

THE PRECARIAT IN THE SOCIO-ECONOMIC STRUCTURE OF THE RUSSIAN FEDERATION

Abstract: The article provides a brief introduction of the Russian precariat, discusses its features, structure, and ways of entering it.

It is estimated that the current population of Russia is approximately 143.4 mln people, while labour force is constituted by 76.6 mln people (in 2016). 72.4 mln people among them are employed, and rest 4.2 mln compose the unemployed minority. According to the official statistics, the unemployment rate in 2016 was 5.5 %. It is also important to include statistics on the number of part-time workers: in the first quarter of 2017 132.5 thousand people were working as part-time workers upon an initiative of their employers, 773.4 thousand – by agreement between employer and employee, and 176.2 thousand were idling due to the employer's fault or due to the reasons beyond the control of the employer and the employee. Altogether, the total number of part-time workers sums up to more than a million people.¹

The Russian economy, and particularly labour market and employment, are indeed interesting from the perspective of transformations it has overcome in last decades. Multi-sector economy has replaced state economy, emergence and development of the private sector has led to creation of new economic relations and consequent outcomes such relations have brought. According to Orekhova,² “to the greatest extent [emergence of private sector] affects the qualitative and quantitative needs in labour force. The Russian employment market responded to unfavorable economic transformations by such means of adaptation as part-time and seasonal work, forced vacation leave, secondary employment and employment in the informal sector”. Other forms of adaptation include fixed-term employment contracts, outsourcing of workers, employment on the basis of employment contracts with a condition of work outside the employer's location, and employment of individual entrepreneurs who have no possibility to run

¹ Federal State Statistics Service. *Labour market, employment, and wages*. Online. Available on: http://www.gks.ru/wps/wcm/connect/rosstat_main/rosstat/ru/statistics/wages/ (Accessed 31.07.2017).

² Orekhova, I. M. *Alternate forms of employment as a way of adaptation to economic changes in the Russian labour market*. In: *Theory and practice of societal development*, Issue 24 (2015), 108.

their own business by other entrepreneurs.³ These ways are regarded as primary, while other means, such as change of profession or specialization for more demanded one, territorial migration, and horizontal work mobility, are presented to a much lesser extent. According to several Russian scholars, who specialize in sociology of labour, all of the aforementioned changes, which have happened in and with the Russian labour market, should be regarded as the strongest indicators of on-going precarization of employment and labour resources.

Addressing the Soviet experience on establishment of labour relations between an employee and an employer, it is important to mention that formalization, legal confirmation, and guarantee of a workplace for a worker were the methods, which prevented the spread of precarization. The system was oriented towards distribution of social benefits, consolidation of the worker's professional status in the consequent sphere, and work, labour, employment, and housing related stabilities. On the other hand, at the same time, the universal right to work took away the right of professional self-determination and self-regulation. Consequently, as Gasiukova has stated it,⁴ “today [workers] have gained that autonomy, but they have lost their job security”.

While the scholars and experts are debating on whenever to define the Russian precariat as a class or a social stratum, the Russian precarious workers, as their foreign “colleagues”, share the following features: they are deprived of the labour rights, which permanent employees with guaranteed and legal employment have, they do not have paid leave, they cannot count on state, bank, etc. assistance in purchasing housing, they have almost no opportunities for professional growth and professional career, they share common signs of emotional instability and anxiety, they constantly have a sense of uncertainty in the future.⁵ It is interesting to note that quite a big share of the Russian precarious workers is well-educated (possessing, at least, a Bachelor's degree) receiving an adequate salary (which frequently makes some researchers define them as a middle class), however, deprived of the standard labour rights. Another feature of the Russian

³ Bobkov V. N. *20 years of capitalist transformations in Russia: influence on the level and quality of life*. In: *The Russian world. Sociology. Ethnology*, Issue 2 (2012), 6.

Also in: Fyodorova, A. E. & Parsyukevich, A. M. *Precarization of employment and its influence on socio-economic well-being of wage workers*. In: *Bulletin of the Ural State University of Economics*, Issue 5 / 49 (2013), 77.

⁴ Gasiukova, E. N. *Precarization: conceptual basis, factors and evaluation. The world and Russia*. In: *Contours of global transformations: politics, economics, law*, Issue 6 / 44 (2015), 39.

⁵ Vostroknutov, E. V., Najdenova, L. I., & Osipova, N. V. *The emergence of the precariat – the new trend in changing the social structure of society (review of the results of modern sociologists' studies)*. In: *Service in Russia and abroad*, Vol. 10, Issue 9 / 70 (2016), 90-91.

precariat, as studied by the scholars, is potential inclination towards the protest sentiments, distrust in authorities and contemporary political regime.⁶

According to Gasiukova,⁷ 6 % of labour force in Russia can be determined as workers with the highest level of work and labour instability, while up to 85 % may potentially occupy the peripheral positions. All in all, according to Toschenko, from 30 % to 40 % of Russian labour force belong to the precariat.⁸

Although the ways of entering the precariat in Russia generally resemble ones, which are present in other countries, they still possess some national peculiarities, which are vital to be discussed.

The recent graduates are one of the most prone social groups to enter the precariat. It is estimated that up to 45 % of recent graduates change their specialization or profession while applying for a job. This percent is higher among humanities and social sciences students, which, as a matter of fact, is not purely Russian trend, but generally reflects the current international reality. Labour market, not being able to provide jobs for all of them, eventually drives them to go for lower positions that usually do not demand expertise and knowledge on university level. The socio-economic inequality of the Russian regions imposes an additional burden on the recent graduates striving to find a decent job. As a result, highly skilled professionals, not being able to find a suitable job, have several solutions: to take any kind of job instead, try to change their qualification, or go to temporary employment, which in the Russian labour market tends to be synonymous for informal employment.⁹

The key feature of employment in the informal (or shadow) economic sector is absence of a formal (written) labour contract, which specifies the labour relations between an employee and an employer. According to statistics, more than 15 mln people in Russia are involved in the informal sector, which constitutes almost 20 % of all labour force. People working in the informal sector are deprived the social benefits guaranteed by the Labour Code of the Russian Federation and characterized by misuse of their skills and potential (for 68 % of them a job they have has nothing in common with acquired education, while 40 % believe that their level of education is higher than one required). Besides, majority of them regard employment in informal sector as a temporary condition: for more than 60 % of them this work lasts not more than a year,

⁶ Ibid., 93.

Also in: Toschenko, Z. T. *Precariat: a new phenomenon in society's structure*. In: Bulletin of the Tyumen State University. Socio-economic and law studies, Vol. 1, Issue 3 / 3 (2015), 14, 18.

⁷ Gasiukova (2015), 682-683.

⁸ Toschenko (2015), 10.

⁹ Orekhova (2015), 111.

however, one-fifth of these employed on the basis of informal (e.g. oral) agreement keep working for at least three years.¹⁰

One of the primary demonstrations of precarization and labour fragmentation is labour flexibilization. The features portrayed by Guy Standing in his book “The Precariat. The new dangerous class” tend to be topical also for the Russian labour market. From the perspective of businesses and employers, the flexibility of wage system, employee’s status, and forms of work organization indeed allows organizations to get additional competitive advantages, as well as reduce internal expenses and make adaptation to unstable external conditions smoother and easier. According to Vershinina and Markeeva,¹¹ at the state level, flexibilization can temporarily solve the problem of unemployment. Such rhetoric is supported by the growing number of employees, “who enthusiastically accept a situation, when organizations refuse part of their social obligations and guarantees, shift the costs associated with selection, adaptation and control to the employee himself”¹². At the same time not only the operational costs are being shifted, but most of the job and work related risks are transferred from an employer to an employee as well. The most obvious example of such people is freelancers, the number of whom was rapidly growing in the recent years and amounted to 2 mln people in 2014. It is estimated that by 2020-2025 this number may be 10 times higher.¹³ The main reasons for moving to a freelance job include, firstly, a possibility to manage and distribute own time without any dependence on an employer and only with accordance to own timetable and obligations, secondly, an opportunity to work directly from home, and thirdly, a possibility to choose interesting projects independently, while not being bound to anybody’s else demands. At the same time, as Vershinina and Markeeva elegantly worded it, such motivations “blur the line between work and free time, giving birth to the modern man's illusion of managing his own life”.¹⁴ Indeed, while being liberated from the direct control of an employer, a freelancer falls into other extreme – s/he is now being regulated by availability of the projects and demands of the clients. Moreover, as already has been highlighted by Standing, another issue associated with freelancing and generally informal employment is absence of an employee’s social and professional identification. Freelancers in Russia tend to have quite high levels of both education and income, which theoretically allows to define them as middle class workers. However, uncertainty of their

¹⁰ Fyodorova and Parsyukevich (2013), 78.

¹¹ Vershinina, I. A. & Markeeva, A. V. *The labour market transformation in the global cities and its social consequences*. In: Theory and practice of societal development, Issue 14 (2015), 28.

¹² Ibid.

¹³ Shinkarenko, P. *Who do freelancers want?* (2016). Online. Available on: <https://rb.ru/opinion/freelancers/> (Accessed 01.08.2017).

¹⁴ Vershinina and Markeeva (2015), 28.

legal status, instable situation in the labour market, temporary character of work done, and high probability of being out of work at any time impede it.¹⁵

The precariat in Russia is growing not only by means of freelancers, but also by growing service sector, where jobs frequently are low-paid and often even not legal. The contemporary political situation, and particularly economic sanctions imposed by international community, comprised mainly of the EU countries and the U.S., also contribute to further enlargement of this sector, particularly by emergence of low-skilled jobs in agriculture and mass production of consumer goods.

Another source of the Russian precariat is highly qualified specialists from the public sector, who are forced to shift to part-time employment, which undoubtedly decreases the number of social guarantees given to them. It can be very well portrayed by the situation in higher education and health care system. The launched rationalization and optimization of work of the teachers and professors from universities and other educational institutions have led to the situation, when under the vague and ambiguous motto of social care, they are transferred to part-time employment with an inadequate increase in the intensity of their work.¹⁶

Finally, immigrants and foreign workers also contribute to expansion of the precariat. The reasons for steadily high demand for foreign labour in Russia are the same as everywhere else: it is cheap, unambitious, and adaptive. Majority of the immigrants are involved in the informal sector, since they are more prone to agree to take non-prestigious, harmful and hard work for a minimal salary without any social guarantees. There is no uniform statistics available on the number of undocumented immigrants in Russia; however, the Ministry of Internal Affairs estimates that there are more than 10 mln of them reside and work in Russia.¹⁷ The number of those who have signed contracts with their employers is dramatically low – only 0.5%, while at the same time the majority of these contracts are short-term in their nature.

In conclusion of the article, it is interesting to outline that despite all aforementioned facts, which define presence and growth of the precariat in Russia, still among general public even the word “the precariat” is widely unknown. Even more: Russian precarious workers themselves fail to identify them as such. The situation is seemingly the same in academic environment: the researches implemented on that subject are quite recent, most of them are dated back to the year 2015. Thus, lack of recognition and proper analysis done on the Russian precariat eventually leads to the general unawareness about existence of such class, not even

¹⁵ Orekhova (2015), 112.

¹⁶ Toschenko (2015), 10.

¹⁷ Bobkov (2012), 7.

mentioning unfamiliarity with its features and structure. At the same time, the need for such recognition is vital indeed, not only from the perspective of socio-economic policies of the state, but also from perception of precarious workers, who while being recognized as such are granted with a potential possibility for unification in order to fight for their rights.

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