Yana Zausaeva
National Research University Higher School of Economics
Laboratory for Local Administration
G_D Regional and urban labor markets
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Otkhodnichestvo's impact on small towns in Russia

Abstract. The article analyzes the contradictory interaction between contemporary otkhodnichestvo (regular periodic internal labor migration) and various political, economic and sociocultural processes at the local government level. Functional and dysfunctional consequences of this interaction are reviewed.

Keywords: otkhodniks, local government, self-organization, active population, rental population, political participation, loss of taxes, labor substitution

Introduction

Historically otkhodnichestvo in Russia was designed as the temporary departure of peasants from their permanent residences in villages to earn money in regions where industry and agriculture were well developed. Preconditions for the development of this phenomenon included rural overpopulation and inability to provide sustenance for peasants' households only through local agricultural activities and homecrafts. Though otkhodnichestvo began to especially flourish after the Peasant Reform of 1861 it also existed long before that and was spread among state peasants and serf peasants on quitrent.

The situation with otkhodnichestvo changed drastically after industrialization and collectivization policies were introduced in 1930-s. Otkhodnichestvo was inventoried and institutionalized by the Soviet state. From self-organized potential it was turned into organized recruitment (orgnabor) in order to serve the needs of the rapidly growing construction and industrial sectors. So the essence of otkhodnichestvo was fundamentally changed, it dropped out of public discourse as the modern phenomenon and remained there only as the historical phenomenon. However, with the collapse of the Soviet economy the phenomenon revived and managed to become a large-scale trend again.

Nowadays otkhodnichestvo can be defined as employment outside home municipality, forced by the lack of jobs or by the low level of wages in places of otlhodniks' permanent

residence, where they return on a regular periodic basis. Expert estimates of the number of otkhodniks in nowadays Russia vary from 3 million[1] to 15 million households[2]. These estimates are extremely divergent, which is due to the fact that otkhodniks are not recorded by the state statistics and therefore are "invisible" to the state. That's why their quantity could be estimated only through indirect methods.

Such a large-scale phenomenon as otkhodnichestvo (despite its "invisibility" to the state) causes a heavy impact on the quality characteristics of different levels of societies serving as objects of public administration and subjects of local government. But neither the federal level of power nor the regional one fully comprehend the significance of the phenomenon. Sometimes it goes the other way round for the local government, which is the closest one to people: municipalities could be divided into two groups of those who detect otkhodniks and those who don't. But even in those cases when local governments are able to notice otkhodniks it, in fact, cannot be said that otkhodniks are under permanent scrutiny of municipal administrations as they are still mainly on their own.

Research into the present day interaction between otkhodnichestvo and viability of municipalities is far from being complete and exhaustive. This paper outlines the interconnection between contemporary otkhodnichestvo and some political, economic and socio-cultural processes at the local level.

Influence of otkhodnichestvo on the political and economic life and socio-cultural processes at the local level is of ambivalent nature, which does not allow to unambiguously evaluate if the impact brought on by it is functional or dysfunctional for municipalities. Development of otkhodnichestvo is caused by complex socio-economic reasons and it entails complex implications for the municipalities, to which the phenomenon is immanent. The paper draws on various examples of this incoherent impact on small towns, situated in the non-black earth zone regions, where otkhodnichestvo was historically developed.

This paper consists of 3 sections, which describe political, economical and socio-cultural relevance of otkhodnichestvo to small towns which are at some level exposed to the phenomenon.

Methodology

[1] Zayonchkovskaya, Z. (2001) Trudovaya migratsiya v SNG s pozitsiy obshchestva, sem'i i lichnosti. In — Migratsiya naseleniya. Vyp. 2: Trudovaya migratsiya v Rossii. Prilozheniye k zhurnalu «Migratsiya v Rossii». Pod obshchey red. O.D. Vorob'yevoy. Moscow. p.21

[2] Plyusnin, Y. (2012) Otkhodnichestvo v sovremennoy Rossii. Otechestvennyye zapiski, 5(50), pp. 240-256

The following findings are based on sociological qualitative methods such as in-depth interviews with otkhodniks and their family members and expert interviews with local administrations, government organizations and business representatives. As it was already said above otkhodniks are not recorded by the state statistics which is why qualitative and indirect methods of collecting data prevailed in this research.

The field research was conducted in 2010-2013 and embraced 14 municipalities in 8 central and northwest regions, situated in the non-black earth zone: Chistye Bory, Kologriv, Makaryev, Chuhloma, Soligalich (Kostroma Oblast); Toropets (Tver Oblast); Temnikov, Ardatov (The Republic of Mordovia); Alatyr (The Chuvash Republic); Kasimov (Ryazan Oblast); Kineshma (Ivanov Oblast); Kargopol (Arkhangelsk Oblast); Podporozhye, Voznesenye (Leningrad Oblast). The sample of municipalities was pretty limited geographically, and due to this condition obtained results can not be extrapolated to the whole Russia.

It's not the only methodology limitation and shortcoming. During this pilot research the line between otkhodniks and vakhtoviks was not drawn whereas it's of critical importance. Though they look alike and both imply special form of periodic internal labor migration, when working activities take place outside migrant workers' home municipalities and return from work is not possible on the daily basis. But in fact their status is different because "vakhtovy metod" is determined in the Russian legislation and therefore is acknowledged by the state. Whereas otkhodnichestvo does not enjoy the privilege of being included in the legal field.

Also the research covered only municipalities of outgoing otkhodniks' migrations, municipalities of incoming otkhodniks migrations were not included in the sample, though economic, political, sociocultural impact brought on them by otkhodnichestvo has to be sufficient.

Political sphere

Municipalities can be divided into three types from the perspective of their relationship with otkhodniks: 1. municipalities where local governments are not aware about otkhodniks; 2. municipalities where local governments are fully aware about otkhodniks, but due to all sorts of institutional and economic constraints can not undertake actions aimed at their integration in the local life; 3. municipalities where local governments are aware about otkhodniks and the latter are included in local governance.

The first two cases are of no fundamental difference in regard to otkhodniks. Local governments' awareness about otkhodniks does not guarantee that they can involve the latter in the local life. For example, means through which local governments can reintegrate otkhodniks into the local economy are very scarce and limited. On the one hand, their limited toolset is associated with the post-Soviet economic structure that local governments can't remodel radically. On the other hand, it is connected with the otkhodniks' contingent structure: for the most part their qualifications do not meet the needs of the local labor market. In the latter case, otkhodniks are actively involved in the local life (still not economically, but politically) and even the rhythm of political life can be adjusted to their schedule.

1. municipalities where local governments are not aware about otkhodniks;

Toropetskiy district (raion) represents the first type of municipalities. The head of the district is the former industrialist whose principle concern is for the main taxpayers on whom the municipality's budget is heavily dependent. Those main taxpayers include 4 companies engaged in plastic production. In order to fill the local budget they have to function stably which also implies that they don't have to face staff shortage problems. According to local authorities this problem can't be solved with the help of local specialists as there are no skilled workers left in the district. That's why local authorities start to engage into the increasing of quotas on foreign labour at the requests of local business. This way is easier for the local authorities and cost-saving for the local businesses as foreign labour is cheaper than local one.

At the same time local population has a completely different view on the situation. Locals refer to the lack of jobs and low wages when speaking about the reasons of otkhodnichestvo development. However, these two factors are not articulated by the local authorities, because officially registered unemployment rate is not more than 2-3%.

These conditions constitute the situation of workforce replacement: local labour leaves for work in the capital and regional centers, and local jobs are occupied by foreign workers.

2. municipalities where local governments are fully aware about otkhodniks, but due to all sorts of institutional and economic constraints can not undertake actions aimed at their integration in the local life;

In Kineshma local government is aware about otkhodniks, but it does not have the available means through which it can change the situation somehow. For example, town's capacity to stimulate the implementation of large-scale investment projects, that would

compensate jobs eliminated due to the post-Soviet decline in production, are very limited. The collapse of the production chain for textile and machinery enterprises is being slowly and not fully resolved and compensated by the development of small businesses created on the ruins of the former industrial giants. So the phenomenon of otkhodnichestvo can't actually be managed, it can only be articulated and discussed with the locals.

3. municipalities where local governments are aware about otkhodniks and the latter are included in local governance.

Chistye Bory can serve as an example of such consolidation. It was designed to become the satellite town near Kostromskaya nuclear power plant. However, in 1996 NPP construction was frozen. Construction of the satellite town also remained unfinished. At the moment there are about 5000 people of population and almost no available jobs (except for low-paid budget sector). So the vast majority of the labour force in Chistye Bory is engaged in otkhodnichestvo. But it doesn't keep them from participation in the local governance. There are several otkhodniks who became local deputies. Due to this circumstance the local council of deputies scheduled its sessions on the basis of otkhodniks' shifts at work. Though otkhodniks still can't be reintegrated in the local economy as there are simply no enough jobs, they can get actively involved in the local governance.

The factors determining the exclusion of otkhodniks from the local governance include the following.

- Large proportion of the local governments' functions is connected with rental (not economically active) population and with distribution of resources in the social sphere.

Rental population (pensioners, invalids, budget sector workers, etc.) is the most noticeable social segment for the local governments. Rental population includes people who are guaranteed access to some minimum of resources (pension, welfare payment, etc.) by the state[3]. And local governments' functions largely consist of reallocating scarce local budgets among the representatives of this group. This can be noticed from the municipalities' structure of expenditures: main local expenses include education, social policy, public health and culture. In some cases local governments are aware about this very peculiarity, but they don't know how to change the situation due to scantiness of resources and to the population psychology.

- Local governments often serve as an obscure counterparty for otkhodniks.

[3] Kordonsky, S. (2010) Pomestnaya federatsiya. «Yevropa», Moscow. p. 66.

It should be noted that the communication between local governments and otkhodniks is largely determined by how the latter percept the first. Otkhodniks, who take an active part in the life of the municipality, as a rule, have a good education, are engaged in skilled work and form the minority. Whereas the majority is skeptical or indifferent in regard to local governments and their elections. Moreover, incorrect understanding of local governments' capabilities, powers and functions is quite common. The local population in general and otkhodniks in particular often do not quite comprehend the difference between local governments and territorial branches of the federal authorities. In the minds of the local population different levels of power are often mixed, so the negative consequences that are brought on municipalities by the decisions of the federal level are often ascribed to the local governments. Thus, there is a situation of double neglecting: otkhodniks are often "invisible" and therefore undetected by local governments, and local governments often serve as an obscure counterparty for otkhodniks.

- Local governments perceive otkhodniks as a marginal segment of local society.

In Toropets local authorities tend to explain the existing situation on the local labor market by otkhodniks' laziness and inadequate qualifications. They are presumed to chase "easy money" by taking unqualified jobs in the capital and regional centers. Thus, the local government considers otkhodniks to be marginal. They are irrelevant in regard to the local labor market episteme.

The factors determining the participation of otkhodniks in the local governance can be described as following. Profound relationship with the local governments can only appear under very special circumstances, which probably can be found in pretty compact and resource-constrained settlements (such as Chistye Bory). Some big local problem (for example, problems associated with communal services) solution of which is a consensus value for the local population could serve as an additional trigger for the involvement of otkhodniks in the local governance.

For example, local deputies in Chistye Bory have to conduct explanatory work among the locals on payments for communal services and to deal with debtors. So local deputies are supposed to make door-to-door rounds in order to fulfill this purpose. And this kind of work is more safe to perform for men, not for women who previously constituted the majority in the local council of deputies and unlike their husbands-otkhodniks were full-time present in the municipality. That was one of the reasons to involve otkhodniks in the local governance.

Economic sphere

In economic terms, the impact of otkhodnichestvo on municipalities is ambivalent. On the one hand, otkhodniks represent a problem that solves itself. Through their own self-organized economic potential they reduce the sharpness of such local issues as the need for economic restructuring, attraction of investments, launching new production facilities, etc. Moreover otkhodniks provide an infusion of money into the local economy through their local spendings which they can afford owing to their outside jobs.

On the other hand, otkhodnichestvo causes significant loss of taxes for municipal budgets. The most important tax for municipalities' budgets in Russia is individual income tax, which is paid at the place of work and therefore in case of otkhodniks it misses the budgets of their home municipalities. In this context the main concern of local governments lies in the fact that, without paying individual income taxes at the place of their permanent residence otkhodniks enjoy the same municipal services as the other residents of the district or town.

It is difficult to determine what consequences of otkhodnichestvo are dominant here. Is it an economic damage brought on by the loss of individual income tax or an economic bonus represented by additional solvent demand which helps to maintain municipalities' economic viability? Otkhodniks most certainly give support to local small businesses, working in the field of trade and services. On the other hand, individual income tax losses can reach quite a substantial scale. Estimated losses of local budgets can reach up to 80% of their current revenues from individual income tax depending on the intensity of otkhodnichestvo in the municipality. And individual income tax accounts for the largest proportion of the total tax revenues in the local budgets.

Besides the fact that otkhodnichestvo's impact on economic sphere is of ambivalent nature there are also other questions that still need clarification. A number of economic consequences, which, at first glance, can be attributed to otkhodnichestvo, as a matter of fact are caused by the federal economic and fiscal policies, which often leads to the displacement of local labour (by foreign and Russian migrants) and growth of the informal sector. For example, loss of taxes with equal probability can be caused by otkhodnichestvo and by the federal government policies.

Some othodniks' specialties (for example, timberwork,) allows to create an official individual enterprise and to pay taxes in home municipalties. However, people prefer not go for it and to remain in informal sector as they consider tax burden to be too heavy.

Tax burden is not the only weapon in the state arsenal, which causes adverse trends on local labor markets. The law "On Public Procurement" (94-FZ), which was in force until recently, also caused ambiguous effect on local labor markets. It reduced the support which could be offered to local businesses through municipal contracts and created conditions in which local businesses were being replaced by external companies through the tender procedure. External companies, that got local contracts, often hired local companies as subcontractors or attracted foreign labour. In both cases consequences for the local labor market were quite doubtful. The first case resulted in the withdrawal of money from the local economy: the work was still fulfilled by local companies but for less amount of money due to the presence of an external middleman. The second case led to local workforce replacement with migrants from other regions or countries.

Sociocultural sphere

The main question here is to what extent otkhodnichestvo exerts influence upon socio-cultural environment and to what extent it serves as a product of the socio-cultural environment?

In the soviet studies that examined otkhodnichestvo in the pre-revolutionary period and in the 1920's it was highlighted that non-agricultural otkhodnichestvo increased workers' level of literacy and consciousness. It's difficult to talk about such a correlation in the context of contemporary otkhodnichestvo as unskilled jobs (such as security guards) constitute the main source of mass employment for otkhodniks. Doing these jobs otkhodniks lose their qualification and, what is more important, their motivation to get involved in skilled labor work because in many cases unskilled jobs pay the same or more than skilled ones. So, on the one hand, working as security guards otkhodniks voluntarily lose their skills, but on the other hand, the local labor market is not able to offer them satisfactory wage for skilled labor.

Local labor markets' imbalances and otkhodnichestvo most definitely correlate with each other. However, it is unclear to what extent labor markets' imbalances result from otkhodnichestvo and to what extent otkhodnichestvo is the product of the local labor markets' imbalances. Anyway it's difficult to convert otkhodnichestvo into employment in the local

economy. And this conversion is impeded by the following circumstances (produced by both sides):

- In many cases otkhodniks do not possess qualifications required for the local skilled labour jobs.

This situation can be aggravated by inadequacy of local education systems. Local colleges often do not meet local labor market demands preferring specialties in liberal arts to industrial specialties which are actually required by the market.

- Wages offered by local labor markets in otkhodniks' hometowns are too low.
- Low-paid foreign labour (mainly from CIS countries), which is being attracted to the local markets due to the lack of local specialists, also creates a kind of path dependency: the value of labour is being reduced to the level which already does not encourage local residents to take local jobs.

Social structure also plays its part for otkhodnichestvo development. It's especially distinct in municipalities where significant proportion of the population initially was constituted by the representatives of "nomadic" professions. One of the most striking examples of such a case is Chistye Bory. After the Soviet Union collapsed and the construction of the nuclear power plant was frozen many constructors appeared to be "locked" in the failed satellite town. It definitely affected the town's role in the territorial division of labor: otkhodniks from Chistye Bory participate in construction activities across the whole country.

Thus, otkhodnichestvo's socio-cultural context seems to be the product of complex and contradictory interaction of the labor market, specialization structure among otkhodniks, entrepreneurs' interests and aspirations, process of local labor substitution, the system of secondary and higher education, economic and social structure, etc.

Conclusions

Otkhodnichestvo is a very complex phenomenon. The assessment of its socio-economic consequences always was quite ambiguous. Even during the Soviet period, when otkhodniks were perceived by the state as a source of replenishment "of the working class, free from capitalist exploitation", it was also noted that there were negative consequences as otkhodniks significantly increased the level of urban unemployment[4]. Currently it's pretty

[4] Danilov, V. (1974) Krest'yanskiy otkhod na promysly v 1920-kh gg. Istoricheskiye zapiski, 94, pp. 55-122

hard to assess otkhodnichestvo's influence on a national scale due to otkhodniks' "invisibility" and to the lack of data about them.

Moreover, it's still difficult to assess otkhodnichestvo's impact on the examined municipalities due to the ambivalent nature of this impact. As it was noted above, on the one hand, it causes significant loss of local taxes, on the other hand, otkhodniks provide an infusion of money into the local economy through their solvent demand. On the one hand, due to their electoral passivity and solvent demand (enlivening local trade business) they may support inefficient local governance, on the other hand they can get actively involved in the local governance under certain circumstances. On the one hand, otkhodnichestvo is stimulated by the process of workforce replacement described above, on the other hand, otkhodnichestvo itself can serve as the reason of this process. This is not an exhaustive list of contradictory consequences caused by otkhodnichestvo on the local level.

Back in the late XIX century doctor and ethnographer Dmitry N. Zhbankov noted that otkhodnichestvo was a kind of "phenomenon which began a long time ago and could not be destroyed with a single blow, no matter how harmful it was" and that despite its unfavorable sides it was definitely essential for some districts[5]. He also said that otkhodnichestvo would exist till the time each individual district was capable to provide for its population. In that regard the situation didn't change much since then.

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