



What 2015 is promising for labor migrants from Central Asia

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Key points

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Imposing high administrative costs to obtain patents, and short timeframes to collect documents and make applications further encourage corrupt practices.

The latest figures from the Federal Migration Service indicate that there has been only a slight change to the number of entrants from Uzbekistan, Tajikistan, and Kyrgyzstan.

With the ruble's devaluation, Tajik and Kyrgyz households have seen their purchasing capacity reduced.

Yet, no other country can compete with Russia in offering a safety valve for excess labor from Central Asia and the rest of the former Soviet Union.

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The stagnation of the Russian economy and the ruble's devaluation by almost half against the US dollar meant that 2015 started with uncertainties for migrants. Furthermore, more cumbersome rules that require increased numbers of documents, involve short timeframes to fulfill the criteria and complete the legalization process, as well as high costs to obtain a work permit (*patent* in Russian), and long-term bans, or blacklists, preventing re-entry to Russia for up to ten years as a punishment for overstays without proper documentation... all came into force on January 1, 2015.

These new regulations serve primarily to make the lives of migrants more difficult, and to enlarge and further feed the corruption machine, as it aims to take advantage of the unfavorable conditions in which migrants find themselves. In light of these developments, has there been an exodus of migrants leaving Russia, discouraged by low wages and the complicated legalization processes, or rather are migrants jumping through the bureaucratic hoops to continue working in Russia, making do with whatever they earn even though it is worth half of what they earned previously?

Changes in legalization procedures

The years 2013 and 2014 saw eleven Russian federal laws adopted that aim to restrict the situation of migrants and to introduce more severe punishments for violations. One of the strictest among them involves the blacklisting and deporting of foreigners for minor administrative violations, a measure that was questioned even by Valentina Matvienko, Chair of the Federation Council of the Russian Federation (upper house of the Russian parliament) during the December 2014 meeting of the Council dedicated to migration issues. Directing her comments at Konstantin Romodanovsky, head of the Russian Federal Migration Service, she questioned deportations of migrants for minor violations, such as speeding and jaywalking, and asked whether or not the 250,000 citizens of Tajikistan that were blacklisted were criminals and presented security threats to Russian society. Overall, 1.1 million foreigners have been placed on a blacklist for overstaying the allowed number of 90 days without registration since the law was introduced in 2013.¹

Another new rule, which came into force in January 2015, is the requirement to obtain *patents* for labor migrants from visa-free countries to work in any sector of the economy. The patent system existed prior to the January 2015 rules and used to be mandatory only if a migrant worked for an individual. If migrants wanted to work for a legal entity/entrepreneur, a quota/permit (abolished from January 1, 2015) rule was applied to them. The patent system became the only document to prove legal employment in Russia as of January 2015.²

The number of documents needed to apply for a patent has increased as compared to previous requirements. In particular, the Law on Legal Status of Foreigners in Russia (Federal Law no. 115) prescribes that in order to receive a patent, applicants need to present: 1) a written request to receive a patent; 2) personal identification (ID); 3) a migration card filled out at the port of entry indicating the purpose of entry into Russia as "work"; 4) insurance for the duration of employment; 5) medical certificates attesting to the absence of drug addiction, HIV, and other infectious diseases; 6) certification of knowledge of the Russian language, history, and basic laws; and 7) residence registration.

Migrants have 30 days to collect and submit the above-listed documents and pass exams. Failure to abide by these deadlines is penalized with a fine of 10,000-15,000 rubles (around \$150-220). Patents are given for up to 12 months and can be extended for another 12 months without leaving Russia. Overall, it costs an estimated 10,000 rubles (around \$152) to apply for a patent in Moscow, and 4,000 rubles (around \$60) monthly. A 12-month patent in Moscow costs 58,000

rubles (around \$880), which is equal to approximately to an average of two-month worth of wages for a migrant earning in Russia.³

Administrative burden and corruption schemes

The large numbers of migrant-applicants and the limited number of places that accept documents has meant thus far that the 30-day timeframe for getting a patent is difficult to meet given that, in addition to collecting these documents and submitting them, migrants need to begin work right away. As observed by staff from the Embassy of Kyrgyzstan who visited a migration center in Sakharovo (50 km from Moscow), due to the high volumes of applicants only one third of migrants have any chance of seeing a center consultant on a given day. The need to make multiple trips to the center combined with the scornful attitude of security officers toward migrants makes the application process extremely unpleasant.⁴

Harsher penalties that block entry to migrants who overstay the allowed three months without registration came into force in January this year, in response to Vladimir Putin's request to the Federation Council in 2012.⁵ According to the new rules, if migrants stay for four months in Russia without registration, they may not re-enter for three years; if they remain for more than nine months, entry is prohibited for five years, while for overstays of more than a year incur a re-entry ban of ten years.⁶ Konstantin Romodanovsky has stated that Russia has records of around 1,280,620 migrants who had overstayed the 360 days and another 734,000 who had overstayed for nine months,⁷ which means that the list of so-called violators will be growing.

The key question is naturally to know why the Russian government started tightening the rules. While some Russian officials call the new rules a "real mechanism of integration of workers from other countries into Russian society and its legal system," other officials, such as Moscow Mayor, Sergey Sobyanin, say that the new rules and increased price of patents are opportunities to make hiring Russian citizens more attractive than hiring foreigners.⁸ Additionally, politicians want to display support for the migrant-phobic atmosphere—phobia further enflamed by local mass media—and encourage the government to regulate the so-called uncontrollable flows of migrants.

Regardless of what the real reasons for these changes are, at this point one outcome is certain: increased corruption schemes and further oiling of the corruption machine, as endemic corruption in Russia finds ways to extort money from the most vulnerable. Historically, any new rule to regulate migration in Russia has resulted in the extension or appearance of new corruption schemes. Imposing high administrative costs to obtain patents, and short timeframes to collect documents and make applications further encourage corrupt practices. According to recent migrant accounts, the long lines in migration centers have given rise to special services, which greet the migrants at the metro station to take them to the migration center in Sakharovo. Special shuttle buses pick up migrants to bring them to the center and have their documents submitted through a special line and window, circumventing public lines to speed up the process, but for a fee.⁹

Speaking openly about the corruption behind labor migration among Russian politicians is a rare occurrence. However, prior to the coming into force of the regulations in January 2015, First Vice Chair of the Committee of Education of Russia's lower house, Vladimir Burmatov, noted that migrants were able to purchase certificates proving their knowledge of the Russian language, history, and basic law via the Internet even before test centers had started administering the official tests.¹⁰

Is there an exodus of migrants?

The latest figures from the Federal Migration Service, which date from January 20, 2015, indicate that there has been only a slight change to the number of entrants from Uzbekistan, Tajikistan, and Kyrgyzstan, the three main senders of labor migrants from Central Asia to Russia. According to the data, there are 2,215,780 migrants from Uzbekistan, 999,169 from Tajikistan, and 544,956 from Kyrgyzstan currently in Russia. Compared to the numbers last year, the numbers of migrants from Uzbekistan decreased by 4%, from Tajikistan by 2%, and from Kyrgyzstan they have increased by 4%.¹¹

Konstantin Romodanovsky's statement about there being a 70% decrease in the number of migrant entrants from January 9, 2015 on, as compared to the same period in 2014,¹² was quickly picked up on by the media, which concluded that the number of migrants dropped dramatically due to the economic downturn. However, the sharp decrease of migrants entering during that period might have been due to another regulation that required migrants entering Russia to have biometric passports as of January 2015. Migrants who were only able to return to their home countries for the winter holidays at the end of December 2014 would simply not have had enough time to obtain new passports to re-enter Russia by January.

Uzbekistan began requiring its citizens to travel to Russia with biometric passports as of July 2014.¹³ However, because the bulk of migrants return at the end of year, the number of those without the new passports was most likely very high. A similar rule requiring biometric passports also came into force in Tajikistan on January 1, 2015.¹⁴ These new rules in two major migrant sending countries were possibly the main factor for the sharp decrease in migrants entering Russia at the beginning of 2015. We will have to wait until this spring to assess the real picture of whether or not the new regulations and devalued ruble are causing a decrease of migrants as compared to 2014. But for now, any conclusions about the underlying reasons for the dramatic drop in January would be premature.

Nevertheless, in his address to the Council of Federation, Konstantin Romodanovsky stated that if not for the entry of Ukrainian citizens to Russia in 2014 due to the crisis (there are 2.6 million Ukrainian citizens in total in Russia and a million of them entered in 2014), the number of foreigners who entered Russia would have gone down by 21%. He also added that the year 2014 already saw a sizeable decrease in the number of migrants: 28% from Uzbekistan, 18% from Tajikistan, and 13% from Kyrgyzstan, but he did not specify what period he was comparing those numbers with.¹⁵

While migrants can jump through the newly introduced bureaucratic hoops by paying for the above-mentioned backdoor arrangements, the ruble's fall in value against the US dollar is something they cannot control. Migrants are paid in rubles but convert them to US dollars when sending the money home. They are now seeing the value of their salaries halved. However, the value of the US dollar against local currencies in those countries has increased significantly as well. Therefore, to the extent that the dollars sent by migrants are exchanged for local currencies to buy commodities and services in local currencies, there is not a big difference in terms of exchange loss.¹⁶ However, information coming from Tajikistan and Kyrgyzstan seems to demonstrate, on the contrary, that households have seen their purchasing capacity reduced. The difference of currency value is felt most when commodities are purchased using US dollars in migrant-sending countries, such as apartments, houses, cars, etc.

The dependency of domestic economies on migrant remittances and on fluctuations in the amount sent back are mostly felt by Tajikistan and Kyrgyzstan, countries whose percentage of GDP comprising migrant remittances is 47% and 29%, respectively. These countries are one and three respectively on the top ten list of countries with a GDP of which remittances comprise a

significant share.¹⁷ The share of remittances in Uzbekistan's GDP, on the other hand, is around 10-15%.¹⁸

Still, Russia's economic woes are also unlikely to trigger an abrupt return of migrants to their homelands. In a recent comparable situation, namely the global credit crisis of 2008, a time when Russia's economic growth slumped to negative 7.8%, the expected mass departure of migrants did not eventuate: migrants weathered the storm by adopting a wait-and-see strategy. But the picture could be different in 2015. According to the World Bank forecasts, the Russian economy will shrink by 2.9%, and then see some modest growth of 0.1% and 1.1% in 2016 and 2017, respectively.¹⁹

Uzbekistan clearly expects some migrants to return. Deputy Minister of Labor and Social Protection, Furqat Halilov, accordingly announced that 409,500 work places will be created for migrants who want to stay in Uzbekistan.²⁰ In particular, the government will be giving empty buildings or renting them to migrants to open their own businesses, while local banks have been instructed to give credit to start-up businesses opened by migrants. However, considering that the labor market of Uzbekistan increases by around half a million people every year, there is constant pressure on the domestic labor market to release excess labor force by means of migration. The Agency of External Labor Migration of Uzbekistan, the government body in charge of labor migration to foreign countries, commented that they were not expecting an influx of returning migrants from Russia because migrants are aware that the domestic labor market will not be able to absorb a large numbers of them.²¹

Conclusion

Labor migrants in Russia are being battered from different directions in 2015: a stagnant economy, a devalued ruble, rules that make the legalization process more cumbersome, ever-increasing blacklists now in excess of one million names, and prolonged bans for re-entry. However, the new rules are not really regulating labor migration, but rather helping to oil the corruption machine and to show a xenophobic Russian public that the people charged with the issue are actively fighting illegal immigration.

At present, there is no evidence of any mass exodus of migrants from Russia as a result of the regulatory and economic changes. The actual changes so far include only a 2-4% drop for Uzbekistan and Tajikistan, and a 4% increase for Kyrgyzstan. No other country can compete with Russia in offering a safety valve for excess labor from Central Asia and the rest of the former Soviet Union. The reality of domestic labor markets of the sending countries is that they simply are not able to absorb their excess labor force. Against the backdrop of a rapidly ageing Russian population and the projected loss of an estimated 10 million working-age Russians during 2012-2031,²² labor migrants are needed to fill those emptied slots, but the Russian government and citizenry are far from acknowledging the reality of the demographic challenges before them and from adopting a migrant-welcoming mindset.

¹ *Zasedanie Soveta zakonodatelei Rossiiskoi Federatsii pri federal'nom Sobranii Rossiiskoi Federatsii*, November 20, 2014 <http://szrf.km.duma.gov.ru/site.xp/051052052124052049055.html>.

² "Press-konferentsiya v edinom migratsionnom tsentre," Federal Migration Service, January 16, 2015, http://www.fms.gov.ru/press/news/news_detail.php?ID=9541.

³ "Patent na rabotu v Moskve oboydetsya v 58 tisyach rubley v god," *24Mir*, January 22, 2015, <http://mir24.tv/news/society/11946371>.

⁴ "Posol'stvo KR trebuet ot MID RF optimizirovat' situatsiyu v MMTS v Moskve," *Azattyk*, February 13, 2015, http://rus.azattyk.org/content/moscow_migration_kyrgyz/26845430.html.

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- ⁵ Migrantom-narushitelyam zakrili v'ezd v Rossiyu na 10 let, *24Mir*, January 16, 2014, <http://mir24.tv/news/society/11794511>
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- ⁷ Ibid.
- ⁸ "Vlasti Moskvy rasskazali o pol'ze migrantov," *Lenta.ru*, February 2, 2015, <http://lenta.ru/news/2015/02/02/moscow/>.
- ⁹ "Vtoraya migratsionnaya revolyutsiya, ili pro patenti, posrednikov, vidvoreniya i zarplaty," *Fergana.ru*, February 25, 2015, <http://www.fergananews.com/articles/8422>.
- ¹⁰ "Burmatov:korruptsiya pri sdache ekzamenov dlya migrantov nedopustima," *United Russia*, November 24, 2014, <http://er.ru/news/125129/>.
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- ¹³ "MID raz'yaznil poryadok vyezda v Rossiyu", *Gazeta.uz*, January 9, 2015, <http://www.gazeta.uz/2015/01/09/mfa/>.
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- ¹⁵ *Zasedanie Soveta zakonodatelei Rossiiskoi Federatsii pri Federal'nom Sobranii Rossiiskoi Federatsii*, November 20, 2014, <http://szrf.km.duma.gov.ru/site.xp/051052052124052049055.html>.
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- ¹⁷ "World Bank Launches Initiative on Migration, Releases New Projections on Remittance Flows," *World Bank*, April 19, 2014, <http://www.worldbank.org/en/news/press-release/2013/04/19/world-bank-launches-initiative-on-migration-releases-new-projections-on-remittance-flows>.
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