Economic and legal subordination in modern trends of labor law development
La subordinación económica y legal en las tendencias modernas del desarrollo de la legislación laboral

ABSTRACT
The article discusses some trends in the development of labor law in Russia, taking into account foreign experience. We consider relations that were not previously formally regulated by law (for example, those arising from actual admission to work by an unauthorized person) or regulated by civil law from the scope of labor law. We noted that in cases where it is impossible to draw a conclusion about the sectoral nature of contractual relations and dependence of the employee, the Labor Code of the Russian Federation prescribes that they should be considered as labor relations. We also discussed the study of the evolution of the employer’s power, subordination as a specific feature of labor relations. We came to conclusion that the new expansion of labor law should be based not on legal but rather on economic interrelations between employee and employer.

Keywords: Subject of labor law; labor relations; subordination of the employee.

RESUMEN
El artículo analiza algunas tendencias en el desarrollo de la legislación laboral en Rusia, teniendo en cuenta la experiencia extranjera. Consideramos relaciones que anteriormente no estaban reguladas formalmente por la ley (por ejemplo, aquellas derivadas de la admisión real al trabajo por una persona no autorizada) o reguladas por la ley civil desde el ámbito de la legislación laboral. Observamos que en los casos en que es imposible llegar a una conclusión sobre la naturaleza sectorial de las relaciones contractuales y la dependencia del empleado, el Código del Trabajo de la Federación de Rusia establece que deben considerarse como relaciones laborales. También discutimos el estudio de la evolución del poder del empleador, la subordinación como una característica específica de las relaciones laborales. Llegamos a la conclusión de que la nueva expansión de la legislación laboral no debería basarse en interrelaciones legales sino más bien económicas entre el empleado y el empleador.

Palabras clave: Sujeto del derecho laboral; relaciones laborales; subordinación del empleado.
INTRODUCTION

The problem of differentiation of an employment contract and contracts related to work regulated by civil law was one way or another considered by all authors describing the employment relationship (Tal, 1913; Alexandrov, 1948; Karpushin, 1958). A detailed analysis of the differences between an employment contract and a contract of subcontract (Nurtdinova, Chikanova, 1995; Akopova, 2003) or in general from contracts related to the performance of work and provision of services, and subsequently was given quite regularly in the legal literature (Bondarenko, 2003; Mikhailenko, 2008; Prasolova, 2016; International, 2016). Despite the abundance of criteria, the constitutional features of an employment contract (i.e., those by which its legal nature is determined) are somehow reduced to an indication of the non-independent, dependent nature of the work. On the one hand, this has allowed some authors to question the possibility of further preservation of the employment contract outside the framework of civil law (Sannikova, 1999; Braginsky, Vitryansky, 1998), and on the other hand, encourages a more detailed study of the subordination of the employee and the phenomenon of employer power.

Methods

The analysis of the labor legislation of Russia, as well as individual European countries is carried out. At the same time, closer attention is paid to the regulation of labor-related relations in France, as in this country labor law is traditionally regarded as independent from the civil law of the industry. In addition, the materials of law enforcement practice are analyzed, including analytical data of the International Labor Office, indicating the current state of the labor market and the prospects of legal regulation of labor relations.

Special legal research methods, including comparative legal research, are also used.

DEVELOPMENT

Results

The preamble to Recommendation No. 198 of the International Labor Organization “On Labor Relations” stresses that “the protection of workers is at the core of the mandate of the International Labor Organization and is consistent with the principles set out in the 1998 ILO Declaration on Fundamental Principles and Rights at Work and the Decent Work Agenda” (Evaluation, 2018).

In this regard, the goals and objectives of the labor legislation proclaimed in Article 1 of the Labor Code of the Russian Federation - the protection of the rights and interests of workers and employers, as well as the coordination of their interests - appear to be rather programmatic, since, in fact, the Russian labor legislation continues to shift the emphasis on the protection of the interests of the employee as a more vulnerable party to the labor agreement.

Statistical data published by the International Labor Organization testify to the vulnerability of workers. The International Labor Office estimates that, despite the trend of reducing poverty in the workplace (the number of extremely poor workers is expected to decrease by 10 million a year in 2018 and 2019); there has been little progress in this area on the global labor market.

In 2017, more than 300 million workers in emerging and developing countries recorded a standard of living below $1.90 per person per day. Overall, progress in the fight against poverty in the workplace has been too slow, and the number of extremely poor workers, according to ILO estimates, exceeded 114 million in 2018, or 40 per cent of all employed people (Evaluation, 2019). Also worrisome is the fact that a large number of workers are informally employed (including the “self-employed” and those working for family businesses), which means that formally they may not have an employment relationship, and in the worst case these relationships are in the informal economy. According to ILO, in 2016, such employment accounted for 61 per cent of the world’s labor force (Work, 2019).

Against this background, the situation on the Russian labor market looks much more optimistic. According to a survey conducted by the All-Russian Center for Public Opinion Research (hereinafter - VCIOM), the vast majority of Russians (85% of respondents) like their work, and even without financial necessity, more than half of those surveyed would continue to work in the same place (Prestige, 2018). At the same time, the most profitable profession of lawyer continues to appear to the population, although the gap with other areas of activity, which are among the top three leaders, has narrowed significantly (Bonnechère, 2008) - see Fig. 1.
Since the end of the 19th century, the European legal science has seen a revival of interest in subordination as an element of the characteristics of the employment contract. Thus, the problem of subordination arose because of the change in traditional views on the subject of the employment contract. From the point of view of the 19th century liberals, the manufacturer bought a “labor force”, which, once bought, was in the loyal disposal of the owner, “as a good father of the family. At the same time, the personality of the worker was as if outside the scope of contractual analysis (ILO, 2019). Subsequently, this position underwent serious changes. Today, it is obvious that the personality of the worker is inseparable from the labor force, and when the worker is subject to the rules of internal labor regulations, the latter inevitably falls under the employer's power. The International Labor Conference, which met in Geneva in June 2019 on the centenary of the International Labor Organization (ILO), once again stressed that labor is not a commodity (Bulletin, 2017).

Characteristically, not only legal but also economic dependence is of great importance today. Already at the end of the 20th century, in some foreign countries there was a tendency to expand the scope of labor law and to extend some of its protective functions to the categories of workers who are not employed.

The trend towards externalization of an enterprise concluding subcontractor contracts for non-core work, which has been outlined since the 80's of the last century, is accompanied by the use of formally independent work of such subcontractors. However, numerous court practices suggest going beyond appearances. Here are some examples from the French courts.

Contractor and safety at work: the Guegan case. The labor inspector found that construction workers work at heights without fall prevention devices. The employer, speaking before the court, argued that the workers were contractors who worked at their own expense, were registered in the register of professions and were free to choose their partners. However, it turned out that two of them had been working for the company until 1977, and only Guegan, which supplied them with equipment, large equipment, compensated for the downtime in the opening of construction sites.

The Court of Cassation reiterated the finding of the Court of First Instance that “the so-called contractors were included in the complex of economic dependence and legal subordination relations and that their relationship with Guegan was, in spite of the appearance of a relationship between employees and the employer” (ruling of the Criminal Chamber of the Court of Cassation of 29 October 1985) (Bulletin, 2018).

A simple partnership agreement masking a hiring relationship. The Guillemin chauffeur signs two agreements with the Soveta partnership: the partnership agreement and the car rental agreement. Having been the victim of an accident and claiming social benefits as a labor force, he contacts Conseil de prud'hommes (the body competent to deal exclusively with labor disputes), which takes over the case on the basis of the existence of an employment relationship and states: “The establishment of a simple partnership involves joint contributions... Guillemin has made no contribution other than to its labor force, which is characteristic of each employee” (ruling of the Social Chamber of the Cassation Court of 17 April 1991) (Bulletin, 2011).

In 2000, the French Supreme Court considered a case in which the relationship between a taxi driver and a dispatching firm was formally based on a contract for the “leasing of a vehicle equipped as a taxi”, and the amount paid to the dispatcher was defined as a rent. Despite this, the court admitted that the contract concealed the employment relationship, since the driver was bound by a number of strict obligations regarding the use and maintenance of the vehicle (up to and including the prohibition of his own use of the vehicle) and was in a state of subordination (Antimonov, Grave, 1955).

Thus, recognizing the contract as a labor contract, the courts assessed not so much the circumstances that indicate the legal subordination of the performer to the employer (regulation of the labor process, compliance with the working time regime, labor discipline), but took into account its economic dependence, which is not removed due to the registration of the employee as an entrepreneur.

The scope of application of the French labor legislation is extended not only under the influence of judicial practice declaring the existence of an employment contract where a subordination link is established. The legislator, taking into account the situation of economic dependence of certain categories of persons (for lack of legal status), forces to spread certain provisions of the labor law in the obvious absence of an employment contract: in particular, with regard to managers of dependent enterprises who are not employees (managers of gas stations and grocery stores), who are theoretically small independent traders, but are equated with employees on the grounds of their complete economic dependence Certain provisions of the French Labor Code (Code du travail) also apply to domestic workers; the presumption of an employment contract also applies to professional journalists. First of all, these are the provisions guaranteeing the minimum wage, as well as the norms on compensation for damage caused to the employee (ILO, 2019).

It should be noted that the Russian legislator does not push the participants of legal relations into too rigid a framework, leaving them the right to determine the sectoral nature of the contract depending on the degree of subordination of the work performer they need. Economic dependence alone (in the proven absence of legal de-
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At the same time, if the parties have fixed the existence of labor relations in the contract, calling it labor relations, the lack of legal subordination will not affect the evaluation of the industry affiliation of relations as civil law. In particular, a domestic or remote worker does not fit into the traditional picture of legal subordination. Of course, the employer may also exercise certain powers in relation to such an employee, but the control and subordination are carried out in fundamentally different, more lenient forms, or may not exist at all, which allows the parties, taking into account the expediency of control over the labor process, to initially choose the industry type of contract.

The analysis of changes in the legislation of the Russian Federation over the last decade shows some expansion of its scope. In particular, this can be said in connection with the addition of Article 19.1 of the Labor Code of the Russian Federation (introduced by Federal Law No. 421-FZ of 28 December 2013). Essentially, this rule means the introduction of a presumption of an employment contract in the regulation of labor-related relations. Taking into account that labor relations arise in relation to labor performed “in the interests, under the management and control of the employer” (Article 16 of the Labor Code of the Russian Federation), in case of irreparable doubts about the independence of the executor under the contract related to the performance of any work, the judge, guided by the third part of Article 19.1 of the Labor Code of the Russian Federation, must make a decision on the recognition of the relationship as labor relations, which ultimately should increase the number of cases of labor relations.

It should be reminded that such a presumption had already been in force at the initial stage of development of the Soviet state in respect of certain types of work, provided that the performer - a natural person - is not an entrepreneur (Skobelkin, 1999). Of course, the current legislation presupposes labor-law regulation of contractual relations related to labor only in disputable situations, and the parties are not deprived of the opportunity to conclude civil law contracts on the performance of works (provision of services). Another solution to the issue would be unacceptable, as it would deprive the parties of the possibility to determine the nature of contractual relations themselves. Let us remind you that such proposals were expressed in the science of labor law even before the adoption of the Labor Code of the Russian Federation (Skobelkin, 1999). (Krasavchikov, 1966). The norm according to which the provisions of the labor legislation would be applied to any labor agreement under which an individual is the executor, would infringe the constitutional right of citizens to freely dispose of their abilities to work, including for entrepreneurial activity.

Another area of expansion of labor law is the recognition of labor relations arising from the actual admission to work by an unauthorized person. In 2013, the Labor Code of the Russian Federation was supplemented by Article 67.1, which established the consequences of such permit. As a result of these changes, the relations regulated by labor law have arisen since the beginning of work “in the interests of the employer”, regardless of whether the employer’s representative had the powers necessary to conclude the contract. This is evidenced by the employer’s obligation to pay such an individual for the time actually worked (work performed). However, such relations can hardly be considered labor relations within the meaning of Article 15 of the Labor Code of the Russian Federation: they are not based on an employment contract and are temporary in nature, as they exist until the employer learns about the unauthorized admission to work. After that, the latter must decide either to confirm the conclusion of the employment contract - in this case, the relationship is considered to be an employment relationship from the moment of actual commencement of work - or to refuse to recognize them as an employment relationship. Unfortunately, the legislator did not specify a time limit within which the employer should make a decision, nor did it indicate the reasonableness of the time limit for finding out what had actually been admitted.

Previously, such an employer-approved relationship based on the actual permit was outside the scope of the legal regulation. By pointing out that the Labor Code had excluded them from the scope of labor law norms until 2013, indicating that an employment contract was concluded only with the admission to work of an authorized representative, the conclusion was drawn about the regulation of their civil legislation. However, the most relevant in this situation obligation from unjust enrichment, in accordance with Article 1102 of the Civil Code of the Russian Federation, may arise only in relation to the unjustifiably acquired or saved property. At the same time, according to Article 128 of the Civil Code of the Russian Federation, the results of the work and provision of services are not related to the property, but are separate types of objects of civil rights, which excludes the possibility of incurring obligations from unjust enrichment in the cases under consideration.

Assignment of these relations to subject labor is also partially conditioned by subordination, since the work performed in the interests of the employer is most often performed under the management and control of the direct supervisor, which does not appear to be different from the manifestation of the employer’s mastery over other employees. However, given that the person who assigned the functions of the employer did not in fact have the necessary authority, the relationship between such a person performing the work and the employer becomes an employment relationship only with the subsequent approval of the employer of the actions of an unauthorized person.

Discussion

Without going into detail on the criteria of differentiation of an employment contract and contracts concerning work, which are regulated by the civil legislation, it should be noted that the definition of the branch belonging
of employment (in the broad sense) relations can be complicated by the fact that one of the principles of civil law is the freedom of contract (Article 1 of the Civil Code of the Russian Federation). This means, in particular, that it is allowed to conclude other agreements not named in the Civil Code of the Russian Federation. At first glance, it allows the parties to conclude a civil law contract similar to a contract of reimbursable services, but providing for the implementation of certain activities, with detailed regulation of its process (at the same time establishing property liability for deviations from this process).

However, given the general principles of civil law, which postulate equality of parties and autonomy of their will, such relations are excluded from the scope of the industry. The civil law contract should not regulate the direct process of work execution. Otherwise, in the order provided for by Article 19.1 of the Labor Code of the Russian Federation, one can raise the issue of recognition of such an agreement as an employment contract.

It is impossible to assert that the regulation of organizational relations is not characteristic of civil law at all. Thus, the idea of existence of non-property obligations was developed by O.A. Krasavchikov (Krasavchikov, 1966). However, organizational elements in civil law contracts are auxiliary in relation to property and cannot constitute the content of an independent obligation.

At the same time, Article 15 of the Labor Code of the Russian Federation indicates that labor relations arise with regard to labor performed "in the interests, under the management and control of the employer". Thus, when delimiting multi-sectoral labor contracts, the relations of subordination, traditionally singled out by the Western science of labor law, come to the fore again.

The phenomenon of the employer's power (including the theoretical justification of its limits) has been studied in detail in the legal literature. The evolution of ideas about the master's power, about its correlation with other types of social power (including the state power) can be traced, in particular, to the works of L.S. Tal (Tal, 1913), L.Y. Gintsburg (Gintsburg, 1977), T.Yu. Korshunova, A.F. Nurtudinova (Korshunova, Nurtudinova, 1994), A.S. Kudrin (Kudrin, 2016) and other scientists (Kovalenko, 2014). L.S. Tal was one of the first to pay attention to the fact that subject labor relations are inevitably associated with temporary "subordination of labor force of one person to the purposes and power of another" (Tal, 1913). Back in the beginning of the XX century, he pointed out that "only in the slave economy workers as carriers of labor force were identified with the instruments of production, and ... could be the subject of the right of ownership" (Tal, 1913). However, in his modern legal consciousness the concept has already been established that the right of the owner to own the tools of production does not imply the right of the owner to own the workers and employees.

L.Ya. Gintsburg called this element of the labor legal relationship “authoritarianism”, which, in his opinion, manifests itself in three forms: 1) decision-making power (the right to give mandatory operational instructions in the process of labor); 2) normative power (the right to issue general norms) and 3) disciplinary power of the employer (the right to impose penalties on violators of law and order) (Gintsburg, 1977).

Speaking of the current state of the employer's power, T.Yu. Korshunova and A.F. Nurtudinova also distinguish its three aspects: normative, directive and disciplinary. “Normative power, - the authors point out, - consists in the issuance of binding regulations (orders) for the staff (acts of the master's power). The Directive allows disposing and managing the labor force, including employment, transfers, dismissals, determining the organization of production and labor, the number and structure of personnel, the order of work, control the performance of employees’ labor duties.

The disciplinary authority finds expression in the right of the employer to impose disciplinary sanctions on employees who violate the established rules, up to and including dismissal for guilty actions. In other words, the relationship between the manufacturer and the worker, which is voluntary at the moment of the agreement, when the contract of personal employment is concluded, actually turns into a compulsory one as soon as the performance of duties begins” (Korshunova, Nurtudinova, 1994).

A similar transformation has taken place in the perceptions of the power of the employer in the European science of labor law. “The contract, - notes M. Bonesher, - can no longer be a purely material exchange between labor (goods) and remuneration; subordination allows relations between individuals. An employee's object of work (things) is transferred from the theoretical scheme to the working subject. However, for civil law regulation, the parties to the contract are a priori equal. The main purpose of labor law is to restore equality in contractual relations, which is obviously not established with equality of the parties”(ILO, 219). Thus, the modern legal doctrine is characterized by the opposition between formal and legal equality and actual (sometimes identified with economic) equality (Cradden, 2017).

A.M. Kurenna emphasizes the same criterion: “An important characteristic of hired labor is that it is a work of a non-self-contained nature (in international legal terminology, there is a term dependency, which helps to define the essence of hired labor in many ways)” (International, 2016).

As noted by N.L. Lyutov, in some legal systems, the legislation explicitly recognizes the existence of “border” types of workers who are not fully recognized as workers under the employment contract, but they are nevertheless guaranteed separate labor rights (Inter-sectoral, 2016). At the same time, the norms of labor law are applied to
the relations with their participation by analogy. Thus, in Germany, the main features of the category of persons similar to employees (quasi-workers) are fixed by law (in Article 12a of the Law on Collective Agreements). These include: a) economic dependence (as opposed to personal dependence or subordination); b) the need for social protection due to the fact that: work is performed in person, essentially without the help of subordinate workers; work is mainly performed for one person or the worker counts on one person as a source of more than half of his total income (Chesalina, 2018).

The most detailed criteria for economic dependence are set out in Spanish law and practice: it is assumed that at least 75 per cent of the total income an employee receives because of his or her professional activity for the benefit of the client. In addition, there are certain additional requirements or restrictions, such as having their own workplace, equipment and materials; prohibiting the employment of employees; delegating work to third parties; opening their own office or premises accessible to the public, or operating as a legal entity (Comparative, 2015). Similar processes are observed in other European countries (Gerasimova, Lyutov, 2017) and Central Asian countries (Suleimenova, 2015). In Europe, this is connected to the activities of the European Union aimed at harmonizing national labor law systems within the EU (Lyutov, Golovina, 2018).

CONCLUSIONS

Despite the fact that the civil legislation is based on the principle of freedom of contract, the possibility of treating this freedom as an opportunity to conclude an agreement on the performance of work under the control and subordination of the contractor to the customer, not named in the Civil Code of the Russian Federation, is excluded. This would contradict the general principles of civil law, which postulate equality of the parties and autonomy of their will. Despite the fact that the regulation of organizational relations to a certain extent is characteristic of civil law, organizational elements in civil law contracts are auxiliary in relation to property and cannot constitute the content of an independent obligation.

Thus, a civil law contract should not regulate the direct process of execution of work; otherwise, in the order provided for by Article 19.1 of the LCRF, one can raise the issue of its recognition as labor. Taking into account that Article 15 of the Labor Code of the Russian Federation (LCRF), in characterizing labor relations, emphasizes their occurrence with regard to labor performed “in the interests, under the management and control of the employer”, in delimiting multi-sectoral labor contracts, the subordination relations traditionally singled out by the Western science of labor law come to the fore again.

Analysis of the legislation and court practice of some European countries allows us to identify a certain trend in the regulation of labor (in the broad sense) relations, indicating the expansion of the scope of labor law. Even in those countries where labor law is not considered as an independent branch of law, we can talk about the application of certain institutions of legislation (minimum wages, regarding labor protection), traditionally used only for the labor contract, to the relations with the participation of quasi-workers, that is, regarding legally independent labor.

In France since the end of the XX century, the judicial practice of recognition of relations as labor relations is formed at revealing the signs of subordination connection. In addition, the legislation is changing, extending certain provisions of the Code du travail to legally free persons who are economically dependent on the counterparty (managers of dependent enterprises who are not formally hired employees), which makes it possible to assert that it is economic dependence that may become a new basis for the expansion of labor law both in the EU countries and in Russia.

The introduction of Article 19.1 into the Labor Code of the Russian Federation, part three of which establishes a presumption of labor relations in the event of irremediable doubts, may be considered as certain steps in this direction. In this case, the legislator did not take into account the legal dependence that the interested party could not prove, but rather the economic dependence of the executor. At the same time, it is not a question of excluding certain relations from the scope of civil law, as the parties still have the right to determine the sectoral nature of their relations taking into account the degree of control they need in each specific situation (home-based work, distance work and similar atypical forms of employment, depending on the actual circumstances, may be regulated by both civil and labor legislation at the choice of the parties).

In addition, the scope of labor law is broadened to include relations that were not formally regulated by law (for example, those arising from actual admission to work by an unauthorized person). The legislator does not point to the formal subordination of such an “employee” as a necessary condition for the payment of his or her labor - it is only a matter of the fact that the work took place “in the interests of the employer”. The abovementioned feature is sufficient for them to be covered by separate provisions of the labor legislation on remuneration of labor (Article 67.1 of the Labor Code of the Russian Federation). Obviously, the legislator also took into account the considerations of economic dependence of the contractor, equating it, albeit temporarily, with those working under an employment contract in terms of remuneration.
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