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Social Impact of Emigration and Rural-Urban Migration in Central and Eastern Europe

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Contents

1. Socio-Economic and Political Overview	3
2. Main emigration and internal migration trends and patterns	5
2.1 Main emigration trends.....	5
<i>First period: 1988-1995; mass emigration</i>	<i>7</i>
<i>Second period: 1995-2000; decline and stabilization</i>	<i>7</i>
<i>Third period: 2000-2010; less migration outflows</i>	<i>8</i>
2.2 Main internal migration trends	9
2.3 Main characteristics of migrants	11
3. Nation-wide labour market and social development trends under the influence of emigration	13
3.1 Economic and labour market developments.....	13
3.1.1. <i>Emigration and demography: aging population</i>	<i>13</i>
3.1.2 <i>Economic and Labour market developments in context of migration</i>	<i>13</i>
3.1.3. <i>Emigration and remittances.....</i>	<i>15</i>
3.2 Social security.....	16
3.3. Poverty and Social Exclusion	18
4. Labour market and social development trends in net migration loss / gain regions	20
4.1. Identification of net migration loss / gain regions	20
4.2. Labour market development in net migration loss / gain regions	20
4.3. Poverty and social exclusion in net migration loss/gain regions.....	21
5. Impact of migration on vulnerable groups	22
5.1 Women	22
5.2. Children	23
5.3 Elderly.....	23
5.4. Post-conflict Refugees and IDPs.....	24
6. Policy responses	24
6.1. Encouragement of circular migration	25
6.2. Encouragement of return migration and support of integration of returnees	26
6.3. Reintegration of IDPs and refugees (including forced returnees).....	28
6.4. Regional Development Policies.....	28
6.5. Policies targeting vulnerable groups.....	30
6.6 Best practices	30
7. Key challenges and policy suggestions.....	31
7.1. Key challenges of the social impact of emigration and internal migration	31
7.2. Policies to be addressed by different actors (national, regional, local governments, Diaspora, EU, host country institutions)	32
REFERENCES	36
Annex 1: Tables	41
Annex 2: Figures.....	49
Annex 3: The principal agencies that participate in administrative decision-making on international migration issues or are responsible for those issues as part of their mandate:	57

1. Socio-Economic and Political Overview

Armenia is a small landlocked country with Turkey to the west, Georgia to the north, Azerbaijan to the east and Iran to the south. It still has bitter disputes with its neighbour countries Turkey and Azerbaijan.

In 1991 when the Soviet Union collapsed, Armenia regained independence. After that Armenia quickly became drawn into the conflict with Azerbaijan. The war in Nagorno-Karabakh was an armed conflict that took place from 1988-1994, in the small enclave in soviet Azerbaijan, between the majority ethnic Armenians and the Republic of Azerbaijan. Inter-ethnic fighting between the two broke out after the parliament of the Nagorno-Karabakh Autonomy in Azerbaijan, voted on February 1988 to unify the region with Armenia and a referendum was held, whereby the vast majority of the voters of Nagorno-Karabakh voted in favour of independence. The demand to unify with Armenia began in a relatively peaceful manner; however, in the following months it gradually grew into a violent conflict between ethnic Armenians and ethnic Azerbaijanis. International mediation by several groups including Europe's OSCE failed. In the spring of 1993, Armenian forces captured regions outside the enclave itself. By the end of the war in 1994, the Armenians were in full control of most of the enclave and also held and currently control of Azerbaijan's territory outside the enclave. Many Armenians from Azerbaijan and Azeris from Armenia and Nagorno-Karabakh have been displaced as a result of the conflict. A Russian-brokered ceasefire was signed in May 1994 and peace talks, mediated by the OSCE Minsk Group, have been held ever since by Armenia and Azerbaijan.

Nagorno-Karabakh is currently a de facto independent republic in the South Caucasus. As a result of the war, there was a trade blockade in the country imposed by Azerbaijan, while the other neighbouring country – Turkey, had no economic or diplomatic relations with Armenia at all.

Before gaining independence in 1991 Armenia was an industrial country, producing textile, rubber, chemicals and machinery. After the collapse of the Soviet Union, all main plants have stopped working, leaving the urban population with no means to survive. Unemployment and poverty remain widespread. In 1991 GDP per capita was about 580 USD and in 1993 – about 360 current USD¹ (for reference – same indicator for 2008 was over USD 3,500). These economic hardships caused a wave of migration to other countries.

Armenia adopted a “shock therapy” strategy aimed at introducing a series of major economic reforms. These reforms included comprehensive price liberalization, the transfer to the private sector of state owned land, housing and productive enterprises, a reduction in public expenditures, the introduction of some tax reforms and a general shrinkage (and weakening) of the state, the introduction of tight monetary policies to control inflation, and the adoption of free trade policies including very low tariffs, abolition of non-tariff barriers to trade, removal of controls over capital movements, currency convertibility, and a floating exchange rate. However, an effective implementation of macroeconomic adjustment programs became possible only with the pause resulting from the conflict over the Nagorno-Karabakh in 1994, when international financial organizations and donor countries became involved in financial, technical, and humanitarian assistance to Armenia. The economy became market-oriented, open to trade, and technological innovation. However, today it is largely dependent on few sectors that are sensitive to internal and external shocks.

Starting from the mid 1990s, Armenia has been one of the fastest-growing transition countries (see Table 1). Moderate but vigorous economic growth in the initial years of the recovery (5% on average during 1994-2001) and double-digit rates annually on average in 2002-2007 slowed down to 6.9% in 2008 and has shrunk by 14.2% in 2009 due the financial and economic crisis. In 2010 there was indicated a relative recovery, although the GDP modest growth recorded in 2010 (2.1% compared to 2009) was accompanied by a notable increase (8.2%) of consumer prices (NSS of RA, 2011, p. 53). GDP is projected to grow 6.5% in 2011 with downside risks. Even as Armenia benefited from greater openness, those same channels have

¹ See <http://www.indexmundi.com/facts/armenia/gdp-per-capita>, retrieved on 25 July 2011.

Social Impact of Emigration and Rural-Urban Migration in Central and Eastern Europe VT/2010/001

now transmitted the global crisis to its economy. A loss of export demand, a collapse of commodity export prices, and a sharp decline in remittances and private capital flows have occurred. The depth of the crisis has eroded benefits accrued during several years of rapid economic growth and development. The real GDP has been set back in Armenia three years ago (World Bank, 2011, p. 4.) Around 33% of households in Armenia were affected by the crisis. Of the 33% of households that reported income declines in 2009 relative to 2008, 13% reported income declines from lower wages, 14% of households reported a reduction in self-employment income, and 19% reported declines in both internal and external remittances (World Bank, 2011, p. 15).

Although the high rate of economic growth for the population means a general increase of income, improvement of other macroeconomic indicators, and poverty reduction during those years was significant (it decreased from 56.1% in 1999 to 34.6% in 2004 and to 28.7% in 2009²), the transition link between the growth and employment was weak (NSS of RA, 2010). Unemployment remained at a persistently high double-digit level and the employment rate declined considerably between 1991 and 2009 (Karapetyan et al, 2001, p. 25).

Improved economic performance since 2000 and increasing remittances from abroad have translated into better living conditions for the population. However, the reduction in poverty rates has been accompanied by increasing inequalities in terms of employment opportunities; access to education; regional disparities in development; large income differences between urban and rural areas; and a clear polarization of the society. In 2007, the share of people living on minimum subsistence or less was 25% in Armenia (ETF, 2010, p. 7). Moreover, work does not protect many families from poverty, as the working poor constitute two-thirds of the poor. And now, following the crisis, Armenia is expected to witness sharp reductions of one-third to one-half of 2008 remittance levels. These remittances have provided vital income for families and, hence, these reductions could affect household welfare (World Bank, 2011, p. 22). The recent UNDP Armenian national report 2009 on migration stated that 200-300 thousands Armenians will out-migrate from the republic in nearest future (UNDP, 2009, p. 48).

Along with social and economic transition Armenia experienced a continuous decline in population. The negative demographic developments in the 1990s are explained by a decline in the total fertility rate, an increase in mortality rate and population migration, leading to a decrease in population and to a significant change in its composition by age. Thus, the trends described above, combined with these projections, clearly identify that Armenia is faced with an aging population.

The share of working age population (15-64 years) in 2008 was 67.9% in Armenia, and the share of population under 15 years was relatively large -20.5%. The tendency toward growth in the working-age population is expected to continue for a few more years and the country will undergo an ageing process and slight feminization of the labour force (see *the Graph 3.1.1*). In 2050, retired people aged 65+ are expected to total around one-quarter of the population (ETF, 2010, p. 7). Furthermore, the sex-age composition of population in Armenia essentially is affected by migration.

Territorial disparities became a serious obstacle to the socio-economic development of Armenia. Since the beginning of the 2000s regional development disparities have been increasing parallel to the accelerated economic growth, and are mainly reflected in the growth of the economic role and significance of the capital city, Yerevan.

² In 2009 the poverty assessment methodology was revised to reflect the changes in composition of minimum consumption basket since 2004 (see Annex 3.1). However, to enable comparison over several years, NSS provided estimations on selected poverty indicators for 2009 based on the previous methodology as well. According to the new methodology the poverty incidence comprised: extremely poor 3.6%, very poor 20.1% and poor 34.1%.

Social Impact of Emigration and Rural-Urban Migration in Central and Eastern Europe VT/2010/001

However, there has not been any substantial change in urban and rural population ratios. The average proportions for 2005-2009 were 64.0% and 36.0% respectively, highlighting a high degree of stability of the population distribution between urban and rural areas.³

The ethnic composition of population in Armenia can be considered homogenous. According to 2001 Census data 97.9% are Armenians. However, ethnic groups having 1,000 or more people at the country-level are Yezeds (1.27%), Russians (0.46%), Assyrians (0.11%), Ukrainians (0.05%), Kurds (0.05%), Greeks (0.04%), and others (0.15%). Thus, the total weight of national minorities is numerically less than 3% in Armenia.⁴

2. Main emigration and internal migration trends and patterns

2.1 Main emigration trends

Since the 1990s, the external migration balance of the country is negative (emigration exceeds immigration). From the beginning of the transition period, migration was influenced by factors such as the Karabakh conflict, the 1988 Spitak Earthquake, the collapse of the Soviet Union, the transition to a market economy, the crash of the traditional industry and the transport and energy blockade of the country by Turkey and Azerbaijan. Moreover, migration trends in Armenia are facilitated by its large Diaspora. Having a huge Diaspora Armenia always has experienced waves of emigration, but the exodus of recent decades has caused real alarm. It is estimated that Armenia has lost up to a quarter of its original population since independence⁵. The lost was somehow compensated due to the inflow of about 360,000 refugees from Azerbaijan (UNDP, 2009, p. 35). Armenia adopted the dual citizenship in 2007 (Article 13 has been added on 26.02.2007), which allows granting citizenship to members of the Armenian Diaspora. During 2007-2010 about 2000 Armenians from abroad took dual citizenship.

³ Nevertheless, the share of rural population for the period of 1990-2004 has grown slightly – from 31.2% to 35.8%. It was caused by flows from urban to rural settlements in the 1990s due to the socio-economic situation, by internal migration trends due to opportunities for widespread land privatization, as well as by relatively higher birth rates among the rural population.

⁴ Despite the relatively large number of communities of national minorities in Armenia, the number of persons belonging to those communities is small, and this does not enable them to have their own parliamentary representative, even from places of compact residence. Due to this factor, they do not have a representative in the National Assembly of the Republic of Armenia. However, the representatives of national minorities have an equal right to participate in the life of political parties and establish their own political parties. The citizens belonging to national minorities and meeting the legal requirements assume positions in different branches of the executive power. In the places of compact residence, they are also involved in bodies of territorial administration and of local government. In addition, financial assistance to national minorities is allocated from the state budget. Meanwhile, the amount of assistance has been growing proportionate to the socio-economic development of Armenia (United Nations (DESA), 2010)

⁵ According to the estimates of experts, 700,000-1,300,000 people (22-40% of Armenia's 2008 nominal population) left Armenia and settled abroad during 1990-2005 alone (UNDP, 2009, page 19).

Box 1: Migration Statistics of the Republic of Armenia

The current migration statistics are based on the procedure of the administrative system of registration/recording. A key element in the periodically updated registration process of the *de jure* population after the census of 2001, does not allow for the receipt of statistical data about the actual levels of migration flows for both objective and subjective reasons, since not all the migrants tend to carry out their departure(s) and arrival(s) through the administrative registration (recording) procedures, thus remaining outside of the statistical framework.

An alternative for the above-mentioned administrative information source is the households' survey that enables to derive information on destination country and reasons for departing of the household members at the age 15 and over who are in migration.

The NSS of RA in cooperation with UNFPA in 2007 conducted a sample survey on external and internal migration, which was aimed at the assessment of the changes that took place in the foreign and domestic migration tendencies due to social and economic reforms within the country during the period of 2002-2007 (the period that preceded the survey), with consideration of the fact that according to the results of the census launched in Armenia on October 10, 2001, the levels of migration during the previous decade were evaluated. Based on the results of the survey, the "Report on Sample Survey of External and Internal Migration in RA" was prepared (<http://www.armstat.am/en/?nid=82&year=2008>), which includes the volumetric and quantitative characteristics of individual population groups involved in migration processes during the period of the survey, their social and demographic and economic description, as well as the data about their future migration plans. The survey disclosed some of the factors that had stipulated the migration to a foreign country by those household members that have returned from foreign countries.

(Source: Karapetyan et al, 2011, p. 56)

According to different expert estimations, the number of Armenians in the World including the Diaspora based ones is about 8-9 million (IOM, 2008, p. 23; IOM, 2002, p. 51; Sanoyan, Epstein, 2010, p. 66; Armenian Diaspora). According to 2001 Armenian census data 3,200,000 people lived in the country (Statistics, Analysis and State Register Committee of RA, 2002, p. 79). Currently, the countries with the largest number of Armenians in rank of order are Russia, United States, Georgia, France, Ukraine, Iran, Lebanon, Syria, Argentina and Canada. The existence of a large Armenian Diaspora is the pull factor for out-migration from the country. In some cases the migration flows of Armenians are directed to the countries where there are big groups of historical Armenian Diaspora representatives.

Labour excess is also considered as an important push factor.⁶ Even during the Soviet years Armenia could not absorb its labour resources and there was substantial seasonal migration since then (Khojabekyan, 2001, pp. 209-212). Today Armenians emigrate mostly to Russia and to other countries of the former Soviet where they already have long business contacts and relationship with the local Armenians. Among the countries of the Commonwealth of Independent States (CIS) Armenia has the highest share of workers abroad (Savvidis, 2009, p. 150).

The migration flows occurred in Armenia during 1988-2011 could be phased in the following 3 periods.

⁶ Khojabekyan notes that in 1986-1990 in Armenia the working-age population amounted to one million on average. In 1996-2005 it was estimated at 1 million 350 thousand people (Khojabekyan, 2001, p. 305). In other words the quantity of the persons who needed a job placement and who were in working age increased.

Social Impact of Emigration and Rural-Urban Migration in Central and Eastern Europe VT/2010/001

First period: 1988-1995; mass emigration

The collapse of the Soviet Union, coupled with political instability, the inter-ethnic conflicts and social tensions led to an increase of external migration. The migration exchanges with the Armenia's neighbour countries, mainly the Russian Federation, increased. This period was marked by an exceptional level of external migration. During 1988-1995 almost 800-900 thousand people (about 25% of the total population) migrated from Armenia (IOM, 2002, p. 51). Data on the total population for 1990-1995 given in Table 1.1 reflect official statistics, based on an annual extrapolation of census results of 1989, with no account of migration. As it can be seen from the same table, the 2001 census has made substantial amendments to the official statistics and considerably reduced the figure.

This phase, a direct and indirect consequence of an extraordinary economic and social situation, can be named as the period of mass emigration, characterised by a substantial reduction of workplaces, a serious economic contraction and worsening living conditions. Armenia became an exporter country of labour and skilled workers. The outflow of a part of the economically active population on a large scale essentially changed the demographic structure of the Armenian society: the absolute and relative size of the reproductive group diminished considerably, as men emigrated over proportionally. The birth rate was more than halved, an even larger decline in the number of marriages occurred and the mortality rate increased (UNFPA, 1996). Along with the ethnic Armenians the representatives of other national minorities left the country too. As the result of the Nagorno Karabakh conflict Armenia lost its predominantly agricultural population of about 200,000 ethnic Azerbaijanis and Kurds. In the early 1990s the Russians, Greeks, Ukrainians, Georgians, Jews, etc, emigrated from Armenia as a rule in entire families.

The direct consequence of the disastrous Spitak earthquake in 1989 resulted in an evacuation of about 200,000 persons to other republics of the former Soviet Union (mostly women and children). The majority (about 160,000 persons) were state-organized evacuated, while the rest left by their own (UNDP, 2009, p. 27). Later, during 1989-1990, about 150,000 persons of those that had been evacuated returned to Armenia; factually some of those did not return.

Second period: 1995-2000; decline and stabilization

The second period was characterised by a considerable decline in emigration relative to the previous period. During this period, about 600,000 persons emigrated, but about 350,000 immigrated. The net migration balance was about 250,000 or 7.8% of the country's population (NSS of RA, 2000). Main destination countries were Russia, Ukraine, USA and Europe. This turnaround is to be explained by a stabilization of the socio-economic situation in Armenia and the end of the armed conflict with Azerbaijan due to the Russian-brokered ceasefire in 1994.

Long-term external labour migration; lasting a year and more became the most prevalent emigration in this period. Migrants who were able to find employment with an adequate earning were ready to postpone their return for an indefinite time. Though Russia remained the most popular destination country for labour migrants, no special changes were made in the migration policies of both countries.

In addition to labour migration, there were also asylum applications from Armenians brought forward in Western countries. According to UNHCR data the number of asylum seekers from Armenia was the second highest among CIS countries after the Russian Federation.⁷ However, only a very limited number of asylum seekers from Armenia were accepted.⁸

⁷ The number of the asylum seekers in 1999 was 9,399 citizens of the RA, in 2000 – 8,587, in 2001 – 8,610, in 2002 it was 7,977.

⁸ According to data provided by the German Embassy only one family from the applied 1,239 Armenian citizens was granted asylum, while the applications of the rest obtained rejection. Probably the same situation can be found in Belgium, the Netherlands, Denmark and other West European countries (DMR, 2011).

Social Impact of Emigration and Rural-Urban Migration in Central and Eastern Europe VT/2010/001

Third period: 2000-2010; less migration outflows

While during the previous periods the negative migration balance was around 50,000 annually, starting from 2000 this number decreased. The preliminary data of the 2011 census released by NSS of RA in February 2012 shows that the number of de-facto population decreased from 3,002,598 in 2001 to 2,871,509 in 2011 or by 4.4%⁹ (<http://www.armstat.am/file/doc/99469163.pdf>). Taking into account the fact that the natural growth of population during the period between the first and the second census was 134,147 persons, one could assume that the migration outflow during the period was about 265,236 or 9% of population.

The number of seasonal migrants which periodically left for a while for earnings and returned was increasing. In addition to construction, labour migrants to varying degrees became engaged in trade, services, production, and agriculture (Minasyan et al., 2008). The nature of employment became much more precarious. In contrast to the pre-transition period, when work was performed mostly on the basis of a contract, the relationship with employers began to be “regulated” mostly by oral agreements. As a result, payment delays and partial or full non-payment became widespread (UNDP, 2009).

The data based on a representative recent survey conducted by the Caucasus Research Resource Centres among 2000 Armenian households indicate a strong correlation between earnings and migration intentions: 70% of respondents in 2010 expressed their disagreement with the statement that they are fairly compensated, and 64% reported that they are interested in temporary migration (see the Figures 3.5; 3.6a, 3.6b and 3.6c). Temporary migration intentions were stronger among youth (77% vs. 64% in average)¹⁰. Interestingly, migration intentions went up during the recent 2-3 years most probably due to economic drawback. To see the trend one should compare the data above with the ones reported based on the NSS/UNFPA survey, according to which 83.1% of the respondents interviewed in 2007 mentioned that they had “no intention” or “little intention” to ever, permanently or for a long-term period (three or more months) leave their given residence, and 5.3% have mentioned that they were “definitely determined” or “probably would” leave the given residence some time, permanently or for a long-term period (three or more months) (UNFPA, 2008, p. 6).

Reasons for return according to a survey carried out by UNFPA covering the period 2002-2007 (UNFPA, 2008, p. 35) vary. For example the reason of return back from Moscow for 19.5% was the end of a work contract or the end of studies at the universities. The reason of return for 7% was the visa expiry and for 3.5% - the deportation by the authorities. The majority of respondents have returned because of personal reasons (63%) (Poghosyan, 2009a, pp. 61-80).

Reasons for return for migrants from far abroad included the “Absence of jobs” (38.3%); followed by the “Impossibility of sufficient earnings to ensure adequate living standards” (23.2%) and “Family circumstances” (19.7%). This means that for 61.5% of the household members included in this particular group the problem of earning sufficient resources was of primary importance (UNFPA, 2008, p. 33).

More than 42.2% of the migrants that returned from foreign countries mentioned that they have been able to accumulate “some” or “significant” savings. Around 65.8% of the financial support has been remitted through the banking system, 27.9% has been sent off through friends and relatives, and 6.3% has been transferred through other avenues (UNFPA, 2008, p. 43).

In 2005 the Danish Refugee Council has initiated a survey aiming to reveal the reintegration process into the Armenian society of migrants’ families returning from various European countries.¹¹ The survey was conducted among 200 families of migrants, who had returned from EU countries, and for comparison purposes a similar survey with 100 families of migrants, who returned from Middle Asia, in particular from Turkmenistan was carried out. First of all, the

⁹ The data on encountered population during the Census 2011 was 5% less than that of for the Census 2001 (3285767 vs. 3458303; see (<http://www.armstat.am/file/doc/99469163.pdf>).

¹⁰ The CRRC datasets are online available.

¹¹ Germany, Denmark, Belgium, Holland, Switzerland, France, Sweden, etc. In the 90s of the 20th century many of Armenians, who have left as illegal migrants or asylum seekers, after some time, when the economic situation in Armenia started to improve, were dislocated and even deported back by the migration authorities of a number of European countries.

Social Impact of Emigration and Rural-Urban Migration in Central and Eastern Europe VT/2010/001

return means for them the worsening of their social-economic situation. In social-economic aspect, their conditions abroad were better, than after their return to Armenia. For many returnees' families it meant a loss of a properly paid job, and also the loss of dwellings (apartments, houses). Returnees from EU countries found themselves in a more favourable situation than returnees from Turkmenistan. The returnees from EU came back with some capital saved abroad which helped them to settle in their homeland, to buy a new apartment or to repair the old one. Furthermore, they obtained new professional knowledge and attainments, as well as new skills to live, which they could use after their return. In opposite, the returnees from Turkmenistan could not benefit from assets saved or improved skills. Nearly a quarter of respondents were of the opinion that they didn't manage to be integrated for various reasons. The main reasons are financial, the language and social problems. According to survey results nearly a quarter of respondents (20-25%) were ready to emigrate again.

2.2 Main internal migration trends

The Republic of Armenia is divided into 10 regions (marz) and the capital city of Yerevan. (See attached map of Armenia in Annex).

Recent migration processes in Armenia are also characterised by substantial internal migration.¹² According to the 2009 Integrated Living Conditions Survey (ILCS 2009), 33.8% of all migrants were internal and have left to Yerevan and in other regions of the country, whereas 53.6% were international and left to the Russian Federation, 2.2% to other CIS countries, 2.9% to European countries and 7.5% to other countries (NSS of RA, 2010, p. 23). (see Table 2.1).

The same survey shows that among households with migrant members that have migrated since January 1, 2007 and returned home as of 2009, 55.1% returned from Yerevan or other regions of the country, and the remaining returnees (44.9%) were from CIS countries (37.6%), Europe (1.6%) and other countries (5.7%).

For decades the population of Armenia in urban area increased.¹³ In other words for decades in Soviet Armenia, there was a steady exodus from the countryside into the city, mainly to the capital, Yerevan city, where by the end of the last century lived more than a third (34.0%) of the total population.. According to census data of 2001, the population of Yerevan counted 1,103,488 inhabitants, 325,681 of whom (or 29.5%) were people not born in the capital and moved there from other regions of the country and from abroad. The number of those who moved to the capital from rural areas was 198,397 or 18% of the population of the capital. However, since the early 90s the balance of urban and rural population has changed a bit. The part of urban population stopped growing and even decreased somewhat from 64.9% in 2000 to 64.0% in 2010. At the same time slightly, but nevertheless, the share of rural population of Armenia increased from 35.1% in 2000 to 36% in 2010¹⁴.

From 1999 to 2010 the rural population of the republic decreased by 7% and the urban one-by 17%. Urban figures are substantially biased by the development in Yerevan. Comparison of data on urban and rural population except Yerevan shows that the urban areas during the same period have lost 25% of their population. In some areas, such as the Lori region, the population over this period (1999-2010) decreased by 28% (data calculated by authors based on 2001 census and the official statistics). In particular, the urban population in the same region of Lori decreased from 265,600 in 1999 to 165,100 in 2010, or by about 37%. At that time, the population of the capital city Yerevan decreased by only 10% over the same period. This demonstrates once again that there is an intensive out-migration from small and medium-sized cities of the country.¹⁵

¹² There are no regular statistics on internal migration in Armenia and only a few surveys provide information about internal migration stock and flow.

¹³ Information on individuals forced to change their residence since 1988 due to the earthquake, or due to the conflict in Nagorno-Karabakh, or due to forced expulsion from other countries, was not included in the 2001 census.

¹⁴ Authors calculations based on data from The Demographic Handbook of Armenia-2011, NSS of Armenia, page 40-41 (http://armstat.am/file/article/demos_11_3.pdf, retrieved on February 15th, 2012).

¹⁵ More details are possible via comparison of data from the "Social-economic situation of RA, January-December 1999" published by NSS of Armenia (<http://armstat.am/en/?nid=81&id=76>) and The Demographic Handbook of Armenia-2011, NSS of Armenia (<http://armstat.am/en/?nid=81&id=1307>).

Social Impact of Emigration and Rural-Urban Migration in Central and Eastern Europe VT/2010/001

The reason for a halt of the urbanization process was the privatization of land processes after independence in 1991 which enabled the rural population to become the owner of the land holdings. Even some residents of small towns returned back to live in the village in order to receive ownership of land. In addition, the collapse of the Soviet Union, the economic crisis and the loss of former markets led to a sharp loss of jobs in the industrial enterprises of the cities. A huge number of factories simply shut down or went bankrupt. The industry of Armenia entered a period of protracted crisis and stagnation. As a result, workers and engineers, mostly city residents began to look for work outside of the country.

However, currently, out-migration from rural to urban areas (mainly to Yerevan) continues. Some rural communities of Armenia already experience a very strong depopulation. However, the rural population that has moved to the cities continues to migrate and goes to work outside the country. Along with this, direct migration of the rural population from Armenia to Russia and other CIS countries increased. Thus, internal migration flows are closely interlinked with the flow of external migration.

A special countrywide sample survey on external and internal migration in Armenia conducted among 2500 households in June-November 2007 by the National Statistical Service and the Ministry of Labour and Social Issues of RA, with the support of UNFPA, showed that just 3.2% of the surveyed household members have been involved in the internal migration (UNFPA, 2007, p. 9). 61% of the internal migrants have defined their change of settlement as “permanent residence”, and 39.0% for “temporary residence”. A significant portion of internal migrants was resettled from the regions of Shirak (20.5%), Tavoush (16.7%), and Gegharkunik (12.8%). 50 % of internal migrants have moved because of work; 31.2% because of education; and 18.8% for other reasons. The capital city of Yerevan has accommodated the migrants mainly from the regions of Vayots Dzor, Lori, Tavoush and Syunik (UNFPA, 2008).

62.3% of the internal migrants were men and 37.7% were women. The prevailing majority of internal migrants, namely 73.1% were people aged from 15 to 49. Their average age category was 26 (UNFPA, 2008).

While in rural areas people were able to survive by agricultural activities, urban unemployed did not have any options for jobs within the country and had to migrate abroad. Before 2007 most of migrants looking for jobs abroad were from urban areas, while the trend reverses in 2009 (ILO, 2010). By 2009 permanent migrants were gone and urban population had some job opportunities (mainly in the capital), so migrants from rural areas have had higher share in the total number of migrants (see Figure 4.1).

Among the internal migrants there is a big portion of those who could be identified as internally displaced persons (IDP) in Armenia. The Head of the Migration Agency of the Ministry of Territorial Administration of the Republic of Armenia indicates three groups of internal migrants in Armenia during 1988-2008: first, about 100,000 people who were displaced by the 1988 earthquake; second, some 70,000 people who were displaced during the conflict of the bordering zone of Armenia and Azerbaijan in 1992-1994, and third, another 20,000 people displaced by more recent natural disasters. Some refugees from Azerbaijan first settled in the border areas of Armenia, and only later became internally displaced (Parliamentary Assembly, 2009b).

The figures available on the number of IDPs who have returned are scarce and sometimes contradicting (IDMC, NRC, 2010, p. 7).

The five Armenian provinces bordering Azerbaijan (Tavush, Gegharkunik, Ararat, Vayots Dzor, and Syunik) were targeted for the IDP's survey, conducted in 2004 by the Norwegian Refugee Council and State Department for Migration and Refugees of RA (NRC, 2004).¹⁶ According to the survey results, many of the 186 villages along the border with Azerbaijan were totally evacuated during the 1991-1994 conflict period - many of them more than once. The vast majority of those displaced returned shortly after evacuation orders were lifted. A significant number of people also left their villages after the ceasefire in 1994. It was difficult to determine

¹⁶ A total of 186 villages and towns in 165 communities were selected for the survey from the list of bordering communities that suffered damage during the conflict. A total of 65,647 households lived within the targeted communities.

Social Impact of Emigration and Rural-Urban Migration in Central and Eastern Europe VT/2010/001

whether post-war departure is due to residual effects of the conflict or to economic circumstances, as these motives are not mutually exclusive (NRC, 2004, p. 8; see Figure 2.1 in Annex).

In 2006, the Norwegian Refugee Council reported that more than half had returned (NRC, 2006). However, in 2009 the US State Department reported that most of the original IDPs had returned or settled elsewhere, but that about 43,000 could not return due to socio-economic constraints, fear of landmines or because their villages were surrounded by Azerbaijani territory. In fact the 100,000 IDPs displaced by the 1988 earthquake had mostly returned to their original places. Some of those 70,000 IDPs displaced from the borderline zone with Azerbaijan as well as a big portion of IDPs displaced by the natural disasters returned, too (U.S. Department of State, 2009).

Housing conditions play a significant role in whether an IDP wishes to return. In Yerevan IDPs are the most likely to indicate a desire to return - the number of those disposed to return is nearly 2.5 times higher than those, who have chosen to stay. This is due to the low level of integration of IDPs in the capital city (NRC, 2004, p. 12).

As mentioned in "IDPs Europe Regional Report" no new information was available in 2010 on the number of IDPs in Armenia. Recent data on IDPs who have been integrated in the place of displacement or settled elsewhere does not exist. The IDMC assesses that there have not been major barriers to integration, but also not been any programmes in place to facilitate it (IDMC, NRC, 2009).

2.3 Main characteristics of migrants

The overwhelming majority of the migrants (90.8%)¹⁷ were 20-54 years old when leaving to work abroad, and the proportion of male migrants stood at 89.1%. Every fifth Armenian man between the ages of 20-54 worked abroad (ILO, 2010). In the first period (1988-1995, see above) men were leaving alone, later on they began to leave with their families. A survey on returning migrants suggested that returnees were relatively older than migrants who stayed abroad (41 and 35 years old on average) (Minasyan et al., 2008, p. 22).

According to survey results covering the period 2005-2007 more than half of the migrants had a professional education (ISCED level 4-5) (ILO 2009, p. 8). Other findings confirm that highly skilled labour (persons with tertiary education in particular) show lower migration activity due to better access of skilled labour to the labour market (Minasyan et al., 2008, p. 23).

The ILO 2010 report made a survey data driven conclusion that the proportion of skilled labour migrants among migrants has actually been decreasing at least in 2008-2009 compared to 2007 (ILO, 2010, p. 33). The survey conducted in 2008-2009 among 5000 households from all-over Armenia suggested that almost 60% of the labour migrants had secondary education (vs. 47% for general population), while the share of skilled migrants, i.e. those with vocational or tertiary education, comprised 34.4% (vs. 40.4% for general population, see the Figure 3.9).

It seems that women are mostly emigrating to the EU and USA and men to Russia. The proportion of females who have worked in the EU and the USA is much higher than that of males (3.4 times higher in case of the EU and 4.3 times higher in case of the USA). Additionally, the mean age of those that work in the EU and the USA (44.8 years old) is higher than of those who migrated to the CIS countries (38.5 years old) (ILO, 2010). Correspondently a survey conducted in the framework of ArGeMi project shows the prevalence of male among migrants returning from Moscow (Poghosyan, 2009a, pp. 61-80). This might be explained by the fact that the number of men leaving for Russia and particularly to Moscow in search of work is higher than that of women, as the main occupations of migrants in Russia is in construction, cleaning of big buildings, petrol stations, repair and adjustment of different equipment, and also in distribution network, or drivers and delivery man.

The share of persons with non-public employment, the unemployed, and people with an average degree of prosperity among emigrants is disproportionately high. The majority of those (over 60%) that remained abroad were members of families that continued to live in Armenia

¹⁷ Figures are related to the period 2007-2009.

**Social Impact of Emigration and Rural-Urban Migration in Central and Eastern Europe
VT/2010/001**

which, over time, would either return or take their families abroad (Poghosyan, 2009a, pp. 61-80).

Migrants getting permanently settled abroad and taking their families to the destination countries are first of all elite migrants. To reveal the pattern of elite migration, a pilot survey was conducted in 2008 by the CRRC among about 400 alumni of the selected elite schools (Math, English and Russian biased): it showed that 22% of this cohort are migrants (the majority was in Russia - 50% and in the US - 30%). This percentage was particularly high in the so-called *physmath* and Russian language schools where round one in three have migrated. Interestingly, the majority of the elite migrants reside abroad legally, are quite well integrated in the society, have many native born friends, the majority speaks the state/working language of the country, is quite happy with their situation in the country of residence and their employment. Correspondingly the likelihood of their return it is much less (just 33% before retirement, see the Figure 3.8).

Hence, one should conclude that human capital in Armenia undergoes significant inflation because of migration outflows, especially of skilled professionals and workers ("brain drain"). The above example shows that gains on individual level often affect the societal level negatively.

Concerning the internally displaced persons (IDPs) 53% of IDPs were females, while 47% were males. Women tend to dominate all age groups, except the youngest (under 18). Females were especially dominant in the 18-30 age group (over 58%), confirming that many men of working age have emigrated from the country (See Figure 2.1 in Annex 2). The gender distribution among IDPs does not differ significantly from that of the population of Armenia in general (NRC, 2004, pp.10-11).

Those planning to migrate are 37.6% women and 62.4% of men. The average age of potential migrants of both genders in Armenia is 42 years old. The vast majority of men and women planning to leave for Russia within the next twelve months are motivated by the presence of their relatives there (especially women respondents) and prospects of economic stability. The majority complain that their income at home is not sufficient to support their families, while inability to find a job consistent with their professional qualifications prevails among respondents of the age group 18-35 years old. The latter are mainly young individuals with higher education. In addition, better educational prospects attract respondents between 26-30 years old, as well as older respondents (26-55 years old) who are concerned about the education of their children. Respondents in Armenia mainly blame the upper level authorities (64.2%) for the fact that the citizens of their country are forced to go abroad to work. A small portion of men (7.9%) and women (6.3%) expressed the desire to travel abroad in order to receive an education. Those between the ages of 18-35 years old are the most active for education migration (Krylova-Mueller, 2009, p. 12, 19).

3. Nation-wide labour market and social development trends under the influence of emigration

3.1 Economic and labour market developments

3.1.1. Emigration and demography: aging population

Armenia experienced a substantial decline in the population in the 1990ies, mainly due to migration, natural growth decline and an increase in mortality. In the early 1990ies the population decreased by more than 7%, mainly to migration (Karapetyan S. et. al, 2011, p. 47)

Large-scale emigration for small countries, such as Armenia, implies a number of negative consequences – birth rate decrease, gender imbalance, etc. Armenia is an ageing society with a deterioration of fertility rates from about 2.6 per women in reproductive age in 1990 to about 1.6 in 2009, far below the replacement rate (see Figure 3.2). Apart from other reasons for decreasing fertility rates in many cases young families avoid getting children because of their migration intentions.

The current demographic profile of the population in Armenia is undergoing dramatic changes also because of the trend of temporary labour migrants' getting settled in destination countries. The sex-age composition of the population of Armenia in 2010 illustrates a gap in the population in the most productive age group (see Figure 3.1).¹⁸

3.1.2 Economic and Labour market developments in context of migration

Economic hardships and imbalances in the labour market caused and continue causing temporary emigration outflows and the number of those who return.¹⁹

Along with the economic development ups and downs during the last two decades employment also went through essential structural changes: the share of employed in industry decreased from 27.4% in 1991 to 10.6% in 2009. In construction the indicator comprised 10.6% and 4.6% respectively, the ratio of employed in the service sector has been relatively stable (38.7% in 1991 and 39.2% in 2009), while the share of employed in agriculture remained steadily high – about 45% (see the Table 3.1.1). It is worth recalling that the share of agriculture in 2009 GDP was just about 17%, i.e. the productivity level here is about three times lower than the average for the entire economy. Respectively the earnings are much lower, and one should expect much higher rates of migration outflows from the rural areas.

According to the data of a Labour Force Survey (LFS) in 2009, 22.1% of the employed were engaged in temporary, seasonal, occasional, or one-off activities (24.4% in 2008, of which 41.0% were self-employed) (NSS of RA, 2010, p. 116). This means that a large share of the population is essentially unprotected against economic risks. The pool of unemployed is relatively young. According to LFS data 2009 the share of youth (aged 16-24) in the total number of unemployed comprised 28.3% (vs. 17% in total population). Thus, we should expect large migration intentions especially among youth, especially while taking into account the

¹⁸ The literature on the influence of migration on fertility in origin areas is scarce, too; research by Sevoyan and Agadjanian on “Male Labour Migration and Fertility of Women Left Behind in Rural Armenia” suggests that migration in Rural Armenia is associated with lower birth rates. However, the paper also concludes that the negative effect is mostly attributable not to spousal separation, but rather to higher average age and mean number of children of women with migrant husbands, compared to those married to non-migrants. The authors assume cautiously that “in rural settings in Armenia, couples with more children, and probably already completed fertility, turn to seasonal migration as a way to struggle with economic hardships related to larger family needs, compared to those with fewer children” (Sevoyan, Agadjanian, 2009, p. 13). So, migration is considered as coping strategy to deal with economic hardships driven by higher fertility.

¹⁹ When asked whether “migrants will return and permanently settle in Armenia”, 34% of the households surveyed in Armenia by the ILO in 2008 responded that their migrants will never return for permanent residence, 13% thought they would return after some years, 33% believed they would return if certain conditions were fulfilled, and the remaining 20% did not know whether or not their migrants would return to and settle permanently in Armenia. Among the households that expected their migrant(s) to return to and settle permanently in Armenia, 63% stated 0.5-3 years as the likely time of the return. Of the households that expected their migrant or migrants to return subject to certain conditions, the specific “conditions” most frequently cited were economic ones - 64% linked the return to the ability to find well-paying employment, and 8% mentioned that their migrant(s) would return “if the situation in Armenia improved” by which they understood mainly economic factors, including a more favourable business climate and the like” (UNDP, 2009, p. 124).

Social Impact of Emigration and Rural-Urban Migration in Central and Eastern Europe VT/2010/001

mismatch between the composition of unemployed by specialties and the composition of demanded jobs in the labour market.²⁰

The migration flows in Armenia had a major impact on the dynamics and structure of the population and labour force especially in the 1990s. Internal and external labour migration has affected labour supply in the country and in certain regions in two important ways. First, it arises as a response to the lack of employment (or employment acceptable to the migrating individual); and second, it relieves the pressure on the local labour market for those who do not migrate, thus helping to achieve equilibrium in the local labour market (although those departing may be more likely to possess marketable skills and be more productive workers). Labour migration to Russia and other countries in search of work, and remittances to support families at home, played an important role in mitigating unemployment and providing household income. The majority of the emigrants was employed before leaving the country, but the main motivation of emigrants are linked to employment problems (ILO 2009b, 3). According to a study by Gevorkyan et al. (2006, p. 17) approximately one half (50.7%) of labour migrants were economically active before their emigration. 64.6% out of them were permanently employed, the remaining share occasionally employed. Other figures confirm that around 25% of departing short-term trip passengers have been unemployed.

In contrast to a number of other sending countries, there seems to be no shortage of health professionals in Armenia. In 2008, a large share of unemployed health professionals of more than 30% was reported. The migration rate among medical professions is the lowest among all professional groups (ILO 2009 b, 19, 26). Labour shortages in Armenia are mainly identified in the IT sector (programmers), further shortages concern banking clerks and customer service specialists, as well as construction specialists of various qualifications (welders, layers/builders, and concrete makers) (ILO, 2009b, p 19). According to a company survey, most companies had cases when their employees migrated from Armenia to work abroad, in particular in the IT and construction sectors. The majority of the surveyed companies assessed the impact of labour emigration on their business as negative (see Figure 3.3), although it is acknowledged that working conditions and remuneration in Armenia are not competitive in international comparison. (ILO, 2009b, p 20).²¹ The company survey also reveals that return of the skilled labour is expected to have a positive effect on economic development.

Two thirds of the returnees assess their migration experience as rather useful or very useful in terms of acquiring or enhancing knowledge and skills. More than half of them found it useful in terms of enhancing language skills, each third returnee stated he or she improved job-related knowledge and skills, while the others benefited from the migration experience in terms of know-how in modern technologies and soft-skills. A positive correlation of migration experience with competitiveness of the returnees is also confirmed by comparisons between employment status and incomes before emigration and after return. The share of employed among those with migration experience has risen from 46% to 53%, and the average monthly incomes have doubled” (ILO, 2009b, p. 16).

A further ILO survey (ILO 2010) actually found that the proportion of skilled labour among migrants has been decreasing (see Figure 3.4). The level of education of migrants who went to work abroad in 2008 and 2009 was considerably lower than of those who departed in 2007 or earlier. The authors brought two parallel explanations of the phenomenon: (1) they argued that the decision to engage in labour migration could have negatively affected the migrants’ possibilities for attaining higher levels of education, and that the steady increase of the labour migration rates could in the long run result in a decreased level of education of the *de jure* population of Armenia and (2) they also argued that this probable negative effect may be mitigated by the fact that some of the migrants’ income is used in Armenia for education purposes.

²⁰ A survey among students –suggests that medical and pedagogical studies are still very popular, although these professions have the highest unemployment rates, and the choice was mainly based on the interest of young but to maller extent the lack of alternative options or financial means also played a role in selection of a specialty” (Kuddo, 2009, p. 43).

²¹ This also applies to a comparison with the Russian Federation. According to the NSS data the country average wage in 2008 in Armenia was equal to 87,406 drams or about 150 Euro (NSS of RA, 2010a, p 68)²¹, while in Russian Federation it was 17290,1 Russian roubles or about 500 EURO.

3.1.3. *Emigration and remittances*

Remittances from abroad play an important social and economic role in Armenia. As stated above, long- or short-term labour migration outflows from Armenia is mostly directed to Russia and other CIS countries. However, Armenian households do receive remittances also through family networks of Armenian Diaspora. Remittances from abroad to Armenia are an important source for high economic growth and poverty reduction recorded in the country during the last years. Remittances have a direct effect on the recipient households' well-being as well as strong secondary multiplier effects for those, who do not receive remittances directly (Mansoor, Quillin, 2007, p. 84)²². Thus, remittances have direct effect not only on the incomes, expenditures and usage of social services by households, but also on business expansion, investment and, eventually, on the foreign exchange market.

Armenia is ranked as one of the first countries in terms of ratio of remittances to GDP: according to the data excavated from the World development indicators (WDI) database during the period 1995-2010 the remittances account for about 5-12% of GDP (Figure 3.7). The average ratio for 1995-2003 was notably lower than during 2004-2010 (5.4% and 9.8%, respectively). The data show clearly that the amount of remittances went down immediately after the Asian crisis (from 136 million USD in 1997 to 92 and 95 million USD in 1998 and 1999). Starting from February 2008 the world economic crisis affected the migrants' behaviour and the Armenian migration in the whole. In 2009-2010 the Government of Russia reduced the labour quotes for the migrants from CIS countries. As a result of this many Armenians remained unemployed there and they would have to return. The economic crisis in Russia topped out just in winter 2009 when the Armenian migrants, as a rule, come back to spend New Year holidays with their families. So, a big part of migrants faced the crisis at home in Armenia. As a result the indirect influence of the global crisis on Armenian economy happened by means of remittance reduction from abroad from one hand and by means of growth of the unemployment level in the republic from the other hand. Again, according to WDI the amount of remittances in 2009 went down to 769 from 1,062 million USD in 2008.

Remittances are received through a number of formal and informal ways; therefore, it is an extremely difficult task to keep accurate record of remittances in all countries. According to the CBA assessment, remittances constituted 965 million USD in 2005, whilst according to the Balance of Payments (BOP) statistics in the same year they were 777 million USD and grew to reach 1.360 million USD in 2006. This includes labour income and remuneration, as well as current and capital private transfers from abroad. During the last years, the methodology²³ of estimating the remittances in Armenia was modified and adjusted; therefore, the data with much earlier data is not compatible. Overall amount of remittances estimated based on the national balance of payments according to the IMF methodology and relevant figures are available on the websites of some international organizations. In the case of Armenia, the inflow of formal remittances – all three components taken together – shows a very rapid increase in 2004 – 2007/2008, and a notable decline in 2009, during the peak of economic crisis (see Table 3.1.5).

As far as the remittances in the BOP are defined in terms of current private transfers, including all the private transfers from the *Diaspora*²⁴, the amounts of remittances and their ratio to GDP are much higher than the ones using WDI. As it is evident from the Table 3.1.5 based on BOP data, the ratio of remittances to GDP during the years 2004-2009 comprised about 16% (vs. 9% according to WDI). Once the Diaspora transfers are added, there is an impression that

²² Mansoor Ali and Quillin Bryce (editors, 2007) *Migration and Remittances: Eastern Europe and the Former Soviet Union*. The International Bank for Reconstruction and Development/The World Bank Overview of Migration Trends in Europe and Central Asia, 1990–2004.

²³ Overall methodology on recording remittances in literature is not unified; certain disagreements exist. The statistical basis for external sector transactions is the International Monetary Fund's (IMF's) *Balance of Payments (BOP) manual* (5th edition, 1993). However, remittances in this manual are defined only in terms of current private transfers. G8 heads of state, meeting at Sea Island in 2004, emphasized the importance of the accurate measurement of remittance flows. Steps are being taken to improve the methodology through joint efforts of the Development Data Group of the World Bank, Statistics Department of IMF, and the Statistics Division of the United Nations.

²⁴ Armenian Diaspora counts about 7 million Armenians who have migrated long time ago (starting from early 20th century), reside permanently and accepted citizenship of other countries.

Social Impact of Emigration and Rural-Urban Migration in Central and Eastern Europe VT/2010/001

remittances contribute essentially to the economic Development. Meanwhile these transfers actually are Foreign Direct Investments (FDI) of which the inflow since the 1990s was essentially attached to privatization and establishing of green-field businesses. According to the paper “The Role of Diaspora in Generating Foreign Direct Investments in Armenia” (Economy and Values Consulting, 2004) about 69% of direct investors in the Armenian economy during 1998-2004 were persons with ties to the Diaspora (about 84% in 2004 when privatization was intensively implemented).

3.2 Social security

While Armenia continues to feel the effects of increased labour migration, migration of Armenian citizens and their work abroad remains mostly irregular and initiated by themselves, with weak assistance from the Government and coordination of social insurance systems with the governments of at least the main destination countries. In order to respect the rights and to offer social guarantees for Armenian migrants signing of social insurance bilateral and/or multilateral agreements with the main destination countries was needed and is underway slowly.

Armenia has signed several important international treaties on labour migration, such as a number of International Labour Organization Conventions (the Migration for Employment Convention of 1949 and the Migrant Workers (Supplementary Provisions) Convention of 1975),²⁵ but it still has not signed a few other important international treaties on labour migration. Armenia is a party to major international human rights conventions and should ensure the protection of human rights for those on its territory, including labour migrants. Armenia is also a party to several regional or bilateral agreements: the CIS Agreement on Cooperation on Labour Migration (1994) and the CIS Agreement on the Social Protection of Migrant Workers. The latter instrument, however, relies heavily on further bilateral support of its principal agreements.

Armenia maintains a number of bilateral agreements on labour migration with CIS partners such as Ukraine and Belarus, Russian Federation, as well as Georgia. Agreement between the Governments of the Republic of Armenia and the Ukraine on Labour and Social Security of Citizens of the Republic of Armenia and Ukraine Working Abroad, signed 17 June, 1995; Agreement between the Governments of the Republic of Armenia and the Republic of Belarus on Temporary Labour and Social Security of Citizens Working Abroad, signed 19 July, 2000. An agreement with the Russian Federation was signed in 1994 and with Georgia – in 1993.

In 1992 Armenia signed the CIS agreement regarding the pensions of people moving in CIS countries²⁶. According to that agreement, the pensions will not be paid from the source country. Instead, the pension should be recalculated according to the law of the country they move to and the source country should only provide them with necessary information without any financial responsibility to cover pensions for the years spent in the country of origin. In the context of pension reform developments in the last decade, the Government of the Russian Federation (where the level of pensions is much higher compared to the ones particularly in Armenia) has re-started a debate on the agreement of pension coordination, which aims at stricter requirements for citizens in accruing pension rights (Karapetyan et al., 2011, p. 114). Moreover, the pension systems in CIS countries currently are quite different, and it is not clear how such financial obligations, if any, could be implemented.

Another important document to secure rights of migrants was the Agreement signed in 1994 by all the CIS countries on “Cooperation on Labour Migration and social protection of migrant workers”. For Armenia, this Agreement became effective on 26 February 1996. It includes a series of mutual commitments in the field of labour migration, specifically related to the social protection of labour migrants in other CIS countries. In particular, the Agreement provides for:

- _ mutual recognition of diplomas, qualification, certificates, documents certifying degrees, titles, qualifications;
- _ mutual recognition of work records and work experience records;

²⁵ For example, the International Convention on the Protection of the Rights of Migrant Workers and Members of their Families, and the European Convention on the Legal Status of Migrant Workers.

²⁶ Moldova, Georgia, and the Baltic countries did not sign that document which made its importance lower.

**Social Impact of Emigration and Rural-Urban Migration in Central and Eastern Europe
VT/2010/001**

- _ equal treatment of migrant workers under a party's national labour legislation, including social benefits and special conditions granted to workers;
- _ veto on double-taxation;
- _ migrant workers' eligibility for social protection, insurance and medical treatment provisions under national legislation, except for pension benefits.

The Agreement authorizes quotas for labour migrants, subject to regulation by the bilateral agreements between parties.

The most of concluded bilateral interstate agreements are to regulate labour activity of migrants and readmission of illegal migrants.²⁷

International experience proves that in order to shift labour migration processes out of illegal space into a legalized movement a strong commitment is required on the part of both host and home economies. The migration policies of host countries are quite important for social security of legal migrants. Most of labour migrants from Armenia work in Russia, so it will be fair to consider Russian Federation migration regulations first.

The Russian legislation envisages taxes and duties on the part of both employers using foreign labour and labour migrants, the total expense for the migrant worker could outweigh the risks related to illegal employment in Russia. The article 16 of the 2002 Federal Law of Russia "On the Legal Status of Foreign Citizens in the Russian Federation" prescribes that foreign citizens, for the period of the foreign citizens' employment in Russia are guaranteed medical, material and housing provisions. The inviting party/employer, who can be anyone from international organizations and their representatives in the Russian Federation to legal entities and Russian citizens, is obliged to provide written pledges for these provisions. Particularly, the inviting party is expected, by this law, to provide a guarantee of its ability to provide the foreign worker with:

1. a subsistence minimum in accordance with the legislation of the respective subject of the Russian Federation, as well as funds sufficient to enter and exit the Russian Federation for the period of the foreign worker's stay in Russia;
2. social security and medical insurance, agreed upon as it is provided for in the international agreement between the two countries or, if not envisaged by the international agreement, funds to cover such medical expenses.

It should be noted that despite the existing provisions, violation of migrant's rights by employers is not rare because of a) complexity of procedures of getting jobs legally, b) lack of awareness of migrants on conditions of legal employment. According to Zayonchkovskaya "the inefficiency of state institutions, which carry out migration policy, the inefficiency of legal systems and of the mechanism of control over the implementation of legislation, mass corruption, which are the biggest weakness of the system of legal protection of migrant workers, block up its activities and constrict the possibilities of employment even in those cases when laws allow it (for example, in Armenia, Russia and other countries)" (Zayonchkoyskaya, 2004, p. 9).

In existing conditions, where the mechanisms of state regulation of migratory processes are not established, Armenia is not ready to accede to such international conventions on labour migration as, for instance, the 1990 UN Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families, since this may introduce additional bureaucratic difficulties in labour migrants' activity.

Consular missions of the Republic of Armenia are responsible for the protection of the interests of Armenian citizens abroad. These missions also organize the return of Armenian citizens to Armenia. The findings of a study of infringements of Armenian citizens' rights in various countries are presented below. The analysis of complaints received from Armenian citizens in Ukraine, for instance, has revealed that most of them are related to violations of the migration

²⁷ Readmission agreements are concluded with the following states: Denmark, Switzerland, Lithuania, Germany, Bulgaria, Sweden, Belgium, Netherlands, Luxemburg, Check Republic, Norway and Russia. Negotiations with Cyprus and Estonia are underway. Currently a readmission agreement between Armenia and the European Union is also actively discussed.

Social Impact of Emigration and Rural-Urban Migration in Central and Eastern Europe VT/2010/001

laws of Ukraine. There are described cases in which Armenian citizens have been denied entry into Ukraine without any explanation at airports or railway stations.

As to the territories outside the CIS, in 2001 the Republic of Armenia signed the European Social Charter (adopted in 1996) which was subsequently ratified by the republic in 2004. This formalized the cooperation with the European Union to improve consistency between the Armenian legislation applicable in the social sector and norms of the Social Charter, improving the legal acts of the Republic of Armenia, and social security system in compliance with the requirements of the European standards.

In this regard, it is worth mentioning that social security system (health care, family benefits, etc) of Armenia continues working for family members left behind the migrants.

3.3. Poverty and Social Exclusion

A sharp fall in GDP in the early 1990-s (see Table 1.1) resulted in the emergence of poverty as the most negative consequence of transition to market economy. Sharp fall of real wages, coupled with high unemployment and widespread unpaid leave or reduced pay for shorter working hours, removal of subsidies, cuts in public expenditure on social services, including social transfers, health, education and infrastructure, deteriorated living standards of the population. The main coping mechanisms for the poor in Armenia became family transfers, remittances, humanitarian assistance, and informal self-employment, mostly in open-air trade-markets and in agriculture. Based on Living Standards Measurement Survey (LSMS) (1996) and Integrated Living Conditions Survey (ILCS) 1998/99 data in 1996 54.7% of the population was poor²⁸, half of which was in absolute poverty with per capita expenditures below the food poverty line (NSS of RA, 1999, p. 23).

Economic growth observed since the mid-1990s played an essential role in poverty reduction, but was not sufficient to erase poverty either in the short or long term. The poverty in Armenia notably diminished during 2004-2008. More than 350,000 people were able to move out of poverty and the share of poor people dropped from 34.6% in 2004 to 23.5% in 2008. The recent migratory processes from regions to the capital city, as well as from Armenia to other countries are caused by the situation of labour market and living conditions especially in rural areas (see Table 3.3.1). The data from the table show evidently that the poverty indicators in rural areas are highest, and are more severe in other urban areas than in the capital city.

However, the recent economic crisis seriously affected the economic growth and poverty reduction path. Although the Government has taken a number of steps to cushion the impact of the crisis by providing protection to the poor by keeping a consistent level of public spending on social protection at the pre-crisis level and pro-poor programs. However, the steps undertaken were not enough to avoid an essential deterioration of the situation: in 2009 the poverty incidence increased to 34.1%, compared to 27.9% in 2008 (recalculated based on 2009 methodology), the share of extremely poor increased from 1.6% in 2008 to 3.6% in 2009 (NSS of RA, 2010, p. 30; see Figure 3.10).

As in many other CIS countries, inequality increased considerably in the transition period. In particular in the 1990ies and early 2000 income inequality in Armenia was particularly high and among the highest for transition countries. In subsequent years, the level of inequality declined

²⁸ As poor were considered the households with per capita expenses lower than minimum consumption basket, i.e. lower than poverty line (10784 AMD or 24.8 USD in 1996). The food poverty or absolute poverty line was based on the value of the minimum food basket that accounts 2040 kilocalories per day per capita; in 1996 it totaled 6612 AMD or 15,2 USD. Beginning in 2009, the National Statistical Service (NSS), based on Integrated Living Conditions Survey (ILCS) data, calculates the following poverty lines:

Food or extreme poverty line estimates monetary value of minimum food basket. The recommended food poverty line in 2009 was estimated to be as much as 17483 AMD (34.4 EUR) per month per adult equivalent.

The lower poverty line: consists of two components: food line and the value of non-food allowance. The calculation is based on consumption basket method, which defines the food share in basket equal to 70%. Thus, the recommended lower poverty line is equal to 25217 AMD (49.7 EUR).

The upper poverty line is calculated based on food expenditure method, according to which the food share in total consumption of those households, whose food consumption value is around the food poverty line, estimates the food share to be 56.5%. The recommended upper poverty line per adult equivalent comprised 30920 AMD (61 EUR) per adult equivalent per month.

Social Impact of Emigration and Rural-Urban Migration in Central and Eastern Europe VT/2010/001

(Karpetyan et al, 2011, p. 97). As study commissioned by the Asian Development Bank confirmed that remittances are an important source for poverty and inequality reduction in Armenia (Asian Development Bank, 2007, p. 68).

Social Snapshot and Poverty in Armenia documented by National Statistical Service of Armenia in 2010 shows that there is major material deprivation gap between different income groups of the population. For example, it shows that while 18% of all children live in households without a refrigerator, 44% of poor and 58% of extremely poor children live in households lacking this item.

In order to combat poverty the Government of Armenia in 2000 initiated a participatory process for the development of a poverty reduction strategy. The Interim PRSP was adopted in 2001, and the full-fledged PRSP-1 in 2003, and a “Sustainable Development Program” (SDP) in 2008. While the largest and most important component of social policy in Armenia are very limited social transfers, the households strategy of combating poverty remains private transfers from labour migrants. The 2008 Sustainable Development Program of the Republic of Armenia states “that the labor migration from Armenia plays dual role from the standpoint of poverty risks for the migrants and their families. In short term perspective it has a substantial significance for the poverty reduction – taking into account the still high unemployment rate in Armenia” (Government of RA, 2008. p. 134).

A primary source of information on remittances to Armenia and remittance-receiving households are the “Integrated Leaving Conditions Survey” (ILCS) carried out by the National Statistical Service of Armenia (NSS).²⁹ By using the 2002 ILCS data, Roberts and Banaian analyzed the impact of remittances on household income and poverty and concluded that “in Armenia, remittances reduce inequality, because the households that receive them would otherwise be at very low levels of income” (Bryan Roberts and King Banaian, 2004, p 6; http://pdf.usaid.gov/pdf_docs/PNADB948.pdf).

To study the role and impact of remittances in Armenian realities and fill the gaps of knowledge about the use and distribution of remittances and access to remittances, as well the impact on poverty, and households’ consumption, saving and investment behaviour, Asian Development Bank launched a regional study on remittances in Central Asia and South Caucasus in 2006. The study covered Armenia along with Azerbaijan, Kazakhstan, Kyrgyz Republic and Tajikistan. The study for Armenia had two components: one component assessed the effects of remittances on poverty and the other - examined the relationship between remittances and financial sector developments (ADB, 2008). The study provides some analysis of effects of remittances on consumption, savings, investments, and poverty and income distribution of households, as well as the effects of remittances on community development. One of major findings from the face-to-face survey among 3000 households in 2006 is the strong correlation between remittances and poverty indicators. While including remittances poverty incidence for poverty line of USD 1 per day equals 2,7%, and 7,5% if remittances are excluded from the total income of remittance receiving households (see Table 3.1.4).

Meantime, some household surveys carried out by NGOs within Armenia with over-sample for migrants shed some additional light on the social impact of remittances. In this respect, the surveys conducted by the Caucasus Research Resource Centres (Aslanyan, Manasyan, 2008) and by Advanced Social Technologies should be mentioned (Minasyan, Hancilova, 2005; Minasyan et al., 2007). Also the UNDP National Human development report for 2009 contains interesting information on the impact of remittances on wealth of population. The report states that although the most part of remittances is used for current consumption, the second and third items of expenditure due to remittances are education and healthcare within households that receive such transfers (UNDP, 2009, p. 119). The CRRC survey conducted in 2007 among 2000 Armenian households indicates that a) remittances are vital for 55% of households, and b) the **proportions** of spending remittances on food, cloth, educational and healthcare services, as well as housing and savings are as follows 5.3, 3.2, 1.5, **1.0**, 0.35, 0.25, respectively. So, the

²⁹ These surveys were first carried out in Armenia in the end of 1996, thereafter – during July, 1998 to June, 1999. Starting from 2001, the ILCS are carried out regularly on an annual basis and cover the entire calendar year period. Nonetheless, these surveys mostly focus on expenditures of households and poverty. Remittances are covered only to the extent that they are one type of income among others. These surveys do not specifically focus remittances; nor do they contain detailed data on transfer modes, regularity or ways of transfer.

Social Impact of Emigration and Rural-Urban Migration in Central and Eastern Europe VT/2010/001

most expenditure item is food (45%), then cloths (27%) and education (13%). The share of remittances spent on Medical care was 9%, housing - 3%, savings comprised just 2% and the remaining 1% went to serve special ceremonies (wedding, funeral, etc.). The households with migrants do not expect their migrants to save enough money to be back and start their own business in Armenia: according to ILO 2008 survey only 5% among the households that expected their migrant(s) to return to and settle in Armenia responded that their migrants would return if they saved enough money to establish their own business (UNDP, 2009, p. 125).

4. Labour market and social development trends in net migration loss / gain regions

4.1. Identification of net migration loss / gain regions³⁰

Along with the transition to market economy living standards of the population, especially rural population deteriorated essentially. As a result, the impact of the land reform, which was implemented successfully in 1990 (even before the collapse of the former USSR), changed the whole snapshot of the rural economy. Lack of opportunities for the processing of agricultural land, lack of agricultural machinery, and limited opportunities to use advanced technologies in agriculture largely due to small sizes of farms, as well as lack of employment opportunities contributed to migration processes to larger extend compared to the capital city and other urban areas. Concentration of business activities in the capital city, especially in the field of construction and services, pushed out labour force from rural areas first of all. However, in Armenia there are no net migration gain regions. Meantime emigration outflows are stronger from the regions with higher than average unemployment rates – Gegharkunik, Shirak, Lori and Aragatsotn (see also the Table 4.1). Some justification and more details in regard of regional disparities are presented below.

4.2. Labour market development in net migration loss / gain regions

The internal labour markets in Armenia have very unique characteristics. This is explained by following factors (World Bank, 2007)³¹

- different speed of reforms across different Marzes,
- imbalanced investment activities,
- geographical locations and differences in demand

Even in one region, more specific areas can be identified as separate labour markets and will have different characteristics of the workforce. The same logic applies to the demand for different specialists in every region and in urban/rural areas within the region.

Wages also differ across the country. The World Bank 2007 study on Labour Market Demand shows that wages in Yerevan and in Kotayk marz are on average 1.7 times higher than in the lowest-paid regions in Armenia. This is explained by differences in workforce and job characteristics.

Labour mobility across Marzes is limited because of high transportation costs and in many rural areas even because of the lack of regular transportation. There are significant differences in the rental apartment prices in different regions which in turn also restricts internal migration. And last, but not least, is the fact that specific areas require specifically adjusted skills.

Given that labour migration from Armenia was mainly motivated by the lack of domestic employment opportunities, ILO 2010 study on Labour Migration from Armenia in 2008-2009 tried to seek explanations to regional differences in migration activity in the regional indicators of economic activity and unemployment. The authors found that regions with higher than country average economic activity (i.e. with higher than average percent of able-bodied population employed or actively looking for employment vs. those not looking for jobs) and with higher than country average unemployment rates (i.e. with higher than average percent of the unemployed in the economically active population) would be showing higher migration activity (ILO, 2010).

³⁰ Armenia is administratively divided in 10 marzes (regions) and Yerevan.

³¹ More details to be found here: <http://siteresources.worldbank.org/INTARMENIA/Resources/ARMENIAMain.pdf>.

Social Impact of Emigration and Rural-Urban Migration in Central and Eastern Europe VT/2010/001

Nonetheless, the data collected by ILO suggested that it may not help to fully explain the situation. Thus, Table 4.1 shows that although in Lori and Shirak (the two regions with highest migration activity) the unemployment rates were also found to be highest in the country (respectively every second and every third economically active person being unemployed), in all other regions with higher than average migration rates (Aragatsotn, Gegharkunik and Syunik), the unemployment rates were significantly lower than the country average. In contrast, Tavush, Kotayk and Vayots Dzor where the recorded unemployment rates were higher than the country average of 24.2%, were among regions with lowest migration rates.

Considering the available data, the appropriate conclusion would be that the migration activity is not influenced directly and/or solely by the access of the general population to the local labour markets, but by other factors as well, unobservable by the current survey. Such factors may include, but not be limited to the type of jobs available in the local labour markets (e.g. relative proportion of seasonal or odd jobs vs. permanent employment), the sectors and industries providing most of the jobs, the requirements for the available jobs (particularly as to the age, level of education and work experience), the wage levels, as well as factors unrelated to the local labour markets, such as established migration patterns in every particular case. The most of bordering with Azerbaijan regions also are not considered as attractive ones to stay for security purposes.

The following description of the life of those left behind in the Gegharkunik Marz is very descriptive of the situation in the highest migration loss marzes. About 20,000 residents migrating abroad each year which constitutes more than 8% of the total population of 243,000. Employment opportunities in the Soviet-built industrial plants are not existing anymore, and farming is not profitable in the highland villages. Gayane Abrahamyan and Justyna Mielnikiewicz in their article "Armenia: A Woman's World in One Mountain Village" describe the women's life in the village of Dzoragyugh of Gegharkunik Marz. "Ninety-eight percent of the village's male population - nearly half of its population of 5,000 people - has migrated abroad in search of work. Those residents left behind jokingly call their village "a women's club," a place where women do everything – plough fields, raise children, officiate at funerals and somehow, through sheer grit, try to hold their fragmented families together." (Abrahamyan, Mielnikiewicz, 2011) Most of these migrants, overwhelmingly men, return each autumn, but some simply vanish. Accidents, often at construction sites, frequently claim lives; Russian women pose another threat, assert some of Dzoragyugh's left-behind wives.

4.3. Poverty and social exclusion in net migration loss/gain regions

The official data on poverty rates by regions of Armenia show that high out-migration caused by lack of employment coincides with high poverty rates. The Table 4.2 based on data collected by the NSS within the Integrated Living Condition Surveys in 2008, 2009 and 2010 evidences that the share of poor (and extremely poor) is notably higher in Shirak, Kotayk, Lori and Gegharkunik.

To present social exclusion in Armenia by region, the UNDP social exclusion index calculation methodology³² and respective calculations are also used. The mentioned calculations are fuelled from the data collected by the CRRC-Armenia throughout 3200 households equally distributed among 11 marzes of Armenia within the UNDP-Armenia Social Cohesion project. Social Exclusion Index for marzes³³ showed interesting results:

- Yerevan shows the lowest level of exclusion, while Gegharkunik - the highest,
- Kotayk is the second least excluded,
- Syunik and Shirak show quite similar rates of exclusion;

³² The deprivations are expressed in terms of 24 indicators – eight indicators for each of the three dimensions of social exclusion. The first dimension – economic exclusion – indicators reflect deprivation in incomes and basic needs; employment, financial services and material assets; amenities that households need but cannot afford; and dwelling size. The second dimension – exclusion from social services – encompasses education and health services, as well as public services of utilities. The third dimension - exclusion from civic and social life - covers deprivation in political, cultural and social networks, as well as reflects diminished opportunities for social and civic participation. See more at <http://europeandcis.undp.org/poverty/socialinclusion/show/42657151-F203-1EE9-BD91C886217E49BA>.

³³ Mihail Peleah was responsible for the calculations and main findings.

Social Impact of Emigration and Rural-Urban Migration in Central and Eastern Europe VT/2010/001

- Ararat and Lori is another pair with very close rates of exclusion;
- Aragatsotn, Tavush and Vayots Dzor form another group with similar exclusion rates;
- Armavir shows high headcount of exclusion.

Ranking (from 1-12) of Marzes is presented in the Table 4.3. The data from the Table 4.4 show clearly that the poor from economic point of view regions experience more social exclusion because of being more excluded from social/public services and from participation in civic and social life.

5. Impact of migration on vulnerable groups

While many researchers have analyzed who migrates and what causes migration, there was very little study of the effects of this migration on vulnerable social groups. It is assumed that since a family of migrants in general gains from the process of migration, then women, children, or elderly members of the family should do as well. The evidence shows that high male out-migration does not lead to modifications in the structure of family. The changes in the family structure in Armenia were studied based on the results of the Sociological Survey of Households. In the opinion of the respondents, temporary migration of the family member does not significantly affect the family structure, namely – they support the opinion that the number of children and married couples would be the same if there was no migrant in the family. It is true if we consider that the majority of migrants are 41-50 year-old married males. In cases with younger migrants, short-term migration does not really affect their decision to get married and have children. In fact, this happens quite frequently – family members stay in Armenia, while migrant works abroad for a specific period of time. The highest cost a migrant pays in this case is losing his social network – many migrants' families mention that due to migration they visit and contact their relatives and friends less frequently. (Minasyan, Hancilova, 2005). As we see the migration does have a high “social cost” in terms of family ties and relations. The analyses below show the direct impact of migration on separate social groups.

5.1 Women

Most migrants in Armenia are men. It can be explained by patriarchal attitudes in the country – when a man has to work while a woman takes care of the children. A further explanation for the high share of male migrants is the high demand from Russia for male migrants in particular in construction and agriculture (Danzer, Dietz, 2009, p. 10). In 2005 a community survey and a survey of 1040 rural married women was conducted in 52 rural areas in Ararat and Tavush provinces of Armenia. The main purpose of the survey was to observe the impact of men labor migration on their families and economic conditions. The survey revealed that women married to migrants were more often engaged in activities like field work, selling goods at markets, making preserves for winter, and being involved in children's afterschool activities (Agadjanian et al., 2007, p. 10). While the intention to move internally was somewhat more prevalent among women married to non-migrants, women married to migrants were much more likely to want to move abroad. Through in-depth interviews the authors (Agadjanian, Sevoyan, Menjivar)³⁴ found that women's motivation to migrate is influenced by a number of reasons, but the main concern is about being separated for a longer period from the husband (Agadjanian et al., 2007, p. 17).

There is also a health impact on migrants' wives. Labour migration has been identified as a cause for an increase of the STD/HIV risks of migrants and to contribute to the spread of infection in the sending countries. A representative survey of over 1200 married women in 30 villages of Gegharkunik province of Armenia conducted in 2007 served as a base for a study that observed STD/HIV risks of rural married women in Armenia, caused by the temporary labour migration of their husbands. A study that examined STD/HIV risks of rural married women in Armenia stemming from their husbands' seasonal labour migration abroad (primarily to Russia). The survey sample included equal shares of women married to migrants and women

³⁴ <http://paa2007.princeton.edu/download.aspx?submissionId=711032>.

Social Impact of Emigration and Rural-Urban Migration in Central and Eastern Europe VT/2010/001

married to non-migrants. The study showed that each additional year of the husband's migration in the three years preceding the survey increases the odds of women having been diagnosed with at least one STD in the same time period by 80%. Moreover, in the case of number of symptoms, being married to a current migrant increases the odds of having an additional STD symptom by about 18% ($p \leq 0.01$) (Agadjanian, Sevoyan, 2009, p 12).³⁵

5.2. Children

Emigration in Armenia particularly impact on children. In most cases men leave the country for better earnings abroad (especially Russia), leaving their wives and children back to work in the fields and keep the household intact. This often causes family and marriage problems, as many Armenian men later prefer not to return to Armenia establishing instead a second family abroad. There have also been cases of Armenian men having two "seasonal" families – one in Armenia and one abroad. As the result the number of divorces grows from 122 in 2000 to 164 in 2008 (per 1000 marriages). But not only men tend to migrate; also women increasingly search for a more prosperous life abroad, often leaving their children under their grandparents auspices. Both cases bring significant socio-psychological problems – the instability within families which due to migration spend only 3-4 months per year together causes emotional deprivation in children thus worsening their wellbeing. According to statistics in 2000 89.9% of Armenian children lived with both parents; 11%, or over 110,000 children were living in single parent families; 4.6% lived with mother, but father was alive, 4.9% lived with widowed mother, 0.5% lived with father, but mother was alive and 0.5% lived with widowed father. About 0.7% (about 7,500 children) did not live with either parent. (National Statistical Service et al., 2001, p.14, Table 2.3).

Cost of educating and supporting children is often mentioned as a key motivation for earning income abroad via labour migration. According to an ILO study every fourth migrant was in need of cash for renovation of the house and every fifth migrant had to pay for educating children, or purchasing durable goods, (ILO, 2009b, p. 14). In this case migration improves children's education as well as living standards, particularly health care and thus reducing child mortality rates from 15.6 (per 1,000 live births) in 2000 to 10.8 in 2008. Consequentially, migrants' remittances not only improve families' economic situation, they also are essential for economic growth in Armenia.

A key reason that brings the working migrants back to their homes, are their families. These groups of migrants could not live any longer without their families and also did not have the opportunity to take them to the host countries. However, some of those who had taken their families, preferred to return as they "would not like children to grow up in Russia: alcoholism, drugs – it is not safe for them. Besides this, children attend Russian schools and do not have the opportunity of learning to read and write in their native language" (ILO, 2009b, p. 87). Migrants to Moscow are rather matching the resident population, since most of them know Russian. Majority of Armenian children born in Moscow lose their native language. . When a migrant does not take the family and children abroad, this in turn might have a negative effect on the psychology of a child.³⁶

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5.3 Elderly

Armenia is a country where there are traditionally large families composed of several generations. The main reason for that is harsh socio-economic environment in the country and low-level of state social support to the elderly people. The adult population takes care of their elderly, who in turn support the family while taking care of children and undertaking some

³⁵ http://www.asu.edu/clas/ssfd/cepod/working/CePoD_WP_2009_102.pdf.

³⁶ Expert interview with Garik Sahakyan, deputy head of the State Employment Agency of Armenia, revealed that children raised without paternal attention experience a psychological trauma, feel less secure, have difficulties with discipline and are behind in achievements in school.

household duties. In this contest the internal and external migration, creates the new social group of 'elderly orphans' and gives rise to a new emigration trend, 'migrating grannies', who follow their children abroad in order to resume their family role and help their children with child and domestic care.

But mostly the elderly household members were found to ease the opportunity of temporary migration, as they seem to have a supportive role in taking care of children or of household duties while younger household members emigrate temporarily (Danzer, Dietz, 2009, p. 20). On the contrary, Garik Sahakyan says, elderly people in migrant families are hesitating in receiving any health support or care they need – they cannot abandon the role of caregiver to become care receivers.

After the land privatization in the rural regions due to the lack of machinery all agricultural works became rather labour-intensive, and since younger family members migrate abroad, the burden of agricultural work is transferred to the elderly people. Quite often they physically cannot take this responsibility and as a result many fields are abandoned in the rural areas.

5.4. Post-conflict Refugees and IDPs

The Armenian legislation grants all refugees and naturalized persons the right to protection and assistance. However, the living conditions of most refugees have not improved. Most conflict-induced refugees are isolated in particular areas, mainly in the capital Yerevan and in Syunik, Tavush and Gegharkunik provinces (IDMC, NRC, 2009, p. 78). Among IDPs only a few were capable of purchasing a home, so many are still in need of a shelter. Unemployment among post-conflict refugees and IDPs is about three times higher, than among the local residents. Presumably, this category of population is below the level of extreme poverty.

Addressing issues of an adequate shelter for this people became the main concern of the Government. Donor organizations have also been actively involved in resolution of the housing problems for IDPs. Particularly, UNHCR and Norwegian Refugee Council renovated many dormitory buildings, which were then available for privatization (Committee on Migration, Refugees and Population, 2006, p. 5.).

After the situation on the conflict zone stabilized, many IDPs went back to their homes, where they unfortunately do not get enough access to health or education services, because of weakened infrastructure or destroyed buildings. These factors, together with limited employment opportunities discourage many other IDPs from homecoming (IDMC, NRC, 2009, p. 78).

Today there are many international agencies that are involved in the poverty issues resolution in bordering areas, but none of them is providing assistance and protection for IDPs. Long-term solutions could be provided if issues like housing, access to farmland and increased employment opportunities are addressed. Specific regional development programs are needed to boost economic development of bordering areas in the country (Parliamentary Assembly, 2009b).

6. Policy responses

Armenia has not yet implemented a complex migration policy that would enhance the economic benefits of migration for the country, assess the benefits and losses from migration flows, discover their causes, promote desirable and prevent undesirable migration flows, and rely on clearly-defined objectives and priorities. Different state agencies (with many overlapping functions) are responsible of managing and supporting migration flows (see Annex 3).

Experts vary in their opinions about the state policy on migration. Some believe that current policy contains threats to the national security and state interests. Some others think that it does not ensure the RA citizens' right to free movement hindering implementation of the internationally adopted norms on a) protection of human rights and b) providing shelter for humanitarian purposes, which in its turn makes the country less attractive for organizing and providing business, education, health and other services. In any case the current policy is far from the international norms yet. Meantime the third group of experts think that the current liberal policy does not have any other alternative because of the limited inventory of officially

regulating emigration, and because of being unnecessary of regulating immigration due to low number of immigrating foreigner. At the same time almost all of them share the opinion that Armenia needs such a system and policy on migration regulation that will diminish the current negative impact of the migration processes and instead, will direct these processes towards the development of the society.

In its concept paper on the Policy of the State Regulation of Migration in the RA, which was adopted by the Government of Armenia in December of 2010, the State Migration Service admits that “the experience of recent years has demonstrated that the RA state system of migration regulation along with the political approaches, as well as the former institutional and administrative mechanisms, was incapable of effectively solving the migration problems faced by the RA” (Government of RA, 2010). This statement is not striking given that the State Migration Service has about thirty employees and no budget for the implementation of a proactive migration policy. To fill this gap, the State Migration Service cooperates with the international donor community. But, according to the State Migration Service, this approach is not effective, because each donor organization is promoting its specific agenda.

Armenia tries to resolve this situation by negotiating with the European Union regarding the Mobility Partnership program, which would establish between them joint management of migration flows. Activities proposed include the development of a more beneficial environment for people’s mobility and legal migration through improved migration management, awareness raising and better reintegration and protection of returnees.

6.1. Encouragement of circular migration

Main labour migration flows from Armenia are narrowed to Russia. There are no special visa regimes between Armenia and Russia. Besides travel expenses to Russia are cheaper, compared to travel to European countries. Knowledge of Russian language by Armenian migrants and cultural similarities also makes Russia a more attractive destination point. Those migrants who leave for Russia (and particularly to Moscow) can more freely move and repeatedly return for their personal affairs (Poghosyan, 2009a, pp. 61-80). Circular migration seems desirable from the points of view of both Armenia and Russia, as Russia will receive labour and skills, while Armenia will benefit from remittances sent by these people and from the returning skilled migrants. Circulation and return are an integral part of the whole process of development, and are driven by development in home and host countries. Such circular and temporary migration can be managed to promote the development in Armenia.

Return migration has proved to be perhaps the most difficult dimension of an already problematic field in which to measure, as well as to assess, the impact. The absorption of large numbers of returning migrants into Armenian economy where unemployment is high is difficult. Skills learnt in Russia and abroad may not be relevant to life at home. It is thus expected that circular migration might gradually turn to more permanent migration (McLoughlin, Münz, 2011, p. 57). The results of a survey among 1400 return migrants conducted in 2011 by CRRC within the “Migration and skills in Armenia” project initiated by the European Training Foundation³⁷ show that 58.3% of returnee did not work since return. Only 13.2% of respondents reported that their experiences abroad helped to find better work opportunities in home country.

The cumulative nature of migration, with initial migrants encouraging siblings and other relatives to join them, is an integral part of this process. Hence, its ultimate impact may be the disintegration of the community and depopulation (McLoughlin, Münz, 2011, pp. 56-57).

There are several intergovernmental agreements signed by the Government of Armenia regulating the free movement of the labour from countries of the Commonwealth of Independent States (CIS). Among recent agreements could be mentioned those with the Russian Federation, and with the Republic of Qatar. In particular Qatar is interested in Armenian professionals specialized in the sectors of healthcare, engineering, architecture and technologies.

However, understanding and implementation of the concept of circular migration with respective mechanisms towards achieving “win-win-win” (for migrants, sending and receiving countries) situation in Armenia is still to come. It is remarkable that after a conference on circular labour

³⁷ The findings of the survey will be available in late 2012 at www.etf.europa.eu and www.crrc.am.

migration in Armenia (November 20-21, 2011), the head of the Migration Service of Armenia declared that the country is ready to sign bilateral agreements on circular migration. Meantime he stated that the developed in 2010 migration policy concept just envisages the application of the circular migration concept suggested by EU member states.³⁸

6.2. Encouragement of return migration and support of integration of returnees

It is obvious that for the returnees the reintegration process to the contemporary Armenian society lasts rather long and contains some difficulties. At present, certainly, the situation in the country has greatly improved. However, there still exist stimulating factors in society, which had made persons leave the country in the past. Besides, once left, they lost contacts, links, i.e. so-called social capital. During their absence, the events developed rapidly and upon the return it became quite difficult for them to find their place in the society. All this concerns the social-psychological context of reintegration. Before leaving the country, many of them had sold their apartments and other properties, meaning that return was not inherently planned.

Table 5.1 provides detail description of the voluntary return and deportation of Armenian citizens from abroad during 2004-2009 (UNDP, 2009).

Many problems connected with reintegration of returnees in Armenia are caused by the discrepancy between their expectations and the reality they find back in Armenia. One of the biggest problems that the returnees come across in Armenia is unemployment, low wages and low chances for professional growth. This mostly applies to younger migrants, who study abroad and return to Armenia after the graduation. Most of them consider that there are very few jobs available that match their skills and knowledge, and most importantly, employers in Armenia do not see the need for this type of labour (Minasyan et al., 2008, p. 64).

To avoid such dreary picture the provision of reintegration assistance for citizens returning to Armenia is strictly important. In order to receive back RA citizens who reside in foreign countries without legal ground the government of Armenia signed readmission agreements with more than a dozen of European countries (including Switzerland, Denmark, Germany, Lithuania and Bulgaria). The following joint programs on return and reintegration are currently being administered in Armenia:

The “Return Assistance Program for RA Nationals from Switzerland” conducted since 2004 by efforts of the Federal Office for Migration (FOM) of Switzerland, Swiss Development and Cooperation Agency as well as Migration Agency of the Ministry of Territorial Administration of RA also witnesses it (<http://www.smsmta.am>). Owing to this program no person who had returned from Switzerland departed from Armenia within more than four years. The aim of “Return Assistance Program for RA Nationals from Switzerland” is to organize return and further reintegration on place of those RA citizens residing in Switzerland whose applications for asylum submitted to Swiss authorities has been rejected (See 6.6 for more information).

In November 2005, the “Return to Origins” program of the French-Armenian Development Foundation in Armenia and National Agency for Receiving of Foreigners and Migration of the Government of France, and Armenian Association of Social Aid in France was launched. Since the start of the program more than 400 persons have made the decision to return to Armenia to start a new life.

The “Stable Reintegration after Voluntary Return” programme of Armenian CARITAS and Government of Belgium and International CARITAS of Belgium funds around thirty returnees annually.³⁹

The “Support of migration policy development and forming of correspondent potentials in Armenia” programme is sponsored by the British Council of Armenia, Migration Agency of Ministry of Territorial Administration of RA, and International Centre of Human Development with the support of European Union.

³⁸ See: <http://www.tert.am/en/news/2011/11/21/gagikeganyan/>.

³⁹ Armenian Caritas about Reintegration: <http://www.caritasarm.am/index.php/en/projects/migration-a-integration/migration-a-integration>.

Social Impact of Emigration and Rural-Urban Migration in Central and Eastern Europe VT/2010/001

“People in Need” in Armenia holds a project that provides funding for new start up businesses by returnees. Since its launch in 2009, the project funded the development of twenty new businesses for returnees. Together with the Armenian State Employment Service Agency it established three resource centres and trained one hundred returnees. The trainings, which take two to three months depending on the subject, are co funded by the Government of Armenia.⁴⁰

Some actions towards reintegration and attraction of repatriates were also taken by the Armenian government and different Ministries. The Armenian government adopted the special programme for returning migrants. Point 25 of “Priority Tasks for 2011 of Government of Armenia” included upholding the process of repatriation. Particularly:

- organizing public events and presenting TV-Radio documentary materials on the life of those who returned to Armenia.
- Preparing and launching programs to increase awareness about possibility and conditions of repatriation through Armenia’s diplomatic missions⁴¹.

In 2009, a special program “Ari Tun” was successfully launched by the Ministry of Diaspora. Within the framework of the program young people from Diaspora visit Armenia and stay in a host family for a few weeks. They get to learn the Armenian culture, history and traditions through attending public events and visiting national parks, museums and historical monuments. One of the major goals of the program is the establishment of relationship between Diaspora youth and the homeland. Through this programme in 2009-2010 visits of over 900 Diaspora Armenian youth were organized from 26 countries.

A special web-page (www.backtoarmenia.com) was created by the Migration Agency of Ministry of Territorial Administration of RA. Visiting this page potential returnees from foreign countries will be able to get information on the issues of return and reintegration to Armenia as well as receive trustworthy answers to their questions directly through internet connection.

Also, for the implementation of return and reintegration of returnees the special assistance package was elaborated by the Migration Agency of Ministry of Territorial Administration of RA. The return and reintegration assistance package includes:

- Obtaining, changing and registering of documents;
- Job placement;
- Social assistance issues;
- Health protection issues;
- Education issues;
- Issues connected with military service.

Each of these state programs is very important and useful, but more programs need to assist those who already decided to return back. Moreover, perhaps a special policy aimed at engagement of the Diaspora in Armenia’s sustainable developments should be elaborated and implemented. Meantime the Concept on Development of the Armenia-Diaspora partnership, as well as the Concept of organization of repatriation⁴² drafted by the Ministry of Diaspora of Armenia in 2009 are not yet largely discussed and accepted.

⁴⁰ People in need, Armenian branch: <http://www.migrant.am/s/>, assessed on 29.06.2011.

⁴¹ Government of RA, priority tasks for 2011: http://www.gov.am/u_files/file/home_files/MAR-111-eng.pdf.

⁴² The Concept on Development of the Armenia-Diaspora partnership (in Armenian, see <http://www.mindiaspora.am/res/3.%20Iravakan%20akter/6.%20Nakhararutyan%20pastatqhter/2.%20Hayecakarg/rep-hayetsakarg.pdf>).

6.3. Reintegration of IDPs and refugees (including forced returnees)

The Government of Armenia has given priority to integration of refugees and IDPs. The key priority for the Government is managing the return of the IDP families to their permanent residence. Unfortunately, so far there are no special regulations for the protection of IDPs in Armenia. The Law on Protection of Population in Emergency Situations covers only natural or human-made disasters and excludes displacement as a result of conflict and human rights violation. The Armenian government views conflict-induced IDPs as normal citizens who have the same constitutionally-guaranteed rights as other citizens (IDMC, NRC, 2010, p. 7). The problem of IDPs has been shadowed by the needs of the greater number of refugees from Azerbaijan and IDPs from earthquake zone. The government support to this group has been limited and most assistance has come through general poverty alleviation and welfare programs, which do not acknowledge internal displacement among entitlement criteria.

There has been no specific national attention to IDPs and little information on their numbers and needs. The 2000 visit of Dr. Francis Deng the Representative of the UN Secretary-General on Internally Displaced Persons, prompted the government to pay greater attention to conflict-induced IDPs, but this happened over a ten years after their displacement and has not resulted in any significant improvement in their situation. Following this visit, the government proposed several programs to help conflict-induced IDPs and others in return areas, but they have not been implemented due to financial constraints (IDMC, NRC, 2010, p. 7).

Being that IDPs are not well defined in national legislation of Armenia, it causes misconception about their position and status. Some IDPs have been placed by the border zone under the program “Post-conflict rehabilitation of bordering territories of the Republic of Armenia”, adopted by the Government of Armenia in 2008. Nevertheless, the government stated that it would need 45 million USD donor aid to be able to solve housing problems for the refugees and IDPs that have been temporarily placed in collective centres, plus another 38.5 million USD to arrange the homecoming of 1,005 families to their permanent residence in the border areas (Parliamentary Assembly, 2009a, point 47). Meantime, the economic crisis hindered implementation of such programs.

However, the government has taken some measures including enhanced drinking water systems, modernized houses and restored irrigation systems (IDMC, NRC, 2010, p. 8). Some IDPs living in temporary shelters received land and shelter in bordering areas under this program (Decision of the Government of Armenia, 5 November 2004). The State Migration Service in the Ministry of Territorial Administration was taking care of all issues for all those affected by forced displacement in 2010.

The housing purchase certificate model was successfully piloted in Armenia by USAID/Urban Institute and turned into a large program that provided permanent housing for more than 6,000 earthquake-displaced IDPs and refugees. The families who were housed in trailers and temporary shelters were qualified for shelter assistance, and the certificates were used to both provide permanent housing and clear the site for future development. Later, the housing purchase certificate model was used based on a housing waiting list approach. Beneficiary satisfaction surveys conducted immediately after completion of the construction showed a high satisfaction rate by residents. The Armenian government is aware of the need to help families that lost their housing during the earthquake and were not able to rebuild or purchase new ones. “With fairly modest grants, 664 housing units were brought to a reasonable level of completion so the assigned families could finally inhabit them. Many houses were converted to “duplexes” for two families in order to increase cost effectiveness” (Stepanyan, Varosyan, 2010, p. 38-39).

6.4. Regional Development Policies

In its 2008-2012 program the RA Government assumes proportional territorial development and active demographic policy as a primary objective and recognizes the need to direct public policy instruments to prevent migration from high mountainous and bordering regions, as well as trying to slow down the emigration from the country. This should mainly be achieved through business and infrastructure development projects (Government of RA, 2010).

Social Impact of Emigration and Rural-Urban Migration in Central and Eastern Europe VT/2010/001

The RA National Security Strategy (NSS) states that the country infrastructure is underdeveloped: there is a need for improvement of supplementary roads, communication networks and water mains, particularly in bordering areas, since the lack of all this brings forward issues of the national security in the country. (Section 1, Paragraph 3). The NSS takes note of the gap between Yerevan and other marzes, as well as Yerevan and other urban and rural settlements, indicating that disproportionate territorial development raises problems for the country's internal stability, contributes to undesirable outflow of the population from less developed regions and to their concentration in the capital. For these considerations, the NSS envisages restraining the further growth of the current sharp disproportionalities by means of developing and implementing a targeted territorial policy that will ensure accelerated development of the lagging territories. It foresees the extension of activities targeted at the improvement of the infrastructures of education, health care and cultural institutions in remote areas and increased access to services delivered by them (Government of RA, 2010, p. 10).

The RA General Resettlement Plan (GRP) declares the bordering areas as territories that require specific regulations for further economic evolution by viewing the elaboration of the priorities of their territorial organization in connection with the resettlement of the whole of the RA territory and the principles of territorial organization. In particular, it recommends a priority development system for bordering areas that have underdeveloped urban system development possibilities, which means expansion of rural areas, revival of abandoned settlements, and necessity of cooperation between the settlements, which will lead to joined resource exploitation. But in any case, this document does not analyze the state of disproportionate resettlement of bordering regions in direct relationship with migration processes (Government of RA, 2010, p. 10f.).

The RA 2011-2015 State Education Development Program (EDP) ensures access to education to all RA nationals in accordance with their objectives and abilities as a main concern in the area of education (Section 2, Paragraph 9). The 2008-2015 Pre-school Education Reform Strategy Programme approved by the RA Government in 2008 (PSESP) plans raise in enrolment of pre-school children of age 5-6 years to 90% by 2015 as a result of introduction of cost-effective education program. It gives priority to poor families, and to communities, which do not have pre-school establishments. According to the EDP, access to high school is a serious challenge to small rural settlements in the area of general education. As a result of a new education reform, this problem is going to be more urgent, since rural regions are not included in the high-school program. And since the rural regions are more vulnerable in terms of poverty, incurring additional costs for sending children to the nearest town to school will be a real challenge for many families. The quality professional education is among the main priorities of The Plan of Action of the RA Ministry of Education and Science, since it contributes to territorial disproportionality and social equality between different areas in the country (Government of RA, 2010, p. 11).

The 2003-2015 Strategy for Mother-and-Child Health Care in the RA states that although the immunization-prevention program was successfully implemented, there still are many problems to be addressed, particularly development and implementation of safe injections policy and safe destruction of waste (Government of RA, 2010, p. 11).

Another program has been launched recently and aims at balancing jobs between different areas of the country. The State Employment Service has a program for the reimbursement of costs involved in movement to a different location, which helps to implement a regionally balanced, uniform and effective employment policy through the regulation of the local movement of the labour force, thus helping to ensure employment in population centres in remote locations and border regions. Unfortunately, unemployed people do not seem to be willing to move from their current location because salaries paid by jobs offered are not sufficient for taking care of the family in a new location.

At the same time to translate intentions into policies and implement respective programs more efforts and better coordination is needed between institutions, which deal with migration regulation.

6.5. Policies targeting vulnerable groups

Armenia adopted a new Law on Asylum and Refugees entered into force on 24 January 2009. It regularizes most aspects of admission and treatment of refugees in accordance with international standards, ensuring respect for the right to asylum while attending to national security issues.

UNHCR supported 6,000 refugees from Azerbaijan living in communal centers in Yerevan and Kotayk marz, as well as Iraqi refugees. This group of refugees which is particularly vulnerable, (confined to bed, elderly or disabled) has been provided with basic social and health care assistance, social support and counselling (United Nations Armenia, 2009)⁴³.

On 24 October 2005, the Law of the Republic of Armenia on Employment of the Population and Social Protection in Case of Unemployment was adopted. It aims to generate full employment and more productive conditions for it. This law guarantees social protection, especially to unemployed persons from vulnerable groups in the labour market. Under this law unemployed job seekers who are receiving a pension for long-term service or a pension under special terms can have the chance to participate in a program of professional training, thanks to which they will get necessary skills and expertise to choose appropriate work, including the option of going into business. Qualified unemployed and disabled that wish to start a business can receive funding from The State Employment Agency for registration as a private entrepreneur or commercial organization. This was supposed to promote entrepreneurship and boost the number of people willing to have their own business. The following social groups were considered to benefit: the unemployed; refugees; migrants; disabled; young people; women (especially those in charge of supporting their families). The State Employment Service implemented inter alia a program of wage compensation to assist job placements for vulnerable groups in the labour market for which the State Employment Service reimburses 50% of the wage set by the employer, but no more than the minimum monthly wage. However lack of public funding hinders implementation of the program.

The Ministry of Labour and Social Issues of the Republic of Armenia prepares an annual Employment Program including passive and active employment measures. The latter include vocational training for the unemployed and disabled, wage compensation to assist job placements for vulnerable persons, financial support to help the unemployed and disabled to set up their own businesses and become self-employed, organization of paid public work, etc.). These programs targets returnees along with foreign citizens or persons without citizenship in accordance with the laws of the Republic of Armenia and the relevant international treaties (Alekyan, 2009, pp. 1-3). However, lack of public funds limits the number of beneficiaries and the impact of such programs. Moreover, the target groups quite often are not aware on opportunities for them. The results of the above-mentioned survey ("Migration and skills in Armenia") show that only 1.2% of returnee was aware on official schemes of their reintegration.

The lack of funding could be somehow eliminated via larger involvement of the Diaspora in regional developments and implementation of special programs that are of interest of wealthy members of the Diaspora (see below).

6.6 Best practices

One of the positive consequences of out-migration from Armenia was the fact that many of those Armenians who left abroad in the 90s, have started to invest asset in the development of their homeland. Having got a good job or having started their own business abroad, particularly in Russia, many Armenians who have left have accumulated impressive assets in 5 to 10 years. Initially, they helped their relatives who stayed at home by sending them money for living. Then they started to repair, upgrade and build new homes for relatives and for their families in their native towns and rural communities in Armenia.

Sometime later Armenians that had migrated abroad began to invest in the economy and in social development sphere in their homeland. Kindergartens, schools, and health clinics were built, pipelines for drinking water in villages were laid and many other were done by the charitable funds sent by Armenian migrants. The names of many Armenians, who left after the

⁴³ <http://www.un.am/?laid=1&com=module&module=static&id=97>.

collapse of the Soviet Union to Russia and other countries, now are known throughout the republic. Among them are very wealthy people, occupying a prominent position in the Russian business: such as Ruben Vardanyan, Ara Abrahamyan, Samvel Karapetyan, Mouradian brothers, Levon Hayrapetyan, and many others. In addition to them, there are many Armenian businessmen engaged in medium-sized businesses. They are also engaged in charitable activities in Armenia, in their native towns and villages as a rule, but also investing in the development of private business. Very many cases are known, when small and medium-sized businesses are started in Armenia on the means of citizens migrated from the republic. In these cases the Armenian government strongly promotes and facilitates mobilizing of migrants' assets to the development of the economy of the country. In 2006, the government worked out a project for creating a special All-Armenian bank in Armenia, which will allow more efficient use of capital of the Diaspora in the development of Armenian economy. Construction of All-Armenian bank already started in one of the small towns of the republic - in Dilijan, which is planned to be turned into a major financial centre in Armenia.

In addition, since 1992 the All-Armenian Fund "Hayastan" is created in Armenia, which regularly and annually organizes charity telethons, collecting large sums of money of overseas Armenians, as well as the citizens of RA. The impressive facilities (a few tens of millions of dollars as a rule) received from the charitable actions and private donations the fund spends on the implementation of special social programs in Armenia and Nagorno-Karabakh.

Apart from the work of the Pan-Armenian Fund "Hayastan", all the embassies and diplomatic missions of the Ministry of Foreign Affairs of RA, as well as the Ministry of Diaspora carry out constant and active economic work with compatriots abroad. Thus, an active economic policy of the Government of RA on the attraction of funding of migrants and the Diaspora abroad is realized mainly through those three formal structures: the Pan-Armenian Fund "Hayastan", the Ministry of Diaspora and the diplomatic missions of the Ministry of Foreign Affairs of RA abroad.

It should be added also the intensive activity of the Armenian Apostolic Church (AAC), which has its parishes in all the countries of the world where Armenians live. And this is - about a hundred countries. Through the efforts of AAC many Armenian communities and separate foreign Armenians have a solid financial aid in the construction and restoration of churches, as well as libraries, schools, cultural institutions and much more.

Unfortunately there are no statistics that measure the exact extent of financial investment received by the Republic from Armenian migrants. But it is obvious that these are large sums that are comparable to the state budget for science, education, culture and health.

The "Return Assistance Program for RA Nationals from Switzerland" can be selected as a best model for the program assisting returnees. The aim of of this program is to organize return and further reintegration of returnees from Switzerland whose applications for asylum submitted to Swiss authorities has been rejected. and included catch-up courses for minor children, training courses for adults, support in setting up a business company, job placement support and psychological counselling, social and medical assistance.

Within the frameworks of the program twenty-two families consisting of fifty-two persons have returned from Switzerland. Six families of beneficiaries returned to Armenia have received loans for setting up a business company.⁴⁴

7. Key challenges and policy suggestions

7.1. Key challenges of the social impact of emigration and internal migration

Since February 2008, the world economic crisis has been affecting migrants' behaviour and Armenian migration on a whole. Lay-offs and late wage payments, rising unemployment, industry declines, and cancellation of construction and other projects where migrants tend to

⁴⁴ Loans have been spent for mushroom cultivation, cattle-breeding, soft furniture production, preservation and sale of fresh fruits. Other measures included a job placement, three persons have completed computer courses, ten persons have passed medical examination and six minor children have attended accelerated courses. All beneficiaries have received psychological counselling. Program staff also has helped them in administrative issues.

congregate began with the onset of the global economic crisis. In 2009-2010 the Government of Russia reduced the labour quotas for migrants from CIS countries. As a result of this, many Armenians remained unemployed there causing a need to return. The economic crisis in Russia had just topped out in winter 2009 when the Armenian migrants, as a rule, left to spend the New Year holidays with their families. A large portion of migrants faced the crisis at home in Armenia. As a result, the indirect influence of the global crisis on Armenian economy happened by means of remittance reduction from abroad on one hand and by means of growth of the unemployment level in the republic on the other.

The experts foresee in Armenia's future labour resource excesses and that the people will have to search for work outside Armenia. This tells that Armenia will supply labour force to other countries, as it won't be able to provide jobs to such a large quantity of workers. The recent UNDP Armenian National Report 2009 on migration stated that 200-300,000 Armenians will out-migrate from the republic in near future.

Emigration profoundly affects domestic labour markets in Armenia through a variety of closely linked channels. It is taking place against a background of depopulation, a critical decline of fertility rates, and higher than average mortality rates (adult males). Though it worsens the extant demographic imbalance, it also helps people cope with continuing economic hardships, limited jobs, and unemployment in the region. One obvious contribution is the increase in remittances that help reduce poverty.

Today, new migration processes are taking place in the country, regulation of which the State still does not take an essential part. One such process is that of returning irregular Armenian migrants and their reintegration in the society. A "positive migration balance" of 1,200 people was reported for March of 2009. Official statistics for January-May 2009 shows about a 40% fall in remittances against the same period in 2008. The same tendency was continued in the first decade of 2010.

The temporary and seasonal nature of migrant flows is another feature; mainly as a result of geographical proximity, easy travel connections, and visa-free entry to some countries that made temporary migration a feasible option. It has been clear to many for some time that migration problems are not solved alone, separately in Armenia, similar to solving ecological problems. The problem of labour migration should be solved solely by the common efforts of receiving countries and donor countries. There are countries with a low level of work opportunities and there are countries with high demand in labour resources. These factors create the need for redistribution of labour resources along with the issues regarding social inclusion, crime, and other problems that should be addressed in origin and receiving countries.

7.2. Policies to be addressed by different actors (national, regional, local governments, Diaspora, EU, host country institutions)

In Armenia there are 14 outstanding issues related to the migration problem. All these questions have entered a new concept, approved by the Government of Armenia in December 2010⁴⁵. This was stated by the Deputy Director of the Migration Service of RA Irina Davtyan who further stated, "The concept adopted at the end of last year finally will be approved in October 2011, after then the implementation of it will start. Among the key outstanding issues - housing refugees from Azerbaijan and the problem solution of migrant workers abroad" (Golos Armenii, newspaper, 2011, July 2). A Government Decree issued on November 10, 2011 (# 1593N) approved the Action Plan for Implementation of the Policy Concept for the State Regulation of Migration in the Republic of Armenia in 2012-2016".⁴⁶

As migrants will move from Armenia for relatively short periods of time in order to achieve an objective set, the impact of migration will likely be supportive for their families and local communities. An ideal model of Armenian circular migration is that migrants act collectively as working groups rather than as individuals. In this approach the circular migration can be conceptualized as a form of organized exportation of national labour force.

⁴⁵ <http://www.smsmta.am/?id=948> (the body text of the Governmental Decree is in Armenian).

⁴⁶ <http://www.smsmta.am/?id=1023#> (the body text of the Governmental Decree is in Armenian).

Social Impact of Emigration and Rural-Urban Migration in Central and Eastern Europe VT/2010/001

Central to the success of such schemes should be policies to protect the citizenship rights of migrants in the host regions of Russia. Ideally, dual citizenship would go a long way towards resolving such issues. As known Armenia adopted the dual citizenship, when a special article (Article 13, amended on 26.02.2007) has been added in the Law on Citizenship of the Republic of Armenia.

Armenia needs a balanced policy which reflects the realities of internal and external migration, draws on national interests, and is in accordance with the external commitments of the country. There is no agency that is responsible for Armenian migration policy's development, implementation, coordination, or monitoring. The Migration Agency does not have a mandate to deal with the whole spectrum of migration issues. The same is true of the other state agencies with responsibilities in the framework of migration policies. It is necessary to distinguish between functions in the sector; to define the roles and responsibilities of each agency; and to introduce inter-agency coordination, collaboration, and common procedures for regulation of information flows.

Effective governance and prevention of irregular migration, has been recognized as a target for RA strategy regarding national security. This ratifies that the Republic of Armenia will participate in international programs and activities of reputable organizations regarding migration, as well as integration processes in this field both in Europe and in the CIS area. Some concrete steps have already been taken in this direction: a working group created by the RA prime minister has already developed a list of recommendations and presented it to the government. Another working group adjacent to the RA National Security Council has been created, which is working out migration reforms, and relevant responsibilities have been defined.

In economic development strategies, migration processes should be considered as developmental resources. An objective assessment of the effectiveness of a migration policy includes a positive shift in migration balance, which means that citizens of Armenia actually move back to the country. The investment of the returnees in creating new employment opportunities, developing businesses and sharing new skills and technologies are still quite limited. It is already an imperative to develop business supportive environment, enhance legal, and social justice in the country in order to reduce the pace of development of new Diaspora and to ensure the return of migrants. Alleviation of urban areas from labour concentration and provision of employment opportunities in rural areas should become one of the most crucial axes of strategic business development programs.

Issues such as legislative regulation of labour migration and the state protection of the rights and legal interests of labour migrants should be the focus of the government policies.

Armenia has not implemented a special state policy on investment attraction (with a differentiated approach for various cohorts of migrants and parts of the Diaspora) and the transfer of the migrants' experience, technologies, and knowledge. The international best practice⁴⁷ suggests that such policies can be very helpful. And, obviously, it is necessary to harmonize the legislation regulating migration, education, economy and labour, and consider the relevant needs and issues.

State policy should be directed towards assuaging migration dependence on one country through diversification of the capabilities of Armenian labour migrants, such as their knowledge of language, cultural compatibility, competitiveness of the labour force, and bilateral agreements on entry-exit, etc.

A first step to be considered would be starting the liberalization of the visa regime for EU countries; developing and introducing the international standards for collection and analysis of data regarding migration; harmonizing the systems of the RA entry visa and residence, by equally liberalizing the system and regulating the process of border crossing.

55-60% of the out-migrants from the previous Soviet republics stay within the borders of the CIS. Despite this fact, the governments of the CIS member and associated states never assembled their experts or scientists to give them concrete instruction in order to work out a common migration policy agreed on by each of the countries according to their interests.

⁴⁷ Israel and India are mentioned in Hovhanesian (2008).

Social Impact of Emigration and Rural-Urban Migration in Central and Eastern Europe VT/2010/001

Meanwhile the population itself, while not expecting constructive solutions from the authorities, made its own tracks to those places where it is hoped that in the future civilized routes will be developed. This happens largely irregular, and is therefore connected with losses, exploitation, crime, and many other negative consequences. To avoid this, migration processes should be included into the civilized discourse and should be regulated by the involved countries, particularly in the framework of the CIS.

The temporary and seasonal nature of many flows is an important feature; mainly as a result of geographical proximity, easy travel connections and the visa-free entry to CIS countries temporary and circular migration became a feasible option. Since long time it is already clear that migration problems cannot be solved only by one country. There is a common migration space generated by the collapse of Soviet Union. The problem of labour migration can be solved only by common efforts of receiving countries (Russia, Kazakhstan, Ukraine) and donor countries (Armenia, Georgia, Tajikistan, Kyrgyzstan, Moldova). The common migration space needs a common regulation. So, redistribution of labour resources within the post-Soviet space causes many other issues of social inclusion, criminal, and other problems that should be addressed in countries of origin and receiving countries.

Against this background, the establishment of a migration system between Armenia and Russia is recommended in which Armenians can easily leave for earnings in Russia a few times per year without particular problems and within an official agreement. For these purposes the following measures are important:

- Simplification of departure-entry for labour migrants within CIS countries. Special preferences for officially organized groups of labour migrants.
- Creation of international agencies on labour migration.
- Coordination and improvement of national legislation.
- Quotation of organized flows of labour migrants.
- Total legal protection of labour migrants. High legislative responsibility of sending and receiving parts.
- Maximum simplification and easing of money transfers by legal channels. The control and safety of them.

Countries like Armenia gain from “circular migration”, receiving returnees who return with increased skills, knowledge and resources due to their stays abroad. For Armenia, migration and remittances represent a significant input for the developing economy. The returning workers have new skills as a result of the migration experience. At least some proportion of the workers actively put their new knowledge and skills to use and engage in some business at home. The money earned abroad allows for additional investments in Armenia. Additionally, workers transfer their money from abroad through the bank institutions.

Another wave of migration, especially of skilled workers is expected with the introduction of Blue cards by the EU.

Increasing labour outflows recently prompted the EU to open a dialogue on migration with some destination countries in the CIS region. This dialogue is fundamental for the countries of the region to coordinate and effectively implement migration management. It is proposed by EU to discuss the signing of a Mobility Partnership with Armenia in the near future. The mobility partnership deals explicitly with labour mobility and return migration within the notion of circularity (including illegal migrants, refugees, and border control). The better management of labour migration is a valuable policy option with mutual benefits for the CIS partners and destination countries. Armenia needs to work harder on pro-actively encouraging migrants to return, become entrepreneurs and create environments conducive to the more productive use of their skills, knowledge and savings at home.

For example, the Philippines government sees temporary labour migration as the foreign policy priority in both bilateral and regional trade negotiations. In the mid-seventies the Philippines

**Social Impact of Emigration and Rural-Urban Migration in Central and Eastern Europe
VT/2010/001**

government established control over the temporary contract workers flows by instituting a regulatory system overseeing the process (Alburo, Abella, 2002). The main message is that the government is trying to prevent its citizens from using unregulated channels to migrate. The Philippines example offers valuable conclusions for the Armenian case. The regulated circular migration regime could be developed and work for Armenia with real results.

Some countries already have well-developed systems to regulate the entry of seasonal migrant workers to take up available jobs in certain seasonal sectors. For example, Germany's seasonal migrant workers program issues permits for seasonal work across the agriculture, hospitality and carnival sectors. The receiving countries, especially Russia, should attract seasonal migrant workers from Armenia based on the needs of national labour markets.

Migrant workers in low-skilled seasonal jobs risk being exploited by employers, and policy-makers need to introduce measures to prevent this. They should design policies to prevent exploitation of seasonal migrant workers. Another important point is that the receiving countries should formulate effective mechanisms to ensure the return of seasonal workers.

The potential that circular migration has for developing countries of origin is clear in terms of the economic impact through remittances and in the return of skills and experience. Through the evaluation of existing temporary and circular migration policy it is possible to assess their impact on development. Armenia is experiencing 'brain drain' when the educated labour forces move to abroad. A system of 'brain circulation' could go some way to compensate for that. The back-and-forth movement of skills workers would potentially contribute to Armenia by way of training the local population and sharing ideas and experience. For Armenia it will also be useful to develop the circular migration among the skilled labour force.

Circular migration would need to be facilitated and encouraged by policies protecting the residence and naturalization rights of migrants in their host countries. Losing accumulated rights associated with residence in a host country constitute a barrier to return.

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**Social Impact of Emigration and Rural-Urban Migration in Central and Eastern Europe
VT/2010/001**

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Annex 1: Tables

Table 1.1. Selected macroeconomic indicators, 1990-2009

	1990	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Nominal GDP, EUR bln	N/A	N/A	2.1	2.4	2.5	2.5	2.9	3.9	5.1	6.7	7.9	6.1
Nominal GDP EUR per capita	N/A	N/A	642	736	783	774	896	1222	1582	2086	2451	1885
Real GDP growth rate, %	-	6.9	5.9	9.6	13.2	14.0	10.5	13.9	13.2	13.7	6.9	-14.2
Industry, % of GDP	30.2	24.3	25.2	23.2	22.6	22.5	22.1	21.7	17.2	15.0	13.3	13.8
Agriculture, % of GDP	15.8	40.7	23.2	25.6	23.5	21.5	22.6	19.1	18.7	18.3	16.3	16.6
Services, % of GDP	54.0	35.0	51.6	51.2	53.9	56.0	55.3	59.2	64.1	66.7	70.4	69.6
Inflation (CPI), %	7.8	176	-0.8	3.1	1.1	4.7	7.0	0.6	2.9	4.4	9.0	3.4
Memorandum indicators ^o												
Population, mln,	3.515	3.753	3.803	3.802	3.213	3.210	3.212	3.216	3.219	3.223	3.230	3238.0
Exchange rate, AMD/EUR			498.7	497.2	541.6	653.8	662.3	570.4	521.2	467.8	450.2	507.4

Source: NSS of RA, Statistical Yearbooks for relevant years.

Table 1.2 Consolidated Budget of RA, as % of GDP*

	2003	2004	2005	2006	2007	2008*	2009
Revenues and Official Transfers	21.2	19.1	20.1	20.1	22.2	22.4	22.9
Public Expenditures	19.2	17.5	18.6	18.1	20.2	22.7	29.9
Deficit(-)/surplus (+) of consolidated budget	1.9	1.6	1.4	2.0	2.0	-0.3	-4.8

* Since 2008 the classification of the RA state budget indicators has been implemented in line with the classification of "Government Finances Statistics-2001" manual. Internal transfers between RA state and communities budgets are not included.

Source: NSS of RA (2010b), p. 9.

**Social Impact of Emigration and Rural-Urban Migration in Central and Eastern Europe
VT/2010/001**

Table 2.1 Household Members of Age 15 and Above in Migration since January 1, 2007, by Reasons for Leaving and by Location, 2009

Have left and have not returned (percentage of total)

Main reason for leaving	Have left to							
	Yerevan	Marz (Region) in Armenia	Russia	Other CIS country	European country	US and Canada	Other	Total
Work	7.5	4.0	81.8	2.1	3.4	0.0	1.2	100
Search of work	8.2	4.8	79.9	0.0	6.8	0.0	0.3	100
Lack of work	7.8	6.7	74.4	1.5	8.7	0.2	0.7	100
Current economic crisis	0.0	0.0	100	0.0	0.0	0.0	0.0	100
Seasonal worker	0.0	3.4	96.6	0.0	0.0	0.0	0.0	100
Staying was pointless	100.	0.0	0.0	0.0	0.0	0.0	0.0	100
Family circumstances	15.4	21.5	52.3	5.4	2.0	0.0	3.4	100
Visit friends/relatives	0.0	0.0	58.4	26.1	15.5	0.0	0.0	100
Other	27.2	45.3	5.9	1.8	0.1	0.1	19.6	100
Total	14.5	19.3	53.6	2.2	2.9	0.1	7.4	100

Source: NSS of RA, 2010, Chapter 1 (Migration and Poverty), p. 23.

Note: A total of 7,872 households were interviewed, of which 4,416 and 3,456 households from urban and rural communities, respectively. Survey data provided for the minimum representativeness by regions. More details are available at: http://www.armstat.am/file/article/poverty_2010e_2.pdf

Table 3.1.1 Employment by sphere of economic activity in 2002-2009 (share of total, %)

	2002	2003	2004	2005	2006	2007	2008	2009
Employed , total	100	100	100	100	100	100	100	100
Agriculture, hunting , forestry, fishing	45.3	45.9	46.9	46.2	46.2	46.0	44.1	45.6
Mining & quarrying	0.7	0.7	0.6	0.6	0.7	0.8	0.7	0.7
Manufacturing	10.7	10.3	10.3	10.4	10.1	9.4	8.5	7.7
Electricity, gas & water supply	2.3	2.1	2.0	1.7	2.1	2.1	2.2	2.2
Construction	3.3	3.4	3.1	3.2	2.7	2.8	5.4	4.6
Wholesale and retail trade, repair of motor vehicles, motorcycles & personal household goods	8.8	9.2	9.5	9.9	9.7	9.6	10.1	9.6
Hotels & restaurants	0.2	0.4	0.4	0.5	0.7	0.8	1.1	1.1
Transport & communication	3.6	3.8	4.3	4.5	4.4	4.3	4.6	4.9
Financial intermediation	0.5	0.5	0.5	0.6	0.6	0.8	1.0	1.0
Real estate, renting & business activities	1.7	1.8	1.7	1.7	2.1	2.4	2.4	2.4
Public administration	2.4	2.5	2.7	2.6	3.2	3.4	3.6	3.7
Education	10.6	10.1	9.3	9.0	9.2	9.2	9.0	9.2
Health & social work	6.0	5.4	4.6	4.6	4.5	4.6	4.0	4.2
Community, social & personal services	3.8	3.9	4.1	4.4	3.7	3.8	3.3	3.1

Source: NSS of RA, Statistical Yearbook of Armenia 2010, p. 57; 2007, p. 55.

**Social Impact of Emigration and Rural-Urban Migration in Central and Eastern Europe
VT/2010/001**

Table 3.1.2 Dynamics of Average Nominal and Minimum Wages, 1994-2010

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Average nominal wage, AMD	20157	22706	24483	27324	34783	43445	52060	62293	74227	87406	96019	108840
Average nominal wage, EURO	35.3	45.5	49.2	32.5	53.2	65.6	91.3	119.5	158.7	194.1	189.3	201.6
Real wage growth, %	21.0	14.2	3.7	13.8	22.9	22.2	27.0	17.4	17.4	12.8	15.8	
Minimum wage, AMD	5000	5000	5000	5000	5000	13000	13000	15000	20000	25000	30000	32500
Minimum wage, EUR	8.7	10.0	10.1	5.9	7.6	19.6	22.8	28.8	42.8	55.5	59.1	60.2

Source: NSS of RA, Statistical Yearbook for relevant years, section on "Living Conditions"; NSS of RA, 2010a, p. 52; NSS of RA, 2011, p. 40 (http://www.armstat.am/file/article/sv_01_11a_142.pdf).

Table 3.1.3 Average Monthly Nominal Wages by RA Marzes, 2009

	Nominal Wage, AMD	Nominal Wage, ratio to average
Yerevan	107362	111.8
Aragatsotn	75956	79.1
Ararat	76363	79.5
Armavir	87129	90.7
Gegharkounik	79397	82.7
Lori	75657	78.8
Kotayk	85604	89.2
Shirak	74354	77.4
Syunik	102456	106.7
Vayots Dzor	72523	75.5
Tavoush	70598	73.5
RA average	96019	100.0

Source: NSS of RA, 2010a, p. 62 (http://www.armstat.am/file/article/trud_10_6.pdf).

Table 3.1.4. Poverty Incidence among Sample Household Members (based on per adult equivalent population)

	Poverty Incidence, %				
	US \$1	US \$1.5	US \$2	US \$3	US \$4
Poverty Line, per day at PPT					
	When remittances are included in total income of remittance-receiving HHs				
COUNTRY	2.7	6.7	12.6	29.6	45.1
Capital	1.2	3.2	5.5	17.1	31.5
Other Urban Areas	2.6	6	11.8	32	47.3
Rural Areas	4.3	10.5	20	39.6	56.6
	When remittances are excluded in total income of remittance-receiving HHs				
COUNTRY	7.5	13.3	20.7	38.8	54
Capital	4.3	7.2	10.8	22.4	36.5
Other Urban Areas	9.2	15	22.6	44.6	59.1
Rural Areas	9.2	17.7	28.8	49.9	66.8

Source: Asian Development Bank, 2007, p. 59.

**Social Impact of Emigration and Rural-Urban Migration in Central and Eastern Europe
VT/2010/001**

Table 3.1.5 Amount of Remittances to Armenia in 2001-2009, million EURO

	Workers' remittances	Migrants' transfers	Compensation of employees*	Diaspora transfers	Total	As % to:	
						Previous year	GDP
2001	4.22	-2.74	80.97	128.28	210.74	...	8.9
2002	3.82	-2.24	111.60	140.68	253.86	+20.5	10.1
2003	3.31	2.93	118.40	153.77	278.41	+9.7	11.2
2004	21.01	3.48	144.02	237.62	406.13	+45.9	14.1
2005	33.66	6.83	237.32	371.67	649.48	+59.9	16.5
2006	44.58	1.80	356.27	485.35	888.00	+36.7	17.4
2007	65.12	3.00	421.62	583.80	1073.53	+20.9	15.9
2008	76.55	2.78	516.66	696.69	1292.68	+20.4	16.3
2009	53.57	1.92	391.53	497.82	944.84	-26.9	15.4

* Including border, seasonal and other workers

Source: NSS of RA, Balance of Payment of Armenia; years 2006, 2009, 2010, p. 18-21.

Table 3.3.1 Poverty indicators in Armenia during the period 1999-2008 (% of total)⁴⁸

	1999*		2004		2005		2006		2007		2008	
	Extremely poor	Poor	Extremely poor	Poor	Extremely poor	Poor	Extremely poor	Poor	Extremely poor	Poor	Extremely poor	Poor
Urban areas	7.5	36.4	5.3	30.7	5.0	28.2	4.6	24.7	3.9	23.8
Yerevan	24.8	58.4	6.1	29.2	3.6	23.9	3.5	21.0	3.2	20.0	3.2	19.7
Other urban	27.4	65.5	9.2	43.9	7.2	37.8	6.6	35.8	6.1	29.8	4.6	28.3
Rural	14.1	48.2	4.4	31.7	3.2	28.3	2.4	23.4	2.3	25.5	1.7	22.9
<i>Total</i>	<i>21.0</i>	<i>56.1</i>	<i>6.4</i>	<i>34.6</i>	<i>4.6</i>	<i>29.8</i>	<i>4.1</i>	<i>26.5</i>	<i>3.8</i>	<i>25.0</i>	<i>3.1</i>	<i>23.5</i>
Gini coefficient (by income)	<i>0.57</i>		<i>0.395</i>		<i>0.359</i>		<i>0.369</i>		<i>0.371</i>		<i>0.389</i>	

Source: Government of RA, 2008; NSS of RA 2010 and Statistical Analytical Report 2009, p. 29, 44.

*Calculated according to the methodology used since 2004.

⁴⁸ The indicators for 2008 in the upcoming text may differ from the once on this table due to methodology change in 2009 and recalculations of poverty indicators for 2008 for consistency purposes.

**Social Impact of Emigration and Rural-Urban Migration in Central and Eastern Europe
VT/2010/001**

Table 3.3.2 Armenia: Durable goods lacked (*percent*)

	All children	Poor children	Extremely poor children
Refrigerator	17.6	44.2	58.0
Washing machine	18.9	37.5	66.3
Mobile phone	20.7	47.6	63.1
Vacuum cleaner	45.5	71.9	83.3
Video recorder	48.3	73.3	74.8
Photo camera	65.0	84.6	91.7
Audio system	68.0	82.6	90.2
Car	80.2	97.3	98.0
PC	83.5	96.6	98.8

Source: NSS of RA, 2010.

Table 4.1 Regional indicators of economic activity and labour migration rates*

Region	Urban areas			Rural areas			Total		
	Economic activity	Unemployment rate	Migration rate	Economic activity	Unemployment rate	Migration rate	Economic activity	Unemployment rate	Migration rate
Lori	80.7	55.1	14.9	65.9	40.6	17.8	74.3	49.6	16.1
Aragatsotn	68.5	21.9	10	76.2	10.9	10.1	74.4	13.3	10.1
Gegharkunik	63.7	24.1	8.6	76.7	9.4	10.6	71.4	14.7	9.8
Shirak	65.2	47.9	6.3	71.6	14.3	14.7	67.8	33.2	9.7
Syunik	76.3	16.9	8.6	80.5	12.4	9.9	77.7	15.4	9
Ararat	63.3	14.5	8	75.9	9	7.2	72.6	10.3	7.4
Yerevan	68.1	22.2	6.6	-	-	-	68.1	22.2	6.6
Tavush	69.6	40.9	5.2	78.4	24.9	6.2	74.8	31	5.8
Kotayk	63.7	35.2	4.5	61.6	22.2	5.3	62.8	29.6	4.8
Vayots Dzor	72.9	36.7	5.9	71.6	18.2	3.9	72.1	25.4	4.7
Armavir	68	37.6	3.3	75.6	7.6	4.4	72.6	18.7	3.9
Total	68.5	29.4	7.2	72.9	15.6	9.2	70.1	24.2	7.9

* Ratio of labour migrants to the total de jure population of ages 16 and above in each region.

Source: ILO, 2010, pp. 31-32.

**Social Impact of Emigration and Rural-Urban Migration in Central and Eastern Europe
VT/2010/001**

Table 4.2 Poverty Indicators by Regions and in Yerevan, 2008-2009 (%)

1.	2008		2009		2010		By Marz distribution of:		
	Poor	Extremel y poor	Poor	Extremely poor	Poor	Extremely poor	poor	population	Differen ce (8-9)
2.	3.	4.	5.	6.	7.	8.	9.	10.	
Yerevan	20.1	1.1	26.7	2.1	27.1	2.2	25.9	34.2	-8.3
Aragatsotn	20.3	0.5	25.4	1.6	28.9	2.8	3.3	4.0	-0.7
Ararat	31.3	1.6	39.8	3.4	42.4	2.9	9.4	7.9	1.5
Armavir	24.5	0.7	31.3	3.7	33.0	1.4	7.8	8.4	-0.6
Gegharkounik	32.0	0.4	40.4	2.2	43.6	1.4	8.3	6.8	1.5
Lori	34.2	2.8	41.7	7.7	45.9	5.2	12.1	9.5	2.6
Kotayk	39.5	2.1	43.0	6.6	46.8	5.8	12.9	9.9	3.0
Shirak	42.4	4.6	47.2	5.5	48.3	5.0	12.3	9.1	3.2
Syunik	20.3	1.3	23.4	2.2	26.8	1.7	3.0	4.0	-1.0
Vayots Dzor	21.1	1.9	30.3	1.6	37.1	2.2	1.9	1.9	0.0
Tavoush	23.2	1.7	31.3	1.8	26.1	1.2	3.1	4.3	-1.2
Total	27.6	1.6	34.1	3.6	35.8	3.0	100.0	100.0	0.0

Source: NSS of RA, "Social Snapshot and Poverty", 2010, page 37; NSS of RA "Social Snapshot and Poverty in Armenia", 2011, page 33 (http://armstat.am/file/article/poverty_2011e_2.pdf).

Table 4.3. Ranking of marzez by Social Exclusion index for 12 indicators

	Aragats otn	Ararat	Armav ir	Geghar kunik	Kotayk	Lori	Shirak	Syunik	Vayots dzor	Tavush	Yerevan
1	4	5	8	1	10	6	7	9	3	2	11
2	4	5	8	1	10	6	7	9	3	2	11
3	4	5	8	1	10	6	7	9	3	2	11
4	4	5	8	1	10	6	7	9	3	2	11
5	4	5	8	1	10	6	7	9	3	2	11
6	5	4	7	1	10	6	8	9	3	2	11
7	4	5	8	1	10	6	7	9	3	2	11
8	4	5	8	1	10	6	7	9	3	2	11
9	3	5	8	1	10	6	7	9	4	2	11
10	3	5	8	1	10	6	7	9	4	2	11
11	3	5	9	1	10	6	7	8	4	2	11
12	3	5	10	1	9	6	7	8	4	2	11

**Social Impact of Emigration and Rural-Urban Migration in Central and Eastern Europe
VT/2010/001**

Table 4.4. Drivers of social exclusion by Marz in Armenia, 2011

	Aragatsothn	Ararat	Armavir	Gegharkun ik	Kotayk	Lori	Shirak	Syunik	Vayots dzor	Tavush	Yerevan
Economic exclusion	28.3	29.2	26.6	32.3	35.4	34.4	32.0	32.5	32.8	30.0	37.3
Exclusion from social/public services	34.0	32.1	35.6	29.4	24.6	24.9	26.5	28.2	29.9	31.7	23.3
Exclusion from participation in civic and social life and networks	37.7	38.7	37.9	38.3	40.0	40.7	41.6	39.3	37.3	38.3	39.5
	100	100	100	100	100	100	100	100	100	100	100

**Social Impact of Emigration and Rural-Urban Migration in Central and Eastern Europe
VT/2010/001**

Table 5.1. Voluntary Return and Deportation of Armenian Citizens from Abroad, 2004-2009, by Countries, persons*

	Total number of Armenian citizens who returned voluntarily	Total number of Armenian citizens who were deported
Argentina	5	
Austria	40	
Belarus	56	25
Bulgaria	168	75
Canada	20	
China		2
France	640	429
Georgia		1
Germany	1307	187
Greece	35	
Israel	8	
Italy	4	79
Netherlands	74	39
Poland	1178	
Russian Federation	30497	2731
Spain	53	
Sweden	127	127
Switzerland	264	
Turkey	77	
Turkmenistan	98	9
United Arab Emirates	3	19
United Kingdom of Great Britain and Northern Ireland	25	76
United States of America	1961	238
All countries	36640	4037

*1 The table was prepared on the basis of data from the reference letter of the Republic of Armenia Ministry of Foreign Affairs Consular Department.

Source: UNDP, 2009, p. 92.

Annex 2: Figures

Figure 1.1 Map of the Republic of Armenia: Marzes

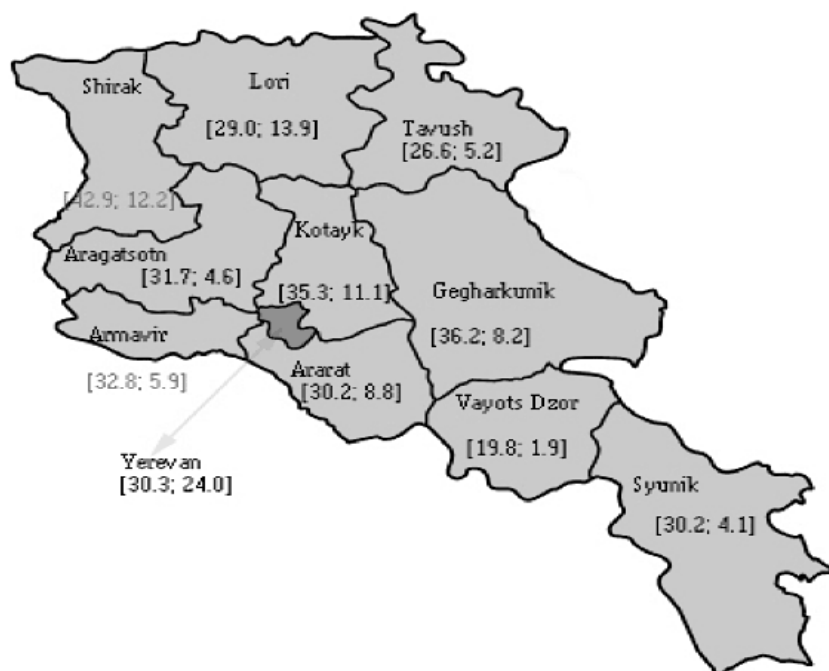
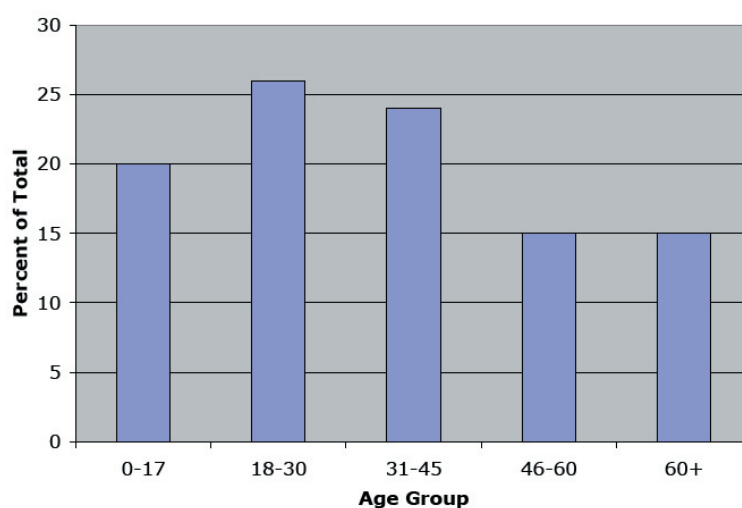


Figure 2.1 IDP Distribution by Age



**Social Impact of Emigration and Rural-Urban Migration in Central and Eastern Europe
VT/2010/001**

Figure 3.1 Composition of Armenia's population by age and gender (as of January 1, 1999 and 2010, % of total)

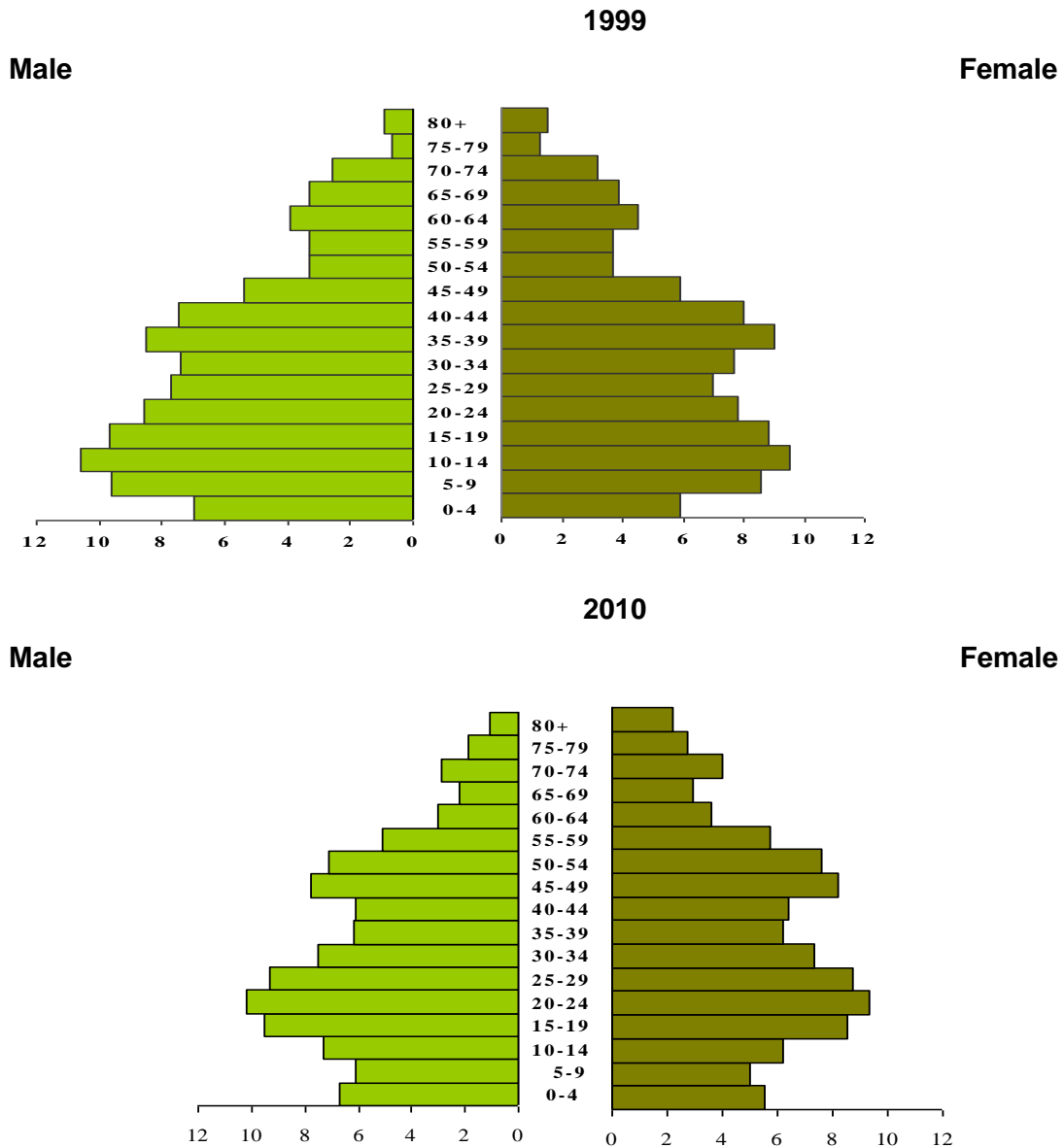
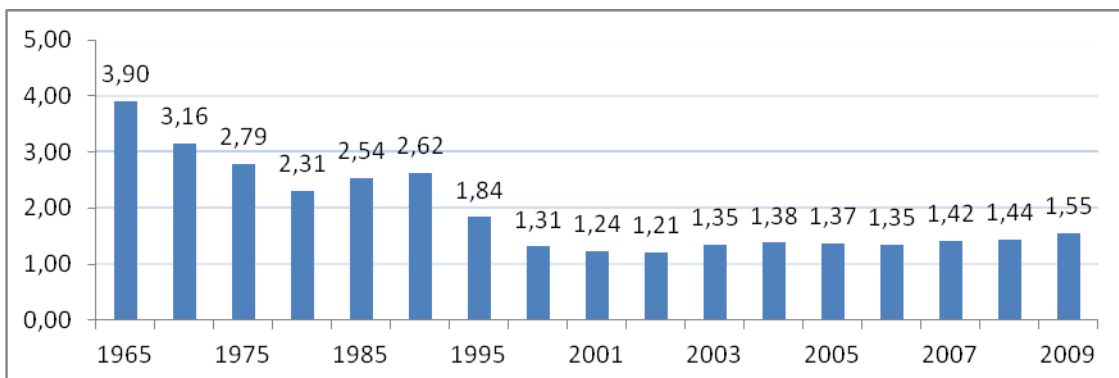


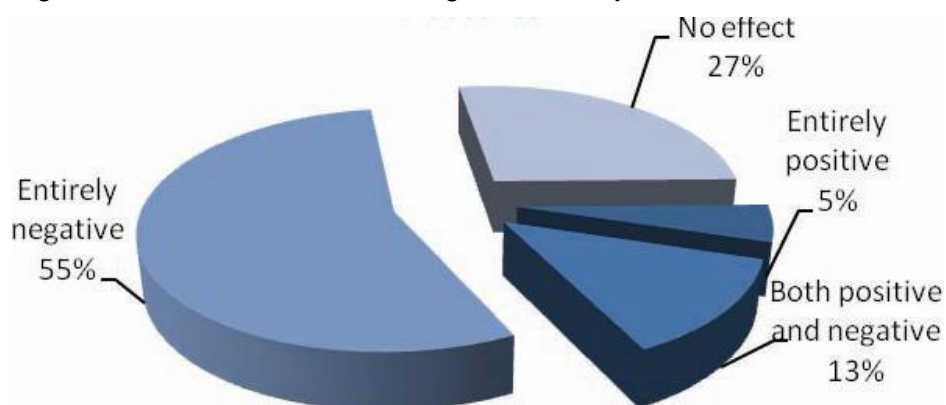
Figure 3.2 Fertility Rates in Armenia for 1965-2009



Source: NSS of RA, Demographic Handbook of Armenia, 2010, p. 55.

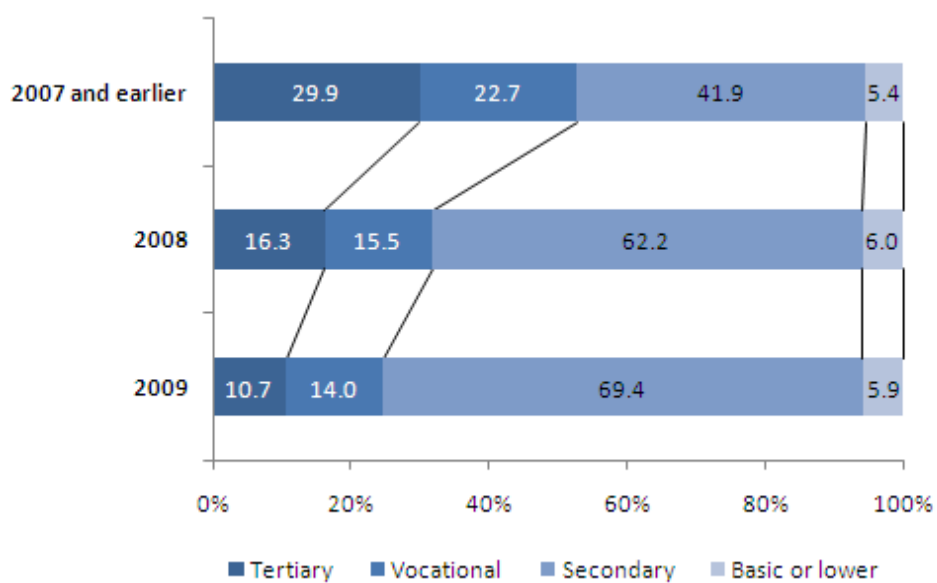
**Social Impact of Emigration and Rural-Urban Migration in Central and Eastern Europe
VT/2010/001**

Figure 3.3 The effect of labour migration on key industries



Source: ILO, 2009b, p 25

Figure 3.4 Breakdown of labour migrants by level of education



Source: ILO, 2010, p. 33.

Figure 3.5 Satisfaction of compensation for work (% of total)

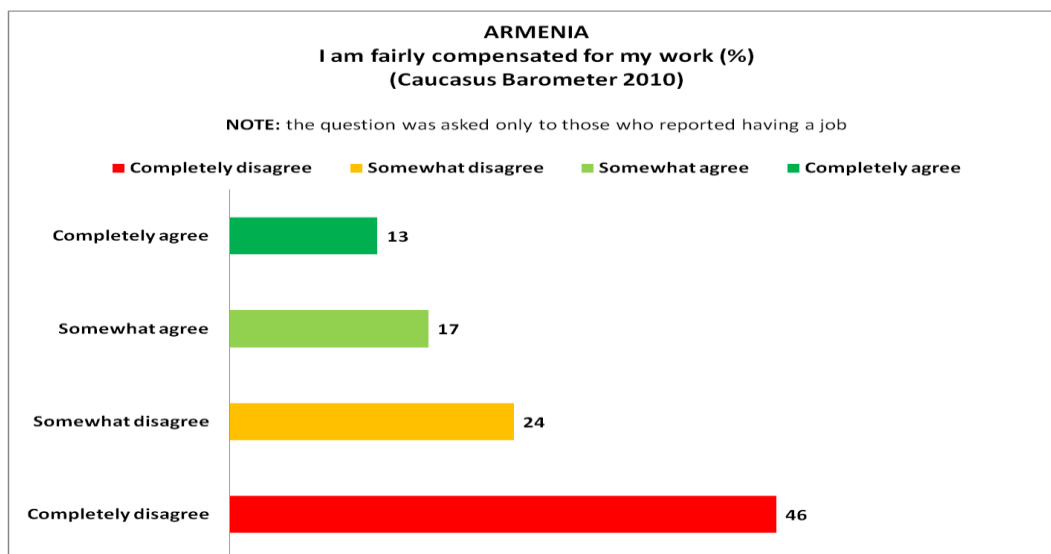


Figure 3.6a Interest in permanent and temporary migration (% of total)

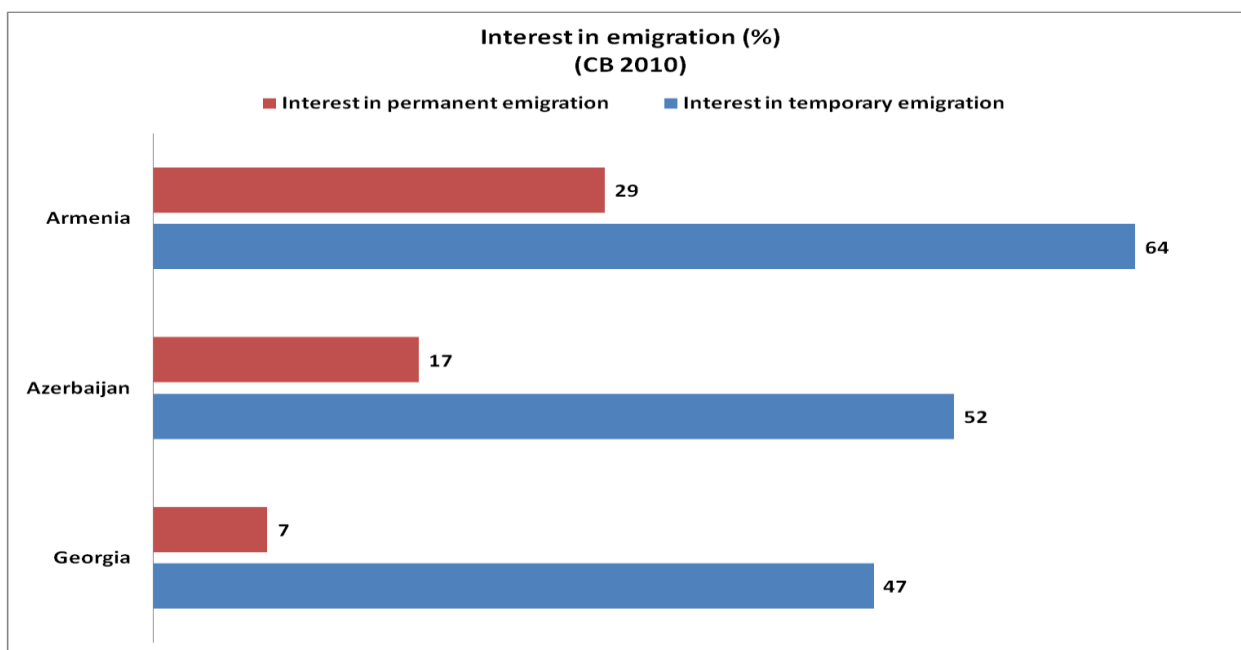


Figure 3.6b Interest in temporary migration by age group (% of total)

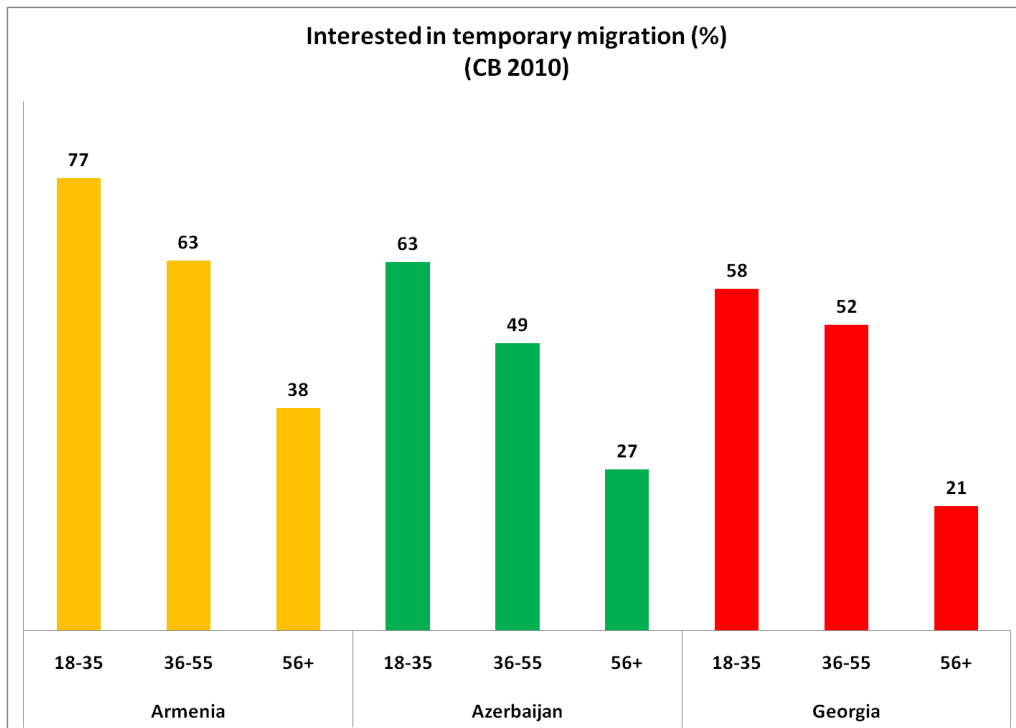


Figure 3.6c Interest in permanent and temporary migration in 2008-2010 (% of total)

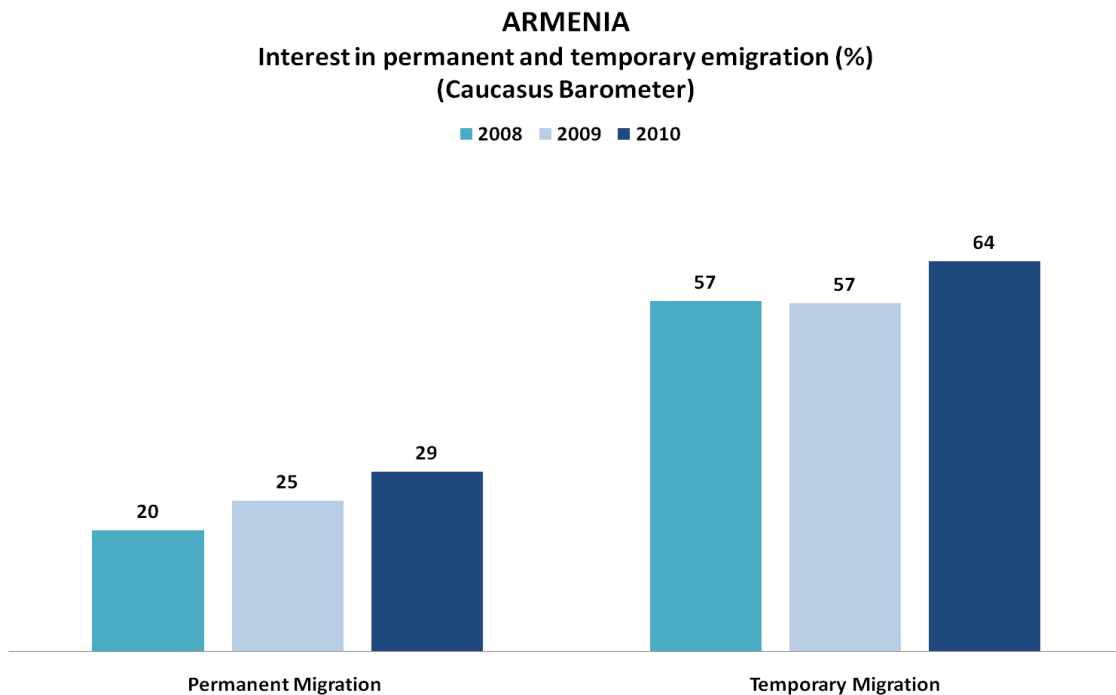
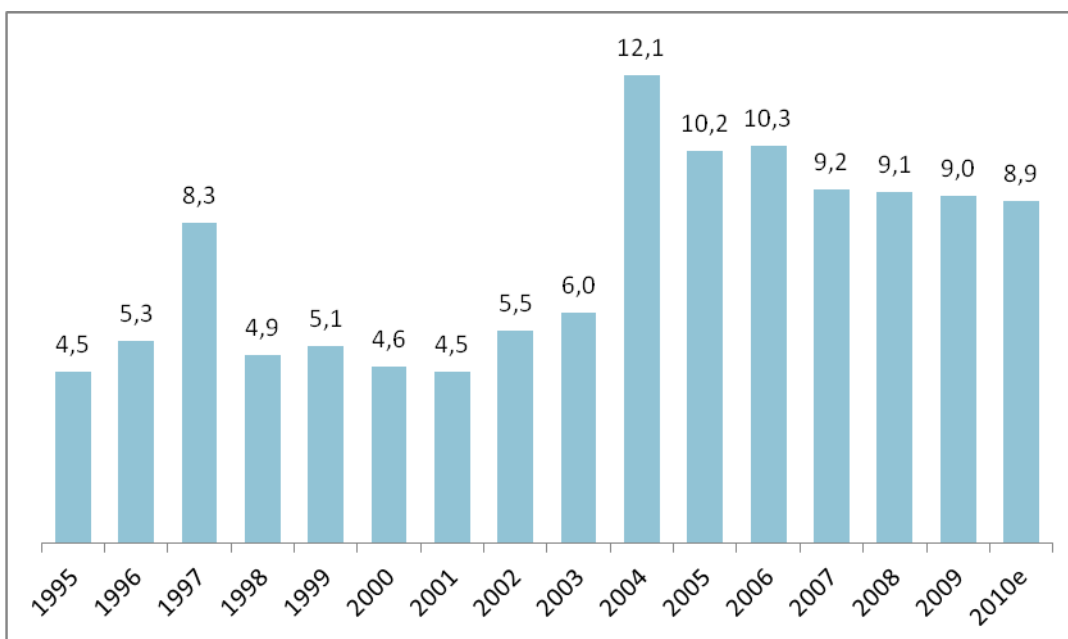
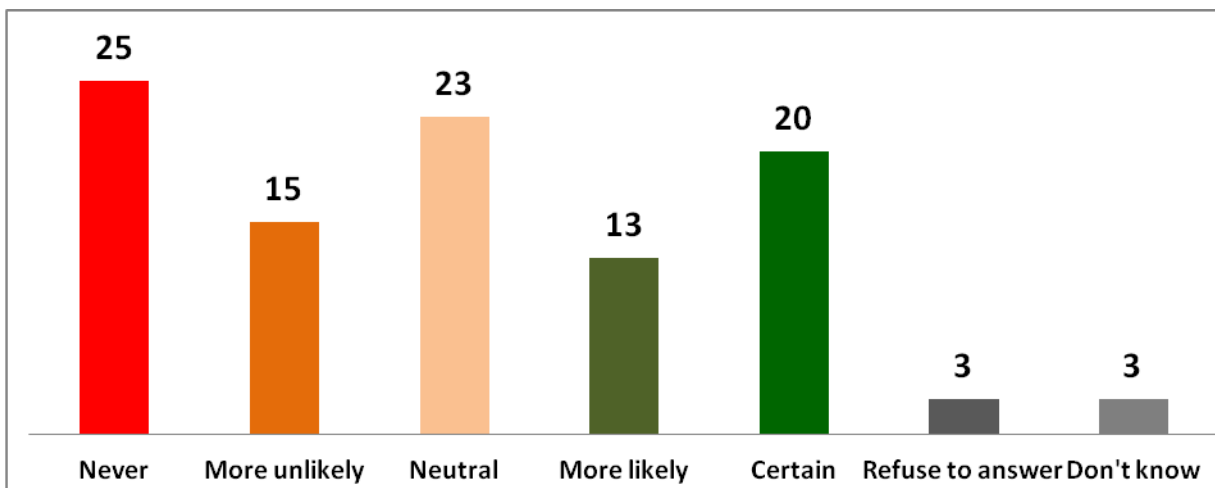


Figure 3.7 Remittances to GDP ratio in Armenia for 1995-2010 (%)



Source: World Bank, world development indicators (<http://data.worldbank.org/country/armenia>).

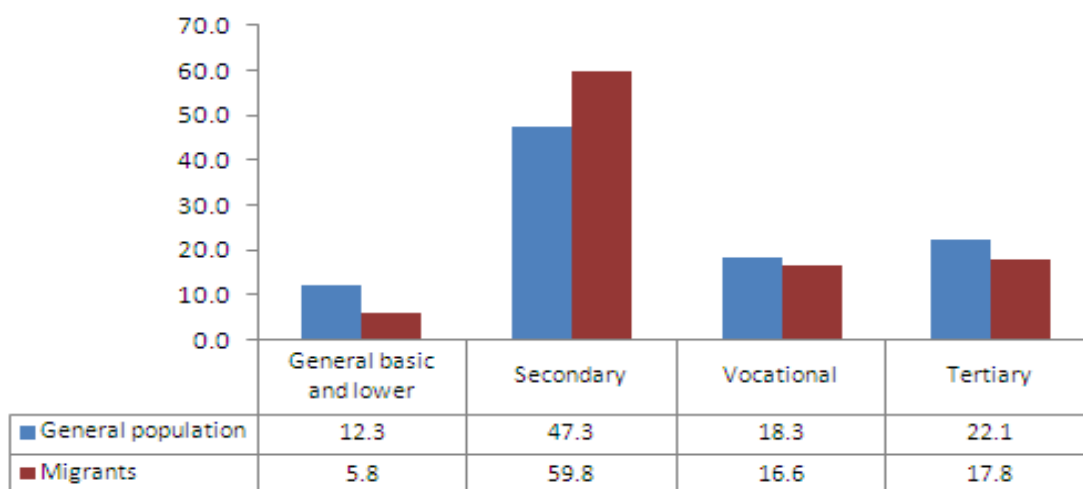
Figure 3.8 Likelihood of return of Elite migrants to Armenia before retirement (% of total)



Source: [Dulgaryan et al., 2009](#).

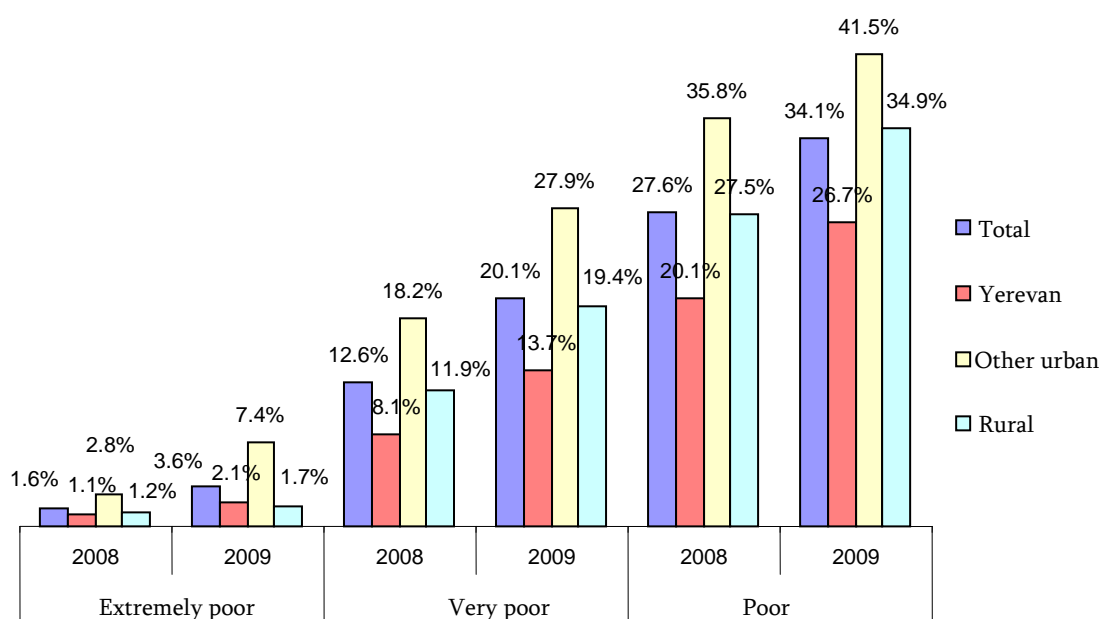
**Social Impact of Emigration and Rural-Urban Migration in Central and Eastern Europe
VT/2010/001**

Figure 3.9 Breakdown of the general population and labour migrants by level of education



Source: ILO, 2010, p. 32.

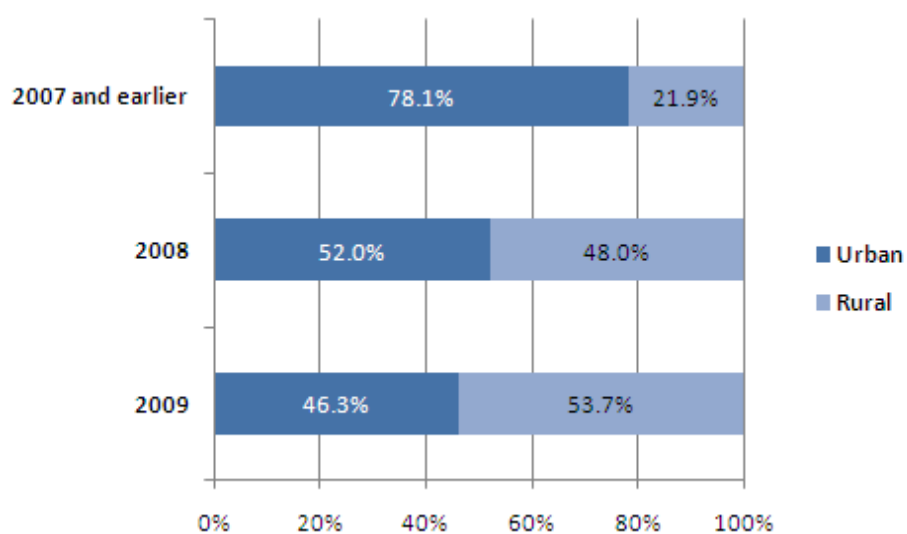
Figure 3.10 Poverty frequency by Urban/Rural Areas of Armenia: 2008-2009



Source: NSS of RA, 2010, p. 33.

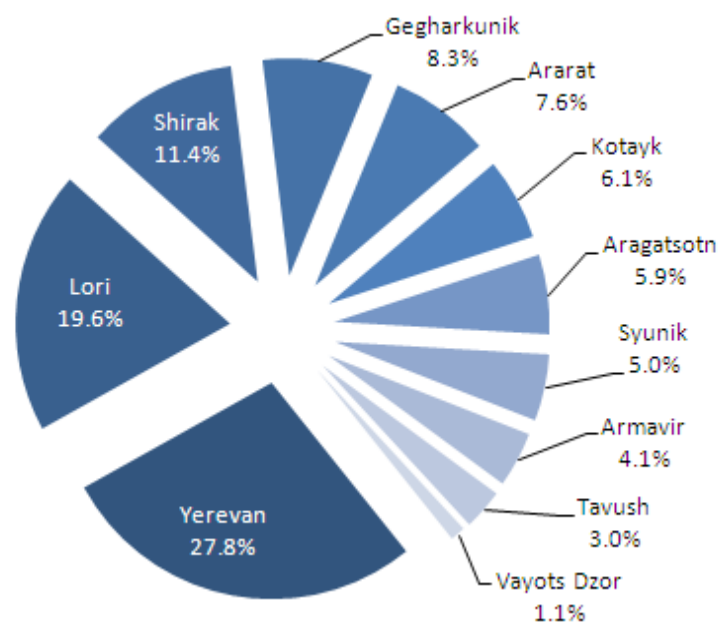
**Social Impact of Emigration and Rural-Urban Migration in Central and Eastern Europe
VT/2010/001**

Figure 4.1 Changes in proportions of migrants from urban and rural areas of Armenia



Source: ILO, 2010.

Figure 4.2 Breakdown of labour migrants by place of residence in Armenia



Source: ILO, 2010.

Annex 3: The principal agencies that participate in administrative decision-making on international migration issues or are responsible for those issues as part of their mandate:

- _ The Ministry of Labour and Social Issues (MLSI), Department of Labour and Employment: labour migration.
- _ The Ministry of Territorial Administration (MTA): Developing migration management policy and coordinating its implementation, developing state policy on labour migration and its organization.
- _ The Migration Agency (currently within the structure of the Ministry of Territorial Administration (MTA) based on the Governmental Decision N 633-N of 19 May 2005): design and implementation of projects aimed at the management of migration and refugees issues.
- _ The Ministry of Foreign Affairs (Legal Department, Consular Department, Migration Desk): visa and passport issuance, relations with Armenians abroad.
- _ The Ministry of Diaspora: Developing and implementing the state policy on development of the Armenia-Diaspora partnership and coordinating the activities of the state bodies in this field.
- _ Border Guards (National Security Service, reporting to the Prime Minister): border management and control.
- _ Visa and Passport Department (OVIR), within the structure of the Police, reporting to the Prime Minister: irregular migration, visa issuance at the borders, registration of foreigners on the territory, issuance of exit stamps (passport validation) for RA citizens.
- _ The Office of the President: granting citizenship.