

## The Struggle for Formal Work

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# 1 The struggle for formal work

## The everyday experiences of Russia's Central Asian labour migrants

*John Round and Irina Kuznetsova*

### Introduction

Russia receives one of the highest numbers of labour migrants in the world—the majority coming from Kyrgyzstan, Tajikistan and Uzbekistan—and is the source of one of the largest total remittances, worth US\$21 billion in 2018 (IOM 2020: 93). Estimates for the number of migrants working within the country vary dramatically, due to the chaotic nature of the country's migration policy, ranging from three to five million. Given the increasing labour migration resulting from the global economic crisis, there is a renewed interest in the working experiences of migrants (see, for example, Potter and Hamilton 2014; Bloch and McKay 2016). Yet academic discussions on such issues in Russia are still developing (see Reeves 2013; Eastman 2013; Malakhov 2014; Urinboyev and Polese 2016; Urinboyev 2017). Through qualitative and participatory research, this chapter's primary role is to reveal the immense difficulties that Central Asian migrants face in their working lives in Russia. In both political and media discourses, such migrants are commonly portrayed as 'illegal'—despite the fact that the migrant body cannot be illegal—which renders them ostracised from many areas of society, and 'fair game' for exploitation by employers (Round and Kuznetsova 2016). As Williams et al. (2013) have shown, many ethnic Russians struggle to operate fully in the formal labour market, due to the actions of employers, and, as what follows demonstrates, the situation is even worse for labour migrants. Even those with genuine work permits or *patents* struggle to formalise their work practices, leaving them open to abuse, such as the withholding of their pay, a lack of safety regulations at work, extremely long working hours and/or highly unstable work.

Such discussions add much to global debates on the increasing precarity of work in the (post)crisis period (see Standing 2011), but the primary literature it engages with stems from the growing interest in the management and work literature on informal work (see, for example, Godfrey 2011; Webb et al. 2014; Ketchen et al. 2014 for its origins). Despite the truism that the informal economy, if taken broadly, rather than following the typical state definition of tax avoidance (for a full overview of this debate, see Siqueira et al. 2016), has operated for far longer than the formal, within these literatures there has been a 'discovery' of the

informal, with subsequent calls for the setting of ‘research agendas’ (Ketchen et al. 2014). As discussed in more depth below, the majority of such literature sees informal practices as either a response to an overly bureaucratic state (see Kuehn 2014 for further discussion) or a stepping stone to formality as people try out new ideas without making the commitment of registration (Kus 2014).

However, there is a significant lacuna in the literature on the actions of employers who force their workforce into informality via a series of nefarious practices. Addressing this provides insight into the nature of Russia’s socio-economic development and suggests a recalibration of research agendas to consider in more detail the experiences of those working informally in labour markets across the world. After detailing the research methodologies below, this chapter is then situated within the literature on labour precarity and informality, noting the lack of work on employer-forced informality, before turning to empirical discussions. The latter are split into three sections: the first examines the governance of labour migration in Russia; the second reveals how this actually works in practice in order to erect barriers to formal work; and the third explores the lived realities of work for labour migrants. We conclude by arguing that, in the current situation, there is no incentive to improve the lives of migrants since the current stasis is extremely profitable to those with power.

This chapter draws upon in-depth interviews conducted in 2013 and 2014 with 300 labour migrants from Kyrgyzstan, Tajikistan and Uzbekistan working in the Russian cities of Kazan and Moscow. Despite some changes in the labour migration regulations including the creation of a single labour market within the Eurasian Economic Union (EAEU) recently, we argue, the embeddedness of informality into the migrants’ work experiences still remains highly topical. Whilst there are some differences in the experiences of the different groups in the two respective cities (for Moscow, see, for example, Round and Kuznetsova 2018), the space available precludes a full examination of them. Thus, here we concentrate more on their everyday work experiences. Whilst there are many younger migrants working in Russia, the experiences of older workers were also explored, and there was an equal split of interviewees between genders. Our sample consisted of an entire range of migrant statuses amongst the interviewees, but here we focus on those who were legally documented to work in Russia and struggled to formalise their practices. Interviewees were approached through existing contacts, through nongovernmental organisations (NGOs) working on migrant issues and, then, through the snowball method. We conducted interviews in Russian or, if the interviewee was not comfortable, with the assistance of a translator in the language of their choice. In many cases, the interviews were recorded and later transcribed, but, given the sensitive nature of the issues under discussion, some were unwilling to be recorded. In such instances, notes were made immediately after the interview concluded. ‘Elite’ interviews were also conducted with government officials, NGO workers and practitioners, upon which the section on Russia’s migration system is based. Both authors were in Russia for the duration of the research. The first author was a labour migrant working under the country’s highly qualified migration scheme. Whilst his experience

is quantifiably different from that of Central Asian migrants, it provided many insights into the country's stifling bureaucracy that surrounds migration and work.

### **Precarity, informality and labour migration**

Around the globe, labour precarity in the workplace is expanding as a result of the form of neoliberalism emerging from the current economic crisis. Zero-hour contracts, successive internships, non-unionisation, a lack of any long-term stability and stagnant pay rates are a reality for increasing numbers, with little sign of a return of workers' rights (Gialis and Leontidou 2016). Obviously, within this context, there are differing scales and levels of precarity, across differing economic forms and average income levels (Geyer et al. 2013; Williams and Lansky 2013), with Standing (2011) showing the depths of issues in countries as diverse as Japan and Italy, arguing that a new class of worker is forming around these uncertainties. Precarity exists in all employment spheres, from cultural economies (de Peuter 2014) to gold mining (Hilson et al. 2014); common across them is the nature of informal behaviour that exists within sectors. Whilst many of the above-noted employment practices (such as zero-hour contracts, which are expanding in the formal economy) have always existed in the informal sector (such as day labourers being paid cash in hand), given the global rise in precarity, there is, nevertheless, a renewed—and, in some disciplines, an emerging—interest in informal economic practices, featuring both vague and contested definitions.

Traditionally, informal work has been infused with negative connotations since it is hidden from the gaze of the state and concentrated around issues of cash-in-hand work, with no tax paid on the proceeds, regarded as something that will decline in scale as formal economic growth occurs (see Williams et al. 2012). This fails to recognise both the diversity and the persistence of the informal sector, with Schneider (2014) arguing that, in fact, globally the informal sector's size is growing, with many countries seeing levels of informality rise above 50% of their GDP. Furthermore, as Williams et al. (2013) note, there is also a false dichotomy attached to formality/informality: work is often seen as either formal or informal, not reflecting the nuances within a sector, the linkages between formal and informal work or the breadth of practices and motivations behind them. The work of Gibson-Graham (2006) broadened such discussions by demonstrating the diversity of informal practice to include volunteering, care-giving and mutual exchange in addition to their relationships to the paid sector. Within this more nuanced context, informality came to be seen as positive in certain spheres, especially in relation to new enterprise formation, accompanying the recognition that nascent entrepreneurs often try out their new ideas in an informal manner before committing to formality and all the bureaucracy, time and effort this involves (Rezaei et al. 2014). Thus, some (see, for example, Webb et al. 2014; Ketchen et al. 2014) call for new research agendas on informal entrepreneurship, as if it is a new phenomenon rather than a practice predating the formal economy as it is currently 'accepted'.

Given the often precarious nature of migration and the problems of entering titular labour markets, a rich body of literature has emerged exploring how informal work and entrepreneurial behaviour have provided employment to migrants (for recent discussions, see Likic-Brboric et al. 2013; Sidzatane and Maharaj 2013; Sheehan and Riosmena 2013). Through this literature, there is a deep understanding that migrants often face little option but to operate informally, either as workers or entrepreneurs, because of restricted access to the labour market they have entered or because of a lack of documentation enabling access, such as visas and/or work permits. However, there is less understanding of the more pernicious practices of employers forcing documented workers, both domestic and migrant, into informality in order to increase profits (through the avoidance of payroll taxes and social obligations such as holiday pay) and time (by avoiding the bureaucracy of formally registering workers), as well as the government frameworks enabling these (however, see Williams et al. 2013). Using the example of Central Asian labour migrants with working visas in Russia, this chapter begins to fill this lacuna by concentrating on the informal practices of employers who force their workers into precarity. By taking this approach, what follows also expands upon discussions in the entrepreneurship literature on informality by highlighting the linkages between the state and the economy. Currently, this usually involves exploring the relationship between taxation rates (Kuehn 2014) and/or the administrative burden to enterprises on levels of informal behaviour. However, there is a growing literature on the more general impacts of the forms of political economy existing in a country on the formal/informal spheres. For example, Kus (2014) demonstrated the impact of Turkey's neoliberal reforms on the nature and scale of its informal economy and De Castro et al. (2014) explored how informal enterprises operate within differing scales of governance, as well as how these various layers implement regulations differently. One of their key arguments is that if there is a close linkage between the state and the economy, as there is in Russia (William et al. 2013), then a system will evolve and become codified to enable making a maximum profit at the expense of powerless sectors of the labour force. Within this context, there is no incentive for the system to change, since it works for those who hold the power, carrying serious implications for the long-term economic development of the country (for similar discussions on Albania and Kenya, respectively, see Muceku and Muça 2014; Meagher 2014). Framing informal economic practices in this political economy context allows us to complicate the current tendency to view informality in a more positive light (as an enabler of entrepreneurial start-ups and/or as an understandable reaction to burdensome regulations) by demonstrating the more hidden activities of employers who force workers into this sphere.

### **The governance of labour migration in Russia**

In relation to employment, one of the primary outcomes of the form of political economy that has developed in Russia since the Soviet Union's collapse is the disconnect between its regulatory labour framework and its lived experience.

As numerous studies have shown (e.g. Williams et al. 2013; Walker 2010), many Russian workers struggle with uncertainty in the workplace as a result of employer practices, such as the partial payment of salaries in cash and simply ignoring contracts. However, nowhere is this more keenly felt than in the labour migration sector. Whilst the federal government has long realised that there is a need to develop an effective system enabling migrants to contribute more fully to economic development, such attempts have been stymied by the sheer scale of migration, the competing ministries involved in the process and the practices of employers. The situation is further complicated by the visa regimes that exist between post-Soviet countries, which, in the majority of cases, allow for Central Asians to be in Russia for a 90-day period, travelling on their internal passport with no need for a visa. Therefore, people can enter the country (although often not without problems, as illustrated below), stay for a while, then leave the country and return quickly. Also, as Reeves (2013) demonstrates, there is a thriving market for fake work permits. In fact, we have observed how these are sold in the McDonald's closest to Moscow's main mosque. Russia needs labour migration, since the country has the third-lowest labour productivity rate in the world and, as a resource-rich country and despite the global economic downturn, major cities are expanding and mega events such as the Sochi Olympics and the World Cup ensure a large demand for labour (Müller 2012). In addition, under Putin's first government, the growth in living standards has meant that more people are unwilling to undertake low-paid menial work, such that there is a high need for cleaners, cashiers, janitors and the like. All of this is compounded by the demographic dip in people entering the labour market and by outwards migration. Migration to Russia is driven by socio-economic marginalisation in Central Asia, which has the lowest levels of income in the Northern Hemisphere. For example, GDP in Tajikistan in 2018 was US\$826.60 per year, compared to Russia's US\$11,288.90 (The World Bank 2018). As one interviewee said:

In Moscow we can earn enough to live and support our parents and children back in Tajikistan. If we did the same jobs in Dushanbe we would only be able to feed ourselves. We cannot work in our professions here and we have to work all the time but it is the only choice we have.

Formal labour migration into Russia is governed through two systems: formal work permits and a *patent* system (Kuznetsova 2017). The citizens of EAEU's member-states (Armenia, Belarus, Kazakhstan, Kyrgyzstan and Russia), established in 2014, now participate in a single labour market, meaning they are not required to possess any permits to work in Russia. At the same time, the single labour market, as Ryazantsev et al. (2019) show using the example of labour migrants from Kyrgyzstan, does not automatically reduce the many issues they face.

For a long time, a general work permit served as the main channel for labour migration to Russia, until 2010 when the *patent* system for foreign workers established who does not require a visa to enter Russia. Currently, general work

permits are granted only to foreign citizens who enter Russia with a visa. In 2015, more than 140,000 such permits were granted (25% fewer than in 2014), half of them granted to citizens of China and Turkey.

As for the work permits, enterprises apply during the previous year for the number of permits they think they will need for the forthcoming period. These are then, supposedly, distributed through a quota system. For many enterprises, this is inefficient since they are unsure of the amount of labour they will require in future. This leads to the hoarding of permits, which can then be used as a means of gaining a competitive advantage if a competitor does not receive the permits they require. In total, over the time period between 2010 and 2014, about six million such permits were issued. Most of them were granted to citizens of Uzbekistan (about 42%), Tajikistan (15%) and Ukraine (11%) (Kuznetsova 2017: 140). Upon arrival, the work permit must be registered with the migration service. The *patent* system aimed to expand the taxation base from workers who had previously worked informally. The price of a *patent* is, however, different in Russian regions; in Moscow in 2020, for example, it cost 5350 Russian roubles (approximately US\$72) per month. As we show below, both systems are open to abuse and are staggeringly overly bureaucratic.

Given the chaotic nature of the migration system and the need for labour migration, the current Putin administration introduced the ‘Concept of the State Migration Policy until 2025’ (President of Russia 2012), with the idea of developing effective migration regulations, increasing cooperation between countries and enabling the increased integration of migrants into Russian society. The latter is important since, similar to many countries experiencing high levels of labour migration, antagonism is directed towards labour migrants, especially in Moscow. Migrants are constructed as ‘illegal’ regardless of their actual status, deemed criminals and carriers of disease. The Moscow Mayor, Sergei Sobyenin, even went as far as to say that, if it were not for migrants, the city would be the world’s safest (Nikolaeva 2013).<sup>1</sup> To increase the integration potential, migrants must now pass Russian-language and culture exams prior to beginning work, with the aim of increasing interactions within the city. There is little evidence demonstrating that these exams have or will improve relations between migrants and the titular population or become anything more than a new site where informal payments will be required. Moreover, as Ruget (2018) stresses, these exams are laden with Russian nationalism, and many questions are disconnected from migrants’ everyday concerns. With regard to the technical development of the migration system, the primary aim was to decrease the bureaucracy for both employers and employees, reduce the corruption inherent in the system and increase the training of migrants and thus their productivity.

The concept was derailed, however, by events surrounding the Moscow Mayoral elections in late 2013, which turned into a race to the bottom of just how xenophobic the candidates could be towards Central Asian labour migrants. The leading contenders all argued that Moscow’s socio-economic problems were the result of migrant behaviour and their participation in the informal economy. Navalny, often held up in the West as a liberal opponent to Putin, stated that



migrants should be banned from the metro, since ticket prices are subsidised and ‘migrants don’t pay tax, so why should they benefit’, or that if they are not paid then they simply go and rob a Russian (Navalny 2013). Within this xenophobic context, it was no surprise that tensions increased, resulting in riots in Biryulyovo after a Russian was killed by an Azerbaijani, prompting the closure of the region’s ethnic market and the detention of over 3000 Thai migrants in a makeshift camp within the city limits. In relation to our arguments here, this tension greatly impacted migration management, since senior politicians realised that they could make political capital out of the situation. More restrictions for immigrants have been introduced, including, for example, compulsory registration in their accommodation beginning in 2014 and a re-entry ban began in 2015 for those against whom two administrative law violations have been filed. As Schenk (2018) argues, the increasingly restrictive migration policy is politically motivated and contributes to the enforcement of centralised control which led to the increasing of deportations of labour migrants (see Chapter 9). In 2016, the Federal Migration Service (FMS) was closed down, and its functions were transferred to the Ministry of Internal Affairs, which also demonstrates the securitisation of the migration policy.

### **Barriers to formality and everyday realities**

As numerous studies have shown, formally entering Russia’s labour market is difficult, not only for migrants but also for ethnic Russians (e.g. Round 2004; Walker 2010, 2015). This difficulty results from the informal processes inherent in the labour market, such as the use of connections to secure employment, the prevalence of cash in manual work and the lack of job security. However, such issues are magnified for the migrant community, very few of whom have the connections enabling them to secure ‘good’ jobs. The first barrier they must face is actually entering the country. Many travel by bus, the cheapest method; but, in many cases, they are required to pay bribes, even though they have a free right of passage into the country. In the study of border crossings undertaken for this research, at every passport control, each bus we rode on featured collections to ensure there would be no problems at the crossing. When the bus reached the outskirts of Moscow, it was stopped again and another informal payment was required, even though no border was crossed at that point.

Before 2014, Migrants forced into informality must leave the country every 90 days to obtain a new migration card, crossing, in the case of Moscow, the closed border between Russia and Ukraine. Although they are legally entitled to make this journey, on average migrants are forced to pay US\$70 to leave the country and US\$90 to return. A border guard explained that every day they must pay their superior US\$5000, with anything over that representing a ‘profit’, in order to keep their positions.<sup>2</sup> By air, the situation is a little better. Upon arrival, Central Asian migrants are often separated from other passengers and herded from room to room. They are treated with absolutely no respect and shouted at repeatedly, with little attempt to engage with them in their native languages. Interviewees discussed how



they are ‘treated like animals’, forced to wait for seemingly no reason for hours at a time before they can enter the country; often, informal payments are requested.

The next problem migrants must face is the registration of their work permit, both with their employer and FMS. The issues surrounding employers’ practices are perhaps the most pernicious in the entire process, since they force labour migrants to operate informally, thereby reducing their security and salaries and enabling the state to construct them as ‘illegal’. The International Organisation of Migration (IOM) argues that the term ‘irregular migrant’ is more appropriate. But, within the Russian state and media discourse, such nuances do not exist, and an extremely narrow definition of informal work—that the worker is undertaking this practice simply to deny the state tax—is almost always applied. Thus, by default, labour migrants are ‘illegal’. The reality has much more to do with the neoliberal form of economy that has emerged in Russia, which sees more than 50% of GDP accumulated informally (Schneider 2014), a system within which the employer is all-powerful. Russia has a flat-rate taxation system, whereby the employee pays a relatively low 13% tax; however, employers pay a high 30.2% payroll tax based on the employees’ salary. This provides a clear incentive for employers to reduce their formal salary-based taxation bill and instead make additional cash-in-hand payments to reduce their tax burdens. Many Russian workers outside the state sector are offered two salaries when they begin work—the low official one and the higher cash payment—with little choice but to accept this arrangement. For labour migrants, our interviews revealed that, in the majority of cases, they are simply offered cash-in-hand payments or extremely low formal salaries. Since they are in no position to turn down work, they are forced into such arrangements. This obviously invalidates their work permit, and employers simply refuse to register them as working there. With no power, there is nothing the migrants can do but accept the situation. They also lack any security that the salary will be paid, safety regulations can more easily be ignored, and, if the migrant is injured at work, then, according to NGOs who try and protect such workers, often they are simply taken from the workplace and placed on the street such that the company has no obligation to pay for their healthcare. This chapter looks at precarious work and employer/state practices; therefore, migrant entrepreneurs are not in its focus.<sup>3</sup>

Interviews with elites revealed that employers often make informal payments to ensure that they are not raided by the migration and/or tax authorities, enabling them to undertake the above practices with impunity (or, conversely, payments can be made to ensure that a competitor’s workplace is raided). Another practice is to subcontract work through employment agencies. For example, a state institution claiming that all its workers are employed formally will employ its cleaning staff through an agency. By interviewing such workers, the reality of their employment was revealed. Firstly, the workers’ documentation is not checked by the agency, and thus the migrant is unable to obtain the paperwork needed to register their employment. Secondly, their pay is much lower than the official payment for the post at the agency (and no doubt other participants take a significant cut). For example, a cleaner earns around 17,000 roubles per month cash in hand (approximately US\$228) for working 12 hours per day, six days a week, with no

payments for breaks, holidays or sick leave. Any period away from work will lead to dismissal, meaning that migrants with young children who remain at home find it extremely difficult to visit them. Illness is a great concern, as this interviewee, who had a problem with her hip making it extremely difficult to walk, explained:

I get to work by 7 in the morning and work until 1 pm, and then I make an hour's journey to an informal Kyrgyz clinic [she cannot access formal health care since she is concerned they will report her to the migration service and it is too expensive]. I pay someone to work for me while I am away, and, after my treatment, I return to work around 5 pm and work until 8 pm. If I took more than a day off work, then I would simply lose my job.

To place this salary into context, the above interviewee pays 19,000 roubles in rent per month for a room in a shared flat; for food, travel and money to remit home, she relies on her husband's salary of around 24,000 roubles per month (US\$322). Moscow is an extremely expensive city in which to live, with the cost of food, for example, exceeding the average costs in most Western European cities, as exemplified by the following. A major Western European-owned supermarket chain has had good success in breaking into the Russian market. During its emergence, large posters advertised for staff. On every advert, there are pictures of smiling ethnic Russians, and the blurb states that only Russian citizens can apply and that the working week is 30 hours. It was somewhat puzzling, then, to see that on most days almost all of the cashiers were from Central Asia. Interviews amongst this group again revealed the use of subcontracting. Labour migrants work primarily for cash-in-hand wages, 11-hour shifts, with an unpaid 30-minute break, receiving 100 roubles an hour (US\$1.3). They receive no holiday pay and no healthcare coverage, and again, if they miss more than a couple of shifts they are dismissed without notice. Given the high cost of goods within the supermarket, they are not even able to buy products from it given their low salaries.

Even if migrants are able to entice their employer to employ them formally, they still face difficulties in formalising their status. After receiving the documentation from their workplace, the migrant must then go to the Office of Visas and Registration (OVIR) to register the documents. At Moscow's main OVIR, migrants are literally caged in as they wait outside, with waiting times to enter the building running into days (migrants put their name on a list and return to the same place the next morning if they are unable to enter that day). Interviewees explained that, when they are inside, they are, similar to experiences in airports, treated like animals, with no respect at all afforded to them. Often they are accused of having false documentation, and, given the above, it is no surprise that they are regularly asked for informal payments to expedite the process. Interviewees discussed how the process often takes months to complete, requiring multiple trips to the office. As one interviewee said:

We spent three days queuing up at the registration office trying to get someone to help us understand the regulations and what we need to do, since it

changes all the time. We waited outside office after office and eventually someone told us to leave and just look it up on the internet. I really don't know why they make it so hard for us to find the information we need to register our work permits.

Given how difficult it is for migrants to take time off from work, many are reluctant to spend days queuing at OVIR, since, at best, they lose income given that they are not paid whilst not working and, at worst, they lose their jobs. Furthermore, formality offers them little protection from the police nor provides greater stability with employers. The lead author spent time around the city's main OVIR, and when walking back to the metro station he saw a police van full of Central Asian migrants. From observing the situation and talking to migrants in the area, it became clear that the police were waiting for migrants to return after depositing their documents at OVIR and then stopping them and asking for said documents (see also Round and Kuznetsova 2018). Since the migrants did not have their documents to hand, the police then detained the migrants until they made an informal payment to secure their release. Given that technically the only people allowed to ask for your documentation on the street, unless you are suspected of committing a crime, are FMS agents, this is obviously illegal. However, such practices are embedded in the practices of the police, many of whom view migrants as a source of income.

The benefits of formality for migrants are negligible. Even if employers pay the social tax, migrants remain ineligible for free health care except in emergencies, and, in the vast majority of situations, they receive no benefits from their employers. Often, factories and markets are raided by FMS, and migrants are swept up regardless of their migration status and detained for a few days before their release. Those working under the *patent* system, who pay for a stamp in their passport each month enabling them to work, also suffer from a lack of understanding of how the system works. In many cases, interviewees recounted that, when stopped by the police, those stopping them stated that the documentation was incorrect and fined them unofficially. Unable to take holidays, workers are trapped in their jobs, causing great strain on their families. This female interviewee's situation is commonplace:

I have two daughters, 9 months old and 2 years old, and I have not seen them for five months—they are living with my parents in Tashkent. I cannot have them here since we both need to work and cannot afford childcare. This year, only my husband will go home to see them in the summer since I would lose my job if I am not there every day and it is not a bad place to work. Also, our room is not too expensive to rent and we would lose that if we were both away because they would just put someone else in it.

The last point about accommodation represents a further barrier to the formalisation of labour migrants since many struggle to formally register their living arrangements. Those offering rental accommodation are unwilling to register

tenants because they do not want to pay tax on the income; often they rent out the space to more people than allowed (many interviewees lived six to eight persons to one room), and/or the bureaucracy of registering them is a complicated and tedious process. Thus, even if migrants are lucky enough to be formally registered at their workplace, it is unlikely that they will enjoy similar good fortune with regards to their living arrangements. Again, this puts them at risk for detention by or needing to make informal payments to the police, given that often their documents are not completely in order. Overall, the labour framework is extremely problematic for migrants in Russia and they hold no power at all. Employers, landlords and the police collectively make migrants' lives extremely stressful and insecure, yet they have no choice but to endure it because of the dire economic situation in their home countries.

### **The societal lived reality for labour migrants**

The majority of Central Asian migrants in Russia are forced into informality and precarity with little hope of improving their situation. Whilst Russia has regularity frameworks surrounding migration, labour and employment, these are far too often circumnavigated by employers with the tacit support of the state and its various actors. This leads to a lived experience for many of constant worry due to low wages, a fear of detention by the police, a lack of permanency in the workplace, an underutilisation of their skills and no prospect of career progression or training. Furthermore, there is the knowledge that any period of illness will lead to dismissal and that a major health event would be catastrophic since access to the Russian healthcare system is barred. Some migrants purchase health insurance, but, often, interviewees indicated that it is too expensive for them to justify or they are tricked into making payments for worthless policies (see also Demintseva and Kashnitsky 2016). Because many migrants are young, there is a belief that ill health or an accident at work will not happen to them. Yet, given the many millions of labour migrants in the country, healthcare access remains a major issue for many. If ill health befalls them, migrants must make out-of-pocket payments, which are often extremely expensive. Many drugs, with the exception of antibiotics, are available over the counter, but at a rather high price compared to the average wages in the country. As noted above, there are informal clinics staffed by doctors or at least people with some medical training; whilst costs in such places are lower than in official clinics, treatment still amounts to a significant percentage of one's monthly salary.

Overall, for labour migrants wages remain rather low, with interviewees saying a good salary would be around US\$1000 per month. In addition to covering their living expenses, which are often as high as in Western Europe, migrants often support their families back home; thus, every rouble is accounted for and there is no provision for leisure activities. This is exacerbated by their informal status since almost every interviewee discussed how they had experienced problems with their salary, be it delayed, less than agreed upon or not paid at all. Of course, since they are informal employees, it is virtually impossible for them to complain

successfully if they are cheated. One group of interviewees, for example, had not received payment for the construction work they had completed; collectively they approached a lawyer to try and help them but were told not to continue since drawing attention to the problem would only lead to difficulties with the police and migration services.

Within the workplace, labour migrants also face difficulties in comparison to their Russian counterparts. This example from a bus driver is typical for many:

I have worked here for a long time, but I am still treated differently. I get the worst shifts and have to work all of the holidays. I also get the worst bus to drive and I have to spend my own time making sure that it runs ok. My colleagues are friendly enough, but I know I will never be ‘one of them’.

The vast majority of migrants do not work in their chosen profession, with the majority employed in manual or service work. Yet, whilst there is a strong discourse in Russia that Central Asian migrants are unskilled and lack the Russian-language skills needed to work in Russia in anything other than ‘menial’ jobs, for many interviewees this was simply not the case. For example, amongst the cleaning staff we interviewed, many had a higher education degree and a number of them were teachers. Yet they were unable to find suitable work:

I was a biology teacher, but the salary was almost nothing and often we were not paid. My husband was not earning enough in Moscow to support us all, so I left the children with my grandparents and moved to Russia. At times, it is a real struggle, but this job is ok and I can send money home each month.

She works a 72-hour week (for around US\$700 per month), with an hour’s commute to and from work, which she makes by bus—even though the metro would be quicker—because there are more police patrolling the metro system. Any spare time she has, mainly on Sundays, she spends cleaning private apartments for extra cash-in-hand income.

As the above interviewee’s method of commuting hints at, for migrants, the biggest problem informality brings is how it is translated by politicians and the media. There is a symbiotic relationship between the two, with pronouncements on migration made by politicians followed by media stories. Such pronouncements are made through ‘investigative’ journalism, when reports reveal ‘facts’ about migration, such as multiple registrations at an apartment. Politicians, then, respond by calling for stricter legislation. Labour migrants from Central Asia are constructed as only aiming to act informally to avoid paying tax, breeding criminality and contributing nothing to Russia. This is based around constructing the ‘illegal’ migrant as an object to fear since they are constructed not only as ‘the other’, but as a violent, criminal, illegal body (see Round and Kuznetsova 2016; Kuznetsova and Round 2019). This reached an apogee in late 2013 when the main candidates for the Mayor of Moscow post competed with each other to make the most xenophobic statements about Central Asian migrants. This resulted in

increased raids in the city in areas with high concentrations of migrants garnering high levels of media coverage; in some instances, hundreds of migrants were placed into temporary camps in the city, in full view of the local population. After a few weeks, many of the detainees were quietly returned to their workplaces without charge. The outcome of such constructions was that migrants were seen as ‘fair game’ for attack by nationalist groups, and the actions of employers were further obfuscated.

As the above sections have shown, Central Asian labour migrants are forced into informality by the actions of employers and the overly bureaucratic nature of Russia’s migration process. As a result, they form an extremely large precariat class of workers whose daily experiences demand attention and a concerted international effort through organisations such as the IOM, the World Trade Organisation and the like in order to increase their protection. Whilst the exploitation of labour migrants is not unique to Russia, what renders it atypical is the sheer numbers involved, the use of the media to demonise their practices and the xenophobic and racist elements within the processes (see Kuznetsova and Round 2019). Furthermore, within the debates on informal economic practices, forcing workers into informality receives little attention—a concern given the scale of the issue and the abuses this opens workers up to.

### **Conclusions: stasis and a system working for all but the workers**

Given that Central Asian labour migrants contribute significantly to the Russian labour market and economic development, and despite the scale of abuse they face, the issues surrounding their employment demands attention. As demonstrated in this chapter, the vast majority of labour migrants are forced into informality along with all of the potential abuses and lack of security this entails. Such exclusion through the actions of employers adds a new strand to the emerging literature on informal economic practices and reveals a more nefarious side to these debates. These are not instances of entrepreneurs ‘testing the waters’ before committing to formalisation, nor of small and medium-sized enterprises attempting to avoid an overly bureaucratic state (although this is a problem in Russia). But, rather, this context appears to be employers deliberately avoiding Russia’s significant payroll tax and denying benefits to their workers. Such practices also benefit employers since they enable the enterprise to hire and fire at will, making them much more responsive to changes in demand. Even when labour migrants are able to negotiate formality with their employers, the time and cost of doing so with the state (in terms of losing salary whilst queuing to submit documents and making informal payments) pose the question of whether it is worth the investment. The value of formality, then, is questionable since the police simply say that any documentation is falsified, demand informal payments when leaving and entering the country and routinely view migrants as a source of income.

This situation also contributes to debates on precarity, given that the workers are forced to leave their homeland because of extremely low salaries even if they are able to find work and destined to work outside of their profession in

low-skilled, unsecure employment. A further strand to such discussions is that this precarity is based upon xenophobia and ethnicity. The lived experience of Ukrainian labour migrants in Russia is quantifiably better than that of Central Asian migrants, even if their labour and social practices differ little. Central Asian migrants are increasingly becoming a scapegoat for all of Russia's social ills—from crime to the health of the nation to unemployment, for example—which goes far beyond the typical migrant-specific phobia existing in many countries. Within this scapegoatism, we find a rash of new proposals to stem the migration tide into Russia, despite President Putin arguing that the growth of the economy depends upon such workers. These proposals are ill thought through and will do little to alleviate the true causes of the problem: the actions of employers and the state. However, what exists in Russia is a political-economic stasis within which there is no incentive for the political and economic elite to enact meaningful change. In other words, the current system works for too many people: for employers, it provides the space to exploit workers and not pay taxes; for state actors, it presents numerous opportunities for collecting informal payments from both migrants and employers, who pay to avoid higher tax bills or punishments. With so many people working and profiting in these spheres, often with low formal salaries, why would they want to change this profitable status quo? Such high levels of informality and exploitation have worrying implications for the future economic development of countries experiencing such problems, given that innovation, productivity and overall economic efficiency remain secondary concerns to rent seeking.

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## Notes

- 1 There is a popular discourse that argues that migrants commit 50% of all crimes in Moscow. At almost every round-table or urban development event, this figure is repeated by presenters and by members of the audience. The truth is rather more benign, with the Russian Ministry of Internal Affairs putting the figure at 3.8%. Yet, all sides seized upon the former figure during the campaign for the Mayor of Moscow post in late 2013, further entrenching this discourse.
- 2 No doubt the border guards would have had to make an informal payment to obtain the position, and see the taking of bribes as a way of earning this money back and supplementing their relatively low wages. Such practices were witnessed at two different border points and were also observed in different research projects (see Williams et al. 2013). Since 2014, migrants from Tajikistan and Uzbekistan are allowed to stay in Russia without a visa not more than 90 days in total during 180 days.



- 3 Though as Turaeva (2014) shows ‘mobile entrepreneurs’ also play an important role in migrants’ transnational economic activities which social order is influenced by kinship and relations of trust (see also Chapter 5).

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