

LABOR MIGRATION IN RUSSIA IN H1 2014

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Transformations which took place in the Russian legislation on migration in H1 2014 concerned not only the issues of citizenship (which issues were discussed in the previous issue), but the temporary labor migration, as well.

In accordance with Federal Law No.115-FZ of July 25, 2002 as amended on The Legal Status of Foreign Nationals in the Russian Federation, from January 2014 nationals of visa-free countries are not allowed to stay in Russia for over 90 days within a half year without a work permit or patent (if they work for individuals on the basis of a civil law contract), that is, having left Russia after a three-month stay, a migrant can return only three months later. Earlier, migrants from CIS states could stay in the RF up to 90 days without limitation of the frequency of their trips. As a result, the following scheme became a wide-spread one: after a three-month stay in Russia a migrant left for his/her country or – more often – to the neighboring visa-free state and then returned to start a new 90-day long stay in Russia and so on. Also, there was a common procedure under which no departure from Russia was required: only documents used to be sent to the nearest state border check point to be stamped.

According to the concept of the legislators, introduction of the new system was to undermine the scheme of a pseudo-short stay without a work permit. For those migrants who violate the term of their stay the same punishment is envisaged as for those who committed two and more administrative violations, that is, a ban on entry to Russia in future for a long period of time (up to 10 years). In addition to the above, from August 1, 2013 in respect of such migrants in Moscow and St. Petersburg, as well as the Moscow Region and the Leningrad Region in addition to the ban on entry to the country in future the deportation procedure is applied. As a result, if in 2011, 2012 and 2013 28,600, 35,000 and 82,400 persons were deported, respectively, only within five months of 2014 that number was already equal to 51,500 persons. Within that period of time, entry to Russia was banned to other 314,700 persons¹.

As a rule, growth in restrictions contributes to a situation where migration shifts in the shadow and the shadow market of services rendered to migrants by companies and individuals consolidates. According to the data of the research by V.I. Mukomelya, even

before the new severe innovations were introduced payments to intermediaries for a job search and arrangement of matters with the employer along with non-recurrent payments for permit documents and accommodation search amounted to 10–15% of earning monthly². It seems that further intensification of that process is to be expected at its different stages and not only in Russia as a recipient country, but in donor countries, as well.

For example, there is a practice when an entry to Russia is closed to a foreign national and that individual returns to his/her country and has some letters changed in his passport (certainly, not on a free of charge basis) to cross the border of the Russian Federation again³. There have been instances, when “migrants buy quotas for work in Russia and resell them to their compatriots at a higher price”⁴. In the Russian Federation, there are criminal and semi-criminal firms which “facilitate” a fast departure of migrants who are under the threat of deportation.

The ratio of the utilized schemes of legalization of labor activities points to a low extent of transparency in labor migration. In January-May 2014, 545,400 work permits were issued which number is equal to that of the same period of 2013. Substantial growth – nearly a twofold one – was observed in execution of patents for visa-free foreigners for employment by individuals (Russian nationals) (1,000,028⁵). In a situation of inflexibility and some shrinkage of other channels of legalization (reduction of quotas), for migrants patents are becoming the most effective instrument of execution of relevant documents for carrying out labor activities. For the recipient side, such a practice per-

2 V.I. Mukomel. The Policy of Integration. The Series of Special Reports. M.: Novaya Evrazia, 2012, p. 7.

3 I. Kovshova. Migrants Without Support of their Motherland. Officials are Deaf, Blind and Dumb //Slovo Kyrgyztana. March 19, 2014. <http://demoscope.ru/weekly/2014/0591/gazeta013.php>

4 The biggest problem for migrants to the Russian Federation is our citizens, - the Minister of Labor //Belyi Parus. Paruskg.info, June 9, 2014.

5 It is to be noted that the statistics of execution of patents, as well as other data on migrants is rather complicated; it reflects not the number of persons working on the basis of a patent, but the number of the executed patents which, for example, can be bought by a migrant several times within a year.

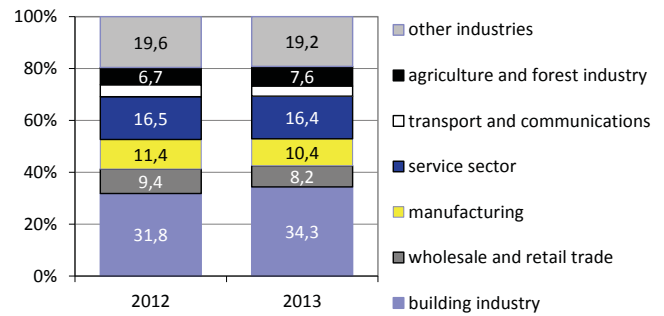
1 Relevant representations on a ban on foreign national and stateless persons to enter Russia were sent.

mits, among other things, to increase revenues from that duty as the mechanism of execution of patents envisages a monthly payment of Rb 1,216 to the federal budget¹.

It is to be reminded that in his Message to the Federal Assembly, Vladimir Putin, President of the Russian Federation proposed to expand the practice of execution of patents by applying it apart from individuals to legal entities and individual entrepreneurs². The outputs of the research – which has established that contrary to the effective legislation most migrants who buy patents do not work at private households – point in favor of application of the patent practice to employment of migrants by legal entities and entrepreneurs³. As in accordance with the established quotas on employment of foreign workforce only 214,000 labor migrants could secure work permits, for example, in Moscow, while Moscow-based entities submitted applications for 1.5m persons⁴, so the employers beyond the quota sooner employed migrants with patents or even without them.

Sectorial pattern of employment of visa-free workers points to some “discrepancies” which highlight the informal parameters of the labor migration. In accordance with the statistics of notifications by employers of conclusion of labor contracts and civil law contracts with foreign visa-free workers in 2013, employment in the building industry – a key area of employment of migrants in previous years as well – consolidated ever more its leading positions; the share of the employed among the migrants in that area increased a little (Fig. 1). In the building industry, one labor migrant in three is from the CIS. At the same time, experts assessed the state of things in the industry as stagnation, to say the least; physical volumes of jobs and the number of the concluded contracts decreased with the reduction of the number of the employed⁵. However, the data on migration points to the contrary.

The municipal public utilities remain an important sphere of employment. The course taken after the events in Biryulevo towards replacement of street cleaners-foreign nationals with local personnel gradually slowed down and transformed into employment for that jobs – which are not rated highly by residents



Note. Prepared on the basis of notifications from employers on conclusion of labor contracts and civil-law contracts with foreign nationals arriving in the Russian Federation in accordance with the visa-free procedure.

Source: on the basis of the data of the Federal Migration Service of the Russian Federation.

Fig. 1. Sectorial pattern of employment of foreign workforce from visa-free countries in Russia, 2012–2013, %

of Moscow and other large cities – of Russian rotation workers from small cities of less wealthy regions of Russia. Trade was subjected as well to another restriction in the form of reduction of the admissible share of foreign workers in retail chains to 15% (from 25% in 2013). Like cleaning companies, retailers are trying to replace departing foreign migrants with local workers. Individual companies resorted to the practice of sending their HR managers to depressed Russian regions to hire personnel for work in Moscow⁶.

In such conditions, a more traditional course was taken by the Ministry of Labor of the Russian Federation which put forward as an initiative the plan of measures to form a mobile worker who can move to other cities and regions. To implement that plan, agencies will have to prepare a package of standardized documents in order to introduce in the country the system of specialized certificates for migrants, develop the mechanisms of subsidizing of local budgets and support the market of leased housing, annual monitoring and information of people via the reset *Rabota v Rossii* Internet site⁷. So far, it is difficult to say with certainty whether new initiatives are to be taken and to what extent they are going to be efficient. Research into mobility of the unemployed and persons seeking employment with assistance of labor and employment agencies – which research was carried out five years ago just before and during the 2008–2009 crisis – identified low mobility of people with a high rate of expectations of assistance from the government⁸. Mobility

1 From 2014, to secure a patent one has to submit the taxpayer number, that is, the code of a taxpayer.

2 From the Message of the President of the Russian Federation to the Federal Assembly. December 12, 2013. <http://www.kremlin.ru/transcripts/19825>

3 V.I. Mukomel. Transformation of Migration Flows: Circular Migrations // Migration Law. 2012. No.3. P. 28–32.

4 L. Protsenko. Ten Years Without the Right of Entry // The Rossiiskaya Gazeta. February 3, 2014.

5 Investments in building keep decreasing //The expert site of the Higher School of Economics OPEC.ru. 19.03.2014. <http://opec.ru/1675603.html>

6 E. Sigal. Patent Guest Worker // The Kommersant Dengi. January 27, 2014.

7 A. Bashkatova. The Government Encourages the Internal Migration //The Nezavisimaya Gazeta. March 13, 2014.

8 M.B. Denisenko, L.B. Karachurina and N.V. Mkrctgyan. Are Russian Unemployed Prepared to Move to Other Places in Order to

TRANS-BORDER MONEY TRANSFERS BY INDIVIDUALS, MILLION USD

Quarter	2012				2013				2014
	I	II	III	IV	I	II	III	IV	I
To far abroad countries	6373	7059	7498	8453	7936	8593	8557	12180	13146
To CIS states	3207	4501	5993	5504	3762	5301	6731	5932	3572

Note. Starting from the data on Q4 2013, the data on electronic cash funds and transfers to trust management of property is included.

Source: The data of the Central Bank of the Russian Federation.

is also complicated by the so-called “poverty traps”¹ which make it difficult for people in poor areas to leave them.

However, even if theoretically the scheme of territorial mobility – that is, mobility from places with the insufficient number of jobs and excessive supply of labor (primarily, small and mid-sized Russian cities) to cities with a higher need of workers (Moscow and cities with a population of over 1m people) – works, it will have disadvantages of its own. The main disadvantage consists in demographic and labor exhaustion of provinces. For example, at present there is already a lack of mid-level medical personnel at hospitals and neighborhood centers situated in close proximity to Moscow: nurses prefer to work in a pendulous mode in the city of Moscow. With taking into account the above, even without fulfillment of plans to increase the number of nurses per doctor², there is a lack of medical personnel in Moscow.

Another “industry” which needs migrants and depends much on them all over the world is the hired labor which serves the needs of households (nurses, housemaids, governesses, housecleaners, gardeners and other). In Russia, that niche of employment is so far in the stage of formation. However, proceeding from the ratio of the size of a pay of migrants working for households and in other industries – it is much higher with household workers³ – there are probably

even labor shortages in that labor niche. It is to be noted that it will grow along with an increase in households’ income and employment and wages of women. Simultaneously, the general pattern of the migration flow arriving in such areas will change.

At present, the portrait of household workers is as follows: it is a woman in her higher middle age (40 years old against 34 years old with other groups of migrants), Russian is the native language for the 1/3 of migrants, another 45% of migrants can speak Russian fluently, 36% of migrants have higher or incomplete higher education, 60% of migrants are city dwellers, 52% of migrants are single, divorced and widows. The average amount of migrants’ pay with taking into account those who receive their remuneration per hour, day, week and month amounted to Rb 25,500. Two-thirds of migrants (66%) send a portion of their pay home; the average amount of the transfer amounts to \$448 which is 1.2 times more than the average amount of a trans-border operation by individuals from Russia to the CIS states in Q4 2013⁴. In Q1 2014, the average amount of a money transfer as compared to Q4 2013 decreased (it always took place during the year) and amounted to \$275, that is, the minimum value throughout the entire period of collection of such statistics. It is to be noted that in Q1 2014 the total sum of money transfers decreased by 5 p.p. as compared to the same period of 2013 having exceeded insignificantly the index of 2012. At the same time, money transfers to far abroad countries kept growing (by 65.7 p.p. as compared to Q1 2013) and exceeded 3.7 times over the money transfers to CIS states (Table 1).

Find a Job? // The Demoskop Weekly. 2010. Nos. 445–446. <http://demoscope.ru/weekly/2010/0445/index.php>

1 E.S. Vakulenko. Modeling of Migration Flows at the Level of Regions, Cities and Municipal Entities. Author’s abstract of the thesis for seeking of a doctor degree in economics. M., 2013.

2 Within twenty years, the number of nurses in Russia decreased by 50% // Medical Portal. February 26, 2014. <http://medportal.ru/mednovosti/news/2014/02/26/297skvorcova/>

3 The data of the Women in the Central Asia research in identification of the status, needs and requirements of household workers in Russia and Kazakhstan carried out by the Migration Research

Center (H2 2013) with the UN assistance in which the author participated. 250 persons were surveyed in Moscow. .

4 The data of the Central Bank of the Russian Federation. http://www.cbr.ru/statistics/print.aspx?file=CrossBorder/C-b_trans_14.htm&pid=svs&sid=TGO_fiz