

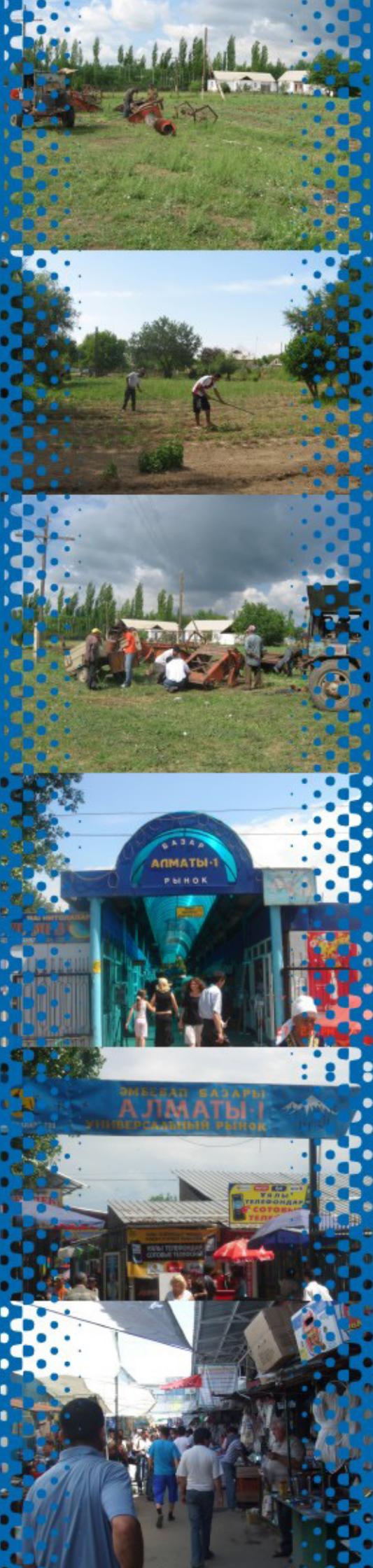


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EMPLOYMENT OF MIGRANT WORKERS IN THE INFORMAL ECONOMY IN KAZAKHSTAN

A study of Southern Kazakhstan



**EMPLOYMENT OF MIGRANT
WORKERS IN THE INFORMAL
ECONOMY IN KAZAKHSTAN –
A STUDY OF SOUTHERN KAZAKHSTAN**

Almaty, 2009

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Introduction

Labour migration is becoming increasingly important in Kazakhstan. Some years after the country gained its independence in 1991, its economy has been showing dynamic and stable growth. The GDP of Kazakhstan in 2007 amounted to about 12.8 trillion tenge at current prices (about 11 billion US dollars), this constituting an 11.3% rise over 2006 in comparable prices (10.2 trillion tenge).¹ Kazakhstan's economic growth has given it a new role of a destination country for migrant workers. There are no reliable data on the scale of labour migration to Kazakhstan, since much of it is irregular and not, therefore, registered by official statistics. According to experts, public officials and heads of NGOs dealing with labour migration issues, between 250,000 and one million migrant workers arrive in Kazakhstan every year. They seek employment primarily in the country's most developed cities of Almaty and Astana, oil-rich western regions, as well as southern areas bordering Uzbekistan and Kyrgyzstan, which, alongside Turkey, are the chief countries of origin of migrant workers. In Kazakhstan, migrant workers are employed mainly in agriculture, trade, services and construction. The factors behind the spread of labour migration to Kazakhstan are the higher standard of living in the country as compared to the migrant workers' countries of origin, as well as unemployment and low wages in their home countries.

Migrant workers in Kazakhstan make an enormous development contribution to their host and origin countries - in the form of services and competitiveness in countries of destination and financial flows in countries of origin. Migration helps to improve the quality of life of many migrants and their families. Many migrants are filling a niche in the national labour markets by doing jobs that nationals do not want or cannot fill. Nevertheless many migrant workers are subject to labour exploitation and abuse. Unauthorized migration is widespread. The protection of jobs and decent working conditions for nationals is an understandable policy concern. Developing the right policy and legislative response that balances the different interests, effectively governing migration, is a relatively complex and difficult process where both admission and post admission policies are concerned.

Study objectives

The objectives of the study are to gather data and analyse the employment conditions and living conditions of migrants in the informal economy; as well as identify options for increasing decent work opportunities and protection of rights for this group within the context of well-managed labour migration.

In light of the objective of the study, the following areas were sought to be covered:

- Definition of informal economy in the literature, according to the ILO and in the national legislation.
- Nature and incidence of employment of migrants in the informal economy – scale, occupations, regions, causes and countries of origin, contribution to national and household incomes, recruitment process, comparison with nationals employed in the informal economy. Differences between women and men migrants.
- Employment, working and living conditions of migrants in the informal sector – terms and conditions of employment, work, collective bargaining, family unification, health care, housing, education, occupational health and safety, social security and discrimination. Differences between women and men migrants.
- Employers in the informal economy – reasons for informal employment of migrants and cost savings made.
- Examination of measures to increase decent work options and increase protection of migrant workers in the informal sector.

The study makes policy and legislative recommendations in light of the above findings for: improving employment, working and living conditions for migrants in the informal economy, reducing irregular employment and increasing the protection of migrant workers.

Methodology

Since several population categories are involved in the process of labour migration and the informal economy in Kazakhstan, the subject of the study also covers several groups, namely:

1. unauthorised migrant workers in Kazakhstan;

¹ *The calculations are based on the data received from the Statistics Agency of the Republic of Kazakhstan (<http://www.stat.kz/Pages/default.aspx>).*

2. family members following migrant workers to Kazakhstan;
3. recruiters (agents) hiring people to work in Kazakhstan;
4. employers providing employment to irregular migrants in Kazakhstan;
5. Kazakhstan workers engaged in the informal economy of Kazakhstan.

As per resources available, the main sample population² of migrant workers was fixed at three hundred people. This is a statistically reliable sample for Southern Kazakhstan and constitutes the minimum possible size for obtaining representative³ data. The maximum sampling error⁴ in a survey of this number of people is about $\pm 6\%$. For other groups of respondents a smaller number were interviewed to gain insights on the issues being investigated. The economic sectors covered were those where informal work and employment of migrants is more common, namely, agriculture, trade, construction and services. The geographical coverage of the surveys was determined by the resources available and the largest concentration of migrant workers in the informal economy. As a result it was decided to focus on Southern Kazakhstan, comprising two regions of Kazakhstan known to have a high concentration of migrant workers – the South Kazakhstan Region and the city of Almaty.

In the rural parts of the South Kazakhstan Region, the main form of activity is agriculture with a low degree of automation and extensive use of manual labour, which, together with the proximity of the border with Uzbekistan, the main country of origin of migrant workers in Kazakhstan, make it particularly attractive to migrants. Also in the South Kazakhstan Region, its regional centre, the city of Shymkent was included in the study, being known for its large number of family-run caf s, agencies providing domestic services to the population, and open markets, attracting migrant workers. The city of Almaty, the third data collection point, is today the largest and most developed city in Kazakhstan, with a higher standard of living of its residents compared with other neighbouring towns. The construction boom Kazakhstan has been experiencing and, in particular, a rapidly growing Almaty, have engendered a substantial inflow of foreign manpower, employed primarily for fulfilling unskilled jobs on the city’s construction sites.

Data collection was made in a preparatory and main phase. The purpose of the first stage was to field test and finalise the tools and research design.

Three administrative districts of the South Kazakhstan Region subject to the intensive labour migration were chosen as sites for carrying out the second stage of the fieldwork. The selected districts were the Maktaaralsky, Sairamsky and Tolebiisky districts. Below we give a brief description of each district selected for the survey.

The Maktaaralsky District is the most southerly district in the South Kazakhstan Region, covering 1,800 square kilometres. The administrative centre is the town of Zhetysai. The priority sphere of the district’s economy is agriculture, in particular growing cotton, melons, sunflowers and grapes. Cotton is the main crop here. According to local employers, only one per cent of the cotton is currently harvested by machine in Maktaaral, a figure for harvester use on a level with the 1950s. The reason for this situation is the availability of low cost manual labour.

Tolebiisky District is located in the south-eastern part of South Kazakhstan. The district includes 13 rural areas and has its administrative centre in the town of Lenger. Crop growing and animal farming are developed in the Tolebiisky District. The district’s agricultural producers specialise in growing wheat, sunflowers, safflower, fruit and vegetables.

The Sairamsky District is one of the most extensive in the South Kazakhstan Region. The district executive body, *akimat*⁵, oversees 17 *aul*⁶ areas and 73 population centres. The administrative centre is the village of Sairam. In terms of its economic production potential, the Sairamsky District is considered to be one of the most promising in the region. The district’s priority economic sphere is agriculture, with developed crop-growing and animal farming. The district’s agricultural producers specialise in growing wheat, safflower, sunflower, fruit and vegetables.

² *Sample population – the aggregate of units of the universal population (all units) selected for participation in the research.*

³ *Representativeness – the ability of the data gathered among the sample population to be extrapolated to the entire universal population.*

⁴ *Maximum sampling error – the random objective error explained by the nature of the sample research, irrespective of the correct choice of sample population units, observance of survey techniques and so on. Its maximum value is fixed on the measured feature reaching a value of 50%.*

⁵ *Akim is the first head of the executive authority in an administrative-territorial entity (a residential settlement, village, town, district). Akimat is Akim’s office at the corresponding territory (a residential settlement, village, town, district). Author’s note.*

⁶ *Aul is similar to village, aul area is the same as a rural district. Author’s note.*

It was in these districts of South Kazakhstan Region, together with the cities of Shymkent and Almaty, that the surveys were conducted. Three methods for collecting information were used in the surveys: quantitative and structured interviews; qualitative and in-depth interviews with key informants and observation. In addition, living and working conditions of migrant workers and irregular migrants were observed and photographed (where permitted).

Below we describe in more detail the study of each category of research subject.

Migrant workers

Research method: quantitative survey + observation.

Tools: questionnaire, observation form, photography of living and working conditions.

Sample size: 300 questionnaires, 15 observation forms and 15 photographs, 100 questionnaires in the South Kazakhstan Region, 50 in Shymkent and 150 in Almaty.

Table 1 presents the general distribution of migrant workers by population centre and sphere of activity, compiled in such a way as to ensure an equal distribution by category and minimise sampling errors.

Table 1. Distribution of migrant workers by population centre and sphere of activity

	Agriculture	Trade/Services	Construction	Total
Almaty	-	50	100	150
Shymkent	-	50	-	50
South Kazakhstan Region	100	-	-	100
Total	100	100	100	300

In the South Kazakhstan Region, in each district, 33 migrants were surveyed at three population centres: one district centre, one village close to the district centre and one village at least 100 km from the district centre and the city of Shymkent. This pattern was used in order to ensure a broader coverage of migrant workers and a representative sample in all types of rural population centre.

The first enterprise at which respondents were interviewed was found randomly by the interviewers, who then proceeded by the “snowball” method. 2-3 workers were surveyed at each enterprise, this allowing a larger number of enterprises to be covered. Working and living conditions were photographed where permitted. Work in the cities of Shymkent and Almaty was organised similarly.

While it was intended to survey all 300 as informal migrant workers, 7% of workers surveyed were formal workers. As we shall see, their employment, working and living conditions were significantly better.

In addition to migrants, some family members (15 families) were surveyed as well.

Employers hiring irregular migrants and recruitment agents

15 employers and ten recruitment agents were interviewed.

This included 4 employers in the South Kazakhstan Region (in agriculture), 3 employers in Shymkent (in the services sphere and trade) and 8 in Almaty (in construction). Both small and large employers were surveyed, who frequently or always hire migrant workers. In surveying this category, the interviewers again met with a large number of refusals, since, understanding that their conduct was against the law, such people were reluctant to answer the questions in the questionnaires. The same problem was found with recruitment agents. Interviews included

3 recruiting agents in the South Kazakhstan Region, 2 recruiting agents in Shymkent and 5 in Almaty.

Kazakh wage workers working in the informal sector

Research method: quantitative survey.

Tool: questionnaire.

Sample size: 50 questionnaires: 9 workers in Shymkent, 16 workers in the South Kazakhstan Region and 25 in Almaty.

Table 2. Distribution of Kazakhstan workers in the informal economy by sphere of activity

	Agriculture	Trade/Services	Construction	Total
Almaty	-	9	16	25
Shymkent	-	9	-	9
South Kazakhstan Region	16	-	-	16
Total	16	18	16	50

These were people working in the same spheres as the surveyed migrants. They were surveyed for a comparison of the working conditions of local workers and migrants. The majority of local workers were quite willing to talk, as the reports by the supervisors co-ordinating the fieldwork testify, not realising that their work was outside the law and that their labour relations with the employer might be formalised on a qualitatively different level.

In addition to quantitative/questionnaire surveys, ten in-depth interviews were made with key informants. This included local authorities (regional and city *akimats*, migration departments, migration police) and NGOs working with migrants.

Fieldwork for the survey was made in May 2008.

Ensuring the quality of fieldwork

Before the field stage of the study, a one-day training session was held for interviewers, during which they got to know the goals and tasks of the study, the questionnaire and interviewing rules, learned the rules for selecting respondents and acquired some practical tips for working with respondents. Experienced, professional interviewers were engaged to participate in the study. Most of the work was carried out in conjunction with a supervisor and controllers responsible for the quality of the work, as well as CIOM staff, since follow-up visits or telephone checks, were not possible under the given circumstances. In total, 4 teams of interviewers took part in the study, each consisting of 3 interviewers (one team working in the villages of the South Kazakhstan Region consisted of 4 interviewers), 1 controller and 1 supervisor. The interviewers engaged in the survey were the most experienced ones, who had taken part in several surveys of difficult-to-approach categories of the population and were highly motivated to produce quality results and to help migrant workers. Each team was formed to include interviewers speaking languages understood by the respondents (Kazakh, Russian, Uzbek and Turkish). The teams also had to include male interviewers due to respondent related gender and cultural factors.

Difficulties in conducting the study

The main difficulty encountered in the study was the closed nature of the target group, this being a result among migrant workers and members of their families of their irregular status in Kazakhstan and among employers and recruiting agents – hiring of workers with an irregular status in Kazakhstan. Two methods were used to overcome this difficulty, on the one hand, participation in the research was completely anonymous and the questionnaires did not register the names or exact addresses of the respondents. In addition, in order to encourage people to participate, respondents were given a token remuneration. Interest in the study and trust in the interviewers were also enhanced by engaging countrymen of the migrants as interviewers. This applied particularly to nationals of Uzbekistan working in Shymkent and the South Kazakhstan Region.

Interviewers performing the survey on construction sites in Almaty were prohibited from entering the facilities or talking to workers during working hours. Government officials were reluctant to speak on tape, believing that the interviews might be detrimental to them. In such cases, the interviewer wrote down the respondents' answers on paper. Overall, in spite of the significant number of restrictions, the completed questionnaires were of a high quality.

Definition of the informal economy

According to the Resolution concerning decent work and the informal economy of the General Conference of the ILO in 2002, the term “informal economy” refers to all economic activities by workers and economic units that are – in law or in practice – not covered or insufficiently covered by formal arrangements. The resolution differentiates between workers and enterprises that produce legal goods and services, although not in con-

formity with procedural legal requirements, and criminal and illegal activities that are subject of criminal law. It also recognises grey areas where enterprises and workers in the formal economy engage in informal practices. The ILO resolution recognises that informal work could be a result of laws that discourage compliance because they are inappropriate, burdensome or impose excessive costs. The informal economy often absorbs workers who would otherwise be without work or income. At the same time decent work deficits are most pronounced in the informal economy.⁷

The government of Kazakhstan programme entitled “Key lines of economic policy and organisational measures to reduce the size of the shadow economy in the Republic of Kazakhstan during 2005-2010”, approved by resolution No. 969⁸ of the Government of the Republic of Kazakhstan of 30th September 2005, includes the concept of unmonitored economy, the main segments of which are:

1. Informal activities – goods and services produced, as a rule, by private individuals not registered by the statistical and tax authorities.
2. Hidden activities – production of goods and services by officially registered enterprises that conceal their incomes from statistical accounting for the purpose of evading taxes.
3. Illegal (unlawful) activities – production of goods and services prohibited by the legislation (drugs, weapons, prostitution, human trafficking, etc.) and production activities usually deemed legal but acquiring an illegal nature in cases when engaged in by producers not permitted to do so.

This programme does not clearly define the difference between the concepts “shadow economy”, “unmonitored economy” and “informal economy/sector of the economy”.

The informal economy can be defined as a combination of the first and second categories: economic activities by unregistered businesses and unreported economic activities by registered businesses.

Irregular migrant workers are by definition working in the informal economy as their employers and migrants themselves are not in conformity with procedural legal requirements. The study highlights the need to improve employment and working conditions of migrants in the informal economy both by increasing protection of such workers and reducing irregular employment. This a challenging task considering that employers derive significant cost-savings from the employment of irregular migrant workers and that there is a large pool of such workers in neighbouring countries of origin.

7 *ILO International Labour Conference, Resolution concerning decent work and the informal economy – ILC90-PR25-292-En Doc, Geneva 1990*

8 <http://www.zakon.kz/our/news/printt.asp?id=30026754>.



CHAPTER 1

THE NATURE AND INCIDENCE OF EMPLOYMENT OF MIGRANTS IN THE INFORMAL ECONOMY



1.1. Scale of labour migration and to which regions

Migrant workers in Kazakhstan make an enormous development contribution to their host and origin countries - in the form of services and competitiveness in countries of destination and financial flows in countries of origin. Migration helps to improve the quality of life of many migrants and their families. Many migrants are filling a niche in the national labour markets by doing jobs that nationals do not want or cannot fill. Nevertheless many migrant workers are subject to labour exploitation and abuse. Unauthorized migration is widespread. The protection of jobs and decent working conditions for nationals is an understandable policy concern. Developing the right policy and legislative response that balances the different interests and effectively governs migration is a relatively complex and difficult process where admission and post admission policies are concerned.

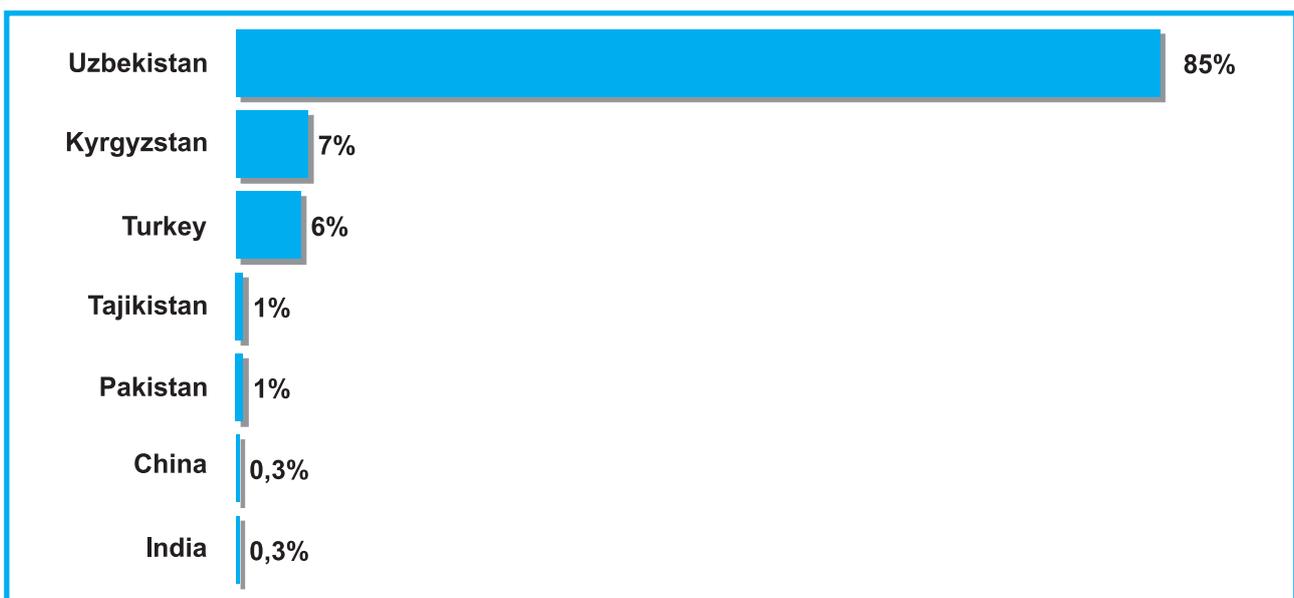
In the year 2007 about 60,000 migrant workers were registered in the country. The number of unregistered migrant workers is however much higher. According to the Concept for the Migration Policy of the Republic of Kazakhstan for 2007-2015,⁹ during the period of the state legalisation campaign in 2006, 164,500 foreign citizens were identified as working illegally on the territory of Kazakhstan. In a nation-wide survey commissioned by UNESCO and the OSCE 38 percent of migrant respondents said that they were working without authorisation. Estimates of labour migrants in the country range from 250,000 to one million.

Migrant workers seek employment primarily in the country's most developed cities of Almaty and Astana, oil-rich western regions; as well as southern areas bordering Uzbekistan and Kyrgyzstan, which, alongside Turkey, are the chief countries of origin of migrant workers. In Kazakhstan, migrant workers are employed mainly in agriculture, trade, services and construction. The factors behind the spread of labour migration to Kazakhstan are the higher standard of living in the country as compared to the migrant workers' countries of origin, as well as unemployment and low wages in their home countries.

1.2 Countries of origin

According to the quantitative study data, the main countries of origin of migrant workers are the Central Asian countries adjacent to Kazakhstan: Uzbekistan, Kyrgyzstan and Tajikistan; to a lesser degree – Turkey, China, Pakistan and India. The key informants believe that the last three countries have been added only in recent years to the list of countries of origin. The migrant workers from Turkey, Pakistan and India in the survey are legal migrants.

Figure 1. Countries of origin of migrant workers (according to migrant workers' answers). N=300



The reason for such a high proportion of Uzbek citizens among the migrant workers in Kazakhstan is possibly that, in the present study, Shymkent and the South Kazakhstan Region were determined as one of the

⁹ <http://www.enbek.kz/law/lawdetail.php?recordID=364&num=2>.

main destinations of migrants. These population centres accounted for a half of the sample population. It may be that, if the sample had included other migration flow destinations, such as Astana and Western Kazakhstan, the proportion of arrivals from the various countries would have been somewhat different, but there can be no doubt that there are more Uzbek citizens than others among the migrant workers in Kazakhstan.

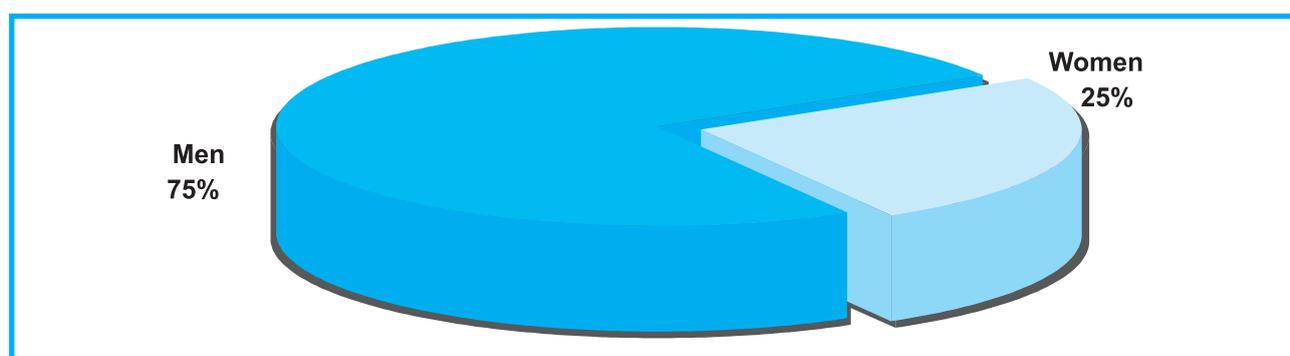
The numbers arriving from Uzbekistan are significantly higher than even from Kyrgyzstan (7%), adjacent to the Almaty Region, which was one of the survey centres. The proportions of citizens of Uzbekistan and Kyrgyzstan, as shown in Figure 1, are considerably greater than the corresponding proportions of the populations of these countries. In other words, in spite of the proximity of Kyrgyzstan to the economically most developed population centre in the area, the city of Almaty, the number of Uzbeks is immeasurably higher than would be accounted for by just the bigger population of Uzbekistan compared to Kyrgyzstan (27 million against 5 million).

Labour migration to Kazakhstan is, in general, seasonal in character. According to the survey, 77% of migrant workers usually come to work in Kazakhstan in the summer. The most intensive working season is from April to August inclusive.

1.3 Social and demographic portrait of migrant workers in Kazakhstan

A major proportion of the migrant workers coming to Kazakhstan are men. Women account for a quarter of the migrants, as per the study.

Figure 2. Distribution of migrant workers by gender. N=300



The majority of women arriving in Kazakhstan are citizens of Uzbekistan and Kyrgyzstan. Approximately 90% of migrant workers are between 18 and 45 years of age – the most economically active age group.

Figure 3. Distribution of migrant workers by age. N=300

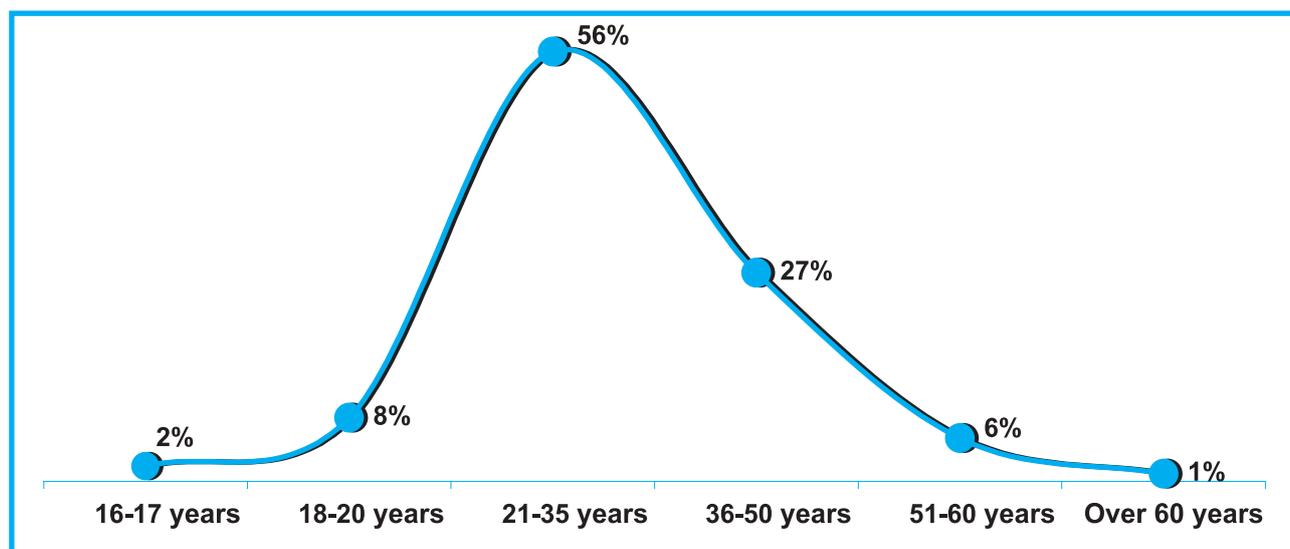
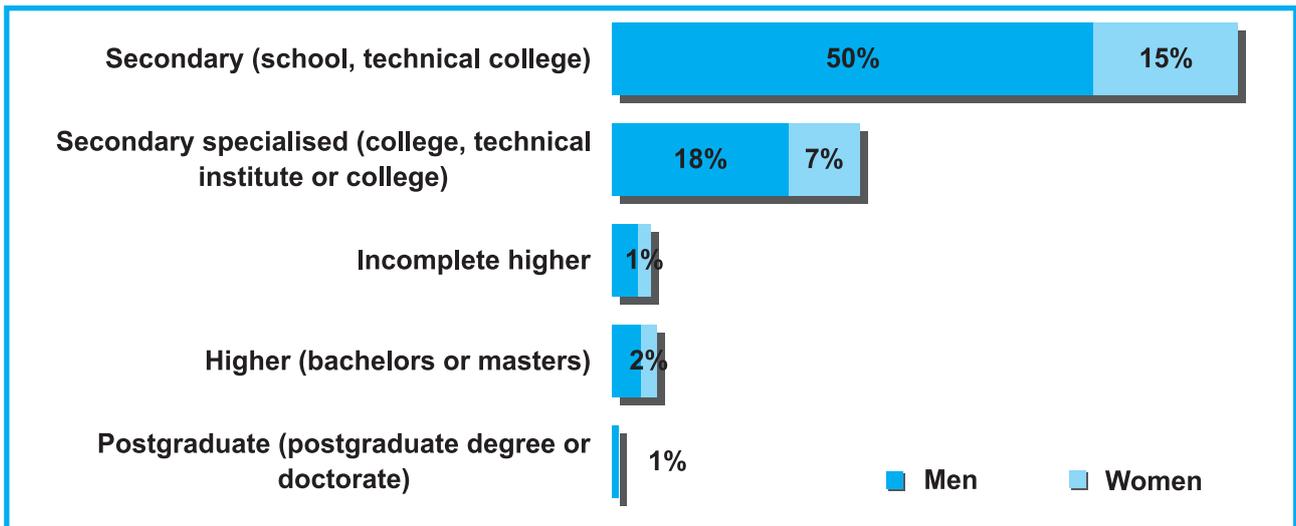


Figure 4. Distribution of migrant workers by level of education. N=300



A very small percentage of migrant workers have university education. Older migrants and women were found more likely to have higher education. Migrants having secondary technical education were more common.

1.4 Recruitment

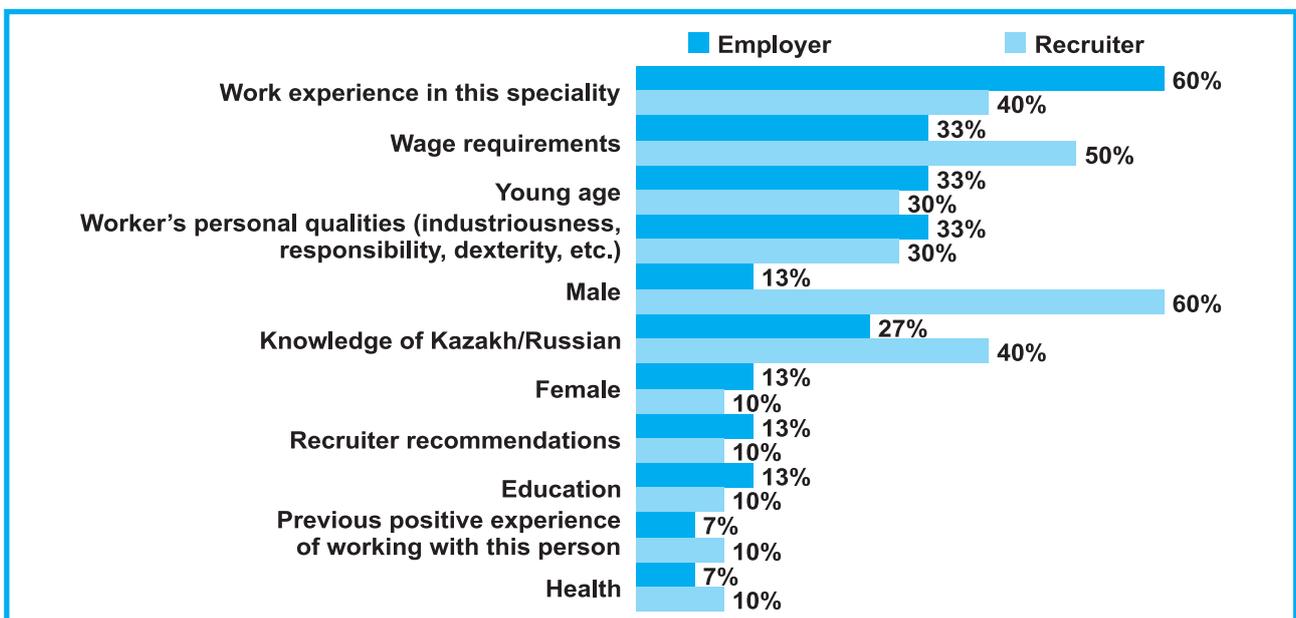
In the survey approximately 35% of migrant workers use the services of recruiting agents (usually not registered) to find a job. 20% of employers noted that they find workers for their enterprise through special agents.

Least widespread is the activity of recruiting agents bringing workers from Tajikistan, Kyrgyzstan and China. All workers coming from India and Pakistan do so only through agents (registered). They are also of considerable significance in recruiting workers from Uzbekistan.

The worker recruitment pattern for Central Asian countries is broadly as follows: a recruiter or agent arrives at the permanent place of residence of people wishing to work in Kazakhstan to get together a team, brings them to Kazakhstan, finds them work and rents housing for them. Variations from this pattern are possible, such as the workers themselves crossing the border and, already on the territory of Kazakhstan, getting in touch with their recruiter.

Recruiting agents collect workers by such criteria as gender and wage requirements. Experience of work in a speciality comes only in third place. For employers, however, work experience is most important.

Figure 5. Employer and recruiting agent selection criteria with respect to migrant workers. N₁=15, N₂=10



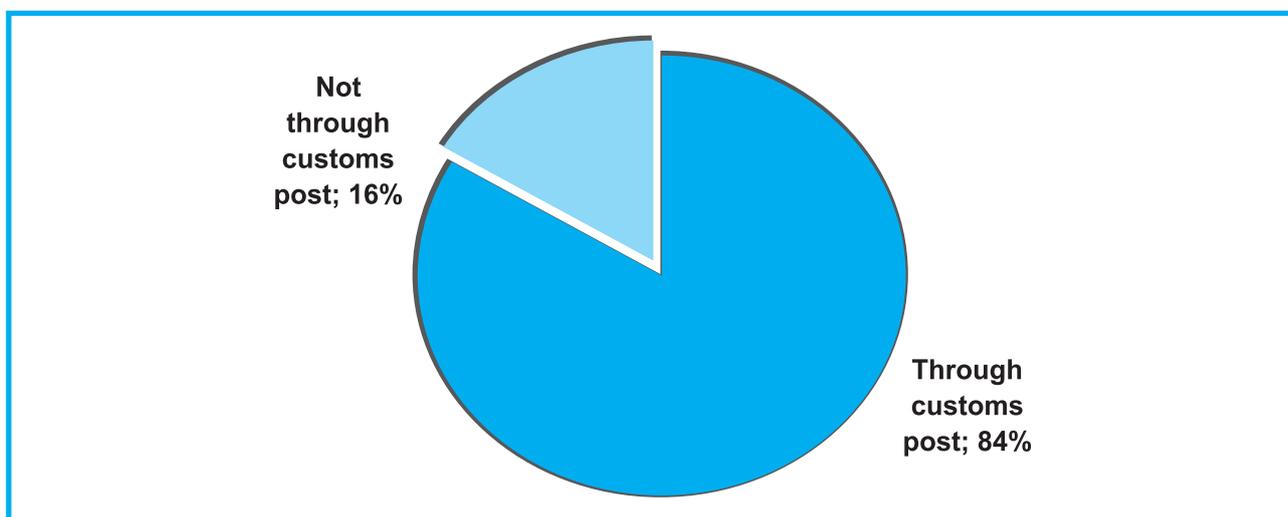
As can be seen, knowledge of local languages (Kazakh and Russian) is also important for hired workers, particularly for those hired for construction work in Almaty. The Uzbek language is quite widespread in the South Kazakhstan Region, particularly in border districts, where the concentration of migrants is the highest. It is indicative that the level of education plays virtually no role in worker recruitment. This reflects the fact that most often migrant workers are employed in lower skilled and physical work.

Recruiting agents charge employers a fee for providing them with manpower, and charge workers for finding them a job (about 20% of agents taking fees from both sides). Moreover, if recruiters find accommodation for the workers or organise food for them, they include this in the cost of services. In choosing jobs for their workers, recruiting agents are governed by monetary considerations. Whether or not the workers are sufficiently qualified is taken into account in only a third of cases. The existence and quality of the accommodation and food provided by the employer is of approximately the same significance.

1.5 Crossing the border

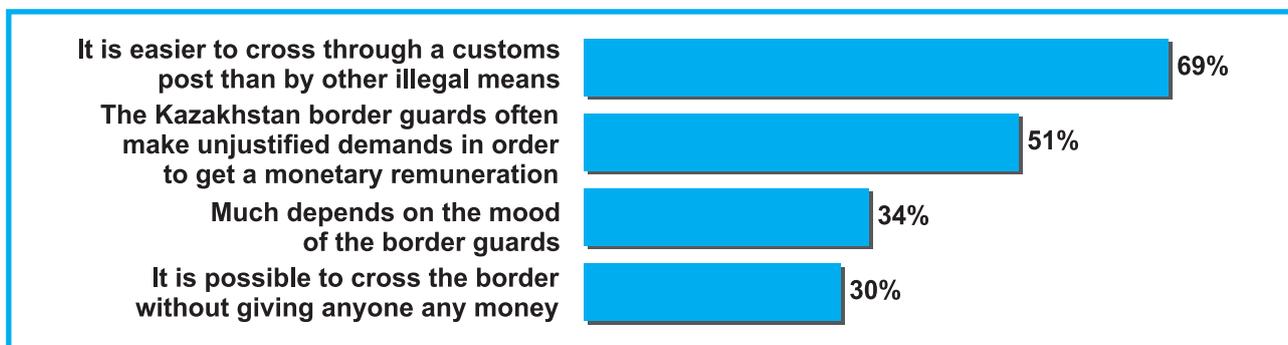
A major proportion of migrant workers – about 84% – cross the state border legally (through border posts). Only citizens of Uzbekistan in the survey reported crossing the green border through yards, private houses and so on.

Figure 6. Method used to cross the border. N=300



Even though entry to Kazakhstan is free of charge for nationals of the CIS member-states, only 7% of Uzbekistan, Kyrgyzstan and Tajikistan nationals are able to exercise this privilege according to the survey. Most often, a bribe is given to speed up or simplify the border crossing procedure; 30% of participants in the study say it is possible to cross the border without paying anyone.

Figure 7. Agreement with assertions regarding crossing the border. N=300



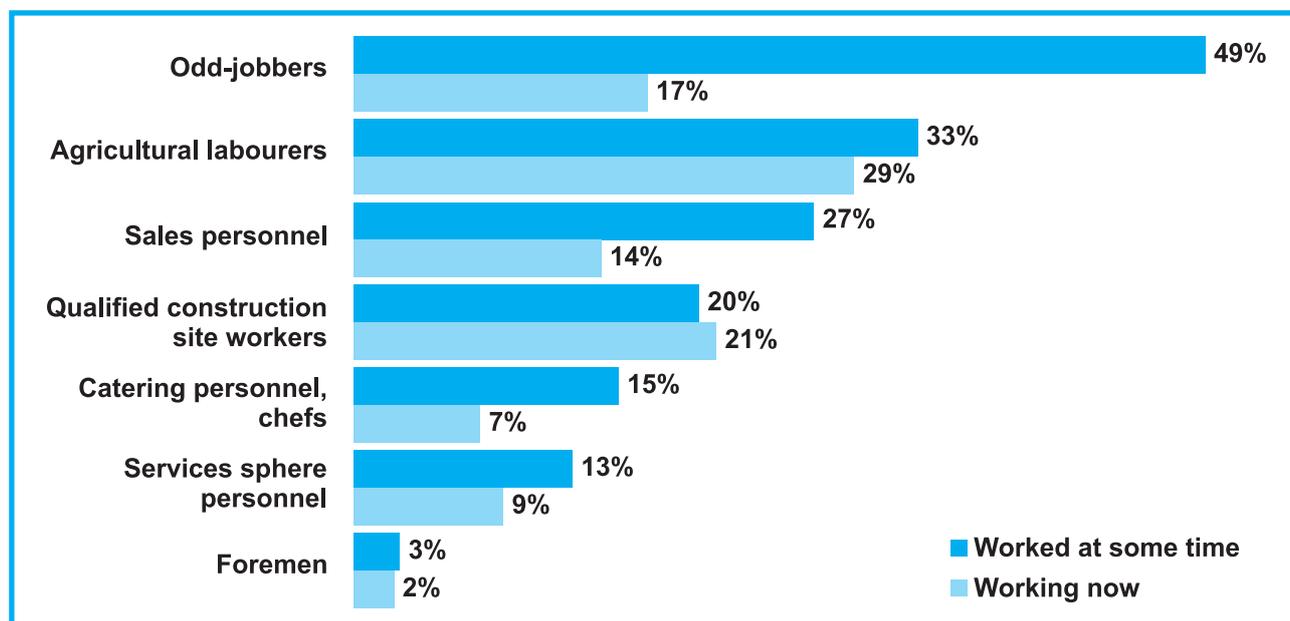
1.6 Types of occupation

Key informants as well as previous studies have stated that migrant workers are mainly engaged in construction, agriculture and trade. Services is another important area, particularly for women. One of the key in-

formants (NGO representative) mentioned that women are engaged in services: “for girls, there is the services sphere: cafūs, restaurants, waitressing work. And very many girls are in the sex trade.”

According to the answers provided by the migrants themselves, most often they come to work as casual labour, agricultural and construction workers (see Figure 8).

Figure 8. Migrant workers’ activities in Kazakhstan. N=300



The migrant workers’ activities are co-related with their country of origin. For instance, those from Pakistan and India surveyed within the scope of the study work only in construction, while Turkish citizens, in addition to construction, where about 80% of them work, also work in trade and as casual workers. Citizens of Tajikistan work in public catering (eateries/cafes) and the services sphere. Most similar are the activities of migrants from Uzbekistan and Kyrgyzstan, with the exception that the latter work less frequently in public catering.

There is also a statistically significant correlation in types of activity by gender. Women work more frequently than men in trade, the services sphere and public catering, while men are engaged more frequently as casual workers or qualified construction workers. Agricultural labourers include about equal numbers of men and women.

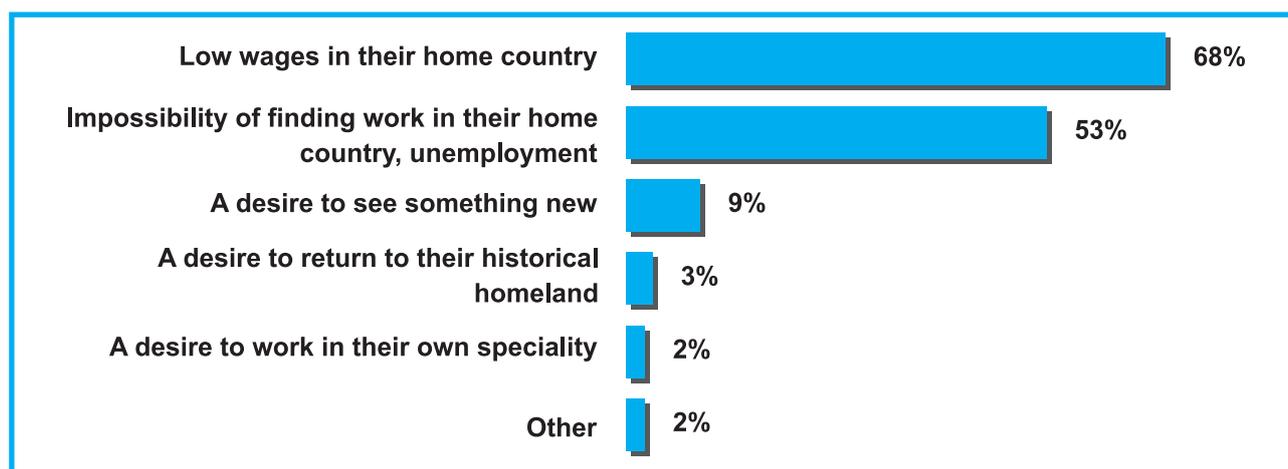
1.7 Reasons for irregular migration and employment

In order to identify the reasons for irregular migration and unemployment in Kazakhstan, we need the answers to several questions:

1. Why do migrant workers travel to Kazakhstan to work?
2. Why do they work without authorisation?
3. Why do employers hire migrant workers, knowing their irregular status in advance?

According to the migrant workers themselves, it is need that brings them to Kazakhstan to work: unemployment and low wages in their home country (see Figure 9).

Figure 9. Reasons why migrant workers come to Kazakhstan to work. N=300

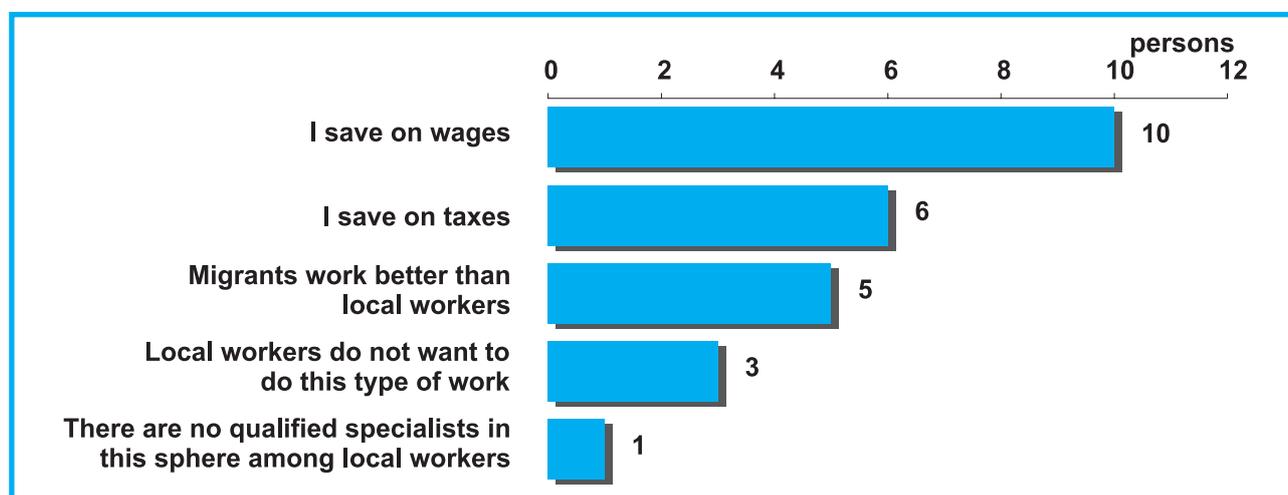


These reasons may be seen as fully objective. According to official data, the average nominal wage in Kazakhstan as of 1 April 2008 was 54,500 tenge¹⁰ or about 450 US dollars, while the respective figure in Uzbekistan was 210 US dollars.¹¹

About 80% of irregular migrant workers would like to work in Kazakhstan legally. For a third of the respondents of the survey (34%), their illegal status is one of the main problems they come up against while in Kazakhstan. About 40% have had problems with the local authorities and have been held by the police.

The main reason that employers in Kazakhstan hire migrants without authorisation is that they provide a cheap pool of labour (see figure 10). Only a third of employers agree that they would hire regular workers if they cost 30% more. In the opinion of the employers, Kazakhstan workers would cost them 80% more than irregular migrant workers. However, most employers did say that they would employ legal migrants provided that it would be easier and cheaper to do so.

Figure 10. Reasons why Kazakhstan employers hire migrants with irregular status in Kazakhstan. N=15¹²



Moreover, migrants, in the experts' opinion, are less demanding with respect to working and living conditions, length of the working day, days off etc. Besides they are also not well informed of labour laws and prone to exploitation. Key informants pointed out however that informal work is common among nationals as well.

Civil servant in Shymkent: Our own citizens often work illegally, to say nothing of migrants.

Widespread illegal employment also reflects weaknesses in governance. As an earlier study on migration legislation in Kazakhstan has pointed out, recruitment of migrant workers in scarce occupations should be simplified.¹³ In addition penalties and enforcement is lax. About 40% of the employers surveyed say that govern-

¹⁰ <http://www.zakon.kz/our/news/news.asp?id=30173385>.

¹¹ *Ibid.*

¹² *The distribution of answers from employers is given in absolute terms owing to the small number surveyed.*

¹³ *ILO, Rights of Migrant Workers in Kazakhstan – National legislation, international standards and practices (draft 2008)*

ment authorities had carried out checks at their enterprises. In approximately half of the cases, the inspecting authorities inquired about the presence of migrant workers. Most often, such problems are either resolved on the spot through mutual agreement (i.e. a bribe) or a small administrative fine is levied on the employer.

Some key experts (sources) believe that there is a shortage of manpower in Kazakhstan, especially a relative shortage of workers to do unskilled work. Local workers are not hired to do difficult work, such as cotton harvesting, for which residents of Uzbekistan are traditionally engaged.

Civil servant in Almaty: In Kazakhstan, with its enormous territory, there is a shortage of manpower. For the local population, low wages are unacceptable; all are now striving to find better-paid jobs. Low-paid jobs are taken up by migrants from other countries.

Therefore, the incidence of labour migration in the informal economy of Kazakhstan is connected with the low cost of foreign manpower and savings it provides to employers; the shortage of unskilled Kazakh manpower; bureaucratic obstacles and limits in legally recruiting foreign workers; low or no legal awareness among migrants; and ineffective policing of violations.

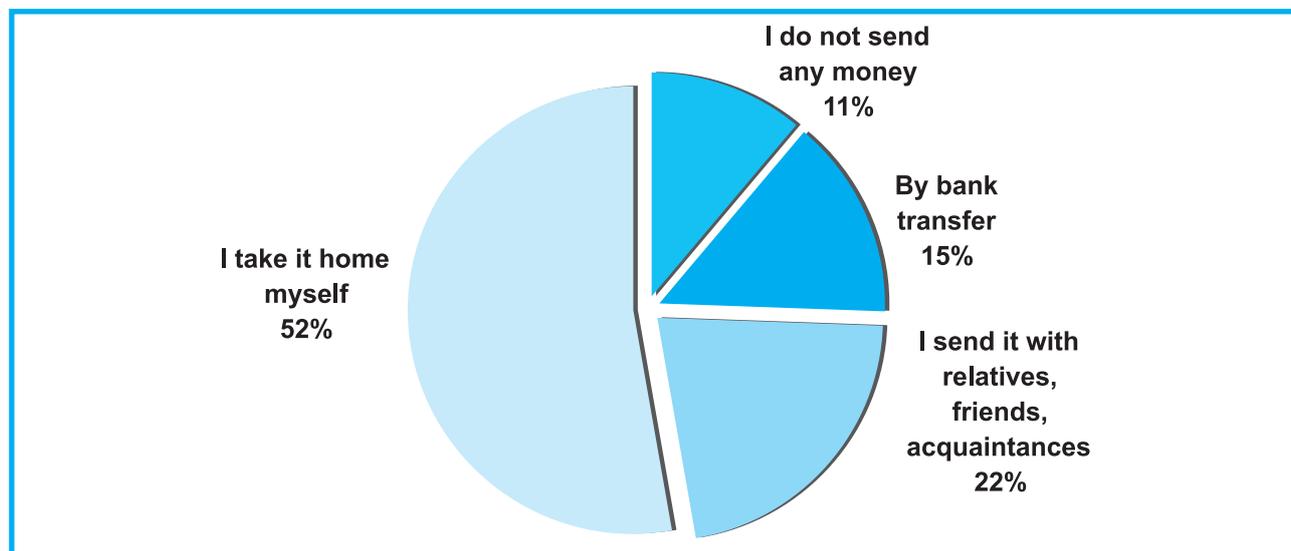
1.8 Contribution to the national incomes of Kazakhstan and of the country of origin

According to the survey a migrant spends about 10,438 tenge (roughly 86.4 US dollars) a month while living in Kazakhstan and sends to his/her country of origin an average of 29,195 tenge (241.8 US dollars) a month. According to the World Bank recorded outward remittances from Kazakhstan amounted to a little over 3 million USD or 3.9 percent of GDP in 2006. Considering that many migrants, as this study shows, do not use formal remittance channels, the true size of remittances from the country, particularly to Uzbekistan and Kyrgyzstan, is much larger.

Contribution to the national income and GDP of the host country is more complex to quantify, even if the significance is quite obvious. Construction for example is a sector that is heavily dependent on migrant labour. In 2007, the output in this sector was almost 40 billion tenge or 31% of the GDP in Kazakhstan.

Most remittances are hand carried in the survey. Only 15% of those surveyed use bank transfers. About 11% of migrants do not send any money home.

Figure 11. How do you send your earnings to your home country? N=300





CHAPTER 2

EMPLOYMENT, WORKING AND LIVING CONDITIONS OF MIGRANTS IN THE INFORMAL ECONOMY



We can make an assessment of the employment and working conditions of migrant workers in Kazakhstan in the survey from three sources:

1. Answers from migrant workers themselves.
2. Observations of working conditions of migrants.
3. Photographs of working conditions of migrants.

7% of migrant workers in the survey were regular and had concluded employment contracts, containing stamps and signatures, with the employer; most of them citizens of countries further away from Kazakhstan: Turkey, Pakistan and India. People from neighbouring countries, such as Uzbekistan, Kyrgyzstan and Tajikistan, most often do not conclude written employment contracts with the employer.

Approximately 17% of workers arriving in Kazakhstan work in teams in the construction and agricultural sectors. These consist of citizens of different countries, people of different ages, both men and women.

2.1. Wages

In the main, migrants independently agree their wages with the employer, but in a third of cases the recruiter does this. About half of the migrants work piece rates. On average, migrant workers surveyed earn in Kazakhstan about 39,241 tenge a month (325 US dollars¹⁴), which is 28% below the average wage in Kazakhstan. In April 2008 it amounted to 54,500 tenge.¹⁵

Table 3. Average monthly wage of migrant workers by sphere of activity

	Average monthly wage	
	in tenge	in US dollars
Unskilled worker	38,012	314.8
Skilled construction worker	58,853	487.4
Market or shop salesperson	45,166	374.0
Agricultural worker	23,812	197.2
Foreman	32,722	271.0
Kitchen worker, cook	29,176	241.6
Services sphere worker	50,763	420.4

The highest wages are earned by qualified workers on construction sites and workers in the services sphere. Migrants from Uzbekistan receive the lowest wages.

Table 4. Average monthly wage of migrant workers from different countries

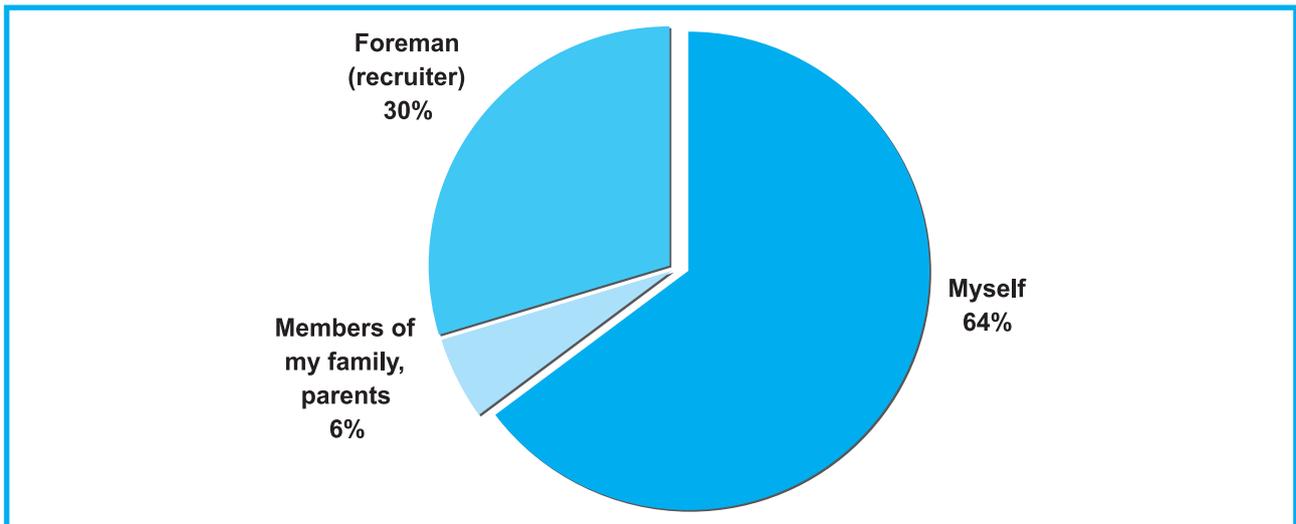
	Average monthly wage	
	in tenge	in US dollars
Uzbekistan	31,597	261.7
Kyrgyzstan	64,146	531.2
Turkey, Pakistan, India ¹	102,804	851.4

Women earn, on average, 20% less than men. This is connected not only with the employers' attitudes towards women, but also with the fact that women usually work in agriculture, catering and other sectors where wages are lower.

¹⁴ The average US dollar/tenge exchange rate during the fieldwork on the study was about 120 tenge 75 tiyn to 1 US dollar.

¹⁵ <http://www.zakon.kz/our/news/news.asp?id=30173385>.

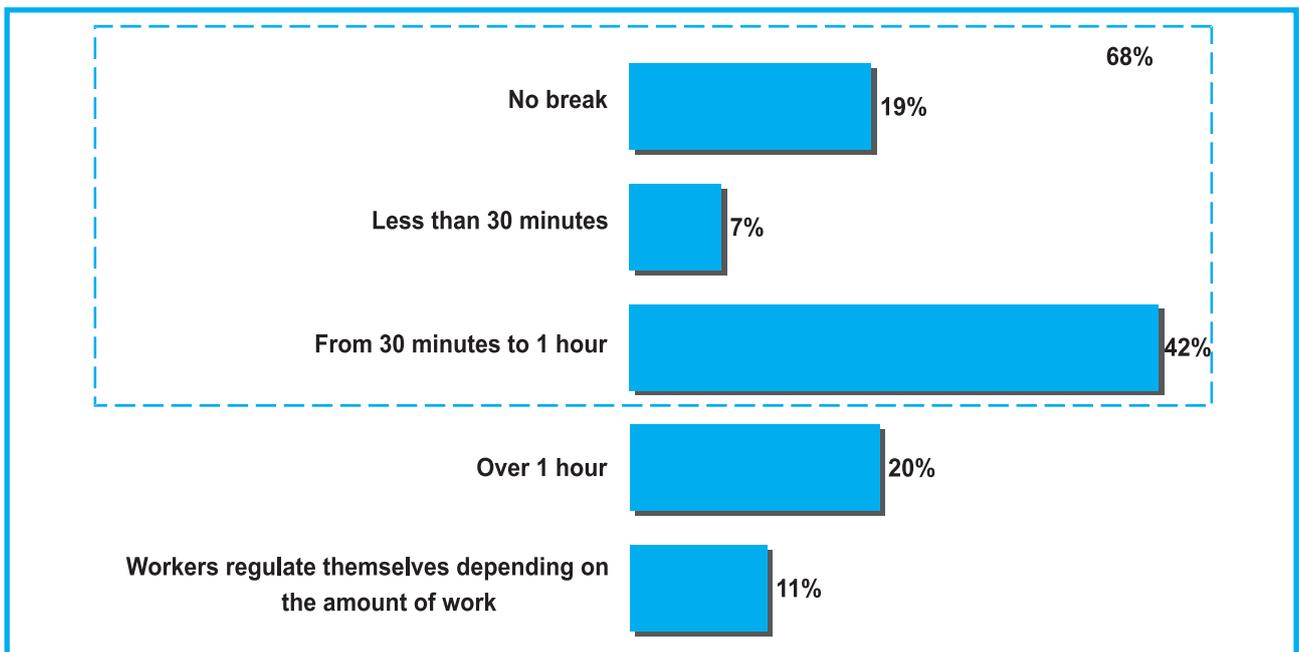
Figure 12. Who negotiates your wage with the employer? N=300



2.2 Working hours and rest

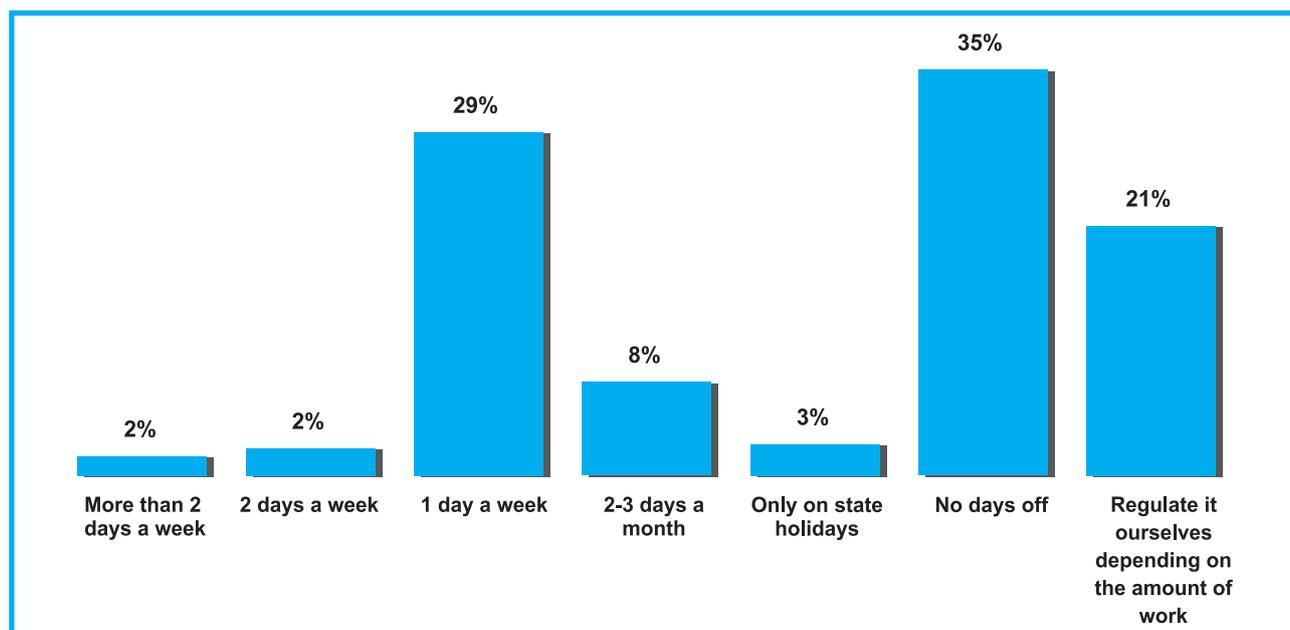
About 20% of workers have no lunch or rest break during the working day and another 50% have less than 1 hour of lunch and rest break, which runs counter to the requirements of the Labour Code of the Republic of Kazakhstan.

Figure 13. Length of lunch and rest breaks during the working day. N=300



Uzbekistan workers' rights to rest during the day are most often violated. In the South Kazakhstan Region and Shymkent, the workers' rights to rest are violated less frequently than in Almaty (Figure 14).

Figure 14. How often do you have days off? N=300

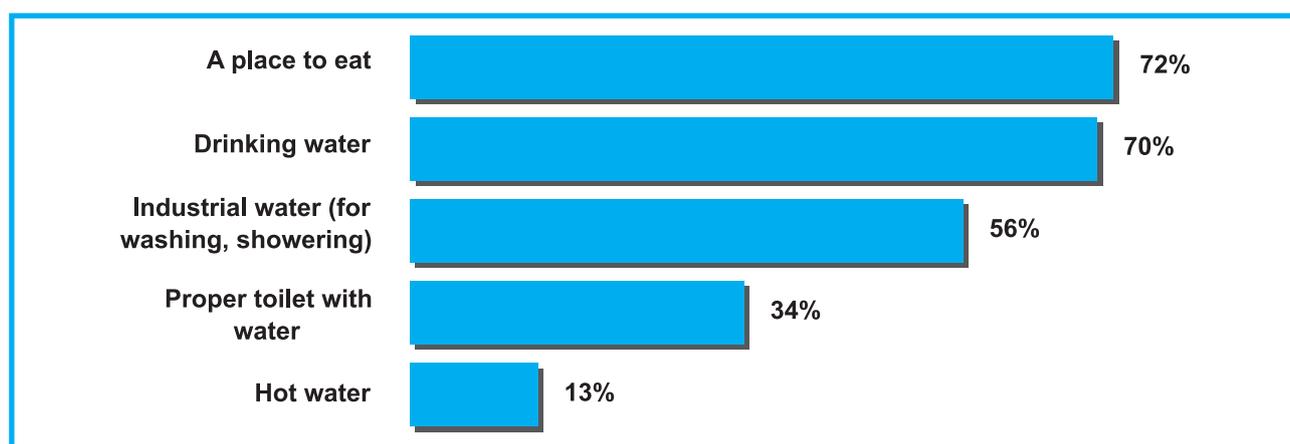


The working week lasts, on average, 75.4 working hours (varying between 37 and 126 hours a week), which easily exceeds the norm permitted by Kazakh legislation.¹⁶ Almost 98% of migrant workers work longer than permitted by the legislation of the Republic of Kazakhstan. Those working above the rate set by law include young people up to the age of 18 years. The average working time for them is about 12.8 hours a day or 85.6 hours a week, which exceeds the legally set norm 2.37-fold.¹⁷ Migrants from Uzbekistan work the longest, mainly agricultural labourers in the South Kazakhstan Region. Women work as many hours as men.

2.3 Occupational safety and health (OSH)

Some insights can be gained on the working environment from the limited number of work sites visited (see figure – below). Basic conveniences are lacking for a fair number of workers as figure 15 indicates:

Figure 15. Amenities available at the work place. N=300

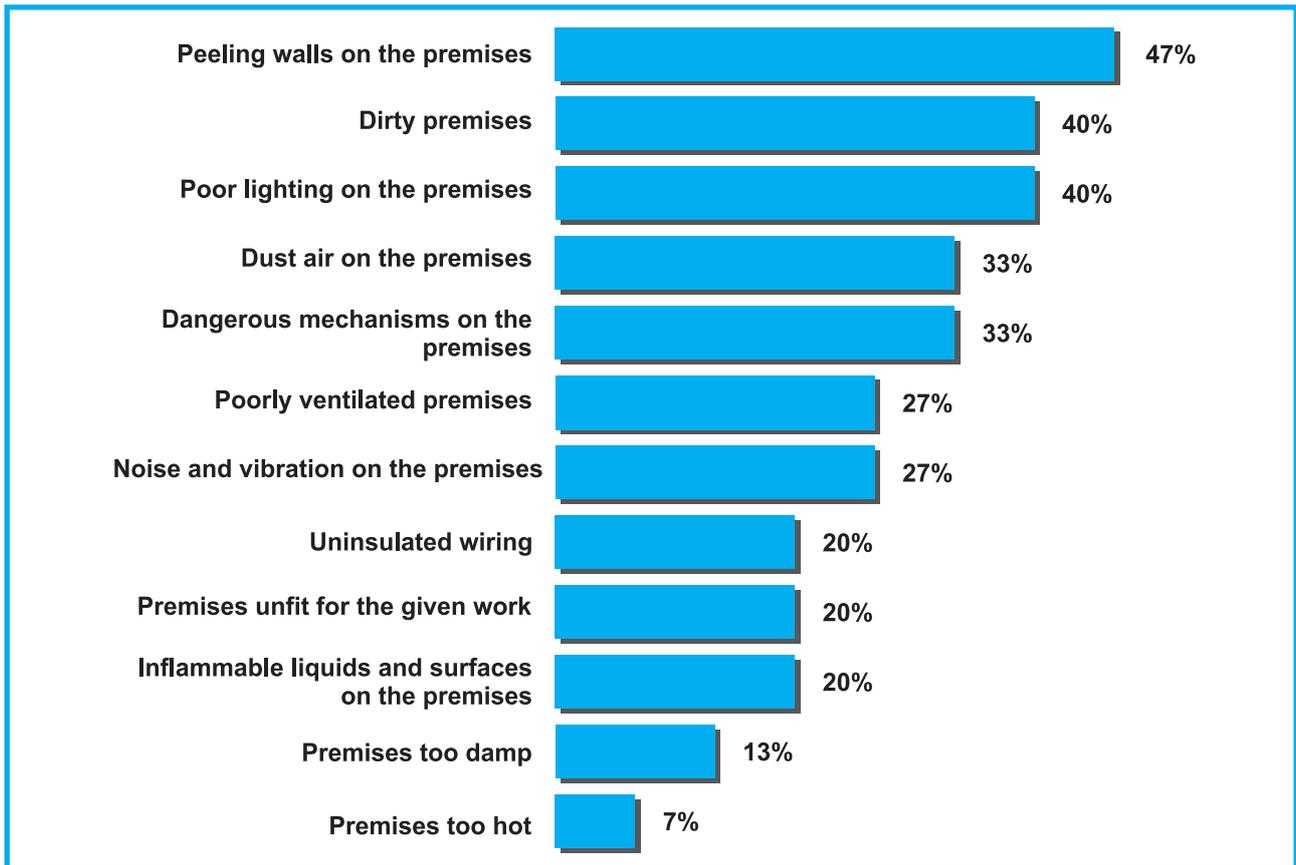


About 20% of working premises have no amenities (place to eat, industrial, hot and drinking water, proper toilet); only 7% have all the amenities indicated in the figure. Workers in Almaty enjoy the fullest range of amenities. Legal migrants, from countries further away from Kazakhstan (India, Pakistan and Turkey) usually have a full range of modern conveniences, reflecting better work sites and jobs. It is the work places of migrants from Uzbekistan and Kyrgyzstan that are most poorly equipped.

¹⁶ Article 77 of the Labour Code of the Republic of Kazakhstan sets the normal working week at no more than 40 hours. The Labour Code of the Republic of Kazakhstan. The Code of the Republic of Kazakhstan No. 251 d/d 15 May 2007. http://www.buhgalter.kz/kz/index.php?option=com_content&task=view&id=3580&Itemid=26

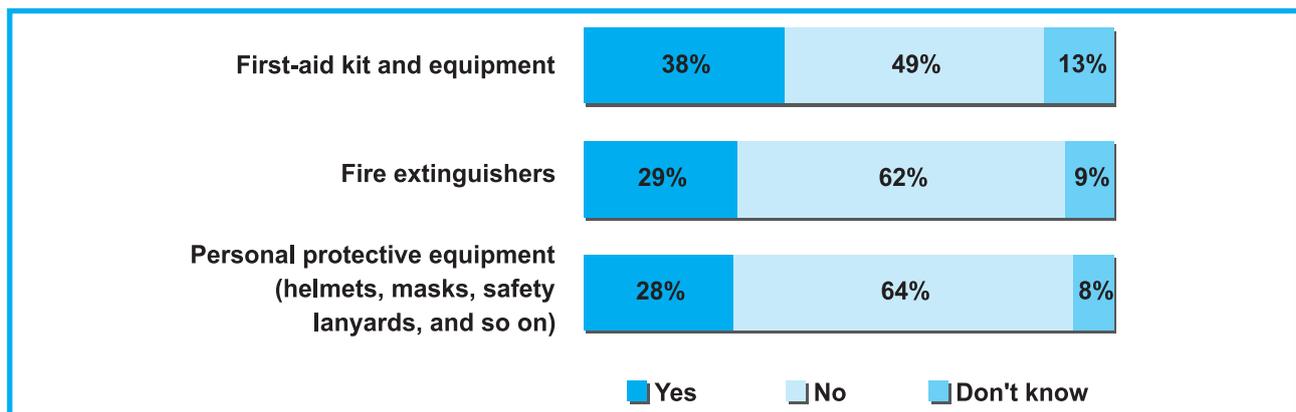
¹⁷ Article 181 of the Labour Code of the Republic of Kazakhstan sets the normal working week for young people between 16 and 18 years of age at 36 hours. *Ibidem*

Figure 16. State of working premises (according to observation results). N=15



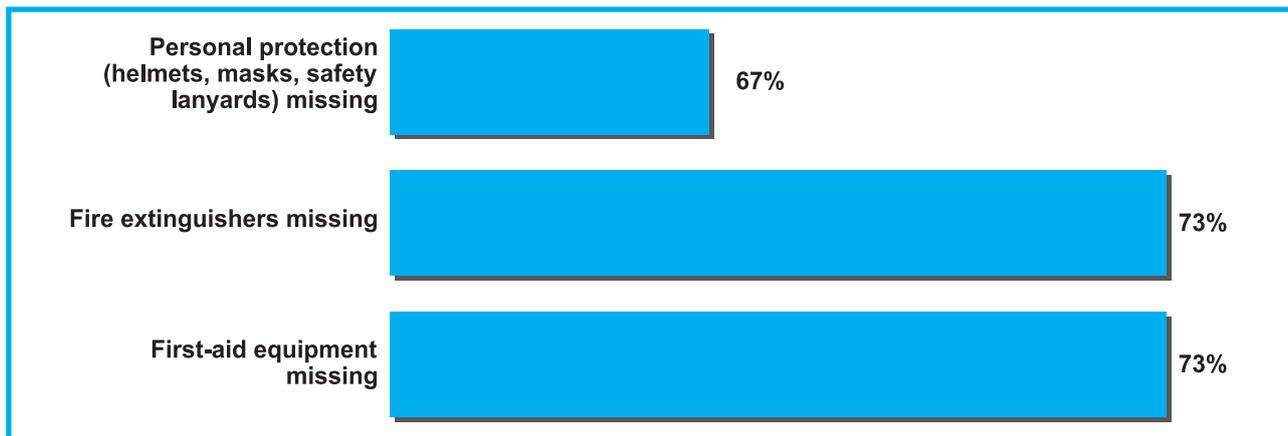
Approximately a third of migrant workers (29%) assert that safety measures are not observed at their work places. Only in 13% of enterprises in which migrants work are there first-aid kits, fire extinguishers and special means of protection (helmets, masks, safety ropes etc). At the same time, 41% of the enterprises have none of the above.

Figure 17. Means of protection available at the work place (according to the survey results). N=300



The results of the observations by interviewers also indicate that many safety requirements are missing from work places.

Figure 18. Means of protection available at the work place (according to observation results). N=15



Only 7% of migrants mentioned cases when a worker suffered at work (was injured or died). In such cases outside doctors are rarely called in to treat the victims, with medical assistance usually being provided by the workers themselves. Victims of industrial accidents are usually released from work for a few days (14%), but not until they are fully fit. In over 60% of occupational injury cases, the victim is not paid any compensation.

Below are some excerpts from observation forms filled in by interviewers.

South Kazakhstan Region, potato field: *They work in the full sun, continually bent over. The soil gives off a lot of evaporation, making it difficult to breath.*

Shymkent, services: *Very dangerous working conditions: inflammable items and no fire extinguishers, the workers have no special clothing and even the most elementary safety rules are ignored.*

Almaty, construction: *Food is prepared in a vat in the open air on the street, beds are polystyrene, dirty, sanitary rules are not fulfilled. All of them do have helmets, however, and working clothes. The foreman treats the workers well.*

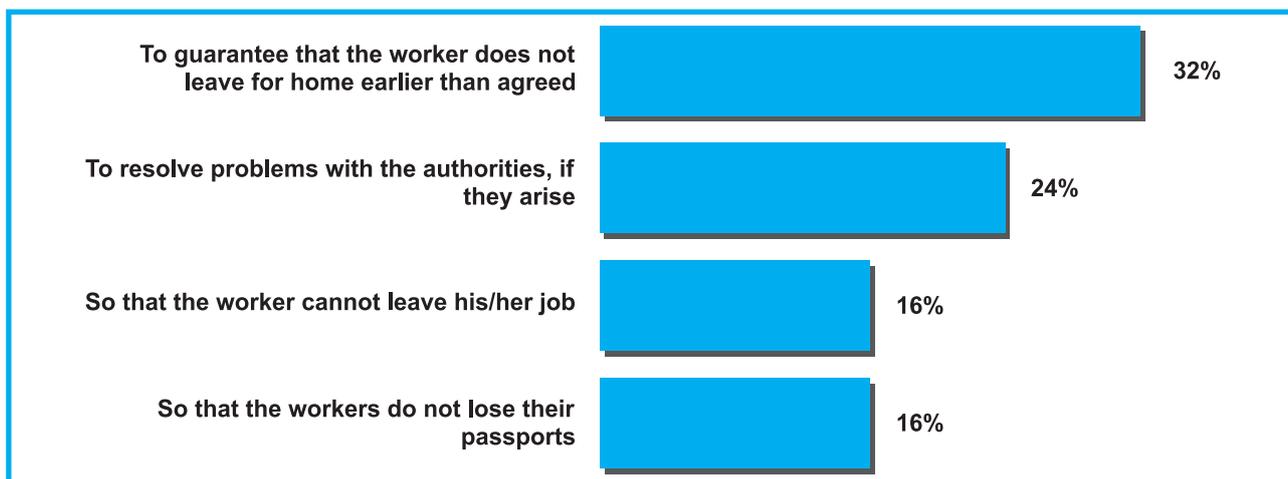
Almaty, construction: *The first thing you notice is the cleanliness on the construction site. The second is women doing “men’s” jobs. All the migrants are pleased with the working conditions*

2.4 Forced labour elements

As many as a third of migrant workers do not hold their own passports. Approximately 2% of them have no passports at all. The employer gathers up the workers’ passports in 19% of cases and it is the recruiter who does this in 12%. About 66% of those workers whose passports are taken away from them in Kazakhstan say that they would not want to keep their own passports and were pleased to hand them in to the employer or recruiter. This probably reflects low awareness of rights and/or the lack of a safe place to store the document. The practice of collecting up passports is most widespread among Uzbek workers (38% of them hand in their passports to employers, recruiters or foremen).

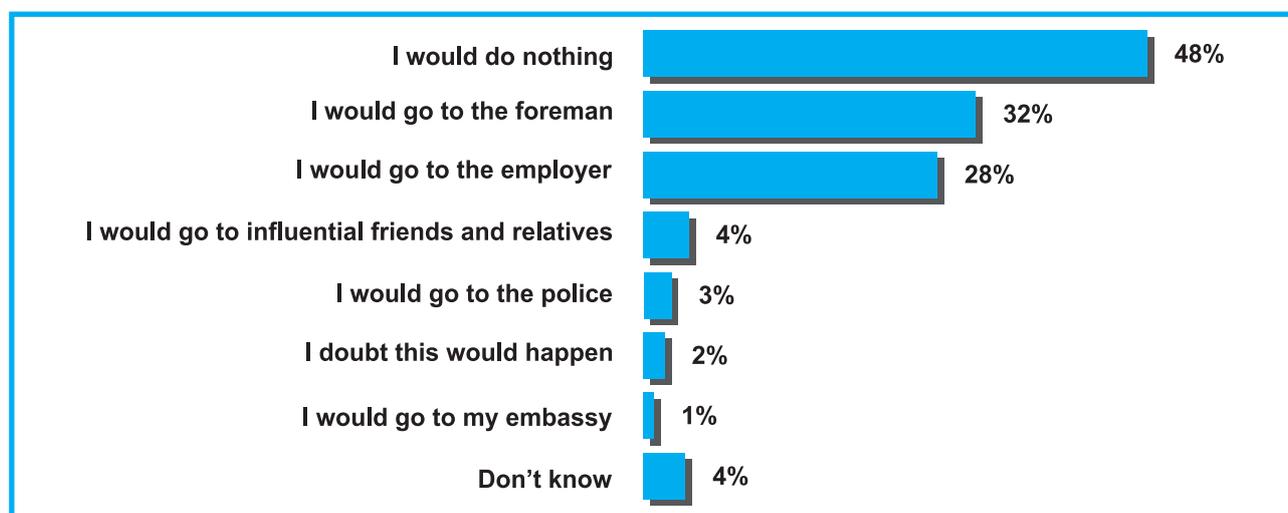
Recruiting agents and employers explain their motives as follows:

Figure 19. Reasons why employers and recruiting agents take migrant workers’ passports away. N1=15. N2=10



Approximately a third of migrant workers (29%) have experienced not being paid the promised money after the job is completed. Answers to the question regarding what the migrants can do in this situation show that many feel they have no real levers for addressing it.

Figure 20. What would you do if, after finishing the job, you were not paid or paid substantially less than agreed? N=300



Having an irregular status in Kazakhstan, many migrant workers encounter problems with the local authorities. Approximately 40% have been held at least once by the Kazakhstan police, and in 20% of cases, the migrants were released after giving the police a bribe.

2.5 Access to trade unions and NGOs

None of the migrants surveyed had ever approached a non-governmental organisation for assistance or knew they exist. Similarly none of the workers were members of trade unions. Foreigners permanently residing in Kazakhstan and migrant workers may only join registered trade unions should the charter of a trade union expressly provide for the membership of foreign nationals and stateless persons.¹⁸ However it appears that this pertains only to legal migrant workers.

2.6 Social security, health and education

Irregular migrant workers do not enjoy any social security benefits under Kazakh legislation. According to the survey very few migrant workers (3%) bring their school-age children with them to Kazakhstan. Two respondents said they were able to admit their children to school in Kazakhstan. While the workers received no health benefits from the employer, 80% of migrant workers said that they were aware of their right to emergency medical assistance from the state. 7% of migrants state that there have been cases at work when one of the workers had an industrial accident, was poisoned, suffered a serious cut or died. In such cases a doctor was called to treat the victim in a minority of cases.

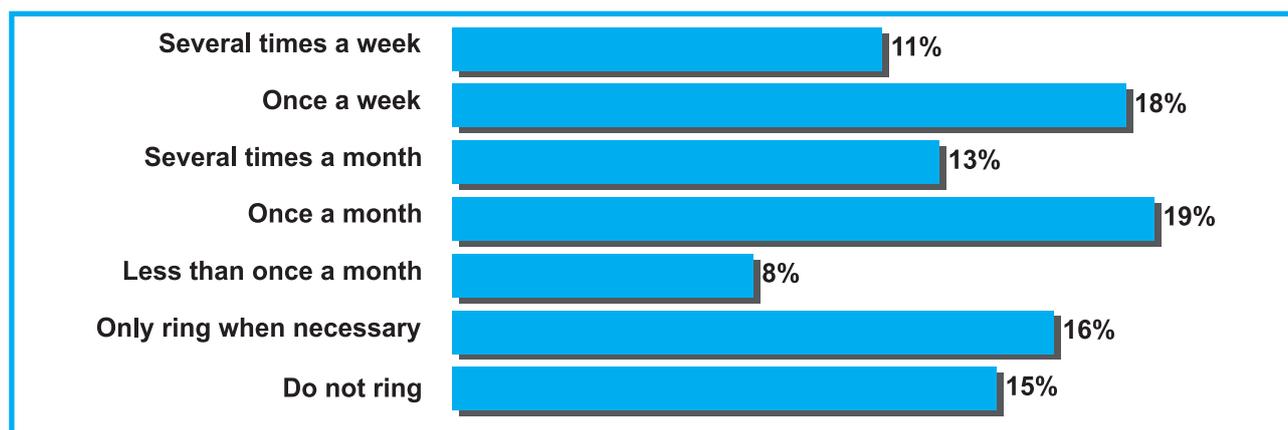
2.7 Family reunion

Only 13% of migrant workers come to Kazakhstan together with their families, about 5% with children under the age of 18 years. In general, migrants come together with their families when they are to stay in Kazakhstan for extended periods (6 months or more). About half of the children arriving in Kazakhstan are of school age (7 to 17 years). Parents usually bring boys with them, these constituting 75% of all the children.

People who come to Kazakhstan without their family phone home on average two times a month. About 15% do not phone home at all.

¹⁸ *On Public Associations. The Law of the Republic of Kazakhstan No. 3 d/d 31 May 1996. Article 11. Parliament Bulletin (Vedomosti) of the Republic of Kazakhstan. 1996. Issues 8-9, p. 234. http://ru.government.kz/docs/z960003_20090429.htm*

Figure 21. How often do you phone your family? N=261

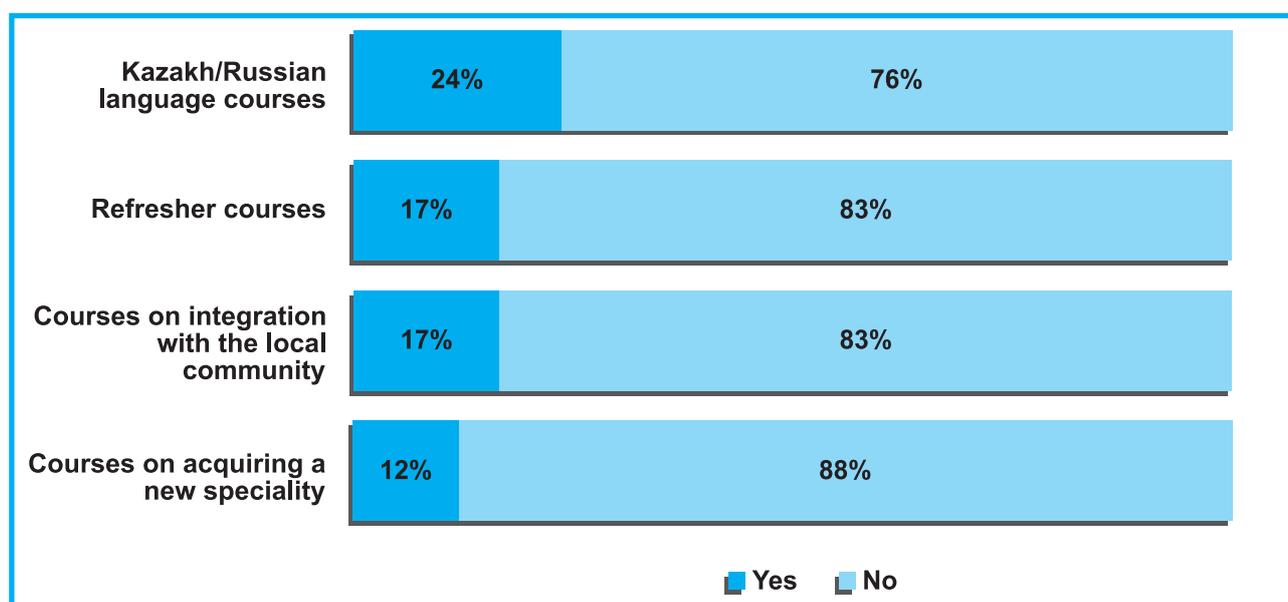


More than 30% of the participants in the study who came without their families find that separation from their spouse/children as one of the main problems they encounter when working in Kazakhstan.

2.8 Access to training

Adult migrants were asked whether they had any opportunity to undergo refresher courses, retraining or language courses or courses on integration with the local community while in Kazakhstan. The answers were as follows.

Figure 22. Do you have an opportunity to attend the following courses in Kazakhstan? N=300

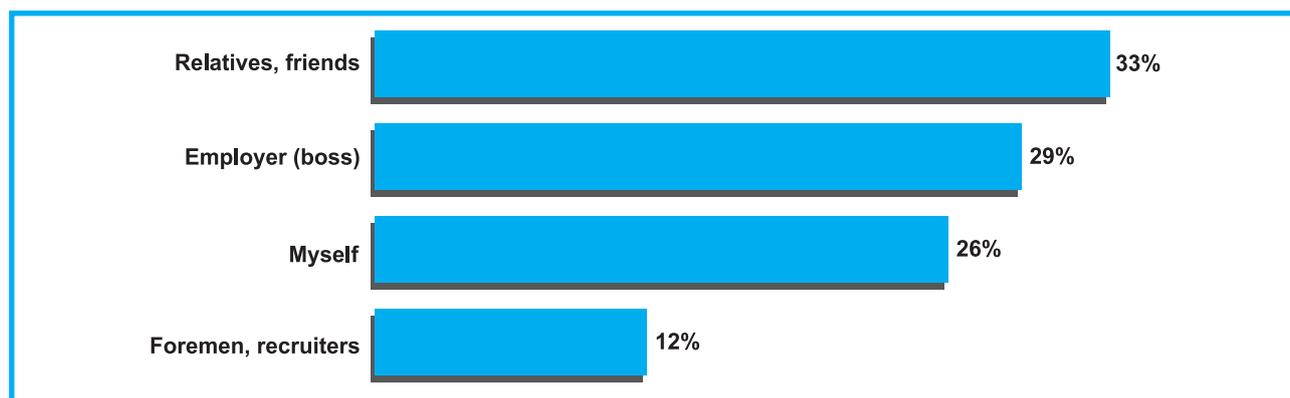


In general, irregular migrant workers in Kazakhstan have little opportunity for training or continuing education.

2.9 Housing and accommodation

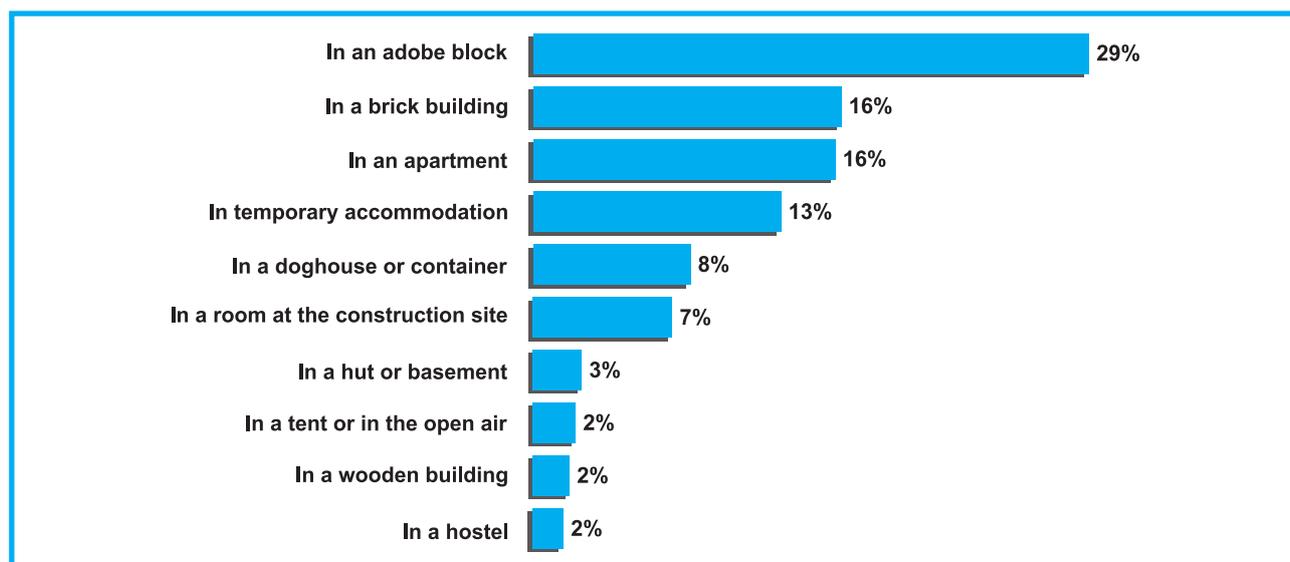
Employers and recruiters found accommodation for the workers in 40% of cases. This is most common for agricultural work.

Figure 23. Who found accommodation for you?



It cannot be said that the accommodation found by employers or recruiters differs greatly from that found by the workers themselves – in terms of comfort (availability of water, WC, kitchen etc.) the housing is the same. Most frequently in the services sphere and trade, workers look for their own accommodation, while agricultural workers do this least frequently. Usually, a team of workers or a family or several families live in a single house (or rented room), most often, especially in rural areas, these being adobe blocks. About 20% of migrants live in makeshift or nonresidential premises (such as containers, tents, huts, basements), and 2% of them in the open air.

Figure 24. Type of accommodation. N=315¹⁹

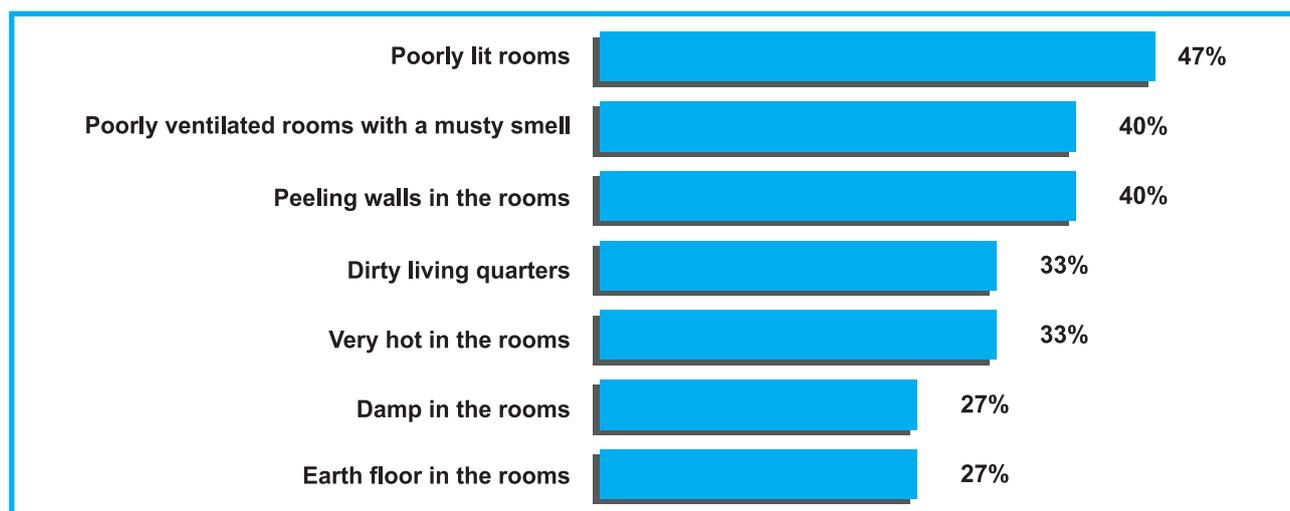


On average, 5.6 people live in a room (varying from 1 to 40).

Half of those surveyed sleep on mattresses on the floor and half on beds (settees, trestles etc.).

¹⁹ According to migrants and their family members.

Figure 25. Living quarters condition. N=15²⁰



13% of the rooms combine 6 of the negative features mentioned above allowing this type of premises to be considered unfit for living. In contrast, 27% of the living quarters observed demonstrated none of the negative features indicated. There was electricity in all the residential quarters observed, and in only 3 out of 15 of them, for which an observation form was completed, there were no electronic appliances (TV, refrigerator, radio, telephone).

Figure 26. Availability of domestic electrical appliances in the living quarters. N=15

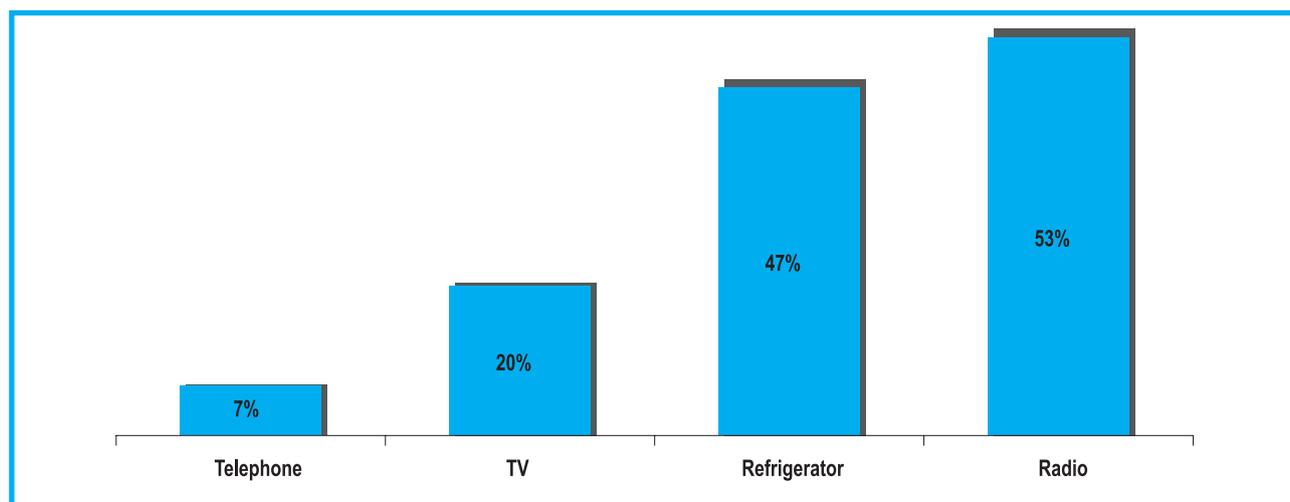
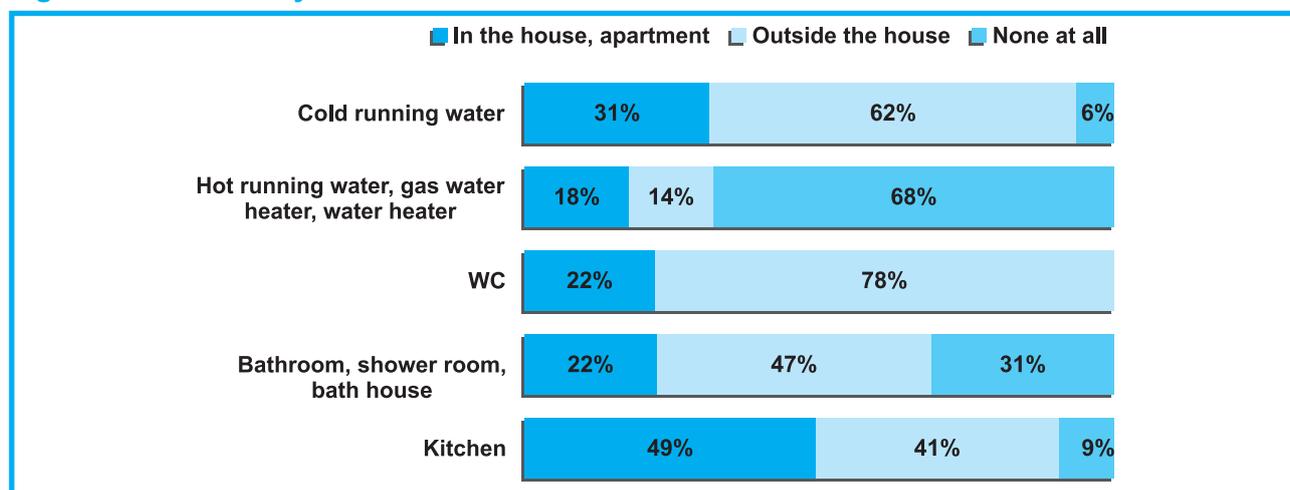


Figure 27. Availability of amenities. N=300

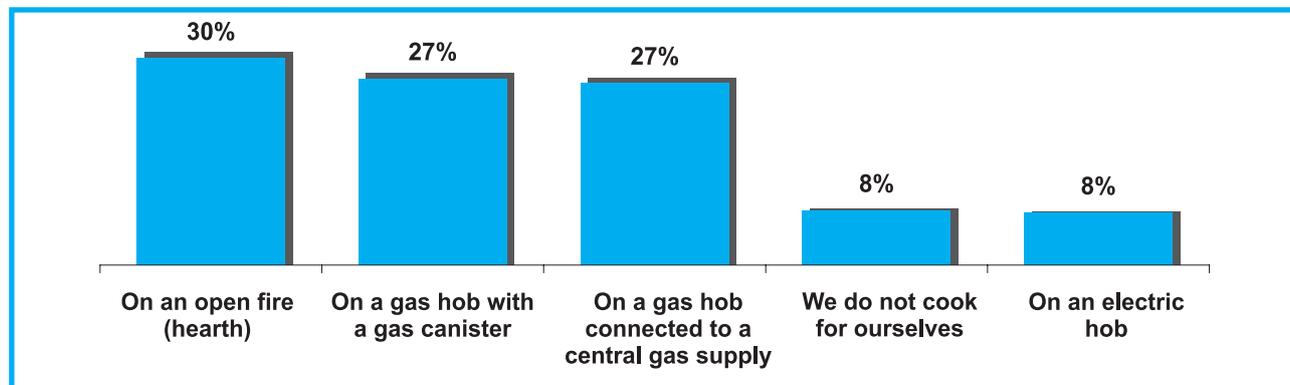


20 According to the observation forms.

In 7% of the living quarters observed there was no comfortable WC. About 6% of the migrant workers have no access to running water, most of these being natives of Uzbekistan. Only 14% of migrant workers have all modern conveniences in the house while 9% of migrants have them outside the house. Nationals of countries more distant from Kazakhstan (Turkey, Pakistan, India), working with contracts, enjoy all modern conveniences

Cooking on the open fire is widespread, especially among agricultural workers.

Figure 28. What do you cook on? N=300



27% of the living quarters observed housed children under the age of 18 years and only half of these had suitable conditions for doing homework (table, chair, additional lighting).

The following observations were recorded from their visits to living quarters.

Shymkent, services: Old building, in need of repair, walls and floors in a bad condition. Small rooms, low ceilings. People live under very crowded conditions, rooms are stuffy, damp and poorly lit.

South Kazakhstan Region, agriculture: Large house, the workers have everything they need. They sleep on the floor but it is warm in the room. The house is clean and comfortable and a special person has been taken on to cook and clear up. In spite of the lack of luxuries, the living conditions in the house are adequate.

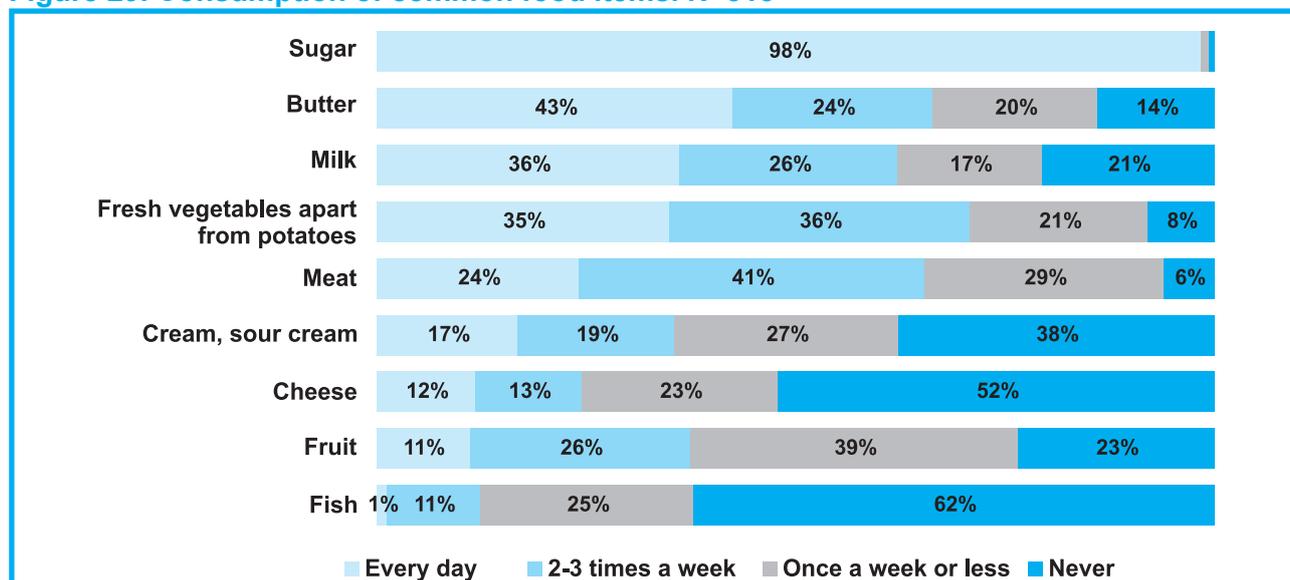
Almaty, construction: The container is clean, lit and well ventilated. There is a TV, a washing machine, refrigerator and radio.

Almaty, trade: Lack of kitchen and hygiene; cooking is done outdoors. The room is small and windowless. The workers sleep on trestles put together of planks. Bedding is folded in the corner. There is a woman who does the cooking and she cuts up the foodstuffs right there, on the trestles.

2.10 Meals

Approximately 82% of migrant workers eat 3-4 times day, about 13% eat less frequently and 5.3% more frequently. The workers themselves usually do the cooking, appointing a duty roster for this. 20% have their food cooked for them by a specially hired person (cook) and 15% have meals provided by the employer.

Figure 29. Consumption of common food items. N=315



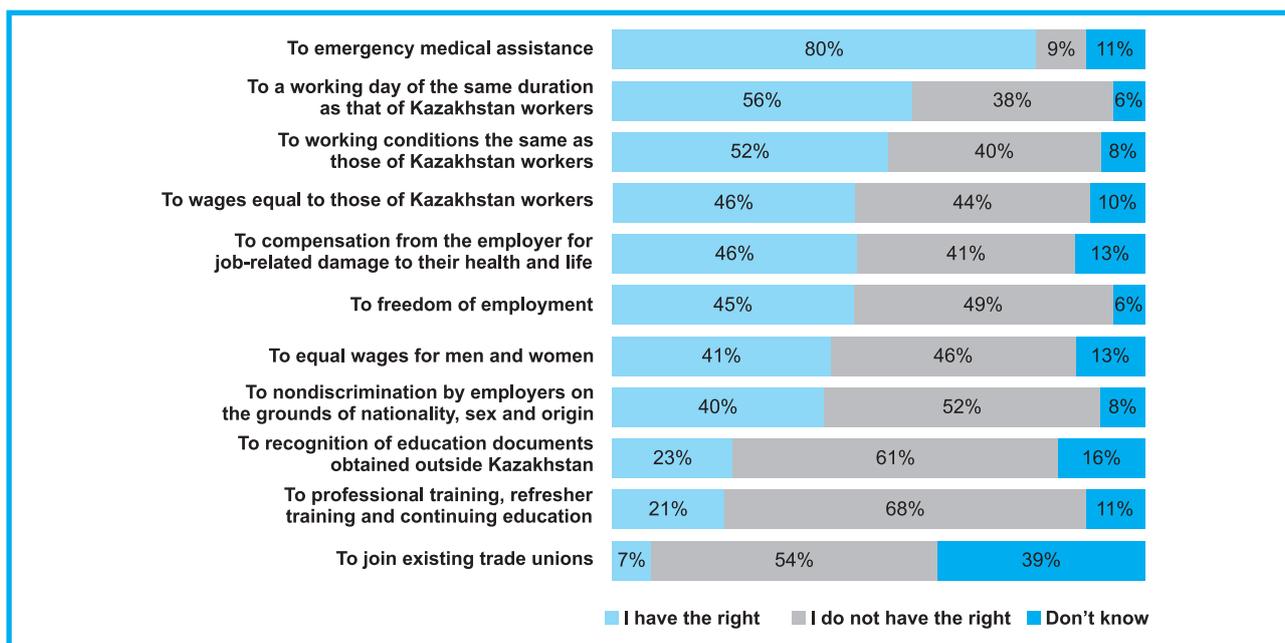
The foods eaten most infrequently are fish, cheese and dairy products (cream and sour cream, milk). Fruit and vegetables are consumed quite often. None of the migrants eat all the given food items at least once a week. About 7% eat only 3 or fewer of the listed items (Figure 29).

Women and young people usually eat a greater variety of foodstuffs. No differences were observed between the diets of people from different countries.

2.11 Knowledge of rights

The study investigated the knowledge migrant workers and Kazakhstan workers had of their own labour rights. The answers received are given in the figures below.

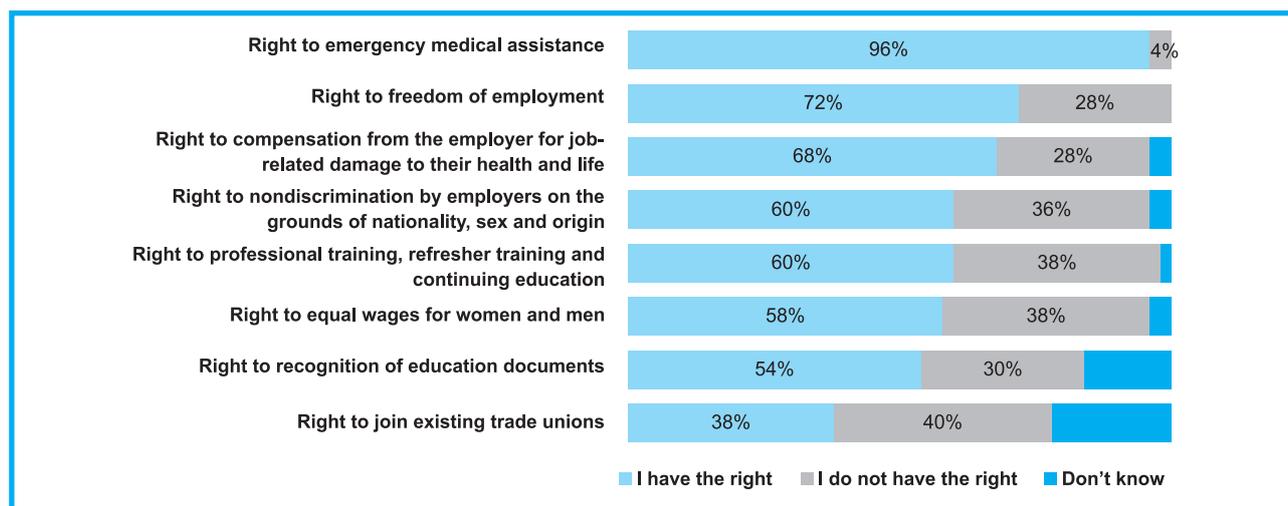
Figure 30. Migrant workers' knowledge of their rights. N=300



As we can see, migrant workers do not have sufficient knowledge of their labour and human rights. Migrants from Uzbekistan (forming the majority of those surveyed) are the least informed of their rights to work under the same conditions as local workers and to receive equal wages for equal work. As might have been expected, people with a higher level of education are more frequently aware of their rights. Women, more often than men, know that they are entitled to equal wages with male workers. It is migrants working as agricultural labourers in the South Kazakhstan Region that are least aware of their right to join trade unions.

Analysing the answers given by Kazakhstan workers, we see that their awareness of their labour rights is also low, though somewhat higher than that of the migrant workers. As many as 40% were not aware of their right to join a trade union.

Figure 31. Kazakhstan workers' knowledge of their rights. N=50



Almost 30% are unaware that the employer is responsible for compensating them for job-related harm.

2.12 Comparison with nationals working in the informal economy

According to the survey results, Kazakh workers receive roughly 20% more for the same job than migrants do. The working day of a local worker is about 11.6 hours, which corresponds to that of migrant workers, but the former have more days off and, correspondingly, work less during the week than migrants, the difference being no more than 3 hours a week. Kazakh workers more often have safer working conditions than migrants do, as is shown by a comparison of the working conditions of migrants and Kazakh citizens. Local people suffering accidents at work are more often paid compensation than migrants are. In addition, it was observed that often migrants live (housing and accommodation) under worse conditions than local people.

Conclusions and recommendations

Conclusions

In the year 2007 about 60,000 migrant workers were registered in the country. The number of unregistered migrant workers is however much higher. Estimates of labour migrants in the country range from 250,000 to a million. The areas subject to labour migration most of all are the South Kazakhstan Region (including Shymkent), the cities of Almaty and Astana, and the western regions of the country (Mangistau and Atyrau regions). The results of the study in Southern Kazakhstan (Almaty and South Kazakhstan region) indicate the following:

The largest proportion of irregular migrant workers in Southern Kazakhstan, are Uzbekistan nationals who account for about 85% of the total. About 7% of migrant workers come from the Kyrgyz Republic and another 6% from Turkey. The proportions of migrant workers from other countries (Tajikistan, India, Pakistan and China) are much smaller. However, experts believe that recent years have seen a substantial increase in the number of migrant workers from these countries, particularly China.

The quite widespread incidence of labour migration in the informal economy of Kazakhstan is connected with the low cost of foreign manpower and savings it provides to employers; the relative shortage of unskilled Kazakh manpower; bureaucratic obstacles and limits in legally recruiting foreign workers; low or no legal awareness among migrants; and ineffective policing of violations. The most widespread types of activity in which migrant workers in Kazakhstan engage are agriculture, construction, trade and services. Irregular migration to Kazakhstan is a result of unemployment and low wages in the migrants' home countries. Kazakhstan employers hire migrant workers being full aware of their irregular status, since their labour is, on average, according to interviews with employers, 20% cheaper than that of Kazakhstan workers. In addition, the government does not have effective tools to make employers hire migrants on an official basis. Official checks and police raids often end in a small fine or in the businessman making a bribe. The problem is further exacerbated by the complexity of official registration of migrant workers in Kazakhstan.

It is mostly men of the most active age group (between the ages of 18 and 45 years) that come to work in Kazakhstan (in male dominated occupations). Women account for less than a quarter of the migrant inflow. Approximately 35% of migrant workers use the services of recruiting agents (usually not registered) to find work. There are a small number of migrant workers arriving from India and Pakistan who usually find jobs through registered agents and are legal migrants (as are migrants from Turkey). Informal agents play a big role in recruiting workers from Uzbekistan. Recruiters' worker eligibility criteria are sex (male) and cost. Occupational work experience is only of third ranking importance. For employers, however, work experience is the most important factor. The workers' education level plays virtually no part in the recruitment process. A large proportion of the migrant workers, about 84%, cross the state border legally (through border/customs posts). Given the geography, Uzbekistan nationals tend to cross the green border via yards, private houses and by other methods. About 17% of migrants surveyed work in teams.

Most migrant workers do not have a written employment contract. On average, migrant workers earn in Kazakhstan about 39,241 tenge a month (325 US dollars) which is 28% below the average wage in Kazakhstan, amounting, in April 2008, to 54,500 tenge. The best paid are skilled construction workers (58,853 tenge or 487 US dollars) and workers in the services sphere (50,763 tenge or 420 US dollars). Migrant workers from Uzbekistan are paid the lowest wages (31,597 tenge or 262 US dollars).

About 20% of workers do not have any lunch or rest break during the working day. On average, one working day lasts 11.6 hours (minus time spent on lunch and rest). Kazakh workers employed in the same sectors as migrants have approximately the same average working day. The working week lasts, on average, 75.4 working hours (varying between 37 and 126 hours a week), which exceeds the norm permitted by Kazakhstan law by 35.4 working hours or by 89%. Nearly 98% of migrant workers work longer than permitted by Kazakhstan law. Those working above the rate set by the law include young people up to the age of 18 years. The average working time for them is about 12.8 hours a day or 85.6 hours a week, which exceeds the legally set norm 2.37 fold. Adequate occupational health and safety conditions were also found to be lacking. Approximately a third of migrant workers (29%) assert that safety measures are not observed at their work places. Only in 13% of enterprises in which migrants work are there first-aid kits, fire extinguishers and special means of protection (helmets, masks, safety ropes). At the same time, 41% of the enterprises have none of the above. 7% of migrants state that there have been cases at work when one of the workers had an industrial accident, was poisoned, suffered a serious cut or died. A doctor was called to treat the victim in a minority of cases.

As many as a third of migrant workers do not hold their own passports. About 66% of those workers whose passports are taken away from them in Kazakhstan say that they would not want to keep their own passports and

were pleased to hand them in to the employer or recruiter. This probably reflects low awareness of rights and/or the lack of a safe place to store the document. Approximately 40% of migrant workers have been detained at least once by the Kazakhstan police and half the cases, the migrants are released after a bribe. Approximately a third of all migrant workers (29%) have encountered the problem of not receiving the money promised for the work they have done. Analysis shows that they have not real levers for addressing such a situation.

None of the migrants surveyed had ever approached a non-governmental organisation for assistance or knew they exist. Similarly none of the workers were members of trade unions. Irregular migrant workers do not enjoy any social security benefits under Kazakh legislation. According to the survey very few migrant workers (3%) bring their school-age children with them to Kazakhstan. Two respondents said they were able to admit their children to school in Kazakhstan. While the workers received no health benefits from the employer, 80% of migrant workers said that they were aware of their right to emergency medical assistance from the state. Only 13% of migrant workers come to Kazakhstan together with their families, about 5% with children under the age of 18. In general, migrants come together with their families when they are to stay in Kazakhstan for extended periods (6 months or more). More than 30% of the participants in the study who came without their families find that separation from their spouse/children as one of the main problems they encounter when working in Kazakhstan.

In many cases housing and accommodation of migrant workers is not adequate. About 20% of migrants live in makeshift or non-residential premises (containers, tents, huts, basements) and 2% of these in the open air. On average, 5.6 people live in a room (the figure varying between 1 and 40 persons). Half of those surveyed sleep on mattresses on the floor and half on beds (settees, trestles etc.). Migrant workers are not sufficiently aware of their human and labour rights. Many migrants believe that they are not entitled to the same length of working day as local workers, or to equal working conditions and so on. Approximately 40% of migrant workers do not realise that they are entitled to compensation from the employer for job-related harm. Analysing the answers given by Kazakhstan workers, we see that their awareness of their labour right is also low, though somewhat higher than that of the migrant workers.

Recommendations

The informal economy can be defined as a combination of economic activities by unregistered businesses and unreported economic activities by registered businesses. We can understand the informal economy as the sector of the economy the performance of which is unaccounted for by the national statistics authorities and, consequently, not subject to due taxation. These activities could, without any special structural change, be carried out legitimately if this were of benefit to its participants. Irregular migrant workers are by definition working in the informal economy as their employers and migrants themselves are not in conformity with procedural legal requirements. The study highlights the need to improve employment and working conditions of migrants in the informal economy both by increasing protection of such workers and reducing irregular employment. This a challenging task considering that employers derive significant cost-savings from the employment of irregular migrant workers and that there is a large pool of such workers in neighbouring countries of origin. Migrant workers in Kazakhstan make an enormous development contribution to their host and origin countries - in the form of services and competitiveness in countries of destination and financial flows in countries of origin. Migration to Kazakhstan also helps to improve the quality of life of many migrants and their families. Many migrants are filling a niche in the national labour markets by doing jobs that nationals do not want or cannot fill. Nevertheless many migrant workers are subject to labour exploitation and abuse. Unauthorized migration is widespread. The protection of jobs and decent working conditions for nationals is an understandable policy concern. Developing the right policy and legislative response that balances the different interests and effectively governs migration is a relatively complex and difficult process where admission and post admission policies are concerned. In this context the study makes the following recommendations.

1. To reduce irregular employment of migrant workers by:

- 1.1 Making it easier for employers to recruit foreign workers in shortage areas by simplification of the recruitment process and establishing realistic ceilings for the intake of foreign workers. In the measurement of foreign labour needs, exclusively relying on employers' hiring intentions may lead to biased estimates of labour shortages. Hence information on the labour market should also contain data on the domestic labour supply (participation, employment, unemployment). In other words an instrument (e.g. the Spanish Catalogue of Occupations Difficult to Cover), based on administrative archives of the system of public employment services and a consultation with local partners that allows

a continuous monitoring of labour market dynamics, should ideally be developed to identify professions in deficit. In addition an advisory board of experts could be established. Following this, considering immigration policy goals, criteria should be determined to identify those sectors and skills which are sensible to fill with migrant workers. In this sense a pro-active migration policy should be pursued that assesses both labour market needs and socio-economic absorption capacity. Once occupations identifying these criteria are identified employers should be allowed to recruit without the need for individual labour market tests, subject to an overall ceiling.

- 1.2 Regulated recruitment agencies should create a demand for their services among employers and be more active in matching services between employers and job-seekers. Currently their role is minimal (unlike the informal intermediaries).
- 1.3. Given the visa free regime with neighbouring Central Asian countries and long/porous borders, it may be more apt to focus on improving internal controls for reducing irregular employment. This means having simplified processes for registration of migrant workers and issuing of work permits coupled with enforcement of employer sanctions in line with international experience.

2. To increase protection of migrant and national workers by:

- 2.1 Ensuring that irregular migrant workers enjoy a basic level of protection in the national legislation and state services particularly with regards to human rights, remuneration and conditions of work, collective bargaining, access to emergency health care and expulsion. The ILO resolution concerning decent work and the informal economy states that all workers, irrespective of employment status and place of work, should be able to enjoy their rights as provided for in the core labour standards ²¹ and the ILO Declaration on Fundamental Principles and Rights at Work. This applies to national and migrant workers in the informal economy.
- 2.2 The study revealed poor standards of occupational health and safety as well as accommodation of migrant workers. Employers should ensure that national standards are met. At the same time labour inspection should be carried out in a more effective and transparent manner.
- 2.3 Increase awareness of rights among migrant workers – the study has shown that migrant workers have poor awareness of their rights and many of them are not even in possession of their passports. Empowerment of migrant workers through information dissemination, group organisation and social dialogue in conjunction with similar measures for national workers, by community organisations, NGOs and trade unions should be undertaken.
- 2.4 The study revealed that informal economy workers have little or no association with trade unions and NGOs. The capacity of these organizations should be increased in reaching out to informal economy workers and increasing their representation and voice.

3. To take measures to reduce the size of the informal economy:

- 3.1 Employers in the informal economy should be encouraged to move to the formal economy by the government putting in place a conducive policy and legal environment that lowers the costs to establish and operate a business, including simplified registration and licensing procedures, appropriate rules and regulations and reasonable taxation. There should be a reform of inappropriate, burdensome and costly regulations, particularly those that affect small and medium enterprises.
- 3.2 At the same time education, training and micro-finance programmes should be directed at economic units in the informal economy with an objective being their transfer to the formal economy. Access to credit can be a strong incentive. It goes without saying that simultaneously efforts at job creation in the formal sector should given a top priority.
- 3.3 Informality is a governance issue. Accompanying sound policies and legislation encouraging the expansion of the formal economy in place of the informal, measures will need to be taken to improve enforcement of legislation and reduce corruption as far as possible.

Finally steps should be taken to improve statistical information with regards to irregular migration and the informal economy.

²¹ *Forced Labour Convention 1930 (No. 29) and the Abolition of Forced Labour Convention 1957 (No. 105); the Freedom of Association and Protection of the Right to Organize Convention 1948 (No. 87) and the Right to Organize and Collective Bargaining Convention 1949 (No. 98); the Equal Remuneration Convention 1951 (No. 100) and the Discrimination (Employment and Occupation) Convention 1958 (No. 111); and the Minimum Age Convention 1979 (No. 138) and the Worst Forms of Child Labour Convention 1999 (No. 182)*

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The List of Abbreviations

CIS	Commonwealth of Independent States
EU	European Union
GDP	Gross Domestic Product
ILO	International Labour Organization
NGOs	Nongovernmental organizations
RK	Republic of Kazakhstan
SKO	South-Kazakhstan oblast
US	United States