

New Law Curtails Widespread Temp Staffing

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Major foreign and domestic companies across economic sectors could be hit hard by a new law that will restrict the use of temporary staffing agencies in Russia.

Signed by President Vladimir Putin on Monday, the amendments are to go into force at the beginning of 2016.

The president said earlier this month that the law is aimed at defending workers' rights. "Maybe there is nothing wrong with the very fact of leasing out manpower, but certain human rights must be upheld, contracts must be closed and so on," Putin said at a meeting with labor union leaders on May 1, according to a statement on the Kremlin website.

About 100,000 to 130,000 people worked as temporary employees in the legal labor market in Russia in 2013, according to estimates from Ventra and Coleman Services.

First submitted at the end of 2010, the bill passed its second and third readings before the State Duma in quick succession in late April.

Although the law was expected to fully ban outsourced labor, in its final version it permits a number of exceptions. Agencies can still send workers to assist private individuals with their housekeeping, to fill positions left open by temporarily absent workers, and to assist with heightened workloads for a period of up to nine months.

Exceptions are also made for students, single parents and those raising multiple children, as well as ex-convicts.

The law bans hiring out workers to replace employees who have gone on strike or refused to work due to a violation of their labor rights. Temporary workers also cannot be sent to work on hazardous facilities or in dangerous conditions, as defined by Russian law.

"I hope that the bill will only strike unscrupulous employers, who do not provide secure payment and social services for their workers," said Oksana Samokhina, team leader at Moscow-based recruitment agency Unity.

If the bill also affects accredited, law-abiding agencies, "the losses for companies who employ out-staffed labor could be so high that they would lead to a decline in production and even their possible withdrawal from Russia," Samokhina said.

While Unity itself does not arrange temporary employment, Samokhina recalled from personal experience that Western companies and large domestic firms often use outstaffing. Pharmaceutical, IT, and telecoms companies turn to temporary staffing agencies, as well as banks, manufacturers and producers of fast-moving consumer goods, she said.

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