

# Congress of the Federation of Independent Trade Unions of Russia

The President addressed the 13<sup>th</sup> Congress of the Federation of Independent Trade Unions of Russia.

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**President of Russia Vladimir Putin:** Colleagues, friends,

Thank you very much for inviting me to the 13<sup>th</sup> Congress of the Federation of Independent Trade Unions of Russia. For over 30 years now, your association has been at the forefront of the national trade union movement. It encompasses over 130,000 primary organisations and almost 20 million people across the country.

Such a broad and truly nationwide representation makes it possible for the Federation to effectively protect the professional interests of our citizens, to improve legislation in social partnership with the Government and the business community, and to establish modern employment relations.

This year, the Russian Trilateral Commission carried out an extensive and meaningful work. A new 2024–2026 General Agreement was signed between trade unions, employers, and the Government.

I am confident that, just like in previous years, cooperation under the new agreement will be productive. The list of priorities includes objectives that hold long-term and strategic importance for all of Russia, such as ensuring our country's security, strengthening its production and technological potential and human capital, and improving our citizens' well-being, as well as, of course, encouraging quality changes on the labour market.

The state policy in recent years, along with the efforts undertaken by the business community and trade unions, has contributed to a consistent decline in unemployment rates in Russia, reaching new historical lows each quarter. For example, in August, the unemployment rate stood at 2.4 percent for the third consecutive month, which is lower than in any other leading country anywhere in the world.

Another important trend is emerging on our labour market, indicating that the Russian economy is undergoing structural change. For years, we have emphasised the importance of restructuring the economy, and it is happening now. The economy is evolving towards increased complexity, with growth in sectors with high added value and skilled jobs. Compared to last year's levels, in August, employment in the manufacturing industry and the IT sector rose by 3.9 percent and eight percent, respectively. That represents an 8-percent increase in the IT sector.

Additionally, unemployment is down among young people under 25 who largely lack work experience and are seeking employment and represent one of the most challenging demographic groups. In June, youth unemployment fell below nine percent to 8.8 percent. To put that in perspective, a year earlier, this number was noticeably higher at 11.6 percent and in 2019, it was as high as 15.5 percent.

I am aware that this audience is well aware of these numbers. The Federation of Independent Trade Unions closely monitors and analyses the labour market, including dynamics of wages, and wages are growing nationwide fast enough to outpace inflation. In July, real wages, meaning wages net of inflation, were 8.1 percent higher than the year before.

I would like to note that it is important that the situation of employees on the labour market keeps improving. This includes the specialists' working conditions and of course, higher income levels. These must always remain on our radar and they should grow faster, outpacing price increases.

To reiterate, the Russian economy must become the economy of high wages, which is essential for boosting production efficiency, modernising production facilities and companies, significantly advancing industries with modern technology, and creating

quality jobs. (Applause.) I am confident that the unions share this viewpoint, as your applause suggests. Thank you very much.

Things that I just mentioned fully apply to the corporate sector and the public sector. In this regard, I would like to remind the Government that a new remuneration model for public sector employees, including medical workers (I just spoke before them at a nearby venue), education, science, and culture employees, should be put in place as early as next year.

We will first test this model as part of pilot projects in different regions, and then – and here the Government faces a challenging and financially intensive task, and everyone should understand that it is a very challenging task, but nevertheless, the Government has this task set for it – to transfer all public sector employees to industry-specific wage systems starting in 2027. The goal is not only to increase salaries for professionals but also, importantly, to bridge the wage gap that currently varies significantly across the regions, even neighbouring regions, which is not fair. We understand this problem and will work to address it together with regional authorities and *цшep* your support as well, friends.

Furthermore, as I emphasised at your previous congress in April, expert forecasts indicate that the Russian economy and the labour market will face a high demand for and even a shortage of skilled workers in the near future. These objective trends must be taken into account. We should develop comprehensive steps in order to expand the economy and social sphere in the long run. This applies equally to the Government, businesses, and, without a doubt, the trade unions. The country's human capital is an essential asset that we must treat responsibly, protect and strengthen it, and invest in it.

Our country faces ambitious goals, such as to dramatically increase the output and the quality of services across a wide range, in all industries and sectors in every region of the Federation.

Clearly, to achieve that, we must first boost productivity, automate and outfit the domestic manufacturing industry, agriculture, and services industry with innovative equipment and technology, while also expand infrastructure and improve logistics. We have mechanisms in place to support businesses and regional development, and we will

continue fine-tuning these mechanisms to boost their effectiveness and relevance for companies, enterprises, and regional authorities. I am counting on strong support from the trade unions that are interested in expanding Russia's technological and industrial potential and creating jobs with higher quality working conditions and higher salaries.

And, certainly, the most important task, as I said earlier, is to train skilled personnel who will work at modern production facilities. Upgrading the system of secondary and higher professional education and enhancing its ties with employers are among the priorities of new national projects which will be launched next year.

Importantly, this year's May executive order on national development goals sets a specific task of creating an institutional framework for the continuous professional development of employees by 2030, so that they can train for new careers and improve their qualification on a systemic basis throughout their professional life.

The Personnel national project offers training and additional education for professions that are already in demand. First of all, these programmes will be available to the unemployed, as well as women with children under seven years of age and people of pre-retirement age. Plans are to train annually over 100,000 people under such programmes.

It is a matter of principle to ensure employment of young people so that today's schoolchildren and university students receive high-quality education, an interesting profession and a secure job in the field of their training.

As a reminder, the target figures for admission to vocational schools, colleges and universities will be based on a forecast for the needs of the economy, i.e. how many specialists in specific industries and in what time frames will be needed by domestic enterprises and companies. The Government is putting together such a forecast in conjunction with businesses and regional teams. It takes into account business and investment activity in the country in general, and in individual constituent entities of the Russian Federation in particular. And, of course, such document will be updated on a regular basis.

Notably, our economy is in dire need of blue-collar workers. To enhance their prestige and popularity, we will continue to establish partnerships between colleges and vocational schools and employers. I expect the trade unions to give us real help in this respect.

I remind you that under the Professionalitet federal project about one million workers will be trained for the light and pharmaceutical industries, shipbuilding, the aircraft industry, production of machine tools and electronic components, to name a few. Future specialists will receive training at upgraded training and production centres that are being set up in a collaborative effort with businesses and with the Government support.

As I have previously stated, such collaboration between educational organisations and the business sector will increasingly encompass the entire secondary education system, including training of personnel for schools, hospitals, outpatient clinics, as well as the services and tourism sectors, among others. We will also extend additional support to the higher education system – institutes and universities that work closely with the real sector and social sphere enterprises and jointly launch innovative, technological, and personnel projects. The Priority 2030 programme will be renewed for them.

We intend to establish at least 25 new, modern, high-quality university campuses nationwide by 2030 under the Youth and Children national project. Nearly half a million students will study, undergo internships, engage in sports, and enjoy recreational activities within these campuses. In the future, it is envisaged that the number of such campuses will increase to 40 across the country. Additionally, as part of the same national project, 800 university dormitories will undergo major renovations by the end of 2030. More than 200,000 students will benefit from more comfortable and convenient living conditions throughout their studies.

Incidentally, a significant number of today's students are members of trade unions. The student trade union movement encompasses over one million people and is celebrating its 25<sup>th</sup> anniversary this year. Certainly, the contribution of this association to the development of youth policy and the promotion of workers' rights, along with the initiatives of its participants – true leaders in spirit – deserve both respect and support. I would like to extend my greetings to this movement on its 25<sup>th</sup> anniversary.

Furthermore, within the framework of national projects, special emphasis will be placed on enhancing research and educational potential to secure Russia's technological leadership. This will ensure that our nation has ample space for technical innovation and the creation and implementation of new promising solutions.

To achieve this, we will significantly broaden the training of engineering personnel. In addition to the current engineering schools, by 2030, we will establish at least 50 more cutting-edge facilities equipped with state-of-the-art training and laboratory equipment.

Importantly, the equipment and educational standards in advanced engineering schools must be in line not only with today's standards, but also with the demands of the economy of the future. Focusing solely on the present day, even on the best and most advanced achievements, will lead us to lag behind. It is imperative that we look towards the future. This is particularly pertinent to the competence of new specialists, their knowledge, and professional skills.

Colleagues, friends,

Just like the rest of the world, Russia is undergoing a period of dynamic and major changes that set new, higher standards for the pace and quality of development of the economy, social sectors, regions, cities and villages, and all aspects of life.

Russia's strong and sovereign future is built by the hands of its people. This is how things are in reality. These people work hard every day on factory floors and assembly lines, in fields and mines, design bureaus and research centres, classrooms, and medical centres.

Protecting the interests of our citizens, our working-class people and improving the well-being of their families, is our key strategic priority. Nothing is more important than that. This priority task is being addressed by the Government in partnership with businesses that create new jobs and, of course, with trade unions, which uphold the interests of the working people in a close, albeit sometimes challenging, dialogue, which has been fairly productive in recent years.

Historically, the trade union movement in Russia has been a strong mass participation movement, enjoying considerable weight and respect in society. I am confident it will continue to grow and get better in the process.

As I was just informed, you have approved amendments to the Charter of the Federation of Independent Trade Unions and made several important staffing decisions during this congress.

Mikhail Shmakov, who has led the Federation of Independent Trade Unions of Russia for over 30 years and is a truly seasoned leader of the trade union movement, has, without a doubt, made significant contribution to it. As I understand, Mr Shmakov is transitioning to an honorary position as President of the Federation. I am certain that your expertise and knowledge, especially in international trade union cooperation and civil society exchanges, particularly within forums such as the BRICS Trade Union Forum, which is dedicated to protecting citizens' rights in the labour markets of our group, will be an invaluable asset and be in high demand.

I extend my congratulations to Sergei Chernogayev on his election. You have devoted many years to working at a railway and transport construction workers union, which is among the largest sector-specific unions. Now, as Chairman of the Federation of Independent Trade Unions, you will oversee the entire organisation, manage all ongoing federation activities, advance important trade union initiatives, and implement projects that will elevate the Federation to a whole new level.

I wish you and all members of the Federation of Independent Trade Unions every success in your work for the benefit of the Russian people and Russia itself.

Thank you for your attention.

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