

# Labor Migration in Central Asia: Implications of the Global Economic Crisis

Erica Marat

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*Central Asia- Caucasus Institute*  
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## Executive Summary

Over the past decade the former Soviet zone turned into one of the major human migration regions in the world. The amount of remittances sent home by labor migrants grew significantly in the 2000s and peaked in 2008. Labor migration became a potential major force for integration among the former Soviet republics. However, official state responses were weak, as both sending and receiving states failed to cooperate on migration issues, neglected the benefits of migration and complicated the lives of migrants. Labor migration is treated as a political issue in Central Asia, with recipient countries – mainly Russia and Kazakhstan – using migrants to exert pressure on migrant-sending countries. Meanwhile, Uzbekistan, a major sending country, routinely blocks the discussion of labor migration issue at regional meetings.

Russia and Kazakhstan have benefited from migration inflows but lacked any motivation to create more favorable conditions for incoming migrants. Remittances surged in 2006-2007, when the construction sector boomed both in Russia and Kazakhstan. Remittances to Tajikistan, for instance, increased from \$1.7 billion in 2007 to \$2.7 billion in 2008. In the meantime, although migrant remittances constitute a considerable share of sender country GDP, these money insertions do not contribute to local development, instead resulting in real estate bubbles and rising food prices. The long rise was followed by an abrupt decline in early 2009. Analysts therefore, shifted from examining the causes, implications, and scope of migration to focus on the economic and social consequences for recipient countries when migrants return home. To a great extent, the migrants' abrupt return was the only major manifestation of the current global economic crisis to affect Kyrgyzstan, Tajikistan and Uzbekistan, the leading migrant-sending countries.

This paper focuses on labor migration to and from the five Central Asian states and Russia. It begins with a description of the major trends that

emerged in the 2000s, followed by individual sections on the difficulties migrants face while finding jobs, acquiring necessary work permits, and enduring difficult work conditions. A section on slavery and trafficking in human beings examines Central Asian governments' efforts to protect their citizens by endorsing pertinent legislation and strengthening law-enforcement structures. This survey is followed by a critique of the region's weak efforts to cooperate on labor migration issues. Finally, the paper concludes with predictions about how the global economic downturn will impact labor migration during 2009-2010.

Since each International Organization for Migration (IOM) country office in Central Asia has a different set of projects, the types of data presented in this report vary from country to country. For instance, ample information on human trafficking is available in Kazakhstan, Tajikistan and Uzbekistan, while Kyrgyzstan's IOM office focuses on remittances and individual instances of slavery. To date, labor migration in and out of Central Asia has received extensive attention from international organizations and researchers.<sup>1</sup> Both groups have investigated a wide variety of issues, from general trends to the daily lives of migrants.

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<sup>1</sup> Among them are International Organizations for Migration, International Labor Organization, Canadian International Development Agency, Swedish International Development Agency, the World Bank, United Nations Development Program, United States Agency for International Development, Technical Aid to the Commonwealth of Independent States, UK Department for International Development, and a number of other international organizations are concerned with issues related to labor migration.



## Introduction: Migration in Years and Numbers

By 2008 around 200 million people – about 3% of the total world population – lived outside their homelands. Although Central Asia represents only a fraction of the world's total migrant population, the region's economies are heavily influenced by migrant workers. Tajikistan has the world's highest proportion of remittances to GDP. In 2007 remittances comprised 36% of its GDP, or \$1.8 billion, while Kyrgyzstan ranked fourth in the world, with 27% of GDP or \$322 million.<sup>2</sup> Some reports estimate that Tajikistan's remittances make up as much as 46% of its GDP.<sup>3</sup> With that, neither country ranks nearly as high in terms of the volume of remittances received. India and China lead this category, receiving \$27 billion and \$25.7 billion, respectively, in 2007. Russia leads all other former Soviet states in receiving remittances, with \$4 billion received in 2007.

Russia is part of major human migration corridors and links Kazakhstan and Ukraine, both major migrant sources and destinations. These corridors rank among the most significant pathways across the world, behind only the Mexico-U.S. route. Russia is the largest remittance-sending country, recording \$11.4 billion sent in 2006, compared with \$40 million sent from the United States. The migration corridors in the CIS are relatively inexpensive, with only about \$300 needed to travel from Tajikistan to Russia either by train or air. One-way airfares from Kyrgyzstan to Moscow start at \$160 during off-peak seasons. Travel costs drop significantly for migrants moving within the Central Asian region, ranging as little as \$5–50 for interstate bus and taxi fares. All Central Asian states have a visa-free entry to Russia, but migrants need to register if staying for longer than three days.

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<sup>2</sup> *Migration and Remittances, Top 10*, The World Bank, <<http://siteresources.worldbank.org/INTPROSPECTS/Resources/334934-1199807908806/Top10.pdf>>, accessed January 13, 2009; Remittances to Tajikistan might appear much higher than to Kyrgyzstan because of more thorough data collection.

<sup>3</sup> *Migration and Remittances, Top 10*, 2009.

Within Eurasia, Russia, Ukraine and Kazakhstan are the largest migrant recipients. During 2000-2007 Russia hosted on average 12 million migrants or 8-9% of its total population. Kazakhstan, in turn, had 2.5-3 million immigrants during the same period, which comprised 16-19% of its population.<sup>4</sup> The gap between the number of permits and the estimated number of migrations suggests that the vast majority of these migrants are forced to work illegally. Each year Russian employers obtain over 300,000 work permits for foreigners, while even official figures count from three to five million guest workers coming to Russia annually.<sup>5</sup> This quota applies only to professionals, not unskilled workers.

After the United States, Russia is the second-largest migrant-receiving country in the world, while Kazakhstan ranks 16<sup>th</sup>. For the most part, Russia and Kazakhstan receive far more labor migrants than refugees. Both countries are also the largest sending countries, with 11.5 million Russian citizens and 3.7 million Kazakh citizens residing abroad in the mid-2000s.<sup>6</sup> While large German and Jewish communities left these countries after 1991, millions of ethnic Russians moved to Russia and 300,000 ethnic Kazakhs to Kazakhstan from other parts of the former Soviet Union. For Kazakhstan especially, the exodus is sizable, comprising nearly 25% of the population.

Experts estimate there are between 600,000 and over one million Tajik migrants in Russia, who sent more than \$1.8 billion as remittances in 2007.<sup>7</sup> This sum is substantial, especially compared with the \$400 million in salaries earned by Tajik citizens at home. The Tajik government usually reports some 400,000-500,000 labor migrants residing abroad. But according to World Bank data, roughly 800,000 Tajik migrants – nearly 12 % of the total population of Tajikistan – work in Russia, Kazakhstan, Kyrgyzstan and

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<sup>4</sup> *Trudovaya migratsiya iz Kyrgyzstana*, [Labor Migration from Kyrgyzstan], IOM Bishkek, 2008, p. 460.

<sup>5</sup> *Russian Federation: Facts and Figures*, IOM, <<http://www.iom.int/jahia/Jahia/pid/811>>, accessed on January 20, 2009.

<sup>6</sup> The World Bank, “*Migration and Remittances, Top 10*”.

<sup>7</sup> Konstantin Parshin, “Tajikistan: Dushanbe Braces for Shock, as Remittances Set to Fall off Cliff”, *Eurasia Insight*, December 16, 2008.

Uzbekistan combined. IOM reports that up to 90% of Tajik migrants work in Russia.<sup>8</sup>

Estimates of Kyrgyz migrants vary from 500,000 to over one million. Most official sources cite 600,000 migrants working in Russia, Kazakhstan, Turkey, United States and the Baltic States, which would be 11.7% of Kyrgyzstan's total population.<sup>9</sup>

Kyrgyzstan, Tajikistan and Kazakhstan are also the leading former Soviet states in terms of remittances sent in proportion to their GDPs by labor migrants received by these countries. Over 270,000 Tajiks and Uzbeks travel to Kyrgyzstan for seasonal work, while Tajikistan hosts some 300,000 migrants, mostly refugees from Afghanistan and ethnic Tajiks from Uzbekistan. Labor migrants in Kyrgyzstan send remittances equal to 14% of that country's GDP abroad, while in Tajikistan the figure is 5%. By comparison, remittances sent from Kazakhstan equal to only 4% of the country's GDP.

Uzbekistan's emigrant population is the largest in Central Asia in absolute numbers. Over 2 million immigrants from Uzbekistan reportedly reside in Russia, Kazakhstan, Kyrgyzstan, South Korea, the United States, and Europe. These migrants send over \$1.3 billion home in remittances annually, making up to 8% of Uzbekistan's GDP.<sup>10</sup> The real number of Uzbek migrants and the actual size of remittances is believed to be considerably higher than reported by official sources. Roughly 60% of Uzbek migrants work in Russia, making them one of the major immigrant communities there, alongside Ukrainians, Byelorussians, Kazakhs, and Azerbaijanis.

Of all the Central Asian countries Turkmenistan has the lowest number of emigrants working abroad. Some 250,000 persons in this population are reported to be working in Russia, Kazakhstan, Ukraine, Iran, and the United

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<sup>8</sup> *Migration and Remittances Factbook*, The World Bank, the report disclaims that such official data tend to be lower than the true size of remittances and migrants working abroad and remittances proportion to GDP, <<http://siteresources.worldbank.org/INTPROSPECTS/Resources/334934-1199807908806/Tajikistan.pdf>>, accessed on January 14, 2009.

<sup>9</sup> The World Bank, *Migration and Remittances Factbook*.

<sup>10</sup> "Uzbekistan: Komu vygodny novye mery vlastei po kontrolyu za trudovoi migratsii?" [Uzbekistan: Who Benefits from Government's Control over Labor Migration?], *Ferghana.ru*, February 7, 2007.

States.<sup>11</sup> Turkmenistan also hosts 223,000 immigrants from Uzbekistan, Russia, Kazakhstan, and Azerbaijan. Therefore Turkmenistan's net migration is fairly insignificant.

Men comprise most (between 60-90%) of labor migrants from Tajikistan and Uzbekistan, although almost half of the labor migrants from Kyrgyzstan are female. The number of Tajik and Uzbek women traveling to Russia and Kazakhstan increased annually until 2008. Uzbek, Tajik and Kyrgyz migrants usually travel to Kazakhstan seasonally, where they spend several months working in the agricultural sector. Often migrants travel together with their families to harvest cotton and for other agricultural work.

Central Asian governments were slow to develop policies to ease travel regulations for their citizens seeking work abroad or even within their own country. Uzbekistan and Turkmenistan require exit visas and restrict the internal movements of their citizens, while Kyrgyzstan and Tajikistan maintain inefficient bureaucracies at passport departments and customs control, encouraging corruption and the emergence of intermediaries between migrants and authorities. Furthermore, Central Asian governments fail to maximize the potential development effect from migration. Governments across the world have found a variety of ways to enhance the use of migrant remittances in migrant-sending countries as well as benefit from the presence of guest workers. These include improving social welfare and encouraging small businesses. Although a number of international organizations dealing with migrants are active in the region, Central Asian governments still regard migration as an unimportant and temporary issue.

Central Asian governments also make little effort to create jobs at home to reduce the need for labor migration. On the contrary, the Uzbek and Tajik governments strictly control the cotton sector to the benefit of only a few members of the government at the expense of regular workers. The governments have maintained Soviet-style central distribution of cotton seeds and technologies to farmers, but now require farmers to pay for the primary inputs, thus forcing farmers into debt. Kyrgyzstan's more open economy has allowed the emergence of small businesses, such as the highly successfully clothing businesses that employ tens of thousands of locals.

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<sup>11</sup> The World Bank, *Migration and Remittances Factbook*.

However, in late 2008 Kyrgyzstan's President Kurmanbek Bakiyev amended the tax code so as to increase the taxes imposed on small and medium businesses by tenfold. The new regulation stifled businesses and fueled unemployment, forcing people to look for jobs abroad.

## Migrant-Sending Countries

### Tajikistan

The exodus of migrants from Tajikistan was abrupt, with hundreds of thousands going abroad as labor migrants or as refugees from the Tajik 1992-1997 civil war. Up to 60,000 Tajiks emigrated to Afghanistan and 13,000-20,000 to Kyrgyzstan during the war.<sup>12</sup> Even greater numbers moved to Uzbekistan and Russia. The IOM established a mission in Tajikistan in 1994 and works in close collaboration with the Tajik government.

Until 2005, international organizations working in Tajikistan spent most of their efforts on the humanitarian aspects of the ongoing peace-building process. After 2005, however, the focus shifted to economic development, including efforts to facilitate labor migration. The IOM, together with the EU, Norwegian government, OSCE and UNDP, has been working with the Tajik government to enhance migrants' protection abroad and to better manage the migration system. According to the Dushanbe IOM offices, this includes giving migrants comprehensive information "on everything related to the trip and work abroad, including travel, required identity documents, registration, work permits, employment agencies, travel and employment risks – such as human trafficking and health risks – health care access, bank contacts to send remittances, contacts for help in the destination country, and others."<sup>13</sup>

Throughout the 1990s, unemployment in Tajikistan reached over 30%. The average monthly salary hovered around \$8-11, with over 67% of the workforce employed in the agricultural sector.<sup>14</sup> By 2008, one in four Tajik households had members working abroad, with remittances reaching estimated \$2.7

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<sup>12</sup> Most of them were repatriated by a number of international organizations after the war's end.

<sup>13</sup> Interview, IOM expert, Dushanbe, February 2009.

<sup>14</sup> Natalya A. Zotova, "Trudovaya migratsiya iz Tadjikistana. Po materialam polevogo issledovaniya v Samare i Moskve" [Labor Migration from Tajikistan. From Field Research Data in Samara and Moscow], *Ferghana.ru*, May 30, 2006.

billion in 2008.<sup>15</sup> Many of the migrants are young people in their 20s whose education was disrupted by the civil war. They also have poor Russian language skills compared to workers in their 40s, whose language skills and Soviet-style education help them secure better jobs on construction sites.<sup>16</sup> Labor migrants aged 30-39 work mostly in the agricultural sector, while shuttle traders tend to be in their 30s and 40s.<sup>17</sup> Due to poorer Russian-language skills and lack of familiarity with the Russian culture, the majority of young Tajik migrants wish to return to Tajikistan after accumulating some capital. This group is also mostly unmarried.<sup>18</sup>

Nearly half of all Tajik migrants work in the construction sector, another third are shuttle traders, while 6% work at oil and gas exploration sites and 6% in the agricultural sector. Only 3% work in highly professional sectors, such as education and medicine.<sup>19</sup> Over two-thirds of migrants travel to Russia seasonally, with 25% working for six months, 53% for 7-12 months, and 22% for over a year. Only a small fraction of migrants remain in Russia for over three years.<sup>20</sup> Most Tajik labor migrants in Russia come from rural areas, with Sogd oblast and Pamir autonomous region leading the list.

Because the exodus of Tajik migrants and refugees was abrupt, the Tajik diaspora formed quickly and became active in supporting each other. Over 20 organizations comprised of members of the Tajik diaspora are active in major Russian cities. Diaspora occasionally compiles data about migration trends and cases of violence against migrants in Russia. These organizations function as small businesses, advising migrants for a fee. However, some Tajik diaspora groups have reportedly been engaged in various forms of human trafficking and slavery as well.<sup>21</sup> By establishing contacts with

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<sup>15</sup> According to IOM data, <<http://www.iom.int/jahia/Jahia/pid/2022>>, accessed on January 15, 2009; Interview with Muzafar Zaripov, IOM Project Manager, Dushanbe, February 3, 2009.

<sup>16</sup> Saodat Olimova, "Migratsionnye protsessy v sovremennom Tadjikistane" [Migration Processes in Contemporary Tajikistan], *Demoskop Weekly*, November 21, 2005.

<sup>17</sup> Olimova, 2005.

<sup>18</sup> Zotova, 2006.

<sup>19</sup> Olimova, 2005.

<sup>20</sup> Olimova, 2005.

<sup>21</sup> Saodat Olimova, Nigina Mamadzhanova, *Torgovlya lud'mi v Tadjikistane* [Human Trade in Tajikistan], IOM, July 2006, p. 6.

Russian employers diaspora groups, brokers act as dealers for Tajik migrants, earning sizable fees in the process. Kyrgyz and Uzbek migrants moved to Russia and Kazakhstan at a relatively slower pace, and their diasporas are less consolidated.<sup>22</sup>

### **Kyrgyzstan**

As with Tajikistan, Kyrgyzstan's economy quickly became dependent on remittances. In 2001 remittances comprised only 1.9% of GDP, but by 2005 the proportion had increased to 13.6%.<sup>23</sup> Together the shadow economy and remittances accounted for 50-60% of GDP in 2008. At the same time foreign direct investment hovered at only 3.7% during roughly the same period. The IOM Bishkek office reports that some 300,000 Kyrgyz migrants work in Russia, with 160,000 already possessing Russian passports. The remaining 140,000 migrants are vulnerable to deportation.<sup>24</sup> Labor migrants from Kyrgyzstan travel seasonally, returning home during winters. Other expert estimates range between 600,000 and one million Kyrgyz labor migrants traveling to Russia and Kazakhstan for work annually.

Compared to neighboring states, Kyrgyzstan's more liberal political climate facilitates debates among parliamentarians and government structures, who hold two contradictory opinions on the subject. The first group sees labor migration as a national loss and appeals to Kyrgyz migrants to return from Russia and Kazakhstan and take local jobs, despite the country's high unemployment rate. The second group argues that the government must do everything possible to forestall the return of migrants, as an influx of job-seekers would destabilize the local social, political and economic situation. The two groups operate with different definitions of labor migration, reflecting the Kyrgyz government's inability to adopt a parsimonious definition of the term.<sup>25</sup> At the regional level the definition of a labor migrant varies even further, leading to constant misunderstanding. The definitions vary depending on the length of a migrant's stay abroad and his/her occupation and legal status.

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<sup>22</sup> Interview, Shukhrat Ganiev, Bukhara, February 2009.

<sup>23</sup> IOM, *Trudovaya migratsiya iz Kyrgyzstana*, p. 41.

<sup>24</sup> Interview with Bermet Moldobaeva, IOM National Program Officer, Bishkek, January 2009.

<sup>25</sup> Interview, Moldobaeva.



Over 60% of Kyrgyz migrants work illegally, and more than half of all Kyrgyz migrants are forced by their employers to work overtime.<sup>26</sup> The average age of a labor migrant from Kyrgyzstan is 32 years, and more than half of them have secondary or university education. Ethnic Kyrgyz comprise 79% of all labor migrants from Kyrgyzstan, followed by Uzbeks (9%) and Russians (7%). The largest sending region is Osh oblast; roughly 35% of all Kyrgyz migrants are from the oblast or Osh city. That is, every fifth Osh resident of working age leaves the country to find work. Jobs are scarce in the region because Osh oblast is much more densely populated than other parts of the country due to high birth rates in the 1980s and 1990s. Batken and Jalalabad oblasts send 11.7% and 12.9% of their workers, respectively, meaning one of every eight residents from these oblasts becomes a labor migrant.<sup>27</sup> Residents of Chui, Talas and Issyk-Kul oblasts in northern prefer Kazakhstan over Russia. Some 71% of Kyrgyz migrants to Kazakhstan and Russia are seasonal, leaving each spring and returning home during winter months.

Kyrgyzstan's deteriorating education system also contributes to labor migration. People born in the 1980s and 1990s tend to have little formal education and many are unable to speak or read neither in Kyrgyz nor Russian. Urban areas are saturated with private universities teaching social sciences rather than applied subjects.<sup>28</sup> Over 200,000 students are enrolled in universities studying economics, law and politics, while only 11,000 students are enrolled in technical departments. Each year thousands of new university graduates are unable to find jobs locally. At the same time the country severely lacks engineers, architects, and other members of the building trade.

According to the Asian Development Bank (ADB), over 16% of households in Kyrgyzstan received remittances in 2006. The average annual remittance income was \$1,331 per household, while average domestic earnings are about \$400 per month.<sup>29</sup> Similar to Tajikistan, most remittances were spent on

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<sup>26</sup> IOM, *Trudovaya migratsiya iz Kyrgyzstana*.

<sup>27</sup> IOM, *Trudovaya migratsiya iz Kyrgyzstana*, p. 85.

<sup>28</sup> Interview, Moldobaeva.

<sup>29</sup> *Asian Development Outlook 2008*, Asian Development Bank, <<http://www.adb.org/Documents/Books/ADO/2008/KGZ.asp>>, accessed on January 20, 2009; IOM, *Trudovaya migratsiya iz Kyrgyzstana*, p. 145.

consumer goods. According to IOM data, only 10% of remittances are spent on healthcare and education. The rest goes to everyday needs.<sup>30</sup>

A small group of labor migrants from neighboring states can earn the same or even higher wages than Kyrgyz migrants to Russia or Kazakhstan. For instance, Uzbek migrants working in house repairs in Bishkek might earn up to \$1,000 a month.

## Uzbekistan

Half of Central Asia's 50 million residents live in Uzbekistan. With an overwhelmingly rural population and heavy government control of the economy, Uzbekistan inevitably became a major migrant-exporting country. According to various estimates, between 2 million and 8 million Uzbek citizens work abroad. The vast majority of labor migrants work seasonally, travelling abroad only during warm months, and come from rural areas and the Karakalpakstan autonomous republic

The Uzbek government is notorious for denying the very existence of labor migration among its citizens. The IOM is not accredited in Uzbekistan, but several government-controlled organizations (officially registered as NGOs) manage projects in conjunction with the IOM office in Almaty, Kazakhstan. These organizations collaborate actively with law-enforcement structures and work on the grassroots level. Local government and makhallas (local communities) help organize trainings with potential and returning migrants on how to acquire legal status abroad, the migrants' rights and responsibilities. Istiqbolli Avlod (Future Generation), for instance, coordinates projects on migration and human trafficking under the supervision of IOM Almaty. Since 2004, the organization has been able to build good contacts with NGOs in Kazakhstan, Russia and Kyrgyzstan.

According to Istiqbolli Avlod staff, their efforts were not in vain, as government employees now see migrants in a very different way than just a few years ago. When the organization first began working, migrants were perceived as outcasts of society who were at fault for any trouble abroad. Trafficked women, for example, were treated as criminals and social pariahs. Today, that view has changed, with law enforcement being more empathetic

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<sup>30</sup> Interview, Moldobaeva.

towards migrants and victims of trafficking.<sup>31</sup> Cases of harsh treatment of victims still exist, but law-enforcement structures also occasionally collaborate with Istiqbolli Avlod.

Although the NGO has been actively working with the government and claims to have achieved constructive results, the organization is hardly independent. Following the Andijan massacre in May 2005, the Uzbek parliament began to administer all donor grants allocated to civil society groups, giving the government strong leverage over the work of NGOs. Such government-NGO collaboration is indeed at times productive, but it also fosters a false perception of a free and successful civil society. The government allows other NGOs to exist on the same terms, including the youth group Kamolot and the Fond Forum.

Uzbekistan works far more closely with Russian law-enforcement structures and NGO partners than with those in Kazakhstan. Since the Uzbek government denies that migration problems with Kazakhstan exist, Uzbek citizens are the most common victims of sexual and labor exploitation there. Because the Kazakh police is often involved in covering up human trafficking in Almaty and other large cities, Istiqbolli Avlod has been unable to repatriate Uzbek trafficking victims. Even when the NGO has information on the possible location of a victim, the Almaty police refuse to collaborate. Along with labor migration, the Uzbekistan's internal and external human trafficking rates are the highest in the region.

The Uzbek government continues to be reluctant to build a regional dialogue on migration issues. Many local experts believe Tashkent fears negative international publicity from the migration issue. Uzbekistan's collaboration on migration is best with Russia, and the Uzbek government continues to build contacts with Middle Eastern programs. Yet, cooperation with Kazakhstan, one of the largest recipients of Uzbek migrants, is far from adequate.

### **Remittances**

Both formal and informal methods to transfer remittances have sprung up across the former Soviet states. Formal channels include Western Union and

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<sup>31</sup> Interview with Liliya Khamzayeva, NGO Istiqbolli Avlod, Tashkent, January 2009.

a host of similar money transfer systems. Poor migrants are bound to pay higher fees for multiple, small transfers compared to richer migrants who can afford to send larger sums at once.<sup>32</sup> A research study of Kyrgyz migrants working in the United States identified a variety of informal transfer arrangements, including migration intermediaries and informal networks that provide identification documents such as passport issuing agencies.<sup>33</sup> These institutions are based in both Kyrgyzstan as well as the United States. Formal and informal institutions dealing with migrant activities often compete with one another, but they rarely substitute for each other.

During the past few years new money transfer institutions have been formed that can compete with relatively expensive services of Western Union. Such formal institutions have become widespread in Kyrgyzstan and Tajikistan, but not as much in Uzbekistan.

Remittances have facilitated the development of Tajikistan's financial sector, by prompting the development of sophisticated money transfer systems. Over a dozen Tajik banks began processing remittances in 2004, significantly increasing government's ability to track financial flows into the country. According to local experts' estimates, over 55% of migrants prefer to transfer money through official institutions, a fairly high rate compared to the levels in the early 2000s.<sup>34</sup> As a result, the government is better able to see the impact of remittances on the national economy. The remaining portion of remittances is transferred informally through intermediaries or by migrants themselves. Although certain costs are associated with bank transfers, carrying cash while leaving Russia and entering Tajikistan is risky, as customs control officers habitually impose informal payments on migrants, not to mention the chance of theft.

Unlike quantitative research, qualitative inquiries about migrants and their families are scarce. Studies of how remittances are spent are infrequent and

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<sup>32</sup> *The International Migration Agenda and the World Bank: Managing Risks and Enhancing Benefits*, The World Bank, September 2006., <<http://siteresources.worldbank.org/INTMIGDEV/Resources/26304revisedtext.pdf>>, accessed on January 14, 2009.

<sup>33</sup> Salta Liebert, *Interaction of Formal and Informal Institutions: The Case of Low-Wage Labor Migration from Kyrgyzstan to the United States*, PhD dissertation, American University, Washington, DC, 2007.

<sup>34</sup> Interview with a Tajik expert, Dushanbe, February 2009.

typically concentrate on single communities. Furthermore, whether remittances help develop communities, increase education and improve health among recipients by keeping children and women away from hard labor is also understudied. Finally, no study has investigated how labor migration affects the women left behind. According to Central Asian experts' rough estimations, remittances do not contribute to development significantly. At best, opening of small internet cafes, small restaurants, and buying taxi cabs are the limits of investment. Local infrastructure and services receive little benefit. But offering micro-credits that encourage borrowers to invest and pay off debts could be more efficient. Most migrants who launch businesses at home often see their ventures as filling a temporary gap before they go abroad again, thus failing to help the economy at large.

There are some general trends emerging among migrant-sending countries, such as strong and steadily increasing real estate prices. Prices for real estate increased throughout the 2000s until 2008, even though Kyrgyzstan and Tajikistan have virtually no mortgage markets. The trend suggests that remittances might contribute to the jump in prices, as they are invested mostly in real estate in urban areas. Migrants from all parts of the country seek to invest in property in prestigious neighborhoods of the capital cities, seeing them as the most valuable long-run investments. Similarly, most small businesses tend to be launched in the capital city or its outskirts, which in turn lead to greater internal migration.

Experts estimate that only 2% of remittances are invested into small businesses in Tajikistan, while the rest is spent on consumption. Remittances are often squandered on traditional celebrations such as weddings, birthdays, funerals and other commemorations. In rare cases remittances are spent on education. But some "migrants buy clothes, cell phones and more food," said one IOM representative in Bishkek.<sup>35</sup> Families are pressured by their neighbors to splurge on these events and invite the entire community. In 2007 the Tajik government even introduced a new law prohibiting such excess, explaining that it eats up labor migrants' earnings. The Kyrgyz parliament discussed a similar measure. The IOM office in Dushanbe, in

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<sup>35</sup> Interview, Moldobaeva.

turn, organizes special trainings for returning migrants and their families on investment opportunities.

Yet, the urge to spend remittances on consumption might be temporary. Over time, migrants may learn new strategies of investment and their consumer desires have been satisfied. Returning migrants are some of the most entrepreneurial citizens, consciously looking for new markets niches. Migrants with several years' experience working in one sector abroad, such as construction or manufacturing, will market their special skills at home.<sup>36</sup> Returning migrants with some professional experience also tend to work harder after they return. But they often soon discover that earning money at home, even with initials savings, is difficult, and they may immigrate to Russia or Kazakhstan again.

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<sup>36</sup> Interview with Atyrkul R. Aliyeva, Institute for Regional Studies, Bishkek, January 2009.

# Migrant-Receiving Countries

## Putin's Policies and Xenophobia

*“Russia will welcome anyone. Those falling victims of skinheads are losers.”<sup>37</sup>  
“I avoid metro or public taxi in Moscow. I try to ride with friends in their cars”<sup>38</sup>*

Russia's population has been rapidly shrinking since the early 1990s. The annual excess of death over births has averaged around 7.7%, or roughly 400,000-900,000 people. The annual net in-migration of 3.6 million a year fails to compensate for the population decrease.<sup>39</sup> This demographic predicament has fuelled everyday discrimination against non-Russians as well as racist movements throughout the country. Russian social phobias towards foreign cultures, ideas, and people are no longer trends visible only within society, but now they extend to state policies as well. Russian officials, reflecting popular fears, warn that Russian identity is in danger; if the current decline continues, by 2050 non-Russians will constitute the majority of population.<sup>40</sup>

Russian political forces from both right- and left-wing parties regard reunification with the former Soviet states as Russia's top foreign policy priority. In fact, members of the Duma (Russian parliament) hope to restore Russia's dominance in the “near abroad”. The Communist Party of Russia, still one of the country's largest political parties, promotes unification of the

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<sup>37</sup> Former labor migrant from Tajikistan who worked at a construction site and later received Russian passport.

<sup>38</sup> Kyrgyz PhD graduate from Moscow State Institute of International Relations.

<sup>39</sup> Timothy Heleniak, “Migration Dilemmas Haunt Post-Soviet Russia”, October 2002, *Migration Information Source*, <<http://www.migrationinformation.org/feature/display.cfm?ID=62>>, accessed January 20, 2009. Although this citation is from 2002, it still accurately describes the situation in 2008-2009.

<sup>40</sup> Such warnings are expressed on numerous occasions. Andrey Vaganov, “Migranty berut revansh” [Migrants Revenge], *Nezavisimaya gazeta*, October 25, 2006.

post-Soviet countries based on a common ideological position and an alliance centered on Russia. The far right Liberal Democratic Party of Russia, led by Vladimir Zhirinovskiy, is overtly pursuing a policy of neo-imperialism, hoping to return to Russian Tsarist domination in Central Asia and the Caucasus. The centrist United Russia led by Prime Minister Vladimir Putin has been competing with the United States for political influence over the former Soviet states.

As migration continued to grow throughout the 2000s, the Russian government openly and frequently portrayed foreigners as an economic threat. Illegal workers, for example, were blamed for \$8 billion in lost taxes. The head of the Russian Federal Migration Service, Konstantin Romodanovskiy, claimed that migrants send over \$10 billion in remittances abroad, while committing most of the crimes recorded in Russia. Politicians easily turn the alleged economic and criminal threats posed by migrants into social and security challenges for the Russian people.<sup>41</sup> Only a fraction of Russian experts admit that crimes committed by migrants are more likely to be reported by local newspapers than crimes by Russians, creating a false image of foreigners. Contrary to public perceptions, most migrants try to abide by the law because they are afraid of losing their jobs or being expelled from the country.

In December 2008, Putin argued that the migrant quota should be cut by up to 50% of the total 3.9 million legally registered, claiming that this is a natural reaction to the economic downturn in the country. His order, however, did not immediately lead to a significant drop in the number of immigrants for two reasons. First, he cited the official number of immigrant population. And, second, the phrase “up to” means cutting anywhere from none to 50%. That is, in a worst case scenario, up to 1.95 million of the total unofficial 12 million migrants will be sent home. Indeed, Putin can change the cutoff level depending on the circumstances.

Putin ordered the Ministry of Health to define how the quota should be reduced across the country’s regions and main cities, delegating the final judgment of how many migrants are allowed to stay in the country to the

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<sup>41</sup> Boris Alekseyev, “Migranty-nelegaly podryvayut ekonomiku strany” [Illegal Migrants Undermine the Country’s Economy], *Utro.ru*, September 15, 2006.



ministerial level. Moscow Mayor Yuri Luzhkov, for instance, quickly reacted to Putin's decision by lobbying for a significant cut in the existing 350,000 work permits in the country's capital.<sup>42</sup> But the Prime Minister's overall reaction to the immigration issue amid crisis suggests that he realizes the importance of the foreign workforce in Russia, while acknowledging the local population's frustration with the economic slowdown. In the meantime, some Russian regions requested an increased quota for 2009.

Also in late 2008 Putin discussed plans for public works projects to alleviate effects of the economic crisis. He especially focused on the construction sector, which has been considerably affected by the crisis. The amount Putin allocates for public investment will determine the demand for guest workers.

One of the main reason why the Russian, as well as Kazakh governments might be interested in decreasing their quotas for migrants is the lower costs associated illegal migrants. Unlike legal migrants and citizens, millions of illegal guest workers are not able to lobby for better working conditions or social protection.<sup>43</sup> In Moscow and Saint Petersburg, which have higher numbers of university-educated labor migrants, there is a tendency to lay off Russian citizens and keep the unregistered foreigners. Guest workers have higher workloads and lower salaries, thus being more cost effective for the employers.<sup>44</sup>

Returning and new migrants tend to disagree with claims that the Russian authorities try to force them out of the country. Some even mention that their Russian employers asked them to remain on construction sites despite lower salaries until the economy rebounds.<sup>45</sup> This reflects the widespread belief in Russia that the economic downturn is likely to be short and public-sector investments will help speed the recovery. Importantly, despite the slowdown of the construction sector in Russia, prices for real estate and land resources remained stable during late 2008 and early 2009.<sup>46</sup>

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<sup>42</sup> "Migrantov zapisali na priem v Minzdrav" [Migrants are Scheduled to Visit Ministry of Health], *Kommersant*, December 11, 2008.

<sup>43</sup> "V 2009 godu raboty dlya gastarbaiterov ne budet?" [Gastarbaiters Will not Have Jobs in 2009?], *Pervouralska.net*, January 5, 2009.

<sup>44</sup> Interview with Kyrgyz employee at a Russian bank in Moscow, January 2009.

<sup>45</sup> Interview with Kyrgyz labor migrants, Bishkek, January 2009.

<sup>46</sup> Interview with Moscow businessman, Washington, DC, March 2009.

The economic downturn is, however, a direct challenge to the migrant population's security. Human rights groups in Russia fear that racist attacks on immigrants might spike during the crisis. The Moscow-based NGO Human Rights Bureau reports that the number of killings motivated by racial hatred doubled in 2008, reaching 113 deaths; another 340 migrants were wounded.<sup>47</sup>

The movements are usually comprised of young people, 16-35 years old, with a strong ideology, somewhat charismatic leaders, and aggressive attitudes towards non-Russians. These movements commit hate crimes against foreigners, and labor migrants are one of their favorite targets. Also known as "Skinheads", or "*Britogolovye*", such movements represent extreme, violent forms of xenophobia. Foreigners, especially of non-European races, are threatened on the streets of Russia's large cities. In the mid-2000s, tens of thousands young people between 16-22 years of age were members of informal groups propagating racist and Nazi ideas.<sup>48</sup> Skinhead gangs vary from being against all non-Europeans, to non-Slavs, to non-Russians. However, most unify under the "Russia for Russians" slogan. What began as open discrimination against people from former Soviet states, Jews, Roma, and Africans in the early 1990s, a decade later turned into hatred against all foreigners: from Latin Americans to Chinese.

The techniques and instruments of hatred among Russian skinhead movements represent a blend of Soviet and Nazi traditions of repression. Red flags with the hammer and sickle and those with Nazi swastikas have been openly adopted by the most outspoken groups. Beatings and killings of foreigners are often carried out in public places, such as metro stations, markets, and universities with international students. The number of hate crimes notably increases on April 20th, the eve of Hitler's birthday.

Subtle support for these movements is expressed in various ways by the Russian public and mass media outlets. For example, several Russian newspapers directly accused Azerbaijani and Tajik traders of causing chaos in Moscow after the roof of a city market collapsed in February 2006, killing more than fifty people, mostly labor migrants. The incident provoked wide

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<sup>47</sup> "The People Crunch", *The Economist*, January 23-29, 2009.

<sup>48</sup> "Skinheads in Russia: Who Are They?", *Pravda*, August 6, 2003.

public discussions on national immigration legislature, a debate tainted by xenophobic undertones.

### **Kazakhstan- A New Home for Labor Migrants**

Since the mid-2000s Kazakhstan has become a new popular destination for Central Asian migrants. Over 200,000 Kyrgyz, 50,000 Tajiks, and 250,000 Uzbeks worked in Kazakhstan in 2007. Although average monthly salaries are lower in Kazakhstan compared to Russia, the Kazakh government offers easier naturalization procedures for guest workers.<sup>49</sup> The local culture and language are similar, making communication simpler between local employers and Kyrgyz, Tajik and Uzbek migrants. However, Kazakh law is far from ideal and local law-enforcement structures habitually abuse migrants' rights. Forceful deportation of migrants is frequent. Kazakhstan is also a popular destination for Chinese, Turkish, and Indian labor migrants, and occasionally becomes a transit country for migrants from India, Bangladesh, Sri Lanka and other South Asian countries.

Before Kazakhstan assumed the OSCE 2010 chairmanship, it had to ratify most existing international agreements on migration issues. However, the Kazakh government has delayed signing the International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families, despite OSCE pressure.

Although Kazakhstan is the major recipient country of labor migrants from neighboring countries, its formal regulations relate to professional immigrants, not the more numerous unskilled migrants. Each year the Statistics Agency establishes a quota for professional migrants and distributes legal work permits across various economic sectors. While realizing that unskilled labor migrants are a significant work force as well, the agency has not established a quota for such workers.<sup>50</sup> Unskilled labor migrants are also the most in demand in Kazakhstan, where they are simultaneously vulnerable to being deported, exploited by employers, or abused by law-enforcement personnel.

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<sup>49</sup> Marlene Laruelle, "Kazakhstan, the New Country of Immigration for Central Asian Workers", *Central Asia - Caucasus Analyst*, April 30, 2008.

<sup>50</sup> Interview with Alena Murzina, IOM National Program Officer, Almaty, January 2008.

Part of the reason that the Kazakh government has been neglecting the problem of unskilled labor migrants is the high volume of internal migration. Since the 1990s, millions of rural residents have moved to urban areas within Kazakhstan, working often in conditions similar to those of foreign labor migrants. The border between both groups is therefore often blurred. Yet foreign migrants still remain more vulnerable to abuse by employers or corrupt law-enforcement agencies. Finally, since independence, the Kazakh government has been preoccupied with integrating 464,000 ethnic Kazakh repatriates, known as Oralmans, which raised the total influx of migrants to over 1.1 million.<sup>51</sup>

Another problem Kazakhstan faces is that migrants often refuse to return home when their work permits expire. Tajik, Kyrgyz and Uzbek migrants are more comfortable living in Kazakhstan, where the language is similar, discrimination is less frequent than in Russia, and the economy is better than the one at home. But Astana sees this as a growing problem.

Until the mid-2000s Kazakhstan tended to replicate the Russian model of migration politics. But as the country became more involved in international organizations, Astana started to formulate unique national immigration policies. The Kazakh government launched several inter-agency programs, as well as a special Immigration Police, to deal with immigration issues.

Several government institutes collect data on both internal and external migration. These include, but are not limited to, the Ministry of Labor, Ministry of Interior, Ministry of Justice, Ministry of Foreign Affairs, Ministry of Economy, as well as a number of inter-parliamentarian committees. But since each government structure uses different methods of data collection it is difficult to provide a precise number of migrants traveling in and out of the country. Existing data is therefore of limited use for political decisions or analyzing major trends. This explains Astana's decision to create a special institution with considerable political influence to deal with migration issues in Kazakhstan.<sup>52</sup>

Kazakhstan's Immigration Police force is responsible for controlling immigrant flows and ensuring that local employers legally hire any foreign

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<sup>51</sup> *Status of Oralmans in Kazakhstan: Overview*, UNDP Kazakhstan, August 2006.

<sup>52</sup> Interview, Murzina.

workers. The police are also actively involved in preventing human trafficking and slavery. A special government commission on migration regularly lobbies additional state funds to deal with the trafficking problem. Finally, the Karaganda police academy has established a special department dealing with human trafficking.

The IOM office in Almaty agrees that most state structures show interest in learning from international experience. Yet, IOM, along with other donors and NGOs, must compete for the attention of Kazakh officials. The Kazakh government adopted several concept papers on immigration politics for the next few years. The documents, however, fail to outline concrete mechanisms for how the policies will be implemented and which state institutions will be responsible for controlling immigration.<sup>53</sup>

At the regional level, Kazakhstan has developed a bilateral agreement with Kyrgyzstan on labor migration and established a special state commission focusing on implementing the agreement. A similar collaborative project is in progress with Tajikistan, with an agreement likely in the coming months. However, although Uzbeks are the largest group of guestworkers, no such dialogue exists between Kazakhstan and Uzbekistan. Similarly, the issue is beyond the scope of Kazakh-Turkmen relations.

In response to the late 2008 economic downturn, the Kazakh government sought to slash the migrant worker quota. But without a clear policy in place to control labor migration among unskilled workers, this will be difficult. Kazakh MPs argued that a temporary moratorium on migration should be introduced. Several local mass media outlets speculated that the crime rate will considerably increase due to unemployment among labor migrants. Due to the economic slump in 2008, Kazakh government further complicated registration procedures for unskilled migrants, forcing employers to hire illegally.

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<sup>53</sup> Interview, Murzina.

## Regional Dynamics

### Lack of Interstate Cooperation

The problem of labor migration in Central Asia reached critical mass in 2003-2004, when it became impossible to deny the significance of the migration trends. By then, hundreds of thousands of migrants were traveling to Russia and Kazakhstan and sending substantial remittances home. Human trafficking and slavery were booming as well. Migrants faced discrimination in Russia, while law-enforcement structures abused their rights rather than protect them. However, there were no statistics on the number of migrants or the volume of remittances collected, because national governments and international organization had failed to notice the growing problem. The first projects dealing with migrant issues began only in 2003.

Central Asian governments have failed to encourage migrants to invest remittances by giving micro-grants, lifting taxes, encouraging bank savings, and decreasing customs fees. Most Central Asian public officials lack even a basic understanding of migration issues. In order to create conditions favorable to small businesses governments must realize that migrant remittances are just another type of foreign investment.<sup>54</sup> However, across all Central Asian states migration is – if even addressed – treated as a social problem, not an economic opportunity that has the potential to become a powerful driver of national development.

Furthermore, Central Asian special committees on migration are designed as social programs and excluded from decision-making processes in the economic sector. In the meantime, several government institutions deal one way or another with migration issues – from customs control, to financial and health issues. Typically, they prefer to act unilaterally than to collaborate or even communicate among each other.

At the regional level, labor migration turns into a highly politicized issue. At regional meetings migration issues typically are raised by sending countries.

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<sup>54</sup> Interview, Moldobaeva.

In the meantime, receiving countries see the issue as an opportunity to exert political leverage to pressure Kyrgyzstan and Tajikistan comply by policies set by Astana and Moscow.<sup>55</sup> Although this is a fairly common problem among migrant-sending and receiving countries worldwide, Russia and the Central Asian countries are extremely slow in changing this dynamic. In Central Asia, Kyrgyzstan usually brings up the issue at interstate meetings of CIS, CSTO, SCO, and Eurasian Economic Community (EurAsEC). Tajikistan joins Kyrgyz pleas occasionally, but usually Uzbekistan blocks the discussion of the issue, even though it has the highest number of migrants working abroad.

Even though these meetings yield agreements that could potentially benefit both receiving and sending countries, such initiatives are blocked on the national level in Russia and Kazakhstan. Parliaments in both countries often see interstate agreements on migration as contradicting domestic legislation on labor and social protection. Russia and Kazakhstan treat labor migrants as pawns, regularly demonstrating their mettle by deporting masses of migrants.

Instead, Russia and the Central Asian countries must treat the issue of interstate regulation of migration as an economic issue that benefits both migrant-sending and receiving countries. Legalization of migrants could potentially reduce corruption in law-enforcement structures that benefit from illegal migrants bribes. Sending countries, on the other hand, will be better able to protect their citizens abroad, helping them find jobs.

Since the early 2000s, Russia has moved to reinforce security and military cooperation with the Central Asian states. Most of the bilateral agreements signed between Russia and Central Asia have increased the Kremlin's influence in the region. Kyrgyzstan and Tajikistan, in particular, regularly receive economic, political, and military aid from the Kremlin. Yet, despite regular collective activities of the CIS, CSTO and EurAsEC, labor migration issues are rarely addressed. Starting in 2002 Russia concluded bilateral agreements with the CIS states on labor migration, agreements that allow migrant-recipient countries to use their leverage over sending countries. But

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<sup>55</sup> Interview, Moldobaeva.

even bilateral documents have failed to ease migrants' registration woes or protect their rights in Russia.

Only the governments of Kyrgyzstan and Kazakhstan have taken into consideration some of the international community's recommendations. In the run up to the OSCE chairmanship, Kazakhstan tried to present itself as a multi-ethnic state and major regional recipient of migrants. Kyrgyzstan, on the other hand, has more independent public servants able to collaborate with international organizations and local NGOs. For instance, since migration is not considered to be a political issue, representatives of the Committee on Migration are able to collaborate with external donors.

Most of the bilateral agreements are between Russia and Kazakhstan, Kyrgyzstan or Tajikistan. Despite its large migrant population, Astana only has an agreement with Kyrgyzstan.<sup>56</sup> Uzbekistan, in turn, has only one elaborate agreement on labor migrants and it is with South Korea. These agreements are usually reactions to existing migration trends. The agreements lack vision and strategy for periods of longer than a year or provisions for extraordinary situations, such as the changing structure of labor market or economic downturns.

### **Migrant Working Conditions and Health Issues**

The lack of interstate cooperation on labor migration and the corresponding low interest among public officials has led to widespread abuse of migrants' rights. Without official procedures, both Russian employers and labor migrants are forced to establish informal contracts. Over 65% of employment agreements among Tajik migrants in Russia are brokered without any written contract.<sup>57</sup> Among them, only one-third have legal employment authorization in Russia. The employers, in order to legally employ guest workers, must pay a deposit to the authorities that would cover the

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<sup>56</sup> Ali Mansoor and Bryce Quillin, *Migration and Remittances: Eastern Europe and the Former Soviet Union*, The World Bank, 2006.

<sup>57</sup> Nurali N. Nouraliyev, "Problemy trudovoi migratsii iz Tadzhikistana v Rossiyu", [Challenges of Labor Migration from Tajikistan to Russia], 2005, <<http://www.ecsocman.edu.ru/images/pubs/2006/07/06/0000281728/009.NOURALI EV.pdf>>, accessed on January 13, 2009.



deportation costs for migrants who break the law. They must also pay higher taxes and take responsibility for the civic rights of these workers.<sup>58</sup>

According to sociological surveys, most Central Asian migrants in Russia work up to nine hours per day, with over 10% working more than 12 hours. Moscow and Saint Petersburg are the highest-paying cities, with monthly salaries ranging between 3,000 and 9,000 Roubles (\$100 to \$300). Higher salaries in both cities, however, also make them prime places for fraud and corruption. Roughly 35-50% of migrants in these cities are not paid for their work. In Yekaterinburg 80 percent of the migrants report being shorted at least once. Migrants in Astrakhan receive the lowest salaries (less than 3,000 Roubles/month) and live in the worst conditions.<sup>59</sup> Over 44% of all migrants live in adverse conditions, while 80% of migrants lack access to healthcare.

The registration process in Russia for citizens from former Soviet republics is lengthy, taking up to 30 days. However, a migrant must register within three days upon arrival in Russia if they want to continue the legal registration process. Labor migrants arriving by airplane or train from Kyrgyzstan, Tajikistan and Uzbekistan are accustomed to paying bribes to the custom control officers. Upon arrival in Russian cities, migrants must bribe another set of customs control officers. Then when they leave Russia, migrants are pressured to pay bribes if they want to travel back home with their remaining wages. Surveys of migrants show that most would indeed prefer legal registration.<sup>60</sup>

Starting in 2003-2004, several international organizations began to work with NGOs in sending countries to develop special manuals for migrants informing them of their rights and responsibilities, the necessary documents for legal registration and pertinent immigration regulations in Russia. Such attention to migrant needs was provoked after the death and deportation rates among migrants in Russia spiked in the early 2000s.

Over 400-1,000 migrants die in Russia and Kazakhstan each year, due to poor working conditions, a lack of access to health care and violence against migrants. Labor migration also damages the migrants' health. According to

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<sup>58</sup> Nouraliyev, 2005.

<sup>59</sup> Nouraliyev, 2005.

<sup>60</sup> Interview, expert from Tajikistan, Dushanbe, February 2009.

the Bishkek IOM office, half of all migrants return home with worsened health conditions.<sup>61</sup> Heavy lifting, freezing temperatures, insufficient health care and poor living conditions are the leading causes of worsening health. After working in Siberia, where temperatures drop as low as -60 degrees Celsius, most returning migrants meet the government criteria to be considered handicapped. In the 2000s mostly young men migrated to Russia straight after finishing secondary school, creating a generation of citizens with severe health problems.

Since winters in Russia are colder than in Central Asia and the construction sector slows down then, most labor migrants who travel without families return home during the winter period, usually for 1-2 months.<sup>62</sup> But the energy crisis and abnormally prolonged sub-zero temperatures during winters 2007-08 led most migrants to remain in Russia and even summoning their families from Central Asia. Usually after working in Russia for over five years migrants bring their families to Russia. In Tajik and Uzbek families, women tend stay at home even while living in Russia. The lack of a second income affects the cost of living.

To obtain a legal work permit in Russia and Kazakhstan, migrants must prove that they are in their good health. Any person with potentially infectious diseases will not be able to work legally. Although migrants are required to collect necessary medical documents prior to leaving to work abroad, they do not have a medical examination upon their return home. Yet many return with far worse health than when they departed.<sup>63</sup> Since the majority of labor migrants are young, often unmarried males, they may be exposed to numerous STDs from paid sex services. Respiratory transmitted infections such as tuberculosis are also a common problem among migrants living in cramped quarters. Lacking access to health care abroad, migrants might be unaware of their diseases, delay treatment and spread infection among their fellow co-workers and families. A compulsory medical examination upon arrival home will serve as a buffer.

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<sup>61</sup> IOM, *Trudovaya migratsiya iz Kyrgyzstana*, p. 150.

<sup>62</sup> Zotova, 2006.

<sup>63</sup> Interview, Moldobaeva.

## Human Trafficking and Slavery

*“These women sell their underage daughters to local policemen. The girls sniff glue and see yellow Pokémons. They travel to Almaty and Tashkent sometimes too... without documents they cross the border by bribing the guards.”<sup>64</sup>*

Central Asian law-enforcement structures still lag behind organized criminal networks dealing with human trafficking. The methods for selling people for prostitution and work exploitation evolve at a pace too fast for any Central Asian country to follow. Even within the international community, the fight against trafficking in human beings is more reactive than proactive. Poor education levels and little awareness of trafficking among Central Asian rural populations fuel human trafficking. In the meantime, criminal groups remain unpunished.

Human trafficking in Central Asia has both interstate and intrastate dimensions. As in other parts of the world, organized groups trafficking humans consist of three players: recruiters, dealers and brokers. The first player is responsible for persuading potential victims to accept a job offer. Recruiters are mostly represented by potential victim’s relatives, friends or neighbors, who they are likely to trust more. Dealers transfer victims across state borders, while brokers sell victims to specific employers.<sup>65</sup> Mostly young men and women aged 19-29 are usually unaware that trafficking rings exist and fall victims of human trade. In Kyrgyzstan, Tajikistan and Uzbekistan almost 50% of the total population is younger than 30. Older generations are more informed and have access to mass media, although women have the least access to TV media, making them more vulnerable.<sup>66</sup>

Usually men are trafficking en mass from one village by one recruiter. They are traded either as a group or individually. Women, by contrast, are often trafficked alone or in groups of no more than five. They are traded for higher

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<sup>64</sup> A comment by a sex worker in central Bishkek, January 2009.

<sup>65</sup> Interview, Moldobaeva.

<sup>66</sup> Olimova and Mamadzhanova, *Torgovlya lud’mi v Tadjikistane*, p. 8.

prices than male slaves, with an average price of \$300-\$400 per woman.<sup>67</sup> More desirable women might fetch up to \$10,000. The age of male victims is turning younger in each sending country, with many 15-16 year olds trafficked.

In rural areas of Kyrgyzstan, Tajikistan and Uzbekistan, more emphasis is placed on educating boys than girls. It is normal for a girl to drop out in 4<sup>th</sup> grade and then help her family in the household or earning money.<sup>68</sup> Furthermore, the Uzbek government's introduction of Latin script undercut the limited education of many rural women, rendering them effectively illiterate.

Groups of criminals within transnational trafficking chains may coordinate among themselves, but they are fairly independent from each other. There is no hierarchy in place among traffickers, and they may constantly change their transnational partners.<sup>69</sup> In Russia, Azerbaijanis and Armenians often work as brokers.

Tajikistan was the first Central Asian country to adopt an anti-trafficking law in 2004. The legislation criminalizes human trafficking and slavery. Shelters for victims of trafficking have been organized in Dushanbe and Khodjent. The shelter in Khodjent hosts teenagers who fell victim to labor trafficking and children who were forced to beg on the streets. Cases of law-enforcement structures' involvement in trafficking chains were frequently in the news in the mid-2000s. But, according to IOM experts, this trend of law-enforcement structures participating in human trafficking decreased in 2007-2008. Tajikistan's data suggests that areas with highest numbers of migrants also have the worst situation in human trafficking.<sup>70</sup>

Organized trafficking in human beings emerged during Tajikistan's civil war. Along with trafficking in drugs and weapons, women became easy targets for illegal traders seeking easy funds.<sup>71</sup> In the absence of law-

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<sup>67</sup> Interview, Aliya Alikova, IOM Counter-trafficking Program Coordinator, Almaty, January 2008.

<sup>68</sup> Olimova and Mamdzhanova, *Torgovlya lud'mi v Tadjikistane*, p. 18.

<sup>69</sup> Badikova E.D., *Torgovlya lud'mi: vyivlenie, presledovanie, pomoshch' postradavshim* [Trafficking in Human Being: Uncovering, Persecution, Help to the Victims], IOM Kazakhstan, 2007, p. 12.

<sup>70</sup> Olimova and Mamadzhanova, *Torgovlya lud'mi v Tadjikistane*.

<sup>71</sup> Olimova, 2005.

enforcement, trafficking in women was easy and cheap. Young women were sold to Afghanistan and Uzbekistan as brides during the 1990s; after the war ended women were sold for prostitution in Russia, the United Arab Emirates, Turkey and the Gulf states. During that period roughly 1,000 human beings were trafficked every year.<sup>72</sup> Since the early 2000s, while trafficking for prostitution remain roughly the same, more people were trafficked for slavery, mostly to Russia and Kazakhstan.

Unlike Tajikistan, Kyrgyzstan still has not endorsed legislation to prevent and prosecute people who deal in human trafficking and slavery. In Kyrgyzstan alone over 16 private companies are registered to legally send people abroad for work. However, local newspapers are still saturated with job announcements promising high earning for young women working abroad. According to the Kyrgyz IOM office, roughly 750 people rescued from human traffickers have to date received help at special shelters since the mid 2000s. Kazakhstan's shelters host roughly 100 victims every year. Unlike Kyrgyzstan, Kazakhstan has a better information campaign to alert the population about the risks of being lured into slavery.

Human trafficking and slavery are more effectively fought in Kazakhstan. Several international donors have trained local police, judges and customs officers to deal with trafficking and various forms of exploitation. According to the IOM Almaty office, these trainings have been successful, with rates of prosecution of organized groups of traffickers increasing in the past two years.<sup>73</sup> Yet, most of the criminal networks broken up are from Kazakhstan's rural areas and smaller towns. Virtually no traffickers have been uncovered in cities such as Almaty and Astana, where the highest number of migrants, both from Kazakhstan's rural areas and as well as from neighboring countries, are forced to work illegally. Saifullina and Saina streets in Almaty, for instance, are notorious red-light districts, saturated with prostitutes and male slaves. In 2007, 87,000 sex workers were estimated to operate in Almaty alone. Although exact location of illegal red-light districts is known, Almaty law-enforcement structures are reluctant to shut them down. This speaks for the fact that law-enforcement agencies are involved in such criminal networks, benefiting and covering them.

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<sup>72</sup> Olimova, 2005.

<sup>73</sup> Interview, Alikova.

Like in Kazakhstan, high rates of human trafficking and slavery in Uzbekistan suggest that government structures are involved in these criminal activities as well. Although men, women and children are trafficked mostly from rural areas, the criminal leaders managing trafficking chains are from Tashkent. The criminal networks are further covered by law enforcement structures on the oblast level. Former and current law-enforcement employees often participate in these chains, building contacts with dealers and brokers abroad.<sup>74</sup> Trafficking in women, in particular, needs insider connections due to customs control and police corruption. Women of all ages are trafficked across state borders without identity documents and their services are often offered as bribes for customs officers.<sup>75</sup>

Samarkand, Bukhara, and the Ferghana Valley have the highest rates of human trafficking. The recruiters and dealers are usually from Uzbekistan with women involved in the logistics trafficking as “bosihi” (female bosses).<sup>76</sup> Shelters in Bukhara and Tashkent provide psychological and medical help to over 3,000 victims registered to date. According to an IOM representative, the largest group of trafficked women in the UAE is Uzbeks. Most of the women who depart from Osh, Kyrgyzstan, or Chimkent, Kazakhstan wind up in UAE or Turkey. Getting a Kyrgyz or Kazakh exit visa for these women is possible for a \$200-300 bribe to local passport offices.

The U.S. Embassy in Uzbekistan, along with the OSCE and other international organizations, regularly train local law-enforcement agencies to deal more humanely with victims of trafficking. In 2008 the Uzbek government implemented a law on preventing and punishing human trafficking, possibly as a reaction to the U.S. State Department’s placing of Uzbekistan on Tier 3, the worse rating in the human trafficking assessment in 2007.<sup>77</sup> Before the law came into effect, victims were forced to assist

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<sup>74</sup> Interview, Ganiev.

<sup>75</sup> It is difficult to gather any information on this matter, but the book by Marinka Franulovic, *Two Kyrgyz Women* (IOM: Bishkek 2007) suggests that women are offered for exploitation to custom officers every time traffickers cross state borders.

<sup>76</sup> Interview, Khamzayeva.

<sup>77</sup> In a scale of 1-3, with 3 being the worst, <<http://www.state.gov/g/tip/rls/tiprpt/2007/82807.htm>>, accessed on January 30, 2009.

government trafficking investigations but received little personal protection, making them more vulnerable to intimidation by criminals.

Istiqbolli Avlod and several NGO partners in Samarkand and Bukhara manage special hot lines to report trafficking. Most calls—roughly 1,000 per month—are made by Karakalpakstan residents, and 200-300 more come from other regions. Posters and TV infomercials on the dangers of becoming victims of trafficking are widespread in Uzbekistan.

Despite all of these positive developments, the Uzbek government's approach to labor migration, human trafficking and slavery is still arbitrary. Very few arrests have been made for human trafficking. If the law was more effective, officials could prosecute thousands of cases dealing with human trafficking.<sup>78</sup> According to one Uzbek expert, the legislation on human trafficking is oriented towards preventing trafficking of women only. Sexual exploitation of women is indeed widespread, but labor exploitation among men and children is pervasive as well. The Uzbek government is notorious for sanctioning child labor in the cotton sector, with an estimated 250,000 children forced to collect cotton throughout the country every year. Underage children and women work in difficult conditions for little or no payment. Should Tashkent outlaw slavery, it would be a major violator in its own right.<sup>79</sup>

According to Shukhrat Ganiev, a lawyer from Bukhara, the traditionalist culture in Uzbekistan's rural areas allows easy recruitment of potential victims. He witnessed one trafficking chain initiated by a former law-enforcement officer and leading all the way to Russia.<sup>80</sup> Radiating respect and authority, the former officer, nicknamed "Ergesh" *aka* (uncle), promised the parents of two male teenagers that he would find their sons jobs in Russia. The family believed Ergesh *aka's* pitch and paid a large fee for the promised services. Using his respected social status, the man collects as many as 80 males from the village and buys them plane tickets to Moscow. Prior to departure, he collects men's passports and bribes customs officers. Upon their arrival in Moscow, the migrants are met by bribed Russian Federal Migration Service (FMS) officers. The men are transferred to a remote place in

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<sup>78</sup> Interview, Ganiev.

<sup>79</sup> Interview, Ganiev.

<sup>80</sup> Interview, Ganiev.

Moscow to be distributed among employers based on their language and professional skills. Those speaking Russian are given jobs at advertising companies, retail markets, etc. Migrants lacking language skills are sent to construction sites or to be public transportation drivers. All of the migrants receive new documents and legal registration.

Although trafficked migrants are able to earn some money, they are underpaid and work in harsh conditions. They also have to repay their debts for transportation costs to traffickers who retain their legal documents as collateral. Due to their collaboration with law-enforcement agents, traffickers are able to deport migrants any time they wish, delay paying salaries, and ask Russian police to act against them. Earnings received from migrants' work is then divided among corrupt FMS officers, Russian employers, Russian and Uzbek custom control officers, men like Ergesh and Uzbek passport agents.

Human trafficking is a widespread phenomenon inside the Central Asian states as well. Adults and children are forced to work on cotton fields, grow tobacco and tend cattle. Easy adoption procedures in the Central Asian states foster child slavery. In Kyrgyzstan, there are reports of parents abusing adopted children by forcing them to work. While making the adoption procedure much more difficult for foreigners, local applicants are able to complete the process within a month.

All Central Asian states have appropriate legislation to prevent illegal border crossings, making it easy to move people unimpeded. Nevertheless, interstate border check points remain highly corrupt. In Kazakhstan, for instance, a person without identification documents is entitled to pay \$120 in administrative fees if trying to cross the border without documents. Interstate migrants who do not have documents are reportedly able to cross the border for a \$50 bribe at the Kordai transit post, one of the busiest connections between Kazakhstan and Kyrgyzstan.

The Tajik-Uzbek border has notoriously corrupt transit points. Citizens of both states need visas to travel to each other's territory despite the fact that many Tajiks and Uzbeks have family members living across the border. Obtaining a Tajik or Uzbek visa is equally difficult for both states. In emergency cases, such as illness or death of a relative, travelers will need to bribe both customs officers and taxi drivers in order to cross borders. Internal



control at the oblast level in Uzbekistan further increases the number of bribes Tajik citizens must pay. The bribes range between \$50 and \$200 each way.<sup>81</sup> For the right price, corrupt border guards may allow potential victims to be illegally taken out of the country.

Human trafficking is not only a symptom of poverty and corrupt law-enforcement structures, it is also a means of generating income for the new consumer culture. Cases of families selling their virgin daughters to the Gulf States for \$2,000-3,000 have been recorded in Tajikistan.<sup>82</sup> Although trafficking in men for hard labor exceed the rates of sexual exploitation of women, it is much more difficult for women to reintegrate into society after escaping forced prostitution. Often, former victims of sexual exploitation themselves become brokers and recruiters within trafficking chains as they become part of the criminal network. Furthermore, women sold for jobs other than prostitution still face sexual exploitation by their owners, traffickers and law-enforcement representatives.

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<sup>81</sup> Interview with local taxi drivers from Samarkand to Dushanbe, February 2009.

<sup>82</sup> Olimova and Mamadzhanova, *Torgovlya lyd'mi v Tadzhikistane*.

## Global Economic Crisis and Migration: Outlook for 2009-2010

*“I am going to earn three times more in Moscow for working as a private driver. Kyrgyzstan is always in crisis, private drivers are always in demand in Moscow”<sup>83</sup>*

Remittances are more stable over time compared with other types of financial capital flows. During economic crises, remittances tend to rise as labor migrants seek to help relatives more; and studies show that remittance levels tended to remain the same or even increase during previous economic downturns. Remittances are therefore expected to be affected less by global recession than other types of financial flows during the global economic downturn.<sup>84</sup> For this reason, remittances are often considered to ameliorate economic shocks or prevent them altogether. Migrants will seek to maximize their earnings and allocate more sums for sending home.

Since remittances in Eurasia increased at a much faster rate than in other regions, they are also expected to fall dramatically and hurt the economies of recipient countries to a greater extent. Central Asian experts predict at least a 15-20% drop in the number of labor migrants who travel to Russia and Kazakhstan in spring 2009 and are bracing for the corresponding drop in capital.<sup>85</sup> Tajikistan’s banks reported that already in the fourth quarter of 2008 remittances dropped by 50%.<sup>86</sup>

Predicting remittance patterns through 2010 is complicated, as the economic downturn will affect both migrant-sending and migrant-receiving countries.<sup>87</sup> Fluctuating oil prices and exchange rates complicate forecasting. In the Central Asian context Russia’s sharp cut in the guest worker quota is the most damaging factor regarding the outlook for 2009-10. How these

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<sup>83</sup> A comment by a taxi driver in Tashkent, February 2009.

<sup>84</sup> Remittances increased during financial crisis in Mexico in 1995 and in South Asia in 1998. *The International Migration Agenda and the World Bank*, The World Bank.

<sup>85</sup> Interview, Zaripov.

<sup>86</sup> “Tajikistan: Remittances Take a Dive”, *Eurasia Insight*, January 7, 2009.

<sup>87</sup> *Migration and Development Brief*, The World Bank, November 11, 2008.

cutbacks will influence migrants' return to receiving country is unclear. Central Asian migrants might prefer to remain in Russia to fill menial jobs outside the construction sector, which has been hardest hit by the Russian government's slashed quotas in major cities.

According to Uzbek experts, Uzbekistan will likely be less affected by the global economic crisis due to the country's low external borrowing. Along with falling global prices for cotton, migrants' shrinking remittances can potentially become one of the sizable negative impacts on the economy.<sup>88</sup> Experts estimated that \$2 billion remittances will drop by half in 2009.

Regional economists unanimously believe that returning migrants will shake the very economic foundation of Tajikistan, Kyrgyzstan and Uzbekistan. Yet, although overly pessimistic forecasts prevail, analysts are divided into three general groups when assessing the impact of the crisis on labor migrants' remittances.

The first group warned that the crisis will shake the very fundamentals of the migrant-sending counties. Namely, Kyrgyzstan and Tajikistan, and to a lesser extent Uzbekistan, will suffer tremendously from abruptly decreased remittances. Returning migrants will increase unemployment and exacerbate the ongoing energy crisis in Kyrgyzstan and Tajikistan. But the most feared implication of returning migrants would be their potential political mobilization against the ruling regimes in the three states, which could consequently lead to instability or even government collapse. As one Tajik opposition leader commented in spring 2008, the migrants "will either join our party or turn against us. It is an unpredictable crowd".<sup>89</sup>

The second group argues that migrants will not return from Russia and Kazakhstan en masse, and thus remittances will decrease only gradually. The impact of the economic crisis will be sizable, but no strong shocks will be felt. Labor migrants who lost jobs in Russia, for instance, will try to stay in Russia and find jobs in other sectors. In the meantime, only a small share of migrants will return.

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<sup>88</sup> Presentation by Loup Brefort, World Bank's Uzbekistan Country Director, Tashkent, December 29, 2009.

<sup>89</sup> Interview with political activist, Dushanbe, February 2009.

Finally, the third group concludes that the economic crisis will affect labor migrants' remittances over a short period in 2009. But the overall volume of remittances will stabilize in late 2009 and during 2010, as more migrants travel to Russia and Kazakhstan to find jobs and substitute for the shrinking remittances from other family members. However, job opportunities will be scarce, work conditions and salaries will decrease, while migrants will seek to maximize their earnings and allocate larger sums for remittances. The pressure to earn money will be felt the strongest by the poorest strata.

According to Ganiev, the common misconception about the impact of the economic crisis on migration is that migrants will be returning en masse into the region. Russia's labor market is complex and multilayered. A large proportion of Central Asian migrants are moving from western Russia to the east and north. Northern Siberia and Russia's Far East have become more popular destinations for migrants who previously preferred to work in large cities in the west. Migrants working in Kazakhstan's construction sector had to move into the agricultural and retail sectors as building projects dried up.

Remittances indeed fell dramatically in late 2008 and early 2009, but they decreased not only due to the loss of jobs and employers' delays with payments to guest workers. The Russian government's efforts to stop the devaluation of Ruble affected the volume of remittances as well. As of fall 2008, migrants could transfer money only in Rubles, but Uzbek banks do not accept deposits in rubles. As a result, the remittances' real value has dropped as the Ruble's value decreased. The Ruble's 40% decline between fall 2008 and winter 2009 affected the real volume of remittances sent from Russia. The currency market in Uzbekistan was being overwhelmed with Rubles and Sums, while the U.S. dollars' value was increasing. In a matter of a few months the dollar strengthened by 40% in Uzbekistan, and to a lesser extent in Tajikistan, Kyrgyzstan and Kazakhstan.

This research paper agrees with the third group of analysts. Central Asian migrants occupy a niche in Russia's labor market that is not attractive to the local population. Central Asian migrants are likely to find other niches in Russia and Kazakhstan; although labor market is shrinking in both countries, there are even fewer alternatives at home. Migrants will settle for worse jobs in Russia rather than being jobless in Uzbekistan.

In fact, the number of migrants leaving Kyrgyzstan, Tajikistan and Uzbekistan for Russia has increased since the economic downturn began in late fall 2008. More and more young men bought one-way tickets to Russian cities in November 2008 through January 2009 compared to a year ago, mostly to Moscow, Yuzhny Sakhalin, and Yekaterinburg.<sup>90</sup> That is, the initial shock of a sharp decline of remittances in late 2008 propelled more migrants to travel abroad. Experts both in Kazakhstan and Russia argue that unskilled labor migrants will be in a greater demand by employers, since they are more cost-efficient than local workers.

The high numbers of returning migrants, as well as declining level of remittances in the winter 2008-2009, to a large extent reflected the annual tendency of the vast majority of migrants to travel home during the coldest months. They were not necessarily indicative of the economic crisis affecting the migrants' labor market. The job market is likely to change with migrants shifting to other segments, since for many the process of finding jobs largely depends on market availability. As many as 80% of Kyrgyz migrants, for instance, leave for Russia without a specific job in mind.<sup>91</sup>

Labor migrants from former Soviet states in Russia occupy a niche in the job market that is often not attractive to Russian citizens. Migrants are even stereotyped as working specific jobs according to their nationality. In large cities like Moscow and St. Petersburg, where living is expensive, the jobs occupied by migrants – drivers, construction workers, retailers, and street sweepers—are unpopular among the local population. The Kyrgyz are known to prefer the construction and trader sectors, as well as street sweeper jobs in Moscow and St. Petersburg. Tajik migrants also concentrate in the construction sector. According to the IOM office in Dushanbe, Tajiks are considered more qualified to work in the construction compared to migrants from other Central Asian states. Being among the first labor migrants, Tajiks often have more experience in the construction trades.

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<sup>90</sup> Cities mentioned by travel agents in all three states.

<sup>91</sup> “Kyrgyzskie migrant edut na zarabotki vslepuy” [Kyrgyz Migrant Travel for Earnings without a Clear Plan], *RFL/RL*, October 14, 2008.

Migrants thus compete more among themselves than against Russian citizens. This dynamic is unlikely to change during the economic crisis.<sup>92</sup> Instead, competition will intensify among migrants, prompting increased abuse among migrants, as well as more cases of slavery and human trafficking.

The Kyrgyz, Tajik and Uzbek governments' poor ability to soften the effects of economic difficulties by creating additional jobs or reducing taxes is forcing more people to seek earnings abroad. In January 2009, for instance, the Kyrgyz government increased taxes on small businesses and custom fees almost tenfold. This resulted in some small businesses' delay with paying off credits or folding altogether. While well aware that the global economy has suffered, Russia and Kazakhstan still remain more attractive places for menial workers than domestic job markets.

The Tajik government has shown interest in creating jobs for migrants returning home. Several round tables featuring international organizations and government employees were staged in January-February 2009. The government announced that returning migrant will be needed to build new hydropower sites, with Rogun dam becoming the major employer. Furthermore, new roads and electric gridlines financed by China would employ Tajik citizens ahead of Chinese nationals.<sup>93</sup> Yet, the government's promises are to be tested during 2009-2010.

If Russia proves too inhospitable, migrants will look for other destinations such as Europe, the United States and Southeast Asia. At the same time, the shrinking job market may force Russian citizens to look for jobs abroad in Europe, Turkey and North America. The year 2009 will likely be the most difficult for Central Asian migrants in their search for earnings abroad. Remittances per capita are likely to decline, but the overall volume of remittances will remain roughly the same with more migrants working abroad. By 2010 a new labor market is likely to emerge in Russia.

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<sup>92</sup> Konstantin Mikhailov, "Kto, esli ne oni: problemy vneshnei i vnutrennei migratsii" [Who, If Not Them: Issues of External and Internal Migration], *Nezavisimaya gazeta*, December 23, 2008.

<sup>93</sup> Interview, Zaripov.

## Conclusions and Recommendations

Because the Central Asian governments are not able to create jobs at home, the number of migrants seeking jobs abroad continues to grow. Especially during the current global economic crisis, Central Asian countries and Russia must seek to come up with bilateral and multilateral agreements to ease the migrants' amplified burden. But receiving countries prefer to take unilateral decisions, disregarding the implications for sending countries. Likewise, migrant -sending countries are mostly concerned with the political implications of potentially large flows of returning migrants, trying to further centralize their power. All of 2009 will likely be difficult for Central Asian migrants in their search for earnings abroad. But although remittances per migrant will continue to decline, the overall volume of remittances is likely to remain roughly the same as more migrants seek work abroad.

From the cases of Tajikistan and Kyrgyzstan it can be concluded that remittances help develop domestic banking systems and increase the scope of services and credit lines. Migrants' remittances substitute for the state by supporting families in rural areas. Hard labor on a foreign soil changes their worth ethic. Returning migrants tend to be more industrious and innovative in their search of a market niche as well as investment strategies. However, the governments of Central Asia and Russia remain passive about migration, failing to act on several fronts. Post-factum agreements between migrant sending and receiving countries or the lack of them promote slavery, trafficking and organized crime. The lack of clear state policies also fuels corruption among customs workers and law-enforcement agents.

To maximize benefits from labor migration and minimize the downside, the following recommendations are proposed to the international community dealing with the issue:

**Encourage investment of remittances.** Central Asian states fail to ease migrants' burden or to capitalize on remittances by encouraging small and medium businesses. Remittances are instead spent on consumption or

inflated prices for certain goods such as real estate. Governments of migrant-sending countries must encourage investment of remittances into small and medium businesses, especially during the ongoing economic crisis. International practice shows that increasing deposit interest rates, as well as decreasing customs fees and taxes will motivate investment. The practice of micro-lending has a vast potential in Tajikistan and Uzbekistan. Furthermore, special trainings on possibilities of investment should be conducted for migrants' families. Central Asian governments must understand that labor migration is an economic, not political, phenomenon that can potentially facilitate local development.

**Foster interstate collaboration on labor migration.** Central Asian countries and Russia must seek to reach bilateral and multilateral agreements to ease migrants' amplified burden. But receiving countries prefer to take unilateral decisions disregarding implications on sending countries. Likewise, sending countries are mostly concerned with political implications of potentially large flows of returning migrants and decreased remittances. Russia and Kazakhstan must continue developing more efficient immigration policies, while the Uzbek government must recognize the issue of migration on a regional level.

**Foster dialogue between Kazakhstan and Uzbekistan.** Both countries have been traditionally competing on a regional level for political influence and recognition. But Kazakhstan's rapid economic development has made the country attractive to foreign workers and investors. Uzbekistan quickly became a migrant-sending country, while Kazakhstan is a recipient. Local NGOs and IOM offices have been efficiently addressing the problem, yet an international mediator is needed to foster an interstate dialogue between countries. The issue of labor migration must be depoliticized and migrants' rights and safety must be prioritized when countries discuss conditions.

**Train public servants dealing with migration issues.** The international community must train government employees and parliamentarians dealing with migration to better understand the migration issues. This will foster collaboration between current and future migrants, on the one hand, and international organizations dealing with migration on the other. To date, only a few experts in governments are knowledgeable in the legal and economic aspects of labor migration.



**Continue information campaigns to prevent human trafficking.** Strong efforts are needed to educate people in rural and urban areas about human trafficking. Kyrgyzstan is the only Central Asian migrant-sending country that lacks funding for such information campaigns. Along with trafficking for sexual exploitation, labor and child exploitations must also be actively addressed through legal means and public campaigns.

**Invest into vocational education.** The international community should help Central Asian governments improve technical and vocational education as opposed to only social sciences. The current education system in Kyrgyzstan and Tajikistan is overcrowded with social science departments and unable to satisfy the local demand for skilled workers. Furthermore, skilled workers will be more in demand in Russia and Kazakhstan.

**Improve education of women.** Girls and young women must be encouraged to attend schools and universities. The value of formal education must be promoted on a family and community level. Technical and vocational education must be promoted among young women to increase their financial and psychological independence. Lack of education force women into early marriage (under 16 years old), making them economically dependent.

**Fight corruption in law-enforcement structures.** Special attention should be paid to the pervasive corruption among law-enforcement structures that often cover up cases of slavery and human trafficking. Reducing corruption among police in larger cities, passport issuing agencies, as well as among customs control officers will decrease human trafficking.

## Acknowledgements

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The economic crisis has caused millions of migrant labourers from Tajikistan, Kyrgyzstan and Uzbekistan to lose their jobs in the boom economies of Russia and Kazakhstan. Remittances that kept their relatives afloat have plummeted and many migrants have returned home to certain destitution, putting weak Central Asian governments under severe strain. This report investigates the impact of the global financial crisis on migration from Central Asia. It also considers potential dangers of a protracted decline in migration for political and social stability in the region. Interviews and research were carried out in Russia, Kazakhstan, Kyrgyzstan and Tajikistan from October to December 2009. Since the independence of the Central Asian states, this landlocked region has taken time to reconnect with the world, including Europe. Twenty-five years ago, many underestimated the diverse challenges – infrastructural, economic, political – that impeded the region’s trade and connectivity with the rest of the world. Yet as trade statistics show, much has been accomplished in a quarter century. September 6, 2017, CACI Analyst. Central Asia: All Together Now. S. Frederick Starr, Bilahari Kausikan and Yang Cheng. After a quarter century of independence, the fragmentation of Central Asia is evident. Study on Migration and the Economic Crisis: Implications for Policy in the European Union provides a synthesis and analysis of the latest available evidence in order to assess the impact of the global economic crisis on migrants and migration policy in the European Union. The findings presented in the report are based primarily on a survey conducted by IOM offices in the 27. The study has been commissioned and funded by the Directorate General for Employment, Social Affairs and Equal Opportunities of the European Commission under the framework of the IOM Independent Network of Labour Migration and Integration Experts (LINET). Table of contents: Executive Summary. Introduction.