

## CHAPTER 4. LABOR MIGRATION PROCESS

*Based on the results of the survey, the current chapter will guide the reader through the whole process of labor migration: from planning and preparation of the trip to income generation and living conditions in the host country.*

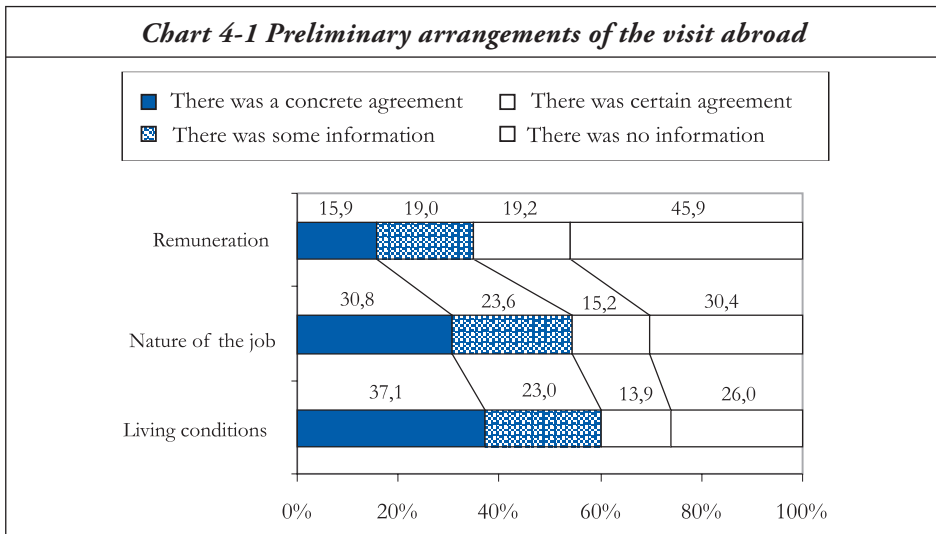
### PREPARATION OF THE TRIP

An overwhelming majority of migrants (94.2%) stated that they planned their last visit abroad as a business trip. Only 5.8% did not have a direct intention to find a job in the host country, but did not exclude such possibility either.

When CHOOSING THE COUNTRY OF DESTINATION, the future migrants were considering the following main factors: friends, relatives living in the country (66.1%), less barriers for entering the country and getting employed (28.2%), and knowing the language (19.3%). This helps explain why the vast majority of migrants have ended up in Russia and other CIS countries and not in the Western states.

A minority of migrants had a concrete PRELIMINARY AGREEMENT regarding the nature of the work, the remuneration and the housing conditions prior to arriving in the host country. Each second migrant did not have any idea about the salary he/she would get, each third did not know what type of job he would be doing, and each fourth migrant did not even have an agreement regarding the housing conditions.

Chart 4-1 pictures the extent to which the migrants were prepared for their trip in terms of arranging the housing and agreeing on the terms of the job.



In most of the cases (44.1%) the migrants have carried out the business trips without the HELP OF A THIRD PARTY. In each third case, friends and relatives of the migrant in the host country offered him/her some assistance (32.5%), and in fewer cases (11.3%) support was provided by an individual intermediary abroad. Local and foreign companies have facilitated the process for only 4.6% of the labor migrants.

Whenever any assistance was provided, it mostly included helping to find a job (57.8%), providing accommodation and food (46.1%), paying for transportation (30.5%) or lending money to cover the expenses for the first months of stay (17.2%). Some migrants were given support for getting entry visas (6.3%) where the host countries required so. An overwhelming majority of the respondents claimed that the intermediaries had fulfilled their initial promises completely (76.3%) or at least in part (18.3%). Only ten migrants stated that their expectations from the third parties were not met.

Due to limited information about the job and the remuneration, a significant number of migrants (40.3%) did not plan the DURATION of their business trip at all. Those of them, who eventually managed to project the situation, were mostly planning to stay in the host country for 6-12 months (55.0%). Only a small number of the migrants were planning to stay in the country for less than three months or longer than a year (6.1% and 11.4% accordingly). With this information we can very roughly estimate the average planned duration of the trip as eight months.

As far as the FINANCING OF THE TRIP, 42.0% of the migrants could cover the expenses from their household budget. However, in the majority of cases, the migrants had to take out a loan or were even forced to sell their property (40.2% and 7.9% accordingly). In 8.3% of the cases, the migrants' future employers financed the business trips.

In cases when the host country required an ENTRY VISA, the majority of migrants (88.9%) stated they got it by only making official payments. Four migrants claimed they had to overpay (bribe) the consular to be provided with an entry permit (all to EU countries). At that, 5.1% of the respondents stated that they know people who were forced to pay bribes to get an entry visa to a foreign country.

As far as getting an EXIT STAMP from the RA is concerned, very few respondents (25 people or 1.4% of the respondents) claimed to be aware of cases where the exit permit was refused by the authorities.<sup>18</sup> According to the respondents the main reason for the refusal was that the person who was planning to leave the country had to serve in the army (5 cases). Ten respondents said the officials wanted a bribe, while the remaining ten stated that no explanation was provided.

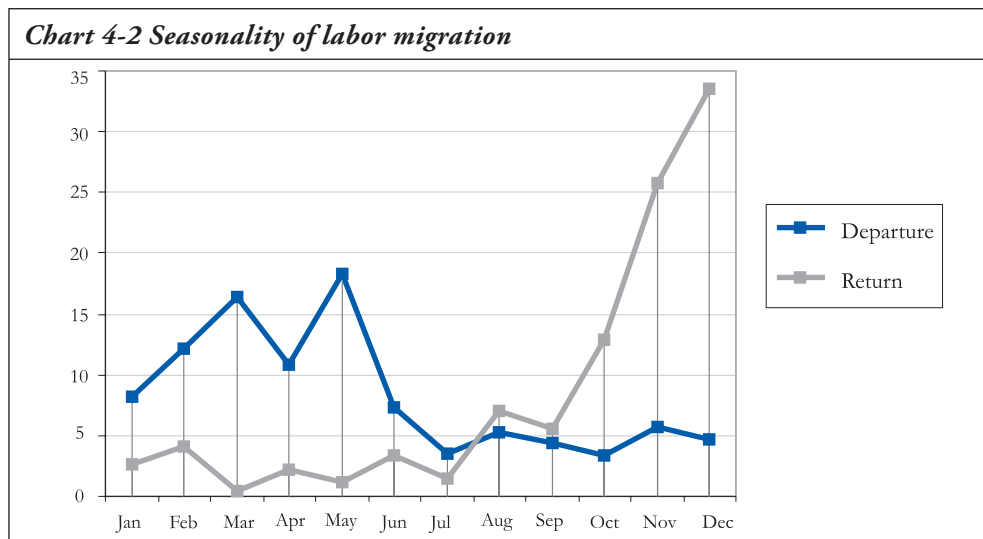
A minority of the migrants (16.6%) have gone abroad as part of a group and the remaining 82.9% have carried out the trip individually.

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<sup>18</sup> An exit stamp (or exit 'permit') is a stamp validating national passports (identification documents) for travel abroad.

**Seasonality and actual duration of the trip**

Many surveys on external migration processes have pointed out the SEASONALITY of emigration and remigration flows. Results of our survey also allow us to assume that labor migration is in most cases a seasonal phenomenon.



Thus, as Chart 4-2 shows, the majority of migrants left the country either in the beginning or in the end of spring and returned to Armenia by the end of autumn/beginning of winter.

As for the DURATION OF THE TRIP, the majority of migrants have stayed abroad for 5-11 months (67.5%). It was mentioned that more than half of the migrants have planned the duration of their trip in advance. It was interesting to see whether or not their plans matched with the actual duration of their stay.

Thus, it appeared that the mean actual duration of the trips was nine months, which is in fact somewhat longer than the average duration initially planned by the migrants. Moreover, while only 11.1% of the migrants were originally planning a long-term trip, each fifth migrant has actually spent more than a year in the host country. At the same time, only one-third of the migrants who originally planned to return to Armenia in less than three months did eventually come back to Armenia within the specified period of time.

Interestingly, the duration of the trip depends on the country of the migrants' destination. The average duration of the migrants' stay in Russia was nine months, and in other CIS countries 7.5 months, whereas in the EU the average duration of stay was 6.5 months and in the USA it was two months.

### ***Residential status***

The breakdown of migrants by residence status in the host country is presented in Table 4-1.

***Table 4-1 Status of the labor migrants***

<b>Status</b>	<b>Percent</b>
Citizen of the host country	4,5
Residence and work permit	8,5
Residence permit without work permit	1,3
Temporary registration	72,9
No official registration	10,5
Don't know	2,2
<b>Total</b>	<b>100,0</b>

As shown, the majority of migrants have temporary registration (which is natural, since most of them lived in CIS countries) and each tenth migrant literally violates the law.

Only 4.5% of the Armenian labor migrants have citizenship of the host country. However, 21.0% of the surveyed migrants have tried to establish permanent residency during their last business trip.

### ***Employment***

The majority of migrants (64.3%) were provided with INFORMATION REGARDING THE JOB OPPORTUNITIES by their friends and relatives living in the host country. This is consistent with the fact that the migrants are most likely to leave for the countries where their relatives are already residing.

Another 16.5% of the migrants started to search for a job on their own after their arrival in the country. Only 3% of them used the services of local employment agencies and another 3% got information on job vacancies from Mass Media.

The majority of migrants STARTED WORKING almost immediately or within a maximum of 30 days after arrival in the host country (53.6% and 29.8% accordingly). 9.1% of the migrants found jobs in 1-3 months, and the process took a longer time in only 2.9% of cases. The remaining 3.3% of the migrants could not find employment.

As we mentioned, before engaging in labor migration the majority of employed migrants had permanent jobs. In contrast, the TYPE OF EMPLOYMENT of the migrants in the host countries was mostly temporary in nature (53.7% of cases).

The most popular SPHERE OF EMPLOYMENT of Armenian labor migrants is construction: two-thirds of them are engaged in this field. Next, though six times smaller in proportion, are trade/public food and services spheres. Table 4-1 compares the spheres of the migrants' employment in the host country and in Armenia.

**Table 4-2 Spheres of employment**

<b>Sphere of employment</b>	<b>Abroad</b>	<b>In Armenia</b>
Construction	62,0	16,3
Trade/public food	11,5	15,4
Services	10,6	22,9
Production	7,2	9,3
Transport	3,4	6,6
Art	1,4	2,2
Science	0,7	2,2
Education	0,2	4,4
Agriculture	0,0	15,9
Other	3,0	4,8
<b>Total</b>	<b>100,0</b>	<b>100,0</b>

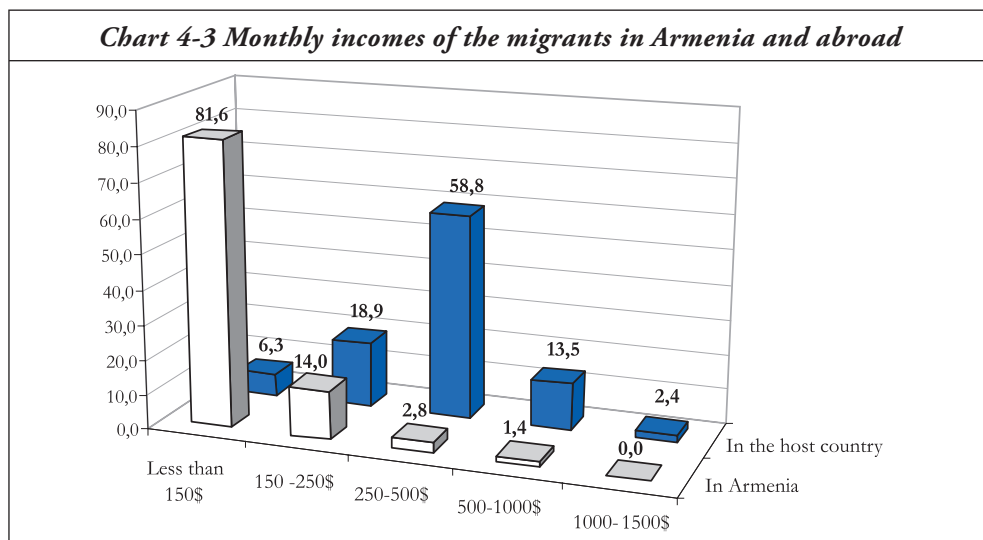
As for the POSITION of the migrants, 72.8% of them were workers, which is twice more than the percentage of workers among those that were formerly employed in Armenia. Consequently, the proportion of the migrants holding the positions of managers, white collars and self-employed is much lower (1.5, 2 and 5 times respectively).

The mean duration of the migrants' WORKING DAY is 10.5 hours. The majority of migrants were/are working full-time (8-10 hours) or in 12-hour shifts (34.1% and 33.4% accordingly), 5.6% worked part-time (1-7 hours) and 8.0% claimed to work more than 12 hours a day. Only 43.9% of the labor migrants had regular DAYS OFF. Each fourth migrant did not have any days off, and 22.5% rarely had days off.

The most probable explanation to this as well as to the extended working day is that only 11.5% of the labor migrants had a written AGREEMENT (employment contract) with their employers in the host country. In the overwhelming majority of cases (72.3%) relations with the employers were based solely on oral agreements. It is mainly due to this that in each third case the employers did not keep to the initial agreement or fulfilled its terms only in part. Moreover, 11.9% of migrants stated that the labor relations were not regulated at all (not even with an oral agreement) and hence the parties did not assume any liabilities towards each other.

Turning to the migrants' REMUNERATION, it must first be mentioned that the recorded response rate to the question about monthly incomes was 65.2% and hence our following estimations are based on information from 296 labor migrants out of 454. The majority of migrants earn (used to earn) 250-500 USD a month (58.8%), and almost one quarter earns less than 250 USD. 16.9% of the migrants stated that they had an average monthly income of more than 500 USD.

The mean monthly income of the migrants in the host country was 410 USD with minimum and maximum of 100 and 1500 USD. Although in absolute numbers the average income is four times higher than what the migrants used to get in Armenia, it is apparently not much higher in a relative sense. If we consider the short duration of the trips, it seems that with the income of 400-500 USD the migrants should only be able to pay off their debts (if any) and cover the direct expenses, such as travel costs and living costs in the host countries (which even in Russia are higher than in Armenia). This finding could indeed put the economic efficiency of the labor migration in doubt if there was proof that the incomes of the migrants are not underestimated.

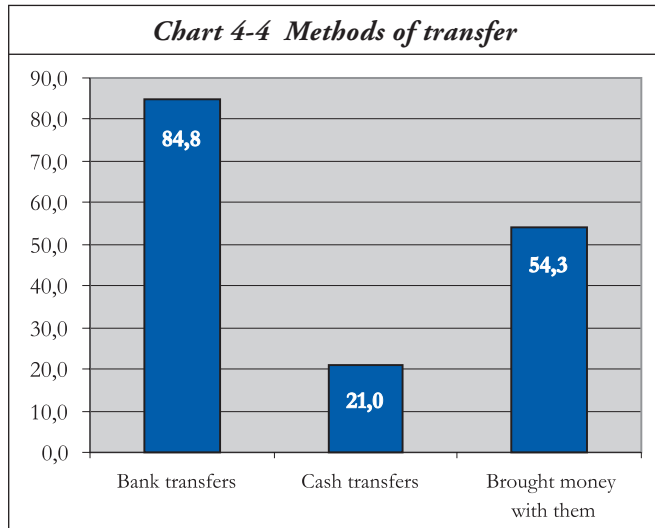


### **Remittances**

Regarding money sent home, 18.8% of the respondents stated that their migrant relatives have never sent monetary remittances to the household. The majority of migrants who could find ways to support their families financially (55.7%) have sent money 2-6 times during their stay in the host country.

A majority of the migrants (70.9%) could first send money to their households in the period of two months or less after the departure. Each fifth migrant managed to produce the first savings in 3-6 months, and only for 4.6% it took more than half a year. The mean period of time reported by the survey was 2.4 months.

The most popular method of transferring money to the households has been bank transfer: 84.8% of the migrants have used the bank services during their last trip abroad. In contrast only 21.0% of the households have received cash transfers through individuals and more than half of the migrants (54.3%) have brought the money with them.



In our view, the prevalence of bank transfers is conditioned by the recent development of the Armenian banking system in general, and the system of bank transfers between Armenia and CIS countries in particular. Most of the banks now assure almost momentary transfers charging an interest rate of only 1%. These quick and low-cost services allow migrants to avoid unnecessary troubles connected with finding reliable people to deliver the money to Armenia whenever needed, or leaving the families without any financial support until coming back to Armenia. The mentioned assumptions are supported by the migrants' evaluation of the bank services: almost all of them are satisfied with the banks in terms of the speed of transactions (96.4%), reliability (97.4%) and price (95.8%) of the services.

According to the respondents, the average amount of money sent (brought) by each migrant to his/her family during the last trip totals 1540 USD. This number might still be an underestimation, however in our view it is closer to the reality than the data on monthly income discussed above. Indeed it seems quite contradictory: an *average* labor migrant who receives an *average* monthly salary of 400 USD for an *average* nine months could hardly save an *average* of 1540 USD, because it would mean he/she has spent less than 200 USD per month on living in the host country, not including the travel expenses and necessity to pay back the debts [if any].

If we multiply the calculated 1540 USD by the average number of trips each migrant has conducted in the last three years (1.8 trips) the mean amount of the remittances received by each of the households would total to 2772 USD. This allows us to estimate if not the exact but the MINIMUM financial inflow to Armenia from the labor migrants in the period of 2002-2005: 260-330 million US dollars depending on the absolute number of migrants (excluding the 18.8% of “unsuccessful” trips), or on average about 100 million dollars a year. Interestingly the same volume of gross annual inflow was estimated in 1996 (for the period of 1991-1995) in the research paper “Migration

of Armenian Population in Post-Soviet Period”.<sup>19</sup> However, due to the fact that the 1996 survey covered the external migration processes in general, the estimated volume certainly could not be produced in whole by the labor migrants.

## STAY IN THE HOST COUNTRY: LIVING CONDITIONS AND MAIN PROBLEMS

### *Housing conditions*

While working abroad the majority of the migrants (38.5%) were renting accommodation. At that 28.9% used to rent a separate apartment and only 9.6% shared the rent of housing with friends or relatives. Rather naturally, in Europe and in the USA renting accommodation is much more popular: more than half of the Armenian labor migrants to these countries rent a lodging either alone (41.0%) or together with friends (15.0%).

Each third Armenian labor migrant (30.3%) lived either at his/her actual workplaces (office, factory, etc.) or in barracks. It must be mentioned though that 99.2% of these migrants lived and worked in Russia. Another common practice is living with relatives or friends who have already resided in the country of the migrant’s destination. This option was chosen by 20.6% of all migrants, by 19.2% of migrants in Russia, and by almost 32% of migrants in the other countries. Some migrants lived in dormitories (6.7%) and at homes of the employers (3.8%).

**Table 4-3 Types of housing**

<b>Option</b>	<b>Percent</b>
Rented a separate apartment	29.0
Lived at the workplace or in barracks	27.5
Lived at relatives’ or friends’ house	20.5
Rented an apartment together with friends	9.6
Lived in a dormitory	6.7
Lived at the employer’s house	3.8
Owns an apartment	0.9
Other	0.4
Don’t know	1.6
<b>Total</b>	<b>100.0</b>

<sup>19</sup> *Migration of Armenian Population in the Post-Soviet Period*. Independent research group of Prof. S. Karapetyan with funding from UNFPA, Yerevan, 1996, p. 31; from *Labor Migration from Armenia. An Overview of Literature*. Ruben Yeganyan and Nelson Shahnazaryan, Yerevan, 2004.



The majority of migrants were satisfied with their housing conditions. Furthermore, those who worked in the USA and European countries rated their housing conditions higher than those who lived in Russia and other CIS countries. At that, when asked to compare their housing conditions in the host country with the ones in Armenia, the majority of respondents (53.2%) stated that the conditions were better (naturally, those who were either living with their relatives or were renting a separate housing); 31.1% considered that the conditions were worse, and 11.3% mentioned no difference.

### ***Major problems***

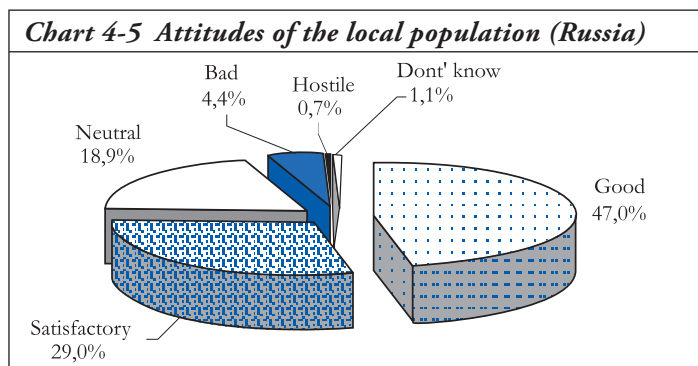
The only countries where the surveyed migrants claimed to have encountered certain problems were Russia (96.7 %) and the USA (3.3 %). However, given the very small number of migrants to EU and other CIS countries this does not mean that Armenians generally do not meet any troubles in these countries.

Since the absolute number of migrants to the USA is also small to make any generalizations, the current section will describe the problems that concern Armenian labor migrants in Russia.

The main problems mentioned by the respondents can be divided into three groups: *a)* bureaucratic problems (registration process, demand of bribes by the police and documents being checked very often); *b)* problems with employment (general difficulty to find a job and being eventually paid less than it was initially agreed); and *c)* negative attitudes of the host country authorities and native population. At that, migrants of age 51-65 mostly faced problems with employment, while younger migrants encountered bureaucratic obstacles more frequently.

### ***Attitudes of the local authorities and population***

The majority of migrants (52.5%) consider the attitudes of the host-country authorities to be either good or satisfactory. In contrast, only 2.0% of the migrants stated that they are hostile. Quite expectedly the government and the executive bodies show the most positive attitude towards the migrants who are citizens of the host country and are negatively disposed towards those who are breaking the registration rules.



Compared to the attitudes of the authorities, the migrants are more satisfied with the attitudes of local population: 46.5% think the attitudes are positive, 28.6% rate them as satisfactory and 18.7% consider them to be neutral. At that, rather naturally, the native population has a somewhat better attitude towards female migrants than towards males.

## **LABOR EXPLOITATION AND TRAFFICKING**

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Trying to assess the diffusion of some negative manifestations of labor migration, we asked the respondents to remember real life examples of their friends, relatives or acquaintances that were transferred to foreign countries and were subject to labor exploitation or were forced to engage in prostitution.

Two hundred fifty respondents (14.3%) claimed to be aware of cases of labor exploitation, and 3.1% (54 respondents) remembered stories of women's sexual trafficking. Perhaps naturally, the majority of respondents who could remember cases of labor exploitation represent families that are involved in the labor migration process. Moreover, in Shirak where the labor migration rate is the highest, almost every third surveyed family claimed to be aware of concrete examples of labor exploitation of Armenians in foreign countries. These results, however, cannot even roughly be transferred to absolute numbers, since in the majority of cases (and particularly in small settlements) the respondents might have been speaking of the same cases of labor exploitation/trafficking.