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Tajikistan Household Panel Survey: Migration, Remittances and the Labor Market

Survey report

Institute for East and Southeast European Studies
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Impressum

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Introduction

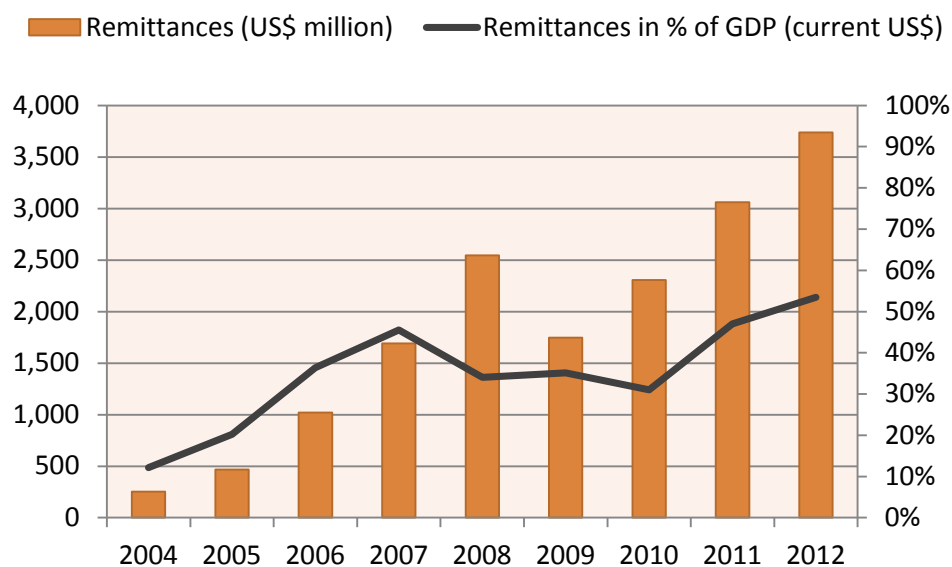
Labor emigration from Tajikistan after independence

After the collapse of the Soviet Union, both internal and external migration incidence increased sharply in Tajikistan. While the former was mainly caused by a severe civil war between 1992 and 1997, the latter was driven by ethnic motivations in the first years of independence but became labor dominated soon after. Meanwhile, external labor migration and remittances play a dominant role for the economic and social development of Tajikistan, the poorest country among the successor states of the Soviet Union (Danzer and Ivaschenko 2010; Buckley and Hofmann 2012; Kumo 2012; Abdulloev et al. 2012). According to the World Bank, nearly half (46.7 percent) of Tajikistan's population lived below the poverty line in 2009. While Russia achieved a GDP per capita of 13,089 US\$ in 2011, GDP per capita in Tajikistan amounted to only 935 US\$ in that year (World Bank 2012a).

Labor migration from Tajikistan is widespread; it is characterized by circular and return movements. According to the 2009 Tajikistan Living Standards Measurement Survey (TLSS), 9 percent of the population of Tajikistan worked abroad in 2009. This implies that 28 percent of all households included at least one migrant (Danzer and Ivaschenko 2010).

Further results of the TLSS 2009 showed that rural and poorer (pre-remittances) locations were likely to have a larger share of households with migrants. More than 90 percent of migrants chose Russia as a destination, and out of those more than half went to Moscow. A very high percentage of Tajik migrants were males (87 percent), predominantly working in the construction sector and other low-skill jobs such as

Figure 1: Remittances inflow to Tajikistan 2004 – 2011 (billion US\$, percent of GDP)



Source: World Bank 2013, note: figures for 2012 are estimated.

trade and services. The median migration spell of return migrants in 2009 was about 7 months.

Remittances

Since more than a decade, Tajikistan is heavily dependent on remittances. According to official data, the inflow of remittances to Tajikistan amounted to 3.06 billion US\$ in 2011, or about 47 percent of the country's GDP (figure 1). This high share means that Tajikistan occupies the top spot among remittances receivers in the world. Moreover, the volume of remittances has increased sharply since 2004, when it was around 0.3 billion US\$. In percent of GDP, remittances have also grown considerably from 12 percent in 2004 (World Bank 2013).

A recent study by Danzer and Ivaschenko (2010) found that remittances had a significant bearing on household consumption. On average, urban households can buy 10 percent and rural households 15 percent of their yearly consumption through remittances. When conditioning on remittance receipt, the substantial depth of external dependence becomes even more obvious. The share of yearly consumption which actually becomes affordable through remittances exceeds 35 percent in all welfare quintiles. On average, the poorest rural and urban households finance almost 80 and 50 percent of their yearly consumption through remittances, respectively. The welfare of families receiving remittances is generally higher than that of average families in the country. For example, children in households that have access to remittances get a better education (Nakamuro 2010). Furthermore, remittances receiving families can afford better health care, more services such as home repairs, and more consumer goods (World Bank 2012b). During the global financial crisis remittances decreased considerably,

Figure 2: Regions of Tajikistan



although they were still a major source of income for many households (figure 1). This indicates that remittances receiving households bear most of the risk of Tajikistan's external dependence. In the post-crisis period, the inflow of remittances again increased remarkably. Due to Russia's economic recovery in 2010 labor migration from Tajikistan to Russia accelerated.

The main issue arising from the analysis of migration and remittances in Tajikistan is the high dependence of households, especially the poorest ones, on external migration and remittances. This dependence is reinforced by the comparatively low-skilled nature of migration directed to one destination and predominantly one economic sector (construction). Hence households engaged in migration are vulnerable to economic crises in the destination country.

Description of the 2011 Tajikistan Household Panel Survey (THPS)

Background and goals

The Tajikistan Household Panel Survey (THPS 2011) was initiated by the Institute for East- and Southeast European Studies Regensburg, Germany, to explore migration and remittances in Tajikistan (figure 2). The study was implemented in cooperation with the SHARQ Research Center in Dushanbe, Tajikistan.

The aim was to re-interview households surveyed in the Tajikistan Living Standards Measurement Survey (TLSS) in 2007 and 2009, which was administered by the World Bank and UNICEF, thereby generating a unique panel data base on migration and remittances in a developing country. Furthermore, the panel allows analyzing the medium-run consequences of the global financial crisis in 2009. The data collection in Tajikistan took place in fall 2011 in order to keep equidistance between the waves of the World Bank panel and to respect the seasonality patterns in agriculture and migration flows.

Table 1: Sample allocation of households in the 2011 THPS

	Urban	Rural	Total
Dushanbe	270	n.a.	270
RRP*	45	270	315
Sughd	135	261	396
Khatlon	54	324	378
GBAO**	18	126	144
Tajikistan	522	891	1503

* Region of Republican Subordination

** Gorno-Badakhshan Autonomous Oblast (GBAO).

Source: THPS 2011

Household selection The previous studies (2007 and 2009 TLSS) were implemented to conduct a representative analysis of poverty and living conditions of individuals and households in Tajikistan. The questionnaires of these surveys were taken from the early Living Standards Measurement Survey (LSMS), which was implemented in Tajikistan in 1999 and then replicated in 2003.

Based on the household list of the 2009 TLSS (main list) and the 2007 TLSS (additional list), the 2011 THPS re-interviewed 1503 households. The regional and urban/rural allocation of the households in THPS 2011 is shown in table 1.

Questionnaire The questionnaire was designed to obtain detailed information on the determinants, patterns and consequences of migration and on the prevalence and use of remittances in Tajikistan. One of the main objectives was to keep the most important questions as closely comparable as possible to the TLSS 2007 and 2009.

The main questionnaire is divided into eleven modules. In the first module, basic information on the demographic characteristics of all household members is collected (household roster), including the educational attainment of the respondents' parents.

The second module concentrates on various types of migration. If appropriate, the respondents were asked in detail about their most recent move, including questions on their motivation for migration and the impact of the move on their earnings, job advancement and living conditions. While the first part of the migration module is concerned with internal and international movements, the second part focuses on household members who had left the country and were still abroad ("household members currently away").

The third module deals with the educational attainment of the respondents and the costs related to their education. In the fourth module all household members were asked questions on their health status, hospitalization and access to health care. Module five addresses the labor market experience of the household members, including details on labor force participation, job description and wages for first and second jobs. The remaining six modules relate to information regarding the entire household: information on expenditures for various types of utilities (electricity, central heating, gas, firewood, etc.), transfers and social assistance - which allows identifying remittances -, subjective perceptions and coping strategies, household expenditures on food consumption during the last seven days, information on non-food purchases, and household income from various sources.

Interview language The interviews were conducted either in Russian or Tajik, depending on the respondent's choice. More than 95 percent of the respondents chose Tajik, although the interview languages differed somewhat across regions (table 2).

Table 2: Interview language in the 2011 THPS

	Tajik		Russian		All
		in percent		in percent	
Dushanbe	246	91.1	24	8.9	270
RRP*	366	92.4	30	7.6	396
Sughd	371	98.1	7	1.9	378
Khatlon	314	99.7	1	0.3	315
GBAO**	144	100.0	0	0.0	144
Tajikistan	1441	95.9	62	4.1	1503

* Region of Republican Subordination

** Gorno-Badakhshan Autonomous Oblast (GBAO).

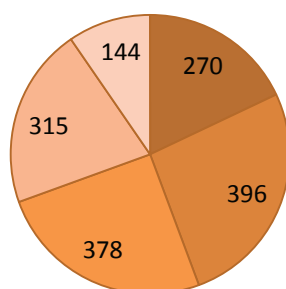
Source: THPS 2011

Sample size

In total, 1503 households (comprising 9608 household members) were interviewed in the five main administrative regions (oblasts) of the country: Dushanbe, Region of Republican Subordination (RRP), Sughd, Khatlon, and Gorno-Badakhshan Autonomous Oblast (GBAO). The distribution of interviewed households across regions is presented in figure 3.

Figure 3: Number of households, N=1503

■ Dushanbe ■ Sughd ■ Khatlon
■ RRP ■ GBAO



Source: THPS 2011

Respondents and household members

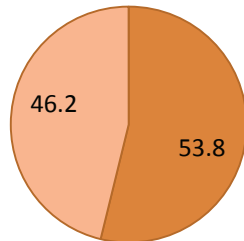
The most knowledgeable household member (respondent) answered the questions of the questionnaire and provided information concerning all household members (supported by other household members where applicable). As a rule, the respondent was the household head, who possessed comprehensive information on the household's activities and the socio-demographic characteristics of all household members. Respondents had to be 16 years or older.

Over half of the respondents were male, although the gender distribution of all household members indicates that women slightly outnumber men (figure 4).

Figure 4: Gender, in percent

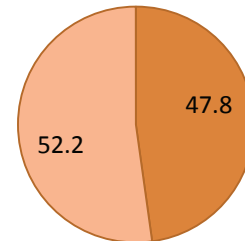
Respondents, N=1503

■ Male ■ Female



All household members, N=9608

■ Male ■ Female



Source: THPS 2011

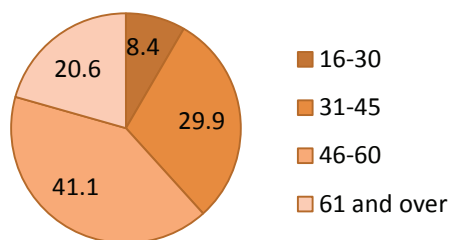
Age

Figure 5 presents the age structure of the respondents, whose minimum age was set at 16 years. It shows that 71 percent were between 31 and 60 years old, while approximately one fifth was 61 and above.

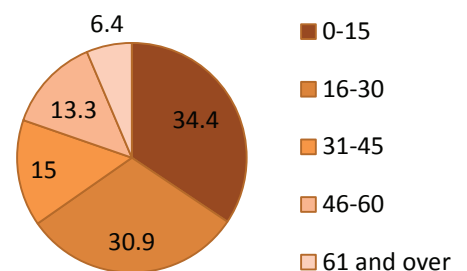
In the age distribution of all household members (figure 5) the proportion of the oldest group (older than 60 years) is very small (6.4 percent). By contrast, the group of children under 16 is relatively large and makes up 34.4 percent. These figures are close to the age distribution in Tajikistan, where the share of persons above 60 is 5.1 percent and the youngest population group (0-17 years) accounts for 41.9 percent (TransMonEE 2012).

Figure 5: Age structure, in percent

Respondents, N=1503



All household members, N=9608



Source: THPS 2011

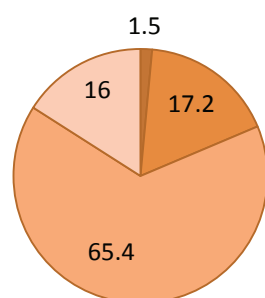
Education and ethnicity

Figures 6 and 7 show the distribution of respondents and all household members by their educational attainment and ethnicity. Most respondents had completed secondary or vocational education, 16 percent of respondents had attained higher education and only 2 percent of them had no education at all. Higher

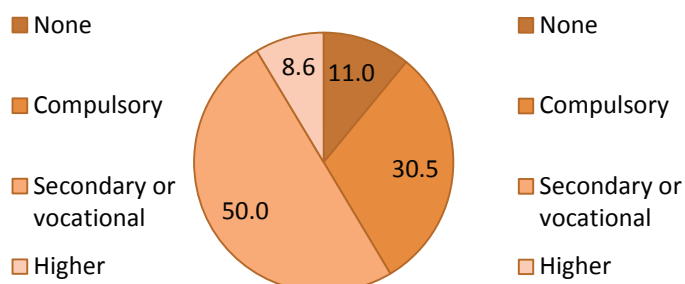
education is much more frequent among male compared to female respondents (7.8 percent of women had higher education, whereas the number of well-educated men was 22.7 percent).

Figure 6: Education

Respondents, N=1503



All household members, N=8087

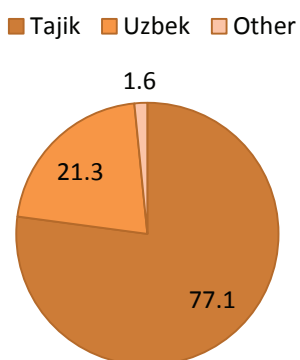


Source: THPS 2011

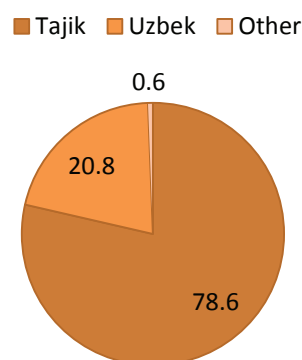
Ethnically, most respondents were of Tajik origin (77 percent); the second biggest ethnic group is Uzbek (21 percent). These proportions were practically the same for all household members. This reflects the ethnic distribution in Tajikistan, where 80 percent of the population are Tajik and 15.3 percent Uzbek.

Figure 7: Ethnicity

Respondents, N=1503



All household members, N=9608

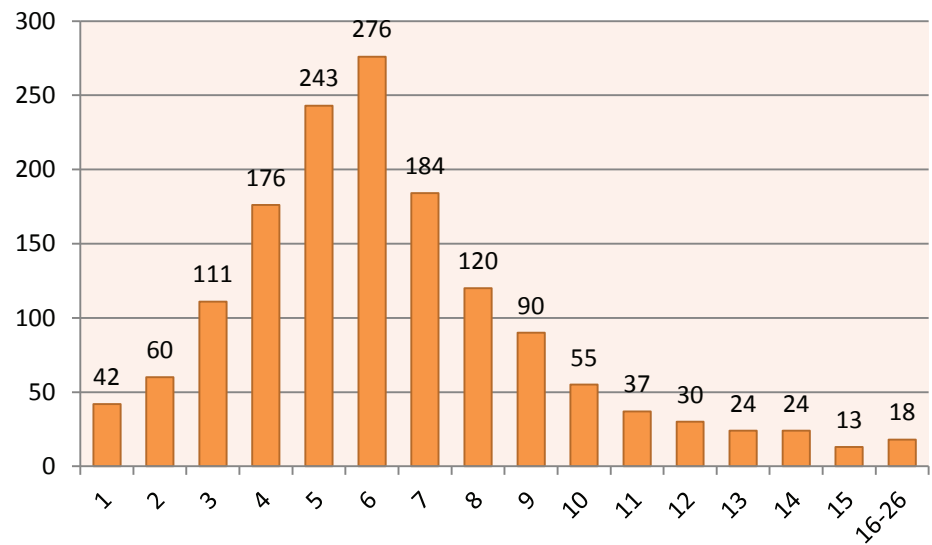


Source: THPS 2011

Family size

The family size varies strongly across the sample from one to 26 persons (figure 8), with the mean household size amounting to 6.4 members. This is very close to the average household size of 6.3 persons according to the statistical office in Tajikistan.

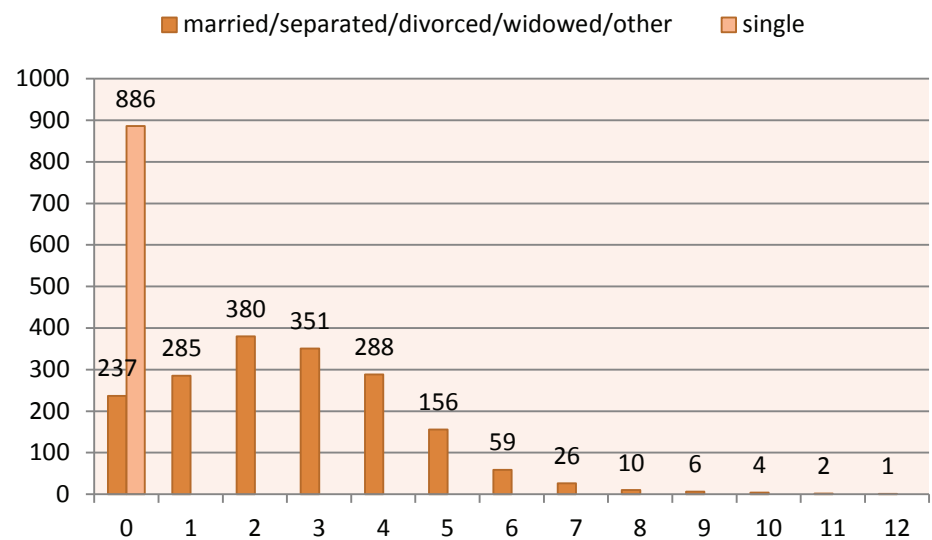
Figure 8: Household size, N=1503



Source: THPS 2011

The average and median marriage age among all interviewed women was 20.2 and 20 years, respectively. Approximately 58 percent of the women in the sample who were between 15 and 49 years old had at least one child (figure 9).

Figure 9: “How many children have you given birth to?” Answers of all women aged between 15 and 49 years, N=2691



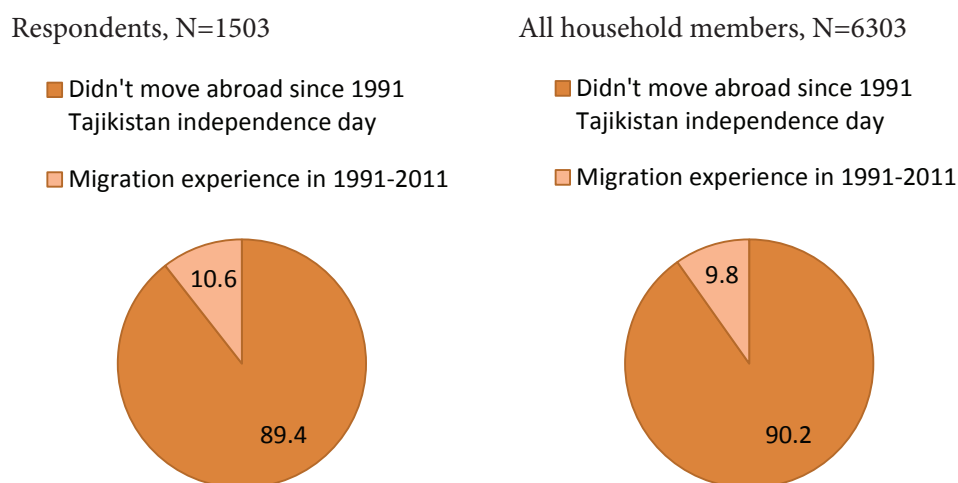
Source: THPS 2011

International migration experience of households

Labor migration

Since independence, Tajikistan has been a net emigration country. According to official data, the country lost 1.6 percent of its population between 1998 and 2012 due to emigration (TransMONEE 2012). However, these data include only registered emigrants and do not provide information about short-term labor migrants who return home after having worked abroad. The 2011 THPS recorded the international labor migration history of people during the years after the collapse of the Soviet Union. Among all persons in the surveyed households who were 16 and older and who currently lived in Tajikistan 9.8 percent had moved abroad for work reasons in the period between 1991 and 2011 (figure 10). The percentage of migrants among respondents in that period of time was only slightly higher (10.2 percent).

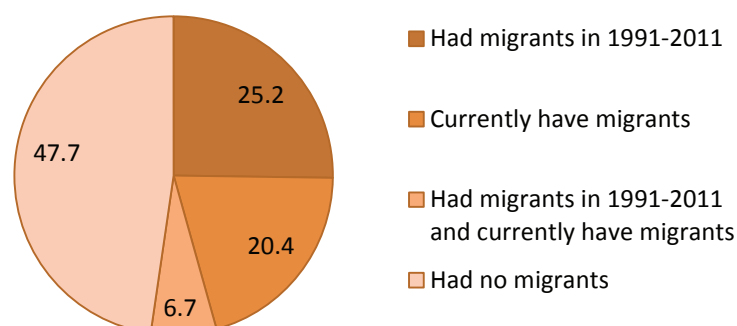
Figure 10: Migration experience



Source: THPS 2011

Thirty percent of all households had at least one family member who had moved abroad for work reasons between 1991 and 2011. A fifth of the households (20 percent) reported that at least one member of their household was currently abroad. Taken together, every second household in Tajikistan (52.3 percent) is or has been involved in labor migration activities since Tajikistan became independent (figure 11).

Figure 11: International labor migration experience of households in 1991-2011, N=1503, in percent



Source: THPS 2011

Migration trends

A comparison of international migration activities in 2007, 2009, and 2011 indicates increasing labor migration flows from Tajikistan. Tables 3 and 4 show the migration activities of household members across the years. Table 3 includes only those migrants who were present at the time of the interview but emigrated in the migration season of the respective year, while table 4 also considers those household members who were away at the time of the survey. Both tables show that in most families only one person migrates abroad to work. However, a general tendency towards a growing number of households that have more than one migrant among their members is discerned. Over the past years more households got involved in labor migration activities and households also sent more and more members away.

Table 3: Migration activities of households, in percent

	2007	2009	2011
No migrant	89.8	87.7	84.8
1	8.4	10.1	11.4
2	1.5	1.8	3.2
3+	0.3	0.4	0.6

Source: THPS 2011

Table 4: Migration activities of households (including household members currently away and older than 16 at the time of leaving home), in percent

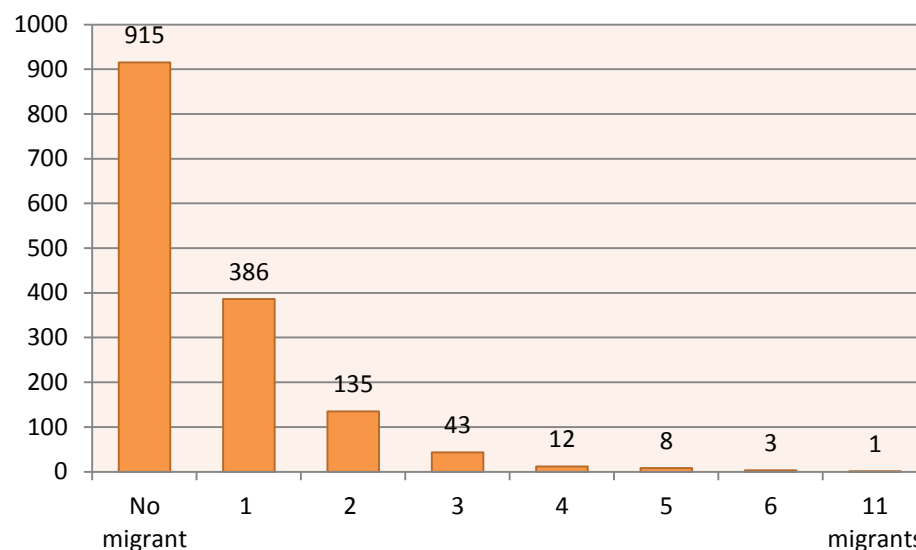
	2007	2009	2011
No migrant	85.2	79.8	60.9
1	11.5	14.9	25.7
2	2.3	3.5	9.0
3+	0.9	1.8	4.5

Source: THPS 2011

Number of migrants per household

The survey sample contains 606 persons who lived abroad at the time the survey took place. Figure 12 shows the number of migrants (both returned or working abroad) per household for all 1503 households in 2011. The number of family members with migration experience in 2011 ranges from one to eleven persons.

Figure 12: Number of international migrants per household in 2011, N=1503, in percent



Source: THPS 2011

Characteristics of migrants

The demographic characteristics, destination choice, and remittance behavior of migrants in 2011 are presented in Table 5. The average age of migrants was 31.6 years for those who returned back home and 28.9 years for those who were still living abroad at the time of the survey. Most migrants were men. The survey shows that nearly all migrants went to Russia, and almost two thirds chose the capital, Moscow. Overall, labor migration from Tajikistan to Russia is directed towards urban areas. Besides Moscow, big cities such as Yekaterinburg, St. Petersburg, Irkutsk and Krasnodar were among the favorite destinations. The crucial role of remittances for Tajik labor migrants is confirmed by the survey: 99 percent of the migrants who returned back home in 2011 sent money home, and 78 percent of those still living abroad at the time of the survey remitted money.

Education of migrants

The majority of labor migrants in the THPS sample who were still living abroad at the time of the survey had general secondary education, while 13.7 percent held a vocational and 9.2 percent a higher educational degree (figure 13).

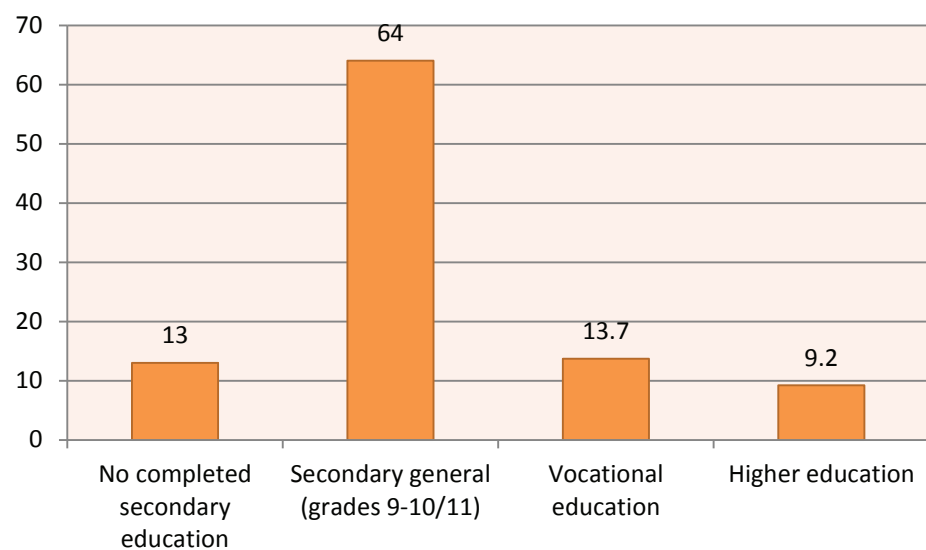
The educational attainment of labor migrants who returned home at the time of the survey was slightly better than that of those who were still abroad (figure 14).

Table 5: Demographic characteristics, destination choice and remittance behavior of migrants, in percent

	2011 (returned migrants), N=296	2011 (migrants currently away), N=606
Average age	31.6	28.9
Proportion of women	5.1	13.4
Destination choice:		
Russia (Moscow)	58.5	64.9
Russia (Other cities)	40.9	34.2
Including:		
Yekaterinburg	7.1	3.8
St. Petersburg	4.7	7.4
Irkutsk	3.7	2.8
Krasnodar	3	1.5
Tyumen	2.7	1.3
Magnitogorsk	0.9	1.8
Novosibirsk	1.4	0.7
Ryazan	1.4	0.5
Samara	1	1.7
Other cities of Russia	15.2	12.8
Other countries	0.7	1
Money remitted	99.32	78.38

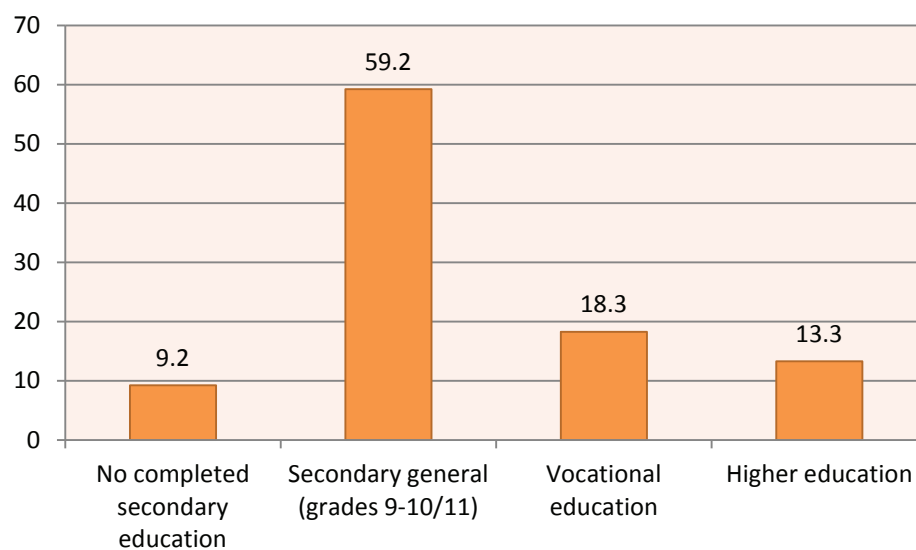
Source: THPS 2011

Figure 13: Education of labor migrants living abroad at the time of the survey, N=606, in percent



Source: THPS 2011

Figure 14: Education of household members who worked abroad between 1991 and 2011 and returned at the time of the survey, N=618, in percent

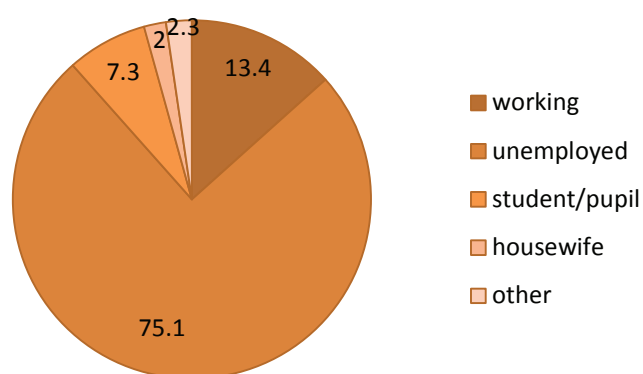


Source: THPS 2011

Employment status before the move

Two thirds of all migrants living abroad at the time of the survey had been unemployed before moving (figure 15). This indicates that a considerable amount of people looking for jobs in Tajikistan chose migration because they lacked domestic employment opportunities.

Figure 15: Employment status before the move, N=606 (migrants living abroad at the time of the survey), in percent

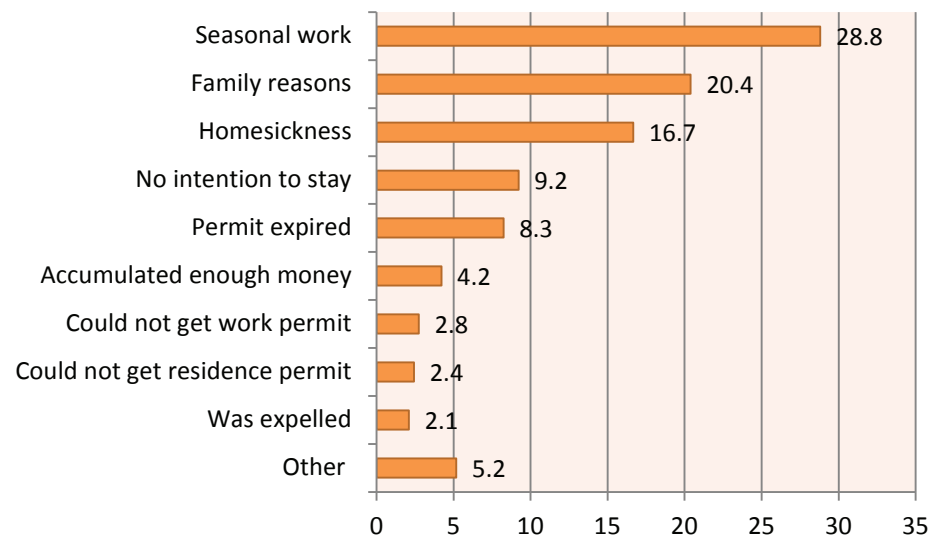


Source: THPS 2011

Reasons to return

An exploration of the main reasons for returning to Tajikistan reveals that the majority of labor migrants intended to move temporarily and came back because the seasonal job had ended, the work permit had expired, or the targeted earnings had been achieved. However, for a considerable number of persons, family-related reasons and homesickness were decisive. In addition, some labor migrants did not succeed in getting a work or residence permit or were expelled (figure 16).

Figure 16: Main reason to return to Tajikistan, N=618 (migrants who worked abroad in 1991-2011 and returned at the time of the survey), in percent

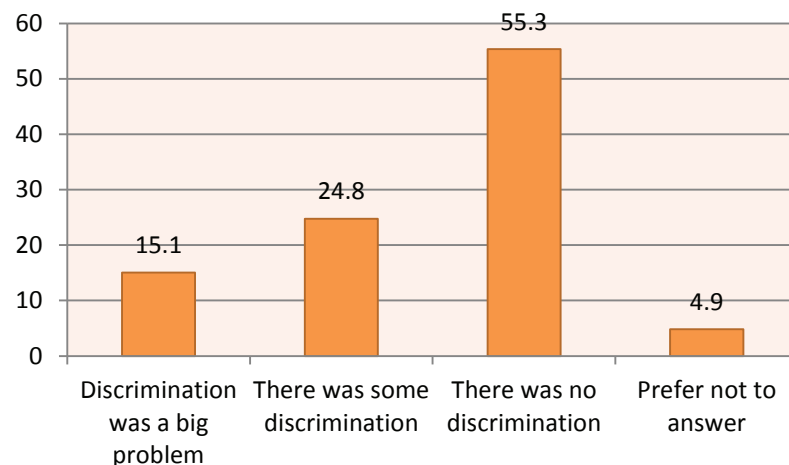


Source: THPS 2011

Discrimination experience

A number of media and NGO reports have recently indicated that Tajik labor migrants in Russia suffer from discrimination and exploitation (Human Rights Watch 2009). According to the THPS survey, approximately one fourth of the migrants who had been working in Russia between 1991 and 2011 experienced some discrimination, and for 15 percent discrimination was a big problem (figure 17). These results are in line with claims by several migrant organizations that call for better protection of the human rights of labor migrants in Russia. Danzer (2013a) also documents an increase in discrimination and harassment of migrants during the global financial crisis.

Figure 17: “Did you suffer from discrimination based on ethnicity or nationality?” N=618 (migrants who worked abroad in 1991-2011 and returned at the time of the survey), in percent



Source: THPS 2011

Wedding celebrations, migration and conspicuous consumption

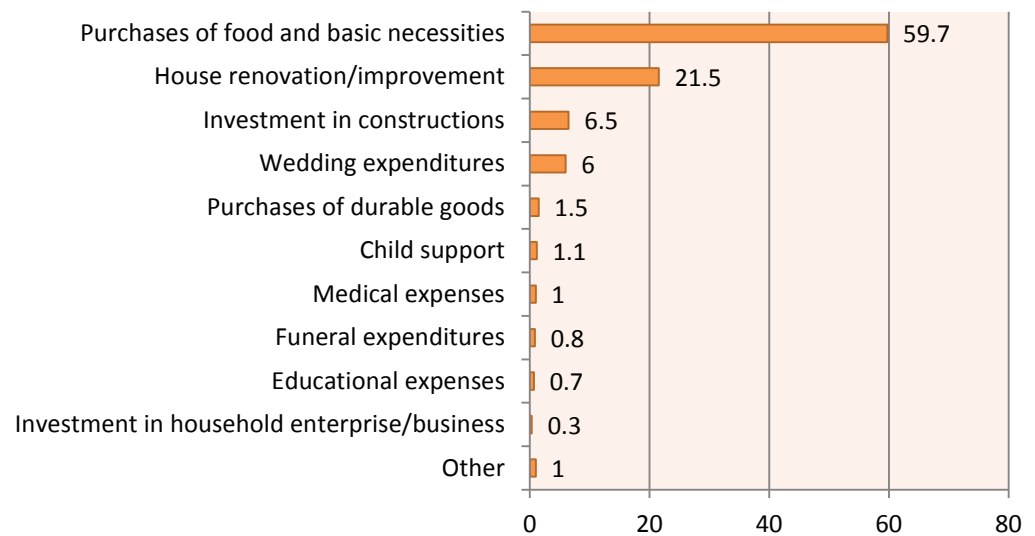
Building on the merged data of the 2007 and 2009 TLSS and the 2011 THPS, Danzer (2013b) explores whether anti-poverty policies in Tajikistan can reduce conspicuous consumption and improve household spending in areas deemed more pro-poor (food, health, education). The analysis exploits a unique quasi-experiment from Tajikistan, where the President introduced a strict law banning and monitoring overly extravagant wedding celebrations in the year 2008. The official objective of the legislation was the fight against poverty and ex post the Tajik government considers the law a great success.

Based on a difference-in-differences approach, Danzer (2013b) analyzes the compliance of households with the new law and the consumption consequences of compliance, i.e., the reallocation of resources towards pro-poor consumption. The findings show that compliance depends on the available household wealth and the strategy to finance the wedding. Rich and very poor households show little response in their wedding expenditure behavior, while medium income households lower expenditures and tend to comply with the law. This surprising finding can be explained by the income generation strategies of prospective grooms, who are traditionally responsible for funding the wedding celebration in Tajikistan: young men from poor and medium income households have to migrate abroad in order to finance their wedding. In fact, migrants mention the funding of a wedding celebration as the fourth most important reason for working abroad (Figure 18). Every fifth male migrant below age 30 reports wedding expenses as the main migration reason.

As the new law reduced the ‘funding gap’ between domestically available income and the resources required for a wedding celebration, men from medium income households can afford to reduce migration when celebrating a relatively smaller wedding. This is understandable against the background of substantial migration costs. In fact, a return trip from Tajikistan to Russia costs about one third of the average wedding celebration costs and the psychological costs can also be considered high given the abovementioned levels of harassment and discrimination. On the contrary, young men from the poorest strata of Tajik society still lack sufficient funds to celebrate even a reduced wedding and have to bear the large upfront migration costs. This spending and compliance pattern is reflected in migration behavior: Middle income men are the only group to significantly reduce migration incidence and duration after the wedding law. While wedding expenditures seem to have decreased after the introduction of the law, the poorest households seem to have very low compliance rates. At the same time, compliance has not produced the desired effects even among those who obey the law: There is no evidence that households have reduced their wedding expenditures in order to spend more on other con-

sumption goods like food or health. In practice, households reduced their overall budget by similar amounts as their wedding expenditures. These results suggest that governments may be ill-advised when implementing seemingly plausible policies that cannot account for general equilibrium effects.

Figure 18: Plans to use money from the last move, N=618 (returned migrants in 1991-2011), in percent



Source: THPS 2011

Impact of the global cotton price shock 2011

Although many developing countries are embedded in global production chains, little is known about the effect of world market price fluctuations on the lives of the poor. In the year 2011, the global cotton price more than doubled due to a severe drought in China, which is the largest cotton producer and consumer worldwide. Subsequently, China more than doubled its cotton imports, causing a severe shortage on global markets. Danzer and Grundke (2013) analyze the effect of this world market price hike on Tajikistan's cotton producers and rural labor markets. The Stolper-Samuelson theorem suggests that a relative rise in the price of cotton increases the relative remuneration of the factor intensively used in the production of cotton. Since Tajikistan is a primary commodity producer, the factor to benefit most is labor, i.e. agricultural workers engaged in cotton sowing and picking. In practice, cotton is mostly harvested by women, suggesting different effects for males and females. Workers are either dependently employed on big cotton farms (which were barely restructured after the privatization of formerly Soviet state-owned cotton farms) or on smallholder private (dehkan) farms which are often organized in cooperatives. Both types of cotton producers face monopsonistic market power by regional cotton ginneries, which are the

sole customers of a region's cotton harvest, because long-distance transportation deteriorates the quality of raw cotton and local authorities exert political pressure. Therefore, the basic question of Danzer and Grundke (2013) is whether the global price hike can benefit workers at all, and if so, which production setup (large farm with wages vs. small farm with crop shareholding) passes the higher prices on to the workers. Exploiting variation in the cotton price over time and in the regional suitability of cotton production across Tajikistan's regions, the results suggest that both employment and earnings of women in agriculture increased substantially, while men did not benefit from the cotton price hike. This effect is driven by laborers on small cooperative farms, suggesting that large farms reaped the rents of the cotton price hike while small farms passed them on to local workers. The latter probably did so not least to satisfy their increased labor demand, because the area sown with cotton increased substantially during the cotton price hike. In contrast, large farms can often rely on political connections to 'recruit' university students and pupils during harvest time. While the 2011 cotton price hike benefited the poorest workers in the Tajik economy, the results also point out the severe vulnerability of poor cotton producers and their families with respect to global price slumps.

Summary and policy implications

Tajikistan is the poorest country among the successor states of the Soviet Union and the most important remittances receiving economy worldwide. In recent years more than one fourth of the households in Tajikistan included at least one international migrant. A very high percentage of labor migrants are males and most of them move to Russia to perform low-skilled jobs in construction, trade and services. Meanwhile, many households in Tajikistan—particularly the poorest ones—depend on the money sent home by their migrant family members. This makes migration households vulnerable to the economic development of the principle destination country Russia.

The migration experience of Tajik households cannot be traced by official data, which only record registered emigrants, while the majority of international migrants from Central Asia are suspected to move only temporarily. To close this information gap, the Tajikistan Household Panel Survey (THPS 2011) was conducted in fall 2011. The survey re-interviewed households questioned for the Tajikistan Living Standards Measurement Survey (TLSS) in 2007 and 2009, thus generating a unique panel data base on migration and remittances. Furthermore, the data collection allowed analyzing the medium-run consequences of the global financial crisis in 2009.

The survey discovered increasing migration activities in Tajikistan since the year 2007, both at the extensive margin (i.e., the fraction of households with migrants

increased) and the intensive margin (i.e., the number of household members moving abroad for work increased). A snapshot of Tajik labor migrants in 2011 reveals the following picture: Most migrants were men who left for Russia's big cities such as Moscow, Yekaterinburg and St. Petersburg. As two thirds of all migrants living abroad at the time of the survey had been unemployed before moving, it can be assumed that a considerable part of the people looking for jobs in Tajikistan chose migration because they found no work at home. Beyond doubt, the sending of remittances plays a key role in the migration process of Tajiks. Nearly all migrants who returned back home to Tajikistan in 2011 sent money to their families, and 78 percent of those residing abroad at the time of the survey remitted money.

According to reports of the media and NGOs Tajik labor migrants in Russia suffer from discrimination and exploitation. This is definitely confirmed by the survey results. Approximately one fourth of the migrants who had been working in Russia between 1991 and 2011 experienced some discrimination, and for 15 percent discrimination was a big problem. Furthermore, discrimination and harassment of Tajik migrants increased during the global financial crisis.

Although labor migration is burdensome and often dangerous for Tajik citizens, the government of Tajikistan seems to actively encourage the export of labor as a means to maintain the functioning of the economy. Only little effort is made to create jobs in the country and to build up a functioning welfare system. Nevertheless, the fight against poverty is of high policy relevance. In this context, the Tajik President introduced a strict law banning and monitoring overly extravagant wedding celebrations in the year 2008. The findings of the THPS survey indicate that compliance to the law depends on the available household wealth and the strategy to finance the wedding. Rich and very poor households show little response in their wedding expenditure behavior, while medium income households lower expenditures and tend to comply with the law. This is because young men from poor and medium income households have to migrate abroad in order to finance their wedding. While men from medium income households can afford to reduce migration when celebrating a relatively smaller wedding, young men from the poorest strata of the Tajik society still lack sufficient funds to celebrate even a reduced wedding. This compliance pattern is reflected in the migration behavior: Middle income men are the only group to significantly reduce migration incidence and duration after the wedding law came into effect. However, compliance to the law has not produced the desired results, as there is no evidence that households have reduced their wedding expenditures in order to spend more on other consumption goods like food or health.

Workers in the cotton sector are one of the most disadvantaged groups in the Tajik labour market. In the year 2011, the global cotton price more than doubled because of a severe drought in China. THPS data reveal that the wages of agricultural cotton workers in Tajikistan increased as a result of the world market price hike. In the presence of an outdated capital stock, cotton producers had to de-

mand more or better labour inputs. While the rise in the world market price of cotton benefitted poor workers in Tajikistan, an equally likely drop in the world market price might produce massive social costs in the country. It is therefore discussed in Tajik policy whether export taxes or subsidies on cotton are useful policy instruments to stabilize producer prices at the farm gate. However, one might as well argue that a decreasing cotton price would encourage smallholder private farmers to substitute cotton with wheat and other crops, thus mitigating the negative impacts of a cotton price decrease. Therefore, an adequate strategy to lower the risk of cotton price fluctuations is to increase the share of private smallholders in agricultural production and the freedom of crop choice for private farmers.

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This booklet presents general results of the Tajikistan Household Panel Survey (THPS) which was conducted in fall 2011. The THPS re-interviewed households surveyed by the World Bank and UNICEF by the Tajikistan Living Standards Measurement Survey (TLSS) in 2007 and 2009. The booklet gives an overview over the basic characteristics of respondents, illustrates migration experiences on the individual and the household level and explores the nexus between migration and the labor market. Furthermore, it summarizes policy relevant findings concerning migration, remittances and the labor market in Tajikistan.



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