

Research Reports and Briefs

Reports

Migrant Labor, Labor Rights, and the Eurasian Economic Community

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One of the most significant public policy consequences of the disintegration of the USSR was the disruption of the single labor market. During the period 1992-2000 the governments of the former Soviet countries adopted national legislation designed to protect their newly established national interests through the regulation of domestic labor markets with respect to movement, health and safety, and education and training. During this same period, pay differentials among the former Soviet countries and high unemployment in some regions gave rise to substantial inter-regional and inter-state labor migration. However, the absence of a unified approach to labor markets among the post-Soviet countries has limited the governments' capacity to address collectively such urgent public policy problems as labor exploitation, inadequate health and safety protections for migrant labor, and socially destructive practices such as trafficking in women and children.

Little systematic, empirical research has been conducted by joint Eurasian and North American researchers on the scale and magnitude of labor movements within the Eurasian Economic Community. To address these lacunae in the literature, we have initiated a research project designed to establish the scope of labor movements within Eurasia with special reference to migrants. We have used primarily government documents and data for the initial survey. At a later point, with the help of other researchers, we hope to collect primary data through a sampling process. We are anxious to enlist other researchers in this effort. We hope to develop an analytical base that will be policy relevant and may lead to improvement in

government policy toward migration throughout the Eurasian region. Our research has been facilitated by the focus on migratory policies that has been adopted by the newly formed Eurasian Economic Community.

In October 2000 the Presidents of Belarus, the Republic of Kazakhstan, the Kyrgyz Republic, the Russian Federation and the Republic of Tajikistan signed the "Treaty on Establishment of the Eurasian Economic Community."¹ The organization is sometimes popularly referred to as the EAEC. The treaty was ratified by the parliaments of the member states and came into effect in May 2001 (Isingarin 2000, 2001). The basic goal of the Eurasian Economic Community is to bring to fruition the framework for Eurasian integration that began with earlier interstate treaties and agreements such as the Customs Union Agreement (1994). Attaining the goals of integration, inter-state coordination and policy harmonization requires action of the EAEC member states regarding the establishment of a single labor market and labor migration policy. The creation of a single labor market includes the exchange and joint use of labor throughout the economic space of the EAEC member states.

To achieve this goal the EAEC has developed a general "Conceptual Framework of the EAEC Labor Market" to be used as a model for national policy and legislation. The framework consists of

¹ The EAEC is popularly referred to in the Russian language as the "EvAzEs". For background on the EAEC, see Galina Islamova, "Eurasian Economic Community: Purposes, Challenges and Prospects." *Central Asia and the Caucasus*, 7 (1), 2001.

four interrelated objectives, each with its own set of sub-goals. These are described in the "Program for the Effective Use of Labor Potential within the Sovereign State;" the "Program of Formation of Mutually Supporting Inter-state Relations in the Social-Labor Sphere;" the "Program of Equalization of the Social-Labor Conditions of Citizens of the Member States of the Customs Union;" and the "Program for Effective Use of Labor Potential."

One of the significant aspects of the general labor market is inter-regional and inter-state worker migration. This includes such phenomena as contract workers, seasonal workers, and commercial periodic travel (generally referred to as "shop-tours"). These types of labor-related movement have developed into unprecedented forms and levels of what is essentially labor-related migration. An adequate legal framework, however, is not in place to provide regulatory authorities and protections for such migration.

A number of urgent problems have emerged with respect to labor migration. In many cases the foreign migrants represent competitors in domestic national labor markets, contributing in some cases to inter-group rivalries or tensions. This phenomenon also can lead to a situation in which economic enterprises have an incentive to use low-paid foreign migrant labor rather than relatively higher priced domestic labor. The enterprises may thereby also lose the motivation for making improvements in labor conditions.

Recently the subject of "near-border migration" has received a great deal of treatment. A great deal of this form of migration has occurred, for example, between the neighboring oblasts of Russia and Ukraine, and Russia and China. The question of near-border labor migration from China is also highly relevant for Kazakhstan and Kyrgyzstan. The basic occupational categories of near-border labor migration include retail trade and, to a lesser extent, construction, industry, and agriculture. Near-border labor migration allows those inhabiting the near-border regions to use the advantages of their position, given that near the border the selection of work is usually greater and the differential in wages is often substantial.

It is important to note that the forms of labor migration that have emerged do not necessarily promote effective labor use for the EAEC as a whole nor provide optimal conditions for the migrant laborers themselves. The measures that have been implemented in the EAEC have been directed for the

most part at protecting the national labor markets through the imposition of quotas, licensing, citizenship requirements for work permits and so on. These measures have often had detrimental effects on the work conditions for migrant workers themselves.

To remedy some of the public policy problems of labor migration a policy framework has been developed in the framework document "On Labor Migration and Social Protections for Migrant-Workers." The goal of this framework is to establish the basic lines of cooperation among the countries of the EAEC in the sphere of labor activity and social protection of migrant workers. This framework refers to the workers who have permanent residence in one EAEC member state but are working in another state. The framework also refers to members of the families of such workers.

One of the more severe problems of the labor market in the Community states has to do with the labor market for the more vulnerable social groups of the population, in particular women, youth, and pension-age or near pension-age workers. Women made up 53-57 percent of those seeking work through employment agencies at the end of 1999 in Kyrgyzstan and Tajikistan, and 60-69 percent in Belarus, Kazakhstan, and Russia. The proportion of young people (up to age 30) among the unemployed in 1999 varied from 30 to 36 percent in Kazakhstan, Kyrgyzstan and Russia and from 60 to 62 percent in Tajikistan and Uzbekistan.

In the development of the national labor markets discriminatory tendencies have developed with respect to women as a result of their declining workplace competitiveness. Women's labor tends to be increasingly concentrated in those professions and sectors that are especially notorious for misuse and exploitation. Trafficking in women has increasingly come under the control of international organized crime. The OSCE has noted the "close connection between the trafficking in people and the countries of transitional economies" and the "deteriorating position of women and the large level of female unemployment" (Organization for Security and Cooperation in Europe 1999). The concentration of women in the traditional sectors of the economy and in relatively low paid work leads to the maintenance and even increase in differential pay of men's and women's labor. In some branches of the economy the average pay of women is a third lower than the average pay of men (Republic of Kazakhstan 1997: 65).

The vulnerability of workers to fluctuations in labor market demand is represented in the duration of unemployment periods. The average duration of unemployment in Belarus in 1998 was 6.9 months and in 1999 it was 7.3 months. Comparable figures for Kazakhstan were 7.4 months and 6.0 months; for Kyrgyzstan, 9.4 months and 8.2 months; for Russia, 7.6 and 6.6 months and for Tajikistan, 5.5 and 3.8 months (*Kazakhstan i strany SNG* 2000: 34).

It is ironic that at the same time as there is a flow of labor resources out of the countries of the EAEC there is also a process of attraction of foreign labor. The idea of establishing quotas for foreign workers has been considered with the goal in mind of protecting the internal labor markets. Thus, in Kazakhstan in 2001 it is anticipated that the influx of foreign labor will be contained at the level of 10,500 people. At the present time a draft version of new "Rules on the Order of Quotas, Conditions, and System of Approvals" has been developed and it is planned that this will be used to regulate foreign labor in the near future in Kazakhstan. According to this plan, the state national executive agencies will issue approvals regarding the overall number of workers that can receive licenses and, within these general figures, the local organs will have authority regarding each specific worker (*Panorama* 2001: 1).

At the present time, the majority of EAEC citizens who work abroad do so without protection of any inter-state agreement. There simply are no laws that can protect their interests. At some point, each country that is interested in sending workers to work abroad should take upon itself the solution of this problem. Foreign labor migration necessitates, above all, the lessening of social tensions that take place as a result of the unemployment of the economically active population. In view of the absence of legal sources of income and realistic economic conditions for the improvement of the standard of living through employment in one or another of the countries of the Community, it is necessary to develop and implement a policy for export of labor abroad.

The system of government measures for the regulation of foreign labor migration should consist of at least the following elements: creation of a legal

and regulatory framework; the organization of a system of services for promoting sending labor abroad; and the development and adoption of an inter-state agreement for sending workers to work abroad and hiring citizens of the Community for seasonal labor.

Overall, the general labor market of the member states of the EAEC should support the citizens in free movement throughout the territory of these states in looking for work, in providing social guarantees of citizens in work conditions, in guaranteeing equal conditions of pay, safety, medicine and insurance, and in providing educational and other pertinent benefits. The seriousness of the social problems and the key role that labor markets play in successful economic integration strategies suggests that much more empirical research needs to be done on the subject of labor migration in the former Soviet states.

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