



Labour Migration, Remittances, and Human Development in Central Asia

Central Asia Human Development Series



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Abstract

This study, the second in UNDP's "Central Asia human development papers" series, examines human development aspects of the large cross-border labour migration and remittance flows among the Russian Federation, Kazakhstan, the Kyrgyz Republic, Tajikistan, and (to a lesser extent) Uzbekistan. It focuses in particular on the sustainability of these flows, and on prospects for better development outcomes associated with these flows. The paper concludes that significant benefits could result from: (i) stronger efforts to place the management of labour migration and remittance flows at the centre of national development policies and programming; (ii) the adoption of "whole of government" approaches to migration management; (iii) improvements in the quality and availability of data concerning migration in these countries; and (iv) placing remittances and labour migration at the centre of the global post-2015 development debate.

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Foreword

UNDP's 2005 [Central Asia Human Development Report](#) described the many benefits—for people, as well as for states and economies—that deeper cooperation in the region could bring. It also proposed concrete initiatives, policies, and programming directions in which governments, businesses, civil society, and the international community could work together to create a region whose borders would have a “human face”. Increased cooperation on cross-border movement of people, goods, and services, as well as on water and energy management, disaster preparedness, and other issues, were explored—both for the region and for its neighbours.

Developments in the subsequent decade have been mixed: more and better cooperation in some areas has been accompanied by less progress in others. An initial balance was drawn up last year in UNDP's [Central Asia Trade and Human Development](#) paper, which focused on the human development dimensions of the global and regional economic integration trends that are increasingly taking hold in the region. However, the integration of regional labour markets stands out as an area in which particularly deep changes have occurred in the last ten years. As of mid-2015, citizens of the Kyrgyz Republic, Tajikistan, and Uzbekistan—countries with combined total population of less than 45 million, and none of which borders with Russia—accounted for one third of the 11 million foreigners officially registered in the Russian Federation. Citizens from these three countries likewise account for the vast majority of the foreigners registered in Kazakhstan. The ratios of remittance inflows (more than 90% of which come from the Russian Federation and Kazakhstan) to GDP for Tajikistan and the Kyrgyz Republic reported by the World Bank since 2011 have been the highest in the world.

These large movements of migrants and money are clearly central to the region's development prospects—and especially for Central Asia's less wealthy countries. Official data from the Kyrgyz Republic show that remittances reduce the national poverty rate by some 6-7 percentage points. But while labour migration and remittances are helping to reduce poverty, their social side effects—for children, families, and communities, in both source and destination countries—can be problematic. And while most of these negatives are associated with migration everywhere, many are aggravated by the irregularity that pervades migration flows in this region. These costs and risks can be offset by better migration policies and programming in both source and destination countries. The Eurasian Economic Union—which includes Kazakhstan and the Kyrgyz Republic (as well as the Russian Federation, Belarus, and Armenia), and which promises all its member states the free movement of labour—can be an extremely important platform for maximizing the developmental benefits (and minimizing the costs) of labour migration among these countries.

This paper—the most recent in UNDP's *Central Asia human development papers* series—takes a people-centred approach to these questions. It assesses the demographic and socio-economic drivers of the region's large movements of labour migrants and remittances, and concludes that the downturns reported for both during late 2014 and early 2015 are unlikely to last. It provides a fuller picture of the demographic, gender, health, human capital, and social dimensions of labour migration and remittances in Central Asia.

This paper finds that, while governments in the region have made good progress in leveraging these large movements of migrants and money for the benefit of their countries' development prospects, more could still be done. This is especially the case in terms of placing labour migration at the centre of national development strategies, implementing “whole of government” approaches to migration management, and finding the right balance between liberalizing migration flows on the one hand and improving the enforcement of the labour market and social protection regulations on the other. Finally, the paper calls attention to Sustainable Development Goals 8, 10, and 17, which highlight the importance of migration for development, of protecting migrant workers' rights, of improving national and global reporting of data on labour

migration and remittances, and further reducing the transactions costs associated with migrant remittances. Progress in these areas could help “crowd in” remittances for local business development, by more aggressively blending them with public-sector and donor monies.

At UNDP we are pleased that this analysis has benefitted from contributions and suggestions from a number of key partners. These include especially the International Organization for Migration and the Eurasian Development Bank’s Centre for Integration Studies, as well as representatives of the UN’s Regional Directors’ Team and Regional Coordination Mechanism for Europe and Central Asia. Above all, we are grateful for the financial support for this monograph provided by the Government of the Russian Federation.



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Executive Summary

- Some of the world's largest (relative to the countries involved) international labour migration and remittances flows are occurring not within “north-south” development contexts, or along traditional “South-South” developing country corridors. They are instead occurring within the framework of the Commonwealth of Independent States (CIS)—particularly among Central Asian countries and the Russian Federation. The ratios of remittance inflows (more than 90% of which come from the Russian Federation and Kazakhstan) to GDP for Tajikistan and the Kyrgyz Republic since 2011 (above 30% for the latter, 40-50% for the former) have been the highest in the world. As of mid-2015, citizens of the Kyrgyz Republic, Tajikistan, and Uzbekistan—countries with combined population of less than 45 million, and none of which borders with Russia—accounted for one third of the 11 million officially registered foreigners in the Russian Federation. Citizens from these three countries likewise account for the vast majority of foreigners registered in Kazakhstan.
- While developments in these countries are increasingly influenced by Eurasian integration, much of the attention afforded to the 2015 formation of the Eurasian Economic Union (EaEU) has focused on the political economy of (re-)integration in the post-Soviet space, as well as on the economic implications for intra- and extra-EaEU trade flows. Rather less attention has been devoted to the de facto integration of labour markets in the Russian Federation and Kazakhstan on the one hand, and the less wealthy Central Asian countries¹ on the other.
- The available data indicate that these migration and remittance flows play a significant role in reducing poverty in the less wealthy Central Asian countries. This is most apparent in the Kyrgyz Republic, where household budget survey data indicate that remittances reduce the national poverty rate by some 6-7 percentage points. On the other hand, these benefits are offset by a series of human development costs and risks—inter alia to family and social cohesion, health, and human capital (in migration source countries). Many of these costs and risks are born disproportionately by women. While many of these negatives are associated with migration everywhere, some are linked to the extensive irregularity of migration in this region.
- These costs and risks can be offset by better migration programming in both source and destination countries. Placing the management of labour migration at the centre of national development strategies, implementing “whole of government” approaches to migration management, more robust engagement with diaspora communities, and finding the right balance between liberalizing migration flows on the one hand and strengthening the enforcement of labour market regulations and social protection systems on the other, should be at the heart of these efforts.
- The economic downturn in the Russian Federation and Kazakhstan in late 2014 and 2015, combined with the more rigorous implementation of the Russian Federation's labour migration regulations, has significantly reduced migration and remittances flows among these countries and the less wealthy Central Asian states. However, macroeconomic and demographic forecasts indicate that these declines are most likely to be temporary.
- Experience from these countries underscores the importance of placing the management of labour migration and remittances at the heart of the post-2015 global development agenda. Sustainable Development Goals 5, 8, 10, and 17 highlight the importance of

¹ The expression refers to Central Asia's lower middle-income countries: the Kyrgyz Republic, Tajikistan, and Uzbekistan. It does not refer to Turkmenistan, which (like Kazakhstan) is classified by the World Bank as an upper middle-income country.

migration for development, of protecting migrant workers' rights (particularly for women migrants), and of improving national and global reporting of data on labour migration and remittances. The SDGs' means of implementation call for further reductions in the transactions costs associated with migrant remittances. Progress in these areas should be accompanied by renewed efforts to "crowd in" remittances for local business development, by more aggressively blending them with public-sector and donor monies. These opportunities could be particularly important for the governments of the Russian Federation and Kazakhstan, which are stepping up their provision of development assistance to the Kyrgyz Republic and Tajikistan.

Introduction

International labour migration, and accompanying remittance flows, have become key international development drivers (UNDP, 2009). World Bank research indicates that the numbers of international migrants reached 247 million in 2013 (about 3% of the world's population), and are expected to exceed 250 million in 2015 (World Bank, 2015a). Remittances to developing countries during 2014-2015 are likewise estimated at around \$440 billion—a sum that would exceed the official development assistance, and foreign direct investment, received by developing countries (excluding China; World Bank, 2014). Global migration and remittances patterns are also shifting: "South-South migration has now surpassed South-North migration: more than 50% of emigrants from developing countries move to another developing country, and largely within their region" (UN, 2013).

Migration and remittances are increasingly understood to result "in a chain of development—from individuals, through to households, communities and, ultimately, countries . . . money sent back to family members may enable them to invest in a new home, thereby boosting employment in the construction sector in that locality" (IOM, 2013). In addition to boosting GDP growth, remittances increase household incomes and reduce poverty (Ratha, 2013). Some migrants can also gain access to better quality education, health, and other social services, helping to reduce infant, child, and maternal mortality rates.

On the other hand, the large scale of these migration flows may be matched by their associated human costs—in both countries of origin and destination; and for the migrants themselves, for the communities that receive them, and for those left behind. Migration can put people and communities at risk, due to human trafficking, the exodus of young people from rural areas, families left without spouses and parents, ethnic tensions in receiving communities, the loss of skilled labour from developing countries, epidemiological contagion, and heightened fears of political extremism.

Some of the world's largest (relative to the countries involved) international migration and remittances flows are occurring not within "north-south" development contexts, or along traditional "South-South" developing country corridors. They are instead occurring within the framework of the Commonwealth of Independent States (CIS)—particularly among Central Asian countries and the Russian Federation. While development in these countries is increasingly influenced by Eurasian integration, much of the attention afforded to the 2015 formation of the Eurasian Economic Union (EaEU) has focused on the political economy of (re-)integration in the post-Soviet space, as well as the implications for intra- and extra-EaEU trade flows. Rather less attention has been afforded to the *de facto* integration of labour markets in the Russian Federation and Kazakhstan on the one hand, and the less wealthy Central Asian countries—particularly Tajikistan and the Kyrgyz Republic, but also Uzbekistan—on the other.

The actual and potential human development dimensions of these labour-market aspects of Eurasian integration may likewise not have been fully appreciated.² This study seeks to address these gaps by:

- Documenting and analysing the extent of labour migration and remittance flows within and between the countries of Central Asia and the Russian Federation;
- Exploring questions of whether the very large magnitudes of these flows are sustainable—particularly in light of the current economic slowdowns in the Russian Federation and Kazakhstan, as well as tighter restrictions on irregular migration³ introduced in the Russian Federation in 2014-2015;
- Considering these issues from a human development perspective—with a particular focus on how migration and remittance flows may reduce poverty and affect migrants' (and their families' and communities') abilities to live long, healthy, productive lives; and
- Doing so within a Eurasian integration framework, reflecting both the:
 - *de jure* processes associated with the formation of the Eurasian Economic Union—whose members include the Russian Federation, Kazakhstan, and (as of August 2015) the Kyrgyz Republic, as well as Armenia and Belarus (and in which Tajikistan may seek to become a member); and
 - *de facto* processes that have led to the deep integration of the Tajikistani and Kyrgyzstani (and, to a lesser degree, Uzbekistani) labour markets vis-à-vis the labour market of the Russian Federation (and, to a lesser degree, Kazakhstan).

This study also makes recommendations to the region's governments and development partners concerning ways in which existing policies and programming concerning labour migration and remittances could better support human development prospects in the less wealthy Central Asian countries. It does so by making extensive use of recent research on labour migration and remittances in Central Asia and the Russian Federation that has been produced by such partners as the Eurasian Development Bank's Centre for Integration Studies, the World Bank, the Asian Development Bank, the International Organization for Migration, and UN agencies, as well as other international and national organizations. It also makes extensive use of data collected from official publications and websites of the Central Bank, State Statistical Committee, and Federal Migration Service of the Russian Federation, the national banks and statistical agencies of Kazakhstan, the Kyrgyz Republic, Tajikistan, and (to a lesser extent) Uzbekistan, as well as of the World Bank and International Monetary Fund.⁴

² For more on this, see UNDP (2014a).

³ Following IOM terminology, the term *irregular migration* in this study refers to “migrants who infringe a country's admission rules” or who are otherwise “not authorized to remain in the host country.” (See IOM, *Glossary on Migration*, <https://www.iom.int/key-migration-terms#Irregular-migration>.)

⁴ This paper does not address issues of: (i) internal migration within the Central Asian countries or the Russian Federation; (ii) migration inflows into the Central Asian countries (other than Kazakhstan); (iii) migration inflows into the Russian Federation and Kazakhstan from countries other than the Kyrgyz Republic, Tajikistan, and Uzbekistan; (iv) these countries' roles as transit states for migration from third countries; or (v) forms of international migration other than labour migration (except where noted). In light of the irregularity associated with these labour migration flows, official data on their magnitudes are often hard to come by. Reference is therefore made in this paper at times to other forms of migration data, such as registration of foreigners, applications for citizenship, and the like—when these data can serve as proxies for labour migration. It should also be noted that all of the countries studied here experience significant internal migration flows, which deserve additional study.

Labour migration and remittances—An initial look at the numbers

Labour migration and remittance flows between the Russian Federation and Kazakhstan on the one hand and the less wealthy Central Asian countries on the other have acquired large dimensions. These flows, which have both formal and informal elements, reflect cultural, linguistic, gender-based, and institutional commonalities, and growing Central Asian diasporas in Russia and Kazakhstan⁵—as well as large differences in per-capita incomes between the migration source and destination countries. For example:

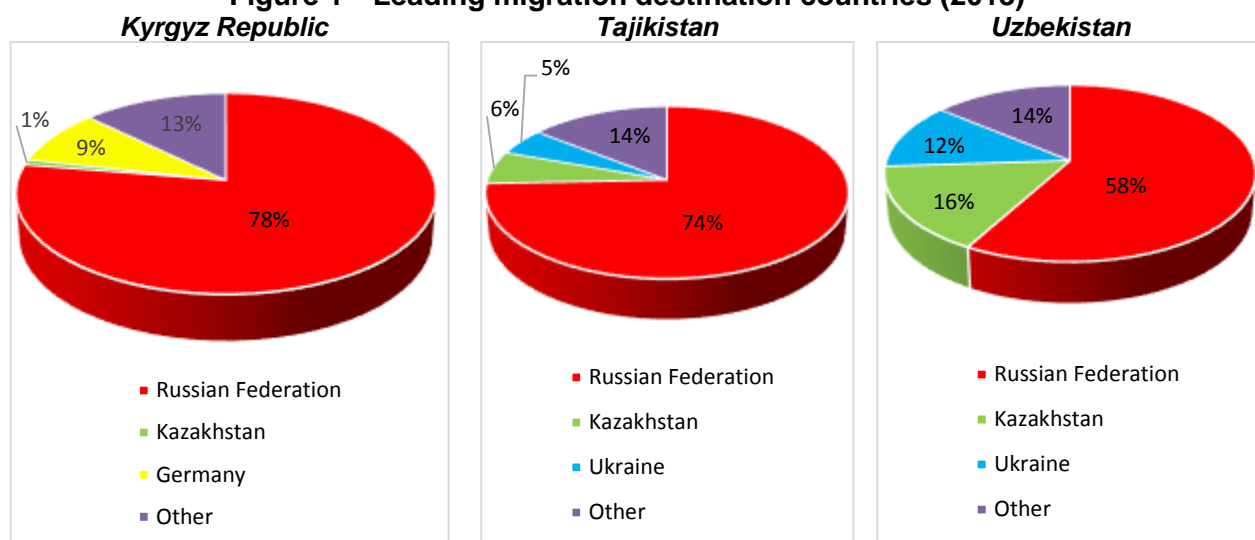
- Data from the Russian Federation Migration Service indicate that, as of mid-2015, citizens of the Kyrgyz Republic, Tajikistan, and Uzbekistan—countries with combined total population of less than 45 million, and none of which shares a border with Russia—accounted for one third of the 11 million foreigners officially registered in the Russian Federation.⁶ A recent IOM study reports that citizens from the Kyrgyz Republic, Tajikistan, and Uzbekistan accounted for nearly three quarters of the foreigners registered in Kazakhstan, and about a third of the applications for permanent residence granted, in 2013 (IOM, 2015, pp. 16, 49).
- During 2001-2011 more than 900,000 emigrants from the Kyrgyz Republic, Tajikistan, and Uzbekistan received citizenship in the Russian Federation. In 2012, these three countries accounted for more than half of Russia's total net immigration (*migratsionnyi prirost*), with gross immigration measured in terms of applications for permanent residence granted (OECD, 2013, p. 411; Ryazantsev, 2012a, pp. 6-7).
- In terms of labour migrants, Russian Federal Migration Service data indicate that, on average, some 840,000 citizens of Uzbekistan, 367,000 citizens of Tajikistan, and 134,000 citizens of the Kyrgyz Republic had permission to work in the Russian Federation during 2010-2014 (on an annual basis). These accounted for more than half of the total number of foreign workers formally working in Russia during this time (Ryazantsev, 2012a, pp. 6-7).
- World Bank data indicate that, as of 2013, the Russian Federation and Kazakhstan hosted 74-80% of reported migrants from Kyrgyz Republic, Tajikistan, and Uzbekistan (Figure 1). Since the numbers of irregular migrant workers on the Russian labour market⁷ are estimated at some 2.8-3.0 million, some 1.5-2.0 million of these workers could be from these three Central Asian countries (Ryazanstev, 2015).

⁵ For more on emerging Central Asian diasporas in Moscow, see Boyko (2015) and Ukolov (2015).

⁶ By contrast, citizens of the People's Republic of China, which shares a 4000-kilometre border with the Russian Federation, accounted for less than 3% of the foreigners registered in the Russian Federation at that time (UNDP calculations, based on data from <http://www.fms.gov.ru/about/statistics/data/details/54891/>).

⁷ I.e., foreign workers who are without work permits, residence registration, or both.

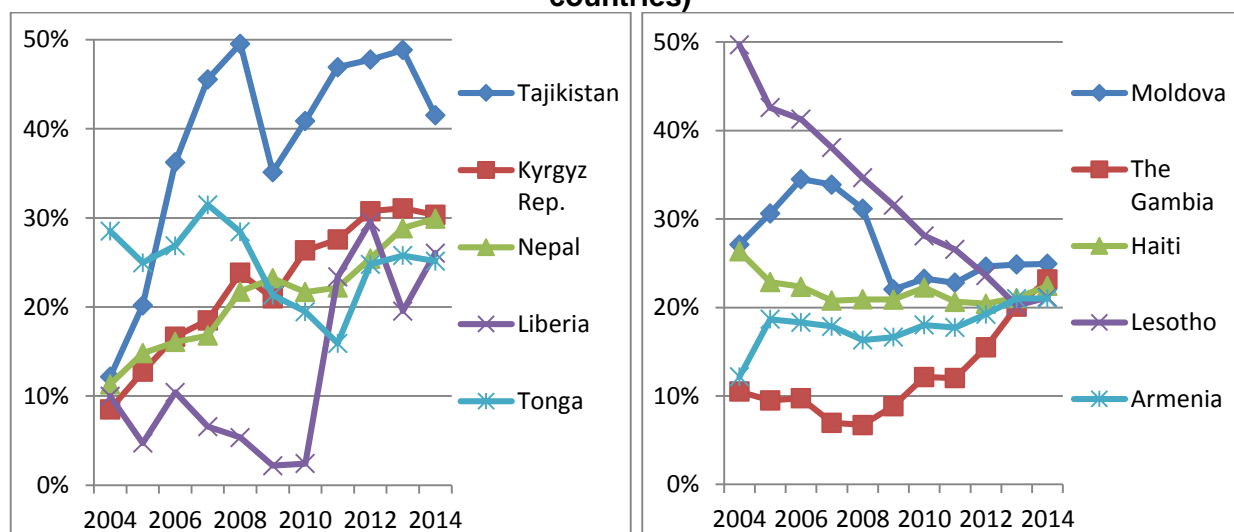
Figure 1—Leading migration destination countries (2013)



UNDP calculations, based on World Bank data (for regular migrants).

Very high ratios of remittance inflows to GDP in Tajikistan and the Kyrgyz Republic, combined with evidence that more than 90% of these inflows come from the Russian Federation, are additional evidence of the scale of labour migration involving Central Asian countries and the Russian Federation. As the data in Figure 2 show, ratios of remittance inflows to GDP for Tajikistan and the Kyrgyz Republic reported by the World Bank since 2011 (in the 30-50% range) have been the highest in the world.

Figure 2—Ratios of remittance inflows to GDP (for the “top ten” remittance-receiving countries)



UNDP calculations, based on World Bank and IMF data.

In addition to highlighting Tajikistan and the Kyrgyz Republic as global leaders in remittance inflows, these data suggest three other points. First, these high ratios need not last forever; large and prolonged declines in remittance inflows (relative to GDP) have occurred in many developing countries. This is apparent, for example, in the data for Lesotho (which show a decline in this ratio from 50% in 2004 to under 25% since 2012), and also for post-Soviet Moldova (which saw this ratio drop by some 12 percentage points during 2006-2009, followed by a partial recovery).

Box 1—How are “remittances” defined?

The 6th edition of the International Monetary Fund’s “Balance of Payments Manual” (2013a) defines “total remittances” as the sum of:

- personal transfers,
- compensation of employees “who are employed in an economy in which they are not resident and of residents employed by non-resident entities”,
- “capital transfers between households”, and
- social benefits “payable under social security funds and pension funds” from abroad.

This definition, which in principle applies to all countries subscribing to the IMF’s “Global and Special Data Dissemination Standards” (2013b), is quite broad. It includes all current transfers in cash or in kind between resident and non-resident households, regardless of the household’s source of income and whether the households contain related or unrelated individuals. The inclusion of household “capital transfers” means that inter-household transfers to support commercial activities conducted by physical persons may also be accounted as remittances. By contrast, household transfers involving also small businesses that are registered as companies “are not remittances in the balance of payments framework”.

In light of this, remittance inflows in Central Asia can be seen as consisting primarily of:

- (i) Worker remittances (taking the form either of “personal transfers” or “compensation of employees”) sent from remittance-sending to remittance-receiving countries;*
- (ii) Personal transfers sent by diaspora members (i.e., residents/naturalized citizens of remittance-sending countries) to remittance-receiving countries; and*
- (iii) Small-scale entrepreneurs (physical persons) in remittance-sending countries providing working capital or investment finance to physical persons in remittance-receiving countries.*

The development characteristics of these three different flows can be seen as quite different. Some observers have argued that flows corresponding to category (iii) above should not be viewed as “remittances”, since they support commerce rather than activities conducted by/associated with vulnerable households. On the other hand, the importance of self-employment and informal small-scale entrepreneurship in Central Asia—including by individuals living in or at risk of poverty—suggests that flows corresponding to category (iii) above could be a critical form of informal but inclusive finance for livelihoods support. This may be particularly important, for example, in the case of Kyrgyzstani migrants/small traders working on Bishkek’s Dordoi market, and who frequently cross the Kazakhstani border (Kaminski and Mitra, 2012).

In practice, the reporting of remittance flows by the central banks of the Russian Federation and the Central Asian countries seems to captures all three of these elements.

Second, three of the four CIS economies (Tajikistan, the Kyrgyz Republic, and Moldova) in the world’s “top ten” remittance-receiving countries reported declines in this ratio in 2009—the year in which the Russian Federation recorded a 28% decline in the volume of outgoing remittances to other CIS countries (due to the impact of the global financial crisis). Preliminary data likewise point to declines in this ratio for Tajikistan and (to a smaller extent) the Kyrgyz Republic in 2014—on the back of a 12% decline in outgoing remittances from Russia. A further 43% decline in Russia’s outgoing remittances to other CIS countries was reported during the first half of 2015, with declines in outflows to Uzbekistan, Tajikistan, and the Kyrgyz Republic recorded at 48%, 46%, and 31%, respectively.⁸ Should these trends during the second half of 2015 (and beyond), they could have major implications for prospects for economic growth, external balance, poverty reduction, and human development, in Central Asia—particularly in Tajikistan and the Kyrgyz Republic. This further underscores Russia’s regional importance as a provider of remittances and destination for labour migrants. It also raises questions about the longer-term

⁸ For more on this, see MiRPAL (2015b).

sustainability of these movements in migrants and money in light of the current economic downturn in Russia and Kazakhstan.

Third, the ten leading remittance-receiving countries shown in Figure 2 show some interesting commonalities. In addition to being low- or lower middle-income countries, all but Liberia and Nepal benefit from close geographic proximity and/or varying degrees of formal inter-state integration (past or present) with larger, wealthier countries (i.e., the Russian Federation, the United States, South Africa, and New Zealand)—including via diasporas in these countries. The role of the diasporas underscores the importance of analysing migration not solely in terms of “flows” (circular or otherwise) of workers from source (developing) countries to destination (more developed) countries, but also as “stocks” of migrant workers in destination countries that undergo varying degrees of assimilation, integration, and inclusion. This may lead to longer-term changes in citizenship and national identity (Naujoks, 2013), as well as in remittance flows.

At the same time, in the global economy of the 21st century characterized by extensive human mobility, multiple citizenships, and evolving national identities, the lines between “migrant” and “diaspora” communities are increasingly difficult to draw.⁹ Lower transport costs and the increasing institutionalization of cross-border labour migration make possible circular migration and the return of migrants to their countries of origin on scales not previously seen. Likewise, the internet and social media technologies can help migrants who have been abroad for years retain close ties to their homes, families, and original national identities.¹⁰ This blurring of the boundaries between “migrants” and “diasporas” also reduces the importance of differentiating between wages remitted for migrant labour on the one hand versus unrequited transfers (often provided by diaspora members) on the other. In this study, “remittances” are understood to refer both to wages remitted and unrequited transfers—as well as to small-business transactions conducted by “migrant-entrepreneurs” (and “diaspora-entrepreneurs”) via informal trade networks (in keeping with the most recent IMF definition of remittances—see Box 1).

Labour migration trends and drivers—Ethnicity, demographics, integration

International labour migration and remittance flows between and within Central Asia and the Russian Federation since the early 1990s have been closely linked to these countries’ common Soviet heritage. In the years following the December 1991 dissolution of the USSR, the large migration movements seen in the CIS countries were by and large “relocations” of members of ethnic groups who had previously (been) moved from one Soviet republic to another. In Central Asia, this primarily took the form of the outmigration of ethnic Russians, Ukrainians, Germans, Belarusians, Tatars, and others to their (or their ancestors’) republics/ countries of origin. As is apparent in Figure 3, the Russian Federation was a major beneficiary of these intra-CIS population movements. While Tajikistan, the Kyrgyz Republic, and Uzbekistan have reported net population outflows during the past two decades, Kazakhstan since 2007 has registered net inflows.

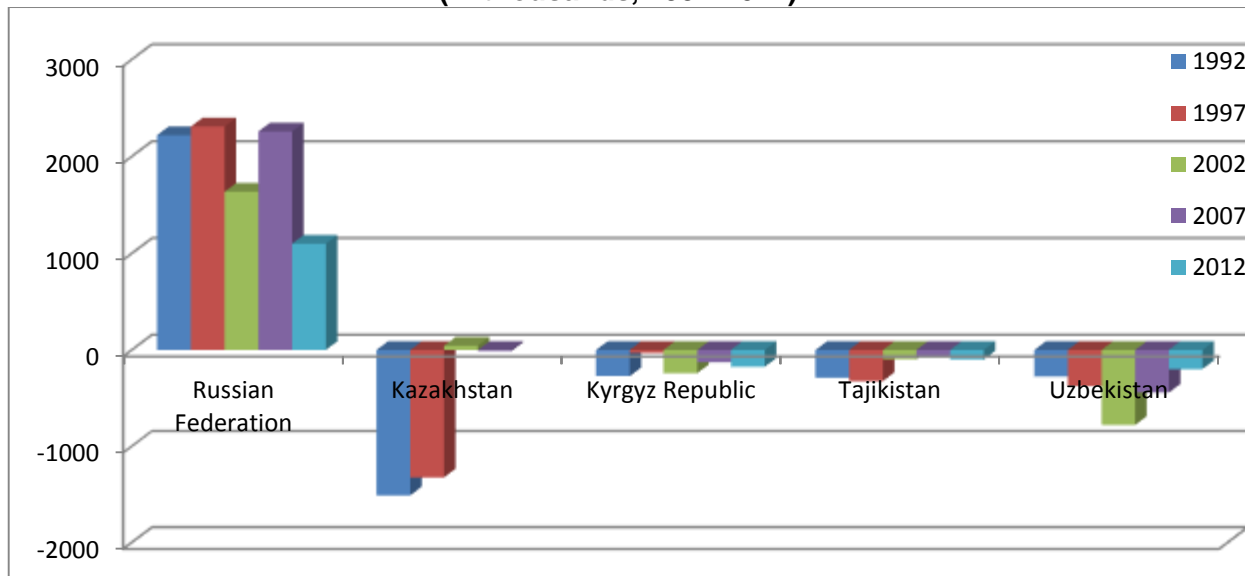
Policies have also played a role. The government of the Russian Federation has accommodated the desires of individuals of Russian ethnicity/ethnic identity who have sought to relocate from other post-Soviet countries to the Russian Federation (particularly in the last ten years). The government of Kazakhstan has pursued similar policies vis-à-vis ethnic Kazakhs (*oralmans*) living in neighbouring countries. In addition, the governments of the Russian

⁹ For more on evolving concepts of diasporas, see International Centre for Migration Policy Development (2015), p. 6.

¹⁰ A 2010 survey of 1000 Tajikistani migrant workers who returned home between 2003 and 2007 (conducted by the Sharq Research Centre in Dushanbe) found only 9% had worked (mostly in Russia, as this was the destination reported by 95% of the survey respondents) for less than a year. Nearly half had spent 2-4 years abroad, while a third of the respondents had been abroad for 5-10 years. Source: ILO (2010), p. 13.

Federation and Kazakhstan have permitted visa-free entry for citizens of most other CIS countries. Since 2000, governments have shown greater interest in supporting circular labour migration via official intergovernmental agreements. Moreover, while migrants' right to work in the Russian Federation and Kazakhstan (as in most other countries) is closely regulated, informal employment (typically without full labour and social protection) in these countries has often been a viable option for Russian-speakers from other post-Soviet states.

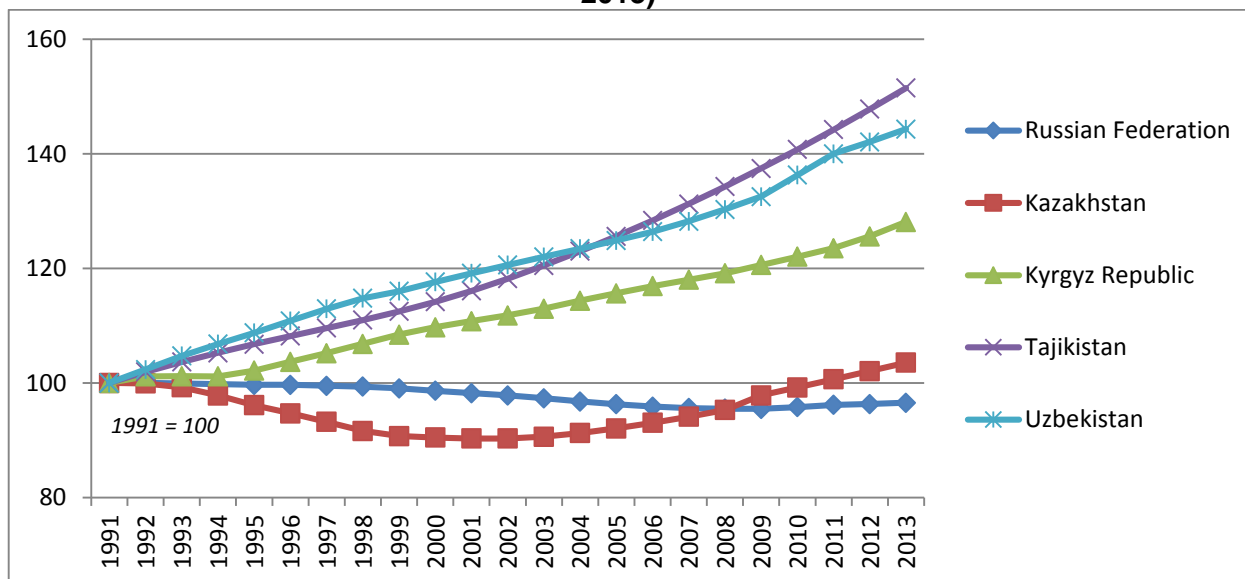
Figure 3—Net immigration, Russian Federation and select CIS countries (in thousands, 1992-2012)



Source: World Bank World Development Indicators.

These factors have helped produce large amounts of irregular labour migration from Central Asia (and other CIS countries), as well as the expansion of diasporas in the major cities in the Russian Federation—and, increasingly, Kazakhstan. But if the importance of these ethnic and cultural factors has waned over time, the role of demographic and economic drivers of migration seems to have grown. As Figure 4 shows, the population of the Russian Federation declined by some 3% during 1991-2013—not withstanding significant net immigration (mostly from Central Asia and other CIS countries).

Figure 4—Population trends in the Russian Federation, Central Asian countries (1991-2013)



UNDP calculations based on World Bank World Development Indicators data.

Figure 5—Per-capita GNI* in, remittance outflows from, Russian Fed. (1991-2013)

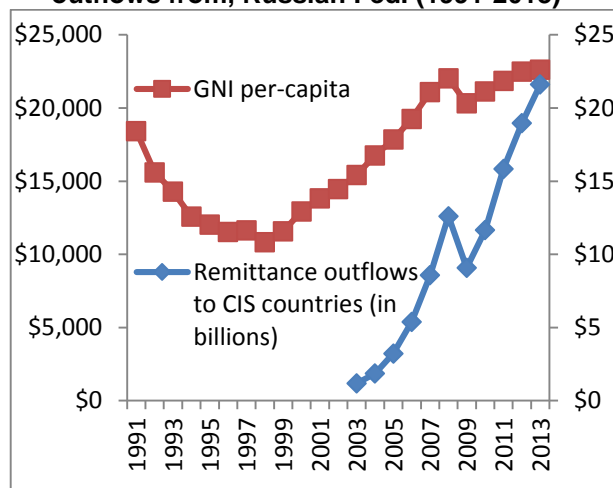
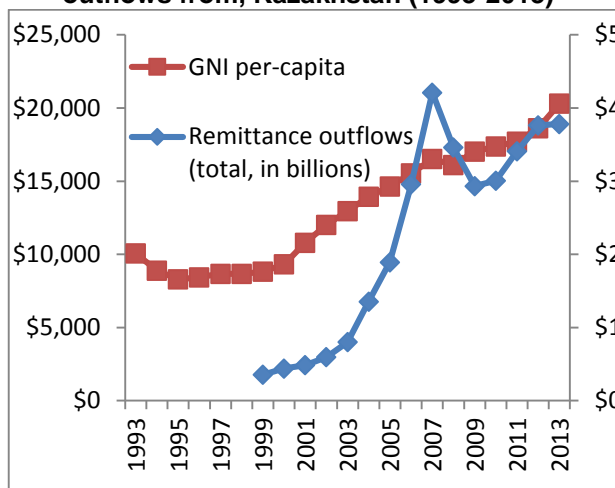


Figure 6—Per-capita GNI* in, remittance outflows from, Kazakhstan (1993-2013)



* Measured in 2011 PPP exchange rates (left-hand scale). Remittance outflows are shown on the right-hand scale.
Sources: World Bank, Central Bank of Russia.

Whereas population growth in Kazakhstan has resumed in the last decade, it pales in contrast with the 28-52% cumulative population growth reported by the less wealthy Central Asian countries during 1991-2013. The labour-market impact of these demographic trends in Russia has been magnified by the strong economic growth reported since 1999. As the data in Figure 5 show, outgoing remittances from Russia to other CIS countries accelerated sharply during this time. A similar pattern (for remittances overall) is also apparent for Kazakhstan (Figure 6).

Trends in living standards, job opportunities, working conditions, and in numbers of jobless (i.e., unemployed and inactive) workers in Central Asia offer additional insights into “pull” and “push” factors influencing migration from the less wealthy Central Asian countries to the Russian Federation and Kazakhstan. The data in Figures 7 and 8 indicate that, despite (often rapid) reported economic growth in the Kyrgyz Republic, Tajikistan, and Uzbekistan, gaps in living standards between these countries on the one hand and Russia and Kazakhstan on the other have not declined significantly during the past two decades. Instead, the large remittance inflows received by the Kyrgyz Republic and Tajikistan suggest that economic growth in these countries may have been due in part to the remittances themselves.

Figure 7—Per-capita GNI* relative to the Russian Federation (1995-2013)

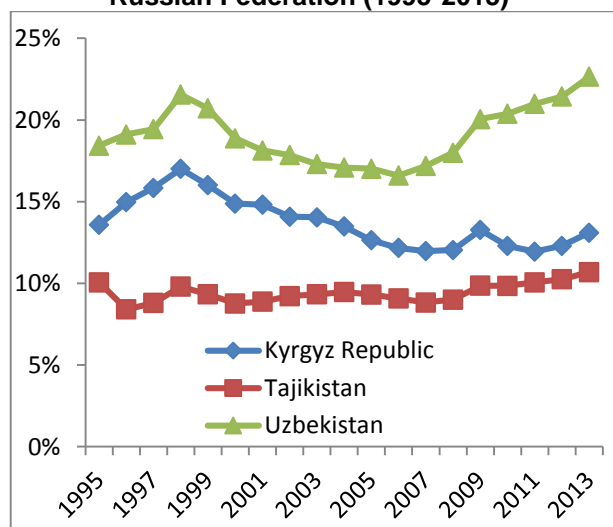
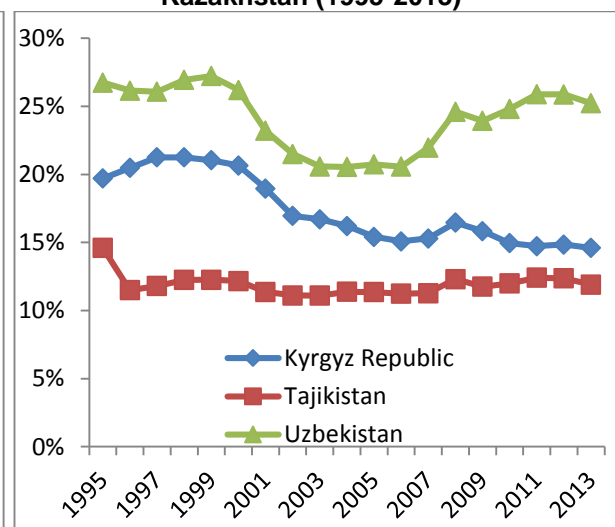


Figure 8—Per-capita GNI* relative to Kazakhstan (1995-2013)

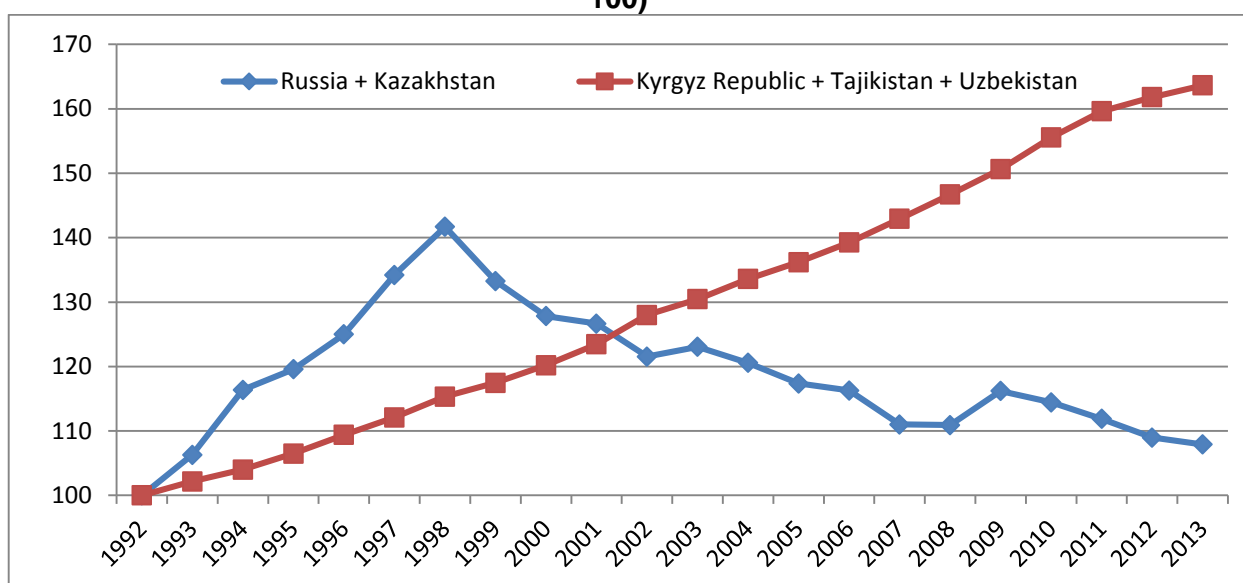


UNDP calculations, based on World Bank World Development Indicators.

* Measured in 2011 PPP exchange rates.

If these gaps had been accompanied by declining numbers of jobless workers in the less wealthy Central Asian countries, their impact as “pull” factors would have been weaker. However, rapid population growth combined with a paucity of decent jobs at home clearly “pushed” many Central Asian workers to consider migration to Russia or Kazakhstan. This is apparent in the data shown in Figure 9, which show trends in the total numbers of “jobless”—working aged individuals who are not found to be employed in their home countries. Many of these individuals (e.g., women providing care services in the home) would not be classified as labour force participants under standard ILO methodology. Nonetheless, as social assistance payments in the less wealthy Central Asian countries are as a rule too small to lift recipients out of poverty, individuals who are not working in these countries can reasonably be regarded as potential (or actual) migrants. Not surprisingly, World Bank data indicate that the numbers of these jobless individuals in the Kyrgyz Republic, Tajikistan, and Uzbekistan rose from 7.0 to 11.5 million during the 1992-2013.¹¹

Figure 9—Joblessness* trends in Central Asia, Russian Federation, 1992-2013 (1992 = 100)



* Numbers of individuals in the 15-64 age cohort not classified as employed.
UNDP calculations, based on World Bank World Development Indicators data.

Looking behind the numbers

The scale and significance of the remittance (and their associated migration) flows that are reported for Tajikistan and the Kyrgyz Republic can be seen not only in comparison with populations and GDPs, but also relative to other aggregates. As the data in Figures 10-12 show, remittance inflows for these countries are also extremely high relative to foreign direct investments, official development assistance, and even export revenues. Rather than relying on the export of labour-intensive goods, or inflows of capital or development assistance, key support for these countries’ external position and immediate development prospects is delivered by the export of labour—and primarily low- or semi-skilled labour at that.

These data suggest a number of important development conclusions. First, because of their role in supporting these Central Asian countries’ external position, and in light of their

¹¹ UNDP calculations, based on data from the World Bank’s World Development Indicators database.

potential for poverty reduction, remittance inflows should be seen as a source of both development and balance-of-payments finance.¹² Household budget survey data indicate that remittance inflows reduced the number of individuals in the Kyrgyz Republic living in income poverty by 6-7 percentage points annually during 2010-2013 (Figure 13). This corresponds to some 350,000-400,000 people. These data also show that the poverty-reduction impact of remittances is greatest in those southern regions (Batken, Jalalabad, Osh) with the highest income poverty levels (Figure 14). By contrast, remittances do not seem to have had a perceptible impact on poverty in wealthier, more industrialized northern regions of Bishkek, Chuy, and Talas, where living standards tend to be higher.

Figure 10—Ratio of remittance inflows to exports of goods and services (2005-2013)

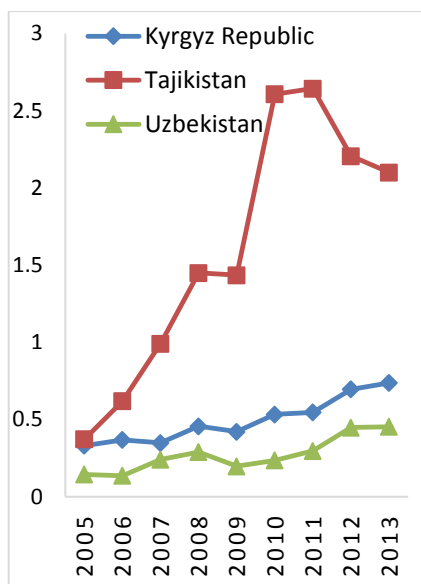


Figure 11—Ratio of remittance inflows to net foreign direct investment (2005-2013)*

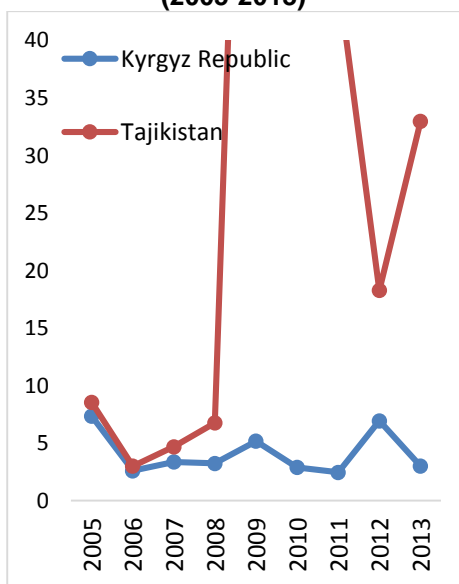
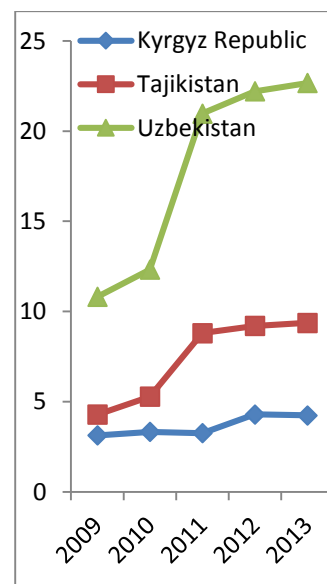


Figure 12—Ratio of remittance inflows to net ODA (2009-2013)



UNDP calculations, based on data from the World Bank World Development Indicators database, and the State Statistical Committee of Uzbekistan.

* Ratios for Tajikistan for 2010 and 2011 were 111 and 147, respectively.

Similar data are not reported for Tajikistan or Uzbekistan. However, a 2010 ILO study found that “for more than 60% of households in Tajikistan, remittances account for more than half of their incomes, 31% of them claim that 100% of their incomes are made up of remittances” (ILO, 2010). A recent World Bank study notes that “in 2009, the last year for which reliable figures are available, income from work abroad was the second largest source of income (after wages) among all consumption deciles” (World Bank, 2015b).¹³ Such trends are consistent with the global migration and development literature. For example, a 2009 Asian Development Bank study (which covered more than 20 countries during the 1988-2007 period) found that “a 10 percent increase in remittances decreases poverty gap by 0.7-1.4 percent” (Vargas-Silva *et al.*, 2009).

Second, the size of these flows raises questions about their use outside of remittance-receiving households. The point is not that remittances should be directly controlled by governments, or subjected to additional taxation. At issue are instead prospects for persuading

¹² This suggests the inclusion of remittance flows in such standard measures of external sustainability as debt-to-export ratios (World Bank (2015a), p. 17).

¹³ If correct, this would mean that remittances constituted a greater share of household income than social benefits. This is not the case in the Kyrgyz Republic: household budget data indicate that, whereas remittances accounted for 6-7% of household incomes during 2013-2014, social benefits accounted for 16-17%. (Source: Statistical Committee of the Kyrgyz Republic.)

remittance-receiving households to invest in local development projects, and other support for community-based livelihoods measures, that can improve living standards—particularly in rural areas and small towns where the quality of/access to basic services sometimes is less than ideal. (This question—which could be particularly important for the Russian Federation and Kazakhstan, which are increasingly providing development assistance to Tajikistan and the Kyrgyz Republic—is taken up in more detail below.)

Figure 13—Income poverty rates in the Kyrgyz Republic: With, and without, remittances (2010–2014)

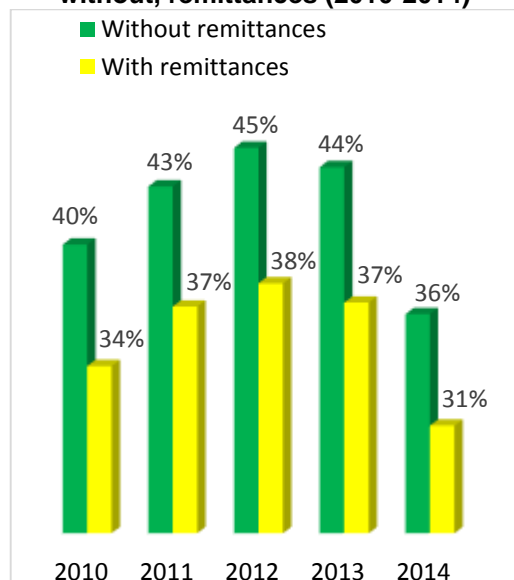
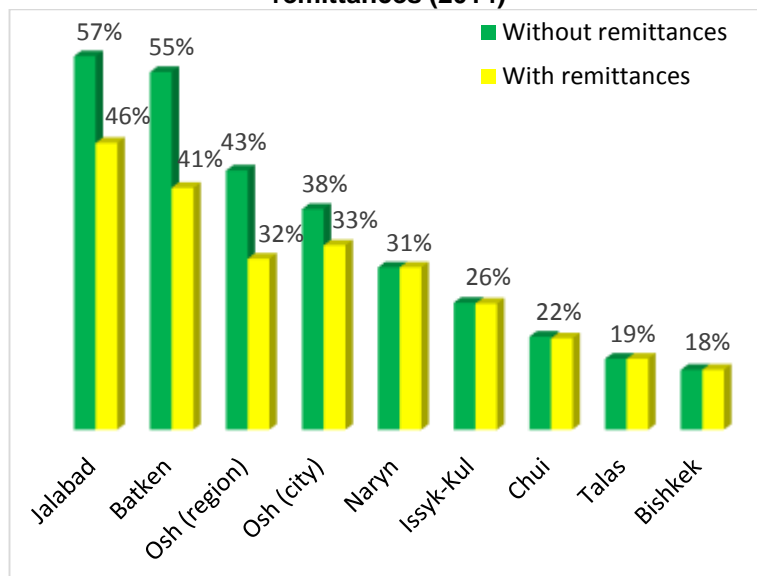


Figure 14—Regional income poverty rates in the Kyrgyz Republic: With, and without, remittances (2014)



Source: Statistical Committee of the Kyrgyz Republic.

Third, these data underscore the potential importance of trans-national economic integration and cooperation for these less wealthy Central Asian countries. They also raise questions about the extent to which the remittance inflows received by these countries—reflecting in large measure the export of low- and semi-skilled migrant labour to the Russian Federation and Kazakhstan—can be replaced by revenues generated by the export of domestically produced goods and services. Supra-national integration—within the framework of the World Trade Organization, the Eurasian Economic Union, or both—may offer prospects of better market access for labour-intensive exports, *inter alia* through deeper integration into global and regional value chains. Recent research from the Centre for Integration Studies of the Eurasian Development Bank (EDB) is relatively optimistic about the Kyrgyz Republic's prospects for expanding the production and export of labour-intensive goods and services to other EaEU countries (chiefly Russia and Kazakhstan) following its August 2015 EaEU accession (EDB Centre for Integration Studies, 2015). Such sectors as agriculture, textiles, and extractives seem particularly promising in this respect. This study also sees positive implications in Tajikistan's prospective EaEU accession for the development of such labour-intensive activities as cotton cultivation and processing. On the other hand, this study emphasizes the importance of measures to improve both countries' business environments—particularly in terms of reducing corruption and improving access to finance for small businesses.

In addition to the promised free movement of labour, the EaEU also offers the prospective harmonization of national pension and other social protection systems. The creation of a single intra-EaEU “pension space” (which is currently under discussion among member states) could be particularly important for the Kyrgyz Republic and Tajikistan—whose pension systems face grave financial sustainability pressures, linked in part to the fact that few migrants from these countries

working in the Russian Federation and Kazakhstan pay into these systems, and therefore have rights to old-age or other pension benefits.¹⁴

But are the reported migration and remittances (Figure 15) data really accurate—or at least credible? Can they be usefully interpreted? Precise accounting of these flows, particularly in light of their informal dimensions, is not possible. Some biases in these data—such as the classification of some household capital flows involving also financial institutions as remittances—suggest over-estimation of their magnitudes. Others, reflecting their informality dimensions, suggest under-estimation.¹⁵

While interpretations of migration and remittances data should avoid pretensions of excessive precision, they can be guided by three important elements of common sense. First: the measures of migration and remittance flows in and between the Central Asian countries and the Russian Federation that are used here are methodologically comparable with those reported for other countries. This reflects the convergence of national statistical practices in these countries with international standards for measuring migration and remittances. It also reflects the use of national and international data sources, including especially the World Bank's global remittances and migration database, as well as data made publicly available by the Federal Migration Service and the Central Bank of the Russian Federation, and by the National Bank of Kazakhstan, which generally treat data from the less wealthy Central Asian countries in a comparable manner. This argues against the out-of-hand dismissal of international comparisons involving these countries' migration and remittances data on the basis of methodological irregularities.

Second, informality is often associated with the under-reporting of the socio-economic activities to which it corresponds. For migration and remittance flows, changes in degrees of informality can be linked to policies¹⁶—particularly concerning the regulation of migration and labour markets in the migration destination countries, and to financial market development—particularly concerning the expansion of money transfer operators. That is, lighter regulation of labour markets and migration in the Russian Federation and Kazakhstan may in certain circumstances reduce irregular labour migration flows, thereby increasing the extent to which official migration data reflect their true scale.¹⁷ The expansion of formal inter-governmental and commercial agreements regulating migration flows can be expected to have a similar effect. Some of the large reported increases in labour migration recorded in the last decade may have been due to progress in formalizing inter-state migration flows in the region, thereby improving data collection. By contrast, some of the declines in official labour migration into the Russian Federation reported in 2014-2015 may reflect increased irregular migration, precipitated by the tighter implementation of regulations (affecting in particular non-EaEU member states Tajikistan and Uzbekistan).

Likewise, the expansion of internationally recognized money transfer operators (MTOs) can be expected *ceteris paribus* to increase the use of formal financial institutions for conveying remittances to destination countries, thereby reducing the under-reporting of remittance flows. Thus, some of the large increases in reported remittance inflows received by the Central Asian countries during the past decade may have been due to the significant expansion of MTO

¹⁴ For more on this, see Eurasian Development Bank Centre for Integration Studies (2014a), and MiRPAL (2015a).

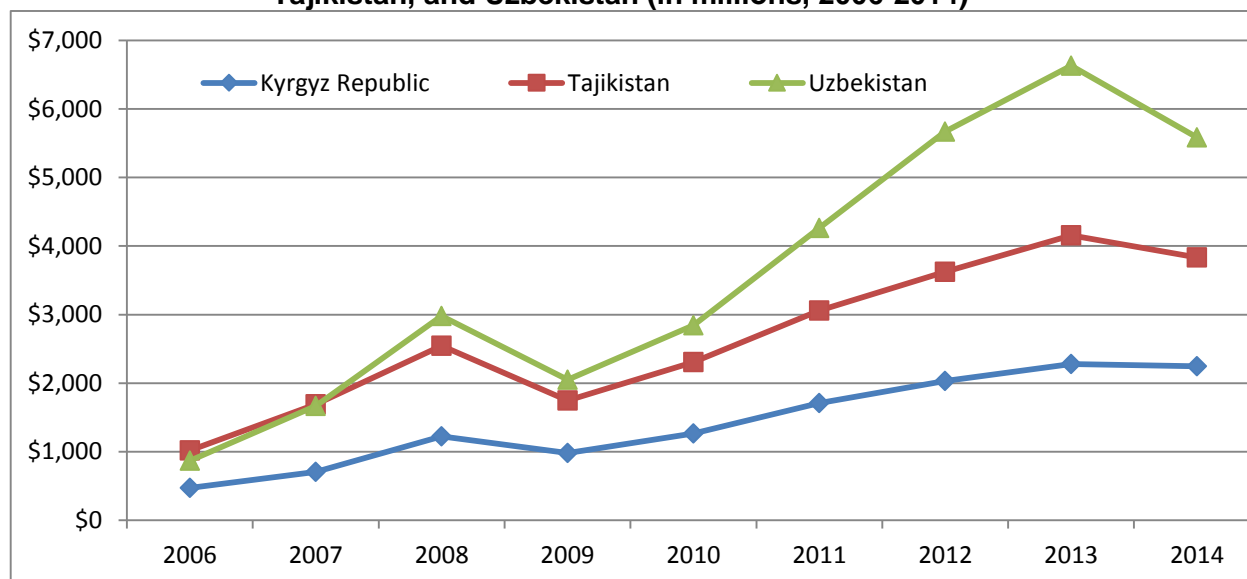
¹⁵ For more on these issues, see Clemens and McKenzie (2014).

¹⁶ A recent study (IMF (2013)) on the informal economy in the region found that “a burdensome tax system, rigid labour markets, low institutional quality, and excessive regulation in financial and products markets are key factors in explaining the size of the informal economy”.

¹⁷ The accuracy of migration and remittance data may also be affected by the extent to which formal inter-state integration reduce border controls. For example, by removing border crossings and passport checks, the 2012 establishment of the Customs Union between the Russian Federation, Kazakhstan, and Belarus allowed citizens of these countries to cross the Customs Union's “internal borders” without filing customs/currency declarations or otherwise declaring their presence to the authorities. This should be expected *ceteris paribus* to reduce the extent of reported labour migration and remittances flows within the Customs (now Eurasian Economic) Union. A similar dynamic could affect reported migration outflows from and remittance inflows into the Kyrgyz Republic, following its August 2015 EaEU accession.

activities in the Russian Federation and Central Asia. Recent years have seen significant reductions (up to 50-75% for transfers of \$1000 or less, which are the sums typically remitted to the Central Asian countries via MTOs) in the fees charged in the region (Figure 16), as well as the expansion of MTO infrastructure. This has helped these companies to better service both remittance senders and recipients, thereby reducing reliance on informal money transfer practices.

Figure 15—Annual remittance inflows received by the Kyrgyz Republic, Tajikistan, and Uzbekistan (in millions, 2006-2014)



Source: World Bank migration and remittances database.

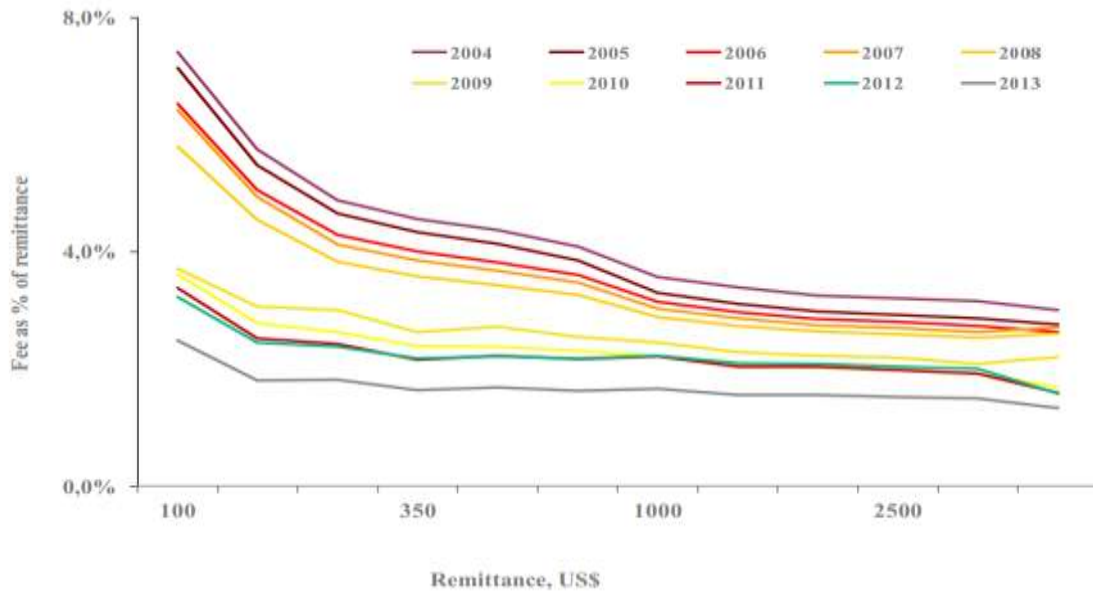
The Central Bank of the Russian Federation reports that the average commission charged in 2013 to clients remitting funds abroad from Russia via MTOs had dropped to 1.7% of the remittances' value—"the lowest among the G20 countries" (Central Bank of the Russian Federation (2014a, p. 8). These sharp declines in the transactions costs associated with sending remittances from Russia connote huge savings for the migrant (and diaspora, and other) senders involved. For example, the savings associated with the difference between a 5% average commission rate (a common aspirational international benchmark¹⁸) and this 1.7% average rate for remitting the \$21.9 billion in transfers sent by MTOs from the Russian Federation in 2014 were more than \$600 million. For the three less wealthy Central Asian countries, these savings amounted to \$184 million for remittances sent to Uzbekistan, \$126 million for remittances sent to Tajikistan, and \$67 million for remittances sent to the Kyrgyz Republic. While these savings are not classified as official development assistance, they can be seen as development support provided by the Russian Federation to the less wealthy Central Asian countries.

By reducing the under-reporting of migration and remittances, the formalization of cross-border financial and labour flows in recent years may have increased the reported scale of these flows. The extent to which these policy and institutional developments (as opposed to intrinsic socio-economic "push" and "pull" factors) also influence the actual scale of these flows is a different matter. Thus, while the rapid year-on-year growth rates in remittance inflows reported for the less wealthy Central Asian countries during the past decade may be somewhat exaggerated, it is not clear that overall reported remittance and migration levels are over-estimated. Moreover, the tighter migration regime introduced in Russia in 2014-2015, combined with the continuing

¹⁸ According to the World Bank (2015a): "the global average cost for sending money remained broadly at 8% in Q4 2014, with the highest average cost (about 12%) in Sub-Saharan Africa". However, as these estimates may include losses due to exchange-rate commissions, they may not be strictly comparable with the CBRF data.

importance of informal labour-market and financial institutions (e.g., *mardikor* (casual labour) bazaars, “havala” money transfer networks¹⁹), suggests that overall migration and remittance levels may still be understated. Whether the extent of this understatement differs significantly across the Central Asian countries—or vis-à-vis countries in other regions whose development prospects likewise rely heavily on migration and remittances—is a different question.

Figure 16—Changes in commission rates for money transfers from Russia (2004-2013)



Source: Central Bank of the Russian Federation (2014a).

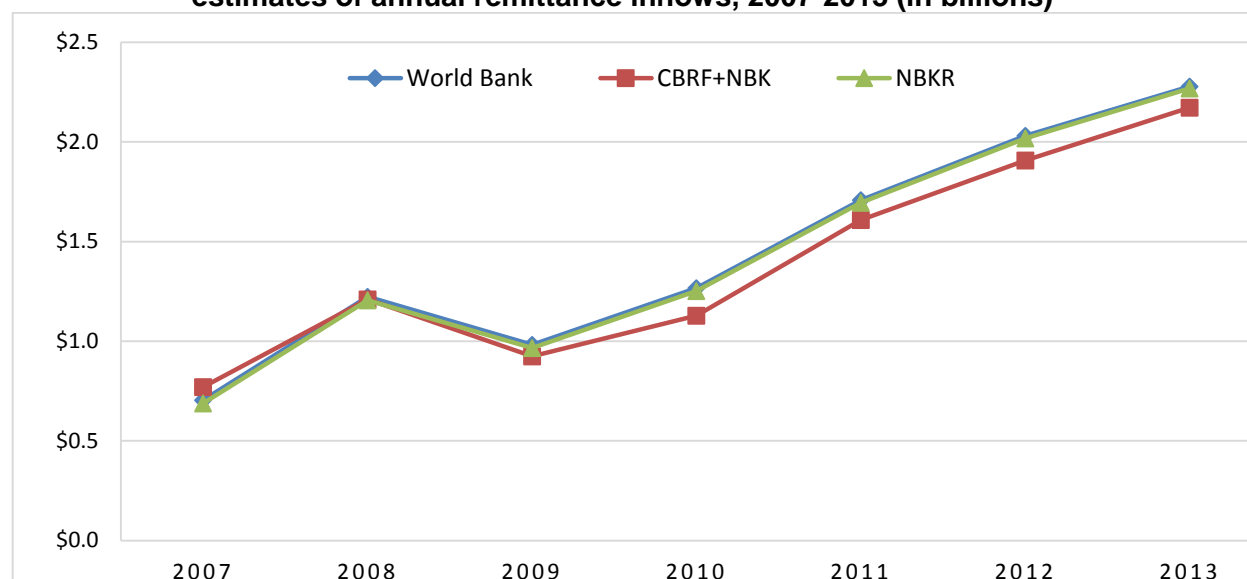
Third, we believe that the existing data on remittances in Central Asia and the Russian Federation are more credible, and easier to interpret, than the data on migration. The relatively broad definition of remittances explained in Box 1 combined with evidence indicating that reporting on remittance outflows from the Russian Federation to the less wealthy Central Asian countries has become more accurate over time argues for increased reliance on these data—both as measures of remittances (or at least of changes in their magnitudes) and as proxies for changes in labour migration flows.

By contrast, the conceptual and statistical challenges posed by trying to differentiate labour migrants from other types of migrants, seem more daunting, for a number of reasons. First: extensive irregular migration flows often complicate interpretations of official migration statistics. A recent IOM report finds that: “the majority of migrant workers within Central Asia and from the region to Russia are likely to remain irregular. Contributing factors include: low awareness of the regulations among migrant workers and unwillingness of some employers to comply with the official work authorization/working visa procedures, which are often viewed as rigid and complicated” (IOM 2015, p. 14.). Second, whereas destination countries (the Russian Federation and Kazakhstan) typically report migration data in terms of stocks of registered migrants, source countries (the Kyrgyz Republic and Tajikistan) typically report immigration (and emigration) flows. This further complicates cross-country assessments and comparisons of migration data. By contrast, data on reported remittance flows seem less likely to be influenced by variation in the extent of irregular migration, due to policy changes to encourage or discourage migration.²⁰

¹⁹ For more on this, see <http://www.qdrc.org/icm/hawala.html>.

²⁰ For an attempt at estimating irregular labour migration inflows into Kazakhstan on the basis of NBK data on remittance outflows, see Economic Research Institute (2015) and Ministry of National Economy (2014), especially Appendix 1.

Figure 17—Kyrgyz Republic: National, international, and mirror-data estimates of annual remittance inflows, 2007-2013 (in billions)



Sources: National Bank of the Kyrgyz Republic (NBKR), Central Bank of the Russian Federation (CBRF), National Bank of Kazakhstan (NBK), and World Bank. NBKR and NBK data only show remittances sent via money transfer operators; CBRF data include bank transfers as well. NBK data are for 2011-2013.

In order to further gauge the credibility of the remittances data, we try where possible to “triangulate” measures of annual remittance inflows into the less wealthy Central Asian countries by comparing (i) the inflows reported by these countries’ central banks; with (ii) mirror data produced by the central bank of the Russian Federation (CBRF) and Kazakhstan (NBK), which provide the vast bulk of remittances to these countries; and (iii) data from the international remittances databases maintained by the World Bank’s Development Prospects Group. A full “triangulation” is most possible for the Kyrgyz Republic, for which a close correspondence between the three data series is apparent (Figure 17). Although the national banks in Tajikistan and Uzbekistan do not make remittance data publicly available, the National Bank of Tajikistan and the Ministry of Economic Development (MEDT) released data on remittance inflows through 2012. These figures also show a close correspondence with the World Bank and CBRF plus NBK mirror data (Figure 18). For Uzbekistan (Figure 19), it is only for 2013 that we see a significant divergence in the international and mirror data series data—which could be corrected when the data are updated.

In light of the CBRF’s and NBK’s (and the NBKR’s) reliance on data provided by money transfer operators—which (according to CBRF data) are the channels through which 98-100% of Russia’s outgoing remittances are conveyed to these three countries—this correspondence in the international and mirror data series is not surprising.²¹ It also suggests that the methodological veracity of the remittance data for these Central Asian countries does not deviate significantly from international standards.

The closer alignment of national and mirror data for remittance (as opposed to labour migration) flows suggest that the former are more credible indicators of underlying trends. This does not mean, however, that the official data on remittance flows are perfectly accurate. If anything, these data probably under-estimate actual remittance flows, for two reasons. First: countries other than the Russian Federation and Kazakhstan undoubtedly also contribute some remittances to these countries. (These could account for the slight difference apparent in Figure

²¹ CBRF data indicate that, whereas transfers sent through money transfer operators only account for about 30% of the total value of remittance outflows from the Russian Federation, MTOs handle more than 95% of the remittances sent to other CIS countries—and virtually all (98-99%) of the remittances sent from Russia to the Kyrgyz Republic, Tajikistan, and Uzbekistan.

17 between the remittance inflows reported by the National Bank of the Kyrgyz Republic on the one hand, and the remittance outflow CBRF+NBK mirror data on the other.)

Figure 18—Tajikistan: International and mirror-data estimates of annual remittance inflows, 2007-2013 (in billions)

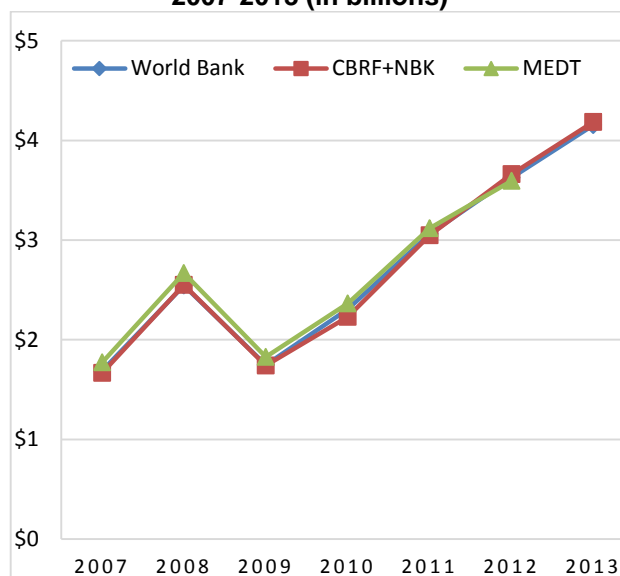
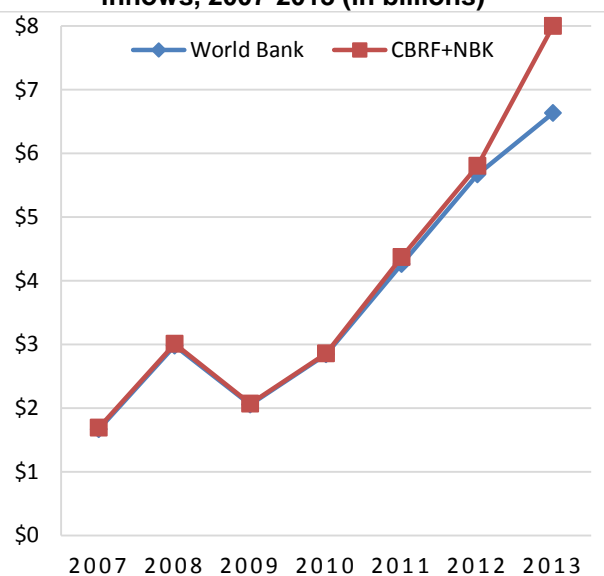


Figure 19—Uzbekistan: International and mirror-data estimates of annual remittance inflows, 2007-2013 (in billions)



Sources: Central Bank of the Russian Federation (CBRF), National Bank of Kazakhstan (NBK), World Bank, and the Ministry of Economic Development and Trade of (MEDT) Tajikistan. NBK data only show remittances sent via money transfer operators; CBRF data include bank transfers as well. NBK data are for 2011-2013.

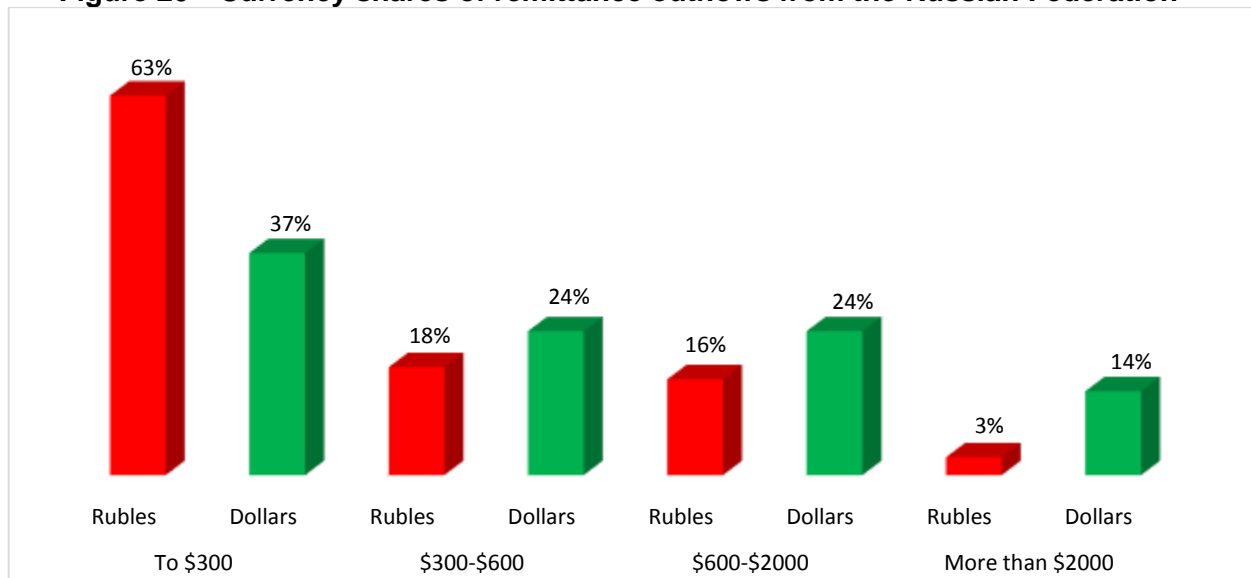
Second, numerous other sources point to the continued importance of remittances sent from the Russian Federation and Kazakhstan to the less wealthy Central Asian countries via informal channels. For example, a 2010 ILO study on migrants' remittances in Tajikistan found that 13% of migrants do not send remittances home through formal financial institutions (ILO, 2010b). In the Kyrgyz Republic, a 2014 press report found that 5% of migrants' earnings were brought home "in the pocket" (Polit.kg, 2014), rather than via banks or MTOs. Moreover, significant numbers of Kyrgyzstani and Uzbekistani migrants appear to work in Almaty, Southern Kazakhstan, and other neighbouring regions of Kazakhstan with which Uzbekistan and the Kyrgyz Republic share common borders. (Residents of the northern Chuy region and Bishkek—which border with Kazakhstan—are responsible for disproportionately large shares of the Kyrgyz Republic's external migrants.) These migrants tend to stay in Kazakhstan for shorter periods of time (compared to migrants in Russia), and can more easily bring money home "in their pockets", or via friends, relatives, or third persons. A 2011 World Bank report also found that labour migrants in Kazakhstan carried 37% of their remittance earnings back home in their pockets, while 36% was sent home via friends and relatives; only 20% was transferred via formal financial institutions. Such flows would not be reflected in remittances data provided by banks or MTOs.

In light of the rapid growth in the volume of remittances sent via money transfer organizations in recent years, the under-estimation of remittance flows into Tajikistan, Uzbekistan, and the Kyrgyz Republic would seem relatively small. But even a 5% under-estimation of the annual remittance inflows received by these three countries in 2014 would have amounted to nearly \$600 million.

The CBRF data suggest that the less wealthy Central Asian countries are particularly vulnerable to changes in remittance inflows from the Russian Federation, in at least two respects. First, the currency in which remittances are transferred seems to matter, in terms of the size remittance transactions. As the data in Figure 20 show, relatively small remittances (under \$300 per transactions) comprise the largest share of total remittances sent from Russia to other CIS countries—and these tend to be denominated in rubles. (By contrast, larger transfers are more

likely to be remitted in dollars.)²² Moreover, these data indicate that remittance outflows from Russia to the less wealthy Central Asian countries are particularly likely to be under \$300. Whereas the average outgoing remittance transaction in 2014 to CIS countries was \$321, in the Kyrgyz Republic and Tajikistan this figure was \$229 and \$275, respectively. This means that households in the Kyrgyz Republic and Tajikistan that rely on remittances are particularly vulnerable to sharp depreciations of the Russian ruble against the dollar—as occurred in late 2014/early 2015.²³ Households with women working as migrants could be particularly vulnerable, as research has shown that women migrants globally tend to remit smaller sums than do male migrants (IOM, 2010).

Figure 20—Currency shares of remittance outflows from the Russian Federation



UNDP calculations, based on Central Bank of the Russian Federation (2014b).

Second, Tajikistan and Uzbekistan show particularly low ratios of remittances sent from Russia by residents of the Russian Federation, as opposed to non-residents. The data in Figure 21 indicate that, in 2014, roughly \$2.60 in remittances were sent abroad by RF residents for every dollar sent abroad by non-residents. For the CIS countries, this ratio was much lower: only \$0.52 was sent by RF residents to other CIS countries for every dollar sent by non-residents to other CIS countries. For Tajikistan and Uzbekistan, this ratio was even lower, at \$0.28 and \$0.16, respectively. While the Kyrgyz Republic's ratio was somewhat higher (at \$0.73), it is still well below the \$2.60 average for the Russian Federation as a whole.

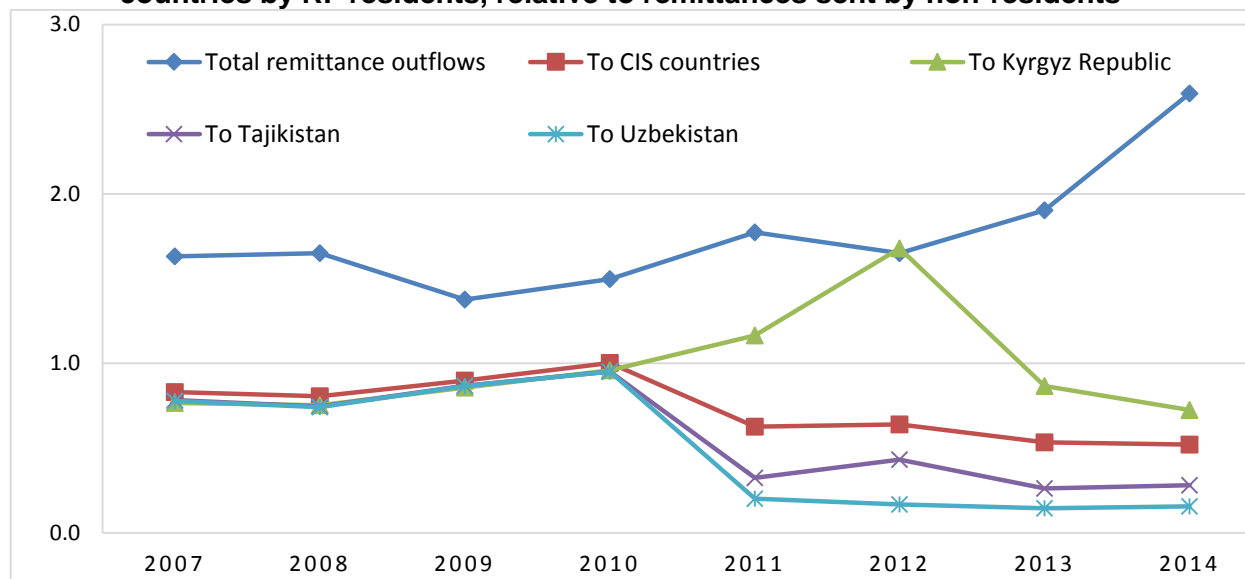
Thus, not only are these Central Asian countries heavily reliant on remittance inflows from Russia: they seem to rely particularly heavily on remittances sent by RF non-residents—most typically migrant workers. Reductions in the numbers of migrant workers in the Russian Federation—due to tighter migration regulations, reduced demand for migrant labour, or both—can therefore be expected to produce relatively large declines in remittance inflows into these Central Asian countries. By contrast, Georgia—which has a relatively large, well established diaspora in the Russian Federation—in 2014 received \$2.68 in remittances sent by Russian Federation residents for every dollar sent from Russia by non-residents. This indicator suggests

²² CBRF data indicate that the share of dollar-denominated transactions in the total numbers of outgoing (from Russia) remittances fell from 51% during the third quarter of 2012 to 38% during the first quarter of 2014, while the share of ruble-denominated transactions rose 43% to 54% during this time. (Source: CBRF, 2014b).

²³ The ruble also depreciated (in nominal terms) against the Kyrgyz Republic's som, Tajikistan's somoni, and Uzbekistan's sum during this time—further amplifying the impact of the weaker ruble on Central Asian migrant household incomes. On the other hand, the ruble generally strengthened against the Central Asian currencies during the first half of 2015.

that Georgia may be less vulnerable to tighter migration regulation, or reduced demand for migrant labour, in Russia.²⁴

Figure 21—Ratios of remittances sent from the Russian Federation to Central Asian countries by RF residents, relative to remittances sent by non-residents



UNDP calculations, based on CBRF data.

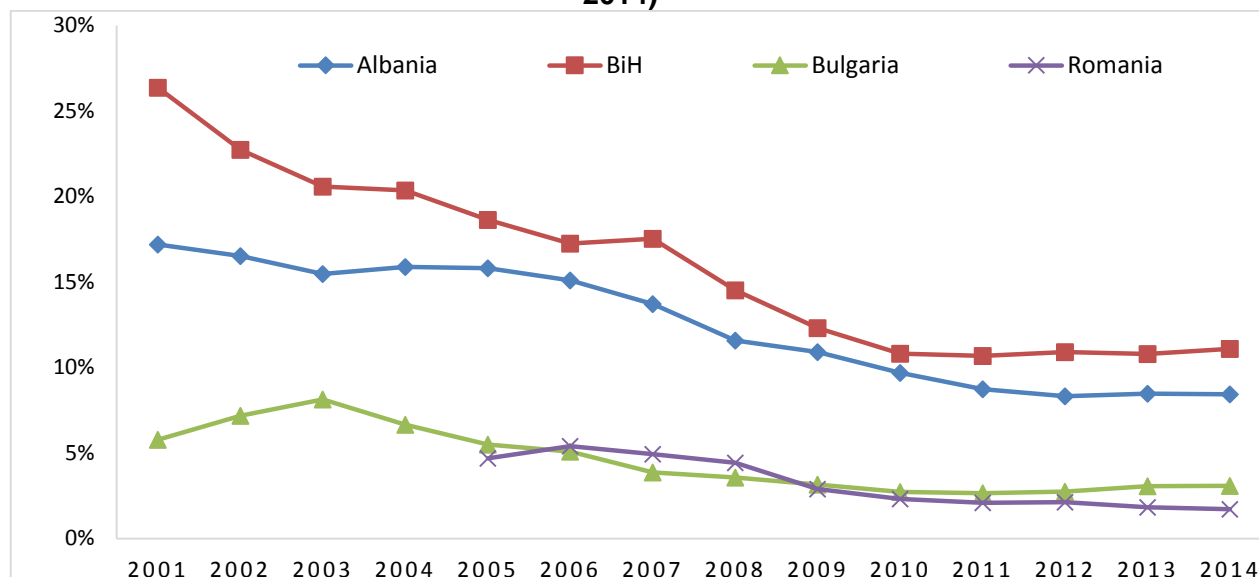
Are these flows sustainable? Projections until 2030

The large declines in remittance flows from Russia to the less wealthy Central Asian countries during 2009, as well as in migration flows from these countries to Russia and Kazakhstan in that year, gave rise to calls for economic development models with more sustainable, less pro-cyclical characteristics. The economic downturn that hit Russia and Kazakhstan in late 2014, combined with the tighter regulation of labour migration introduced in 2014-2015 in the Russian Federation, has added new urgency to these questions. Can Tajikistan and the Kyrgyz Republic maintain these large remittance and migration flows over time?

International experience shows that, for many developing countries, the importance of migration and remittances declines over time. This reflects in part economic factors: as these countries develop, average income levels rise and employment prospects at home improve, weakening incentives for migration abroad. Demographics also play a role: developing countries also tend to see population growth slow and populations age over time. Likewise, some recurring, longer-term circular migration flows give way to emigration, in which growing numbers of labour migrants become members of diasporas—residents in/citizens of destination countries. (While such transformations may reduce remittances back to the migrants' countries of origin, they also make remittance flows less dependent on continuing labour migration.) Thus, as the numbers young workers wishing to work abroad decline, and as differences between average wage and income levels in source and destination countries shrink, both “push” and “pull” migration drivers tend to weaken over time. Such trends would seem to be apparent in transition economies like Albania, Bosnia and Herzegovina (BiH), Bulgaria, and Romania (Figure 22).

²⁴ According to World Bank data, Georgia received \$2.1 billion in remittance inflows (some 13% of GDP) in 2014. CBRF data indicate that about 39% (\$800 million) of this sum came from the Russian Federation.

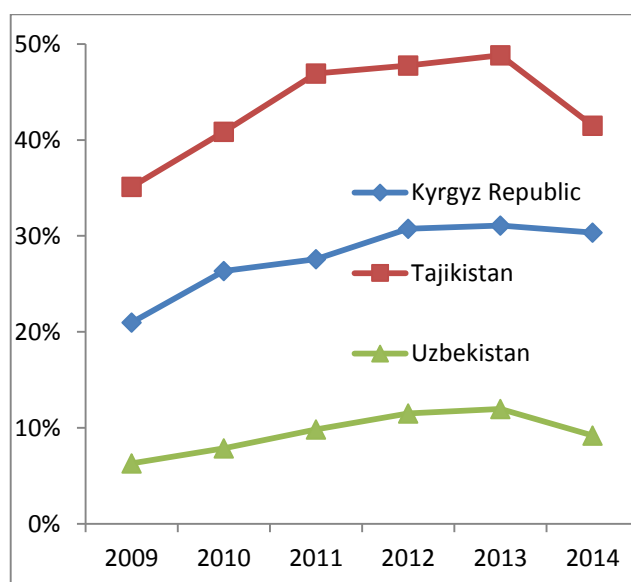
Figure 22—Ratios of remittance inflows to GDP, select transition economies (2001-2014)



UNDP calculations, based on World Bank, IMF data.

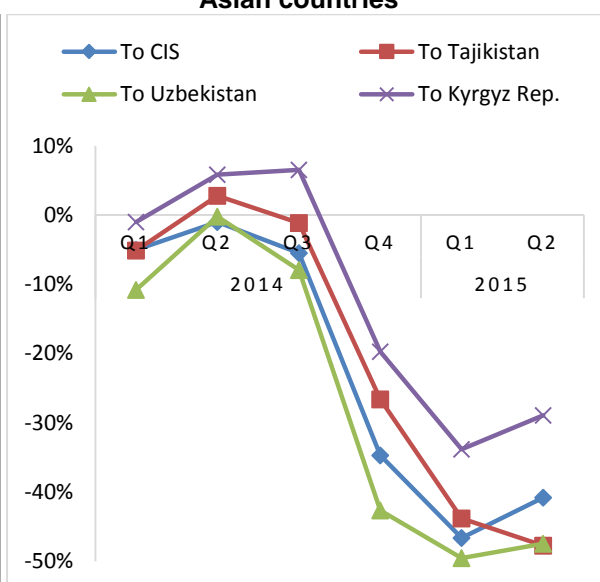
Of course, such tendencies are not universally present across all developing countries (see Figure 2). But they do point to certain secular trends that can be expected to put downward pressures (at least relative to population and GDP) on Central Asian migration and remittance flows over time—pressures which are generally reflections of positive socio-economic developments.

Figure 23—Ratios of annual remittance inflows to GDP (2009-2014)



UNDP calculations, based on IMF, World Bank data.

Figure 24—Quarterly trends in remittance outflows from Russia to other CIS, Central Asian countries



UNDP calculations of year-on-year trends, based on CBRF data for remittances sent from Russia via money transfer operators.

At present, however, migration and remittance flows in the less wealthy Central Asian countries are facing more immediate pressures associated with the 2014-2015 economic downturn in the Russian Federation and Kazakhstan, as well as tighter enforcement of migration regulations in Russia. As the data in Figure 23 show, after four years of solid increases, the ratio

of remittance inflows to GDP in 2014 registered a sharp decline (from 49% to 41%) for Tajikistan, with more moderate declines reported for the Kyrgyz Republic (from 31% to 30%) and Uzbekistan (from 12% to 9%). As the preliminary CBRF data in Figure 24 show, these declines were driven by sharp breaks in remittance outflows from the Russian Federation. After remaining relatively stable during the first half of 2014, these data show significant and growing reductions in remittance outflows to CIS countries in general, and to the less wealthy Central Asian countries in particular, during the second half of the year. These reductions accelerated further during the first half of 2015: a 43% decline in Russia's outgoing remittances (to other CIS countries) was reported during this time, with declines in outflows to Uzbekistan, Tajikistan, and the Kyrgyz Republic noted at 48%, 46%, and 31%, respectively. Should these trends continue they could have major implications for prospects for economic growth, external balance, poverty reduction, and human development, in Central Asia—particularly in Tajikistan and the Kyrgyz Republic.

Will these trends continue? Central Asia's longer-term (through 2030) prospects for maintaining the large pre-2014 remittance (and their associated migration) flows can be considered in terms of three inter-related factors:

- 1) The extent to which the legal frameworks regulating labour migration in the Russian Federation (and, to a lesser extent, Kazakhstan) seek to accommodate, or discourage, these flows;
- 2) Demographic and labour market trends in Russia and Central Asia; and
- 3) Overall economic conditions and trends in these countries.

In the longer term (i.e., until 2030), the impact of these trends on Central Asian remittances (and, implicitly, migration) can be estimated, as follows.

Regarding factor (1)—the degree to which legal frameworks regulating migration in destination countries (i.e., the Russian Federation, Kazakhstan) seek to accommodate, or discourage, migration flows—the Russian Federation is attempting to promote deeper economic integration with the Central Asian (and other CIS) countries. This could provide significant benefits to the less wealthy Central Asian countries (see Box 2). At the same time, in order to better regulate migration policy, Russia in 2014-2015 tightened requirements for migrant workers, which can be expected to increase their irregular character and reduce their (registered) volumes. The actual decline in migration flows could therefore be less than the official statistics would suggest.

As explained below, the introduction of new legal requirements for labour migrants in the Russian Federation, combined with stricter implementation of these (and other) requirements, resulted in 2014 in “re-entry bans [and] blacklisting of at least 43,000 Kyrgyz and 202,000 Tajik nationals with even larger groups at risk in the near future”.²⁵

The legal and economic benefits of free movement of labour within the EaEU should now become accessible to the Kyrgyz Republic, which joined the EaEU in August 2015. The possible EaEU accession of Tajikistan and Uzbekistan (which at present seems rather less likely) in the years to come could likewise produce similar benefits for workers from these countries. However, these liberalizing tendencies are at present offset by the tightening of Russia's migration regime introduced in 2014-2015 (at least for Tajikistan and Uzbekistan).

²⁵ IOM (2015), p. 15; see also IOM (2014). Recent press reports point to a softening of these re-entry bans (see Radio Azattyk (2015) and Radio Ozoda (2015)).

Box 2—Labour migration within the Eurasian Economic Union

“By joining the . . . Eurasian Economic Union, we will significantly ease the conditions of our citizens working both in Kazakhstan and Russia. These are at least 500,000 people. Each of these feeds at least 3-4 others at home. This means that two million citizens of Kyrgyzstan will definitely get only positive impact from integration.”—Almazbek Atambaev, President of the Kyrgyz Republic, December 2014 (Negoitsa, 2014)).

The free movement of labour is one of the founding principles of the Eurasian Economic Union (EaEU), which came into existence in January 2015.²⁶ Migrant workers from Armenia (as well as Kazakhstan and Belarus) do not need to obtain special permission in order to be legally employed in the Russian Federation. Additional benefits include:

- *The mutual recognition of diplomas from higher education institutions within EaEU countries is supposed to be automatic. This should further deepen labour market integration within the EaEU, and provide tangible benefits for hundreds of thousands (at least) of (relatively skilled) labour migrants from these countries.*
- *The children of labour migrants from other EaEU member states living with the migrant in the EaEU country of employment have the right to attend kindergarten and other education institutions in accordance with the national legislation of the host member state.*
- *Labour migrants from other EaEU member states and family members have the same rights to social security benefits (except for pensions²⁷) as do citizens of the host member state.*
- *Labour migrants and their family members from other EaEU member states have the same rights concerning access to emergency medical services as citizens of the host member state.*

These benefits are expected to be extended to Kyrgyzstani citizens, following the Kyrgyz Republic's EaEU accession in August 2015.

In our projections for 2015-2030, we assume that these two trends on balance cancel each other out. That is: we assume that changes in the extent to which legal frameworks seek to accommodate, or discourage, migration flows from the Kyrgyz Republic, Tajikistan, and Uzbekistan to the Russian Federation and Kazakhstan do not have a significant effect on the actual (informal as well as formal) scale of these flows. This assumption is rather conservative in nature, as some studies anticipate significant increases in labour migration resulting from the EaEU accession (actual or potential) of the Kyrgyz Republic and Tajikistan.²⁸ It also implies that reductions in reported labour migration from Central Asia to Russia are largely offset by increases in irregular migration from the Kyrgyz Republic, Tajikistan, and Uzbekistan to the Russian Federation and Kazakhstan.

The impact of factor (2)—demographic and labour market trends in the Russian Federation and the four Central Asian countries—can be estimated on the basis of: (a) demographic projections provided by the United Nations Department of Social and Economic Affairs' Population Division (for changes both in population overall and in the working age

²⁶ The Eurasian Economic Union Treaty, which came into force on 1 January 2015, “confirms the creation of an economic union that provides free movement of goods, services, capital and **labour** [italics added] and pursues coordinated, harmonized and single policy in the sectors determined by the document and international agreements within the Union.” Source: Eurasian Economic Commission <http://www.eurasiancommission.org/en/nae/news/Pages/01-01-2015-1.aspx>

²⁷ Provision of pension for workers from the member states and their family members is regulated by the legislation of the country of permanent residence as well as with separate international agreement between member states.

²⁸ Vinokurov and Pereboyev (2013) find that the Kyrgyz Republic's accession to the Single Economic Space (the EaEU's predecessor) would boost labour migration to the Russian Federation by some 3-4%, while Tajikistan's accession would boost labour migration to the Russian Federation by some 10-15%. A similar note is struck in Denslova, Malokostov, and Turdyeva (2013).

population);²⁹ and based on this (b) projections/extrapolations of pre-2015 data for the numbers of “jobless” working-age individuals in these countries. The impact of factor (3)—overall economic trends in these countries—can be forecast by extending post-2015 projections/forecasts for per-capita gross national income (in purchasing-power-parity terms) for these countries until 2030. These can be developed on the basis of World Bank World Development Indicators per-capita GNI data (through 2013, using 2011 PPP exchange rates),³⁰ and April 2015 IMF World Economic Outlook estimates/forecasts for growth in per-capita GDP (in PPP terms, also using 2011 exchange rates) for 2014-2020.³¹

The uncertainties present in such a forecasting exercise can be addressed by constructing scenarios based on different assumptions about the relative strengths of the migration drivers. A **maximalist** migration scenario, under which demographic and economic factors ((2) and (3) above) are quite conducive to continuing large migration and remittance flows, is therefore presented. This scenario makes use of UNDESA demographic projections showing: (i) strong growth in the working-age population in the Kyrgyz Republic, Tajikistan, and Uzbekistan—accentuating the “push” of labour migrants out of these countries; combined with (ii) weak growth in the working-age population in the Russian Federation and Kazakhstan—reducing domestic labour-market supply and accentuating the “pull” for migrants to these countries.

Projections for annual per-capita GNI growth during 2014-2020 under this scenario are set equal to the annual per-capita GDP growth rates for those years, as presented in the IMF’s April 2015 World Economic Outlook. Projections for annual per-capita GNI growth during 2021-2030 are set equal to the 2014-2020 average annual per-capita GDP growth rates (as forecast by the IMF’s April 2015 World Economic Outlook) for the Kyrgyz Republic, Tajikistan, and Uzbekistan. This rate, which is relatively low due to the projected impact of the regional economic downturn in 2014-2016, would be expected to produce relatively slack labour market conditions and weak income-generation opportunities in these Central Asian countries—thereby accentuating the “push” of migrants out of these countries to Russia and Kazakhstan. For the Russian Federation and Kazakhstan, projected annual per-capita GNI growth during 2014-2020 is set equal to the per-capita GDP growth rate for these countries in 2020, as forecast by the IMF’s April 2015 World Economic Outlook. This rate, which is relatively high (compared with the 2014-2020 average annual per-capita GDP growth rates, due to the projected impact of the 2014-2016 economic downturn in these countries), would be expected to produce relatively tight labour market conditions and more opportunities for migrants in these countries—thereby accentuating the “pull” of migrants to Russia and Kazakhstan from the Kyrgyz Republic, Tajikistan, and Uzbekistan.

A **minimalist** migration scenario can also be constructed, reflecting demographic and economic factors that are significantly less conducive to continuing large migration and remittance flows. This scenario makes use of UNDESA demographic projections showing much slower growth in the working-age population in the Kyrgyz Republic, Tajikistan, and Uzbekistan—thereby weakening the “push” of migrants out of these countries; and relatively strong growth in the working-age population in the Russian Federation and Kazakhstan—thereby increasing domestic labour-market supply and weakening the “pull” for migrants to these countries.

Projections for annual per-capita GNI growth rates during 2014-2020 are set equal to the annual per-capita GDP growth rates for those years, as presented in the IMF’s April 2015 World Economic Outlook. Projections for annual per-capita GNI growth for the Kyrgyz Republic, Tajikistan, and Uzbekistan during 2021-2030 are set equal to the per-capita GDP growth rates for 2020 for these countries as forecast by the IMF’s April 2015 World Economic Outlook. This rate, which is relatively high (compared with the 2014-2020 average annual per-capita GDP growth rates, due to the projected impact of the 2014-2016 regional economic downturn), would be

²⁹ <http://www.un.org/en/development/desa/population/publications/database/index.shtml>.

³⁰ <http://data.worldbank.org/indicator>.

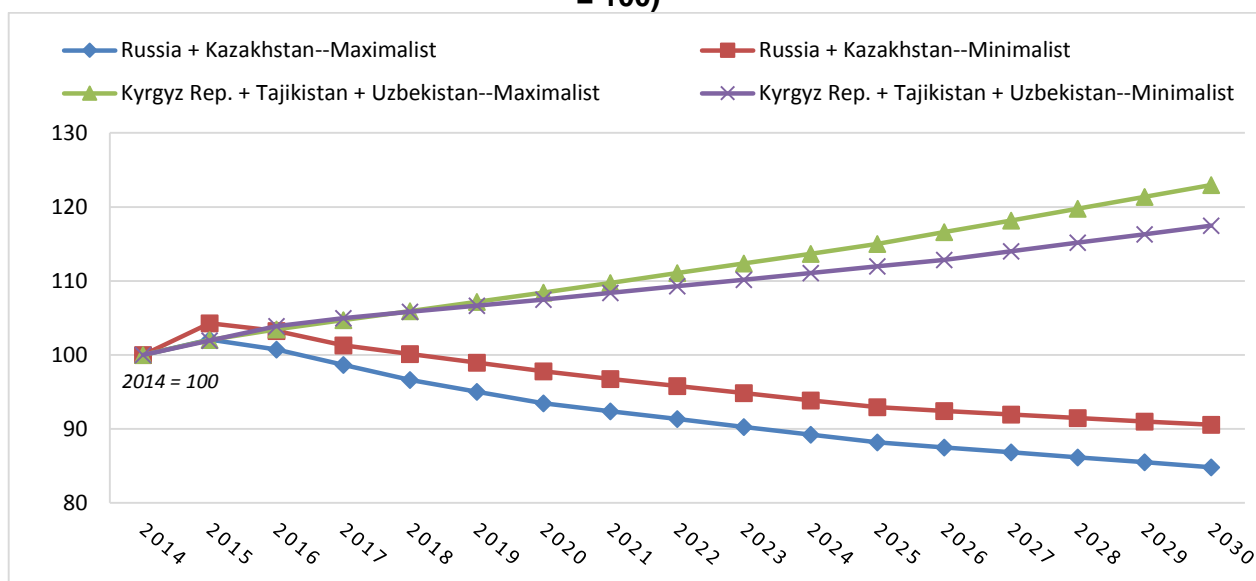
³¹ <http://www.imf.org/external/pubs/ft/weo/2015/01/weodata/index.aspx>.

expected to produce relatively good labour market conditions and income-generation opportunities for actual and prospective migrants in these countries—thereby reducing the “push” of migrants to Russia and Kazakhstan. For the Russian Federation and Kazakhstan, annual per-capita GNI growth rates for 2021-2030 are set equal to the annual per-capita GDP growth rates forecast for these countries in 2016. This rate, which is relatively low, due to the projected impact of the regional economic downturn in 2014-2016, would be expected to produce relatively slack labour market conditions and fewer opportunities in these countries—thereby weakening the “pull” for labour migrants to these countries from the Kyrgyz Republic, Tajikistan, and Uzbekistan.

An *intermediate* migration scenario, which essentially splits the difference between the maximalist and minimalist scenarios, can also be constructed.

These scenarios suggest three major conclusions for the longer-term sustainability of labour migration and remittance flows. First, ***there is every reason to believe that migration and remittance flows for the less wealthy Central Asian countries will continue to be quite significant during the 2014-2030 period overall.*** Even under the “minimalist” migration scenario, the numbers of jobless workers (i.e., individuals in the 15-64 age cohort who are either unemployed or not in the domestic labour force) in the Kyrgyz Republic, Tajikistan, and Uzbekistan increase by 17% during the 2014-2030 period (Figure 25). By contrast, despite the impact of the 2014-2015 economic downturn, the numbers of jobless workers in the Russian Federation and Kazakhstan in 2030 are some 9% below 2014 levels. Under the “maximalist” migration scenario, the numbers of jobless workers in the Kyrgyz Republic, Tajikistan, and Uzbekistan increase by 23% during 2014-2030, while the numbers of jobless workers in the Russian Federation and Kazakhstan in 2030 are some 15% below 2014 levels. (Under the “intermediate” scenario, these numbers are 20% and -12%, respectively.)

Figure 25—“Joblessness”* trends in Central Asia, Russian Federation, 2014-2030 (2014 = 100)



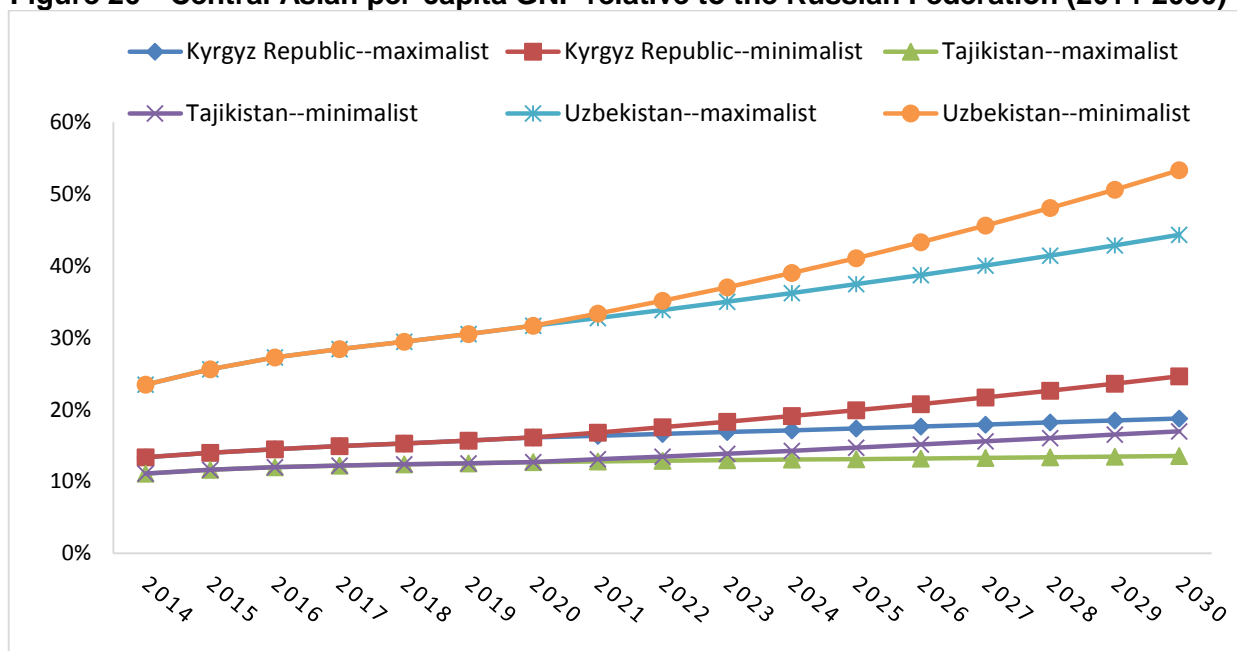
* Numbers of individuals between the ages of 16 and 64 not classified as employed.

UNDP calculations/forecasts, based on World Bank World Development Indicators, and UNDESA population data/projections.

Thus, if the future demographic and national account projections of UNDESA’s Population Division and the IMF’s World Economic Outlook are credible, then the declines in migration and remittance flows reported during late 2014 and early 2015 offer a misleading guide to the future. Long-run development planning efforts in these countries should therefore anticipate the continuation of labour migration and remittance flows in magnitudes that are broadly similar to their “pre-crisis” dimensions (at least, through 2030).

Second, while this conclusion applies to all three of the less wealthy Central Asian countries, it would seem to be particularly robust for the Kyrgyz Republic. Even if the impact of the country's EaEU membership is held in abeyance, the Kyrgyz Republic's long northern border with Kazakhstan (and especially with the relatively prosperous Almaty area) create favourable prospects for Kyrgyzstani cross-border migrant labour that are not present (to the same extent) in Tajikistan and Uzbekistan. By contrast, this conclusion would seem to be less robust for Uzbekistan. This in part reflects IMF projections for strong per-capita income growth in Uzbekistan: as Figure 26 shows, Uzbekistan's per-capita GNI (in purchasing-power-parity terms) is forecast to rise during 2014-2030 from 23% of per-capita GNI in the Russian Federation to 44% in the "maximalist" migration scenario, and to 53% in the "minimalist" scenario. These ratios are more than double what is forecast for the Kyrgyz Republic and Tajikistan. Tashkent's disinterest in EaEU accession may also suggest the more cautious application of this conclusion to Uzbekistan. Still, even the "minimalist" migration scenario anticipates a 13% increase in the numbers of jobless workers in Uzbekistan during 2014-2030. (The "maximalist" scenario anticipates a 19% increase in the numbers of jobless workers in Uzbekistan during this time.)

Figure 26—Central Asian per-capita GNI* relative to the Russian Federation (2014-2030)



UNDP calculations and forecasts, based on data from World Bank World Development Indicators, IMF-World Economic Outlook databases.

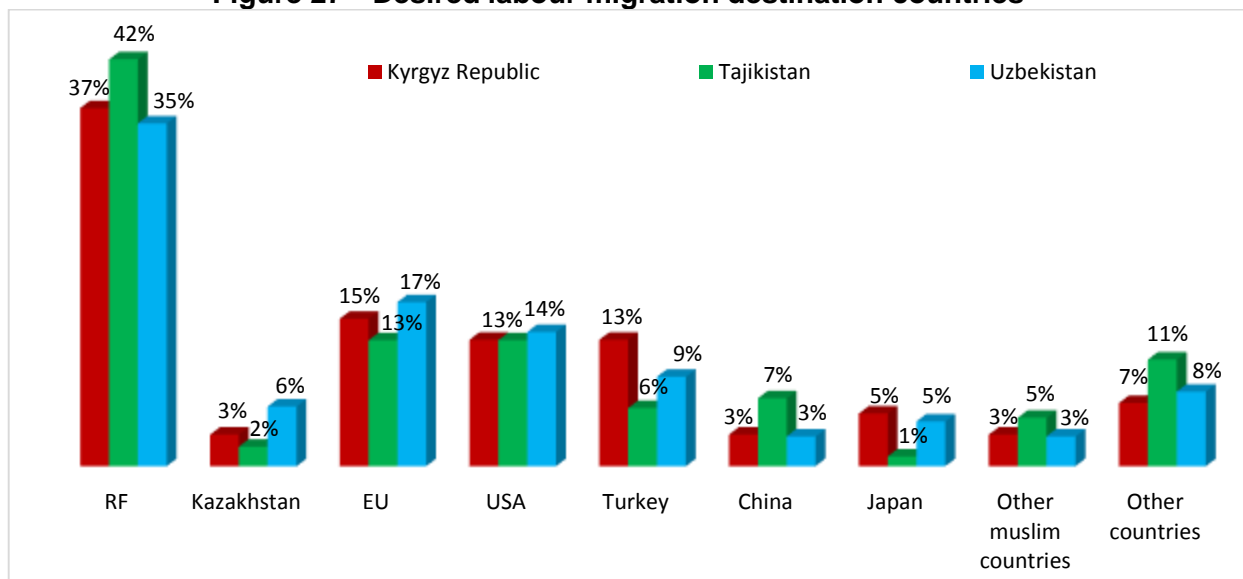
* Measured in 2011 PPP exchange rates.

Although Tajikistan is not an EaEU member state, its labour market is deeply integrated with the Russian Federation's. Moreover, extrapolation of relatively modest IMF-WEO projections for per-capita income growth combined with relatively high UNDESA population growth projections leads to large projected growth in the numbers of jobless workers during 2014-2030 for Tajikistan. These range from 28% in the minimalist scenario to 41% in the maximalist scenario. While the evidence linking poverty reduction to migration and remittances in Tajikistan is not as strong as it is in the Kyrgyz Republic, the evidence that is available underscores the importance of continuing efforts to improve the conditions in which Tajikistani migrants work in the Russian Federation (and Kazakhstan).

Third, even if overall migration flows from the less wealthy Central Asian countries to the Russian Federation and Kazakhstan do regain their pre-2014 dynamism after 2016, they could still undergo important demographical and gender changes. In particular, the projected shrinkage and aging of the Russian labour force could open up new opportunities for labour migrants

working as doctors, nurses, assisted living care givers, and other providers of social services needed by the elderly. As these professions are more likely to be staffed by women, the gender balance of migrants from Central Asia working in the Russian Federation could be much closer to the global 50/50 ratio than the balance seen today (see Box 4; see also UNDESA, 2013).

Figure 27—Desired labour migration destination countries



UNDP calculations, based on data presented in EDB (2014b) (survey responses to question T10).³²

In the longer term, of course, there are no guarantees that current patterns of external migration from Central Asia will persist. Some common cultural, linguistic, and historical legacies may fade with over time (the Central Asian countries will observe a quarter century of independence in 2016). Moreover, some survey data indicate that Central Asians' migration intentions may differ significantly from actual practice. A 2014 EDB Integration Barometer survey found that 60-65% of the respondents in the Kyrgyz Republic, Tajikistan, and Uzbekistan who would like to temporarily work abroad would like to do so in countries other than the Russian Federation and Kazakhstan, if the opportunity should appear (Figure 27). The European Union, the USA, and Turkey figured particularly prominently as desired labour migration destinations.

However, IOM focus group research (IOM 2015, pp. 12, 33) indicates that, due to such factors as distances, costs, pre-existing migration networks, policy regimes in other destination countries, as well as language and cultural, labour migration outflows from the less wealthy Central Asian countries are unlikely to quickly align with these apparent preferences. Still, in the longer term (particularly after 2030), labour migration from these countries could increasingly be directed to Turkey, Europe, and elsewhere.

³² Eurasian Development Bank Centre for Integration Studies (2014b). The data in the above chart only show the desired destinations of those respondents who revealed a tendency to migrate. Question T10: "In which countries would you like to work temporarily if you had an opportunity?" (see full version of the report in Russian, published on the EDB website).

Labour migration, remittances, and the non-income dimensions of human development

Human development perspectives on migration and remittances underscore the importance of going beyond officially reported data and their associated macroeconomic and income-related implications, in order to explore the full consequences (both good and bad) for people (Melde, 2012). In many respects, migration and (monetary) remittance flows clearly help people to fully realize their human potential. (See Table 1 for a full listing of the human development pluses and minuses associated with labour migration and remittances.) In addition to reducing income poverty and boosting private consumption and investment (i.e., housing construction), migration and remittances can also support household investments in education and health, thereby reducing infant, child, and maternal mortality.

Table 1—Migration and remittances in Central Asia: Human development pluses and minuses ³³	
Pluses	Minuses
Income dimensions of human development	
Reductions in income poverty in migrants' source countries	Value added associated with output/sales generated by migrant labour "lost" to migrants' countries of origin ³⁴
Support to balance of payments, labour markets, overall economic activity	Informality reduces formal sector financial flows, current fiscal revenues
Support to local economies, construction sectors	Longer-term threat to fiscal sustainability of pension systems in migration source countries
Provision of start-up, working capital for small businesses	"Dutch disease": Large remittance flows may put undesirable pressures on the real exchange rate and reduce the competitiveness of goods and services exports; they may also weaken policy makers' interest in alternative growth, development strategies
Boosts competitiveness, smooths labour markets in migration destination countries (macro), especially construction, transport, and service sectors	
Other dimensions of human development	
Better financial access to quality health, education, and other social services for migrants' families	Increased risk of contracting/spreading HIV/AIDS, TB, other communicable diseases
Skills acquisition by migrants in destination countries ("brain gain", "social remittances")	Health risks associated with difficult conditions in which migrants live (e.g., overcrowded dwellings)
Migration, remittance incomes promote self-reliance, individuals' abilities to solve their own problems	Health/mortality risks associated with sometimes dangerous, difficult conditions in which migrants work
Remittances can boost local socio-economic development prospects (if they can be attracted from the informal sector)	Risks of exploitation, trafficking, abuse associated with the irregular migration flows
Opportunities for social, cultural, and economic self-realization abroad, which may be absent at home	Migration as "fashion", which in fact limits opportunities for self-realization
	Threats to cultural values, traditions, social cohesion in both source and destination countries
	Reduced access to social protection in destination countries
	"Brain drain"
	Socio-psychological strains on migrants families ("SMS divorces", children growing up without parents (UNICEF, 2011), etc.). Many of these strains are born disproportionately by women.

³³ For a fuller treatment, see United Nations Development Programme (2009).

³⁴ These are benefits to the migration destination country, however.

	Informality may (further) degrade rule of law, quality of labour-market governance in migration destination countries (“race to the bottom”?)
	Increased risk of political radicalization by disappointed migrants (International Crisis Group (2015), Kramer (2015))

Such investments can also have positive medium- and long-term impact on local economies, in the form of improved human capital, more vibrant small businesses (benefitting from start-up and working capital provided by remittances), and stronger local competitiveness. Migration may also offer access to improved medical services in host countries. A majority of the respondents to a survey conducted in Tajikistan during 2010-2011 reported that the income provided by remittances within their households had improved children’s access to health services (UNICEF, 2011, p. 50). Within Central Asia, a 2010 ILO study found that migrant households in 2008 devoted 20% of their remittance incomes to health care, and another 10% to education (ILO, 2010a). This may have contributed to the reductions in maternal, child, and infant mortality reported in the region.

Box 3—Migrant labour and unemployment in the Russian Federation

The number of officially reported unemployed workers in the Russian Federation is currently in excess of 4 million people. Under such circumstances, why should labour migration be viewed as desirable, or permissible? Don’t migrants take jobs away from Russian citizens?

Studies conducted by Russian specialists in Russian cities with high concentrations of migrant workers indicate that their presence does not, as a rule, increase unemployment among the local population (Metlev, 2006, p. 101; Ryzantsev, 2007, p. 45; Ryzantsev, 2004, pp. 161-195; Tyuryukanova, 2004, pp. 85-104). Moreover, comparisons of regional unemployment rates with the share of migrant workers in total regional employment do not show a direct correlation between the two. Only 7% of the respondents in a recent survey reported incidents of unsuccessful (for them) competition with migrants for employment in Moscow (Centre for Migration Research, 2014, p. 36). This suggests that foreign workers are mainly engaged in types of work that Russian citizens, for one reason or another, are unwilling to fill (Centre for Migration Research, 2014, p. 37; Iontsev and Ivakhnyuk, 2012, p. 21).

Before 2009, the data on unemployed and migrant workers in Russia had a “mirrored”, inverse character: Reductions in unemployment rates were accompanied by increases in the numbers of migrant workers. The impact of the global financial crisis on the Russian economy produced a tightening of immigration policy as well as a narrowing the official channels through which migrants could legally work in the Russian Federation. Some research found that the shares of irregular migration rose during this time (Zayonchkovskaya and Tyuryukanova, 2010, p. 21). Despite paying large fines, employers expanded informal hiring schemes during this time—particularly for foreign workers, who were less likely to assert their rights (IOM, 2009b, p. 35).

These trends led Iontsev and Ivakhnyuk (2012) to argue that (as in many other developed economies) migrant workers play a “buffer” role on the Russian labour market: they are the first to lose their jobs when an economic downturn reduces the demand for labour.

Improved education outcomes for children and family members in remittance-receiving households have likewise been confirmed by a large body of research: one 2011 global study found that remittances allow “poor families can keep their children in school longer” (Levitt and Lamba-Nieves, 2011). Studies have found that remittance-financed investments in children’s education can increase educational attainment among girls, thereby opening up future opportunities for young women (IOM, 2010). A 2014 ILO study in Moldova found that children/individuals in remittance-receiving households benefit from higher levels of expenditures

on education. They are also more likely to continue their studies after completing secondary school, to attend universities (as opposed to vocational or technical schools), and to enjoy a better selection of career opportunities (Sintov and Cojocar, 2014).

Box 4—Who are the Central Asian migrants in Russia?

Recent (July 2015) data posted on the Russian Federation Migration Service website offer a snapshot of the gender and age profiles of Central Asian migrants in the Russia. In particular:

- *Citizens of the Kyrgyz Republic, Tajikistan, and Uzbekistan comprise about a third of the registered migrants in Russia. (If citizens of Kazakhstan and Turkmenistan are added, this “Central Asian” share rises to 40%.)*
- *Migration flows to Russia from Tajikistan and Uzbekistan are dominated by men, who comprised 84% and 82% of the total numbers of registered migrants from these countries, respectively.³⁵ By contrast, women constitute larger shares of migrants from the Kyrgyz Republic (39%), as well as from Kazakhstan (42%). (Women constituted 32% of the total number of migrants in the Russian Federation at this time.) Men from Uzbekistan accounted for nearly one in four (24%) of all registered migrants in Russia.*
- *The age profiles of migrants also differ by country. Whereas 92% of the migrants from Uzbekistan (and 88% from Tajikistan) were between the ages of 17 and 59, the share fell to 81% for migrants from the Kyrgyz Republic, and to 73% for migrants from Kazakhstan. (By way of comparison, migrants between the ages of 17 and 59 constituted 82% of the total number of migrants in the Russian Federation.)*

Data from the National Statistical Committee of the Kyrgyz Republic show that some 60-65% of the migrants from that country came from Bishkek City and Chui region during the 2011-2014 period. These two northern, industrial regions also reported the highest intensity of emigrants (per 1000 inhabitants) during this time; this indicator for Osh City was also above the national average. By contrast, labour force survey data indicate that more than three quarters of Tajikistan’s external migrants in 2004 and 2009 came from rural areas (IOM, 2015, p. 110).

In sum, these data suggest that migrants in the Russian Federation from Tajikistan and Uzbekistan are most likely to be young, male, working in construction (see Figures 29, 30) and—at least for Tajikistan (and, according to anecdotal evidence, for Uzbekistan as well)—come from rural areas. These trends differ significantly from migration patterns globally, where roughly half the migrants are women (UNDESA, 2013). They may also underscore concerns about “abandoned wives” (IOM, 2009a), and about gender imbalances in rural villages, in which young women may be less likely to find eligible husbands or enjoy equal intra-household status after marriage. Rural women may also be forced to take up the hard physical labour that would otherwise be done by the young men who have migrated to Russia or Kazakhstan (Malyuchenko, 2015).

By contrast, the portrait of migrants from the Kyrgyz Republic is more balanced in gender and age cohorts. The urban/rural origins of migrants from the Kyrgyz Republic also seems to be more balanced, with relatively large shares of migrants coming from urban areas. Also, the data shown in Figure 23 suggest that the Kyrgyzstani diaspora in the Russian Federation may be somewhat larger (compared to labour migrants from the Kyrgyz Republic), relative to diasporas from Tajikistan and Uzbekistan.

In contrast with Tajikistan and Uzbekistan, the more balanced, “diversified” nature of migration from the Kyrgyz Republic (in terms of gender, age, and locational characteristics), and the (perhaps) somewhat larger Kyrgyzstani diaspora, may help explain the relatively mild reported declines in remittances to the Kyrgyz Republic from the Russian Federation in 2014.

³⁵ The gender dimensions of migration from Central Asia to Russia therefore differ significantly from migration patterns globally, where roughly half the migrants are women (United Nations Department of Social and Economic Affairs, 2013).

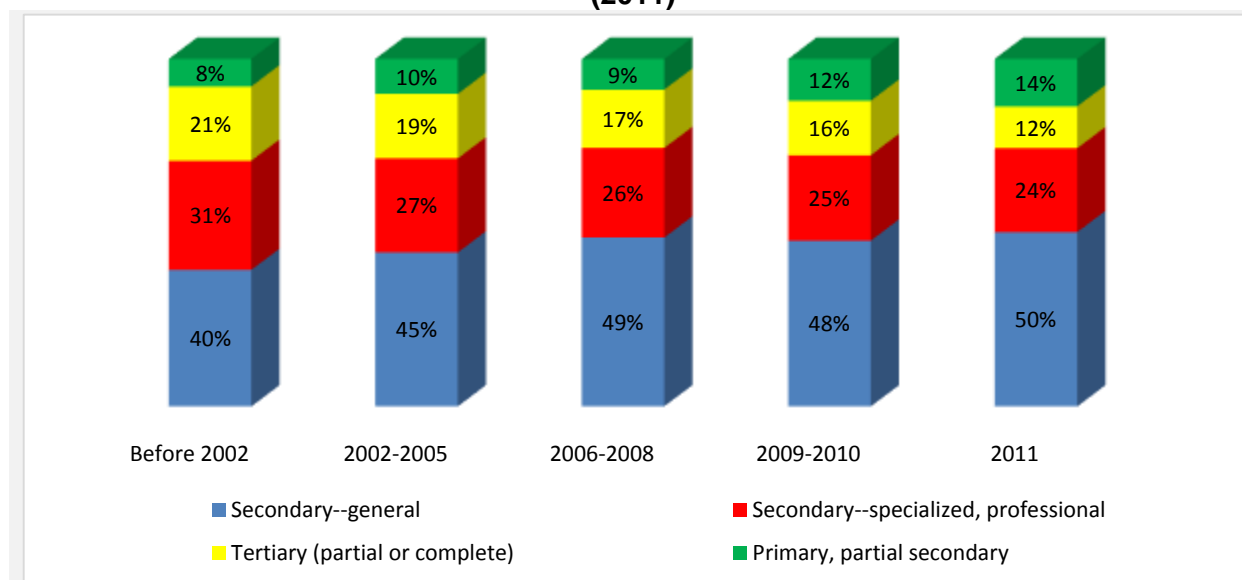
Since expenditures on food and energy alone can absorb more than three quarters of family budgets in less wealthy Central Asian households (UNDP, 2011), these data suggest that remittances can significantly increase vulnerable households' access to health and education services. (While access to education formally remains free-of-charge in Central Asia, many poor families face important out-of-pocket educational expenses. Moreover, access to quality health care in these countries is likewise increasingly determined by household abilities to cover formal and informal out-of-pocket costs.)

Last but not least, migration provides important benefits to destination countries. In 2011, Director of the Russian Federal Migration Service K.O. Romodanovskii reported that migrant labour creates 8% of Russia's GDP (Ryazanstev, 2013, pp. 6-7). Some scholars have argued that migrant workers play a "buffer" role on the Russian labour market, partially shielding Russian workers from the impact of economic downturns (Box 3). In light of Russia's economic importance for neighbouring countries, some of these benefits accrue to third countries (i.e., other than migration source and destination countries).

The human development paradigm also emphasizes looking beyond the aggregates and acquiring deeper, evidence-based understandings of the relevant people and social processes. The expanding body of survey research on migration and remittances in Central Asia, combined with the official data on migration registration in destination countries, make such approaches increasingly possible. On this basis, some of the key features of Central Asian migrants working in the Russian Federation are described in Box 4.

Labour migration in Central Asia also has negative dimensions—for the migrants themselves, their families, and their communities and source countries—as well as their host countries. As is the case in many developing countries, the large numbers of migrants leaving the less wealthy Central Asia countries have generated concerns about possible skills shortages and "brain drains". On the other hand, in addition to supplying their households and local communities with remittances that help reduce poverty, migrants may also acquire skills/human capital (as well as financial capital) that can be put to work back home.

Figure 28—Educational background of migrants surveyed in the Russian Federation (2011)

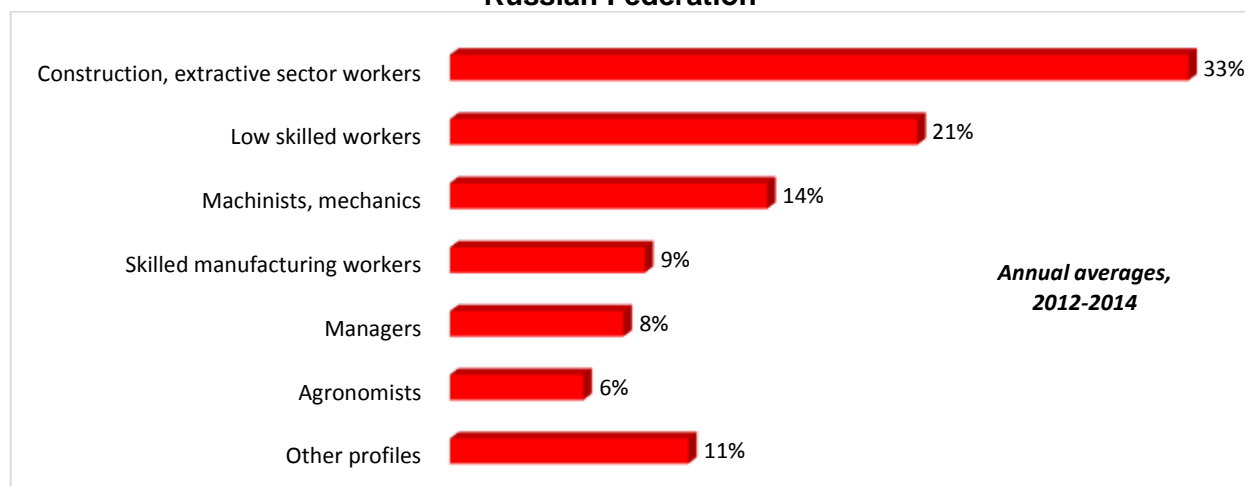


Source: Varshavskaya and Denisenko (2014), p. 65. Dates are for the migrants' first stay in the Russian Federation.

The results of a 2011 survey in the Russian Federation (Varshavskaya and Denisenko, 2014) of some 8500 migrants (nearly three quarters of which were from the Kyrgyz Republic, Tajikistan, and Uzbekistan) point to a number of interesting conclusions in this respect. First, the

share of migrants coming to the Russian Federation for the first time with a higher (tertiary) education background has been dropping—from 21% in 2002 (or before) to 12% in 2011 (Figure 28). The same applies to the share of migrants arriving for the first time to the Russian Federation with specialized (professional, technical) secondary education degrees, which fell from 31% in 2002 (or before) to 24% in 2011. Instead, increases are noted in the shares of workers with only a general secondary education degree (from 40% to 50%), and with only a primary education background (from 8% to 14%).

Figure 29—Sectoral/profile distribution of migrant work permits (quotas) granted in the Russian Federation



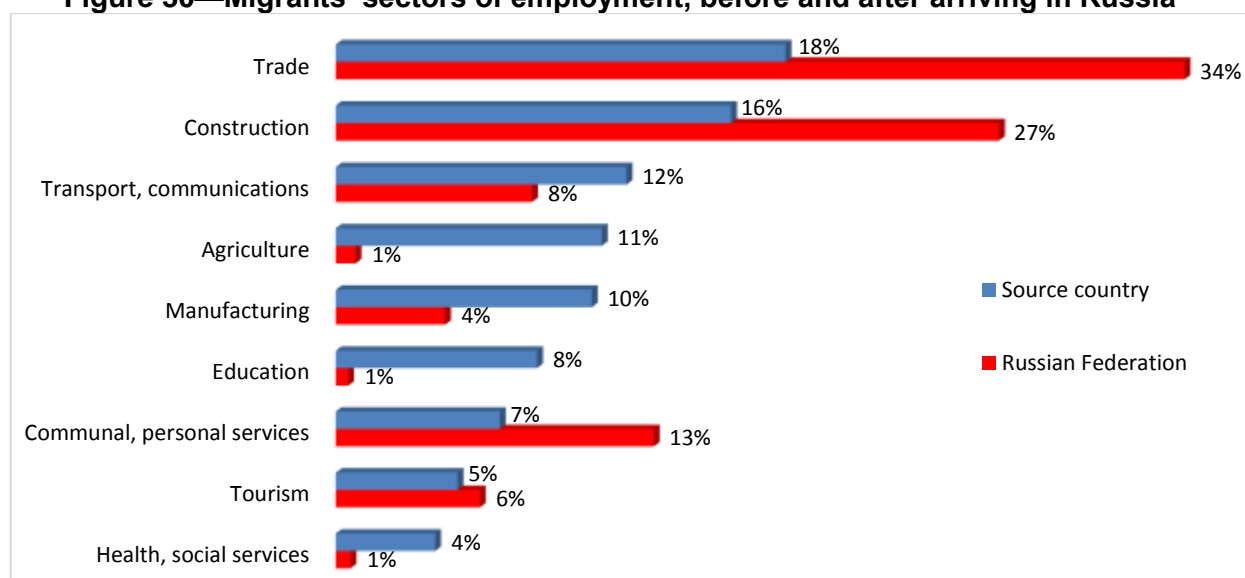
UNDP calculations, based on data from government decrees “On identification of the demand for attraction of foreign workers and approval of the quotas” (2012-2014).

These data suggest that the urgency of “brain drain” concerns may be diminishing with time. They also suggest that the demand for migrant labour in the Russian Federation may increasingly be to fill those jobs whose menial, difficult, or dangerous characteristics makes them unattractive to Russian workers. Such a portrait is reflected in the sectoral distribution of the migrant work permits (quotas) issued by the Russian government during 2012-2014. As shown in Figure 29, more than half of the migrant work permits issued were for labourers in the construction and extractive sectors, and for low-skilled workers. If the share of permits issued for migrants working as machinists and mechanics (i.e., relatively unsophisticated industrial work) is added to this group, the share of permits issued for relatively skilled labour drops to about one third of the total number.

The Varshavskaya-Denisenko data indicate that most migrants arriving in the Russian Federation for the first time do not work in construction (in which 27% of the surveyed migrants reported being engaged) but rather in the service sector (Figure 30). Wholesale and retail trade alone accounted for 34% of initial migrant employment in Russia, with communal and personal services, and transport and communications, responsible for another 13% and 8%, respectively. Moreover, trade, construction, transport and communications, and communal and personal services, were likewise the largest sources of employment for migrant workers in their home countries (understood as their last job before leaving), as well as in Russia. By contrast, agriculture accounted for only 11% of migrants’ last employment at home; manufacturing was responsible for another 10%.

These data suggest that common portraits of the typical Central Asian migrant as a displaced agricultural worker labouring on construction sites may need to be updated. They also suggest that many migrants find work in Russia in the same sectors in which they had been/are employed back home. This may imply some degree of skills acquisition (“brain gain”) in Russia—which could be transferred back to countries of origin.

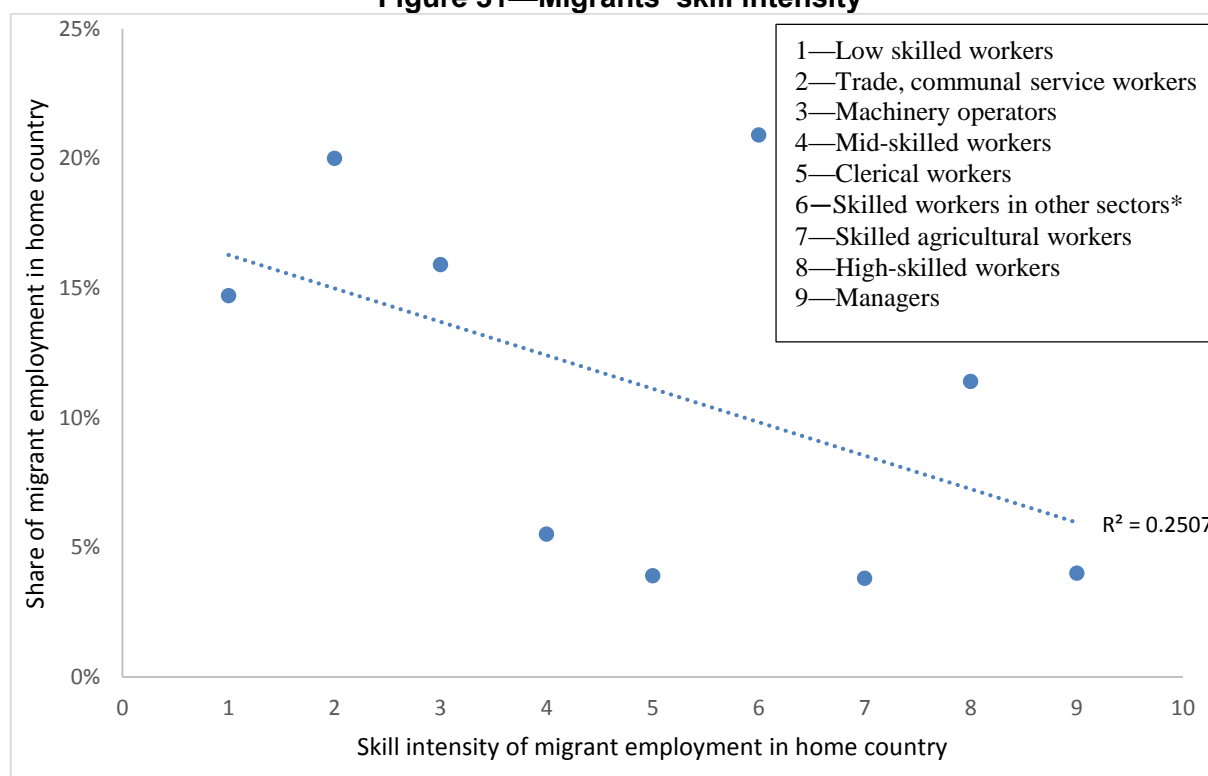
Figure 30—Migrants' sectors of employment, before and after arriving in Russia



Source: Varshavskaya and Denisenko (2014), p. 66.

The data in Figure 30 also suggest that the numbers of workers employed (prior to leaving for Russia) in the manufacturing, health services, and education sectors are not so large, relative to workers from other service sectors, construction, and agriculture. However, they also indicate migrants with work experience in the manufacturing, health services, and education sectors are much less likely to find work in Russia in these sectors than they are in trade or construction. These data support the view that Central Asian migrants tend to work in jobs below their skill levels—and may not be able to make full use of their skills, education, or other forms of human potential.

Figure 31—Migrants' skill intensity



UNDP calculations, based on data from Varshavskaya and Denisenko (2014), p. 69.

* Skilled workers employed in industrial, construction, transport, and communications enterprises.

Finally, the data in Figure 31 indicate that highly skilled workers like managers and agronomists constitute relatively small shares of the total number of Central Asian migrants in Russia. They also suggest a weak but negative correlation between the share of migrant employment by skill groups in the home country (prior to going to Russia) and the extent of those groups' labour market qualifications.

However, data indicating that most migrants in Russia are from relatively low-skilled backgrounds may not be so useful in showing the extent to which skilled Central Asian workers are leaving for Russia. More important would be data on the numbers of skilled workers who remain in their countries of origin, relative to those who migrate to Russia (or other destination countries). In this vein, it is interesting to note that gross enrolment data for the 2003-2012 period reported by UNDP's Human Development Report Office (HDRO) indicate that relatively large shares of the population in the Kyrgyz Republic and Tajikistan have at least some post-secondary education (41% and 22%, respectively). This suggests that the "brain drain" implications associated with the migration of (a given number of) skilled workers may not be so large in these countries. By contrast, these data show that only 9% of the population of Uzbekistan has some post-secondary education background (UNDP 2009, p, 194).³⁶ These HDRO data suggest that "brain drain" concerns in Uzbekistan could be particularly pronounced.

Of course, the potential human development disadvantages of migration go well beyond brain drain concerns. In many respects, these negatives reflect difficulties and challenges that inevitably occur whenever migrants leave behind country and family to undertake long journeys and take up semi-skilled and often physically demanding (sometimes dangerous) labour—often while living in difficult conditions, and interacting with host country institutions and communities that do not fully respect their rights or cultural differences.

Box 5—Diaspora engagement: "What Have We Learned?"

A working paper on diaspora engagement recently issued by the International Centre for Migration Policy Development (2015) highlights the following global lessons learned:

- **"Get to know your diaspora."** Governments in both migration source and destination countries need better information about the socio-economic status, ethnicity, gender, age, educational background, needs, reasons for migrating, and cross-border linkages of their diasporas. This information, which can be obtained via desk research, surveys, and consultations, can make possible the compilation of policy-relevant diaspora profiles.
- **"Invest in capacity development for working with diasporas"**, particularly in terms of gathering and analysing the data in diaspora profiles. This involves working both with government agencies (e.g., embassies, consulates, migration services, national statistical offices) and with think tanks, researchers, employers, and civil society experts.
- **"Inter-ministerial coordination is a must"**, in both migration source and destination countries, for effective government engagement with diasporas. Inter-ministerial working groups within countries, and peer-to-peer exchanges between source and destination countries, can be particularly useful.
- **"Support organizations representing diasporas."** Civil society groups that help identify and engage diaspora members can play valuable policy-design and implementation roles, particularly concerning data collection, and in the effective enforcement of migration, labour market, and social protection legislation.
- **"Create fora for regular, institutionalized contacts and cooperation between governments and diaspora."** In addition to information sharing and better communications, such fora (e.g., the Dushanbe Diaspora Forum in 2014) can serve as "one-stop shops" for job-placement, counselling, and other services needed by diaspora members and labour migrants.

³⁶ Of course, such data do not provide information about the quality of tertiary education in these countries.

In other respects, however, Central Asian migrants face challenges specific to their countries of origin and destination, as well as to the links between them. Many Central Asian labour migrants do not have full command of Russian (or Kazakh); nor are they familiar with their legal rights or cultural traditions in the destination countries. A 2008 ILO-commissioned survey found that migrants' insufficient knowledge of employment regulations, and of their own rights, made "exploitation and infringement on the migrants' rights" possible (Sultanov and Abishev, 2014). A recent IOM report cites survey results showing how their irregular legal status in the Russian Federation exposes Tajikistani migrant workers to fraudulent schemes perpetrated by the intermediary agencies facilitating applications for work and residence permits (IOM, 2015, p. 32). An IOM-assisted 2014 survey among Tajikistani migrants found that, even though they enjoy visa-free entry into the Russian Federation, many fail to take the measures needed to extend their legal stay beyond the 90-day deadline. This report concluded that the lack of awareness about the regulations in force is the main cause of deportations—two-thirds of the surveyed migrants reported that they believed they were in full compliance of the relevant residence requirements.

The false information that is sometimes supplied by these intermediary firms puts migrants at risk of prosecution and deportation. A 2013 OSCE report found that "in the Russian Federation, labour migrants from Kyrgyzstan obtain permits through intermediary firms . . . [which] significantly increases the cost of legalization and does not guarantee the authenticity of documents . . . KR [Kyrgyz Republic] migrants often become victims of semi-criminal structures, including immigrants from the KR selling forged permits. In order to be officially legalized a migrant must have at least 30,000 roubles (about \$1,000 at that time) when arriving in to Moscow. Most migrants do not have such funds and automatically fall into the category of illegal migrants with all the ensuing consequences" (OSCE, 2013). The activities of these intermediary agencies combined with the absence of formal employment contracts make common migrant allegations of non-payment (in part or in full) of salaries by employers difficult to redress in court.³⁷ In addition to stricter sanctions for intermediary agencies that engaged in fraudulent migrant employment practices, these problems point to the need for licensing, and capacity development for, employment companies (and NGOs) that can work with migrants, as well as for employers, government agencies, trade unions, and diasporas (Box 5) in order to help regularize migration flows. National efforts to accelerate ratification of ILO Convention 181 (on private employment agencies),³⁸ and the broader application of the IOM's International Recruitment Integrity System,³⁹ (as well as of other "ethical recruitment" frameworks) could be extremely useful.

Other socio-economic concerns include inadequate housing: a recent survey found that 40% of the labour migrants in Moscow live in "abandoned factories, basements, and trailers" (Centre for Migration Research, 2014, p. 47), or in other non-residential buildings lacking basic amenities. Complaints about long hours and unsafe working conditions also appear in survey research: a 2005-2006 study conducted by the Russian Academy of Sciences Institute for Socio-Political Research found that Tajikistani migrant workers laboured up to 12 hours a day (with no breaks), and that the average work week exceeded 75 hours. A 2008 ILO-commissioned survey found that the majority of the Tajikistani and Kyrgyzstani migrant workers in southern Kazakhstan lived in overcrowded premises: 17% of respondents reported sharing a room with seven or more people; while 64% reported sharing a room with three to six others. A 2013 OSCE report found that large numbers of migrants in Russia live packed together in such dense living conditions that

³⁷ When queried in a recent survey, 83% of respondents who hired migrant workers in Moscow admitted to not using formal, written contracts (Centre for Migration Research, 2014, pp. 42-43).

³⁸ Other relevant ILO conventions and international instruments on protection of migrant workers include the Migration for Employment Convention 97 (which has been ratified by the Kyrgyz Republic and Tajikistan); and the ILO Migrant Workers (Supplementary Provisions) Convention 143 (which has been ratified by Tajikistan), and their accompanying Recommendations 86 and 151. The ILO has also developed a Multilateral Framework on Labour Migration containing guidance and good practices to promote social integration and inclusion. These instruments emphasize the key roles that should be played by social partners in promoting tripartite approaches and social dialogue on labour migration policy development and implementation.

³⁹ See <http://iris.iom.int/about-iris>. For more information on the regulation of private employment agencies (for migrants) in Ukraine, see Vakhitova (2013).

conflicts result among the migrants themselves—often with ethnic overtones, and sometimes with fatal consequences (OSCE, 2013).

These substandard living conditions in turn may contribute to health hazards, especially respiratory illnesses, including tuberculosis. This is apparent in epidemiological data for Central Asian migrants: the latest UNAIDS report from Tajikistan indicates that almost 10% of new HIV cases reported in 2014 were in returning migrants. Likewise, the measured HIV infection rate among migrants returning to Uzbekistan in 2014 doubled in comparison with 2013 (Government of Tajikistan, 2015, p. 12; Government of Uzbekistan, 2015, p. 13).

Social costs are also apparent in the growing body of research on trafficking and other forms of criminality associated with labour migration in the Russian Federation⁴⁰ and Kazakhstan, and in distressingly common reports of exploitation, serious injuries, or fatalities occurring among Central Asian migrants in destination countries. Finally, regular police raids, involving fabricated claims against migrants, prejudice and even brutality, are regularly reported by migrants. A recent study of popular attitudes concerning migration in Moscow revealed that 44% of migrant respondents were afraid of encounters with police—twice as high as the share of migrants who admitted to fearing encounters with skinheads (Centre for Migration Research, 2014, pp. 67-68).

Survey research conducted in 2012-2013 by the Russian Academy of Sciences' Institute for Socio-Political Research among some 400 labour migrants from Tajikistan living in Moscow City and Moscow region (and their spouses, most of whom remained at home) indicates that labour migration patterns are having an impact on matrimonial and family relationships in Tajikistan. For one thing, the survey data indicate that the extensive outmigration of young men may be increasing the average age at which men marry, and reducing birth rates, in Tajikistan. Also, after migrating and spending significant amounts of time in Russia, these young men's views on family relationships and marriage may be changing. In addition to delaying marriage and fatherhood, the survey data indicate that migrant workers from Tajikistan more frequently change sexual partners and are more likely to divorce.

A 2009 IOM study found that up to one third of the married men who leave Tajikistan for migrant labour abroad do not return home (International Organization for Migration, 2009a)—and that, once “abandoned”, their wives face grave difficulties remarrying (owing to the stigma of divorce). Moreover, if their marriages were not formally registered with the civil authorities, these women may not have legal claims upon their (former) husbands' property or rights to child assistance payments. Survey research conducted by UNICEF 2010-2011 on the effects on the “children left behind” by migrating parents also highlights the deleterious impact of migration on family structures in Tajikistan. This study found that, even in households where the remittances sent by migrants were seen as having an overall positive effect, “children are often affected negatively by the absence of a parent, with a particular impact on their psycho-social well-being” (UNICEF (2011), p. x).

About half of the married respondents participating in the Russian Academy of Sciences' Institute for Socio-Political Research survey reported having sexual relations with partners other than their spouses—suggesting important shifts in the sexual behaviour of labour migrants from Tajikistan. In addition to commercial sex services (the use of which was reported by about 35% of the migrant workers surveyed), the frequency of “temporary wife” or “guest marriage” customs—under which male migrants cohabit or set up parallel families with Russian or migrant women in the Russian Federation—seems to likewise be growing. Not surprisingly, 9% of Tajikistani labour migrants reported contracting sexually transmitted diseases during the past three years; such reports were made by 11% of the migrants' family members in Tajikistan. Moreover, even when migrant spouses are in Russia together, financial conditions may force husband and wife migrants to live separately, or to share an apartment with up to ten other people.

⁴⁰ See, for example, Ryazantsev, 2015, 2012; and Kolesnichenko 2012.

Survey respondents confirmed that such circumstances can damage spousal relations and lead to searches for new partners.

These data also point to physical and psychological health concerns. Virtually all respondents surveyed reported more frequent health concerns; 60% reported more serious misunderstandings and psychological problems in family relationships; and 13% reported more frequent conflicts and scandals due to the husband's long absence. About 40% of partners in Tajikistan reported problems with educating their children. Combined with the fact that only about 10% of the married migrant workers surveyed were visited by their spouses during their work in Russia, these trends can easily be seen as leading to the weakening of family relations, and the disintegration of families, in Tajikistan.

While there are no official data documenting the number of Central Asian workers for whom migration ends tragically, a partial but revealing picture can be derived from reports by the International Organization for Migration and other international organizations, as well as from news accounts available on the internet. A 2009 IOM survey (with more than 11,000 individual respondents) found that an estimated 1.1-1.6 million migrants in Central Asia (including Kazakhstan and Turkmenistan) had been victims of human trafficking (Kydyrov and Abakirova, 2010, p. 14). According to the study, most trafficking takes place within state borders: 62% of the cases involving Central Asian nationals are internal. The numbers of victims from Uzbekistan were estimated at over 200,000, followed by Kazakhstan (140,000), Tajikistan (under 20,000), and Kyrgyzstan (under 15,000). This study also found evidence that trafficking was growing across the region, and that labour exploitation accounted for more than 90% of the total number of trafficking cases (IOM, 2015, p. 52).

Migration can also have negative consequences for host countries, for which it can stimulate the growth of the shadow economy and closed ethnic enclaves, as well as depress wages for national workers. Some experts in the Russian Federation have found that, due to low wages paid to labour migrants in some sectors, fewer and fewer local workers look for employment there (Ryazantsev *et al.*, 2012c, p. 12.). Few (if any) of the businesses relying on migrant labour finance social projects benefitting the migrants who make their business possible; many assume no responsibility for providing social protection. The same would seem to apply to landlords: a recent study found that only 13% of surveyed Moscovites who rented out apartments to migrants provided them with the paperwork needed for the migrants to register in those apartments (Centre for Migration Research, 2014, p. 45).

The main social burdens associated with migrant workers and their families (e.g., health, education, pensions) therefore often fall upon the local authorities. According to Moscow officials, as of 2013 the City government was covering about 4 billion rubles in costs of medical treatment for those not covered by health insurance—most of whom were migrants (Centre for Migration Research, 2014, p. 48). In Moscow City and Moscow region, the share of children from migrant families in local schools may be as high as 10%. If current migration and demographic trends continue, this share could rise to a third within a decade (Ryazantsev, 2012d).

Managing labour migration: Policies and programming

Policy and legal frameworks for managing labour migration in source and destination countries can be described in terms of the extent to which they: (1) embody good technical practices in labour migration management; and (2) seek to discourage, accommodate, or amplify labour migration flows, and their associated development costs and benefits. This section offers

a brief analysis of policy and legal frameworks for migration management, in terms of these two criteria.⁴¹

Table 2—Migration management challenges in Central Asia and good international practice responses ⁴²	
Challenge	Best practice response
<ul style="list-style-type: none"> Limited information on legal status; risks of falling into irregularity, de-skilling. 	<ul style="list-style-type: none"> Diaspora organizations and NGOs in destination countries reach out to migrants, providing legal advice and counselling, as well as cultural events.
<ul style="list-style-type: none"> Weak incentives to maintain contact with home country, or community, or returning home. Many labour migrants seek to stay in destination country indefinitely. 	<ul style="list-style-type: none"> Migrant resource centres in destination countries offer information on job opportunities at home (as well as abroad), and assistance with recognition of skills and qualifications. Bilateral social security agreements help ensure that employment and payroll taxes paid abroad are counted toward migrants' pension capital.
<ul style="list-style-type: none"> Insufficient flexibility in employment laws concerning migrant labour leads to widespread noncompliance. 	<ul style="list-style-type: none"> Institutionalized frameworks for legally employing migrant workers (e.g., formal, licensed migrant recruitment agencies) with skills in demand are set up. Visa and work permit procedures are simplified (or waived) for seasonal workers or small-scale entrepreneurs engaged in local cross-border commerce.
<ul style="list-style-type: none"> Insufficient protection of migrant workers' rights, particularly concerning use and enforcement of employment contracts. 	<ul style="list-style-type: none"> Legal and regulatory frameworks are constantly monitored to detect patterns of abuse—and, when necessary, amended to address these patterns.
<ul style="list-style-type: none"> Underestimation of irregular labour migration. 	<ul style="list-style-type: none"> Regularized seasonal (circular) migration schemes are offered for persons with established ties to the destination country. Planning for migration management is strengthened, inter alia by the regular compilation of labour demand and supply balances in sectors which rely heavily on migrant labour.
<ul style="list-style-type: none"> Irregular migration flows acquire long-term character, leading to problems of exclusion, discrimination, and corruption. 	<ul style="list-style-type: none"> Sanctions intended to reduce irregularity: <ul style="list-style-type: none"> concentrate on dishonest employers and intermediaries/facilitators of irregular migration; and protect migrants' workplace rights (e.g., by enforcing employment contracts, ensuring timely payment of wages due, etc.)
<ul style="list-style-type: none"> Insufficient incentives (either positive or negative) for employers, migrants, or small-scale entrepreneurs to regularize their legal status. 	<ul style="list-style-type: none"> Regularization schemes offer "visa over-stayers" or long-term immigrants simplified procedures to legalize their residency (when such is justified). Licensing and institutional development for employment companies (and NGOs) that can work with migrants, employers, diasporas, and government agencies in order to help formalize irregular migration flows.

Good technical practices in labour migration management. The external borders which Central Asian labour migrants cross to work in the Russian Federation and Kazakhstan did not exist as such prior to the dissolution of the USSR in 1991. Questions about the management

⁴¹ A full treatment of the evolution, and effectiveness, of migration regimes in the five countries considered here would go beyond the scope of this study. Interested readers are referred to the voluminous literatures authored by IOM (especially IOM 2015, pp. 59-70), ILO, ICMPD, UNWomen, and national experts.

⁴² Adapted from Figures 21 and 22 in IOM (2015), pp. 59-60. Other challenges include reducing the costs and dangers of migration, and improving the regulation of the recruitment of migrant workers.

of labour migration in these countries therefore revolve in part around technical issues concerning the extent to which migration management has converged toward good international practices (for example, as defined by the IOM—see Table 2) during the past two decades.

Governments in these countries have clearly made major progress in this respect. Irregular and mixed migration issues are now acknowledged by the Central Asian governments as key regional challenges, particularly within the context of the “[Almaty Regional Consultation Process](#)” supported by IOM and UNHCR. Participating states (which include Kazakhstan, the Kyrgyz Republic, and Tajikistan, as well as Turkmenistan) recognize the need to “address the root causes of irregular migration”, to “reintegrate returning migrant workers”, and to help prevent irregular migration by “creating legal migration opportunities”.⁴³ The governments of the Kyrgyz Republic and Tajikistan have promulgated national migration strategies, redesigned national institutional frameworks, established and expanded centres to prepare migrants for working abroad, and stepped up outreach efforts to diaspora communities and government counterparts in the Russian Federation.⁴⁴

In Tajikistan, for example, the government (with IOM support) produced a “diaspora mapping” as part of its Migration Action Plan for 2015-2020. This mapping exercise helped 52 diaspora organizations (from the Russian Federation) to establish commercial and other working contacts with government officials from both countries. (A similar exercise has been conducted in the Kyrgyz Republic.) A migration and health project is likewise supporting the engagement of the Tajikistani diaspora in the dissemination of preventive information and counselling activities regarding tuberculosis among migrants in Russia.

Whereas migration policy for the Kyrgyz Republic (vis-à-vis the Russian Federation and Kazakhstan) seems likely to increasingly be dominated by integration within the framework of the Eurasian Economic Union, the Government of Tajikistan concluded two bilateral agreements on migration with the Russian Federation in 2013. Under these agreements Tajikistani nationals who are staying in Russia for short periods of time need not register during their stay; and migrant workers with valid work contracts may be employed for up to three years.

In the Kyrgyz Republic, a growing emphasis on attracting the return of migrant workers (particularly skilled professionals) is apparent, *inter alia* via the Centre for the Employment of Kyrgyz Republic Citizens abroad (established with IOM support in 2010).⁴⁵ Under this framework ties have been strengthened with RF regional governments in Moscow City, Yaroslavl, Sverdlovsk, Orenburg, Perm, Penza,⁴⁶ Samara, and elsewhere. Efforts to create a national migrant worker database (which would include border-crossing and residence registration and deregistration data, as well as information about job vacancies that could be of interest to returning migrants) are moving forward.

In Tajikistan, the Migration Service has established regional offices in Sughd, Khatlon, Dushanbe, and in Gorno-Badakhshan, while pre-departure centres for migrant worker training and counselling were opened in Tajikistan’s ten largest cities (Dushanbe, Khorog, Khujand, Vakhdat, Kurgan-Tyube, Kulyab, Panjakent, Tursunzade, Isfara, and Rasht). Also, in 2014 Tajikistan’s Ministry of Labour, Migration, and Employment (into which the Migration Service was merged in 2013) opened a representative office in Moscow; a second centre was opened in St. Petersburg in mid-2015 (MiRPAL, 2015a). Thanks in part to this new presence, the Office was able to significantly increase the payment of back wages owed to Tajikistani migrants working in

⁴³ From the “Almaty Declaration” (<http://www.unhcr.org/4ddfb7cd6.pdf>) approved at the Regional Conference on Refugee Protection and International Migration, held in Almaty on 16 March 2011.

⁴⁴ For more on good practices in diaspora engagement, see International Centre for Migration Policy Development (2013).

⁴⁵ The Centre also has well established recruitment systems with South Korea, Turkey, and Middle East countries.

⁴⁶ According to recent press reports, for example, the leadership of the Penza region hopes to “revive” its agricultural sector and eliminate shortages of skilled health care workers in rural areas by taking in up to 2,000 labour migrants from the Kyrgyz Republic. (Source: “2 тысячи кыргызских мигрантов будут легально работать в Пензенской области”, www.gazeta.kg, accessed 21 November 2014).

Russia during the first half of 2015. It also sent to the Ministry official requests from dozens of businesses from different Russian regions who were looking to fill some 1050 jobs.⁴⁷

However, it is also clear that some challenges in managing labour migration remain to be resolved. In this respect, a recent IOM publication on migration in these countries highlights the need for (IOM, 2015, pp. 22):

- *Better information about migration flows and labour migrants.* In some cases, this is a question of border management: on some borders, the entry and exit of foreign nationals are not recorded by border/migration management systems. Data are particularly scarce with regard to cross-border movements of local residents. Improvements in document security, combined with the introduction or expansion of automated checks, are crucial tasks in this respect. Data collected at border crossings are often of limited use when it comes to determining the purpose of travel, and instruments for verifying the actual purpose are often weak or absent. Moreover, not all data collected from travellers' declarations are centrally processed. Addressing these challenges may require increased staffing of border officers, better training of border staff, and expanded cross-border information exchange between border/migration services.⁴⁸ The implementation of the July 2014 draft agreement among CIS countries on the introduction of electronic labour migrant cards⁴⁹ could be particularly important in this respect. These cards, which would contain migrants' personal data, as well as information about their residence and employment status, health insurance coverage, and educational records, would facilitate the establishment of standardized national migrant worker databases. On the other hand, with the Eurasian Economic Union promising the removal of barriers to the free movement of labour for citizens of the Russian Federation, Kazakhstan, and the Kyrgyz Republic, information on labour migrants must increasingly be gathered in other ways. Domestic data collection via labour force surveys, as well as the national census, seems destined to grow in importance.
- *Better information for labour migrants.* The importance of supplying labour migrants with information on their legal rights, opportunities, and obligations—as well as concerning the consequences of non-compliance with host-country laws—is now widely understood in both source and destination countries. With support from governments as well as the IOM, NGOs, and other international organizations, advisory/counselling centres and hotlines have been established and information campaigns implemented.⁵⁰ State-run and independent migrant resource centres are improving returning migrants' chances for finding employment or starting a business at home.⁵¹ New mobile phone applications and

⁴⁷ See “[Миграционные власти Таджикистана за полгода «выбили» свыше 14 млн рублей задолженности по зарплате мигрантам](#)”, 3 August 2015.

⁴⁸ “Some recent initiatives on the use of information systems to facilitate border management are of note. All the units of the migration police of Kazakhstan have been granted access to the centralized Berkut database, containing scanned travellers' data, based on their identity documents and migration cards. The database allows for verification of foreigners' entries and exits and automatic detection of irregular residence status.” (IOM, 2015, p. 18; see also IOM (2007)).

⁴⁹ See <https://prezi.com/fxndzyi13zss/presentation/>.

⁵⁰ For example, with IOM support the Kyrgyz Republic's migration support centres provided information and counselling to some 33,000 beneficiaries in 2012. Support in verifying their legal status in the Russian Federation was a major concern. (This work was conducted under the EU-financed “Enhancing skills and Employment opportunities for Migrants in Kyrgyzstan” project.) See also International Centre for Migration Policy Development (2014b).

⁵¹ Relevant examples of “brain gain” programming include:

- An EU-funded project (implemented by the IOM) is supporting the reform of the vocational and educational training system in the Kyrgyz Republic based on assessing labour market trends in Russia and Kazakhstan, as well as in the domestic economy. Thanks to this project, five pilot VET schools are now equipped with modern IT systems as well as updated training manuals for teachers and students. Staff have been trained in developing new curricula and in examination and certification mechanisms. Information campaigns targeted at migrants were also conducted.
- Armenia and Georgia are among the eight countries participating in the third phase of the Temporary Return of Qualified Nationals programme (<http://www.iom-nederland.nl/en/migration-and-development/temporary->

other technologies are making it easier for migrants to learn what they need to know.⁵² Still, more needs to be done to reach the smaller towns and isolated rural and mountainous communities that seem to provide disproportionate shares of Central Asia's migrants, and which are often isolated from mainstream communications channels. Results from a 2013 survey indicate that 81% of Kyrgyzstani migrant workers in Russia, and 63% in Kazakhstan, relied primarily on friends, family, and compatriots in searching for employment or accommodation, for legal guidance, and for "moral support". Very few migrants turned to state structures either in the Kyrgyz Republic or in the destination countries; virtually none of them relied on support from civil society (Vinokurov and Pereboyev, 2013).

Box 6—Good practices in managing circular migration

Under the European Union's Mobility Partnership initiative, Italy in 2011 concluded a bilateral agreement with Moldova, whose migrants traditionally occupy certain niches in the Italian labour market (e.g. domestic care). This agreement established a quota for Moldovan seasonal workers who would be granted work permits for up to nine months, allowing them to change employers during this period. The permit holders enjoy employment, social security and protection rights equal to those of Italians and workers from EU countries. While the permits are non-renewable, those who successfully meet the terms of employment are given priority for subsequent admission in the following years. The agreement led to the establishment or strengthening of 70 employment offices in various regions of Moldova, which offered migrants Italian language and professional trainings. An early evaluation of the programme showed that 450 migrant returnees opened their own businesses in Moldova in the first eight months of the programme's operation.

The scope of temporary circular migration programmes may be extended to benefit not only migrant workers but also communities in countries of origin and destination. For example, under the terms of the IOM-supported Temporary and Circular Labour Migration programme, migrant workers from Colombia, Morocco, and Romania are authorized to work in the Spanish agricultural sector for 6-9 months. IOM-Colombia runs pre-departure trainings and provides migrants with access to social, educational, and financial services upon their return home. More than 1500 Colombian migrant workers received basic technical training; more than 1000 migrants took advantage of financial service support. In turn, local partners in the host region (Catalonia) informed migrants in advance about their working conditions. They offered training in the Catalan language and the management of workplace health risks in the workplace, and encouraged migrants to take part in Catalan socio-cultural activities. A 2012 assessment found that the programme was relatively successful in minimizing the risks of irregular employment: only 6% of the participating workers remained irregularly in Spain (about half the average of other Spanish temporary labour migration programmes).

In Asia, Singapore pioneered a "demand management" system for better regulating the temporary employment of skilled specialists from abroad. Under this approach employers must pay fees to the government in order to hire such migrants—the amount of which change according to local labour market conditions.

[return](#)) funded by the Netherlands and implemented by IOM. The programme supports national development policies in selected countries of origin by engaging their overseas migrant communities in improving the capacity of governmental and non-governmental institutions to manage this engagement.

- With UNDP support, the Government of Albania's "Brain Gain Programme" (<http://www.iom-nederland.nl/en/migration-and-development/temporary-return>) attracted some 150 researchers and other skilled professionals from the Albanian diaspora to national universities and research institutions during 2009-2012. The programme also supported changes in national legislation that removed barriers to the return of such specialists. And it developed a data base of diaspora specialists working in engineering, physical sciences, IT, law, finance, and agriculture (as well as in culture and fine arts).

⁵² For example, the ТүтЖдүт website (<http://www.urlw.ru/w.tutzhdut.ru>) and mobil telephone application (which focuses on Moscow City and region) provides users with information on changes in migration regulations, job offers, and compatriots' contact information. This information is to become available in Central Asian languages, as well as Russian.

Sources: IOM 2015, pp. 65-66; Ślubiak 2014, pp. 3-4; Mosneaga 2012, p. 6; Mosneaga 2009, p. 22; Zapata-Barrero et al. 2012; and Abella 2006, pp. 43-44. See also International Centre for Migration Policy Development (2014a).

- *Reducing irregularity: striking the right balance between liberalization and enforcement.* Many of the undesirable elements of labour migration in Central Asia and the Russian Federation are associated with its informality. The adoption of more liberal migration regimes, which do not criminalize normal cross-border labour-market and commercial activities and reduce the administrative burdens on border control and migration agencies, can reduce irregular labour migration and its undesirable side effects (Box 6). Governments in the Russian Federation and Kazakhstan have recognized this, as is apparent in the amnesties for irregular migrants introduced periodically (Box 7), as well as in the movement away from the issuance of sector-specific work permits (quotas) towards greater reliance on general purpose “patents” for migrant labourers (Box 8). On the other hand, irregular labour migration can weaken legitimate labour market regulation and protection for both migrant and national workers. International experience shows that progress in combatting irregular migration requires the application of sanctions to employers who violate migration and other labour-market legislation,⁵³ as well as to migrant labour intermediaries who engage in fraudulent practices. To be most effective, such sanctions need to be combined with stronger state, private-sector, and NGO support for:
 - formal cross-border contracting of migrant workers (especially seasonal workers),⁵⁴ and
 - more flexible regulation of local border traffic, *inter alia* via authorizing multiple entries and regular stays in adjacent border areas for small-scale entrepreneurs.

Box 7—Kazakhstan’s 2006 amnesty for irregular migrants

Under a campaign launched by the Ministry of Internal Affairs, citizens of other CIS countries who entered Kazakhstan legally, and who had managed to find (informal) employment by 31 May 2006, were able to legalize their employment status. According to the Ministry of Labour, only about 25,000 foreigners were legally working in Kazakhstan prior to this campaign—with the number of irregular migrants estimated at 300,000-400,000. Whereas the number of potential beneficiaries of the amnesty had been anticipated at 100,000, the actual number was above 160,000—close to half of the estimated irregular migrant labour pool. About 70% of the beneficiaries of the amnesty were employed in construction. Some 14% were working in agriculture, and 5% were working as gardeners, cooks, and maids.

Source: Prokudin, p. 15.

- *Better enforcement of existing migration regimes.* The “blacklisting” of hundreds of thousands of Central Asian migrant labourers by the Russian Federation authorities during 2014-2015 did not result solely from new legal requirements for migrants (e.g., passage of examinations in Russian language, culture, history, etc.). It instead reflected the more rigorous implementation of existing migration regulations, concerning *inter alia* violations of the 90-day limit, and of employment and residence without proper documentation. What

⁵³ The majority of employers surveyed in a recent Moscow labour market study viewed the prospect of paying fines for violating labour market legislation as “unlikely” (Centre for Migration Research, 2014, p. 84). See also IOM 2015, pp. 60-69.

⁵⁴ “A bill on private recruitment agencies has been under discussion for several years in Tajikistan, but at the time of writing [early 2015] it had not been adopted” (IOM, 2015, p. 103).

labour migrants may see as the adoption of more restrictive policies may instead seem to the host country as much needed efforts to enforce existing regulations—thereby strengthening the overall credibility, and effectiveness, of the national migration regime.

- *More coherent national migration policy frameworks*, in which national migration strategies are more closely aligned with national development policies, and for which border and migration services and ministries of labour and social policy share implementation responsibilities with other key sectoral bodies (e.g., ministries of health, education, and foreign affairs, among others).

Table 3—Policies in the Russian Federation and Kazakhstan vis-à-vis labour migrants from Central Asian countries (as of early 2015)					
	Kazakhstan	Kyrgyz Rep.	Tajikistan	Turkmenistan	Uzbekistan
Russian Federation					
Must a migrant have an international passport to enter the RF?	Yes	Yes	Yes	Yes	Yes
Must a migrant have an RF visa?	No (for 90 days)	No (for 90 days)	No (for 90 days)	Yes	No (for 90 days)
Time period within which a migrant must register with the RF authorities	7 working days	7 working days	7 working days	7 working days	7 working days
Is legal permission required to work in the RF?	No	No	Yes	Yes	Yes
Number of citizens who received RF work permits/quotas (2014) ⁵⁵	352	73,422	162,267	535	478,899
Number of citizens who received RF patents (2014) ⁵⁶	1,406	164,480	483,850	14	863,535
Number of citizens receiving RF citizenship (2011) ⁵⁷	29,986	52,362	6,152	544	7,906
Republic of Kazakhstan					
Must a migrant have an international passport to enter Kazakhstan?	N/A	Yes	Yes	Yes	Yes
Must a migrant have a Kazakhstani visa?	N/A	No	No	Yes	No
Time period within which a migrant must register with the Kazakhstani authorities	N/A	5 working days	5 working days	5 working days	5 working days
Forms of legal permission required for migrants to work in Kazakhstan	N/A	Work permit (quota), or patent			
Number of citizens who received Kazakhstani work permits/quotas (2013) ⁵⁸	N/A	46	24	38	712

Policy choices in migration management. National policy and legal frameworks influence the size and composition of labour migration flows. They can also influence the distribution between regular (formal) and irregular (informal) migration flows: more restrictive frameworks tend to promote irregular migration and informality. By increasing the weight of irregular (relative to regular) migration flows, more restrictive policy frameworks can also increase the under-reporting of migration flows.

⁵⁵ Unpublished Russian Federal Migration Service data.

⁵⁶ *Ibid.*

⁵⁷ OECD (2013), p. 411.

⁵⁸ CIS Intergovernmental Statistical Committee (2014), p. 23.

Perhaps most importantly, these policy and legal frameworks can also influence the development costs and benefits of migration flows. More irregularity, informality, criminalization, trafficking, exploitation, and abuse can generally be associated with more restrictive migration regimes, *ceteris paribus*. This can pose risks for the rule of law, the protection of human rights, and civilized labour market regulation in the affected countries. (It can also place at risk the promised benefits of the free movement of labour within the framework of the Eurasian Economic Union.) On the other hand, policy frameworks that ensure that migrants are well informed about their rights and obligations (particularly in destination countries), which help migrants to acquire the skills they need to make best use of employment possibilities abroad, and which encourage the re-investment of remittances into local development projects—these can maximize the human development benefits of migration and remittances.

Degrees of restrictiveness in migration regimes can be identified vis-à-vis both source and destination countries. In the former, key issues concern the ease with which citizens may obtain permission to leave the country for extended periods of time. For destination countries, degrees of restrictiveness can be particularly important in such areas as:

- 1) Whether migrants must possess an international (biometric) passport (as opposed to national identification documents) in order to enter the destination country;
- 2) Whether migrants must possess a visa for the destination country, in order to enter that country;
- 3) The length of time for which these visas are valid;
- 4) The length of time within which a migrant must register her/his location with the authorities after entering the destination country;
- 5) Whether the migrant must receive legal permission in order to work in the destination country; and
- 6) The extent to which regulations concerning these points are rigorously enforced.

The relatively large numbers of labour migrants issuing from the Kyrgyz Republic, Tajikistan, and Uzbekistan suggest that it is constraints on migrants in destination countries (i.e., the Russian Federation and Kazakhstan) that are binding. Important information regarding the nature and scale of these constraints (as of early 2015) is provided in Table 3, both for these three countries and for Kazakhstan and Turkmenistan. (These latter two countries can serve as comparators in that, in contrast to citizens of the other four Central Asian countries, Kazakhstani citizens do not require legal permission to work in the Russian Federation. This is a concrete manifestation of EaEU membership—the benefits of which will presumably accrue also to citizens of the Kyrgyz Republic as well. In contrast to citizens of the other Central Asian countries, citizens of Turkmenistan require a visa in order to enter both the Russian Federation and Kazakhstan. Citizens of the Russian Federation and Kazakhstan also require a visa to enter Turkmenistan.)

The tightening of the migration regime in the Russian Federation during recent years (and especially 2015) is most apparent as follows.

- In terms of point (1): prior to 2015, migrants from the Kyrgyz Republic, Tajikistan, and Uzbekistan could gain entry to the Russian Federation on the basis of national identification documents; they did not need to be in possession of an international passport issued by these countries. As of January 2015, biometric passports are required.
- In terms of point (3): While migrants from the Kyrgyz Republic, Tajikistan, and Uzbekistan may still enter the Russian Federation and (Kazakhstan) on a visa-free basis, as of 2014 their stay in these countries may not exceed 90 days (unless they acquire additional documentation, such as a labour patent). After this time migrants who do not possess an employment contract must spend at least 90 days outside of the Russian Federation or Kazakhstan before they can gain re-entry.

- In terms of point (5): Since 2010 two forms of work permission have been issued in the Russian Federation, and Kazakhstan: permission to work for physical persons (so-called “patents”); and to work for legal persons (private companies, government agencies, NGOs—referred to here as “quotas”). As of 2015, quotas were abolished in the Russian Federation, leaving patents as the sole remaining labour permit for migrants. However, in order to receive a patent to work in Russia, migrants must demonstrate competency in the Russian language, history, culture, and civic education by passing examinations in these areas.⁵⁹ This requirement no longer applies to workers from the Kyrgyz Republic, who as citizens of an EaEU member state can in principle work freely in the Russian Federation and Kazakhstan. However, migrant workers from the Kyrgyz Republic who can not produce formal labour contracts and residence permits upon demand risk deportation.
- In terms of point (6): Both official statements and numerous unofficial accounts point to the more rigorous implementation of the Russian Federation’s migration legislation during the past two-three years. This is particularly apparent in the growing concerns about Central Asian migrants who have been “blacklisted” from returning to the Russian Federation during 2014-2015. As a result of Russian immigration legislation that came into force in August 2013, foreigners who are found to have overstayed the legal period of residence, or who can not produce documents authorizing their stay (or who fail to report the loss of such documents) may be subject to fines, deportation, and re-entry bans (IOM, 2015, p. 21). As a result of legislation that came into force in January 2015,⁶⁰ migrants who have stayed longer than 90, 270, and 360 days in the Russian Federation without the legal right to do so may be banned from entering the country for up to three, five, and ten years, respectively. A recent IOM study found that, as of mid-2014, the application of these requirements had resulted in “re-entry bans [and] blacklisting of at least 43,000 Kyrgyz and 202,000 Tajik nationals with even larger groups at risk in the near future” (IOM, 2015, p. 15). Early efforts to conclude re-admission regimes for Central Asian migrants who are able to comply with the new regulations could pay large dividends for all parties concerned.

Box 8—“Patents” for labour migrants in the Russian Federation: In principle, and in practice

Prior to 2010, migrants seeking legal employment in the Russian Federation had to obtain a work permit (quota) from the Federal Migration Service. In 2010, this system was enriched by the introduction of “patents”, which allowed migrants from “visa-free countries” (a category that includes the Kyrgyz Republic, Tajikistan, and Uzbekistan) to be legally employed by physical persons (individuals) but not legal persons (for which a permit/quota was still necessary). As of 2015, however, foreign workers from these countries with patents can work for legal entities as well.

In order to acquire a patent to work in the Russian Federation, migrants must:

- *Indicate the purpose of stay in the Russian Federation as “work” when filling out the migration card, at the port of entry (otherwise a patent will not be issued);*
- *Get registered with the Federal Migration Service;*
- *Be finger-printed;*
- *Undergo a medical examination;*
- *Purchase medical insurance (or show a signed contract with medical service provider);*
- *Obtain a taxpayer identification number;*

⁵⁹ Highly skilled foreign workers or foreigners enrolled in higher educational institutions in the Russian Federation are exempted. (See http://ufms.region73.ru/ufms_new/index.php?option=com_content&view=article&id=1902:2014-08-01-04-53-48&catid=1:latest-news&Itemid=99.)

⁶⁰ Federal law from 31 December 2014, #524-Φ3 “On amendments to article 27 of the Federal Law ‘On procedures of entry to and exit from the Russian Federation’”.

- Pass comprehensive examinations on the Russian language, history, and the laws of the Russian Federation; and
- Pay in advance the monthly fee/tax for the patent.

Patents can be obtained from the Federal Migration Service for one to twelve months, and may be extended another twelve-month period. After this, the migrant should leave the country—but an application for a new patent may presumably be filed after some period of time.

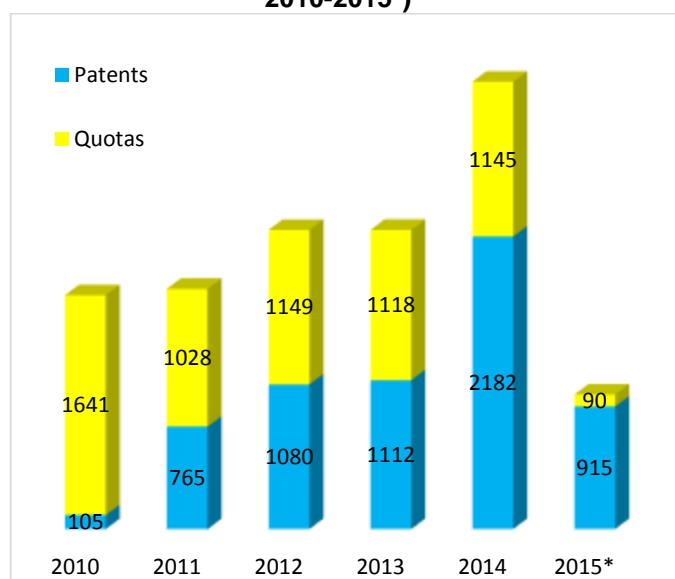
In principle, these changes should significantly reduce the scope of irregular labour migration from the “visa-free” Central Asian countries on the Russian labour market. In addition to simplifying the legal framework for migration and removing lacunae, this new system redirects a portion of the income produced by patent fees to regional governments—thereby giving them a stake in the “legalization” of informal migration. Press reports indicate that the Office of the Mayor of Moscow expects to receive some 12 billion rubles (about \$220 million) in patent fees from migrants in 2015 (Voronov (2014)). These fees can significantly reduce the financial losses associated with the provision of medical and educational services for migrants.

In practice, however, financial constraints could limit the new system’s effectiveness and weaken many workers’ incentives to “migrate out” of the informal sector. Before 2015, the monthly fee to obtain a patent was set at 1200 rubles (about \$25) across the Russian Federation. However, the new system introduced in 2015 allows each region to set its own monthly fee for acquiring a patent, which can then be used only in the region of issuance. The monthly patent in Moscow city and Moscow region was fixed at the rate of 4000 roubles for 2015—more than three times the 2014 rate. Migrants may also face significant additional costs for medical insurance, tutoring to pass Russian language, culture, and civics exams, and the like. According to some estimates, annual costs for patents, together with expenses for medical insurance,⁶¹ Russian language courses, and the like, could reach 90,000 rubles (Voronov, 2014).

Prior to 2010, migrants seeking legal employment in the Russian Federation had to obtain a work permit (quota) from the Federal Migration Service. In 2010, this instrumentarium was enriched by the introduction of “patents” (Box 8), which allowed their holder to be employed by physical persons (individuals) but not legal persons (companies—for which a permit/quota was still necessary). Whereas the process of obtaining quotas was complicated and expensive, obtaining a patent was much less so. As a result, the numbers of patents issued during 2010–2014 increased twenty-fold (Figure 32)—even though many of their holders continued to work for legal persons (thus, technically, violating the law). This sharp increase in the numbers of patents issued allowed for moderate growth in the numbers of Central Asian migrants formally working in the Russian Federation during this time—growth which exceeded the 6% decline in the numbers of “jobless” workers (i.e., individuals in the 15–64 year-old age cohort not formally classified as “employed”) in Russia (Figure 33).

⁶¹ Previous surveys of migrants working in the communal services sector in Russia found that, although 89% of migrant workers in the residential sector reported undergoing medical examinations in order to obtain employment, only 1% had health insurance provided by the employer. Whether the obligation to produce proof of medical insurance in order to legally work in Russia introduced in 2014 will change this remains to be seen—particularly in light of the sometimes less-than-robust interest shown by employers in the health insurance of their migrant workers. (Source: Ryazantsev *et al.*, 2012c, page 25.)

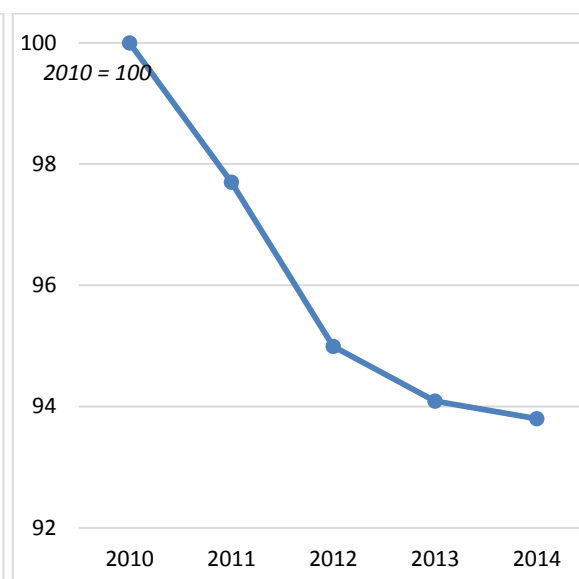
Figure 32—Russian Federation work permits issued for Central Asian workers (in thousands, 2010-2015*)



Source: Russian Federation Statistical, Migration Services.

* Data are for the first half of the year.

Figure 33—Jobless workers (aged 15-64) in the Russian Federation (2010-2014)



UNDP calculations, based on World Bank World Development Indicators data. 2014-2015 data are projections.

In order to address the legal lacunae associated with the employment of patent-holding migrants by legal persons, and to strengthen incentives for irregular migrants to formalize their legal status, the quota system was cancelled as of 2015 for migrants from those CIS countries which have a visa-free regime with the Russian Federation (which include the Kyrgyz Republic, Tajikistan, and Uzbekistan). The “patent” therefore became the sole instrument for legalizing migrant workers from these countries in Russia. While this may have simplified the circumstances facing Central Asian migrants, the benefits of sole reliance on the patent have thus far been at least partially over-shadowed by the more rigorous application of Russia’s migration laws (as mentioned above).

In Kazakhstan, the employment of migrant workers is likewise regulated by work permits/quotas and patents, the annual numbers (quotas) of which are approved by the Government. The quotas for work permits are determined in part by the number of applications for foreign workers submitted by Kazakhstani employers to local employment and social protection offices. Such factors as trends in the country’s economically active population, workforce needs in priority projects, and the countries from which foreign workers are to be attracted are also taken into consideration.

In the first years of the previous decade, these quotas were set at about 0.15% of the economically active population—which corresponded to around 10,000 workers. During the economic boom of 2004-2008, this ratio was raised to 1.6% of the economically active population, which corresponded to the issuance of quotas for some 133,000 migrant workers. However, in the aftermath of global financial crisis, since 2009 this ratio has been shrinking (with some year-to-year fluctuations) and stood at 0.7% (about 78,000 workers) in 2014.

Compared to the millions of legal migrants going to the Russian Federation, these are relatively small numbers. Moreover, the lion’s share of Kazakhstan’s quotas have been dedicated to attracting highly skilled workers (often for Kazakhstan’s extractive sector), which further reduces prospects for regular migration from neighbouring countries. As a result, the bulk of labour migration into Kazakhstan seems to have an informal character. A 2011 World Bank report found that some 300,000 Uzbekistani citizens were working (formally and informally) in 2010; these were supplemented by another 120,000 Kyrgyzstani citizens (World Bank, 2011).

Under legislation approved in December 2013⁶² intended to simplify labour migration and promote the legalization of those irregular migrants already in the country, from 2014 on Kazakhstani citizens/physical persons can hire up to five labour migrants from visa-free CIS countries which are not EaEU member states.⁶³ Under this “patent-like” system, employers do not pay social security taxes for the migrant labourers; instead, the migrants had to pay monthly taxes in the amount of roughly 3704 tenge (about \$25) in 2014. This could promote the regularization of informal labour migration—particularly from Tajikistan and Uzbekistan.

Labour migration, remittances, and the post-2015 global development agenda

Policies regarding migration and remittances have been, and are likely to remain, firmly within the purview of national governments (in Eurasia and elsewhere). However, in light of their large trans-national development significance, migration and remittances are playing growing roles in debates regarding the global development architecture. This is apparent in the context of the Sustainable Development Goals (SDGs),⁶⁴ that were approved at the September 2015 UN summit as the framework for monitoring global and national progress towards sustainable development through 2030. For example:⁶⁵

- SDG target 8.8 calls for “protect[ing] labour rights and promot[ing] safe and secure working environments of all workers, including migrant workers, particularly women migrants,⁶⁶ and those in precarious employment”.
- SDG target 10.7 calls for “orderly, safe, regular and responsible migration and mobility of people, including through implementation of planned and well-managed migration policies”.
- SDG target 17.18 calls for “enhanc[ing] capacity building support to developing countries . . . to increase significantly the availability of high-quality, timely and reliable data disaggregated by income, gender, age, race, ethnicity, migratory status, disability, geographic location and other characteristics relevant in national contexts”.
- SDG means of implementation 10.c calls for “reduc[ing] to less than 3% the transaction costs of migrant remittances and eliminat[ing] remittance corridors with costs higher than 5%”.

The finance-for-development significance of remittances goes well beyond the benefits of reducing their associated transactions costs. As Box 9 shows, their concentration and targeting characteristics can make remittances a particularly useful form of development finance.

⁶² “On the introduction of changes and additions to some legislative acts on the issues of labour migration”.

⁶³ This does not apply to citizens of Turkmenistan, which has visa regime with Kazakhstan. Citizens from other EaEU countries do not need permission to work in Kazakhstan.

⁶⁴ See <https://sustainabledevelopment.un.org/sdgsproposal>.

⁶⁵ Other SDG targets related to trafficking include: 5.2 (“eliminate all forms of violence against all women and girls in the public and private spheres, including trafficking and sexual and other types of exploitation”); 8.7 (“ . . . eradicate forced labour, end modern slavery and human trafficking . . . ”); and 16.2 (“end abuse, exploitation, trafficking and all forms of violence against and torture of children”).

⁶⁶ Research has found that, globally, women migrant workers earn less than men, even when equally qualified and engaged in similar activities (Ghosh, 2009, p. 25).

Box 9—Remittances: Concentration and targeting⁶⁷

From an international finance perspective, all foreign exchange inflows may seem equally desirable: they help to finance imports, service foreign obligations, and expand the monetary base. From a human development perspective, however their impact can be quite different, particularly in terms of their concentration and targeting characteristics. Goods and service exports, foreign investment inflows, and receipt of official development assistance unquestionably provide benefits for the national economy. However, these benefits tend to be concentrated in a few key sectors, or regions, which may be only weakly linked to the rest of the economy—and particularly to those sectors and regions in which most poor and vulnerable households generate income and employment. By contrast, the benefits of remittances tend to be (self-) targeted to these very households, and broadly dispersed across the country. But by the same token, their dispersed nature complicated efforts to mobilize remittances for (extra-household) productive uses.

Inflow	Concentration characteristics	Targeting characteristics
Receipts from goods and services exports	<p>These inflows are generally concentrated in limited numbers of companies involved in foreign trade.</p> <ul style="list-style-type: none"> In the Kyrgyz Republic, 30-50% of merchandise export receipts come from gold sales. The mining industry employs less than 1% of the workforce. In Tajikistan, metals account for 75% of merchandise exports. Most of these revenues are generated by the TALCO aluminium company, which employs less than 1% of the workforce. 	<p>These inflows are typically:</p> <ul style="list-style-type: none"> reinvested—to the benefit of the communities in which the companies are located (but not necessarily other communities or regions); or distributed to small groups of owners/shareholders. <p>When they accrue to the state budget (as tax or non-tax revenues), these inflows may finance programmes that benefit poor and vulnerable households. On the other hand, the resource-intensive nature of leading export sectors (e.g., energy, metals, cotton) often generates external costs that are disproportionately born by poor and vulnerable households.</p>
Foreign investment inflows	<p>These tend to be concentrate in limited numbers of companies.</p> <ul style="list-style-type: none"> In the Kyrgyz Republic, out of some 160,000 registered non-agricultural economic agents, only 2601 reported receipt of foreign investments in 2012. 	<p>These inflows tend to accrue primarily in:</p> <ul style="list-style-type: none"> Capital cities, where financial institutions are relatively well developed; and Regions in which capital-intensive extractive activities are located. <p>These benefits typically do not accrue directly to poor and vulnerable households, who are often excluded from formal financial institutions, and tend to live in small towns and rural areas.</p>
Official development assistance	<p>These inflows are typically received by:</p> <ul style="list-style-type: none"> Governments (or public organizations), as budget support or project finance; and Implementing partners, some of which are international in character. <p>Their disbursement tends to be concentrated in capital cities.</p>	<p>As these inflows are intended to broadly support development, they may benefit poor and vulnerable households—particularly when they take the form of budget support that finances social protection, or finance programmes that benefit poor and vulnerable households.</p>

⁶⁷ Source: Peleah (2015).

Remittances	<p><i>These inflows are typically broadly disbursed in small amounts across large numbers of households. CBRF data indicate that the:</i></p> <ul style="list-style-type: none"> • <i>Numbers of remittance transactions in 2013 from Russia to Central Asia were:</i> <ul style="list-style-type: none"> ○ <i>16.6 million for Uzbekistan.</i> ○ <i>15.2 million for Tajikistan; and</i> ○ <i>10.3 million for the Kyrgyz Republic.</i> • <i>Average size per transaction was:</i> <ul style="list-style-type: none"> ○ <i>\$403 for Uzbekistan;</i> ○ <i>\$275 for Tajikistan; and</i> ○ <i>\$205 for the Kyrgyz Republic.</i> 	<p><i>Survey evidence and anecdotal information indicate that most of these inflows are targeted toward:</i></p> <ul style="list-style-type: none"> • <i>Current consumption (some 80-90%)</i> • <i>Housing construction;</i> • <i>Investments in human capital (education and health);</i> • <i>Some small-scale productive investments.</i> <p><i>Household budget survey data in the Kyrgyz Republic indicate that remittances reduce national poverty rates by some 6-7 percentage points.</i></p>
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At the global [finance for development](#) summit in Addis Ababa held in July 2015, the international community recognized that platforms blending official development assistance with public sector monies provided by developing country budgets and resources provided by the private sector, households, and NGOs must play a growing role in finance for development. Since the Russian Federation and Kazakhstan are also supplying growing amounts of official (and other forms of) development assistance to the less wealthy Central Asian countries (chiefly the Kyrgyz Republic and Tajikistan), the development impact of this support can be amplified if it can leverage (“crowd in”) the large remittance flows that are already going to these countries.

Russian- and Kazakhstani- funded projects that can support the modernization of vocational and education training systems in Central Asia, and better align them to the needs of the Russian and Kazakhstani labour markets, could be a very promising direction to pursue. For example:

- The \$3.5 million area-based development project for the Kyrgyz Republic’s Naryn region during 2014-2016, financed by the Russian Federation and implemented by UNDP, is revising curricular materials and procuring the equipment needed to modernize four pilot vocational training centres, with a special emphasis on skills training for cooks, automobile mechanics, sewing machine operators, and energy technicians.
- In Tajikistan, under UNDP’s 2014-2016 “Rural Livelihoods Improvement” initiative (which covers 1 million people living in nine districts in rural Tajikistan), the Russian Federation is co-financing investments in local infrastructure, vocational training, and local business development. In addition to leveraging household remittance incomes (most of which come from the Russian Federation—see Box 10) for local development purposes, this initiative helps migrants to develop the skills they need to be more competitive on the Russian labour market.

Examples from Moldova, Mexico, the Philippines, and elsewhere show how development programming can “crowd in” remittances for local business development, by blending them with public-sector and donor monies (Box 12). The importance of this form of finance for development seems destined to grow in the future.

Box 60—Investing remittances in local development: Experience from Tajikistan

Remittances from migrant workers can play an important role in local development in Tajikistan—particularly in rural areas, where many migrants work in the Russian Federation and Kazakhstan, and where their families rely heavily on remittances. They can improve welfare by raising household incomes and financing purchases of basic needs. This in turn can spur local economic activity in construction, communications, wholesale and retail trade, personal services, and other sectors.

But what about local public goods and services—like irrigation, access to improved water and sanitation services, or road construction and repair? Lessons from activities supported under UNDP’s Rural Growth Programme in Tajikistan show how this can be done.

In 2012, development prospects in four villages in northern Tajikistan’s Sughd region (with a population of some 18,000 people) were set back by the failure of three irrigation systems, which watered 162 hectares of household gardens on which food was grown. Repairing these systems cost \$110,000—a sum beyond the means of local governments. (The central government, whose irrigation and energy policies focus on large investment projects, did not at that time have a window for funding such small-scale activities.)

In order to solve the problem, some 2000 affected households—from which at least one member was working in the Russian Federation—devoted \$32 apiece (\$64,200 in total, covering 57% of the total investment requirement) towards covering these costs. (Since the average monthly wage for agricultural workers in 2012 was about \$48 for the country as a whole, these outlays represented a significant burden for many of the families involved.) The remaining 43% (\$45,800) of the investment requirement was covered by the local authorities, and by UNDP-supported trust funds established by its Rural Growth Programme. Responsibility for the maintenance and operational and financial sustainability of the repaired irrigation systems was vested in a specially created local water user association.

Thanks in part to this co-financing from remittances, some 18,000 villagers in northern Tajikistan:

- raised the yields of crops grown in their home gardens, due to the irrigation and timely watering of 162 hectares of gardens;*
- improved food security—thanks both to increased consumption of home-grown food and to higher incomes resulting from more sales of farm produce on local markets; and*
- benefitted from new income-generating opportunities—particularly for rural women, whose husbands were working abroad.*

This shows how cooperation between communities, local authorities, civil society, and international development agencies can help channel remittances into local development projects to reduce poverty and raise living standards. In countries such as Tajikistan—where remittances are 40-50% of GDP, and where many rural households interact only marginally (if at all) with formal financial institutions—remittances clearly offer largely untapped opportunities for financing local development. Capturing these opportunities hinges on local prospects for partnerships and self-organization.

These activities build on multi-year efforts to align local development and migration programming in Tajikistan. For example, under an EU-funded project implemented by IOM and UNDP in 2007-2008, 15 migrant household associations were established in rural areas. These associations, which were linked to local district councils (jamoats) and their resource centres, supported migrant households, particularly in terms of regularizing migration flows and providing incentives to invest remittances into local development projects. Financial education training was provided to some 1200 households; 1680 beneficiaries received cooperative micro-credits; and 1550 migrant households received business support services. More than 800 sustainable businesses were created, 50% of which received co-financing from local remittances.

The Government of the Russian Federation has been supporting the scaling up of these experiences under UNDP’s 2014-2016 “Rural Livelihoods Improvement” initiative, which covers some 1 million people living in nine districts in rural Tajikistan. This initiative supports investments in local infrastructure, vocational training, local business development, access to finance, and other efforts to improve the local business environment. In addition to leveraging vulnerable households’

remittance incomes (most of which come from the Russian Federation) for local development purposes, this initiative helps migrants to develop the skills they need to be more competitive on the Russian labour market.

In the years to come, Eurasian governments may increasingly focus on international reporting against the Sustainable Development Goals, and on ensuring their alignment with national strategies, policies, and programmes on migration, employment, poverty reduction, finance for development, and other relevant areas. Closer alignment of national policies and programming with global best practices on migration and remittances can also help accelerate the introduction of such initiatives as diaspora bonds (Ratha and Ketkar, 2010), migration development banks (Canuto and Gevorkyan, 2015), or attracting remittances into microfinance or revolving funds for local development. Recent studies have found, for example, that remittances could finance much needed small-scale household energy efficiency investments in rural and mountainous Central Asian communities that spend much of the winter without access to reliable heat and energy supplies (Basel Agency for Sustainable Energy (2015)).

Box 71—“Crowding in” remittances: Examples from Moldova, Mexico, and the Philippines⁶⁸

Like Tajikistan and the Kyrgyz Republic, Moldova has consistently reported ratios of remittance inflows to GDP at 20% or above. Remittances are therefore a major source of external finance for the country. But how to better engage them into development activities?

With the support from the European Union and IOM, the Government of Moldova in 2010 introduced the “PARE 1 + 1” programme, which attracts household remittances into business development activities and helps migrants develop entrepreneurial skills. “PARE 1 + 1” matches each euro in remittances engaged in local development activities with a second euro (of government/donor funding), in order to finance:

- *Commercial information and consulting service support needed for small business start-ups;*
- *Targeted training courses and visits apprenticeships in companies (which are prerequisites for receiving funding under the programme);*
- *Start-up and working capital for small businesses started by migrants/remittance recipients, as grant finance; and*
- *The monitoring of the impact and effectiveness of the support provided.*

During its first three years of operation, “PARE 1 + 1” supported some 8000 business consultations. 33 training courses, which are visited by 596 migrant workers and their families, were organized under its aegis. Some 313 SMEs, and 153 new start-ups, benefitted from the programme. Investments made on the basis of remittances attracted into this programme exceeded the programme budget 2.7-fold.

“PARE 1 + 1” was developed on the basis of the “Tres por Uno” programme in Mexico, under which returning migrants who open businesses in their home country may receive interest-free loans of up to 30,000 Mexican pesos (currently about \$2000), financed by central and local government agencies. Participants’ eligibility is conditional on presentation of proof of return migrant status.

Under the Overseas Filipinos Diaspora Remittances for Development (OFs-ReD) (“Building a Future Back Home”) project, remittance sent home by overseas Filipinos are matched by funds from the

⁶⁸ Sources: Prohnițchi and Lupușor (2013); Naujoks (2014); and “Руководство по государственной политике в сфере развития частного сектора: Расширение доступа к финансированию в целях развития МСП Таджикистана” (2014), pp. 39-40.

Western Union Foundation and by local governments, turning the programme into a kind of “2 x 1” scheme.

The PINOY WISE (Worldwide Initiative for Savings Investment and Entrepreneurship) provides financial education to overseas Filipino workers and their families on both sides of the migration corridor. It also links financial education to concrete savings and investment programmes of selected cooperatives, microfinance institutions, social enterprises, insurance companies, banks and other financial institutions in the Philippines. Five elements make this initiative stand out:

- 1) Acknowledging that financial literacy education is more than training in economics and book keeping, sociologists, psychologists, and social workers, as well as financial and banking experts, contributed to curricular development.
- 2) Ensuring that financial literacy training has significant impact was found to require dealing with individual and family issues that determine the ability to save.
- 3) Financial trainings are linked to concrete financial products that promote investment in migrants’ provinces of origin.
- 4) On-going mentoring is offered via a closed group on Facebook.
- 5) Transparency is guaranteed through a website, where investors can log in and receive instant information on the amount saved and the interest accumulated.

These programmes are examples of a broader finance for development trend, under which financial institutions are developing specialized financial services and products that cater to migrants and others involved in remittance flows. These include:

- Credit lines, mortgages, and insurance products (Ecuador);
- The creation of dual bank account systems, under which a part of the remittances deposited in one country are automatically transferred to a bank account in another country, in exchange for attractive interest rates and increased security (Ethiopia);
- Savings plans targeting remittances, with a focus on financing children’s education (Guatemala, Dominican Republic); and
- Diaspora bonds (Israel, India, Ethiopia).

These programmes are examples of “blended finance for development”, in which public and donor monies are used to “crowd in” private sector/household resources for development purposes—resources which would otherwise remain in the informal sector. For countries like Tajikistan and the Kyrgyz Republic—for which the magnitudes of remittances exceed the scale of ODA inflows many times over—such examples could help to tap important new sources of development finance, as well as help to deepen domestic financial systems (particularly in rural areas).

Conclusions and recommendations

- Labour migration and remittances flows between the Russian Federation and Central Asian countries have critical development significance for the less wealthy countries of the region. Ratios of remittance inflows (the vast majority of which come from the Russian Federation) to GDP for Tajikistan and the Kyrgyz Republic have since 2011 been the highest in the world. As the implementation of the global post-2015 development agenda approaches, the development lessons associated with these flows should be more closely taken into account.

- Labour migration and remittance flows can reduce poverty and create human development opportunities for vulnerable households in this region. Migration can also help make labour markets more flexible and boosts competitiveness in destination countries. However, personal tragedies—in terms of broken families, abandoned children, epidemiological risks, human trafficking and other forms of exploitation and abuse, and sometimes death—are too often associated with migration. The additional household incomes provided by (often male) migrants too often go hand-in-hand with increasing burdens of unpaid care work for women as single heads of household, with sole responsibilities for the care of children, the sick and the elderly. For destination countries, these large migration flows can mean pressures on social cohesion and threats to labour market regulation and the rule of law.
- Efforts to reduce legal “grey zones” associated with informality and irregular migration can pay large human development dividends for both source and destination countries. So can efforts to improve the extent and quality of information available to actual and potential migrants—many of which come from under-developed and isolated rural and mountainous parts of Central Asia.
- Migration and remittance flows in this region are closely connected with Eurasian integration. This is the case both in terms of the emergence of the Eurasian Economic Union—of which Russia, Kazakhstan, and the Kyrgyz Republic are members, and which calls for the free movement of labour and the harmonization of social protection systems among member states—and in terms of the extensive informal labour market integration that has occurred between these countries, Tajikistan, and, increasingly, Uzbekistan. In the longer term, Eurasian integration can combine labour market liberalization with improvements in social protection and labour market regulation in both migration source and destination countries. It can also spur the modernization of vocational education training systems in the region.
- Following strong increases during 2010-2013, remittance flows in this region during 2014-2015 have come under significant downward pressures. This has been due to the economic downturn in the Russian Federation and Kazakhstan, as well as stricter enforcement of migration regulations in Russia. However, the latest UNDESA and IMF demographic and economic growth forecasts strongly suggest these declines are unlikely to persist. The resumption of growth in remittance (and associated labour migration) flows, and their continuation through 2030, seem the most probable outcome.
- In the longer term, the creation of more and more decent job opportunities in Central Asia’s less wealthy countries is the best answer to the development challenges associated with labour migration. The accelerated development of labour-intensive industries, as well as more robust community development efforts (which can be co-financed by remittances) are needed to provide migrants and their families with new income- and employment-generation opportunities at home.
- Better migration policies and programming require improvements in data quality, quantity, and availability for monitoring and evaluation. Despite numerous recent improvements in migration and remittances data, important gaps still exist (IOM 2015, pp. 61-64). These are apparent, for example, in the absence of (publication of) regular labour force survey, migration, or remittance inflow data in some Central Asian countries. Likewise, destination countries often lack a comprehensive picture of the socio-economic impact of labour migration, which is not easy to catch via household budget surveys and administrative data. Post-2015 support for the on-going progress in these areas should be expanded—with a particular focus on data that are disaggregated by gender, age, and other key vulnerability criteria.
- These large labour migration flows are swelling the size of Kyrgyz, Tajik, and Uzbek diasporas, especially in the Russian Federation and Kazakhstan. However, in contrast to

other regions, and despite support from IOM and other international organizations, Central Asian diasporas haven't yet been fully engaged by governments in either countries of origin or destination. Opportunities for investment and business development activities in countries of origin, and for working with vulnerable migrant communities in destination countries, should be better managed.

Policy and programming recommendations

- ***Migrants, their families and communities, and destination countries would benefit from improvements in policies and programmes to manage labour migration flows.*** This applies to all stages of the labour migration process—from taking the decision to migrate, to traveling abroad, to securing gainful, safe employment and appropriate accommodations, to interacting with the authorities at home and abroad, to remitting funds, to returning home, and to ensuring that at least a portion of the funds remitted can be reinvested in the local economic development.
- ***Better information for potential migrants is required.*** Too many migration decisions are based on rumour and information from friends and relatives, rather than on firm understandings of legal rights and obligations, or solid knowledge of labour market opportunities. These circumstances exacerbate the problems of irregular migration, and increase migrants' vulnerability to abuse and exploitation, as well as risks of deportation and associated financial reversals.
- ***Combine the adoption of more liberal migration regimes with stronger sanctions*** against employers who violate migration and other labour-market legislation (as well as migrant labour intermediaries who engage in fraudulent practices), and more effective state, private-sector, and NGO support for (IOM 2015, pp. 64-67):
 - formal cross-border contracting of migrant workers (especially seasonal workers); and
 - more flexible regulation of local border traffic, *inter alia* via authorizing multiple entries and regular stays in adjacent border areas for small-scale entrepreneurs.
- ***Better enforcement of existing migration regimes.*** The “blacklisting” of hundreds of thousands of Central Asian migrant labourers by the Russian Federation authorities during 2014-2015 did not result solely from new legal requirements for migrants (e.g., passage of examinations in Russian language, culture, history, etc.). It instead reflected the more rigorous implementation of existing migration regulations, concerning *inter alia* violations of the 90-day visa-free limit and of employment without proper documentation. What labour migrants may see as the adoption of more restrictive policies may instead seem to the host country as much needed efforts to enforce existing regulations—thereby strengthening the overall credibility, and effectiveness, of the national migration regime. At the same time, early efforts to accelerate the conclusion of re-admission regimes for Central Asian migrants who are able to comply with the new regulations could pay large dividends for all parties concerned.
- ***Invest in vocational education and training for migrants.*** Central Asians from isolated rural and mountainous areas with weak vocational educational backgrounds can face particularly high migration-related risks. The introduction of Russian language and history examinations for potential migrants could make these problems even more acute. Investments in the quality of vocational education and stronger links to employers in destination countries could pay large dividends in improving migrants' employment and earnings prospects. Better vocational education systems in Central Asian countries can also boost national labour markets and improve competitiveness, as well as helping migrants to better contribute to local economies upon their return. Investment in training centres focusing on migrant labour in the Russian Federation and Kazakhstan could more closely align the supply of migrant workers to labour-market needs. Special attention

should be paid to differentiating between male and female engagement in the labour market.

- **Invest in the development of labour-intensive industries, to create alternatives to migration.** Many Central Asian migrants would prefer to stay at home if suitable employment- and income-generation opportunities were available. The accelerated development of such labour-intensive sectors as light industry, trade, and tourism, could provide these opportunities. Larger investments in skills training in these sectors—especially for young people, and for women—could pay large social and economic dividends. While most of these opportunities must come from the private sector, governments can help improve business climates for companies in these sectors by investing in transport and commercial infrastructure, and reducing or removing unnecessary or counter-productive regulations—particularly concerning cross-border trade.
- **Local solutions for better outcomes.** While national policies for better migration management are extremely important, real development happens at the local level. Most of Central Asia's remittance inflows are highly dispersed, come in small sums, and are devoted to consumption. However, they also flow directly into localities—and evidence suggests that some of Central Asia's most impoverished regions benefit significantly from remittances. Remittances could therefore co-finance local development projects; initial experience with organizing migrant household associations and attracting remittance co-financing into local government trust funds in Tajikistan seems quite promising. Such projects could benefit from institutional development support from the international community—building *inter alia* on the work of the [Joint Migration and Development Initiative](#). Taking full advantage of these opportunities will require further reforms to deepen national and local financial systems, and more robust investments in financial literacy.
- **Step up outreach to diaspora communities.** Policies and programming to stimulate diaspora engagement in countries of origin, and to strengthen community-relations links between diasporas and governments in destination countries, can boost development prospects in the less wealthy Central Asian countries while helping governments to manage migration-related social issues in the Russian Federation and Kazakhstan. The IOM-supported diaspora mapping exercises conducted in the Kyrgyz Republic and Tajikistan, and the Diaspora Forum held in Dushanbe in 2014, were important initial steps in this regard.⁶⁹
- **Towards whole-of-government approaches to migration policy management.** As in most of the rest of the world, migration management in Central Asia has focused primarily on the movement of people. However, because migration is a much broader phenomenon, it affects many sectors and dimension of human development. Its management therefore requires cross-sectoral, whole-of-government approaches⁷⁰—involving *inter alia* ministries of:
 - Labour—to ensure that national labour market regulation reflects the implications of cross-border labour mobility;

⁶⁹ See also International Centre for Migration Policy Development (2013).

⁷⁰ Such an approach is apparent, for example, in IOM's [Managing Employment Abroad](#) programme in the Kyrgyz Republic. It was also a hallmark of IOM's 2010-2013 [Central Asia Regional Migration Programme](#), which was supported by the UK Government and co-implemented by UNWomen and the World Bank. Under this programme assistance was provided via 25 migrant resource centres (as well as employment centres in Bishkek and Osh) to more than 400,000 migrant workers and their families. This approach is also present in the UNDP-IOM Joint Global Programme on Mainstreaming Migration into National Development Strategies that has been implemented in the Kyrgyz Republic.

- Education—to forecast labour-market demands and to organize the provision of flexible vocational training;
 - Social protection—to harmonize social protection systems across migration source and destination countries, where possible making pension and other social protection systems portable;
 - Health—to more effectively respond to the health needs of returning migrants;
 - Economy—to involve returning migrants in business activities, and to promote financial deepening, financial literacy, and the expansion of labour-intensive sectors;
 - Regional development—to help remittances to better support local development programming; and
 - Foreign and Internal Affairs—to ensure that the rights and welfare of migrants are promoted, *inter alia* within the context of Eurasian integration.
- ***Align national policies on migration and remittances with the SDGs.*** The challenges of international reporting against the Sustainable Development Goals, targets, and indicators are likely to acquire increasing importance in the years to come. Sustainable Development Goals 5, 8, 10, and 17 highlight the importance of migration for development, of protecting migrant workers' rights, and of improving national and global reporting of data on labour migration and remittances. The SDGs' means of implementation call for further reductions in the transactions costs associated with migrant remittances. This underscores the importance of aligning national strategies, policies, and programmes on migration, employment, poverty reduction, finance for development, and other relevant areas with the SDGs. More generally, closer alignment of national policies and programming global best practices in the management of migration and remittances can help accelerate the introduction of such initiatives as diaspora bonds, or attracting remittances into local development. Progress in these areas could be accompanied by renewed efforts to "crowd in" remittances for local business development, by more aggressively blending them with public-sector and donor monies. These opportunities could be particularly important for the Russian Federation and Kazakhstan, which are stepping up their provision of development assistance to the Kyrgyz Republic and Tajikistan, and which are already investing in local development, vocational education systems, and other programming areas which could be more closely linked to labour migration issues.
 - ***Invest in better data on migration and remittances,*** and in the monitoring and evaluation of migration policies and programming. The regular publication and analysis of labour force survey, household budget survey, migration, and remittance data are key to developing a comprehensive picture of the socio-economic impact of labour migration. Post-2015 support for the on-going progress in these areas should be expanded.

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