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Workers' Rights Making Their Way to G20 Agenda

By Peter Hobson

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Labor union leaders from the Group of 20 countries met in Moscow on Wednesday in advance of the gathering of their nations' employment and finance ministers later this week to express their concern for the status of working people.

"People feel abandoned by their governments as they fail to tackle unemployment and prioritize business interests over worker interests," a statement issued by the group prior to their meeting said. "Worldwide unemployment is set to rise above 200 million globally, and almost 75 million people under 25 are jobless."

The Labor 20 and Business 20 — representatives of trade unions and employee organizations from the Group of 20 richest countries — put forward a series of claims: Unemployment is rising, particularly among young people, as the world economy fails to create enough jobs. Job security is falling and acceptable wages and conditions are scarce. The "shadow economy," in which employers avoid tax obligations and workers are deprived of social guarantees, is

expanding.

While the unemployment rate in the European Union as of May was 11 percent, Russia's numbers appear to portray a different picture.

"We don't currently see any signs of a crisis on the labor market," Labor Minister Maxim Topilin told Vedomosti this week. "First quarter results show unemployment at 5.8 percent ... Only 1.4 percent has registered as unemployed ... The number of vacancies exceeds the number of registered unemployed more than twice over."

While Russia's position is "relatively" better that Europe's, 10 percent of young people here are still unemployed, said Mikhail Shmakov, president of the Federation of Independent Trade Unions of Russia. This number ignores the insecurity faced by many who have found work, he added.

Hiding behind the low official rate are 20 million to 40 million "self-employed" people, said Nikolai Ostrakov, vice president of Delovaya Rossia business lobby group. Many of these are young people, often on short term contracts and receiving cash payments, whose employers are in no hurry to bring them into the secure legal sphere, he said.

The shadow sector accounts for between 20 and 85 percent of the G20 economy, and 40 percent of the global one, said Sharan Burrow, general secretary of the International Trade Union Confederation. Enabling tax evasion and destroying social security, the sector is "withering sustainable business," she said.

Yet the term "lost generation," referring in Europe to an age group unable to get its foot onto the career ladder, cannot be applied to Russia, said Ostrakov. The Russian equivalent is a generation that is averse to risk. "Young people do not want to take responsibility," he said — the bloated government sector soaks them up, providing secure, if not well-paid, work.

Shmakov's Federation of Independent Trade Unions of Russia, the largest in the country, with 22.3 million members, is lobbying for a government program that would guarantee a job to all graduates.

Unions represent 40 percent of all formally employed workers in the country, Shmakov said. The inclusion of trade unions in the discussion and development of policy is enshrined in law, he said. "Our position is always heard," he added, "though it may not be listened to."

Ostrakov sees the unions as more of a tool in the hands of the state than a potent force for workers rights. "In Russia, particularly after perestroika, trade unions are not relevant," he said.

On Thursday the L20 and B20 will meet with the employment ministers of the G20. Then, in a G20 first, on Friday the employment ministers will exchange views with their finance minister counterparts. L20 and B20 officials said they view the participation of finance ministers in the discussions as in itself a positive sign for workers rights.

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