

***Impact of the Global  
Financial Crisis on  
Labour Migration  
from Kyrgyzstan to Russia***

Qualitative overview and quantitative survey



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# FOREWORD

In recent years external labour migration became larger in scale and began to significantly affect most aspects of life in Kyrgyzstan. Growth in household consumption and reduction in poverty level in 2003-2008 were possible to a greater extent due to migrant remittances sent to the families left in the country.

The Russian Federation is the main labour market for Kyrgyz migrants. According to several assessments, 80% of all migrants from Kyrgyzstan are currently employed in Russia and send 4/5 of all remittances transferred to Kyrgyzstan from abroad. Therefore, the state of the Russian economy and the state-level policy towards labour migrants dramatically affect employment opportunities, income level, social status and the welfare of Kyrgyz nationals employed there, and indirectly influence the socio-economic situation in Kyrgyzstan.

The global financial crisis has brought negative consequences for Russia and had affected Kyrgyz migrants working there. The slowdown of the Russian economy caused a decrease in demand for labour. In this context the Russian Government started taking measures to protect its internal labour market by minimizing opportunities for employment for foreign nationals. It is obvious that the economic slowdown and regulatory changes in Russian policy created conditions which make it difficult for Kyrgyz migrants to find or keep their jobs and their salary level, and consequently the level of their remittances. As a result some migrants decide to return home temporarily or permanently.

Although the main crisis implications for labour migrants and their families are quite obvious, there is still lack of information as to the scale of this issue, the forms of its reflection and its impact on various migrant groups. The Kyrgyz government could benefit from this information in order to make the right decisions to better address the negative consequences of the crisis on socio-economic situation in the country, and to identify the kind of assistance to be provided to migrants and their families. This report can also be used for development of a long-term state policy on labour migration.

This survey provides information on the behaviour of Kyrgyz labour migrants employed in Russia and their families in the context of the global financial crisis. Chapter 1 is dedicated to the methodology of data collection and data analysis. Chapter 2 gives a comprehensive analysis of the various consequences of the crisis from the perspective of changing institutional environment for migrants and their families and macroeconomic situation in Kyrgyzstan on the basis of interviews held with migrants, their families, other involved persons and experts in both countries. Chapter 3 focuses on the outcomes of the quantitative analysis of the crisis effect on migrants' socio-economic situation, which is based on data received from sampling research conducted in southern provinces of Kyrgyzstan. The main results and outcomes of the survey are presented in Chapter 4.

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For preparation of this report the authors used official documents, data of the National Statistics Committee, mass media, including websites of the SCME and Federal Migration Service of the Russian Federation, and the previously published reports by the Asian Development Bank, World Bank, United Nations Development Programme and other international organizations.

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# INTRODUCTION

In the recent decade the post-Soviet space witnessed the emergence and development of the socio-economic phenomenon of external labour migration. Extensive international experience proves that migration encourages development both in countries of destination and origin. Russia, as a country of destination, and Kyrgyzstan as a country of origin, are no exception. Migration allows for improvement of quality of Kyrgyz migrants' and their families' lives, while they fill in niches in the Russian labour market that are either unpopular among the local population or experience a significant lack of labour force.

# 1. Methodology of the survey

## 1. Methodology of the survey

### 1.1. Goals and tasks

A lot of research resulting in a number of quality reports on labour migration were carried out and published in the Kyrgyz Republic within the last decade. Their overview allowed for identification of four main aspects related to external migration:

- Reduction of poverty level and securing better quality of life for migrant families due to remittances;
- Lawlessness of migrants in countries of destination;
- Negative social consequences of migration: family dissolution, de facto forming of single parent families, support to children of migrant parents by relatives, and emergence of irregular labour activities by women and children left in countries of origin;
- “brain drain” of young and educated people.

This year in the context of global financial crisis other challenges become more important:

- Decrease of incomes in countries of destination, massive job cuts, toughening of legislation, and as a consequence - worsening of migrants’ conditions;
- Return of migrants, worsening of well-

being and quality of life of migrants and their families;

- Increased unemployment rate in Kyrgyzstan;
- Higher pressure on social protection system, criminalization of the society, etc.

In this regard, the government of the Kyrgyz Republic should be ready for the return of migrants and undertake actions for an immediate response to related challenges when they arise.

**The main goal of the survey is to analyze the implications of the global financial crisis on external labour migrants and their families with a focus on the possible socio-economic consequences.**

The following sources were used in preparation of this report:

- The legislation of the Kyrgyz Republic and the Russian Federation, other legal acts related to external labour migration policies;
- Outcome from the meetings and interviews with experts, government officials in Kyrgyzstan and the Russian Federation, private sector, non-governmental organizations, and other persons involved in the area;
- Information collected during in-depth interviews with migrants and their families;
- Results of the field survey conducted in

1200 households in southern provinces of Kyrgyzstan, which are main regions of origin for labour migrants.

In the course of the survey authors made an attempt to complete **the task** of assessing the impact of the global financial crisis on the following areas:

- 1) Changes in scale of migration;
- 2) Changes in the income of those labour migrants currently employed in Russia;
- 3) Changes in migrant remittances;
- 4) Strategy of economic behaviour of migrants currently employed in Russia;
- 5) Socio-economic consequences for migrant families.

Besides the abovementioned findings the analysis makes preliminary assessments on the impact of global financial crisis on some macroeconomic indicators in Kyrgyzstan.

### 1.2. The main instruments of the survey

In the course of the survey authors used the following research instruments and techniques:

- desk study;
- expert interviews;
- in-depth interviews with external labour migrants and their families;
- field survey in southern provinces' households that have family members employed abroad.

The project implementation started with thorough study of Kyrgyz and Russian legislation regulating migration processes, other information and legal materials related to the subject of research.

**Expert interviews** (49 meetings with 80 experts) make up an important part of the survey. Cooperation of government officials working in the area of labour migration was essential for the survey's success. Government officials who kindly agreed to share their expert opinions represented the

following agencies:

- State Committee for Migration and Employment<sup>1</sup> (SCME, now the Ministry for Labour, Employment and Migration of the Kyrgyz Republic), including oblast, town and district SCME representations;
- Passport-visa control units of the Ministry of Interior of the Kyrgyz Republic;
- Local communities and municipality representatives in surveyed Kyrgyz localities;
- Embassy of the Kyrgyz Republic in Russian Federation;
- Consulate General of the Kyrgyz Republic in Yekaterinburg.

Meetings with experts were held in Bishkek, Tokmok, Kant (Issyk-Ata district), in selected villages of Issyk-Ata, Alamedin, Djaiyl and Panfilov districts in Chui oblast, remote areas in Kochkor and Naryn districts of Naryn oblast, including major towns (Kochkor and Naryn). Useful information was collected during meetings in southern towns of Osh and Jalal-Abad, in smaller towns of Nookat, Kyzyl-Kiya, Kadamjai, Khaidarkan, Kara-Suu, Uzgen, Suzak, Shamaldy-Say, Tash-Kumyr, and numerous villages in mentioned districts. In-depth interviews with migrants and their families were conducted in all the mentioned localities.

The Russian cities of Moscow and Yekaterinburg were selected as the main research targets due to the fact that they attract the most labour migrants arriving to Russia from Kyrgyzstan.

In order to have a broader picture, the authors met business circle representatives, including owners of private employment agencies in Kyrgyzstan and Russia that

<sup>1</sup>As a result of recent state administration reform (late October 2009) the SCME was transformed into the Ministry of Labour, Employment and Migration. As the new regulation for the Ministry was still under consideration when the text was sent to the printing house, this report will use the previous name of the agency – SCME.

send the Kyrgyz labour force to Russia; specialists of commercial banks providing services for international money transfer operators; representatives of law firms and travel agencies; and drivers who provide regular transportation services from Kyrgyzstan to Russia.

Additional information was received from experts working at non-commercial and non-governmental organizations dealing with various aspects of migration. These also include activists from Kyrgyz Diaspora in Russia, experts from various foundations, Kyrgyz Muslims in Russia, and trade union representatives.

The most valuable information directly explaining the reasons and motivations of migrant behaviour, and the nature of crisis' impact on migrants and their families, was collected in a result of **in-depth interviews with:**

- Returned migrants;
- Migrants currently employed in Russia (Moscow and Yekaterinburg);
- Migrant families – remittances' recipients.

In total, authors conducted 70 in-depth interviews. Respondents were selected according to the "snowball"<sup>2</sup> principle in abovementioned towns and villages with assistance and support by local municipalities. In Russia the interviews were held both on workplaces of migrant workers with permission of employers (construction sites, dining places, markets, etc), and in areas of migrants living and entertainment<sup>3</sup>.

The numerical distribution of in-depth interviews with migrants and their families

is the following: 27 in Kyrgyzstan and 16 in Russia. Detailed information on geography of qualitative interviews with a specific mention of all localities is available in Annex 1.

Having tested the instruments and techniques in Bishkek, the authors had to reject the method of discussion within migrants' focus-groups as a research instrument. The main reasons for this decision were linked to biased responses on salary scales and transfer amounts, especially in presence of migrants' neighbours and other relatives. Moreover, the high level of diversity among migrants that differed from each other by the level of education and other features, hindered in-depth discussions and full-fledged responses. Nevertheless, interviews held in rural communities of Nookat district in Osh oblast and in Uzgen of Jalal-Abad oblast were gradually transforming into collective discussions, when returning migrants engaged in discussions with other former migrants. In such cases spontaneous meetings were transformed into focus-group discussion under authors' moderation.

In-depth interviews with returning migrants and their families served as the basis for development of a field survey questionnaire for 1200 households in southern provinces, in order to collect quantitative assessments.

The following criteria formed the basis for respondents' selection: firstly, at least one member of a household should have been employed abroad as a labour migrant at the moment of the survey, secondly, the migrant family member remitted money in 2008-2009. Further selection was based on "snowball" principle. The sampling distribution per oblast is shown in the Table 1.

<sup>2</sup>"Snowball" principle is a sampling method based on random selection of the first group of respondents. Further selection happens based on references or information provided by first respondents. Main advantage of this method lies in higher possibility of finding relevant respondents for research from the perspective of sampled population. This method is also used when it is difficult to create the basis for sampled population.

<sup>3</sup>For instance, at Moscow Zoo which is especially favored by Kyrgyz migrants.

*Table 1. Field survey sampling characteristics*

Oblast	Number of districts	Number of towns	Number of vil-lages	Number of respondents
Osh	5	2	28	300
Jalal-Abad	3	2	43	450
Batken	3	2	43	450
<b>Total:</b>	<b>11</b>	<b>6</b>	<b>116</b>	<b>1200</b>

More detailed information on respondents' distribution by districts, towns and villages of the three southern oblasts can be found in Chapter 4 and Annex II of this report.

The results of the survey highlighted the general tendencies of the migration processes, changes that occurred during the crisis, the role of migrant remittances in household expenditures and the strategy of altered expenditures during crisis, by making it possible to identify the migrant categories that suffered from the crisis the most. The final information should be of benefit for the Kyrgyz government.

# 2. Overview of changes in the migration process

## 2.1. Institutional environment for labour migration

### 2.1.1. Migration process regulated by legislation

#### *Kyrgyz Republic*

For better regulation of the migration process Kyrgyzstan and Russia develop appropriate legislation, as well as face number of challenges trying to harmonize them.

In accordance with the current interpretation of Kyrgyz legislation, external labour migration is defined as a voluntary and legal departure of Kyrgyz nationals in order to find employment abroad.

The main legislative documents currently regulating employment of Kyrgyz nationals abroad are the following:

1. Law «On external labour migration», №4, issued on 13 January 2006.
2. The Government Regulation «On approval of the Provision on the order of implementation of employment activities of Kyrgyz nationals abroad»

№ 639 issued on 8 September 2006<sup>4</sup>.

3. The Government Regulation «On approval of the price listing for issuance of permits for activities related with attraction of foreign labour to Kyrgyz Republic and employment of Kyrgyz nationals abroad» № 754 issued on 31 October 2006.

#### *Kyrgyz legislation related to a Kyrgyz external labour migrant*

In accordance with the Law “On external labour migration”, Kyrgyz nationals that reached the age of 18 can be employed in foreign countries either with the assistance of middlemen or independently. In order to fulfill employment requirements in the country of employment a migrant worker has the following rights:

- To become familiar with work requirements, salary scale, to conclude labour contracts with employers;
- To receive information about the place of residence, living conditions in the country of employment;
- To receive information about nature of the job, pension and medical provision, salary scale and work conditions;
- To address diplomatic or consular representations located in the country of employment in order to protect their rights and freedoms for employment.

<sup>4</sup>Besides this, a number of Presidential decrees approved the following programmes: «National policy on population employment of the Kyrgyz Republic till 2010»; «State Programme of the Kyrgyz Republic on regulation of migration processes for 2007-2010»; «Concept of the state migration policy of the Kyrgyz Republic till 2010.»

### ***Kyrgyz legislation regarding Russian employers attracting labour migrants from Kyrgyzstan***

Kyrgyz legislation does not directly impact Russian employers. However, Informational and Consultative Centre (ICC) under the SCME and private employment agencies can create commitments and requirements for Russian employers when sending labour migrants abroad.

### ***Kyrgyz legislation regarding activities of private employment agencies on employment of Kyrgyz national abroad***

In accordance with current legislation, in addition to receiving a permit from the SCME, private employment agencies have to comply with the following conditions:

- To determine tariffs for provision of services at the level not exceeding 50% of monthly salary of the migrant worker in line with labour contract;
- To provide perspective workers with full and truthful information before the conclusion of labour contract;
- To register every worker at the SCME before the departure for employment abroad;
- To provide the SCME (on monthly basis) with information on Kyrgyz nationals employed abroad with the private agency assistance, by special mentioning of labour contracts` duration and type of work completed for foreign employers;
- To familiarize every potential candidate with the Kyrgyz legislation and to provide them with the SCME contacts (address and phone number).

In addition to that, every private employment agency is responsible for the ensuring that the foreign employer honors the individual labour contract with the Kyrgyz migrant.

### ***Russian Federation***

The Russian Federation as a country of destination has a broader and more detailed migration legislation which is regulated by a greater number of normative documents including federal laws and by-laws, orders, regulations, decrees of ministries, government agencies and regional authorities.

Below are the main documents representing the current migration legislation:

1. Federal Law (№ 115-ФЗ issued on 25 July 2002) «On legal status of foreign citizens in the Russian Federation» (edition as of 29 December 2006 № 258-ФЗ);
2. Regulation of the Government of the Russian Federation № 681 (issued on 15 November 2006) «On approval of the rules for issuance of permits for temporary employment of foreign citizens in the territory of the Russian Federation ».
3. Regulation of the Government of the Russian Federation (№783 issued on 22 December 2006) «On order in defining needs in foreign labour by executive power institutions and forming employment quotas for foreign citizens in the territory of the Russian Federation ».
4. Regulation of the Government of the Russian Federation (№183 issued on 18 March 2008) «On approval of the rules on submission of notifications by employers or requesters of works (services) on attracting and using for employment foreign citizens or stateless persons arrived to the Russian Federation from countries with non-visa entrance regime with possession of work permits».
5. Regulation of the Government of the Russian Federation (№ 97 issued on 17

February 2007) «On finding cases of labour activities of a foreign citizen or stateless person temporarily sojourning in the Russian Federation beyond the territory of the subject of Russian Federation where the work permit (temporary sojourn) was issued».

6. Regulation of the Government of the Russian Federation (№ 9 issued on 15 January 2007) «On approval of the rules on implementation of migration registration of foreign citizens and stateless persons in the territory of the Russian Federation».
7. Federal Law (№ 109-ФЗ issued on 18 July 2006) «On migration registration of foreign citizens and stateless persons in the territory of the Russian Federation».

### *Russian legislation regarding labour migrants from Kyrgyzstan<sup>5</sup>*

Kyrgyz citizens are subjected under those provisions of the Russian legislation which regulate all aspects of entrance, sojourn and labour activities by foreign citizens coming from countries with non-visa entrance regime.

From the moment of entry to the territory of the Russian Federation Kyrgyz labour migrants are obliged to meet following requirements:

#### *Migration card*

To fill in the migration card. The “departure” part of the migration card with a stamp noting entrance should be kept with a foreign citizen during the whole period of stay in the territory of the Russian Federation, and should be submitted to the border police when leaving the territory of the Russian Federation.

#### *Migration registration*

To register with the migration authorities. The registration procedure includes

notification of the territorial authority of the Federal Migration Service about the arrival of a foreign citizen, and should be completed within three working days after the arrival date.

#### *Work permit*

To address the territorial authority of the Federal Migration Service where migration registration took place on the period of temporary sojourn.

A work permit is issued to a foreign citizen, coming from a country with non-visa entrance regime, within established quota, in 10 days.

Since February 2009, in order to prevent illegal labour activities of foreign citizens arriving to the Russian Federation from countries with non-visa entrance regime, work permits for foreign citizens without a signed labour contract can be issued for a 90 days maximum. In case of employment and submission of a copy of labour contract to the Federal Migration Service, the duration of work is extended and new work permit is issued for one year maximum, i.e. for 9 months more<sup>6</sup>.

#### **Labour migrant with a valid work permit is obliged:**

- To exercise labour activities only in the territory of the subject of the Russian Federation which is mentioned in the work permit;
- To provide migration authorities within 30 days after obtaining work permit with documented proofs of no drug addiction and infectious diseases posing a threat to the society, in line with the listings approved by the

<sup>5</sup>Official website of the Federal Migration Service of the Russian Federation [www.fms.gov.ru](http://www.fms.gov.ru)

<sup>6</sup>This innovation means that work permits for Kyrgyz migrants need to be obtained twice per year, i.e. double collection of necessary documents, double application to the Federal Migration Service or mediating services, double payments of state duties. According to V. Postavnin, the former deputy director of the Federal Migration Service (2005-2007) these requirements “create impassable obstacles not only for migrants, but also for honest employers” (opinion was expressed in an article published in magazine “Russian Migration” (“Rossiyskaya Migratsiya”) №2, 2009).

Russian Government in the event if the work permit is issued to a foreign citizen for more than 90 days.

When applying for a work permit in Moscow, submission of a standard medical check certificate is required. In the event of untimely submission of the abovementioned medical documents the work permit is to be annulled.

A foreign citizen who has been granted a work permit for more than 90 days has to find employment within 90 days from the time of entering the territory of the Russian Federation, otherwise s/he has to leave the territory of the Russian Federation despite the valid work permit for more than 90 days.

### ***Russian legislation regarding Russian employers attracting labour migrants from Kyrgyzstan***

Fulfillment of all requirements laid out by the Russian legislation only by labour migrants is not sufficient for legalization of labour activities exercised by Kyrgyz labour migrants on the territory of the Russian Federation. Employers attracting and using foreign labour should also thoroughly meet all the requirements of the Russian legislation regulating employers' actions.

An employer needs to fulfill numerous conditions

#### *Application on demand for foreign labour force*

An employer planning to attract and to use foreign labour has to apply to the migration authorities (before 1 May) and request foreign workers for the next year in accordance with vacant positions and newly created work places.

The application is considered at the meetings of an interagency commission created within the subject of the Russian Federation for 2-3 months. In the event that permission is granted, information

on the employer's request for foreign workers is added to the roster of receivers of state services in the sphere of population employment. The employer is informed accordingly.

#### *Labour of civil-legal contract*

An employer is entitled to attract and use foreign labour migrants coming from countries with non-visa entrance regime and possessing valid work permits without first obtaining permission. Employers may solely take part in application campaign and conclude either labour or civil-legal employment contract with foreign citizens possessing a valid work permit.

#### *Migration registration of a foreign citizen*

Within three working days after foreign citizen's entry to the territory of the Russian Federation, the hosting party has to register the migrant at the migration authorities.

#### *Notification of authorities on employment of a foreign citizen*

Within three days after conclusion of a labour contract with a foreign worker, the employer needs to send notification of the employment either directly or by ordered mail to:

- Territorial federal authority of executive power in the sphere of migration;
- Executive authority responsible for employment issues within a subject of the Russian Federation;
- Tax authorities within the area of employer's registration (within 10 days after concluding labour contract with a foreign worker).

#### *Targeted use of foreign workers*

An employer can use foreign workers only according to their professions and in the Russian Federation subjects mentioned in the work permits granted to foreign citizens.

### *Legislative acts regulating migration processes during the crisis and their impact on Kyrgyz labour migrants*

#### *Quotas for attraction of foreign labour force*

The Russian Government anti-crisis measures are directed towards stabilization and protection of regional labour markets, which are becoming larger due to full or partial shutdown of industrial factories and a decrease in activities of commercial organizations<sup>7</sup>. One of the protection measures taken was the establishment of quotas on the use of foreign labour forces and the creation of conditions for replacing external labour migrants by internal ones. To this end, starting from November-December 2008, a number of governmental regulations and ministerial orders were issued, aimed at decreasing quotas, which had a direct or indirect impact on Kyrgyz labour migrants. These are, in particular:

- Government Regulation of the Russian Federation (№835 issued on 7 November 2008) «On approval of quotas for work permits to be granted to foreign citizens in 2009».
- Order of the Ministry of Health Care and Social Development of Russia (№777H issued on 26 December 2008) «On distribution among the subjects of the Russian Federation of the quotas for work permits to be granted to foreign citizens in 2009 approved by the Government of the Russian Federation».

During the first half of 2009<sup>8</sup>, one more order of the Ministry was issued and drafts of the other two were under consideration. In coordination with the Federal Migration

Service, all of them are about to decrease quotas in all administrative districts of the Russian Federation:

- Order of the Ministry of Health Care and Social Development of Russia (№139H issued on 30 March 2009) «On introduction of amendments in Annexes 1 and 2 to the Order of the Ministry of Health Care and Social Development of Russia (№777H issued on 26 December 2008) «On distribution among the subjects of the Russian Federation of the quotas for work permits to be granted to foreign citizens in 2009 approved by the Government of the Russian Federation».
- Draft order issued on 21 May 2009 «On introduction of amendments in Annexes 1 and 2 to the Order of the Ministry of Health Care and Social Development of Russia (№777H issued on 26 December 2008) «On distribution among the subjects of the Russian Federation of the quotas for work permits to be granted to foreign citizens in 2009 approved by the Government of the Russian Federation».
- Draft order issued on 24 July 2009 «On introduction of amendments in Annexes 1 and 2 to the Order of the Ministry of Health Care and Social Development of Russia (№777H issued on 26 December 2008) «On distribution among the subjects of the Russian Federation of the quotas for work permits to be granted to foreign citizens in 2009 approved by the Government of the Russian Federation».

As it can be seen from Annex III we are witnessing creeping, though not very significant, decrease of quotas for use of external labour force with simultaneous increase of labour reserves. Below is the

<sup>7</sup>Overall unemployment in Russia in July 2009, calculated in line with the ILO methodology, is 6.3 million persons. Unemployment allowance is granted to 1.8 million. In July 2009, unemployment rate in Russia increased by 45 % in comparison with the respective period of 2008. Source - <http://www.dailyonline.ru/m/7265/>

<sup>8</sup>In the course of the implementation of this project.

history of quota amounts during pre- and crisis periods: 2007 – 6 million quota was in force, 2 million work permits were granted; 2008 – 1.8 million quota which was exhausted by summer of 2008; 2009 – 4 million quota, half of which consists of reserves.

It is obvious that decrease in quotas influences all labour migrants, including Kyrgyz ones, as it put limitations for legal employment and leads some migrants to transform their statuses into irregular migrants<sup>9</sup>.

### *Labour activities in the sphere of retail trade*

Another document which had a serious impact on the status of Kyrgyz labour migrants is the Government Regulation of the Russian Federation № 1099 issued on 31 December 2008 «On establishment of permissible share of foreign workers used by business entities in the sphere of retail trade and sports for 2009<sup>10</sup>». According to this document, no foreign worker can be used by business entities to exercise labour activities in the sphere of retail trade in stands, markets and outside of shops in 2009. The regulation is applicable to all foreign workers legally residing in the territory of the Russian Federation.

According to the outcome of research conducted in 2007 in the framework of an ADB supported project, from a sector perspective, migrants employed in wholesale and retail trade make up 30.4% of all migrants, giving the leading positions to migrants employed on construction sites (45.3%)<sup>11</sup>.

Kyrgyz labour migrants are often employed as salespersons in retail markets in big cities like Moscow, Novosibirsk,

Yekaterinburg, etc. Hence, this Regulation pushes Kyrgyz labour migrants out of the sphere of retail trade and forces them to find employment in other spheres or to apply for Russian citizenship in order to have opportunity to continue their usual activities.

### *Income tax*

According to the definition of taxpayers income tax rates in the Tax Code of the Russian Federation labour migrants who are legally employed are considered as taxpayers. Depending on duration of their stay, migrants can have status of tax residents or can not have it<sup>12</sup>, which directly influences income tax rate: 13% for residents, and 30% - for non-residents. If a migrant exercises labour activity during the whole year and can prove this fact by providing the necessary documents, the difference in overpaid tax can be reimbursed upon the request to the employer.

**The SCME leadership** claims that Russia does not refuse to accept migrants from Kyrgyzstan, but wants to redirect migrant flows from central parts of the Russian Federation to the depressed North and East of the country, where, according to federal authorities, labour migrants from CIS are more welcome than those from China and Vietnam.

Other interviewed experts also confirmed tendencies of a well-planned and consistent policy aimed at pushing labour migrants out of Moscow which enjoys a special status of the capital, by using efficient measures such as economic sanctions against employers (fines) instead of inefficient apprehension of migrants in the streets by police and the Federal Migration Service.

<sup>9</sup>Vlasova, N. Is it possible to fix the broken mechanism? // Russian Migration (Rossiyskaya Migratsiya), 2009 - №2.

<sup>10</sup>This practice is in use starting from 2006.

<sup>11</sup> Report «Money transfers of international migrants and poverty in the Kyrgyz Republic», 2007. ADB project «Survey on international migrants' remittances in Central Asia and Southern Caucasus ».

<sup>12</sup>Tax residents are the persons sojourning in the territory of the Russian Federation for at least 183 calendar days within 12 months.

### 2.1.2. State agencies responsible for labour migration

#### *Kyrgyz Republic*

Larger scales of external labour migration of Kyrgyz citizens created new directions in the state policies. Following state agencies are currently directly involved in regulating migration processes:

1. State Committee for Migration and Employment (now the Ministry for Labour, Employment and Migration);
2. Ministry of Foreign Affairs.

**State Committee for Migration and Employment (SCME) (now the Ministry for Labour, Employment and Migration)** is the main state agency which implements the state policy in the sphere of migration and population employment<sup>13</sup>.

Main SCME<sup>14</sup> tasks and functions in the sphere of labour migration regulation are as follows:

- Development and implementation of single state policy in the sphere of migration and population employment in the territory of the Kyrgyz Republic and beyond;
- Development and implementation of legislation on migration and employment in the Kyrgyz Republic, control over their implementation;
- Monitoring, assessment, and prognosis of the migration situation and state of the labour market;
- Development of international legislative bases with foreign countries – main partners on entering the international labour market, development of international cooperation in the sphere of migration and population employment;

- Implementation of practical measures on efficient migration control over employment of Kyrgyz nationals abroad;
- Participation in protection of rights of Kyrgyz nationals exercising labour or entrepreneurial activities abroad, and in protection of rights of migrants in accordance with provisions of the international law and Kyrgyz Republic legislation;
- Provision of consultative and informational services to the citizens addressing SCME and its territorial divisions with questions related to migration and employment population. In order to fully implement this task the SCME established and is developing the Informational and Consultative Centre (ICC).

Informational and Consultative Centre (ICC) – is a structural division under SCME, established in 2006 for securing public access to information on training and employment opportunities both in the CIS region, and other countries, in line with “External employment” programme.

ICC tasks and functions:

- Provision of informational and consultative services on employment in Kyrgyzstan and abroad, including within CIS, and support in finding employment for Kyrgyz citizens.
- Creation and update of databases:
  - on vacancies;
  - on employers (both local and foreign);
  - on internal and external labour migrants (nationals willing to work and study within the country and abroad).
- Exchange of information on foreign employers and vacancies with the SCME territorial divisions to raise citizens’ awareness about finding employment abroad.
- Provision of information to employers, from ICC database and selection of

<sup>13</sup>Statute of the State Committee for Migration and Employment of the Kyrgyz Republic. Regulation of the Government of the Kyrgyz Republic № 603 issued on 21 December 2005.

<sup>14</sup>Statute of the Informational and Consultative Centre of the SCME. SCME Regulation 727 issued on 28 December 2008.

specialists for internal and external employment.

- Establishment of partner relations with employers and firms, working with labour migrants, and representatives of educational institutions on main directions of ICC activities.
- Support in finding employment abroad for Kyrgyz nationals and groups of nationals, by looking for employers abroad.

From all SCME functions related to external labour migration, consultations and raising awareness are directly related to a prospective labour migrant.

It is true that all SCME territorial divisions can provide all interested persons with necessary information, although varied by quality, on legislation in the country of destination, as well as warn about possible risks. The SCME website is another important tool for ICC<sup>15</sup>.

As for the implementation of other tasks, it is obvious that ICC potential is very limited due to lack of administrative and organizational potential, of qualitative informational, analytical and research base on variety of functional regulators and instruments, and necessary legislative and ideological conditions<sup>16</sup>.

For instance ICC helped about 5000 Kyrgyz nationals to find employment in 2007, which made up a very insignificant share (1-2%) of all Kyrgyz labour migrants. It is also difficult to imagine the implementation of very important task declared in the SCME Statute – participation of SCME staff in protection of rights of Kyrgyz citizens exercising labour and entrepreneurial activities abroad, in accordance with international and Kyrgyz legislation – again due to resource constraints of the SCME representative offices in the

Russian Federation<sup>17</sup>. This task is highly important now, during this crisis, when so many migrants suffer because they are not being paid the salaries they earned. Several resolved cases the authors were told about by the SCME staff located in Moscow, do not improve the whole situation.

**Ministry of Foreign Affairs of the Kyrgyz Republic (MFA)** provides support in the implementation of the state policy on migration, according to its Statute<sup>18</sup>, including the development and implementation of measures aimed at preventing and fighting irregular migration, and the organization of migration control.

With regard to activities related to labour migrants and public associations of the Kyrgyz Diaspora, the MFA representations abroad have the following tasks and functions:

- Protection of rights and interests of Kyrgyz citizens and legal entities abroad, including migrants, employed abroad, in accordance with international and Kyrgyz legislation;
- Encouragement of relations and contacts with fellow citizens, residing abroad.

In practice the Kyrgyz Embassy in Russia provides Kyrgyz migrants with standard consular services and supports institutional strengthening of the Kyrgyz Diaspora in Russia.

### *Russian Federation*

Main state agencies of the Russian Federation responsible for regulation of migration processes are the following:

1. Federal Migration Service of the Russian Federation;
2. Ministry of Healthcare and Social Development of the Russian Federation.

<sup>15</sup>Official SCME website, [www.mz.kg](http://www.mz.kg)

<sup>16</sup>The Concept of the state migration policy of the Kyrgyz Republic till 2010. Presidential Decree №151 issued on 30 April 2004.

<sup>17</sup>The SCME representation in Russia has a personnel of three staff members and is located in the building of the Kyrgyz Embassy in Moscow.

<sup>18</sup>Statute of the Ministry of Foreign Affairs of the Kyrgyz Republic. Government Regulation № 219 issued on 8 June 2007.

## 2. Overview of changes in the migration process

**Federal Migration Service of the Russian Federation (FMS)** – is a federal executive agency which implements the state policy in the sphere of migration and provides control, oversight and state services in migration area. FMS structurally belongs to the Ministry of Interior of the Russian Federation. FMA activities are focused on various target groups. One of them is external labour migrants willing to find employment in Russia, and their employers, which are the main object of our interest. The main goal of the FMS is to organize a civilized type of migration, create conditions for attraction of Russia to hiring Kyrgyz migrants and fighting against irregular migration. In order to achieve these goals the Russian FMS is entitled to the following functions:

1. To exercise control and oversight in accordance with the Russian legislation:
  - over respect of immigration rules by foreign citizens;
  - over respect of rules on the use of foreign labour by employers in the Russian Federation.
2. To issue permissions to employers on foreign labour attraction and employment in the Russian Federation and work permits to foreign nationals.
3. In accordance with Russian legislation, to organize and implement the following:
  - registration of foreign citizens by places of their residence and their sojourn;
  - measures on preventing and fighting irregular migration;
  - stamping notes on entrance prohibition to the territory of the Russian Federation in passport of a foreign citizen;
  - migration registration and control rules implementation on migration registration by foreign citizens, officials, other agencies and organizations.
4. In accordance with Russian legislation, to take decisions on:
  - issuance, adjournment of validity duration and annulment of permissions to employers to attract and employ foreign labour, and work permits for foreign workers;
  - deportation of foreign nationals, implementation of measures on deportation and administrative exclusion out of the territory of the Russian Federation.
5. To participate in the development of suggestions on quotas for foreign citizens willing to exercise labour activities in the territory of the Russian Federation.
6. To cooperate within the established standards with executive agencies of foreign countries and international organizations on issues related to labour migration.

*Main activities of the FMS related to labour migrants are migration registration and issuance of work permits.*

**Ministry of Healthcare and Social Development of the Russian Federation (MHSD)** is a federal executive agency which develops and implements the state policy and regulatory legislation in the sphere of healthcare, social development, labour, and consumer protection, including issues of labour conditions and protection, social partnership, labour relations, population employment and unemployment, labour migration, etc<sup>19</sup>.

Ministry of Healthcare and Social Development can independently adopt the following normative and legal documents regarding labour migration:

1. Order of preparation and consideration of suggestions on defining quotas for foreign citizens willing to exercise labour activities in the territory of the Russian Federation.
2. Acts on issuance of conclusions on necessity of attraction and use of foreign workers.
3. Rules of executive authorities of the subjects of the Russian Federation on defining demands on attracting foreign labour.
4. Qualification requirements to workers and list of professions in spheres which belong to the competences of the Ministry.
5. Act establishing cases of foreign citizens' temporarily sojourning in the territory of the Russian Federation and employed beyond the subject which granted the work permit.
6. The list of infectious diseases posing a threat to the society which may become the basis for rejection of Russian work permit issuance, including the order of confirmation of its presence or unavailability.
7. Requirements to certificates on negative

test on HIV-infection addressed to foreign citizens entering the territory of the Russian Federation.

8. Order of provision of medical aid to foreign citizens.

MHSD has structural divisions which are directly responsible for regulation of migration processes: **Department of employment and labour migration, and Federal Service on labour and employment.**

**Department of employment and labour migration** is responsible for state policy implementation in the sphere of population employment and unemployment, labour migration and alternative civil service. Among priority tasks of the Department are the creation of conditions for development of flexible forms of employment, improvement of mechanisms of support of unemployed, foreign labour attraction and employment. The Department represents the interests of the Russian Federation at ILO and IOM.

**Federal Service on labour and employment** is a federal executive agency which provides control in the sphere of labour, employment and alternative civil service, and state services in population employment and unemployment, labour migration and regulation of collective labour arguments. It exercises the state control over respect of labour legislation and other legal acts related to labour law by employers with wide use of inspections, surveys, issuance of compulsory instructions in order to avoid violation of rules, forms protocols on administrative delinquencies within its powers, and prepares other documents on prosecution in line with federal laws and other legal acts of the Russian Federation. The Service participates in development of suggestions on demands in foreign labour and on quota establishments for foreign citizens willing to exercise labour activities in the territory of the Russian Federation.

<sup>19</sup>Government regulation of the Russian Federation № 321 issued on 30 June 2004 «On Statute of the Ministry of Healthcare and Social Development».

***In general MHSD main activities related to labour migrants are the following:***

- √ *Establishment of quotas on work permits to be granted to foreign workers and their distribution among the subjects of the Russian Federation;*
- √ *Establishment of possible shares of foreign workers employed by business entities in the sphere of retail trade and sports in the territory of the Russian Federation;*
- √ *Approval of the list of professions of foreign workers – qualified specialists employed according to their professions in areas beyond quota coverage.*

### ***2.1.3. Non-governmental participants of the migration processes***

Visible processes in labour migration led to emergence of organizations and firms aimed at providing new services to citizens willing to find employment abroad:

- Branches and cash desks of commercial banks and international money transfer operators (MTO);
- Agencies on external employment;
- Travel agencies selling air and train tickets;
- Private persons and drivers' entities providing car transportation services for migrants;
- Law firms providing legal services to migrants;
- Broker firms, etc.

Labour migration stimulated development of new forms and activities of civil society:

- Non-governmental, non-commercial, public organizations working on migrants' rights protection in Kyrgyzstan

and Russia;

- Public associations of migrants, representing Kyrgyz Diasporas in Russia.

Overview of private sector development influenced by migration is given in paragraph titled "Impact of migration on business development". Below is a brief analysis of the situation of public associations of the Kyrgyz Diaspora in Russia.

#### *Kyrgyz Diaspora and public organizations*

The scales of migration of Kyrgyz nationals to Russia allow us to talk about the formation of fully functional Kyrgyz Diaspora in the Russian Federation. Given the vast territory of Russia there are many organizations, differing from each other by character and profile, and identifying themselves as Kyrgyz Diasporas. Annex IV provides the list of public associations of the Kyrgyz in various regions of Russia.

***Diaspora – part of nation (ethnic group), residing beyond the homeland territory and possessing social institutions aimed at supporting and developing its community and integration into society.***

*Diasporas are established, solidary, stable ethnic groups which became necessary for recipient countries. They successfully cooperate with authorities and local population and may create examples of successful co-habitation of different layers of population.*

Diaspora representatives in a form of public associations cooperate with the Kyrgyz Embassy and consulates in Russia and assist these diplomatic institutions. Most stable and active public associations located in Moscow and Moscow oblast are «Aksakal (elderly) Council», «Kyrgyz Birimdigi (Kyrgyz Unity)», Association of teachers, Association of medics, Association of constructors, etc.

There are also public associations in major markets formed by differences in trade area (Cherkizovskiy is aimed at promotion of garment products; Strogino – trade in construction materials), etc.

Establishment and leadership at these public associations are provided by the successful Kyrgyz, who already obtained the Russian citizenship and are willing to help their compatriots to find employment and to adapt themselves to Russia.

In April 2009 as a result of big discussions on the role and place of Kyrgyz Diasporas in Russia, 17 public associations in Moscow

and Moscow oblast decided to merge and establish the Coordination Council “Union of Kyrgyz citizens”. The office of the Union with its 10 profile committees (on education, sports, culture, etc) is located in the territory of the Kyrgyz Embassy in Russia.

The Kyrgyz Consulate General in Yekaterinburg has close contacts with public associations such as «Ata Jurt (Homeland)» in Sverdlovsk oblast, «Kyrgyz Autonomy» in Chita Oblast, «Birimdik (Unity)» in Chelyabinsk oblast, «Union of the Kyrgyz» in Sakhalin.

Public associations can help migrants in those cases where the Embassy or Consulate can not interfere, according to their regulations. For instance, to send «Cargo 200»<sup>20</sup>, to assist migrants<sup>21</sup> to return to Kyrgyzstan, to organize sports competitions with participation of migrants, concerts of Kyrgyz pop stars, etc.

Expert opinion on Kyrgyz Diasporas is divided.

### **Moscow, June 2009**

*Public associations are established by Russian citizens, the Kyrgyz by ethnicity, with aim to exploit newly arrived labour migrants who do not have true picture on Russian labour market yet.*

### **Moscow, June 2009**

*Kyrgyz Diaspora in Russia has an insignificant social and cultural component, and is principally based upon business interests. Public associations do not solve true issues for any Diaspora – public image activities and lobbying interests of labour migrants in cooperation with local authorities and employers.*

### **Yekaterinburg, June 2009**

*Kyrgyz Diaspora is still in its embryonic stage of development, it lacks the fundamental core, that is the reason why the public associations, representing Diaspora, are quite unstable. They need to learn from the experience of better established Diaspora organizations, which possess a*

<sup>20</sup>To order a special casket, to collect money from migrants, to organize and pay for transportation, and to secure the escort of the cargo.

<sup>21</sup>When migrants are ill or injured.

*high reputation and long-lived traditions. Officials from Kyrgyzstan also create some instability in Diasporas by expressing different ideas during meetings organized within their visits. The officials do not want to see the former labour migrants as informal leaders of the Diaspora, who are trying to be engaged in practical activities. Instead of supporting, the officials select easily manipulated persons as leaders, and naturally emerged public movements are destroyed or keep existing without further development.*

Nevertheless most experts believe that the Kyrgyz Diaspora is necessary as a public institution for labour migrants in facilitation of their lives and in supporting cultural ties with the homeland. Besides this and according to experts' opinion, the Kyrgyz Diasporas in Russia are better organized than Diasporas of other Central Asian states, although much worse than former Diasporas representing ethnic groups<sup>22</sup> that lived through dozens of generations in Russia.

## 2.2. Characteristics of labour migration from Kyrgyzstan

### 2.2.1. Scales of migration

In order to analyze labour migration origins it is important to remember people from Kyrgyzstan that originally came to Russian cities during Soviet times to work or study and could stay there as Soviet citizens. These are, firstly, construction workers attracted in early 1980s for building sports complexes for Olympic Games in Moscow; secondly, graduates from Russian higher educational institutions who stayed in Russia to work; and thirdly, statesmen who used to work for the Soviet government. Most of these people preserved close relations with relatives and now assist in better adaptation of labour migrants.

The collapse of the USSR in early 1990s, closure of industrial facilities and

the universal economic slowdown, have caused the emergence of petty-traders – labour migrants in the sphere of trade. Having conquered Russian markets, migrants started filling in the services and construction sectors. The economic growth and growing demand for labour in Russia, lack of language and visa barriers, opportunity for higher earnings stimulated mass labour migration from Kyrgyzstan to Russia during the economical upturn. As a result, labour migration became the most notable socio-economic phenomenon in Kyrgyzstan. Kyrgyzstan began to be considered as a labour force supplier. This situation has led to initiation and implementation of number of studies on migration's impact on various aspects of the state and people's activities. Nevertheless, the main question - «How many Kyrgyz nationals are involved in the migration processes?» still remains unanswered due to particularities of economic, political and cultural ties between Kyrgyzstan and Russia. The interest of independent researchers and state agencies in this issue is, however, still vital.

Mass media, Kyrgyz and Russian state officials, and outcomes of independent surveys mention various numbers defining the volumes of external labour migration from Kyrgyzstan to Russia. During pre-crisis period these figures varied from 200 000 to 500 000 persons. What are the sources for these data?

<sup>22</sup>Armenian, Jewish, etc.

*In January 2007 Kyrgyz President Kurmanbek Bakiev has sent to his then counterpart Vladimir Putin the letter with request to establish a separate quota for labour migrants from Kyrgyzstan at the level of 500 000 persons<sup>23</sup>.*

*According to FMS data, Kyrgyz migrants are holding the fifth place by numbers of labour migrants employed in Russia after Ukraine, Uzbekistan, Tajikistan and Moldova. In 2009 more than 550 000 Kyrgyz labour migrants have entered the territory of the Russian Federation<sup>24</sup>.*

*According to unofficial data in 2008 318 000 Kyrgyz labour migrants were registered at FMS and 183 000 obtained work permits.*

*According to Mr. Juma Abdullaev, the head of Association of Kyrgyz Diasporas in Russia and Kazakhstan «Zamandash» there have been no less than half a million of Kyrgyz labour migrants employed in Russia in 2008<sup>25</sup>.*

*According to SCME data in 2008 from 250 000 to 350 000 Kyrgyz labour migrants were employed in Russian industrial facilities, construction sites and services<sup>26</sup>.*

*According to Kyrgyz MFA data in 2008 there are more than 290 000 Kyrgyz citizens employed in Russia<sup>27</sup>.*

*From statement made by Ms Aigul Ryskulova, then Chairperson of the SCME at the Kyrgyz Parliament (Jogorku Kenesh) in September 2009, there are 316 000 Kyrgyz citizens in Russia including children, 256 000 of them are employed. Members of parliament argued that these data can not be real, as the number of working Kyrgyz citizens in Russia and other countries is much higher<sup>28</sup>.*

It is obvious that quite a significant part of Kyrgyz labour resources is currently employed in Russia, and the assessments of migration scale are highly differentiated.

In the context of global financial crisis, when the Russian government started protecting its internal labour market and diminishes its demand for foreign labour force, a very important question rose: «How many labour migrants have already returned to Kyrgyzstan?»

The answer to this question is important in order to plan the state budget, particularly in the sphere of social protection, and for preventing the risk of conflict related to a possible decrease in quality of life. Respective data published by mass media and expert opinion can be found below.

<sup>23</sup>«Kyrgyz authorities demand Russia for a separate quota for labour migrants from Kyrgyzstan», 10 January 2007. <http://www.for.kg>

<sup>24</sup>Interview of Mr. Anatoly Kuznetsov, Deputy Director of the Russian FMS, 12 February 2009. <http://www.for.kg>

<sup>25</sup>«Rossiyskaya gazeta” <http://www.rg.ru/2008/02/14/reg-asia/perevodi.html>

<sup>26</sup>Ibid.

<sup>27</sup><http://www.sng.allbusiness.ru/>

<sup>28</sup>Press service of the Jogorku Kenesh <http://www.kenesh.kg>

*According to FMS data, the number of newly arrived migrants to Russia decreased by 10% in January 2009. In the same period of time there were 1.8 less applications for work permits registered<sup>29</sup>.*

*From statement made by Ms Aigul Ryskulova, then Chairperson of the SCME at the Kyrgyz Parliament (Jogorku Kenesh) in September 2009: 3 500 Kyrgyz migrants from Russia and Kazakhstan have been interviewed at train stations and airports on the subject of their return to Kyrgyzstan. Most migrants' responses were related to the celebration of New Year or purchasing of new goods for sale. Only a few noted that their return was forced by industrial facility closure or job cuts. Therefore it is possible to predict that mass return of migrants back to their homeland is not expected. Besides that, more than 167 000 Kyrgyz nationals have already obtained Russian citizenship and have their own housing, employment or business<sup>30</sup>.*

Staff members of the SCME representation in Russia possess service information provided by the Russian Border Service according to which there

were 350 000 Kyrgyz nationals in Russia, including 100 000 in Moscow, as of beginning of 2009.

***Public Association (PA) «Employment», Naryn, works together with the SCME territorial division in Naryn oblast***

*Since the beginning of 2008 return of labour migrants from Kazakhstan has been observed as the crisis appeared there earlier. Returned migrants from Kazakhstan went to Russia. According to the head of this PA, there have been 127 migrants addressed to the PA on the subject of their return within the period between November 2008 – May 2009.*

In spring 2009 there were rumors in Bishkek, that due to crisis in Russia, employers in Sverdlovsk oblast were massively refusing employment to Kyrgyz migrants, and that Kyrgyz nationals were living in Yekaterinburg train station due to lack of money and begging for money for train tickets back home.

In order to check this information the authors met executives of the station “Sverdlovsky Passajirsky” in June 2009.

<sup>29</sup>Interview of Mr. Anatoly Kuznetsov, Deputy Director of the Russian FMS, 12 February 2009. <http://www.for.kg>

<sup>30</sup>Press service of the Jogorku Kenesh <http://www.kenesh.kg>

**Director of the station, Yekaterinburg**

*The situation is stable; rumors on mass return of Kyrgyz migrants are exaggerated. Kyrgyz citizens come and leave as usual. The tendency of increase in number of migrants became notable since 2002. Before that, there used to be only petty-traders in trains with huge amounts of luggage in passenger cars. After amendments in legislation on customs regulation for luggage transportation passengers started traveling in passenger cars, with goods transported in freight trains.*

According to outcomes of interviews with heads of aiyl okmotu (village communities), there is a tendency of return of Kyrgyz labour migrants, including Kyrgyz which became citizens of the Russian Federation. Nevertheless, some people, youth in particular, still keep leaving for external employment. Quantitative assessments of most aiyl okmotu lead to the assumption that the number of departing migrants equals the number of returning migrants.

During numerous meetings with returned migrants it was made clear that the majority of returnees have come back home for reasons not related to the crisis.

Therefore, there is a lack of serious quantitative assessment of numbers of returnees, and the common opinion is based on assumption that there is still the tendency of return of migrants.

**2.2.2. Registration of migrants**

Analysis of data taken from various sources shows a significant gap in assessment of the number of returning labour migrants. This difficulty is defined by some objective circumstances related to the seasonal character of migration and non-visa entrance regime. However, and despite the lack of efficient system of external labour migrant’s registration there are still some trustful data sources:

**1. Border services of Kyrgyzstan and Russia functioning at the**

**international airports.** When crossing borders at airports the border control officers check and scan passports of entering and departing passengers and ask about the goal of the trip. When migrants cross borders by trains, busses or cars, border control officers, though, limit themselves to the document control. This is the reason why there is no full-scale database of the Kyrgyz nationals, crossing borders. The information from airport databases can only be used for internal use.

2. **Passport-visa control units of the MoI.** The MoI system enjoys an efficient system of registration of departing and returning citizens. As the registration at the MoI can be done by personal request, the number of registered labour migrants at the MoI passport-visa control units is comparatively low.

3. **SCME ICC and private employment agencies.** The flow of migrants coming through these organizations is not very significant. Besides, migrants, who found employment through these agencies, quite frequently tend to leave their employers trying to find better paid jobs and losing their legal status.

At the same time the majority of migrants go to Russia by trains, busses and cars, not violating any legislation, not using any brokers. As they do not plan to change their nationality, they, subsequently, do

## 2. Overview of changes in the migration process

not inform local authorities. Therefore the majority of migrants turn out to be beyond the system of registration.

Theoretically it is possible to quickly collect a comparatively correct and reliable information on migrants returned home due to crisis from first hand sources, i.e. village leaders, head of neighborhood committees

and house managers. This opportunity is now used by the SCME; however, different SCME territorial divisions use different techniques of migrant registration. Some territorial divisions organize one-time actions – assessment neighborhood inspections, others develop various forms for registering departing citizens.

*SCME territorial division in Naryn oblast organized a full-scale survey with use of unemployed citizens in order to clarify the total population of the region and to assess migration flows as of beginning of 2009. The analysis of the received data led to the following conclusions:*

- 1. Number of persons checked out from the MoI registering makes up 1% of the whole population of the region and is 4.4 times less than the number of citizens who are currently outside of the region.*
- 2. Labour migration scales in Naryn oblast are not too significant: only 4.4% of the population is migrants.*
- 3. The majority of Naryn migrants is internal migrants and is currently employed in Chui, Issyk-Kul oblasts and in Bishkek.*
- 4. External migrants from Naryn make up around 1500 persons, 79.6% out of which is employed in Russia.*
- 5. No significant changes and massive return of migrants were observed. Some returnees already plan to go back to Russia for further employment.*

### ***SCME territorial division in Kochkor, Naryn oblast***

*The process of collecting information on labour migrants is difficult; village leaders do not work in this area. There is nothing to be said about the massive return of migrants; all returnees have come back due to family reasons.*

*SCME territorial division in Issyk-Ata district, Chui oblast relies on information received from village communities (aiyl okmotu). The local SCME division independently developed forms for labor migrants' registration through members of the local community council. According to the authors' observations and to results of meetings with local communities, these forms were filled out quite randomly. Some registered only those who had officially checked out from the MoI registry and addressed local community with request for certificates, while others included to the lists all citizens who had left for external employment on the basis of information received from village leaders. Therefore, the compilation and analysis of these data will not provide an objective picture on the state of external*

*labour migration on the district level.*

***SCME territorial division in Panfilov district, Chui oblast** pays a greater attention to the issues related to adaptation and legalization of ethnic Kyrgyz from Tajikistan rather than external labour migration of local population, though there are some attempts to register labour migrants on the level of local communities.*

***SCME territorial division in Osh oblast** maintains the list of citizens willing to find employment in the form of table with mention of name, address and telephone number of the perspective labour migrant. The electronic table has a special column with question whether the applicant has ever worked in Russia. It is noteworthy that returnees make up 20% of applicants willing to find employment in Russia. As of 22 April 2009 there were 474 persons in the Osh SCME list.*

During meetings with local community officials it became evident that almost all interviewed experts in southern villages could report on exact numbers of labour migrants (based upon household registries), while experts from southern towns and northern villages and towns were confusing the terms of “labour migrant” and “migrants aimed at change of nationality”. Most officials provided central authorities with information received from the MoI database which registers only those who check out officially.

A possible explanation for the various approaches lies in difference of perceptions: there is a high sensitivity to labour migration related issues in the south, while northern regions perceive the initiatives on information collection about labour migrants as a new bureaucratic procedure. Besides that, larger village communities (with population of more than 10-12 thousand) operated with terms “many”, “a lot”, “some”, “few” when responding to question about the number of labour migrants, while smaller communities gave either exact numbers or qualitative assessments such as “in every family”, “in every other family”, “2-3 migrants in every family”, “several in the village”, etc.

It is also noteworthy that population census held in spring 2009 gave a significant momentum for information collection about migrants. Several village communities even mentioned the existence of special forms for migrants’ registration in the framework of the nationwide population census.

However, most village communities do not possess the outcomes of the census.

According to the observations, main factors influencing quality of information on migrants at community level are the following:

- The level of the issue of migrants registration and respective approach of local SCME territorial divisions;
- Frequent changes in leadership of SCME territorial divisions and high turnover of SCME personnel – appointment of new SCME head or migration specialist, who is also new to the system, has a negative impact on migration registration given existing inefficiency of used techniques.;
- High level of responsibility and personal involvement of village community head;
- Personality and work attitude of village leaders.

## 2. Overview of changes in the migration process

All in all, the SCME via its own territorial divisions and by using resources of local municipalities is making efforts in registering and assessing external labour migration. Nevertheless, the use of different instruments and techniques does not provide with universality which is necessary for a good-quality analysis. As of today the SCME does not possess either a single methodology and instruments, or resources for regular information collection and analysis of data on Kyrgyz labour migrants employed abroad. Subsequently the SCME does not operate with exact numbers of migrants returning for reasons related to the crisis, while at the same time making public the figure of 30% in order to assess this tendency.

### 2.2.3. Reasons for migration

The reasons for migration are the most important economic and political issues permanently present on micro- and macrolevels of the decision making. The response to this issue may directly and significantly influence the country development strategy in coming years.

Independent researchers and experts in the sphere of migration, SCME specialists and labour migrants themselves share the opinion that migration has economic roots, mentioning lack of employment and low wages in particular<sup>31</sup>. The above mentioned reasons became more critical in the context of the economic slowdown. Vacancies offered by state employment services are principally manual professions of low attractiveness or public works with wages lower than minimal consumer level<sup>32</sup>.

**Migration specialists** of the SCME territorial division in Jalal-Abad oblast

independently developed a questionnaire and conducted a survey in spring 2009 among 400 returnees (20 former migrants from each of 12 districts of the oblast). They prepared report based on the outcomes of the survey, according to which 70% of returnees have a strong wish to go back to Russia for further employment. Lack of employment, low wages, expensive daily consumption of goods and lower quality of life in Kyrgyzstan were mentioned as reasons for migration.

In the framework of this project the question about the reasons for migration was posed in a broader sense – to identify regional difference in migration reasons and their factors.

<sup>31</sup>Kyrgyz law enforcement officers quit their jobs and found employment in Russia as trowel men at apartment renovation sites in Russia; a former director of regional branch of one of commercial banks works in Moscow as a yardman.

<sup>32</sup>From 1000 to 4000 Kyrgyz Som (KGS).

**Table 2. Distribution of arable land among oblasts of the Kyrgyz Republic**

Region/ Oblast	Popu- lation (% from total)	Including rural, %	Arable land, thou- sand hectares	Irrigated arable land, thousand hectares	Arable land, hundred sq.m./ pers <sup>33</sup>	Irrigated arable land, hundred sq.m./ pers.
Batken	8	81	50,4	23,4	14	6,8
Jalal- Abad	18	77	110,8	67,1	15,1	9,1
Naryn	5	82	89,5	85,6	41,1	39,3
Osh	24	77	120,8	62,9	12,3	6,4
Chui	16	78	260,1	182,1	39,2	27,5

Source: National Statistics Committee, authors' calculations

The most obvious regional difference between the northern (Chui and Naryn oblasts) and southern (Osh, Jalal-Abad and Batken oblasts) regions lies in relative (to the total population of abovementioned oblasts) and absolute numbers of external labour migrants. According to the results of research on money transfers of migrants in Central Asia and Southern Caucasus initiated by the Asian Development Bank in 2006, Kyrgyz labour migrants originated from southern provinces dominate in numbers. This difference is also related to the fact

that 35% of Kyrgyz population is rural and depends highly on the agricultural sector. From the data shown in table 2, it can be seen that arable land distribution per capita in Osh, Batken and Jalal-Abad oblasts is 3 times less than in Chui and Naryn oblasts. This is the main factor of regional difference per reasons and scales of labour migration. As for the unemployment, it is derived from small shares of arable land in rural areas and is an important factor for urbanized areas and landless rural population.

### ***SCME territorial division in Uzgen district, Osh oblast***

*The district has 19 village communities and town of Uzgen with total population of 222 000 inhabitants. Main type of employment in Uzgen is trade in markets. Agricultural activities are possible employment in rural areas. In 11 village communities share of irrigated land is not bigger than 500 sq.m. per capita, some villages do not even have such land.*

### ***Village community «Barpy», Suzak district, Jalal-Abad oblast***

*The population – 24 000 inhabitants, average household consists of 5 persons. Share of irrigated arable land is 900 sq.m. per household with*

<sup>33</sup>Only rural population was considered.

total income of 3000 KGS from this kind of land share. In 2008 70% of secondary school graduates had to turn into labour migrants because of the rise of tuition fee at the universities` distance education programmes.

### **Village community «Issyk-Ata», Issyk-Ata district, Chui oblast**

The population – 5022 inhabitants. Average share of irrigated arable land is 4000 sq.m. per household with extra 4000 sq.m. of hayfield, 15 units of small cattle and 3 cattle. Within last 3 years around 300 families have received land allotments. Very few migrants, around 3-5% of the population. No migratory moods.

### **Village community «Ortoevsky», Panfilov district, Chui oblast**

The population – 4362 inhabitants. In 2008, 139 migrants have been known, as of the period of the survey - 109. No migratory moods. Migration is attractive mainly for youth after secondary school graduation.

### **Village Ottuk, Naryn district, Naryn oblast**

The village unites 286 households, with 1374 inhabitants in total. Located on the road Bishkek-Naryn. Three years ago 6 villagers migrated for employment reasons. Everyone has land allotments, in average 3000-4000 sq.m. per capita.

### **Kochkor district, Naryn oblast**

The district consists of 11 village communities with total population of 59 000 inhabitants. 1325 persons are registered as unemployed, mainly the inhabitants of Kochkorka urban-type village. Land allotments are in average of 3000-4000 sq.m. per capita. Every family has 10-15 sheep. According to unofficial data 10-15 persons have migration for external employment from every village, i.e. around 450 migrants from the district. No migratory moods observed.

After analysis of data received during meetings with experts from abovementioned localities the following picture can be drawn in order to reflect objective reasons for migration:

- South, rural areas – difficult financial situation and low level of quality of life related to traditionally large families, small size or lack of land allotments what causes low incomes per household member.
- South, smaller towns – catastrophic financial situation related to the lack of permanent employment due to closedown or unstable work of defining industrial facilities, shortage of land allotments, cattle and other income-generating actives to support families.
- North, rural areas – migrants are members of relatively successful households with land allotments and income-generating actives, and often possess professions well-demanded in Russia.
- North, urban areas – migrants are qualified specialists whose jobs are better and well-paid in Russia than in Kyrgyzstan; there is no need for connections and money for career.

development especially in provincial Russia.

**For the North** labour migration in general is a tool for significant improvement of family welfare standards, and for secure professional growth to satisfy career ambitions.

Besides that, in-depth interviews with migrants and their families helped to form a clear picture on the reasons for migration:

- ✓ Advertising role of migration in the context of quality of life improvement in the households sending migrants for external employment;
- ✓ Reluctance to work within agricultural sector due to risks related to incomes lower than expected and seasonality of cash money;
- ✓ Emergence of the «effect of following the majority».
- ✓ Attractiveness of life in Russian cities, especially for migrants from rural areas in the southern provinces;
- ✓ Impossibility to pay back the credits or debts taken for business development, organization of celebrations, medical expenses, etc;
- ✓ Desire to purchase cars, to build houses, start up a business, earn money for wedding, etc.
- ✓ Involving effect of migration. Every case of return of migrants to Kyrgyzstan<sup>34</sup> convinces them in impossibility to earn the same amount of money which they used to have abroad. This factor encourages migrants to continue their search for further employment opportunities abroad.

And finally, a quite unexpected effect resulted from implementation of order of the Ministry of Education and Science of the Kyrgyz Republic on defining the lower level for tuition fees at university programmes for distant education. Immediate and sharp

increase in distant education tuition fees and lack of alternatives to higher education make secondary school graduates turn into labour migrants.

It is noteworthy that all interviewed experts in the south had relatives employed as migrants in Russia at the time of the survey. For this reason they knew small details about migration and its origins. At the same time the experts from the northern regions were mainly informed from external sources or via mass media.

Additionally it should be noted that according to information by private employment agencies, rural youth has also indicated the following reasons for migration:

- gain independence from parents;
- live as an independent family and separately from parents;
- travel around;
- assess their own skills and capabilities;
- leave rural area;
- rest from the wife and kids.

The crisis caused several factors which restrain migratory moods and put some perspective migrants on hold before the end of crisis:

- information on employment opportunities received via cell phones from migrants currently working in Russia;
- return of migrants and their stories about the tightening legislation, decrease in wages, frauds by employers, etc.
- daily information about the status of global financial crisis made available from mass media.

<sup>34</sup>Return in accordance with Russian migration law, or vacation.

### ***Kubanychbek, 34, Nookat, Osh oblast***

*Went to Vladivostok, influenced by acquaintances that were labour migrants. However, now he does not regret his decision and is currently holding two passports. Life conditions and opportunities in Russia and Kyrgyzstan are incomparable.*

#### **2.2.4. Awareness of migrants**

It is undoubtedly extremely important for the potential migrant to learn about his or her rights and responsibilities of residency in Russia, also the work and life conditions, and the legislation governing labour migrants, so that he or she can avoid breaking the law. Violations can lead to deportation and being prohibited from entering Russia for several years.

It is common knowledge that a Kyrgyz national departing the country for employment in Russia needs nothing but his passport. However, not every labour migrant is aware about the necessity of such documents as migration card, registration, work permit, contract with employer, medical certificates, and documents confirming professional qualification in order to find legal employment. The level of awareness of departing Kyrgyz nationals about necessary documents for legal employment abroad depends on following factors:

- region;
- age of migrants;
- level of responsibility;
- knowledge of Russian language.

SCME informs perspective migrants about general requirements and rules of countries of destination, including the possible risks, through its territorial divisions in regions. The SCME experts develop the following activities:

- Organize stands dedicated to labour migration with information on documents necessary for legal employment in the Russian Federation.

These stands include materials on prevention of slavery, trafficking in human beings and other risks. **In the north** of the country these stands are much more formal in comparison with the stands **in the south**, which are quite richer in content.

- Provide oral consultations on possible problems which migrants could face in Russia. SCME staff recommends to have sufficient copies of passports, and to keep the air or train ticket copies before the registration is done at the place of sojourn.
- Disseminate brochures and memos containing information and warning on possible threats which could emerge on the way to “bigger” salaries. If there are no sufficient copies of brochures and memos to disseminate as it was observed in some localities of the southern provinces, some copies are always available at local municipalities and SCME territorial divisions for familiarization on place.
- Advise on whom to address when losing passport and other documents (police, Kyrgyz Embassy in Moscow, Kyrgyz Consulates in Russia).
- Give warning to wait with migrating to Russia due to legislation toughening during economic crisis.

Some offices of local municipalities in all regions also have such informational stands. It was noted that the availability of stands is dependent on following factors:

- Proximity to the district centre – the closer to the centre the bigger and more

substantial is the stand; the farther it is, the bigger is chance of the lack of the stand;

- Extent of external migration in village communities;
- Particular staff members of village communities (head and executive secretary).

Besides SCME services and local municipalities, activities on raising awareness of migrants are also implemented by private employment agencies sending Kyrgyz migration for employment to Russia. The agencies hire lawyers to provide with consultations on issues of Russian migration legislation. These services are of high quality as the agencies are interested in that the sent migrants should not have any problems with laws of the countries of destination. Private employment agencies pay greater attention to perspective migrants' medical examinations. There were cases when medical commissions in Russia found

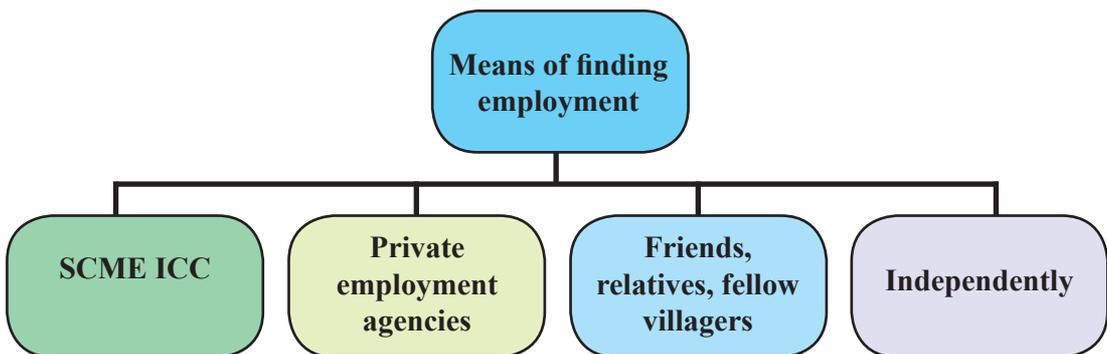
out some medical problems with migrants and did not approve job placement. In such cases migrants had to return back home.

Therefore, personnel at private employment agencies insist on having medical checks for perspective migrants already in Kyrgyzstan before their departure to the places of sojourn.

Non-governmental organizations in Naryn and Osh oblasts pay more attention to issues of slavery and other risks rather than issues related to legal migration.

According to the conducted survey, the share of labour migrants who visited SCME offices or village communities before leaving the country is insignificant, and the share of those who used the services of private employment agencies is small by definition. Therefore, the knowledge on Russian migration legislation is principally acquired based on personal experience which is not always positive.

*Picture 1. Means of finding employment by a potential migrant*



### 2.2.5. Employment

In pre-crisis times, legal employment for migrants in Russia was the main activity for ICC of the SCME, private employment agencies and migrants already employed in Russia. During the crisis, the ICC and private employment agency activities for migrant employment were suspended due to lack of demand from Russian employers.

#### **Employment through ICC of the SCME**

Before the crisis the ICC of the SCME used to have partner relations with employers and personnel agencies in Russia and with local private employment agencies. According to the information given by ICC executives, the centre helped 5000 migrants to find employment abroad. The number of citizens willing to find employment abroad used to be much higher several years ago.

The order to find employment in Russia through the ICC the following steps should be undertaken:

1. Applications from employers are received by the ICC;
2. ICC distributes employers' demands among the SCME territorial divisions;
3. All SCME offices make the available vacancies public, including through

- channels of local municipalities;
4. SCME territorial divisions maintain databases on resumes of perspective migrants willing to work at available vacancies;
5. A database of potential migrants is transferred to the ICC;
6. ICC selects best candidates and sends the resumes to the employers ;
7. Employers make the final selection and send personal invitations to the ICC;
8. ICC informs SCME offices in regions about received invitations;
9. Regional SCME offices inform potential migrants about their selection;
10. Migrants arrive to Bishkek, and then depart to the Russian Federation.

The last offer<sup>35</sup> from Chukotka in the sphere of housing and communal services was not attractive to perspective migrants: closed territorial district, border region, severe climate, and low salary inconsistent with hard living conditions.

The ICC charge neither employers nor labour migrants for information and selection services. There are plans to reorganize the entity in the future. This new entity would charge employers for finding foreign workers. At this moment there are no vacancies posted by Russian employers.

#### ***SCME territorial division in Osh***

*SCME status and reputation became higher in the eyes of the population: people started to believe and to come to the regional offices, but financial crisis has caused the suspension of legal employment programme in Russia through the ICC.*

#### ***SCME territorial division in Kochkor district, Naryn oblast***

*Practically all inhabitants of Kochkor district currently employed in Russia have found their jobs using their own connections. Few potential migrants have come to the SCME office for assistance. The ICC has helped to send 7 migrants from the district to work at a plant in Moscow oblast in 2008. Since the beginning of 2009 there were no vacancies though people keep coming to find out about employment opportunities in Russia.*

<sup>35</sup>End of 2008.

### Employment through private employment agencies

Private employment agencies can also implement activities related to external employment of labour migrants from Kyrgyzstan, but on the basis of permission which is granted by the SCME. Institutional strengthening of private employment agencies in their capacity of brokers for legal employment abroad is expected.

The employment scheme through private employment agencies is the following:

1. Search for and receiving requests from Russian employers;
2. Collection of applications from Kyrgyz nationals and establishment of database on potential labour migrants. In order

to apply to this database perspective migrants need to have the following documents: new type of passport, certificates confirming the level of education, medical certificate, contract with a private employment agency and payment of services provided by private employment agencies;

3. Representatives of employers come to select potential workers themselves;
4. Signing the contract;
5. Coverage of travel expenses.

It should be noted that private employment agencies both processed the documents and sent migrants for employment faster than the ICC of the SCME. This was a more attractive service.

*“First Class”, Bishkek, helped 500 migrants to find employment in 2007-2008 on construction sites in Yakutia. At the moment the database contains more 500 potential workers who already paid for the service and are currently waiting for invitation for employment.*

*TSeONIS, Tokmok, assisted 300 migrants to find employment in Russia which makes up 5-7% of population addressed to the organization. Most perspective migrants could not find employment due to following reasons (according TSeONIS staff):*

- left for independent employment as the conditions offered by TSeONIS were not attractive<sup>36</sup>;
- changed their minds and decided to stay and work in Kyrgyzstan;
- employers refused to hire several migrants who were offered for employment in distance.

*TSeONIS, Osh is a branch of TSeONIS in Tokmok in the southern regions. They helped 200 migrants to find employment in Russia. There are lots of applications as of today as well.*

Private employment agencies noted that migrants searching for employment independently are more responsible

than those who are sent in groups by the agencies. Independent migrants tend to be more educated, speak Russian fluently and collect information about what can be expected in advance. Those who leave for migration in organized groups have higher expectations; and ask for a lot for the paid services while they are not fully ready to

<sup>36</sup>The fact that just 5-7% of the total applicants were sent for migration is defined by the following: TSeONIS staff explained the perspective migrants that work conditions in Russia are very hard; Russian employers could not find internal labour to complete these works therefore they are looking for legal migrant labour. In order to avoid illusions and high expectations, and further complaints about brokers TSeONIS staff was quite open about the possibility of 12-14 hour working day while 8 hour working day could be mentioned in the contract.

## 2. Overview of changes in the migration process

take responsibilities themselves. Many migrants do not take very seriously the signature of documents having developed an extremely formal approach to this procedure. For instance, a group of Kyrgyz construction workers has left the workplace in an organized way despite the signed contract (based on experience of TSeONIS in Tokmok).

It is notable that due to small numbers of sent migrants private employment agencies try to keep the migrants in the loop even after their departure to Russia through the Russian employers or migrant families. Some migrants develop personal relations with the staff of private employment agencies after the return of the migrant. When a migrant has a successful employment experience in Russian he or she shares this

experience and attracts others for legal employment abroad.

### **Employment through friends, fellow villagers and relatives**

External employment is not a part of usual activities for local municipalities. However it is migrant's locality and social environment which plays the most important role in forming the willingness to work abroad and their further employment. There is a tendency that first wave migrants take an active part in finding employment for their fellow villagers in Russia. Therefore every local municipality in the South possesses exact information about its migrants' location abroad as they tend to stay together creating insurance chains of mutual assistance.

### ***Ulan, 28, migrant in Moscow***

*Migrants originated from one village in Kara-Kulja district of Osh oblast and currently employed in Moscow have established a village fund to which all men should contribute 500 Russian rubles twice a year. This money can be used by the members as a zero percent credit when needed. Several problems have been solved with help of this fund.*

For instance, migrants from Chon-Alay have explored Yakutia, people from Suzak tend to go to Krasnoyarsk and Novosibirsk. Uzgen is widely represented in Yekaterinburg and Irkutsk. Migrants

from Jalal-Abad are employed in Sakhalin and Tatarstan. In general, all migrants from the southern provinces are willing to find employment in Moscow.

### ***Gulnara, 23, migrant in Moscow***

*Now the brokers are emerging among the Kyrgyz who can offer legal employment for money. For women it is principally cleaning activities. Besides that if someone is returning home for some reasons they "sell" their workplaces by recommending "acquaintances" to their employers. In the first case the price for legal employment is half of the first salary, in the second – from 2000 to 3000 Russian rubles.*

In the eyes of migrants employment through fellow villagers and relatives proved to be the most efficient and popular (50-70% according to various assessments).

### **Main areas of employment**

Kyrgyz labour migrants are mainly concentrated in the sphere of trade, services and construction:

- In trade the majority Kyrgyz migrants are busy in wholesale markets. According to unofficial data only “Taganskie Ryady” market in Yekaterinburg gives employment to more than 5000 migrants from Kyrgyzstan. In Moscow the Kyrgyz migrants are mainly represented in construction materials markets.
- In the services there is a demand for female labour in cleaning companies<sup>37</sup>. Also women find employment as dishwashers in cafes and restaurants, while men are employed in housing and communal sector in Russian large cities and as loaders in markets and trade centers.
- In construction there is a demand both for unskilled and skilled workers.

The agricultural sector is not attractive for Kyrgyz migrants.

## **2.3. Challenges caused by migration**

### **2.3.1. Challenges and strategies for migrants**

Despite benefits that migration brings to socio-economic situation of Kyrgyz citizens it creates some consequences that occurred before global financial crisis.

#### *Physical toil*

Migrants occupy a niche in Russian labour market which is not attractive for Russian citizens due to low wages, harmful physical toil, lack of social allowances and decent work conditions.

#### *Overpaid taxes*

According to the SCME representation in the Russian Federation, in 2007 the amount of income tax was overpaid by legal migrants and not reimbursed amounted to 600 million Russian rubles. The reasons why the migrants are not reimbursed are the following:

- Migrants, and male migrants at construction works, in particular, are temporary workers that stay in host country for 6-9 months and return home, while their surplus in income tax remains in the Russian budget or at employer’s revenues.
- Only 5-10% of employers apply to state budget for reimbursement of income tax surplus paid by migrants.
- Majority of employers that obtained reimbursement of tax surplus, do not pay it back to migrants.

#### *Youth with low qualification skills*

Since 2006 Kyrgyzstan sends (mostly to Moscow) a very high number of young migrants that have not reached the age of 18. Rural youth from Kyrgyzstan southern regions leave the country as soon as they graduate from secondary school.

<sup>37</sup>Private companies providing cleaning services of the offices (owned by banks, major trade centers, airports, stations, etc).

### ***Representative of Kyrgyzstan Medical Doctors' Association in Russia***

*Before the crisis the groups of young migrants, including teenagers under 16, not speaking Russian and without having experience in social behavior in big cities, arrived to Russia. Teenagers worked under assumed names for 14 hours per day, lived in unsanitary conditions, mostly in basements.*

#### *Social problems*

Migration brought about a number of daunting problems that call for solutions.

*Restricted access to health services is a challenge for migrants that become ill and get injured.*

As foreigners, migrants do not benefit from free services at local medical institutions, nor have they financial means to pay private medical clinics. As a result,

the state of health of most migrants in Russia is poor, complicated by chronic disease that occur due lack of timely and targeted treatment.

A wide public resonance has recently taken place in Kyrgyzstan: newly born children were abandoned by Kyrgyz migrants in Moscow maternity hospitals<sup>38</sup>. This phenomenon completely contradicts Kyrgyz mentality.

### ***Representative of Kyrgyzstan Medical Doctors' Association in Russia***

#### *Reasons of migrants' abandonment of children:*

- *Afraid of family's judgment,*
- *Not ready to be responsible for a child,*
- *Lack of free medical assistance for migrants' children in Moscow,*
- *Willingness to be able to continue work in Russia*
- *Unwillingness to be a single mother and to bring up a child without a father.*

There was a problem for Kyrgyz migrants that gave birth in Russia: they were not able to get birth certificates at Kyrgyz consulates due to lack of forms and Kyrgyz civil servants' negligence. The women were given just a written confirmation of the birth which was not duly accepted in Kyrgyzstan. The problem is solved now.

Another unresolved problem is *accident insurance for labour migrants*. Russian state agencies are willing to cooperate in this area: for instance, Rosgostrakh (Russian State Insurance) expressed readiness to cover accident insurance and even "Cargo-200" for monthly payments of 500 thousand rubles and under condition that minimum

of 2.5 thousand migrants would buy the insurance.

#### *Labour migrants pension*

It is evident that one of the reasons for acquisition of Russian citizenship is a desire to earn Russian pension and to receive it in Kyrgyzstan. Social allowance problem of non-Russian citizens, however, is yet unsolved. Years of legal employment

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<sup>38</sup>Children of Asian origin, transferred from maternity hospitals to orphanages, are not attractive for Muscovites to adopt. There are many Kyrgyz citizens willing to adopt these children, although Russian law does not allow it. At the same time, former Kyrgyz citizens that acquired Russian citizenship, have to comply with many requirements, gather numerous certificates, prove that they possess 12 sq. meters of accommodation per every member of household and have sufficient financial means, which is often unrealistic. Moreover, there is no agreement between Russia and Kyrgyzstan on adoption of children born in Russia by Kyrgyz citizens.

in Russia are not counted at estimation of Kyrgyz pension.

*Xenophobia* is other sensitive topic. In 2007-2008 dozens of labour migrants, including Kyrgyz, were murdered as result of skinheads' attacks<sup>39</sup>.

*Delinquencies by labour migrants* deteriorate perception on Kyrgyz migrants and provoke intolerance towards them among local population. According to representation of the Kyrgyz State Committee on Migration and Employment in Russia, labour migrants commit 3,8% of total number of crime, with 0,3% committed by Kyrgyz citizens, although Russian mass media artificially create wide public resonance around every delinquency case committed by migrants.

Representatives of Russian public organizations state that migrants *complained on disparagement and racketeering by servants of Federal Migration Service and police*. Fewer complaints related to employers.

The crisis has led to other challenges, such as toughening of legislation, reduction of quotas, job dismissals, which resulted in a decrease of legal migration and cuts in migrants' earnings. Other problem relates to arrears in payment of wages.

*Earnings of labour migrants* working at markets decreased as well. Migrant wages on an average were cut by 30-40%.

### ***Private employment agency «Ural home», Sverdlovsk oblast***

*Loaders gained 15 thousand rubles in Yekaterinburg in summer 2008, and 7-8 thousand rubles - in 2009. Asphalt pavers gained 47 thousand rubles per month in 2008, and 30 thousand rubles in 2009.*

*Import of textile goods from Kyrgyzstan, aimed at middle class Russians, decreased by 30-40% per cent. Migrants that sold textile started looking for jobs in the service sector.*

Decrease in revenue also occurs at the same salary level.

### ***Representatives of Kyrgyz Diaspora in Yekaterinburg***

*Wages remained the same, but prices on groceries, rent, and transportation increased. Overall, everything costs more, while workers work more hours:*

- *working area for cleaning companies and for yardmen in communal and housing communities increased;*
- *working hours were extended by 1-2 hours;*
- *there are less days off.*

### ***Arrears in wages payment***

Most of migrants addressed the

representation of the SCME in Russia, Kyrgyz Embassy in Russia and Russian public organizations on the matter of **arrears in wages payment**. The Kyrgyz

<sup>39</sup>Embassy of Kyrgyzstan to Russia constantly works on this issue and holds negotiations with skinheads' organizations.

## 2. Overview of changes in the migration process

Ambassador to Russia, for instance, has on several occasions addressed the governor of the Sakha Republic (Yakutia) with regard to arrears in wage payments of 16 Kyrgyz migrants.

Labour inspection under the Russian Ministry of Healthcare and Social Development<sup>40</sup> and the representation of the SCME in Russia assist migrants in getting their delayed salaries, although they may appeal to law-enforcement agencies only in the event there was a legal contract between an employer and a migrant. Most arrears were related to that construction industry and were caused by the crisis. Numerous employers, however, use the crisis as an

excuse by creating complex organizational structures (contractors, subcontractors, sub-subcontractors), which makes it almost impossible for migrants to bring a court process to enforce payment of their salaries.

Irregular migrants that do not conclude contracts with employers suffer the most from arrears. In this case, the representation of the SCME in Russia, and Russian public organizations try to exert pressure on dishonest employers by using some work-related evidence (security IDs, photos, and register copies). Only in 10% of cases do the migrants succeed in getting paid their delayed salaries.

### ***Public organization “Tajikistan Foundation”, Moscow***

*Often it is the fault of migrants themselves: they are illiterate, do not speak Russian and sign any documents without reading them first. Some employers force migrants to sign termination of contracts at the very contract signature stage, which gives employers every reason not to pay salary and not to allow migrants to work sites.*

Employment problems experienced Kyrgyz migrants who acquired Russian citizenship and return to Kyrgyzstan

According to the passport and visa control unit of the Kyrgyz Ministry of Interior, returned migrants who have acquired the Russian citizenship find jobs through acquaintances and face problems at contracts' signature stage. First, as foreigners, the returned migrants have to register at the passport and visa control unit within the first 90 days of their stay in Kyrgyzstan. Second, they have to get work permit from the SCME, which is subject to guarantee fee of 4 thousand Kyrgyz soms and submission of numerous documents, including establishing documents of an employing organization. Many employers

thus find it easier to turn down job applications of returned migrants with Russian citizenship, which consequently lead to shadow employment.

The passport and visa control unit in Osh, for instance, received two verbal addresses from returned migrants on renouncement of Russian citizenship and restitution of Kyrgyz citizenship. There were alleged facts that the Russian General Consulate in Kyrgyzstan collected state duty of 250 thousand rubles from those willing to renounce Russian citizenship. The information, however, was not confirmed.

Migrants, moreover, complained about the increase of consular fees and non-improved quality level of consular services. Kyrgyz migrants in Russia find it difficult to understand the reason for state agencies, created for rendering services for Kyrgyz

<sup>40</sup>FMS and the Russian Department on Employment do not interfere into arrears settlement.

citizens, increase fees when migrants' revenue decreases because of crisis.

There were also complaints about the increase of fees on medical examination, required for employment.

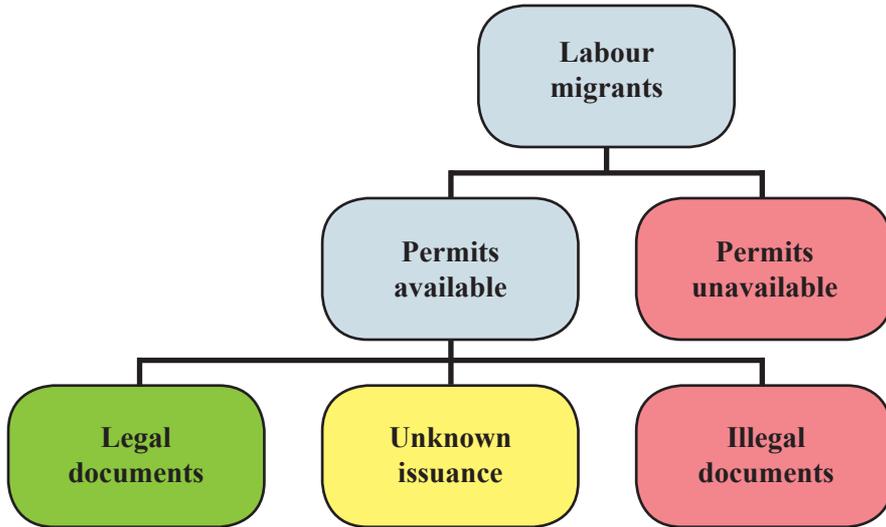
**Pre-crisis risks for migrants**

In order to analyze the risks that migrants face abroad, the authors refer to practical

situations related to the beginning of migrant labour activity in Russia.

It is evident that all migrants would like to stay and be employed legally in host country, which would imply normal work conditions, social benefits and legal security. Although in reality the situation is different.

*Picture 2. Classification of migrants per permits документам*



**Representation of the SCME in Russia, Moscow**

*There are 1 million migrants in Moscow and Moscow oblast, with only 300 thousand of these migrants having official work permits and only 100 thousand are registered at relevant agencies.*

Migration processes are accompanied by development of great diversity of services, also illegal, both in Kyrgyzstan and in Russia. In this regard, broker firms and independent middlemen that put migrants on register and provide them with work permits, are in great demand. The survey conducted among

returned migrants and those still working in Moscow and Yekaterinburg, revealed that majority of migrants use middlemen's services. Regardless of awareness on fellow-villagers' cases, migrants are ready to take risks of getting false documents.

**Kyrgyz consulate, Moscow**

*Migrants have difficulties in getting documents: they are not willing to obtain documents themselves and prefer to buy them from middlemen. Apparently, they would like to save time and to start work as soon as possible. If the documents are false, the Embassy can not help them in anything.*

## 2. Overview of changes in the migration process

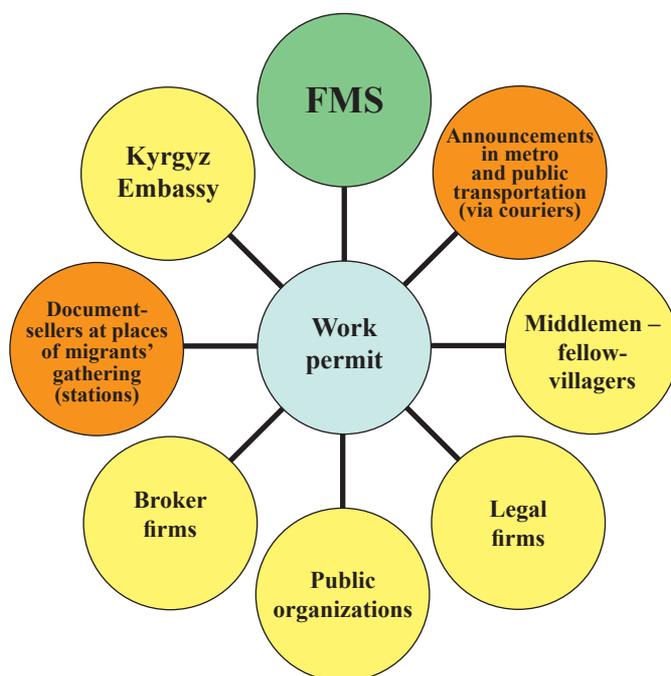
As result of survey on permits, a picture (below) on classification of opportunities was developed. The colors mean the following:

- *green* – legal documents. In order to get them, a migrant shall address FMS branches and face formalities, expectations and other expenses;
- *yellow* – there is a risk of getting false documents. This business is built on migrants and is done by both commercial and under cover of public organizations<sup>41</sup>;
- *red* – false documents aimed at illiterate migrants that do not speak Russian.

### ***Kyrgyz mass media***

*Russians openly say that there is a second wave of migrants that do not speak Russian. Kyrgyz people could speak Russian perfectly well, but since independence a new generation of Kyrgyz that do not speak it or speak poorly, has emerged. There is also a human factor. People still trust swindlers who are often migrants themselves and who promise mountains of gold to relatives, neighbors and acquaintances at home. These “well-wishers” benefit from bringing cheap labour force to their employers who benefit from cheap workers.*

**Picture 3. Opportunities of getting work permits**



<sup>41</sup>Commercial firms situated within the Kyrgyz Embassy are considered by migrants as part of the Embassy.

It is to note that services of documents' issuance are paid, with prices varying from 1 thousand Russian rubles at FMS to 15 thousand Russian rubles at Trade Union of Labour Migrants. Migrants living in Moscow

mostly pay 7 thousand rubles for obtaining documents at the Kyrgyz Embassy. These prices are to be paid at the initial stage of obtaining documents creating the risk for migrants of becoming irregular<sup>42</sup>.

### *Study results, Moscow*

*In all electric metro trains one can see announcements on quick, cheap and quality services for migrant registration, work permits and medical examination certificates.*

*At metro entries and exits "walking billboards" hand out leaflets with addresses of firms that provide the abovementioned services and rent expensive premises not far from metro stations.*

*One can see Kyrgyz, Tajik and Moldovan citizens queued up at these firms.*

The crisis forced migrants to choose new strategies.

Due to toughened legislation and decreased migration flows, labour market niche occupied by Kyrgyz migrants becomes more legal. Survey revealed that migrants choose one of the following strategies during crisis:

- acquisition of Russian citizenship;
- change work place within Russia;
- return to Kyrgyzstan and wait till crisis ends;
- risk becoming an irregular migrant.

Kyrgyz citizens currently **apply for Russian citizenship** in great numbers, particularly in order to solve employment challenges.

### *Study results, Moscow*

*Announcement at a kiosk selling Russian cosmetics near metro station "Tushinskaya": "A salesman with Russian citizenship is required".*

Dramatic increase in those willing to acquire Russian citizenship according to simplified procedure occurred in 2006, when the Russian government issued a regulation on zero foreigners' quota in retail trade.

<sup>42</sup>In order to check a document for authenticity, one can enter FMS website [www.fms.gov.ru](http://www.fms.gov.ru), choose a command of "Check the documents", type the document number, and if the document is authentic migrant's family name will appear on screen.

### **Chynara, 29, migrant, Russian citizen, Moscow**

*Labour migrants from Kyrgyzstan apply for Russian citizenship; women obtain it in 3-4 months, men – in 6 months<sup>43</sup>. For most of migrants that work during normal working hours and do not want to queue up and to fill in the blanks, there are illegal ways<sup>44</sup> of acquiring Russian citizenship with involvement of civil servants both from Russia and Kyrgyzstan. Russian passport costs starting from 50 thousand rubles, depending on Russian territory. Closer to Moscow, more expensive is a passport. In order to receive a passport in Moscow, one needs to have residence registration, which is difficult to obtain in the first place.*

According to Kyrgyz experts in Russia, anti-crisis law enforcement occurs everywhere, although decrease in numbers of Kyrgyz migrants resulted by quota setting

in subjects of Russian Federation is not that evident. This is why migrants move within Russia in search of available jobs.

### **Kalys, 26, migrant, Yekaterinburg**

*Graduated from a vocational school in Yekaterinburg, obtained a specialty of crane operator, and plans to move to Tyumen where jobs are available.*

Part of labour migrants decide to return to Kyrgyzstan and wait till the crisis ends. Other stay in Russia, including Moscow, and work illegally. They work under assumed

names, for instance, as Russian citizens, or join in a conspiracy with employers, thus dividing risks.

### **Trade union of construction workers, Moscow**

*There are still opportunities available for illegal migration, involving both government and private sectors. Private sector supplies migrants with paid false documents, while government servants (FMS, police, etc.) conduct raids, apprehend migrants, impose fees to them and release them till the next raid. For instance, there are many irregular migrants in Krasnodar region, despite the fact that all quotas on migrants at Olympic sites are used. A spontaneous labour exchange emerged, where employers regularly attract teams of irregular migrants for one-day auxiliary jobs one can easily notice at construction sites.*

<sup>43</sup>During application process for Russian citizenship different “surprises” occur like false migrant cards and residence registrations at non-existent addresses (e.g. registration at sauna, etc.).

<sup>44</sup>Regretfully, this business is situated around the Kyrgyz Embassy, which creates a negative attitude towards it even among migrants.

### 2.3.2. Challenges for employers

Russian employers that attract labour migrants from the CIS are looking to specifically hire migrants. Russian citizens, even those unemployed, do not accept available jobs due to following reasons:

- low wages;
- physical toil;
- long working hours (16 hours) and long working week;
- lack of accident insurance;
- lack of social benefits.

There are many jobs available for migrants in Russia, which is confirmed by quotas' setting. Some employers suffer from lack of information exchange system

among state agencies (FMS, MoI and MHSD), other profit from it.

Experts in Russia noted that Kyrgyz citizens are more familiar with Russian education and culture than migrants from Uzbekistan and Tajikistan. Nevertheless, migrants began to face the following before crisis:

1. Migrants' low skills limit areas of their occupation. Kyrgyz government could purposefully train prospective migrants in vocational schools, using common programmes and qualification standards developed together with the Russian Ministry of Education.

### ***Representative of International Association “Labour Migration”, Moscow***

*Migrants from Kyrgyzstan lie that they can do “anything” in order to get jobs. It is later discovered that they can do nothing*

2. Even if labour migrant has qualifications, he does not have documents on professional education and will not be legally employed. As a result, migrant is compelled to work illegally or at a lower position (handyman).
3. Poor knowledge of Russian: migrants often become victims of cheaters (middlemen, employers).
4. Discrepancy related to specific stages of contract signature: according to effective Russian legislation, a migrant's employment depends on three documents. First, vacancy title according to which migrant is being employed; second, qualification title in the document that migrant obtained in Kyrgyzstan, and registration of job specialty at the Common Russian Classificatory of Professions, Positions and Wage Grades. The problem relates to discrepancy in specialty titles in Russia and Kyrgyzstan, which creates difficulties at the stage of employment. For instance, specialist on gypsum plasterboard is called “master of dry construction” in Kyrgyzstan and “mounter of frame-panel constructions” in Russia.
5. Law-enforcement policy towards migrants varies per subjects of Russian Federation and depends on authorities, federal branches of FMS, tolerance of local population and mass media. Migrants are forced out in some regions (Moscow, St. Petersburg) and tolerated in other (Yekaterinburg, northern cities).
6. Work permit is “tied” to a certain subject of Russian Federation; a migrant therefore can not move and look for jobs in other region.

### ***Russian mass media***

*The Russian employer is not protected as per employment of migrants due to the fact that the latter may leave at any moment. It would be good to issue work permit linked to a certain employer, as it was before.*

### ***TSeONIS, Tokmok***

*Labour migrants sent to Russia in a group usually earn 40-50% less than those migrants that arrived on their own. Employers hope that migrants would work according to agreed understanding. Migrants, however, realize that they are being “used”, upon having conversations on wages with other migrants. Getting used to a new place, migrants start to look for decently and worthy paid jobs and, surprisingly, find them. Russian employers then reprimand Kyrgyz middlemen and complain to them, but do not have any instruments to put pressure on them.*

With the beginning of crisis, the situation changed and the following tendencies took shape:

- Migrant quota in Moscow was significantly decreased, thus limiting legal employment opportunities. Almost all work permits are false.
- Legislation related to irregular migrants was toughened by increase of sanctions on imposed on employers.
- Application for next year quota shall be submitted by May of present year, although not every business that employs foreign labour is sustainable and organized in a way to be able to define number of workers needed for next year.
- According to new rules, employer has to notify FMS and Department of Employment on new contracts within 3 days of their signature<sup>45</sup>.
- Reduction of quotas nourishes increase of illegal migration.
- There is extra burden on employers that have to conclude contracts first for 3 months, then – for 9 months, depending on validity of work permits. Many employers, therefore, decide not to get involved with migrants.
- There is a policy of substitution of foreign migrants from CIS countries by internal Russian migrants who do not have to register at FMS, but just need a residence registration.
- Employers that use foreign labour have to substitute Asian-looking migrants by internal Russian migrants and foreigners with Slavic origin – Moldavians, Ukrainians, etc.).

<sup>45</sup>According to employers, this is a very short period. They would need at least a week to do so.

### 2.3.3. Challenges for migrant-oriented services

In order to assist returned migrants in responding to challenges they face, SCME territorial division in Osh established a working group consisting of heads of oblast and city passport and visa control units of the MoI, Social Fund and Public Fund on Support to Labour Migrants.

Nevertheless, some features of the SCME system affect quality of its services:

- there are many new managers that are not fully aware of situation in labour migration<sup>46</sup>;

- in towns and villages situated far from capital, there is a civil servant “on duty”, while other staff is permanently absent and unavailable by phone.

Workload of the passport and visa control unit of the MoI increased due to crisis: on one hand, there are more registration demands from returned migrants who acquired Russian citizenship; on the other hand, there are more demands to take off the register Kyrgyz citizens wishing to apply for Russian citizenship. The MoI staff stated following problems related to labour migration, which they face:

#### ***Staff member of the Passport and Visa Control Unit, Osh***

*When parents become Russian citizens, their children that reached the age of 16 and wishing to acquire Kyrgyz citizenship, are not qualified to do so<sup>47</sup>. They may, nevertheless, acquire Russian citizenship and Russian passport. Children of 16 years and more may get Kyrgyz citizenship if the application process had been timely, took place before a child became 16 years old and if there is a legal guardian who is Kyrgyz citizen.*

#### **Challenges for the private employment agencies**

Business generated from providing legal employment services decreased by 40%, while demands for labour migrants from employers shrunk by 80% in Russia. Meanwhile, there are differences in the costs of paid services provided by private employment agencies:

- Cost of the first work permit in Moscow increased threefold – from 5 to 15 thousand rubles;
- In Yekaterinburg, the same service costs decreased twofold – from 1 thousand to 500 rubles<sup>48</sup>.

Kyrgyz employment business is currently suspended.

Kyrgyz private employment agencies

have difficulty in providing jobs for Kyrgyz citizens in Russia: Uzbek and Tajik labour migrants are more attractive during crisis, since they are disciplined and not demanding unlike Kyrgyz labour migrants.

<sup>46</sup>Our study coincided with preparations to presidential elections.

<sup>47</sup>Parents' passports are required at the application process.

<sup>48</sup> During our visit to Yekaterinburg private employment agency “Migratika” organized a promotion action when it helped migrants to apply for work permits free of charge.

## 2.4. Some aspects of migration effects

### 2.4.1. Migration effects on state of localities

According to most experts there are conditions in the southern provinces for the following phenomena related to the decrease in labour migration due to the crisis:

- Emergence of villages inhabited only by elderly and children left by parents-migrants;
- Lack of pedagogical and medical personnel. The tendency is that due to low wages and hard socio-economic conditions doctors and teachers leave their workplaces in Kyrgyzstan for employment in Russia;

#### ***Deputy Governor, Jalal-Abad oblast***

*In Jalal-Abad oblast almost 1000 teachers have left schools for external employment in 2008. Local authorities have reported on this when discussing the outcomes of the oblast development during last year. For instance in 2008, 11 young specialists arrived to the oblast within the state programme which supports young professionals, have quit their jobs and left for Russia and neighboring countries.*

- Labour migration has neutralized the high level of political activeness emerged in 2005. However in the context of the current crisis when migration decreased and job opportunities in Kyrgyzstan are very limited, there is revitalization of the interest to the politics;
- The MoI representatives: «Decrease in migration in the southern regions might influence the rise in criminal activities to the level as of 2005».
- More activities by extremist religious organization “Hizb-ut-Tahrir” due to the increase of poverty;

#### ***Staff of a local municipality located in the South***

*Negative factors are renewed:*

- *Theft in general, and cattle theft in particular;*
- *Mass fights among youngsters;*
- *Alcoholism.*

*Men started drinking more due to forced inactivity that has resulted in more cases of domestic violence.*

#### ***Nurbek, 35, Nookat, returnee***

*Unemployment can nourish such extremist organizations as “Hizb-ut-Tahrir” which organized in 2008 mass disorders during the religious holiday when a local municipality building was destroyed. The religiousness of the population has sharply increased in recent years. Sick and old migrant could turn to “Hizb-ut-Tahrir”, while healthy one may be involved in criminal activities.*

- Rise in internal migration of labour force from the South to the North.  
Summing up opinion of expert from the northern regions, the following tendencies can be identified:
- External labour migration has solved a number of socio-economic issues, including fighting unemployment;
- Despite the difficult situation on the labour market due to closure of industrial facilities and rising unemployment, the number of inhabitants willing to become external migrants is less than in the southern provinces;

### ***SCME specialist, Tokmok***

*Response to the question regarding the number of unemployed at labour exchange spontaneously emerged near the town bus station.*

*These «workers» do not go for external migration. This is a special category of labour force. According to our experience these workers did not accept permanent employment when the plants were functioning as they are not ready to work permanently and prefer to have single payments for their services: work and get paid whenever they want to.*

- Relatively large numbers of young people and young families from the North tend to leave for abroad for permanent residence skipping the stage of being labour migrants;
  - A few rural inhabitants become internal labour migrants: Naryn citizens work on construction sites in Issyk-Kul, migrants from Tokmok and other northern regions go to Bishkek for employment;
  - There are some virgin land allotments in some districts of the northern regions which attract internal migrants from the South.
- opportunities which allow executing money transfers in a civilized and modern way. This aspect quickly became a competitive element of the Kyrgyz financial sector.

Almost all functioning commercial banks in Kyrgyzstan are involved in the business of money transfer operations. Today there are 16 international money transfer systems (MTS) and three national systems for money transfer. The whole country is covered by branches and units of commercial banks in order to serve transfers, first of all, by labour migrants. The attractive features of using MTS are the following: no need to fill out complicated forms, no need to provide personal information about senders and receivers, and details on the origins of the transferred money. The popularity of this channel is also due to the low commissions and lack of tax on money transfers.

The crisis has had an impact on the decrease in migrant remittances.

### ***2.4.2. The effect of migration on business development***

#### *The banking system*

In past 4-5 years the commercial banks turned into a secure channel for migrant remittances. In early stages of migration money transfers to relatives back in Kyrgyzstan was a risky business. Commercial banks have offered

### ***Settlement and Savings Company, Khaidarkan, Batken oblast***

*The crisis implications are quite noticeable. 6 MTS are served. The major system which covers 90% of all migrant money transfers is Unistream, main flow of remittances is coming from Russia.*

*Remittances within town branch have decreased 4 times in comparison with the pre-crisis period. If before Unistream was used to transfer 18 million Russian rubles per month, now this amount does not exceed 5 million Russian rubles.*

*Both average amount of a single money transfer and frequency of transfers have decreased: respectively from 10 000 Russian rubles to 4 000; and from 120-130 per day in pre-crisis times to just 30-40 now.*

### ***Travel agencies***

Large scales of labour migration create a stable international flow of passengers and secure increased incomes to the transports sector. Most Kyrgyz migrants try to visit their home country at least once per year. In recent 4-5 years numerous travel agencies selling air and train tickets have been opened in Bishkek and Osh with branches all over the country. On one hand this tendency made transport services transparent and

accessible, and get rid of the artificial fuss around purchase of travel tickets. On the other hand, this provided a stable income for entrepreneurs brokering travel services.

Travel agencies selling air and train tickets have also observed a significant decrease in migrant flows due to the economic crisis in Russia. The tendency for closure of regional branches and job cuts in this sector keeps developing.

### ***Representative of an agency selling air tickets of various air companies, Osh***

*In April 2008, 150 air tickets to Moscow have been sold, in April 2009 – only 15.*

### ***Representative of the local air company ITEK, Osh***

*In spring 2008 there used to be 2 flights to Moscow per week, this year there is only one flight in two weeks, and the plane is half-empty.*

### ***Representative of the Russian air company “Sibir”, Osh***

*In one decade of April 2008 we have sold 300 air tickets, in the respective period of 2009 – 140 and only thanks to a special promotion under which we sold air tickets for itinerary “Osh - Moscow” at prices close to the price of a train ticket..*

### ***Representative of a train tickets agency, Osh***

*In April 2008, 435 train tickets to Moscow have been sold, and this April only 16. There are half-empty trains going to Russia, but trains back to Kyrgyzstan are totally full and even with extra car wagons.*

*Construction brigades and materials*

According to the result of the survey, after solving first priority problems transfer recipients start house renovations, building improvements and even the construction of new houses. These activities stimulate the development of related infrastructures: constructions brigades are formed, workers skills improve, trade in construction materials and delivery services start to develop. In southern regions remittances became the main source for home renovations and construction. However, these activities have been suspended during the crisis, many construction sites are frozen, prices for construction services and materials have dropped. As a result the part of economically active population involved in the construction industry has suffered. In the search for new jobs many construction workers move to Bishkek.

*Services on organization of celebrations (toi)*

Almost all interviewed migrants and their families have indicated family celebrations and commemorations as expenses covered by remittances. The tradition of organizing large scale feasts in order to mark joyful and tragic events exist from ancient times, but these celebrations became richer and larger given the use of migrant remittances. Before mass migration rich weddings with numerous invitees in restaurants were organized by rich households, while majority of households had to limit themselves with organizing moderate weddings at home. Nowadays, most households prefer «keeping up with others» and support the tradition of organizing large scale weddings with use of services provided by wedding salons, restaurants, wedding planners and artists. It can be guessed that the crisis will touch upon these kinds of expenditures as well. Some wedding salons and more expensive restaurants have already started facing troubles.

***Ilkhom, 42, returnee, Uzgen, Osh oblast***

*During crisis with decreased remittances I will economize on the following:*

- *purchase of a car;*
- *construction;*
- *vacations and medical treatment;*
- *weddings (in pre-crisis times the minimal budget for wedding organization was \$5000-6000).*

*Cars and automobile transportation*

The survey showed that the car is considered to be top priority purchase providing migrants and remittance recipients with both status and investment. Migrant remittances are well represented in the demand which defines the market of used cars. Growth of cars in the roads of Kyrgyzstan is quite obvious; consequently

there is a tendency for development of respective infrastructure such as car services, gas stations, car wash, etc. Drivers first economized by saving on car wash, small reparations and new tires. The demand at car markets also decreased despite falling prices.

Huge amount of cars and liberal legislation created conditions for dynamic

## 2. Overview of changes in the migration process

development of competitive market of taxi cab services, first in Bishkek, and later in other regions (Osh, Cholpon-Ata, etc) and international routes. These services can also be provided by random drivers based on the patent basis (frequently temporary drivers do not hold patents for these services).

Conversations with drivers providing such cab services often show their direct or indirect ties with the migration processes. These drivers provide services of transporting migrants to Russian cities and back. However with the crisis the volume of such transportation has significantly diminished.

### *Nazirjan, 51, Uzgen, Osh oblast*

*The driver transports migrants from Uzgen to Russian cities such as Yekaterinburg, Perm and Novosibirsk in a 7-seat car.*

*Before crisis he used to make these trips every 10 days, now once per month maximum. Sometimes he is asked to take migrants for credit with later payment. Sometimes the brigadier asks to bring migrants and pays in place. Now the trip to Ural costs 6000-6500 KGS, before it was 7500 KGS.*

### *Tobacco production*

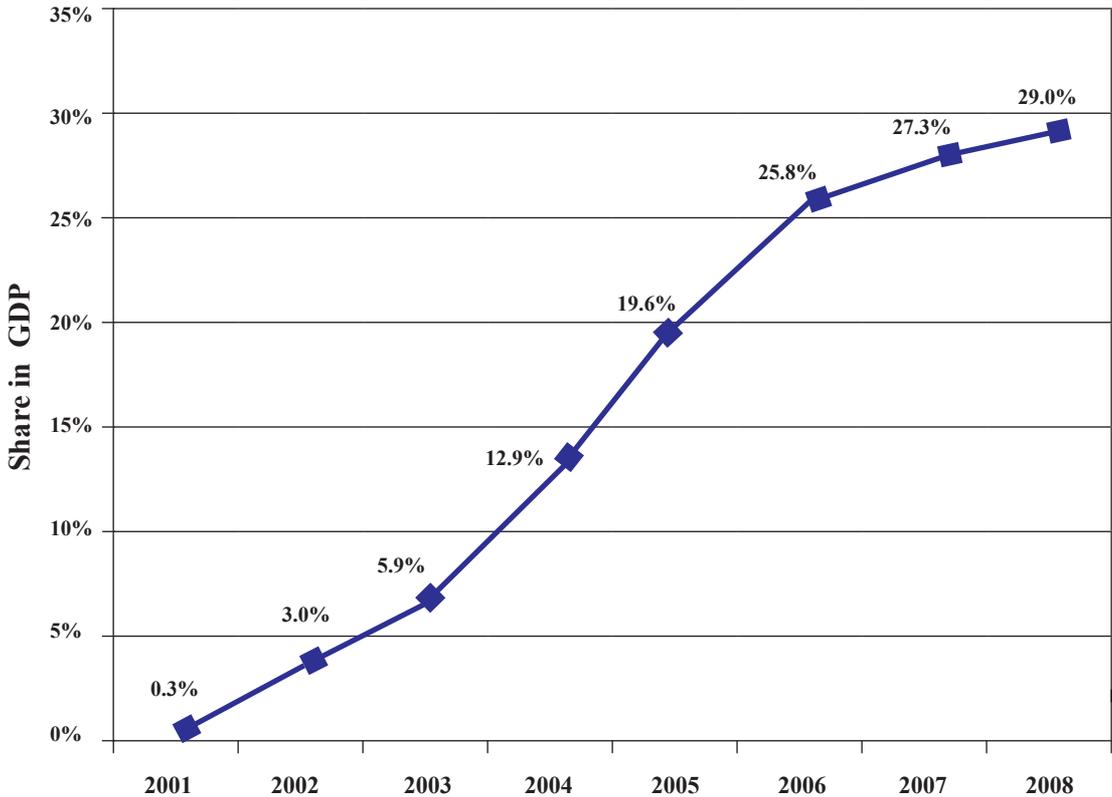
Migration has influenced the decrease in tobacco production by the company «Reemtsma-Kyrgyzstan» due to structural changes in seeding made by southern farmers in benefit of corn and wheat. Rural population supporting their incomes by remittances stopped cultivating tobacco which is relatively rentable (for 8 months of work every farmer family is paid 40 000 KGS in average), but very harmful for the health. Obviously returning migrants will take up tobacco cultivation again.

29% of the national GDP, which is one of the highest indicators in the world. Obviously large amounts of migrant remittances influence many aspects of economic life in Kyrgyzstan.

### **2.4.3. Migration effects on macroeconomic situation in Kyrgyzstan**

Lately labour migration from Kyrgyzstan has started impacting on macroeconomic situation in the country in a significant way. Migrant remittances turned into most important sources of foreign currency for the country. Besides that the labour force drain directed to abroad has had important macroeconomic consequences.

The most illustrative example of macroeconomic role of migrant remittances is their share in national GDP. In 2008 the total amount of migrant remittances reached

**Diagram 1. Correlation of migrants remittances and GDP**

Source: National Bank of the Kyrgyz Republic, National Statistics Committee of the Kyrgyz Republic

Dynamic of most important macroeconomic indicators are statistically linked to the dynamics of Kyrgyz migrant remittances<sup>49</sup>.

#### 1. GDP and private consumption.

Migrant remittances encourage decreasing consumption of migrant families. Therefore it is no surprise that rise in private consumption (gross consumption of households) which is the most important component of GDP, is positively correlated with the flow of migrant remittances. Link between GDP growth and migrant remittances turned out to be a bit weaker due to

other components influencing on GDP (i.e. investments, exports, state consumption), which dynamics is not dependent on remittance flows. However it is possible to say that rise in remittances in Kyrgyzstan was associated with rise in GDP in the pre-crisis period.

2. **Imports.** There is a sustainable positive correlation between imports and remittances: decreased remittances pushed a rise in imports to the country. However there is no evidence that migrant remittances led to the sharp rise in imports in 2008 as they are just one of the sources to finance the imports.
3. **State incomes and state budget deficit.** Interdependence between

<sup>49</sup>Mogilevsky, R. and Atamanov A. (2009) Remittances and Their Impact on Macroeconomic Situation of and Financial Sector Development in the Kyrgyz Republic. pp. 143-209. In: Spatial Disparities and Development Policy/Edited by G.Kochendorfer-Lucius and B.Plescovic. The World Bank.

remittances and imports created conditions for significant influence of migrant remittances on the incomes of the state budget. As taxation of imports secures more than a half of all tax incomes of the state budget, rise in imports leads to the significant rise of state incomes. Larger incomes of the state budget encouraged state expenditures and decrease of the state budget deficit in 2005-2008.

4. **Inflation and exchange rate.** Currency inflows from Kyrgyz migrants employed abroad has lead to significant rise in money supply in Kyrgyzstan and has contributed along with other factors in strengthening of the Kyrgyz som towards the rate of the US dollar in 2002-2008. As the National Bank has been buying foreign currencies in order to avoid excessive strengthening of the Kyrgyz som, the money supply has significantly grown in the country. During quite a long period of time the currency supply growth did not have any inflationary related consequences due to simultaneous growth of both demand and supply in money. However starting in mid 2007 growth in money supply lead to inflation which was, among others, influenced by external price shocks (rise of world prices for oil and food). Therefore, remittance inflows have had indirect and delayed, but significant effects on inflation processes in Kyrgyzstan.

5. **Levels of employment and unemployment.** The analysis of statistical data on employment and unemployment do not allow identifying impact of migration on the situation at labour market. This can be easily explained as there is no exact data neither on the number of labour migrants nor on the extent of their employment when they return (usually

during winter time). Nevertheless, a decrease in informal employment registered by the National Statistics Committee in the services' sector and some areas of industry is obviously related to the increasing demand for products and services from those households which are supported by migrant remittances.

Global financial crisis has had a serious and negative impact on the countries of destination for labour migrants from Kyrgyzstan. First of all it is Russia whose GDP in the first half of 2009 has fallen by 10% in comparison to the same period in 2008. As a result, the situation at the Russian labour market has become complicated while the demand for foreign labour force, including the Kyrgyz labour, has significantly decreased. This has lead to job cuts for labour migrants, lower salaries and less remittances sent back to Kyrgyzstan.

According to the preliminary data of the National bank inflow of current transfers<sup>50</sup> to Kyrgyzstan from all over the world, including Russia, has fallen by 11.1% in the first half of 2009 in comparison to the respective period in 2008. The data of the Central Bank of Russia show more significant decrease: during the same period money transfers from Russia to Kyrgyzstan through the MTS (channel principally used by Kyrgyz labour migrants) and the Post of Russia have decreased by 25.7%.

In line with the abovementioned, effects of migrant remittances on the macroeconomic situation have lead to the following:

- Some slowdown in the growth of private consumption which is indicated by decrease in provision of trade related, personal and other services

<sup>50</sup>Figure, close to the gross volume of migrant remittances; data on the more relevant indicator «Money transfers of the employed» for the first half of 2009 have not been published as of the preparation of the report.

(7.1% in 9 months of 2009 and 9.4% in 9 months of 2008);

- Decrease in imports (in January-August 2009, -25.8% in comparison with the same period of time in 2008);
- Decrease in state budget incomes from imports taxation<sup>51</sup> (in January-August 2009, -26.3% in comparison with the same period of time in 2008.);
- Devaluation of the Kyrgyz som towards the US dollar (KGS/USD exchange rate has increased from 35.30 KGS / 1 USD in September 2008 to 44,04 KGS / 1 USD in September 2009, i.e. devaluation equals to 25%).

Thus, a decrease in migrant remittances to Kyrgyzstan has significantly and negatively affected on the macroeconomic situation in the country. At the same time the following should be underlined: it would be a clear overstatement to argue that all abovementioned crisis implications in the economy of Kyrgyzstan happened only due to the decrease in migrant remittances as there are numerous external and internal factors of the same influence.

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<sup>51</sup>Besides decreased imports, drop of VAT rate (from 20% to 12 % since 1 January 2009) has influenced reduction of incomes from the taxation.

# 3. Quantitative analysis of changes in migration processes, caused by global financial crisis

## 3.1. General parameters of sample

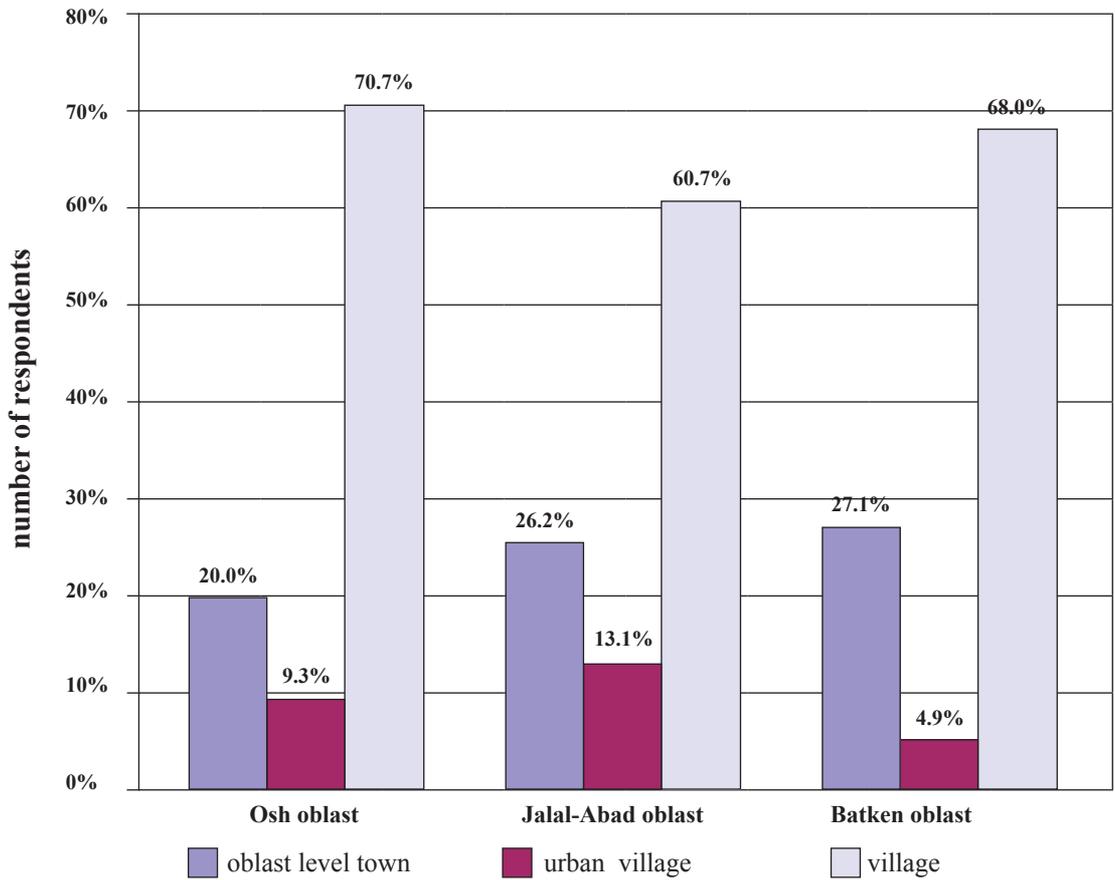
### 3.1.1. Characteristics of households

1200 household respondents from southern part of Kyrgyzstan participated at field phase of the project. Availability of at least one labour migrant and remittances within a household in 2008-2009 served as criteria for the survey. The sample structure as per oblast level consists of 300 respondents from Osh oblast, 450 respondents from Jalal-Abad oblast and 450 participants from Batken oblast.

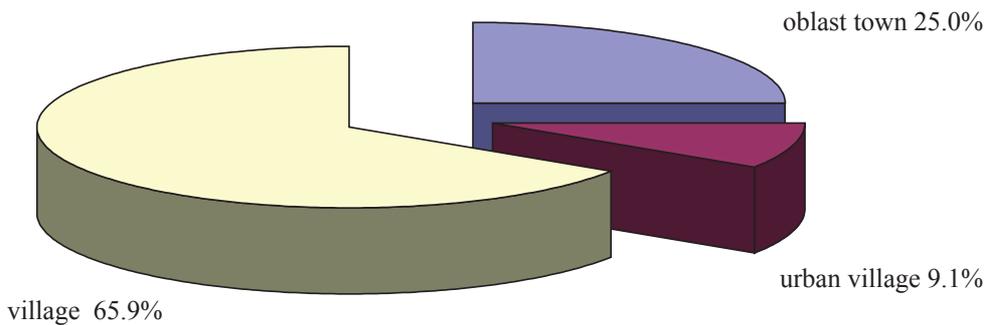
The sample structure as per district, town and village levels in the three oblasts is shown in Annex 2.

The diagrams below reflect respondents' breakdown as per type of locality in oblasts.

*Diagram 2. Respondents' breakdown as per type of locality in oblasts*



*Diagram 3. General breakdown of respondents as per locality type*



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Respondents' group consisted of both returned migrants and members of their families. Respondents' breakdown with regard to attitude towards labour migration is the following:

- 83.8% – family members of migrants that stay in Russia regardless of crisis;
- 4.8% – migrants that returned to Kyrgyzstan due to expiry of permission for legal stay in Russia, but planning to leave to Russia in spring or summer,

which is a customary practice;

- 4.3% – migrants that returned due to crisis and waiting till the latter is over, in order to leave the country again and work abroad;
- 7.1% – migrants that returned definitively and do not plan to leave Kyrgyzstan.

Table below shows breakdown as per respondents' reference to labour migration in the three oblasts.

**Table 3. Respondents' breakdown as per reference to labour migration in three oblasts, in percentage (%)**

Respondent	Total	Oblast		
		Osh	Jalal-Abad	Batken
Members of migrant's family	83,8	79,7	89,6	80,9
Migrant that returned and not planning to emigrate	7,1	12,0	4,0	6,9
Migrant that returned temporarily and planning to leave in spring or summer	4,8	4,7	3,8	6,0
Migrant that returned and planning to leave when the crisis is over	4,3	3,6	2,6	6,2
Total	100	100	100	100

In order to analyze push and pull factors, experience and lessons learnt, benefits and costs of labour activities of Kyrgyz nationals abroad, one should first have an idea on socio-economic situation of labour migrants' families.

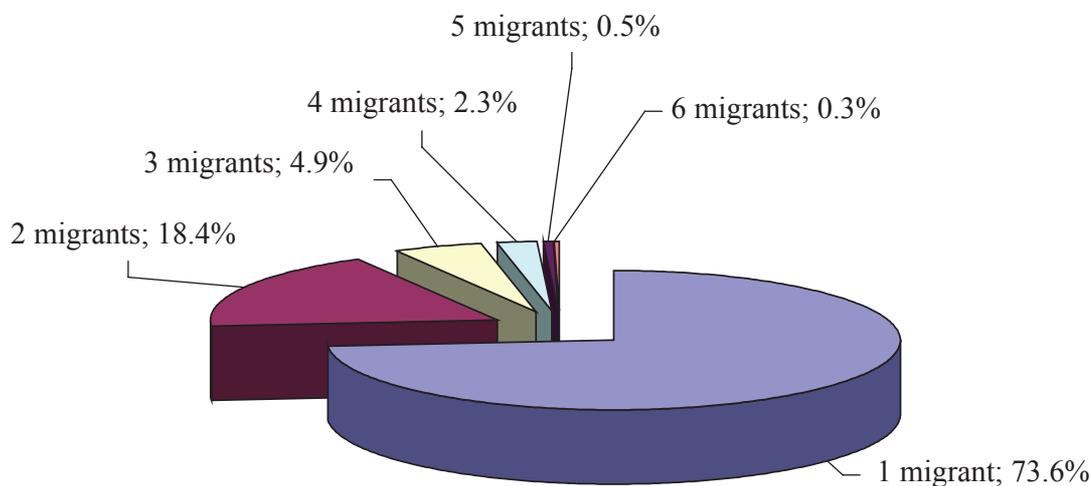
Average family in the region consists of 7 members, where persons older than 17 constitute 67%; younger members - 33%. Among economically active family members<sup>52</sup> 12.3% work in their localities, 30.6% are external labour migrants.

External labour migration thus is the most preferred occupation among economically active population.

The survey revealed the fact that 26.4% of families have more than one family member working as labour migrant abroad. It is important to note that there are families that have 3-6 members migrated.

<sup>52</sup> Excluding pensioners and full time students.

**Diagram 4. Breakdown of households as per number of migrants – family members**



***Pazilet, 59, pensioner, seller at market, Khaidarkan town, Batken:***

*My husband is handicapped, he does not work. Five of my seven children are working in Russia: my four sons have been working there for five years, my daughter – for one year already. One of my sons is a yardman, his wife is a concierge; three sons work at construction (they have not received salary for five months already); my daughter is a concierge.*

In order to define the level of family's economic well-being, it is not enough to know number of economically active family members. Availability and breakdown of tangible assets is more important in this regard, as the latter, together with labour force availability, form the basis of family's economic well-being. Land lots, gardens, cattle and cars are considered as the most important tangible goods, common for the region.

The analysis demonstrated that 13% of households do not possess land lots, while 21% are compelled to content themselves with tiny land lots of 2 - 4 hundred square meters per person. This land lot size is a modal one in distribution of land to population.

Diagrams 5 and 6 show land allotments distribution per households in the southern oblasts. Diagram 6 demonstrates that households in Batken oblast have least of land allotments, and they are also challenged by shortage of water for farming and gardening needs. The situation concerning land allotment distribution in Osh is the best one in the southern region.

Diagram 5. Land allotment distribution per number of households

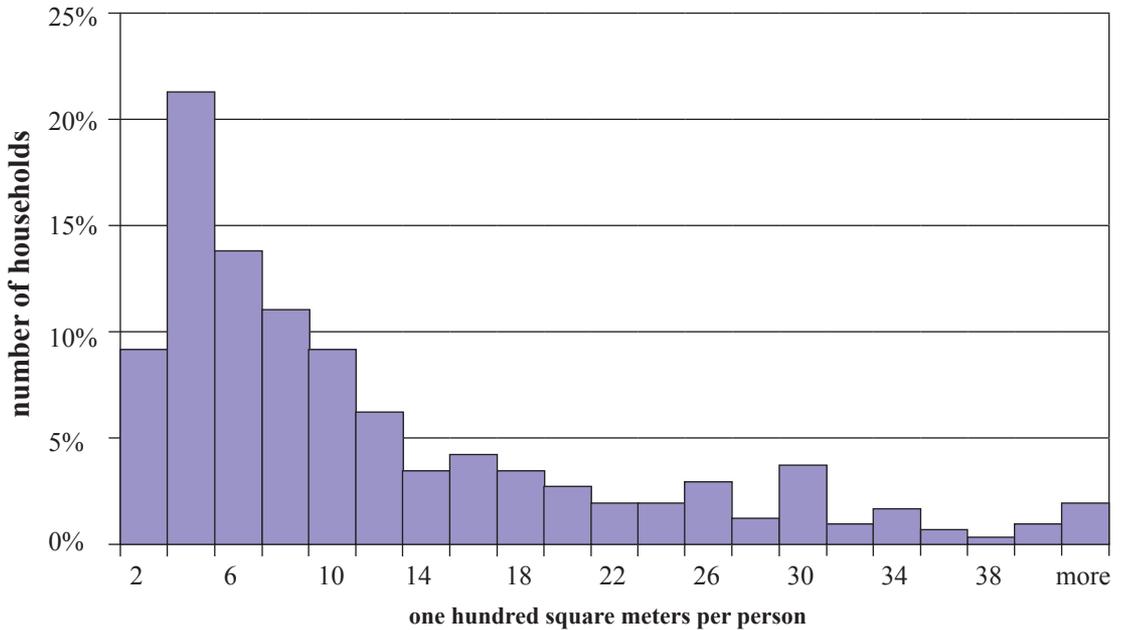
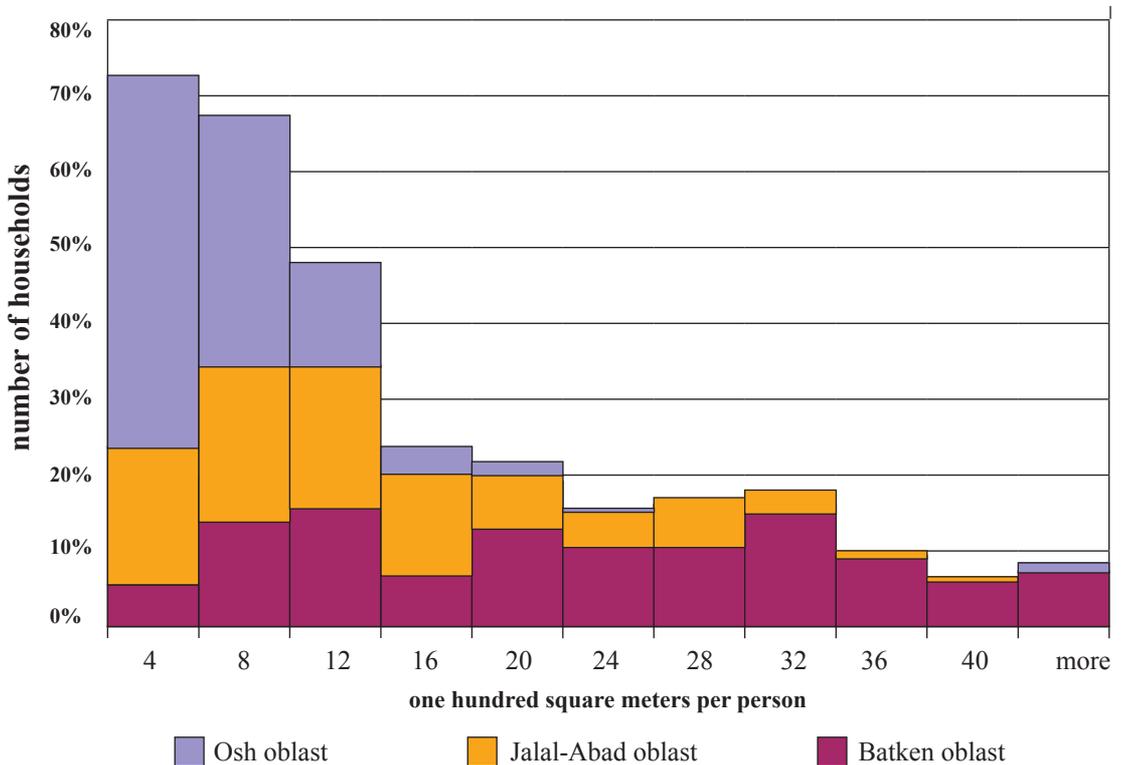


Diagram 6. Households' breakdown per land allotment size and per oblast



**Sapar, 50, self-employed taxi driver, Nookat town, Osh oblast**

*Tobacco is cheap, its cultivation is harmful, and that is why people plant potato and corn. Our family has three cows; my wife is a hospital nurse. Our land lot is of 10 hundred square meters' size, farmland is of 4 hundred square meters' size. Two daughters have been working in Moscow for one year already. Our eldest daughter studied at the Osh University for one year; younger daughter did not complete secondary education. They both work legally at a cheburek shop.*

Table 4 contains information on respondents' responses with regard to tangible goods in their households.

**Table 4. Share of households possessing tangible goods in relation to total number of households, %**

Tangible goods	Osh oblast			Jalal-Abad oblast			Batken oblast		
	town	urban village	village	town	urban village	village	town	urban village	village
Bovine cattle	0	0	81	1	7	90	44	14	75
Small cattle	5	7	55	3	15	51	21	5	48
Car	14	4	32	7	5	8	21	36	35

A garden's average size in Osh oblast is of 15 hundred square meters, 17 hundred square meters – in Jalal-Abad oblast, and 13 hundred square meters – in Batken oblast. It is notable that 9% of households in Osh oblast, 6% - in Jalal-Abad and 16% - in Batken rural areas do not possess any of tangible goods reflected in Table 4.

In this regard, the vulnerability of households in depressive small towns of southern region is of particular concern. Small towns and urban villages do not provide the living conditions similar to those conditions existing in bigger towns: availability of jobs and their variety as per wages, provision of public utilities and entertainment. Moreover, households in small towns and urban villages do not possess traditional tangible goods, such as land lots, bovine and small cattle.

During the survey on tangible goods the authors were particularly keen to learn about the main revenue source, perceived as such by respondents. The table below shows aggregated results of analysis on responses: 53% of households<sup>53</sup> consider remittances as the main source of revenue, whereas they constitute in average 64% of total household revenue. More than half of households thus rely on remittances.

<sup>53</sup>It relates to the first row of the table.

*Table 5. Main sources of revenue*

Main sources of revenue	Households, which stated this source of revenue, %	Share in total household's revenue, %
Remittances from migrants family members	53	64
Plant cultivation	13	56
Permanent job	12	63
Cattle farming	9	62
Pension	6	59
Entrepreneurship	4	67
Temporary job	2	66
Allowances	1	43

Table 6 shows the main sources of revenue as per oblasts. Analysis of responses demonstrates that most of households in Jalal-Abad (64%) and Batken (57%) oblasts strongly depend on remittances.

Only 32% of households in Osh oblast consider remittances as the main source of revenue, while in 76% of these households remittances constitute 70 – 100% of the total revenue.

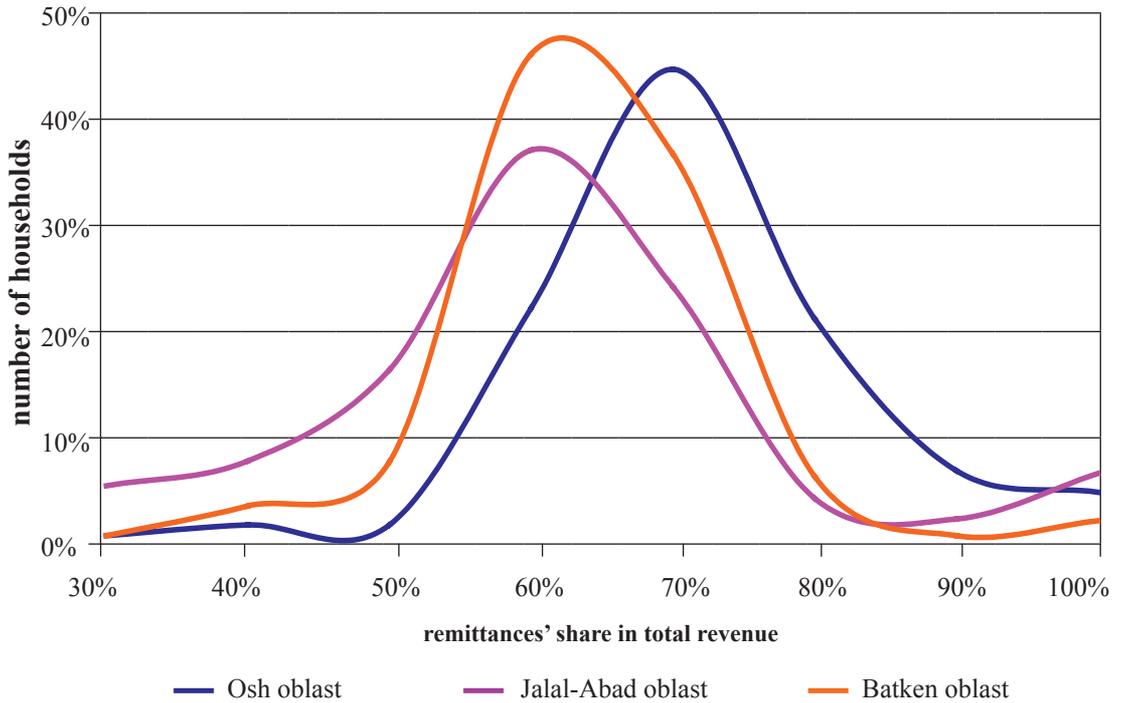
*Таблица 6. Main sources of revenue per oblasts*

Main sources of revenue	Osh oblast		Jalal-Abad oblast		Batken oblast	
	% of households	Share in total revenue, %	% of households	Share in total revenue, %	% of households	Share in total revenue, %
Remittances from migrants family members	32	72	57	61	64	64
Plant cultivation	19	67	9	57	14	46
Permanent job	13	71	18	63	6	50
Cattle farming	18	70	6	46	6	63
Pension	12	69	0	70	8	47
Entrepreneurship	4	73	7	66	1	58
Temporary job	1	67	3	73	1	37
Allowances	0	60	0	60	2	39

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Diagram 7 shows that remittances distribution in Osh oblast is shifted towards bigger share of remittances in total revenue (comparing to Batken and Jalal-Abad data), which is caused by households' data in Osh towns and urban villages.

**Diagram 7. Remittances' distribution as per total revenues of recipient households**

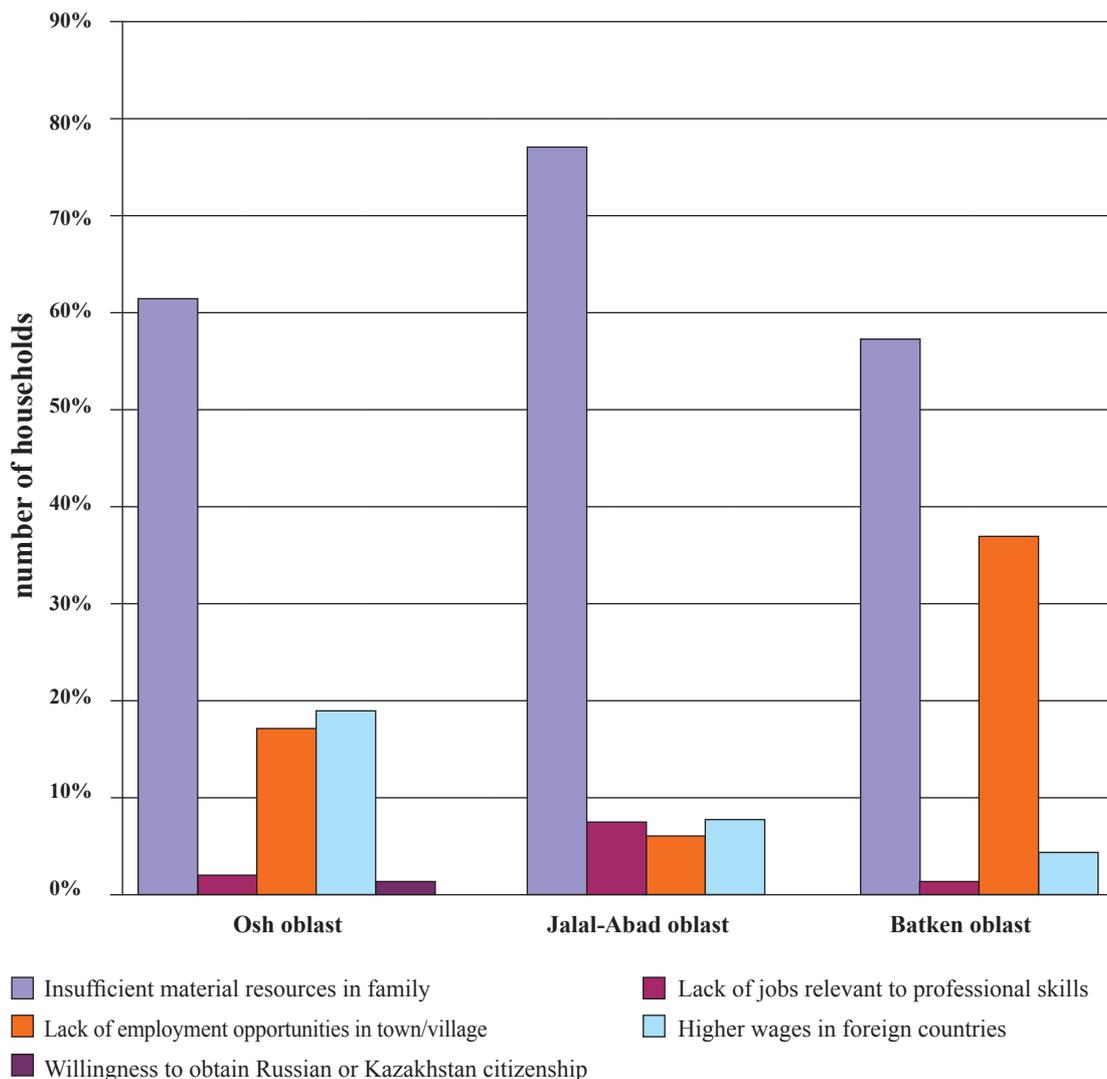


### 3.1.2. Migrants' socio-economic profile

Having explored households, where family members became migrants, the authors shall develop a socio-economic profile of migrants that made the difficult

decision to migrate abroad in search of jobs and deprived themselves of usual lifestyle, for which they must suffer the consequences.

*Diagram 8. Causes of migration as per oblasts*



Responses show that insufficient assets and financial resources in the family are the main push factor for migration. More than 70% of respondents in Jalal-Abad stated this cause as the main one. It should be noted that respondents meant different interpretations by the aggregated term of

“insufficient material resources”: ranging from poverty in large families and lack of financial means for day-to-day consumption, to an obligation to pay debts to lack of funds for construction of a house. There are differences as per oblasts in this regard, as well. For 36% of Batken respondents, for

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instance, the second cause for migration was “lack of any jobs”, needless to say about lack of jobs relevant to professional skills and unavailability of highly paid jobs.

Osh respondents, in their turn, understand that they can be paid 18% more for the same job abroad.

#### ***Askeraly, 49, returned migrant, grocery-seller at market, Osh city***

*I worked in Moscow region as concrete worker and earned about 20 thousand rubles. I sent 12-15 thousand rubles home every month. My family bought a car in Osh with this money.*

*The work was suspended because of crisis; I did not receive salary and was finally fired. I returned to Kyrgyzstan in November 2008. Then I went to the Oblast Committee on Migration and Employment, where I was proposed 8 thousand Kyrgyz soms for working as concrete worker at Kamar-Ata. I could not agree to this amount, I would better sell groceries at market. The salary is very low and the job is extremely hard and harmful. People loose health when working as concrete workers, but in Russia the salary is worth it, while here it is worthless.*

With regard to the main recipients of remittances, it is migrants’ parents who get the major part of these funds, due to the fact that Central Asian culture obliges children to support their parents first. Parents preserve family hearths, often take care of grandchildren and become their guardians, when their own children are working abroad.

The second group of recipients (which gets threefold less money than the first group) are the spouses – husband or wife – that stay home with children. The third group of remittance recipients are migrants brothers and sisters; the fourth small group consists of migrants’ children and other relatives.

***Table 7. Main remittances’ recipients, %***

<b>Recipients</b>	<b>Share in total number of recipients</b>
Parents	62
Husband/Wife	21
Sister/brother	4
Children	2
Other relatives	2
Total	100

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The fact that parents receive most part of remittances can be also explained by single status of young female and male migrants who have strong emotional ties with parents and depend on them. Migrant's average age is 30 years, whereas modal value is situated in the interval between 20 and 25 years; it differs from ADB figure, where migrant's average age is 34 years<sup>54</sup>.

According to the sample, Osh oblast residents were the first to migrate abroad and then followed by migrants from Jalal-Abad and Batken oblasts. It is also noticeable that the average age of female and male migrants is the same in Osh and Jalal-Abad oblasts, whereas Batken oblast figures are different as per gender desegregation.

**Table 8. Migrant's age and sex, duration of actual and planned migration per oblasts**

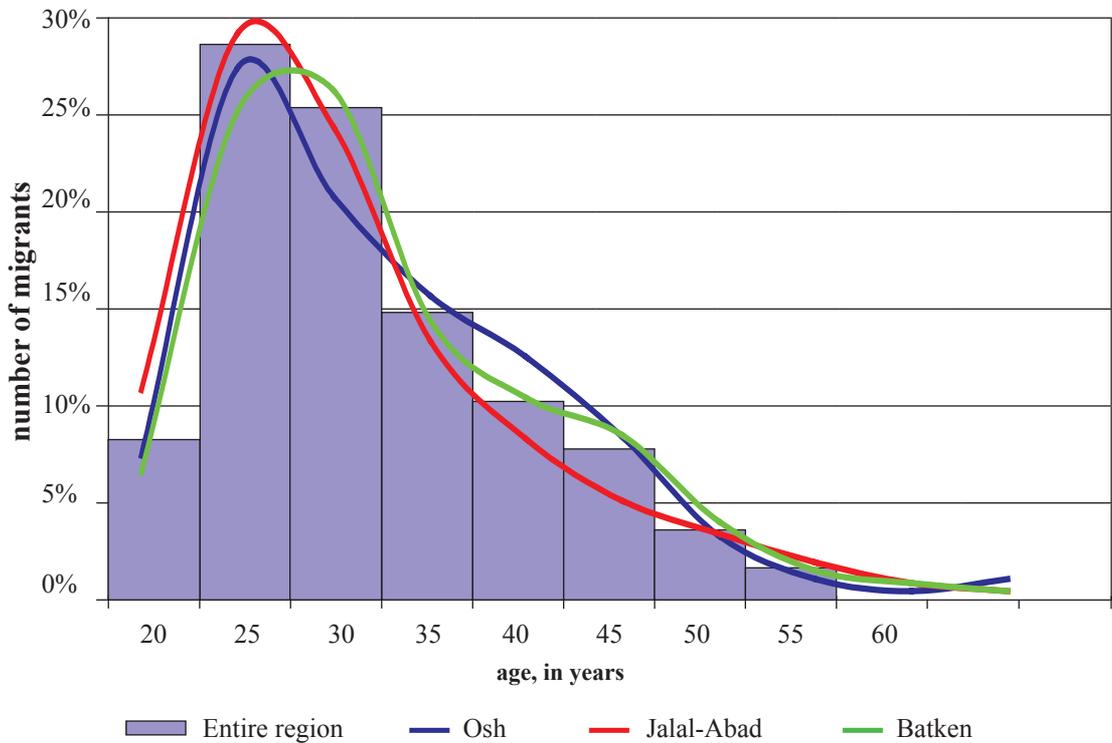
Mean value	Osh oblast		Jalal-Abad oblast		Jalal-Abad oblast	
	Female	Male	Female	Male	Female	Male
Migrant's age, in years	30	31	29	29	29	31
Years in migration	2,8	3.0	2.0	2,3	1,8	2,1
Years of planned migration	1,3	1,4	1,5	1,6	1,5	1,5

Responses as for migrants' return provided by migrants and their family members differed considerably. Family members gave lower bound of 1.5-2 years, migrants indicated upper bound of 4-5 years.

Distribution of migrants per age in the three oblasts is almost equal.

<sup>54</sup>The difference can be explained by two factors: the ADB survey took place in 2006, and it can be considered that since 2006 migration became "younger", as it grew in number of young people that joined the working age group; the ADB survey was conducted in the whole country: it is possible that northern regions sent abroad elder migrants, with more experience - which can influence the average age figure.

**Diagram 9. Distribution of migrants per age in three oblasts**



***Tamara (Russified version of a Kyrgyz name), 56, socks seller, Yekaterinburg***

*Former Russian language teacher from Uzgen town (Osh oblast). Her parents, sisters and a brother live in Kyrgyzstan. Her husband is a former engineer, who currently works at a factory and will soon retire.*

*Tamara's husband was the first to migrate to Russia because of lack of employment in Kyrgyzstan. He worked as a market seller first; his wife and three children joined him a year later. They all became Russian citizens. Husband works at the factory, two children study at university, younger daughter goes to secondary school in Yekaterinburg.*

*Last year they bought a two-room apartment in the barracks. They plan to return to Uzgen upon husband's retirement and live on a Russian pension. Their children do not want to go back, they have friends in Russia.*

Proficiency in Russian language is one of the most important conditions for migrants' employment, integration, more favorable working environment and

salary level in Russia. It is to note that in this analysis assessment of proficiency level is given by migrants themselves and their family members. 16% of migrants

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in this sample believe that they are fully proficient in Russian (i.e. can read, speak and write as native speakers); 57% - have “good” knowledge of Russian; 27% - have “satisfactory” level and only 0,3% - have very basic knowledge of Russian.

According to Russian experts, Kyrgyz migrants considerably differ from Uzbek and Tajik migrants in terms of fluency in Russian language. Distribution of migrants as per knowledge of Russian in oblasts is shown in diagram 10.

**Diagram 10. Distribution of migrants as per knowledge of Russian in oblasts, %**

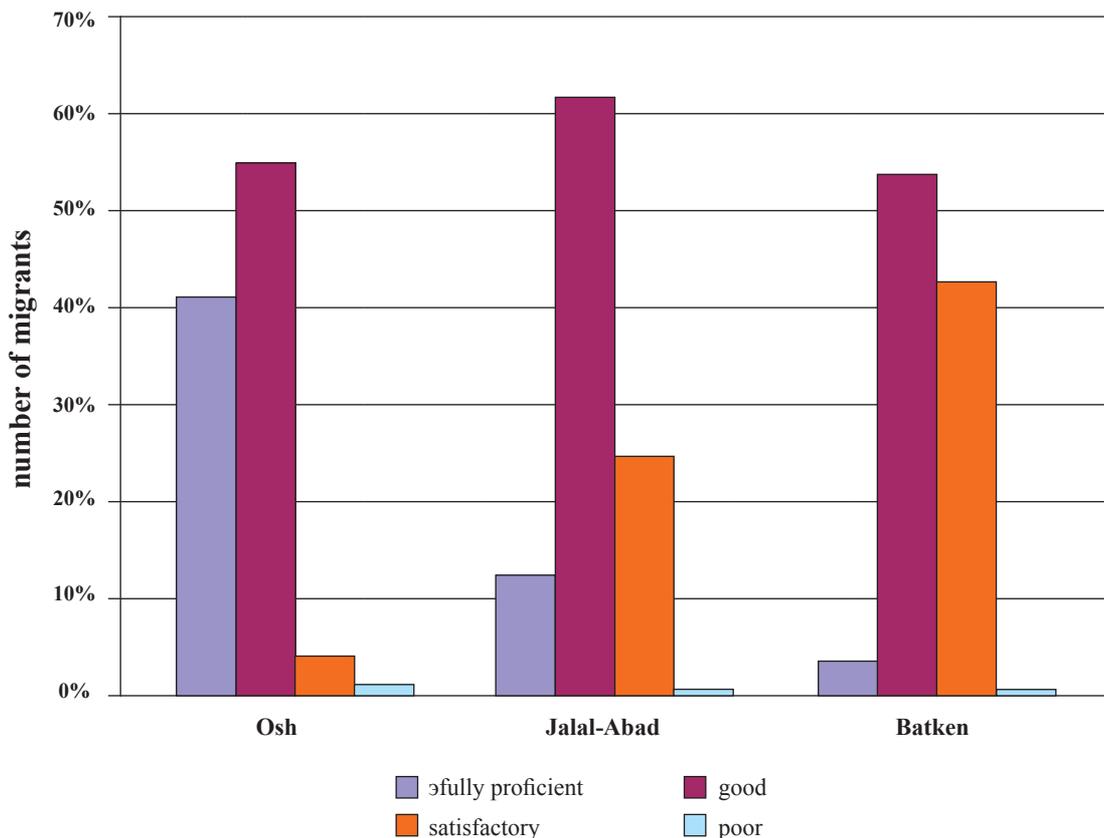


Diagram 10 shows that number of migrants fully proficient in Russian becomes lower from Osh to Batken oblasts, while the number of migrants that have a satisfactory knowledge of Russian is proportionally increasing.

It is also noticeable that elder migrants speak Russian more fluently, compared to young migrants who have poorer knowledge of Russian.

***Elaman, 18, returned migrant, has poor knowledge of Russian, Shamaldysay town, Jalal-Abad oblast***

*I worked in Sverdlovsk oblast for several months and came back to Kyrgyzstan in the beginning of 2009. I paid 5 thousand rubles to middleman who did my registration and work permit, because I had limited time and do not speak Russian well. The middleman gave me a false work permit. I was apprehended and deported home.*

As for education background, 60% of migrants have graduated from secondary school, while 1% does not have secondary school certificate. Other migrants have professional education: 4% obtained basic professional education, 11% - specialized

secondary education, 8% - uncompleted higher education, and 16% - higher education.

Most of migrants had been unemployed before leaving the country. The average age of the unemployed is 28 years.

***Table 9. Area of economic activity before leaving abroad as labour migrant, %***

	<b>Osh</b>	<b>Jalal-Abad</b>	<b>Batken</b>
Unemployed	24	50	34
Agriculture	41	23	45
Services	34	20	15
Industry	1	7	6

***Masalbek, 38, worked at a branch of the Ministry of Interior, gained 2 thousand Kyrgyz soms per month before migrating, Osh***

*I had an interesting job, but I was tired of living without money and saving on everything. I went to work in Russia, where my relatives live (Russian citizens, studied in Kazan during Soviet era). I came back and work at home and in the garden, and occasionally as a taxi-driver. Kyrgyz men in Kazan work as trolleybus and bus drivers, women work as conductors. The drivers earn 15 thousand Russian rubles. There are successful Kyrgyz migrants that bought market containers and shops. They are not planning to go back, but they support relatives left in Kyrgyzstan.*

Geography of Kyrgyz migration in Russia expands from Kaliningrad to Vladivostok, from Yakutsk to Rostov-on-Don, however, most of migrants (55%) work in Moscow. Table 10 shows cities where more than 3%

of Kyrgyz migrants from each of the oblasts are employed. Moscow is the leading city in this regard, while majority of Kyrgyz migrants working in Moscow are from Batken oblast.

**Table 10. Main cities where Kyrgyz migrants are employed, per oblasts, %**

Osh		Jalal-Abad		Batken	
Moscow	40	Moscow	48	Moscow	75
Krasnoyarsk	5	St. Petersburg	9	Moscow region	5
Samara	5	Yekaterinburg	7	Nizhny Novgorod	3
St. Petersburg	5	Krasnoyarsk	4	Yekaterinburg	3
Other	45	Other	31	Other	14

***Rano, 27, housewife, has been living in Russia for 2,5 years, Nookat town, Osh oblast, Uzbek makhalya***

*Husband went to Russia alone, without middleman, because of lack of employment opportunities. He speaks Russian very well, while Rano does not speak it at all and can not understand it. Working for 3 years in a market in Russia (Yakutia) is the main way of survival for them. They returned as usual in December 2008 temporarily for holidays.*

*The brother of Rano`s husband works in Khabarovsk. 80% of migrants from Nookat work in Russia, others work in Osh. Kyrgyz migrants mostly go to Russian northern cities: Surgut and Novosibirsk. Rano`s family friends work in construction (70%), the rest is in sales, and a small part – in agriculture. Young people nowadays go to work in Russia as soon as they graduate from secondary school.*

## 3.2. Impact of global financial crisis

### 3.2.1. Migrants` wages

Undoubtedly, migrants` wages grow proportionally to duration of stay in host country, due to the fact that at arrival migrants agree to any job with low salary and gain more professional and behavioral experience afterwards. This initial period is the most difficult one – it lasts 1-2 years. Some migrants are not able to endure working conditions, Russian climate and long distance to relatives, and return to their homeland. After the initial period,

majority of migrants that stay enter a period of forming of some habits, which lasts 2-4 years. They learn to optimize working and living conditions. If a migrant does not permanently return to homeland, after 4 years of stay abroad migrants try to settle down with specific purposes. It is accompanied by looking for more appropriate job, within working hours, and which fits into a more secure situation of a migrant. Migrants may apply for Russian citizenship any time, but it is during the third period that they do it deliberately and not in order to solve some short-term issues.

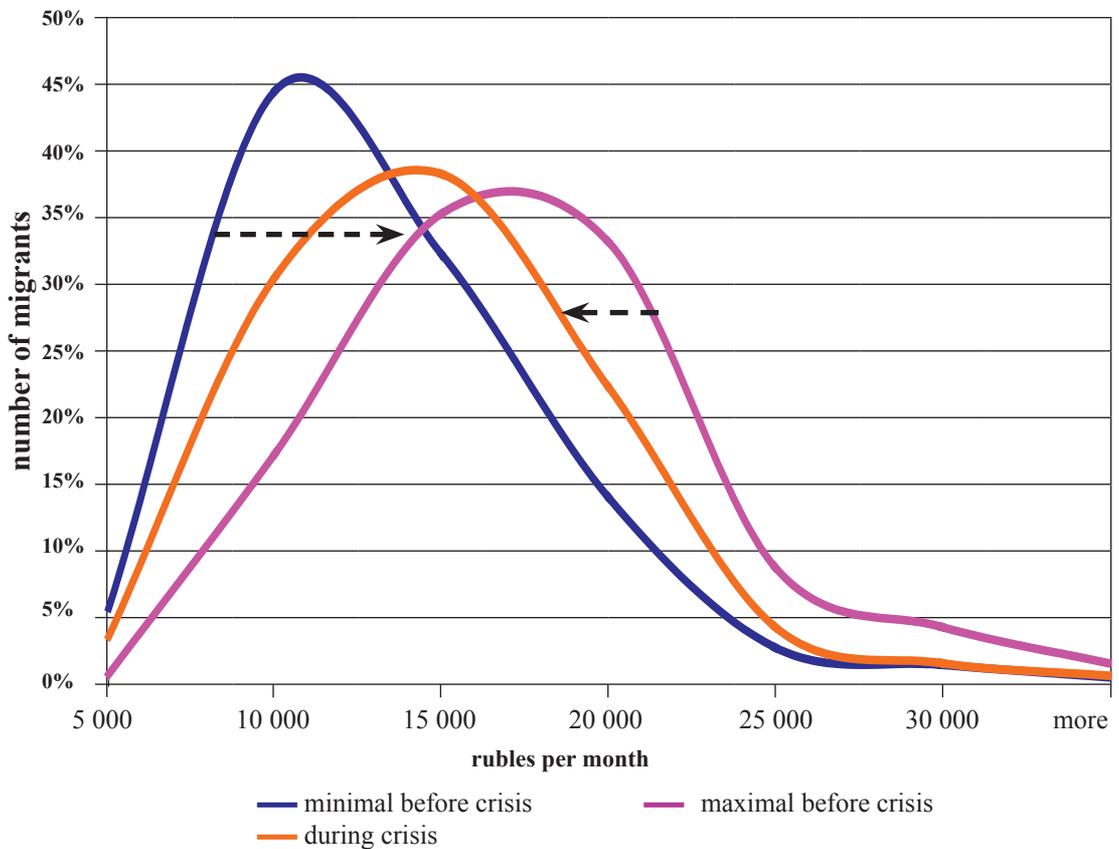
### 3. Quantitative analysis of changes in migration processes, caused by global financial crisis

The crisis that started in the second half of 2008 led to labour market cut, including reduction of jobs for migrants, which consequently turned back the process of wages' increase, regardless of duration of migrant's stay.

Diagram 11 and table 11 show migrants' wages' shift to upper figures during pre-crisis period and how they shift back to lower levels during crisis. The average maximum

and average minimum wages differed by 35% before crisis. During crisis the average salary decreased by 17% (approx.) in relation to pre-crisis average maximum wage and is thus only by 12% higher than the current average minimal wage. Maximum wage rates have also decreased. According to sample data, some migrants that were paid 50 thousand rubles per month before crisis do not get that salary any more.

*Diagram 11. Distribution of migrants' wages before and during crisis*



### 3. Quantitative analysis of changes in migration processes, caused by global financial crisis

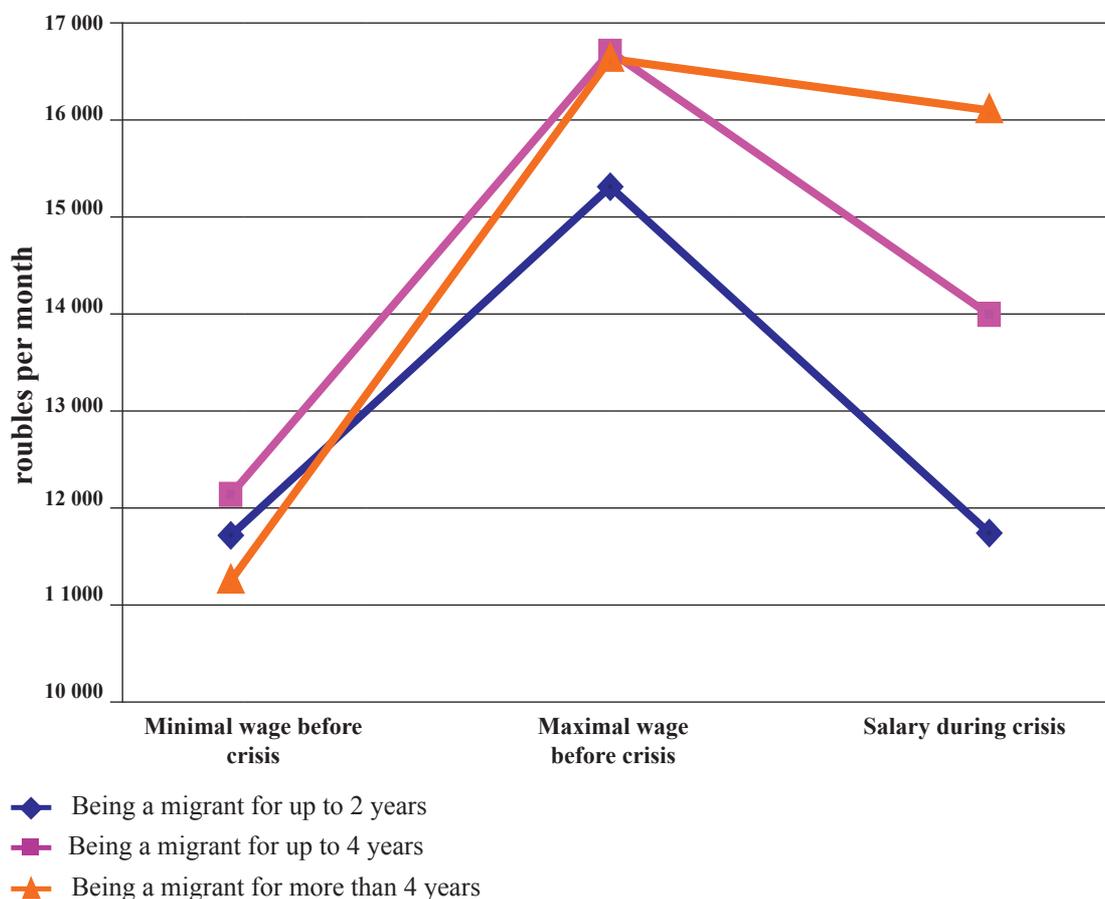
**Table 11. Main characteristics of migrants' wages before and during crisis, in thousands rubles per month**

	Wage before crisis		Wages during crisis
	Minimal at early stage of employment	Maximum during employment period	
Mean value	12, 1	16,3	13,6
Median	10,0	15,0	13,0
Maximum	35,0	50	36,0

As diagram 12 shows, a cut in wages that occurred during crisis mostly affected migrants living in host country for up to 2 years, and least so – migrants that have been staying for more than 4 years. This

is explained by migrants' professional development during their stay, employers' bigger interest in migrants that work uninterruptedly, and the latter' increased integration into the host society.

**Diagram 12. Labour migrants' salary level and duration of stay**

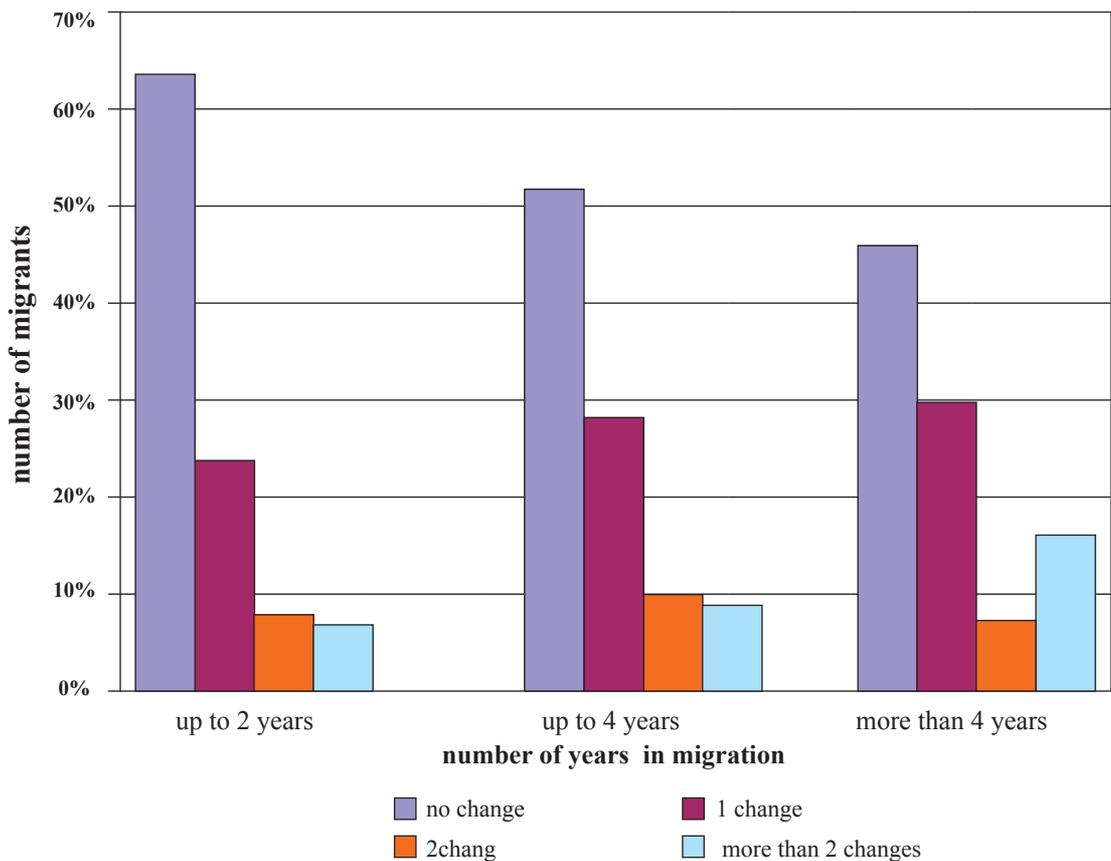


**Akmal, 20, returned migrant, Noshken village, Jalal-Abad**

*Worked at power saw at Sverdlovsk oblast just for 7 months. Returned in April 2009 because his salary was cut from 10-12 to 5-6 thousand Russian rubles. There is no job in his village. He is waiting till the crisis ends.*

A migrant's readiness to become mobile and flexible, to be able to change a job to a one with more benefits (higher salary, better working conditions, etc.) are the indicators of success factors for migrant's employment.

**Diagram 13. Dynamics of migrants' change of jobs per duration of stay**



Almost 2/3 of migrants working in Russia for more than 2 years did not change jobs, less than 1/4 change jobs once, and only 7% change them more than two times.

Migrants that work abroad for more than 4 years and have not changed jobs constitute less than half of their total number - 46%.

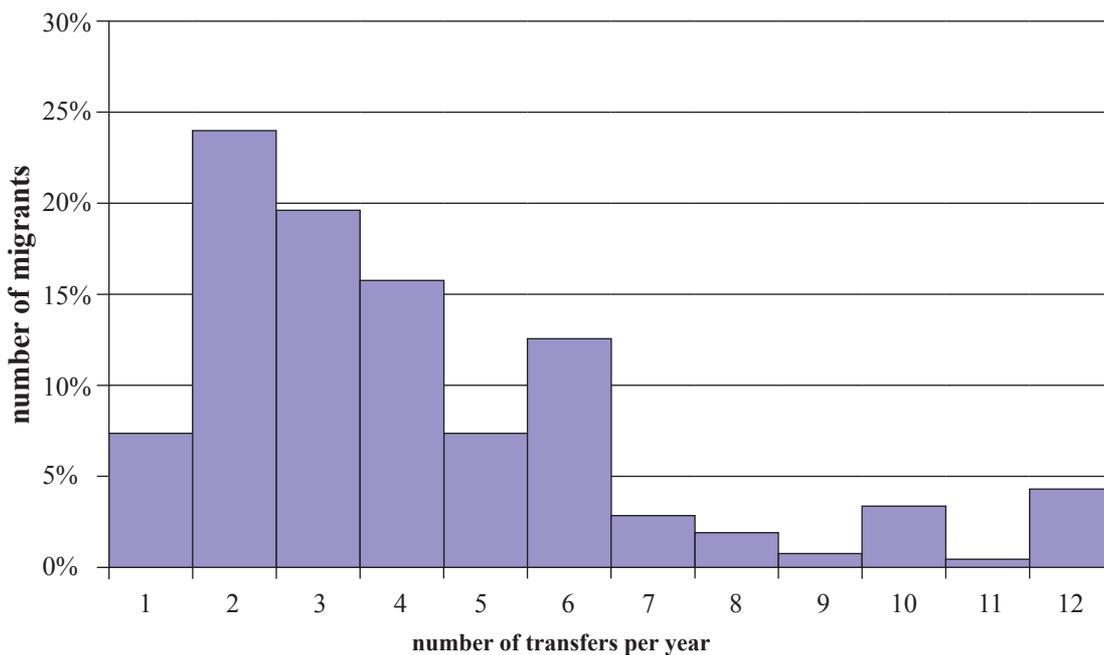
Thirty per cent of these migrants changed jobs at least once, while 16% changed them more than two times. In this context, mobile migrants that are flexible to change jobs, adapt better to crisis, as this is the most simple and affordable strategy used by them.

### 3.2.2. Migrant remittances

Kyrgyz Republic does not have relevant legal framework on migrant remittances. There are no legal constraints to amount of remittances, which is regulated by laws of a country from where these funds are sent or by internal rules of money transfer operators. Research conducted by ADB in 2006 showed that majority of migrants (78,5%) operate money transfers via commercial banks or their branches, i.e. legal channels, and that most part of remittances (78,2%) are sent to Kyrgyzstan via these channels<sup>55</sup>.

Due to the fact that the present survey was conducted only in those families that have migrant family members, who send remittances, it is evident that all these migrants made transfers before crisis. Average transfer amounted to 11 thousand rubles. The size of a one-time transfer varied from 1 to 100 thousand Russian rubles. Median and modal value amounted to 10 thousand rubles. In average, every migrant sent remittances 4.2 times per year.

**Diagram 14. Distribution of number of remittances' transfers in 2008.**



Average, median and modal values of remittances' share in total revenue before crisis constituted respectively 23%, 25% и 20%. Twenty four per cent of migrants sent home 30% or more of annual revenue.

<sup>55</sup>2007 ADB Report on "Labour migrants' remittances and poverty in the Kyrgyz Republic", ADB project on "Research on labour migrants' remittances in Central Asia and Caucasus".

**Mukhtar, 34, returned migrant, builds his own café together with relatives, Tash-Kumyr, Jalal-Abad**

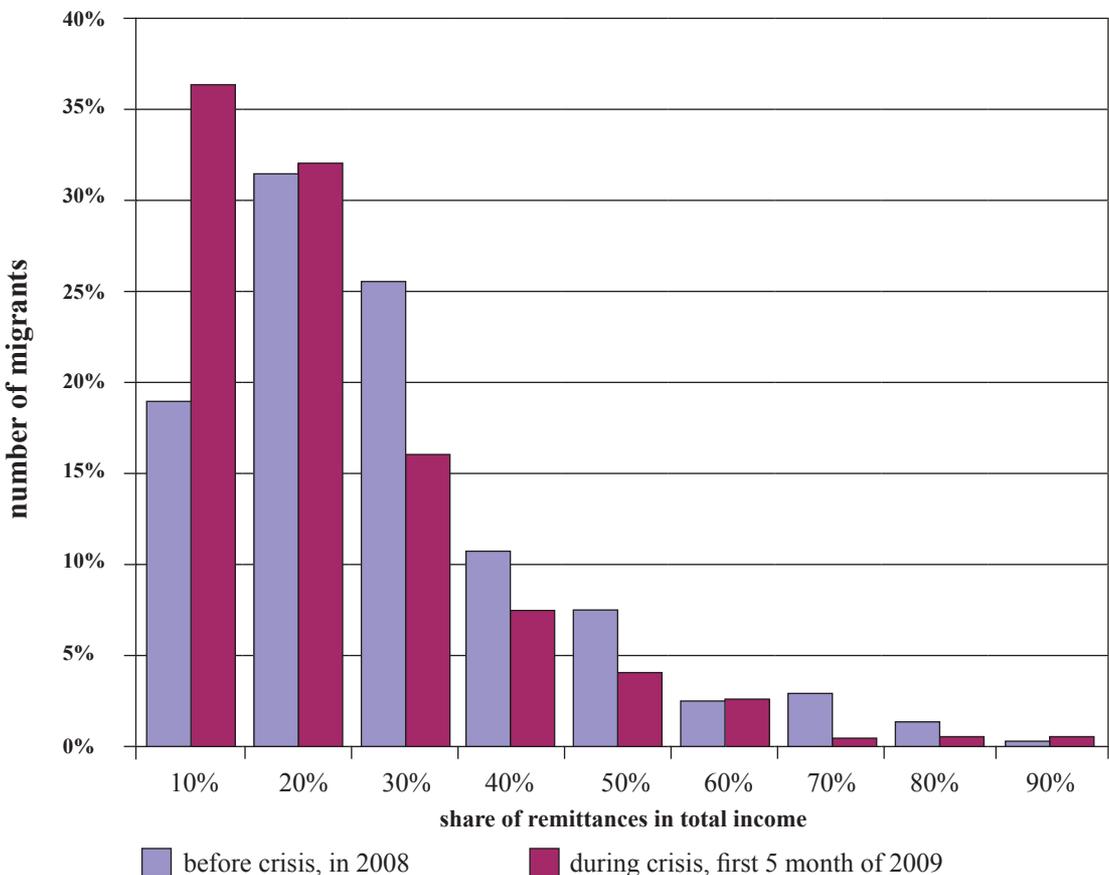
He worked at construction site in Orenburg. Gained 15 thousand rubles per month. Sent half of it to his family every month. Returned to Kyrgyzstan because work was suspended, and is waiting till he is invited to Orenburg again. But he would not agree to work for 15 thousand rubles while the exchange rate is so low.

**Bolot, 31, returned migrant, Tash-Kumyr, Jalal-Abad**

Built the “Solnechny” cottage town in Omsk. Returns home in winter periods Gained 30-40 thousand rubles per month. Heard that in Khabarovsk migrants gain more - 70-80 thousand rubles. Wants to go back for work in Russia after crisis.

The pattern of labour remittances changed during the crisis. The share of remittances in an aggregated 5-month income in 2009 is the following: average, median and modal values constitute 18%, 13% и 10% respectfully.

**Diagram 15. Share of migrants’ remittances in transfers per total income**



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In 2008 all migrants of this sample sent money home. In 2009, migrants that have not sent remittances during first 5 month of the year, constituted 16% of total number. Amount of transfers vary from 0.5 to 50 thousand Russian rubles.

#### ***Dokturbek, 43, works as market seller, Tash-Kumyr town, Jalal-Abad oblast***

*He worked at construction site in Moscow region. Earned 12 thousand rubles per month, and sent home 5t thousand per month. Salary was delayed during the crisis, and then Dokturbek was fired and did not get payment for last two months of work. If one is a Russian citizen, he is promised to get this salary, if not – there are no promises. If the exchange rate does not change after crisis, he will not go to Russia. His two sons are still in Moscow region and do not send money home. They will come back as soon as they earn enough money for a ticket.*

***Table 12. Comparative parameters of migrants' remittances***

<b>Parameters of migrants' remittances</b>	<b>2008</b>	<b>First 5 months of 2009</b>
Average transfer, in rubles	11 037	8 177
Median value of one transfer, in ruble	10 000	7 000
Median value of remittances' share in total revenue, %	25	13
Modal value of remittances' share in total revenue, %	20	10

Size of an average transfer decreased during crisis; at the same time remittances' share in migrants' total revenue became lower. These facts show that migrants could not send the same amounts of money home due to cuts in wages, loss of jobs and a search for a new one.

Diagram 16. Amount of remittances per transfer before and after crisis

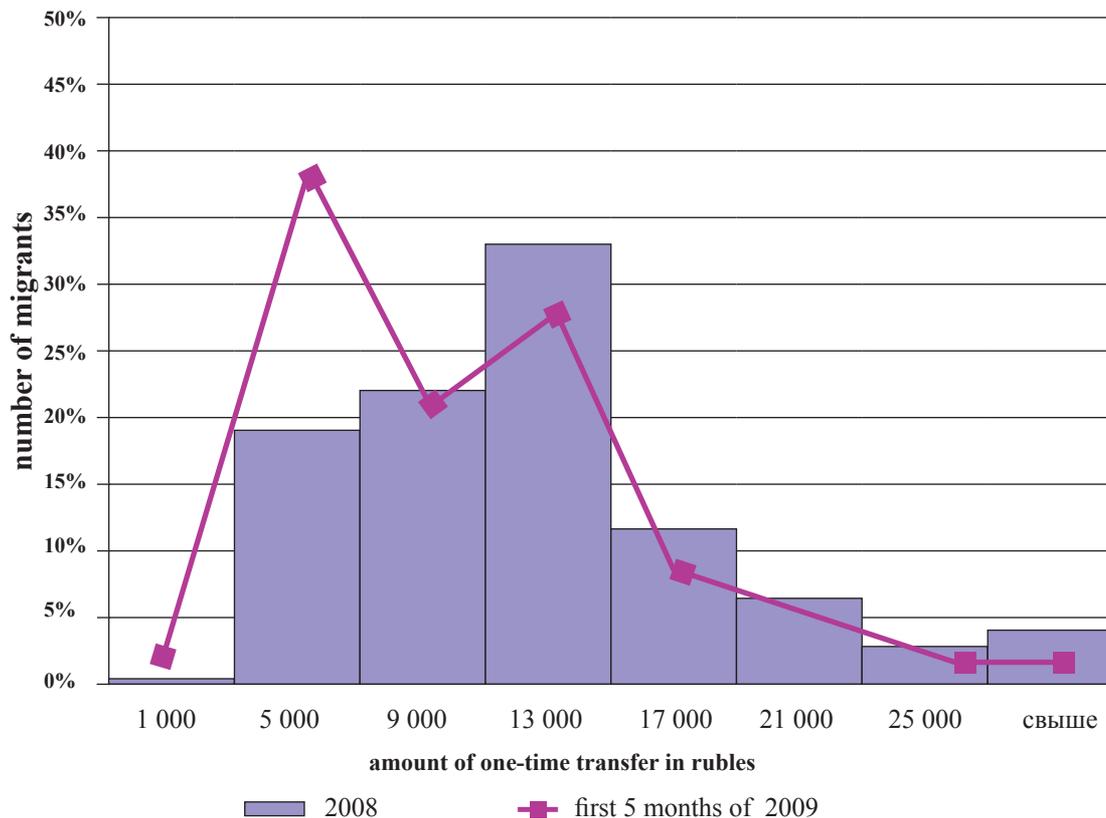


Table 13 shows total of migrants' remittances as per this sample

Table 13. Structure and amount of transfers

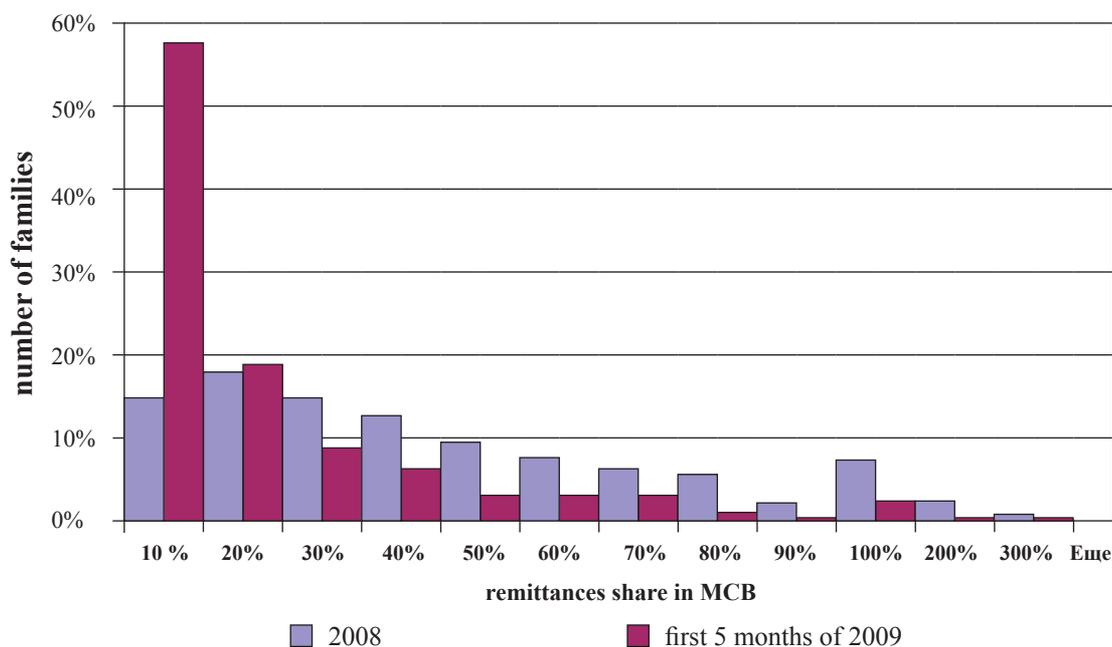
Structure of transfers	Currency		
	RUR	USD	KGS
Entire 2008	82%	16%	2%
First 5 months of 2009	83%	14%	3%
<b>Remittances' total, in суммасы, млн. сом</b>			
	<b>million KGS</b>		
Entire 2008	87,25		
First 5 months of 2009	13,21		

### 3. Quantitative analysis of changes in migration processes, caused by global financial crisis

The survey showed that total amount of remittances in 2008 constituted 87,250,000 Kyrgyz soms, and 13,210,000 Kyrgyz soms during first 5 months of 2009. If compared to the same period of a year, and equalize them to 5 months, with taking into consideration seasonal changes in transfers<sup>56</sup>, remittances decreased 2.17 times compared to the same period of 2008.

In order to define the relative amount of remittances and their objective impact on family well-being, one should analyze how the total annual amount of remittances, taking aside other revenues, contributes to annual minimal consumer budget (MCB) of a household. To define this figure, one should compare total annual amount of remittances to a family's annual minimal consumer budget in a given period.

**Diagram 17. Distribution of remittances' share in household's minimal consumer budget (MCB)**



In 2008, remittances covered more than half of MCB in 30% of households, without taking into consideration other revenues; in 8% of households, remittances covered more than total MCB. The crisis dramatically affected these indicators: 32% of households did not get any remittances

during first 5 months of 2009<sup>57</sup>; in 7% of households remittances covered more than half of MCB; and only in 2% of households they covered more than the total MCB.

<sup>56</sup>2007 ADB Report on "Labour migrants' remittances and poverty in the Kyrgyz Republic", ADB project on "Research on labour migrants' remittances in Central Asia and Caucasus".

<sup>57</sup>16% of migrants did not send remittances, and 16% of migrants returned to Kyrgyzstan, in comparison to 2008 data.

**Diagram 18. Compensation of MCB by remittances per size of migrant's family**

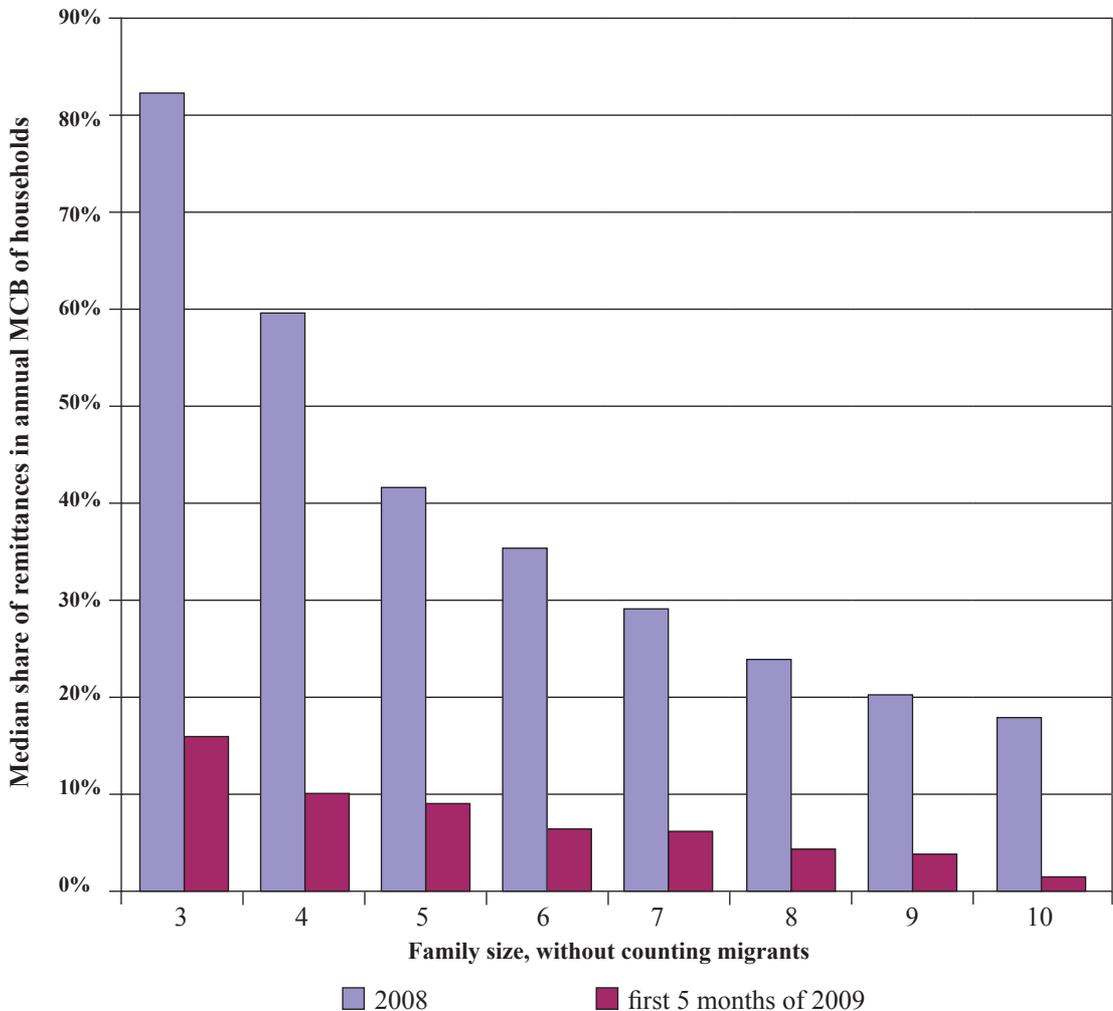


Diagram 18 shows that remittances' share in MCB decreases with the increase in family size. Data revealed that in 2008 in a household consisting of two family members, remittances covered MCB fully, while in households consisting of 7 members (in average), remittances compensated only 30% of MCB.

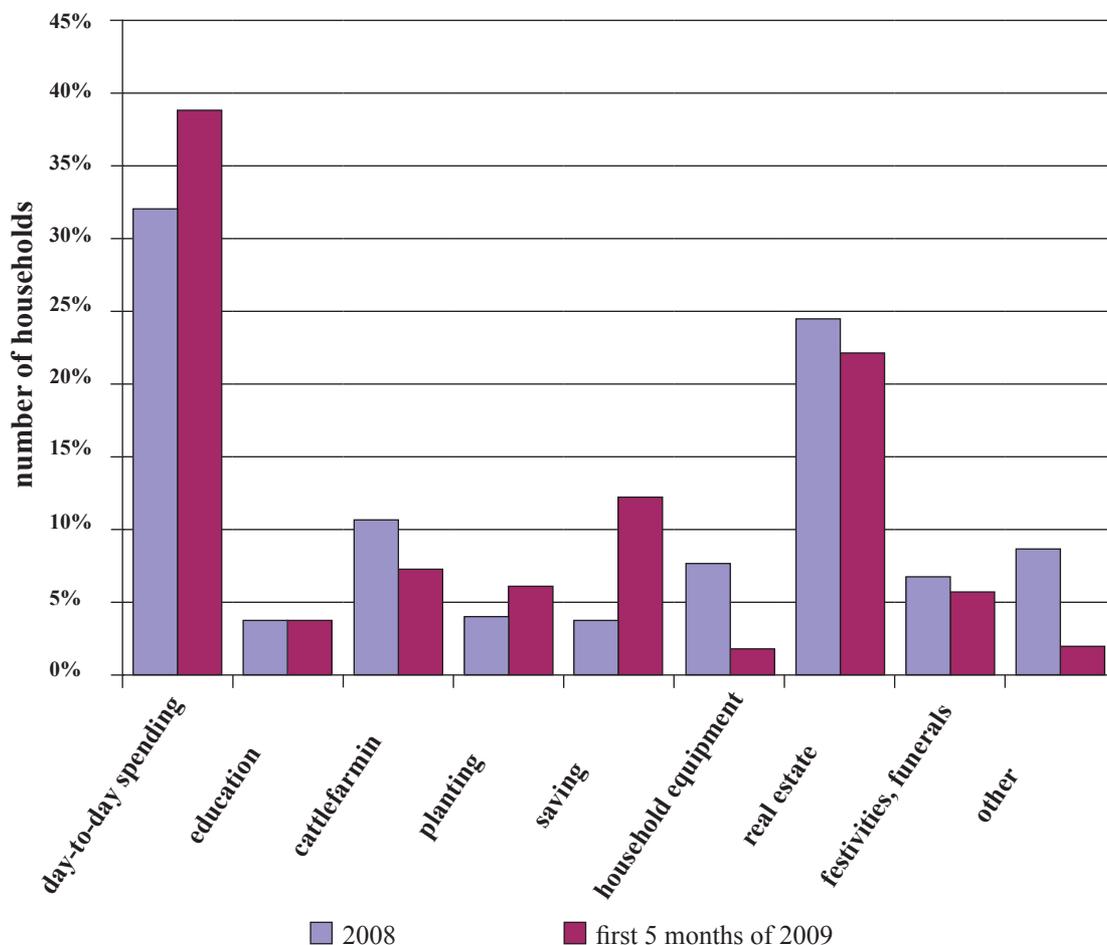
Households' spending (without taking into consideration spending amounts) also changed during crisis (see Diagram 19). Even by considering seasonal factor, in 2008, half of households spend remittances on real estate: its purchase, construction,

renovation, and rebuilding. During first 5 months of 2009 only 30% of households made real estate purchases. As for household equipment, only 20% of households bought it in 2008, while only 3% did so in 2009. With regard to savings, 7% of households did not spend remittances in 2008, with their number grown up to 20% in 2009.

**Zaurbek, 38, sells groceries (rice, sugar, chocolate, tea, etc.), Tash-Kumyr, Jalal-Abad oblast**

Earns 1000 Kyrgyz soms per week. It is not enough at all for a family of 6. Before the crisis he worked in Moscow for a year as a tiling worker. He got this job through a middleman – his neighbor. Zaurbek saved on food and accommodation and sent home 5 thousand rubles per month. He saved 70 thousand Kyrgyz soms. Then he was fired and came back to Kyrgyzstan. Zaurbek bought an old “Moskvich”, which he uses for transporting goods to the market. He would like to go to Moscow again when the crisis ends.

**Diagram 19. Spending in households—recipients of remittances**



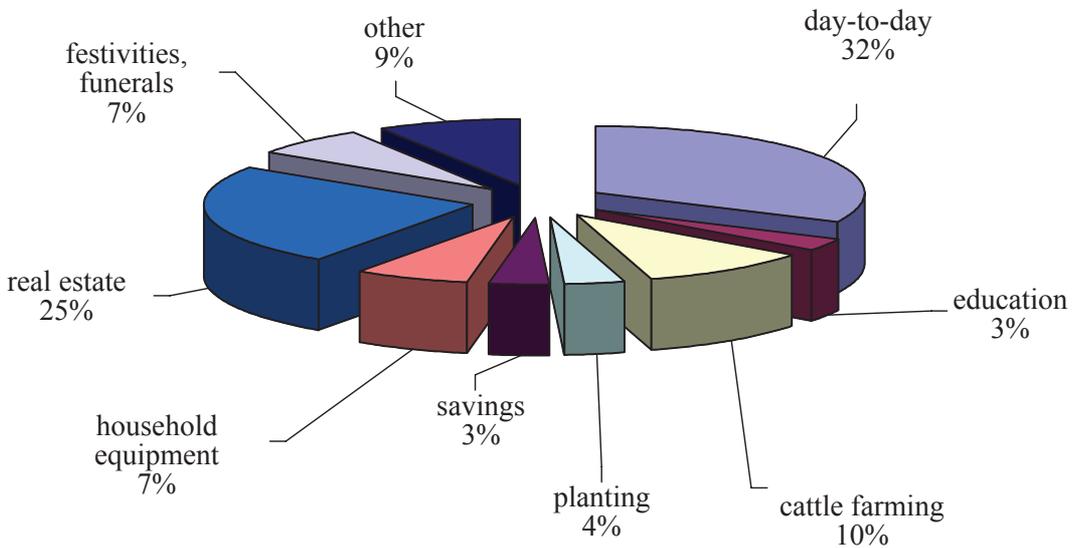
Comparing households’ spending before crisis and after its beginning (when remittances decreased) leads to definition of following patterns:

- Day-to-day spending increased, which suggests that households’ revenues decreased (under same circumstances);

### 3. Quantitative analysis of changes in migration processes, caused by global financial crisis

- Spending on household equipment with long period of use decreased;
- Real estate spending remained at the same level (according to migrants, these are expenditures related to finishing of constructions or refurbishment);
- Payments for contractual education remained at the same level, which is caused by contract obligations;
- Spending on festivities and funerals is at the same level, too, regardless of crisis;
- Spending on “other” (i.e. medical treatment, vacations, mainly for parents) decreased;
- Households spend relatively less and thus save more funds.

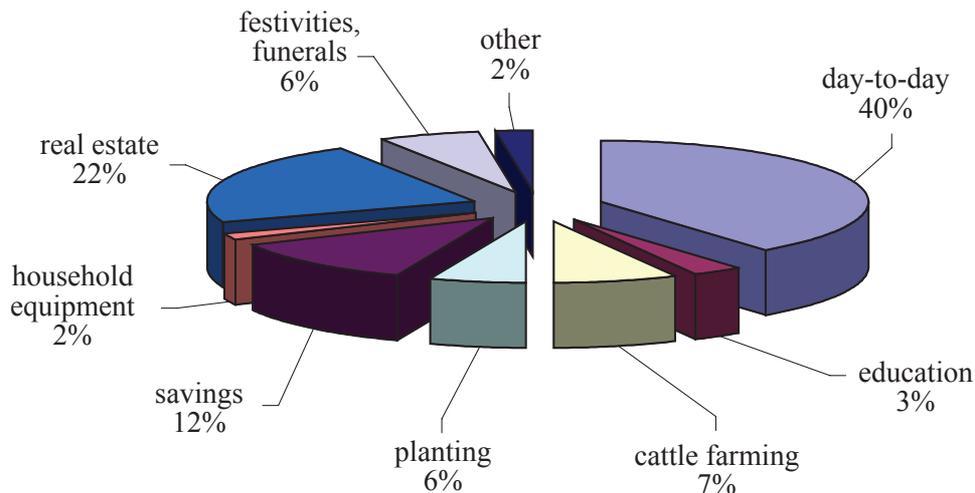
*Diagram 20. Spending of remittances by households before crisis*



#### ***Osmon, 31, returned migrant, Uzgen, Osh oblast***

*Worked as a bricklayer in Moscow for 1.5 years. Returned in October 2008, due to completion of the construction project. Gained 20 thousand rubles per month. Through the whole period of stay he transferred 60 thousand rubles, which his family spent on food.*

**Diagram 21. Spending of remittances by households during crisis**

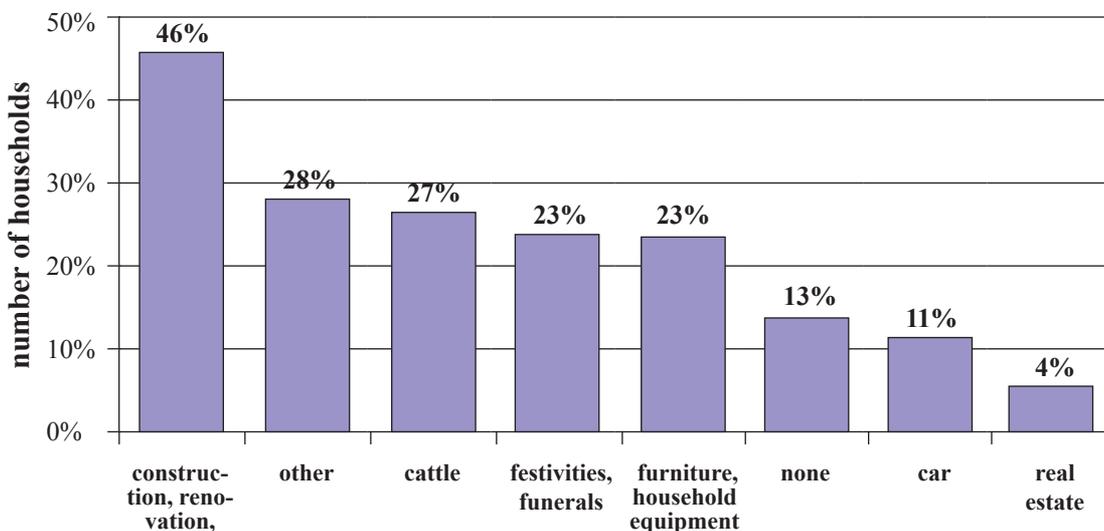


**Guzal, 59, retired, seller at market, Khaidarkan town, Batken oblast**  
 5 of my 7 children work in Russia. We lived on our childrens' remittances: bought medicine, paid for medical treatment for my husband, constructed a house for our eldest son. Now we economize on everything, even on food. I was obliged to go to work at market.

Respondents' replies on households- recipients' overall spending should be distinguished from replies on targeted use of remittances in the spending. Diagrams 22 and 23 show aggregated replies on significant spending with use of remittances. Every tenth

respondent bought a car using remittances, almost every fourth respondent bought real estate. 12,6% of respondents provided "none" as an answer, which can be interpreted as spending on day-to-day consumption and not buying any significant goods.

**Diagram 22. Targeted spending of migrant remittances, %**



### 3. Quantitative analysis of changes in migration processes, caused by global financial crisis

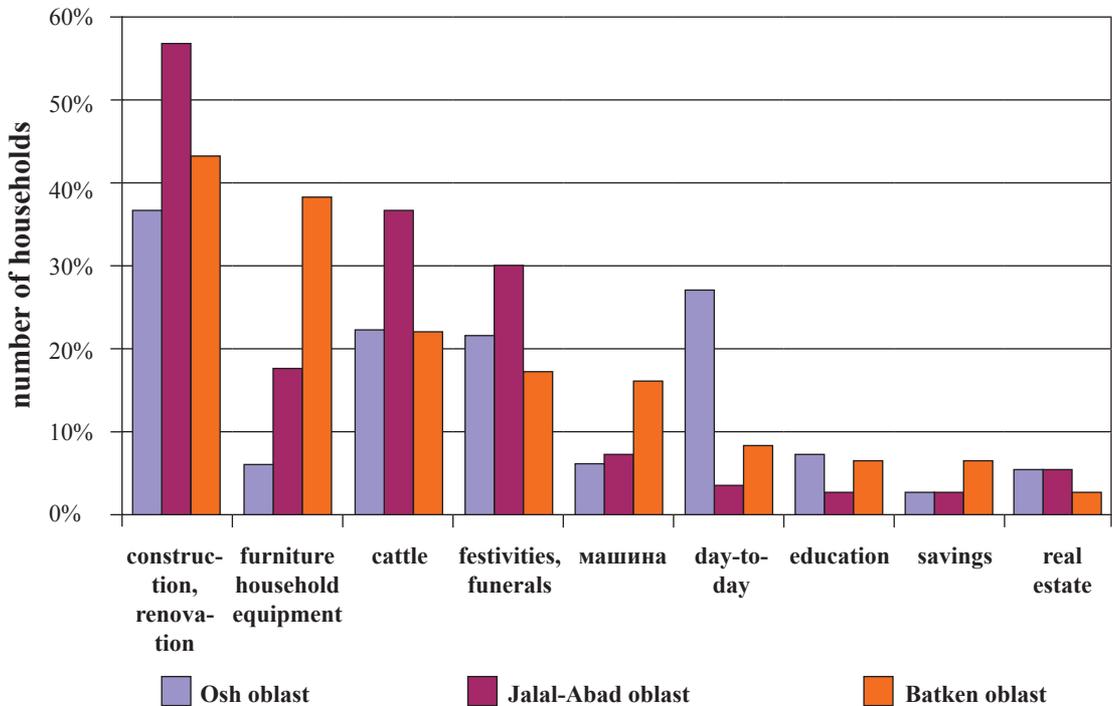
Migrants' remittances were specifically used for construction and renovation, purchase of cattle and household equipment, furniture and festivities.

#### **Muratbek, 35, returned migrant, Osh**

*Worked in Kazan with a team of 30 workers (mostly from Osh) that renovated apartments. Gained 25-30 thousand rubles and sent home 10-15 thousand rubles per month. A year later took his wife to Kazan, where she worked at a market. On earned money they bought an unfinished house, completed it and bought a car. If they did not go to work abroad, they would not have been able to buy all these items even in 20 years.*

Targeted use of migrants' remittances differs per oblasts. Households in Jalal-Abad oblast are the leaders in spending remittances on construction and renovation; these are principally the main expenditures types in the entire region.

**Diagram 23. Significant expenditures with use of migrants' remittances, per oblasts, %**



Jalal-Abad oblast households significantly differed from other oblasts' households in terms of cattle purchase and festivities/funerals. One-third of Osh oblast households differed from other oblasts' households in spending on day-to-day needs. Batken oblast households preferred to spend remittances on furniture and household equipment.

### 3.2.3. Behavioral strategy

Respondents judge crisis consequences in light of their own well-being. Seventy per cent of interviewees said that crisis led to a noticeable deterioration of their well-being. As per oblasts, deterioration was mentioned by 66%, 86% and 55% of respondents in Osh, Jalal-Abad and Batken oblasts respectively.

#### *Single monthly allowance (SMA)*

The survey tested the following hypothesis: if crisis lasts longer, then a part of families (which could have benefited from a single monthly allowance, but do not receive it due to the fact that they get remittances) will be eligible for the SMA. Interviews revealed the following pattern:

- 21.5% of families currently receive SMA;
- 22.3% of families replied that they would apply for SMA (0,8% do not receive it at present);
- 5.5% of families said they would not apply for SMA, but that they are sure they are eligible for it;
- 6.3% found difficulty in replying.

Upper risk boundary (in case if crisis lasts longer), therefore, consists of 12.6% of families – additional prospective applicants to SMA..

#### *Assistance to migrants by government and nongovernmental organizations*

The survey contained questions on migrants' awareness on engagement of Russian and Kyrgyz governmental and non-governmental organizations into solving migrants' problems and how this assistance is needed by the latter. Replies revealed a sad statistics on the level of migrants' and their families' awareness on potential sources of support. More than 97% of respondents provided "do not know any organizations that could provide support"

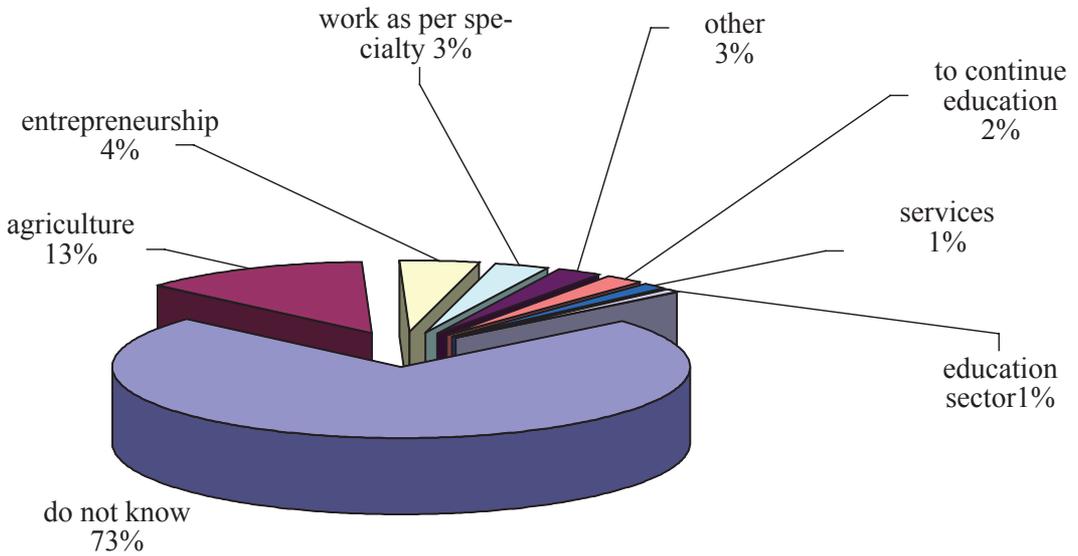
as an answer. Despite all efforts made by the SCME as for its capacities in providing support to migrants, the latter do not expect much. The same applies to the Embassy of Kyrgyzstan to Russia. Respondents did not mention any relevant Russian organizations. It can be concluded that migrants count only on themselves and on friends, relatives, fellow villagers and fellow country men, in exceptional cases.

It is also regrettable that public Kyrgyz organizations abroad (i.e. diasporas), which are entitled with social responsibility by Kyrgyz authorities, are perceived by migrants as being inefficient in providing support.

#### *Attitudes of migrants' families to their return*

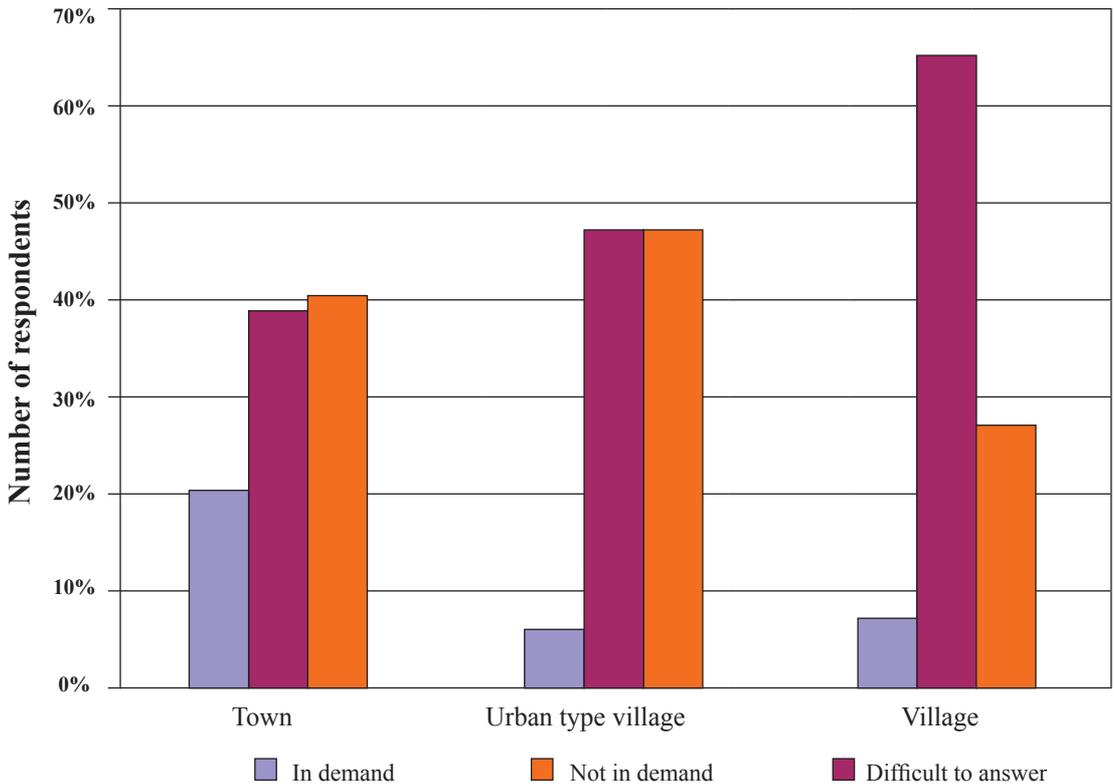
It is evident that family members left at home are worried about their migrant family members and miss them. There are a number of studies that provide evidence on social and psychological problems caused by migration and on the consequences that occur in divided families. It might be assumed that relatives could insist on migrant family member's return home during crisis. The survey, however, showed that 53% of respondents do not advise their migrant relatives to come back home during crisis, 7% found difficulty in replying, and 40% of interviewees recommended their family members to return home until the crisis end. Only 10% of the respondents that advised their family members to come back home, are sure that there are similar jobs available in their localities. Advice and choices for occupations, in the event of the migrant's return, are shown in Diagram 24.

**Diagram 24. Proposals on occupation in case of migrant's return**



The diagram shows that 73% of relatives in their localities, in case their migrant do not know about any opportunities family members come back home.

**Diagram 25. Local demand in occupation that migrant had in Russia**



### 3. Quantitative analysis of changes in migration processes, caused by global financial crisis

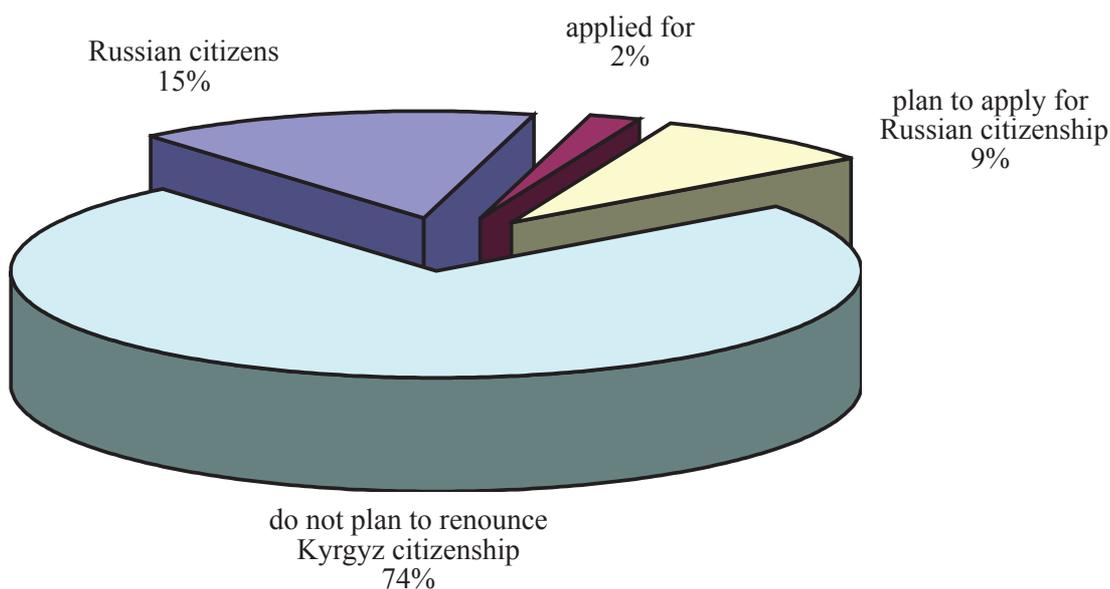
Diagram 25 shows responses on local demand in labour migrant's occupation. Migrants from oblast capitals are in a better position, due to the fact that most Kyrgyz migrants work in large Russian cities and that their acquired skills might be in demand in Kyrgyzstan. Migrants from small towns and villages are in a worse situation, since there are limited opportunities and no demand for special skills in their localities. It can be assumed that most of migrants would become internal migrants in Bishkek and Osh upon return. In general, according

to the responses, 10% of returned migrants will be able to find job according to their skills, 56% of migrants will not be able to do so, while 34% of respondents found difficulty in replying.

#### *Implementation of Russian migration laws*

One-fourth of respondents said Kyrgyz migrants minimized the risk of losing jobs by taking the serious decision to change their citizenship.

**Diagram 26. Acquisition of Russian citizenship by Kyrgyz citizens**



#### ***Karim, 34, Nookat, Osh oblast, Uzbek makhalya***

*Came home for a visit, to have rest and to see parents, lives and works in Irkutsk for 5.5 years, was granted Russian citizenship. Has a shop in Irkutsk market, employs 4-5 workers. His brothers acquired Russian citizenship, too, and work in Yakutia. They are not planning to return to Kyrgyzstan due to lack of opportunities there.*

*For a long-term employment in Russia, Kyrgyz citizens must always renew registration and work permits and cross Russian border once per year.*

*This is why it is better to acquire Russian citizenship. It makes things a lot easier.*

*Russian language is needed to get a job. His acquaintances in Irkutsk are first taught Russian upon arrival. Average salary is 15-20 thousand rubles. There is a difference between salaries for Russians and non-Russians. Labour migrants mostly work as loaders and shop drivers.*

The survey showed that the absolute majority of migrants (95%) in this sample had work permits, 15% had residence registration, which corresponds to the number of migrants that have Russian citizenship; and 83% have temporary registration. Diagram 26 shows that 26% of migrants choose to acquire Russian citizenship in order to become more secure while working abroad.

#### *Migrants' plans*

During the survey period a portion of the migrant group were surveyed at home, including those who waited until crisis is over and those who returned permanently. Average duration of stay of returned migrants is 3 months. Migrants were asked about their current occupation and their plans for future. Migrants answers are presented in Table 14.

**Table 14. Current and planned occupation of returned migrants**

<b>Current occupation</b>	<b>Number of migrants, %</b>	<b>Planned occupation</b>	<b>Number of migrants, %</b>
Unemployed	49	Work in Russia	51
Agriculture	26	Agriculture	18
Work, including work at markets	14	Work, including work at markets	10
Household duties	5	Household duties	2
Vacation	4	Education	2
Medical treatment	2	Medical treatment	1
Education	2	Do not know	16

Table 14 shows that all unemployed migrants plan to return to Russia. Occupation they currently exercise is not desirable in the long-term, which leads to insecurity in availability of opportunities in future. It can be assumed therefore that these migrants would become migrants again.

***Sapar, 46, returned migrant, self-employed taxi driver, Tash-Kumyr town, Jalal-Abad,***

*Worked as loader at a small plant for 6 years in Novosibirsk. Gained 15 thousand Russian rubles per month. Sent money home only per requests (cattle, funerals). Bought a car that he uses as taxi now. As soon as crisis ends, many will go to Russia again, because there are no jobs here.*

***Burul, 48, migrant wife, sells vegetable at market, Kyzyl-Kiya town, Batken oblast***

*Has 5 children. Husband came back from Moscow where he worked for 2 years. He does not know Russian very well. Gained 10-15 thousand rubles, sent 5 thousand rubles home every month. Unemployed now and drinks alcohol. Market sales decreased compared to last year's situation. People have less money.*

**3.2.4. Distributional effect of global financial crisis**

The crisis affects various socio-demographic groups of migrants and their families differently. This chapter aims at an analysis of the crisis' factors affecting the survey respondents.

Interviews and field studies showed that the crisis brought about negative consequences for all migrants, without exception: they lost jobs, received reduced salary, worked more hours without salary increase, had less days off, and are subjected to other discriminative measures.

Quantitative analysis of field study data allows us to assess distributional effect of the crisis with the following relative indicators:

- correlation of pre-crisis salary to crisis-period salary;
- correlation of pre-crisis remittances' transfer to crisis-period transfer;
- remittances' share in migrant's salary before crisis;
- remittances' share in migrant's salary during crisis.

The abovementioned indicators were

analyzed according to factors whose sensitivity was defined by the following migrants' groups:

- gender;
- Russian citizenship;
- level of Russian;
- level of education;
- household's main source of revenue.

In order to solve the problem, the authors used the T-test, by comparing average indicators of two samples at significance value of 10%, and by conducting a preliminary test on equality of dispersion. Results of calculations are shown in Annex 5 tables.

*Gender*

There were no gender-related differences revealed in average indicators, except in "remittances' share in migrant's salary before crisis". Men sent more remittances before crisis than women: 23% and 20% respectively before crisis, and 13% and 13% respectively during crisis (see Table 1, Annex 5).

**Table 15. Median salary and remittances values per gender, in thousand rubles**

Indicator	women	men
Pre-crisis salary per month	15	16
Salary per month during crisis	12	13
Average amount of transfer before crisis	10	10
Average amount of transfer during crisis	6	7

#### *Russian citizenship*

In order to reveal differences in given indicators, the following groups of migrants were chosen: migrants that acquired Russian citizenship and those that do not plan to renounce Kyrgyz citizenship. It should be noted that the group of migrants which have

Russian citizenship includes migrants that became Russian citizens very recently and have not yet used this advantage fully. Due to the abovementioned factor, there were no substantial differences revealed between the groups (Table 2, Annex 5).

**Table 16. Median salary and remittances values per citizenship, in thousand rubles**

Indicator	Russian citizen	Do not plan to change citizenship
Pre-crisis salary per month	18	15
Salary per month during crisis	15	12
Average amount of transfer before crisis	10	10
Average amount of transfer during crisis	8	7

#### *Knowledge of Russian*

For this test two categories of migrants were chosen: the first – migrants that speak Russian fluently, the second – those with average knowledge of Russian. The analyzed criteria revealed differences in crisis' impact on two indicators: remittances' decrease and change of remittances' share in migrant's salary during crisis. Remittances mostly decreased in the group of migrants with average knowledge of Russian, compared to the group of fluent speakers. Migrants with average knowledge of Russian transferred home in average 26% less of remittances, while those with good fluency transferred 10% less. Consequently, during crisis remittances' share in salary of migrants

speaking Russian fluently amounted to 17%, while for those migrants with limited knowledge of Russian it constituted 10% (Table 3, Annex 5).

**Table 17. Median salary and remittances values per knowledge of Russian language, in thousand rubles**

Indicator	Fluent	Limited
Pre-crisis salary per month	18	15
Salary per month during crisis	15	11
Average amount of transfer before crisis	10	10
Average amount of transfer during crisis	10	6

*Level of education*

In order to reveal differences between the given indicators, the following categories of migrants were chosen: those that have secondary education and those that have professional education (without dividing it to higher and vocational education). Calculations showed that the crisis mostly

affected migrants with secondary education; that remittances' amounts decreased equally in two groups; and remittances' share of the migrant's salary during the crisis differs per groups. Migrants with secondary education send less money 12% home, while those with professional skills send 16% less than before crisis. (Table 5, Annex 5).

**Table 18. Median salary and remittances values per level of education, in thousand rubles**

Indicator	Professional education	Secondary education
Pre-crisis salary per month	17	15
Salary per month during crisis	15	12
Average amount of transfer before crisis	10	10
Average amount of transfer during crisis	8	7

*Household's main source of revenue*

In order to verify differences in crisis impact on recipients of remittances, through analysis of responses on the main source of household's revenue, following categories were chosen: migrants from households where remittances constitute the major share of total revenue, and migrants from those households where remittances are not major part of revenue. Although this division does not fully characterize a migrant himself, it can nevertheless analyze the level of responsibility a migrant feels towards family members left home. Calculations showed that crisis impacted given groups equally in terms of salary cuts and decrease in remittances. It is true that the crisis does

not affect reasons for sending money home. There is a difference in remittances' shares per salary amounts in given groups, which can be explained by different migrant behavioral strategies during the crisis. Migrants from households that strongly depend on them, save on everything and send most of earnings home, than migrants from households that do not depend on remittance that much: respectively 24% and 21% before crisis; 15% and 10% during crisis (Table 4, Annex 5).

**Table 19. Median salary and remittances values per household's main source of revenue, in thousand rubles**

Indicator	Main source of revenue	
	Remittances	Other
Pre-crisis salary per month	17	15
Salary per month during crisis	14	12
Average amount of transfer before crisis	10	10
Average amount of transfer during crisis	10	6

The analysis conducted is mostly single-factor. The more detailed information based on migrant's salary as an indicator of

migrant's security before and during crisis, can be derived from an analysis of the common impact of several factors.

**Table 20. Comparative analysis of migrants' characteristics in upper and lower decile groups, per salary level**

	Upper decile group (salary during crisis > 20 000 rubles)			Lower decile group (salary during crisis < 8 000 rubles)		
	Average	Median	Modal	Average	Median	Modal
Age	34	31	30	28	26	23
Years of being in labour migration	3	2	2	2	1	1
Knowledge of Russian		Жакшы	Жакшы		Жакшы	Жакшы
Education			Жогорку			Орто
Average earning per month upon arrival, in rubles	16 000	15 000	15 000	9 000	8 000	10 000
Maximal average earning per month, in rubles	24 000	25 000	25 000	11 5000	10 000	10 000
Earning per month during crisis, in rubles	25 000	25 000	24 000	5 600	6 000	7 000
Activity sector	Services			Services		
Number of jobs changed		2	2		1	1
Amount of transfers per year before crisis	5	4	4	3	3	2
Amount of average transfer before crisis, in rubles	14 000	13 000	10 000	8 700	7 200	5 000

### 3. Quantitative analysis of changes in migration processes, caused by global financial crisis

<b>Number of transfers since early 2009</b>	1	1	1	1	1	1
<b>Amount of transfer during crisis, in rubles</b>	11 400	10 000	10 000	4 800	4 000	2 000
<b>Citizenship</b>	Half are Russian citizens			5 times less Russian citizens than Kyrgyz citizens		

Table 20 provides descriptive statistics that create a general profile of migrants from two extreme decile groups, per salary levels during crisis. Lower decile group refers to salary level of less than 8 thousand rubles (during crisis), the upper one relates to salary level of more than 20 thousand rubles (during crisis).

It is worth mentioning that regardless of age, education and citizenship, first occupation (upon arrival) is almost the same for migrants from two groups. These are traditional jobs taken by Kyrgyz migrants: driver, loader, dishwasher, handyman, seller, construction worker, guard, cleaning lady. Upon some adaptation period and change of

job, some unusual occupations appear in the upper decile group: medical doctor, cashier, mechanic, moulder, butcher, carpenter, publicity agent, and metalworker. On one hand, most of these jobs can not be exercised by persons without special education; on the other hand, migrants' earlier arrival in many cases downplayed crisis' impact.

The following conclusion, therefore, can be derived from the analysis: a set of factors – being a labour migrant for more than 2 years, knowledge of Russian, professional education and Russian citizenship considerably downplayed crisis' impact on migrants and their families.

# CONCLUSION

The following conclusions on the impact of the global financial crisis on migration and associated phenomena may be derived from the study:

From desk study and interviews with experts and migrants:

1. The Russian Federation toughened its migration legislation affecting Kyrgyz migrants in the following manner:

- reduction of quotas for foreign labour force;
- impermissibility to work in retail trade;
- complication of procedures for legal employment of foreign labour force for employers;
- considerable increase of fines imposed on employers that violate the rules of employment of foreign citizens;
- collection of 30% tax on physical person revenue from non-residents;
- twofold work permit registration per year in FMS branches.

2. Crisis brought about negative consequences for all migrants, without exception: they lost jobs, receive reduced salary, work more hours without salary increase, have less days off, and are subject to other discriminative measures. However, there is a demand in Kyrgyz workers, and equally there are causes for emigration from Kyrgyzstan.

3. Employment via information and consultative centers and private employment agencies is suspended, since there are no official applications from honest employers. Data base of potential labour migrants is being expanded.

4. Subject to quota specifics, employers pay particular attention to migrants' skills (as stated in documents certifying

professional qualification). Due to unequal qualification titles in Kyrgyz and Russian documents, part of migrants is compelled to take up unskilled and low-paid jobs or work illegally.

5. The authors noted increased efforts by regional OCME in registration of Kyrgyz labour migrants. This activity, however, is unsystematic in nature and has different methodologies; its results highly depend on capacity of OCME staff.

6. Information provided by labour migrants abroad and those returned home, on difficulties in getting a job, on salary cuts and arrears in their payment, on decreased currency exchange rate, to a certain extent holds back intentions to migrate, by putting some prospective migrants in "standby mode".

7. Migration created incentives for development of certain businesses both in Kyrgyzstan and Russia. Some of the services are intended for migrants themselves (e.g. railway and air tickets, passenger transfers, etc.). There are also specific services on issuance of permits, which benefited from crisis: price for a package of legal documents in Moscow increased from 7 to 15 thousand rubles. Other type of services relate to following: money transfers via commercial banks, construction teams, sale of construction materials, transportation and sale of used cars and their refurbishment, catering services for festivities, etc. These services were affected by crisis the most. Some businesses are illegal and mostly relate to false permits and acquisition of Russian citizenship.

8. According to experts, global financial crisis, migrants' return and lack of worthy

employment opportunities in Kyrgyzstan, may regenerate some phenomena that have been in recession since 2005:

- interest towards politics;
- crime wave, compared to crime decrease during previous active labour migration;
- drinking and domestic violence;
- enhanced “Hizb-ut-Tahrir” activity;

9. During crisis migrants choose one of the following behavioral strategies, in order to mitigate the crisis’ consequences:

- acquisition of Russian citizenship;
- change of job place within Russia;
- illegal activity in Russia;
- return to Kyrgyzstan and waiting until crisis end.

10. A returning migrant will face difficulties as for lack of proper employment opportunities, which is relevant to those who had worked for some time in Russia; and lack of demand in special skills that migrant gained abroad. Kyrgyz countrymen that acquired Russian citizenship will face barriers to legal employment and stay.

11. Migrant remittances influence the macroeconomic situation in Kyrgyzstan. According to National Bank of Kyrgyzstan, remittances to Kyrgyzstan (from all over the world) decreased by 11.1% in the first half of 2009, compared to the same period of 2008. Data by Russian Central Bank show a more significant decrease: remittances from Russia to Kyrgyzstan decreased by 25.7% during the abovementioned period.

12. The crisis cuts in migrant remittances dramatically affected macroeconomic situation in Kyrgyzstan as per following areas:

- decrease of consumption rates;
- decrease of imports;
- decrease of state budget revenue from taxes;
- KGS-USD devaluation.

It is noteworthy, however, that there are internal and external factors (besides remittances) that affect macroeconomic situation.

#### **From field study analysis:**

1. There are no exact figures on number of returned migrants, although respondents’ opinions show that there is a migrants’ return. The exact number of returned migrants could not be derived due to the fact that there is a seasonal migration, and a visa-free regime between sending and receiving countries. The survey proved that there is no massive return of migrants. 10% of migrants returned to Kyrgyzstan due to crisis, 60% of them plan to go back to Russia upon crisis’ end.

2. For 53% of households remittances constitute the main source of revenue (60%).

3. Migrants’ salary decreased by 20%-30% in average, while the amount of remittances’ decreased by 25%-40%; and remittances’ share in salary – from 25% to 13%.

4. The crisis salary cuts mostly affect migrants that have been working less than two years in Russia, and less – those who have been staying there for more than 4 years.

5. In 2008, remittances covered more than half of minimal consumer budget (MCB) in 30% of household’s; in 8% they covered more than MCB. Crisis affected this pattern: within first 5 months of 2009, 32% of households did not receive transfers; in 7% of households remittances covered more than half of MCB; and only in 2% of households they did cover all MCB.

6. According to the survey, 21,5% of families benefit from the single monthly allowance; if the crisis lasts longer, about 12,6% of families may count on the allowance.

7. 53% of relatives do not advise their migrant family members to return home because of the crisis; 73% of relatives can not think of opportunities for their migrant family members in their localities, if latter returns.

8. Migrants from families that strongly depend on remittances save on everything and send more money home during crisis than before, compared to migrants from less dependant households.

9. The crisis affects various groups of migrants and their family members differently. The study showed that the crisis' consequences are considerably downplayed by a migrant's stay abroad for more than two years, by better knowledge of Russian, professional education and acquisition of Russian citizenship.



# ANNEXES

## Annex 1

### Information on interviews

Region	City	Village	Remote interview with migrants and their families	Interviews with civil servants, local authorities and experts
<b>KYRGYZ REPUBLIC</b>	11	17	54	36
<b>Northern part</b>	4	10	27	18
Bishkek	1		5	5
<b>Chui oblast</b>				
Tokmok	1		2	2
Alamedin district		2	3	1
Jaiyl district		2	3	1
Panfilov district		2	3	2
Issyk-Ata district		2	4	1
<b>Naryn oblast</b>				
Kochkor	1		2	1
Kochkor district		2	2	2
Naryn	1		3	3
<b>Southern part</b>	7	7	27	18
<b>Batken oblast</b>				
Kyzyl-Kiya	1		2	1
Kyzyl-Kiya district		1	2	1
Khaidarkan	1		2	2
Khaidarkan district		1	2	
<b>Osh oblast</b>				
Osh	1		4	5
Nookat district		2	3	1
<b>Jalal-Abad oblast</b>				
Jalal-Abad	1		2	2
Uzgen	1		2	1
Uzgen district		1	2	1
Suzak	1		1	2
Suzak district		2	2	1
<b>Tash-Kumyr</b>	1		3	1
<b>RUSSIA</b>	<b>3</b>		<b>16</b>	<b>13</b>
Moscow	1		8	7

Yekaterinburg	1		8	5
Zarechny, Sverdlovsk oblast	1			1
<b>TOTAL</b>	<b>14</b>	<b>17</b>	<b>70</b>	<b>49</b>

## Annex 2.

*List of localities and number of respondents*

	Oblast	District	Village community	Town\Village	Number of respondents
1	Batken oblast	<i>Batken</i>		<b>Batken town</b>	<b>100</b>
2			Suubashy	Bozadyr	6
3				Karatokoi	6
4				Apkan	6
5				Bojoi	6
6			Tortgul	Akturpak	6
7				Zartash	6
8				Chongara	6
9				Chontalaa	6
10			Kyshtut	Kyshtut	6
11				Sogment	6
12				Taiyan	6
13				Gaz	6
14				Sai	6
15				Charbak	6
16			Karabak	Dobo	6
17				Uchdobo	7
18				Karabak	6
19				Kyzylbel	12
20				Dostuk	6
21				Rautkaut (Karabak)	12
22			Samarkandek	Janybak	6
23				Paski Aryk	6
24				Samarkandek	12
25		<i>Leilek</i>	Leilek	Leilek	6
26				Korgon	6
27				Choiyunchu	6
28				Akterek	7
29				Kara-Suu	13

## ANNEXES

	Oblast	District	Village community	Town\Village	Number of respondents				
30			Katran	Katran	7				
31				Ozgorush	6				
32				Baul	7				
33			<i>Kadamjai</i>	Alga	<b>Kadamjai town</b>	<b>58</b>			
34					Alga	6			
35					Adyr	7			
36					Shakshak	6			
37					Shybran	6			
38					Chunkurkyshtak	7			
39					Akturpak	Kyzylkorgon	6		
40						Akturpak	6		
41						Minchinar	7		
42						Orukzar	7		
43						Jashtilek	6		
44						Janyjer	7		
45						Chonkara	6		
<b>TOTAL</b>						<b>450</b>			
46					<b>Jalal-Abad oblast</b>	<i>Bazarkorgon</i>		<b>City of Jalal-Abad</b>	<b>100</b>
47		<b>Kochkor-Ata town</b>	<b>57</b>						
48	Mogul	Ogantala	10						
49		Charbak	11						
50		Kyzylsuu	9						
51		Koktondu	11						
52		Karaoi	11						
53		Chkalov	8						
54		Seidukum	Toichubekchek	5					
55	Kyzylai		5						
56	Jash-Lenin		5						
57	Arkalyk		6						
58	Chonkurulush		5						
59	Turpakorgon		5						
60	Dosh		5						
61	Seidikum		5						
62	Khadjirabat		6						
63	Janyabad		5						
64	Dukur	6							

	Oblast	District	Village community	Town\Village	Number of respondents
65		<i>Aksy</i>	Akjol	Chek	5
66				Akjol	8
67				Jolborstu	8
68				Raikomol	7
69				Kechuu	8
70				Tegene	9
71				Karatyt	5
72				Razansai	5
73				Karajigach	Karajygach
74			Jaka		5
75			Termetash		5
76			Dardakdobo		7
77			Charba		8
78			Torkamysh		8
79			Burana		7
80			Syny		8
81			Karaoi		7
82			<i>Nooken</i>	Burgondu	Koronduk
83		Kurama			7
84		Noshken			7
85	Akbata	7			
86	Kyzylkiya	8			
87	Burgondu	8			
88	Urujar	5			
89	Jenish	5			
90	Kichi Burgondu	6			
<b>TOTAL</b>					<b>450</b>
91	<b>Osh oblast</b>			<b>City of Osh</b>	<b>70</b>
92		<i>Uzgen</i>		<b>Uzgen town</b>	<b>30</b>
93			Kyzyl-Too	Kyzyl-Too	7
94				Erkin-Too	7
95				Akkyya	7
96				Karchabek	6
97				Donuzdobo	7
98			Tort-Kol	Shorobashat	7
99		Makarenko		7	

## ANNEXES

	Oblast	District	Village community	Town\Village	Number of respondents
100				Boston	7
101				Anakyzyl	6
102				Kyimyl	6
103		<i>Aravan</i>	Toomoyun	Jekemiste	6
104				Akshar	6
105				Naiman	6
106				Syrt	7
107				Kerkidan	7
108				Aviz	7
109				Sarytash	7
110		<i>Karakulja</i>		Konokbaitalaa	7
111				Tegereksaz	7
112			Sarybulak	Karabulak	7
113				Kyzylbulak	7
114				Toguzbulak	7
115				Sarybulak	7
116		<i>Kara-Suu</i>	Aktash	Barak	7
117				Aktash	7
118				Jilkeldi	7
119		<i>Alai</i>	Sarytash	Sarytash	12
120			Sarymogol	Sarymogol	12
<b>TOTAL</b>					<b>300</b>
<b>TOTAL:</b>			<b>21 village communities</b>	<b>6 towns/114 villages</b>	<b>1200</b>

*Amendments in quotas per Russian federal okrugs in 2009*

Federal territories	Order № 777n, 26 December 2008	Order № 139n, 30 March 2009	Draft order, 1 May 2009	Draft order, 24 July 2009	Amendment in quotas since beginning of 2009, compared to 2008 data
Total in Russian Federation	3 976 747 <sup>58</sup>	-	-	3 976 747	-
Central Federal Okrug	691 826	689 740	-	689 445	99.7%
North-western Federal Okrug	324 920	-	-	324 186	99.8%
Southern Federal Okrug	112 218	-	-	107 475	95.8%
Privolzhsky Federal Okrug	245 063	244 438	-	217 852	88.9%
Uralsky Federal Okrug	273 255	-	232 079	232 512	85.1%
Sibirsky Federal Okrug	181 678	-	175 833	178 114	98.0%
Fareast Federal Okrug	159 414	155 420	-	153 220	96.1%
Quota reserve in Russian Federation	1 988 373	1 995 078	2 042 099	2 073 943	104.3%

Source: MHSD of Russian Federation

<sup>58</sup>Russian Government Regulation №835, 7 November 2008

*Public associations of Kyrgyz Diasporas in Russian regions*

Region, city	Title of organization
Moscow	Interregional Public Association “Kyrgyzskoe Edinenie” (Kyrgyz Unity)
Moscow	Non-commercial Partnership “Eurasia”
Moscow	Interregional Public Association Union of Kyrgyz Compatriots “Mekendesh” (Compatriot)
Moscow	Public Fund “Commonwealth”
Moscow	Public Fund “Ala-too”
Moscow	Regional Youth Public Association “Jash Tolkun” (Young Wave)
St. Petersburg	Regional Public Association “Kyrgyz House in St. Petersburg”
St. Petersburg	Public Association “Kyrgyz-Too” (Kyrgyz Mountains)
Voronezh, Voronezh oblast	Regional Public Association of Kyrgyz Compatriots “Muras” (Heritage)
Irkutsk, Irkutsk oblast	Irkutsk Oblast National and Cultural Public Association “Druzhba” (Friendship)
Krasnoyarsk	Kyrgyz National and Cultural Centre “Dostuk” (Friendship)
Novosibirsk, Novosibirsk oblast	Kyrgyz National and Cultural Autonomy “Siberia-Ala-Too”
Omsk, Omsk oblast	Omsk Oblast Public Association “Sodruzhestvo Kyrgyzstantsev” (Commonwealth of Kyrgyz Compatriots)
Orenburg	Orenburg City Public Association “Kyrgyzski kulturny tsentr” (Kyrgyz Cultural Centre)
Kazan, Republic of Tatarstan	Fund of Kyrgyz Compatriots “Ala-Too”
Kazan, Republic of Tatarstan	Kyrgyz National and Cultural Autonomy “Yntymak” (Mutual Understanding)
Republic of Sakha (Yakutia)	Kyrgyz Benevolent Society “Manas”
Abakan, Republic of Khakasiya	Khakas Regional Public Association “Kyrgyzstan”
Rostov-on-Don	Rostov Regional Public Association for Unity and Support to Kyrgyz Compatriots “Manas”
Yekaterinburg	Regional Public Association “Kyrgyzstan Birimdigi” (Kyrgyz Unity)
Yekaterinburg	NGO “Kyrgyzia-Ural”
Yekaterinburg	Religious Board of Kyrgyz Diaspora under the Sverdlovsk oblast Regional Board of Muslims
Tyumen, Tyumen oblast	Khanty-Mansiysk Regional Public Association – Kyrgyz National Cultural Centre “Kirgizia-North”
Chelyabinsk	Charity Fund “Ata-Meken” (Homeland)
Samara	Charity Fund “Manas-Ata”
Tomsk	Kyrgyz Autonomy in Tomsk Oblast
Chita	Chita Regional Public Fund “Kyrgyz Diaspora”
Yaroslavl’, Yaroslavl’ oblast	Yaroslavl’ Regional Public Association of Kyrgyz Peoples “Birimdik-Edinstvo” (Unity)

*Distributional effect of global financial crisis, analyzed per several factors*

Table 1. Gender

	Indicator	Gender	Number	Average	Statistical deviation	Error of mean
1	Salary during crisis/pre-crisis salary	Female	120	0,85	0,21	0,02
		Male	654	0,84	0,22	0,01
2	Remittances during crisis/pre-crisis remittances	Female	94	0,76	0,41	0,04
		Male	448	0,86	0,61	0,03
3	Remittances' share in salary before crisis	Female	119	0,20	0,38	0,04
		Male	934	0,23	0,47	0,02
4	Remittances' share in salary during crisis	Female	95	0,13	0,27	0,03
		Male	452	0,13	0,38	0,02

Table 2. Acquisition of Russian citizenship

	Indicator	Acquisition of Russian citizenship	Number	Average	Statistical deviation	Error of mean
1	Salary during crisis/pre-crisis salary	Acquired Russian citizenship	74	0,84	0,23	0,03
		Not planning to acquire	612	0,84	0,22	0,01
2	Remittances during crisis/pre-crisis remittances	Acquired Russian citizenship	58	0,84	0,48	0,06
		Not planning to acquire	411	0,86	0,64	0,03
3	Remittances' share in salary before crisis	Acquired Russian citizenship	71	0,20	0,44	0,05
		Not planning to acquire	596	0,23	0,48	0,02
4	Remittances' share in salary during crisis	Acquired Russian citizenship	59	0,16	0,39	0,05
		Not planning to acquire	415	0,12	0,38	0,02

Table 3. Level of fluency in Russian

	Indicator	Knowledge of Russian	Number	Average	Statistical deviation	Error of mean
1	Salary during crisis/pre-crisis salary	fluent	74	0,84	0,21	0,02
		poor	247	0,81	0,22	0,01
2	Remittances during crisis/pre-crisis remittances	fluent	53	0,90	0,40	0,05
		poor	165	0,74	0,41	0,03
3	Remittances' share in salary before crisis	fluent	71	0,23	0,38	0,04
		poor	237	0,23	0,59	0,04
4	Remittances' share in salary during crisis	fluent	53	0,17	0,35	0,05
		poor	168	0,10	0,38	0,03

Table 4. Education level

	Indicator	Education	Number	Average	Statistical deviation	Error of mean
1	Salary during crisis/pre-crisis salary	professional	285	0,87	0,19	0,01
		secondary	489	0,83	0,22	0,01
2	Remittances during crisis/pre-crisis remittances	professional	224	0,87	0,44	0,03
		secondary	318	0,83	0,67	0,04
3	Remittances' share in salary before crisis	professional	278	0,23	0,27	0,02
		secondary	475	0,22	0,53	0,02
4	Remittances' share in salary during crisis	professional	225	0,16	0,25	0,02
		secondary	322	0,12	0,43	0,02

Table 5. Household's main source of revenue

	Indicator	Main source of revenue	Number	Average	Statistical deviation	Error of mean
1	Salary during crisis/pre-crisis salary	transfers	455	0,83	0,21	0,01
		other	319	0,84	0,23	0,01
2	Remittances during crisis/pre-crisis remittances	transfers	332	0,87	0,65	0,04
		other	210	0,80	0,46	0,03
3	Remittances' share in salary before crisis	transfers	443	0,24	0,47	0,02
		other	310	0,21	0,45	0,03
4	Remittances' share in salary during crisis	transfers	337	0,15	0,37	0,02
		other	210	0,10	0,35	0,02

# LIST OF ABBREVIATIONS

<b>ADB</b>	Asian Development Bank
<b>ACTED</b>	Agency on Technical Cooperation and Development
<b>CIS</b>	Community of Independent States
<b>DPVC</b>	Passport and Visa Control Unit of MoI of the Kyrgyz Republic
<b>FMS</b>	Federal Migration Service of the Russian Federation
<b>GDP</b>	Gross Domestic Product
<b>HCS</b>	Housing and communal services
<b>HIV</b>	Human Immunodeficiency Virus
<b>ICC</b>	Information and Consultative Centre
<b>MCB</b>	Minimal consumer budget
<b>MFA</b>	Ministry of Foreign Affairs of the Kyrgyz Republic
<b>MHSD</b>	Ministry of Healthcare and Social Development of the Russian Federation
<b>MOI</b>	Ministry of Interior of the Kyrgyz Republic
<b>MTO</b>	Money transfer operators
<b>MTS</b>	Money transfer system
<b>NBKR</b>	National Bank of the Kyrgyz Republic
<b>NSC</b>	National Statistic Committee of the Kyrgyz Republic
<b>OSCE</b>	Organization for Security and Cooperation in Europe
<b>PEA</b>	Private employment agency
<b>PA</b>	Public Association
<b>SCME</b>	State Committee on Migration and Employment of the Kyrgyz Republic
<b>SME</b>	Single monthly allowance
<b>USA</b>	United States of America
<b>USSR</b>	Union of Soviet Socialist Republics