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LABOR MIGRATION: GLOBAL AND REGIONAL CHARACTERISTICS IN THE CONTEXT OF REMITTANCES

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ABSTRACT

This article discusses aspects and integration characteristics of international migration in the world and regions. Based on statistical information, the main trends of the migration movement and prospects for the development of the labor market are determined. The author analyzed the data on priority country directions of labor migration from Uzbekistan and the state of money transfers on a global, regional and national scale. Information on domestic legal policy and ratified international agreements is summarized. He proposed possible solutions to improve research tools in the study of migration processes.

KEYWORDS

labor migrants, international migration, migration corridors, sub-regions, positive effects, World Bank, remittances, pandemic, system of safe, orderly and legal labor migration, reintegration, International Labour Organization, convention, treaty, agreement.

INTRODUCTION

The concept of labour migration in the context of globalisation is becoming an integral part of economic and social processes. Labour migration between different countries acts not only as a factor providing labour force, but also as a stimulus for economic growth. In particular, labour migration is one of the main sources of support for the national economy, as remittances of labour migrants play an important role

in replenishing state income. Thus, an in-depth study and analysis of labour migration processes is of significance for both public policy and the international community.

However, labour migration involves many complexities and challenges. These include the need for effective migration management, protection of migrants' rights



and interests, as well as minimising negative consequences such as brain drain and social risks.

Labour migration is becoming an increasingly complex and dynamic phenomenon that can be observed in all regions of the world. In certain migration corridors, such as between Asia and the Arab States and in South-East Asia, the number of international migrants, the majority of whom are migrant workers, has tripled since 1990 [1].

According to expert estimates, temporary labour migration, especially of low-skilled workers, now exceeds flows of highly skilled labour migrants, and this poses a serious global challenge in terms of managing decent work and reducing the costs of migration of this category of labour migrants [1, P.4].

According to the International Organization for Migration, the total number of people living in a country other than their country of birth is 281 million (3.6 per cent of the world's population), which is 128 million more than in 1990 and more than three times higher than in 1970 (84 million) [2].

At the same time, the total number of labour migrants in the world is 169 million people, of whom 99 million are men and 70 million are women [3].

As can be seen from the general flow of human mobility, labour migration is the largest and most geographically widespread type of overseas movement. In view of this, it is important to look at migration trends from a labour perspective.

It should be noted that more than two thirds of all labour migrants were concentrated in high-income countries, with some 60.6 per cent concentrated in three subregions: 24.2 per cent in Northern, Southern and Western Europe; 22.1 per cent in North America; and 14.3 per cent in the Arab countries.

The importance of these three subregions in terms of the number of international migrant workers they receive has not diminished over time. According to previous estimates, the same three subregions account for the largest share of all migrant workers: 60.2 per cent in 2013 and 60.8 per cent in 2017 [3, p.14].

However, since the beginning of the coronavirus pandemic, the rapid growth of labour migration has slowed. International experts have noted the negative impact of the coronavirus pandemic, including on employment [4]. After three years, human mobility has recovered significantly compared to the period of the COVID-19 pandemic, significant transport and logistics restrictions have been lifted in many countries, and entry and exit conditions for citizens have been relaxed.

The ILO estimates that the employment deficit, which refers to the number of people who want to work but are not employed, will be 402 million in 2024. This figure includes 183 million people who are considered unemployed. At the same time, the number of informally employed workers, which was around 1.7 billion in 2005, will increase to 2.0 billion in 2024 [5].

Assessments of migration processes are impossible without the collection of factual data and statistical information, which is undoubtedly a key tool in the study of migration issues. ILO, World Bank, IOM, OSER and other international organisations and institutions (foundations) collect global multidimensional data on human resources, labour market development and international remittances, despite differences in definitions and methodological problems in collecting accurate statistics [6].

However, the data may not capture unrecorded flows through informal channels, so the true magnitude of global remittances is likely to be higher than available

estimates. Similar estimates of unreported remittances have previously been reported for Uzbekistan [7].

The following contemporary characteristics and attributes of labour migration in global and regional dimensions can be identified and summarised in the scientific and expert analytical literature:

- Demographic factors play an important role in the formation of labour migration flows: in developed countries, the challenges will be related to the shortage of skilled workers in various sectors of the economy; in developing countries with high demographic indicators, there will be a certain degree of pressure on their own labour markets;

- Labour migration, regardless of gender subjectivity, will be closely intertwined with other types of human mobility, such as educational, forced, climatic, etc. migration.

- Regular migration opportunities from developing countries are decreasing, while migration routes for developed countries have increased. This, in turn, provokes irregular (undocumented) migration in developing countries, including through asylum mechanisms (not always substantiated by the reasons for the application);

- Labour migration has traditionally been seen in the context of positive economic effects, both for receiving countries in terms of saturating labour markets, and for sending countries to which migrant workers' remittances are sent. In this context, remittances have recently been considered as an investment category in their own right;

- Interpreting interstate relations in the field of migration through the prism of theorising such relatively new fields as 'migration diplomacy' or 'transnational social contract'.

In this context, a number of positive aspects of individual transnational remittances in the context of external labour migration [1, pp. 17-18] that directly or indirectly affect the socio-economic growth of states are identified:

a) Remittances serve as an important means of poverty alleviation for migrant families and their communities;

b) Remittances can help reduce child labour and finance schooling and health care costs where these are not fully covered by national budget allocations;

c) When properly integrated into the labour market, migrants can dramatically increase per capita income in remittance-receiving countries by increasing the ratio of the employed to the economically active population;

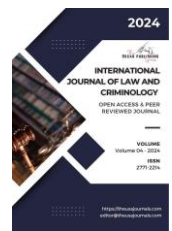
d) Upon returning home, migrants of all skill levels can make a significant contribution to the economic development of their country of origin by investing financial, human and social capital acquired abroad, such as new skills, ideas and know-how;

e) The increasing number of highly educated migrants has a significant impact on the level of productivity, the extent of innovation and the development of entrepreneurship;

f) Migrants also play a role in facilitating trade and investment flows and the cross-border transfer of knowledge and technology;

g) As consumers of goods and services, migrants stimulate demand in the domestic market and increase the flow of money and goods, thereby promoting economic mobility.

Available data show an overall increase in remittances in recent decades, from \$128 billion in 2000 to \$831 billion in 2022. In 2022, global remittances reach the



\$831 billion mark, up from \$717 billion in 2020 and \$791 billion in 2021.

Looking back, traditionally low- and middle-income countries continued to receive significant amounts of remittances, which increased by 8 per cent between 2021 and 2022, from \$599 billion to \$647 billion[8].

In 2022, China, France, India, Mexico and the Philippines were among the top five remittance-receiving countries. At the same time, India received \$111 billion in remittances, an unprecedented result that surpassed the \$100 billion milestone for the first time. Among European countries, France and Germany were among the top 10 [2, p. 36].

Meanwhile, the main source countries of international remittances are expected to be countries with high per capita income. For example, the United States has consistently remained the largest remittance sending country over the decades, with total remittances of \$79.15 billion, followed by Saudi Arabia (\$39.35 billion), Switzerland (\$31.91 billion) and Germany (\$25.60 billion). (\$25.60 billion) [2, p.36-37].

The IOM suppose that the ratio of GDP to the volume of remittances to a given country may indicates the level of 'dependency' of that country on international remittances. The top five remittance-receiving countries by GDP share in 2022 are Tajikistan (51 per cent), followed by Tonga (44 per cent), Lebanon (36 per cent), Samoa (34 per cent) and Kyrgyzstan (31 per cent). In this context, experts note that dependence on remittances also makes a country's economy more vulnerable to sudden changes and downturns in inflows or exchange rate fluctuations [2, p. 38].

Meanwhile, remittance inflows increased most in Latin America and the Caribbean (7.5 per cent), South Asia (5.2 per cent) and East Asia and the Pacific (4.8 per cent) [8, p. 25]. At the same time, the Middle East and

North Africa region saw a decline of almost 15 per cent, and Europe and Central Asia a decline of 10.3 per cent.

As noted above, remittances to Europe and Central Asia fell by about 10%, reaching \$71 billion in 2023. The main reasons for the decline include the outflow of migrants from the Russian Federation and the slowdown in remittances, devaluation of the ruble against the dollar, etc.

A similar decline in remittances to the Europe and Central Asia region has been observed before (with the exception of 2022). In particular, the economic crisis of 2020 was not unprecedented compared to the past crises of 2009 and 2015, when remittances to the region fell by 11 and 15 per cent, respectively [9, P.22].

While the Russian Federation remains the main destination for labour migrants from Central Asia, the directions of migration corridors are transforming, with an increasing number of migrants from the subregion moving to the European Union and Asia.

Between 2016 and 2019, the number of Central Asian nationals with study, work or residence permits in the European Union increased by 14 per cent, while the number of migrants from countries such as Uzbekistan and Kazakhstan moving to the Republic of Korea increased by 92 per cent from almost 10,000 to more than 20,000.

In discussing the risks of countries' dependence on remittances, the IOM notes Uzbekistan's efforts to diversify the countries of destination for its migrant workers.

In our view, the concentration of migrants mainly in high-income countries can be seen as a factor of not only economic but also potential political dependence of labour-exporting countries. In this regard, it is advisable to consider measures to diversify the

directions of labour migration, which will reduce dependence on a limited number of receiving countries and mitigate the risks of economic and political crises that may arise as a result of changes in the migration policies of these states. Such diversification of labour migration destinations will reduce the potential risks of dependence on individual countries and increase the resilience of the country's economy to external changes.

In our country, on the other hand, comprehensive tasks related to external labour migration are entrusted to the Migration Agency under the Cabinet of Ministers. Analysis and summary of data on the national migration flow shows that as of 1 January 2023 the number of labour migrants from Uzbekistan was slightly more than 2 million people, of which men - 1,474 thousand, women - 596 thousand. [10]. The main countries of stay of migrants are the Russian Federation - more than 1 million, Kazakhstan - 347 thousand, Turkey - 140 thousand, Republic of Korea - 25 thousand and others.

It should be noted that the above information is relative due to the dynamics and diversity of the processes observed in the regions where our migrants reside. As we can see, the traditional direction of Uzbek labour migration remains the Russian Federation and Kazakhstan due to the existing historical-political, geographical and cultural circumstances. In turn, the Korean direction is the most 'desirable' among Uzbeks due to relatively high wages and comfortable living and working conditions.

According to the Central Bank of the Republic of Uzbekistan [11], the volume of receipts through international money transfer systems in 2021 will be \$8.1 billion, which is 34% more than the indicators of the Central Bank of the Republic of Uzbekistan [11]. This is 34% more than the indicators for 2020 and 2019 (\$6.0

billion). In 2022, Uzbekistan received a record \$16.9 billion in remittances, 2.1 times more than in 2021 [12].

In 2023, the flow of international cross-border remittances returned to its historical trend and its volume decreased by 1.5 times compared to 2022, amounting to more than \$11.4 billion. It is worth noting that in 2023 there was a decrease in the volume of cross-border remittances from Russia, while the volume of receipts from Turkey (1.3 times), Korea (1.2 times), Lithuania (2.3 times) and Poland (1.8 times) increased by more than \$155 million [13].

These structural changes are explained by a decline in economic activity in the main partner countries and a shift in the flow of labour migration from traditional countries to other alternative countries as a result of the introduction of migrant employment programmes on an institutional basis within the country within the framework of intergovernmental agreements (Annual Report).

From January to September 2024, the volume of remittances to Uzbekistan increased by 34.8%, reaching \$11.3 billion. Remittances from South Korea, the UK, Poland and the UAE showed significant growth, while the share of remittances from Russia continues to decline. According to the Central Bank, remittances from Russia increased by 35% to \$8.75 billion, but its share decreased from 77% (at the end of the first half of the year) to 75.3%. Transfers from South Korea totalled \$420 million (+76%), from Kazakhstan - \$625 million, from the US - \$415 million, from Turkey - \$291 million, from the UK - \$93 million (+67%), and from Poland - \$48 million, which is almost double the previous figures.

In general, by the end of 2024, the Central Bank forecasts growth in cross-border transfers by 10-12% to \$12-12.5 billion. High growth rates of cross-border

remittances compared to the previous year contribute to the increase in household incomes and play an important role in ensuring stabilisation of the national currency exchange rate in the domestic foreign exchange market.

Thus, according to expert estimates, from 2018 to 2023, cross-border remittances from labour migrants accounted for 16% of total aggregate household income. Their inflow compensated for most of the trade balance deficit and was one of the main sources of supply in the foreign exchange market.

In view of the above, due to the huge importance of labour migration in the CIS and Central Asia region, which is specifically confirmed by the volume of remittances, it is considered appropriate to define an agenda for regional cooperation

to introduce the practice of interstate joint surveys (cross-sectional, longitudinal, etc.) to include issues related to migration in general and labour migration in particular.

In this context, on the basis of leading foreign experience, as well as taking into account the specifics of the national communication system, on the basis of the functioning portal 'labour migration' it is considered appropriate to improve the mechanisms for processing and analysis of information by introducing the recording and collection of generalised data (including gender-sensitive data) on the entire migration chain: pre-departure preparation, departure, stay, work, return home and reintegration.

As an example, the research tools of data collection of the World Bank, IMF, as well as migration portals of the European Union, such as 'Migration to Europe' and 'Labour Mobility in Europe' could be in focus. It is noteworthy that over the past few years in Uzbekistan, systemic decisions in the field of effective migration

management have been enshrined and adopted at the legislative level. As a result, the national legal field [14-18] comprehensively covers and regulates a wide range of areas and defines multifaceted, but at the same time interrelated and mutually dependent targeted tasks, among which the following should be identified:

- Improvement of support mechanisms for citizens engaged in labour activity abroad;
- Formation of an effective system of legal protection both within and outside the country;
- creating reliable instruments of social support for labour migrants and members of their families;
- ensuring the reintegration of persons returning from labour migration and the creation of favourable conditions for entrepreneurial activity;
- introducing a system of organized forms of external labour migration and professional training;
- Ensuring coordinated activities of authorized bodies and heads of local authorities in the framework of the implementation of approved programmes, measures and tasks.

It should also be noted that Uzbekistan continues to work actively on the ratification of a number of international agreements, conventions and treaties covering a wide range of issues related to migration policy, legal regulation of relations and cooperation with other states. In general terms, all these treaties and agreements can be divided into two main groups: multilateral and bilateral international treaties [15].

Among the most important multilateral international legal instruments ratified by Uzbekistan and of particular importance for strengthening Uzbekistan's position in the global legal arena are the Conventions on Forced or Compulsory Labour, Abolition of Forced Labour, Discrimination (Employment and Occupation), Principles of Occupational Safety and Health, and the

Protocol to Convention 29 of the International Labour Organization (1930) on Forced Labour. Undoubtedly, all these instruments constitute the material fabric of the global legal space in the field of migration and labour.

At the same time The Republic of Uzbekistan is a party to the Agreement on the Establishment of an Advisory Council on Labour, Migration and Social Protection of the Population of the CIS Member States and has also acceded to the Protocol amending the above Agreement.

In addition, our country has continued its active course of regional cooperation in this field and joined the Agreement on Cooperation in the Field of Employment Promotion of the Member States of the Commonwealth of Independent States. Thanks to state measures and legislative initiatives in recent years, the level of bilateral relations and, consequently, the result of intergovernmental and interdepartmental agreements has increased significantly.

Labour migration thus contributes to the support of labour-exporting countries through remittances, which help to reduce poverty and promote socio-economic development. At the same time, labour migration provides opportunities for professional development and knowledge sharing, which has a positive impact on host countries. Nevertheless, labour migration remains a complex and multifaceted process that requires effective management and cooperation at the international level. Taking into account the data and trends studied, it can be concluded that there is a need to further improve migration policies, to protect the rights of migrants and to develop integration mechanisms for their successful reintegration into society.

In summary, it should be noted that international legal cooperation facilitated by IOM in this area will allow participating States to better understand the different aspects of migration systems and better implement policies to manage external and internal labour processes. Moreover, migration policy strategising at all levels of government also should be at the forefront.

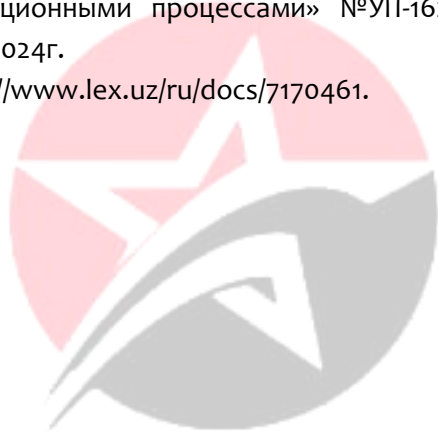
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