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RUSSIA IN THE CONTEXT OF GLOBAL CHANGES

The time compression effect that has become a commonplace occurrence in the early 21st century refers to the ever-increasing pace of changes in the world today. To these end individuals, communities and states must learn to react to changes more efficiently. The said effect, in my opinion, is related not so much with the frequency and speed of changes per se, but rather with the speed of dissemination of information about these changes and immediate accessibility of information. However, it would be quite unproductive to deny the fact that all processes in politics, economy and social life have accelerated. Here are some examples: in the economy, algorithmic trade and stock exchange robots are being used to speed up purchases and sales of shares thousandfold; in computer science, distributed systems allow you to instantly process large amounts of information; in the production sector, the consumer market can change the entire production chain (including assembly lines at motor companies) in just a few months. This means that the aforementioned effect is, obviously, present.

Due to the global character of these processes due to a large range of communication channels and media, this effect is of significance for any Russian region, municipality or even a separate employee. Trade unions are economic entities, and therefore they are fully included in these events.

Let us analyze the circumstances that affected the level of conflict in social and labor relations in Russia in 2012 and four years later. The data on the reasons for conflicts in workplace relationships are being accumulated in the Center for Monitoring of Social and Labor Conflicts, created at SPbUHSS in 2012 upon the initiative of the FITUR. The annual analysis of reasons of conflict between employees

and employers allows to see not only the external side of the conflict but also quantitative and qualitative interrelations between labor conflicts and economic decisions adopted at different levels of management. A comparative analysis of conflict causes in 2012 and 2016 showed that economic sanctions imposed by a number of foreign “partners” in the banking sector were aimed at restricting access to financial capital markets, which has led to a significantly more complicated economic situation on Russian enterprises. Large enterprises, and, a year later, medium-sized enterprises felt lack of working assets and could not pay their workers on time, which led to increased protests and more conflicts. The analysis of the set of reasons for conflicts and the qualitative data on conflicts and their participants allows us to conclude that the Russian economy has been deeply integrated into the global network. This dependence extends not only to sectors of the economy that have to do with raw materials or metallurgy, i.e. the sectors which directly depend on fluctuations of global prices for their products, but also to more advanced industries, including the budgetary sphere, where we also see recurring problems in the sphere of public and labor relations.

As we characterize the connections between the reasons of social and labor conflicts and economic solutions, I use the phrase “different levels of management” purposefully. Over the years of economic reforms in our country some of the changes we see today appear to be unwanted in the present situation. We could hardly wish to see our enterprises managed externally (be it conditionally, yet still very significantly) in a number of industries or have them depend on presence or absence of inexpensive loans for their operational activities. In political terms, over the years of economic reforms we renounced a part of our economic sovereignty in exchange for cheaper monetary resources and are now reaping the fruit of economic integration with the West.

It is difficult to describe all social, labor and economic relations related to them within the confines of this report, or examine the changes in this country in the context of global challenges, but some important elements should be

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mentioned. In particular, we should try to assess implementation of major internal and economic projects that were announced by the President of Russia in 2012 in his well-known “May Decrees.” Among more than a dozen of normative acts, trade unions have been focusing specifically on the decrees entitled “On Long-Term State Economic Policy” and “On Measures for Implementing State Social Policy”. The goals as set by those documents are fairly ambitious and were hard to implement in 2012; they remain as hard to implement today.

I need to define here the link between the topics of the 17th International Likhachov Scientific Conference “Global World: System Shifts, Challenges and Contours of the Future” and the “reality quotes” I am citing. Russian trade unions believe that Russia’s participation in global processes cannot be reduced to geopolitical abstractions and abstract future forecasts. The future is being shaped here and now. In this country it is created, just as the entire material world around us, by the hands of workers and employees, with the support of 73 million able-bodied Russian citizens, primarily 21 million union members united within the FITUR. It is through the prism of these facts that we view the problem of creating and modernizing 25 million hi-tech jobs by 2020, and increasing labor productivity by 1.5 times as compared to 2011, and well as achieving other goals formulated in more predictable and calm times that the times we are living in today.

Viewing the changes over the past five years, we need to assess internal and external factors that can increase or decrease the speed of our development and change the picture of the future, the contours of which had been defined by these decrees. The foreign policy situation has changed radically.

Without going into details, let me just say that these changes have directly affected the socio-economic situation in Russia, as well as this country’s social and labor relations. First of all, the policy of neo-globalism proclaimed by the Reagan administration, when the US had considered the entire world a zone of its vital interests, has since exhausted itself. A unipolar world is no longer possible; material, human, intellectual resources are being slowly and painfully redistributed. Further economic development will not be determined by one or two centers of power, global economy leadership roles are being tried on by China and India. The stability of world currencies is not guaranteed by their economic content; it has become a matter of trust. Despite various economic and home policy problems experienced by several BRICS countries (which together produce one-third of the global GDP and have 42 % of the world’s population), the process of formation of a new center of influence has continued. More and more countries, including the countries of Europe, start pondering the problems of globalization caused by liberal thinking patterns. The role of national states is being reassessed, the remaining sovereignty of national governments is being analyzed and decisions are made that can hardly be considered as continuing in the line of the former globalization policy. Finally, the new US administration has demonstrated to the whole world a sharp turn towards restoring the American labor market, returning investments to the country’s soil, and breaking those of global supply chains that do not meet the development goals of the US as a sovereign nation. These processes have not yet been clearly evaluated,

but it is obvious that the changes of this kind are dictated not by theories like that of “the end of history” or “managed chaos” but by a pragmatic desire to give back to sovereign governments the levers of managing their own resources, minimize the influence of unpredictable external factors, and replace abstract universal values with the values of voters, especially workers, who entrusted their fate to politicians.

In the present conditions, we can only regretfully admit the shortcomings of our government system. The system of state and municipal government has been in a dormant state since the early 2000s. The results of the local government reform of 2003–2009 have not yet been analyzed. The difficulties discovered in the process of its implementation are not of surface nature but of conceptual character. Unresolved issues include decentralization of government, which contradicts the trend toward centralization in adoption of major decisions; the issue of self-government in large cities and city agglomerations; the problem of resource supply of municipal authorities, and the distribution balance in issues of authority. The list of problems plaguing local government as a result of incomplete reforms and preventing measurable change for local populations could be continued. This is a very important topic for trade unions (and not only in the budgetary sector, either). Local labor markets, support of small and medium-sized enterprises, discontinuation of illegal employment practices, end of “gray wages” – all this and much more, including timely prevention of labor-related conflicts, would be inconceivable without true authority resting at the level of local government.

The issues of federal relations are not smooth either, both in the relationship between the federal center and the regions, and across the regions. It is inconceivable that out of 85 Russian regions only fourteen are donors, while the remaining 71 regions need federal money to balance their budgets. For trade unions, the issue of financial sustainability of regions includes many more points than just the salary of local and federal budgetary institutions. It also includes possibilities of establishing economically grounded social norms, such as the minimal wage, and many other issues of social partnership.

Due to the economic policy, especially the part that relates to labor, let us go back to the president’s decree that presupposes creation and upgrading of 25 million jobs by 2020. An important issue to solve in this area would be to determine the sources of various resources, first and foremost, material resources. According to experts representing employer organizations, some USD 100,000 is necessary to modernize one workplace; and creation of one high-performance job costs between USD 170,000–200,000. Therefore, the total spending will amount to USD 3.5 trillion (RUB 210 trillion) in 8 years, or RUB 26.5 trillion a year. Given that, according to the Ministry of Finance data, all expenditures of the consolidated budget of the Russian Federation in 2016 amounted to 31 trillion rubles, of which only 4 trillion were allocated to item 2.4 (“National Economy”), then the amount of money needed to accomplish this task is tens (if not hundreds) times more than the country can afford. The hope for credit lines are illusory, as the new jobs that are being created will be recouped (depending on the industry) in one to five years. Given the current banking rates

such credit lines would be impossible for the real economy sector, and enterprises hardly have their own resources for development.

As we attempt to solve this problem, we cannot deal with the financial side alone. The President's decree talks about highly productive workplaces, which necessitates certain scientific and technological reserve. We might suppose that labor productivity being meant here must be at the average European level until at least 2020. Otherwise, the jobs being created will get obsolete while the project is still being implemented. This point is related to another issue being discussed as a separate point of the aforementioned decree, which is to increase labor productivity by 150% by 2018. It should be noted here that labor productivity in the countries of the *Organization for Economic Cooperation and Development* (OECD), which includes 34 states with developed democratic institutions and market economies, according to a 2015 study (measured in terms of GDP per hour of work) stood at USD 46.8 per hour, while the Russian figure is USD 23.2 per hour. Looking back retrospectively, labor productivity levels in comparable values in the Russian Federation had virtually not changed in 2011–2015, while in OECD countries it went up by USD 1.30 per hour. If for any reason labor productivity in Russia were to rise in 2016–2017, its comparable value will be twice less than that of developed countries.

Human resources are seen as the main component in the notion of labor productivity, since the work done by machines is assessed on the basis of the technical assignment. There has been no workforce training programs focusing on increased productivity of labor for more than 20 years. Continuous experiments in the field of higher education and various attempts to revive the secondary vocational education are still underway, and some results have been achieved in certain regions and industries. However, this system is incapable of producing human resources in the numbers that are necessary to fill the hi-tech vacancies on the labor market.

A few words about our technological backwardness. We can only guess what scientific and technical projects since the times of the USSR have remained to this day, and implementation of which of those projects could help improve the current state affairs; to this day we have not discovered any.

Without delving into the analysis of various factors affecting labor productivity, we should nevertheless note that material and technical factors related to the technical level of production facilities, improved technologies, production methods and materials used, remain predominant. Organizational factors which concern work management, production and administrative activities are only secondary. The least burdensome, yet still quite significant is the third group of factors – the socio-economic factors, such as the quality of workforce, the level of their motivation and job satisfaction. Theorists of organizational behavior place these factors in the above sequence based on calculations demonstrating the relative weight of these factors when it comes to labor productivity. Therefore, a radical change in this area as dictated by the order of the president could only be possible after the technical and technological reequipping of the country, re-industrialization on the basis of cutting-edge technologies. However, we have not yet heard about such a program. In other words, we are trying to solve

the problem with three unknowns: who will do it, who will pay, and what jobs will be created as a result of implementing this order of the president.

This article provides only a brief summary of some of the challenges facing us. In conclusion I would say that the contours of the future, if we take into account the current situation, are quite obscure. There are many questions to which we had had answers five years ago and do not now. Our society, especially the working population face existential problems increasingly more often: what is the goal of our activities, and what is the sense behind our existence? It seems that for further progress we are lacking a deeper motivation based not on specific questions and answers, but on a common vision of the future. The structure of ideas as created by the current political elite allows us to solve problems haphazardly as they appear; there is no framework in place to bring together the interests of a multinational, socially diverse, territorially distributed Russian society. Despite many efforts to engage the society's internal resources to facilitate further productive development, success is still not in sight. The goals, even when set by opinion leaders, are not accomplished, year after year. The problem here lies not so much in the fault of some minister or the government as a whole but in ideas that cannot consolidate the society to achieve the set goals.

These framework notions are required to add to the idea-deprived existence of most people, and they should be based on the solid foundation of historical experience of previous generations. This experience, as sad as it may seem to religious people, is hardly related to religious experiences. Neither is it related to freedom of entrepreneurship or personal economy. It is rooted in this special sense of justice, which first emerged during the war and strengthened further after the war was over, when the people started building a new life for themselves. It is based on the spirit of victorious people who managed to defeat the enemy, rebuild their homeland and conquer outer space, create a nuclear shield and keep the country from disintegration. It is rooted in deeply entrenched paternalism, faith in the power and reliability of the state, faith in leaders and lack of trust when it comes to politicians, courts and deputies. It is also based on the faith in people's own strength, the ability to cover in one gigantic leap what other nations fail to accomplish in years of hard work, and the faith in their own small plot of land that will save them from starvation should evil times be upon us.

The freedoms we sought so passionately became dependent on the quantity of money. Much of what the politicians of the later 1980s had wanted to get rid of, remained, and is likely to stay for at least two more generations. We cannot compete with the Americans, the Germans or the French on equal terms until we recognize that the Western model of mercantile consumerism has not taken root in this country. If during the campaign for the return of the Crimea to Russia overall public consent and support were achieved in a short period of time due to a burst of patriotic feelings, no such agreement exists to this day when it comes to fair distribution of work results or benefits from the use of Russia's boundless natural resource. On the contrary, the gap between those who create the material world through their labor and talent, and those who use the results of this work is ever increasing. The fact that the oligarchical model of the economy was built on natural or artificial monopolies (even

if glossed over with innovative projects and lucrative social perks) will continue generating the class of “working poor,” leading to a fundamental controversy.

As we choose the path for further development, we will inevitably realize the need to build our society built on the premise of fairness to all workers and employees, regardless of the color of their collars. The entire society must replace the ideology of liberal market reforms forced upon us without the public support, with the ideology of universal prosperity that will lead to the prosperity of the country as

a whole. The population of the country will come to understand the investments into human capital when work will provide for a decent life, when the future will be defined in accordance with real democratic procedures, when education, health care and retirement systems will be efficient and serve the needs of the general public, not as a laughing stock or trickery.

The ideological turn is possible and necessary, for it will define the contours of the future. This future will be determined next year as we elect the next president of Russia.