношений 3 октября 2013 г.)*)

Regional Agreement on Minimum Wage in Moscow in 2008 (*Соглашение о минимальной заработной плате в городе Москва на 2008 год между Правительством Москвы, московскими объединениями профсоюзов и московскими объединениями работодателей*)

Regional Agreement on Minimum Wage in Moscow in 2009 (*Соглашение о минимальной заработной плате в городе Москве на 2009 год между Правительством Москвы, московскими объединениями профсоюзов и московскими объединениями работодателей*)

Regional Agreement on Minimum Wage in Moscow in 2010 (*Трехстороннее соглашение о минимальной заработной плате в городе Москве на 2010 год между Правительством Москвы, московскими объединениями профсоюзов и московскими объединениями работодателей*)

Regional Agreement on Minimum Wage in Moscow in 2011 (*Трехстороннее соглашение о минимальной заработной плате в городе Москве на 2011 год между Правительством Москвы, московскими объединениями профсоюзов и московскими объединениями работодателей*)

Additional Agreement on Minimum Wage in Moscow in 2011 (*Дополнительное соглашение между Правительством Москвы, московскими объединениями профсоюзов и московскими объединениями работодателей о внесении изменения в Соглашение о минимальной заработной плате в городе Москве на 2011 год между Правительством Москвы, московскими объединениями профсоюзов и московскими объединениями работодателей*)

Regional Agreement on Minimum Wage in Moscow in 2012 (*Соглашение о минимальной заработной плате в городе Москве на 2012 год между Правительством Москвы, московскими объединениями профсоюзов и московскими объединениями работодателей*)

Regional Agreement on Minimum Wage in Moscow in 2013 (*Трехстороннее соглашение о минимальной заработной плате в городе Москве на 2013 год между Правительством Москвы, московскими объединениями профсоюзов и московскими объединениями работодателей*)

Sverdlovsk oblast

Regional Tripartite Agreement in Sverdlovsk oblast for 2013–2014 (*Соглашение между Федерацией профсоюзов Свердловской области, Региональным объединением работодателей «Свердловский областной Союз промышленников и предпринимателей» и Правительством Свердловской области на 2013–2014 годы*)

Agreement on social and labor relations for small and medium enterprises in Sverdlovsk oblast for 2013–2015 (*Соглашение о регулировании социально-трудовых отношений в сфере малого и среднего предпринимательства Свердловской области на 2013–2015 годы*)

Regional Agreement on Minimum Wage in Sverdlovsk oblast from 28.08.2007 (*Соглашение о минимальной заработной плате в Свердловской области от 28.08.2007 г.*)

Regional Agreement on Minimum Wage in Sverdlovsk oblast # 29 from 30.05.2012 (*Соглашение о минимальной заработной плате в Свердловской области №29 от 30.05.2012 г.*)

Additional Agreement on Minimum Wage in Sverdlovsk oblast from 26, June, 2013 #32 (*Дополнительное соглашение о минимальной заработной плате в Свердловской области от 26 июня 2013 г. № 32*)

Krasnodar krai

Regional Tripartite Agreement in Krasnodar krai for 2011–2013 (*Трехстороннее соглашение между Краснодарским краевым объединением организаций профсоюзов, Краснодарским краевым (региональным) объединением работодателей "Федерация объединений работодателей Кубани" и администрацией Краснодарского края на 2011–2013 годы*)

Regional Agreement on Minimum Wage in Krasnodar krai from 01.01.2008 (*Региональное соглашение о минимальной заработной плате в Краснодарском крае*)

Regional Agreement on Minimum Wages in Krasnodar krai in 2012–2014 (*Региональное соглашение о минимальной заработной плате в Краснодарском крае на 2012–2014 годы*)

