# ETHNIC RELATIONS AND MIGRATION

# SOUTH CAUCASIAN ETHNIC COMMUNITIES IN RUSSIA: SPECIFICS OF FORMATION AND ECONOMIC CONTRIBUTION TO THEIR HOMELANDS

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### ABSTRACT

↑ his study has been suggested by the huge importance of labor migration for the social and economic development of the South Caucasian post-Soviet space. Confronted with an unprecedented outflow of their citizens and acutely aware of the problems associated with migration of able-bodied population to other countries, Russia among them, these countries have arrived at a conclusion that their migration policies need reforms. The article analyzes the trends of labor migration from the South Caucasian countries to Russia and other equally popular destinations. The migration trends up to and including Russia's regions with the maximum numbers of labor migrants from the Southern Caucasus and the structure of their employment by industry are also analyzed. The paper contains statistics on the amounts of remittances sent by labor migrants from Russia to their homelands and assesses their impact on the economies of corresponding states. The cultural and economic contacts between the diasporas and the countries of their origin suggested a comparative analysis of their emergence and development. We have identified the typical industries preferred by representatives of each of the South Caucasian states in Russia, and the documents required of migrants to be employed in Russia. Conclusions related to the specifics of influence and the role of the diasporas in the structure of their employment are contained in the final part of our article along with the identified patterns and trends of these processes.

Today, the situation on the market is unbalanced when it comes to job availability and the positions of members of these diasporas. The situation will remain the same as long as diasporas preserve their influence and the migration flows, their proportions. We have identified the most attractive regions in terms of job availability, the spread of migrants from the Southern Caucasus across the regions of the Russian Federation and the rivalry between Azeris, Armenians, and Georgians for jobs in various employment spheres.

**KEYWORDS:** Southern Caucasus, Azerbaijan, Armenia, Georgia, diasporas, communities, employment, remittances.

### Introduction

Disintegration of the Soviet Union transformed the Soviet Transcaucasian republics into independent South Caucasian states in a region that was and remains a patchwork of peoples and cultures squeezed between the spheres of interest of Russia, Turkey and Iran throughout its history. Its geopolitical and strategic importance can hardly be overestimated. It was under Soviet authority that historical territories of ethnic communities and peoples of the Southern Caucasus were divided by political borders. The conflict potentials thus created regularly manifested in different forms up to and including open ethnic confrontations, specifically, between Armenia and Azerbaijan and between Georgia and Abkhazia. The disintegration of the unified state transformed the shape and geography of migration flows. The migration processes unfolding in the region are determined by a range of social, economic and political factors: economic crises, demography, ethnic conflicts and development of diasporas among them. The largest number of migrants prefer Russia, although Turkey, the Middle Eastern countries, the EU, the U.S., and Canada have been recently gaining popularity.

The choice depends, to a great extent, on the passport and visa requirements, which makes the Eurasian Economic Union fairly important. After 2015, when the Republic of Armenia joined the organization, its citizens no longer need visas and work permits in Russia. They can remain in the territory of the Russian Federation for 90 days without registering as migrants. If and when they start working, they should be registered as migrants at the places of temporary residence within 30 days. Azeris, likewise, need no visas to enter Russia, yet they do need a patent which remains valid for twelve months and should be confirmed every month. In 2015, the Russian Federation introduced a visa regime with Georgia; this means that its citizens need a Russian visa and a Russian work permit. The same applies to Abkhazians with Georgian passports. Those who have Russian passports may freely move between Abkhazia and Russia and be employed as Russian citizens. Residents of South Ossetia who carry internal Georgian passports can stay in the territory of Russia for up to 90 days; they do not need a visa to enter Russia but they need a patent to work. They should be registered at the places of their temporary residence within seven days after arrival and for the period indicated in the arrival notice of a foreign citizen or a stateless person.

We have posed ourselves with the task to discuss the trends and specifics of the migration processes, their social, economic and demographic impact on the South Caucasian countries and Russia. We have presupposed that the geography of labor migration depends on the presence of ramified migration networks and ethnic communities in any given country, and that cash remittances strongly affect the economies of the South Caucasian countries.

### Sources of Information and Research Methods

We have relied on official information supplied by the statistical services and structures of the Russian Federation and the South Caucasian countries, which turned out to contain considerable differences between data supplied by the statistical services and state structures in the countries of emigration and the host countries due to the different methods of definition and assessment of different migrant groups. In Russia, those who arrive and receive registration for 9 or more months are classified as permanent migrants; primary data are collected by the Main Directorate for Migration Affairs under the Ministry of Internal Affairs, and processed by the Federal Service for State Statistics (Rosstat). The South Caucasian migrants, on the other hand, consider the time they are allowed to spend in Russia a less significant factor, for them the very fact of leaving the country is more important. At

the same time, migrant-related information supplied by the South Caucasian countries is much more varied and more valuable despite certain statistical flaws.

We relied, in particular, on the Selective Observation of Migrant Labor carried out by Rosstat in 2019, which included 130,000 households in different Russian regions. In 2014, Rosstat had already carried a similar observation of households and businessmen.<sup>2</sup> We used information supplied by Rosstat based on registration at places of temporary or permanent residence in Russia for over 9 months. This information is collected by the Ministry of Internal Affairs and published by Rosstat in its annual collections Chislennost i migratsia naselenia Rossiyskoy Federatsii (Numerical Strength and Migration of the Population of the Russian Federation).<sup>3</sup> We also relied on data of the All-Russia Population Census of 2010, which registered a portion of the number and the socio-demographic structure of the citizens of the South Caucasian countries in the Russian Federation, their main ethnic group and the extent to which their languages are used in Russia's regions. We also relied on the data supplied by the Main Directorate for Migration Affairs, associated with registration, permit issuing and granting citizenship to foreign citizens.<sup>4</sup> The Federal Migration Service (FMS) at the Ministry of Internal Affairs functioned in Russia until 2016. It registered migrants at the places of their temporary or permanent residence, issued work permits and dealt with other issues, including statistical data used in this article. We relied on the information supplied by the Eurasian Economic Commission, which accumulated the data supplied by national statistical services of some of the South Caucasian countries. National statistics relied on the population numbers registered in the security agencies, which denotes when people move from one place of residence to another.5 The comparative statistics method allowed us to identify the real numbers of migrants from the South Caucasian countries and their belonging to each of the South Caucasian peoples.

We relied on sociological methods, i.e., polls of experts, representatives of state structures and ethnic communities of South Caucasian peoples. The correlational analysis method was applied to identify the degree to which private trans-border remittances have affected the GDP of the national South Caucasian economies using the data of the Central Bank of the Russia Federation related to trans-border remittances made by non-residents, similar information supplied by the WB, expert assessments of unofficial remittances and information supplied by the national statistics services of the South Caucasian countries on macroeconomic indices.

### **Ethnic Migration and Geography of Ethnic South Caucasian Communities in Russia**

According to Rosstat, in 2019, 701,000 migrants arrived in Russia for different reasons: 72,000 arrived from Armenia, about 35,000, from Azerbaijan and about 7,000, from Georgia (see Table 1).

<sup>&</sup>lt;sup>1</sup> See: "Vyborochnoe nabliudenie truda migrantov 2019 goda," Federal Service of State Statistics, available at [https://gks.ru/free\_doc/new\_site/imigr18/index.html].

<sup>&</sup>lt;sup>2</sup> See: "Vyborochnoe federalnoe statisticheskoe nabliudenie truda migrantov 2014 goda," Federal Service of State Statistics, available at [https://www.gks.ru/free\_doc/new\_site/imigr/index.html].

<sup>&</sup>lt;sup>3</sup> See: "Chislennost i migratsia naselenia Rossiyskoy Federatsii," Federal Service of State Statistics, available at [https://www.gks.ru/compendium/document/13283?print=1].

<sup>&</sup>lt;sup>4</sup> See: "Otdelnye pokazateli migratsionnoy situatsii v Rossiyskoy Federatsii za ianvar-dekabr 2019 goda s raspredeleniem po regionam," Ministry of Internal Affairs of the Russian Federation, available at [https://xn--blaew.xn--plai/Deljatelnost/statistics/migracionnaya/item/19365693/?print=1].

<sup>&</sup>lt;sup>5</sup> See: "Sotsialno-demograficheskie indikatory. Statistika Evraziyskogo ekonomicheskogo soyuza. Yanvar-dekabr 2019 goda. Statistichseky biulleten," in: *Evraziyskaia ekonomicheskaia komissia*, Moscow, 2020, p. 10, available at [http://www.eurasiancommission.org/ru/act/integr\_i\_makroec/dep\_stat/econstat/Documents/Bulletin\_SDI/SDI%202019\_12.pdf].

Table 1

Number of Migrants from the CIS Countries and the Southern Caucasus Who Came to Permanently Settle in Russia in 2010-2019, people

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Arrived in the Russian Federation — total	191,656	356,535	417,681	482,241	590,824	598,617	575,158	589,033	565,685	701,234
Including:										
From the South Caucasian countries	39,635	62,388	66,993	73,479	80,691	77,034	74,549	79,309	79,477	113,528
From Azerbaijan	14,500	22,316	22,287	23,453	26,367	24,326	24,109	25,602	26,690	34,619
From Armenia	19,890	32,747	36,978	42,361	46,568	45,670	43,929	46,898	46,442	71,984
From Georgia	5,245	7,325	7,728	7,665	7,756	7,038	6,511	6,809	6,345	6,925
From the CIS countries	171,940	310,549	363,955	422,738	529,448	536,157	511,773	524,452	510,994	617,997

Source: Federal Service of State Statistics of the Russian Federation.

South Caucasian migrants comprised about 16% of the total number of migrants who came to Russia to settle permanently. The migrants who come to work and subsequently return to their countries are counted separately.

Armenia is the leader when it comes to the number of migrants wishing to settle in Russia; migration has become more active in the last years of the Soviet Union, or, to be more exact, after the 1989 earthquake in Spitak. The flow of Armenian migrants did not decrease in the 1990s and 2000s; the highest numbers arrived in 2010 and 2011. In 2010, the President of the Russian Federation visited Armenia to sign an agreement on continued stationing of the Russian military base in Armenia and prolongation of the agreement on the program of long-term economic cooperation between the two countries. In 2015, Armenia joined the Eurasian Economic Union (EAEU), a step that the population interpreted as an important political signal to encourage the business community and citizens of Armenia as a whole. Convinced that the relationships between Russia and Armenia were absolutely stable, Armenians moved to Russia to work, study or settle permanently; they invested in businesses, real estate and education for their children. According to the Eurasian Economic Commission (EEC), during 2013-2019 Armenia has been annually losing 16,000 to 26,000 citizens, who left it to live and work in other countries. The year 2015 saw the maximal migration outflow, which amounted to about 26,000 people. In 2019, its lost 16 thousand of its citizens.

According to the Selective Observation of Migrant Labor carried out by Rosstat in 2019, there were 315,000 Armenian migrants in Russia; 267,000 of them (85%) had been living in Russia for over 5 years. This means that a considerable number of Armenian migrants are firmly rooted in Russian society. Armenian citizens prefer to live and work in the Central (Moscow, Moscow Region, Kaluga and Voronezh regions) and Southern (the Krasnodar and Stavropol territories and Rostov Region) Federal Districts. According to the Federal Migration Service, in 2014 citizens of Armenia obtained 150,000 work permits. They were mainly engaged in construction (54%), services (16%), transport and communications (10%), and trade (2%). According to the Ministry of Internal Affairs, in 2019, 590,000 Armenian citizens were registered at places of temporary residence, and 44,000, at places of permanent residence; 211,000 Armenian migrants were registered as labor migrants; 13,000 studied in Russia, while 83,000 arrived for personal reasons. According to the data supplied by the EEC, 210,000 Armenian citizens were labor migrants. In 2019, over 30,000 Armenian citizens already had temporary residence permits; about 12,000 Armenians received and about 61,000 already possessed permanent residency. Twenty-four thousand Armenians became citizens of the Russian Federation. Many of them maintain regular ties with the home country.

In 2019, nearly 35,000 citizens of Azerbaijan arrived in Russia; the level of migration from Azerbaijan is, on the whole, fairly stable. The biggest number arrived in 2011 due to the favorable

<sup>&</sup>lt;sup>6</sup> See: "Sotsialno-demograficheskie indikatory. Statistika Evraziyskogo ekonomicheskogo soyuza."

<sup>&</sup>lt;sup>7</sup> See: "Vyborochnoe nabliudenie truda migrantov 2019 goda."

<sup>&</sup>lt;sup>8</sup> See: S. Ryazantsev, *The Role of Labour Migration in the Development of the Economy of the Russian Federation*, ESCAP, Bangkok, 2016, p. 12, available at [https://www.unescap.org/sites/default/files/1%20Role%20of%20Labour%20 Eng%20report%20v3-2-E.pdf].

 $<sup>^{9}</sup>$  See: "Otdelnye pokazateli migratsionnoy situatsii v Rossiyskoy Federatsii za ianvar-dekabr 2019 goda s raspredeleniem po regionam."

<sup>&</sup>lt;sup>10</sup> See: "Svedenia o chislennosti grazhdan gosudarstv-chlenov Evraziyskogo ekonomicheskogo soiuza, v'ekhavshikh v stranu (Respublika Armenia, Respublika Belarus, Respublika Kazakhstan, Kyrgyzskaia Respublika, Rossiyskaia Federatsia) dlia osushchestvlenia trudovoy deiatelnosti za 2013-2019," in: Evraziyskaia ekonomicheskaia komissia, available at [http://www.eurasiancommission.org/ru/act/finpol/migration/tm/Documents/%D0%A1%D0%B2%D0%B5%D0%B4%D0%B5%D 0%BD%D0%B8%D1%8F%20%D0%BE%20%D1%87%D0%B8%D1%81%D0%BB%D0%B5%D0%BD%D0%BD%D0%BE%D1%81%D1%8F%20%D0%B8%20%D1%82%D1%80%D1%83%D0%B4%D1%8F%D1%89%D0%B8%D1%85%D1%81%D1%8F%20%202013-%202019%20%D0%B3%D0%BE%D0%B4%D1%8B.pdf].

<sup>&</sup>lt;sup>11</sup> See: "Otdelnye pokazateli migratsionnoy situatsii v Rossiyskoy Federatsii za ianvar-dekabr 2019 goda s raspredeleniem po regionam."

political relations, intensive trade and economic contacts and improved business communications between the two countries; in 2010, Azerbaijan began to supply gas to Russia. According to the Federal Migration Service of Russia, in 2014, labor migrants from Azerbaijan received 96,000 work permits, the majority of them in Moscow and Moscow Region, Daghestan, Sverdlovsk, Rostov, Samara and Novosibirsk regions, the Khanty-Mansi Autonomous Area, Tatarstan, St. Petersburg and the Astrakhan Region. Labor migrants from Azerbaijan work on construction sites (34%), in services (28%), trade (5%) and transportation (5%) sectors, as well as in industrial enterprises (1%). According to the results of the Selective Observation of Migrant Labor carried out by Rosstat in 2019, there were 246,000 migrants from Azerbaijan in Russia; 211,000 of them (86%) have been residing in Russia for over 5 years without leaving. This means that Azeris have struck root in Russia. Today, they are mostly attracted by the Central, Southern and Volga Federal districts; recently Azeri migrants, attracted by the considerably higher wages, have discovered the Far North.

According to the Ministry of Internal Affairs, in 2019, 648,000 citizens of Azerbaijan were registered at places of temporary and 46,000, permanent residence. Out of the total number of Azeri migrants, 196,000 were registered as labor migrants; 16,000 as students; 210,000 arrived for personal reasons. In 2019, over 40,000 citizens of Azerbaijan already possessed temporary residence permits. Azeri migrants received about 15,000 permanent residence permits, about 56,000 obtained them earlier. About 14,000 citizens of Azerbaijan became citizens of the Russian Federation. We have established that Azeris are less eager than Armenians to seek Russian citizenship.

Georgians are the smallest of South Caucasian diasporas in Russia. In 2011, it numbered 7,300 people, in 2018, it dropped to 6,900, that is, 7 times less than the number of Armenians. Before 2000, Georgians had mostly opted for Russia in search of work; when the visa regime was introduced, Greece took Russia's place. The August 2008 conflict delivered another blow to Georgians' preferences; discontinued flights, closed consulates and sanctions against Georgian businesses practically halted labor migration from Georgia. Today, Greece has moved to the fore as one of the favorite destinations of Georgian labor migrants. Between 2000 and 2010, the number of Georgians in Greece increased tenfold to approximate 26,000. According to the Ministry of Internal Affairs of the Russian Federation, in 2019, there were 44,000 citizens of Georgia registered at the places of temporary and 8,000, at the places of permanent residence. Some of the migrants (3,400) arrived as labor migrants; 1,500 came to study, 27,000 came for personal reasons. 15 The largest number of Georgian migrants live in Moscow and the Moscow Region, the Krasnodar Territory and the Republic of North Ossetia-Alania. According to the FMS, in 2014, 33% of Georgian citizens worked at construction sites; 17%, in the sphere of services; 12%, in transport.16 According to the Selective Observation of Migrant Labor carried out by Rosstat, in 2019, there were 143,000 migrants from Georgia (including 133,000 (93%) who permanently lived in Russia for 5 years and longer).<sup>17</sup> This means that the Georgian diaspora in Russia has been better adjusted to Russia than the other South Caucasian diasporas. In 2019, about 7,000 Georgian citizens already held temporary residence permits in Russia. Georgian migrants received about 3,000 permanent residence permits; about 13,400 have obtained them earlier. About 2,600 citizens of Georgia became citizens of the Russian Federation.<sup>18</sup>

<sup>12</sup> See: S. Ryazantsev, op. cit.

<sup>&</sup>lt;sup>13</sup> See: "Vyborochnoe nabliudenie truda migrantov 2019 goda."

<sup>&</sup>lt;sup>14</sup> See: "Otdelnye pokazateli migratsionnoy situatsii v Rossiyskoy Federatsii za ianvar-dekabr 2019 goda s raspredeleniem po regionam."

<sup>15</sup> See: Ibidem.

<sup>16</sup> See: S. Ryazantsev, op. cit.

<sup>&</sup>lt;sup>17</sup> See: "Vyborochnoe nabliudenie truda migrantov 2019 goda."

<sup>&</sup>lt;sup>18</sup> See: "Otdelnye pokazateli migratsionnoy situatsii v Rossiyskoy Federatsii za ianvar-dekabr 2019 goda s raspredeleniem po regionam."

As mentioned above, the migration policy and the settlement regime applied to migrants from Abkhazia and South Ossetia are very different from the regimes applied to migrants from the three South Caucasian countries. According to the RF Ministry of Internal Affairs, in 2019, it registered 10,400 migrants from Abkhazia and 1,200 migrants from South Ossetia at temporary places of residence; 349 migrants from Abkhazia and 80 migrants from South Ossetia were registered at permanent places of residence. There were only 416 people from Abkhazia in the labor market of Russia and 42 people from South Ossetia. <sup>19</sup> The majority of labor migrants from these regions arrived as Russian citizens with Russian passports. In 2019, 142 migrants from Abkhazia and 41 from South Ossetia became Russian citizens. <sup>20</sup> Most of those who lived in these regions became Russian citizens after 1 June, 2002 according to the new law that allowed the former citizens of the U.S.S.R. who had become stateless persons to exchange their Soviet passports for Russian. Before the law was enacted, Russian citizens comprised about 30% in Abkhazia and 40% in South Ossetia. In 2008, their shares were 85 and 90%, respectively. <sup>21</sup>

### Formation of South Caucasian Migrant Diasporas and Ethnic Communities in Russia

Today, economic factors have come to the fore in all studies of the diasporas; this is especially apparent in what is written about the ethnic South Caucasian diasporas: their emergence in Russia was accompanied not only by active migration, but also by the formation of sociocultural migration networks and ethnic niches in Russia's economy and labor markets as channels of migrants' adjustment and integration in Russian society. There are no official data related to specifically ethnic economic activities in Russia, yet the presence of ethnic entrepreneurship and business is an objective fact. Certain indirect information can be found in population censuses and sociological studies.

Georgian is the oldest South Caucasian diaspora in Russia; its history goes back to the 17th century when several thousand members of Georgian nobility moved to Moscow to avoid raids and devastation. As Orthodox Christians, they promptly became part of society. In recent history, the biggest migration wave from Georgia reached Russia in the 1990s, having been raised by the nationalists in power and the unfolding civil war. According to the all-Russia 2010 population census, there were 158,000 Georgians and 11,200 Abkhazians in Russia, their numbers being considerably smaller than the sizes of Armenian and Azeri diasporas. Georgians prefer Moscow, while Abkhazians settle in Moscow and the area of Greater Sochi.

A fairly large part of the Georgian diaspora is engaged in business activities, trade in foodstuffs, catering, and trade in cars and their repair. Georgians occupy prominent places in trade in fruit, spices, wines, bread, and cheese. Georgian restaurants of all sizes from small to extensive networks are highly popular in Russia. Cross-border trade in foodstuffs is a highly profitable business in the border areas of the Krasnodar Territory and North Ossetia-Alania. Fruit, tea, spices, candy, and bay leaves are brought to the border and transferred to compatriots who live in Russia and subsequently distributed throughout the country. There are many doctors, teachers, scientists and people of creative

<sup>19</sup> See: Ibidem.

<sup>&</sup>lt;sup>20</sup> See: Ibidem.

<sup>&</sup>lt;sup>21</sup> See: "Komu Rossia vydavala svoi pasporta," *Kommersant*, No. 67, 16 April, 2019, available at [https://www.kommersant.ru/doc/3945533].

professions (actors, producers, ballet dancers, artists and architects) among the members of the Georgian community.

The Society for Protection of Monuments of History and Culture in Russia and Georgia, set up in 1986, was the first Georgian organization in Russia. It was the first to demand that the Georgian church in Moscow (which housed a technical college in Soviet times) should be returned to the church community. In 1993, the Society returned to the Church the ancient part of the Cathedral of St. George the Victorious in Gruziny. The society was subsequently liquidated; a chain of Georgian national organizations appeared and disappeared one after another. In early 2016, a new public organization Federal Georgian National-Cultural Autonomy in Russia was established to pursue cultural and educational activities and to unite the young Georgians who live in Russia. It helped organize student groups in Moscow that worked towards unification and preservation of Georgian culture. The Council of Young Leaders of Georgian Student and Youth Groups was set up as a coordination center. Together with the Federal Georgian National-Cultural Autonomy it works towards unification of young Georgians and organizes various cultural events. The Georgian diaspora, the smallest among the other South Caucasian diasporas, is well organized and maintains cooperation among all communities.

The Azeri diaspora appeared in Russia in the early 19th century, when Azerbaijan became part of the Russian Empire. In Soviet times, the number of Azeris in Russian regions was gradually increasing to include students and young men demobilized from the army who remained in Russian regions. In 1960s, Azeris moved to Siberia where the recently discovered and developed oil fields needed qualified and unqualified laborers.

The 1990s witnessed another wave of economic migration created by the legalization of private enterprises, wholesale and retail trade in flowers, fruit and vegetables.<sup>22</sup> Azeris promptly moved into these niches to become highly successful businessmen thanks to the well-configured trade and production chains set up in Soviet times. According to the Russian population census of 2010, there were over 600,000 Azeris in Russia. The diaspora estimates its numerical strength as at least 2 million; 800,000 of them in Moscow.<sup>23</sup>

The social and demographic composition of the post-Soviet Azeri diaspora comprises two social groups:

- The first being educated people who lived in cities (especially Baku) and migrated to Russia in early 1990s. They were the technical, scientific and creative intelligentsia of different nationalities, many of them from ethnically mixed families.
- The second group comprised less educated villagers from all regions of Azerbaijan, mainly agricultural labor force. The social and demographic aspects strongly affected the process of adaptation to and integration of migrants in Russian society. As could be expected, the group of intellectual migrants promptly adjusted to Russia to become outstanding figures of Russian culture.

The first ethnic Azeri communities appeared in Russia in the 1980-1990s. In 1988, the Azeri community was set up in St. Petersburg; in 1990, Daiag, the Azeri cultural association was set up to preserve the Azeri ethnicity outside its historical motherland. Today, the Azeri diaspora in Russia, like the Azeri diaspora in Turkey, is well structured, highly developed and is one of the biggest.

<sup>&</sup>lt;sup>22</sup> See: A. Snisarenko, "Etnicheskoe predprinimatelstvo v bolshom gorode sovremennoy Rossii (na materialakh issledovania azerbaidzhanskoy obshchiny Sankt-Peterburga)," in: *Neformalnaia ekonomika*, ed. by T. Shanin, Moscow, 1999, pp. 148-149.

<sup>&</sup>lt;sup>23</sup> See: A.S. Yunusov, *Migratsionnye protsessy v Azerbaidzhane*, Adilogly Publishers, Baku, 2009, in: *Demoskop Weekly*. Electronic version of *Naselenie i obshchestvo Bulletin*, No. 67, 22 March-4 April, 2010, available at [http://www.demoscope.ru/weekly/2010/0415/biblio02.php].

Relying on its history that goes many centuries back, it set up a big network of branches and structural units across Russia. As a rule, the Azeri diasporas pay a lot of attention to national culture, its preservation and development, they encourage stronger friendship and better mutual understanding between Russians and Azeri and, for obvious reasons, do a lot to support migrants and help them adjust to Russian society. Between 2001 and 2017 there was a big All-Russia Azeri Congress. Today, the interests of the Azeris in Russia are protected by several structures: the Federal National Cultural Autonomy of the Azeris in Russia that has been functioning since 1999 and several fairly active regional organizations: the Azeri Community of Moscow, the Azeri National Cultural Autonomy Araz in the Stavropol Territory, the National-Cultural Autonomy of the Azeris Vatan (Motherland) in the Samara Region, etc.

The history of the Armenian diaspora in Russia is long and complicated. According to the 2010 population census, there were 1.1 million Armenians living in Russia. By expert assessments Armenian migration to Russia reached its peak in 1991-1995. In these years Armenia lost over 1 million of its citizens, about 70% of whom opted for living in Russia. All public organizations based on ethnic and regional principles banned in the Soviet Union were legalized during the perestroika. The conflict in Nagorno-Karabakh inspired new Armenian organizations: Karabakh, Barev Dzes, Iusisapayl, MTsAK-Mashtots and Vospurakan, the precursors of a united coordinating center. In 1989-1999, new ethnic Armenian organizations appeared and disappeared. In 1999, a proposal to create an all-Russia Armenian organization The Union of Armenians of Russia was made at the Armenia-Diaspora conference in Erevan.

On the whole, Armenians are quite successful in different businesses: they own restaurants and cafes, shops and food corners, car services, construction companies. In many regions they own funeral business, shoe and clothes repair shops, shops in which keys, buttons and zippers are made, small businesses, such as bakeries, dress making and tailoring, and repair of household appliances. Many of them are engaged in transporting fruit and vegetables from the south of Russia and CIS countries to central Russia. There are fairly large Armenian communities in the south of Russia (in Krasnodar, Rostov-on-Don, Pyatigorsk and Kislovodsk), Moscow and St. Petersburg. Many of their members have successfully integrated in Russia's society as its inalienable part and are appreciated as skillful and diligent workers and successful businessmen. Armenians figure prominently in the medical, teacher, academic and engineer communities.

# **Contribution of Labor Migrants and Diasporas to South Caucasian Economies**

The high unemployment level and low wages force people to leave the South Caucasian countries, which are relatively weak in the economic sense. For instance, in 2000, there were 515,000 unemployed in Azerbaijan; in 2018, the number dropped to 254,000, yet unemployment remained a serious problem in the countryside and smaller towns. Georgia is in a similar trap. According to the National Statistics Office of Georgia, in 2019, the unemployment level in the countryside equaled 5.5%; in cities, 17.4%. This makes labor migration the most obvious and the easiest way to earn

<sup>&</sup>lt;sup>24</sup> See: G.A. Pogosian, "Analiz migratsionnykh potokov v Armenii," in: *Tranzitnaia migratsia i tranzitnye strany: Teoria, praktika i politika regulirovania*, ed. by I. Molodikova, F. Diuvel, Universitetskaia kniga, Moscow, 2009, pp. 195-213.

<sup>&</sup>lt;sup>25</sup> See: K.K. Tirabian, "K voprosu ob opredelenii fenomena diaspory (na primere armianskoy diaspory)," *Upravlencheskoe regulirovanie*, No. 2 (110), 2017, pp. 128-136.

<sup>&</sup>lt;sup>26</sup> See: National Statistics Office of Georgia, available at [http://geostat.ge/index.php?action=page&p\_id=146&land=eng].

money; as could be expected, labor migrants prefer the countries that need guest workers and are ready to pay more than others, they rely on their compatriots in the migration networks and ethnic businesses in Russia and in other countries.

Remittances of labor migrants to their home countries in the Southern Caucasus are huge: they stimulate consumption by raising family incomes. According to the World Bank "officially recorded annual remittance flows to low- and middle-income countries reached \$529 billion in 2018."27 In many cases the annual remittance flows are the only source of foreign currency which play a more important role than export earnings, foreign direct investments and other sources, including private capital.<sup>28</sup> According to the Central Bank of Russia, in 2013, remittances by labor migrants to CIS countries and the Southern Caucasus reached their maximum: \$20.8 billion to CIS countries, including \$1.6 billion to Armenia and \$1.2 billion in Azerbaijan. After 2014, the volumes decreased greatly because of another financial and economic crisis in Russia (see Table 2). According to the studies carried out by Ilmir Nusratullin, the remittances from Russia shrank under the pressure of the worsened economic situation in Russia, devaluation of the ruble and the political crisis in Ukraine.<sup>29</sup> All South Caucasian countries suffered the consequences: on average the volumes of official remittances dropped almost two-fold in 2014-2019. According to Azganush Migranian, "there is a direct interdependence between the remittance level and crises (in 2009, the level of migrants' remittances dropped by 60% from Russia as a whole and by 55% to the CIS countries in comparison with the crisis year 2008), which confirmed that the labor market in Russia was an object of competitive regulation."<sup>30</sup> According to the Central Bank of Russia, in 2019, trans-border remittances by non-residents reached \$7.5 billion; \$6.1 billion of the total were transferred to CIS countries.

Armenians send home more money than other labor migrants. In 2019, they sent \$628 million to Armenia; remittances of Armenian labor migrants and members of the Armenian diaspora comprised 21% of the country's GDP. Russia ensures about 76% of all private remittances from foreign countries to Armenia and is followed by the United States (\$192 million), Ukraine (\$76 million) and France (\$34 million). On the whole, these are the countries with the largest Armenian diasporas and the largest number of Armenian labor migrants.<sup>31</sup> Remittances of the Armenian migrants and members of the Armenian diasporas are one of the most important sources of income for the local population and an important source of the country's economic growth.

In 2019, Azerbaijan received \$412 million from Azeri labor migrants and the Azeri diaspora in Russia (see Table 2);<sup>32</sup> the average remittance equaled \$305 and was made, due to the absence of offices of Russian banks in Azerbaijan, by post through Western Union and other money transfer services (mainly QIWI).

According to the National Statistics Office of Georgia, in 2013, \$1.4 billion were transferred to Georgia from several countries, mainly from Russia, Italy, Greece and the U.S. (see Table 3). Between 2007 and 2013, the volumes of private remittances to Georgia were steadily growing (the crisis

<sup>&</sup>lt;sup>27</sup> Record High Remittances Sent Globally in 2018, available at [https://www.worldbank.org/en/news/press-release/2019/04/08/record-high-remittances-sent-globally-in-2018].

<sup>&</sup>lt;sup>28</sup> See: World Economic Outlook, Vol. 2, 2012, p. 69, available at [http://www.businessforecast.by/partners/publication/406/].

<sup>&</sup>lt;sup>29</sup> See: I.V. Nusratullin, "Transgranichnye denezhnye perevody trudovykh migrantov," *Finansy Bashkortostana*, No. 3, 2017, pp. 67-70.

<sup>&</sup>lt;sup>30</sup> A.A. Migranian, "Vliianie transgranichnykh denezhnykh perevodov trudovykh migrantov na ekonomiku Rossii," *Trud i sotsialnye otnoshenia*, No. 11, 2013, p. 46.

<sup>&</sup>lt;sup>31</sup> See: T. Manaserian, "Voprosy ekonomicheskogo rosta i migratsii v Armenii v kontekste chlenstva v EAES," *Dialog: politika, pravo, ekonomika,* No. 1 (12), 2019, pp. 51-60.

<sup>&</sup>lt;sup>32</sup> See: "Azerbaidzhantsy Rossii pereveli na rodinu sotni millionov dollarov," Sputnik-Azerbaijan, 7 October, 2019, available at [https://az.sputniknews.ru/economy/20191007/421905800/russia-azerbaijan-centralnyj-bank-denezhnye-perevod. html].

Table 2

The Volumes of Trans-Border Remittances of Physical Persons from Russia to the CIS Countries and the South Caucasian Countries in 2010-2019, \$m

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Transferred from Russia— total	12,835	17,533	20,893	23,589	20,856	9,719	7,336	9,186	9,485	7,541
including:										
To the South Caucasian countries	2,378	3,002	3,314	3,618	3,333	1,673	1,092	1,371	1,649	1,329
Azerbaijan	794	1,049	1,132	1,232	1,221	627	483	531	643	412
Armenia	1,018	1,284	1,449	1,597	1,416	682	346	509	643	628
Georgia	266	699	733	789	969	364	263	331	363	289
To the CIS countries	11,080	15,143	18,209	20,780	18,292	7,978	5,596	7,004	7,463	960'9
Source: Central Bank of the	Russian Federation.	eration.								

year 2009 was the only exception). It was probably due to an increased outflow of labor migrants to the newly discovered target countries (Italy, Greece and the U.S.), on the one hand, and, on the other, the deteriorated relations between Georgia and Russia in 2006-2008, when Russia deported illegal Georgian migrants in great numbers. In 2006, over 4,000 migrants were deported. The series of deportations did not noticeably decrease the number of Georgian migrants in Russia, yet forced potential migrants to think twice before going to Russia. The Georgian-Ossetian conflict of 2008, likewise, negatively affected the number of Georgian migrants. According to the Central Bank of Russia, private remittances of Georgian migrants and members of the Georgian diaspora reached only \$289 million in 2019, three times less than in 2013 (see Table 2).

Table 3

The Volumes of Remittances of Physical Persons from Certain Countries to Georgia in 2007-2009, \$m

Country	2007	2010	2013	2016	2019
Russia	544.6	555.6	801.4	394.5	428.7
Greece	26.1	103.8	198.1	124.6	192.6
Italy	32.2	76.8	110.2	123.2	239.2
The U.S.	115.3	75.4	74.9	127.7	178.3
Source: The N	lational Statistical	Office of Georgia.			

Studies based on the correlational analysis methods revealed that the official transactions of physical persons and the national GDP of the South Caucasian countries were interdependent. It was maximal in the case of Armenia (correlation coefficient: r = 0.957); fairly large for Azerbaijan (r = 0.937) and Georgia (r = 0.930), which means that private remittances help households and ensure investments in small businesses, entrepreneurship, construction and new jobs in various economic branches.

Unofficial remittances are equally important. According to expert assessments, labor and seasonal migrants who come to Russia for short periods (less than one year) take out about \$3 billion in cash every year. Workers from CIS countries take out about \$2.5 billion.<sup>33</sup> According to our assessments, the share of South Caucasian migrants is about \$450 million. Migrants prefer to take out their money in cash when they leave Russia; they may trust their friends with their money if they themselves stay behind. Not infrequently, cash is sent through transportation personnel. Unofficial remittances within diasporas are highly popular, mainly because the labor migrants from the South Caucasian countries are unregistered (bank transmittances require official registration and migration card), the language barrier that makes it harder or even impossible to communicate in banks and use the transmittance systems, while the size of the commission required by banks and transmittance systems makes the procedure unpopular.

### Conclusion

From time immemorial, the Southern Caucasus has been closely tied to Russia, which explains why the new integrational and disintegrational processes in the territory vacated by the Soviet Union

<sup>33</sup> See: A.A. Migranian, op. cit.

are mainly connected with the movement of human resources. All conflicts that flared up during the periods of "economy-based friendship" were best illustrated by statistical data on human movement. The current political and economic interactions between Russia and Armenia, Azerbaijan and Georgia can be cited as the best illustration of the fact that migration is bound to preserve its intensity. We have written this article to present our analysis of the specifics of the influence and the roles of the diasporas in the structures of migrant employment, their regular features and trends. The studied statistics identify construction, industry, and agriculture as the branches that chiefly attract labor migrants. At the same time, different ethnicities choose different spheres of economic activities. The Armenian diaspora in Moscow is very prominent in shoe repair and shoe trade; Armenians sell jewelry and occupy a prominent place in the funeral business. Azeris, on the other hand, are highly skillful in wholesale and retail trade in fruit and vegetables and in catering. Members of the Georgian diaspora found a niche as car dealers, in cheese and spice trade and in catering, where they promote the Georgian national cuisine.

These ethnic specifics are a combination of preferences for certain types of businesses and cultural specifics and skills of each ethnicity. This helps migrants adapt to the new social and cultural milieu.

An analysis of remittances from migrants to the South Caucasian countries showed that the bulk of them arrives from Russia. This means, among other things, that labor migrants prefer the Russian labor market. Armenia is the final destination of the biggest amount of money. Unofficial remittances to these countries are preferred; remittances through specialized agencies are the second preferred method followed by remittances through banks. The reasons are obvious: the cost of agency transfers is high, while many Russian banks have no branches in the South Caucasian countries.

There is another important fact: today, one's ties with the diaspora are one of the main elements of successful socialization and employment.<sup>34</sup> The essential changes in Russian laws have already simplified the adjustment of labor migrants from the former Soviet republics, yet many of the measures suggested by the expert community still remain unrealized. It was suggested that potential migrants should be taught Russian and their future professions even before moving to Russia to shorten the time of their adaptation and integration. Another proposal stated that a system of employment of labor migrants should be established in the donor countries to bring more order to the flow of labor migrants and lower the share of illegal migrants. Private employment agencies can be licensed for this purpose and united in a single register; Russia needs a unified system of migrant registration based on the register of foreign citizens that would include information about border crossing, registration and the presence of work permits (patents).

<sup>&</sup>lt;sup>34</sup> See: S.V. Ryazantsev, "Integratsia migrantov v kontekste vneshney migratsionnoy politiki Rossii," *Sotsiologicheskie issledovania*, No. 1, 2018, pp. 105-111.