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## RISK MANAGEMENT AS A TOOL FOR MIGRATION REGULATING

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### *Abstract*

The article discusses the use of risk management for the formation of the migration policy of modern states. The issue of regulating migration flows is becoming particularly acute, requiring the development of new approaches to its solution. One of these approaches is being actively implemented within the framework of modern economic science and is called "risk management". The author shows the need to use elements of this approach in a difficult political environment and the multiplying factors of global instability. It can be stated that in its current form, the Concept does not correspond to the approaches implemented in modern risk management. It practically does not contain an analysis of the existing migration risks that the Russian Federation has already encountered, is facing and is likely to face. Due to the lack of risk analysis, there is no description of the methods that can be used to minimize administrative risks.

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## **1. Introduction**

One of K.O. Romodanovsky's, who was the former head of the Federal Migration Service disbanded in 2016, favorite metaphors when describing the phenomenon of migration, was to compare it with the river. As in the case of the river, migration begins with a small stream, originating in the decision of a person to migrate. Many streams form a bigger one, which, more and more expanding, turns into a huge river. Depending on the conditions (legal, political, economic) the channel of this river will lie in, it can become a stormy, uncontrollable, mountain river, practically unsuitable for positive economic activity. Or it will turn into a full-flowing river, which, on the contrary, can be actively used to develop the economy of the host country. But in the latter case, they can lurk danger. For objective reasons, rivers can flood, bringing to those who live along their banks, the dangers of floods that destroy economic life and force people to look for a new place to live. Or, on the contrary, a previously full-flowing river can become a shallow, which is no less destructive for economic relations.

## **2. Problem Statement**

In this regard, the issue of regulating migration flows is becoming particularly acute, requiring the development of new approaches to its solution. One of these approaches is being actively implemented within the framework of modern economic science and is called "risk management". Unfortunately, as part of the development and implementation of decisions in the field of public administration, this approach has not yet been fully implemented. We believe that such an attitude under conditions of less predictable migration flows poses a serious danger of replacing sober conversation about the consequences of uncontrolled migration for host communities with trends towards securitization of migration as a phenomenon (Ibrahim, 2005; Sana & Massey, 2002), attempts to limit migration. However, it is almost impossible to do this within the framework of global peace. No matter how countries strive to implement the "closed doors" policy, introducing more and more barrage measures, the flow of migration is not stopped. Evidence of this can be considered by the 2018 UN Global Pact for Safe, Orderly, and Legal Migration, developed by the United Nations. Currently, there is an active discussion in scientific and political circles about how this document will affect the international regime in the field of migration, whether it will have a positive impact on improving the situation of migrants, on the one hand, and on the awareness of the representatives of the host communities of the need to implement measures for mutual benefit to achieve a balance of benefits and risks that migrants bear to recipient countries. However, for the time being, it can be stated that such awareness has not occurred. The estrangement between migrants and community representatives of recipient countries remains high (Fang et al., 2018). And the growth of such alienation is fraught with huge risks of increased mutual violence, which can be observed now around the world (Lebson, 2013; Ossman & Terrio, 2006).

## **3. Research Questions**

In order to alleviate the consequences of this danger, in this study we will present risk management as one of the most, from our point of view, effective strategies for regulating migration processes. First, we will describe the basic principles of risk management, and then we will present the possibilities of its

use for regulating migration processes as such. Finally, we analyze the leading document of the strategic planning of the Russian Federation in the field of migration – the Concept of the migration policy of the Russian Federation – for the use of risk management elements in it.

#### **4. Purpose of the Study**

In this regard, the issue of regulating migration flows is becoming particularly acute. In this study, we will present one of the most, from our point of view, effective strategies for regulating migration processes – risk management. First, we will describe the basic principles of risk management, and then we will present the possibilities of its use for regulating migration processes as such. Finally, we will analyze the leading document of the strategic planning of the Russian Federation in the field of migration – the Concept of the migration policy of the Russian Federation – for the use of risk management elements in it.

#### **5. Research Methods**

As part of the study, private methods of individual sciences were used, namely: content analysis and the method of political analysis (political science), the comparative legal method and the method of interpretation of legal norms (jurisprudence), as well as the analysis of documents.

#### **6. Findings**

In the most general sense, risk management is a process in which managerial decisions are made in conditions of high uncertainty in the outcome of the implementation of these decisions. The purpose of this process is to reduce the likelihood of a negative result and to reduce as much as possible losses from the implementation of the decision.

Currently, risk management is actively used in the economics (financial management) and management, that is, where the decision-maker does not have all the information about the events within which the decision is made, and therefore cannot provide a high probability (in ideal case of 100% probability) the onset of the positive consequences of the decision.

Thus, it can be stated that modern concepts of risk management are based on the following key points:

1. The future is not predetermined;
2. Although the future is not predetermined, but it can be partially predicted. The accuracy of the forecast depends on the information regarding the object of forecasting that is available to the decision-maker at the moment when he makes this decision;
3. The subject of decision-making has the ability to manage the future through his decisions, but the degree of its freedom in managing the future is limited by the knowledge that it possesses and the means that it controls.

Thus, the subject of decision-making is in a situation of fundamental uncertainty. Reducing the degree of this uncertainty is possible only due to the receipt of additional information by him regarding the area in which the decision will be implemented. However, part of the information will in any case be

unavailable to the decision maker. He will be able to possess it only after the decision is made and implemented. In other words, the decision maker is in a constant risk situation. And it is risk that acts as a key category of risk management.

There are a great many definitions of the category “risk”. In the framework of this study, the following definition will be used: “risk is the ratio of the probability of occurrence of risk situations and their possible consequences. Realization of risk leads to a deviation of the actual results of activities from the planned ones” (Lutskaya & Lontsikh, 2011, p. 172). The indicated definition seems to be the most relevant to the tasks set in this article, since the management of migration flows is always a certain process, implemented within the framework of the originally planned plan. The planning of this process is implemented within the framework of the initially set parameters, which, in turn, are influenced by various factors. These factors themselves are not stable. They change under the influence of those conditions that are formed during the implementation of the plan for regulating migration flows. Prediction of the dynamics of factors and, therefore, the dynamics of the conditions of the process of regulation is almost impossible. Only a probabilistic forecast is possible, which is always fraught with certain risks. The onset of these risks, in turn, also affects the dynamics of factors and conditions of the process of regulation of migration. This, ultimately, can lead to the realization of results that are diametrically opposed to those contained in the original plan. Thus, any long-term plan, and planning for the regulation of migration is no exception, should be formed from the standpoint of the likelihood of risk.

Moreover, the risks can be very diverse. Risk management specialists identify several reasons on which risk classification is possible.

So, for example, risks classification depends on the time of their occurrence. In this case, retrospective, current and future risks are highlighted. At the same time, it is assumed that forecasting current and future risks is possible only with a thorough study of retrospective risks.

A different classification is based on factors that influence the occurrence of risk. In this case, there are:

- political risks – risks, the implementation of which is determined by the dynamics in the political sphere (for example: military conflicts, interventions, domestic changes (coups, revolutions);
- economic risks – risks associated with changes in the economy (for example: economic crises, changes in world commodity prices, trade wars);
- social risks – risks caused by changes in the social sphere of society (for example: increased criminogenicity);
- environmental risks – risks associated with changes in the environmental situation (for example: floods, droughts);

Finally, classification is actively used based on the nature of risk accounting. In this case, all risks are divided into two groups:

- external risks – risks that do not depend on the activities of the management entity itself. These are all objective factors, a change in which may affect the implementation of the plan developed and implemented by the management entity;
- internal risks – risks, the occurrence of which is due to the activities of the management entity itself. As stated above, the implementation of any plan involves an impact on the conditions under which this plan is implemented. Changes in conditions affect the plan itself, including the likelihood of its implementation. The latter creates internal risks.

It should be noted that the management of migration flows implies the need to take into account each of the above types of risks.

So, the management of migration flows should always be based on taking into account retrospective, current and future risks. As an example, we can cite the already mentioned European migration crisis of 2015–2018. An analysis of this migration crisis allows us to identify the following risks in terms of the time of their occurrence:

- retrospective risks: the arrival of a large number of migrants from the war-torn countries of North Africa and the Middle East to the countries of the European Union; capacity of the social security sphere of the states of the European Union; availability of adaptation and integration programs for migrants, financial security of these programs.
- current risks: growing dissatisfaction with the presence of migrants from the indigenous population; the increase in the criminal situation due to the high number of migrants; penetration of tropical diseases into European countries; penetration into European countries of representatives and emissaries of terrorist organizations;
- long-term risks: increased disunity among European states (up to the collapse of the European Union); the growing popularity of ultra-right (fascist) parties and movements, the growth of Islamophobia; increased costs of European states for the maintenance of migrants, to the detriment of the indigenous population; the formation of terrorist enclaves; cultural dominance change; the transformation of European countries into countries of origin.

Similarly, an analysis of the situation in Europe over the past few years allows us to identify risks depending on the factors causing them. It:

- political risks (increased conflict in relations between European countries and within European countries themselves, increased popularity of ultra-right parties and movements);
- economic risks (decrease in the investment attractiveness of European states, decrease in the level of domestic investments, increase in taxes for allocation of additional financing for migrant reception programs, decrease in the savings rate, inflation);
- social risks (an increase in the criminality caused by the lack of organization and lack of adaptation of migrants to life in European societies; an increase in estrangement among the

indigenous population of European societies; the spread of dangerous diseases; the formation of new migrant ghettos).

- environmental risks (pollution of the territory on which temporary camps are formed for migrants; the appearance in Europe of insects and pests that come with refugees) (Koshkin, 2016).

Finally, from the point of view of internal and external risks, the situation in the European Union can be characterized as follows. External risks include maintaining the level of migration flows from countries in Africa and the Middle East, and not only representatives of territories affected by the war (Libya, Syria, etc.), but also relatively prosperous countries that managed to stabilize after the events of the Arab Spring, as well as sub-Saharan Africa. Internal risks are caused by the situation of the European countries themselves – this is an increase in social tension due to the massive arrival of migrants; the need to find additional financial resources to support migrants; the creation of additional programs for their adaptation to life in European societies and integration into them. Finally, these are the risks associated with the instability of the European Union itself and its possible collapse, which is already seriously discussed by analysts at Stratfor, also known as the shadow CIA (Fleming-Williams, 2016).

In such a situation of increasing migration pressure in the most developed countries of the world, the Russian Federation, which occupies the third place in the number of migrants in the world, one should take the assessment of migration risks in building up their migration policy very seriously.

The fundamental regulatory legal document in this regard, without a doubt, is Presidential Decree No. 622 of October 31, 2018 “On the Concept of the State Migration Policy of the Russian Federation for 2019–2025,” (RF President, 2018) which approved the most important long-term strategic planning document in the field of migration – The concept of state migration policy of the Russian Federation for 2019–2025 (hereinafter – the Concept).

An analysis of this document shows that it contains elements of risk management. In particular, the legislator identified a number of risks, the implementation of which can have a significant negative impact on the development of the migration situation in the Russian Federation.

In particular, such risks are described as:

- the ongoing outflow of the population of the Russian Federation from the regions of the Far East and Siberia to the central and southern regions of the country, in particular the cities of Moscow, St. Petersburg and the Krasnodar Kray;
- the concentration of foreign citizens (labor migrants) in the regions of European Russia, the border regions of Siberia and the Far East;
- the danger of the entry into the border regions of the Russian Federation of representatives of criminal, terrorist and extremist structures;
- the demand in the domestic labor market for mainly low-skilled migrants, which is due to lower costs for the maintenance of such labor by entrepreneurs and the low technological level of the bulk of production in the Russian Federation;
- the use of migration as a tool to compensate for the natural loss of population of the Russian Federation.

At the same time, the analysis of these risks, the calculation of the probability of their occurrence, a description of the factors that directly or indirectly affect the onset of risks, as well as tools to minimize them, are not presented in the Concept. On the contrary, considerable attention is paid to general discussions about the impact on the nature of migration flows of the quality of life in Russia, the availability of social, educational, medical and cultural services, the rule of law, the degree of development of transport, energy, telecommunications and information infrastructure, the level of employment and the improvement of public places. It is also indicated that foreign citizens temporarily or permanently residing in the territory of Russia should “take care of its environment and natural resources, material and cultural values”, respect “the diversity of regional and ethnocultural lifestyles of the Russian population” (RF President, 2018).

The only exception is the issue of the implementation of the State program to facilitate the voluntary resettlement of compatriots living abroad to the Russian Federation, where risk minimization tools are prescribed. These include:

- adjustment of the conditions for voluntary relocation of needed specialists (including scientific and pedagogical workers, engineers, doctors), farmers, entrepreneurs, investors and prominent cultural and art workers, taking into account their expectations and requests, as well as support for Russian organizations attracting such persons;
- the concentration of financial resources on facilitating the voluntary resettlement of compatriots for permanent residence in the Russian Federation on the territory of priority settlement and increasing the efficiency of spending financial resources for these purposes;
- elimination of unreasonable administrative barriers, time and financial costs associated with the import into the Russian Federation and registration of property, including intellectual property, means of production and other fixed assets” (RF President, 2018).

At the same time, the absence of a risk analysis to which the specified state program is exposed (considerable experience has been accumulated over the past 12 years of its implementation) significantly eliminates the significance of these tools. For example, the issue of removing “unreasonable administrative barriers, time and financial costs associated with the importation into the Russian Federation and registration of property, including intellectual property, means of production and other fixed assets” should already have been removed, since compatriots arrive in Russia as part of state program for more than ten years.

Also, this point raises another serious question. One of the risks indicated is the demand for migrants in the domestic labor market, which can be attributed to low-skilled labor. At the same time, the Russian Federation is aimed at building a dynamic, modern economy, which means that the need for highly skilled labor will increase. At the same time, there is a risk of a lack of highly qualified workforce due to both the “brain drain”, which according to various sources is from 1.7 to 4 million people over the past six years (Radio Svoboda, 2019), and the low migration of highly qualified specialists to Russia, in the Concept there is not a single word. Moreover, the term "highly qualified specialist" has never been used in the Concept.

## 7. Conclusion

Thus, it can be stated that in its current form, the Concept does not correspond to the approaches implemented in modern risk management. It practically does not contain an analysis of the existing migration risks that the Russian Federation has already encountered, is facing and is likely to face. Due to the lack of risk analysis, there is no description of the methods that can be used to minimize risks, there is no analysis of the likelihood of risks and an assessment of their significance for the formation of the country's migration policy.

All of the above makes it possible to characterize the migration policy of the Russian Federation as being largely reactive, that is, responding to emerging challenges, and therefore not able to proactively predict the multiplying risks and minimize their impact.

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