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The common labour market of the Eurasian Economic Union: when will it start functioning for the citizens?

Anastasia Pogorelskaya

Due to vast migrations and uneven demographic rates within the Eurasian area, labour migration around the area has become the objective necessity. Free labour migration started being considered the essential impetus for economic development of post-Soviet states after they obtained independence in 1991. Therefore, the attempts to provide free labour migration in the post-Soviet area were taken immediately after the collapse of the USSR, within the Commonwealth of Independent States (CIS) in particular.

For instance, the Agreement on the visa-free regime among the CIS states was signed. However, further framework agreements as well as the creation of specialized institutions (the Consultative Council on labour, migration and social benefits) were not agreed. Decelerating economic growth as well as the absence of large infrastructure and business projects in need of foreign labour provided no impetus for the CIS states to ensure labour migration. In addition, they did not wish to incur costs for providing labour migration in the CIS because those days most CIS countries had to spend the substantial part of their budgets on solving their domestic social and economic problems. Nevertheless, while trying to provide free labour migration the CIS countries understood that harmonization of labour migration legislation is necessary for achieving economic success. Therefore, it should be accompanied by economic integration in general, that slowed down within the CIS, though. As a result, several states that were more interested in economic integration than others agreed to create, firstly, the Eurasian Economic Community, and then – the Eurasian Economic Union (EEU) that announced creating common labour market to be one of its priorities.

Anastasia Pogorelskaya, PhD, Senior lecturer, World Politics Department, National Research Tomsk State University.

Nevertheless, having set the aim of providing labour migration within the new economic integration unit – the Eurasian Economic Union that is the union of five states operating since 2015 – the representatives of its member-states managed to agree on a rather limited number of issues concerning labour migration regulation. However, legal and quantitative research into the common labour market of the Eurasian Economic Union is rather large thanks to the works of I. Ivakhnyuk, Ye. Kuzmina, A. Starostin, S. Aliev, G. Osadchaya and others.

Legal status of the EEU member-states workers

According to the EEU Treaty the member-states agreed upon the harmonization of the legal labour migration regulation as well as the adoption of the EEU bodies decisions on the issue to the extent that is necessary for achieving the Union's goals. The latter include providing stable economic development of the member-states and the increase in the living standards of their population.

To achieve the goals, the obligation to apply for job permits by the EEU member-states' citizens within the Union was abolished. In addition, the member-states agreed not to establish or apply any restrictions against other member-states' citizens for national labour market protection. It means that they are not going to apply any quotas, preferences or privileges to provide their citizens' employment at the expense of other member-states' citizens. However, they retained the right to limit or ban the employment of other member-states' citizens in certain industries as well as at certain territories for national security reasons. In theory this limitation may cover any industry or territory, though.

The member-states also agreed that their citizens will be granted the opportunity not to follow certain procedures that used to accompany the labour migration around the member-states. For instance, these citizens do not need to fill in the immigration card while crossing the internal boundaries of the Eurasian Economic Union in case the time of their stay at the territory of another member-state does not exceed 30 days. The period of stay of the member-states' citizens legally employed at the territory of any other member-state is now equal to the duration of their labour contract or the independent contractor agreement. Therefore, while third countries' nationals have to prolong their work permits occasionally, the member-states' citizens do not have to spend time on following such procedures.

Nevertheless, signing a labour contract or an independent contractor agreement, other member-states' citizens coming to Russia, for instance, still have to obey some rules including the need to register at its territory within 30 days since the date of entry if the duration of their stay exceeds this period. The registration is usually issued only by the landlord's personal attendance at the passport office. As a result, this formality turns out to be too burdensome both for the migrant and for the landlord or organization that has to register them.

Meanwhile, according to the EEU Treaty most qualifications are recognized tacitly in the whole Union except for the qualification of teachers, lawyers, doctors and pharmacutists whose higher education diplomas need obligatory nostrification according to the country's law and procedures. However, this regulation allows most member-states' citizens compete for the job according to their qualification level all around the Union regardless the member-state it was obtained in. Of course, higher education diplomas of elite universities is in higher demand among the employers; however, mutual acknowledgement of diplomas may abolish, to a certain extent, discrimination among the EEU citizens wishing to get a job outside the country of their citizenship.

In addition, the EEU member-states agreed upon the equal to their nationals' rights to social benefits (except for retirement ones) and emergency medical care for the labour migrants who are other member-states' citizens. The members of their families also got the right to emergency medical care even without obtaining medical insurance. Moreover, the children of such citizens are entitled to the same rights of being enrolled in the nursery and school as the citizens of the host state.

Despite the fact that most of these rights correspond the international law, for instance, the articles 27–30 of the 1990 International Convention on the Protection of the Rights of All Migrant Workers and Members of their Families, the 1982 ILO Maintenance of Social Security Rights Convention, etc., it is actually hard to implement them in the EEU. For instance, the volumes, kinds and conditions of providing free medical care to labour migrants who are the EEU member-states' citizens are defined by local authorities. However, there are no clear criteria of the minimum standard in medical services provision that may cause abuses by migrants coming not for legal employment but for receiving medical help that is not accessible in their home country. None of hospitals are willing to provide a wide arrange of their services to legal migrants for free because the state budget compensates only for emergency care of legal labour migrants from other EEU member-states. Further medical examination and treatment have to be covered by labour migrants themselves but they do not always have enough money for that. Therefore, the specific doctor is charged with the right to take the decision on whether the migrant's state of health suits the emergency or enables the hospital to release the patient.

Therefore, signing the EEU Treaty the member-states agreed on the removal of certain barriers and procedures for labour migration within the EEU territory. However, the Treaty provisions did not eliminate all the obstacles in the common labour market functioning. In particular, certain bureaucratic procedures accompanying foreigners' employment have not been eliminated at the national level yet. However, the changes concerning the legal status of the EEU member-states' citizens provided them with considerable advantages over labour immigrants from third countries, in particular, from Tajikistan and Uzbekistan, employed in Russia – the main labour receiving country in the CIS. As a result of the changes adopted since 2014, labour migrants

from Tajikistan and Uzbekistan incur considerable costs for official legalization of their status in Russia, therefore, these countries are very much interested in joining the EEU (Starostin, 2017).

Although the Eurasian Economic Commission is trying to inform the EEU member-states' citizens on their rights and advantages over the labour immigrants from the third countries, insufficient information awareness of the EEU member-states' citizens decreases the frequency of their labour migration around the EEU (Aliev, 2015).

Retirement benefits

Although the EEU Treaty formulated common policy on social welfare as well as benefits and employment time records' exports, the member-states did not manage to agree on the citizens' right for equal retirement benefits. Therefore, the respective agreement is having been elaborated for several years. Such delay was caused by considerable differences in the size of retirement benefits in different member-states (they varied from \$75,4 in Kyrgyzstan to \$223,1 in Belarus in 2014), in the retirement age (from the age of 55 in Belarus and Russia to 63 in Armenia for women; from the age of 60 in Belarus and Russia to 63 in other member-states), as well as the differences in the sources of financing retirement contributions to the state budget and the conditions influencing the size of retirement benefits.

The Concept of the International Treaty on cooperation in the field of pensions was adopted by the Decision No. 103 of the Council of the Eurasian Economic Commission on November 12, 2014. In addition, the Draft Pension Agreement for the EEU employees, that was discussed in 2018 by the respective ministries, has been elaborated but has not been adopted yet. According to the Eurasian Economic Commission Minister in charge of Economy and Financial Policy T. Zhaksylykov, interstate endorsement for the Agreement has been achieved and it has to be sent to member-states to go through the necessary procedures (Eurasian Economic Commission, 2019).

According to the Draft Agreement, the EEU member-states' citizens have to pay retirement contributions to the state budget in compliance with the legislation of the EEU member-state they are legally employed in. Each member-state calculates the retirement benefit taking into account the person's employment experience acquired at its territory. However, if the employment time is not enough to entitle the person to retirement benefit then his or her employment period in other member-states is added to it. The documents proving the person's right to retirement benefits issued by one member-state are acknowledged in other member-states without any additional procedures to be undertaken except for the notarized translation to the official language of the member-state that is supposed to pay the retirement benefits. The entitlement and payout of retirement benefits for the employment time after the Pension Agreement for the EEU employees is adopted, will be entrusted to the member-state the employment record was acquired in (article 12), that means the considerable part of these retire-

ment benefits will be paid by the member-states receiving most labour migrants from other EEU member-states that are Russia and, partially, Kazakhstan. Since only legally employed citizens can count on retirement benefits in future, the Agreement provisions are to ensure the legalization of labour migration in the EEU.

The Draft Agreement also lists different kinds of retirement and social benefits that will be paid partially by the member-state the migrant is employed in. Several types of benefits, for instance, state retirement benefits in Armenia, social benefits in Belarus and Russia as well as monthly social benefits in Kyrgyzstan, may be assigned according to the legislation of the country of the person or the person's family members' citizenship in case retirement benefits were not assigned by any other member-state. In general, the description of many different types of retirement and other benefits, enumerated in the Draft Agreement as well as different approach to calculating the size and the rights to them adopted by different member-states, prevent the EEU member-states citizens from understanding the Agreement. Therefore, the Agreement adoption may cause many labour migrants addressing their national retirement funds for explanations. In addition, as the case of recent Russian retirement system reform proved, well considered information support influences the loyalty of the population a lot. If the idea that signing the Pension Agreement is beneficial exactly for the citizens of the EEU member-states but not for some impersonal funds or authorities will not be explained to the citizens, the changes may displease the population. However, it will be difficult for the citizens of different member-states to come out in a united front for changing the provisions of the Agreement.

In addition, the elaboration of the Agreement was procrastinated due to the need for detailed rules and types of benefits described in it. It also took much time to elaborate and agree on its content due to the considerable differences in the retirement benefits' systems of the member-states. Moreover, after the Agreement comes into force, many people may turn out to be out of the system because they spent a lot of their employment time being freelancers. The technical side of the Agreement implementation also causes difficulties: the respective state bodies will have to check the information on the employment time of the person according to the conditions outlined by the Agreement on their own without having any universal authority in charge of retirement benefits within the EEU in general as well as without any universal employment time record database, single pattern of the work record card, etc. Therefore, it may seem more convenient to hand over the single retirement benefits' policy to some supranational authority instead of adopting some intermediate policy variant including national legislation harmonization causing additional workload to national services (Forum of resettlement organizations, 2019). But as the case of Russian retirement system reform proved, the retirement is a very sensible issue and none of the member-states would like to lose the right to define this right. Moreover, the retired employees make up a growing part of the electorate in Russia and Belarus. Therefore, it may be assumed that the Agreement adoption is deliberately delayed.

The labour migration dynamics in the EEU

The following changes in the EEU labour migration dynamics may be highlighted since the EEU Treaty adoption.

The Belorussian labour market faces the decrease in the number of legal labour immigrants from other member-states. The number of Russian citizens coming to Belarus for legal employment dropped twice. The number of Kazakhstan citizens decreased by 3.3 times in comparison to 2014. The number of Armenian citizens stays at the same level. The number of Kyrgyzstan citizens is very small compared to other member-states' citizens and does not exceed 100 people. In general, in 2014–2017 the inflow of labour immigrants to Belarus decreased because of the decelerating economic growth and the GDP decrease. Therefore, despite the decrease of the general number of labour immigrants from other EEU member-states in Belarus in 2014–2017, their percentage in the whole number of labour immigrants in the country increased from 12 % (2015) to 26 % (2017) (Interstate Statistical Committee of the Commonwealth of Independent States, 2017).

The labour market of Kazakhstan faced the increasing number of labour immigrants coming from Armenia and Belarus in 2014–2017, but observed the unstable dynamics of labour immigration from Kyrgyzstan and Russia. It increased in 2014–2016 and then dropped by 4.2 times for Russia and 2 times for Kyrgyzstan. Such uneven dynamics may be explained by the fact that those who were willing to leave their country used the opportunity just after the provisions for that were adopted; meanwhile those, who did not want to leave their countries, did not join labour migration in general because they did not have enough impetus for that. The EU experience seems significantly relevant to this situation: despite all the provisions for labour migration around the EU, the percentage of the EU citizens involved in it makes up just about 3.6 % of the EU economically active population (European Commission, 2016). Thereupon, the aim of the common labour market creation in the EEU should be not just ensuring constant labour migration in the Union but providing the project and/or territories (cities and regions) with the labour force they need and for the period they need in order to achieve their results or economic indicators without additional expenditures for paper work or burdensome procedures.

The number of immigrants from other EEU member-states entering Russia grew significantly in 2015 in comparison to 2014. However, then the number of labour immigrants from Armenia and Kyrgyzstan coming to Russia decreased in 2016 but grew again in 2017. The number of Belorussian and Kazakhstan citizens entering Russia for employment reasons was constantly growing throughout 2014–2017. As a result, the number of Belorussian citizens increased during this period by 44.5 %, the number of the citizens of Kazakhstan – by 50 % (Eurasian Economic Commission, 2017). Since Russia serves the main center of receiving labour migrants from both the EEU and the CIS, it should be mentioned that Russian labour market also witnessed the decline in the labour immigrants coming from Tajikistan and Uzbekistan. Although, the percentage of labour immigrants coming from the post-Soviet area to Russia remained rather high – about

85–86% of all labour immigrants coming to Russia. Thereby, the facilitation of entry rules and the rules of stay for labour migrants from EEU member-states at the Russian labour market provided them with advantages over the citizens of the CIS member-states that are not the EEU members (the Ministry of Internal Affairs of the Russian Federation, 2017).

At the same time the real level of legal employment of the citizens of Kyrgyzstan in Russia does not correspond the official index because some of them compete with the Russians for the jobs. However, since the labour contract became the main document justifying the stay of the EEU member-states' citizens in other member-states, it was expected that their number will drop, moreover, it will be lower than the number of labour migrants from other CIS states illegally employed in Russia. One of the examples, confirming the expectations, is the fact that the number of Kyrgyzstan citizens officially employed in Russia exceeds the number of legal labour immigrants from Tajikistan (Poletayev, 04 October 2018).

However, it should be acknowledged that the reduction of the control over the EEU member-states' citizens migration as well as the absence of an efficient, simple and effectively coercing registration system in Russia together with imperfect statistics provide numerous opportunities for the misuse of their rights by the labour migrants from the EEU member-states.

Shifts in Russian migration policy

Russian mass media and authorities address frequently the issue of the Eurasian integration mostly underlining its pragmatic character for Russia. Meanwhile, migration regulation in Russia was transferred from the Federal Migration Service that was abolished in 2016 to the Ministry of Internal Affairs of the Russia Federation. Therefore, the position of the General Administration for Migration Issues on the migration regulation and the EEU common labour market has been developed within 2017–2018. As a result, the Russia's State Migration Policy Concept for 2019–2025 adopted in October 2018 contains a detailed list of the main directions of the state migration policy, including the improvement of prevention, detection and suppression of Russian migration legislation violation as well as the fight against corruption in migration regulation that is conducted by the Ministry of Internal Affairs of the Russian Federation (President of Russia, 2018).

The main shortage of the Concept as well as the decision of transferring migration regulation to the Ministry of Internal Affairs competence is the aggravation of restrictive migration policy. This trend does not allow for the easy development of free labour migration around the EEU and, therefore, may hinder it because Russia will aim at securing its control over the migration flows. Moreover, this trend may cause heightened attention to the fight against illegal immigration including the increased control over the immigrants' stay in Russia. Therefore, potential illegal immigrants will try to enter the EEU via the borders of other than Russia member-states. In this case the effective system of border control at the external EEU borders is needed badly.

It should be highlighted, that the systematic formation of the EEU common labour market meets Russian interests. So according to the new migration policy Concept, the country will strive for creating the conditions necessary for labour immigration that is the significant factor of both economic and demographic situation adjustment. Therefore, the idea of Tajikistan joining the EEU corresponds more labour migration facilitation than the EEU economic consolidation and growth. Nevertheless, the falling level of education and employment experience of the CIS member-states' citizens coming to Russia, for instance, from Kyrgyzstan and Tajikistan (Poletayev, 04 October 2018) does not correspond Russian economy aims completely. On the one hand, the country needs unskilled labour occupying certain niches in the labour market. On the other hand, without immigration of highly-skilled labour and the decrease of emigration attractiveness for Russian highly-skilled specialists it will be hard for Russian economy to turn to the innovative development path.

However, just the legalization of the EEU common labour market cannot cause the welfare growth on its own if it is not accompanied by facilitating the technical side of the labour market functioning. The EEU labour market will become economically valid if it contributes to joint projects that need labour from several EEU member-states; increases the human capital and the number of attractive jobs for brand new employees. If the member-states contribute to its creation right now that will provide the basis for their future economic development. But it is not clear yet whether the member-states are prepared to establish the common labour market because it needs significant financial costs as well as the renunciation of their sovereignty in the spheres they consider strategically important.

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