



Economic Migration in Post-Soviet Central Asia: The Case of Kyrgyzstan

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Abstract

The article explores economic reform in post-Soviet Kyrgyzstan and focuses on its impact on the country's labour market and economic migration. Mass and rapid privatisation and 'shock therapy' have been perceived as the pillars of change in the country. However, the reform was accompanied by a number of negative factors, including fast-growing unemployment, poverty, a sharp decline in industrial and agricultural output and loss of foreign markets. All together, these problems have led to contraction of the local labour market and mass outflow of the economically active part of the population. Using the example of Kyrgyzstan the author assesses the interconnection between economic decline and economic migration in the post-Soviet era.

After the disintegration of the Soviet Union in December 1991 and the abandoning of strict state regulation of population movement, the newly independent Central Asian republics (CARs) have experienced significant fluctuation in population movement. Migration of people in some parts of the region turned into a spontaneous flow.

Tiny Kyrgyzstan, which in 1991 had a total population of 4.5 million, is a good illustration of the movement of people. According to official figures, the net migration from the country for the years from 1989 until 1994 was 339 600 people or 7.5% of its entire population (*CIS Migration Report*, 1996, pp. 66–67). The emigration was compensated by immigration from other parts of the former Soviet Union. The scale of population movement will therefore be even higher if we take this inflow into account. The migration process is a politically sensitive issue in Kyrgyzstan because of its impact on relations with the Russian Federation; therefore the Kyrgyz authorities tend not to publicise the statistics on migration. Nevertheless, official statistics in 1995 revealed that more than 590 000 people (or 13.1% of the

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population) left the republic between 1989 and 1994 (*Slovo Kyrgyzstana*, 5 January 1995).

A similarly high level of emigration is going on in other countries of the region as well. Although migration flow in other countries of Central Asia, notably Kazakhstan and Uzbekistan, was much lower as a proportion of their total population, in absolute figures the rate of migration was even higher than in Kyrgyzstan. Only Turkmenistan had lower figures. The migration from Tajikistan was also quite extensive, due to the civil war, when the number of emigrants reached 236 000 during 1989–1992 (*CIS Migration Report*, 1996, p. 110).

The problems of the emigration from Kyrgyzstan and other Central Asian states have been at the centre of academic debates for the past few years.¹ An assessment of the socio-political environment in the countries concerned and in the region as a whole is essential for an analysis of the causes of population migration in Central Asia. Some researchers tried to argue that many people who had arrived in the region during the Soviet era decided to leave their homes because of the psychological effect of the 1989–91 interethnic clashes in Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan, which cost almost 1000 lives (Khazanov, 1996). Others pointed out that people left Kyrgyzstan and the CARs because of the changes in language and cultural environments and the need to make a decision about accepting or rejecting citizenship of the newly independent states of Central Asia (Tishkov, 1997). However, there is no single satisfactory explanation of the population movement and combinations of several major reasons have been cited in various academic works: political (Brubaker, 1993), language, ethnic policies and other reasons (Khazanov, 1996; Tishkov, 1997).

Thus, despite the existence of numerous recent publications on this issue, there are still a number of problems which have to be explored. Is this migration temporary or permanent? Where were all these migrants moving: within the Central Asian region, the Commonwealth of Independent States (CIS) or to the OECD countries? Is this population movement a phenomenon comparable with migration trends in the East and Southeast Asian countries? Have these migrants joined other migrants from Asia in the international labour market?

This article is an attempt to assess the interrelations between the economic changes, labour market and migration of the population in Kyrgyzstan from a historical perspective and to address some issues from the Asian regional context (*Migration and the Labour Market in Asia*, 1996). The first section briefly evaluates the economic changes, changes in the labour market and migration flow in Kyrgyzstan throughout the Soviet era with a special focus on the experience of the last decades of the USSR's existence. The second section analyses economic development and structural change in the post-Soviet era and their influence on the labour market in Kyrgyzstan. The third section examines the recent trends in the post-Soviet migration pattern and Kyrgyzstan's labour market and evaluates the factors which affect mobility of labour in the present economic and social environment. The conclusion summarises the findings and evaluates the prospects for migration of the population and the labour market in Kyrgyzstan.

Economic Change and Migration: An Overview of the Soviet Experience

Throughout the Soviet era, the Soviet leaders interpreted the concept of economic modernisation as persistent and accelerated development of the industrial sector, collectivisation of the agricultural sector of the economy, centralised rational econ-

omic planning and economic equalisation.² This policy sometimes ignored both cost-effectiveness and social factors. Only a belief in the unlimited potential of social engineering could explain the ways and methods of the economic development of Central Asia in general and Kyrgyzstan in particular since the late 1920s.

In the industrial sector of Kyrgyzstan, the Soviet leaders emphasised development of heavy and agricultural machinery, electric motors and light manufacturing. Considerable efforts were made to establish an industrial sector in this backward, predominantly agrarian republic. A number of industrial plants were built there during the first stage of the industrialisation (1929–39), mainly in and around the capital Frunze. From 1913 until 1938 industrial production in the republic grew 736-fold (*Istoriya Kirgizskoi SSR*, 1986, pp. 367–384).³ During and after World War II there was a second wave of industrialisation: several industrial plants (mainly military) were relocated to the CARs along with their workers, engineers and technical staff from the European part of the USSR, where their functioning was threatened by military action and post-war turbulence. These factories and plants remained in the republic even after the war and they became the backbone of Kyrgyzstan's heavy industry. A third wave of industrialisation occurred in the 1960s and 1970s, when Moscow allocated large investments to the republic's hydro-electric power generating sector, mining and metallurgical plants, although owing to construction delays some of them could not start full-scale operation until the late 1980s. One of the reasons for increasing investment in the development of industry in Kyrgyzstan was a continuous shortage of labour in the European part of the Soviet Union and in Siberia (due to a low birth rate), and rapid population growth in the Central Asian republics, including Kyrgyzstan. However, during the 1980s the Soviet government sharply reduced capital investment in the development and modernisation of the local economies, because of the accumulated distortions in the Soviet economy, the sharp decline of the oil price in the international market, and mismanagement. The Gorbachev–Ryzhkov administration's inconsistent attempt to revive the economy largely failed and even aggravated the existing difficulties.

In the agricultural sector, which dominated the economy of Kyrgyzstan at the beginning of the 20th century, the Soviet government aimed to bring together thousands of private households into large state-run collective farms (*kolkhozy*). In 1929 the Soviet authorities launched a campaign of collectivisation and Sovietisation of the Kyrgyz *ail* (a kind of tribal and extended family unit) and practically all Kyrgyz peasants were incorporated into *kolkhozy* within the next six to seven years (*Istoriya Kirgizskoi SSR*, 1986, pp. 385–412). This campaign has had long-lasting consequences. On the one hand, large-scale farming and mechanisation of the agricultural sector were introduced for the first time in the history of the republic. On the other hand, there were considerable changes in the social and ethnic structure of the Kyrgyz *ail*, because a number of migrants (mainly of European origin) came to the republic as mechanics and tractor drivers and worked in repair shops and small assembly plants. Some of them migrated to Kyrgyzstan voluntarily, but some groups of people were forcibly moved to Central Asia from Russia, Ukraine and other areas of the USSR as a part of Stalin's social and ethnic policy in the 1930s and 1940s.

Throughout the late 1960s and 1970s the Soviet government gradually renounced the Stalinist style of practice and regulation, and significantly liberalised the economy, especially in the agricultural sector. There was a considerable improvement in the standard of living and consumption patterns throughout the Soviet Union, which led to a dynamic growth in the importance of Kyrgyzstan's agricultural sector. The region became a kind of 'agricultural basket' for the Russian Federation as it

provided meat, fruit and vegetables for Russia's retail food market (the so-called *kolkhoz* markets (*kolkhozhnyi bazar*)), and cotton, silk and some other technical crops for Russia's light industry. During this time, the non-state sector of agriculture and small semi-private enterprises emerged in Kyrgyzstan, and functioned semi-legally along with the state-run collective farms, until their legalisation in the late 1980s. All together, this strengthened the agricultural sector and provided a quite sufficient source of income for the fast growing rural population of Kyrgyzstan. Additionally, the extended family support network in rural areas and the possibility of seasonal employment in the non-state (informal) sector often provided even better income prospects for local youth, despite their underemployment (Patnaik, 1995, pp. 147–167).

The Soviet modernisation has radically changed the face of the republic during the past 70 years, creating a diversified economy, an advanced educational system, science, technology, public health and welfare system, etc. In the 1980s Kyrgyzstan was in a better position in terms of Human Development Indicators (HDI) than countries such as India, Pakistan and China. According to the UNDP, in 1991 the republic was in 31st place in the HDI ranking (ahead of countries like Bulgaria, Romania and Turkey and just behind the Czech republic (27th place), Malta (29th place) and Hungary (30th place)) (*Human Development under Transition*, May 1997, pp. 115–122). Nevertheless, the republic has been quite different from the socialist countries of Eastern Europe and the European part of the USSR. It is also quite distinct from the socialist countries of Asia (China, Vietnam and North Korea).

Rapid industrialisation and collectivisation considerably changed the pattern of the labour market in the republic. At the beginning of the 1930s more than 100 000 new jobs were created and there was a strong demand for highly skilled industrial workers. The shortage of skilled labour in Kyrgyzstan was filled by voluntary and forcible migrants from the European part of the USSR. According to official statistics, the number of ethnic Russians in Kyrgyzstan increased almost three-fold from 116 000 in 1926 to 302 000 in 1939 and the Ukrainians from 64 000 to 134 000 in the same period (*Razvitie mezhnatsional'nykh otnoshenii v novykh nezavisimykh gosudarstvakh Tsentral'noi Azii*, 1995, pp. 316–320).⁴

During the turbulent years of World War II and the post-war restoration of the Soviet economy some plants along with their entire work force (mainly of Slavonic origin) were relocated to the republic. Between 1939 and 1959 the number of Russians in Kyrgyzstan increased from 302 900 to 623 500. Almost all of them settled in urban areas, such as the capital Frunze and its suburbs. In addition to this category of migrants, there was a huge inflow of people who were forcibly relocated from the areas of military action. This included Germans (descendants of the 18th century German migrants to Russia), Turkish, Crimean Tatars, Greeks, Koreans and others.

Thus, Kyrgyzstan became one of the most diverse republics in the former Soviet Union in terms of national composition, although the structure of the population fluctuated all the time. The proportion of ethnic Kyrgyz in the country declined from 66.7% in 1926 to 40.5% in 1959, although it subsequently increased to 52.3% in 1989, mainly due to the high birth rate.⁵ From the 1920s until the 1970s the ethnic Russian population was growing in absolute and in relative figures, due to migration and natural increase in the population, from 11.7% in 1926 to 29.2% in 1970. However, between 1979 and 1989 the proportion of ethnic Russians dropped to 21.5% (Rybakovsky, 1995, p. 93).⁶ There was considerable fluctuation in the Ukrainian population in Kyrgyzstan, which was steadily growing in both absolute

figures and in proportion to the population before World War II (from 6.4% in 1926 to 9.4% in 1939). The proportion of this ethnic group slowly declined after World War II (to 6.6% by 1959 and 2.5% by 1989). Slightly similar processes took place with the German community, which increased from 0.4% in 1926 (mostly prisoners from World War I) to 1.9% in 1959 (mostly due to the forced migration of the German descendants from Russia and the Ukraine). By 1970 their proportion rose to 3.0%, but it had declined to 2.3% by 1989, although according to the censuses of 1979 and 1989 the number of people who considered themselves Germans in absolute figures was almost the same at 101 000.

Throughout the Soviet era the proportion of the Uzbek community in Kyrgyzstan fluctuated between 10% and 12% of the population, making the Uzbeks the third largest ethnic group in Kyrgyzstan after the Kyrgyz and Russians. The Korean community, who were forcibly relocated from Russia's Far East, mainly settled in Kazakhstan and Uzbekistan, but a small Korean community also appeared in Kyrgyzstan. Their number slowly grew from 9400 (0.3% of Kyrgyzstan's population) in 1970 to 14 480 in 1979 and to 18 350 (0.4% of the population) in 1989 (*Razvitie mezhnatsional'nykh otnoshenii v novykh nezavisimykh gosudarstvakh Tsentral'noi Azii*, pp. 316–320).

In Kyrgyzstan the urban population grew steadily until the end of the 1970s. In the 1980s, although the urban population increased in absolute figures, there was no increase in proportion to the republic's total population. According to the statistics, in 1979 38.7% (or 1.36 million) of the republic's population lived in the cities, and 61.3% (2.16 million) lived in rural areas. In 1989 the urban population had declined to 38.2% (1.64 million), while the rural population reached 61.8% (2.65 million) (*Kratkii sbornik*, 1990, pp. 9, 13). The native Kyrgyz population has been primarily employed in the agricultural sector and lived in the rural areas that faced increasing population pressure, shortage of arable land and some other problems, especially in the south of the republic. Deteriorating economic and social conditions led to a rise in tensions between various communities, which were especially inflammable in the rural areas. These tensions exploded as a conflict between the Kyrgyz and Uzbek communities in the south (Osh) region of the republic in the summer of 1990. Intensive riots and clashes between these two communities continued for almost two weeks and took the lives of more than 300 people (Elebaeva & Omuraliev, 1991).⁷

Despite considerable social changes, success in industrialisation and social engineering in the republic, Kyrgyz society preserved some important features of the traditional life-style, curiously mixed with some elements of modernity. Traditionalism in Kyrgyzstan demonstrated its ability to oppose the innovations and social transformation that were imposed by the Soviet system. Despite some superficial changes, Kyrgyzstan continued to be quite patriarchal, with strong tribal and kinship traditions. In this sense, some particular aspects of the Soviet modernisation contributed to the preservation of these features. For example, whole Kyrgyz *ail* were brought in to *kolkhozy* during the collectivisation campaign and the *kolkhozy* kept the extended family ties alive throughout the Soviet era. Traditionally, the extended family social network provided support to all members of the *ail* and developed a kind of economic welfare net. The 'patron-client' relationship outside the *ail* continued the traditional line of the Kyrgyz tribal regional confederations (the so-called clans).

Private entrepreneurial initiative was an important feature which affected the pattern of population movement within the republic. The liberalisation of the

economy in the late 1960s, when Stalin's approach of total control was replaced by more relaxed principles of economic management, had a considerable impact on economic relations in Kyrgyzstan. One of the most important innovations was permission to own small plots of land for individual use in rural areas and the suburban areas of the major cities. The peasants were able to harvest an extra amount of agricultural produce that was in great demand in Russia and was sold in the *kolkhoz* markets. Consequently, this led to the growth of the non-state retail market (informal sector) of agricultural and other kinds of production, which reached quite a considerable volume by the late 1980s. It was a kind of parallel economy and it provided sizeable additional earnings to people in rural areas. Thus, the non-state sector and the parallel economy, which enjoyed the patronage of clans, had deep roots in Kyrgyzstan society, affecting social and especially economic relations in the republic.

Summarising these observations, we could note that some features of the economic development of Kyrgyzstan during the Soviet era influenced both migration and the republic's labour market.

The economic development in Kyrgyzstan formed a peculiar local labour market. In general, the objectives of Soviet social development, such as full employment of the population, creation of a comprehensive social welfare system and a high level of public education, were achieved by the 1970s. However, some distortions also developed, because of the absence of a regulatory supply and demand mechanism and the ineffectiveness of the state's intervention in the labour market. One of the most notorious examples is a chronic structural shortage of labour in the cities, which co-existed with the spread of underemployment in the republic's rural areas. Although Moscow used non-economic methods of labour mobilisation at the early stage of development (1930s to 1960s), this approach did not work any more after the partial liberalisation of the Soviet economy and labour market.

The peculiarities that preserved the traditional patrimonial and tribal relations in Kyrgyzstan led to low social mobility of the local native population. Moreover, the existence of so-called socio-ethnic niches also restrained migration from the rural areas to the cities, as in the urban areas people did not have the traditional support network of the extended family. The strong socialist social welfare system also undermined the economic stimulus to migrate from the rural areas to the cities, and contributed to the low level of rural out-migration. The level of urbanisation thus remained the same for two decades (1970s and 1980s) in Kyrgyzstan (see Table 1). At the end of the 1980s and the beginning of the 1990s the consequences of the peculiarities of Soviet development revealed themselves.

Economic Development and Structural Changes after Independence

Akaev came to power in December 1990. His administration faced serious social and economic problems in a rapidly changing economic and political environment. In general, the government has taken firm steps towards radical economic reforms. These reforms repeated the radical liberalisation of the economy and the 'shock therapy' approach that were implemented in Russia. Nevertheless, Kyrgyzstan's approach had its own distinguishing characteristics.

By 1991 the struggle between the Centre and the Union republics weakened the entire political and economic system of the Soviet Union. This allowed Kyrgyz-

stan's government to take over all enterprises formerly controlled by Moscow and implement some other measures which strengthened the economic independence of the republic. Despite initial intentions to preserve integration within the CIS, Kyrgyzstan introduced its national currency, the som, in May 1993.⁸

Introduction of the som initially had a devastating effect on the economy. It impeded trade with all traditional partners, including Russia, Kazakhstan and Uzbekistan. All of these states demanded payment only in hard currency, which Kyrgyzstan lacked. Kyrgyzstan's GDP dropped by 15.9% in 1992, 16.0% in 1993, 26.2% in 1994 and a further 10.0% in 1995 (*World Outlook*, 1996, p. 74). The country's industrial sector experienced an even deeper decline: 26.4% in 1992, 25.3% in 1993, 24.5% in 1994 and 19.5% in 1995.

However, the shock therapy approach, combined with radical steps in mass privatisation and liberalisation of economic activity, allowed macroeconomic stabilisation to be achieved in 1996–97.⁹ Inflation, which ran at the level of 1209% in 1993 and 455% in 1994, fell to 45% in 1995. By 1996–97 it stabilised at 29%. Some economic growth was now registered: 5.6% in 1996 and 9% in 1997 (*Business Outlook in the Kyrgyz Republic*, 23 February 1998, pp. 1–2).

In 1991 Akaev's administration declared its intention to deregulate the country's economy, to liberalise prices, and to implement a deep restructuring and decentralising of the system of state administration.¹⁰ Kyrgyzstan liberalised its prices along with Russia at the beginning of 1992, though Kyrgyzstan retained state subsidies for bread, meat, coal and public transport for two years.

In 1991 it announced a comprehensive mass privatisation programme.¹¹ According to official statistics, 8500 assorted enterprises were privatised between 1991 and 1996. These included enterprises from the retail, construction, transport, manufacturing and service sectors (*Turkestan-newsletter*, 21 April 1998).¹²

The agricultural sector underwent the most radical transformation. More than 82% of the state-run farms (*kolkhozy* and *sovhozy*) were reformed and transformed into more than 32 200 peasant-type private farms, 687 agricultural co-operatives, 73 joint-stock companies and 226 associations of farmers (*Kyrgyz Republic. National Human Development Report*, 1996, pp. 22–23).

Within a short period of time, from 1991 to 1996, the government introduced the major legislative framework for stable functioning of the newly liberalised economy.¹³ It is a very important achievement. At the initial stage (1992–94) people faced enormous obstacles in moving in or out of the country owing to the lack of appropriate regulation and the confiscatory actions of the newly established customs service. Also, emigration from the republic was restricted by the lack of hard currencies and quite a chaotic economic and financial environment.

As a whole, Kyrgyzstan underwent an uneasy transformation from a centralised command economy to the market-driven economic system. In general, these changes have had a positive effect on the economy, although the difficulties of the transitional period have created some new problems. This in turn largely affected the pattern of employment and trends in the labour market and migration.

The economic crisis negatively affected the quality of life of Kyrgyzstan's population. In 1996 71–75% of the population lived in poverty (*Kyrgyz Republic ...*, p. 33). According to the UNDP calculations, GNP per capita in Kyrgyzstan declined from US\$1160 in 1991 to US\$700 in 1995 (or three times less than the GNP in Russia) (*Human Development ...*, p. 122). Unemployment rose sharply, although official figures showed unemployment at the level of 3.6% of the working population in 1996.

Table 1. Rural and Urban Population in Kyrgyzstan

	1979	1989	1991	1992	1993	1994	1995	1996
Urban (000)	1367	1640	1684.3	1697.4	1678.7	1588	1574	1578.7
%	38.7	38.2	38.1	37.8	37.3	35.6	35.1	34.8
Rural (000)	2162	2649	2737.9	2787.1	2823.3	2874	2908	2966.4
%	61.3	61.8	61.9	62.2	62.7	64.4	64.9	65.2
Total (000)	3529	4290	4422.2	4484.5	4502.0	4462	4482	4545.1
%	100	100	100	100	100	100	100	100

Sources: SNG: *Statisticheskii byulleten'* No. 18 (154) (Moscow, October 1996), pp. 66–67; *Kratkii sbornik. Itogi vsesoyuznoi perepisi naseleniya 1989 goda po Kirgizskoi SSR* (Bishkek, Goskomstat, 1990), pp. 8–9.
 Note: Some figures are rounded up.

Economic Migration of the Population: Recent Trends

Migration processes can seriously affect labour markets in developing and transitional countries as well as in neighbouring recipient countries, where migrants might arrive. The experience of Asian countries shows the existence of two major trends in migration: (a) migration from rural areas to cities, and (b) migration to foreign countries (temporary or permanent) where standards of living are higher and where a structural shortage of both qualified and unqualified labour exists. The fundamental research study of 'Migration and the Labour Market in Asia: Prospects to the Year 2000' noted that economic factors have played a crucial role in migration within the countries of the Asian region as well as in inter-state migration and migration from the Asian region to the OECD countries (*Migration and the Labour Market in Asia*, 1996, pp. 15–26). The experts anticipated that these tendencies would continue in the short to medium term.

In this respect, the experience of Kyrgyzstan in the post-Soviet era indicates some important trends in development of the local labour market and economic migration (see Table 2). We shall analyse current trends in the post-Soviet labour market and in external migration.

Current Trends in the Post-Soviet Labour Market

The economic reforms brought considerable structural changes to Kyrgyzstan's labour market (see Table 3). They clearly influenced employment in the industrial sectors (manufacturing, mining and construction), which experienced an especially

Table 2. Kyrgyzstan: Migration 1989–1996

	Immigrants	Emigrants	Balance
1989	44 856	60 815	– 15 959
1990	40 939	82 352	– 41 913
1991	37 558	71 315	– 33 757
1992	26 275	103 728	– 77 453
1993	23 015	143 619	– 120 604
1994	20 104	71 197	– 51 093
1995	18 368	37 302	– 18 934
1996	15 910	27 584	– 11 674

Source: *CIS Migration Report, 1996* (Geneva, International Organisation for Migration, 1997), pp. 66–67.

Table 3. Kyrgyzstan: Employment by Sector (000)

	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Total	1 702.7	1 716.1	1 738.9	1 747.9	1 754.1	1 835.9	1 680.6	1 645.4	1 641.7	1 650.0
Agriculture	577.2	577.2	577.2	577.2	622.7	700.6	655.4	690.8	776.4	811.8
Mining	21.5	22.7	22.8	23.4	15.4	15.8	14.9	13.5	10.2	10.0
Manufacturing	266.4	262.5	256.3	254.7	215.9	203.6	178.6	158.2	128.4	126.5
Electricity, gas and water supply	7.3	7.0	7.6	9.3	11.1	13.6	14.0	14.4	15.2	14.2
Construction	123.8	126.5	151.5	152.8	147.0	114.2	89.4	77.0	65.7	63.7
Wholesale and Retail trade	57.0	58.0	58.1	59.1	59.2	70.6	55.9	—	—	—
Wholesale and hotels	—	—	—	—	—	—	—	113.0	103.8	109.4
Hotels and restaurants	27.5	28.0	27.3	28.0	27.6	16.2	13.4	—	—	—
Transport and communications	117.8	110.8	95.2	94.0	93.4	94.0	86.3	85.0	76.4	74.0
Financial intermediation	6.6	6.4	7.0	7.0	7.2	7.9	8.5	8.0	7.0	6.7
Real estate and business activity	29.4	28.6	28.8	29.4	22.0	17.2	12.8	9.0	8.2	8.0
Public administration and defence	46.2	44.8	41.5	42.5	36.6	54.2	56.0	58.0	56.9	53.1
Education	185.6	194.8	204.6	215.5	212.5	216.5	198.9	169.0	155.9	151.0
Health and social work	91.1	95.4	101.3	104.6	107.4	142.4	124.7	102.0	101.3	98.1
Other social activities	43.8	45.2	47.8	45.3	43.8	42.1	35.8	33.0	27.7	26.9
Not classified by economic activities	101.5	107.9	112.5	112.0	132.3	127.0	135.9	113.6	105.9	96.6

Source: International Labour Office Yearbook of Labour Statistics 1997 (Geneva, International Organisation for Migration, 1997), pp. 131–132.

severe downturn in 1991–95. Employment in these sectors shrank by 50–55% in the last six to seven years (the three sectors alone lost 230 700 jobs between 1990 and 1996 (Table 3)). The agricultural sector was in a slightly better position and employment there grew from 577 000 in 1990 to 811 000 in 1996, although it experienced a rise in underemployment. However, the service sector, which was underdeveloped during the Soviet era, experienced significant growth with both the number of employees and total output increasing. Additionally, mass privatisation contributed to the acceleration of private ownership, self-employment, and the quality and extent of this sector of the economy.

Notable structural changes occurred in the proportions of employment in the state and private sectors. During the Soviet era an overwhelming part of the work force in Kyrgyzstan had been employed in the state sector. However, owing to the mass privatisation (the overall level of privatisation was 60.7% in December 1997), a sizeable part of the formerly state employees went to the non-state sector. By the end of 1998 a considerable proportion of Kyrgyzstan's labour force was employed in the non-state sector or had become self-employed.

Among other changes, there was a substantial growth of underemployment, not only in rural areas but also in cities. During the Soviet era, official statistics always registered full employment in all sectors of Kyrgyzstan's economy, although there was hidden underemployment and unemployment in some parts of the republic. Nevertheless, the existence of an extended social welfare system, which sometimes discouraged people from taking the initiative to search for a job or to migrate to other parts of the republic or the USSR, provided almost unconditional welfare support to the population. Also, there was a high level of participation by women and the elderly in the public sector.

After the disintegration of the Soviet Union, the situation with unemployment and underemployment changed dramatically. According to official statistics, the number of registered unemployed jumped from 1796 people in 1992 to 12 614 in 1994 and 77 198 in 1996 (*ILO Yearbook of Statistics*, 1997, p. 444). The unemployment rate increased from 0.2% in 1990 to 3.6% in 1995, although this rate appears quite low when compared with other Asian or Eastern Europe countries. However, according to independent experts, unemployment ran at a level of 15% to 20% in the mid-1990s (*The Kyrgyz Republic. EIU Country Economic Profile*, 1996, p. 42). Unemployment especially hit the elderly and women in Kyrgyzstan (women made up close to 60% of the registered unemployed). During the past few years there were also considerable structural changes in unemployment compared with the Soviet era. In the 1980s unemployment and underemployment were usually short-term and mostly occurred in rural areas, but in the 1990s there were increasing long-time unemployment and underemployment among high-skilled workers in urban areas. We also have to add those who were temporarily laid off or put on reduced working hours in such sectors as industry, transport and mining (personal communication, 1995, 1997).¹⁴ According to independent reports, in 1996 Kyrgyzstan's manufacturing plants were working at scarcely half their capacity (*The Kyrgyz Republic. USEIA Report*, December 1996, p. 3).

However, there was no significant migration from rural areas to cities in the period since 1979.

Current Trends in External Migration

The issue of emigration from Kyrgyzstan (both temporary and permanent) to the

other parts of the CIS and countries outside the former socialist block is quite complicated. On the one hand, it is a sensitive political issue within the country itself and in its relations with other CIS countries (especially the Russian Federation). On the other hand, official statistics are quite inefficient at collecting this type of data. Besides, officials are sometimes reluctant to provide the public with accurate figures on this issue (as we have noted, it was quite a sensitive issue). Nevertheless, available data allow us to assess some current trends in the outflow of population from the country.

In general, permanent emigration from Kyrgyzstan was quite high during 1991–96. Two major groups of people left the country during this period: the Slavonic (Russian-speaking repatriates) and the German population. It was assumed that the former emigrated mainly to the Russian Federation and Ukraine, and the latter moved mainly to Germany. Thus altogether, according to official statistics, in 1990 82 352 people left the republic, and in 1991 the number of emigrants was 71 315. In 1992 the figure grew to 103 728, and in 1993 it jumped to 143 619. Subsequently the emigration figures declined to 71 197 in 1994, 37 302 in 1995 and 27 584 in 1996 (see Table 2).

Migration to other parts of the CIS has been quite significant. The ethnic composition of the emigrants should be taken into consideration when assessing this wave of out-migration. For example, it was assumed that in 1991–94 ethnic Russians dominated among emigrants and changes in ethnic policies played a crucial role in their out-migration (Robertson, 1996, pp. 113–128). Still it was very difficult to interpret this wave of migration, because it was not clear whether those who migrated then from Kyrgyzstan were those who had arrived in the republic recently (in the 1970s and 1980s) or those who had migrated there much earlier, or both categories. According to some survey studies, the emigrants cited a number of reasons for leaving the country, including difficulties in finding jobs and changing their place of employment (*Demograficheskii ezhegodnik*, 1995, pp. 138–139).

Migration from Kyrgyzstan to OECD countries has been comparatively intensive, but mainly consisted of people of German origin. Out of the 102 000 such people, 80 000 (almost the entire community) emigrated between 1991 and 1996. This wave of migration had several causes, the chief among which was a special programme run by the German government to accept and assist German descendants from the various parts of the CIS. There were also a number of permanent emigrants to Israel and other OECD countries, though the number was relatively small. It is noteworthy that the Korean community did not leave Kyrgyzstan for Korea or any other Asian countries, despite all the economic difficulties, although their number declined slightly from 18 700 in 1992 to 17 700 in 1996.

The migration of population in Kyrgyzstan has a number of particular features. Firstly, post-Soviet development clearly demonstrated the limits of the Kyrgyzstan labour market. There is a strong correlation between the reduction in the number employed in the major sectors of Kyrgyzstan's economy (manufacturing, mining and construction, where the Russian-speaking population was mainly employed) and the level of net emigration. Thus, in 1991, these three sectors lost 52 600 jobs and net emigration totalled 33 757 people.¹⁵ In 1992 employment in these sectors declined by almost 44 700 and emigration totalled 77 453 people. In 1993 these sectors lost 50 700 jobs (and in addition, in 1993 employment in the education sector declined by 17 600) and emigration totalled 120 604 people. In 1994 these sectors lost 34 200 jobs (and the education sector lost 29 900) and emigration totalled 51 093. In 1995 these sectors lost 44 400 jobs (education lost 13 100) and

emigration totalled 18 934 people. In 1996 these sectors lost 4100 jobs (and education lost 4900) and emigration totalled 11 674 people (Tables 2 and 3).

Secondly, in post-Soviet Kyrgyzstan migration from rural to urban areas was on a considerably smaller scale than could have been expected (especially taking into consideration the recent experience of large-scale rural-urban migration in the South-east Asian countries, Vietnam and China). In general, the trend was even the reverse; the urban population decreased slightly (according to official statistics) in proportion to the total population of Kyrgyzstan throughout the 1990s, and the rural proportion increased slightly, even though there was significant liberalisation of restrictions on temporary and permanent movement of population from rural areas. This phenomenon does not fit classical migration theories, such as the Todaro migration model, which basically says that rural-urban migration should occur at an accelerated rate in the developing country environment (Todaro, 1997, pp. 278–287). A partial explanation for this comes from several factors. On the one hand, during the last decade, no new jobs were created in manufacturing, construction, transport, communications and other sectors of the Kyrgyzstan economy (see Table 3). However, in the agricultural sector, a significant number of new jobs were created (employment in the agricultural sector increased from 577 200 in 1987 to 811 800 in 1996, while, in manufacturing it decreased from 266 400 in 1987 to 126 500 in 1996) (Table 3). On the other hand, the difference in income levels between rural and urban areas had probably not become significant yet; the level of poverty did not reach the critical mass necessary to push people out of the rural areas of the country. Also, the difference in the social and cultural infrastructure (which is still quite developed even in rural areas, thanks to the Soviet Cultural Revolution) is not wide enough to prompt migration. Additionally, the extended family support network in rural areas has become especially important during the social turbulence and the tremendous decline in standard of living in both rural and urban areas in the post-Soviet era as it provided a kind of safety net in a country with strong traditional values.

Thirdly, there was no significant migration, either temporary or permanent, to the OECD countries, despite the tremendous decline in the standard of living in Kyrgyzstan and in the CIS overall. Although restrictive regulations on overseas travel (outside the CIS) eased and a number of Kyrgyz people visited other countries for business, tourism or education, there were no serious reports of illegal emigration for work (*Kyrgyz Republic ...*, 1995, p. 21).¹⁶ In fact, at the beginning of the 1990s the Kyrgyz government had the idea of setting up a special recruitment agency that would arrange temporary working opportunities for Kyrgyz high-skilled professionals (medical doctors, engineers, researchers, etc) in some more advanced countries (including the South-east and East Asian countries). However, this idea was never implemented.¹⁷

Thus, despite considerable post-Soviet changes in the labour market and some changes in the migration pattern, Kyrgyzstan remains outside the modern migration trends in Asia. Most probably it will take longer than in Vietnam and China to pour rural migrants into the urban areas of Kyrgyzstan and to pour Kyrgyzstan migrants onto the international labour market. However, the latter trend still seems unlikely, at least in the near future.

Conclusion

The present environment for movement of population in Kyrgyzstan is quite different from that of the Soviet era. For the first time in many decades there is no 'iron

curtain' and restrictive intervention by the Soviet state. In theory, Kyrgyzstan's people have every opportunity to join the international flow of economic migrants (temporary and permanent). Yet Kyrgyzstan's migration pattern has proved to be quite different from those in transitional and developing countries of the Asian continent. There is no doubt that the legacy of the Soviet past played a crucial role in this phenomenon.

The arbitrary relocation of the labour force was an important part of Soviet economic development in Kyrgyzstan and was one of the driving forces behind the local labour market's evolution. The industrialisation of the republic in the 1930s–1940s and 1950s–1960s relied practically entirely on immigration of labour (mainly ethnic Russians) into the republic. Thus the local labour market was distorted by this particular pattern of economic development and the socialist version of full employment.

Partial liberalisation of the restrictions on movement of population in the 1970s, and decreased levels of income in Central Asia, gave rise to a new phenomenon in Kyrgyzstan. In the 1970s and 1980s people started to leave the republic, although this out-migration occurred on a very small scale and was mainly limited to particular ethnic groups (Slavonic people). One important factor which restrained migration both within Kyrgyzstan and from Kyrgyzstan to other parts of the USSR was probably the absence of the economic stimulus for migration. Ethno-cultural factors (extended family), social factors (social welfare availability) and economic factors (engagement in the semi-official, non-state sector) limited out-migration of the native population to other parts of the USSR.

After the disintegration of the Soviet Union in 1991 and the introduction of radical economic reforms, Kyrgyzstan's economic development turned out to be quite different from the pattern found in East and South-East Asian countries in the 1980s and 1990s. Kyrgyzstan underwent a process of de-industrialisation, while the East and South-East Asian countries moved rapidly towards industrialisation. Out-migration, especially among the Russian-speaking and German communities, rose steeply during 1992–94, which were years of severe economic recession. This wave of out-migration peaked in 1993, but it was a unique migration, because it was mainly ethnic in character. The Germans' departure was especially so because of the willingness of Germany to accept and sponsor this mass relocation.

Although the 1991–95 migration was of mainly ethnic character, economic factors (tremendous decline in the standard of living, economic collapse and high unemployment) were the driving forces of this large out-flow of population. At present it is not clear how the economic recession and changes of the 1990s will affect the local labour market and future migration patterns. Most probably, because of the out-migration of high-skilled workers, educators and managers, the country will have difficulties in preserving and maintaining the quality of its labour force and system of professional education. One consequence of the recession, which would affect the entire labour force, is likely to be a high level of unemployment at least in the short and medium term. The migration pattern is still quite unstable. However, the current tendencies allow us to conclude that migration will most probably follow the established patterns and will be confined to movement within the former Soviet Union, at least in the short term (Isaev *et al.*, 1998, pp. 65–66).¹⁸ It is quite unlikely that Kyrgyz migrants will join the international labour migration flow outside the CIS on a large scale.

After several years of high emigration, there was relatively lower out-migration from Kyrgyzstan in the latter part of 1990s. Nevertheless it is too early to talk about

full stabilisation. In general, this stabilisation coincided with economic and political stabilisation and moderate economic growth in some sectors of the country's economy. There were reports of an increasing number of migrants who had started to return (Olcott, 1996, pp. 537–554), although no reliable statistics are available (*Turkestan-newsletter: Kyrgyz*, 27 April 1998).¹⁹ So again it is too early to talk about a reversal of the trend in migration.

Analysis of the migration pattern, the structure of economic migration and the trends in the labour market in Kyrgyzstan clearly indicates that the country was quite different from the traditional pattern of migration in Asia. The Asian migration pattern currently has the following three main directions: (a) economic rural–urban migration; (b) interstate economic migration within the Asian region (for example, within South-East Asia); (c) permanent and temporary economic migration to the OECD countries. Kyrgyzstan's population movement, in contrast, firstly followed the traditional migration routes of the Soviet era (migration within the former USSR) and naturally involved those groups of the population who migrated to Kyrgyzstan during the Soviet era (Russians, Germans, Jews, Ukrainians, etc). Secondly, there was no sizeable economic migration from rural areas to cities. Thirdly, there was no sizeable migration within the Central Asian region, and no common regional labour market has formed yet. Finally, there was no clear evidence of the existence of other temporary and permanent out-flows of Kyrgyzstan's population to the OECD countries (except for the German community returning to their home country).

Notes

1. For comprehensive coverage of migration in Central Asia and the CIS see the papers from a seminar on migration processes conducted by the Institute for Development of Kazakhstan, published in *Evrasiiskoe soobshchestvo: ekonomika, politika, bezopasnost'*, pp. 6–7.
2. This article does not seek to provide comprehensive coverage of the economic history of Kyrgyzstan, For this see, for example, Rumer, *Soviet Central Asia—A Tragic Experiment*.
3. *Istoriya Kirgizskoi SSR*, pp. 367–384. 1913 was the last year of economic growth in the Russian Empire before a decade of recession associated with World War I, the Bolshevik revolution and the Civil war.
4. *Razvitie mezhnatsional'nykh otnoshenii ...*, pp. 316–320. It should be noted that the Russians started to arrive in Kyrgyzstan (mainly in the north of the republic) in the early 20th century as a part of Imperial Russia's peasant re-settlement programme.
5. In the 1970s and 1980s the population grew at a rate above 2% annually and the growth was especially high in the rural areas of the republic.
6. By the end of the 1980s Russians who were born in Kyrgyzstan totalled 59.1% of the entire Russian population and those who had lived in the republic for more than 20 years amounted to almost 41%. See Rybakovsky, p. 93.
7. It is quite symbolic that one of the immediate reasons for the conflict was a dispute over land use. For some details and background of the conflict see Elebaeva & Omuraliev.
8. In fact, Kyrgyzstan was the first among the CARs to obtain an IMF memorandum of agreement accepting its economic reform programme, in May 1993. 'The Kyrgyz Republic. USEIA Report', p. 11.
9. For a more comprehensive overview and criticism of the economic reforms in Kyrgyzstan see Koichuev, pp. 166–197.
10. In Kazakhstan, Tajikistan, Turkmenistan and Uzbekistan the old communist era leaders remained in power even after independence. Unlike the others, Akaev never held a high position in the communist party apparatus.

11. The Law on 'General Principles of Privatisation and Entrepreneurship in the Kyrgyz Republic' was adopted on 20 December 1991.
12. According to official reports, by 1998 the following level of privatisation was achieved: 99% in retail trade and food processing, 56.3% in the construction sector, 47.1% in transport and 79.2% in other industrial sectors. *Turkestan-newsletter*, 21 April 1998.
13. However, the introduction of private ownership for land was a politically sensitive issue because of the country's multinational character and a fear that during the transition period illegal migrants from other countries could buy land. Therefore, the Parliament of the Republic (Zhogorku Kenesh) rejected the laws on private ownership of land, although it introduced private leasing of land for a period of up to 99 years as a compromise.
14. Personal interviews with the author in 1995 and 1997. According to the UNDP report, the number of temporarily laid-off workers reached 92 000 in November 1994. See *Kyrgyz Republic. National Human Development Report*, p. 20.
15. Emigration in 1989 and 1990 was also most probably economically motivated because there was visible decline in the standard of living in Kyrgyzstan compared with the Russian Federation and other republics of the USSR. Also, those two years were turbulent in term of worsening inter-ethnic relations.
16. According to official reports, there are between 20 000 and 30 000 people in Kyrgyzstan engaged in the so-called '*chelnoki*' business and who travelled overseas on a regular basis ('*Chelnoki*', a post-Soviet phenomenon, buy consumer goods abroad at discounted prices and bring them into the country, often without paying any tax). But '*chelnoki*' trips normally lasted for a week or two and the '*chelnoki*' did not take jobs abroad. See *Kyrgyz Republic. National Human Development Report*, p. 21.
17. It is interesting that the Kyrgyzstan Ministry of Education and some other educational institutions have become the biggest senders of Kyrgyzstani people (students, lecturers, trainers, etc) overseas for short, medium and long-term stays for educational and training purpose in various, mainly OECD recipient countries.
18. According to a survey conducted in the capital city, Bishkek, among the Russian-speaking population, there was a moderate degree of interest in migration. Among those who had an intention to migrate, only 13.7% would have liked to migrate to countries outside the former Soviet Union. See Isaev & Gorborukova, pp. 65–66.
19. According to official reports, in 1997 11 000 Russians left Kyrgyzstan and 14 000 Russians immigrated into the republic. See *Turkestan-newsletter*, 27 April 1998.

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