

The migration potential of people seeking work, and of the unemployed (from the results of sociological research)

M.B. Denisenkoⁱ, L.B. Karachurinaⁱⁱ, N.V. Mkrtchyanⁱⁱⁱ

According to existing estimates, in 2008 around 6-7 million foreign workers were employed in Russia. In November of the same year, according to Rosstat (Federal State Statistics Service) data, the number of unemployed (per ILO standards) was 5.3 million, while in February 2009 it rose to 7.1 million. Simple juxtaposition of the above numbers hints at how to resolve two pressing problems – unemployment and the economy's dependence on external labor migration. For this the influx of foreign workers must be limited and replaced with the unemployed in those regions where their labor force is needed (taking into consideration possible professional retraining). A similar approach has received support from a segment of Russian society, including a number of politicians and economists. We shall not provide a detailed analysis of the shortcomings of this approach from the perspective of the supply and demand correlation in the Russian labor market in terms of professional skills and qualifications and spatial mobility. The focus of attention in this work is an assessment of the spatial mobility potential of people seeking work (PSW) and of the unemployed, based on sociological research conducted in October-November of 2008. The research itself, conducted at the request of and with the support of Rostrud, consisted of two parts: (1) a study of expert opinions on the problems of working outside of the area in which one lives; (2) a study of the needs and possibilities of the unemployed and people seeking work, in the search for work in other territories and subjects of the Russian Federation. At the beginning of this work, however, we shall address the main positions of current programs designed to raise domestic labor migration mobility.

Current programs regulating domestic labor migration

At present, the Federal Labor and Employment Service (Rostrud) is the federal entity of the executive branch that – apart from control and oversight, providing government services to facilitate the populace's employment and preventing unemployment – also deals with issues of both domestic and international labor migration. With regards to labor migration, Rostrud activity may be divided into the following areas: (1) assisting in the relocation of citizens and their family members to rural areas in accordance with Government Resolution #533, which was discussed above; (2) compensation for the losses of unemployed citizens in connection with training them or sending them to work in another area as proposed by the government's public employment service; (3) informational activities aimed primarily at gathering, developing, and presenting information on job openings to people seeking work, and to providing information to employers about potential workers. We shall examine the substance of the first two areas of activity.

The system of benefits for citizens who relocate to a rural area for work has been kept – with changes – from the Soviet period. In the Russian Federation these benefits were enshrined back in 1994. Per Government Resolution #533 (in the version of Russian Federation Resolutions dated 21 December 2000, #999), families that have concluded an agreement to relocate to a rural area for a regular job have the right:

(1) to receive, from federal budget funding, a one-time cash benefit for each family member in the amount of 500 rubles, and a payment to cover the cost of travel and moving up to five tons of household goods per family from the original place of residence to the new destination;

(2) to receive a separate house (apartment) with outbuildings and yard per the conditions outlined in the agreement that is concluded between the relocating family and the receiving farm unit or local government entity;

(3) to reserve, for a period of three years, their living quarters (except for privatized quarters) at their place of residence prior to relocation.

In addition, it is recommended that executive branch entities of Russian Federation subjects, local government entities, and receiving farm units pay relocating families, from their own resources, a supplemental non-repayable benefit; to compensate for expenses by paying a per diem for time in transit; to offer a long-term interest-free loan to establish a household; to provide relocating families free fuel for the first two years after relocation in amounts deemed to be within the norm; to give relocating families livestock and fowl at no expense, for them to organize their own private subsidiary farming, and to assist them in acquiring feed for the first year after relocation.

It should be noted that the most economically and agriculturally favorable regions (Krasnodar and Stavropol' Krays; Belgorod, Voronezh, Moscow, Leningrad, Lipetsk, and Samara Oblast's) do not take part in the program, nor do the autonomous areas of the North Caucasus. Just from 1994-2007, only 20.3 thousand families or 74.5 thousand people. Moreover, almost half of all relocations took place within the oblast'. Thus, in its current form, the modern agricultural relocation policy for all intents and purposes exists only on paper, and is in need of modernization.

The unemployed, for well-understood reasons, are at the center of attention of the employment services. This cohort is often viewed as a potentially mobile labor force, ready to relocate to another area for work. However, such a penchant for migration, as international research has shown, greatly depends on the occupational skill sets of the unemployed, their income level at the last

workplace, etc. In order to lower expenses for those looking for work, for retraining, and for a possible move to another location, on 2 July 2007 the government of the Russian Federation passed Resolution #422, "On the financial material losses of unemployed citizens with regards to sending them to work or to retraining in another area at the suggestion of the government employment service".

As practice has shown, however, Resolution #422 does not have an effect on the mobility of the unemployed. Thus, in the "Rostrud-Kontrol" automated information system during the period from February through May, data was found on 2920 citizens who had expressed a desire to work in another subject of the Russian Federation; and from May to June, only 2007 such requests were found. However, a large part of these were students and recent graduates of schools, technical institutes, and institutions of higher education. First and foremost, the situation is conditioned by the established levels of compensation. Thus, the per diem amount is 100 rubles for each day on the road to the workplace or to the location of the training, and back; expenses for renting a place to live while in training shall not be more than 550 rubles a day; and if documentation for these expenses is lacking, one receives only 12 rubles (!) per day. Expenses for construction at the new place of residence for the unemployed citizen who is being sent to work (before concluding a labor contract) is equal to 1.5 times the minimum unemployment benefits, multiplied by the regional coefficient for that area.

What a survey of experts showed

Representatives from various labor and employment agencies in the subjects of the Russian Federation were used as experts. In all, 120 interviews were conducted with representatives from 36 areas of Russia; 32% of the experts represented labor and employment agencies at the level of Russian Federation subjects, and the rest were from municipal authorities (municipal and regional

employment centers of Russian Federation subjects). Among the experts, 15% were directors and deputy directors at the regional level, and 38% were directors at the municipal level (Employment Centers) and their deputies, 40% were directors of structural subdivisions and their deputies, and 7% were specialists. 77% of the experts had been working in labor and employment offices for over 10 years.

The vast majority (85%) of experts believes that an important area of activity for labor and employment agencies is for the employment service to enact measures designed to place PSW and the unemployed in jobs in other cities and regions of the country. However, despite this assessment, 35% of those surveyed admit that they have not managed to relocate a single unemployed person or person seeking work in other regions of the country, and 43% reported that their agencies have placed fewer than 50 people in jobs, and only 22% said that the number of those placed in jobs came to more than 50 people. Moreover, only 9 experts (7.5% overall) reported that they had been able to find jobs for unemployed people who had arrived at the direction of employment services from other regions.

To the question "In your region (city) is work being done per Government Resolution #533 dated 25 May 1994 "On benefits for citizens relocating to a rural area for work"?", most of the experts – 57% -- said yes, 17% said no, and another 17% said that their region is not on the list of regions where such an effort is being conducted. However, 73% of those surveyed said that in 2007-2008 in their region (oblast', city, area), not a single person had been relocated.

67% of the respondents felt that of the number of PSW and unemployed who turned to the service (employment center), the number of those interested in relocation issues per Resolution #422 is less than 2%. 27% of the respondents noted that no one is interested in this sort of possibility. Nonetheless, the experts do not believe that the current system, in which job openings in the region (city,

area) are offered to “their own” PSW and unemployed, hinders the migration of PSW and unemployed from other parts of the country. This is not a problem because the openings that are on offer are not in demand – this is not only the case for residents of other regions, but even for their own unemployed.

Most experts (74%) doubt that the shortfall of workers in their region (city, area) could be remedied by attracting PSW and the unemployed from other regions. They explain this, for example, by the fact that *“There is high demand for male-dominated professions (service engineers, locksmiths, electricians, lathe operators) and a salary of 8-10 thousand rubles; The working professions do not interest young people”; “Low pay for the labor (of the announced openings, 44% were lower than the living wage); jobs are offered without a place to live; more than 60% of the job openings are not for skilled labor”; “Employers are not offering a place to live”.*

The experts believe that the most important means to facilitate relocation include establishing high salaries, offering a place to live, paying for the move, offering credit, and other methods of material stimulation. Thus, in order to get PSW and the unemployed to agree to relocate, 6% of the experts believe that the salary in the place (region) of relocation should be higher than in the place where the PSW and the unemployed currently live – 1.5 to 2 times higher. 60% of the experts believe that it should be 2 to 5 times higher, and 34% of those surveyed feel that it should be more than 5 times higher. It was also proposed by analogy with the government program for relocating compatriots that one-time and monthly payments (for 6 months) be introduced to facilitate the process of adapting to the new location.

In almost all regions a job bank has been created and is functioning. However, according to information provided by the experts, in 27% of the regions (cities, areas) the number of job openings with a salary that is higher than the average for the territory is less than 10%; in 64% of the regions it is less than 50%; and

only in 8% of the regions does it exceed the average salary for the region (city). By this parameter 36% of the experts define the quality of job openings as “poor” or “very poor”, and only 19% as “good” or “excellent”. In 39% of the regions the salary for more than half of the vacancies advertised do not reach the living wage.

What the survey of the unemployed showed

In the course of sociological research, 425 unemployed and people seeking work were polled, in 11 regions of the country that represent all of Russia: the Republics of North Ossetia-Alania and Kabardino-Balkaria; Kaluga, Kostroma, and Moscow Oblast's, Udmurtia and Saratov Oblast', Tyumen' and Omsk Oblast's, Krasnoyarsk Kray, Sakhalin Oblast'. The regions represented have various levels of economic activity, general mobility, urbanization, unemployment, and varying standards and models of labor behavior, which make them “typical” for the different types of regions. 74.8% of those surveyed live in cities, 25.2% in rural areas. Men constitute 45.7% of the sample; women constitute 54.3% of it. The age range of sample respondents is 17-58 years. Their average age is 36.4 years.

21.6% of all respondents are PSW, and 78.4% are unemployed. The latter group includes those who had been fired, released, or downsized, as well as those who crossed into the unemployed group from an economic inactivity status (15.5% were entering into the labor market and 11.5% are individuals returning to it). People who became unemployed immediately after leaving their prior place of employment made up 51.3%.

Most respondents – about 75% -- aimed at working only within the boundaries of their populated area – be it a city, town, or village. Only 11.5% of respondents said they would be willing to relocate to another region under certain conditions. Another 13.4% were potentially ready to be commuters or to work and live

permanently in another town, but within the borders of their oblast', kray, republic. 12% of those surveyed were willing to relocate and work in a rural area. Of them roughly 5% are already residents of rural areas. Thus, the potential for the so-called disurbanist migration of the unemployed could be estimated to be 6-7%.

The low tendency to relocate to another region is noted among women, middle-aged and older individuals, those with a lower level of education, and those living in the central cities of their regions. A higher tendency to migrate is common to the relatively young, as well as those who have graduated from institutions of higher education.

The most compelling reason respondents had for not wanting to leave their area is linked to hopes that they would be able to find a new, dignified job where they live. This fact is directly linked to such economic circumstances as lack of housing in another location, or lack of money for the move. The significant quantitative difference in respondents' answers to two similar positions is noteworthy – "I have nowhere to live in another place" (48.6% cumulatively for three responses) and "I can't sell my home here, which means I can't buy a new one" (6.5%). It is possible that the potential for inter-territorial mobility would rise if the "housing problem" were resolved with the help of the levers of government.

A large number of respondents who do not wish to look for work in other areas also cites the good conditions for children that exist (have developed) in their current places of residence. An improvement in the situation with social institutions – opportunities to easily enroll children in pre-schools and schools, and a lack of bureaucratic red tape for getting medical insurance and registration – is an important (and, most likely less costly than resolving the housing issue) factor in increasing the mobility of the unemployed and PSW.

Respondents would be willing to relocate to another city (region) of Russia if the salary were substantially higher in the new location as compared with the old one (Figure 1). The average expected salary in the new place of residence is almost 4 times greater than the average salary that respondents received in their last place of employment: 38085 rubles vs. 9622 rubles.

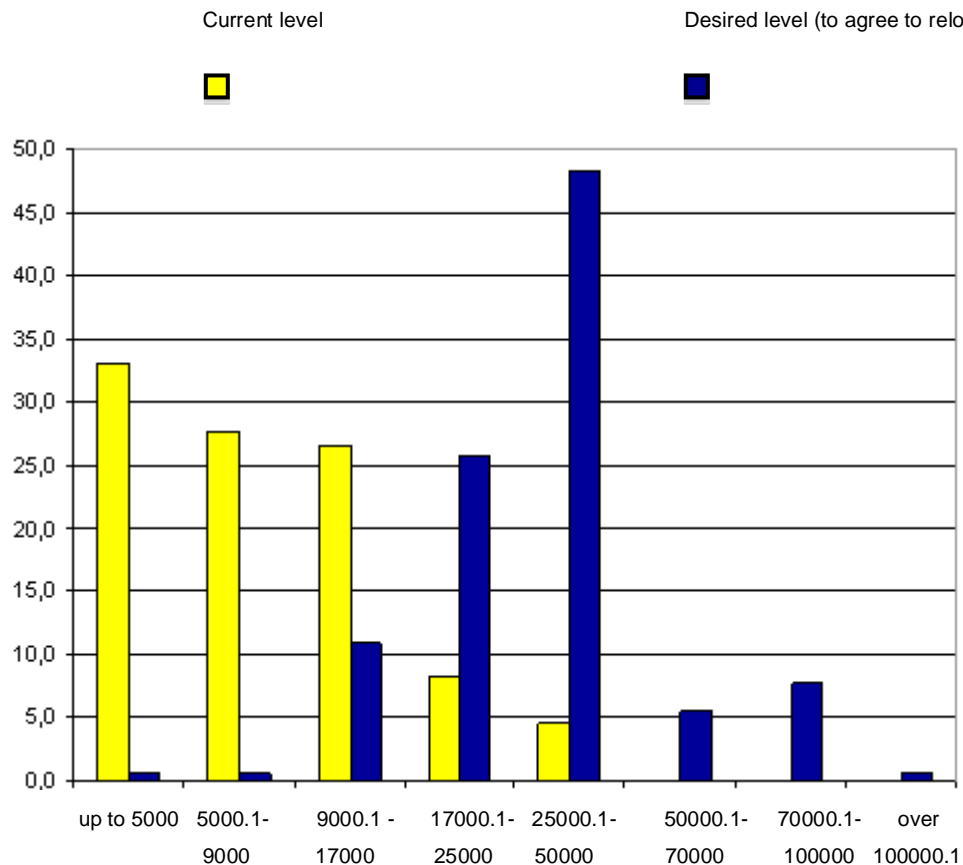


Figure 1. Distribution of respondents by level of current salary (at last place of employment) and that required to make them agree to relocate to another region (city)

In connection with the survey regions, the following picture obtained of the differences in the level of current and expected (required) salary (Table 1). As might be expected, the regional picture of potential mobility as determined by salary is not homogeneous.

Table 1. Current salary (at last or actual place of work) and required salary to make the decision to relocate to another region (city), by survey regions (rubles)

Survey region	Current average salary	Average salary required to decide to relocate	Difference between (2) and (3), in times
1	2	3	4
Kabardino-Balkaria Republic	4784	42727	8.9
Kaluga Oblast'	9288	39917	4.3
Kostroma Oblast'	6839	27000	3.9
Krasnoyarsk Kray	13080	39833	3.0
Moscow Oblast'	10475	53750	5.1
Omsk Oblast'	9845	33667	3.4
South Ossetia-Alania Rep.	8320	36971	4.4
Saratov Oblast'	7044	28708	4.1
Sakhalin Oblast'	15206	40757	2.7
Tyumen' Oblast'	11902	39730	3.3
Udmurt Republic	8067	39562	4.9
average	9622	38085	4.0

As has already been noted, a resolution of the housing issue for the unemployed and PSW could positively manifest itself as an increase in their mobility. If two conditions were observed – if the housing issue were resolved and good jobs were offered – 9.4% of respondents would agree to relocate to another place, and another 13% would “most likely” do the same (Figure 2). Thus, the “absolute” influence of the housing factor on the mobility of the unemployed and PSW may be estimated to be 10.9%. This number is the difference of the sums of these two responses and the response to the question on the geographic zone in which work is being sought. According to the poll, only 11.5% were in the group of people seeking work not only in their populated area and in their region.

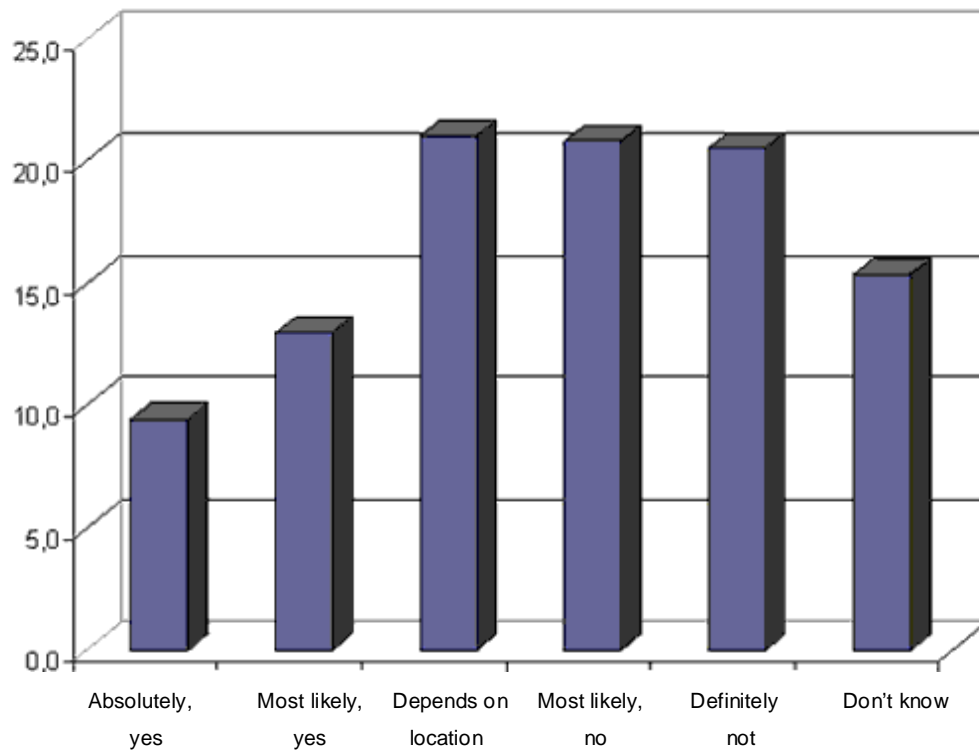


Figure 2. Distribution of respondent answers to the question: “If you were offered a good job in another location with a guarantee of housing, would you relocate there?”

An analysis of the influence of the housing factor on mobility with the help of another question – “What sort of housing in another city (region) of Russia must you have in the new location to make you agree to relocate?” – gives essentially the same picture. Almost 55% of respondents noted that they did not want to change their place of residence under any circumstances, or would be willing to relocate only if their housing conditions improved significantly. For 8% of respondents the housing conditions did not bear on their willingness to relocate – the main thing was that a high-paying job be offered.

It should be noted that in February 2009, of the 778.6 thousand job openings, only 5.3% of them provided housing. Moreover, one third of these openings were in the Moscow region.

Conclusion

The leadership of the employment services and Centers understand the difficulties involved in managing migration. They acknowledge that PSW and the unemployed are willing to relocate if there are markedly better conditions in the new place of residence than those that they have “in situ”. But they somewhat overestimate the state’s opportunities to regulate migration processes, since they rely on the experiences from the socialist era and the volume of redistribution of labor resources that was resolved in the command economy by organizational recruitment.

Sociological research has shown that the migratory potential of PSW and the unemployed is fairly limited. Within a given category of people only about every tenth person is willing to consider the possibilities of job placement in another region (city) of the country. A somewhat larger percentage of respondents is willing to consider the possibilities of job placement within “their” subject of the Russian Federation. The possibility of receiving housing in the new place of

residence increases the share of potential migrants to 22%. The critical factor in the mobility of people seeking work and the unemployed is a difference in the level of pay. On average, in order for the unemployed and PSW to relocate “outside of their place of work” to another region (populated area) of the country, their salary should be four times higher than what they were making in their original location.

ⁱ Candidate of Science (Economics), Deputy Director of the Institute of Demography – State University – Higher School of Economics

ⁱⁱ Candidate of Science (Geography), instructor at the State University – Higher School of Economics

ⁱⁱⁱ Candidate of Science (Geography), lead research associate at the Institute of Demography at the State University – Higher School of Economics