



## POLICY NOTE OF WORKING PAPER 3.21

### MIGRANTS AT THE RUSSIAN LABOUR MARKET: CHARACTERISTICS, STATUS, MOBILITY

July 2013

#### OBJECTIVE

This paper presents the main findings of recent sociological survey on labour migration in the Russian Federation. Over the last two decades, international migration in Russia has become a marked socio-economic phenomenon. However, Russia has not enough information about migrants: their socio-demographic characteristics, spheres of activities, living and working conditions, mobility, etc. A lack of reliable information creates a distorted image of a migrant, leads to inadequate assessments of their place in Russian society and labour market, and reduces effectiveness of migration policy efforts.

#### SCIENTIFIC METHODS

The empirical basis for the study is the findings of the sociological survey conducted in November 2011 at the request of the Higher School of Economics, NGO “The Centre for Ethnopolitical and Regional Studies”. The survey was conducted in eight RF constituent areas: Moscow, Moscow Oblast, St. Petersburg, Astrakhan Oblast, Samara Oblast, Sverdlovskaya Oblast, Permskiy Krai, Primorsky Krai. Sampling quota distribution among the regions was based on a region’s share in all selected constituent areas in terms of its number of legal foreign workers according to the Federal Migration Service data. Besides, the sample composition took into account the distribution of labour migrants by their country of origin. The total number of interviewed migrants was 8,5 thousand.

Migrants’ socio-demographic characteristics and status at the labour market were described using traditional statistical methods of descriptive data analysis (linear distributions, two- and three- dimensional crosstables, compare means). The analysis of migrants mobility at the transfer “the last work at home – first work in the RF” and at the time of changing their workplace in the RF (the transfer “first work in the RF – work in the RF at the time of survey”) was made on the basis of the calculated transition matrixes, elements of which showed the share of respondents who moved from the status  $i$  into the status  $j$ .

## POLICY VALUE-ADDED

More than 11 million work permits were issued to foreign nationals during the 2000s. In 2012, the number of labour migrants, working on the legal basis in Russia, exceeded 2 million people, and over 3 million of migrants worked illegally. The specific of legal labour migration in Russia is that the majority of labour migrants are citizens of the CIS countries, eligible for a visa-free entry into Russia.

There are four principal labour migration channels in Russia. The first channel is used by workers who obtain ordinary work permits. Most migrants are granted work permits within the quota annually established by the Labour Ministry (1,4 million of such permits were issued in 2012). A smaller part - representatives of some in-demand professions, requiring high qualification, receive extra quota work permits (about 45 thousand such work permits were issued in 2012).

Ordinary work permits have a limited validity period – 1 year (which can be extended for another half a year). The quota is determined by employers' requests which are to be submitted till May of a current year. It is allocated among Russian regions and principal professional groups. There are some differences in the work permission issuance procedure for nationals from a visa and visa-waiver countries. Citizens of the countries eligible for visa-free entry personally apply to the Migration Service for a work permit. In this case, it is not possible to control their level of qualification and profession. Migrants from the countries, which needed a visa to enter Russia, are issued a work permit at the employer's request for the period of contract validity upon obtaining a relevant visa (but no more than 1 year).

The second channel was opened in July 2010 for highly qualified professionals. They are referred to this category on the basis of one criterion – their annual wages, which should not be below 2 million roubles (about 50 thousand Euro). For professors and scientists this threshold was halved. This small migrants category (about 12 thousand people in 2012) has been granted a preference – they are allowed to conclude a contract for the period of up to three years and are also granted a simplified entry procedure for their family members.

In 2010, one more channel was opened for migration. Citizens of the countries with visa-free entry into Russia were granted the right to buy a patent (license) to work in private households. A patent cost is 1000 roubles (about 25 Euro) per month. A patent can be repeatedly extended, but no more than for one year from the date it was paid for the first time. This labour migration channel has been dynamically expanding (in 2012, 1,3 million patents were purchased or sold in 2012). When the patent system was introduced, it was expected to facilitate quick establishment of the status of hundreds of thousands of migrants from the CIS states.

The fourth channel was opened for citizens of Belorussia which is member-state of the Belarus-Russia Union, and, starting from January 2012 (when the Agreement on Customs Union of Russia, Belorussia and Kazakhstan came into force) – also for Kazakhstan citizens. Citizens of these countries will be able to work in Russia without a work permit.

Our study shows that, in spite of a large number of foreign workers, arriving in Russia, first of all, from the CIS states, the system of attracting them is ineffective. The number of illegal foreign workers in the country does not decline. Many migrants from the CIS states work without an official registration when the relationship with the employer is not legalized. An employer, participating in the quota campaign, is not guaranteed to be provided with an opportunity to hire foreign workers, including those having appropriate qualifications level. It does not pay for employers to invest in migrants requalification and retraining, because periods of labour contracts are less than a year. This is especially important given the fact that the level of education and professional qualification among new, young generations of labour migrants, arriving primarily from Central Asian countries, is lower as compared to older generations.

Due to a lack of statistical information, the current shortage occupations list does not reflect the real needs of the Russian economy for qualified specialists. Simultaneously, in the Russian labour market there is little demand for professional skills, education and qualification of migrants. Highly qualified specialists or those, having in-demand professions (for example, doctors or university professors), frequently occupy work places which do not benefit the level of their professional qualification.

The survey findings support the hypothesis that most migrants who buy a patient, do no work in private households. For them, the patient has become a guarantee of their legal stay in the country. “Patient buyers” work in commercial and state-funded enterprises, mostly – in trade and construction businesses. A lack of reliable records on “patient buyers’ ”work distorts labour migration and labour market statistics.

Currently, there is a special migrant segment of the labour market gradually developing in Russia. The analysis of migrants’ mobility showed that a change of the workplace in the territory of Russia increases the concentration of foreign workers in specific kinds of economic activity (trade, construction, the housing and utilities sector, transportation).

On 1 December, 2012, the law, requiring labour migrants’ mandatory knowledge of the Russian language came into force. Migrants, working in the sphere of housing and utilities, trade and consumer services have to take a Russian language test or to provide a certificate, verifying their education, valid in Russia. Starting from 2015, the language test will also be mandatory for all labour migrants, entering Russia, as well as foreign nationals, wishing to obtain a long-term residence permit in the RF. The survey showed that poor knowledge of the Russian language is more typical of young migrants from Central Asia who arrived in Russia not long ago, as well as of migrants from non-CIS countries. It appears that principal migration policy areas should include development of a system of language and professional training of labour migrants in their country of origin.