

**LABOUR MIGRATION IN THE CES:
ECONOMIC EFFECTS AND LEGAL-INSTITUTIONAL
CONSEQUENCES OF LABOR MIGRATION AGREEMENTS**

EXECUTIVE SUMMARY

The Center for Integration Studies at the Eurasian Development Bank has carried out a research project titled “The Analysis of the Economic Effects and Legal and Institutional Consequences of the Agreement on the Legal Status of Migrant Workers and Members of Their Families and the Agreement on Cooperation between the Member States of the Common Economic Space in Preventing Illegal Labor Migration from Third Countries.” The objectives of the project included conducting a comprehensive analysis of the recently ratified Agreements, determining their novelty and impact on the existing legal basis of the CES countries and the level of social protection of migrant workers, assessing the potential effect on the economies of the region, including those of Central Asian countries (access to the labor market, labor productivity, the share of cash remittances in GDP, etc.) and suggesting possible ways of improving policies regarding labor migration at the national and international level.

I. LEGAL CONSEQUENCES

An analysis of the legal consequences of the ratification of the Agreements^{*} showed that the provisions of the Agreement on the Legal Status of Migrant Workers and Members of Their Families significantly complement the rights of the citizens of Belarus, Kazakhstan and Russia to engage in labor activity in the territories of the CES members states. From the legal standpoint, the Agreements lead to:

- a) minimizing the list of documents required from migrant workers to get legally employed in a CES member state;
- b) significantly increasing the period of an interrupted temporary stay of a migrant worker from one CES member state in another CES member state;
- c) providing longer timeframes for registration at a temporary residence address in a CES member state both for migrant workers and their families;
- d) granting other social and other types of rights to the family members of migrant workers, above all in the field of education;
- e) providing additional guarantees of the right of migrant workers to receive information about the rules of stay and employment in the country of employment.

Despite the significance of the provisions of the Agreement on the Legal Status of Migrant Workers and Members of Their Families, its positive impact on labor migration in the CES may be reduced by national laws. In this regard, in order to ensure the efficient implementation of the Agreement, the following changes to the national legislations of the CES member states are recommended:

in the legislation of Belarus

- eliminate gaps in the regulation of labor immigration, above all those concerning terminology);

^{*} Owing to the fact that the Agreement on Cooperation between the Member States of the Common Economic Space in Preventing Illegal Labor Migration from Third Countries contains almost no general provisions and does not overlap with laws of CES member states, but primarily determines the forms and methods of cooperation between states, the present analysis focuses on the Agreement on the Legal Status of Migrant Workers and Members of Their Families.

- carry out preparatory work for the possible codification of migration laws;

in the legislation of Kazakhstan

- elevate the rules governing the use and employment of foreign labor and labor immigration in general from the sub-legislative to the legislative level;
- consolidate and systematize migration laws and make preparations for their possible codification;
- in keeping with the focus on the national ethnicity aspect of the issue, increase the significance of other factors in determining the objectives of the regulation of migration processes;
- supplement the national laws governing labor immigration with provisions that reflect the last results of the development of the relevant institutions;

in the legislation of the Russian Federation

- systematize the legislative provisions governing the legal status of foreign citizens and the rules governing the use and employment of foreign labor, which will require the codification of migration laws (this may entail the adoption of a uniform Migration Code) or partial deconsolidation of Federal Law No. 115-ΦЗ dated July 25, 2002 and titled, “On the Legal Status of Foreign Citizens in the Russian Federation,” through the extraction therefrom of an appropriately titled special act that would contain provisions governing the use and employment of foreign labor, i.e. labor immigration);
- eliminate the vague and ambiguous provisions on delimitation of the legal status, rights and obligations of foreign citizens and stateless individuals contained in the Federal Law on the Legal Status of Foreign Citizens in the Russian Federation, and other acts;
- ensure strict observance of the Federal Law on the Legal Status of Foreign Citizens in the Russian Federation and other acts governing relations in the area of labor migration, including through toughening penalties for non-observance or improper observance of these laws by officials at all government levels).

II. ECONOMIC EFFECT

Owing to the fact that the Agreements apply only to the CES member countries (Belarus, Kazakhstan and Russia), which are net employers of foreign labor, the economic effect of the adopted Agreements is not expected to be significant at the current stage. The Agreements would have a real positive impact on the economies of the region if net providers of labor acceded to them, which would make it possible to avoid significant damage from *illegal* labor immigration currently experienced by all countries involved in migration processes. In particular, according to experts’ estimates, if Tajikistan and Kyrgyzstan join the Agreements, the number of migrants from Kyrgyzstan legally employed in Russia will increase by 360,000 and the number of such workers from Tajikistan will increase by 890,000. In this event, the Russian Federation’s tax revenues would increase by 40 billion Russian rubles, which would fully cover the budgetary losses caused by illegal migration. The current labor shortage would also decrease, which would in turn result in GDP growth and help reduce the costs of curbing illegal immigration, as its scale would decrease because of the removal of most of the obstacles to the legal employment of foreigners and the change in migrants’ status from illegal to legal. It seems particularly important in this regard to step up multinational cooperation on migration issues within the framework of EurAsEC in order to achieve the maximum “demonstrative” effect from the Agreements for the purpose of forming a common regional labor market.

For the CES member states in particular, the economic effect of the ratification of the Agreements on labor migration lies in efficient labor redistribution, including with respect to highly skilled workers, which helps properly adjust migration flows, increase the level of protection of foreign workers from the risks and threats associated with illegal employment, reduce the costs of curbing illegal immigration, increase the member states’ GDP through a

decrease in pay, and increase employment and tax revenues. In this regard, for achieving the maximum effect for the regional economies, it is necessary to do the following:

- develop methods for evaluating the actual need for hiring foreign workers;
- ensure a high level of knowledge of migration processes, the quantitative and qualitative characteristics of migrants, models for their employment, behavioral strategies, etc. in order to strengthen the reasoning behind decisions adopted at the national and multinational level. For this purpose, it is important to improve the system of gathering migration data and the general quality of migration statistics, develop a common approach among CES member states to the assessment and classification of migrants, and harmonize the systems of processing of statistical information and exchanging data between countries;
- raise the awareness of migrant workers, including potential migrants, of employment opportunities in the CES member states, current vacancies, skill requirements, the labor laws and standards of the country of employment, and the rights and duties of migrant workers, and also social security rules for such workers;
- specify the provisions concerning opportunities for migrant workers and members of their families to receive medical assistance, which are contained in Article 13 of the Agreement, in the legislations of the CES member states in order to avoid imbalances in the social rights of migrants;
- ensure the right to pensions as one of the fundamental rights of workers. As a follow-up to the Agreements, it is necessary to expand Article 11 of the Agreement on the Legal Status of Migrant Workers and Members of Their Families to include the right to pensions in the list of social rights guaranteed to migrant workers by the country of employment;
- provide additional tax concessions and other economic preferences for citizens of the CES member states who are employed in a CES member state other than their country of permanent residence;
- take a strategic approach to multinational cooperation on migration issues. In order to achieve this, the CES countries and the EurAsEC member states should develop a long-term agreement for a period of 15 or 20 years, which would affirm the countries' mutual interest in developing cooperation on migration issues, thereby increasing the stability and transparency of this cooperation and strengthening the general basis for integration processes in the region.