

THE RUSSIAN FEDERATION ACTION PLAN
for the Period of up to Year 2000
(Executive Summary)

Following the decisions by the G8 Growth, Employability and Inclusion Conference in London on 21-22 February 1998, the Government of the Russian Federation have developed an Action Plan based on the following policy setting documents:

- "Structural Reforms and Economic Growth in 1997 - 2000";
- "Programme of Social Reforms in the Russian Federation for 1996 - 2000";
- "Federal Programme of Employment Promotion for 1998 - 2000";
- "Federation Programme of Small Business Support by the Government".

Employment is a first priority issue for the Russian Federation Government. It is committed to pursue a well balanced employment policy to avoid mass unemployment on the one hand and to prevent mass lay-offs resulting from the structural changes in the economy on the other.

The documents so far adopted by the Government identify the following avenues for action:

- to carry out well balanced investment, budgetary, credit and tax policies encouraging job creation;
- to provide an environment favourable to business and labour market development;
- to provide guarantees for the constitutional rights of the people for work and social protection;
- to develop a system of continuous professional training as a means of producing a high quality labour force;
- to develop flexible employment schemes;
- to promote entrepreneurship;
- to alleviate social consequences of mass lay-offs;
- to prevent mass unemployment and to improve incentives for active job search by the unemployed interalia through reforming the unemployment benefits system;
- to promote employment for the special needs groups (young, disabled, single parents, families with many children, workers of pre-pension age etc.);
- to fight against discrimination in the labour market;
- to form a system of collective bargaining between social partners at every level.

The measures being taken by the Russian Federation Government will make it possible to provide conditions favourable to economic growth, increased employment, active participation of every society member in a rewarding economic activity.

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1. Strategic Targets and Priority Areas of Social Reforms in the Russian Federation

Social and economic reforms that are underway in Russia have resulted in radical changes in society bringing about a liberalised economy, import/export activity, elimination of the system of centralised planning and administration, a new social structure for society, and a new system of values for the majority of the population.

Liberalisation of the economy and removing regulatory obstacles have created conditions for more intensive economic activity, labour market development, increased secondary employment and self-employment. They have also started the process of labour re-allocation in favour of the high-profit companies in production, service and trade spheres. A system of relation between social partners of every level based on collective bargaining is gradually emerging.

The Russian Federation Government has adopted a number of trendsetting documents on the macroeconomic reform (The Russian Federation Government Programme "Structural Reforms and Economic Growth in 1997-2000"), which set forth the following strategic social policy targets:

- to provide employment;
- to enhance quality and competitiveness of the labour force;
- to achieve tangible improvements in incomes and prosperity;
- to guarantee constitutional working rights, social protection, education, health, culture and housing.

By the year 2000 essential pre-requisites for increasing incomes and ensuring the optimum level of employment shall be put in place.

II. Employment Policies

Greater efficiency of employment policies is a priority objective. In the coming years Russia is going to pursue a well balanced employment policy to avoid mass unemployment on the one hand and to prevent mass lay-offs resulting from the structural change of the economy on the other.

Measures to achieve this include active restructuring of the economy, providing incentives for production growth, overhauling financially troubled companies. Economic, budgetary and credit policies shall be to a greater extent aimed at enhancing investment activities and implementing most important investment projects, providing a favourable climate for foreign investments to create new jobs.

In accordance with "The Federal Programme of Employment for the Period of up to the Year 2000" the labour market efforts shall have the following objectives:

- to overcome a shortage of jobs through well-balanced investments, budgetary, credit and tax policies encouraging jobs creation;

- to provide incentives for developing entrepreneurship;
- to demonstrate to economically active people the necessity to adjust to new forms of labour relations;
- to prevent mass unemployment and to strengthen the incentives for an active job search by the unemployed;
- to develop human resources through improving education, training and upgrading skills;
- to develop a system of continuous professional training as a means of producing a high quality labour force;
- to enhance quality of employment environment by providing better working conditions, higher wages and better working time arrangements;
- to develop flexible employment schemes;
- to alleviate social consequences of mass lay-offs.

III. Vocational Training System

Policies in Relation to Employees

Most companies pursue human development policies that are not fully consistent with the market reforms which to a certain extent impedes implementation of the programmes of structural reforms, improving quality and competitiveness of the products.

In order to develop and to put to a better use the human resources available measures shall be taken to improve its structure and quality through working out a system of in-company staff training.

Action Plans shall be developed and introduced at companies facing mass lay-offs. The plans shall envisage a broad range of such measures such as temporary change of working conditions and working time arrangements, early retirements and additional social guarantees for the laid-off workers.

Vocational Training of the Unemployed

The main objective of vocational training of the unemployed is to enhance their competitiveness in the labour market and mobility which in turn lead to wider employment opportunities. As far as vocational training is concerned emphasis shall be placed on bridging the system of vocational qualifications with the labour market demand. The Russian Federation has a network of vocational training institutions which every year widen the range of vocations offered to the unemployed sent to them by employment services.

The following activities have been planned for the period of up to the year 2000:

- to develop a training system meeting the market economy requirements for the registered and non-registered unemployed;
- to extend preventative training opportunities for the employees facing mass lay-offs resulting from restructuring of loss-making enterprises;
- to introduce efficient vocational training programmes and intensive training technologies;

- to provide on a priority basis training opportunities for the people belonging to the special needs groups and having difficulties in finding suitable jobs (young people, disabled, ex-military and members of their families, refugees, forced migrants, women).

IV. Social Integration of the Special Needs Groups

Supporting people with limited capabilities to work

Disabled people form one of the "special needs" groups. In 1998-2000 the total number of disabled is expected to grow faster than the number of disabled having jobs. A major objective for the government in this field is to create conditions that will make it possible for the disabled to use their working potential. The elements of such a programme include:

- vocational rehabilitation: career counselling, vocational training, integration into working life;
- introduction of jobs quotas for disabled;
- promotion of creating specialised job places for disabled.

Supporting the long-term unemployed

In 1998-2000 unemployment will increasingly become structural. The number of long-term unemployed will be growing as more and more people from certain population groups (women with children, people of pre-pension age, ex-convicts and some others) will have greater difficulties in finding jobs.

Social adaptation programmes are being planned to promote employment for these categories of the population. The main objectives of the programmes are:

- to widen employment opportunities for the disabled;
- to alleviate negative consequences of unemployment;
- to provide training in job-search skills;
- to restore motivation to work;
- to provide vocational training;
- to organise public works and other specialised programmes.

Supporting youth employment

The youth employment problem will be tackled taking into consideration not only the present situation but possible developments in the economy as well. First priority tasks for the coming years are:

- to provide conditions for employment of the young people - newcomers to the labour market;
- to reduce the period of job-search for the young.

The basic elements of this programme are:

- providing subsidised temporary jobs for those who finish vocational schools;
- helping young people open their own small businesses;
- preventive training of young people facing possible job loss.

Entrepreneurship Development

The Russian Federation Government names small businesses development as a first priority task in the context of the economic reforms.

Creating conditions for developing small businesses helps form a market structure of the economy and a competitive environment resulting in higher employment, wider variety of goods and services in the market.

The Government has adopted "The Federal Programme of Small Business Support for 1998-99" which is based upon:

- Creating legislative and organisational background for developing small businesses, removal of regulatory barriers;
- developing infrastructure (consulting and vocational training institutions, etc.);
- establishing credit and investment mechanisms based on the optimum combination of the public and private capital, including the small businesses capital that shall be used, first of all, for self-investments;
- developing international cooperation, promoting international projects financed through technical and financial aid programmes;
- coordinating activities of public and non-governmental institutions dealing with small businesses.

Implementing of this programme will help increase labour mobility and employment and create conditions for introducing flexible forms of work arrangements.

VI. Reforming the Unemployment Benefits System

At present the Russian Federation Government is working at streamlining the unemployment benefits system in order to establish a system of targeted support for the people in the period of unemployment and to set up incentives for returning to work. In the near future amendments to the employment legislation will be proposed. They envisage:

- wider range of job search opportunities;
- more active participation of the unemployed in employment programmes aimed at increasing their employability (vocational training, skills upgrading);
- urging people to participate in public works and other programmes run by employment services to provide employment.

VII. Fighting discrimination in the Labour Market

The problem of human rights related to work remains critical: collective agreements that give managers unlimited powers to sack employees at their discretion still exist, employers do not inform the trade unions and public employment offices about the coming lay-offs, women, young

and disabled are discriminated against. A recent survey shows that in July 1997 on an average women's pay - in the same job - was roughly 65% that of men.

The following measures are planned to be taken to improve the situation:

- to level off wages for men and women (to raise women's wages);
- to bring the legislation in line with the new economic, legal and social realities;
- to raise the status of collective agreements;
- to modernise legislation related to signing collective agreements, working hours arrangements, severance payments etc;
- to set up a system of labour disputes settlements at regional levels.

VIII. Social Dialogue in the Labour Market

Changes in the social roles played by employees, employers and government demand taking speedy decisions on setting up and developing an efficient system of social partnership.

Employers become increasingly responsible for developing human resources, maintaining existent and creating new jobs, in-company staff training, providing social support for the laid-off workers.

The present situation enhances the role played by collective bargaining institutions in wage regulations, inter-company relations, increasing labour productivity, managing lay-offs and formation of an open market.

The following measures shall be undertaken on a first priority basis:

- to increase the role of employers and workers' representatives in solving problems related to working arrangements, wages, fighting discrimination, hirings, discharges and training;
- to ensure further development of cooperation between the sides of the labour relations through the social partnership schemes;
- to encourage employers creating new jobs.

The role of the non-governmental bodies representing the interests of various groups of population (employers, women, young, disabled, etc.) in solving the problems of employment and stabilisation of the working environment shall be enhanced.

The measures being taken by the Russian Federation Government will make it possible to provide conditions favourable to economic growth, increased employment, active participation of every society member in a rewarding economic activity.