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**UNDERSTANDING MIGRATION DYNAMICS AND ITS
EFFECTS ON RURAL DEVELOPMENT, AGRICULTURAL
GROWTH, AND GOVERNANCE IN KYRGYZSTAN**

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ACRONYMS

ADB – Asian Development Bank

CIS – Commonwealth of Independent States

COVID-19 – Coronavirus

DFID - Department for International Development of the United Kingdom

DIW - German Institute for Economic Research

EAEU – Eurasian Economic Union

FAO – Food and Agriculture Organization of the United Nations

GDP – Gross Domestic Product

IOM – International Organization on Migration

IFAD - International Fund for Agricultural Development

IMF - International Monetary Fund

KR – Kyrgyz Republic

MFA – Ministry of Foreign Affairs

NBKR – National Bank of the Kyrgyz Republic

NSC – National Statistic Committee

WB – World Bank

ODA - Official development assistance

OECD - Organization for Economic Cooperation and Development

SMSGKR - State Migration Service under the Government of the Kyrgyz Republic

UNFPA - United Nations Population Fund

UNDP - United Nations Development Programme

USD - United States Dollars

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1. INTRODUCTION

Migration of the population is primarily a result of the imbalance between economic and demographic development within a country. When economic growth lags behind population increase, surplus labor is compelled to migrate in search of employment opportunities. Mass migration not only underscores the disparity between economic development and population growth but also reflects internal societal contradictions exacerbated by periodic crises (Elebaeva, 2013).

In contemporary times, labor migration has attained unprecedented proportions globally, becoming a hallmark of both the modern labor market and the world economy as a whole. High global unemployment rates, coupled with disparities in national income levels and working conditions, fuel this phenomenon. Kyrgyzstan is not exempt from these global migration trends (Elebaeva, 2013).

For hundreds of thousands of Kyrgyzstan residents, migration has become a way of life. Internally, migrants from rural areas move to urban centers like Bishkek and Osh, while many more seek opportunities abroad in countries such as Russia, Kazakhstan, Turkey, among others. Kyrgyzstan ranks among the top five countries globally in terms of remittances as a percentage of GDP, with remittances exceeding 30% of GDP in 2022 alone (World Bank, ADB and UNDP).

Kyrgyzstan, a mountainous, landlocked country in Central Asia, faces developmental challenges. With over 65% of its population residing in rural areas and a poverty rate of 25.3% in 2020, the country's human development index ranks 120th globally (UNDP report 2020; WB 2016; NSC 2016, 2020).

Following the collapse of the Soviet Union and gaining independence in 1991, Kyrgyzstan underwent significant reforms that reshaped its economic and social landscape. Market liberalization, privatization, land and water reforms, and the emergence of numerous private farmers drastically altered the agricultural sector, with its contribution to GDP dropping from 43.9% in 1996 to 12.3% in 2017 (Mogilevskii et al., 2017; NSC, 2017).

With a population increase of 16% over the past decade, employment opportunities have failed to match this growth due to the sluggish national economy. The percentage of the working population employed decreased from 60.1% in 2006 to 55.9% in 2017 (Tilekeyev et al., 2019).

Labour migration from Kyrgyzstan is propelled by a combination of 'push' factors, such as socio-economic crises, and 'pull' factors, like the increasing demand for labor in oil-rich countries such as Russia and Kazakhstan. It's evident that the migration patterns of the country are intricately intertwined with its developmental trajectories. This research aims to consolidate existing knowledge on migration, rural development, and the impacts of remittances, guided by three fundamental research questions:

1. What are the recent causes of migration and how can we categorize the types of migrants?
2. What are the repercussions of labor migration on the families, communities, and environment of migrants?
3. What strategies can be employed to address challenges associated with labor migration?

The study employs both inductive and deductive approaches to comprehend the causes and effects of migration, particularly focusing on Kyrgyzstan. Additionally, it seeks to investigate prevailing practices concerning remittance utilization and international mitigation measures for migrants, especially during unforeseen events like the COVID-19 pandemic.

The paper comprises five chapters: introduction, literature review (Chapter 2), research methodology (Chapter 3), findings and analysis (Chapter 4), which also addresses the research questions, and conclusion. Finally, the conclusion summarizes the findings and provides suggestions for future research endeavors.

2. LITERATURE REVIEW

This literature review aims to identify prevalent and influential factors concerning various aspects of rural life, the impact of migration, and remittances on regional development. It commences by examining the correlation between migration and development, followed by an exploration of migration drivers such as environmental and socioeconomic factors, rurality, and agriculture in Kyrgyzstan. Additionally, it investigates migration policies and legislation and their effects, along with unexpected challenges related to migration. Lastly, existing frameworks and theories regarding the analysis of remittance impacts are reviewed.

2.1. Connection Between Migration and Development

Migration, fertility, and mortality are the primary drivers of population changes. Migration typically involves the movement of individuals from one location to another, resulting in a change of permanent residence. There are two main types of migration: internal migration, which involves movement within a country, and international migration, which entails relocating from one country to another in search of better opportunities (Kyaing, 2016).

The association between migration and development was not widely recognized until relatively recently. Despite some prior investigations into aspects of migration and development before World War II, these were not explicitly linked to the concept of development until the 1960s. Faist & Fauser (2011) outline three stages of development in this regard:

1. The 1950s and 1960s: Emphasizing migration and development through remittances and returns.
2. The 1970s and 1980s: Addressing issues of backwardness and migration, focusing on poverty and brain drain.
3. Since the 1990s: Highlighting migration and joint development, emphasizing circulation as a key aspect.

During the first phase, from the 1950s to the 1960s, there was a strong emphasis on remittances and returns, which were integral to the concept of economic modernization. Migrant workers from the South alleviated labor shortages in the North, with European governments actively promoting emigration as a means of fostering national development in both origin and destination countries (Faist & Fauser, 2011; de Haas, 2006).

During this era, there was an assumption that financial transfers, potential returns, and the transfer of knowledge and skills by migrants would contribute to the development of their home countries. It was anticipated that migrant workers moving to more economically developed regions would create labor shortages in their countries of origin, attracting capital inflows and ultimately fostering long-term development (Faist & Fauser, 2011). Expectations were particularly high during this period, with returnees expected to invest significant sums in income-generating activities such as industrial enterprises (de Haas, 2006).

In the second stage, there was a reversal in the perception of the relationship between migration and development. Throughout much of the 1970s and 1980s, within the frameworks of dependency theory and world systems theory, the underdevelopment of peripheral regions (South) was viewed as a consequence of structural dependence on central regions (North). Migration was considered both a result and a cause of underdevelopment during this period, with brain drain being a significant concern (Faist & Fauser, 2011). From the perspective of dependency theory, underdevelopment led to the emigration of highly educated and skilled individuals from peripheral regions to centers of the dependent world, primarily industrialized countries. This external migration was believed to exacerbate underdevelopment and increase migration flows due to the asymmetric distribution of resources favoring economically developed centers (Faist & Fauser, 2011).

Since the 1990s, a third stage has emerged, marked by a more optimistic outlook. There has been a renewed recognition of the potential for international migration to contribute to development. Migrants are now viewed as key participants in the development process and are considered vital partners for cooperation. Financial transfers and mechanisms for transferring individual and collective resources remain central in this stage, alongside the importance of skills, knowledge, and social transfers in political discourse. As a result, initiatives are increasingly multilateral and span various sectors, including international, governmental, and non-governmental levels.

According to the current perspective, temporary return and brain circulation are emerging policy models expected to facilitate development through knowledge exchange. These mechanisms aim to enhance economic development by redistributing resources and reducing brain drain. Moreover, there is growing interest in development efforts and peacekeeping activities among existing migrant groups and diaspora communities (Faist & Fauser, 2011).

The substantial increase in remittance volumes over the past decade has sparked heightened interest in the relationship between migration and development. This trend was highlighted in a 2003 World Bank report, which brought global attention to the link between migration and development. Workers' remittances not only surpass the volume of Official Development Assistance (ODA) but also remain steady and counter-cyclical, continuing to flow even during economic downturns in migrant-receiving countries (Faist & Fauser, 2011).

A pivotal moment in recognizing the role of remittances in development was the 2003 international meeting on migrant remittances, organized by the World Bank in collaboration with the United Kingdom's Department for International Development (DFID). This meeting shed light on the developmental significance of remittances and reflected the priorities of global development stakeholders. Since 2000, this issue has been integral to the World Bank's research agenda (de Haas, 2006). However, the World Bank report also introduced a new understanding that extends beyond the conventional understanding of remittance transfers. A chapter of the report underscores the role of migrants in development and poverty alleviation in their countries of origin (de Haas, 2006).

2.2. Factors Influencing Migration

Migration is a widespread phenomenon observed in many countries, driven by a multitude of factors encompassing socio-economic, political, cultural, environmental, and other influences. It often occurs due to the combination of push factors, such as limited opportunities in one's socioeconomic status, and pull factors, such as the allure of more developed regions. Kyrgyzstan, classified as a lower-middle-income developing country by the World Bank (2022), experiences migration influenced by various factors, which are examined in detail.

2.2.1. Environmental and Ecological Influences on Migration

Climate change trends in Central Asia have significant implications for pastures, crops, and agropastoral livelihoods, with annual average temperatures continuously rising (Christensen et al., 2007; Hansen et al., 2010; Kerven et al., 2011). Over the twentieth century, the Tien-Shan mountains witnessed a 25–35 percent reduction in glacier extent (Zemp et al., 2008).

Kyrgyzstan's mountainous terrain poses challenges to farming, including early frosts, long winters, spring floods, droughts, soil salinization, and a high risk of natural disasters (Mirzabaev, 2013; Bobojonov & Aw-Hassan, 2014; Mogilevskii et al., 2017). Issues with irrigation systems,

outdated agricultural infrastructure, and insufficient investment exacerbate these challenges. Consequently, labor migration serves as a strategy to mitigate risks amidst considerable uncertainty surrounding agricultural income (Sagynbekova, 2017a; Mogilevskii et al., 2017).

Exploring the impact of climate change on agricultural income in Central Asia, Bobojonov and Aw-Hassan (2014) suggest that the effects will vary depending on agro-environmental and socio-economic factors. Their modeling of climate change's impact on agricultural income in Kyrgyzstan predicts higher revenues for producers but also increased income volatility in the future (Bobojonov & Aw-Hassan, 2014).

Research conducted in the village of Dobilu in Naryn province, presented by Sagynbekova (2017a), revealed that 60 percent of surveyed households experienced crop failures over the previous five years due to early cold snaps, snowfall, drought, water shortages, heavy rains, and soil degradation. Environmental challenges, coupled with difficulties accessing agricultural equipment, seeds, and fertilizers, were cited as major obstacles to agricultural income in these mountainous regions by farmers surveyed (Sagynbekova, 2017a).

In 2016, the International Organization for Migration (IOM) conducted surveys on environmental migration, encompassing 500 rural residents across Naryn, Issyk-Kul, Batken, Chui, and Jalal-Abad provinces. According to the findings, various environmental factors influence individuals' migration decisions. Floods, including mudflows and high water, were cited by 9% of respondents, while drought and landslides were mentioned by 11% and 12% respectively. Additionally, respondents highlighted land degradation (4%), industrial pollution (4%), and the impacts of climate change (3%) as significant determinants of migration decisions. Among socio-economic factors, unemployment (27%), family-related reasons (9%), and poverty (3%) were the most frequently cited, while political factors such as community conflicts (0.8%) or religious conflicts (0.4%) played a minor role in migration decisions (Chandonnet et al., 2016).

Recent research has also explored the intersection of environmental migration and relationships between animal husbandry and labor migration (Nasritdinov et al., 2010; Chandonnet et al., 2016). Environmental issues are intricately linked with social, economic, and political forces, forming part of complex patterns of causality (Castles, 2002). Consequently, further research and analysis are needed to unravel this complexity (Murzakulova, 2016). Climate change and other environmental factors significantly influence migration decisions in rural areas. Tacoli (2009) emphasizes the importance of understanding migration as one of many strategies

individuals and households employ to adapt to climate change. In some regions, such as the Sahel in Africa, environmental challenges may lead to short-distance internal migration rather than international migration due to resource constraints (Findley, 1994; Jonsson, 2010).

Both internal and international migration have emerged as crucial strategies for coping with environmental and livelihood concerns. Migration offers advantages such as increased income, improved well-being, acquisition of new information and skills, and the opportunity to relocate to more environmentally sustainable areas (Chandonnet et al., 2016; Sagynbekova, 2016).

2.2.2. Socio-Economic Influences on Migration

Economic factors emerge as prominent drivers of migration, as indicated by various studies. In developing countries, low agricultural income and rural unemployment propel individuals towards regions with better job prospects. Consequently, the majority of migrants are motivated by the pursuit of enhanced economic opportunities. Economic determinants of migration typically fall into two categories: 'Push Factors' and 'Pull Factors' (Kyaing, 2016).

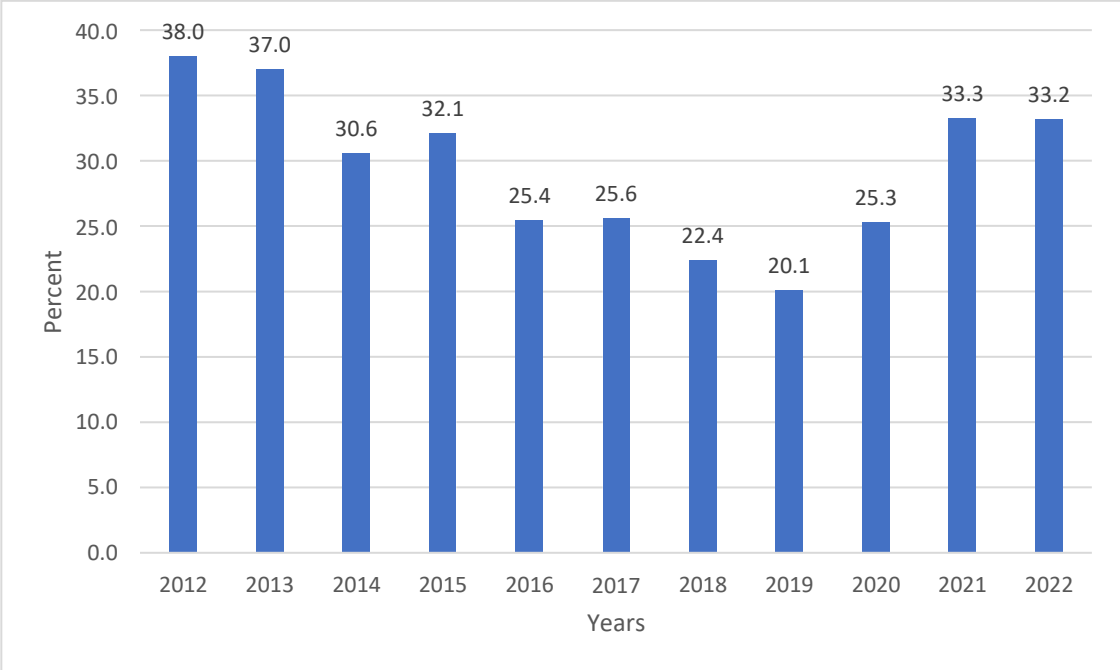
Push factors prompt individuals to leave their current location and seek opportunities elsewhere. Common push factors include low productivity, unemployment, underdevelopment, poor economic conditions, limited prospects for advancement, natural resource depletion, and natural disasters. Mechanization and the adoption of capital-intensive production methods in agriculture contribute to reduced labor demand in rural areas, further exacerbating the push for migration. Additionally, the absence of alternative income sources in rural settings serves as a significant driver of migration (Kainth, 2009).

Conversely, pull factors attract migrants to specific destinations by offering better job prospects, higher wages, improved facilities, favorable working conditions, and enhanced amenities. These pull forces influence not only rural-urban migration but also various other forms of domestic and international migration (Kainth, 2009).

Labor migration from Kyrgyzstan is influenced by both push and pull factors. Socio-economic crises act as push factors, while the growing labor demand in Russia and Kazakhstan serves as a pull factor. The surge in oil prices in the early 2000s bolstered the Russian economy, creating demand for external workers in construction and services sectors, where Kyrgyz labor migrants found employment. This option is particularly appealing to rural households, which constitute 65% of the population (Murzakulova, 2020).

Poverty and unemployment in rural areas also serve as significant push factors for migration. Despite being classified as a lower-middle-income country by the World Bank (WB, 2022), Kyrgyzstan maintains a high poverty rate, reaching 33.2% in 2022 (NSC, 2022). This underscores the persistent challenges faced by rural populations, compelling them to seek opportunities elsewhere for economic improvement.

Figure 1. Poverty rate in percentage in Kyrgyz Republic for period 2012-2022



Source: NSC (National Statistical Committee of the Kyrgyz Republic), 2022

The proportion of Kyrgyzstan's employed working population declined from 60.1% in 2006 to 55.9% in 2017. Despite a 16% increase in population over the last decade, employment rose by only 7.6%, reflecting limited opportunities arising from the sluggish growth of the national economy (Tilekeyev et al., 2019).

Concurrently, rural populations have increasingly engaged in external labor markets. Data from the State Migration Service under the Government of Kyrgyzstan (Table 1) reveals the direction and volume of migrants originating from Kyrgyzstan.

Table 1. the quantity of Kyrgyz Republic citizens registered as migrants categorized by their country of residence as of 2018.

Country	Number of Migrants
Russia	640,000.00
Kazakhstan	35,000.00
Turkey	30,000.00
United States	15,000.00
EU (Germany, Italy)	11,500.00
South Korea	5000.00
United Arab Emirates	3000.00
United Kingdom	2000.00
Total:	740,500.00

Source: State Migration Service under the Government of the Kyrgyz Republic (<http://ssm.gov.kg/>)

The primary migratory flow occurs within the Commonwealth of Independent States (CIS) countries, where visas are not required. Additionally, official agencies recruit workers for various sectors in countries such as South Korea (agricultural work, construction), Gulf countries (service industry), Turkey (services, tourism, trade), Poland, and the Czech Republic (truck driving, agriculture, services) (SMSGKR, 2020).

With 65 percent of Kyrgyzstan's population residing in rural areas and 40 percent comprising young individuals primarily engaged in agriculture (Tilekeyev, 2019), migration holds cultural significance. For instance, work experience in Russia is often perceived as a rite of passage into adulthood, besides serving as a means of economic advancement. This phenomenon is recognized as a "migration trend" (Reeves, 2012; Kikuta, 2016). Moreover, studies on female migration highlight the influence of mass consumerism, evident in preferences for fashionable attire, beauty salon visits, restaurant dining, and vacation spending, which have transformed traditional rural villages in Central Asia (Kikuta, 2016).

Social and cultural factors play a crucial role in migration, particularly among the younger generation. The pervasive influence of television, robust network connectivity, cinema, and urban-focused education fosters shifts in attitudes and values, thus contributing to migration driven by push factors (Kyaing, 2016).

Recruitment of migrants primarily relies on social networks, encompassing family ties, job referrals, and emergency assistance in host countries (Murzakulova, 2020). In Russia, for instance, 65% of Kyrgyz migrants had prior experience involving family members in

employment, with 41% expressing intentions to engage more relatives in migration (Sagynbekova, 2016). Additionally, 97% of surveyed migrants received assistance from relatives and friends in securing accommodation and employment (Sagynbekova, 2016). It's crucial to recognize the breadth of support networks facilitating migration, extending beyond familial ties to include friends, neighbors, classmates, and colleagues (Aitieva, 2015).

While internet access and social media usage are on the rise in Kyrgyzstan, their influence on migration remains underexplored despite the country ranking second globally for affordable mobile internet in 2019 (CABLE, 2019).

Migration also reshapes gender norms and roles within communities, particularly in patriarchal societies. Labor migration underscores traditional gender roles, where men are expected to provide financially for their families, while women are tasked with caretaking responsibilities at home. However, migration's impact on gender dynamics is multifaceted, challenging established norms (Ismailbekova, 2014; Reeves, 2011; Aitieva, 2015).

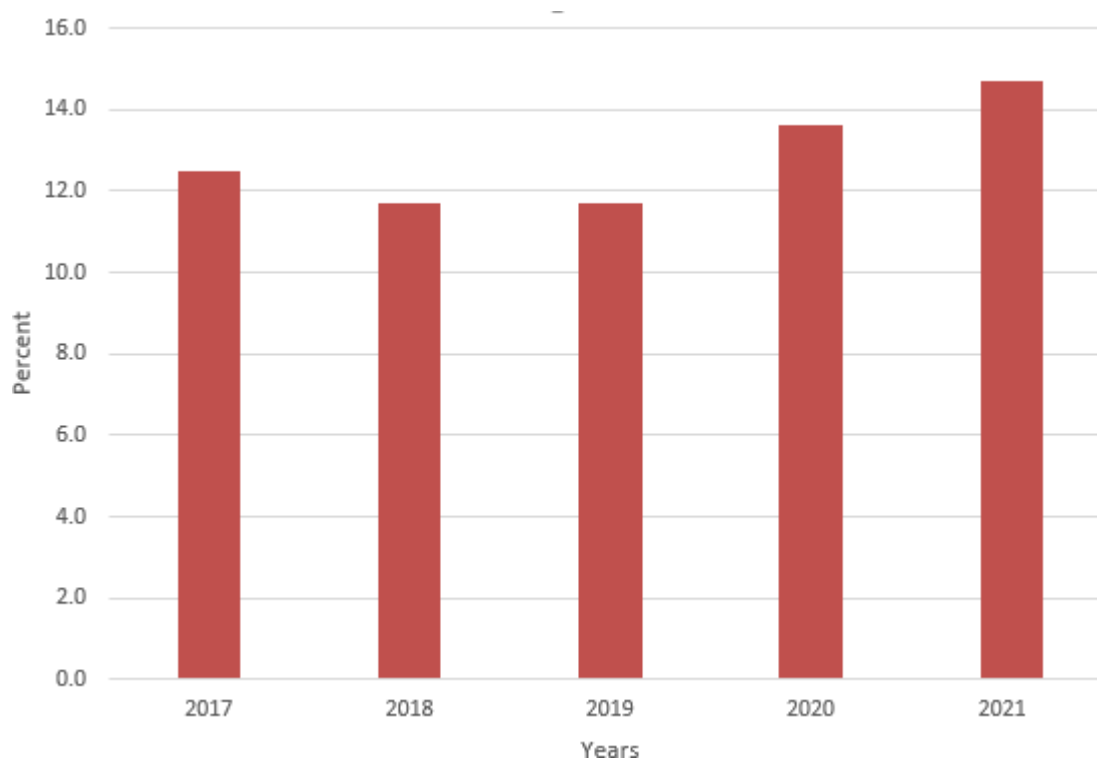
In rural areas, there's a notable shift in norms surrounding femininity and women's roles. Wives of male migrants are increasingly participating in the workforce and engaging in social activities outside their communities. Conversely, young migrant women without children face heightened control by their husband's relatives and limited mobility within their communities (Reeves, 2012). Moreover, more women are getting involved in labor migration due to increased job opportunities, better incomes, and supportive networks, challenging traditional caregiving roles (Sagynbekova, 2016).

Although anecdotal evidence suggests the significant role of grandparents in trans-local households, academic research on this aspect remains limited. The migration of one or both parents often burdens the older generation with caregiving responsibilities for grandchildren (Thieme, 2014; Isabaeva, 2011; Kikuta, 2016).

2.3. Agriculture's Role in Driving Rural Migration

Agriculture holds significant importance for the livelihoods of the majority of Kyrgyzstan's population, contributing 14.7% to the country's GDP and employing 35% of its economically active citizens (NSC, 2021). With more than 65% of the population residing in rural areas (NSC, 2016), the agriculture sector remains a cornerstone of the country's economy.

Figure 2 Agriculture share in GDP (percent)



Source: NSC, 2021, own contribution

Following the collapse of the Soviet Union in 1991, Kyrgyzstan implemented market-oriented reforms, including market liberalization, privatization of state assets, and land and water reforms. These reforms led to a profound transformation in the agricultural sector, with the contribution of agriculture to GDP declining from 43.9% in 1996 (Mogilevskii et al., 2017; NSC, 2017). By 2012, there were approximately 535,716 privately owned farms in the country, primarily small-scale operations averaging 3 hectares in size.

Land ownership inequality is less pronounced than land quantity disparities between regions, with southern Kyrgyzstan having three times more agricultural land per capita than the north (Atamanov & Van den Berg, 2012b). Agriculture dominates Kyrgyzstan's land use, accounting

for 55.4% of the total land area, primarily consisting of permanent meadows and pastures (48%) along with arable land (7%) and forestland (3%) (NSC, 2022). Despite forests occupying a small portion of land, they play crucial roles in water regulation, soil protection, and supporting forest-dependent livelihoods (FAOSTAT, 2022).

While agricultural reforms in the 1990s and early 2000s brought significant transformation to Kyrgyz agriculture, subsequent progress has slowed, lacking a clear government strategy for continued development. Insufficient investment and support for small farmers hinder the sector's long-term prospects, necessitating strong agricultural market players and robust support for small-scale farmers. Future agricultural development strategies should prioritize the provision of public goods to foster sectoral growth (Mogilevskii, 2017).

Furthermore, in addition to exporting agricultural goods, Kyrgyzstan heavily depends on the transportation networks of neighboring countries, particularly Kazakhstan and Russia, for the majority of its agricultural exports. Due to limited access to global markets and challenges in meeting international quality standards, Kyrgyz farmers face difficulties in selling their products internationally. Consequently, farmers grappling with significant agricultural challenges have turned to migration as a crucial coping strategy. Consequently, agricultural employment in Kyrgyzstan has witnessed a gradual decline since 2000, reaching its peak at 52.4 percent of the working-age population in 2000 before declining to 29.3 percent in 2015. This decline in agricultural employment is attributed to workers migrating to the small and medium-sized enterprise sector as well as overseas (Mogilevskii, 2017).

2.4. Migration Legislation, Policy and Governance

The development of comprehensive legislation governing migration processes in Kyrgyzstan began with the approval of the "Concept of State Demographic and Migration Policy" in 2000, marking the initial phase of legislative efforts in migration policy lasting until 2013. Subsequently, in response to increasing migration to Russia, the "Concept of the Kyrgyz Republic's Migration Policy till 2010" was introduced four years later (Murzakulova, 2020).

In 2009, the enactment of the Law on External Labor Migration was followed by the establishment of the Program for the Promotion of Employment and Regulation of Internal and External Labor Migration until 2020, emphasizing the importance of migrant professional training and educational system enhancement (Programma, 2013). Legislation concerning

Kyrgyz diasporas was introduced in 2015, allowing compatriots holding citizenship of other countries to reside in Kyrgyzstan without a visa or registration and enabling them to own real estate (Murzakulova, 2020).

Moreover, the government, with assistance from the IOM, initiated two consultation platforms: the Council for Relations with Compatriots Abroad in 2015 to advance diaspora policy and the Coordination Council on Migration Issues in 2016 to coordinate the efforts of government agencies, social organizations, and international entities, and to formulate migration policy recommendations.

The government also adopted the Concept of Regional Policy for the Period 2018-2022 and the State Program for Irrigation Development of the Kyrgyz Republic for 2017-2026 in 2017, aiming to stimulate regional development and agriculture, both interlinked with migration processes. These initiatives aim to establish processing firms to reduce unemployment and consequently migration from southern regions, particularly focusing on Batken province (Government Conception, 2017).

Furthermore, the Unified System of External Migration Registration was established in 2017 to improve migration data management. However, this system, administered by the State Security Committee, lacks transparency, hindering its utility for research or quality assessment. Internal registration remains challenging, with limited reliable data on internal movements, migrant demographics, or migration patterns. Although initial steps were taken in 2017 to integrate migration policy with rural development, the evaluation of migration policy within the broader economic, social, and demographic dynamics of the country is still pending (Murzakulova, 2020).

Kyrgyzstan has entered into bilateral agreements with Russia, Kazakhstan, and Tajikistan to safeguard the rights of labor migrants and their families, while also signing Memorandums of Understanding with South Korea and Japan. Additionally, Kyrgyzstan has joined the Almaty Procedure, a regional consultative mechanism in Central Asia focused on enhancing

collaboration and coordination in addressing mixed migration and refugee protection (Murzakulova, 2020).

Kyrgyzstan became a member of the Eurasian Economic Union (EAEU) in 2015, joining Russia, Belarus, Kazakhstan, and Armenia. Upon acquiring citizenship of the EAEU, Kyrgyz migrants are entitled to several benefits:

1. They can be employed in member countries without being subject to quotas set for foreign citizens.
2. No work permit is required for employment.
3. Migrant workers and their family members are exempted from registration for up to 30 days from the date of entry if they have an employment contract.
4. Educational documents issued by Kyrgyzstan's educational institutions are recognized without additional procedures, except for documents related to teaching, law, medical, and pharmaceutical activities.
5. The duration of employment is included in the overall employment tenure for social security purposes, except for pensions, as per the legislation of the country of employment.

2.4.1. Impacts of Kyrgyzstan's Entry into the EAEU

The membership of Kyrgyzstan in the Eurasian Economic Union (EAEU) has had notable effects, particularly in facilitating the stay of migrant workers in Russia and offering them a competitive edge over migrants from Tajikistan and Uzbekistan. Despite these advantages, challenges such as labor migration from low-paying jobs persist, along with unseen barriers in the labor market.

It's worth noting that the ramifications of Kyrgyzstan's accession to the EAEU extended beyond changes in Russia's migration policies to influence remittances for rural residents and the country's economy as a whole. With increased customs tariffs on imports from China, Kyrgyzstan's role as a transit hub between China and the Central Asian and Russian markets has diminished post-membership in the EAEU.

The informal re-export of Chinese goods played a significant role in Kyrgyzstan's economy, employing over 40,000 individuals in wholesale markets like Dordoi and Madina. However, the

impact of the decline in informal re-exports on labor migration decisions and the rural economy remains unclear.

Additionally, joining the EAEU coincided with the Russian currency crisis of 2014, which directly affected the earnings of Kyrgyz labor migrants. Research conducted in Moscow and the Moscow Region in 2016 highlighted the negative impact of the Ruble devaluation on Kyrgyz migrants, leading to losses in currency exchange. Consequently, the volume of remittances to Kyrgyzstan declined from 30.3% of GDP in 2014 to 25.7% in 2015 according to the World Bank.

2.5. Unexpected Challenges Arising from Covid-19 and Migration

The COVID-19 pandemic, originating in Wuhan, China, in December 2019, swiftly spread worldwide, prompting countries to implement cautionary measures such as handwashing, mask-wearing, social distancing, and restrictions on gatherings to curb its transmission. Lockdowns and stay-at-home orders were also imposed to mitigate the virus's spread.

The global economy suffered a significant downturn due to the rapid and widespread impact of COVID-19. Projections from the Organization for Economic Cooperation and Development (OECD) indicated a reduction in global growth by half a percentage point under the most favorable conditions. Similarly, the International Monetary Fund (IMF), the World Bank, and the United Nations Secretary-General anticipated severe economic crises across numerous countries. Remittance inflows, typically countercyclical, were expected to increase as migrants sought to support their families facing economic hardships.

The pandemic's economic repercussions were profound, with 94 percent of the world's workforce residing in countries implementing workplace closure measures. Lockdown restrictions varied, with approximately 70 percent of workers in upper-middle-income countries facing stringent measures compared to more relaxed regulations in low-income countries like Kyrgyzstan.

COVID-19 exacerbated challenges for oil-dependent economies like Russia and the Middle East, key destinations for migrants from Central Asia and South Asia. Migrant workers, constituting 4.7 percent of the global labor force, were among the hardest-hit groups, particularly those

employed in sectors such as healthcare, services, construction, agriculture, and agro-food processing.

The loss of employment, depletion of savings, and fear of COVID-19 contagion prompted a significant wave of reverse migration, with internal and international migrant workers returning to their homelands, including rural areas, in search of survival strategies. Given that nearly 40 percent of international remittances are directed to rural regions, the impact on rural households heavily reliant on income from abroad is expected to be substantial.

Estimating the exact number of returning migrants is challenging, but approximately 100,000 individuals are reported to have returned to their rural areas temporarily, straining local resources and exacerbating socio-economic vulnerabilities. This trend underscores the need to address the multifaceted challenges arising from COVID-19 and migration, a topic that will be further explored in the subsequent chapter.

2.6. Migration's Impact on Remittances

Studies examining the influence of remittances on poverty have underscored their significant role in supporting household livelihoods, attracting considerable academic interest in recent decades. Both internal and external remittances have been scrutinized at micro and macro levels, revealing their impact on income inequality and poverty.

At the micro level, household-level data has been employed to assess the effects of remittances on family consumption patterns. Research by Karymshakov et al. (2016) identified several impacts on remittance-receiving households, which can be categorized as follows:

1. Remittances may exert an income effect on relocated family members, potentially dissuading them from seeking employment, leading to job loss or reduced working hours.
2. Migration from sending households may trigger a labor force substitution effect, prompting non-migrant household members to increase their labor supply to offset the

loss of workforce due to migration. This could manifest in heightened involvement in family agriculture, which is prevalent in Kyrgyzstan.

3. Successful utilization of migrant worker remittances may prompt family members remaining at home to initiate or expand self-employment endeavors.

On a macroeconomic scale, studies have scrutinized the income and expenditure structures within migrant households' budgets. Research indicates that a significant portion of remittances is allocated towards everyday household expenses and channeled into economic sectors like trade, services, and agriculture. Furthermore, remittances play a crucial role in alleviating financial constraints by augmenting household income, thereby fostering investment in education, healthcare, and stimulating entrepreneurial activities.

However, the economic impact of remittances remains a subject of debate. While remittances offer immediate relief from poverty, they may not necessarily contribute to long-term poverty reduction capabilities. It is widely believed that remittances are predominantly directed towards current consumption rather than productive investments. Country-case studies highlight three key factors regarding the economic consequences of remittances: firstly, the majority of remitted funds are spent on consumption; secondly, a smaller portion is saved or invested; and thirdly, investments made with remittances may not always yield productive outcomes for the overall economy.

Moreover, according to the neoclassical model of employment choice, remittances tend to reduce the inclination of remittance-receiving individuals to seek employment. While remittances diminish individual labor supply, they have a somewhat positive impact on self-employment opportunities. Studies indicate that emigration from rural areas initially decreases labor supply and agricultural productivity, although remittances from migrants subsequently enhance agricultural investment and productivity.

Additionally, the revival of remittances may adversely affect labor supply occupations, leading non-migrant household members to opt for staying home due to the inflow of remitted money. Research suggests that the receipt of remittances increases the likelihood of men engaging in household businesses and reduces their tendency to work as wage employees. However, the influence of remittances on women's occupational situations varies based on gender and location characteristics, with rural and urban areas experiencing different effects. For instance, female

labor employment, particularly in full-time roles, may decline due to remittances, especially in urban regions.

The impact of remittances on various aspects of society and the economy has been widely studied across different countries, including Albania, Macedonia, and Kyrgyzstan. Braga (2008) highlighted how remittances affect youth labor supply in Albania, revealing gender and age-specific differences. Similarly, research in Macedonia found that youth from remittance-receiving households were more likely to start their own businesses compared to their peers. In Kyrgyzstan, studies by Ukueva and Becker (2010), Anderson and Kroeger (2011), and Karymshakov et al. (2016) explored the effects of remittances on property acquisition, investments in child education and health, and youth labor supply, respectively. However, findings regarding the dependency of left-behind youth on remittances were inconclusive.

In rural areas of Kyrgyzstan, remittances are closely tied to agricultural activities, particularly during key seasons such as spring fieldwork and harvest time. Despite the significance of agriculture in Kyrgyz communities, there is limited evidence of remittances being invested in this sector, contributing to the ongoing agrarian crisis. This reluctance to invest in agriculture may be attributed to deteriorating irrigation and drainage systems, which pose risks to agricultural productivity.

Remittance expenditure in Kyrgyzstan often follows traditional customs, with migrants allocating funds for elaborate ceremonies like weddings and funerals. Despite the high costs associated with these rituals, migrating families may incur debts or bring additional relatives to participate, viewing such expenses as symbolic investments to maintain social ties across different locations.

The environmental impact of remittances in Kyrgyzstan is mixed, as they alleviate pressure on agricultural lands by providing alternative sources of income but also contribute to the expansion of livestock herds, leading to overgrazing in pastures. Official statistics show that Kyrgyzstan consistently ranks among the top countries globally in terms of remittances as a percentage of GDP, with a steady increase observed since 2000, punctuated by slight declines in 2008 and 2014 due to external economic shocks. However, internal money transfers remain underexplored

in the literature, limiting a comprehensive understanding of the impact of internal migration and remittances.

2.7. Conclusion

In summary, labor migration stands as a critical issue for policymakers, researchers, and stakeholders globally, playing a pivotal role in harnessing a country's workforce potential for growth and development. It serves as a linchpin for economic progress, poverty alleviation, skill enhancement, and labor market fulfillment, albeit accompanied by negative ramifications like brain drain and loss of skilled personnel.

In the context of Kyrgyzstan, labor migration is driven by both 'push' factors such as socio-economic crises and 'pull' factors like rising labor demand in countries such as Russia and Kazakhstan. The substantial influx of labor migrants into the Russian Federation, accounting for approximately 650,000 individuals out of a population of 6.8 million, underscores the significance of this phenomenon. Research predominantly focuses on migrants from Russia and explores how global oil prices and the devaluation of the Ruble affect Kyrgyzstan's economy. Governmental support through policies and regulations for migrants is also a subject of investigation, along with the identification of unforeseen challenges and their consequential impacts.

Moreover, the literature underscores the pivotal role of migration remittances as a primary income source for many migrant households, utilized for diverse purposes. Investments in livestock and other resources buoy migrant families' income streams, fostering more resilient livelihoods. Additionally, labor migration contributes to the mitigation of unemployment and underemployment by creating job opportunities for both migrants and those who remain in their home regions.

3. METHODOLOGY

Migrants are often overlooked as catalysts for rural development, as defined in existing literature. Consequently, this study holds potential for transfer learning, as its findings may shed light on this underexplored aspect. Leveraging accomplishments from global projects in migrant development and problem-solving techniques are anticipated to yield fresh insights into successful rural development mechanisms. The research adopts a deductive approach, drawing upon a synthesized list of factors derived from the literature review. This chapter delineates the research methodology, beginning with an overview of the research design and methods employed. Subsequently, it delves into the data collection techniques utilized in the study. Finally, it examines the process of data analysis and outlines the study's limitations.

3.1. Research Design and Methods

This study utilized a descriptive research design method, employing statistical techniques such as simple percentages to assess, summarize, and interpret the data. The findings are presented through figures and tables. Primarily, the study drew upon secondary data reviewed in the literature. According to Creswell (2014), qualitative research involves exploring and understanding the meanings individuals or groups attribute to social or human problems. Therefore, qualitative methods, including in-depth interviews, were employed to comprehend the nature of labor migration in Kyrgyzstan and analyze the factors influencing it. The primary aim of this research is to investigate the reasons and factors driving migration, rural development, and the impact of remittances. Hence, qualitative data analysis is essential. Qualitative research enables the establishment of explanations, focusing on both theoretical frameworks and respondents' perspectives. This approach helps highlight the role of specific contexts and understand the motivations behind people's actions. Moreover, it effectively addresses the research questions. Remittances are a significant outcome of migration, necessitating an analysis of the purposes and destinations of migrants' earnings and their potential impact on rural areas. Analyzing statistical data will provide numerical insights into how remittances have affected the country's development, particularly in rural regions. The unit of analysis is the country itself. The hope is that the findings of this research will enhance understanding of the labor migration

situation in Kyrgyzstan. Therefore, the research will benefit from selecting cases that offer maximum variation (Flyvbjerg, 2010, p. 230).

DATA COLLECTION METHODS

3.1.1. Semi-structured interviews and ethical considerations

Drawing upon my personal experience of studying abroad, I have gained insights into living away from home. While not in the role of a labor migrant, this experience facilitated the gathering of information about Kyrgyz citizens residing abroad. Through social media, 10 labor migrants were identified and contacted for interviews. Utilizing a semi-structured questionnaire delivered via telephone conversations, the interviews aimed to explore factors influencing migration, the role of education, the impact of remittances on livelihoods, challenges faced, and future plans. Participants were located in various countries, with detailed descriptions provided in Chapter Four.

Table 2 Diversity of participants

Country	People
Russia	3
Turkey	2
Canada	1
Lithuania	1
Hungary	2
Total	10

Source: Own contribution

Based on Table 2, participants in this study are diverse in terms of location, with an equal gender distribution of 50 percent male and 50 percent female. Their ages range from 28 to 60 years old, reflecting a wide demographic spread. The reasons for migration vary among participants, and detailed explanations will be provided in the subsequent chapter.

Stringent ethical considerations have been implemented concerning personal communications utilized in this research. The key ethical principles of social research, including voluntary participation, informed consent, confidentiality/anonymity, and the principle of non-harm (ensuring security and protection), have all been adhered to. Information obtained through

personal interviews will be used in a manner that upholds privacy principles and ensures that no private details are disclosed in this paper.

3.1.2. Secondary Data

Various online search tools were utilized to gather publications and reports on migration, agriculture in Kyrgyzstan, remittances, and research methodology. Both the search engine of the Hungarian University of Life Science and Agriculture and Google Scholar were employed. Additionally, articles, videos, presentations, and international assessments and reports on migration were consulted. Notably, the annual reports of the Asian Development Bank (ADB) offer a comprehensive overview of migration and development dynamics. World Bank research reports and statistical databases were also utilized, providing a composite index comprising various equally weighted dimensions such as poverty rate, remittance share in gross domestic product (GDP), and demographic indexes.

Furthermore, research conducted by universities in Kyrgyzstan using the "Life in Kyrgyzstan" Study (LiK) database was examined. This longitudinal survey research project, initiated in 2010, focuses on understanding life in Kyrgyzstan. It encompasses 3,000 households and over 8,000 individuals across all seven Kyrgyz regions, ensuring national representativeness. The study, conducted by the German Institute for Economic Research (DIW) in Berlin in collaboration with the Food and Agriculture Organization of the United Nations (FAO), the International Food Policy Research Institute (IFPRI), the Leibniz Institute of Vegetable and Ornamental Crops (IGZ), the ISDC - International Security and Development Centre, and the University of Central Asia (UCA), collects diverse information on household characteristics, income, expenditure, and includes a section on migration and remittances.

Additionally, unpublished feasibility studies of non-governmental organization-related matching grant projects were consulted. The database and reports of the National Statistical Committee (NSC) of the Kyrgyz Republic provided qualitative data. A comprehensive review of published literature and unpublished internal government reports was also conducted.

Regarding remittances, several empirical studies examined their impact on general well-being and specific household outcomes. For instance, Karymshakov, Abdieva, and Sulaymanova (2014) found that foreign remittances significantly reduce poverty. Muktarbek kyzy, Seyitov, and Jenish (2015) utilized the Life in Kyrgyzstan survey data from 2010–2012 to analyze the

impact of international migrants' remittances on household expenditure structure, revealing increased spending on construction, celebrations, and durable goods, and decreased spending on food and public utilities. Similarly, Ukueva and Becker (2010) observed increased consumption of durable goods due to remittances, while Hagedorn, Wang, and Chi (2017) noted a shift in household budget allocation towards events and other expenses, away from food and housing, with increased remittance receipts.

3.2. Data Analysis

In this study, a descriptive research approach was utilized to analyze the data obtained from interviews, aiming to evaluate, summarize, and interpret the findings. Figures and tables are employed to present the results effectively. Initially, the data is categorized and analyzed based on the factors identified in the literature review. The objective is to identify relevant factors within the contexts of the countries under consideration.

Furthermore, the study explores best practices in remittance utilization from transitional remittance-dependent countries such as Tajikistan and Moldova. This comparative analysis aids in understanding effective strategies for leveraging remittances to support development.

Various factors identified in the literature, such as distance lines, language patterns, demographic and migration rates, education, gender, and environmental shocks to agricultural production (e.g., changes in rainfall patterns), as well as exogenous factors like COVID-19, have been recognized as valid instrumental variables. The focus of the analysis is on these variables, providing a comprehensive description of the situation.

3.3. Limitations of the Study

While this research endeavors to explore the impact of migrants and remittance on rural development, it is important to acknowledge several limitations that may impact the interpretation of the findings.

The primary constraint of this study is its limited scope, which restricts the examination of all potential factors influencing rural development and the effects of migrants and remittance on it.

Due to time and resource constraints, the study cannot encompass every conceivable element that may play a role in shaping rural areas.

The research methodology adopted in this study is deductive, meaning that it is based on pre-existing theories and literature. While this approach provides a structured framework for analysis, it may limit the exploration of novel or unexpected insights that deviate from existing theories.

Another limitation relates to the generalizability of the findings. Since the study focuses on specific regions or contexts, the conclusions drawn may not be universally applicable to all settings. Factors such as cultural differences, economic conditions, and political landscapes may vary across regions, impacting the transferability of findings.

Due to the breadth of the research, it may not comprehensively address all possible variables influencing migrant life outcomes. While efforts have been made to consider a wide range of factors, there may still be variables that have not been thoroughly examined or accounted for in the study.

Addressing these limitations requires careful consideration and transparency in reporting the findings. While the study provides valuable insights into the relationship between migration, remittance, and rural development, it is essential to recognize the constraints inherent in the research design and methodology. Future studies could build upon these limitations by adopting a more expansive approach and incorporating diverse perspectives to enrich the understanding of this complex phenomenon.

4. FINDINGS AND ANALYSIS

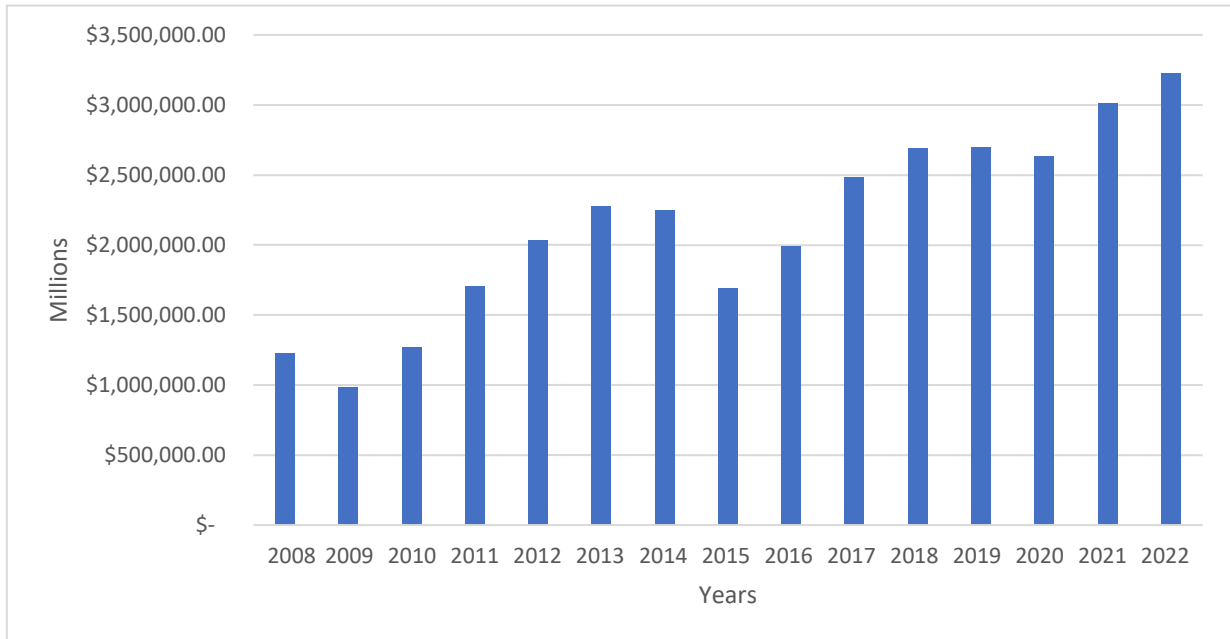
In this chapter, we delve into the socio-economic landscape of present day Kyrgyzstan, providing quantitative insights into its status and vulnerabilities. We explore the ramifications of migration on various aspects, including education, rural communities, employment, and livelihoods, drawing upon both statistical data and interview findings. Additionally, we scrutinize the gender and youth dynamics intertwined with migration and agricultural practices.

4.1. Socio-economic Challenges in Kyrgyzstan

Situated in Central Asia, Kyrgyzstan is characterized by its mountainous terrain and landlocked status. These geographical features render the country highly susceptible to the adverse effects of climate change, including heightened risks of droughts, landslides, mudslides, floods, and river erosion. Moreover, the nation's transportation infrastructure is heavily reliant on neighboring states, amplifying its vulnerability to disruptions in regional connectivity.

In addition to these environmental challenges, Kyrgyzstan faces significant economic hurdles. Limited access to foreign markets, compounded by the complexities of meeting stringent international quality standards, presents formidable obstacles for local producers, as highlighted by Mogilevskii et al. (2017).

Figure 3 Annual remittance received in USD

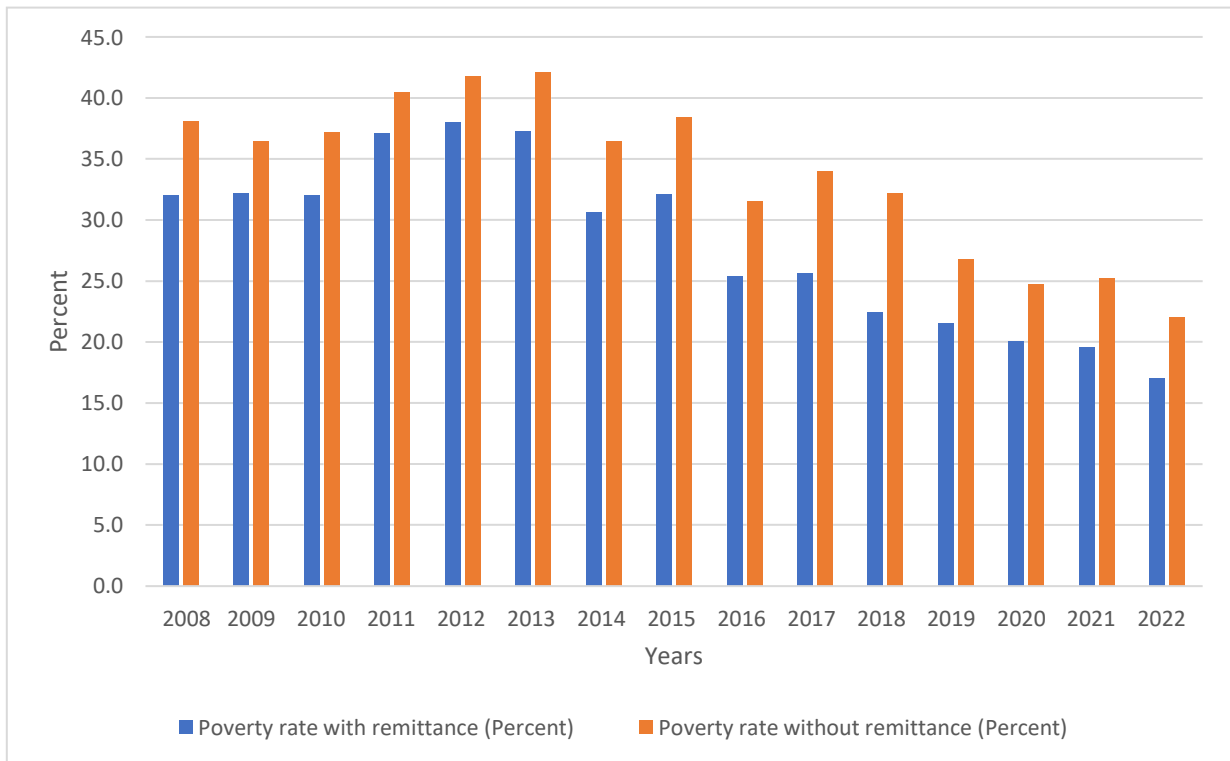


Source: WB (World Bank), 2023

Kyrgyzstan, classified as a lower-middle-income country by the World Bank, relies significantly on remittances, which constituted approximately 38.8 percent of its GDP in 2022 and totaled 3.2 million US Dollars in 2022 (Figure 3). Concurrently, the poverty rate stood at 33.2 percent in 2022 (NSC 2022), highlighting the socio-economic vulnerability of the nation. Myrzabokova (2019) underscores the multifaceted impact of migration on rural residents' income choices. Education level, land ownership, and migration type are pivotal factors influencing these decisions.

Studies indicate a discernible trend in Kyrgyzstan's rural economy, characterized by a shift from agricultural to nonfarm occupations and a waning interest in farming among migrant households endowed with significant land assets. Remittances play a pivotal role in alleviating poverty, particularly in rural areas, where the majority of labor migrants seek employment. Notably, in 2022, remittances contributed to a 5 percentage point reduction in the national poverty rate, lifting 515,000 individuals out of poverty (Figure 4) (UNDP & ADB, 2023).

Figure 4 Poverty rate with remittance & poverty rate without remittance



Source: NBKR (National Bank of the Kyrgyz Republic) and NSC, 2023, own contribution

4.1.1. The susceptibility of socio-economic and macroeconomic conditions

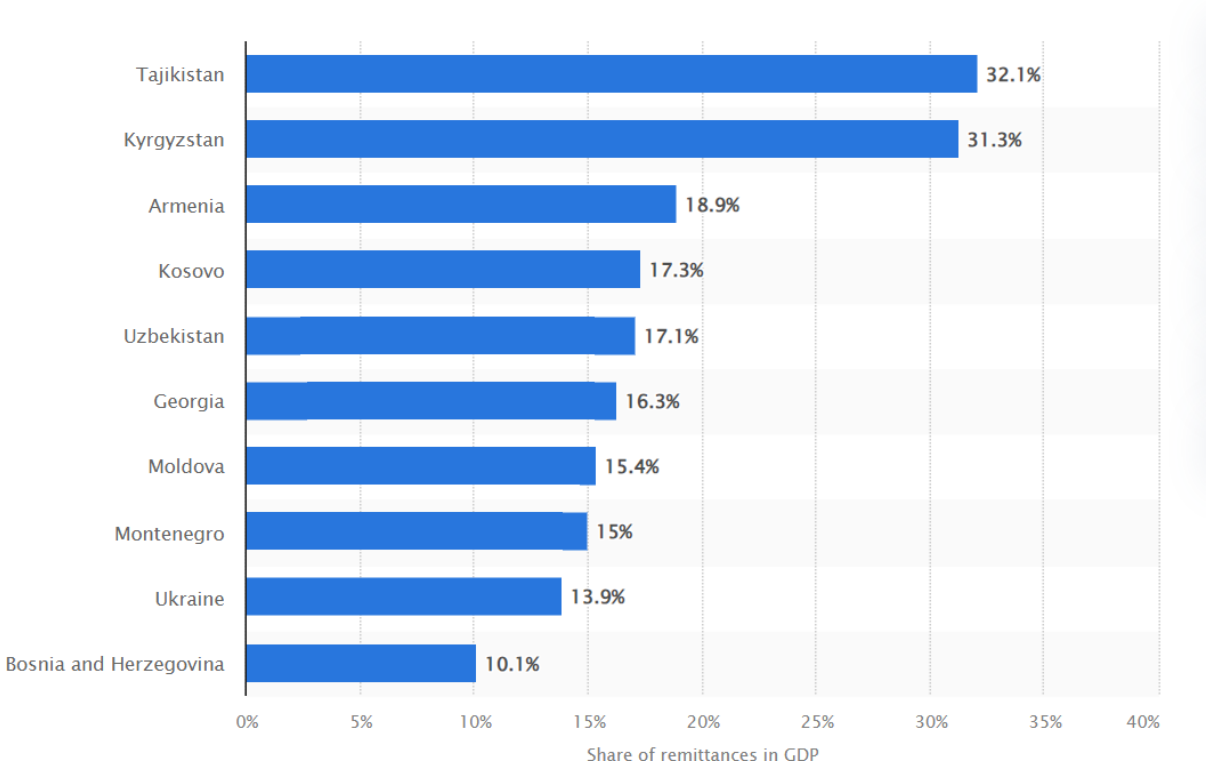
Kyrgyzstan's economic landscape has witnessed considerable fluctuations over the years, with its annual GDP growth rate averaging 4.3 percent from 2000 to 2022. However, this growth trajectory has been marked by significant volatility, ranging from -0.5 percent in 2010 to 10.9 percent in 2013, attributed to various political, economic, and external shocks. Notably, private consumption, investments in construction driven by remittances, and foreign borrowing have emerged as key drivers of growth in recent years.

According to a study by the Asia Development Bank (ADB, 2022), Kyrgyzstan's economy is particularly susceptible to external influences, with even minor changes in the global economy having profound implications for its GDP. The slump in oil prices in 2014 had widespread repercussions on oil-dependent economies like Russia, a primary destination for Kyrgyz migrants. This decline saw oil prices plummet below \$40 per barrel by the end of 2015,

coinciding with a notable reduction in remittances from oil-producing nations, particularly the Russian Federation.

In Kyrgyzstan, the impact was stark, with remittances from Russia experiencing a 25% decline in 2015 alone. Figure 5 underscores Kyrgyzstan's significant reliance on remittances, ranking second in terms of remittance shares of GDP in the Asian region in 2022.

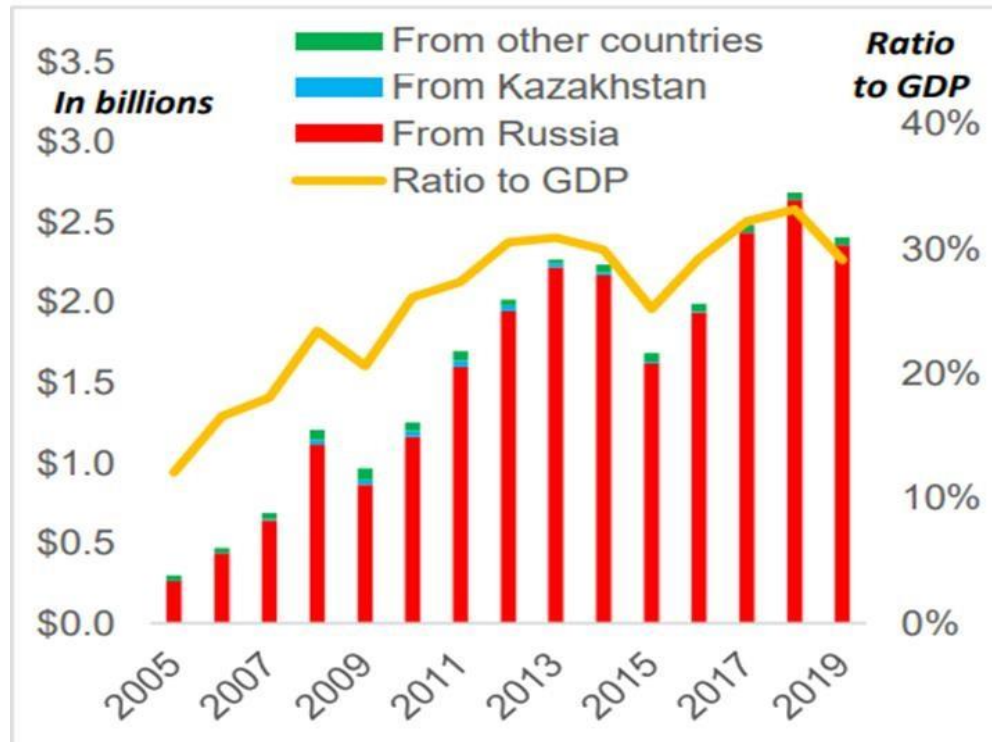
Figure 5 Remittance share on GDP among Asian countries economy, 2022



Source: Statista, 2022

Russia accounted for approximately 90% of the total remittance inflows, as illustrated in (Figure 6). Following the crisis in Russia in 2014, remittances experienced a decline by 2015.

Figure 6 The origin country of remittance inflows to Kyrgyzstan.



Source: UNDP and ADB, 2020, own contribution

Correspondingly, the largest Kyrgyz diaspora resides in Russia. According to the Kyrgyzstan State Migration Service, the number of individuals working in Russia was projected to reach 640,000 in 2018. However, the Russian Federation's Ministry of Interior recorded 877,000 Kyrgyz individuals in the same year, with 77% citing employment as their reason for entry. The total number of registered individuals increased to 1,055,000 in 2019. Moreover, many Kyrgyz labor migrants have acquired Russian citizenship, and therefore, Russian authorities do not classify them as migrants. According to Myrzabekova (2019), between 800,000 and 1,000,000 Kyrgyz citizens (up to 40% of the labor force) work outside the country.

4.1.2. Vulnerabilities in Education and Migration

Ibraeva et al. (2016) highlighted the lack of interest among employers in Russia regarding migrant workers' educational background and experience. Particularly in sectors like construction and large organizations, employers prefer to hire low-skilled workers with minimal experience, as they are more cost-effective compared to local workers. Consequently, there is little incentive for workers from Kyrgyzstan to acquire professional skills, both domestically and in the primary external labor markets. Denison et al.(2019) emphasized the crucial role of

education in economic progress, suggesting that investment in improving the quality of labor, rather than simply increasing factors of production spending, drives growth.

According to Kuznetsova (2020), education level significantly impacts women's earning potential, with those holding bachelor's degrees or higher earning more than those with secondary or technical education. However, educational variables did not show a statistically significant impact on men, suggesting potential gender-based disparities in the labor market. This underscores the importance of education for women's job prospects and highlights potential gender-related selection factors in the labor market.

During interviews conducted with participants in Russia, it was observed that many were employed in low-paying positions without professional skills, often with only a secondary school education. Men typically worked in construction, while women were engaged in cleaning and cooking services, although two sisters possessed sewing skills, which allowed them to earn relatively more. These findings align with research indicating that livestock ownership can serve as a valuable asset for investment (Schoch et al., 2010; Steimann, 2011; Schmidt, 2012; Sagynbekova, 2016), offering the potential for financial stability.

For one participant, the priority was investing in her son's education, recognizing its importance despite the financial challenges. While wages in Russia were considered low-cost compared to Kyrgyzstan, they were substantially higher, driving participants' aspirations to accumulate savings for future investments, such as property ownership. The integration of newcomers into Russian society appeared to be relatively smooth, facilitated by the large diaspora community. However, Table 3 reiterated the prevalence of low-skilled, service-oriented jobs among those employed in Russia, highlighting vulnerabilities in education and potential obstacles to future national development.

Table 3 The primary industries where Kyrgyzstan migrants are employed

Sectors	Percent
Services (hotels, taxi, food)	56%
Construction	24%
Industry	16%
Agriculture	4%
Total	100%

Source (UNDP report, 2022)

The scenario is different for educated individuals, who are often inclined to migrate to developed nations. For instance, Bakyt, a 40-year-old participant from Canada, migrated to Canada nearly a decade ago with the firm intention of obtaining citizenship and has no plans to return to Kyrgyzstan. Armed with a Master's Degree in Public Administration, he secured a prestigious position in the municipal office as a civil servant. Furthermore, he facilitated the immigration of his siblings and parents. Bakyt attributes his success in life to his education.

Migration often stimulates further education, a phenomenon highlighted in the "brain gain" literature. This theory posits that the prospect of future migration motivates individuals to invest in their human capital. However, this trend can also be viewed as a "mirror effect," where well-educated individuals aspire to leave their home country. Skeldon (2005) emphasizes the significance of human capital in development and poverty reduction. The departure of skilled workers due to migration poses a threat to development objectives, a phenomenon commonly referred to as 'brain drain,' which has been a contentious issue for decades.

While some countries may prioritize remittances over human capital, Schmid (2006) argues that they often struggle to provide necessary social services to their citizens as a result. Professionals are essential for long-term development, and the ongoing depletion of skilled workers will exacerbate the situation in countries of origin.

4.1.3. Employment, Gender, and Youth in Migration

The Kyrgyz labor market presents a significant area of vulnerability. Research indicates that employment in Kyrgyzstan is often linked with poverty, with seasonal employment and severe underemployment being prevalent factors, particularly in rural areas (ILO, 2016; WB, 2007). A mere 46 percent of salaried workers hold long-term positions, while the remainder are on short-term contracts or lack employment altogether. According to IOM (2018), the age range of

Kyrgyz migrants spans from 18 to 40 years, with the majority falling within the youth category (60.4% of total migrants) aged 16 to 29 years, most of whom engage in labor migration (IOM, 2020).

The 2011 "Life in Kyrgyzstan" study, which surveyed 1633 young adults of working age, revealed that when one or more family members migrate, the remaining young individuals often assume the role of unpaid family laborers, particularly impacting female youth, thereby excluding them from formal employment opportunities (Dávalos et al., 2017).

Studies examining young people's employment choices in agriculture, migration, or education are scarce. However, Tilekeyev et al. (2019) explored the rural labor market, highlighting that young individuals are often left with two main options: low-wage agricultural work or labor migration. Additionally, disparities exist between the job prospects available to young people in Kyrgyzstan's southern and northern regions, with fewer opportunities in the south (Tilekeyev et al., 2019). Despite these challenges, young people play a pivotal role in fostering the growth of small and medium-sized enterprises, which are integral to Kyrgyzstan's economy (Tilekeyev et al., 2019).

Educational mobility is identified as a potential pathway for youth labor migration, as highlighted in ethnographic studies. Roberts (2010) and Tilekeyev et al. (2019) also underscored that due to limited employment options in rural areas, young people often engage in low-paying seasonal agricultural work, although this is not their preferred choice. Instead, many aspire to join the urban middle class. Another option for young individuals is pursuing higher education, with some Kyrgyz students in Russia viewing it as a stepping stone for future labor migration to countries such as China, Turkey, or the United States (Schröder and Stephan-Emmrich, 2016).

Data from the NSC (2022) illustrates a gender disparity in employment rates, with women comprising 45 percent of the workforce compared to approximately 75 percent for men. However, the population consists of nearly equal proportions of men and women, with a distribution of 50 percent each, as indicated in Table 4.

Table 4 Population and Labor Market Indicators, 2021

	Kyrgyzstan	Female	Male	Urban	Rural
Population million	6.39	3.22	3.17	2.17	4.22
Labor force, million	2.54	0.98	1.56	0.94	1.60
Labor force, participation rate %	59.8	45.0	75.4	62.3	58.5
Employment, million	2.38	0.91	1.47	0.88	1.51
Unemployment rate, %	6.2	6.9	5.7	6.5	5.9

Source (NSC, 2022)

The employment landscape in rural areas exhibits lower participation of women, with the burden of household chores often falling heavily on them. A 2015 report from the Government of the Kyrgyz Republic highlights the jeopardy faced by women's human capital in impoverished households, where women tend to reduce personal care time, including leisure and health activities, to cope with poverty. One factor constraining career choices for women is the dwindling number of early education institutions post-independence. This trend may lead to reduced childcare time, potentially affecting children's academic performance, especially in households with working women. Further investigation into task allocation among household members affected by migration could offer deeper insights into potential shifts in household responsibilities (Karymshakov, et al., 2017).

Migration can offer economic opportunities for divorced women, providing a means to establish independent households apart from extended family arrangements (UNFPA, 2016; Sagynbekova, 2016). While divorce stories may evoke sadness, interviews reveal women's proactive approaches to their situations.

In one case, a 60-year-old retired and divorced woman, currently working in Turkey, shares her motivation for working abroad. Her stable salary is partly sent to support her children, leaving little for savings. She chose Turkey for its warmer climate and familiar Turkic-speaking environment, having previously struggled with the cold weather while working in Russia, despite higher pay there.

Another participant, a 43-year-old widow in Lithuania, works as a professional sewer in a factory. Despite the option to travel to Russia for potentially cheaper opportunities, she opted for Lithuania due to concerns about the situation in Russia. She invested in labor agency assistance for visa support and integration guidance. Her stable income allows her to save and support her

children's education back home. She appreciates the learning opportunities and lifestyle in Lithuania, considering the possibility of settling there permanently.

A World Bank analysis (2016) based on "Life in Kyrgyzstan" survey data sheds light on employment and poverty dynamics. Notably, households moving out of poverty showed relatively high employment rates, while those remaining or entering poverty faced higher levels of unemployment or economic inactivity. The study underscores the potential of certain job sectors in poverty alleviation, with over 60% of individuals outside the poorest bracket employed in the services sector, compared to around 30% from the poorest households, who were primarily engaged in agriculture, mining, or construction.

4.1.4. Regional migration, remittances, and livelihood

Geography plays a crucial role in understanding socio-economic variations within Kyrgyzstan. The country is administratively divided into seven regions (oblasts) and two cities, Bishkek and Osh. Disparities in GDP between the wealthiest (Bishkek city) and the poorest (Osh oblast) regions can be as significant as 6.3 times (Figure 7). Kyrgyzstan is commonly divided into two regions: the North and the South, with the South region exhibiting higher poverty rates compared to the North.

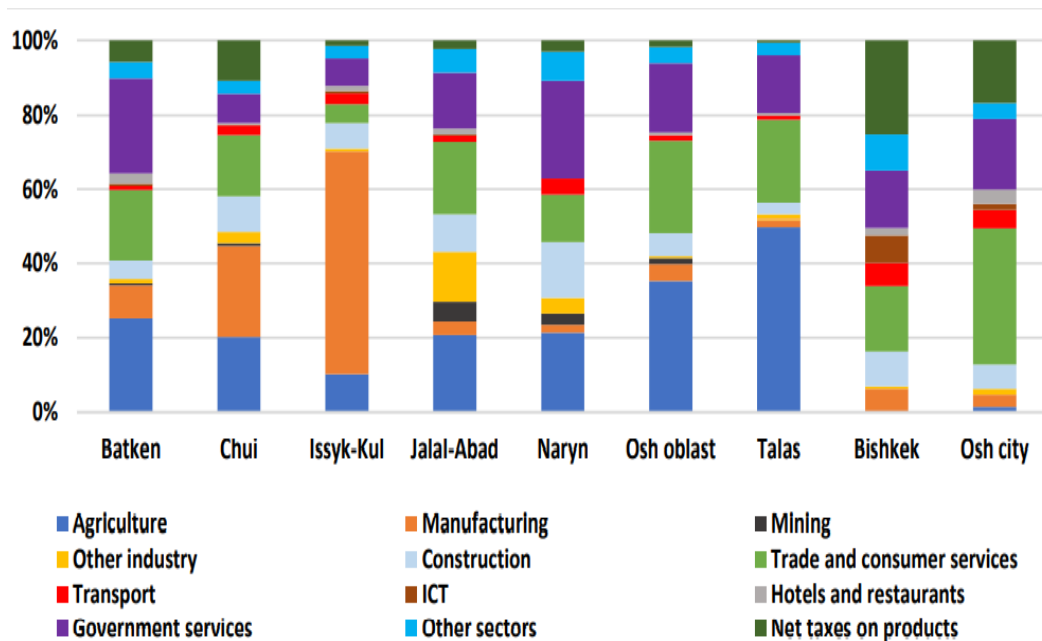
Figure 7 Contribution to the Gross Domestic Product (GDP) by Geographic Region, 2018



Source: NSC, 2018

Agriculture ranks as the primary economic activity in all seven provinces (excluding Bishkek), followed by trade and consumer services, government services, and construction (Figure 8). (UNDP; ADB; NSC, 2021).

Figure 8 Regional Economic Sectoral Gross Product, 2021



Source: UNDP; ADB; NSC, 2022

Agricultural activities, encompassing animal husbandry and crop production, form the cornerstone of economic sustenance across all seven provinces, with the exception of Bishkek. Talas region stands out due to its minimal industrial engagement, accounting for only 0.4% of activity, and relies more on internal migration rather than international mobility. Tilekeyev's research in 2013 revealed a notable development in Talas regions's bean export sector, primarily to Turkey, sustaining stable and substantial agricultural employment compared to other regions (Mogilevski et al., 2017).

Recent studies by the International Organization for Migration (IOM) indicate that internal migration accounts for 18% of Kyrgyzstan's population, mainly from rural to urban areas like Bishkek and cities in Chui province (IOM, 2022). This movement, similar to international migration, is typically driven by aspirations for better infrastructure, education, healthcare, and familial ties. However, only 29.1% of internal migrants have formal employment arrangements, and 75.6% lack official addresses (IOM, 2022).

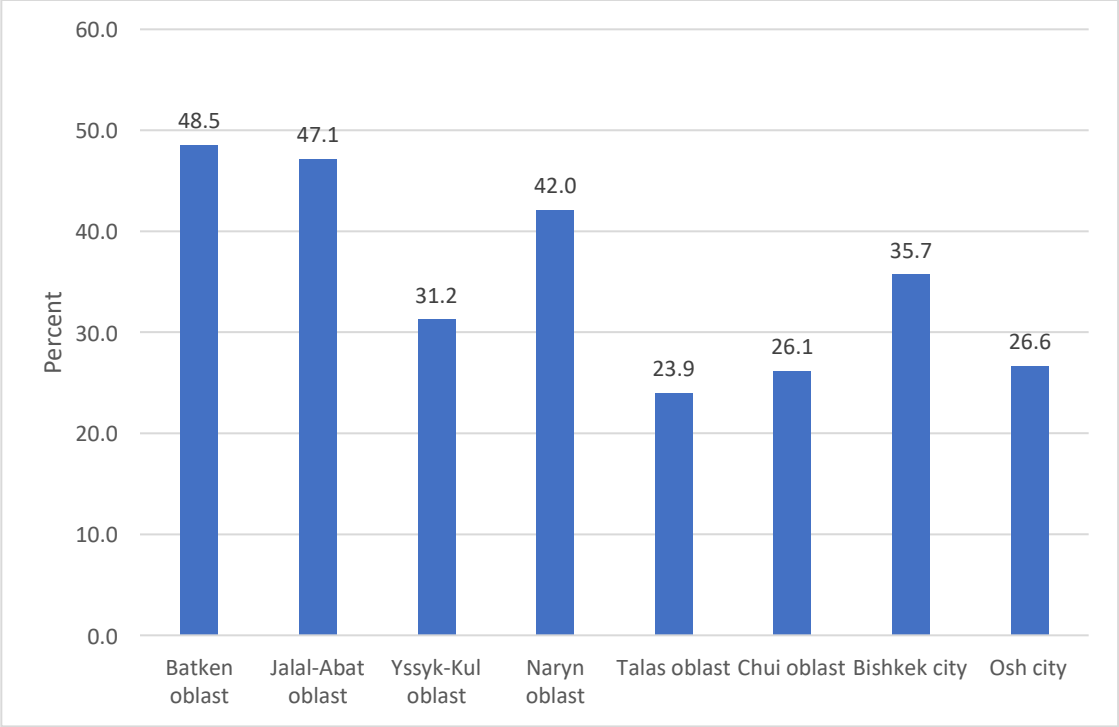
Interregional migration plays a pivotal role in understanding socioeconomic disparities, with potential economic imbalances being a significant consequence. Rakhimov's research underscores the contribution of ineffective land policies to internal migration trends. Land reforms have not translated into improved land utilization, protection, or regional economic development, lacking considerations for local circumstances, economic ties, or cooperative agricultural endeavors. This oversight has led to a significant rural exodus, exemplified by Sagynbekova's study in Dobolu village, Naryn region, where poverty rates are as high as 39% (AOD, 2016b).

Similar challenges are observed in Batken region in the southern area (UNDP, 2020). Dobolu village, once a “kolkhoz” during the Soviet era, witnessed land redistribution post-regime collapse in 1993, granting individuals 0.33 hectares per capita, often insufficient for viable agriculture. Consequently, households predominantly cultivated barley, forage, and potatoes for subsistence, relying heavily on animal husbandry as a primary income source. Livestock serves as a crucial asset for financial security, with families utilizing remittances and other income to

invest in livestock, serving as both a financial reserve and a means to fund various expenses, including education, healthcare, and housing.

Nearly every household in rural areas includes a family member engaged in labor migration, indicating the pervasive influence of migration on rural livelihoods. Poverty rates across regions, as depicted in Figure 9, further illustrate the economic challenges faced by rural communities.

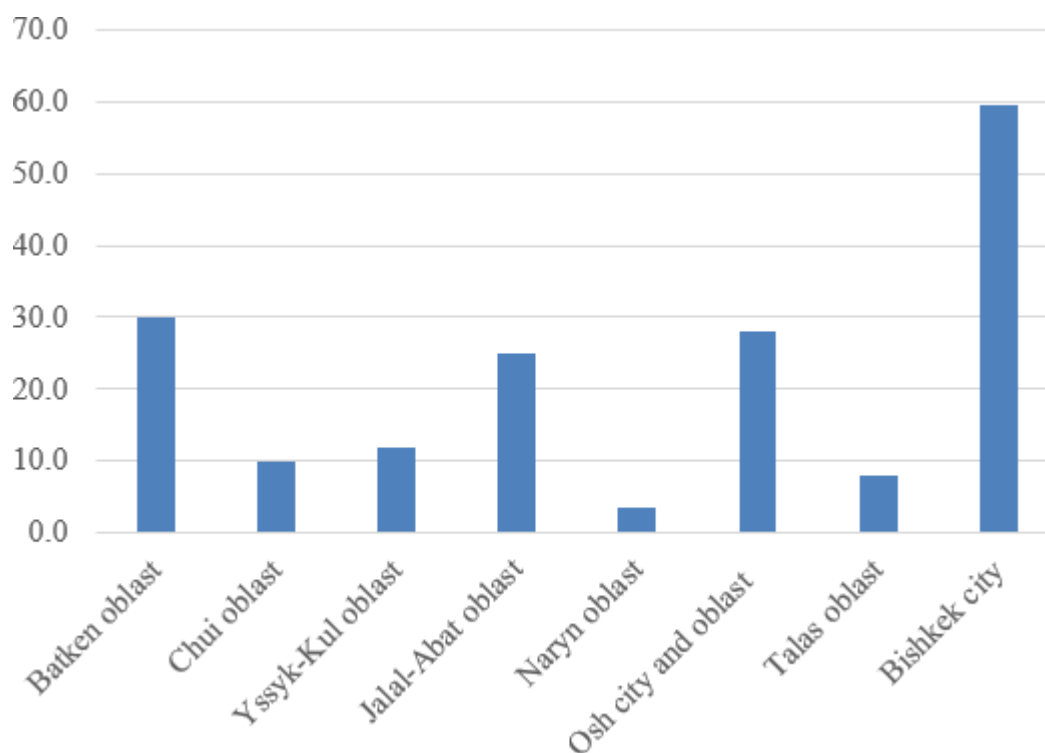
Figure 9 Regional poverty rates in Kyrgyzstan, 2022



Source: NSC (National Statistical Committee of the Kyrgyz Republic), 2022

Since the onset of significant migration trends in the 2000s, the southern regions of Batken, Jalal-Abad, and Osh have emerged as the primary sources of migrants from Kyrgyzstan. Notably, the shift towards migration from the northern districts, including the region of Chui, Issyk-Kul, and Naryn, became more pronounced after 2010. These regions characterized by their agrarian nature, with limited industrial activity, have primarily fueled migration patterns (Koichuev & Koichuev, 2011). As depicted in Figure 10, regions with higher emigration rates correspondingly exhibit greater inflows of remittances.

Figure 10 Remittance Inflows across Geographic Regions, 2022, Average Remittance Amount per Person (in thousand som)

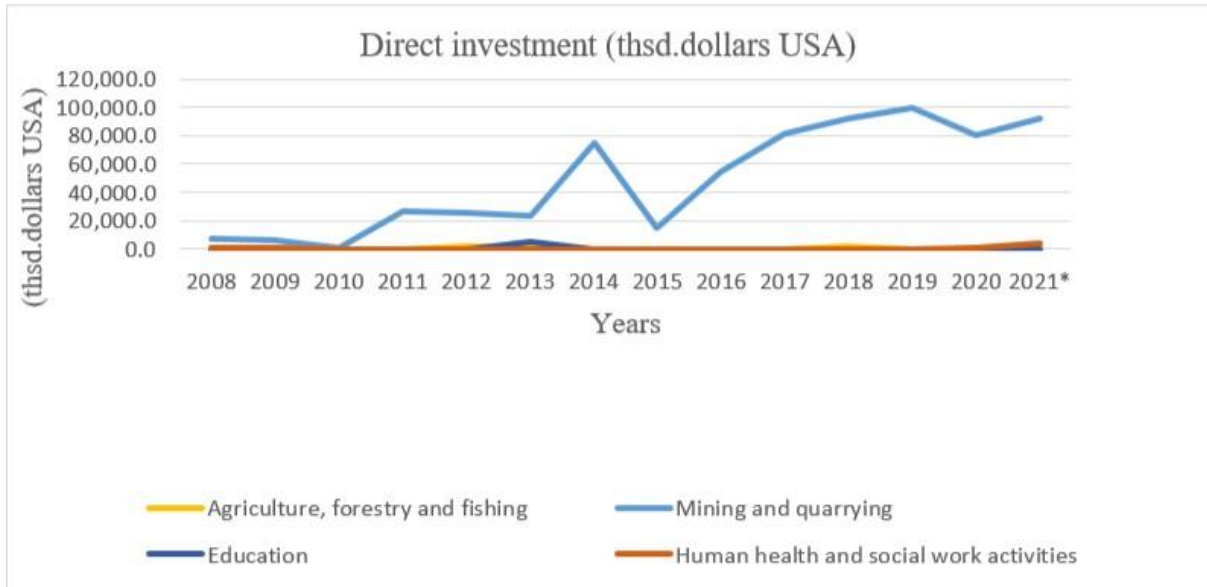


Source: NSC, NBKR, 2022

Many households receiving remittances have ceased farming their land due to a shortage of agricultural labor and the comparatively lower earnings from farming compared to remittances. In some cases, these households have opted to lease their land to more productive agricultural enterprises (ADB; UNDP, 2022).

In addition to these factors, high levels of poverty in Kyrgyz households are closely linked to environmental and social vulnerabilities. Agriculture, which relies heavily on natural resources, exacerbates these challenges. According to Sagynbekova (2016), villages face difficulties during planting and harvesting seasons due to a lack of agricultural machinery, as well as low income, unemployment, and shortages of seeds and fertilizers. Data from the NSC (2022) indicates that agriculture ranks low in terms of direct asset investment in the country's economy (Figure 11). However, the agricultural sector experienced a significant increase in investment in 2020 in response to the COVID-19 pandemic, aiming to ensure food security and self-sufficiency (NSC, 2022).

Figure 11 Direct asset investment to Agriculture, Education and Health, 2008-2021



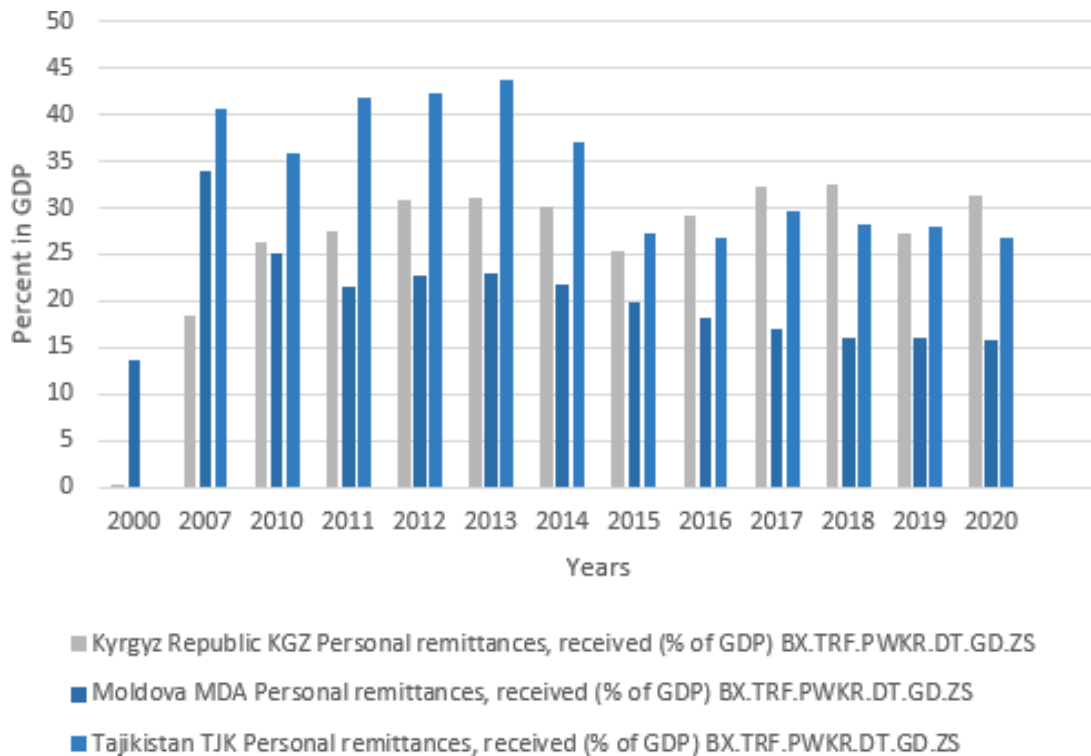
Source: NSC, 2022

The potential loss of skilled workers due to migration poses a significant threat to achieving development objectives, with discussions on skilled worker movement often tied to the contentious issue of 'brain drain,' which has persisted for over four decades. While some nations prioritize remittances over human capital, Schmid (2006) argues that this approach fails to adequately address the social service needs of their populations. Sustainable growth necessitates a workforce of professionals, and continued depletion of these skilled individuals will exacerbate challenges in their countries of origin, particularly in the most vulnerable and critical social sectors.

To address these challenges, it's crucial to explore strategies for utilizing remittances effectively. Moldova offers a promising example, having implemented the "PARE 1+1" program over the past decade. This government initiative aims to leverage the country's significant remittance inflows to support the establishment and expansion of small and medium-sized enterprises (SMEs). The success of the program is evidenced by the amount invested by successful applicants into their businesses (Figure 12). Similarly, Tajikistan has recently adopted a similar program, which has already shown promising results. This initiative focuses on promoting sustainable agribusiness development and ensuring the proper utilization of remittances. By creating favorable conditions and mechanisms to attract investment from migrants into domestic

businesses, these programs aim to stimulate economic growth and reduce dependency on remittances.

Figure 12 Remittance share in GDP in Moldova, Tajikistan and Kyrgyzstan in percent



Source: WB, 2021

In 2018, the Ministry of Economy in Kyrgyzstan initiated the "Mekenim" project aimed at facilitating migrant investment in local private enterprises. Additionally, the "1 Plus 1" policy, though not yet operational, is set to enable citizens to access a soft loan of up to 1 million som (approximately \$14,500) for a duration of up to 36 months.

5. CONCLUSION

Migration serves as a crucial means for individuals to adapt and diversify their income sources. Remittances from migration constitute a significant income stream for many migrant households, utilized for various purposes. This paper endeavors to address the following inquiries:

1. What are the drivers of recent migration trends and the categorizations of migrants?
2. What are the ramifications of labor migration on migrant families, communities, and the environment?
3. What strategies can be implemented to tackle challenges associated with labor migration?

The surge in labor migration from Kyrgyzstan stems from both "push" factors, such as socioeconomic crises and environmental issues, and "pull" factors, including burgeoning labor demand in countries like Russia and Kazakhstan. Historically, agriculture has been a cornerstone of Kyrgyzstan's economy, accounting for 43.9 percent of GDP in 1996, with nearly 95 percent of rural residents engaged in agricultural activities. While initial market-oriented reforms and land policies in the 1990s showed promise, subsequent agricultural and economic growth stagnated, leading to a rise in poverty rates (reaching 43 percent in 1998).

Kyrgyz agriculture has undergone significant transformations, yet there appears to be a lack of clear government strategy for sustained sectoral development. While farmers gained autonomy, they lacked adequate investment and educational support. Consequently, rural households, comprising 65 percent of the population, view migration as a primary solution. The early 2000s saw a surge in demand for external labor in Russia's construction and services sectors, fueled by high oil prices, enticing Kyrgyz labor migrants to seek opportunities abroad. For hundreds of thousands of Kyrgyz residents, migration has become an integral aspect of life.

Both internal and international migration patterns are prevalent, with many rural residents migrating internally to urban centers like Bishkek and Osh, while others venture internationally to destinations like Russia, Kazakhstan, and Turkey. As of 2018, approximately 740,500 Kyrgyz citizens were registered as migrants in foreign countries, constituting around 18 percent of the

total population. Internal migration figures are less precise but are estimated to involve around 18 percent of the population.

Labor migration has emerged as a vital rural livelihood strategy, likely to continue playing a pivotal role in enhancing household welfare and fostering rural development.

Despite the anticipation that migration and remittances could significantly benefit migrant-sending communities, recent research suggests otherwise. Remittances, often utilized as social safety nets to assist family members with basic necessities rather than as investments, do not necessarily position migrants as agents of rural development. Additionally, there exists a notable gap in current migration policy, with stakeholders primarily focusing on safeguarding migrants' rights and ensuring their liberal stay in host countries through various international agreements.

In 2022, remittance inflows accounted for over 30 percent of Kyrgyzstan's GDP, totaling USD 3.2 billion, and contributed to reducing the poverty rate to 5 percent. However, evidence of migration's positive impact on the Kyrgyz economy, particularly in terms of remittance efficiency and job creation, remains insufficient. Moreover, the country's economic landscape demonstrates a concerning association, as remittances foster dependency and vulnerability, exemplified by the repercussions of falling oil prices in 2014 on Russia's economy, a primary destination for Kyrgyz migrants, resulting in GDP fluctuations.

In the realm of education, youth apathy towards academic pursuits is prevalent. The preference for hiring low-skilled workers by host countries like Russia, coupled with the comparably low earnings from such employment, discourages investment in higher education among young individuals. This phenomenon underscores the critical importance of human capital in driving development and alleviating poverty, as highlighted by the "brain gain" literature. The loss of skilled workers due to migration poses a significant threat to development objectives, as the depletion of professionals exacerbates challenges in origin countries. Despite some nations prioritizing remittances over human capital, the inability to provide essential social services to inhabitants without skilled workers further underscores the necessity of professionals for sustained long-term growth.

Employment and entrepreneurship, particularly in agribusiness, were examined in this study. The research findings indicate that young individuals from households receiving remittances tend to prefer wage employment over self-employment, especially in non-agricultural sectors.

This suggests that remittances may not stimulate entrepreneurial endeavors among young people in non-agricultural livelihoods. Moreover, the local labor market often offers low-paying opportunities for own-account work, such as small-scale trading, which may not require specialized skills and therefore lead to a preference for employee status among youth. This trend may also indicate a lack of entrepreneurial aptitude among young recipients of remittances, some of whom may perceive agriculture as too risky due to various factors like crop failure and market volatility.

In light of these findings, several recommendations are proposed:

- Enhancing human capital development to cultivate a skilled workforce capable of meeting both local and international labor market demands. This involves improving the quality of education to equip young people with competitive skills.
- Addressing gender disparities by increasing access to preschool education, which not only benefits children but also enables women to participate in paid employment.
- Reevaluating rural development strategies to provide robust support for local small businesses, both in agriculture and other sectors. This includes providing financial and technical assistance to migrant households and returnees who wish to invest in agribusiness.
- Developing a comprehensive migration plan in response to the COVID-19 pandemic, focusing on addressing the immediate vulnerabilities of rural returnees while also investing in long-term socio-economic goals to promote sustainable livelihoods in rural areas.
- Implementing education programs that foster entrepreneurship skills, including financial literacy, business planning, and legal aspects of business operation. Given the significant contribution of small and medium-sized enterprises (SMEs) to the economy, nurturing entrepreneurship can further boost economic growth and employment opportunities.

By implementing these recommendations, Kyrgyzstan can leverage its youth population and promote inclusive economic growth, thereby enhancing livelihood opportunities for its citizens and fostering sustainable development.

6. SUMMARY

The migration of populations reflects underlying disparities between economic and demographic developments within a country. Mass migration signifies not only an imbalance between economic growth and population expansion but also mirrors internal societal contradictions exacerbated by periodic crises. Labor migration from Kyrgyzstan stems from both 'push' factors such as socio-economic crises, environmental concerns, and poverty, and 'pull' factors like increasing labor demand in countries such as Russia and Kazakhstan.

Kyrgyzstan's development demonstrates two significant trends: a decline in agricultural production and a steady rise in remittances from labor migration. Agriculture, once a cornerstone of Kyrgyzstan's economy, has seen its contribution to GDP drop from 43.9 percent in 1996 to 14.7 percent in 2021. Meanwhile, remittances have become a crucial source of income, reaching over 30 percent of the country's GDP in 2022, amounting to USD 3.2 billion, and contributing to a reduction in the poverty rate to 5 percent.

However, despite the potential developmental impact of migration and remittances, research suggests that remittances are often used as social safety nets rather than investments. Additionally, dependency on remittances can create vulnerabilities in various socio-economic sectors, including education, gender equality, public health, and youth development. Many young people prioritize earning money over pursuing education, contributing to a lack of interest in human capital development.

In terms of employment and entrepreneurship, individuals often prefer wage employment over self-employment, particularly in agribusiness, due to perceived environmental risks and uncertainties. Moreover, labor migrants are not recognized as agents of rural development by the government, highlighting the need to create a conducive environment for migrants to invest their remittances in business ventures, particularly in agribusiness.

To address these challenges, there is a need to prioritize human capital development and create an enabling environment for labor migrants to invest their remittances in sustainable businesses. This includes promoting education, entrepreneurship, and rural development initiatives aimed at harnessing the potential of remittances to drive economic growth and reduce poverty in Kyrgyzstan.

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ANNEXES

Interview questions:

1. Can you please begin by introducing yourself? What is your name, age, and occupation?
2. How long have you been living and working in the current country? Could you also specify which country it is?
3. Are you originally from an urban or rural area?
4. What motivated you to migrate to another country?
5. What were your expectations regarding labor migration, and how do they compare to reality?
6. Are you able to earn enough income to sustain yourself? Additionally, what portion of your earnings do you typically send back to Kyrgyzstan?
7. If you do send money back home, how is it usually utilized by your family? Is it for purposes like education, starting a business, or other activities?
8. Do you have the opportunity to save any money from your earnings?
9. If you were able to save money, what type of investment or activity would you prefer? Would it be business ventures, agriculture, or simply saving it passively?
10. What new skills and experiences have you acquired during your time abroad? Do you see any potential to apply these skills back in your home country?
11. Have you received any support or assistance from the government of Kyrgyzstan while you've been abroad?
12. Do you have any plans or intentions to return to Kyrgyzstan in the future?
13. Based on your experiences, what recommendations would you give to the government regarding the development of rural areas?

Thank you for taking the time to participate in this interview and for sharing your insights!

ABSTRACT OF THESIS

Thesis title: Understanding Migration Dynamics and Its Effects on Rural Development, Agricultural Growth, and Governance in Kyrgyzstan.

Author name: Dastan Kushaiynov

Course, level of education: Master's

Host Department/Institute: Management and Leadership Course

Primary thesis advisor: Dr. habil Ildikó Rudnák, associate professor, Department of Agricultural Management and Leadership.

The migration of populations from Kyrgyzstan reflects underlying economic and demographic disparities, driven by both 'push' and 'pull' factors. While labor migration has become a significant phenomenon, contributing to a decline in agricultural production and a rise in remittances, its developmental impact is mixed. Remittances, while crucial for poverty reduction, are often used as social safety nets rather than investments, creating vulnerabilities in various socio-economic sectors. Additionally, dependency on remittances can hinder human capital development, particularly among youth prioritizing earning money over education.

In terms of employment and entrepreneurship, wage employment is preferred over self-employment due to perceived risks, particularly in agribusiness. Moreover, labor migrants are not recognized as agents of rural development by the government, highlighting the need for an enabling environment for migrants to invest their remittances in sustainable businesses.

To address these challenges, there is a need to prioritize human capital development and create conducive conditions for labor migrants to invest in sustainable ventures. This includes promoting education, entrepreneurship, and rural development initiatives aimed at harnessing the potential of remittances to drive economic growth and reduce poverty in Kyrgyzstan.

DECLARATION

on authenticity and public assess of final master's thesis

Student's name: Kushaiynov Dastan
Student's Neptun ID: F90JA0
Title of the document: Understanding Migration Dynamics and Its Effects on Rural Development, Agricultural Growth, and Governance in Kyrgyzstan
Year of publication: 2024
Department: Agricultural Management and Leadership Sciences

I declare that the submitted final master's thesis is my own, original individual creation. Any parts taken from an another author's work are clearly marked, and listed in the table of contents.

If the statements above are not true, I acknowledge that the Final examination board excludes me from participation in the final exam, and I am only allowed to take final exam if I submit another final essay/thesis/master's thesis/portfolio.

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Student's signature

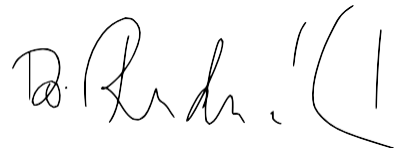
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As a supervisor of **Dastan Kushaiynov (F90JA0)**, I here declare that the final essay/thesis/master's thesis/portfolio¹ has been reviewed by me, the student was informed about the requirements of literary sources management and its legal and ethical rules.

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Place and date: 2024 April 16



Internal supervisor

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