

Presentation

“Eurasia on the Move” The Regional Implications of Mass Labor Migration From Central Asia to Russia

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[These notes provide the background material for a PowerPoint presentation and are not a formal research paper. The statistical material and migration data referred to in the power point presentation were collected from a wide range of open sources and from interviews with officials and analysts in Central Asia in summer 2003 and spring 2004 as the attached footnotes indicate. They are for general reference/illustration purposes only and should be treated with caution. Photos used for the presentation come from online articles pertaining to migrants or from personal photographs.]

INTRODUCTION

One issue that we have not paid much attention to in Russia over the last decade, but which may shape future domestic policy and foreign policy outcomes is migration—into Russia. Over the past ten years, Russia has become the migration magnet for the rest of Eurasia. Millions of economic migrants have flooded into Moscow, St. Petersburg, and other Russian cities and regions in search of work and a better life.

These migrants are mostly from the South Caucasus and Central Asia, where language ties still predominate as well as familiarity with Russia and its job market—this is very much like the situation in Britain and France after World War II and in the 1960s, where migrants moved into these countries from their former colonies. And the phenomenon is also broadly similar to current economic migration to the U.S. from Latin America. Labor migrants to Russia from the neighboring countries retain ties with their homeland and move back and forth. They also settle in many instances in areas close to home—not just Moscow, but in the Urals and West Siberia, in the case of migrants from Central Asia; and in southern Russia, in the case of those from the Caucasus.

Russia’s phenomenon of labor migration is :

- changing the demographic structure of some Russian regions—especially places like St. Petersburg, the Urals, and West Siberia;
- raising questions about the future composition of the Russian labor force;
- altering the political and economic dynamic between Russia and the Caucasus and Central Asian states—migrant worker remittances, for example, and trade with Russia are now one of the most important features of regional economies;
- increasing inter-dependency among Russia and its other former Soviet republic neighbors. This is not an issue of Russia trying to increase influence over its

neighbors from the top down. This is happening on the level of people as Russia becomes the economic engine and economic pole of attraction for the region. A single economic space based on flows of people is gradually emerging in Eurasia—in contrast to the declaratory single economic space projected on paper as part of the Commonwealth of Independent States (CIS) and other regional economic agreements, which has yet to materialize.

- and finally, the phenomenon is creating political and social problems akin to those in the U.S. and Europe, with migration into Moscow and other large and densely populated cities.

IMMIGRATION TO RUSSIA

Millions moving into Russia—figures for 1990s-2004.

- In terms of formal rates of immigration, Russia ranks 3rd in the world after the United States and Germany. In 1991-2001, about 790,000 people on average immigrated to Russia annually.¹
- In the 1989-2002 period, net immigration to Russia from the FSU states was about 4 times higher than net emigration from Russia to the so-called “far abroad” (Germany, Israel, U.S. etc.).²
- Net migration over the last 13 years since 1991 has been positive for Russia (in numerical terms); and is estimated at 5.6 million people.³

Ethnic versus non-ethnic Russian migration

Of the formal immigrants to Russia in this period, there has been a general assumption that most of these have been ethnic Russians moving back into Russia from other states of the former Soviet Union. But many of ethnic Russians in the so-called “near abroad” have actually stayed in place instead of returning to Russia. Now, the migrant flows are predominantly of non-ethnic Russians.

Ethnic Russians have remained not only in the economically attractive Baltic states, but also in Kazakhstan. Thanks to its economic growth (8.9% of real GDP growth in 1999-2003),⁴ Kazakhstan has also become a major regional recipient of migration—the second largest after Russia. And 65,000 people—including 15,000 ethnic Russians—who left Kazakhstan in the 1990s, returned in 2003-2004 (according to the official figures of the Kazakhstan Migration Agency).

- Between 1989 and 2002, ethnic Russians accounted for 58.6 percent of immigrants to Russia followed by Ukrainians (13.2%), Armenians (4.7%), Tatars (3.9%), Ossetians, Bashkirs, and others.⁵
- Between 1989-2002, ethnic Russians accounted for 58.6% of immigrants to Russia. But the bulk of ethnic Russians moved to Russia in the early 1990s (just

over 3 million out of a 25 million ethnic Russian population registered elsewhere in former Soviet republics in the 1989 Soviet Census).

- The 2002 Census showed that the Armenian community in Russia is now 2 times larger than it was in 1989 (1,130,000 versus 530,000). The Azeri community is 1.5 times larger (620,000 versus 340,000). And the Georgian diaspora grew by 53.8% from 130,000 to 200,000 people.⁶
- According to official figures, about 3 million migrant workers from CIS countries work in Russia annually, but their numbers fluctuate. For example, although the number of registered Kyrgyz migrant workers is around 30,000, experts estimate the number to be at least 300,000 people, and some (including in Kyrgyzstan itself) claim that there may be as many as 500,000 Kyrgyz working in the Urals regions and West Siberia alone. Estimates of Tajik migrant workers also range from 350,000 to 600,000 people, to in some cases as high as 1.5 million, with about 85% of them working in Russia illegally. There are approximately 600,000 Uzbek migrant workers, according to most estimates, most of whom work in Russia and Kazakhstan. But the Kazakh government itself has suggested that there are at least 500,000 Uzbeks currently working in Kazakhstan (with most working in the southern regions on the Kazakh-Uzbek border and in construction in Kazakhstan's new capital, Astana). For the Caucasus states, the estimated figures are equally high with as many as 2 million Azeris working in Russia, 1 million Armenians, and about 500,000 Georgians.

It should be stressed here that most labor migrants coming from Central Asia and the Caucasus are working in Russia illegally. Ingrained poverty, porous borders, and unreasonable administrative barriers to official migration are all factors contributing to the scope of illegal labor migration. [And it is also the case that many in Russian official circles actively take advantage of this illegal migration and even encourage it, at the same time that they are supposed to be taking action against it. For example, the Russian newspaper, *Argumenty i Fakty*, reported in 2004 that military counterintelligence had participated in the arrest of 8 illegal foreigner workers who had been living within the territory of a paratrooper unit base and were working on a construction project at a secret military facility in the Tulskaia Oblast. The migrants were deported, and the FSB began to investigate who had hired the migrants.⁷]

- The Russian press often cites the purported “Chinese invasion” in articles about migration—millions of Chinese workers/would-be settlers flooding into the Russian Far East and potentially fanning out across Russia (based on the perceived population weight of China relative to Russia). The 2002 Census, however, registered only about 35,000 Chinese living permanently in Russia. Experts estimate the numbers of Chinese working in Russia to be between 200,000-350,000 people,⁸ or about 3% of total Chinese labor abroad.⁹ Most Chinese workers are primarily in the border regions—from the Irkutskaya Oblast on Lake Baikal to Primorskiy Krai—and most, in surveys, indicate that they plan to return home, not settle in Russia.

All of these figures have to be approached with caution. There is a lot of discrepancy between actual immigrants who take Russian citizenship, permanent residents, and illegal migrant workers. But none of this diminishes the fact that we are talking about a significant regional phenomenon.

Refugees to Russia's North Caucasus

Most ethnic Russians who returned to Russia from the CIS in the 1990s came either from conflict areas in the Caucasus and Central Asia (Armenia, Azerbaijan, Georgia, Tajikistan), or from states like Turkmenistan and Uzbekistan where the political situation seemed hostile to ethnic Russians, or from impoverished states like Kyrgyzstan. Other non-ethnic Russians fled these states too. Of those seeking refugee from conflicts and hostile political situations, many have tended to move to southern Russia (the Rostov, Krasnodar and Stavropol regions etc.)—based on desperation and proximity rather than on the availability of housing or employment. The milder climate in this region means that it is much easier for migrants to subsist in substandard housing (that would be inadequate to withstand the winter in more northerly or eastern regions of Russia) and there is also the possibility of acquiring a small plot of land to grow produce for personal consumption.

- In the period from 1989-1998, the population of the North Caucasus region increased by more than 4 million people (from 13.2 to 17.7 million, and from 8% to about 12% of the total Russian population), making it one of the most densely population regions of Russia.
- Many migrants have found work in the agricultural sector and similar low paying jobs there and the ratio between the urban and rural populations in the North Caucasus has changed—the rural population increased from 43% to 45% from 1989-1998.¹⁰ This has generally had a negative effect on the region, with average wages, per capita incomes falling and unemployment rates and poverty rates rising over the last several years.

INTERREGIONAL MIGRATION & MOBILITY

Russians are staying in place, while Eurasia is on the move

Just as the inflow of Russian repatriates from the CIS has almost stopped, interregional migration within Russia is now very low—especially in comparison with the Soviet period when there was a great deal of migration/labor movement directed by the state through educational placement and job placement (*raspredelyeniye*).

Since the collapse of the Soviet Union, those permanent Russian citizens who wanted to and were able to afford to migrate within the Russian Federation in the 1990s have already done so.

In the early 1990s, with reductions in federal subsidies for marginal areas of Russia in places like Siberia and the Russian North, and with the lifting of Soviet-era restrictions on residency and place of employment, there was an initial large outflux of migrants from places like Magadan and Chukotka (which lost 53% and 66% of their respective populations). But this migration tapered off by the end of the 1990s. The Khanty-Mansiysky Autonomous Okrug of the Ural Federal District (West Siberian economic region) and the Republic of Altai of the Siberian Federal District (West Siberian economic region) are the only regions that experienced both natural increase as well as a population increase due to migration in the 1990s. As a result, within Siberia, at least, Russia's economic heartland is gradually shifting westward.

Unfortunately, in spite of people's desires to move, migration inside Russia has been constrained by administrative barriers (like the *propiska* residence registration system) on settlement in cities like Moscow—where most people would like to move—and by the absence of higher-paying new jobs, and underdeveloped housing markets with very high prices in other towns and cities.

- There is a huge gap in development between Moscow and other Russian cities, including St. Petersburg, and there have been repeated efforts on the part of the Moscow City government to restrict migration to Moscow for fear that the city and its services will be overwhelmed by migrants. Moscow is Russia's only "boom town," the city where the bulk of Russia's communications, services, growth in new technologies and industries, new housing, and foreign investment is concentrated.
- With the exception of the City of Moscow and the industrial region of Samara in the Urals, the major contributors to the Russian economy in terms of per capita gross regional product (GRP) are all natural resource regions, primarily in Siberia and the Russian Far East. This does not mean that there is substantial employment in these natural resource regions, however. The Russian oil sector, for example, only accounts for about 1% of Russian labor force employment. These regions' per capita GRP is high precisely because they are relatively sparsely populated and they are by no means "boom regions."
- Many Russians also do not want to move at all, however, and leave families, friends, or the places they have grown up and worked in. And they certainly do not want to move for a low-paying job in another Russian city.
- Currently, only approximately 2 percent of Russian citizens migrate within the country for the purposes of temporary or permanent work and a change in residence. They tend to do so only within a single area or region and without crossing regional borders. The major factors determining internal labor migration are income per capita, unemployment rates, public goods provision, and geographical distance. [Research in 2003 by a team of Russian researchers

Andrienko and Guriev suggests that a rise in income actually increases rather than decreases out-migration from the poorest regions of Russia.^{11]}

To sum up, while Russians have stayed or become rooted in place inside Russia, others have moved into the country—in spite of all the residual restrictions on migration within Russia. And, the bulk of these migrants over last 10 years to Russia have been economic migrants—not ethnic Russian returnees from the CIS or refugees from regional conflicts. Economic migrants from South Caucasus and Central Asian states tend to chose locations where there is demand for migrant labor and where they can find their compatriots, and many travel long distances and take considerable risks in crossing state borders illegally.

BENEFITS OF MIGRATION FOR RUSSIA AND EURASIA

Objectively, migration to Russia is a “good thing”—both for migrants and Russia

Russia’s economic growth since 1999 has meant more consumer demand—increasing numbers of customers to sell products to—and new jobs in the service and other sectors for migrants, as well as for Russians.

- From 1999 to 2003, Russia’s economy more than doubled (121% increase).¹² Russia is now ranked as the number one developing market for international retailers after its consumer market grew by almost one third to \$280 billion between 1999-2003.¹³ Domestic demand grew from \$162.5 billion in 1999 to \$381.4 in 2003, and is expected to grow to \$475.7 billion in 2004.¹⁴
- Regional businessmen and traders have started to bring their goods to Russian markets and stores, and also to produce goods specifically for the Russian market and for different regional segments of the market. Kyrgyzstan, for example, building on its position in the WTO and its regional location bordering China and Kazakhstan is trying to turn itself into Central Asia’s and Russia’s “bazaar.”
- There are 3 major bazaars in Kyrgyzstan: Osh, Bishkek and Kara-Suu. These are the main centers for the transit of goods into the region from China, Turkey, Iran, Pakistan and India. Cheap consumer goods are then transported and distributed by Kyrgyz traders into Kazakhstan and Russia. Small businesses in Kyrgyzstan are also now developing to produce goods for these larger markets to the north. For example, textiles imported into Kyrgyzstan’s markets are then purchased and sewn into clothes for sale in western Siberia, where clothing “imported” from European Russia is extremely expensive. In addition, Kyrgyzstan—especially the Osh and Jalalabad regions—is becoming the processing point for natural resources smuggled in from Uzbekistan before being sold on to markets in Kazakhstan and Russia. For example, Uzbek cotton is being processed in Kyrgyzstan for textile plants in Russia’s Moscow and Ivanovo oblasts. Fruit and vegetables from Uzbekistan, like tomatoes, are being turned into paste and sauce for the Russian market. And Chinese entrepreneurs have set up a pectin plant to

process Uzbek apples and produce cheap cosmetics for resale in Central Asia and Russia.

Migrants now bring much-needed skills as well as goods into Russia. Indeed, Russia survived its so-called “brain drain” of the 1990s in part because the country received large numbers of highly-qualified immigrants from the CIS just as educated Russian citizens left for the “far abroad.” Russian economic growth has increased the demand for cheap labor to fill in gaps in food markets, in custodial jobs, and on farms, and migrants from the CIS now fill these growing niches in the lower-paying sectors of the Russian economy. In 2003, 41% of migrants were engaged in construction, 21.7% in trade and food (service) industry, and 12.7% in manufacturing. The remainder worked in agriculture and other sectors.¹⁵ In addition, popular food markets in Russian cities would certainly have higher prices on certain products if Russian vendors did not face increased sales competition from traders from other regional states.

Migration offsets demographic decline

Not only does economic migration benefit Russia’s private business sector in meeting its demand for labor and benefit Russian consumers, it also partly offsets Russia’s continuing demographic decline—as some migrants become citizens—and it mitigates some of the more dire consequences of this demographic decline for the economy. Between 1992 and 2003, for example, immigrants compensated for about ¾ of Russia’s natural population decrease,¹⁶ while migrant labor has compensated for Russia’s declining labor force.

Russia’s population is in long-term decline owing to low fertility, high mortality, and relatively short life expectancy. The working age population is most severely affected by high mortality rates, and is decreasing faster, while the proportion of pensioners is rapidly rising relative to the rest of the population.

- According to a Russian government draft program on improving the health of the working population in Russia for 2004-2015, the death rate among Russia’s working population is now as much as 350% higher than in the European Union and 50% higher than in many developing countries¹⁷.
- And according to Russian official estimates, the country’s population is expected to decline by 8 million people reaching a low level of 138.4 million people by 2015. According to these predictions, a full 25% of the country’s population will have reached retirement age by 2016.¹⁸
- Some regions of Russia are particularly hard hit by Russia’s demographic crisis. Between 1989 and 2004, the total population of the most remote and harsh regions in the so-called Russian “North” declined by more than 16% (through out-migration and natural decrease). The number of pensioners in these regions is increasing at an annual rate of 5%.¹⁹

- It is in these regions where migration has had and can have the highest impact. Central Asian states' share of the population under 15 (34-41%), for example, is more than twice that of Russia's (with the exception of Kazakhstan's, which tends to mirror Russia's population profile more than the rest of Central Asia). In sum, Central Asia has more young people than Russia who will be looking for work in the coming decades—especially in Russia.
- Many Central Asians coming to work in Russia are already willing to relocate to cities and towns in the Urals region and Siberia to escape unemployment and poverty at home as well as to work for lower wages than ethnic Russians. In many respects, their “cheap labor” is keeping dying industries in these regions afloat.
- Over the 1991-1999 period, as already noted, net migration for West Siberia was positive (274,000 people). But during the same period, net migration for Eastern Siberia and the Russian Far East was negative—159,000 people and 832,000 people respectively.²⁰ On the basis of a September 2004 agreement with the Kyrgyzstan government, the Russian government is now explicitly trying to direct new Kyrgyz workers to these regions of East Siberia and the Russian Far East where there are perceived labor shortages.

Finally, migration to Russia and Russia's continued economic growth has begun to restore Russia's cultural, as well as its economic and political, position within the Eurasia region (after a notable decline in the 1990s).

- Foreign migrants who improve their living standards and social status and those of their families by working in Russia, favor increased connections and openness between their countries of origin and Russia.
- As a result of the expanded economic interaction of the last five years, the Russian language has been revived as the regional *lingua franca*—as an asset for non-ethnic Russians in Eurasia that facilitates their work in Russia. The Russian language is no longer so readily perceived as the instrument of old imperial domination and political pressure that it was in the 1990s.
- And a range of new Russian consumer products, and a burgeoning popular culture spread through satellite TV, a growing film industry, rock music, Russian popular novels, and the revival of the crowning achievements of the Russian artistic tradition have all made Russia an increasingly popular for regional populations.

BENEFITS OF MIGRATION FOR EURASIA

Economic migration has a pay-off for home counties—remittances.

In the Caucasus and Central Asia, the economic migration process has contributed to upward mobility for migrant workers and their families through remittances.

Indeed, Russia's biggest contribution to the security of its southern flank in the last decade has not been through its military presence on bases, its troop deployments, or security pacts and arms sales, but through absorbing the surplus (especially male) labor of the Caucasus and Central Asian states, providing markets for their goods, and transferring funds in the form of remittances rather than as foreign aid. This migration has become a safety valve of sorts in these countries. As a result it has taken the edge off the kinds of social conflict and regional disparities that contributed to a ruinous civil war in Tajikistan in 1992-1997.

- For example, remittances from Georgian migrants play a key role in ensuring the subsistence of the Georgian population and may account for as much as 20-25% of Georgian GDP, according to calculations by the International Organization for Migration (IOM) and other groups.
- Remittances to Kyrgyzstan are estimated to be as much as 10% of Kyrgyz GDP or equivalent to about 55.5% of the actual Kyrgyz government budget. Kyrgyz migrant workers in Russia, even at a lower estimate of 300,000 people, would also account for 11.3% of Kyrgyzstan's working population.²¹
- Tajik migrants' remittances, officially transferred home over a 12 month period from 2003-2004, constituted about 18% of Tajik GDP, and a sum about 12 percent higher than the country's total government budget.²² Tajik migrants, if numbered at 600,000 people, would account for 18.7% of the working population.²³
- As an illustration of the power of migrant labor and remittances (per Charlie Underland of the Urban Institute in Central Asia), the housing market in Dushanbe has now heated up thanks to the families of migrant workers buying new apartments, building their own houses etc. House prices in Dushanbe are notably higher than in Bishkek and other Central Asian cities, for example.
- Uzbek migrants, most of whom go to Russia and Kazakhstan, send remittances home in the amount of about \$500 million annually—a sum equivalent to 5.7% of Uzbek GDP in 2003.²⁴ (This is a “low ball” estimate.)

IMPLICATIONS OF MIGRATION FOR RUSSIA AND CIS COUNTRIES

Implications—Changing political relations between Russia and Eurasian states.

The Russian government has begun to understand the importance of labor migration to the economy, and is working to improve the legal framework for migration and to encourage employers to legalize their labor force. For example, between 2002-2003 the number of labor permits issued by the Federal Migration Service to foreign workers

increased by 4.5 times (350% increase). The Migration Service also expects that employers will have hired up to 500,000 migrant workers in 2004.²⁵

Central Asian and Caucasus governments are also searching for mechanisms to regulate and coordinate inter-state migration through negotiations and agreements. In 2002, for example, the government of Kyrgyzstan received permission to set up a consulate in Yekaterinburg to deal with its migrants' needs in the Urals and West Siberia; and in June 2004 Tajikistan concluded a formal agreement on labor migration with Russia—similar to an agreement that the Kyrgyz are currently actively seeking.

Implications—Domestic Russian backlash against migrants

However, there is a considerable “downside” to this migrant wave across Eurasia—just as there is today within the countries of the European Union. In spite of the evident mutual benefits from labor migration from Eurasia to Russia, and efforts to improve the legal framework for migrants and work out agreements, migrants could be the new front for social upheaval in Russia. The concern about citizen's rights as workers in Russia is increasingly a factor in bilateral relations between Kyrgyzstan, Kazakhstan, Tajikistan, and Russia. And—as in Europe—the plight of migrants, who are exploited, have no economic, social, or political rights, and are often trafficked across borders is increasingly coming into focus.

Migrant workers in Russia are frequently accused by critics of labor migration for contributing to a rise in Russia's crime rate. And according to the Head of the Federal Migration Service, foreign migrants commit about 1% of all economic and violent crimes (34,000 crimes cited in late 2003).²⁶ Again, as in other parts of Europe, Russian critics complain that foreign immigrants who are willing to work for lower pay than Russian nationals are stealing local jobs.

- But, even if the actual number of foreign workers in Russia were, say, 4% of total employment, foreign migrants are still a relatively small fraction of the multiethnic population in Russia. Labor migration is a new, post-Soviet, phenomenon.
- In late 2003, the half a million foreign migrants officially working in Russia accounted for only about 0.7% of total employment.²⁷ In contrast, in 2001 elsewhere in the world for example, foreign and foreign-born workers in the United States accounted for 13.9% of the total labor force; France—6.2%; Germany—9.1%; Switzerland—18.1%; and Canada—19.9%.²⁸

Most worryingly in the Russian context, nationalist critics of labor migration complain about the fact that foreign migrant communities are growing faster than those of permanent residents in Russian cities—and thus that that migrants are upsetting Russia's ethnic and cultural balance.

Despite the fact that 80% of the Russian population would describe themselves as ethnically or linguistically Russian, the Russian Federation remains heterogeneous, a multi-ethnic state. A good 20% of the population—29 million—are not ethnically Russian (although they are Russian speakers). And approximately 14.5 million of those in the 2002 Census—about 10% of the Russian population are culturally Muslim (although this is a pretty crude division and should be treated cautiously). With the bulk of labor migrants now coming from Central Asia, the Muslim proportion of the Russian population looks set to rise—again, provoking a negative reaction.

Labor migrants are, indeed, seen as increasing social tensions in Russian cities and regions and as provoking right-wing racism. They are rapidly becoming victims of often deadly racially-motivated attacks by skinheads. Skinheads in Russia are extremists on the fringe of society like elsewhere, and their actions are not generally supported by the broader spectrum of the population (only about 6% of the young people in a March 2004 Russian youth survey). But according to recent research on the extremist and skinhead phenomenon in Russia, there are now more than 50,000 self-styled nationalist extremists in Russia and their numbers are growing by about 20% a year. Many Russian analysts fear the emergence of an ultra-nationalist political force.²⁹

These fears are particularly acute as most Russians in surveys on extremism tend to express passive responses to incidents of extremist violence. Even if they do not sympathize with, or actively oppose violent extremist acts, they tend not to be prepared to take action against them—thus facilitating the phenomenon. Regional and local authorities also do very little to protect or actively defend the rights of minorities and migrants (although some regions do much better than others—Russian presidential plenipotentiary Sergey Kiriyenko has taken this issue seriously in the Volga Federal District, for example, as has President Mintimer Shaimiyev in the Republic of Tatarstan). Part of this lack of an active response is the result of the complacency about inter-communal conflict—engendered the fact that Russian state, after the collapse of the USSR, is more homogenous than at any other point in its modern history.

Most of the political and social problems—like Chechnya—that Russia's multi-ethnicity entailed in the past are broadly seen as vestiges from the cumbersome ethnically-based administrative structures devised by the Soviet Union—which are now being reformed. After 2000, President Putin steadily down-graded the Ministry of Nationalities that former Russian President Boris Yeltsin created in the early 1990s to deal with the Soviet legacy and outbreaks of inter-ethnic conflict and communal violence. In fact the ministerial post completely disappeared in Putin's newest cabinet in March 2004, only to be hurriedly reinstated in September 2004 in the wake of the school hostage crisis in Beslan, North Ossetia. Few of the problems that the nationalities ministry was set up to manage and contain—like Chechnya—have been alleviated in the last decade and migration is a new potential problem to deal with that will result inevitably in changes in Russia's current ethnic profile. It is not at all clear that the Nationalities Ministry will prove to be a suitable tool for dealing with this phenomenon either.

Because President Putin has also relied on the security and intelligence services to run Russia since coming to power, the Russian government has few tools to deal with the social problems emanating from illegal labor migration and an increase in Russian extremism—beyond resorting to bureaucratic methods and the police. Rank and file Russian police in polls and surveys tend to sympathize with the skinhead groups rather than with migrants. They also tend to see violence and extremism not as the result of racism, but as the result of a general breakdown of law and order in society and “hooliganism.” Police representatives believe that dealing with the breakdown of law and order requires a heavy hand. And in the past in Russia, a heavy hand—even against racially-motivated violence—in conjunction with the continuation of the extremist attacks that provoked it has tended to enflame communal problems even further.

If police methods do not work to combat skinheads, there will likely be pressure from the local authorities in cities on the frontlines of migration, like Moscow and St. Petersburg, to crackdown on illegal migration and send workers back to their countries of origin. Calls for just this sort of action have come after every terrorist attack in Moscow linked to the war in Chechnya, with punitive raids following not just on Chechens and representatives of other groups from the Caucasus, but also on markets with Central Asian migrant workers.

Central Asian and Caucasus states are very fearful of social backlash against migrants in Russia that would result in large numbers being sent back—because of the negative effects on their own economic, political and social situations.

Implications—A future Russian economic slowdown could have a broader impact

Regional experts and officials are also genuinely concerned about the risk of a Russian economic slowdown in the future. They are fearful that an end to current rapid Russian economic growth will have a major spillover effect. A Russian economic slow-down, for example, with an oil price fall could decrease migration and trade flows to Russia.

Since the late 1990s, people in Eurasia have become accustomed to the idea that there is work in Russia, even if unemployment is high elsewhere. If migrants have to return to states in the South Caucasus and Central Asia, and new migrants cannot find work in Russia, the problem will not just be one of constrained remittances. More people will find themselves trapped in poverty with few prospects for economic or social upward mobility at home. Trade flows in goods and services to Russia will also be negatively affected retarding regional growth and increasing economic and social pressures.

State policy toward migrants

In the final analysis, Russia is facing the same challenges of managing immigration and migration as the developed countries of the West—with over 90 percent of all its immigrant workers filling niches vacated by Russians and employed in jobs that are low in skills and prestige, and require heavy manual labor.

Realistically, in looking at the predicament of its European neighbors in battling with illegal migration, it is very difficult for Russia to deal with this phenomenon. Dealing with migration in a civilized manner and halting abuses is also very complicated and expensive—it would entail assuming more state obligations toward workers (health coverage, education etc.)—at a particularly difficult juncture when all of the social sectors are now on the reform agenda for a complete overhaul, and welfare subsidies for permanent residents are being drastically cut.

In spite of the fact that Russia can benefit from attracting high-skilled labor from its neighbors, as well as low-wage labor to fill gaps in its labor force, and deporting illegal migrants is often more costly than securing their legalization, Russia's current migration policy tends to be ad hoc. It pays scant attention to individual rights and does little to try to counter and minimize discrimination against foreign workers on the grounds of ethnicity. Quotas for workers from individual countries are set unrealistically low—especially given the pull of market forces. For example, quotas for Kyrgyz workers have been set annually at around 20,000, even though there are hundreds of thousands more working in the Russian Federation. And obtaining work visas is often extremely complicated, and often expensive, even where quotas exist. It is subject to corruption on a large scale at every level of the process.

Since the September 2004 rash of terrorist attacks in Russia, including in Moscow and Beslan, the Mayor of Moscow, Yuri Luzhkov, has begun to advocate the legalization of the old Soviet-style system of mandatory registration for all Russian citizens and foreigners visiting Moscow (he had in case introduced this himself unilaterally in the course of his tenure as mayor, in contravention of the provisions of the 1993 Russian Constitution that lifted the Soviet *propiska* system).³⁰ These kinds of steps are fueling concerns that other regional authorities will adopt Moscow's practice of cracking down on labor migrants and will restrict migration in their respective territories. The words "uncontrolled migration" now resonate within Russia like a threat to social stability, and are frequently evoked in speeches by Russian leaders.

As a result, migrants to Russia are organizing themselves to overcome various challenges. Kyrgyz migrants in Russia, for example, produce a magazine that mixes news from home and the new diaspora, with self-help advice, practical stories, job information, and investigations of abuse. Kyrgyz NGO support groups (like the youth group "Golden Goal" in Osh) are helping migrants to understand their rights as well as the migration laws in the recipient countries (Kazakhstan as well as Russia), and publish brochures and hold seminars to warn migrants of the myriad of perils including human trafficking, shake-downs by local police, and racism/extremism. They also provide advice on the best and safest methods of sending money home.

The Federal Migration Service (FMS), a number of Russian NGOs and Russian Duma legislators have also formed an expert group to debate migration issues and a number of innovations have emerged. In June 2003, the FMS introduced mandatory migration cards to track migrants crossing borders legally; and on January 1, 2004, the FMS organized a telephone hot-line to assist migrants and visitors who find themselves in difficulty. The


Russian Federal Migration Service has also been reorganized itself several times, and in June 2004 it became a separate executive body subordinate to the Interior Ministry and managed by Interior Ministry officers.³¹

In summer 2004, the Russian Duma requested more funding from the government to introduce biometrical passports and visas and to improve the existing system of identification, registration, and monitoring for various groups of foreigners in Russia (this will also prove a major challenge for migrant “supply-side” countries like Tajikistan, where introducing these new passports will be extremely expensive, and may also be well beyond the range of would-be migrants).

However, there is still much more to do and as European countries/EU and U.S. are also struggling with the issue of illegal labor migration, there is also scope for engagement in joint initiatives with Russia on legislation, best practices etc. But in conclusion, migration to Russia is a relatively new phenomenon that seems set to continue—changing Russia’s future demographic and ethnic profile, putting the old Soviet slogan of “The friendship of all peoples” to the test, and forcing Russia to review its relations with its southern neighbors. It is a phenomenon we should begin to watch carefully.

PRESENTATION SLIDES

Eurasia on the Move



Presentation by Fiona Hill at the Kennan Institute
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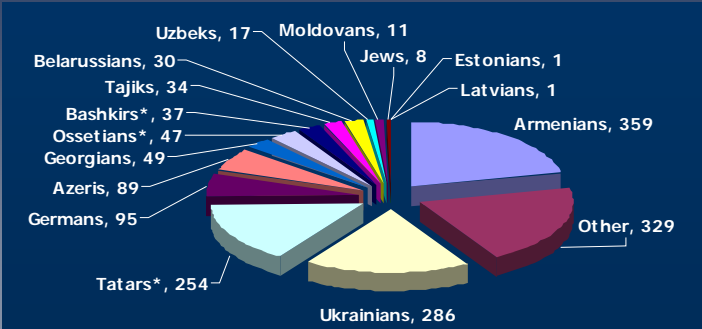
Outline

- Immigration to Russia
- Inter-regional migration
- Benefits of migration for Russia and Eurasia
- Implications of migration for Russia and CIS countries
- Toward an “economy-friendly” migration policy

Immigration to Russia

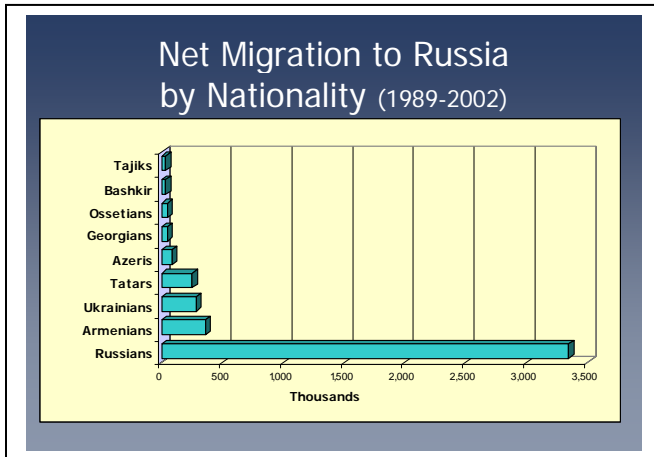
- Russia ranks 3rd in number of immigrants
 - From 1991-2001, an average of 790,000 people immigrated to Russia annually
 - Only the United States and Germany receive more immigrants
- Net migration since 1991 has been positive
 - Inflow from “near abroad” is 4 times higher than outflow to “far abroad”
 - Russia gained an estimated 5.6 million people since Soviet collapse

Net Migration of Non-Russians (000s)



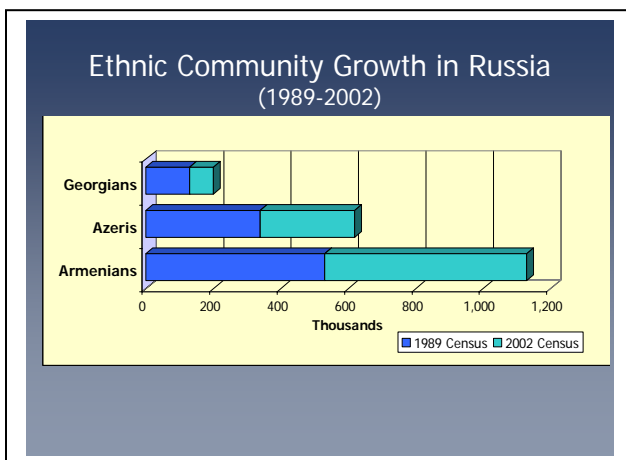
Group	Net Migration (000s)
Armenians	359
Ukrainians	286
Tatars*	254
Germans	95
Azeris	89
Georgians	49
Ossetians*	47
Bashkirs*	37
Tajiks	34
Belarussians	30
Uzbeks	17
Moldovans	11
Jews	8
Estonians	1
Latvians	1
Other	329

* Indicates indigenous ethnic groups
Source: Goskomstat Rossii, 1989-2002



Russians Moving to Russia

- Ethnic Russians – 58.6% of immigrants between 1989-2002
- Most moved to Russia in the early 1990s
- Not all ethnic Russians have returned
 - Total ethnic Russian immigration just over 3 million since 1989
 - 1989 census showed 25 million ethnic Russians living in other Soviet republics



Estimated Scope of Labor Migration

Russia has 3-5 million migrant workers from the CIS

- Kyrgyz: 300,000-500,000 workers, but only 30,000 registered
- Tajik: 350,000-650,000, 85% working illegally
- Uzbek: over 100,000
 - Estimated 500,000 Uzbek labor migrants in Kazakhstan
- Georgian: 500,000
- Armenian: 1 million
- Azeri: 2 million

FSB, MVD & migrants (2004)

Is there a Chinese Invasion?

Chinese workers in Moscow

- About 35,000 Chinese live permanently in Russia
- 200,000-350,000 migrants or about 3% of total Chinese labor abroad
- Most Chinese workers are in the border regions from Irkutskaya Oblast to Primorskiy Krai

Refugees to Russia's North Caucasus

- North Caucasus' population is growing
 - Increase of more than 4 million (13.2 to 17.7 million) from 1989-1998
 - Now constitutes 12% of Russian population
 - Rural residents up from 43% to 45%
- Deteriorating socio-economic situation contributes to protests against refugees and migrants in Stavropol and Krasnodar Krai.

Chechen refugees



Where the Money Is...

- Six regions (Moscow, St. Petersburg, Tatarstan, Samara Oblast, Sverdlovsk Oblast, and Tyumen Oblast) account for 50% of Russia's economy
- The City of Moscow and Tyumen Oblast produce one-third of Russia's GDP



Inter-regional Migration

- Currently, approximately 2% of Russian citizens migrate within the country (within or across regional borders)

- Major factors determining internal labor migration
 - Income per capita
 - Unemployment rates
 - Public goods provision
 - Geographical distance
 - Transportation network

Economic Benefits of Migration

- From 1999 to 2003, Russian economy more than doubled (121% increase)
- Domestic demand increasing
 - Growth from \$163 to \$381 billion (1999-2003)
 - Projected to be \$476 billion in 2004
- Entrepreneurs from Central Asia target regional segments of the Russian market
- Kyrgyzstan as a trade and distribution center

Bazaar in Osh, Kyrgyzstan



Cheap Labor Fills a Void

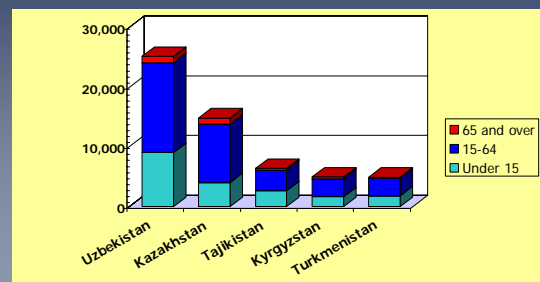
- Russian markets have high demand for inexpensive goods as well as cheap labor
 - Construction (41%)
 - Trade and services (22%)
 - Agriculture (20%)
 - Manufacturing (13%)
- Russia survived “brain drain” of the 1990s thanks to skilled migrants

Demographic Considerations

- Immigrants compensated for three-fourths of Russia’s natural decrease between 1992-2003
- Populated by pensioners
 - 30 million Russian citizens are already retired
 - By 2016, 25% of Russia’s population will be retired
- High death rate among working-age population
 - Over 600,000 people of working age die annually
 - 350% higher than in the EU
 - 50% higher than in many developing countries for 2004-2015

Population and Age Structure

(population in 000s)



Northerners head Southwest

- Population of Russian North declined by 16% through out-migration and natural decrease since 1989
 - The number of pensioners in these regions is increasing at an annual rate of 5%
- Net migration over 1991-1999 period

West Siberia	+274,000
Eastern Siberia	-159,000
The Far East	-832,000

Russia’s economic growth has begun to restore its cultural, economic and political dominance in Eurasia...



Changing Political Relations Between States

- Governments in the region striving to
 - Ensure better control of migrant flows
 - Protect migrant rights
 - Create the right incentives for employers
- Kyrgyzstan has a consulate in Yekaterinburg
- Tajikistan signed a formal agreement with Russia on labor migration
- Estimated 500,000 legal foreign laborers in 2004
 - Permits to foreign workers increased 350% since 2002

Eurasian Dependence on Russia

- Remittances from Russia to CIS countries
 - Georgia: 20-25% of GDP
 - Kyrgyzstan: 10% of GDP (56% of budget)
 - Tajikistan: 18% of GDP (12% larger than budget)
 - Uzbekistan: 6% of GDP in 2003 (from both Russia and Kazakhstan)
- Migrants to Russia drain regional labor forces
 - 300,000 Kyrgyz migrants = 11% of Kyrgyzstan's working population
 - 600,000 Tajik migrants = 19% of Tajikistan's working population

State Concerns with Migration

- Increased crime
 - Slave labor conditions
 - Tax evasion: employers often do not pay taxes on migrant workers
 - Drug trafficking & human trafficking also linked
 - About 1% of all economic and violent crimes committed by foreign migrants
- Increased competition
 - Migrants work hard for less pay

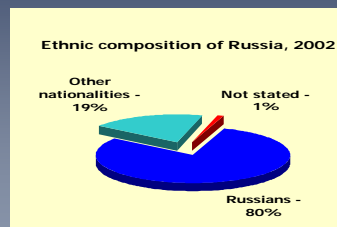
Russia's Foreign Labor Force

- In 2003, Russia's 500,000 official economic migrants account for less than 1% of total employment
- In 2001, the foreign and foreign-born labor force accounted for:

France	6.2%
Germany	9.1%
United States	13.9%
Switzerland	18.1%
Canada	19.9%

Migrants Alter Russia's Ethnic and Cultural Balance

- Ethnic Russians now in the minority in some southwestern towns
- Russia's Muslim population – 14.5 million and growing



Extremism on the Rise



To cleanse Orthodox Russia from Asian occupiers & Caucasian aliens for the sake of tradition and order...
Skinheads/neo-Nazis

- About 50,000 members with a 20% increase a year
- Attractive to 6% of young people surveyed in March 2004
- Emergence of ultra-nationalist political force

Conflict Resolution Depends on Approach of Local Authorities




The Republic of Tatarstan celebrates the cultural traditions of both its Orthodox and Muslim populations

President of Tatarstan, Mintimer Shaimiyev




Festivities in Kazan


Racial Profiling and Xenophobia



Moscow police trying to talk paratroopers out of beating vendors from the Caucasus, August 2004




Arrests of illegal migrants are a regular occurrence



People of suspected "Caucasus nationality" are routinely stopped and searched

A House of Cards as the Cornerstone



An economic slowdown in Russia would threaten not only Russia reforms but would also negatively affect Eurasian countries that use migration as a social safety valve

- Deportation of migrants
- Reduced remittances
- Less private sector trade between Russia and the CIS

State Policy Toward Migrants

- Federal Migration Service reorganized in 2004
- Current practice of dealing with economic migrants
 - Unrealistic quotas
 - Highly repressive with an emphasis on law enforcement
 - Facilitates corruption due to excessive bureaucracy
- Proposal to legalize "Soviet propiska" in Moscow and possibly in other regions

Toward a Rational Migration Policy

- Consultations with NGOs and Duma deputies
- Introduction of migration cards to track migrants crossing borders legally
 - Mandatory since 2003
- Creation of telephone hot-line to assist migrants and receive reports of violations
- More government funding to improve system of identification, registration, and monitoring various groups of foreigners in Russia



¹ *Rossiyskaya Gazeta*, graph on the number of immigrants for 11 countries in 1991-2001. <http://www.rg.ru/pril/0/61/25/2.gif>

² Timothy Heleniak, "Migration of the Russian Diaspora After the Breakup of the Soviet Union," *Journal of International Affairs*, Spring 2004, p.103.

³ *Rossiyskaya Gazeta*, "Kakiye Mify Razveyala Perepis' Naseleniya" (Interview with Vladimir Zorin, Chairman of the Governmental Committee on Migration Policy), 26 November 2003. <http://www.rg.ru/2003/11/26/mify.html>

⁴ Economist Intelligence Unit, Kazakhstan Fact Sheet, 9 June 2004. www.viewswire.com

⁵ Timothy Heleniak, "Migration of the Russian Diaspora After the Breakup of the Soviet Union," *Journal of International Affairs*, Spring 2004, pp. 103-104.

⁶ *Rossiyskaya Gazeta*, "Kakiye Mify Razveyala Perepis' Naseleniya" (Interview with Vladimir Zorin, Chairman of the Governmental Committee on Migration Policy), 26 November 2003. <http://www.rg.ru/2003/11/26/mify.html>

⁷ Yekaterina Karacheva, "Nelegaly na Vykhod!" *Argumenty i Fakty*, 10 March 2004. http://www.aif.ru/online/aif/1219/09_01

⁸ Zhanna Zaionchkovskaya, *Sibir and Dalniy Vostok in XXII*, Table 2. <http://www.bigland.ru/research.asp?id=62>

⁹ From notes taken at Elizabeth Wishnick's presentation on "The Russian Far East and Transnational Security Challenges in Northeast Asia," Woodrow Wilson Center, Washington DC, 23 July 2004.

¹⁰ I.G. Kosikov, L.S. Losikova, *Severnyy Kavkaz: Sotsial'no-ekonomicheskii spravochnik* (Moscow, 1999).

¹¹ Yuri Andrienko and Sergey Guriev, "Determinants of Interregional Mobility in Russia: Evidence from Panel Data," Working Paper, October 2003. <http://www.nes.ru/~sguriev/interregional.pdf>

¹² According to the Economist Intelligence Unit, Russia's GDP was \$195.9 billion in 1999 and \$433.5 billion in 2003. www.viewswire.com

¹³ Denis Maternovsky, "Russia Ranked No. 1 Retail Target," *The Moscow Times*, 23 June 2004.

¹⁴ Economist Intelligence Unit, Russia: Economy: 5-year forecast. (Note: the percentage growth is calculated based on this data). <http://www.viewswire.com>

¹⁵ Russian Ministry of Internal Affairs, Federal Migration Service Briefing "Privlecheniye Inostrannoi Rabochey Sily v Rossiyu," 25 March 2004. <http://www.mvdinform.ru/index.php?newsid=2785>

¹⁶ *Rossiyskaya Gazeta*, "Kakiye Mify Razveyala Perepis' Naseleniya" (Interview with Vladimir Zorin, Chairman of the Governmental Committee on Migration Policy), 26 November 2003. <http://www.rg.ru/2003/11/26/mify.html>

¹⁷ See <http://www.afpc.org/rrm/rrm1182.shtml>

¹⁸ Center for Strategic Studies, Workshop "Problema 2003: Demograficheskiy Krizis i Puti Preodoleniya," 16 March 2001. <http://csr.ru/conferences/16.03.2001-prdem.html>

¹⁹ Russian President's website, Summary of Vladimir Putin's meeting in Salekhad posted on 29 April 2004 and entitled "Ravneniye na Finlandiyu." <http://www.kremlin.ru/text/publications/2004/04/63959.shtml>

²⁰ Zhanna Zaionchkovskaya, *Sibir and Dalniy Vostok in XXII*, Table 2. <http://www.bigland.ru/research.asp?id=62>

²¹ Remittances to Kyrgyzstan were estimated at \$200 million in comparison with a state budget calculated at approximately \$2 billion in 2003. Our estimate of the able-bodied population of Kyrgyzstan is 2,650,000 people. According to Kyrgyz researcher, Askar Dukenbaev's calculations, 106,000 Kyrgyz citizens would have accounted for about 4% of the able-bodied population in 2001. (<http://cniss.wustl.edu/2004IRWPapers/askatreport.pdf>). EurasiaNet's country profile estimates the total Kyrgyz population to be 4,728,000, while the CIA puts Kyrgyzstan's population at 5,081,429 in July 2004.

²² Victoria Panfilova, "My Ne Sobirayevsya Narushat' Suvereniteta Tadjhikistana," Interview with Maksim Paskov, Russian Ambassador to Tajikistan, *Nezavisimaya Gazeta*, 31 May 2004. (Remittances to Tajikistan from Russia in 2003 were said to be approximately \$280 million, while the national budget was estimated at \$250 million). http://www.ng.ru/courier/2004-05-31/10_tadjhikistan.html

²³ The total Tajiki population was estimated at 6,213,000 in EurasiaNet's country profile. According to Asia-Plus News Agency's report on 16 April 2004, 200,000-250,000 labor migrants accounted for 7% of Tajikistan's able-bodied population from 2001 to 2003 (See *Asia-Plus* "Labor Migration From Tajikistan Drops as Economy Improves"). Our estimate of the able-bodied population for the purpose of this presentation is 3,195,000 people.

²⁴ The amount of \$500 million was provided by economist Larisa Marksakova in her report at a summer 2004 UNDP conference in Uzbekistan on labor migration to Russia.

²⁵ Russian Ministry of Internal Affairs, Federal Migration Service Briefing “Privlecheniye Innostranoi Robochey Sily v Rossiyu,” 25 March 2004. <http://www.mvdinform.ru/index.php?newsid=2785>

²⁶ Lidiya Grafova, “My Zashischayem Stranu Ne Ot Migrantov, A Ot Priyeezhikh Prestupnikov,” (Interview with Head of the Federal Migration Service Alexander Chekalin), *Izvestiya*, 30 October 2003. <http://www.izvestia.ru/politic/40461>

²⁷ *Rossiyskaya Gazeta*, “Kakiye Mify Razveyala Perepis’ Naseleniya” (Interview with Vladimir Zorin, Chairman of the Governmental Committee on Migration Policy), 26 November 2003. <http://www.rg.ru/2003/11/26/mify.html>

²⁸ OECD Annual Report, “Trends in International Migration,” 2003 Edition.

²⁹ Vyacheslav Kostikov, “Resurs Nenavisti,” (Interview with Emil Pain, Director of the Center for the Studies of Xenophobia and Extremism), *Argumenty i Fakty*, 12 May 2004. http://www.aif.ru/online/aif/1228/04_01

³⁰ Lyubov Pyatiletova, “Gorod Prizrakov,” *Rossiyskaya Gazeta*, 20 September 2004, www.rg.ru/2004/09/20/registratsija.html

³¹ About the Establishment of the Federal Migration Service by President Putin’s Edict of June 19, 2004. <http://www.mvdinform.ru/index.php?newsid=3586>