

The Role of International Migration from CIS countries on Russia's Economic Development

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Abstract - This article explores the contribution of international labor immigrants from the CIS countries to Russia's economic development. The methodology is the statistical data of Russian Rosstat. The calculations made by the author revealed the contribution of foreign labors from the CIS countries amounted to approximately 9,6%-10,8% of Russia's GDP. Given the number of potential (legal and illegal) labor immigrants from the CIS countries, their contribution to Russia's GDP increased from about 100 billion dollars in 2007 to more than 161 billion dollars in 2017. For every dollar sent, labor immigrants leave about \$12,5 in Russian economy.

Keywords - labor migration, CIS, Russia, economic development, GDP, impact, contribution, international migration, labor market, tax payments, budget.

JEL: F22, F24, F66, H20, J00, J30, J68

I. INTRODUCTION

Russian is home to the majority of the immigrants from CIS countries and they represent a large share of the workforce in key economic sectors. Is it good or bad for Russia's development? Available researches show the economic effects of immigration in destination countries, either limited or positive. However, these studies typically focus on high-income OECD countries. Few researches examine the contribution of immigration in low- and middle-income countries, and those that do mostly cover either one specific immigration channel or a single country¹.

Despite the serious importance of international labor migration for Russia, there is a lack of desire by the authorities to order empirical works that would give an objective picture for making important decisions in migration policy.

Thus, the combination of these issues is a serious obstacle for Russia on the path of full disclosure of its potential for sustainable economic development.

This aimed to help policymakers design better labour and migration policies, improve migration governance. The results revealed within this research provide a picture of how immigration contributes to Russia's economic development.

¹ OECD/International Labour Organization (2018), "Immigrants' contribution to developing countries' economies: Overview and policy recommendations", in How Immigrants Contribute to Developing Countries' Economies. Paris. pp.2

II. AIM

The aim of this article to assess an impact of international labor migration on Russia's economic development.

In order to solve the above objective, the article seeks to answer the following questions: 1. What is the scale of legal and illegal migration to Russia? 2. What is the contribution of labor immigrants from the CIS countries to Russia's GDP? 3. What is the contribution of labor immigrants from the CIS countries to the federal and regional budgets through tax and other contributions?

III. METHODOLOGY

This article structured using the **IMRaD** (Introduction – Method – Results – and – Discussion) format.

1. Assessment the scale of international labor immigrants to Russia is determined by their share in the number of native employed in economy, which is calculated by the formula: **the ratio of international labor immigrants to the number of native employed in economy multiplied by 100%**.

The target is a change in the share of international labor immigrants in the number of native's employees. **Reduction or increase of the rate not more than 2% indicates a low degree of Russian economy dependence and its regions from labor immigrants.**

2. Also, within this research author examine the “potential” migration or migrant, by which is meant a foreign citizen, having entered to Russia legally, but working without relevant documents. At the same time, this definition also means that foreign labor in accordance with international agreements has the right to work in Russia without obtaining work permits. In other words, citizens of Eurasia Economic Union (EEU).

Using the Rosstat data² on CIS citizens who entered Russia on such purposes as “tourism”, “transit” and “permanent residence” were deducted, as they are not potential migrant workers.

In the list of purposes visit, there are three other items: "service", "private" and "service personnel". They are marked and considered as potential labor immigrants, because in Russian Federal Security Service data the columns for the purposes of travel of foreign citizens, the item “work” is missing, therefore labor immigrants' fall under these 3 remaining points.

But, at the same time, it is necessary to proceed from the fact that, under these points, the goals of travel can actually be foreign citizens who arrived for purposes other than labor migration. In this regard, of the three remaining other purposes, we are modeling the number of potential immigrants under 3 scenarios.

In accordance with the first scenario, out of the total number of arrivals in these three categories, 30% really arrived in Russia not with a purpose of labor migration. With the second and third options, the share increases up to 35% to 40% respectively.

3. Assessing the contribution of international labor immigrants to Russia's GDP is defined as GDP at market prices multiplied by the share of labor immigrants in the number of natives employed and divided by 100.

The contribution of labor immigrants to Russia's GDP is estimated on **static approach**, since the use of a *dynamic* model requires the availability of large I data and a predictable development scenario of

² Chislennost' i migratsiya naseleniya Rossiyskoy Federatsii v 2017 godu // Federal'naya sluzhba gosudarstvennoy statistiki (In Russian). December 8, 2018. URL: http://www.gks.ru/bgd/regl/b18_107/Main.htm

the migration policy. The application of this method in the Russian context is highly controversial due to its “reactionary policy” toward external labor migration.

4. The assessment of international labor immigrant’s impact on the federal and regional budgets revenue is calculated as the amount of tax in the form of fixed advance payments from international labor immigrants engaged in labor market.

Together with the abolition of quotas, the reform of 2015 provides for several additional costs for labor immigrants associated with obtaining a patent, the price of which varies depending on the region³.

Some of these expenses are irregular. For example, a test of knowledge of the Russian language is valid for 5 years. The service charge paid to the center for the preparation of documents and their redirection to the Russian Ministry of Interior does not work in all regions and the prices for this service in the regions differ. Other items of expenditure are also one-time. From this perspective, methodologically calculate all of these costs over the years are not possible.

Since the amount of expenses of immigrants depends on the regions, we took only those expenses that are standard for the whole of Russia. These include the following expenses:

- Monthly advance payments, on average in Russia. We multiply this amount by 9 months, since labor migration in this region is mainly seasonal.
- A patent is required to have medical insurances, the price of which, depending on the region, is 2500-3000 rubles. In Russia as a whole, it is equal to 2,800 rubles.
- Medical examination, which costs labor immigrants 2300 rubles and must be passed every year.
- Integration test on the history, culture and legislation of Russia about 5,500 rubles. Validity of this certificate is 5 years.

IV. LITERATURE REVIEW

One of the frequently used arguments against labor migration is that immigrants, like other members of society, use schools, hospitals and other social institutions of the receiving state. The host country has to spend a lot of money on their social needs. This raises the question of **how state migration policies affect government revenues and expenditures of the host country**.

A quick look at existing studies suggests that, by and large, immigrants have a positive financial impact: the state receives more tax revenues from immigrants than it spends on their social security. The positive impact increases over time (at least until the migrant retires).

Dustman⁴ revealed that immigrants from Central and Eastern Europe after the EU enlargement in 2004 (the so-called A8) and lived for one year in the UK are less likely to receive state allowance. There are other similar studies on the financial implications of labor migration for the host countries, such as the Gustaf and Osterberg studies on the financial implications for the Swedish labor market⁵; Nana's research on the

³ Multifunctional migration center of Moscow in Sakharov. Features of obtaining a patent for a job (In Russian). December 20, 2018. URL: <http://www.confidencegroup.ru/default.aspx?did=153&sid=183>

⁴Dustmann C., Frattini T., Halls C. 2009. Assessing the Fiscal Costs and Benefits of A8 Migration to the UK, Discussion Paper 18/9, London: Centre for Research and Analysis of Migration (CReAM).

⁵Gustafsson B., Österberg T. 2001. Immigrants and the public sector budget-accounting. Journal of Population Economics 14:689-708.

labor market in New Zealand⁶ etc. The conclusions of all these studies coincide with the conclusions of Dustman about the positive contribution of labor immigrants to the host countries' finance.

Given the demographic problems in most of the main receiving labor migrant countries, in recent years there have been researches that study the fiscal impact of migration on public finances in destination countries⁷.

Studies conducted in 27 OECD countries revealed that the contribution of labor immigrants to the GDP is limited to 0.5%. Of the 27 OECD member countries, net direct financial contributions from immigrants are negative only in Germany, France, Ireland, Poland and Slovakia.

In Russia, an assessment of labor migrant's contribution was first announced not by researchers, but by politicians. In the midst of anti-immigration sentiment and the global financial crisis, the former head of Russian Federal Migration Service (FMS) for the first time announced the contribution of labor immigrants in the amount of 6-8% of GDP⁸. Later in 2013, researcher called even a higher figure of 15-20% of GDP⁹. In 2015, Ryazantsev S.V. revealed their contribution to Russia's GDP of about 2714.1 million rubles¹⁰.

Labor immigrants in their host countries make tax payments to the state budget. In a research conducted on OECD countries, it was revealed that in Austria immigrants has a contribution of 10.7% of all social contributions to the country's budget, while they receive only 6.2% of these contributions. For all 27 OECD member countries, it was revealed that the contribution of immigrants to social funds is 9,7%, and only 2% is spent on their maintenance from this fund¹¹.

The level of tax payment is a significant indicator of registered labor migration. For example, above mentioned study revealed that in 2013, labor immigrants from EU countries in Austria contributed EUR 2.6 billion to the state budget, which is 70% more than in 2007. They are receiving less medical care than local people. According to a study cited in 2013 in Germany, labor immigrants from EU countries pay about 40 billion euros in taxes and fees, and the state spends only 14.8 billion euros.

V. RESULT

The scale of legal migration. The result of the assessment (see Table 1) suggests that a significant reduction in the share of foreign labor in the number of native employed of the federal districts is observed in the Central Region, where this figure in 2015 compared to 2014 decreased about 3.9% per year, which is a significant change.

⁶Ganesh N., Sanderson K., Goodchild M. 2003. The Fiscal Impact of Immigrants to New Zealand. Wellington: New Zealand Immigration Service.

⁷ Barrett A., Maitre B. (2011) Immigrant Welfare Receipt across Europe, IZA Discussion Paper № 5515; Defoort C., Drapier C. (2012) Immigration and its dependence on the welfare system: the case of France. Working Paper 2012-29, Université Lille Nord de France.

⁸ Romodanovsky KO: Road to the future bridge works. (In Russian). December 29, 2018. URL: http://www.fms.gov.ru/press/publications/news_detail.php?ID=26698

⁹ The annual contribution of labor immigrants to Russian economy is \$ 400 billion - former deputy head of the FMS. (In Russian).. January 10, 2019. URL: <http://www.finmarket.ru/news/3568203>

¹⁰ Ryazantsev S.V. Regulation of labor migration in Russia taking into account international experience. Spb: Izd-vo EF SPbGU, 2015. pp.225-234. (In Russian).

¹¹Bogdanov L.at al. (2014). Fiscal impact of EU immigrants in Austria, Germany, the Netherlands, and the UK URL: http://www.epim.info/wp-content/uploads/2014/11/2BC_EU-immigrants-final-2.pdf.

Table 1. Assessment of the scale of foreign labor forces from CIS countries to Russia

	2015			Changes in the share of foreign labor in the number of native employed in Russian regions in 2015 compared to 2014
	The number of foreign citizens who had a valid work permit and patent at the end of the year	The number of employed among native population	The share of foreign labor force in the number of native employed	
	Thousand people	Thousand people	in %	in %
Russia - Total	1838,6	71539	2,6	-1,5
Central Federal District	840	20471	4,1	-3,9
-Kaluga region	-	515	0,0	-9,6
-Moscow region	187,4	3784	5,0	-6,2
-Ryazan Oblast	-	516	0,0	-5,8
- Moscow	487,7	6983	7,0	-6,2
Northwestern Federal District	290	7225	4,0	-0,6
Nenets auth. district	-	21	0,0	-6,5
Tyumen region	-	1852	0	-6,6
including: Khanty-Mansiysk	45,9	877	5,2	-2,4
Yamalo-Nenets auth. district	15,1	318	4,7	-3,9
Tyumen region, without aut.	14,4	660	2,2	-2,1
Siberian Federal District	142,5	9150	1,6	-1,3
Novosibirsk region	42,7	1357	3,1	-2,2
	83,9	3193	2,6	-1,6

**Far Eastern
Federal District**

The Republic of Sakha (Yakutia)	7,4	466	1,6	-3,1
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Sources: Calculations of the author according to the Rosstat

2017				
	The number of foreign citizens who had a valid work permit and patent at the end of the year	The number of employed among native population	The share of foreign labor force in the number of native employed	Changes in the share of foreign labor in the number of people native employed in Russian regions in 2017 compared to 2016
	Thousand people	Thousand people	in %	in %
Russia - Total	1764,1	72315,9	2,4	0,3
Central Federal District	815,4	20640,7	4,0	0,5
Northwestern Federal District	313,5	7254,2	4,3	0,5
Southern Federal District	113,3	7703,4	1,5	-0,1
North Caucasus Federal District	27,5	4075,7	0,7	0,1
Volga Federal District	22	14502,9	0,2	-0,9
Ural federal district	134,5	6037,3	2,2	0,4
<i>- Yamalo-Nenets Autonomous Okrug</i>	<i>11,6</i>	<i>303,4</i>	<i>3,8</i>	<i>-14,7</i>
Siberian Federal District	119	8939,9	1,3	0,2
Far Eastern Federal District	76,3	3161,8	2,4	1,0

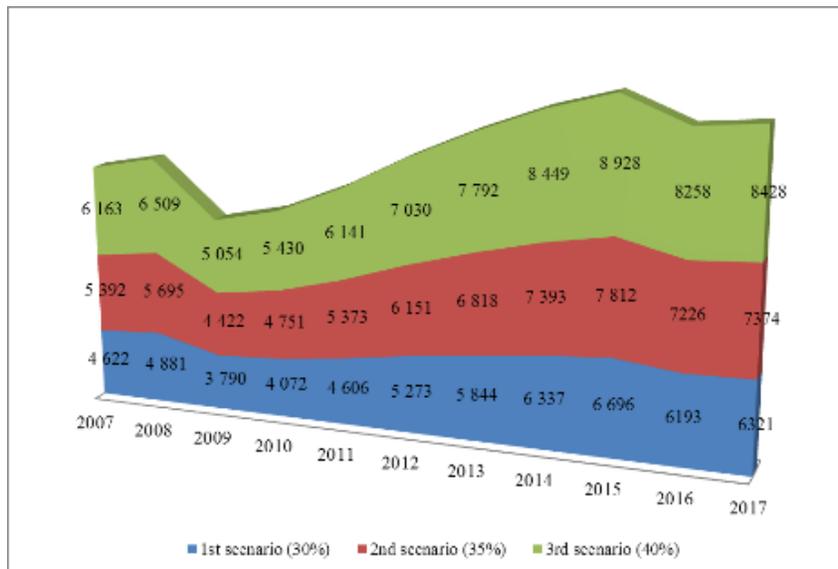
Sources: Calculations of the author according to Rosstat

The scale of potential migration. The results of estimating the number of potential labor immigrants from the CIS countries among the three options range from 1.5 million people in 2007 to 2.1 million people in 2017 (see Figure 1).

Figure 1. Estimation of the number of potential labor immigrants from countries CIS in Russia for 2007–17

Source: Calculations of the author according to the Rosstat

Contribution of international labor immigrants to Russia's GDP. The calculations of foreign



labor contribution from the CIS countries to Russia's GDP have shown their growth from 0,8% or 209 billion rubles in 2006 to 4,2% or 3 267 billion rubles in 2014 (see figure 2).

Figure 2. Contribution of officially attracted labor immigrants from CIS s to Russia's GDP in 2006-2017



Source: Author's calculations based on data of Rosstat

At the same time, it is also advisable to evaluate the contribution of **potential** (officially and unofficially) labor immigrants from CIS, as for various reasons, the huge share of labor immigrants from these countries remains overboard official statistics. But, like others, continue to generate income for its economy.

Based on this, using previously made calculations of the number of potential labor immigrants from the CIS countries (see Fig.1), their contribution to Russia's GDP was calculated (see fig.3).

Figure 3. Contribution of potential labor immigrants from CIS to Russia's GDP in 2006-2017



Source: Author's calculations based on data of Rosstat

Contribution of labor immigrants to local budgets. In 2014, labor immigrants under patent had to pay monthly fixed advance payments 1,216 rubles. However, in 2015, the so-called quotas were abolished, and instead of them, labor immigrants are now allowed to work on the patent not only for individuals, but also for legal entities. In addition to this, the amount of fixed monthly advance payments increased, which on average in Russia amounted to 2,575.3 rubles. Secondly, the regions of Russia are given the right to establish a regional coefficient¹².

In 2016, the average cost of a patent in Russia increased to 3,328 rubles, in 2017 to 3,716 rubles. Based on this, total contributions of labor immigrants in the form of monthly advance payments for a patent to regional budgets were calculated (see Tab.2).

Table 2 Calculations of revenues to the regional budget from patents for migrant workers in 2014-2017

2014			2017		
The number of foreign citizens holding a patent (thousand people)	Average cost of monthly fixed advance payments (rub.)	Total revenues from monthly fixed advance payments (in million rubles)	The number of foreign citizens holding a patent (thousand people)	Average cost of monthly fixed advance payments (rub.)	Total revenues from monthly fixed advance payments (in million rubles)

¹² How much is patent for labor migrants in 2015? January 15, 2019. URL: <http://tjk.rus4all.ru/exclusive/20150116/725666157.html>

Russian Federation	2 079,8	1 216	22 761	1649,1	3716	55 152
Central Federal District	1 643	1 216	17 980	777,5	3716	26 002
-Moscow	926	1 216	10 134	436,2	4200	16 488
-Moscow region	427	1 216	4 673	194,4	4000	6 998
Northwestern Federal District	331	1 216	3 622	307,6	3800	10 519
-St. Petersburg	213	1 216	2 331	221	3000	5 967
-Leningrad region	63	1 216	689	58,2	2999	1 570
Southern Federal District	197	1 216	2 155	105,8	3065	2 918
North Caucasus Federal District	38	1 216	415	26,7	2754	661
Volga Federal District	275	1 216	3 009	157,8	3399	4 827
Ural federal district	244	1 216	2 670	115,7	4712	4 906
Siberian Federal District	261	1 216	2 856	106,5	3216	3 082
Far Eastern Federal District	134	1 216	1 466	51,6	4708	2 186

Source: author's calculations according to Rosstat

Together with the abolition of quotas, the reform of 2015 provides for several additional costs for labor immigrants associated with obtaining a patent, the price of which varies depending on the region¹³.

¹³ Multifunctional migration center of Moscow in Sakharov. Features of obtaining a patent for a job (In Russian). December 20, 2018. URL: <http://www.confidencegroup.ru/default.aspx?did=153&sid=183>

Since the amount of expenses of immigrants depends on the regions, we took only those expenses that are standard for the whole of Russia. The total amount of calculations is given in Tab.3

Table 3 Total costs of migrant workers to obtain a work patent in Russia for 2015 - 2017
in million rubles

	2015		2017	
	Total income for fixed advance payments	Total income from the patent system	Total income for fixed advance payments	Total income from the patent system
The total number of foreign citizens who have received a patent	38 389	55 448	55 152	72 138
Of which: from CIS	38 368	55 418	55 139	72 120

Source: author's calculations according to Rosstat

It would be appropriate to also make calculations of payments to the Russian budget of taxes paid by labor immigrants who are citizens of the CIS (except for the EEU member-state).

Table 4 Estimation of possible revenues from the patent system by potential labor immigrants from the CIS countries in 2016 - 2017

in million

	2016			2017		
	Total income for fixed advance payments	Total income from the patent system	in USD	Total income for fixed advance payments	Total income from the patent system	in USD
The total number of foreign citizens who have received a patent	96 403	129 555	1 938	104 589	140 555	2 411

Source: compiled by the author according to Rosstat

VI. DISCUSSION

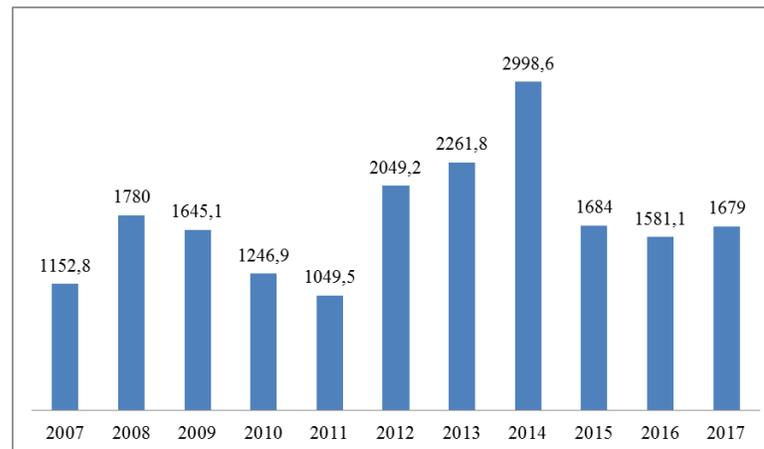
The scale of legal migration. A significant change in the share of the international labor force in 2017 compared with 2016 is observed in the Yamalo-Nenets district which amounted 14.7% for the year.

In general, the share of officially attracted foreign labor does not reach double digits (except for Moscow and Moscow Region in 2014) of the total share of native employed in the regional economy and is at a reasonable level.

The scale of potential migration. The results of estimating the number of **potential labor immigrants** from the CIS countries among the three options range from 1.5 million people in 2007 to 2.1 million people in 2017.

Further, the obtained results were compared with the number of obtained work permits issued to CIS citizens, which are presented in Figure 4.

Figure 4. Number of work permits issued to CIS countries for 2007–2017 (in thousand)



Source: Compiled by the author according to Russian Rosstat

If we proceed from the second scenario of the assessment (according to which 35% of CIS citizens actually entered with the purpose of "official", "private" and "service personnel") and correlate it with the data on issued work permits, while in 2007 only 21.4% of potential labor immigrants were able to obtain official work permits, this figure in 2014 reached 40.6%. In other words, only about 40% of potential labor immigrants were officially employed (see Tab.5).

Table 5. Ratio between official and unofficial employment of labor immigrants from the CIS countries in Russia for 2007–17

	Potential labor immigrants	Number of labor immigrants who has work permits and patent	Differences	in %
2007	5 392	1152,8	4 239	21,4
2008	5 695	1780	3 915	31,3
2009	4 422	1645,1	2 777	37,2
2010	4 751	1246,9	3 504	26,2
2011	5 373	1049,5	4 324	19,5
2012	6 151	2049,2	4 102	33,3
2013	6 818	2261,8	4 556	33,2
2014	7 393	2998,6	4 394	40,6
2015	7 812	1684	6 128	21,6

2016	7226	1581,1	5 645	21,9
2017	7374	1679	5 695	22,8

Source: Compiled by the author according to Russian Federal State Statistics Service

Despite all attempts by the Russian authorities to liberalize migration legislation, in 2015-2017 the number of CIS citizens who managed to obtain work permits decreased in 2017 and amounted to only 22.8% in total.

There is also another way to estimate the approximate number of potential labor immigrants (officially and unofficially) working in Russian labor market.

Accordance with the innovation in Russian migration legislation of 2014, it is prohibited to issue a work permit or patent to a foreign citizen, if they did not indicate in the migration card the purpose of visit to Russia as “labor migration”.

In addition to this, in 2015, the Agreement on the Eurasian Economic Union (EEU) entered into force, which, apart from Russia, Belarus and Kazakhstan, included as Kyrgyzstan and Armenia, whose citizens are not required to issue work permits. In other words, starting from 2015, the Russian migration statistics ceased to follow up with the citizens of these countries, but they still stay and find employment in Russia and make a certain contribution to its development.

The Russian Ministry of Internal data for 2016, show that about 4.3 million people entered Russia with the purpose of work, of which 4.0 million people were from the CIS countries. In 2017, this figure was about 4.9, million people and 4.3 million people respectively.

Table 6. - Ratio between the official and unofficial employment of labor immigrants from the CIS countries in Russia for 2007–17

in thousand people				
	Potential labor immigrants	Number of labor immigrants who has work permits and patent	Difference	in %
2016	3 959	1581,1	2 377,9	39,9
2017	4 313	1679,0	2 634,0	38,9

Source: Compiled by the author according to the data of the Ministry of Internal

The correlation of data on potential labor immigrants, based on data from the Russian Ministry of Internal for 2016 with data on the work permits issued to CIS citizens, indicates that for every legal working migrant from CIS countries, there are almost 1.5 potential labor immigrants: **for about 1.58 million legally working as foreign labor immigrants from the CIS countries, there are 2.37 million potential labor immigrants from the region.** In 2017, this figure also amounted to 1 to 1.5: **for about 1.67 million people there were 2.63 million potential labor immigrants.**

Contribution of international labor immigrants to Russia's GDP. The calculations of labor migration contribution from CIS to Russia's GDP have shown their growth from 0.8% or 209 billion rubles in 2006 to 4.2% or 3,267 billion rubles in 2014 (see figure 2).

In subsequent years, as a result of the deteriorating Russian socio-economic situation, the depreciation of the ruble against the US dollar, the accession of a number of countries to the EEU, and the tightening of Russia's immigration legislation, their contribution to GDP decreased and in 2017 amounted to 2,137 billion rubles or about 2.3% of GDP.

Given the number of **potential labor immigrants** from the CIS countries, their contribution to Russia's GDP increased from about 2 533 billion rubles in 2007 to more than 9 385 billion rubles in 2017 (see Fig.3).

As a percentage of GDP, this indicator continued to grow until 2015 and amounted to 10.8% GDP. After a short period of decline, this indicator again entered the growth trajectory and in 2017 amounted to 10.2% of Russia's GDP.

Thus, the results of the calculations confirm the theses on the double-digit contribution of labor immigrants in Russia's GDP. Our calculations revealed a 10.8% contribution of labor immigrants from the CIS countries in Russia's GDP. The results of these calculations are identical to those figures, which were announced in the Federation Council.¹⁴

In 2015, as a result of the devaluation of the Russian ruble, as well as the tightening of immigration laws, the number of labor immigrants decreased. As a result, their contribution to Russia's GDP dropped to 10%.

It is also relevant to examine another question: **how much money do labor immigrants leave in the Russian economy and how much they sent to their countries?**

Former director of the Russia's Federal Migration Service has been repeatedly announced that for every ruble sent from Russia, migrant workers bring to the Russia's economy 4-6 ruble¹⁵. Analysis of the remittances dynamics from Russia to the CIS countries in the table below shows that in 2017 they sent about 13 billion US dollars.

According to Russian Central Bank, in 2016, the average amount of one transfer to the CIS countries decreased to \$192¹⁶, but in 2017 this figure increased to 214 US dollars¹⁷.

To answer the above question, data will be required on the contribution of potential labor immigrants to Russia's GDP, which was previously calculated (see figure 3), as well as data on the amount of their transfer. The ratio of these two indicators illustrates an interesting picture (see Fig.5).

Figure 5 - Ratio of the foreign labor contribution from the CIS countries to Russia's GDP and the amount of individuals' transfers from Russia to the CIS countries

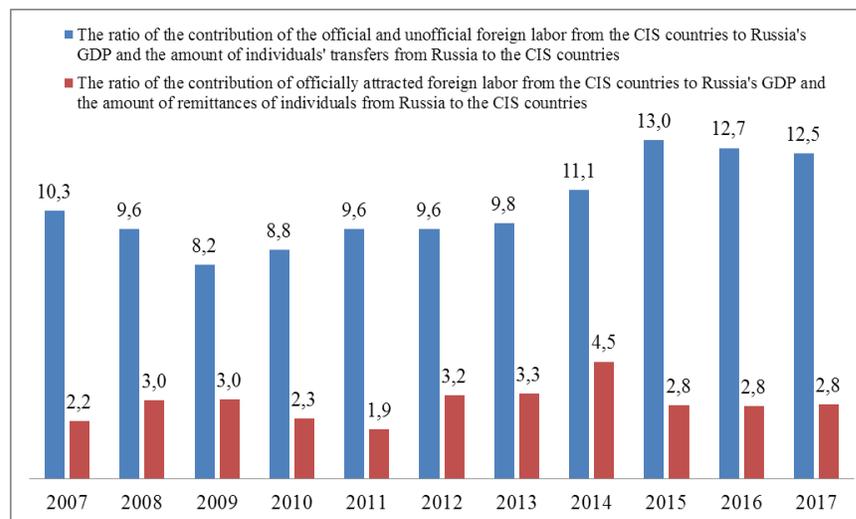
¹⁴Labor migration can be a powerful factor in economic development. (in Russian)]. January 17, 2019. URL: <http://www.council.gov.ru/events/news/16040/>

¹⁵ Russia collects profits from immigrants (In Russian). January 15, 2019. URL: <http://www.interfax.ru/business/97467>

¹⁶ The results of the survey of individuals engaged in cross-border remittances. (In Russian). December 25, 2018. URL: http://www.cbr.ru/statistics/default.aspx?Prtid=svs&ch=ITM_35234#CheckedItem

¹⁷ Ryazantsev S.V., Pismennaya E.E., Bozhenko V.V. Financial and economic aspects of temporary labor immigration to Russia. // Finansovaya ekonomika. 2014. №3. p.88. (In Russian).

(in US dollars)



Source: Compiled by the author according to Rosstat

The results of the calculations clearly demonstrate the importance of reliable statistics on international migration. Thus, if we build a migration policy, as part of the country's socio-economic policy, based on official statistics, then it shows only the «the tip of the iceberg». In this case, if rely on official statistics, it shows that for every dollar sent, in 2017 labor immigrants from the CIS countries left around 2.8 US dollars in Russia.

However, the largest share of labor immigrants left behind migration statistics (including citizens of the EEU member countries, who also remained behind migration statistics because they do not need a work permit) but also make a significant contribution to Russia's socio-economic development. If they could formally find a job (i.e. both with regular and irregular status migrant workers), their contribution would become more obvious. In this case, the results of calculations made show that, given the potential employment of migrant workers, for every dollar sent in 2017 they left in the Russian economy 12.5 US dollars.

If divide the amount we have identified about the contribution of labor immigrants to Russia's GDP (in 2017 - 161 billion USD) by the amount of labor immigrants remittances (in 2017 - 12.9 billion USD), we'll get the correctness of our calculations illustrated on Figure 5. Namely, for every dollar sent, labor immigrants leave about \$12.5 in the Russian economy.

It is important to note that the more labor immigrants earn, the more they leave money in their host country, spending on themselves and buying goods produced.

Contribution of labor immigrants to local budgets. The calculations revealed revenues from patents issued to labor immigrants to the federal and regions budgets increased from 22.7 billion rubles in 2014 to 55.1 billion rubles in 2017 or **by 142% in just 3 years.**

In the regional context, a significant part of this amount went to the Central Federal District (about 50% in 2017), and to Moscow - about 30% in 2017 and St. Petersburg - about 11%.

Regardless of the fact that in 2015-2016 there was a significant decrease in the number of labor immigrants in the Russian labor market, however, the country's budget began to receive even more funds due to the increase in patent value.

It should be noted that such a step the government of Russia has pushed the deteriorating socio-economic situation and, as a result of the crisis of 2008–2009, labor immigrants were the first to take the brunt of it.

Thus, the latest innovations introduced in the patent system in 2015 brought to the Russian budget and its regions in the first year over 55.4 billion rubles and in 2017 this amount reached over 72 billion rubles.

The above calculations encourage us to conclude that the higher the level of official registered international labor migration, the higher its contribution to Russia's socio-economic development.

VII. CONCLUSION

This article attempted to assess the immigrant's contribution to Russia's GDP. Within this article we revealed that contribution of immigrants to Russia's GDP is significantly different from the European trend, where this indicator estimated at around 0.5-1% of GDP¹⁸.

The calculations made in this study roughly confirm the theses that claim a 6–15 percent contribution of labor immigrants to Russia's GDP. Our calculations revealed that during 2013-2017, the contribution of foreign labor from the CIS countries amounted to approximately 9.6% -10.8% of Russia's GDP.

According to our modest calculations just for the patent, labor immigrants in 2017 contributed about 55 billion rubles as taxes and fees to the Russian budget and its regions.

If the Russian government could fully liberalize its migration legislation so that citizens of the CIS (with the exception of the EEU member countries) could officially work and transfer taxes to the country's budget, then according to the calculations made, total of about 2 billion US dollars. In 2017, this figure would be about 2.4 US dollars.

Research gap and unanswered questions. It should be noted that in order to more effectively assess the impact of labor immigration on the budgets of the host countries, it would be advisable to make an estimate not for individual years, but for the entire period of immigrant's participation in host country's labor market. This is due to the fact that over time, a young immigrant may have a family in the host countries and with age his health condition may deteriorate, therefore, he may need social services of the state (schools, hospitals, social benefits, tax benefits, etc.).

In this case, the assessment of the impact of migration for a certain period of time is not able to objectively assess these effects on the country's budget. Only an assessment of one generation of a migrant's life in the labor market can effectively assess these effects.

Future research. Despite a number of both positive and ambiguous points that opened during this research, however, in author's opinion, the question of the consequences of international labor immigration to Russia is still open to researchers.

¹⁸ Latchezar Bogdanov et al. (2014). Fiscal impact of EU immigrants in Austria, Germany, the Netherlands, and the UK URL: http://www.epim.info/wp-content/uploads/2014/11/2BC_EU-immigrants-final-2.pdf.

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