Working Paper
C11

Migration and Poverty Reduction in Tajikistan

LARISSA JONES[1], RICHARD BLACK[2]
AND RONALD SKELDON[2]

[1]Institute for Development Studies
[2]Sussex Centre for Migration Research

February 2007

Issued by the Development Research Centre on
Migration, Globalisation and Poverty

The UK Department for International Development (DFID) supports policies, programmes and projects to promote poverty reduction globally. As part of this goal, DFID commissioned this study from the Sussex Centre for Migration Research, but the views and opinions expressed are those of the authors alone.

Development Research Centre on
Migration, Globalisation and Poverty
Arts C226, University of Sussex
Falmer, Brighton BN1 9SJ

Website: http://www.migrationdrc.org
Email: migration@sussex.ac.uk
Tel: +44 (0)1273 873394
Fax: +44(0)1273 873158

C O N T E N T S

ABSTRACT

This paper provides an overview of migration and poverty in Tajikistan, as part of a review conducted by the Sussex Centre for Migration Research on migration and poverty in three regions of Eastern Europe and Central Asia in 2006. The research included a review of available literature, and field-level discussions with policy-makers in Dushanbe in September 2006. The paper explores the context of poverty and development and general migration trends, before focusing on policies orientated towards migration management, and the broader impact of migration on poverty. It concludes with a number of policy recommendations.

1. Poverty and Development in Tajikistan

Tajikistan was the poorest of the fifteen Republics during the Soviet era, and since independence in 1992, it has had probably the toughest transition. According to the *Economist* magazine, Tajikistan's GDP per capita placed it as the poorest non-African country in the world in 2001 (*Economist*, 2003, in Rowland 2005: 211). Only 5 per cent of the land area of the country is arable, with almost 40 per cent of this used for cotton cultivation. The main areas of industrial development consist of aluminium production, a number of hydroelectric plants, and small light industry.

During the Soviet era the domestic economy of Tajikistan was highly dependent on cotton and aluminium exports. Even in recent years, cotton and aluminium together comprise about 75 per cent of overall exports (Republic of Tajikistan 2005: 13). The largest industrial plant in the country and the biggest revenue generator is the aluminium smelter in Tursunzade, TADAZ, built in the 1980s, which still makes up nearly half of all industrial output in the country (Johnes 2002; Republic of Tajikistan 2006a: 81). Most other industrial and manufacturing units were concentrated in the Soghd region – the most urbanised and industrialised area of the Tajik Republic and the stronghold of the Tajik elite. The leading cotton producing region was Khatlon, which produced 60 per cent of the republic's total cotton output.

Although Tajikistan is quite rich in mineral resources – there are deposits of rare and precious metals such as gold, zinc, lead, molybdenum, as well as coal, gas and petroleum (Republic of Tajikistan 2006b: 14) – only a quarter of 400 known deposits have been exploited, and none on a large scale. Poor transportation links do not attract investors for large-scale industrial exploitation. Indeed, poorly developed infrastructure is a problem hindering economic development throughout the CA region – an inheritance from the Soviet times, but exacerbated in Tajikistan as a result of the country's geographical characteristics.

Tajikistan is a mountainous country that consists of densely populated river valleys separated by high mountain chains: the north and the east of the country in winter are cut off from the centre and can only be reached by air. The only means of transportation in and out of the country are by railway and a road network built during the 1960s and 1970s. Both are obsolete, and run through Uzbekistan, which is problematic given the recent deterioration of relations between the two countries. The main characteristics of economic development in Tajikistan are regional pockets of industry (Johnes 2002) with weak output linkages to domestic economy; weak infrastructural capacities for import and export; and an over-dependence on cotton and aluminium revenues.

After independence, and the subsequent civil war from 1992 to 1997, the Tajikistani economy was in a dire state, with a sharp decline in both industrial and agricultural production, and widespread poverty. Weak linkages between different spheres of the domestic economy led to a situation in which industrial production had to compete outside the domestic market, but where quality was simply not competitive. As a result, most industrial plants were pushed out of the market and became obsolete. Effectively, since independence, domestic industry has stopped creating jobs for the native labour force. Meanwhile, weak infrastructure still represents a major obstacle for economic development – most roads and railways are old and obsolete. In turn, over-dependence on cotton and aluminium has continued to hinder economic diversification and opportunities for the creation of new jobs.

Demographic factors are also of paramount importance to Tajik migration flows. During the Soviet era, Tajikistan had one of the highest birth rates in the USSR. In the 1980s, the rate of natural population growth was 3 per cent, and although the next decade – the decade of civil war and economic crisis – saw a dramatic decline in the growth rate to just 1.85 per cent, population growth has picked up again since the end of the war to reach over 2 per cent in 2005 (Republic of Tajikistan 2006b). Thus Tajikistan still has the highest figure for natural growth among the CIS countries, reflecting a relatively high birth rate and a low death rate. This has major implications for the demographic structure of the population, with the average age being just over 22 years (Olimova and Bosc 2003: 13). According to the latest official statistics, 37 per cent of the population are under working age (0-14 years), the working age population (15-59 years) comprises 57.5 per cent of the population, and a mere 5 per cent are aged over 60 (Republic of Tajikistan 2006b).

Following the civil war, Tajikistan's economy plunged into a deep crisis, with declining living standards and the state structures unable to sustain the social safety net. Many young people found themselves without job opportunities or any reasonable prospects for the future, and labour migration provided a safety valve to release the pressures of social discontent and possible unrest.

In 2002 the government of Tajikistan, with technical support from international financial institutions, put together a Poverty Reduction Strategy Paper (Republic of Tajikistan 2002) that contained a programme of structural reforms towards economic development and pro-poor growth. Partly as a result of this, ithe last 5 years have seen some economic stabilisation, with a growth in GDP of approximately 8-10 per cent per annum – although growth rates can also be linked to increased consumption based on remittances. The share of cotton and aluminium in exports and GDP has also declined, although this is in some respects less to do with economic diversification into non-cotton agricultural and non-aluminium industrial production, and more due to a decline in the efficiency of the cotton sector and the degradation of aluminium factories in Tursunzade. In 2003, TADAZ was operating at only a third of its operational capacity, and yet it still accounted for almost 10 per cent of GDP and 60 per cent of export revenues (Republic of Tajikistan 2005: 17).

According to the National Development Strategy (NDS), even now only 20 to 30 per cent of the existing industrial potential is being utilised (Republic of Tajikistan 2006c: 19), and as a result, the industrial sector still does not create enough jobs for the native labour force. Thus in 2003, the entire industrial sector accounted for just 10 per cent of total employment (Republic of Tajikistan 2005: 17). Indeed, one of the centrepieces of the structural reform programme – privatisation – has had only limited success on the ground. For, although there has been an increase in the number of private enterprises and in the number of employees in the private sector (IMF 2004: 10), only around 70 per cent of privatised enterprises actually function, suggesting a lack of efficiency in the privatisation process (Republic of Tajikistan 2006c: 9).

Nonetheless, high growth rates have had a positive effect on poverty reduction: poverty rates dropped form 82 per cent in 1999 to 64 per cent in 2003, with the biggest reduction in overall poverty levels reported in the RRS region around Dushanbe, at 26 percentage points (Republic of Tajikistan 2003: 6). Meanwhile, extreme poverty (defined by the World Bank as covering those who live on less than the equivalent of US$1.08 per day) decreased most noticeably in the GBAO region (primarily due to the high rate of foreign aid in this mountainous region) and Khatlon, falling by 33 per cent and 22 per cent respectively (Republic of Tajikistan 2003: 6). That these regions should have seen the sharpest drop in the number of extremely poor people is hardly surprising given that they started with the highest levels in the first place. This helps to explain why apparently significant rates of pro-poor growth have still not led to a change in the status quo of inter-regional wealth distribution: the poorest regions still remain poorer than the others (Table 1).

Table 1. Summary of Poverty Data for 2003

Region	Population (thousands)	Overall poverty rate (%)	Share of poor in each region (%)	Decline in poverty rate 1999-2003 (%)	Gini coefficient
GBAO	197	84	4	-13	0.30
Sughd	2,123	64	32	-15	0.32
Khatlon	2,169	78	40	-13	0.35
RRS	1,553	45	17	-26	0.31
Dushanbe	630	49	7	-12	0.37
Total	6,672	64	100	-18	0.35

Source: Tajikistan Poverty Assessment Update, World Bank, 2003.

2. Migration in Tajikistan

2.1 Internal Migration

Little is known about internal migration in Tajikistan, as there are few academic studies of the phenomenon, and government departments do not monitor movements of people within the country. Information available from the most recent Living Standards Measurement Survey in 2003 suggests that around 11 per cent of the population are migrants in the sense that they were born outside the village or town of their current residence, with the proportions roughly the same for men and women. Less than one per cent of those who were born in their current place of residence had spent time away from it, whilst of those who had moved in, under half (43 per cent), had done so since 1990. This suggests quite low levels of internal migration -- perhaps implausibly so, given the significant internal displacements that followed the period of conflict in the early 1990s.

Tajikistan has always had very low level of urbanisation, and in the last two decades there has been a significant urban decline. In the 1990s, this tendency was attributed to the exodus of Russians, Germans, Jews and ethnic Slavs, who were principally urban dwellers. The tendency persists, partly as a result of migration to rural areas, where access to a private plot of land can represent an important survival strategy. Dushanbe is the only urban centre that experiences significant inward migration flows – thus according to the LSMS, over half of Dushanbe’s population is estimated to have migrated from outside the city, with just under a quarter of the city’s population arriving since 1990. Once again there is no discernible gender imbalance in migration to the capital city.

Generally, where people migrate is determined by their household status and entry barriers into certain labour markets. For example, young people from poorer households migrate to the capital to work as *marticory*, or day labourers. People who come from wealthier households, older people, and people from urban areas, who have enough money to buy a train or a plane ticket, tend to migrate to Russia. People who have established a trading business, or come from a wealthy *avlod,* i.e. have wealthier neighbours and relatives, are able to engage in the shuttle-trading trips in Central Asia or further abroad, to China, Turkey, Iran, and UAO – all markets with the highest entry barriers. A significant proportion of female migrants are shuttle-traders.

2.2 Regional and International Migration

Throughout the 1990s, displacement triggered by the civil war was the predominant type of migration in Tajikistan. However, since 1997, the main type of migration has become labour migration. A survey conducted by IOM and Sharq in 2003 indicated that 18 per cent of the adult population, or 632,000 people worked abroad between 2000-03 (Olimova and Bosc 2003: 20). Official estimates suggest that 412,000 people left Tajikistan in 2005, and the number for the first 9 months of 2006 is 337,000.[1] However, data from the LSMS suggest that just 3.5 per cent of the total population were temporarily absent at the time of the survey because they were working abroad, or just over 250,000 people. The vast majority of these (over 99 per cent) were in another CIS country, and unlike internal migration that is quite balanced, 93 per cent of those who moved to destinations outside Tajikistan were men.

Olimova and Bosc (2003, 36) identify four main types of labour migration:

- Hired workers – migrants who are hired by state (or private) enterprises on a permanent basis and under some form of contract (formal or informal);
- Construction workers – migrants who are engaged in a state-run or private construction enterprise under some form of contract – normally on a seasonal basis for 9 months of the year from spring until autumn;
- ‘Shuttle traders’, or ‘shopping tourists’, who earn money by buying goods in one region and selling them in another. About 28 per cent of Tajik migrants are estimated by IOM to be engaged in some form ‘shuttle trading’;
- Agricultural workers – rural Tajiks migrating to southern Russia and Kyrgyzstan to work on private farms as tenant farmers during the agricultural season.

Economic stagnation is widely considered to be one of the main causes of Tajik out-migration. According to IOM, unemployment and poverty were the main reasons behind migration (Olimova and Bosc, 2003: 16). However, to give a balanced picture, it must be said that there is a complex interplay of different conditions underlying the out-migration from Tajikistan: the domestic economic and demographic context should be

[1] Official Statistics, Department of Information, State Migration Service, Ministry of Labour and Social Protection, 2005, 2006

considered, alongside the fact that even during the Soviet era, Tajiks were actively engaged in trade and migration in the USSR, processes that have continued in the common labour market of the CIS (Ivahnyuk 2006: 1). And as a result, three waves of labour migration can be distinguished since independence:

- The first wave of migration dates from the early to mid 1990s, and was composed primarily of highly educated people, the urban 'intelligentsia' from Dushanbe and surroundings. Many of these migrants, who included ethnic Russians, Germans and Jews, as well as native Tajiks, were employed in the health sector and education, although there was also emigration of highly skilled, qualified industrial and construction workers who went to work in the extractive (oil and gas), metallurgical, engineering and construction industries in Russia (Olimova and Bosc 2003: 23). The main reasons behind this wave of emigration were the sharp decline in living conditions, a decline in public sector salaries, coupled with the beginning of an 'economic boom' in Russia.
- The second wave of migration started at the end of the 1990s, when the rural population started to migrate from a countryside devastated by war. They included older people – fathers, heads of households, and consisted of people less educated compared with the first wave. In Russia, this period was one of economic stabilisation and then rapid development of the private sector. Tajik migrants were employed in services, private construction, and agricultural enterprises.
- Finally, present day migration from Tajikistan is sometimes branded 'brawn drain' (World Bank 2005: 58). The overwhelming majority of migrants are now aged 18 to 29 years or are younger.[2] These emigrants who migrate straight after the completion of secondary school, with no specialised education, and often with very little knowledge of the Russian language.

The latter group of emigrants go to work as unskilled labourers on construction sites, in agriculture, or as menial workers in markets. Their employment prospects and earning potential are extremely low, and the prime motivation behind their migration is the inability to find jobs at home, or to finance further education. These are the people who leave to escape poverty and extreme poverty – unfortunately, their ability to do so is limited by their (lack of) skills. The wages that the average unskilled labourer earns in Russia or Kazakhstan would be enough to only marginally improve the welfare of the migrant's family at home, but not enough to break out of poverty, and even such marginal improvement comes at a very high social cost: unskilled migrants with low levels of local knowledge and poor Russian language skills are habitually exposed to abuse, bad working and living conditions, and harassment by law-enforcement agencies and employers.

[2] Department of Labour Migration, Government of the Republic of Tajikistan, 2006

Older and middle-aged migrants (30-62 years of age) are mainly qualified workers who are employed as skilled workers and technical personnel in industrial and construction enterprises – their prospects of getting a proper contract and a good salary are high. Remarkably, the proportion of these older migrants with specialised technical education is almost four times higher than that of the general population: 28 per cent of migrants have a technical or professional school degree, compared to 7 per cent of non-migrants (Olimova and Bosc, 2003: 29). Migrants are also more likely to have either incomplete higher education (5 per cent of migrants compared to 1 per cent of general population) or completed higher education (12 per cent of migrants have an academic degree, compared to 8 per cent among general public). This clearly points towards a 'brain drain': people with education tend to be more mobile, and are more likely to leave to improve their living standards. This segment of the migrant population is able to earn enough to invest in a better education for their children and better health service for their families.

2.3 Migrant Destinations

The principal destination of Tajik migrants is Russia (83 per cent), followed by Kazakhstan (14 per cent) and Kyrgystan (2 per cent). Within the Russian Federation, the most common destination is undoubtedly Moscow (Table 2). According to unofficial statistics, there might be over a million Tajiks residing in Moscow, although Tajik migration is also quite widely distributed across other parts of Russia (Table 3).

Table 2. Major Places of Destination of Migrant Workers from Central Asian States Employed in Russia, 2005

Federal District/ Provinces in Russia	No. of migrants from Tajikistan	Federal Districts / Provinces in Russia	No. of migrants from Tajikistan
Central FD	13,592	Southern FD	2,882
• Belgorodskaya P.	33	• Krasnodarsky Krai	1,118
• Vladimirskaya P.	164	• Astrakhanskaya P.	150
• Voronezhskaya P.	139	• Volgogradskaya P.	1,359
• Kaluzhskaya P.	497		
• Moskovskaya P.	7,166		
• City of Moscow	4,094	Privolzhskiy FD	4,655
• Ryazanskaya P.	417	• Bashkortostan Rep.	456
• Tulskaya P.	495	• Tatarstan Republic	578
		• Nizhegorodskaya P.	454
		• Orenburgskaya P.	475
North-West FD	5,041	• Permskaya P.	1,302
• Karelia Republic	47	• Samarskaya P.	672
• Komi Republic	144	• other provinces	
• Vologodskaya P.	179		
• Kaliningradskaya P.	36	Uralskiy FD	19,363
• Novgorodskaya P.	287	• Sverdlovskaya P.	9,538
• City of St. Petersburg	3,455	• Khanty-Mahsi AD	3,508
• Leningradskaya P.	588		
• Nenetskiy AD	215		
		Sibirskiy FD	5,129
		• Altayskiy Krai	1,078
Far-Eastern FD	1,940	• Krasnoyarskiy Krai	1,382
• Rep.Sakha (Yakutya)	1,260	• Irkutskaya P.	502
• Primorskiy Krai	207	• Novosibirskaya P.	1,110
• Amurskaya P.	8		
		Total	52,602

Source: Data from the Federal Migration Service of the Russian Federation

Table 3. Types of Work by Migrant Destination

Destination country	Proportion of all Russian migrants	Occupation	Percentage
Russia	83%	Construction Trade Services Agriculture	52% 23% 20% 4%
Kazakhstan	14%	Construction Services Trade Agriculture	49% 23% 20% 9%
Kyrgyzstan	2%	Construction Trade	75% 25%
Others	1%	Construction Services	67% 33%

Source: Tajikistan Trade Diagnostic Study, World Bank, 2005: 59.

There are various reasons for the predominance of Russia as a destination for the migrants from Tajikistan, and for the significance of Moscow within Russia. First, the presence of an existing Tajik community in Russia is clearly a major attraction for subsequent migrants. Strong ethno-regional ties are the basis of the social fabric of Tajik society, and an ability to rely on those ties is often the main criteria for Tajiks to select the destination area abroad. For example, according to Olimova and Bosc (2003), the strong presence of Tajik refugees who settled in such areas as Astrakhan and Volgograd in the 1990s has led to these regions attracting agricultural labourers from Tajikistan a decade later.

In addition, the pattern of economic development is highly uneven in Russia, as it is in the rest of the CIS, and Tajik migrants are understandably attracted to areas of stronger economic development. In addition to the major cities of Moscow and St Petersburg, these include areas of concentration of major industries such as oil and gas, metallurgy, chemical industries, and heavy machine building. Such pockets of industrial development are surrounded by infrastructure, housing, services etc., and include cities such as Volgograd, Samara and Kazan in Central Russia; Yekaterinburg and Krasnoyarsk in the Urals; Tyumen and Nizhnevartovsk in the oil-rich far North, and Vladivostok in the far East.

Apart from the Russian Federation, Tajiks also migrate to other Central Asian countries, although in much smaller numbers. For example, until 2002 there was an intensive flow of migrants between Uzbekistan and Tajikistan. Tajiks traditionally traded in Uzbek bazaars in urban areas in Tashkent, Samarkand, and Fergana. There was also a lot of exchange of seasonal migrants and traders across the Tajik-Uzbek border. In fact, Uzbekistan used to be the second most popular destination for Tajik migration. Since 2001 however, Tajik-Uzbek relations have deteriorated rapidly with some outbreaks of violence. This has led to the placement of landmines on the Uzbek side of the border, and the introduction by Uzbekistan of a visa regime for Tajik citizens. As a result, Uzbekistan now receives practically no migrants from Tajikistan.[3]

There is also migration of Tajiks to Kazakhstan and Kyrgyzstan. According to IOM, in 2003 around 3 per cent of Tajik migrants went to work as traders or to engage in shuttle-trading bazaars and wholesale markets in Bishkek (Kyrgyzstan), which has become a centre for wholesale and retail goods from China (Olimova and Bosc 2003: 25). Meanwhile, Kazakhstan has been steadily growing in popularity with Tajik migrants: in 2003 only 1 per cent went to Kazakhstan (Olimova and Bosc 2003: 22), whereas by 2004, according to a survey conducted for the Trade Diagnostic Report (World Bank 2005), the number of Tajiks migrating to Kazakhstan exceeded the number going to Kyrgyzstan and was as high as 14 per cent, compared to only 3 per cent for Kyrgyzstan (Table 3). Official statistics for 2006 however show a more even distribution of migration flows between these two CA countries (Table 4).

Table 4. Official Data on Migration Flows for the First 9 Months of 2006

Regions of origin	All destinations	Russia	Kyrgyzstan	Kazakhstan	Ukraine	Other CIS countries	Countries outside CIS
Total	337,550	319,789	6,980	5,795	1,349	2,918	719
GBAO	16,020	15,405	148	273	27	119	48
Sughd	129,201	123,331	741	1,942	686	1,949	552
Khatlon	99,286	94,641	1,400	2,358	356	517	14
RRS	79,146	72,682	4,664	1,162	272	289	77
Dushanbe	13,897	13,730	227	60	8	44	28

Source: Information Department of Migration Service of the Ministry of Labour and Social Protection, Government of Tajikistan, Dushanbe, 2006.

Politically, both Kazakhstan and Kyrgyzstan are relatively free, and 'ethnically close' to Tajikistan, but the Kazakh economy in particular has been experiencing an unprecedented boom due to international investment in the oil and gas sectors. In contrast, although the Kyrgyz economy was liberalised by structural reforms undertaken by the government in the early 1990s, these reforms have not been particularly successful, and the level of economic growth is not much different from Tajikistan itself.

[3] Statistical Data, SMS, Tajikistan, 2005, 2006

In Kazakhstan, Tajik migrants work mainly in construction, especially in the fast growing urban centres, such as Astana and Almaty, but also in trade infrastructure. However, although there is seasonal agricultural employment available for migrant workers in southern Kazakhstan on the tobacco and cotton plantations, this is much less significant for Tajik labour migrants compared to migrants from Uzbekistan, Kyrgyzstan and Turkmenistan, partly due to the fact that when Tajik emigration started after the end of the civil war, the Kazakh economy itself was still in deep crisis. Also, in the late 1990s there were numerous reported incidences of forced labour and slavery in southern Kazakhstan. When Kazakhstan started to become an attractive destination for migration, Tajiks already had established networks in Russia.

2.4 Regional Origin of Migrants in Tajikistan

Levels of out-migration and the composition of migrant population vary by region, with these variations underpinned by factors such as the level of poverty, the business climate, and demographic context (Table 5). Numerically, the largest number of migrants comes from the regions of Sughd, Khatlon and RRS, although it should be noted that these are also the most populous regions of the country.

Table 5: Regional Economic and Demographic Indicators

Region	Gross Industrial Output	Average Monthly Salary (somoni)	Population Density People/ km2 (2000)*	Population Growth Rate (per 1000 persons)	Administrative structure*		Emigration (2005)+
					Urban	Rural	
GBAO	35,139	71.88	3	10.2	1	396	20,450
Sughd	760,477	69.22	74.0	17.6	10	654	124,550
Khatlon	811,924	56.56	86.7	27.0	6	1528	136,534
RRS	1,857,309	101.13	46.8	22.3	4	1225	115,120
Tursunzade	1,697,990	188.37					
Dushanbe	276,288	168.05	561.895	18.1	1		15,469

Source: Republic of Tajikistan and its Regions, Statistical Bulletin 1, Dushanbe 2006.
*Monograph and Atlas of the Republic Tajikistan according to the Census 2000, Dushanbe, 2005.
+Data provided by the Information Department of Migration Service of the Ministry of Labour and Social Protection, Government of Tajikistan, 2005.

As the poorest region in Tajikistan, Khatlon might be expected to produce the largest proportion of migrants as a share of the population. For example, although just 32.5 per cent of the country's population live in Khatlon, the region accounts for 50 per cent of the 'extremely poor' (Falkingham and Klytchnikova 2006: 23). Moreover, Khatlon was the region most affected by the war, and has subsequently been devastated by the debt crisis. Thus, despite a doubling in the area under cotton cultivation since 2000 (Porteous 2003: 10), it is unsurprising that large numbers of rural households have turned to labour migration as a key survival strategy in the region. Migrants from Khatlon typically are low-skilled seasonal workers working in Russia on construction sites. However, estimates of the proportion of migrants coming from the province vary, with IOM estimating that 40.8 per cent of migrants come from the region (Olimova and Bosc 2003: 32), whereas data presented in Table 5 suggests that the share of migrants coming from Khatlon is just 33 per cent. In this context, it is difficult to make a simple statement about the relationship between migration and poverty in this region.

In contrast, the most economically developed and politically influential region is Sughd. During the Soviet era, industries were concentrated in Sughd, and the level of development of urban infrastructure was high. More recently, private businesses have also concentrated in the Sughd region, as it has the most favourable conditions for SME development, including the availability of starting capital (IFC 2003). Sughd is also a major cotton producing region.

Partly as a result of its higher levels of development, a larger number of migrants from Sughd are 'shuttle traders', or skilled workers employed in industry and construction in Russia, since the high concentration of industrial and manufacturing units here during the Soviet era created a network of personal and professional connections between enterprises in Sughd and in Russia. Olimova and Bosc (2003: 60) report that after the closure of factories in Sughd in the 1990s, enterprise managers were able to find work for their former employees through personal connections with enterprise managers in Russia, a system which still works. Also, the concentration of private businesses and of wealth in Sughd underpins a high level of trading activities that natives of Sughd are able to engage in. The main indicator of this trend is an extremely high proportion of migrants from Sughd going to countries outside the CIS: a staggering 80 per cent of all migrants going 'far abroad' (i.e. beyond Russia) are from Sughd province. In order to 'shuttle trade' outside the CIS region, in China, the UAE, Turkey or Iran, significant funds are needed both for travel and to purchase goods.

Access to such starting capital by individual entrepreneurs is very limited – microfinance organisations, for example, stipulate the 'maturity' of a business as a central prerequisite to qualify for credit. As a result, most small businesses have grown from Soviet-era connections and savings.[4] In that respect, Sughd again has an advantage over other regions, as people from this traditionally 'better off' area are much better positioned to engage in wealth-accumulating types of migration. Nonetheless, as in Khatlan, the proportion of Tajik migrants is similar to the share of the population living in the province, at least according to data presented in Table 5.

The other agricultural region of Tajikistan – RRS – has had more success with reforms. Western RRS is an area of non-cotton agriculture, where structural reforms and privatisation have allowed private farmers to

[4] Personal Interview with EBRD representative, Dushanbe

diversify and market their crops. As a result, farmers have been able to improve their welfare, whilst regional poverty indicators show a significant level of poverty reduction (Republic of Tajikistan 2003: 14). Indeed, in rural RRS, poverty is the lowest compared to the rest of the country (Falkingham and Klytchnikova 2006: 7).

Yet remarkably, the level of out-migration is apparently higher than in Khatlon, its agrarian counterpart. This again problematises the direct links between the level of poverty and migration and points towards the existence of a more complex system of causal factors underlying migration flows from poor countries such as Tajikistan. However, in order to explore this question in more detail, there is a need for more in-depth research into the regional variations of migration flows: where people from different regions migrate to, into which economic sectors, and what is the relative cost of migration from different regions in Tajikistan and into different regions within CIS and outside.

3. Policies

3.1 Policies on Development

Cotton is one of the country's main earners of foreign exchange and could provide 'an important engine for economic growth and help decrease the level of poverty' (Republic of Tajikistan 2006c). However, the full potential of the cotton-growing sector is currently under-utilised, and the productivity of the cotton industry has been steadily declining due to low efficiency. Moreover, extreme poverty and malnutrition are strongly associated with cotton-growing (ICG 2005: 9; Republic of Tajikistan 2006c: 19). For example, large, state-run farms have an extremely low productivity, and the payment of salaries is irregular (Porteous 2003: 17). Average monthly salaries on state-owned farms are as low as 21 *somoni* (approx. £7) (ICG 2005: 9).

To address the problems of state-run agrarian enterprises, 'farm restructuring and privatisation' were identified to be 'the key agricultural policies' of the government (Republic of Tajikistan 2002: 41; IMF 2006: 22). According to the PRSP (Republic of Tajikistan 2002), the priorities of agricultural sector reform included creating 'a positive environment for agriculture related private activity' and reducing 'government intervention in decision-making' (ibid.: 41). In order to achieve this target, the government promised to 'eliminate informal quotas on agricultural production, especially cotton' (ibid.: 42). However, according to the National Development Strategy, three main factors continue to adversely affect the potential of the cotton sector: ongoing governmental regulation of production plans; delays in land reform; and difficulties in obtaining financial resources (Republic of Tajikistan 2006c: 19).

One reason for the continued difficulties faced by the cotton sector is that over-regulation survives in numerous guises from the top Republican level down to the level of local administration. For example, the Ministry of Economics issues an annual harvest plan, and individual districts in each province also have plans that are distributed among state farms and independent *dehkan* farmers (ICG 2005: 6-7; Porteous 2003: 9-10). As a result, agricultural producers in cotton-growing areas are effectively forced to grow cotton, whether it is profitable or not, and as a result the farmers' freedom to choose what to grow exists only on paper. More importantly, this practice is behind the persistence of extreme poverty in the cotton-growing regions – according to some reports, Tajik farmers who grow crops other then cotton receive eight to thirteen times more profit than those growing cotton (ICG 2005: 9).

The government is able to dictate to farmers what to grow primarily because the state has retained ownership of the land. Thus individuals have a right to apply for a 'land use certificate' that grants life-long rights to use the land, but does not allow it to be bought or sold (ICG 2005: 8). Two constraints are said to arise from this form of ownership. First, the government in principal has the right to take away land that is considered 'improperly' used, which acts as a potential disincentive to investment (ICG 2005: 8-10). Second, farmers cannot use these 'land use certificates' as collateral.[5]

The new Law on Microfinance, which is currently under consideration in the Parliament, should change this situation somewhat. However, ironically, the biggest stumbling block to the adoption of this law is the fact that farm debts are already high.[6] One reason for this is that in the late 1990s, when it became clear that the government could not finance the privatisation of the agrarian sector, a number of private investment companies started to accept future cotton crops as collateral. A combination of unfavourable conditions (civil war, low world prices on cotton, etc.) resulted in chronic shortfalls in repayments of these credits and the fast accumulation of farm debt. According to the Asian Development Bank, in 2004, total agricultural debt amounted to US$180 million (IMF 2004: 26), whilst for 2006, UNDP calculated that debt had risen to US$228 million (Republic of Tajikistan 2006c: 19).

The government does not have the means to pay off this debt, and instead has come up with a scheme to 'redistribute' the existing debt among newly restructured *dekhan* farms according to their size (Porteous 2003: 12). In turn, although the government is developing a reform strategy to address the problem of farm debt, the government's commitment to the implementation of the necessary reforms is still considered 'uncertain' in some quarters (World Bank 2005: 55).

[5] Personal Interview, Dushanbe
[6] Personal Interview, LFI, Dushanbe

3.2 Policies on Migration: Protection of Migrants' Rights

Turning to migration, according to the NDS, the 'social and legal vulnerability of labour migrants and their low qualifications' are two of the 'major problems in the sphere of the labour market and labour migration' (Republic of Tajikistan 2006c: 59). Similarly, the PRSP states that: 'social and legal vulnerability of labour migrants leads to numerous violations of their rights and freedoms' (Republic of Tajikistan 2002: 28). In addition, for at least a decade, since the early 1990s, Tajik emigration has had a spontaneous, unregulated character. As a result, after the civil war in the early 2000s, the Government of Tajikistan was faced with an acute problem of mass out-migration of a completely unregulated character, with no legal, normative, or institutional basis to begin to manage it. A State Migration Service was established in 1999 to coordinate and develop new state policies regulating migration flows, and was faced with two principal issues – irregular migration, and protecting the human rights of migrant workers.

The definition of 'irregular migration' is highly ambiguous and stretches to cover a whole range of different activities, including human trafficking, smuggling, working without permit and others. Due to the ambiguity of the definition and the or 'covert' nature of such activity, estimates of the possible number of irregular migrants are quite arbitrary and vary dramatically form agency to agency. Official statistics calculate the number of irregular migrants to be roughly the same – or slightly less – than the number of 'regular' migrants: in other words 400,000-420,000 people. However, IOM estimates that anything up to 1.5 million irregular migrants can be working outside Tajikistan at any given time (ICPMD 2005: 225).

Irregular Tajik migrants encounter especially acute problems in Russia, which has strict laws on entry and residence of foreigners. This is perhaps surprising, since all Tajik citizens enter Russia legally under the non-visa regime. However, following legal entry, there are two ways to become 'illegal' or 'irregular'. First, Tajik citizens on Russian territory are required to register with the Ministry of Internal Affairs within a specified period of time (currently within 3 days), and failure to do so automatically renders them 'illegal'. Yet registration within such a short time limit is extremely difficult, and often impossible; it is also costly, because although registration is supposed to be a straightforward and free procedure, it is in fact extremely bureaucratised, cumbersome and full of corruption and extortion (Olimova and Bosc 2003: 65-70). Meanwhile a second way of becoming 'illegal' in the face of Russian Law is the failure to register with an employer, i.e. to obtain a work permit. Yet this procedure is also costly and time-consuming, especially for employers, who as a result pressurise their foreign employees not to register (Olimova and Bosc 2003: 65-70).

Both forms of illegality – illegal stay, as well as illegal work – can entail deportation as a maximum penalty. Russians started deporting Tajik citizens on a large scale in 2002, and by 2003 there were calls in the Russian

Parliament to introduce a visa regime for Tajikistan, which caused considerable tension in Russian-Tajik relations (ICMPD 2005: 227).

Subsequently, in October 2004, the Russian Federation and Tajikistan signed a bilateral agreement on labour and social protection of Tajik citizens seeking jobs in Russia (ICMPD 2005: 217). Tajikistan approved this agreement in January 2005, but Russia ratified it only as recently as July 2006, with implementation due to start in January 2007.[7] This agreement marks some significant steps towards improvement in the status of Tajik migrants working in Russia, such as the creation of a bilateral working group on labour migration (ICMPD 2005: 217). Another practical step was the consensus reached over the controversial 'registration issue': Russia extended the period for registration from 3 to 7 days, although again this only comes into force in 2007.[8] A number of similar agreements with other countries are currently being prepared: agreements with Belarus and Kazakhstan are ready to be ratified; whilst Saudi Arabia and UAE are still at 'work in progress' stage (ICMPD 2005: 217).

In addition to these intergovernmental agreements, strategies have also been developed that are intended 'to create sufficient labour space for legal workers from Tajikistan' (ICPMD 2005: 225). One of the proposed solutions to irregular migration is to increase the amount of contract-based migration. In 2002, the Government of Tajikistan introduced new procedures for regulating labour migration: every Tajik planning to leave the country is expected to have a formal contract with prospective employee (IMF 2004: 26). However, this regulation is extremely difficult to enforce, and since foreign employers are keen to avoid registering their labour, they find ways to avoid it. In addition, independent employment centres were created, operating under licenses issued by Ministry for Labour and Social Protection, to assist Tajik citizens in job seeking and processing of required documentation for working abroad. At the moment there are 12 such centres holding a government licence and in the first 9 months of 2006, they found employment for 1,460 people in Russia. However, this is clearly not a sufficient level, given an official estimate of 337,550 migrants leaving Tajikistan between January and September 2006.[9]

A number of bi-lateral agreements have also been signed in the past two years with regions in the Russian Federation. Normally, the Tajik authorities guarantee to provide a number of workers with a certain level of qualification required by the Russian regional labour market, while the administration of the region guarantees to grant the workers a contract, insurance, to look after the migrants' living and working conditions and to protect their rights. So far, such agreements have been signed with Penza, Ryazan and Yekaterinburg.

[7] Personal interview, State Migration Service official, Dushanbe

[8] Personal interview, SMS official, Dushanbe

[9] Personal interview, official from State Migration Service, Dushanbe; Official Statistics of the Department for Information, State Migration Service, GRT

Agreements of this nature are considered to be the future of migration management strategies between Russia and Tajikistan: Russia gets qualified workers that the labour market badly needs (doctors, drivers, teachers, medical nurses), whilst Tajikistan gets certain guarantees over the status of Tajik citizens.[10]

However, it should be noted that although a formal written contract with an employer usually does guarantee better living and working conditions, medical care, and a higher chance of being fairly treated, it does not necessarily protect migrants from all the forms of abuse and violations. For example, having legal registration and a work permit does not necessarily stop law enforcement agencies extorting money, or arresting and detaining Tajik citizens. There is arguably a wide network of power structures – policemen, customs officers, bureaucratic officials, and criminal organisations – that considers migrants from Central Asia to be a legitimate source of 'income'. The most vulnerable are young people, with little knowledge of Russian and no qualifications, who work in low-paid, unskilled, often unsafe jobs. They often live in abysmal conditions and experience abuse at their place of work, including in some cases forced labour, violence, and extortion.

The problem of abuse and violation of human rights in Russia is currently acute. Every year the number of Tajiks killed in racially-motivated attacks is growing, as is the number of victims of poor safety conditions at work. In 2005, it was reported that 338 coffins were transported to Tajikistan from Russia.[11] Especially dangerous places are said to include St. Petersburg and Yekaterinburg. Also, there are numerous allegations of incidences of unlawful detainment, torture and killings of Tajik citizens by Russian law enforcement agencies.[12] One of the central policy goals for the Tajik government now is to establish a network of institutions and organisations in receiving countries to provide legal assistance and advice to Tajik migrants. In 2001, the Tajik Ministry of Labour and Social Protection opened a representative's office in Moscow, and there are plans to expand the network across Russia (ICMPD 2005: 227). The main responsibility of these representatives is to provide information, legal support and advice to Tajik migrants on the territory of RF.

Apart from governmental structures, there are various Tajik diaspora associations that engage – either on a voluntary and philanthropic basis or on a commercial basis – in the provision of legal assistance to Tajik migrants. The most prominent group is the Tajikistan Foundation, a philanthropic group run by Gavhar Djuraeva since 1996, and supported by members of the Tajik community. With funding from the Soros Foundation, they publish a monthly bulletin, 'Migration and Law', that addresses the concerns of the Tajik migrant community in Moscow, and also run an information centre for Tajik migrants providing legal

---

[10] Personal Interview
[11] Personal interview, SMS official, MLSP, GRT
[12] Personal Interview, Fund Tajikistan, Moscow

consultations, advice, or a free advocacy service from one of the Foundation's legal experts.[13] Besides legal assistance, the Foundation helps migrants to get access to medical care and social services, and works closely with the Russian and Tajik governments, other NGOs dealing with migrants' issues on the territory of RF, and the Tajik diaspora in Moscow. As such, the Foundation's experience is unprecedented in Russia.

4. Impacts of Migration on Development

Calculations of the possible volume of remittances are notoriously imprecise; depending on the methods of calculation the results vary dramatically. According to the National Bank of Tajikistan balance of payment statistics, remittances currently account for 12 per cent of GDP (IMF 2006: 6). These official calculations are based on the volume of money transfers through formal banking systems. In turn, the World Bank estimates that the sum-total of all kinds of transfers, including transfers in cash and kind, as well as bank transfers, can account for over 30 per cent of GDP (World Bank 2005: 58). However, the most ambitious estimate is based on a survey of migrant households, suggesting that transfers through banking systems are likely to represent only a third of all the remitted money, and therefore the total volume of capital sent by Tajik migrants to their families might, in principle, amount to a staggering 60 per cent of GDP (ibid.).

Even without knowing the precise sum-total of funds transferred into the country by Tajik migrants, it is still quite obvious that the importance of remittances for the Tajik economy is substantial. There is general agreement that there is a strong link between remittances and poverty reduction. There is also evidence of a significant positive impact of remittances on the micro-level (household) as also on the macroeconomic level.

At the level of households, labour migration and remittances provide the only available safety net in the context of post-civil war instability, the collapse of state welfare support, and a stagnant economy. In a survey conducted by Sharq for the IOM, 67.7 per cent of respondents from migrant households claimed that remittances from labour migration 'improved the financial position of their families', and 14.8 per cent considered this improvement to be 'considerable' (Olimova and Bosc 2003: 100). In the average Tajik household, remittances account for 10 per cent of total household income, and in the poorest households their share is even higher at 12 per cent. Overall, remittances are the second most important source of income after wages, and their importance is on average higher than that of state social transfers (Falkingham and Klytchnikova 2006: 18).

[13] Personal interview with Gavhar Djuraeva, Moscow

Economists use differences in Gini coefficients (income distribution versus expenditure distribution) as an indirect measure of the magnitude of the possible impact of remittances on individual household welfare. A high Gini coefficient based on income distribution, compared to a lower coefficient based on consumption, could be explained by ‘a higher consumption in the lower income deciles, mainly as a result of remittances not being captured by the data of incomes’ (Korobkov and Paley 2005: 139). In case of Tajikistan, in 2003, the total Gini coefficient based on per capita income distribution was high, at 0.63 (reaching 0.68 in rural areas and 0.58 in urban areas), while the one based on expenditures was relatively low, at 0.36 (0.37 in rural, and 0.33 in urban) (Falkingham and Klytchnikova 2006: 13). In short, what this comparison indicates is that the level of equality in individual households' access to the consumption basket is considerably higher than the level of equality in their earning power. This trend is consistent over time: between 1999 and 2003, per capita expenditures increased by 36 per cent, while per capita incomes fell (ibid.: 15). The combination of these indicators appears to suggest that although the average Tajik household is earning less money, and the divide between the rich and the poor is growing, the ability of poorer households to purchase good and services is nevertheless improving, presumably due to their being able to access ‘un-captured’ incomes, such as remittances.

For many Tajik households, labour migration and received remittances are the key strategy to sustain their livelihoods and escape extreme poverty. In doing so, labour migration appears to offer a very effective mechanism to release societal pressure, performing the role of a ‘social shock absorber’ (IMF 2006: 13).

A number of general macroeconomic factors are common across countries with a high inflow of remittances, including Tajikistan. For instance, remittances help keep the current account deficit manageable; they have a positive impact on public finances, providing an additional source of revenue in the form of VAT; they contribute to exchange rate stability; and they help to strengthen the banking system (IMF 2006: 13-15). However, although certain macro-economic indicators strongly point towards the positive effect of remittances on economic growth, the connection between remittances and pro-poor economic growth is somewhat more ambiguous. A balanced view on remittances should weigh their short-term benefits and volatility against their long-term sustainability.

Remittances are potentially volatile – especially in a country like Tajikistan – because they are dependent on the context of international relations between the sending and receiving countries, and also on the economic and political stability of host country, as well as transit countries. Sudden changes in one or more of these factors can adversely affect migration flows (IMF 2006: 15-16). At the same time, remittances can be less volatile then other sources of foreign exchange. For example, if world prices for cotton and aluminium dropped, that would have a sharp impact on Tajikistan’s ability to earn foreign currency. In contrast, sending labour migrants to oil-producing countries such as Kazakhstan and Russia is likely to protect the domestic economy from external shocks (World Bank 2005: 59).

There is a degree of consensus that the impact of remittances on the development of the domestic economy depends on 'whether they are spent on consumption or investment' (IMF 2006: 10). The pattern of remittance spending in Tajikistan has attracted a lot of attention, and numerous studies and surveys have confirmed that a large proportion of remittances is spent on consumption and social functions, and notoriously little gets 'invested' in the economy.[14] This is not necessarily a problem: for example, the growth of services and construction as a share of GDP reflects high domestic demand generated by remittances from abroad, and can have a stimulating effect on the local economy.

However, it is clearly of more interest in development terms if remittances are invested, something that will depend on a number of factors. For example, according to a survey conducted by the National Bank of Tajikistan, the '*size* of remittances tends to determine their end use – either consumption or investment' (IMF 2006: 13, emphasis added). Thus, the IMF suggests that remittances of under US$1,000 a year tend to be spent mostly on consumption, primarily food, clothing and medical care; sums from US$1,000-5,000 are spent on durables and home improvements, and to finance small-scale import transactions; sums over US$5,000 are invested into rural house construction; whilst sums over US$10,000 are invested in real estate and large scale imports.

Following the above schema, according to data presented in Table 6, only 1.1 per cent of all the remittances received by Tajikistan are likely to be invested in development of private enterprise and real estate, whilst just 12 per cent is likely to be invested in small-scale trading activity. According to Olimova and Bosc (2003: 106) some 6.3 per cent of migrants in their survey had started up a small business, although it is not clear whether the capital earned from labour migration was sufficient, or whether additional sources of starting capital were involved, such as savings or credit.

[14] IOM, 2003; Personal interviews: UNDP, EBRD, LFI, Dushanbe

Table 5: Remittances at a Glance

Source country	%
Russia	92.3
Kazakhstan	2.1
Uzbekistan	1.3
Kyrgyzstan	0.3
Others	4,0
Amount	**%**
Less then $100	17
$100-250	26
$250-500	26
$500-1,000	18
$1,000-3,000	10
$3,000-5,000	2
$5,000-10,000	1
Over $10,000	0.1

Source: Macroeconomics of Remittances, IMF 2005.

UNDP and IOM are piloting a project to enhance the developmental impact of Tajik remittances on rural communities by encouraging migrant households to invest in local infrastructure and private enterprise development. From their first experience, the only meaningful 'investment funds' appear to have been raised by Tajik migrants who have already established mature businesses in Russia. In reality, an average Tajik migrant from a rural area simply would not earn enough to be able to have enough margins to invest in either individual or communal income-generating projects.

The ability of migrants to save money from remittances for investment is also restricted by the limitations of the Tajik banking system. Public confidence in the formal banking system was severely undermined by a decade of macro-economic instability, during which three mandatory monetary conversions and numerous incidences of bank failures and closures resulted in dramatic, 'overnight' devaluation of people's savings (World Bank 2006: 14). Despite the government's demonstrable commitment to the improvement of the domestic banking system, it remains weak and underdeveloped. Commercial banks have very limited banking networks, restricted funds and offer only the most basic services. According to a survey conducted by the National Bank of Tajikistan in 2005, 82 per cent of respondents 'were not ready to deposit remitted funds in the banking system' (ibid.).

This weakness of the domestic banking sector does not just negatively affect the level of public investments and savings, but also impacts migrant workers' confidence in using formal channels for the transfer of remittances. According to th eWorld Bank, only 36 per cent of respondents who used formal channels for money transfers used bank transfers, while almost twice as many -- 60 per cent of respondents -- preferred money transfer operators (World Bank 2006: 11). Compared to commercial banks, money transfer operators such as Western Union are more accessible, have lower fees and rates, and do not require a bank account (World Bank 2006: Annex 4). Thus, in Tajikistan, financial market money transfer systems have a clear competitive advantage over commercial banks, and are able to capture the bulk of remitted funds.

It should be noted that investing in private business is in any case a highly risky undertaking given the current entrepreneurial climate in Tajikistan. According to the NDS, the share of private sector in GDP is only 43 per cent -- lower than in other transition countries. Although over 90 per cent of all state-owned enterprises have been formally privatised, only 69.8 per cent of them actually function. Meanwhile, although there is growth in the number of small and private businesses, this growth is very slow – only 3.5 per cent annually.[15] The National Development Strategy attributes such a slow rate of development to the country's 'bad business climate', including weak tax regulation with too many inspections (average of 10 inspections a year per one SME); complicated procedures for import-export registration, and corruption amongst customs officers; excess government regulations; obsolete and weak physical infrastructure; and an extremely low level of FDI – at under 2 per cent of GDP (Republic of Tajikistan 2006c: 20). Structural reforms designed to encourage the development of the private sector are lagging behind, and this is one of the single most important factors creating disincentives for migrants to develop private businesses in their home country.

Finally, whilst available information about the skills composition of Tajik migrants abroad suggests that a significant proportion of the 'brain drain' from Tajikistan occurred in the immediate post-Soviet period, and that the proportion of unskilled workers is rising, the fact that recent bilateral agreements for contract workers with Russian regions have focused on provision of skilled workers is worrying. Clearly a country such as Tajikistan, which has low capacity in its health and education services, and a low HDI, can ill afford to lose doctors, nurses or teachers to its richer neighbour. However, more evidence is required to identify the real impact of such agreements – and past skilled labour migration – on broader development outcomes in the health and education fields.

5. Conclusions

In the context of Tajikistan's domestic economy, migration has acted as a clear 'shock absorber' that has relieved societal tension in an economy undergoing transition. In the regional context of Central Asia, migration from Tajikistan has been conditioned by economic and demographic factors of post-Soviet regional development. In the wider context, migration from Tajikistan is the natural response of a poor landlocked

[15] Personal interview with IFC representative, Dushanbe

country to the pressures of globalisation. Overall, labour migration has had an observable stabilising and developmental impact, especially on poverty reduction and economic growth. It also has a high potential for ‘human capacity building’ (IMF 2006: 14) in terms of improving people’s mobility, technical and behavioural skills. However, in order to be able to utilise this potential, incentives are needed for some migrants at least to come back and work for the national economy. In other words, for this ‘human capital’ potential to be unlocked, a sound foundation of long-term political and economic stability is required.

In the absence of such conditions, the evidence suggests that at present labour migration is still a ‘survival strategy’, pursued mainly by men to support their families, and that to unlock its potential as a ‘strategy for development’ (Ivahnyuk 2006: 1), some structural issues will have to be addressed. Meanwhile, a further significant obstacle to migration acting as a force to reduce poverty is the highly vulnerable situation of many Tajik migrant workers in Russia.

A short term goal might be the facilitation of migration movements, and of the remittances associated with them. In this sphere, noticeable progress has been made in the last two years, including the improvements in the banking system for transfer of remittances, increasing awareness of the government of the importance of migrants’ rights abroad, and the sheer number of projects dealing with migration issues that are currently under discussion and consultation between the government, NGOs, INGOs and donors. Although practical progress in this area could appear slow, it is nevertheless steady.

However, in order to foster the sustainability of migration-led growth, longer-term projects need to be completed. Since 2002, there has been modest progress on reforms in governance, land reform, and the creation of a good environment for the development of private enterprise. At the moment, there is a risk that remittances relieve pressure that otherwise would have been put on the government to engage in full-scale reforms; they may also relieve the fiscal incentive for the government to engage in reform of the social welfare system by providing alternative social safety nets. Indeed, more broadly, labour migration and inflows of remittances create a set of disincentives for the government to embrace the painful process of political and economic reform (IMF 2006: 59). Thus, numerous observers note that migration suits governments because it takes away the problems created by political and economic underdevelopment, and places these in somebody else’s domain.

6. Potential Recommendations

- The Tajik government could do more to address the problems faced by its migrants abroad building, for example, on the bilateral labour agreement with Russia which comes into force in 2007, and the existence of Tajik diaspora organisations that work in this area.
- A first step would be for the Tajik government to seek to improve the range and geographical distribution of consular services in Russia. Although such services might be distrusted at first, they would provide an important opportunity both for Tajik migrants to have recourse to protection and support from the Tajik state, and for the Tajik government to connect more closely with its migrant population.
- Particular attention should be paid to conditions in the construction industry in Russia, where the bulk of Tajik migrants work. Both government and civil society action to lobby for better working conditions and identify abuses would be helpful. In addition to Moscow, the cities of St Petersburg and Yekaterinburg could also be targeted for activities to support migrants, as these are seen as particularly affected by racially-motivated attacks and discrimination.
- Philanthropic organisations funded by outside donors have a particular comparative advantage in providing support to migrants, in that they can function outside a specific mandate, and so be flexible in responding to diverse issues connected with livelihood, political and economic rights and wellbeing of migrants in the ever changing context of living in a foreign country.[16]
- In contrast, government strategies to promote 'managed migration', for example by ensuring that all Tajik migrants have a formal contract before leaving the country, are likely to have limited success in the short term, given the sheer volume of irregular migration, and the limited capacity of the Tajik government. However, the Tajik government should continue to expand the number of independent centres licensed to find jobs and documentation for migrants wishing to work abroad, and should encourage good practice in this sector.
- In addition to bilateral agreements, agreements with particular Russian regions and cities could be expanded, as these appear to provide better guarantees of good working conditions. However, it is in Tajikistan's interest that such agreements should move beyond highly-skilled areas (e.g. doctors, nurses) towards more general labour migration, in order to mitigate the adverse impacts on development.
- In addition to policy measures on migration itself, there is also a need for continued structural reforms to ensure that the impact of migration moves beyond provision of a 'safety net' towards genuinely promoting 'development'. This is perhaps the critical area for improvement. For example, whilst a

[16] Personal Interview, Gavhar Djuraeva, Moscow, 2006

growing quantity of capital is potentially available for development from migrants' remittances, efforts to address the poor investment climate in the country are essential if this is to lead to productive investment in small businesses.

- Efforts need to be made to improve systems for the transfer of remittances, linked to wider liberalisation and transparency in the banking sector. There is also potential for the increased involvement of foreign commercial banks in the Tajik financial market.
- Attention could also be paid to the internal availability of starting capital for entrepreneurs, for example, by relaxation of rules that require the 'maturity' of a business as a prerequisite for a microfinance loan. This might help both to give additional options to those considering migration, and to provide additional investment capital to put alongside earnings from work abroad.
- Finally, more effort should be put into the development of micro-finance institutions. Experience of other labour-supplying countries, such as Mexico and Philippines, demonstrates that such institutions can have a positive developmental impact as remittance intermediaries: delivering remittances, capturing informal remittances and mobilising surplus remittance funds for income-generating activities.

7. Research Gaps

- The main patterns of external migration from Tajikistan should be researched in depth with regard to the regional composition of migrants: where people from certain regions move to, to what sort of jobs, and what is the relative cost of migration from different regions within Tajikistan to different destinations both inside and outside the country. This could provide some insight both into the potential for migration to directly impact on the poorest regions and households, and on the extent to which it is likely to widen inequality within the country
- Research could be carried out into the level of participation in migration processes of marginalised groups, people who might fall outside of the normal 'social safety nets'. Such research could explore how migration affects the most vulnerable in the society, including those who cannot participate in the migration processes, such as those with disabilities, orphans, the urban poor, or pensioners.
- The impact of remittances at the micro-level could be studied further. For example, data from the LSMS and other household surveys could be used to explore the impact of remittances from labour migration on economic and social dynamics on the level of the household: extended family, *avlod*, and village.
- The variations in remittances should be assessed, including differences in the size of remittances from different countries and regions.

- The role of Tajiks abroad should attract a lot more attention: for example, what are the patterns of mobilisation of Tajiks abroad around the issues of recruitment of migrants? How do Tajiks living in different regions of Russia mobilise to provide safety nets for migrants and to what extent is there a mobilisation around the issues of migrants' rights protection?
- Issues around the gender, age and education level of migrants should be studied more in depth. For example, it is believed that migrants with better levels of education are likely to get better jobs, but this needs to be demonstrated empirically.
- At the moment there is no information about internal migration in Tajikistan, and a comprehensive research into this issue is long overdue.

REFERENCES

Falkingham J. and Klytchnikova I. (2006) *The Profile of Poverty in Tajikistan: An Update 1999 to 2003,* Southampton Statistical Sciences Research Institute Applications & Policy Working Paper A06/02, 2006.

ICG (2005) *The Curse of Cotton: Central Asia's Destructive Monoculture*, International Crisis Group Asia Report No. 93, February 2005.

ICMPD (2005) *Overview of the Migration Systems in the CIS Countries*, Vienna.

IFC (2003) *Business Environment in Tajikistan as Seen by Small and Medium Businesses,* International Financial Corporation, Dushanbe.

IMF (2004) *Republic of Tajikistan: Poverty Reduction Strategy Paper Progress Report*, IMF Country Report No. 04/280, August 2004.

_________. (2006) *Macroeconomics of Remittances in Tajikistan*, Prepared by A Kireyev.

Ivahnyuk I. (2006) 'Migration in the CIS Region: Common Problems and Mutual Benefits', Paper presented at international symposium, *International Migration and Development*, Turin.

Johnes, G. (2002) A Tajik Story: The Labour Market Following War and Transition, Unpublished ms.

Korobkov A. and Paley, L. (2005) The Socio-economic Impact of Migrant Remittances in the CIS, *International Migration Trends*, 15: 130-148.

Olimova S. and Bosc I. (2003) *Labour Migration from Tajikistan*, International Organisation for Migration, Dushanbe.

Porteous, O. (2003) 'Land Reform in Tajikistan: From the Capital Fields to the Cotton Fields', Action against Hunger, Dushanbe, October 2003.

Republic of Tajikistan (2002) *Poverty Reduction Strategy Paper*, Government of the Republic of Tajikistan, Dushanbe, 2002.

_________. (2003) *Report on Achievement of Millennium Development Goals in Tajikistan.* Government of the Republic of Tajikistan*.*

_________. (2005) *Republic of Tajikistan Poverty Assessment Update*, World Bank Report No. 30853-TJ, January 2005

_________. (2006a) *Republic of Tajikistan and its Regions,* Statistical Bulletin No. 1, Dushanbe.

_________. (2006b) *Tajikistan in Figures 2006.* Statistical Pocketbook, State Committee on Statistics of the Republic of Tajikistan, Dushanbe.

_________. (2006c) *National Development Strategy for the Republic of Tajikistan to 2015*, First Draft.

Rowland. R. (2005). 'National and Regional Populations Trends in Tajikistan: Results from the Recent Census', *Eurasian Geography and Economics*, 3: 202-223.

World Bank (2005) Tajikistan Trade Diagnostic Study, Document of the World Bank, Report No. 32603-TJ, December.

_________. (2006) *Tajikistan Policy Note: Enhancing the Development Impact of Remittances*, Report No 35771-TJ