



MIGRATION AND REMITTANCE: NEW RULES IN RUSSIAN LABOR AND IMMIGRATION LAW

As of January 1, 2015, Russia has introduced several laws in migration legislation, which would hit hard the Central Asian labor migrants, especially Tajiks and Uzbeks. Since Russia is the main destination country for the most of the Central Asian migrants, tightening the rules of entering and applying for legal work permit would have a negative impact on the amount of remittance made by the Central Asian labor migrants and the issue of struggling with illegal employees. Incoming legislative changes was made in order to react to the reduction in GDP caused by the U.S. and European Union sanctions and the increasing number of illegal migrants.

The new changes in the Russian legislative system caused an increase in expenses, which potential foreign employees should spend to obtain the work permit. Previously, the Central Asian labor migrants, who have opportunity to visit Russia on a visa-free basis, paid P 1200 (ruble) monthly, but since the beginning of this year the price the price tripled to P 4000. Furthermore, they have to submit two additional documents, namely, medical insurance and certificate of knowledge of Russian language, history and legal system to be able to get the patent, which will allow them to work legally in Russia. Those documents also have additional costs, the cost of medical insurance would be over P 5000 and cost of the test would be over P 4900.

Previous legislative changes in 2010 addressed the problems within the distribution of work permits through quota. The Russian authorities have to deal with large amount of the speculative acts in distribution of the work permits, such as opening fictitious companies to obtain quotas (maximum 100 quotas per firm) in order to sell them to other small firms. Replacing quota system with patent system, the government was expected to reduce the number of labor and immigration law violations by allowing the labor migrants to work for both individuals and corporate entities, removing the job specification and dispersing the quota for CIS national employees.

After patent system have entered into force there were massive outflow of unskilled migrants from legal to shadow labor market. Tightening of the rules again could both have the same results and reduce the number of incoming qualified migrant labors. We could see that new changes have already started to affect the labor migrants' arrival. According to the Head of Federal Migration Service, from the beginning of January the number of visitors to Russia were reduced by 70 percent compared to the previous year.

The remittance issue also should be discussed in the context of labor migration from Central Asia to Russia. Due to a sharp depreciation of Russian ruble (over 45% fall against

the dollar since December 2014), there is a significant decline in the remittance in terms of dollar from Russia. Previously, foreign employer's monthly statutory remittance in terms of dollar was over \$500 which nowadays has declined to \$275. This situation would trigger economic problems in the Central Asian countries, especially in Tajikistan, because 52% of Tajik's GDP comes from remittance. According to the latest statistical data, Tajik labor migrants' cash transfer reached \$4 billion in 2013 and 60% of this amount came from Tajik migrants in Russia.

There is another factor, which also should be taken under consideration. After entering the Eurasian Economic Union, citizens of Kyrgyzstan would be exempted from the requirement of international passport, entry Russian visa application and the requirement of obtaining work permit like labor migrants from Kazakhstan and Belorussia. However, Tajik and Uzbek labor migrants still would have to enter Russia with an international passport.

In conclusion, it is important to note that the events occurred in 2014, which affected Russian economy would affect the Central Asian labor migrants' remittance amount negatively in 2015 and the new changes in the migration legislation will escalate this fall hard.

Politics, Foreign Affairs and Security

- The leaders of Russia, Ukraine, and Germany have agreed on concrete steps for the observers from the Organization for Security and Co-operation in Europe to monitor the situation in eastern Ukraine.
- Members of Majilis (Parliament's lower chamber) applied to the President of Kazakhstan Nursultan Nazarbayev with the initiative to hold early presidential election.
- President of Ukraine Petro Poroshenko has called for UN peacekeepers to be deployed to eastern Ukraine to enforce a ceasefire.
- The White House stated that US President Barack Obama delegated mandatory reporting requirements under the Ukraine Freedom Support Act to the Secretary of State John Kerry and the US State Department.
- Georgian Foreign Ministry condemned the signing a border agreement between Russia and Georgia's breakaway region of South Ossetia.
- Final conference on planning of joint Georgian-US drills "Noble Partner" took place at the 4th Mechanized Brigade based in Vaziani near Tbilisi.
- Deputies' foreign ministers of Iran and their counterparts from member states of the Group 5+1 held a 1.5-hour talks in Geneva on the Iranian nuclear program issue.
- State-run arms trader Rosoboronexport declared that Russia would fulfill its weapons export plan worth about \$15 billion this year, despite western sanctions.
- After nine months of negotiations between Turkey and the U.S., NATO allies reached an agreement on training and equipping moderate Syrian opposition groups.
- Kazakhstan announced its plans to decrease rent price for Russian

military objects such as the Sary-Shagan anti-ballistic missile testing range located near the Balkhash Lake. According to the draft protocol, there would be reduction of the rent price for the testing range from \$18.932 million to \$16.276 million.

Economy, Finance and Energy

- The World Bank's Board of Executive Directors approved a \$195 million IBRD loan for the Pap-Angren Railway Project in Uzbekistan.
- During the meeting of the Coordination Council member countries of the Ashgabat Agreement have approved Kazakhstan's accession to Uzbekistan – Turkmenistan – Iran - Oman international transit and transport corridor.
- The Interstate Commission of Kazakhstan, Turkmenistan and Iran stated that it would determine the size of tariffs for the transportation of goods by Kazakhstan - Turkmenistan - Iran railway during 2015 in order for the flow of goods to become regular.
- During the official visit of Russian President Vladimir Putin to Hungary, the parties agreed to drop the principle of "take or pay" for the new contract, which would replace the previous agreement signed in 1996.
- The price of Brent crude has beaten its record for last weeks, growing to over \$62 per barrel.
- Uzbekistan produced 102 tons of gold in 2014 and became the world's seventh-largest gold producer.
- Georgia's government announced the worsening of economic situation due the fall in the Georgian lari's rate. Over last days, the lari fell by 20% and stood at 2.17 laris per dollar.
- Greece and eurozone nations have agreed to extend financial aid after holding bailout talks in Brussels.
- Azerbaijan devalued its currency by 34% to 1.05 manats per dollar.

Society and Culture

- The U.S. Ambassador to Tajikistan and United States Agency for International Development (USAID) Regional Mission Director launched the USAID Strategy for 2015-2019 for Central Asia.
- According to the Health and Social Development report, the majority of foreign labor migrants have come to Kazakhstan from China – 9,600 people (31%).
- Russia's Soyuz-U rocket launched this year's first Progress M-26M cargo spacecraft to the International Space Station from the Baikonur cosmodrome in Kazakhstan.
- The President Uzbekistan Islam Karimov has determined the main tasks of the "Year of Attention and Care for the Older Generation" state program by his special decree.
- Representatives from 60 nations attended three-day summit on countering violent extremism that follows attacks in Denmark and France held by the White House Administration.
- Egyptian President Abdel Fattah Al-Sisi called for a United Nations resolution mandating an international coalition to intervene in Libya.
- Turkey evacuated its military personnel protecting the Tomb of Suleyman Shah in northern Syria as well as the artifacts in the Suleyman Shah mausoleum by a special operation.
- A "Dignity March" in Kyiv has attracted thousands of Ukrainians, including the country's president, Petro Poroshenko.
- Thousands of participants gathered and marched in Moscow in a protest marking the one year anniversary of the Maidan uprisings in Kiev.