

By Liliya Karachurina (NRU HSE)

## Migration Processes (Temporary Labor Migration)

*The data published by the RF Federal Migration Service (FMS) – although these by no means should be seen as absolute truth because of the widespread practice of illegal employment of foreign workers - may, nevertheless, be taken as a kind of baseline information. These data testify to the fact that, since the same period of last year, no serious changes have occurred in regard of the scale migration, the geographical origin of foreign workers, the sectoral structure of their employment, and their distribution across Russia's regions.*

According to the results of surveys conducted by the Levada-Center on 21–24 September 2012<sup>1</sup>, 47% of Russians display a negative attitude to ‘foreign guest workers’, this being the record high hostility index for the entire period of surveys concerning this issue. More than half of the respondents are ready to support measures designed to restrict the entry into their region (in search of a new place of residence or employment) even of the residents of other subjects of the Federation. Two months earlier – in August 2012, when a joint survey was conducted by the Levada-Center and the Center for Social and Labor Rights, - 15% of the respondents stated that they constantly worked side-by-side with migrants; 42% believed that foreign workers bring down the level of the Russian citizens’ earnings; and another one-third of the respondents said that they take jobs away from Russians<sup>2</sup>. The role of migrants in the economy was then estimated as positive by 10% population, who thought that migrants help the domestic economy to develop, while 13% declared that without migrants Russia would be experiencing labor shortage. And 34% of the respondents are certain that migrants take only those jobs that are not wanted by Russians.

Data released by the RF FMS, which certainly must not be taken as ultimate truth because of the widespread practice of illegal employment of foreign workers, can nevertheless, be applied as a certain baseline. These data have revealed that, by comparison with the same period of last year, no serious changes have occurred in the scale of migration, the geographical origin of foreign workers, the sectoral structure of their employment, and their distribution across Russia's regions.

Over the period of January – September 2012, the RF FMS issued work permits to 1,072 thousand foreign workers, which is by 12% more than the number of work permits issued over last year. If the other categories of labor migrants are added (highly qualified specialists who obtained work permits; workers recruited by the RF FMS in an organized procedure for labor recruitment; ‘visa-waiver’ foreign workers employed by Russian individuals on the basis of a

---

<sup>1</sup> The survey was based on a representative nationwide sample of 1,601 persons aged 18 years and older from both urban and rural areas; it was carried out in 130 settlements situated in 45 regions of Russia. The statistical error of this research does not exceed 3.4%. See the press release of the Levada-Center of 16 October 2012. <http://www.levada.ru/16-10-2012/47-rossiyan-otritsatelno-otnosyatsya-k-gastarbaiteram>

<sup>2</sup> The survey was based on a representative sample of 1601 persons. See Nikolaeva D. *Rossiane postavili negativnuiu otsenku trudovym migrantam* [Russians are highly displeased with labor migrants] // Kommersant. 2 October 2012.

patent), the total number of labor migrants legally employed in 2012 (January – September) will amount to 2,170 thousand.

If we look at expert's estimations of the ratio of legal to illegal labor migration inflow into Russia, the overall number of labor migrants will climb to 5–6m. Approximately similar estimations are presented in the Concept of State Migration Policy of the Russian Federation for the Period until 2025: 'Every year, between 3 and 5 million foreign citizens are involved in labor activity in this country without a work permit'. If we consider the opinions recorded in the surveys (see above – 15% testify that migrants constantly work side-by-side with them) and the basic parameters of employment in Russia (the average monthly number of employed in Q2 2012 amounts to 71.7m<sup>3</sup>), a conclusion can be made that the presence of foreigners in the Russian economy is much higher – about 10–11m, which does not, however, appear to be very likely. The high level of hostility toward migrants revealed by the surveys reflects the population's natural reaction to the existing political and socioeconomic problems in the country and the desire to find a scapegoat, which is further strengthened by the absence of any sustained government policy designed to explain the benefits associated with the attraction of migrants (a policy that has always been practiced by many recipient countries). In this connection, we may remind what the Archbishop of Valencia, Juan de Ribera, said when he learned that the Moriscos (who secretly practiced Islam, and therefore were persecuted by the Inquisition) were to be expelled from Spain: 'Who will make our shoes for us now?' Or the words of Ernest Gellner: 'Paraphrasing Kant on ethics, we cannot overcome this tension, but we can understand why we must suffer it'<sup>4</sup>. Or the statement made by Raimund Becker, Member of the Executive Board of Germany's Federal Employment Agency (BA): 'Today's facts are such that we can save our prospective labor market and the social system linked to it only by allowing migration of skilled specialists'<sup>5</sup>.

As it has been happening in every recent year, a vast majority of labor migrants – about 80% of those who obtained work permits – arrived from the visa-waiver countries of the CIS. According to prevailing legislation, only workers belonging to the visa-waiver category may work under a patent. The RF FMS's statistics on the number of patents issued to individuals demonstrate that 83% of such persons have arrived from three Central Asian republics (predominantly from Uzbekistan, followed by Tajikistan and Kyrgyzstan)<sup>6</sup>. In reality, the Central Asian component indeed prevails in the stream of labor migration, but this prevalence is probably less marked because those who come from Central Asia have a stronger need for properly formalized documents (work permits or patents) than do those who arrive from the

---

<sup>3</sup> *Sotsial'no-ekonomicheskoe polozhenie Rossii – 2012 g. Ianvar'-avgust*. [Russia's Social and Economic Situation. January-August 2012]. Rosstat, 2012.

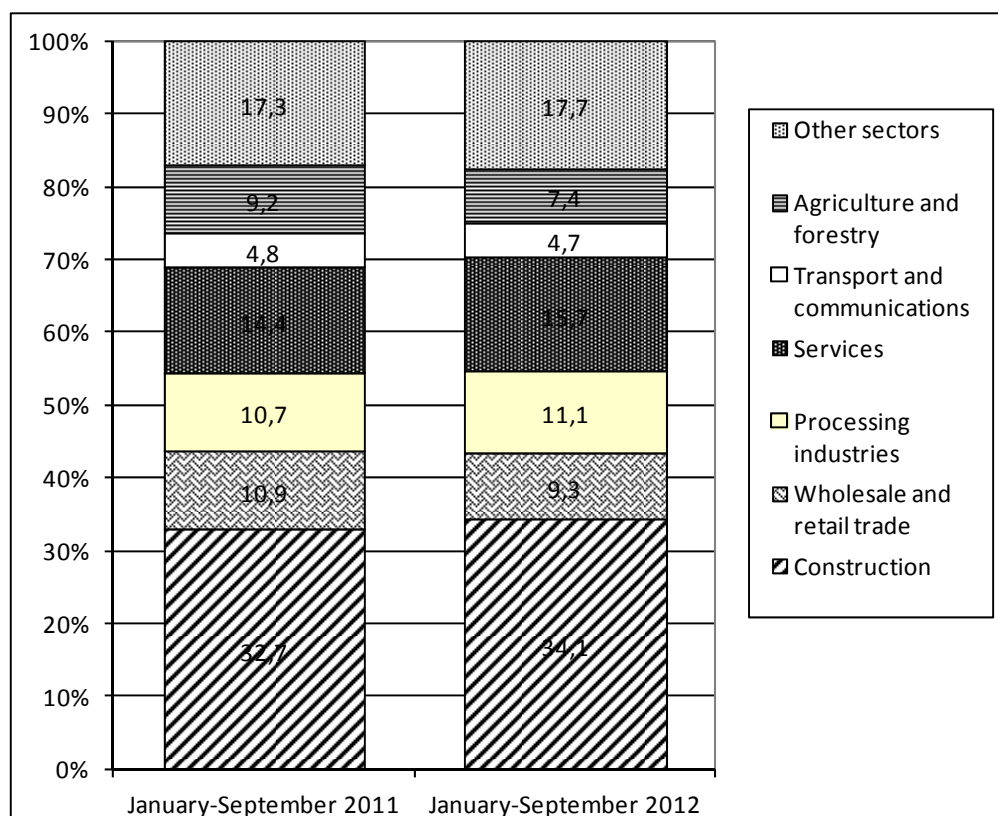
<sup>4</sup> Ernest Gellner, *'Validation?' Conditions of Liberty: Civil Society and its Rivals*. London: Penguin Books, 1996. P. 215. Quoted from: Mukomel V. I. *Migratsionnaia politika Rossii: postsovetskie konteksty*. [Russia's Migration Policy: The Post-Soviet Contexts]. Moscow: Dipol', 2005. P. 7-8.

<sup>5</sup> Gushchin V. *Bol'she migrantov, khoroshikh i nuzhnykh* [We need more good migrants] // *Russkaia Germaniia* [Russian Germany]. 2012. № 40. 5 October 2012. See [http://www.rg-rb.de/index.php?option=com\\_rg&task=item&id=7935](http://www.rg-rb.de/index.php?option=com_rg&task=item&id=7935)

<sup>6</sup> Monthly data on the countries of origin of the migrants issued with work permits are not published.

western republics of the former USSR. The data on the country of origin of foreign workers for 2011 demonstrate that approximately 70% of all work permits are issued to Central Asians<sup>7</sup>.

The statistics on the reported number of labor contracts concluded with foreign workers belonging to the visa-waiver category also point to the fact that their sectoral distribution changed only slightly by comparison with last year's data (Fig. 1).



\*Based on information, submitted by employers, on labor and civil-law contracts concluded with foreign citizens arriving in the RF in search of employment in a visa-waiver procedure.

Source: data released by the RF FMS <http://www.fms.gov.ru/about/statistics/>

**Fig. 1. Sectoral Employment Distribution in Russia of Foreign Workers from Visa-waiver Countries\*, in %**

As before, more than third of the officially employed work in the construction industry. We do not mean here contracts for private apartment renovation – the migrants working under such contracts, even if they are officially registered, hold patents for individual employment and so are entered in another statistical category. The downward trend displayed by the official number of employed in wholesale and retail trade is continuing. But it has been clear for a long time that migrants constitute a substantial proportion of those employed at retail outlets in big Russian cities. It should be reminded that after the incidents at Kondopoga in the summer of 2007 the RF Government introduced the so-called zero quota for the employment of foreign

<sup>7</sup> *Itogi deiatel'nosti FMS Rossii v 2011 godu. Sbornik materialov rasshirennogo zasedaniia kollegii Federal'noi migratsionnoi sluzhby* [The Results of the FMS of Russia's Activities in 2011. A collection of Materials Relating to an Expanded Session of the Federal Migration Service]. K. O. Romodanovsky, Gen. Ed. Moscow: FMS Rossii, 2012. P. 114.

workers in the retail sector. The ban resulted in a dramatic decline in the number of officially employed in that sphere, but by no means eliminated the phenomenon itself – it only led to further evasion of the law. Now the retail food outlets, instead of their own records, officially enter their foreign employees in the records of outsourcing companies that provide them with loading and cleaning services.<sup>8</sup> In October 2012, in order to make more normal the situation at supermarkets and other retail outlets, and to prevent growth of retail prices in response to increasing wages, the RF Ministry of Labor's commission on issues of competition and development of small and medium-sized businesses was assigned the task of preparing a draft government decree to the effect that the zero quota for foreign workers in the retail sector would be abolished and replaced, from the year 2013 onwards, by a 25 % quota.

From 1 July 2010, a new procedure is introduced in Russia for regulating the labor activity of some foreign worker categories<sup>9</sup>: those employed by individuals (under a patent) and highly qualified specialists (HQS). Essentially, the employment of foreigners on the basis of a patent, and in most cases – on the basis of a work permit, fits into the lower and broadest part of Russia's employment pyramid, where the concentration of available jobs is highest. On the contrary, the holders of work permits for highly qualified specialists are expected to fit into the employment pyramid's narrowest upper tier (the elite). The developed countries, when they had to deal with the issue of a declining rate of natural increase or natural able-bodied population loss, were forced to allow the immigration of low-qualified workforce. However, the migration of highly qualified specialists has also been paying a highly relevant role in those countries, in particular circular migration that implies, among other things, also some temporary forms of employment. In Russia, the desirability of this type of migration was for the first time recognized with the introduction of alterations in Federal Law of 25 July 2002, No 115-FZ 'On Legal Status of Foreign Citizens in the Russian Federation', whereby highly qualified specialists were specified as a separate group. Now this group consists of three categories, which are identified by applying different quantitative criteria for determining their income: specialists employed as researchers or tutors, in the event of their being invited for that purpose (earning no less than Rb 1m per annum); other foreign workers (earning no less than Rb 2m per annum); and those without special requirements to the amount of their earnings – foreigners involved in the implementation of the Skolkovo Project. Although the definition of the category of highly qualified specialists was introduced in legislation in mid-2010, the actual issuance of work permits for that category of workers was started only in 2011. The situation in first nine months of 2012 has been nearly identical (the difference being only 1%) to that observed over the same period of 2011: work permits were issued to 8,059 persons, more than 90% of whom are citizens of non-visa-waiver countries. The actual number of received work permits is even less – 7,364. So, this channel has not yet begun properly functioning yet, it has some relevance only in the city

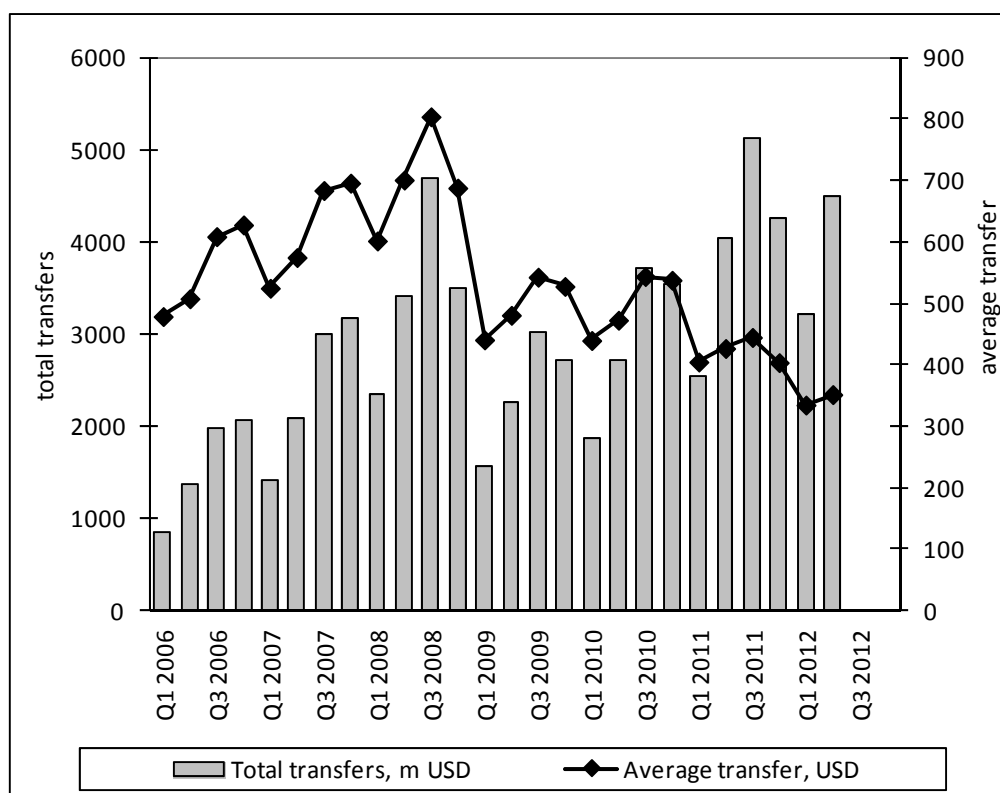
---

<sup>8</sup> Representative of X5 Retail Group Mikhail Susov stated that 'at present, about one quarter of shop personnel – mostly cleaners, loaders and packers – are employees of companies providing outsourced staff. Retail trade in big cities is hit by a colossal shortage of workforce'. See Krenkina A., Gribova YU., Malykhin M. *Gastarbaiteram razreshat rabotat' v magazinakh ofitsial'no* [Gastarbeiters will be permitted to officially work in shops]. *Vedomosti*. 17 October 2012.

<sup>9</sup> Federal Law of 19 May 2010, No 86-FZ 'On Introducing Alterations in the Federal Law "On Legal Status of Foreign Citizens in the Russian Federation" and Some Legislative Acts of the Russian Federation'.

of Moscow (which accounts for 59% of all work permits issued to highly qualified specialists in 2011<sup>10</sup>), the overwhelming majority of these specialists being managers employed in the real estate and retail sectors, and not researchers.

Data released by the RF Central Bank on the transfers of money by individuals from Russia to foreign countries in Q1 and Q2 2012 demonstrate that the amount of transfers to the far abroad is still more twice as high as the total volume of money transfers to CIS countries. However, the balances of cross-border operations are relatively the same, because the transfers to individuals in Russia from CIS countries are negligible. The total volume of money transfers to CIS countries over the year's first two quarters rose by 17% on the same period of last year, this hitting a historic high of the entire period of observation; at the same time, the average sum per operation is lowest (*Fig. 2*). The reasons for this phenomenon may be the increasing opportunities for migrants to transfer their money from Russia to CIS countries (easy availability of the relevant infrastructure, lower transfer fees) coupled with the absence of any necessity for migrants to poor their resources in order to effectuate a money transfer, as well as the disappearing margin between the size of migrants' earnings and that of their necessary expenditures in Russia (rent, food, transport costs).



Source: data released by the RF Central Bank; see <http://www.cbr.ru/statistics/?Prtid=svs>

**Fig. 2. Money Transfers from Russia to CIS Countries, Based on Statistics of Cross-border Operations by Physical Persons, Q1 2006 – Q2 2012**

<sup>10</sup> *Itogi deiatel'nosti FMS Rossii v 2011 godu. Sbornik materialov rasshirennogo zasedaniia kollegii Federal'noi migratsionnoi sluzhby* [The Results of the FMS of Russia's Activities in 2011. A collection of Materials Relating to an Expanded Session of the Federal Migration Service]. K. O. Romodanovsky, Gen. Ed. Moscow: FMS Rossii, 2012. P. 116-117.

