



The European Union’s “Support to Migration Policy Development and Relevant Capacity Building in Armenia” Programme

Եվրամիության «Աջակցություն Հայաստանում միգրացիոն քաղաքականության և համապատասխան կարողությունների հզորացմանը» ծրագիր

Policy Brief Համառոտագիր



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International Center for Human Development
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ՀՀ տարածքային կառավարման նախարարության միգրացիոն գործակալություն

The Demographic, Social and Economic Challenge of the RA Migration System



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The most recent research on labor migration reveals quite a strong impact of migration processes on the social-demographic and economic situation of the country. Still, the opportunities and risks defined with this qualitatively new phenomenon do not seem to be properly reflected in Armenia's development policy.

On the way from quantity to quality

Employment continues to remain one of the fundamental reasons for leaving the country. For instance, in 2005-2007 labor migration touched about 15% of all Armenian households. Actually, regardless of the overall positive tendencies in migration flows, the labor migration keeps increasing.

Research data show that about 47% of households with labor migrants abroad could appear in the group of the very poor were it not for the remittances sent by the migrant family member. Moreover, if the monetary support provided by labor migrants to their families is deducted from the income basket of the Armenian households, the number of poor in the country will grow by 20% and in order to keep poverty at the same level, a state budget of a size multiple times bigger than the current one will be required. The conclusion is obvious: labor migration significantly alleviates the social burden of a large number of Armenian households, thus taming the poverty level.

It is worth noting that remittances from foreign countries are mostly used for consumption. Another part is directed to payment of educational fees for family members. Actually, the scope of investments in education is growing due to migrant remittances. Many Armenian banks have started to treat the remittances sent by labor migrants as a stable source of income and a sufficient basis for providing consumer loans to the households.

The lion's share of remittances is sent by those migrants who have lived abroad for 5-10 years. In contrast, Armenian citizens living abroad for more than 10 years tend not to send any money at all. Most probably residing in a foreign country for over ten years, they lose touch with their homeland and one the reasons might be that over this time they take their families and relatives with them.

Finally, according to the 2007 data, the volume of money remittances equals almost 1/5 of Armenia's GDP. It is the equivalent of the volume of the agricultural produce and is more than the negative balance of Armenia's trade surplus.

The woods behinds the trees

Though assuaging the overall picture of the poverty in the country, the large migration flows pose new challenges for the country's security. Unfortunately there is no common state policy on these processes and phenomena. The state policy on regulation of migration is narrowed down to the administrative functions in the sphere and it has no role in the strategic programs

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of country's social-economic development. Moreover, issues of employment, in particular of labor migration, are currently perceived mostly as social issues, thus neglecting their strategic significance in economy. Whereas it is important to apply new meaning to these functions and realize their significant role in the mid-term and long-term programs of the economic development of the country.

A pivot

The time to properly include the migration component into the social-economic policy and strategy of the country is ripe. It is essential to provide a central role to the migration policy, ensuring its components are reflected in the most important aspects of country's development, i.e. poverty alleviation, development of a conducive economic environment, development of agriculture, country's security, the rule of law, etc.

Another important aspect is the formation of an effective institutional system that will implement the state policy in the sphere of migration. Actually, a few actions, such as better systemization of the decentralized model of migration regulation, continuous promotion of effective cooperation among state agencies and prevention of further separation of the relevant functions in order to avoid treating the state policy on migration as secondary will actually contribute to the inclusion of migration issues into the social-economic policy and strategy of the country.

Considering the fact that Armenia's chances to influence migration policies of the countries with Armenian labor migrants in order to create favorable work conditions is limited, a functional state policy should first of all rely on the existing pool of instruments inside the country. In particular, the state policy should be directed towards assuaging migration dependence on one country through diversification of the capabilities of labor migrants, such as their knowledge of language, cultural compatibility, competitiveness of the labor force, bilateral agreements on entry-exit, etc. In this regard one of the most important domestic instruments would be a competitive system of secondary and vocational education, the development strategy of which should take into account priorities of labor migration.

This paper has been developed based on the opinions passed by the participants of the round table "Demographic, social and economic indicators and their development tendencies as a challenge to the RA migration policy" organized within the framework of the project "Support to Migration Policy Development and Relevant Capacity Building in Armenia". The event took place on December 20, 2007. The roundtable was attended by independent analysts, government officials, and representatives of the international organizations. The project is financed by the European Union.