

Signs and Scope of Precarization of Labor Relations in Modern Russia

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ABSTRACT

Based on the materials of federal statistical surveys and expert assessments, the article analyzes features, quantitative scale, and structural peculiarities of precarization of labor relations in modern Russia. Such unstable forms of employment as work on fixed-term employment contracts, part-time employment and work in the informal economy have been singled out and are characterized in a dynamic measurement as the employment crisis indicators. In addition, dynamics of employment, inadequate working conditions and failure of employers to payroll obligations have been considered as signs of precarization.

KEYWORDS

Precarization, social and labor relations, precarious employment, flexibility, informal labor, precariat

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Precarization as a Global Phenomenon

The spread of the liberal model of social and economic development, active processes of globalization, and changes in stratification parameters of modern societies in most countries caused the phenomenon of precarization of social and labor relations, which in recent years drew the attention of scientists. Usually, precarization is understood as a deformation/crisis of labor relations, manifested in the emergence of large groups of employees, constantly occupied by unwarranted temporary work, due to the infringement of social and labor rights of this population and vulnerability, insecurity of their social status (Bobkov et al., 2013; Fedorovaya and Prasyukevich, 2013).

On the one hand, non-standard, flexible labor relations allow employers to minimize the costs of the enterprise, to free up funds for business development, to reduce

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unemployment through the introduction of part-time work, fixed-term contracts, contract labor and others. On the other hand, unstable employment entails a decrease in earnings, fluctuation of labor motivation and employees' deprofessionalization, lowers their social status, expanding the illegitimate sector in the labor market.

Mass unstable, deformed employment is a global phenomenon. According to experts of the Organization for Economic Cooperation and Development, more than half of the economically active population of the world, that is 1.8 billion people work without contracts and without social and labor warranties (Fedorova and Yakovleva, 2014). In 28 countries of the European Union underemployment indicators have increased significantly since 1995 and reached 14.2% of total employment in 2015. According to Eurostat data from 2002 to 2015 the number of temporary workers in the 28 EU countries has increased by 5 million persons. Moreover, during the economic crisis of 2008 primarily temporary employed came under reduction. Against the background of the fact that the number of permanent employees remained virtually unchanged the number of precariously employed in this period decreased by 400 thousand persons (figure 1).

Statistics show that the development of the crisis phenomena in 2008 led to a reduction in the first place, of the number of temporary employees (in the whole of the EU countries). In 2008, against the background of continuing growth in constant and total employment there was a decrease in the number of workers on temporary contracts by more than 300 thousand persons.

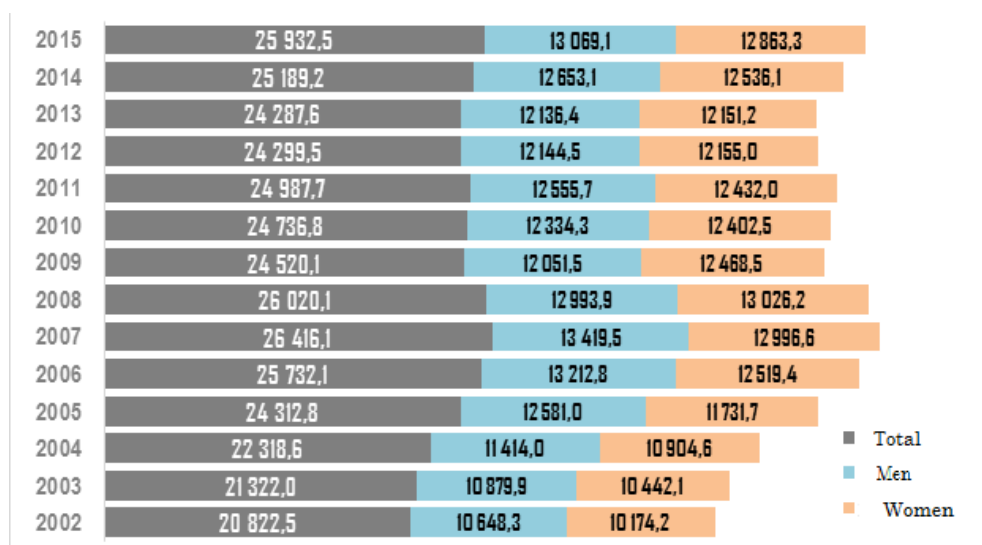


Figure 1. The number of people employed on temporary contracts in the EU countries - 28, ths persons (according to Eurostat) (Eurostat Statistics Database, 2015).

Another indicator – the number of part-time employed people in 28 EU countries has also increased from 16.1% in 2002 to 19.6% in 2015 (in % of total labor force). In absolute terms, 33.1 million EU citizens worked on a part-time basis in 2002 and 45.1 million in 2015, i.e., growth of this group amounted to almost 12 million persons. As opposed to the gender structure of employees on temporary contracts, which is fairly symmetrical, in the group of part-time employees there is a pronounced imbalance characterized by a greater number of women (figure 2)

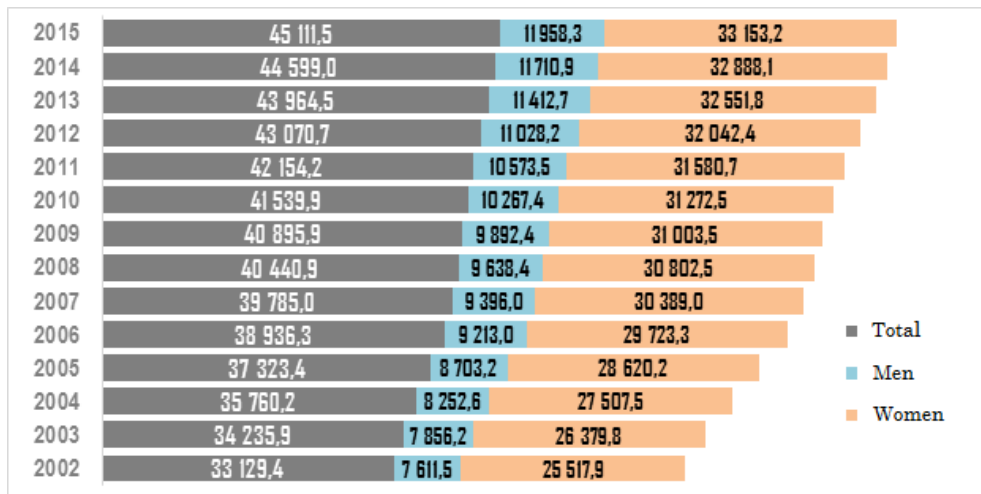


Figure 2. The number of persons employed part-time in the EU countries - 28, ths persons (according to Eurostat) (Eurostat Statistics Database, 2015).

The degree of precarization of social and labor relations is different in different European Union countries. According to experts, about a fifth of all employees work in the precarious work conditions in Germany, in France and the Netherlands – about a quarter of the working population (as of 2010) (Gasyukova, 2015). In modern Greece the model of atypical work and insecurity of labor relations are also gaining popularity among employers (Gialis and Tsampra, 2015).

If we look at the statistics in the context of the EU countries for 2015, we can see that the most widespread part-time employment is in the Netherlands (half of the economically active population). One in four in Austria, Germany and the UK is a temporary worker. The practice of temporary contracts is most common in Poland and in Spain (28% and 25.2%, respectively) (figure 3).

The materialization of uncertainty, unpredictability and risk increasingly characterizes the American labor force (Kidder, 2016). Processes of deformation of the employment structure have been also evident in Japan, South Korea very clearly, where from 40% to 50% of the economically employed are engaged in unstable work (Standing, 2014; Pilling, 2014).

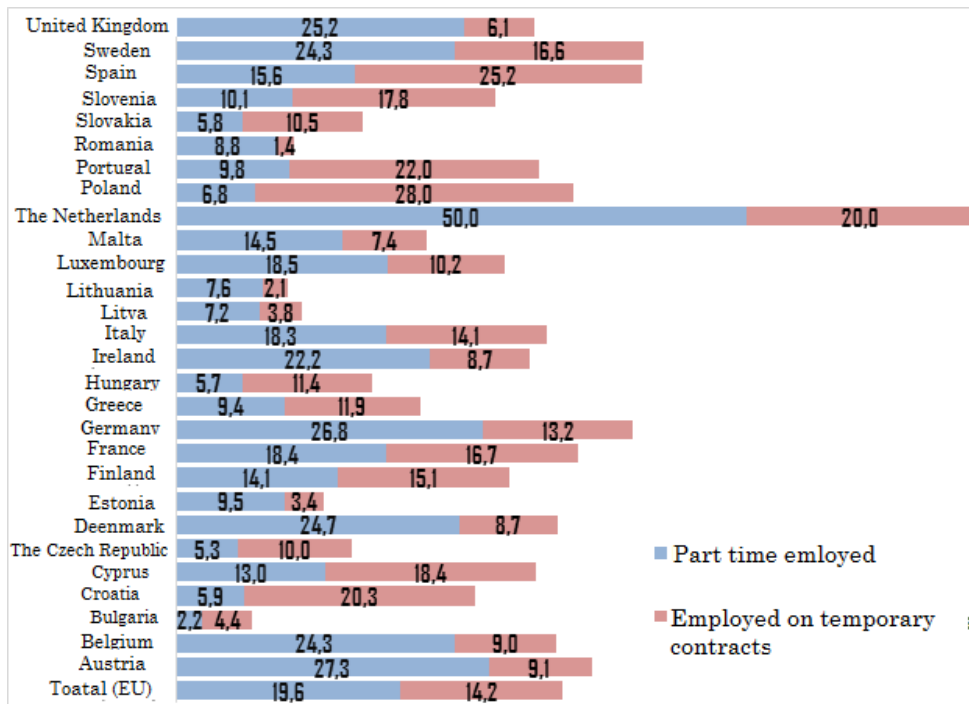


Figure 3. The share of part-time employed and employed on temporary contracts in the European Union in 2015, in % of total employment (according to Eurostat database)

Thus, the world has clearly appeared a tendency of growth of the working population groups who are forced to accept temporary jobs or those on part-time basis without any social guarantees. In this regard, the academic environment extends a view of the existence of a separate class of precarium, the leading feature of which is the lack of stable employment. Therefore, this social group is characterized by the vulnerability of socio-economic conditions and a high degree of social alienation (Standing, 2014; Shkaratan et. al., 2014). Structure of precariat is heterogeneous in terms of socio-demographic and cultural parameters, so the class identity of the representatives of this group is not pronounced and executed. "Precariat still is a "class in itself", which is on the verge of becoming a "class for itself" (Toshchenko, 2015).

In different countries, different population groups are exposed to precarization. But young people and older people, women and migrants have the greatest risk of moving into the precariatized labor zone. Youth employment situation in Japan received the largest public response. Here at the end of the 20th century there were even separate concepts of "freeters" (forced to seek temporary work) and NEETS (Not in Education, Employment or Training – young people without definite occupation), which then began to be used in other countries (Furlong, 2007). In Europe, the youth unemployment problem is very acute. In Spain, 46.7% of young people cannot find a job, in Greece – 48.6%, in Croatia – 43.1%, in Italy – 40.5% (RuBaltic.Ru, 2016). Migrants also experience a high level of precarious employment, social exclusion and social inequality (Waite, 2009; Gonzales, 2016; Syed, 2016). Despite different level of education, work skills and experience, migrants are among the poorest segment of the population (Weeks, 2015; Toma, 2016).

Characteristics and Scale of Precarization of Labor Relations in Russia



In the post-Soviet space processes of precarization of labor relations have also acquired alarming proportions. In Ukraine, unemployed and people who are employed in the informal sector of the economy amounted from 30% to 50% of the economically active population in 2011-2014 (Kolot, 2014; Gasyukova, 2015). In Russia, according to Rosstat [Federal State Statistics Service] in 2014, the number of persons experiencing working instability was approximately 9% of all Russian employees. Deputy Prime Minister of the Russian Federation O. Golodets voiced that in the Russian economy in general 45% or 38 million people of working age “are occupied in the middle of nowhere, what and how” (Golodets, 2013). A more balanced assessments are given by experts who estimated that the number of constantly occupied by unwarranted labor ranges from 30% to 40% of the economically active population (Golenkova and Goliusova, 2013; Toshchenko, 2015), that in absolute terms is more than the population of some European countries.

A series of economic crises in Russia (2008-2009, 2014-2015) exacerbated the asymmetry of the relationship of workers and employers. Jobs decreased to 8.1 million from 1991 to 2015 (Gorshkov and Petukhov, 2015). Deterioration of the situation in compliance with social and labor rights of workers, increase in workload, which is not accompanied by an increase in wages has been recorded. According to the results of Public Opinion Foundation nationwide survey in 2016 about one-fifth share of working Russians have noted that in their company/organization in the past few months there have been cases of employees’ involuntary going on unpaid leave, transferring them to a part-time employment. About a third of respondents are anxious about the fact that their organization will be closed, 38% believe that in case of dismissal they will fail to find a job with around the same conditions and the same pay within a few months (Public Opinion Foundation, 2016).

One of the criteria for selection of precariat is also career prospects, more precisely, their absence when flexibilization technologies of staff status have a negative impact on the prospects of building a career. According to the polls for the urban population of the South Russia, the availability of opportunities to achieve career advancement in the profession is important (77.9%). However, only 35.0% of respondents have career prospects (Posukhova, 2015a; Posukhova, 2015b).

Unstable employment as a generic description of precarization involves different forms of labor relations: *fixed-term employment contract work, part-time employment, occasional/casual work, self-employment, employment in the informal or shadow economy*. Job with full formal employment, but in poor sanitary conditions, physically heavy, hazardous types of work, employer’s failure to comply with his payroll obligations also precariatizes social and employment situation of modern human.

Temporary and Part-Time Employment, Self-Employment

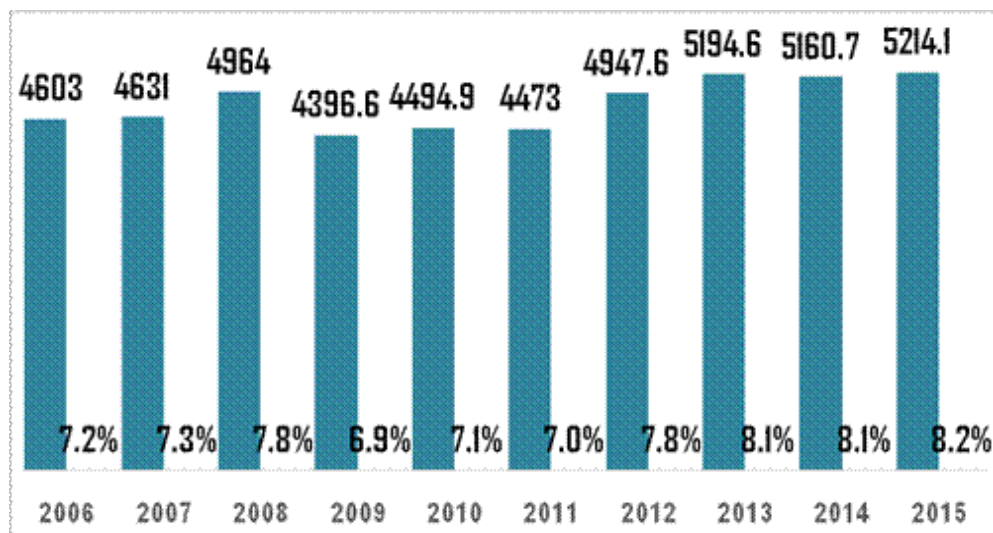
Diversification of forms of employment in the Russian economy is manifested in the dynamic and structural indicators of spread of precarious work. According to the experts of State Higher School of Economics in Russia, the share of temporary employment (working under employment contracts for a specified period, or performing a certain amount of work involved in seasonal, occasional or one-off operation) increased from 2.4% in 1996 to 11.1% in 2004 (Gimpelson and Kapelyushnikov, 2005). However, according to the Rosstat data, from 2005 to 2015, the proportion of the economically active population, employed on a temporary employment contract has been gradually reducing from 6.5% to 4.2%. Thus, in 2015 the number of temporarily employed in Russia amounted to 2.7 million people. According to official statistics, the share of part-time employment is also reduced from 1.1% in 2005 to 0.9% in 2015 and now is about 568 thousand people (table 1).

Table 1. Indicators of temporary contract and part-time employment in the Russian Federation, in thousand persons and % (according to Rosstat data)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Employed on a temporary employment contract											
Total	4162	4374	4244	5009	3461	2963	2497	2361	2217	2639	2681
% of employed in RF	6.5%	6.9%	6.7%	7.9%	5.4%	4.6%	3.9%	3.7%	3.5%	4.1%	4.2%
men	2446	2539	2471	2923	2140.52	1845.7	1560.5	1468	1374.6	1610.8	1626.8
women				2085.			936.4				
	1715	1834	1773	5	1320.46	1117.6		893.2	842.4	1028.6	1053.9
Part-time employed											
Total	682	578	595	809.6	1531.2	880.5	571.8	719.2	581.5	557.2	567.8
% of employed in RF	1.1%	0.9%	0.9%	1.3%	2.4%	1.4%	0.9%	1.1%	0.9%	0.9%	0.9%
men	229	228	212	307.2	617.6	287.6	144.7	219.9	171	156.2	164.1
women	452	351	382	502.4	913.6	592.9	427.1	499.3	410.5	401	403.6

It should be noted that on the one hand, as Rosstat has changed methodology of research on employment problems, in recent years statistical surveys excluded data about employees working on a contract for a fixed amount of work that underestimates the number of workers on temporary contracts. On the other hand, the relatively low prevalence of temporary employment contracts in Russia is also due to low specific weight of employed in small businesses (compared with the EU countries), the prevalence of civil contracts, as well as the large informal sector of labor relations (Antonova, 2012). During the crisis of 2008-2009 the number of employed has increased.

Statistics for self-employed in Russia shows the presence of about half a million economically active population, whose labor is deformed on this basis. According to Rosstat data, in 2006 self-employed accounted for 7.2% of the working population, in 2015 this indicator increased slightly to 8.2% (figure 4).

**Figure 4.** The number of self-employed, in thousand persons and % of total employed in the Russian Federation (Federal State Statistics Service, 2015).



Employment in the Informal Sector

Alternatively to the temporary and part-time employment of Russians, employment in the informal sector is much bigger. According to Rosstat data, the number of Russians employed in the informal sector has grown from 8.2 million persons in 2001 to 14 million persons in 2015. In turn, changes of informally employed in the share indicator was 12.5% in 2011 and 19.4% in 2015 (figure 5). According to Rosstat methodology, the informal employment is the employment in the company, which has no state registration as a legal entity (engaged in recruitment work at private individuals' businesses, self-employed in the household). On other estimates of Center for Macroeconomic Research of Sberbank of Russia, the number of informally employed at the lower end is around 20 million people or a quarter of the economically active population, and there are about 4 million self-employed (Center for Macroeconomic Research of Sberbank of Russia, 2014).

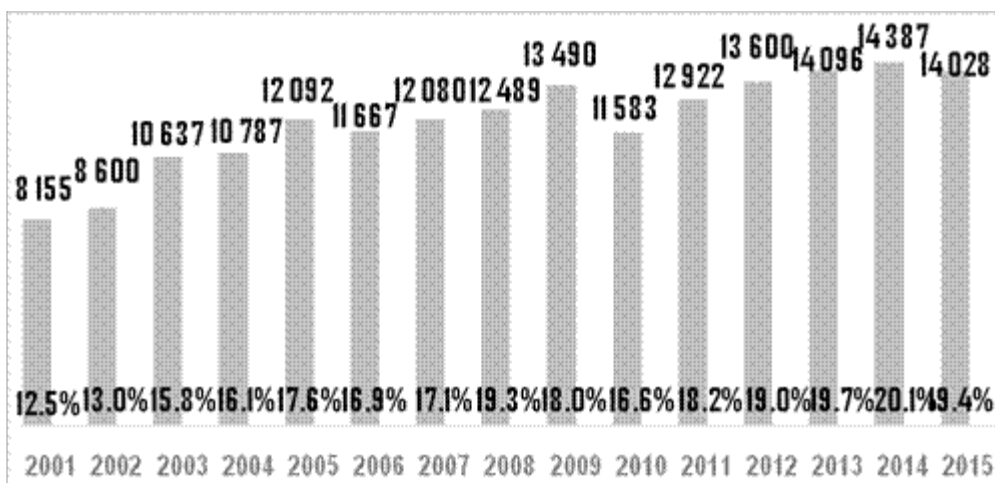


Figure 5. Employed in the informal sector, in thousand persons and in % of total employment (Federal State Statistics Service, 2015)

In the structure of the informal sector, the most capacious in the number of employed are the wholesale and retail trade; repair of motor vehicles, motorcycles, household goods and personal items. Almost every third deformed worker is employed in this sector (31.8%). A substantial proportion of informal work is in agriculture, hunting and forestry (23.1%), construction (11.7%), transport and communications (9.2%), manufacturing industry (8.8%) (figure 6).

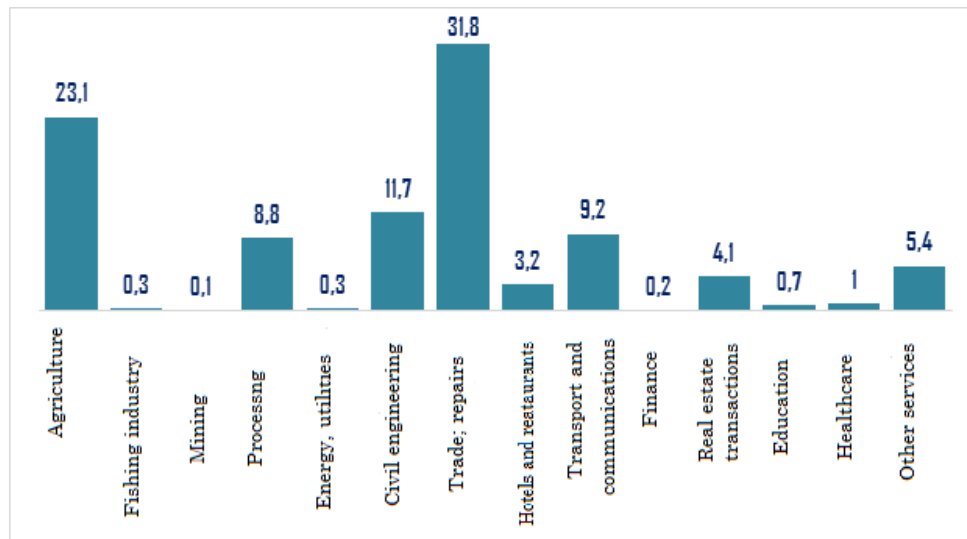


Figure 6. Structure of the types of employment in the informal sector by types of activity in % (Federal State Statistics Service, 2015)

Deformalization of labor relations is becoming more common due to the inability to get a job with formalized contracts and guaranteed social and labor rights. In recent years qualified staff has got into precarization zone. According to official data from 2004 to 2015, the share of employed in the informal sector with higher professional education has doubled (Table. 2).

Table 2. Structure of employed in the informal sector by level of education, in % (Federal State Statistics Service, 2015)

Year	Total	Including those with education						
		higher vocational	incomplete higher vocational	secondary vocational	primary technical school	secondary (complete)	compulsory	those without compulsory
2004	100	11.1	1.9	21.7	20.2	30.8	12.2	2.1
2005	100	10.9	1.9	20.8	20.5	31.2	12.5	2.1
2006	100	11.6	1.7	20.8	21.2	31.0	11.7	1.9
2007	100	12.2	1.6	21.6	20.3	31.9	10.8	1.6
2008	100	13.0	1.7	22.8	21.6	30.9	8.6	1.5
2009	100	14.5	-	22.9	21.3	31.4	8.9	1.1
2010	100	14.5	-	22.3	22.1	31.5	8.4	1.1
2011	100	14.7	-	22.4	22.7	31.1	8.1	1.0
2012	100	14.9	-	22.2	22.4	32.2	7.6	0.7
2013	100	15.8	-	21.8	22.1	32.2	7.4	0.7
2014	100	16.7	-	22.9	23.1	29.6	7.1	0.6
2015	100	18.0	-	22.4	22.5	30.3	6.4	0.4

Types of work, working conditions, salary liabilities

Not only deformalized labor relations precariatize employee's status. Another sign of deterioration of the positions of the economically active population is the employment rates regarding formalized, but heavy work. Changes in the number of this category of workers show that in 2004 every ten worker of mining operations was occupied in heavy work, and in 2015 already one in three. In the field of construction, 6% of hired personnel carried out heavy work in 2004, and in 2015 – 20%. In general, during this period the share of hard-working persons steadily grows in all areas under consideration: in manufacturing



from 3.8% to 16.3%, in the production and distribution of electricity, gas and water from 5.5% to 14.1%, in the transport sphere from 6.6% to 16.6% (Table 3).

Table 3. The share of the number of employees engaged in heavy work in 2010-2015 in % of the total number of workers of the respective economic activity (Federal State Statistics Service, 2015).

Year	Mining	Processing industry	Production and distribution of electricity, gas and water	Civil engineering	Transport	Communications
2004	13.9	3.8	5.5	6.0	6.6	0.5
2005	14.5	4.3	6.2	6.8	8.0	0.7
2006	16.0	4.8	6.8	7.1	9.7	0.9
2007	18.8	6.3	8.1	8.3	10.9	1.4
2008	20.2	7.2	8.7	9.5	11.6	1.3
2009	21.7	8.0	9.1	10.1	12.8	1.8
2010	22.8	9.1	9.8	11.5	13.5	1.8
2011	25.5	10.5	10.7	13.0	13.8	2.0
2012	26.6	11.6	11.4	14.5	14.1	2.2
2013	27.4	12.4	11.2	15.0	13.5	2.4
2014	29.8	14.6	13.1	18.8	15.8	3.0
2015	30.9	16.3	14.1	20.1	16.6	3.0

The number of workers employed in hazardous working conditions also grows rapidly. Most of this work is common in the mining sector, where in 2004, one in three employees work in hazardous conditions, and in 2015 – one in five. At the present stage in the manufacturing production and transport every four persons work in hazardous environments for health. In the production and distribution of energy, as well as the construction, in 2015 these indicators constituted 37.6% and 37.4%, respectively (table 4).

Table 4. The share of the number of employees engaged in hazardous working conditions for 2010-2015 in % of the total number of workers of the respective economic activity (Federal State Statistics Service, 2015).

Year	Mining	Processing industry	Production and distribution of electricity, gas and water	Civil engineering	Transport	Communications
2004	33.4	22.9	29.9	10.8	20.0	2.4
2005	33.7	23.4	27.9	11.9	23.3	2.9
2006	35.0	24.4	28.0	12.1	26.5	3.0
2007	37.9	25.3	29.5	14.0	29.9	2.7
2008	39.1	26.8	30.6	14.6	31.4	2.9
2009	40.3	28.2	31.0	16.4	33.1	3.7
2010	42.5	29.6	32.9	18.5	34.0	3.8
2011	45.3	31.5	33.4	20.2	34.5	4.2
2012	46.2	33.4	33.9	21.7	35.1	4.3
2013	46.8	34.4	32.8	23.6	34.0	4.2
2014	57.1	41.1	39.2	35.6	42.1	7.2
2015	56.5	42.2	37.6	37.4	41.0	6.5

Formal employment also does not guarantee the employer's performance of his obligations on timely payment of wages. Only according to Rosstat arrears of wages increased from 2,188 thousand Rubles to 3.89 billion Rubles from 2011 to 2015, and in June 2016 amounted to 4.004 billion Rubles (figure 7). The crisis in the Russian economy has been reflected in payments to employees. In 2014, the number of employees with wage arrears was 61,082 persons; in 2015 this indicator increased to 90,412 persons and in the middle of 2016 it was equal to 76,686 persons. Number of organizations that do not fully

pay wages to their employees also increased from 370 in 2015 to 500 in June 2016 (according to Rosstat database).

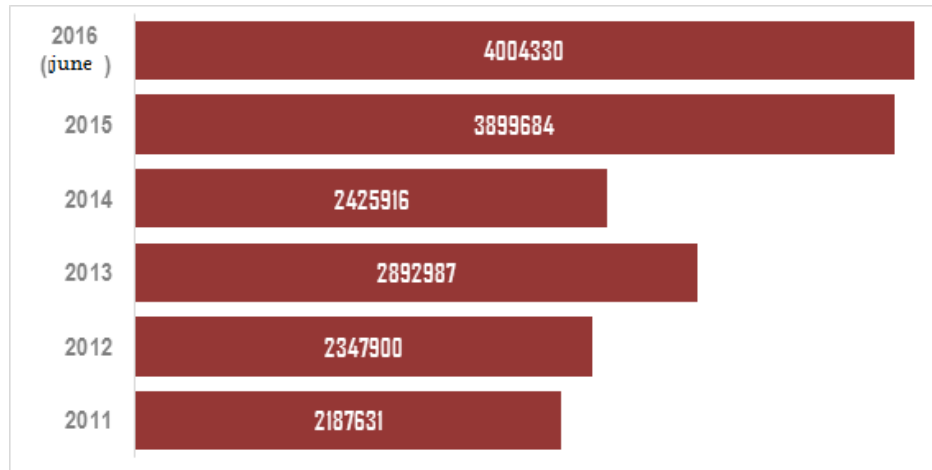


Figure 7. Wage arrears of workers in the Russian Federation, in thousand Rubles (Federal State Statistics Service, 2015)

Conclusion

Thus, the scale of precarization of labor relations creates risks of new social inequalities in Russian society. Employment crisis, instability of the employment relationship, leading to an erosion of professional stratification criteria, shadow economy expansion of professional activity and other manifestations of precarization of labor relations weaken the potential for integration of socio-professional structure. In addition, the extension of precarious or forced employment, weakening of social and labor warranties socially frustrate workers, weak labor motivation and deprofessionalized personally, diversifying professional identity. All this together can lead to growth of protest moods among a large number of not only low-skilled workers, but also among many professionals and people with high levels of education, who are increasingly entering the precarization zone.

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Disclosure statement

No potential conflict of interest was reported by the authors.



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