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1 Introduction: Russian societal transformation and migrant workers in the shadow economy

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In the post-Soviet period, Russian societal transformation has been shaped by globalised phenomena and interactions, and this interconnectedness has cut across traditional spheres of interests and influenced the reconstruction of new ones. Globalisation has contributed to the development of various new mechanisms to follow the movement of people, goods and communication across borders. One important unintended consequence of globalisation in Russia has been the persistence of a large-scale shadow economy. The human security dimensions (Kaldor et al. 2007; Laszlo 1999) of the shadow economy have become inextricably linked to many key processes of Russian societal transformation at both the domestic and international levels. The shadow economy connects questions of globalised economic competitiveness involving huge interests inside the Russian market with internal security and foreign policy goals of a regional security complex (Buzan 1991) in Central Asia.

Various definitions for the shadow economy exist (Gerxhani 2004), underlining different sides of the phenomenon. Here, the shadow economy is the segment of the economy where transactions generally leave no formal trace (Nardo 2011: 50), where an activity may be spontaneous but often has become a more or less institutionalised custom. The shadow economy includes all economic activities that contribute to the officially calculated GDP but are unregistered (Schneider and Enste 2000) to avoid legal obligations in the production process. Commonly used explanations for the growth of the shadow economy in the developed, industrialised world include the rise and burden of taxes and social security contributions, increased regulation in the official labour markets, forced reductions of weekly working time, earlier retirement, unemployment, and the decline of civic virtue and loyalty towards public institutions combined with a declining tax morale. Individuals, groups and organisations may react against a state when control is experienced as arbitrary, unequal and corrupt (Schneider and Enste 2000: 77, 82). In addition to many of these reasons, the shadow economy in Russia is closely linked with the distribution of inequalities and economic growth opportunities among the former Soviet states.

The shadow economy leads to direct monetary losses and indirect societal consequences through unhealthy market competition, loss of entrepreneurial innovativeness and

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structural corruption. Shadow economic activities are not protected legally, which increases entrepreneurial risks. Growth prospects can be compromised due to the lack of social infrastructure. Public finances can suffer as the tax base shrinks, thus weakening the government's capacity to generate revenue (Blackburn et al. 2012). For the state, the shadow economy makes policy planning and implementation difficult, as official indicators on unemployment, the labour force, income and consumption are unreliable (Schneider and Enste 2000: 78). The shadow economy, through these channels and mechanisms, reproduces unwanted economic, legal and social consequences.

Transitional countries have faced similar types of difficulties, which can be found in, for instance, African societies, where obstacles for doing business legally create a need for shadow economic activity. This type of situation is, then, different from the industrialised developed world scene of tax evasion (Schneider and Williams 2013). Nardo (2011: 50) underlines that the shadow economy is not necessarily the same as an illegal economy, although these often overlap, and the shadow economy provides a favourable environment for illegal economic activity. In fact, the division between 'clearly' illegal activities and 'shadow' activities depends on the legislation of states, although transnational categories exist, which are commonly part of the legislation of industrialised societies. Such illegal activities include corruption, extortion, fraud and illegal trafficking. The shadow activities would then include payment means and payment structures (inclusion in final price, separate service payment), sheltered tax locations, financial-banking instruments and channels, and privileged goods (Nardo 2011: 53).

The use of illegal migrant workforce is criminalised in the legislation of many countries as extortionate work discrimination (Aerschot and Daentzer 2014). Alvesalo et al. (2014: 121) define this type of an exploitation of migrant labour with the help of a criminological category of corporate crime, thus underlining the effect which exploitation has on the business culture in a society. Exploitation covers everything from human trafficking and forced labour to less aggravated coercion.

In many parts of the world, the shadow economy employment is the rule.¹ Unregistered work is created as a result of both barriers to official employment and individuals voluntarily staying out of official structures (Schneider and Williams 2013). There are various incentives for individuals to join the shadow economic workforce which include the availability of personal networks and ease of entry into shadow work ('friend-to-friend' systems); autonomy and flexibility in the market (small business strategy); and individual survival (the need of workers to just simply find any work, anywhere) (Gerxhani 2004). I will add a fourth reason, which I name the 'loyalty motive'; namely,

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the understanding that one should sustain family economies with the salary earned abroad. The latter, of course, is important for the understanding of the regional consequences of Russian labour conditions and the constraints of economic development in its neighbouring Southern societies.

Several perspectives or hypotheses on large-scale immigration and migrant workers have been at the core of public debates in many societies, particularly in the US. There, commentators on migrations have used several basic arguments against liberal migration policies and their perceived societal consequences, such as the economic threat hypothesis, the culture threat hypothesis, the core (national) values hypothesis, the cultural affinity hypothesis, the race affinity hypothesis and the group threat hypothesis (Buckler 2008). These hypotheses, although not specifically linked with the shadow economy, help to structure discussions concerning the migrant labour force. Arguments regarding the protection of the domestic labour force, the negative effects of growing multiculturalism and the threats posed by transnational crime spread by the migrant communities, are ongoing everywhere. The migrant agent is the focus of critical discussion. The shadow economy, which is based on structural arrangements and the legal provisions enabling them, as well as on practices and ways of thinking condoning these practices, appears less often in the focus of wide public dismay and subsequent effective political action.

The aim of this joint volume is to look at the wide array of consequences for societal transformation in Russia created by the use of a large-scale migrant workforce² under shadow economic and globalised conditions. We view societal transformation as a complex, non-linear process consisting of both abrupt changes and more incremental institutional change and adaptation, often dominated by both negative and positive unintended consequences. The scope of societal change ranges from individual behaviour to relations inside and between groups, and finally to the change of values in a society (Cotterrell 1992: 47). As Castles (2010: 1576) has previously pointed out, social transformation is mediated by local circumstances, which affect the acceptance and resistance of change from nationalistic political movements to family-level livelihood strategies. Migration studies have paid increasing attention to how migration itself and practices connected to it – such as management of migration or cultural practices of the migrants – affect societal transformation.³ Our addition to this general perspective is to bring in the concept of the shadow economy in a detailed manner. We examine the dynamics in three transformational areas of Russian society – politics, law and institutions – at different hierarchical levels and geographical dimensions of the Russian state and society. Our attention focuses on the institutional settings and ‘players’ in the system as well as incentives and perspectives for accepting, using or opposing the current

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conditions (Nardo 2011: 56). Both individual strategies connected to the shadow economy and the economic, cultural, political and social context (e.g. Castles 2010; Collinson 2009) of migrant labour use are given attention in order to create a rich account of linkages between politics, law and social institutions in today's Russia.

Legal and institutional context of the Russian shadow economy

One of the starting points in this volume is the idea that perhaps the most significant element in Russian post-Soviet societal transformation has been the 'collision with' and 'adaptation to' economic globalisation (Legvold 2011). In the past twenty-plus years, researchers have concentrated on the abrupt shock created by the collapse of the Soviet Union and have marveled at the complexities of institutional change in Russia with the help of path dependency and legacy explanations (Meyer-Sahling 2009). However, the collapse of the Soviet Union has also been interpreted as the end result of an attempt to integrate selected features of globalised public sector changes into the Soviet system (Sakwa 2013), a change which was implemented more effectively only after Vladimir Putin rose to power in 1998 (Collier 2011; Gel'man and Starodubtsev 2014).

As elsewhere, the past two decades plus of globalisation have further challenged the autonomy of the nation-state and made intervention in societal processes a complex undertaking for the Russian government. In Russia, deregulation of the economy through trade and commerce liberalisation, and shifts in the balance of power towards new actors (Mugarura 2014: 383, 385) radically influenced the planning and implementation of state policies in the 1990s. Russian economic and labour market changes have coincided with the general globalisation of the public sector everywhere – often referred to as the neo-liberal (neo-classical economic) development. Since the end of the 1990s, the state of Russia has decentralised, deregulated and delegated resourceusing powers. The Russian state no longer provides all services, but instead directs attention to the regulation and control of actors in the Russian market society. The post-Soviet space has seen the movement of people and capital redefine the contours of national sovereignty by blurring the meaning of borders.

Studies on public administration in post-Socialist and non-democratic societies have shown that administrative and legal reforms have collided with old cultures and lack of well-functioning democratic administrations (Bouckart et al. 2011; Drechsler 2005; Liebert et al. 2013). This has led to continuous and unsystematic legal, economic and administrative reforms based on different modes of agency autonomy and control (Randma-Liiv et al. 2011). The radical restructuring of the economy through shock therapy in the 1990s made the strategic planning of Russian state reforms very difficult

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in such areas as the legal system and the civil service. All in all, the major overhaul of the state administration received specific attention rather late in the first post-Soviet decade. The effect on the creation of functioning labour markets with credible systems of government control, modernised tax laws and an overall sufficient level of institutional trust, particularly in the legal sector, has been immense. Still today, questions related to the level of institutional trust, with the subsequent willingness to pay taxes, develop and provide services, obey laws and cooperate with authorities who in turn provide adequate services dominate in the evolution of the Russian labour market.

Kar and Freitas (2013), who use an estimation of 43.8 per cent as the Russian average shadow economy between 1999 and 2007, find that illicit flows (transactions) fuel the growth of the shadow economy more than they add to the productive capacity of official GDP. The shadow economy, in turn, drives illicit flows. Their conclusion is that for Russia, this underscores the need for broad reforms to strengthen the business environment, curtail illicit flows and adopt specific policies to close the governance deficit. They point out the success story of the tax reform (Gel'man and Starodubtsev 2014) as a turning point in the fight against the shadow economy. The tax reform was aimed at broadening the tax net, simplifying the taxation and strengthening the tax and customs administrations. The implementation of a flat tax in 2001 has reduced the size of the shadow economy relative to official GDP. Citing a 2002 IMF report, they point out that revenue collections in 2001 were at the highest level since the break-up of the Soviet Union, the result of improvements in tax compliance. The improvement in tax compliance since 2001 is perhaps an important reason behind the shrinking of the underground economy relative to GDP.

Against this background, the legislative changes concerning the Federal Migration Service (FMS) and immigrant labour regulations, as well as developments in the provision of basic welfare services, deserve attention. The evolution of the FMS and the conflicting regulations for migrant workers, examined in this volume by Sergey Abashin, give us an account of a transitional institution in search of its institutional place and identity. The challenges of social services 'on the ground' analysed in the case study by Linda Cook give us another side of the story, from the experiences of persons needing those basic social security benefits normally attached to 'full', official employment. Forms of labour movement control and social security provision are among the key practical consequences of Russia's economic integration with its Southern neighbours. The considerable public resistance against migrants themselves, as stated in the chapters by Abashin, Kangaspuro and Heusala, and Lassila, creates formidable barriers to finding solutions for the future, when Russia's economy will need more foreign hands again.

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Estimates of legal labour migrants in Russia have varied from approximately 8 to 25 per cent of the Russian labour market. In the 1990s, Russia received an influx of 4.5 million immigrants from former Soviet republics, followed by 1.5 million persons between 2000 and 2008 (Ioffe and Zayonchkovskaya 2010: 105). The decline in the birth rate and increase in the adult mortality rate in the 1990s (Kulmala et al. 2014) has had a long-lasting effect on Russian economic potential. In 2007, these processes coincided with a negative turn in the balance between the working age population, deaths and retirements (Ioffe and Zayonchkovskaya 2010: 105). Until the economic recession of 2014, the demand in the Russian economy for a migrant workforce and immigration more generally was a much-debated issue. Growing immigrant communities have not been accepted by either politicians or the Russian public, and – as Kaarina Aitamurto shows in her chapter – not even many of the Muslim communities which these migrants could in principle join.

Increasing legal migration – and creating the conditions for it – has been rejected as a policy which is contrary to the interpretation of Russian national interests. Negative public opinion towards illegal migration and demands for more effective control of migrants in general has remained in the focus of policy- and opinion-makers, and has also been actively fostered by its members, as examined in Jussi Lassila's chapter. In the 1990s, Russia was second on the list of countries receiving immigrants, after the US, with a total of 12.5 million persons. Illegal migrants in Russia have several origins. Most arrived in Russia based on bilateral visa-free agreements among CIS countries. Their undocumented or poor legal status has affected the whole Russian immigration system, which has concentrated on control enforcement and mechanisms of deportation (Ivakhniouk 2004: 41). As Madeleine Reeves' (2013) work and Rustamjon Urinboyev's chapter in this volume demonstrate, the financial and legal constraints on the legitimisation of migrant status continue to evolve alongside new laws and regulations.

Well before the establishment of the current Eurasian Economic Union, the labour market shared by Russia and its neighbours has de facto created an area of economic integration, which has affected social, political and security developments in these societies. In this context, societal transformation in Russia has included an important component of 'semi-legality'. At the macro level, a society's reliance of the economy on persons whose status is 'in between' (e.g. Kubal 2013) forces them to balance their domestic policies and the demands of international economic and political regimes. National political cultures and economic integration may clash.

As is shown in the chapters of this volume, at the micro level, migrant workers will often move between different statuses where their agency is changed (Kubal 2013). This is

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seen in the way in which local communities integrate migrant workers and provide them necessary services, a question approached in Linda Cook's chapter. Tyuryukanova and Kostyrya (2008) have previously pointed out that migrants coming to Russia from countries with large and established diasporas have been better off in terms of surviving in new economic and legal conditions. Therefore, immigrants from Armenia and Azerbaijan have benefited from well-developed ethnic resources in comparison to migrant workers coming from Central Asia. However, in the 2000s, traditional ethnic communities have been replaced by more flexible and unstable networks of new migrants. These migrant worker communities do not become members or part of the cultural and social fabric of the surrounding society, but live in a reality of informal and illegal systems and mutual assistance. The primary logic of migration is not to integrate, but instead to sustain family economies from abroad. Kaarina Aitamurto's account of cultural assimilation and fear of Islamic radicalisation among migrants brings out an important effect which these questions have in the Russian society.

In globalised conditions migration policies are affected by various official outsourcing and privatisation policies which states carry out as part of their economic reforms. In transitional conditions, where the institutional boundaries are not yet consolidated and practices are formulated in often legally obscure conditions, bureaucratic functions organised by a 'third party' often lead to corruption (Kubal 2013).⁴ Ioffe and Zayonchkovskaya (2010) show how Russian open door policies in the 1990s led to an inaccurate recording of immigrants and their exploitation, including forced labour, human trafficking and fraudulent recruitment schemes. Increasing negative public opinion on 'too many foreigners' prompted the Russian government to introduce the 2002 Federal Law on the legal status of foreigners in the Russian Federation. A type of border control was instituted in the practice of employment authorisation, which was to be procured by the prospective employer preceded by a residential approval stamp on the migrant's passport. Ioffe and Zayonchkovskaya point out that these rules offered a substantial outlet for corruption. Intermediary services (which could also be called privatised border and immigration officials) offered residential registration and employment authorisation for a significant fee.

Examination of law and institutions 'on the ground' is important, because changing practices and ways of thinking is a complex long-term challenge, often resulting in unintended consequences. Laws that cannot be enforced, or invoked by citizens, do not change ways of thinking or practices (Cotterrell 1992: 51). In 2006, a new law on the records of foreign citizens in Russian Federation stipulated that temporary migrants no longer had to apply for registration and receive a stamp on their passport, but must instead notify the Federal Migration Service of their arrival. According to the 2006 amendments,

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an employment authorisation card could be handed directly to the applicant by the local office of the Federal Migration Service. These changes did have some positive effects in terms of growing the number of registered migrant workers. Ioffe and Zayonchkovskaya (2010) report that in 2007, 8 million entries for temporary stay were recorded and 1.7 million job authorisations were granted to temporary migrants, up from 1.0 million in 2006. In addition, the tax base of the foreign labour force doubled (Zayonchkovskaya et al. 2009: 58). However, even as the rights and freedom of migrants were being strengthened, shadow employment in Russia continued. Still in 2007, around 40 per cent of registered migrants were being hired unofficially (Zayonchkovskaya et al. 2009: 58), which implies that persons who had a legal right to work in the Russian Federation were still being employed in the shadow economy.

Schneider and Enste (2000) have concluded that the impact, which the shadow economy has on official institutions, norms and rules, is even more important than the loss of state revenue. Shadow economies by nature foster conditions where different forms of adjunct crime can take place (Friman 2004; Tyuryukanova and Kostyrya 2008; Zabyelina 2012). Lavezzi's (2014: 7) study on the conditions for organised crime in Italy points out that where firms use workers illegally, criminal organisations emerge as intermediaries, often to keep workers' salary claims low. Yuliya Zabyelina's (2012) study on the illicit shuttle trade in Moscow shows that the success of informal trade often partly depends on a combination of illicit transactions, imperfections in customs regulations, and corruption. Thus, the destructive impact of the shadow economy can be felt both in the deformed structure of national economies and in the damaged fiscal and law enforcement capacities of state institutions. Schneider and Enste point out that shadow economic activities are an indicator of the social order and legitimacy of rules in the official economy, and that the illegality of shadow activities is in fact an important constraint on the Leviathan state (2000: 108). These features are aggravated by transitional conditions where both the legacies of the previous political system and the globalised changes in state-individual relations influence societal transformation, as is shown in the case studies of this volume.

Our case studies

The first three chapters address dominant transformations in Russian politics. As the chapters demonstrate, questions related to identity and politics of belonging (Amelina 2016: 6, Yuval-Davis 2011: 18–21) are among significant factors which influence both domestic and foreign policy goals and implementation of migrant labour policies. In Sergey Abashin's chapter, the author examines the formation of the current Russian policies on transnational labour mobility between 2000 and 2014, a time period characterised by continuous, significant growth in migration to Russia from the ex-Soviet

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states. He argues that there is not one, but several competing, even conflicting, migration policies, lobbied for by different actors with their own interests and views. The conclusion has been that the issue of migration has turned into an instrument of political manipulation as the ‘migrant’ has come to represent the main ‘Other’.

Abashin addresses the negotiations over the Russian legislature and within state institutions which govern regulation concerning migration. The focus is on changes in the development as well as ways in which different arguments and aims have been grounded. The analysis demonstrates the contradictory and inconsistent nature of the policy; liberal actions and positive rhetoric concerning migration in governmental programmes have been followed by the restrictive measures and negative rhetoric of the implementing institutions. The second part focuses on the political and societal debates concerning migration in Russia. The analysis detects the different configurations and framings of the issue by political actors, and the main definitions and images concerning migrants that prevail in Russian societal discussions.

Markku Kangaspuro and Anna-Liisa Heusala look at the evolution of Russian foreign policy thinking as an attempt to merge identity political and economic interests in the Eurasian Economic Union. The chapter takes a brief look at the public dispute on the initiative of Russia’s leadership in the Eurasian Economic Union and the anti-migration criticism related to the integration project. The main political goal of the ambitious plan is to strengthen Russian influence over the former Soviet area and to allow Russia more economic security in globalised competition. It is challenged by the overwhelming legal and administrative requirements connected to the common economic area and free movement of goods and people. The chapter examines the case of the construction field where questions related to working conditions, qualifications of workers and industrial standards, entrepreneurial integrity and state control over legality have gained momentum in recent times. The chapter analyses the various dimensions through which the shadow economy (*tenevaya ekonomika*) is approached by both the national organization of developers and the Russia’s biggest trade union, the Federation of Independent Trade Unions in the Russian Federation.

Jussi Lassila examines two political cases in Russia which are intertwined with the issue of migration: the Moscow mayoral elections in 2013 and the discussion on Ukrainian refugees as a result of the dramatic events in Ukraine since early 2014. The Moscow mayoral election illustrates how the challenger candidate, the opposition’s new frontman, anti-corruption blogger Alexei Navalny, skilfully harnessed Muscovites’ anti-immigration mood into his vision of a modern, European capital of Russia. In comparison, the views of Ukrainian refugees as a ‘wanted’ workforce in Russia show

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how official state patriotism struggles with the combination of national policies that are largely based on statist–imperial legacies and the exploitation of cheap workforce.

Lassila argues that Russia’s demographic needs for immigrants, reactivated neo-imperial ideas of anti-Westernism and Eurasianism and anti-immigration mood towards ‘non-European’ newcomers create a complex source of political capital in Russia. The chapter also finds answers to the question of how the Russian shadow economy and its implications are understood and presented in these processes. In this respect, state policies and popular dissent around the issue of migration not only reflect general European trends of xenophobic populism and islamophobia but, perhaps more importantly, the growing tension in Russian identity politics between defensive nation-state nationalism and traditional statist nationalism based on imperial myths.

The following four chapters by Rustamjon Urinboyev, Yuliya Zabyelina, Kaarina Aitamurto and Linda Cook address transformations in Russian law and institutions. In Rustamjon Urinboyev’s chapter, the author shows how globalisation, even as it necessitates the harmonisation of rules and practices, also produces new, ‘ethnic’ forms of adaptation within legal and administrative systems. Particularly in the shadow economy, migrant workers import and adapt ‘traditional’ practices to their new surroundings, which are outside regulated communication and decision-making. Thus, definitions of ‘legality’ and ‘illegality’ are affected by the legal cultures of their home states and local communities.

Urinboyev points out how a common feature of previous studies on informality in Russia is a focus on informal practices and their regulatory structures that take place within the boundaries of a single nation-state, thereby confining informality to particular places, fields or people. This chapter situates itself in these ‘informality’ debates by arguing that the nature of informal practices in Russia is changing, not only in terms of their content, form and magnitude, but, more importantly, in terms of geographical scope, due to the massive, unrelenting inflow of migrant workers from Central Asia and the Caucasus to Russia. Migrant workers remain part of the fabric of everyday life and social relations in their home state, while simultaneously becoming part of the socio-economic processes in their receiving state, leading to a daily flow of ideas, social practices and cultural symbols between the sending and receiving societies. These processes are especially visible in the construction sector in Moscow, where informal employment in the shadow economy is prevalent and carried out through so-called *po rukam* (informal, handshake-based) work contracts, which involve multiple actors with very different kinds and locations of power, such as migrant workers, construction firms, Russian immigration

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officials, police, posredniks (informal intermediaries), protection racketeers, imams (religious leaders), family members and village networks from the migrants' home states.

Yuliya Zabyelina addresses the marginalisation and exploitation of irregular migrants, as well as their coping mechanisms under the conditions of the shadow economy. She reviews the organisation of 'trafficking economies', and the culture of corruption connected with labour exploitation. The predicament of the shadow economy is that it generates high and fast revenues that positively influence the development of national economies and provide jobs to local residents as well as migrant communities. Informal economic practices, however, are not limited to administrative fraud and low-scale tax evasion. The success of informal trade often depends partly on a combination of illicit transactions, imperfections in customs regulations and corruption. Moreover, the shadow economy is often connected to organised crime and various forms of trafficking. Within the twenty years of the post-Soviet economic reforms and market transformation, the Russian government has unfortunately been able to formalise its large informal trade. Zabyelina critically evaluates the persistence of the shadow economy, and suggests some policy-relevant remedies that could help to legalise informal trade and interrupt criminal activities without upsetting economic growth and harming low-income groups.

Migrants themselves are the subjects of various types of cultural, legal and political regimes which are constantly overlapping. As Rustamjon Urinboyev and Kaarina Aitamurto show in this volume, 'regimes' exist in both official state functions and unofficial societal networks (Nonini 2002). Aitamurto analyses how in Western Europe, it has become increasingly common to talk about Islam as a religion in discussions concerning the integration of immigrants. Given that a substantial portion of new immigrants in Russia are Muslims, similar debates have begun to emerge in Russia, even though Muslim communities have a long history in many areas of the country. Russian scholars disagree on whether Islamic religiosity helps or hinders the integration of migrants into contemporary Russian society. While some point out the benefits of the religious community for newcomers, others claim that overt religiosity isolates migrants from the rest of society. In nationalist rhetoric, racist claims are increasingly translated into 'cultural criticism' of the clash of civilisations or religions. Moreover, the problems of inequality and the shadow economy are explained in 'cultural terms'. The popular islamophobia also influences authorities' reluctance to assimilate Islamic religiosity, which is manifested, for example, in the denial of permission to build new mosques or in the registration of Islamic organisations. Both of these enforce feelings of exclusion for Muslim migrants. In spite of the official rhetoric on the capacity of 'traditional religions' to guarantee morality in migrants, the scarcity of the resources the Russian government is allocating to Islamic organisations to carry out social work among migrants provides

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evidence of the suspicious attitudes towards Islam and also encourages informal practices in the domains of the integration of migrants.

The short-term profitability of the shadow economy for employers and the inconsistent and conflicting government responses to the matter ensure the continuation of societal fragmentation. Tension created by newcomers in institutionalised religious networks and the fragmentation of social services for these newcomers illustrate the negative impact for transitional government institutions which are ‘swallowed’ by new challenges before they come into being. In these circumstances, new insecurities and inequalities emerge, as Linda Cook’s chapter shows. She analyses how a new structure of inequality has developed over the past two decades that has negative implications for societal well-being, public health in Russia and sending countries, and the breadth and integrity of the state’s obligations to provide basic services to its population. The chapter addresses the demand for publicly funded social services for illegal migrants working in the shadow economy and examines how marginalised labour migrants contribute to the fragmentation of Russia’s welfare state. The focus is on Tajik migrants’ social rights in Russia, particularly their access to health and welfare services in Moscow. The Russian economy relies on their labour, while Tajikistan, one of the world’s most remittance-dependent states, relies on their remittances for up to half of its annual GDP. Thus, migration now constitutes an institutionalised part of the political economies of both Russia’s highly stratified ‘global cities’ and the Eurasian periphery.

Securitisation and migrant workers in the shadow economy

Finally, I wish to make some remarks about the connection between the shadow economy in the Russian labour market and the enormous growth in the securitisation of societal questions in the post-9/11 world. When societal and economic questions are defined in the context of security, their management, the norms connected with this management, and the self-understandings of persons involved take on new dimensions. Sergey Abashin demonstrates how the content of the Russian ‘illegality discourse’ (i.e. public discourse on illegal immigrants) is one of the main political consequences of the shadow economy and the socio-economic interdependencies between Russia and its neighbours in regional cooperation. The successes and failures of Russian migration policies have significance for European security, since Russia can prevent a mass influx of illegal migrants and forms of crime from penetrating into Western Europe.

As Abashin’s account also testifies, in Russia’s transition, this has meant a shift towards underlining the national security framework in state policy planning and implementation (Legvold 2011). In 2001, the Russian Security Council declared that the scale of illegal

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immigration had grown into a real threat to national security (Ivakhnouk 2004: 37). The contents of the newly minted current national security framework (31 December 2015) are defined in strategy and policy documents, security and administrative legislation and the yearly policy speeches of the president.⁵ Migration policy, along with transnational crime prevention and border control, is high on the list of matters which the Russian government vows to take seriously.

The implementation of prioritised policies is coordinated by the Security Council, which is a structure that overlaps with the state administration. In the current national security framework, the main challenges of Russian national security are linked with the promotion of economic growth and the building of defence and state capacity. The predictability of the Russian state is built on the ability of its leadership to strengthen the Russian welfare system, prevent crime (particularly organised and narcotics crime, and terrorism) and reverse the demographic crisis of the 1990s. In its current foreign policy, Russian national security interests are connected to the creation of a multipolar world order where Russia is one of the key great powers. Increasing emphasis on various forms of identity politics, including the legal sphere (Antonov 2012), have emerged as a reflex in the face of this evolution, together with an attempt to create a regional security complex (Buzan 1991) in the ex-Soviet states.

Historically, the emphasis on security thinking and control inside the Russian state bureaucracy has happened as a result of institutional risks which have been serious enough to undermine reform goals. The Russian leadership has attempted to find ways to contain and solve these risks to reduce goal ambiguity and increase control through legalistic decision-making, hierarchical organisation and centralisation (Heusala 2013). In the area of migration polices, restrictions on immigrant labour have been enforced through a centralised assignment of quotas for foreign workers. The system itself has been more accessible to large firms than small businesses or individuals willing to hire persons legally. In 2009 the Federal Migration Service issued Directive No. 36, which attempted to protect domestic labour by way of limiting the authorised working period to one year, a rule which pressured employers and migrant workers to bypass the law and use corruption (Ioffe and Zayonchkovskaya 2010: 120–2).

As this example shows, attempts to control the shadow economy amid institutional consolidation have not been easy to execute. The economic and social costs of unofficial practices, and their toleration in the future – by migrants, Russian officials and the general public (Ackerman 2014; Buckler 2008) – come to the fore. Securitisation of migration is the chosen mode of action in the current European context, while Russia is again underlining the importance of anti-extremist and anti-terrorism action. Therefore, a more

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‘law and order’ approach to immigration control and workforce registration remains along with the complex political and legal changes aiming at building regional economic cooperation and harmonisation of structures. In this delicate balance there are both new possibilities and new risks for the long-term development of practices and ways of thinking which would curtail the wider phenomenon of the shadow economy in the Russian society.

Notes

1 Schneider and Williams (2013) cite a 2009 study by the OECD which found that more than half of all jobs in the non-agricultural sectors of developing countries can be considered informal. The informal economy in the developing world consists of persons who are self-employed and work independently or who own and manage very small enterprises.

2 Definitions for undocumented migrants vary in literature. Commonly used definitions include illegal migrants and irregular migrants. Both of these terms are used also in this joint volume. We are aware of the Resolution 3449 of the UN General Assembly (9 December 1975), which recommends the use of the terms non-documented or irregular migrants to avoid incriminating migrants. In this volume, the term ‘illegal migrant worker’ is used for persons who work without a legal work permit and who are thus employed without a formal contract. ‘Illegality’ refers to their legal status and does not imply anything else with regard to their behaviour or personal characteristics.

3 A large body of literature exists on the evolution of migration and migration policy. Here we refer to examples such as Amelina et al. (2016: 1–6) and Castles (2010).

4 Kubal (2013: 556) shows how after 2004 and 2007, Eastern Europeans migrating to old EU member states held an ambiguous legal status for several years. Although EU citizens, they did not have full access to the labour markets. In 2007, this legal incoherence extended to over 102 million persons who were legal residents but illegal workers.

5 Ukaz Prezidenta Rossiiskoi Federatsii ot 31 dekabrya 2015 goda N. 683 ‘O Strategii natsional’noi bezopasnosti Rossiiskoi Federatsii’; federal’nye zakon ot 28 dekabrya 2010 g. N. 390-FZ ‘O bezopasnosti’; federal’nye zakon ot 28 iyunya 2014 g. N. 172-FZ ‘O strategicheskome planirovanii v Rossiiskoi Federatsii’.

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