

**THE EFFECT OF THE MIGRATION REGULATORY SYSTEM ON THE
SOCIO-ECONOMIC WELLBEING OF KYRGYZSTAN**

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ABSTRACT

Migration Governance should be balanced equally towards internal and external policies. Migrants both play a significant role in shaping the economy and socio-economic wellbeing. The gap in research and data on the role of immigrants in an economy can lead to disastrous consequences for the national economy and its sustainability. Therefore, to launch workable migration governance, policymakers need to have a qualitative and quantitative picture of the economy's actors, and only afterwards their policymaking will be fruitful.

In order to provide this opportunity, regulation of migration should be equally balanced between external and internal processes since Immigration, and the methods of their regulation play an essential role in shaping the national economy.

Keywords: *internal and external policies, migration, immigration processes*

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TABLE OF CONTENTS

Introduction.....	1
Chapter 1 – Literature Review	5
Chapter 2 – Immigrants in Law and Practice: Why Immigration is Essential To Be Regulated?	12
2.1. Overview: The internal migration regulatory system	12
2.2. Refugees.....	20
2.3. Eurasian Economic Union	22
2.4 Non-CIS states and allocation of working quotas.....	26
Chapter 3 – Immigrants and their role in social-economic life	30
3.1 Method	31
3.2 Native labour market outcomes	32
3.3. Fiscal revenues.....	38
3.4. Crime rate.....	40
Policy Recommendations.....	43
Conclusion	45
Bibliography	47

ABBREVIATIONS

CIS	Commonwealth of Independent States
CSTO	Collective Security Treaty Organization
EEU	Eurasian Economic Union
GDP	Gross Domestic Product
ILO	International Labor Organization
IOM	International Organization of Migration
KR	Kyrgyz Republic
MLMY	Ministry of Labor, Migration and Youth
NSC KR	National Statistical Committee of the Kyrgyz Republic
OECD	Organization for Economic Co-operation and Development
SDGs	Sustainable Development Goals
SMS	State Migration Service
TSAC AUCA	Tien-Shan Analytical Center of the American University of Central Asia
UCA	University of Central Asia
UNHCR	United Nations High Commission for Refugees
VAT	Value-added Tax

LIST OF FIGURES

Figure 1. The reason for the lack of biometric registration (in %)	16
Figure 2. The answer to the question: “How did you get the job that you are currently working on?”	17
Figure 3. Unemployed citizens (in thousands).....	19
Figure 4. Refugee population in Kyrgyzstan	22
Figure 5. The average monthly salary in the EEU states and capitals (\$)	24
Figure 6. Employment of citizens through recruiting services	25
Figure 7. Unemployed citizens by age category	33
Figure 8. Unemployed citizens by the level of education in percentage.	34
Figure 9. Foreign work-quota by the number of given and used for the period 2012-2020.....	34

LIST OF TABLES

Table 1. The number of citizens applied to the employment services, and the number these services have employed (2020).....	25
Table 2. Number of quotas by country	28
Table 3. Foreign work-quota allocated by CIS-states	35
Table 4. Work-quotas distributed by sectors.....	36
Table 5. Work-quotas distributed by regions	37

INTRODUCTION

The role of the migration regulatory system in achieving sustainable economic growth tends to be underestimated, particularly in developing countries. Because these countries are considered a source of labour, i.e. donor countries, they are generally satisfied with this role. These donor countries create all conditions for their emigrants in order to sustain the level of remittances. However, here is the point- the regulation of migration should be equally balanced between external and internal processes since immigration, and their regulation processes play an essential role in shaping the national economy. Therefore, this work aims to examine the role of the migration regulatory system in the social-economic well-being of the population in the Kyrgyz Republic. To prove its significance and influence on sustainable economic growth, I will consider immigration processes and their impact on fiscal revenues, crime rates, unemployment, and inequality. Suppose the migration regulatory body will draw up initiatives to monitor internal migration and succeed in their execution. In that case, this will be directly reflected in increased governmental revenue, decrease in unemployment and crime rates. Moreover, this study will fill the gaps in this field by combining different studies and interpreting their results in a new way: filling in the gaps that remained unclear in previous studies.

International migration is significant for the economy of the Kyrgyz Republic since it became independent after the collapse of the Soviet Union in 1991. The main reason for high dependence on migration is revenue from remittances. There is an elevated level of departures in Kyrgyzstan due to the lack of working places and low wages. The primary income is coming from the agricultural and tourism sectors. Furthermore, the country benefits from the gold mining sector and remittances from abroad. For instance, according to the World Bank, personal remittances in 2020 constituted 29.2% of the national GDP.

The main motive of this research became that the rate of departures increased year by year, but the country's economic situation is not improved. In addition, the unemployment rate remains to be constant. It is evident that remittances play an important economic role, but the main point is that their contribution is temporary. It is interesting to analyze the role of the migration institution and its impact on this field and the priorities and tools in the implementation of migration policies, and the Government's primary goal. Because in the 2000s arose a criticism of the "labour export" understanding because people were treated as a remittances source. Government should understand that there are adverse effects on the bargain. Thus, later the usage of the understanding was changed to labour migration but was it reflected in the Government's priorities is another question.

Moreover, last years there is observed an increase in the level of immigrants. Most immigrants arrived from the Commonwealth of Independent States, especially from the Eurasian Economic Union member states. This union aimed to promote closer economic cooperation between the member states to benefit the region's residents (Mostafa & Mahmood, 2018). Therefore, employers within EEU are free to employ nationals of other Member States, and governments do not impose quotas or other limitations to protect their labour markets (IOM, 2018). Nevertheless, further studies state that EEU seeks to limit and restrict Chinese economic influence and penetration in Central Asian markets (Blank, 2014).

For more than a decade, there is an increase in migrants inflow also from non-CIS states. Especially a significant part of them is Chinese-born immigrants. This tendency is fascinating because, in this case, the lack of language skills seems not to be an obstacle for foreign workers to get a job. Furthermore, according to recent research, their number is most likely to be undercounted in a census (Card and Lewis, 2017). The work permits to non-CIS countries annually are

distributed based on a limited number of quotas for foreigners by the State Migration Service. Therefore, these unregistered cases and the process of quota distribution among sectors, regions, and countries are highly recommended to be assessed.

Kyrgyzstan as a sending country is a source of workers for recipient countries like the Russian Federation and Kazakhstan. These are the top destination countries because no language barriers can be observed and due to cultural similarity. Hence, the prevailing rate of departures is regarded as the level at which Kyrgyzstan's Government encourages to sustain the level of remittances. Therefore, this tendency turned migration governance externally oriented - what is not unique and quite general for developing countries. However, this disproportional attention towards immigration can result in burdensome consequences for the country. Particularly given the changes are occurring in this area over the past 20 years, such as new agreements with partner states. Hence, this lack of knowledge of how immigrants shape the economy will deprive policymakers of enacting policies that will generate positive or prevent adverse outcomes.

Previous studies on migration were focused on the push-pull factors of outflow and the role of remittances in the national economy. It is noteworthy to say that immigration is usually touched upon in most research works. But it was not analyzed thoroughly and perceived seriously as it should be. But there are some remarkable works that worth attention and credit for addressing the gap. To fill this gap, Kyrgyzstan agreed to participate in the research project, initiated by the OECD Development Centre and the International Labour Organization, on the Economic Contribution of Labour Migration in Developing Countries as Countries of Destination between 2014 and 2018. Besides, I will rely on a Migration Governance Framework developed by

the International Organization for Migration to assist countries in developing their regulatory framework.

The thesis proceeds as follows: the first chapter provides a review of the existing literature on how immigrants influence the fiscal revenue, crime rate and unemployment rate. The second chapter demonstrates the role of immigration processes in theory and practice in the Kyrgyz Republic. The third chapter explains how immigrants from the non-CIS countries influence the social economic wellbeing. Finally, policy recommendations and conclusion are provided.

CHAPTER 1 – LITERATURE REVIEW

The migration sector plays an essential role in the economy of the Kyrgyz Republic, primarily because of the overall level of outflow. This propensity was triggered by the collapse of the Soviet Union in 1991 when Kyrgyzstan became independent. The sovereignty caused a system change, where reforms pursued a market economy and democratic governance. Simultaneously, these reforms could not prevent socio-economic vulnerability in poverty, unemployment, and job insecurity. These factors have influenced the sharp increase of emigrants and drop in the level of immigrants. Therefore, after a while, departures became the main reason for the GDP growth with the help of remittances. The remittances level was steadily increasing annually, and by the end of 2019, it has constituted a 30% of the national GDP.

This tendency and significance of departures in an economy have prioritized their role in the migration governance framework. Thereby, as IOM asserts, a labour market policy was chosen by Kyrgyzstan as a tool to achieve social and economic prosperity. Additionally, as the International Organization of Migration mentioned, the Government stated that the policy should assist in coping with negative consequences and lowering unemployment. Also, that policies should aim to achieve sustainable economic growth, strengthen state security, and provide a suitable environment for protecting the rights and promoting the interests of migrants (IOM, 2015).

During these years, most migration academic works aimed to disclose how emigrants and remittances shape the economy. Therefore, there is a gap of knowledge on how immigrants influence an economy. To fill this gap, Kyrgyzstan has agreed to participate in the project initiated by the OECD Development Centre and the International Labour Organization from 2014 to 2018 on the Economic Contribution of Labor Migration in Developing Countries as

Countries of Destination. Therefore, this work will rely on some of the findings and assumptions of this project to dive profoundly and answer specific questions.

Since Kyrgyzstan's sovereignty, the number of departures increased, and the Government's dependence on remittances increased, respectively. That is why migration regulation and most of the research works of the migration field are externally oriented. These processes are significant and invaluable, but this disproportionate attitude towards immigration and internal regulation can lead to unpredictable economic consequences (OECD& ILO, 2017).

The tendency of emigration has incentivized Government to become a part of international agreements, which afterwards influenced not only an increase of remittances but also increased numbers of local immigrants and refugees. For instance, Kyrgyzstan became a part of the Eurasian Economic Union, which means immigrants from the member states do not need to get a work permit. Moreover, Kyrgyzstan has become a host to different refugee populations and running programs on returning ethnic Kyrgyz (IOM, 2018). Lastly, annually there are thousands of non-CIS workers who receive work permits according to allocated quotas. The problem of this case is that the state remained focused on external policies, although the number of foreign-born residents among the population began to increase.

I would like to add the significant point of taking part in foreign projects and agreements is the location of the Kyrgyz Republic. Because since the state became independent and was considered a democratic state with an open and competitive economy, it became a chess piece with a high potential in central Asian geopolitics and not only. Mistler justified the reason for Kyrgyzstan's being a top recipient of development assistance and the place in which "world powers have been vying for economic and political leverage over

Kyrgyzstan" (Mistler, 2020). For instance, in 2001, Kyrgyzstan became the only country worldwide to host a Russian and U.S. military concurrently. Nevertheless, with the lapse of time, these countries were circumvented by China, becoming a prominent donor.

This has resulted in the high dependency of Kyrgyzstan on the People's Republic of China. In the summer of 2020, Kyrgyzstan's total external debt achieved \$4.08 billion, accounting for 63.3% of its GDP and 43.4% of the total debt is held by China's Export-Import Bank (Eximbank) (Schulz, 2020). In addition, half of its Foreign Direct Investment for 2019 came from China (OECD, 2019). However, this dependency was not limited only in this way: The Kyrgyz labour market was affected by Chinese immigrants by substituting local workers. This problem arose initially because the local population faced a lack of support from the Kyrgyz state and another reason is inefficiency in internal system regulation. In contrast, the Chinese citizens received all conditions from their state to expand on Kyrgyzstan's territory both in the labour market and entrepreneurial activity.

Over the past year, the number of Kyrgyz traders has decreased considerably, resulting from the Chinese bringing and selling their products. They sell goods much cheaper than our businessmen, and it is easier for a Chinese to get products from his own country. Moreover, Kyrgyz entrepreneurs were forced to close their business and go to Russia, freeing up space for the Chinese traders(Babakulov, 2007).

This lack of support from the Kyrgyz state creates an unfair competitive environment, and the better position of Chinese migrants partly influence the migratory movement of Kyrgyz abroad. For instance, after the new Kyrgyz Government was established in 2005, Chinese heavy vehicles were allowed to deliver goods from China to their final destination in Kyrgyzstan. At the same time, Kyrgyz drivers did not have the right to drive their vehicles into Chinese territory. These rights of entry granted to Chinese cars left most Kyrgyz large vehicle drivers without jobs (*The China and Eurasia Forum Quarterly*, 2009).

Furthermore, the issue with illegal immigrants from the non-CIS country, which became actual for a decade, is not only in the Government's incapability to protect citizens' jobs but also in depriving itself of government revenues and putting the country's security at risk—considering the state's incapability to protect citizens' jobs, recent studies (OECD& ILO, 2017) state that the effect of immigrants on firms remains unclear. There are two opinions, where one assumes that companies owned by immigrants create learning opportunities, and another believes that definite sub-sectors were challenged for Kyrgyz-born firms to enter due to domination by immigration-owned firms. Another work (*The China and Eurasia Forum Quarterly*, 2009) complement this space by evidence that labour contracts between Chinese employers and local employees generally based on verbal agreements. There are safety issues, sometimes resulting in serious injuries, for which employers do not bear legal responsibility. No trade union protecting the interests of the personnel has been established yet.

According to the results of ILO and OECD, during their research on evaluating the contribution of immigrants to Kyrgyzstan they have stated that there is an integration gap that undermines immigrants' contribution (OECD& ILO, 2017). Because without an active integration mechanism, providing immigrants access to certain public goods and services that can increase their economic contribution can be problematic. The IOM concluded the same on behalf of the analysis of Kyrgyzstan's migration governance framework (IOM, 2018)

There is no strategic or programmatic document defining the goals and tasks of migration policy in Kyrgyzstan. The collection and publication of migration data are sporadic. The State Migration Service's data are not collected on a regular basis. There are no consistent efforts to promote vertical policy coherence through regular consultation between different levels of Government.

This is the problem because this field is not researched and analyzed deeply enough. Insufficient regulation of the internal migration system and weak control of all newcomers strongly

affect the destabilization of the country's socio-economic situation. In addition, to the inefficient management of domestic policy and the absence of programs for the development of the national economy, there is no established policy to improve the integration of the population. Thus, this affects the increase in the likelihood of interethnic discord. An example is a situation on the border with Tajikistan and Uzbekistan. For instance, according to the migration report, there is an unregistered crossing of these countries borders, citizens of which are gradually taking part in the country's economy and populating the border areas. This situation naturally affects the negative attitude towards informal immigrants and all representatives of this nationality. Consequently, it should be emphasized that Kyrgyzstan is a multinational state; therefore, such clashes can provoke the entire population living there. This is how the ineffective regulation of internal migration jeopardizes the country's security.

Considering the impact of foreign-born workers on the state's unemployment level, the OECD and ILO research results assert that the group of immigrants does not affect job losses or income declines among the Kyrgyz-born population (OECD& ILO, 2017). Their research, aimed to examine the economic effect of immigrants on the employment and wage outcomes of the native-born population, enterprises, and gross domestic product (GDP), and the current fiscal contribution. Moreover, they have estimated that immigrant contribution to value-added is slightly above average. These findings were constituted based on their distribution across sectors and their relative levels of education. However, at the same time was mentioned that a decrease in the level of immigrants does not mean the GDP will fall off. These findings made me feel assured that this is apparent statistical evidence of informal immigrants' presence in the economy. Because the estimated share of value-added generated by immigrants exceeds their labour force share, this is precisely the point that Card and

Lewis (OECD& ILO, 2017) mentioned that the number of immigrants that lack local language skills might be most likely to be under-counted in a census. Hence, it is difficult to believe that there is no influence, and subsequently, I will explain the reasons for my doubts in more detail. Furthermore, it will be rational to rely on diverse sources that used qualitative data during their analysis because discrepancies in the results may also be due to insufficient statistical data, which clearly describes the current situation.

The role of immigrants towards fiscal contribution has resulted in being negative. That means that the immigrants' budgetary costs generated by the average adult inhabitant of Kyrgyzstan in 2013 exceeded their tax contributions. The interpretation of this negative contribution is that a higher share of foreign-born individuals is of retirement age. But interesting is that by excluding the pension system, the net fiscal contribution is much less harmful but remains negative.

According to the data announced by the chairman of the Border Service in the parliament, the number of Chinese citizens in 2008 was 60 thousand people (Gorbachev, 2008). Various sources have mentioned similar information and for other period many times. However, only the problem is that it did not go beyond this stage. Furthermore, based on the draft version of migration regulation, the plans are scheduled until 2040; then, for them, such a problem does not exist.

Hence, to prove the apparent influence of immigrants, the state will have to invest a lot of effort from all sides of it. Thus, this work will combine the results of previous studies that address this problem from different angles. These findings will assist me in giving a logical explanation for all the previous inconsistencies.

By concluding this part, I state that inefficient regulation of internal migration and foreign-born residents leads to the unsustainability of socio-economic well-being, specifically

on indicators like unemployment, poverty, crime rate, and fiscal revenue. Therefore, the disproportional balance in migration governance slows down the country's economic growth. The reason is that lack of understanding of how immigrants and refugees shape the national economy reduces policy makers' ability to formulate policies that boost positive and limiting adverse effects.

CHAPTER 2 – IMMIGRANTS IN LAW AND PRACTICE: WHY IMMIGRATION IS ESSENTIAL TO BE REGULATED?

Definition of "immigrant."

There is no fixed definition of immigrants. Every country, organization and research have different explanations of this term. To clarify the meaning, then foreign-born inhabitants are immigrants despite their citizenship. But reckoning with the post-soviet historical event, many immigrants have been in the country for a few decades. This can be explained by the result of the Soviet Union's collapse when people were migrating internally. However, after the collapse, they became immigrants. Therefore, many immigrants are older, which clarifies why the participation rate of the labour force is lower. Besides, this explains the causes of predominance in fiscal costs over benefits.

2.1. Overview: The internal migration regulatory system

Since the Kyrgyz Republic became independent, it was induced to implement a conceptual framework of migration policy. It was crucial to prioritize goals and identify the main principles and ways to achieve and manage the regulation of migration. Hence, this section initially describes the policies and programs initiated to improve the migration system and their effectiveness and development challenges during the execution process.

Article 13 of the Kyrgyz Republic Law "On Internal Migration" states control over the observance by citizens and officials of the procedure for registration and removal of citizens of the Kyrgyz Republic from the roster by place of residence and place of stay is assigned to an authorized body determined by the Government of the Kyrgyz Republic. Initially, the authorized body for the migration sector was the Ministry of Labor, Employment, and Migration, Youth. Nevertheless, since 2015, powers shifted from the MLMY towards the State Migration Service

under the Government of the Kyrgyz Republic. In addition, the Ministry of Internal Affairs of the Kyrgyz Republic has the functions and powers to control the registration of citizens. Thus, according to the Kyrgyz Republic Law "On the Internal Affairs Bodies of the Kyrgyz Republic", the internal affairs bodies, within their competence and the migration legislation of the Kyrgyz Republic, are obliged to monitor the observance of the system rules by citizens and officials.

The primary responsibilities of the migration institution involve labour protection policy, child protection, labour policy, legal aspects of salaries, migration, and refugee protection. The focus group for this institution are:

1. Foreign citizens seeking employment in the state
2. Ethnic Kyrgyz
3. Internal migrants
4. Refugees seeking employment in the state

However, in this research, the focus will be on the role of foreign-born residents in the social-economic welfare of the state because I assume that the immigrants influence the increase in the level of unemployment and crime rates and shortage of fiscal revenues in Kyrgyzstan.

The Kyrgyz Republic has done immense work in implementing an essential legislative base for regulating the migration sector. However, these laws make an impression that they were implemented without evaluating the internal migration trends because, in some cases, they completely contradict each other. Furthermore, in some parts, these laws were not pondered profoundly as they should be because they mention some keywords in the legislation but do not explain each government authority's processes and definite responsibilities. This type of legislative basement creates favourable conditions for law violations and exploiting their

loopholes and creates an environment in which Government is helpless and unable to defend its national interests.

It should be noted that the legal regulation of migration processes should be carried out based on protecting the state's security, its citizens, and the economic development of the regions. Therefore, the main task of the state is to create an effective system of comprehensive legal support for internal migration. This approach will influence the demographic situation, adjusting the load on social infrastructure and the state's labour market.

At first, the data on internal migration faces severe issues because there is no full accounting and analysis of internal migration. No state body has complete information on its processes in the population. Hence, according to the NSC KR, "the sources of data on population migration in the KR are:

- general population censuses (the last one was carried out in 2009);
- selective socio-demographic surveys;
- current accounting of demographic events;
- Unified state register of the population (in the future) (Ajigulova et al., 2017).

These sources of data and the frequency of its collecting bring an idea that the processes should be reviewed and simplified because precise data is crucial for government regulations and policy executions. To provide some examples of contradictions and their incompleteness, let us begin with the fundamental source regulating legal relations in internal migration: the Kyrgyz Republic Constitution. Thus, the first part of Article 25 of the Constitution of the KR enshrines the right of everyone to freedom of movement, choice of place of stay and residence in the Kyrgyz Republic. However, it does not focus on the causes that gave rise to internal migration. Therefore, it regulates social relations in the field of internal migration in the Kyrgyz Republic, defines the

legal and organizational bases of internal migration processes, and creates necessary conditions at a new place of residence and residence for individuals and families internally displaced people. However, the law does not exclude the possibility to restrict the residents' right to freedom of movement, choice of residence and place of stay. These restrictions can be applied to provide national security and public health, and public order protection. This law contradicts the quota-allocation system for non-CIS citizens according to which sectors and regions should limit foreign workers from non-CIS states. This limit of foreign-born workers can be explained initially by the over-population present in the cities, which increases economic disparity in less developed regions. Hence, foreign high-skilled specialists are hired by the Government to develop regions through introducing new industries and creating, therefore, new working places. Nevertheless, this is how the system of quota distribution should operate theoretically, but how does the system work in practice unfold in the next section about allocating working quotas among the non-CIS states.

Suppose we will look upon the legislation system and reveal the focus of the Law "On internal migration". In that case, we can say that the state has executed equal rights for all the country's residents. Still, this law should be reviewed and focus on examining push-pull factors of internal migration. Other rights that should be reviewed demonstrated in the following examples. For instance, the laws of the Kyrgyz Republic "On Local State Administration" and "On Local Self-Government" do not contain norms that directly indicate the need to perform specific actions aimed at regulating internal migration. At the same time, they include general instructions on the need to adopt and implement programs for the socio-economic development of the territory, ensuring the economic development of the relevant region and promoting entrepreneurship development.

To demonstrate the effectiveness of the following laws will be used the results of the survey provided in 2017 by the Tien-Shan Analytical Center of the American University of Central Asia (TSAC) in the context of Cooperation Agreement with the Hanns Seidel Foundation (Ajigulova et al., 2017, p.33). Initially, I will provide some information on the respondents who participated in the project evaluating the internal migration regulation. This survey involved 400 respondents between 18- 40 years old with secondary, higher, and secondary special education, regarding gender 67.5% women and 32.5%. 90% of the respondents are married, and only 12% indicated they do not have children.

The Law "On biometric registration of citizens of the Kyrgyz Republic" was implemented in 2015, and it aims to effectively combat crime, illegal migration, terrorism, and human trafficking. According to the survey, 83% of all participants have verified their biometric registration, but 17% have indicated that they lack it. Figure 1 illustrates the reasons for the lack of biometric registration among the survey participants. By relying on these answers, it is possible to say that biometric registration is not considered a necessary civil responsibility.

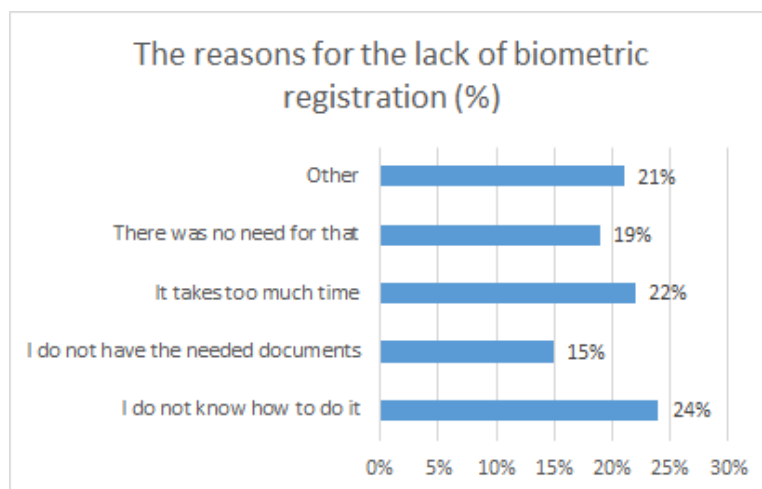


Figure 1. The reason for the lack of biometric registration (in %).
Problems of regulation of internal migration in the KR_2017_TSPC AUCA, p. 45

The following regulations are initially the Law "On promoting employment of the population" aimed at labour and social protection from unemployment. Coherently the subsequent Law is "On state support of small business", - which establishes the requirement to state programs of support and development of small business to promote national employment. Even both laws are directed on promoting the employment of the citizens, but it is challenging to observe these laws performance locally on the labour market of Kyrgyzstan. For instance, the results from the survey in Figure 2 show that only 2% of the employed respondents got their job with the help of the Center for employment and recruitment agencies, and the rural authority (aiyl okmotu) shared work-related information only with the 1% of the participants.

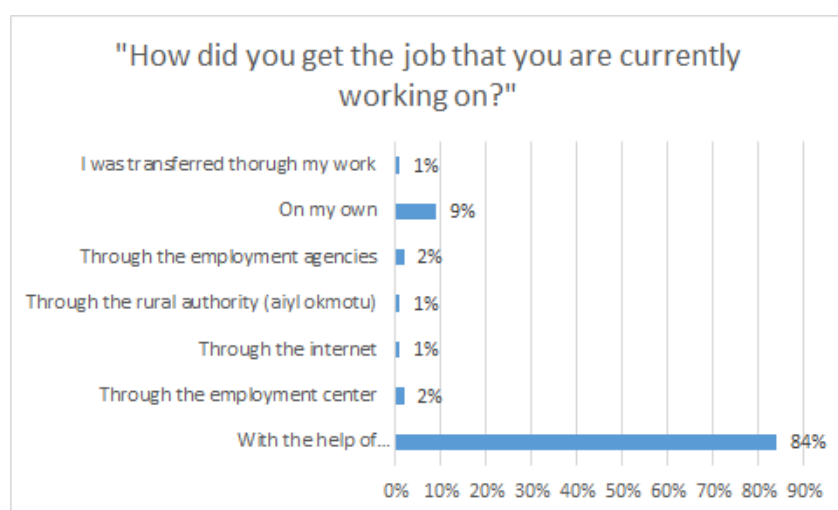


Figure 2. The answer to the question: “How did you get the job that you are currently working on?” Problems of regulation of internal migration in the KR_2017_TSPC AUCA, p.55

In the meantime, according to the report of the State Migration Service, 44 694 have received consultation in 2018, and 8258 were employed from them. These workers were hired in Turkey, South Korea, Russia, Germany, and others. This is very catching to expose such numbers of workers who are employed through the Counselling Centre.

However, from the above review, the existing legal framework does not fully meet modern requirements for creating an effective system for regulating internal migration. However, another

significant factor of their ineffectiveness is the Government's non-compliance with the regulations. This is not to say that law enforcement is absent, but the problem may be that the Government does not attach much importance to this because of the convictions formed by the experience. In the sectors with noticeable progress and revenue, their processes are monitored by the law. Therefore, considering that the state is developing, it does not pay proper attention to internal regulation and monitoring.

Furthermore, another issue is the lack of unified mechanisms covering the law of internal migration of the population. This lack can result from the Government changes frequency and changes in the Government structure because this instability does not specify the functional responsibilities of specific state bodies authorized to implement migration policy. Hence, this results in a deficiency of transparency and simplicity in the monitoring system.

Hence, the findings above give us an appropriate picture of how some enacted laws work in real life. Besides, by relying on the statistical evidence, it can be assumed that there is a low interaction between the Government and the population in the concrete. This can be a severe issue, which should be eliminated in a short period because corresponding attitudes lead to the helplessness of the state in terms of everything. The reason of significance and why these flaws should be eliminated in a short period because, with the lapse of time, the number of factors that should be considered in the policymaking process is increasing. Thus, policies implementation, which will achieve the expected results and contribute to the country, become even more complicated.

The tendency of emigration has incentivized Government to become a part of international agreements, which afterwards influenced not only an increase of remittances but also increased the numbers of local immigrants and refugees. Also, the significant part of taking part

in foreign projects and agreements was the location of the Kyrgyz Republic. Because since the state became independent and was considered a democratic state with an open and competitive economy, it became a chess piece with a high potential in central Asian geopolitics and not only (Mistler, 2020). Scott Mistler mentioned that by explaining why Kyrgyzstan became a top recipient of development assistance and the place in which "world powers have been vying for economic and political leverage over Kyrgyzstan". For instance, in 2001, Kyrgyzstan became the only country worldwide to host a Russian and U.S. military concurrently. Nevertheless, with the lapse of time, these countries were circumvented by China, becoming a prominent donor.

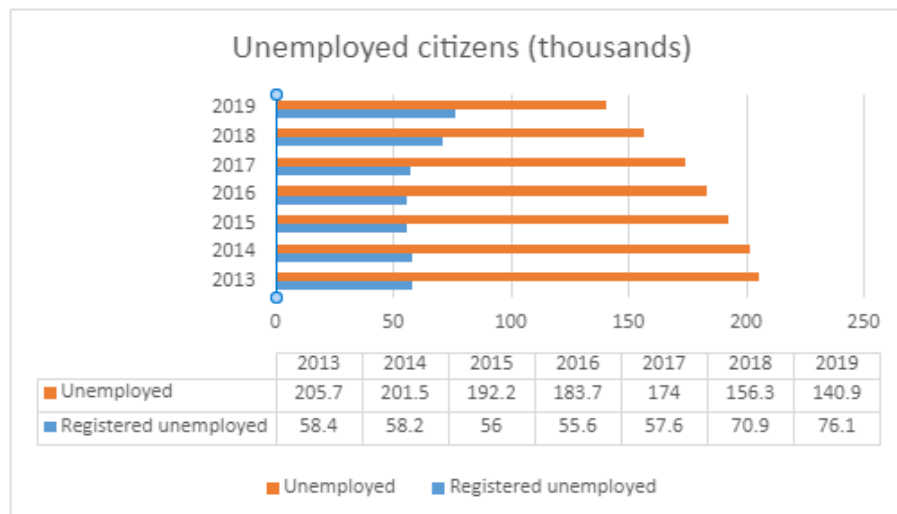


Figure 3. Unemployed citizens (in thousands). *Kyrgyzstan in Figures*. (National Statistical Committee of the KR)

Furthermore, it is interesting to examine the level of unemployment in the Kyrgyz Republic because it will help us explore the unemployment level and its trends for the last decade. In Figure 3, you can see that there are two indicators for one year. This can be explained by the fact that only 76,100 thousand people from 140 900 were officially registered as unemployed. Therefore, when the Government does not know the exact numbers, it is not undertaking anything.

Because for example, concerning employment, the Kyrgyz Republic is a member of the Eurasian Economic Union, which provides equal rights for all the citizens of the member states. This means that there is no need to provide work permits and that arrivals from the CIS states can compete with the local employees on equal rights. However, besides there is a significant increase in the inflow of foreign workers from the non-CIS states. This tendency is not a problem and even could be used as a tool for the state's development, but it can be considered an issue if these foreign-born immigrants occupy the working places of the local specialists. Because in that case, this directly increases the level of unemployment and the level of departures, which is not good because the significant role of the Government is to care for its citizens and provide sustainable conditions for the nation's development. In addition, crime rates and fiscal revenues should be considered as well.

2.2. Refugees

In 1995 UNHCR, the UN (United Nations) Refugee Agency opened its representation in Kyrgyzstan. The main reason was to protect over 20 000 refugees who tried to escape the civil war in Tajikistan. Therefore, Kyrgyzstan has ratified both the 1951 Convention relating to the Status of Refugees and its 1967 Protocol in 1996 and established the national Refugee Law in 2002. Hence, UNHCR cooperates with the State Migration Services and the State Border Services to ensure that pertinent knowledge, awareness, legal and policy frameworks are in place for efficient and effective response to large-scale international forced displacements.

Refugees are individuals induced to leave their own home country and cross an international border to escape from violence, war, conflict, or persecution and find safety in another place. Therefore, according to statistical evidence, in 2017, there were 25.4 million registered refugees across the world.

The 1951 Refugee Convention is a crucial legal document that combines international tools to codify refugee rights internationally. Hence, according to this document, the "refugee" term is defined as: "someone unable or unwilling to return to their country of origin owing to a well-founded fear of being persecuted for reasons of race, religion, nationality, membership of a particular social group, or political opinion."

According to the Constitution of the Kyrgyz Republic, a refugee term defined as "an individual who is outside the country of his citizenship or his place of permanent residence due to justified fears of becoming a victim of persecution based on race, religion, nationality, political opinion, affiliation."

It is interesting to note that Kyrgyzstan is mainly considered a transit state in EU (European Union) countries. Thus, in 2013 according to the National Statistical Committee of the KR were registered 449 refugees and 13,500 individuals without citizenship.

In 2014, the Global Action Plan was implemented for 2014-2024, during which were recognized 13 700 people (2000 children) without citizenship. The goal of this project was to eliminate the number of undocumented and stateless persons. Consequently, this project has achieved its goal in 5 years by dropping from 13 thousand to 0.

It is worth noting that statistical data of government institutions on the number of refugees on the territory of Kyrgyzstan may differ with international organizations. This is because there are differences in the definition of "refugee" status. Therefore, the State Migration Service estimated 172 refugees by the end of 2017th: 94 people from Afghanistan and 78 people from other states. In 2020 overall refugees' number have achieved 206. In addition, 98 individuals registered as asylum seekers.

But these miscalculations interpreted by the differences in the definitions is incomprehensible because there is a significant difference in the data. Thus, if you look at figure 4, you can see that the number of refugees since 2002 did not go below 2000 people. Even this difference in numbers for 2019 looks suspicious like the State Migration Service has estimated 206 and the UNHCR recorded 2963. Furthermore, this case becomes even more incomprehensible because in both of these definitions described previously, no remarkable difference.

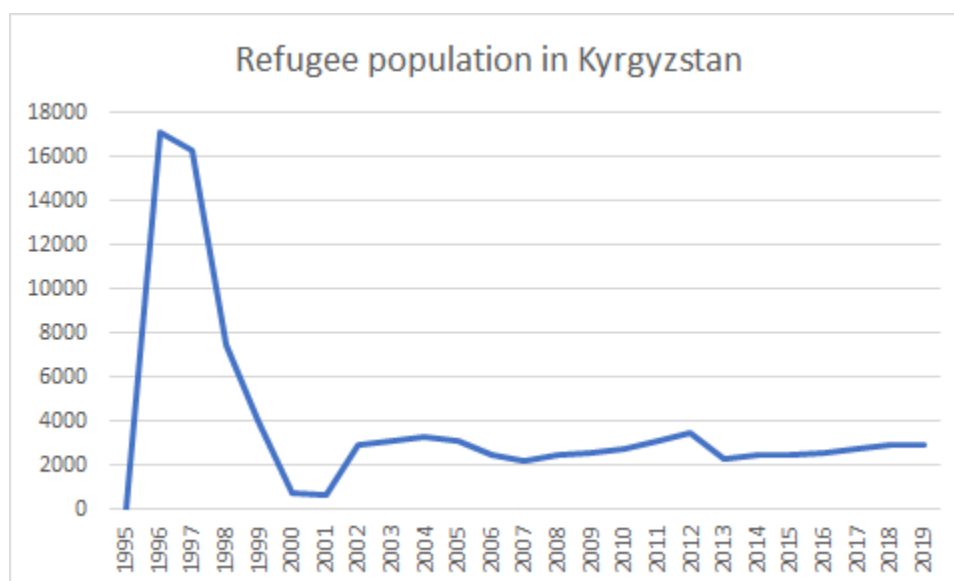


Figure 4. Refugee population in Kyrgyzstan. United Nations High Commissioner for Refugees (UNHCR) (unhcr.org/refugee-statistics)

By concluding this part, I would like to mention that during 2016-2019 were registered 24 foreign applications which were already previously denied being given a refugee status. Consequently, the SMS requested to amend the Law "On refugees", which will specify the reasons for the refusal to recognize applications as refugees, but this request is still pending.

2.3. Eurasian Economic Union

The Eurasian Economic Union (EEU) is an economic union created to promote further economic integration and cooperation between the CIS members. Therefore, its goal is

to establish a single regional market for goods and services, capital, and labour. This results in unrestricted trade and labour migration between member states and establishing a Common External Tariff (CET) structure and unified customs procedures (Mogilevskii et al., 2018). The Eurasian Economic Union involves Armenia, Belarus, Kazakhstan, Russia, and Kyrgyzstan.

The EEU came into effect on January 1, 2015, Kyrgyzstan joined the union on August 6, 2015. It can be considered that the EEU is more perceptible for the Kyrgyz Republic rather than for the EEU members. The reason can be explained by statistical data provided by the World Bank in 2015. Initially, it accounts for 3.3% of the EEU's population and 0.3% of its combined gross domestic product (GDP). Considering the impacts for the state, Kyrgyzstan is expected to benefit initially from remittances from the workers who work in Russia and expect to increase transit trade profits. The reason can be explained by the tendency of unregistered export from China to Russia in order to avoid paying the EEU's tariffs.

Nevertheless, in this section, we want to examine how immigrants shape the economy of the Kyrgyz Republic. For this reason, here provided comprehensive information on the EEU and Kyrgyzstan as part of it. In addition, there are some benchmark illustrations between the EEU member states. This will help identify each state's approximate attractiveness and especially of the Kyrgyz Republic as a destination country. Therefore, Figure 3 shows the average salary in each EEU member state and its capital city.

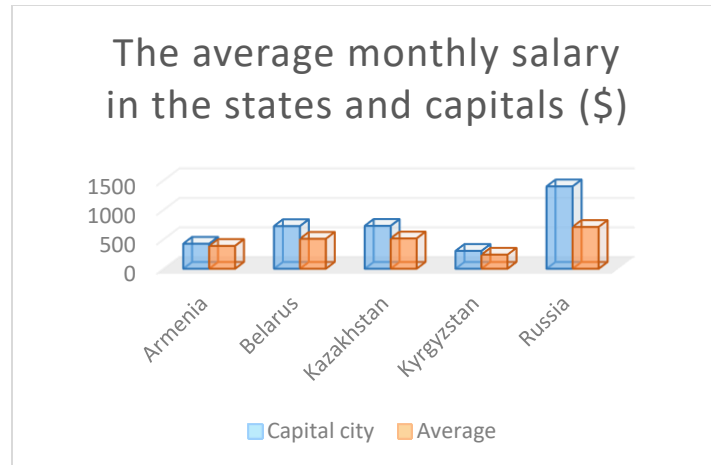


Figure 5. The average monthly salary in the EEU states and capitals (\$).Statistical Bulletin “Statistics of the CIS”

This example can show that Kyrgyzstan's average wage is significantly low than the other member states. Hence, by relying on this, it can be assumed that Kyrgyzstan's wages cannot attract the citizens from the CIS states.

Table 1 shows the number of citizens applied to the employed services and the number of people these recruiting services have used. The numbers are again significantly low from other member states. It is essential to mention that this difference can be explained by the level of income of each state and the effectiveness of employment services and their necessity. Therefore, these statistics again assert that Kyrgyzstan unlikely can be financially attractive for foreign-born employees from the CIS countries.

Table 1. The number of citizens applied to the employment services, and the number these services have employed (2020)

	The number of citizens, applied to the employment services		Employed unemployed citizens	
	thousands	%	thousands	%
EAEU	7 726,4	2,0 times	3 111, 7	103,6
Armenia	14,4	77,3	10,1	74,8
Belarus	152,7	85,6	117,6	86,9
Kazakhstan	774,1	112,8	579,0	128,9
Kyrgyzstan	46,2	67,3	15,2	56,4
Russia	6 739, 0	2,3 times	2 389,8	100,5

Source: Journal of Eurasian Studies

Figure 6 illustrates how many citizens were employed through the labour services, which can persuade us that the level of unemployment can also be a consequence of the ineffectiveness of employment and recruiting services.

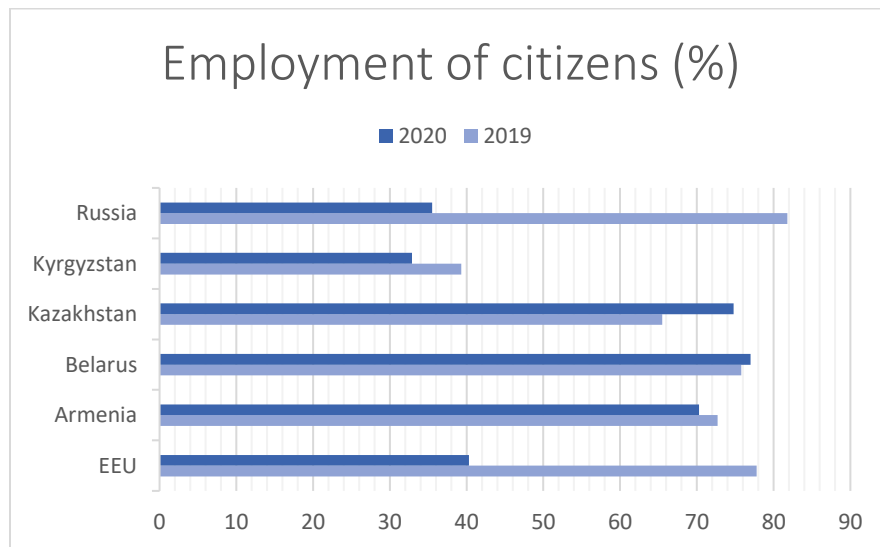


Figure 6. Employment of citizens through recruiting services

The reason for showing these numbers is to raise attention to the necessity of monitoring these labour services. Because according to the law, the rights of workers from the EEU states cannot be limited; they own the same rights as citizens. However, if these recruiting

services work effectively, this will help reduce the level of unemployment and incentivize national growth.

2.4 Non-CIS states and allocation of working quotas

This part describes the system and conditions provided for immigrants of the Kyrgyz Republic. Initially, it is relevant to start from the employment of non-residents, which is limited by allocated quotas. Authorized bodies for issuing permits for attracting foreign labour force (legal entities or individuals, respectively) until 2015 were the Ministry of Labor, Migration, and Youth of the Kyrgyz Republic within the annual quotas established by the Government of the Kyrgyz Republic. Distribution quotas are carried out by an interdepartmental licensing commission and the chairman of which after 2015 became the chairman of the State of Migration Service.

Firstly, it is crucial to say that the quota system is not efficiently allocated, and there is a gap in officially published data in the size of the quota. It is regulated by Law 4 on External Labor Migration of 2006 and Regulation 639 on Procedure of the Labor Activity by Foreign Citizens of 2006. The number of quotas is set by the Ministry of Labor, the Ministry of Economy, and the Ministry of Energy and Industry. However, the State of Migration Office has the privilege to redistribute these quotas. Regions and economic sectors allocate the number of allocations for the non-residents. For instance, in 2014, quota-places were distributed into six industries and the numbers of workers respectively: industry and construction (4992); transport, trading activities, the service sector and catering (4322); the communication, mining (1903); health care, education, science, culture and art (940); the banking sector, insurance, and financial services (550); agriculture, forestry, and processing industry (283) (UNCTAD, 2016).

The role of foreign workers plays an essential role in the economy of Kyrgyzstan. This is critical to know because according to the research of the Ministry of Labor, Migration, and

Youth of the Kyrgyz Republic creation of a total of 65 thousand jobs in five years could significantly change the issue of unemployment of citizens of Kyrgyzstan. Still, this data is only for the period between 2009-2014, and the number could substantially increase from that period till 2020. Therefore, according to the MLMY, the provision of immigration quotas and work permit bring a considerable impact on the economy of Kyrgyzstan. In 2013, the government budget received 46.3 million soms for the issuance of permits, including for visas to attract foreign labour force 4.3 million soms, for work permits - 12.5 million soms and from the trade sphere - 29.4 million soms. Besides, hiring foreign labour has several benefits for the local community. Thus, foreign, and joint enterprises with the participation of foreign capital in 2013 were attracted to work more than 40 thousand citizens (residents) of Kyrgyzstan, including foreign employers created new jobs for 1,500 local people.

Despite all these obstacles, it is significant to say that authorities should give prerogative of high skilled workers. Because their initial goal is to provide local citizens with the available job opportunities, the employer must prove that none of the local citizens is professionally suitable. In addition, according to the Regulation on Procedure of the Labor activity by Foreign Citizens, the issuance period of work permits should not exceed 35 days for employers and 15 days for a foreign employee. But in practice, they are issued in one year, and it possible to be renewed. Furthermore, low-skilled workers and sole-entrepreneurs are allowed to stay full two-three years. All these factors consequently resulted in the informal hiring of foreigners based on short-term visas.

The following table shows the number of allowed quotas in Central Asia countries for 2009-2014. Unfortunately, this is the only data we can deliver because there is no transparent methodology on quotas as it was written before.

Table 2. Number of quotas by country

	2009	2010	2011	2012	2013	2014	Total
Kyrgyzstan	11395	10286	10650	12864	12990	12990	64175
Kazakhstan	59630	45737	48092	48903	37480	63290	303132
Tajikistan	6000	7000	5050	4800	4350	4800	32000

Source: *Source:* Journal of Eurasian Studies

According to the research provided by Steiner, there are about 100 000 illegals who live in Kyrgyzstan. According to the report of American researchers (M.Laruelle & S. Peyrouse, 2009), it was found that there are about 116 thousand informal workers in the shuttle trade, and usually, they are coming from China. Furthermore, there is a high rate of applications for permanent residence permits, and usually, the applicants are Chinese citizens.

Currently, the State Migration Service is trying to fix the problem by adjusting the number of quotas for foreign specialists. Thus, from 17410 people in 2019, it reduced to 15610 in 2020. Moreover, according to the draft submitted by the State Migration Service under the Government of the KR, large-scale national infrastructure projects will be implemented with the participation of foreign companies in 2020 and changes in the legislation of the Kyrgyz Republic in the field of migration (ORLOVA, 2019).

The most significant reason for examining the distribution of work permits among foreigners from the non-CIS states is the possibility to identify if the establishment of control over the quota distribution may decrease the level of unemployment.

Kyrgyzstan is not the place where the surplus of working places is observed, and this is why the number of quotas is annually limited according to the request of the local enterprises. Therefore, to expose the reasons for the increase in unemployment will be used working quotas annually allocated for foreigners. The reason to use them because there is an assumption that these quotas are not distributed in an expected manner. This means that according to the law, employers

should prioritize local citizens. It also states that attracting foreign workers is to develop new sectors, which means that hiring foreign immigrants should be high-qualified specialists whom local employees cannot substitute.

Nevertheless, according to the statistics, in 2017, they were attracted 14768 foreigner-workers, and 4283 were unqualified specialists. Moreover, if the Government wants to develop new sectors, then why in 2017 about 912 foreigners received business permits to work at local bazaars, and these are only the registered cases. These observation results and their influence on the socio-economic well-being of the Kyrgyz Republic will be explained in Chapter 3.

CHAPTER 3 – IMMIGRANTS AND THEIR ROLE IN SOCIAL-ECONOMIC LIFE

The migration sector plays an essential role in the economy of the Kyrgyz Republic, primarily because of the overall level of outflow. This propensity was triggered by the collapse of the Soviet Union in 1991 when Kyrgyzstan became independent. The sovereignty caused a system change, where reforms pursued a market economy and democratic governance. Simultaneously, these reforms could not prevent socio-economic vulnerability in poverty, unemployment, and job insecurity. These factors have influenced the sharp increase of emigrants and drop in the level of immigrants. Therefore, after a while, departures became the main reason for the GDP growth with the help of remittances. This is the main reason why migration regulation and most of the research works of the migration field are externally oriented. This tendency and significance of departures in an economy have prioritized their role in the migration governance framework. Thereby, as IOM asserts, a labour market policy was chosen by Kyrgyzstan as a tool to achieve social and economic prosperity. However, this is a problem because citizens' inclination to emigrate has incentivized the Government to become a part of international agreements, which afterwards influenced an increase of remittances and increased numbers of local immigrants and refugees. For such changes in the processes, the IOM has stated that initially, Government policy should assist in coping with negative consequences and lowering the level of unemployment. However, despite these new factors and actors, the migration governance focus remained the same, which slowed down or even worsened the nation's socio-economic development.

Along with the IOM's statement, it was written that policies should aim to achieve sustainable economic growth, strengthen state security, and provide a suitable environment for protecting the rights and promoting the interests of migrants (IOM, 2015). Nevertheless, here is the problem that the Government prioritized the role of immigrants to the citizens.

Hence this part will entirely examine the role of foreign-born workers from the non-CIS states because their number has significantly increased for the last decade and the most interesting is that this increase concerns a specific state.

3.1 Method

To answer the proposed research question, I will provide the conclusion of the individual interview results initiated by Amantur Zhaparov (*The China and Eurasia Forum Quarterly*, 2009). In addition, will be provided statistics on annually given quota for foreign workers and government revenue from issuing them. These numbers will help me show an approximate loss of fiscal revenues due to the illegal issuance of work permits for foreigners. Additionally, to prove that fiscal revenues are affected by immigrants, I will provide data on the fiscal costs and benefits of the Government among immigrants and residents born in Kyrgyzstan. This will help me to assert that the fiscal costs of immigrants exceed fiscal benefits.

To show the effect of immigrants on the unemployment rate, I will provide statistics of distributed quota for foreigners by sectors and regions. Because theoretically quota system was implemented in order to supplement the labour market with highly qualified specialists whom local employees cannot substitute. Then I will provide data on unemployed citizens according to their age, regions, and level of education. Besides, I will show where immigrants live. Hence, this information will assert that lack of support from the state towards the local population creates unfavourable conditions, because immigrants receive support from their state through enacting Agreements with Kyrgyzstan. While the Kyrgyz Government executing responsibilities of international agreements, it forgets to treat about own nationals within the state. Therefore, by providing this data, I want to show that instead of developing new sectors and activate

economically rural areas, the state unintentionally provides all conditions and opportunities to foreign-born residents to replace local workers. In such unequal conditions, the local employees cannot even compete with immigrants due to their network and political immunity.

To show the relationship between the arrival rates and crime index, I want to provide some statistics from the State of Migration Service reports, which has launched projects these last two years to control illegal foreigners. This knowledge provides some information about international criminals located in the country. Certainly, this is not only the fault of the migration regulation but also shows the weak border control. However, the main point is to provide policy recommendations that set a transparent system to assist in the cooperation of the public institutions to sustain safety in the state.

3.2 Native labour market outcomes

Initially, we will start to describe unemployed people in order to understand what the average characteristic portrait of an unemployed Kyrgyz citizen is and if he cannot supply skills which employer choose in foreign-born worker. Thence, I will include here the characteristics of the Kyrgyz labour migrant for the reader because it will assist me during this research to describe the labour migration as an output of the working conditions in Kyrgyzstan which induced the labour migrants to leave

Labor migrant characteristics: The average age is 32, and 60% have secondary or university education. In addition, according to the statistics, most of the migrants coming from the South part of the Kyrgyz Republic. Important to know that more than 60% of them work illegally and half of them forced by employers to work overtime.

Initially, I would like to provide the numbers of the unemployed people and unfold them by age category. This will help me to identify what is exact focus group is prevailing among the unemployed workers. This is especially important because if unemployment is shared among the more mature generation inclined to retirement, this is reasonable since employers generally prefer to hire a young generation capable of learning and adapting to the technologies quickly.

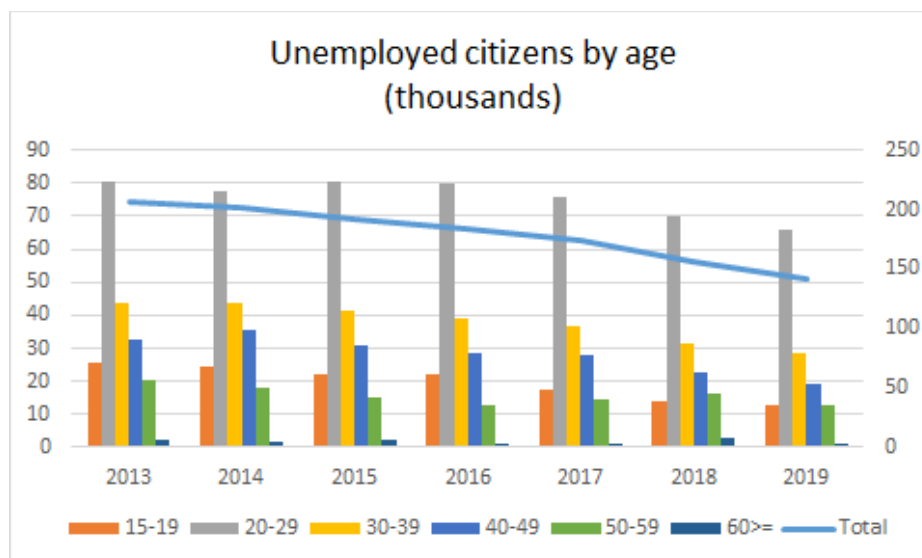


Figure 7. Unemployed citizens by age category. National Statistical Committee of the KR/ the State Migration Service

However, Figure 7 above shows that the highest indicator of unemployed workers belongs to the citizens between 20-29 years old and afterwards are between 30-39. This tendency can signify the ineffectiveness of the Government's Center of employment and recruiting services because the employee at this group of age is capable of learning and tends to be flexible and adaptable in a new environment. Furthermore, this data fits with the character portrait of the Kyrgyz labour migrant.

Addedly, figure 8 below complements the description above by illustrating unemployed individuals by the level of education attainments, which coincides with the characteristics of

the labour migrants. Because here you can see that the prevailing rate of unemployed citizens belongs to the individuals with the secondary and higher education levels.

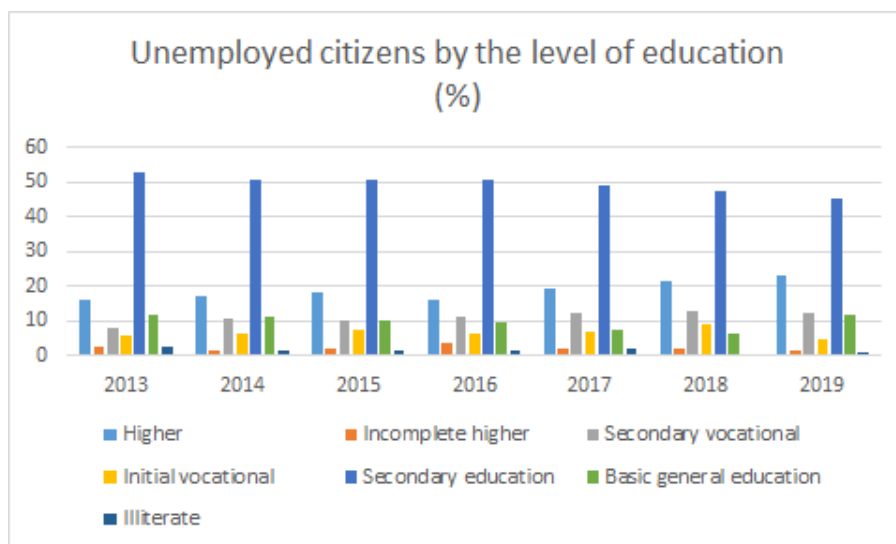


Figure 8. Unemployed citizens by the level of education in percentage. “Kyrgyzstan in Figures” NSC KR

To this extent, after the average characteristics of an unemployed person were revealed, it will be relevant to move smoothly to the characteristics of the foreign workers from the non-CIS countries. Therefore, initially, the numbers of the work-quotas will be demonstrated.

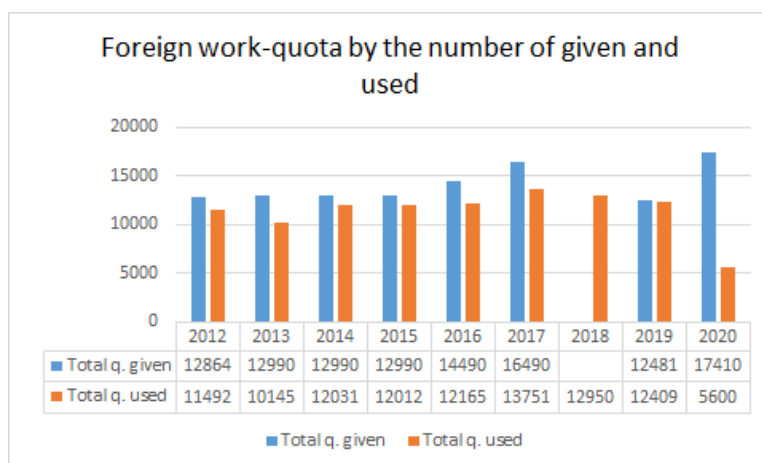


Figure 9. Foreign work-quota by the number of given and used for the period 2012-2020. “Kyrgyzstan in Figures” NSC KR

Figure 9 demonstrates the number of foreign quotas allocated and used by the Government for the period between 2012-2020. There is missing data for 2018 on how many quotas were given, and this can be explained by the fact that this data is not mentioned anywhere. In addition, there is a sharp decrease in 2020 of used quotas observed, and this is because of the Covid pandemic. But what is relevant to our research question is only the numbers of the allocated quotas for the last eight years because further, their numbers will be distributed by regions, sectors, and education levels. Besides, it should be noted that generally, there are no characteristics provided or recorded on the foreign immigrants. Therefore later, we will rely on the survey results and some interesting data pieces collected from the different reports of the governmental institutions.

Table 3. Foreign work-quota allocated by CIS-states

Sending-countries	2018	2019
China	9670	9034
Turkey	1066	987
South Korea	324	341
Pakistan	275	355
USA	187	192
Vietnam	125	135
Uzbekistan	130	-
India	175	-
others	998	1365

Source: The state Migration Service Report

Table 3 illustrates the number of quotas distributed among the CIS-states for the 2018-2019 years, and this is only the period for which complete information was provided.

These numbers were displayed by the sending countries because, in this paper, the most attention will be given to the workers from China. Due to the reason that their numbers are prevailing comparing to other non-CIS states and because most informal workers are Chinese citizens. This tendency is fascinating because, in this case, the lack of language skills seems not to

be an obstacle for foreign workers to get a job. Furthermore, according to recent research, their number is most likely to be under-counted in a census (Card and Lewis, 2007). According to the research provided by Steiner, there are about 100 000 illegals who live in Kyrgyzstan. In addition, according to the report of American researchers (M.Laruelle & S. Peyrouse, 2009), it was found that there are about 116 thousand informal workers in the shuttle trade, and usually, they are coming from China. In addition, there is a high rate of applications for permanent residence permits, and usually, the applicants are coming from China.

The tables below displayed distributed quotas by regions and sectors. Thus, the most demanding sectors of foreign workers are industry and construction, trade and catering, and the energy and mining industry. Foreign-born workers predominantly employed in construction and gold mining. Immigrants from Turkey mainly involved in construction, trade, education, and services. South Korean workers generally work in construction, mining, education, and consulting sectors (IOM 2016).

Considering the regions, then the high density of foreign workers is in Bishkek city. Therefore, by looking at these numbers, it is possible to say that the quota allocation system is significantly weak because their role is to develop the regions and sectors. However, these numbers reinforce the assumption that inefficient quota distribution deprives the local unemployed of obtaining a source of stable income.

Table 4. Work-quotas distributed by sectors

Sectors	2018	2019
Industry and construction	45.9	37.9
Agriculture	1.9	1.7
Energy, geological exploration, mining industry	20.0	26.1
Trade, catering, etc.	22.5	22.9
Health, Education, Science	9.6	11.3
Credit and bank services	0.2	0.2

Source: The State Migration Service Report 2018-2019

Table 5. Work-quotas distributed by regions

Distribution by regions	2019	2018
Bishkek city	45.90	46.7
Jalal-Abad region	22.20	22.6
Chuy region	17.6	15.8
Osh region	4.3	5.3
Osh city	5.00	3.5
Batken region	1.00	2.7
Naryn region	1.7	1.4
Issyk-kul region	1.7	1.6
Talas region	0.7	0.4

Source: The State Migration Service Report 2018-2019

In addition, I would like to mention that this tendency of prevalence in the construction and mining sectors is constant for more than a decade. These numbers were not included in the figure because of a lack of gaps in some parts of the data. Thus, by relying on the demanding sectors, I can assume that sectors can demand unskilled immigrants for whom language barriers will not be a problem. As an example, I can use revealed data for 2017. In 2017 were attracted 14 768 foreign workers and 4283 of them were unqualified specialists. In addition, if the Government wants to develop new sectors, then why in 2017 about 912 foreigners received business permits to work at local bazaars, and these are only the registered cases. After all, local bazaars, in most cases, is the only place where unskilled local citizens with high probability can be hired in. But why these places are then given to foreigners who do not even speak the local language. According to the survey initiated by Azat ... it was revealed that the most significant figures of entrepreneurial activity on local bazaars of the Kyrgyz republic are businesspeople from China, who is difficult to find there because they are involved only in coordinating activities. According to this survey, they have Kyrgyz partners who are influential locally and able to solve problems related to customs, administrative and financial issues.

This lack of support from the Kyrgyz state creates an unfair competitive environment, and the better position of Chinese migrants partly influence the migratory movement of Kyrgyz abroad. For

instance, after the new Kyrgyz Government was established in 2005, Chinese heavy vehicles were allowed to deliver goods from China to their final destination in Kyrgyzstan. At the same time, Kyrgyz drivers do not have the right to drive their vehicles into Chinese territory. These rights of entry granted to Chinese cars left most Kyrgyz large vehicle drivers without jobs (The China and Eurasia Forum Quarterly, 2009).

Furthermore, the issue is not only in the Government's incapability to protect their citizens' jobs, because part of immigrants arriving from the non-CIS country is illegal and unskilled workers. The recent studies (OECD& ILO, 2017) state that immigrants' effect on firms remains unclear. Some argued that companies owned by immigrants create learning opportunities. Others believed that definite sub-sectors were challenged for Kyrgyz-born firms to enter due to domination by immigration-owned firms. Another work (The China and Eurasia Forum Quarterly, 2009) complement this space by evidence that labour contracts between Chinese employers and local employees based on verbal agreements. There are safety issues, sometimes resulting in serious injuries, for which employers do not bear legal responsibility; no trade union protecting the interests of the personnel has been established yet.

Currently, the State Migration Service is trying to fix the problem by adjusting the number of quotas for foreign specialists. Thus, from 17410 people in 2019, it was reduced to 15610 in 2020. Moreover, according to the draft submitted by the SMS of the KR, there will be implemented large-scale national infrastructure projects with the participation of foreign companies in 2020 and changes in the legislation of the Kyrgyz Republic in the field of migration (ORLOVA, 2019).

3.3. Fiscal revenues

Governmental revenues are essential in order to provide all the necessary opportunities for sustainable growth. Therefore, this is particularly important to develop a transparent and simple

system of government costs and benefits because by relying on them, it is easier to forecast precisely and make the right decisions. In addition, by monitoring fiscal revenues, it is easier to identify the probability of the shadow economy, which, if not prevented, increases the national crime rate, and reduces the socio-economic state of the country as it involves the population and creates conditions where instead of living, they must survive. However, the most significant is not to allow the Government to fall into deficit.

The reason why in this paper fiscal revenues are considered because, with the help of them, the state can estimate immigrants' contribution. This is important because, with the help of these estimations, the regulation body can evaluate the consequent results of its decisions and observe did they achieved the state's expectations and, if not, what kind of flaws in the process of implementation has appeared. Therefore, it is essential to note the findings of the 2009 Kyrgyz Population and Housing Census that a higher share of immigrants is of working age or older. For instance, the native population aged 25-54 constitute 37.7% and immigrants – 43.3%, and immigrants aged 55 and over constitute 37.1% among immigrants, when the rate of the native population at this age is 8.2%. Therefore, it was mentioned by IOM and OECD that Government should pay more attention to public services and immigrants' contribution to the national economy because providing access to the state benefits, which will increase immigrants' economic contribution and lower engagement in the labour force. This is exactly what was examined in research of IOM and OECD- The labour force participation of foreign-born individuals in Kyrgyzstan is below that of the native-born, even when their age is taken into account. In addition, it was estimated that the fiscal costs of immigrants exceed their benefits for the Government. Furthermore, when foreign- and native-born individuals are not able to communicate as well in the workplace, this lessens any productivity impulses that can stem from a diverse workforce (Niebuhr, 2010).

According to the research of the Ministry of Labor, Migration, and Youth of the Kyrgyz Republic creation of a total of 65 thousand jobs in five years could significantly change the issue of unemployment of citizens of Kyrgyzstan. Still, this data is only for the period between 2009-2014, and the number could substantially increase from that period till 2020. Therefore, according to the MLMY, the provision of immigration quotas and work permit bring a considerable impact on the economy of Kyrgyzstan. In 2013, the government budget received 46.3 million soms for the issuance of permits, including for visas to attract foreign labour force 4.3 million soms, for work permits - 12.5 million soms and from the trade sphere - 29.4 million soms.

For 12 months of 2018, funds were transferred to the Republican budget for permits in the amount of 52.3 million soms, incl. for a permit to attract foreign labour - 10.3 million soms, for a work permit for foreign citizens - 23.0 million soms and from individual entrepreneurs - 19.0 million soms.

3.4. Crime rate

In this part is assumed that solving illegal migration will affect the decrease of crime rates in Kyrgyzstan. This can be explained initially because migration processes are pushed by negative social phenomena cases like poverty, discrimination, and armed conflicts. Furthermore, an additional factor depraves the situation that internal migration is not monitored, and all foreign-born immigrants and refugees are not monitored. The problem's relevance can be reaffirmed by the numbers of illegal foreigners mentioned by reliable governmental sources and in different periods. For instance, in 2008, the State Migration Service stated that 8000 Chinese citizens were in the country illegally. According to the research provided by Steiner, there are about 100 000 illegals who live in Kyrgyzstan. In addition, according to the report of American researchers(M.Laruelle & S. Peyrouse, 2009), it was found that there are about 116 thousand informal workers in the shuttle trade, and usually, they are coming from China. But it is difficult to assert that immigrants influence crime growth because there

is no precise data, especially considering the informal migrants since they can undoubtedly violate national laws.

Thus, the weak control of domestic policy and the absence of policies to improve the integration of the population increases the likelihood of inter-ethnic discord and, as an example, can be situations on the border with Tajikistan and Uzbekistan. Furthermore, according to the migration report, there is an unregistered crossing of these countries borders, citizens of which are gradually taking part in the country's economy and populating the border areas, which can be exactly the reason for interethnic conflicts.

It is significant to mention that in the functions of the Department recently was included conducting the annual operation "Illegal-2018" within the framework of the CSTO (Collective Security Treaty Organization). Thus, in 2018, following the results of the Illegal-2018 operation, 941 violations of migration legislation were revealed: 546 violations with crossing the borders of the Kyrgyz Republic and 378 violations were associated with informal labor activities. Administrative fines were imposed in the amount of USD 114,418, and USD 114,418 were collected. Sixteen criminal cases were initiated under Art. CC KR organization of illegal migration. Three hundred two criminal cases were initiated on other crimes identified during the operation. Likewise, 25 of the exposed people were on the international wanted list.

It is worth noting that after the previously identified number of crimes in 2018, the National Headquarters strengthened the composition of the state bodies in the "Illegal-2019" operation. The purpose of strengthening this committee was to monitor the migration situation and collect and analyze information on the existing channels of illegal migration, forms, and methods of illegal entry. Thus, in 2019, 287 violations of migration legislation, 227 violations of labour activity were identified, and during the operation, 217 criminal cases have been opened. As a result of

consideration of cases of administrative violations, administrative fines were imposed and collected in the amount of 944 US dollars.

According to the operation results, it was noted that the primary offences committed by foreign citizens are administrative violations of stay in the territory and associated with a violation of the procedure for attracting and using foreign labour in the Kyrgyz Republic.

POLICY RECOMMENDATIONS

Integration Policies

Implementing of the integration policies is very important if the Government wants to provide security to the state's residents. Integration policy can be demonstrated in various ways and in different components. For example, offering language courses to immigrants; organizing international events; psychological support to foreign-born immigrants; communication with local communities and solving arising issues with neighboring-countries.

Labour Market Services

Review the priorities of recruiting services and equalize the balance between international and local labour markets. It is significant to note that recruiting services showed their potential and capability in assisting of national jobseekers, but this disproportional attitude towards internal market leads to the effect of "brain-drain". Because Government should increase the options of choice so that the citizen has something choose from, and not choose just to survive.

Biometrics system improvement

This system should become essential in the daily life of the Kyrgyzstan's residents. in order to increase its importance and effectiveness, it is worth introducing it into medical services, banking operations and at border points. This policy will help to reduce the level of illegal immigrants and will decrease the level of crime rates.

Laws and Fines

If the Government wants the laws to be followed then they should be toughened, and fines should be increased. This policy is directly connected to the Laws on Local Self-Government, State Administration and Biometric Registration.

In addition to this, the laws on migration should be reviewed and need to be amended by clarifying specific cases and regulations on them. Besides, all the institutional

bodies should be given set responsibilities despite the frequency of system changes and should be given specific goals on behalf of which they should report annually by providing statistics and the results of their achievements.

The monitoring body

The goals for the monitoring body should be specified and its powers should not be limited. But at the same time responsibilities should be executed based on the KR Constitution and without the use of force.

Salaries

The salaries of the government authorities in the Monitoring Body, the State Migration Service, Law enforcement officials should be increased. Hence, this should assist in decreasing of the corruption probability, because government employees induced to become part of corruption corridors because of the low wages.

CONCLUSION

In this work the study aimed to examine the role of the migration regulatory system in the social-economic well-being of the population in the Kyrgyz Republic. To prove its significance and influence on sustainable economic growth, were considered immigration processes and their impact on fiscal revenues, crime rates, and unemployment. In this study I have assumed that if the migration regulatory body will draw up initiatives to monitor internal migration and succeed in their execution then this will be directly reflected in increase of the governmental revenue, decrease in unemployment and crime rates.

Initially it is significant to note that Kyrgyzstan as a part of the Eurasian Economic Union is mostly plays the role of sending country, but it is not attractive as the destination state for the citizens of the EEU states. However, in this work was revealed that the state's social-economic well-being in most of the cases can be negatively affected by the immigration processes from the specific non-CIS state. Therefore, to confirm this assumption, initially I have provided the main characters of the local unemployed citizen, and I have relied on the qualitative survey results of the previous works which researched the role of the citizens of the non-CIS state in the labour market of the Kyrgyz Republic. Hence, because of the interview findings provided in the "Central Asian Perceptions of China" research I have justified the research presumption that insufficient regulation of the internal migration system and weak control of all newcomers strongly affect the destabilization of the country's socio-economic situation; specifically, this case raises the unemployment rate and the Government's deficit. Further to prove the influence of the inefficient internal regulation of migration on the crime rates, I elaborated the findings of the previous results on the approximate numbers of informal migrants within the state and provided statistics of the State Migration Service's report, where it has highlighted the numbers and types of crimes committed by foreign-born citizens.

By concluding this work, I would like to comment on how the Kyrgyz Republic has done immense work in implementing the laws to run the sustainable Migration Governance Framework. But the only problem is that all these inputs are external-oriented and recommended to be improved to balance the system towards internal regulations. Because by strengthening the system of internal regulation, the Government will be able to develop the social-economic well-being of the state.

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