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**CONTEMPORARY CHALLENGES VS. LEGAL PROTECTION OF  
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**Abstract**

Decent salary for workers and their families is one of the basic principles of labour law. In current challenging conditions, namely the emergencies the humanity faces in the 21st century, it is not easy to provide legal protection for employees' payment. For example, worldwide epidemics negatively affect people's health first and foremost, and states take care of their citizens' lives by limiting contacts. But any restrictions adversely affect business economics. This results in lay-offs, enterprise bankrupting, unemployment, part-time regime, "under the table" wages, delayed or unpaid wages. Employers who represent this or that organization's interests are responsible for payments being delayed. They should undertake every effort to protect the subordinates from labour law arbitrariness. Having studied the scientific works of scholars concerning decent wages, dissertations and having analyzed labour law, the authors arrived at the conclusion about necessity to develop comprehensive measures to stabilize employee payroll and benefits, for example, in case of pandemics, environmental disasters or economic fluctuations within the country. Modern challenges set their own terms for the protection of the people employed, which terms we should adapt to and legally enshrine the measures to maintain decent wages in emergency situations. It is necessary to pay attention to the fact that some statutory provisions have been passed in order to protect and guarantee decent wages, paid at least twice a month, and there are sanctions imposed on the organization's senior leadership for unpaid wages. However, to maintain stability, additional steps must be taken to maintain proper remuneration.

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## 1. Introduction

Article 37 of the Constitution of the Russian Federation states that everyone has the right for labour remuneration without any discrimination whatsoever and not lower than minimum wages and salaries established by the federal law. Any newly-established company shall have a wage fund. Thereby any employer guarantees a remuneration to each employee having a labour contract. Since that moment, an owner and an employer have the right to employ paid workers.

Wage specialists keep working on this issue. The issue of wages and organization leaders' actions have become focus of attention of many researchers:

- wage and labour cost analysis (Rukmana et al., 2020);
- wage determinants (Mahdir et al., 2020);
- wage system and profit distribution (Hendrik et al., 2020);
- income indexation in Russia (Reshetnikova, 2021);
- challenges of high-wage textile production in Germany (Kemper et al., 2017).

Unfortunately, the company's leaders face the modern challenges of the 21st century when managing a functioning enterprise. These challenges can include pandemics, environmental disasters, economic fluctuations, as well as health and safety violations in organizations. For example, according to Yusipova (2019) low wages combined with relatively worse working conditions (work outside production premises, etc.) are the reason for agrarian labour becoming not attractive. This circumstance significantly increases staff turnover.

Only having developed unified legal preventive measures applied in case of emergencies and aimed at saving company economics as a whole, it could become possible to cope with those challenges and keep enterprises stable. This will, certainly, require further work on the issue, effort and time, and mutual dialogue not only among scientists, but also with national government representatives, labour inspection and enforcement agencies, as well as employment and occupation authorities involved, in order for these measures to be comprehensively realized all around the world.

## 2. Problem Statement

In the first half of 2020, the COVID-19 coronavirus infection appeared. It hit the health of people all over the world, increasing the number of those unemployed, and resulting in many organizations' bankruptcies and payments either delayed or not paid at all. Some states helped their citizens, supported sole proprietors, but, unfortunately, the number of organization heads' insolvency increased, which caused major workers' dissatisfaction.

To provide and guarantee social protection for citizens and their children, regulations have been enacted, measures have been undertaken to deliver food and medicine to people. Some enterprises offered their employees telecommuting, others realized the idea of part-time work to save jobs. Therefore, the authors of this article are convinced of the need to research and study this area by developing legal protection for the maintenance of workers' wages, which could also be used at the international level (for example, by adopting and enacting an International Labour Organization Convention).

### **3. Research Questions**

The modern challenges of the 21st century have brought changes to established labour relations. The management of organizations need to take global decisions in terms of retaining and maintaining jobs, paying wages and keeping healthy workplace environment (organizing environmentally friendly jobs). This is also confirmed by data from the State Labour Inspectorate (hereinafter referred to as SLI) for the Saratov region.

As of 1 November 2020, the SLI conducted 273 audits concerning payments. As a result, 2,562 violations of labour law were detected, and officials and legal entities were held administratively liable for wage system breaches in the amount of 4,347,600 rbl (Information on Measures to Take ..., 2020).

This confirms the need for cooperation between the state and employers to eliminate violations connected with payroll failure or delay and to delete any recurrences. Measures aimed at maintaining fair payroll as developed by the authors of the article are necessary in such a case.

### **4. Purpose of the Study**

The purpose of this research is to develop measures for the legal protection of workers' remuneration, which will help to form a unified solution on stabilizing the financial situation of enterprises in force-major circumstances.

### **5. Research Methods**

The following methods were used in this paper:

- data analysis of State Labour Inspectorate of Russia inspections' results. Researchers studied the official results of inspections by the State Labour Inspectorate of Russia and analyzed arrears in the organizations inspected. They have also studied the UN news regarding the labour market;
- analogy (the study of positive and negative company experience in emergency situations). The method of analogy helps to identify negative company experience in emergency situations and study the positive trends of prevention and elimination of those circumstances;
- reasoning (proving that the need to develop legal measures to protect workers' wages has arisen). Under precarious employment conditions in emergency situations, financial production fluctuations, increased unemployment, delayed or unpaid wages and reduced number of working people, as well as the need for legal regulation of workers' protection are becoming essential;

Generalization (the main reasons for remuneration failure or delay were identified). In this research, the authors studied scientific papers of scholars from many countries, legal publications, and practice of the bodies supervising and controlling compliance with labour legislation, court practice and official UN data. This has enabled the authors to summarize and identify the reasons for delayed and unpaid wages.

## 6. Findings

The analysis of the State Labour Inspectorate's audit, statistics showing the impact of emergencies on organizations' work, and review of international and Russian research led the authors of the article to the conclusion that protection of labour remuneration was necessary.

Particular attention should be paid to the UN news: "The loss of working time during 2020 compared to the fourth quarter of 2019 was 8.8 per cent and was equivalent to the loss of 255 million jobs, i.e. about four times more than during the global financial crisis of 2009. This loss was connected with reduced working hours for those who did work and unprecedented unemployment, with 114 million people out of work. The people who either couldn't work, perhaps, because of the restrictions imposed, and those who were desperate and were not even looking for a job made 71 per cent of that number. As a result, labour incomes fell by 8.3 per cent or \$3.7 trillion or 4.4 per cent of global GDP" (What's in Store for Labour Market in 2021, ILO Survey, 2021).

In its turn, SLI for the Voronezh region the arrears amounted to 70,015,200 rbl as of December 31, 2020 (Information on Measures to Taken to eliminate..., 2020), SLI in the Penza region the arrears amounted to 68,814,640 rbl as of January 1, 2020 (Report for State Labour Inspectorate Activity..., 2019). The wage arrears, furthermore, have had an impact on the rising urban unemployment rate. The Federal State Statistics Service reported that "in January 2021, there were 2.5 million people registered as unemployed in the employment services, according to preliminary data from the Federal State Statistics Service, including 1.1 million people who received unemployment allowances.

The unemployment rate should return to its pre-pandemic level by the end of 2021, such a goal shall be realized by the government. Last March, it was equal to 4.7 % of the working-age population, the Federal State Statistics Service reminded. According to the Ministry of Labour, in order to increase the employment rate, the government will allocate subsidies to hire new workers and provide grants to train those unemployed (Duel, 2021).

Therefore, the need to develop measures to protect the workers' wage system is still a vital issue. They are as follows (Figure 1):

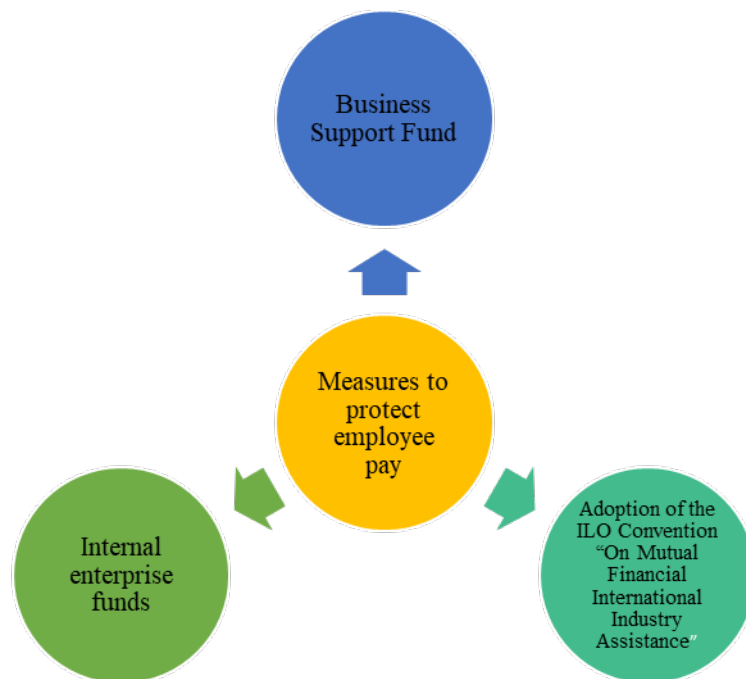
1. Employer's request for assistance of Entrepreneurship Support Fund, which provides funding in case of financial fluctuations and additional financial resources are being searched. This support should be provided to both medium and large businesses in order to keep them operational (what concerns employment, profits and subsequent payment of income taxes to the state). For this purpose, a government programme should be developed to assist the enterprise owners that suffered from emergencies. Its positive realization would, first of all, benefit the managers and their subordinates, which would then improve the economic welfare of the countries;

2. It is possible to adopt ILO Convention "On Mutual Financial International Industry Assistance". Sectoral enterprises (working for transport, food, energy and other areas) could provide international financial assistance to one another if possible, in case they face with some contemporary challenges. Organizations and highly skilled professionals in each sector who work in the same production area have specialized expertise in a particular job, which can be applied not only in their own country, but also in other countries. Financial support for their counterparts from other countries will provide a fresh start to

the world's leading industries. It should be of mutual benefit to both parties, entailing stability and industries' development. This would strengthen the sectoral friendship of enterprises, improve sharing emergency-connected expertise, and preserve salaries and jobs.

3. Assistance of business support funds and international industry organizations is a tremendous support, but enterprises should have their own funds to pay salaries in case of force-majeure circumstances. The latter issue should be resolved at the local level. The authors have repeatedly mentioned that idea in their previous works. The responsibility for delayed or unpaid wages lies with the employer and may be financial, administrative or criminal.

Emergencies occur spontaneously and unexpectedly. Humans are aware of some of them, so they can get prepared and be secured (not with full guarantee, but potentially at least, if they follow some steps). Other emergencies leave people absolutely unprepared and lost. We shall undertake some changes and make moves to protect ourselves and our relatives, while maintaining social stability within the country. These measures taken, the number of delays and failures to pay wages will reduce all over the world. Moreover, the effects of pandemics, disasters and other emergencies would be reduced to a minimum. The quality of people's life will improve and stabilize.



**Figure 1.** Measures to protect employee pay

## 7. Conclusion

Wages is remuneration for a person's labour. It is the guarantor of protection and stability for the population. The remuneration amount shows the person's qualifications and the level of expertise to perform the job, determined by the employment contract. As a rule, an employee who has significant knowledge, has secondary or higher education, is regularly certified and constantly develops vocational skills is entitled to a high salary. Such employees are the ones who develop industries, make discoveries

and achieve perspective production. In order to provide legal and social guarantees in labour area, the organizations' leaders shall ensure decent working conditions in the workplace.

Decent work means that employers respect health and safety of their employees, that there is no recruitment discrimination, but it is also essential that they provide fair payments at least twice a month at designated times while exercising their duties. Everyone has the right to have a decent job that enables them to purchase good quality food, as well as health care, education and other services.

For this balance not to be disturbed by the challenges of the 21st century, it is necessary to take the measures proposed by the authors of the article to protect labour remuneration. It is up to the employer to decide whether to use one or all three of them when facing financial difficulties. However, these measures will definitely support businesses and people around the world.

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