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

Executive Summary

Armenia

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Migration patterns of Armenia, a small landlocked country in the South Caucasus, have been shaped by the devastating 1988 earthquake, the military conflict with Azerbaijan, and the collapse of the soviet built planned industrial economy. As a result, about one-third of the population emigrated since independence in 1991 mainly to Russia, Ukraine, USA, and Europe.

Economic hardships and imbalances in the labour market caused and continue causing temporary emigration outflows and the number of those who return. Even during the Soviet years Armenia could not absorb its labour resources and there was substantial seasonal male migration since then. The overwhelming majority of migrants are 20-54 years old men (89.1%). They immigrate mostly to Russia, which does not require special visa regimes with Armenia, to take construction and other jobs. Emigrants utilize their long business contacts and relationship with the local Armenians there. Knowledge of language and cultural similarities also makes Russia a more attractive destination country for Armenian migrants.

Emigration was particularly high in the first years of transition as a consequence of an extraordinary economic and social situation, characterised by a substantial reduction of workplaces, a serious economic contraction and worsening living conditions. Since 1995 a decline in emigration relative to the previous period could be observed, 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. 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 and 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. The latest global economic crises had a substantial negative impact on the Armenia migrants and their families. In 2009-2010 the labour quotes for the migrants from CIS countries were reduced in Russia. As a result of this many Armenians remained unemployed there with no means of supporting their families at home.

Internal migration was also substantial due to unequal economic development between the capital city and the rural areas of Armenia. There was a steady exodus from the countryside into the city, mainly to the capital, where by the end of the last century lived more than a third of the total population. This capital city centered development further increased poverty and social exclusion in rural Armenia.

Large-scale emigration for Armenia resulted in a number of negative consequences –, gender imbalance, birth rate decrease 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. Apart from other reasons for decreasing fertility rates in many cases young families avoid getting children because of their migration intentions. Moreover, the pool of unemployed is relatively young – the share of youth (aged 16-24) in the total number of unemployed comprised 28.3% (vs. 17% in total population). In contrast to a number of other sending countries, there seems to be no shortage of health professionals in Armenia. Despite a large share of unemployed health professionals the migration rate among medical professions is low. 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). For the sectors concerned, the impact of labour emigration on their business as negative, although it is acknowledged that working conditions and remuneration in Armenia are not competitive in international comparison.

Remittances from abroad to Armenia are an important source for poverty reduction, inequality reduction and economic growth during the last years. Armenia is ranked as one of the first countries in terms of ratio of remittances to GDP; during the period 1995-2010 the remittances accounted for about 5-12% of GDP. Although remittances are mostly used for current consumption, they 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. The large Armenian Diaspora One of the positive consequences of out-migration was the Armenian Diaspora has started to invest asset in the development of their homeland. Initially, migrants helped their relatives who stayed at home by sending them money for living, this was followed by repair, upgrade and build new homes for relatives and for their families in their native towns and rural communities. There are also many examples of

investments in the economy and in social development sphere such as the construction of Kindergartens, schools, and health clinics, pipelines for drinking water in villages and the set-up of small and medium sized businesses by economically successful migrants.

Even though family members of the migrants benefit from remittances and high male out-migration does not lead to modifications in the structure of family, it does have a high “social cost” in terms of family ties and relations. 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 after school activities. There are also indications that there is a health impact on women of seasonal labour migrants reflected in a higher risk of infection with sexual transmitted diseases including HIV.

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 uncoordinated and weak assistance from the Government. Specifically, the social security and health care system, child care and other benefits do not have a special treatment of the migrants’ family members left behind. Armenia tries to coordinate the social insurance systems with the governments of at least the main destination countries in order to improve social protection of migrants. However, progress with regard to the negotiation and implementation of labour and social security agreements is only underway slowly.

Armenia has adopted in January 2012 a State migration policy that aims at enhancing 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, rely on clearly-defined objectives and priorities, and provide sufficient funding for proactive migration management. In particular, the Armenian government is trying to have a more efficient use of capital of the Diaspora in the development of the Armenian economy though establishing such institutions as All-Armenian Bank and Pan-Armenian Fund. Armenian Apostolic Church also plays a positive role in channelling a solid financial aid for the construction and restoration of churches, as well as libraries, schools, cultural institutions and much more.

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. State policy should also 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. There is no agency, however, that is responsible for Armenian migration policy’s development, implementation, coordination, or monitoring. Effective governance and prevention of irregular migration, has been recognized as a target for RA strategy regarding national security. This gives one a hope that the stagnated idleness of the government will be finally broken on the migration regulation issue.

In economic development strategies, migration processes should be considered as developmental resources. 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.

Since 2010, Armenian Government developed a migration policy concept which envisages the application of circular migration in Armenia. The circular labor migration is an EU-authored concept, its aim being to facilitate labor migrants' entry to the countries and getting benefits from it. However, 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 constitutes a barrier to return.