International Labor Migration from Rural Communities & Its Impact on the Development in Kyrgyzstan & Uzbekistan

Kursad Aslan

PhD Candidate, Kent State University, Dept of Political Science, Kent, Ohio, USA
Visiting Research Fellow, Social Research Center (www.src.auca.kg)
American University of Central Asia, Bishkek, Kyrgyzstan

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I-) Research Description

This report is part of a long-term project about international labor migration from Central Asian countries after the Soviet Union. This is the first of two reports, which are complementing each other; and they are written to fulfill my obligation as a research fellow in the Social Research Center of the American University of Central Asia.

In this project I will focus on international labor migration movements from rural Central Asia and its potential consequences with an eye of a political scientist, most correctly as a comparativist (comparative politics); however, as most of migration scholars tend to do, I would like to underline the need for interdisciplinary works and cooperation.

At this point, it might be useful to remind what could be a comparativist’s approach to the labor migration issues. In general, comparative politics, as a sub-discipline of the political science, devotes its energy to compare and analyze political institutions and behavior within the jurisdiction of the State. Although labor migration is an intertwined and multilevel issue I will be particularly engaging with what is going on within the State. More specifically, I aim at finding the general patterns of out-migration’s outcomes (especially remittances); and compare them with the successful cases in the world. It is noteworthy that because of the complex character of the labor migration issues recently scholars have tended to appreciate and employ interdisciplinary approaches to analyze this worldwide issue. Thus, I will be aware of and appreciate this trend too.

II-) The Field Work

Starting from August 2007 I began the field work first in Turkey (Ankara and Istanbul) where I talked to several migrant workers from Central Asia to grasp and build my first insights. Then, in early September I went to Bishkek, Kyrgyzstan. Throughout the September and October
2007, I held several interviews with the knowledgeable people including the government officials, scholars, representatives of major international organizations which have an interest in the labor migration, and the representatives of civil society organizations. I have collected a diverse body of expert opinions from both the policy and scholarly world. In late October I have been to Uzbekistan; and I continued to collect expert opinions from a diverse body of knowledgeable people from my interviewees.

After finishing the preliminary part of my research in late November 2007, I finalized the content of my semi-structured survey which composed of two complementary parts. First is the context part; and second is the household survey. The former aims at getting the overall socioeconomic picture from the local leaders and elites; on the other hand, the latter focuses on micro analysis of migrant households. The household surveys include nineteen questions some of which look for pretty straightforward answers; while some others are designed as a semistructured and open ended format.

I started to collect my survey data in Northern Kyrgyzstan, Chui Oblast, in early December. As a second step, I went to Uzbekistan; and chronologically, I have been to Tashkent, Namangan and Andijan Oblasts. As a third step, I crossed to the Southern Kyrgyzstan from Andijan; and I continued on to conduct my surveys in Osh and Jalalabad Oblasts.

Overall I took the three most populous regions (oblasts) in Kyrgyzstan; and I completed 162 household surveys in this country. In Uzbekistan, however, I could not complete as much survey due to hardships in receiving permission from local authorities. Additionally, I obtained several secondary data sources about the local and national statistics in these two countries.

The household survey is prepared in English; however, during the field work and interviews the communication was entirely held in Kyrgyz or Uzbek. My team members took notes mostly in English, and sometimes in Kyrgyz, Uzbek, or Turkish depending on the situation while conducting household surveys and communicating with the local authorities.

In Kyrgyzstan, I selected three oblasts as a research sites: one from the North (Chui); and two from the South, Osh and Jalalabad. The combined population of these three oblasts comprises % 74.17 of the nation as of 2007. Due to the high volume of labor migrants from these oblasts I selected them as my research site. And my selection criterion took into consideration regional differences; thus, I took one Northern and two Southern oblasts in order to cover the cultural variation within Kyrgyzstan. Finally, having known the fact that a significant portion of
the labor migrants is composed of seasonal workers and shuttle traders, and that most of these temporary migrants travel between March and November during the year, I have had the highest likelihood to see the migrants themselves while conducting the surveys in the month of December.

In the oblast (region) level, I started with talking to the local government officials and other knowledgeable people so as to complete the context part of the survey. Having done first this part also enabled me to decide which rural locations are most appropriate to conduct the household surveys. My objective was to catch the diversity in regards to contacting all sorts of migrants; some of the criteria to select the rural locations (villages) for the household surveys were the distance to the oblast center, major economic activities, altitude, availability, and the poverty level. After selecting our target villages, we took interviews with the A.O. (“ayil okmoti,” the official leader of the village) first; sometimes we talked to teachers and school administrators too. Thus, we were able to learn the basic demographic features, economic conditions, and most importantly unofficial migration information. Later, we asked them to be directed to the houses of our potential respondents. Depending on the size of the village, sometimes with the direction of the A.O., but mostly with the snowballing method, we reached our respondents.

The selection method and the national coverage of these household surveys may not geographically represent the entire nation; however, I am confident that these surveys have grasped overall national patterns in terms of the labor migration from rural communities which was my core objective to achieve.

III-) Labor Migration & Post-Soviet Political Economy

Obviously, the increasing importance of labor migration movements is not coincidental. There are almost two hundred million migrants worldwide, approximately 3% of global population. If worldwide labor migrants were to constitute a nation, it would be the 5th most populous country in the world. Additionally, the total of global remittances in 2006 was USD 276 billion; USD 206 billion of which went to developing countries. In light of these figures, it is easy to understand the reason why labor migration and associated remittances have attracted a great amount of scholarly attention recently.

On the one hand, a very diverse and abundant body of literature discusses the economic, social, and political implications of labor migration to host countries and to those host countries’
economies and legal frameworks. On the other, far less is known about the implications of labor migration on exporting countries’ macroeconomic indicators, as well as on socioeconomic and political circumstances of the sending regions or local communities. Besides, there is a huge research gap on several migration issues: one of them is not only money transfers but also all sorts of material and non-material transfers brought by migrants to the sending regions.

The most important feature of the migrants’ remittances is the impact on improvements to the well-being of people, economic growth, and reduction of poverty in the sending regions and/or countries. If someone knows that in the early 2000s, an estimated 39 million people in Central Asia and the Caucasus were living in poverty, of whom over 14 million were living in extreme poverty, the importance and potential power of remittances to the Central Asian people become more clear (Falkingham, 2005).

In Central Asia there are three major labor exporting countries. And these countries deserve special attention not only because of their labor migrants or economic hardships but more importantly because of their geographic and strategic location. Uzbekistan, Kyrgyzstan, and Tajikistan all are either bordering Afghanistan or located on the transit routes to reach it. As is a well known fact Afghanistan is world’s top opium producer. Moreover, all these three Central Asian republics share the Ferghana Valley which is a very populous geographical region, and recently mostly associated with religious radicalism.

On the other hand, the logic behind focusing particularly on the rural settings of Central Asia is relatively straightforward. As in many less developed countries, a great proportion of population in Central Asia lives in the rural settings. Additionally, it is also the case that a greater share of “poor households” lives in rural areas; and most importantly international institutions and national governments seldom can afford to design and implement major policy designs without first having a clear understanding of how those are likely to play out in rural areas (Taylor et al, 2005: 1684).

In order to understand the causes and core dynamics of labor migration it is essential to note overall economic framework in Central Asia. Despite of past one-and-half decade, real output still remains significantly below the 1989 starting line in almost all Post-Soviet countries (Falkingham, 2005). Besides all countries of Central Asia, except Kazakhstan, comprise seven poorest countries of the CIS, known as the CIS-7, namely Armenia, Azerbaijan, Georgia, Kyrgyz Republic, Moldova, Tajikistan, and Uzbekistan. Not surprisingly, all of these seven countries are
labor exporters within the CIS area. In sum, three Central Asian countries, which have little to offer to its citizens in terms of employment, have been labor suppliers primarily of the relatively better off Russian and Kazakh economies in the aftermath of the Soviet era.

In regards to data about Central Asian labor movements, unfortunately, there is a lack of original studies and reliable data. In recent years, there have been some macro-level studies; however, much of them rely on estimates about the labor migration flows. These macro-level reports, mostly by the World Bank and other international organizations, focus on “group of countries,” like the “Eastern Europe and Central Asia;” and they allocate a couple of pages at best for a single country. Besides these studies are basically concerned with the global management of the migration movements; and their works are be able to give only macro-level estimated figures such as the number of labor emigrants and/or remittances, not to mention their neglect to offer particular policy recommendations; and they just repeat generic macro-level recommendations for every country.

The lack of reliable data is mostly related to the non-visa system between post-Soviet countries. More specifically, keeping track of labor migration has been limited due to the formal and informal procedures in the Post-Soviet realm (Olimova, 2005). Nonetheless, there are some useful pieces of information and data all over the CIS system. The main and most reliable sources are to be found in the destination countries’ official records, namely Russian and Kazakh official figures.

Based on these figures, first, the major route of migration from the Central Asia is mostly towards Russia. Russia, with its almost 12 million foreign workers, comes second in the world ranking as a host country to labor migrants, and Kazakhstan ranks ninth in the world (World Bank, 2007b). According to Kazakh official figures, based on registries at customs, the number of Uzbek migrants entering daily into the country is 4,000; and Russian officials estimate up to 2.5 million Uzbeks, and 800,000 Kyrgyz nationals work in the Russian labor market (Greenberg, 2007). Another source, the IWPR (2007) informs that, based on information from regime insiders, the number of Uzbek labor migrants might be 5-6 million. The official website of the U.S. Department of State gives a similar figure: “Estimates range from lows of 3 million to highs of 5 million Uzbek citizens of working age living outside Uzbekistan, most in neighboring countries or Russia.” If we accept those extreme figures, almost half of the approximately 12 million working age population in Uzbekistan, and almost 40% of Kyrgyzstan’s labor force have
been experiencing labor migration in one way or another (Toraliyeva 2007; Greenberg, 2007). These numbers may include all types of temporary, permanent, seasonal migration as well as multiple entries of the same people.

Second, there are several estimates on the magnitude of remittances. According to the IOM (2006: 47) Kyrgyz migrants sent 200 million dollars back to home in 2004 through banks. According to Korobkov and Palei (2005: 142), remittances sent by migrants comprise almost 7% of Uzbek, 22.5% of Kyrgyz, and 31.5% of Tajik GDPs. A more recent work of Korobkov (2007: 185) gives this figure as 30% of Kyrgyz GDP, which is one of the highest in the world. Finally, a recent World Bank report (2007b: 10), which is based on household surveys, informs that “The majority of remittances are sent to rural areas in Tajikistan (60 percent of total remittances) and the Kyrgyz Republic (70 percent)...” From the worldwide experience it is safe to say that real remittance figures might be twice as much as the official records.

It is obvious that either legal or illegal (i.e. irregular) migrant workers from Central Asian republics of Kyrgyzstan and Uzbekistan tend to send a huge amount of money to their families back home. The critical question in regard to developmental outcomes is how those monies are spent, saved, or invested in the sending regions.

III-) Notes on the Conceptualization & Theoretical Framework

Migration and remittances as statistical concepts are defined only vaguely in real life experiences, and there are several methodological constraints. For instance, in most countries there is a minimum threshold for remittances below which individual money transfers are not recorded. Moreover, there are immeasurable informal transfers, some of which are brought directly by migrants to home. All of these factors cause an underestimation of remittances (Kireyev, 2006). Besides, it is hard to measure change and fluctuations of remittance flows throughout time.

Another constraint is about the definition of the critical terms such as migration, migrant, and remittance. In most countries financial and central bank statistics are based on “one-year rule” of residence in foreign country to regard the money transfers as remittances. Furthermore, the distinction between private transfers and migrants’ remittances is tricky. The value of in-kind transfers and flow of intangible items such as the transfer of know-how is hard to determine, at least in the short term (Kireyev, 2006).
Even among scholars and international institutions, there are some differences in the definitions of *migrant, migration, and remittance* too. The ILO definition of migrant worker is “people who are permitted to be engaged in economic activity in the country other than the country of their origin.” The UN Convention on the Rights of Migrants defines migrant workers as "person who is to be engaged, is engaged or has been engaged in a remunerated activity in a state, of which he or she is not a national." Needless to say, these definitions do not include illegal migrants and/or workers in foreign countries.

In order to maximize the coverage, Kireyev (2006), in his examination of Tajikistan, classifies four types of people who engage in an economic activity abroad: 1-) seasonal migrants (people who work abroad but return home within the same year); 2-) settled migrants (people who work abroad on long term contracts usually more than 1 year); 3-) permanent emigrants (mainly ethnic Russians, Koreans, Jews, and Germans) who left the so-called sending country permanently; however, they remit part of their income to their remaining relatives; 4-) shuttle migrants (traders whose commercial activity is related to regular departures and returns.

In the empirical literature, there are two major theoretical orientations which see international labor migration either as a negative or positive phenomenon in regards to the developmental outcomes for the sending regions and/or countries. On the negative side, the structural school argues that international labor migration and associated remittances, in essence, bring nothing home but more dependency. On the positive side, the developmentalists argue that labor migration and remittances are a win-win situation for all parties involved. Definitely there are many studies in the grey zone too.

One of the most remarkable aspects of the migration, like terrorism, is its multilevel nature within the global politics. Recent migration processes have proved that they are entrenched and resistant to governmental control (Castles and Miller, 2001). Then, it is obvious that a clear understanding of labor migration necessitates usage of multilevel approaches. For instance, it is necessary to see the relationship between global political-economy (systemic level) and the national state; however, it is not sufficient in our case to clearly understand the dynamics of labor emigration. As oil prices have been going up since the early 2000s, the GDP of the two oil/gas rich Post-Soviet nations, namely Russia and Kazakhstan, are steadily increasing. On the other hand, other poorly endowed Post-Soviet nations are becoming labor exporters for these two growing economies. This is an example of the reorganization and reallocation (and relocation) of
the factors of production in the global economic system. From this perspective, one might argue that the nation state by and large is not a determining unit in the migration decisions. A common axiom is “individuals are voting with their feet.” In other words, in the global age individuals and communities within the national state are playing directly in the systemic level; and they are skipping the national state and its restrictive policies.

Returning back to the focus of this study, in the literature it is commonly accepted that more research is needed to understand the relationship between migration and development in the sending regions properly. It is clear that money transfers, or remittances, through formal and/or informal mechanisms, are one of the most important aspects of migration, and of great significance for the sending regions (Massey et al, 1998).

While it is generally accepted that developmental outcomes are context specific, major international development organizations are trying to find out how to maximize the beneficial impact of remittances on development. Four major questions are to be found in the literature: 1-) why and how much do migrants remit; 2-) how are migrant remittances used and what are their effects; 3-) what are the specific impacts of migration and remittances on gender relations within the family; 4-) what is the role of return migration in the development process? Furthermore, the core purpose of the world’s development institutions is revealed as to reduce poverty, and the achievement of the World Bank’s “Millennium Development Goals” (Black 2003).

In regards to the theoretical models, some scholars see labor migration as the economic integration within ‘the globalization of the markets’ point of view. For instance, the transnationalism theory has emerged as the latest example of migration theory, which takes the borderless world as a unit of analysis; and the transnationalism is exemplified by not only remittance sending, but also social remittances, such as the ideas, identities, and social capital that flow between host and sending regions (Sana and Massey, 2005). On the other hand, other scholars analyze labor migration with the help of micro analyses such as the new economics of labor migration (NELM) or livelihoods approach. Additionally, several other theoretical lines such as the neoclassical economics, segmented labor market theory, world systems theory, social capital theory, and the theory of cumulative causation can be named among others as powerful approaches to explain the labor migration and all associated phenomena with different perspectives and levels of analyses.
Massey, et al (1998) underline that there has been strong pressures to improve the current portfolio of migration theories so as to bring them into conformity with the new empirical conditions. Since the world has passed from industrial to post-industrial stage, they argued that industrial-era theories have completed their tasks: “sooner or later theories must change to reflect new social and economic realities” (Massey et al, 1998: 3). In light of this fact newly emerged approaches and empirical works have consistently drawn onto interdisciplinary collaboration.

As an example of theoretical and empirical pressures to change it is exemplified that the neoclassical economics approach explains labor migration in terms of economic disparities between regions and/or nations. More specifically, this approach takes wage differentials between developed and developing nations as the main causal factors that stimulate the individuals to migrate; and that by migrating individuals basically aim at getting higher wages and improved life standards as rational actors. However, recent evidence shows that a minority of nations accounts for the vast majority of the world’s international migrants, and usually they are neither the poorest nor the least developed of nations.

While the migration literature was dominated by the neoclassical framework of the Todaro’s earlier models by the 1980s, in the following period, new approaches and theoretical frameworks have come into the scene. According to the Todaro model, each potential risk-neutral migrant was seen as the decision-maker whether or not to move, typically from rural to urban areas within the same national borders on the basis of the expected income maximization purposes. However, there was an intensive critique towards the traditional neoclassical economics approach, as well as to its extension the ‘push and pull’ frameworks. These neoclassical models have started to be questioned by new empirical evidence that emerged in the 1980s. It came to clear that these models proved to be insufficient to explain the newly emerged and diverse migration patterns.

As a reminder, I should say that the ‘push and pull’ framework posits that those factors which either forcefully push actors into the decision to migrate or attract them (or pull them) into the destination places. A push factor is a forcing factor that causes people to emigrate; on the other hand, a pull factor which is located in the destination place can be anything that might attract people to work in that place. For example, the dual labor market theory, which is defended by its most known proponent Piore (1979), argues that international labor migration can best be explained by intrinsic labor demands of developed nations. According to Piore,
immigration is not caused by push factors in the sending regions, because of low wages or other economic difficulties, but by pull factors in receiving countries where local nationals are not enthusiastic to do those jobs, which entail either relatively low level wages or low level social status.

In sum, the Todaro model as well as other affiliations of the neoclassical approaches is critiqued on the basis of their narrow focus on income differentials as the core stimulator of the decision to migrate, and they are critiqued on their neglect to cover other potential impacts on sending regions and inhabitants living there. Furthermore, the neoclassical approach and its derivatives failed to explain temporary (or seasonal) migration, further cycles of migration, and the substantial amount of remittances sent by migrants to their relatives at origin (Taylor and Martin, 2001).

Due to abovementioned limitations, a revised version of the neoclassical [rational] approach, the New Economics of Labor Migration (NELM), is introduced to the literature (Stark and Bloom, 1985; Stark, 1991). This new perspective has improved its predecessor such that migration is not driven only by wage differentials, but by a variety of market failures, including missing or incomplete capital and insurance markets. Furthermore, more importantly, the NELM proposes that decision to migrate is viewed as a collective choice by migrant’s households; and that it considers the migration phenomenon as a family strategy whereby migrants and their households act collectively not only to maximize income, but also to minimize risks, diversify income earnings, and relax financial constraints through remittances (Taylor, 1996; Massey et al, 1998).

While structural approaches such as the world systems theory and the transnationalism theory are to be helpful in order to understand migration processes and their macro-level operation; institutions-based theories, including the social network theory, serve well to explain the dynamics of migration in both sending and receiving ends. These institutions are also able to connect and show up major paths between the sending and receiving geographies. Once international migration begins, a myriad of public, private, and voluntary organizations emerges in order to satisfy the demand created by transborder movements of people. In sum, institutional theories can be seen as meso-level approaches to analyze the formal and informal institutions of migration.
From this perspective, the network theory analyzes sets of interpersonal ties that connect all variety of current and former migrants in the sending and receiving regions (Massey et al, 1998). In one of the World Bank studies, Kuehnast et al (2000) analyze social networks in Kyrgyzstan, and they argue that the study of social networks in Post-Socialist countries is an important tool for bridging macro-level economic strategies and micro-level interventions. They enable us how could we get a perfect understanding of the operation of the social networks, and see how informal institutions interact with formal institutions in the transition of the Post-Socialist environments.

On the other hand, another useful typology is given as economic and non-economic analyses of migration. According to Bommes and Kolb’s (2006) account, non-economic approaches have three key characteristics. First, they see migration one aspect of migrants’ lives, and emphasize that migration is strongly embedded in the local institutions of the sending community. Second, these approaches are actor-centered, and seek to reveal the migrants’ point of view. Such an approach may explain, for instance, why places that seem to be unlikely destinations for outsiders often attract sizable migrant flows for various reasons. Third, these approaches have historical dimensions, i.e., contemporary patterns of migration are often indicative of established historical connections between sending and receiving countries.

Finally, due to the context specific nature of the migration outcomes, it is common in the literature to use multiple and interdisciplinary approaches. The point is that it is just an issue of finding out which approach fits best to the particular context at hand. For example, one of the case studies show that while the NELM approach fits well for the patriarchal Mexico, the transnational approach explains much of the variation in the Dominican Republic (Sana & Massey, 2005).

How about the developmental impacts of the international migration? Very broadly, there are two competing views in terms of emigration in general along with the associated social or financial remittances and their overall impacts on the sending regions. On the one hand, optimist scholars maintain that remittances have many positive developmental impacts to the home such as poverty reduction, improvements in the well-beings, and investments. On the other hand, the pessimist camp argues that the labor export represents a kind of dependency relationship between the North and South; and it creates a bad habit for remittance-receivers; and inequality deepens between rural-urban as well as between migrants and non-migrants. In sum, in most of
the scholarly studies it is emphasized that migration outcomes are disputed and unsettled at best (Ellerman, 2003). And more importantly, migration outcomes are dependent upon the specific context. For instance, many empirical studies suggest that there is a positive balance for the Asian labor exporting countries; on the other hand, it is the reverse case for most of African nations (Taylor 1999).

IV-) Conclusion

In this first report, I have mentioned the importance of labor migration for the sending and receiving countries as well as for the global system. I outlined a general and brief situation analysis of the Central Asia in the aftermath of the Soviet Union. And finally, I mentioned conceptual and methodological issues. The core question and policy issue is how could possibly be labor migration and remittances used as a developmental tool in Central Asia. The answer is not an easy one. There are many duties of the State and governments in Central Asia. In order to transform (and improve) its comparative advantage (labor exporting) into the engine of future economic development the State has to use its unique privilege to organize society, employ its capacity and all necessary tools appropriately to transform itself and its subjects for the better. Incoming remittances must be channeled into productive causes. If they are spent for conspicuous consumption, this and the future generation would be wasted for nothing. I will mention about these developmental issues in the second report.
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