Response to the Research Report
“The impact of labour migration on Belarus: a demographic perspective"

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Response to the Research Report
“The impact of labour migration on Belarus: a demographic perspective”
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CARIM-East – Creating an Observatory East of Europe

This project which is co-financed by the European Union is the first migration observatory focused on the Eastern Neighbourhood of the European Union and covers all countries of the Eastern Partnership initiative (Belarus, Ukraine, the Republic of Moldova, Georgia, Armenia and Azerbaijan) and Russian Federation.

The project’s two main themes are:

(1) migration from the region to the European Union (EU) focusing in particular on countries of emigration and transit on the EU’s eastern border; and

(2) intraregional migration in the post-Soviet space.

The project started on 1 April 2011 as a joint initiative of the European University Institute (EUI), Florence, Italy (the lead institution), and the Centre of Migration Research (CMR) at the University of Warsaw, Poland (the partner institution).

CARIM researchers undertake comprehensive and policy-oriented analyses of very diverse aspects of human mobility and related labour market developments east of the EU and discuss their likely impacts on the fast evolving socio-economic fabric of the six Eastern Partners and Russia, as well as that of the European Union.

In particular, CARIM-East:

- builds a broad network of national experts from the region representing all principal disciplines focused on human migration, labour mobility and national development issues (e.g. demography, law, economics, sociology, political science).

- develops a comprehensive database to monitor migration stocks and flows in the region, relevant legislative developments and national policy initiatives;

- undertakes, jointly with researchers from the region, systematic and ad hoc studies of emerging migration issues at regional and national levels.

- provides opportunities for scholars from the region to participate in workshops organized by the EUI and CMR, including academic exchange opportunities for PhD candidates;

- provides forums for national and international experts to interact with policymakers and other stakeholders in the countries concerned.

Results of the above activities are made available for public consultation through the website of the project: [http://www.carim-east.eu/](http://www.carim-east.eu/)

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Abstract

Contrary to official statistics, a number of estimates, employing census data and population loss due to natural causes, and based on bilateral migration stocks, show that Belarus, since its independence, has had a negative net migration: the numbers come in at about 130,000. Population loss due to external migration is even more considerable (700,000) if one counts migration on the basis of the migrants’ place of birth: many Belarus-born emigrants left the country before 1990 and did not return, and a large number of immigrants after 1990 were Belarus-born repatriated from other former USSR countries. Official statistics for the external net migration rate and labour migrants have been distorted by poor migration accounting, while political considerations have deterred some academic institutions from taking a more critical approach. External migration is negative in demographic terms in quantitative but also in qualitative terms as emigrants are, on average, younger and better educated, while immigrants are less-skilled, with a larger proportion of people past working age. The positive demographic impact of the 1980s high fertility rate has recently ended. Since 2008, the pool of labour resources has been gradually diminishing. The share of people below working age has been falling while the share of those above working age has risen. Thus unfavorable demographic trends in terms of population loss and age distortion are aggravated by external migration. With all the negative demographic impact that external migration implies, labour migration has an ambiguous economic impact. It contributes to sizable human capital losses and a deficit in some sectors (e.g., construction) due to the labour migration to Russia. But it also eases unemployment and provides remittances from the migrants to their communities.
1. Introduction and literature review

There is a shortage of research on migration issues and a deficit of trustworthy migration data in Belarus. Official statistics dramatically underestimated the size of permanent and labour migration from Belarus. Officially Belarus’ net migration since independence has been positive. But a recent study (Zagorets V. and Zagorets I., 2011) based on the population census data for 1989, 1999 and 2009, on the size of legal immigration to Belarus and on the population loss due to natural causes begs to differ. It concludes that Belarus had a negative net migration of 131,500 between 1989 and 2010. Migration data of a number of receiving countries reveals a considerable underestimate of permanent migration from Belarus by official statistics. Yet many studies, including a recent publication by Shakhotska and Bobrova (2012) on the demographic impact of the labour migration on Belarus, do not consider alternative estimates of migration flows.

Although just 3,200 Belarusians were working in Russia with signed contracts or agreements in 2010, alternative assessments give a number of 100,000-300,000 labour migrants in Russia. Currently, the difference between the able-bodied population at working age and the number of people both employed and unemployed in the Belarusian economy is almost 1 million. Taking into account Belarus’s notoriously inadequate unemployment support, a substantial share of those persons is likely to be employed in the informal economy, or regular labour migrants.

Although quarterly Labour Force Surveys were launched in Belarus in early 2012, their results are not publicly available yet.¹ The LFS would potentially provide more reliable empirical statistics on the labour force, the economically-active population, the employed and unemployed by sex, age and regions, and labour force supply and demand. The share of Belarusian labour migrants to Russia is considered to be 70-90%. But, to date, without reliable data available, there is only speculation and few attempts at estimates for how many labour migrants Belarus actually provides for receiving countries.

A survey on labour emigrants was undertaken in 2000 on the basis of the questionnaire prepared by the Center for forced migration studies in the CIS area (Shakhotska, 2003). But the results are outdated and not perfectly representative since chain-referral sampling was used. There is also a deficit in comprehensive studies based on contemporary economic and sociological approaches that offer medium-term projections of migration stocks from Belarus in the main destination countries.

Certain economic policies and labour market peculiarities contribute to external labour migration. Belarus has the least flexible labour market among the Eastern Partnership countries. Experts (e.g., Brixiova and Volchok, 2006; Vankevich, 2009; Sokolova, 2010) believe that Belarus needs a labour market reform that would ensure a reduced role for the public sector in the economy and enforce economic incentives among enterprise management. At present, state-owned firms often maintain excessive workforces at the cost of underemployment and rigidity in labour turnover.

Migration intentions among Belarusians are rather low compared to other EaP countries (Zhakevich, 2009) and the emigration rate is comparatively modest. But emigration further aggravates demographic challenges. After the 2010 sociological study of migration intentions (Artiukhin and Pushkevich, 2011), no similar representative survey was conducted in the aftermath of 2011 crisis, when the Belarusian ruble depreciated dramatically (171.7%) and when inflation stood as high as 108.7%. An indirect indicator of increased attempts to migrate to the Western countries is a sharp (53%) increase in a number of asylum applications in European countries from 2010 to 2011, something that UNCHR and Eurostat figures show.

¹ In mid-2012, the Deputy Minister of Labour stated at an on-line conference that the results of the Labour Force Surveys are to be published at the National statistical committee Webpage after a few quarterly surveys have been conducted. See: http://www.belta.by/ru/conference/i_264.html
2. Net migration: which way does the pendulum swing?

Any study of migration issues in Belarus must confront the challenge of imperfect official data on the scale of external migration, including labour migration. Misleading assessments of net migration contribute to erroneous conclusions about the demographic and economic impact of migration processes on Belarus. The National Statistical Committee makes use of data on arrivals/departures to/from Belarus collected by the Interior Ministry’s Citizenship and Migration Department. Since many migrants appear reluctant to inform the relevant authorities about their intention to depart temporarily, their movements are not recorded in the official statistics (Zhakevich, 2009: 27).

Other problems with migration accounting result from the vagueness of legislation, the insufficient training of the officials responsible for migration accounting, outdated accounting documentation, and errors in inserting and processing initial documents (Shakhotska and Bobrova, 2009: 100). It is also estimated that each year between 10,000 and 50,000 illegal migrants arrive and stay in Belarus (Bakhur, 2006: 47).

The data on any permanent change of residence is not complete either, as it takes into account only those individuals who report their intended departure to the Ministry of Interior and who subsequently register at a Belarusian consulate abroad. The law On the order of moving out from the Republic of Belarus and moving into the Republic of Belarus of Belarus’ citizens stipulates obligatory registration of citizens permanently living abroad and holding passports of PP series at the Belarusian consulates. It does not provide punishments for those, who do not register (Law № 49-3, 2009). Many Belarusians (especially students that participate in international exchange programs) travel abroad with various types of visas and subsequently change their legal status without losing their residential registration in Belarus. As a result, the authorities manage to record only a small percentage of actual departures, both temporary and permanent.2

In the early 1990s, numbers of Belarusian Jews bound for Israel and the United States became significant. Migration outflows to other Western countries since the mid-1990s have not been large. But the persistent underestimating of emigrants has contributed to a significant discrepancy between the official and actual figures of net migration to these countries.

For instance, according to official statistics, between 1990 and 2006, 10,785 Belarusians moved to Germany permanently (Zhakevich 2009: 32). In addition, 2,407 Belarusians departed for Germany (this is a broader category) between 2007 and 2011 (Demographic yearbook 2012: 457; Demographic yearbook 2010: 80). This makes 13,192 in total. At the same time 16,626 Belarusians were in possession of German residence permits in 2011.3 Moreover, according to the German statistics, 3,101 former Belarusian citizens acquired German citizenship between 2000 and 20104. In total, 19,974 Belarusians were put down in the German register of foreigners in 2011.5 It is worth taking into account possible return migration cases and some discrepancy between departures and arrivals due to traveling or settling in a country different from the one initially planned. But there is the suspicion that official statistics have missed at least 6,000 emigrants in Germany.

3,481 Belarusian citizens were registered by the Polish migration authorities in 2011 and 1,993 acquired Polish citizenship between 2000 and 2010. The official Belarusian statistics recorded 1,748

2 Since 2008, official statistics count migrating citizens based on the rules of population registration by place of residence and place of stay. A citizen is obliged to register at a new place of residence after one month from his or her arrival, and has a right to register at the same time at a place of stay if the stay lasts more than one month. The term of registration by place of stay is limited to 1 year.

3 All valid permits by reason, length of validity and citizenship on 31 December of each year - annual data [migr_resvalid], Eurostat.

4 Author’s estimates, according to: Acquisition of citizenship by sex, age group and former citizenship [migr_acq], Eurostat.

5 Population by sex, age group and citizenship [migr_pop1ctz], Eurostat.
Belarusians who permanently moved to Poland between 1990 and 2006, and 494 departures for Poland in 2007-2011. Besides, more than 30,000 Belarusians hold the Polish Card (Karta Polaka). An unknown proportion of Polish Card holders live permanently in Poland, as they can apply for an annual Polish visa. The Polish Card, *inter alia*, authorizes its holder to seek employment in Poland without a work permit and to carry out economic activity in Poland on the same basis as Polish citizens. Other countries where the emigration of Belarusians is significantly underestimated in the official Belarusian statistics include the US, the UK, Italy, Sweden and the Czech Republic.

Visa-free entry to CIS countries and the lack of border control between Belarus and Russia further complicate the count of migrants in the region. According to Russian statistics, from 1990 to 1998 the net migration flow would be slightly negative (-7,400) for Belarus (United Nations, 2002: 111). For the years 1997-2006, the net number of migrants given by Belarusian statistics exceeds 60,000, while Russian statistics for the same period report the positive migration flow for Belarus equal 25,700, or about 35,000 less (Zhakevich, 2009: 30-31). A number of other studies (e.g., Zagorets V. and Zagorets I., 2011: 72; Chudinovskikh, 2007) point to the fact that Belarusian statistics on the net migration rate with Russia contradict Russian migration statistics.

Labour migration to the Russian Federation is an attractive option for many Belarusians for a number of reasons: the geographical proximity of Russia; the ease of travel; the absence of language barriers; largely the same rights given to Belarus nationals as to Russians on the Russian labour market; and significantly higher wages in Russia. However, only migrants that sign official work contracts with agencies licensed to assist with job placement are counted in official statistics. Experts believe that Russia’s rigid migration legislation with complicated procedures for job permission push migrants and their employers into the grey market (Iontsev, 2012: 17). The majority of labour migrants to Russia neither obtain work through labour agencies nor report their intention to seek employment to the relevant Belarusian authorities. The result is that the official number of Belarusian labour migrants to Russia is only a small proportion of the actual figure.

As a result, unregistered labour migration exceeds officially registered labour migration up to one hundred times (Zagorets, 2000: 78). According to official statistics, 3,212 Belarusians were working in Russia with signed contracts or agreements in 2010. A 2005 survey of academics, state officials and NGO experts estimated the number of unregistered labour migrants to Russia to be between 20,000 and 30,000 (Maslenkova, 2005). According to the 2009 population census, 37,676 Belarusians were working in Russia. One should bear in mind, though, that the Russian labour market deteriorated in the crisis year of 2009, and thousands of seasonal workers were not taken into account, as the census was conducted in October.

According to the assessments made by the Center for Integration Studies at the Eurasian Development Bank, on the basis of remittances, up to 170,000 Belarusian labour migrants could have worked in Russia in 2010 (Iontsev, 2012: 18). Other assessments give similar or much higher numbers: 150,000 (Luchenok and Kolesnikova, 2011), 300,000 (Vankevich, 2009: 23), and even more than 500,000 (Zlotnikov, 2009: 391). State officials themselves have repeatedly recognized that the actual figure of Belarus’ labour migrants stands at between 98,000 and 300,000.6

The official Belarusian statistics report the net migration to be almost plus 200,000 for the last 15 years and claim Belarus to be the only ex-USSR state with positive migration balance with Russia. But, alternative estimates refute such claims. Based on the population census data for 1989, 1999 and 2009, the size of legal immigration to Belarus and population loss due to natural causes, the estimates show that between 1989 and 2010 the number of emigrants from Belarus exceeded the number of

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6 In 2006, Belarus labour minister said 98,000 Belarusian labour migrants work in Russia (http://naviny.by/rubrics/economic/2006/11/17/ic_articles_113_148705/), while the Head of the Ministry of Interior’s Migration and Citizenship Department gave a number of 150,000-300,000 labour migrants (http://www.newsru.com/world/09oct2006/migrant.html).
immigrants and resulted in a negative net migration of 131,500 (Zagorets V. and Zagorets I., 2011). This is the case even though the net migration rate varied during the period under consideration (see Table 1). The UN population division estimates the net number of migrants for Belarus between 1990 and 2010 to be negative, too. Furthermore, the balance of external migration is projected to be negative in the coming decades and amounts to minus 40,000 people between 2010 and 2030.

Table 1. Net international migration balance, Belarus, 1989-2010

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<tbody>
<tr>
<td>In total, thousand</td>
<td>+67,5</td>
<td>-140,7</td>
<td>-77,4</td>
<td>-131,5</td>
</tr>
<tr>
<td>In average, per year</td>
<td>+13,5</td>
<td>-28,1</td>
<td>-7,0</td>
<td>-6,3</td>
</tr>
</tbody>
</table>

Source: Zagorets and Zagorets, 2011

The figure of negative net migration is much larger (almost 700,000) if one counts migrants on the basis of their place of birth: there are 1,090 thousand persons who were born abroad currently living in Belarus, and 1,779 thousand persons born in Belarus currently living abroad (World Bank, 2011). Indeed, many Belarus-born people emigrated from Belarus before 1990 and did not come back, but nearly half of the immigrants that arrived in Belarus in the 1990s were ethnic Belarusians repatriated from other countries of the Former USSR because of political and economic instability, uncertainty concerning the rights and status of non-nationals in these states and the fear of being deprived of Belarusian citizenship if abroad. (United Nations, 2002: 47-48). Between 1989 and 1999, 290,800 ethnic Belarusians returned to the country, or 13.6% of the total number of ethnic Belarusians who lived in the other republics of the USSR in 1989 (Gasyuk and Lukashevich, 2002: 11-12).

These imperfections in external migration accounting are common to all Eastern Partnership countries (Bardak, 2010: 28). But, this is only a part of the problem. Many publications on migration issues that appeared under the aegis of the Institute of Sociology of the Academy of Sciences (e.g., Artyukhin et al., 2008) use official data and do not mention the difference between the official and alternative estimates. This is also true for the recent Shakhotska and Bobrova paper (Shakhotska and Bobrova, 2012). Furthermore, dubious conclusions about positive net migration that Belarus has allegedly enjoyed since independence, make their way into national migration and demographic strategies. For instance, the National Programme on the Demographic Security of the Republic of Belarus (2011 – 2015) defines the goal of “improving the net migration rate to 60,000”. It also lauds the strategy for 2007-2010 as one that allegedly contributed to positive net migration (Presidential Decree № 357, 2011).

3. Demographic impact of the labour migration on Belarus.

(i) Current demographic trends

Despite the decrease in population since the mid-1990s (from 10.2 million in 1993 to 9.5 million in 2011), the high fertility rate of 1984-1988 produced an increased pool of labour. In 2011, the able-bodied population at working age reached 5.7 mln, 200,000 more than it was in 2005. The share of labour resources in total population increased every year between 1994 (57.3% of total population)

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8 Ibid.
and 2008 (64.1%). Since 2008, the rate has slightly declined, 64.0% in 2009 and 2010 and 63.7% in 2011 (Labour and employment, 2012: 29).

As shown in Figure 1, the share of people under working age in the total population is constantly falling, from 20.6% in 2000 to 16.1% in 2012, while the share of those above working age is rising, from 21.5% in 2000 to 23.2% in 2012 (Labour and employment, 2012: 20).

In 2000-2005, the number of people over state pension age was 350,000, in 2005-2010 it reached almost 500,000, and in 2011-2015 it is expected to near 750,000. It is estimated that between 2011 and 2020 nearly 1.5 million people will drop out of the working age population (National Statistical Committee, 2009: 5-6).

**Figure 1. Share of main age groups in total population, 2000-2012 (beginning of year; %)**

[Graph showing age distribution]


Thus the positive effect of high fertility rates in the late 1980s has faded out. Currently the smaller cohorts born in the early 1990s are entering childbearing age. Coupled with the negative net migration, population aging and lessening of the population at working age makes labour migration a potentially acute problem for Belarusian society and for the Belarusian economy.

A recent paper (Amialchuk et al., 2011) examined the determinants of births in Belarus in 1996-2007 using detailed micro data from the Belarusian Household Budget Surveys. It suggested that bettering childcare within the current system would likely stimulate childbearing. Although the fertility rate in Belarus is amenable to maternity and childcare benefits, large increases in benefits are indispensable in increasing the fertility rate significantly, the paper concludes (ibid.). However, a significant increase in maternity and childcare benefits seems unlikely in the foreseeable future.
(ii) Sex and age

As various surveys show, most emigrants are aged 20-49, i.e. those in their most active reproductive and labour years. Bearing in mind the shortages in the 2009 census data, the recorded average age of the female labour migrants is 35.2 years, while the average male labour migrant is 37.3 years old (Bobrova, Shakhotska, Shymanovich, 2012: 11).

The main category of labour migration to western countries among Belarusians aged 16-29 are students, 19-23 years of age (Kravinov, Maslenkova, Chelidze, 2006: 166). The survey conducted among first and second year students of the Belarusian State University showed a very widespread intention (99 students out of 100 surveyed) to work abroad temporarily. Here economic factors dominated with improving material wellbeing being among the motives. Research concludes that such a sharp dominance of an economic incentives is indicative of the lack of fully-fledged conditions for the young to earn money in Belarus that, in turn, favors the demand for work programs abroad (ibid.: 136-137). Indeed, high and persistent youth unemployment is a notable characteristic of the Belarusian labour market (Brixiova and Volchok, 2005: 2).

Among the emigration outflows captured by the official statistics, the share of women is 52-53% and it is even higher among individuals aged 20-35. In a number of EU countries the share of women among Belarusian immigrants is much larger than the average Eurostat data shows. In 2009, women constituted 69% of Belarusian residents in Germany and 80% of all registered Belarusian migrants in Italy. At the same time Belarusian men prevail (around 90% of all Belarusian citizens officially employed abroad) in temporary labour migration, especially in the cases of Lithuania, Russia and Latvia (Bobrova, Shakhotska, Shymanovich, 2012: 10-11).

Experts (e.g., Timoshenko, 2010: 55) consider the migration exchange to be disadvantageous for Belarus as younger working age people dominate among emigrants, in contrast to immigrants. The ratio of people above working age among emigrants and immigrants is 1:2.9, according to the official data on permanent departures/arrivals (ibid). Taking into account unregistered emigration flows, the ratio is surely even more disadvantageous for Belarus. This aggravates the problem of the ageing of Belarusian society and increases the welfare support load of a working population.

Since the mid-2000s the Belarusian authorities took steps to impede the participation of Belarusian students in international exchange programs, particularly the “Work and Travel in the USA” program. They did so as they were well aware of a large share of non-returnees among students that take part in temporal work programs abroad. In 2005, activities of agencies providing services for summer job placement in the US were severely restricted but students kept using their offices in the neighboring countries (Zhakevich, 2009: 35). Among 52,000-58,000 Belarus-born people living in the US, around 17,000 entered 2000-2010. A certain share of those are former Belarusian students who initially entered the US on J-1 visas (cultural and educational exchange opportunities). As many students stay in the US without losing either their Belarusian citizenship or their home residential registration, the exact number of non-returnees is unknown (Zhakevich, 2009: 35). Thus, official statistics underestimate the figure of Belarusian emigrants to the US.

(iii) Educational attainment

Belarusian emigrants are better educated and more economically active than immigrants. Among immigrants that moved to Belarus between 2000 and 2010 individuals with secondary education dominated (40%) and only one in five had higher education. Among officially registered permanent emigrants 2000-2010, the proportion of people with tertiary education was 33% (Timoshenko, 2010: 56). According to the 2009 Census, labour migrants to Russia have a somewhat lower educational

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9 Author’s estimates on the basis of 2008-2010 American Community Survey.
level than the average for the Belarusian labour force, emigrants to the Western countries are, on average, of a much higher educational level, studies reveal.

The monitoring of external intellectual migration by the Institute of Sociology shows that from 1996 to 2006 between 70 and 90 scientific workers and university academics emigrated from Belarus every year (Artiukhin et al., 2008: 125-126). In the World Bank research report (Beine et al., 2006: 26) the brain drain rate for Belarus is estimated at 3.2% for 2000 (3.6% for Ukraine, 1.5% for Russia).

Despite a brain-drain problem that even official statistics captures, National Programme on Demographic Security of the Republic of Belarus (2011 – 2015) does not explicitly mention efforts to attract highly-qualified immigrants, but merely contains an aim to “create socio-economic and legal conditions that contribute to the return of highly-qualified specialists” (Presidential Decree № 357, 2011).

(iv) Urban/rural population

Mostly as a result of the intensive migration of people below working age and of working age people to the urban areas, rural labour resources decreased almost two fold over the last two decades: 19.1% of the population employed in agriculture in 1995 to 9.3% in 2009. The spatial shift was aggravated by fallout from Chernobyl, which prompted outflows of people from the Homel and Mahiliou regions. These migration processes have produced considerable deformation in the demographic structure in rural areas. In 2010, population growth rates due to natural causes in Belarusian towns and villages stood at 0.5‰ and -13.6‰ respectively (Timoshenko, 2010: 47).

Rural youth point to the lack of social infrastructure, lower wages relative to urban areas, limited job opportunities and poor labour conditions as the main push factors for urban migration (Balakireva, 2012: 48-51). Sociological surveys also show that among rural populations aged 18-30, nearly 38% would like to migrate to urban areas, while over 28% and 10% intend to go abroad temporarily or permanently (ibid.). Official statistics suggests that the share of international migrants of a rural origin was 17% from 2005 to 2010 (cited in Bobrova, Shakhotska, Shymanovich, 2012: 11). This rather low figure (although the shortages in official migration data should be taken into account) is consistent with the results of a comprehensive study of migration intentions among the Belarusian population (Zharkevich, 2009). This study concluded that external migration intentions are more widespread among dwellers in large towns, while residence in small towns and rural areas tends to discourage migration.

4. The economic impact of labour migration: labour market characteristics and the inflow of remittances.

(i) Belarusian labour market peculiarities

Belarus is still in the early stages of transition from a centrally planned economy, and its pace of market reforms is much slower than in most former USSR countries (Brixiova and Volchok, 2005). Due to specific state policies to ensure the highest employment possible, social considerations usually dominate over economic ones at state-owned enterprises. Confronted with official plans for output growth and for the prevention of mass dismissals, state-owned enterprises prefer maintenance of their entire workforce to profit maximization (Vankevich, 2009: 17-18). Negative economic consequences follow from a rigid labour market and policies of “socially oriented economy” model are described in detail in a number of studies (e.g. Sokolova, 2010). The conservation of outdated and economically ungrounded working places was also partly predetermined by the high value of accumulated depreciation in the Belarus economy, which increased from 50.7% in 2006 to 55.8% in 2010 (Ministry of economy, 2011).
The case of Belarus can be seen as an extreme case of the evolution of female participation and wages among the former Soviet republics. While in former USSR countries, female wages reduced more than female employment, due to labour hoarding practices, in Belarus, only wages adjust, since enterprises tend to hoard all available labour (Pastore and Verashchagina, 2007).

Insufficient wage differentiation, due to redistributing economic policy, contributes to the replacement of highly-qualified workers by the less qualified that, in turn, favors the external labour migration of highly-skilled workers (Vankevich, 2009: 18). High income tax rates and the extra taxation of the net annual income in Belarus contribute both to the reduction of demand on the official labour market and its shift to the shadow economy as well as the unregistered labour migration to Russia with its more attractive taxation regime (Vankevich, 2008: 39). Distortion in labour force demand statistics thus contributes to the mismatch in skills between the unemployed and vacancies.

The official unemployment rate of 0.7% (as of March 2012) is a result of a statistical juggling. According to the law On the employment of the population of the Republic of Belarus the “unemployed” are those working age citizens who are registered with the state employment agency (Law № 125-3, 2006). In early 2012, the average monthly unemployment benefit was as low as 107,000 Belarusian rubles, or about EUR10. This was about 15% of the state poverty level. Moreover, to qualify for assistance, the unemployed are supposed to carry out “public works” (they include street cleaning) as directed by the employment agency. Enterprises normally do not send notifications of better-paid vacancies to the state employment agency so the latter attracts only a part of the unqualified labour force. This discourages better qualified unemployed from registration with the employment agency and stimulates labour migration.

Meager unemployment benefits in Belarus and higher wages in neighboring Russia mean the deficit of some specialties on the Belarusian labour market. The mayor of Belarus’s third biggest city, Mahiliou went public about the deficit of employees in construction, transportation, communal services and heat-and-power engineering (Narodnaya Volia, 2012). This is consistent with the 2009 census findings that showed the largest share of labour migrants to Russia was in construction and transportation.

(ii) The crisis year and a sharp increase in spurious asylum applications

A number of earlier (Shakhotska, 2003) and more recent studies (Artiukhin and Pushkevich, 2011) have shown that the main incentive for labour migration from Belarus is financial. The dramatic depreciation of Belarusian ruble during 2011 (171.7%) and three-digit inflation (108.7%) considerably worsened the living conditions of the general population. It also led to even larger disparities in average wages between Belarus and receiving countries and, thus, increased the relative attractiveness of temporary labour migration to Russia, and other destinations such as the EU countries.

Sharp rise in the number of asylum applications in European countries in 2011 can be regarded as an indirect indicator of increased attempts to migrate to Western countries. According to the annual UNHCR report (UNHCR, 2011: 23), in 2011 1,441 Belarusians lodged asylum applications in one of the 38 European countries that provided data to the UNHCR (compared to 941 in 2010, or 53% more). In 2011, an increase in the applications lodged was higher only for countries that had seen recent social or military upheavals.

These UNCHR figures concord well with the Eurostat statistics. According to the latter, in 2009 and 2010 refugee applications in the EU countries by Belarusians were 945 and 910 respectively with a steep increase in 2011 to 1410.11

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10 According to the Census-2009 data, unemployment stood at 6.1%.
11 Asylum and new asylum applicants by citizenship, age and sex . Annual aggregated data (rounded) [migr_asyappctza], Eurostat.
According to Eurostat, most asylum applications in European countries are rejected. In 2011, of 845 first instance decisions on asylum applications lodged by Belarusians, 130 were positive. Yet 90 decisions were positive among more than 400 final decisions on asylum applications lodged by Belarusians. A small share of asylum applications lodged in neighboring Lithuania, Latvia and Poland (less than 10% of total applications lodged in EU countries) also indirectly indicates that economic drivers mattered more than alleged political or other pressures.

(iii) The role of remittances in Belarus

Labour migration not only serves as an instrument to relax saturated labour markets and reduce unemployment. Migrants provide remittances for their relatives and they thus reduce Belarus’s balance of payments deficit.

Although the National Bank of Belarus intends to pay attention to the use of new technologies and alternative channels when recording remittance transactions, its current data on remittances is incomplete. According to the NBB, official transfers amounted to USD 241.9 mln in 2010, USD 256.8 mln in 2011, or less than 0.5% of GDP (Balance of payments, 2010; Balance of payments, 2011). For the remittances from Russia (165.7 mln in 2010, 146.8 mln in 2011) the NBB uses money transfer statistics provided by Russia’s Central Bank. At the same time, according to the latter’s statistics, personal remittances from Russia to Belarus amounted to USD 411 mln in 2010, and USD 458 mln in 2011 (Central Bank of Russia, 2012: 65). The NBB’s underestimates of the actual size of remittances is explained by the fact that money was partially transferred through informal channels beyond the reach of banks, money transfer operators and post offices.

Alternative estimates for remittances inflow to Belarus are worth critical consideration too. According to the International Fund for Agricultural Development research (IFAD, 2008), in 2006 workers’ remittances to Belarus amounted to USD 2.34 bln, or 6.3% of Belarus’ GDP. This overestimate is explained by the specifics of the methodology used. Indeed, IFAD takes the World Bank figure on the number of Belarusian migrants as the basis for its country-to-county migration matrix since 1970, i.e. including Belarus-born people that emigrated before 1990. As a result, according to IFAD, Belarus belongs to the top ten emigration countries in Europe and Central Asia based on World Bank classification and statistics (Vargas-Lundius et al. 2008: 20). By multiplying the overestimated number of Belarusian migrants in a given country with the percentage of migrants who remit and the annual amount remitted, an excessive remittances size results. Notably, the IFAD methodology report places Belarus in the list of countries where there is either an underestimate in remittances and migration or a discrepancy between migration and remittance figures (Orozco, 2007: 6).

According to the World Bank data calculated on the basis of mutual county-to-county flows, remittances to Belarus increased from USD 680 mln in 2008 to USD 722 mln (estimated) in 2011. Remittances flows reached about 1% of the GDP.

12 In 2011, more than a half of the asylum applications of Belarusians in European countries were lodged in Sweden, Finland, Norway and the Netherlands. Then Switzerland, France, Germany and Belgium follow.
13 However, the worsening of the political situation after the December 2010 elections and a massive crackdown on civil society should also be taken into account.
14 “Personal remittances” as defined by BPM6 include “personal transfers” (which include “of which workers’ remittances”) and compensation of employees, but exclude taxes, social contributions and expenditure on transport and travel made by short term and cross border workers. BPM6 “personal transfers” are defined independently of the source of income and of the origin of the sending households.
16 Migrant remittance Inflows, World Bank. Available at
Table 2. The size of remittances transfers to Belarus, in mln US $, according to the National Bank statistics and World Bank estimations, 2008-2011.

<table>
<thead>
<tr>
<th>Year</th>
<th>National Bank data</th>
<th>World Bank estimations</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>164.0</td>
<td>680</td>
</tr>
<tr>
<td>2009</td>
<td>165.2</td>
<td>589</td>
</tr>
<tr>
<td>2010</td>
<td>241.9</td>
<td>589</td>
</tr>
<tr>
<td>2011</td>
<td>256.8</td>
<td>722</td>
</tr>
</tbody>
</table>

Source: National Bank of the Republic of Belarus, World Bank

Official money transfers represent only a part of real money inflows. Taking this into account another study estimates, on the basis of World Bank methodology, that the actual transfer size in 2010 was as much as USD 1.3 bln, with net transfers standing at USD 850 mln, or 1.7% GDP (Luchenok and Kolesnikova, 2011: 4-5). Noting that remittances size of about 2% GDP is a notable support for the national economy, the policy paper also recommended that the authorities abstain from erecting additional barriers for potential migrants to work abroad and to transfer earned money to Belarus (ibid.:7).

However, there are signs that authorities are reluctant to consider the experts’ recommendations. In June 2011, Lukashenko stated that labour migrants’ families have to pay the whole cost of housing utilities services, rather than a reduced sum subsidized by the state (BelTA, 2011). The head of the state also said that fees for the health care and other services may be introduced for labour migrants (ibid.). However, no legal basis for the voiced proposals has been introduced so far.

It was announced in early October, 2012, that the economic crimes department of the Ministry of Interior expects to sign a memorandum on cooperation and mutual assistance with the National Bank. The purpose of this memorandum would be an improvement in accounting for money transfers (BelaPAN, 2012). The content of the memorandum is not yet publicly available and it remains to be seen whether it has the potential to discourage labour migrants in transferring money through official channels.

An important legal obstacle for money transfers to Belarus on the part of former Belarus citizens with current foreign citizenship is Presidential Decree №24 On Receiving and Using Gratuitous Foreign Aid of November 28, 2003. According to the decree, monetary assets, including those in foreign currencies, goods (property) that are gratuitously provided for use, possession, disposition of organizations and natural persons of the Republic of Belarus by foreign states, international organizations, foreign organizations and citizens, stateless persons and anonymous donors are considered gratuitous foreign aid. These should be registered at the Humanitarian Department of the presidential administration with a recipient application, a plan of the ‘foreign aid’ use and other documents attached (Presidential Decree №24, 2003).

5. Projections of labour migration flows.

Misunderstandings and divergences between Belarusian studies frequently come up over the use of migration intentions. While according to the Independent Institute of Social-Economic and Political Research survey, 33.5% of Belarusians intended to move abroad for permanent residence in 2006, another study, based on a 2006 sociological survey, gives a figure of 13.5% (Zhakevich, 2009: 63). The latter is more relevant and gives a more comprehensive methodology. Certainly, this methodology

(Contd.)


17 See http://www.iiseps.org/06-12-06.html. The figure allegedly reached 41.4% in June 2012.
differentiates among various forms of intended migration and among those who merely express a positive attitude to migration and those, who have undertaken certain steps in order to migrate (so called active migration intention).  

Critical attention to the methodology of a given study on migration intentions is indispensable. Recent analytical comments (Titarenko, 2012: 3-4) wrongly assume that the rate of active migration intentions among Belarusian population stood at 30% in 2006; this refers to the international study conducted in a number of former USSR countries (Zhakevich, 2008). In fact, in the aforementioned comparative study the two regions with the largest migration rates were examined (ibid.:90) This effectively means that the resulting figures given in (Zhakevich, 2008) are higher than the average percentage of people intending to move to another country in the whole country. Indeed, the active migration intentions rate in all types of intended migration for the Belarusian population was 11.3% in 2006 (Zhakevich, 2009: 104).

According to the 2006 survey, the most attractive destinations for temporary labour migration were Germany (25.6% of respondents willing to work abroad), the US (20.9%), Great Britain (17.5%), Russia (13.2%), and Italy (11.5%) (Zhakevich, 2009: 64). A 2010 sociological survey by the Institute of Sociology of the Academy of Sciences found that balance of migration attractiveness shifted in the favour of Russia (16.4%), followed by Germany (15.0%), the US (12.7%), Italy (7.3%), and Poland (6.5%) (Artiukhin and Pushkevich, 2011: 116) An independent research body is needed to verify these conclusions and find the explanation for a considerable change in preferable destination countries among Belarusians.

There is a shortage of studies that use contemporary economic approaches to forecast the size the labour migration stocks from Belarus. Recent research that used an econometric formula with GDP per capita taken as an explanatory variable (Vashko, 2012: 241-257) suggests that circa 35,000 Belarus citizens would migrate to Poland during next 10 years if Belarus’s and Poland’s GDPs change with the same rate. Comprehensive studies that integrate economic and sociological theories, similar to (Hadler, 2006), are needed in order to forecast labour migration flows from Belarus. Such projections in migration stocks to the main destination countries are, to date, absent.

6. Conclusion.

Lower wages compared to other countries of the region, inadequate social protection provided for the unemployed and poorly functioning labour markets with a limited availability of jobs have encouraged labour migration. This migration is typically directed towards neighboring Russia. The actual figure of Belarus’ labour migrants in Russia assessed to be 100,000-300,000 people, although official statistics captures just a small share of them (3,212 Belarusians were working in Russia with signed contracts or agreements in 2010).

There was no representative migration intentions study in the aftermath of the crisis year of 2011 (previous surveys showed a rather low level of migration intentions). 53% growth in number of asylum applications in European countries in 2011 can be considered an indirect indicator of increased attempts on the part of Belarusians to migrate to Western countries.

Remittance inflow estimates to Belarus vary from 0.5% of GDP (National Bank) to 6.3% of GDP (IFAD). While the former data is incomplete, the latter overestimates the size of remittances as a result of the methodology used. More accurate estimates based on the World Bank methodology provide a more reliable figure of 1.7% of GDP.

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The following recommendations for the competent Belarus's state organs can be deduced:

- Reforming migration accounting approaches in order to give more accurate assessments of external migration, including labour migration.
- Making comprehensive projections of migration stocks to the main destination countries.
- Revising National Programme on the Demographic Security of the Republic of Belarus with alternative estimates of net migration and thorough migration projections taken into account.
- Liberalizing labour market and increasing unemployment support in order to cope with the undesired external migration of certain specialities.
- Improving calculation methodology for the size of remittances transfers employed by the National Bank.
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