

Financial Literacy Needs of Migrants and their Families in the Commonwealth of Independent States (CIS)



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Foreword

Since 2017, the Organisation for Economic Co-operation and Development, and its International Network on Financial Education (OECD/INFE) have worked with CIS countries in the framework of a project implemented with the generous support of the Ministry of Finance of the Russian Federation. Building on the OECD/INFE's internationally recognised expertise, the project aims to provide policy guidance and technical support for the design, implementation and review of evidence-based financial education strategies in six economies from the Commonwealth of Independent States (CIS): Armenia, Azerbaijan, Belarus, Kazakhstan, the Kyrgyz Republic and Tajikistan.

Addressing financial literacy challenges stemming from migration is one of four priorities of the project, alongside collecting data and analysing financial literacy, designing effective national financial education strategies, and addressing the financial literacy needs of youth. This report examines the financial literacy needs of migrants and their families in the six project countries. The document addresses the issues at hand in the context of the Sustainable Development Goals (SDG) and compares the six CIS countries against the background of global migration trends and data.

The report discusses remittances and financial inclusion, financial education initiatives for migrants and their families in the CIS, as well as regional financial education needs. More specifically, the analysis touches on the different types of migrants and identifies remittances as the major driver of development in the context of migration. The report also provides examples of: successful financial education initiatives in home and destination countries; different approaches to migrants and their families depending on the migration cycle (including pre-departure, return and while in migration); and references to relevant programme tools and handbooks of international organisations and bilateral donors.

While there is a lack of comprehensive data on the needs and gaps of migrants' financial literacy, the report provides an overview of the situation by bringing together available information at regional and country level. The document also identifies shared experiences and common challenges specific to the region. It provides potential solutions and recommendations for regional financial education initiatives, mentioning explicitly (where possible) stakeholders that could be involved in their conceptualisation and implementation.

The final section describes policy objectives of financial education for migrants and their families in each country (where present), focuses on country needs and gaps of financial education, outlines challenges and opportunities, together with recommendations for relevant policies and measures at the national level.

This report draws on desk research and interviews of a broad range of stakeholders from the region, including relevant government officials, national industry associations, financial institutions and civil society organisations. It is a collective effort, co-ordinated by the Insurance, Private Pensions and Financial Markets Division (IPPFM) of the OECD Directorate for Financial and Enterprise Affairs (DAF), under the supervision of Flore-Anne Messy, INFE Executive Secretary and Head of the IPPFM Division. The report is drafted by Leon Isaacs, Sarah Hugo, Poppy Isaacs and Karina Avakyan from DMAG, with inputs from Elena Miteva, Adele Atkinson and Kiril Kossev from OECD/IPPFM. Ed Smiley and Karen Castillo from OECD/DAF prepared the manuscript for publication.

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Acronyms

ADB	Asian Development Bank
AKN	Aga Khan Network
AMFOK	Association of Micro-Finance Institutions of Kazakhstan
CFI	Centre for Financial Inclusion
CIS	Commonwealth of Independent States
EBRD	European Bank for Reconstruction and Development
ECA	East and Central Asia
EEA	Eurasian Economic Area
EEU	Eurasian Economic Union
EU	European Union
FDI	Foreign Direct Investment
FDP	Forcibly Displaced Person
FSPs	Financial Service Providers
GCC	Gulf Cooperation Council
GIZ	The Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH (German development agency)
IDP	Internally Displaced Person
IFC	International Finance Corporations
ILO	International Labour Organization
IMF	International Monetary Fund
IOM	International Organization for Migration
KASA	Komitas Action Suisse-Armenie
MIRPAL	Migration and Remittance Peer-assisted Learning
MSME	Micro, Small and Medium Enterprise
MTO	Money Transfer Office
NAFI	National Agency for Financial Research, the Russian Federation
NGO	Non-governmental organisation
ODA	Official Development Assistance
ODI	Overseas Development Institute
OECD	Organisation for Economic Co-operation and Development
OSCE	Organization for Security and Co-operation in Europe
RFEP	Rural Financial Education Project (Armenia)
SBFIC	Savings Bank Foundation for International Cooperation
SDG	Sustainable Development Goals
SIDA	Swedish International Development Cooperation Agency
UCA	University of Central Asia
UN	United Nations
UNDP	United Nations Development Programme
UNHCR	United Nations High Commissioner for Refugees
USAID	United States Agency for International Development

1. Introduction

1.1. Methodology

This report uses predominantly desk research and interviews / surveys of relevant stakeholders from the region (a full list is available in Annex A).

1.1.1. Desk-based research

Various types of secondary data sources were used, including international and national statistics. While the local statistical agencies were able to provide important contextual information for a country, the use of international sources was often preferred to ensure data comparability.

The World Bank's Findex was the main source of financial inclusion data in light of its availability for all countries for 2017.

Thematic reports by the International Labour Organisation (ILO), the International Organisation for Migration (IOM), the United Nations Development Programme (UNDP), the German Development Agency (GIZ), the Migration Policy Centre, and the Migration Policy Institute, among others, were used to collect evidence about migrants, analyse knowledge gaps and vulnerabilities, and look into relevant international policy experiences and measures.

1.1.2. Interviews

The interviews included a range of stakeholders that are, or could potentially be involved in the provision of financial education to migrants and their families in the project countries. They concerned the following types of stakeholders:

- Main government bodies involved in coordinating and/or implementing national financial education initiatives (such as central banks)
- Other government bodies/ministries that have access to, or have programmes targeting migrant populations (such as State Migration Service, Ministries of Labour, Migration and Employment)
- International multilateral and bilateral organisations, donor agencies, development banks, and international consultants (such as IOM, IFC, GIZ, UNDP, EBRD, SBFIC, USAID)
- National industry associations (for example, banking and microfinance unions/associations)
- Financial institutions (including banks, microfinance and microcredit organisations)
- Local NGOs and civil society organisations (including local branches of international NGOs).

The mapping of the stakeholders took place in the period December 2017 – February 2018. Following a gap analysis, additional potential stakeholders participated in the process in April-June 2018.

The mapping showed some limitations and suffered from a somewhat fragmented information provided by stakeholders. Therefore, additional stakeholders - not currently involved in any financial education initiative, but offering other means of migrant support - participated in targeted interviews. While the

response rate to the requests of information and interviews, in general, was quite low (lowest in Kazakhstan, and higher in Armenia and the Kyrgyz Republic), the mapping process succeeded in collecting a significant part of the existing relevant information, which enabled to define a number of high-level recommendations and potential solutions.

1.2. Migration and International Development

This section sets the stage for the analysis of the region within the broader discussion of international migration developments, including global trends, types of migrants and short background on the stages of the migration cycle. It also touches on the relationship between migration and the global development agenda.

1.2.1. Trends and Data on Migration

International migration is recognised as a key component of the globalisation process. In recent reports by the International Organisation for Migration (IOM), it is seen as a largely positive force for development, both in countries of origin and destination. In recent years, international migration has become an increasingly prominent issue for policy makers, the media and the broader public around the world.

In 2017, about 127 million people living in OECD countries were foreign-born¹ and recent data have highlighted a trend towards an increase in migration rates globally.

Significant economic and geopolitical events, such as war or conflict, have major implications for future migration trends. One of the most concerning recent developments is the fact that according to IOM's 2018 data, there are 25.4 million refugees in the world, up from 11.1 million² in mid-2013. The Syrian Arab Republic continues to be the source of the highest number of refugees worldwide with more than half of its population displaced.

1.2.2. Types of migrants

In general, migration is defined as the movement of a person or a group of persons, either across an international border, or within a state. It is a population movement, and can be defined according to its length, composition and causes³. It includes migration of refugees, displaced persons, economic migrants, and persons moving for other purposes, including family reunification. Migrants can also be categorised as international (cross-border) and internal (within the same country).

The term 'migrant' can include:

- *Migrant workers*: Within the global population of international migrants of working age, regarded as 15 years or older (207 million), migrant workers account for more than 70 percent⁴. The term migrant workers is often linked with the terms "labour migrants" or "economic migrants", which according to the IOM is defined as the movement of persons from their home state to another state for the purpose of employment⁵. While this term is quite broad, the most vulnerable groups of migrants – i.e. low skilled workers, or female domestic workers -- are considered for the purpose of most development projects.
- *Refugees*: According to the UN, a refugee is someone who has been forced to flee his or her country because of the threat of persecution, war, or violence. According to the UNHCR 2017 Global Trends report, 25.4 million of 68.5 million displaced people were refugees who have fled their countries to escape conflict and persecution⁶. The number of asylum-seekers was also on the rise, reaching 3.1 million.

- *Internally displaced persons (IDPs)*: According to the UNHCR, IDPs are persons who are forced to flee their homes to elsewhere in their own country. By the end of 2017, the total global stock of IDPs was 40 million⁷.

One important phase of the process of migration concerns the “pre-departure”. For example, migrants who are deciding whether to migrate are looking for information to determine the destination, timeframe, support and organisation needed.

Moreover, some migrants do migrate with their immediate families, however a big part of labour migration (particularly seasonal) concerns one person (often, the head of the household) going abroad while the family stays behind. Therefore, migrant families and households that stay at home are also part of the (international) migration process.

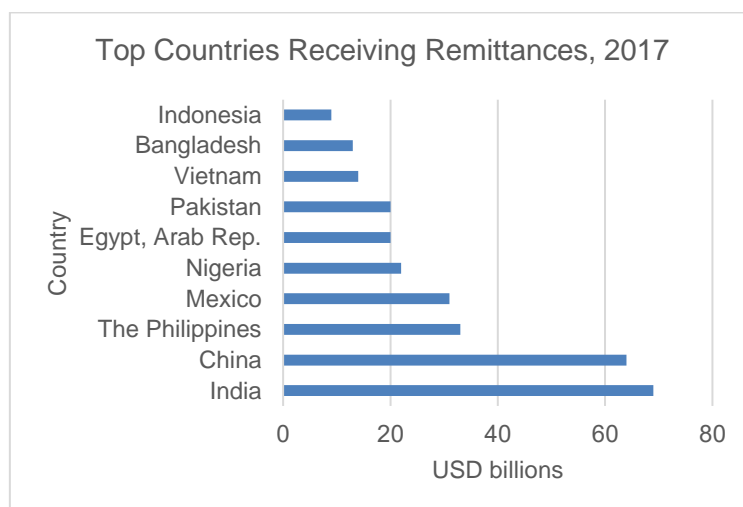
1.2.3. Remittances

Remittances are financial or in-kind transfers made by migrants directly to their families or communities in their countries of origin. The World Bank is the main agency compiling global data on formal remittances; however, it does not capture informal flows. The actual magnitude of global remittances is, therefore, likely to be much larger than available estimates⁸.

Existing data shows an overall increase in recent decades, from USD 126 billion in 2000, to USD 613 billion in 2017⁹. Historically, remittance flows have been resilient to economic crises, although they are affected by exchange controls, burdensome regulations, and anti-migrant policies in many countries (structural factors)¹⁰. Remittance flows, especially to South and Central Asia, were affected by low oil prices and weak economic growth in the Russian Federation and the Gulf Co-operation Council (GCC) countries. The effect on Central Asia countries is described in more detail in the next chapter.

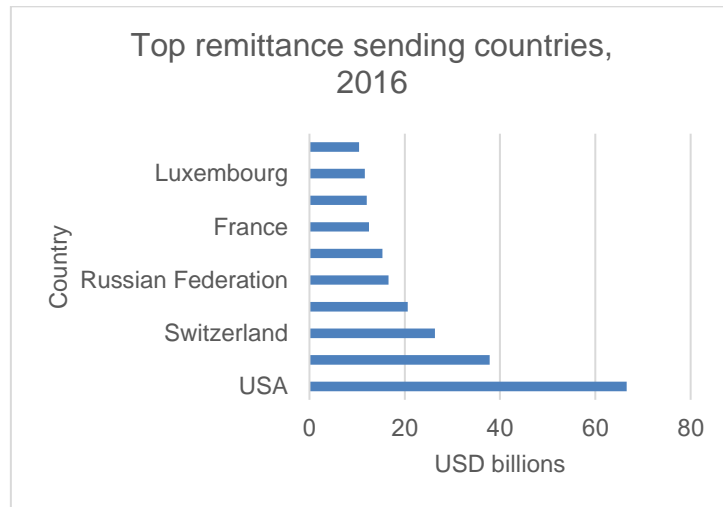
Remittances have played an increasing role for economic growth and development worldwide. Indeed, since the mid-1990s, remittances have greatly surpassed Official Development Assistance (ODA) levels, i.e. remittances were over four times higher than foreign aid from official donors, which totalled USD 146.6 billion in 2017¹¹. Unsurprisingly, high-income countries are the main source of remittances although payments from developing countries are increasing in importance. Table 2 below summarises the top countries sending and receiving remittances worldwide, with the Russian Federation, notably, being the fifth-highest remittance source country in 2015, with USD 16.6 billion¹².

Figure 1. Countries Receiving Remittances, 2017



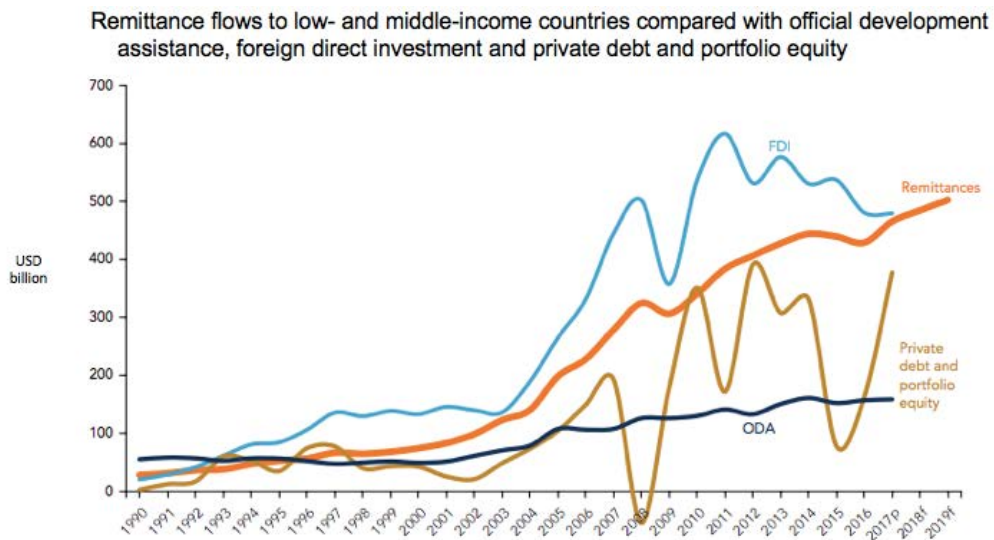
Source: World Bank Migration and Development Brief 29 (2018)

Figure 2. Countries Sending Remittances, 2016



Source: World Bank Migration and Development Brief 29 (2018)

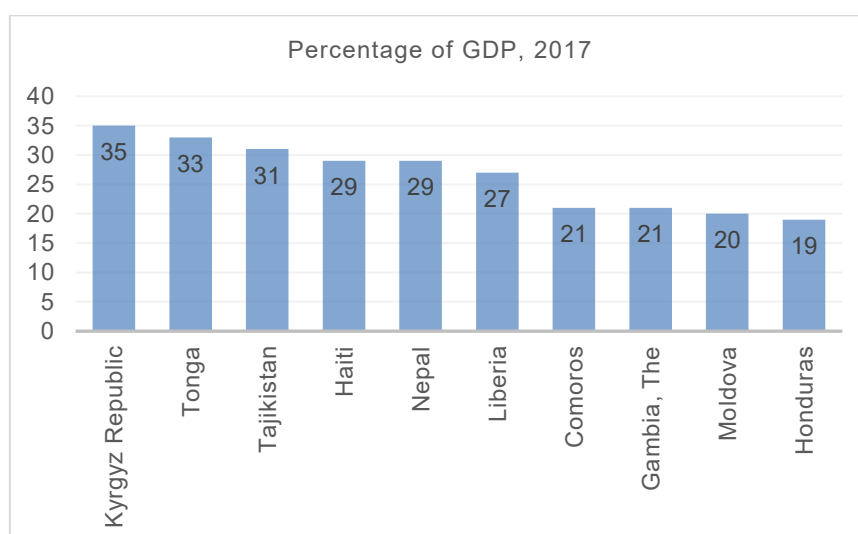
Figure 3. Remittances compared with OFA, DFI and Private Debt and Portfolio Equity



Sources: World Bank staff estimates; World Development indicators.

Source: World Bank Migration and Development Brief 29

Figure 4 Remittances as percentage of GDP for report countries



Sources: Migration and Development Brief 29, KNOMAD (2018).

1.2.4. Migration and Sustainable Development Goals

Experts, policy makers and academics have acknowledged the link between sustainable and efficient migration policies, financial literacy and inclusion of migrant groups (see Annex B). In addition to financial impacts, migration can have major implications for development and the achievement of various sustainable development goals, such as those related in particular to health, social protection, urbanisation and cities' sustainability, gender equality, climate change and citizenship¹³.

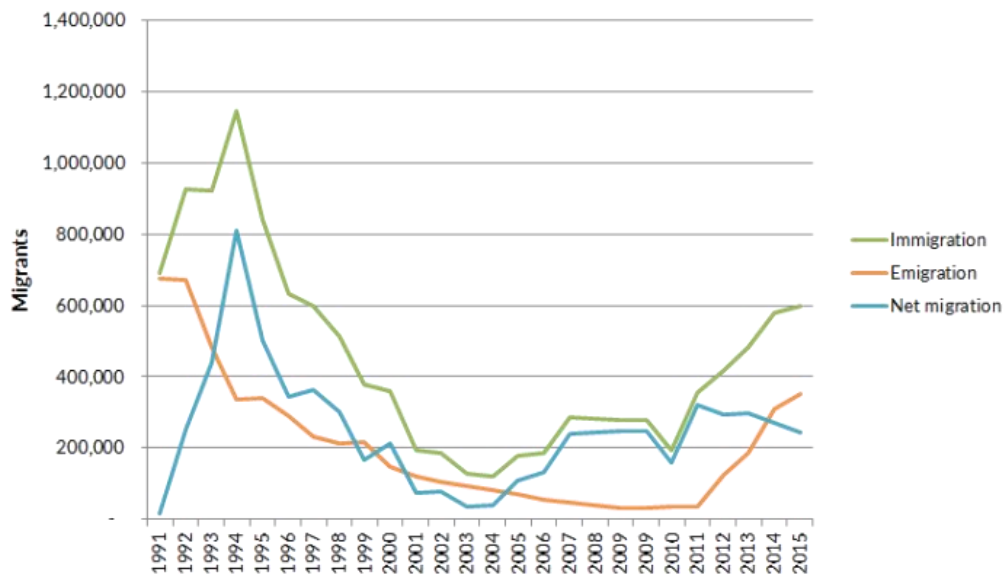
Furthermore, the UN General Assembly adopted a Global Compact for Migration in December 2018, aiming to set out a range of principles and commitments and understandings considering international migration in all its dimensions. (Annex II, UN Doc. A/Res/71/1).¹⁴ The Compact is intended to support source, transit, and destination countries; empower migrants and host communities; and ensure safe and decent conditions for migrants' return and resettlement.

1.3. Migration and Migrants in CIS Countries

The Commonwealth of Independent States is a culturally, geographically and socio- economically diverse region. This largely explains the different migration patterns present in the region. The collapse of the Soviet Union, the formation of independent sovereign states and the subsequent political and military conflicts led to the emergence of new migration flows within the region. In the late 1980s - early 1990s, in almost all the new states of the post-Soviet space, hundreds of thousands of ethnic Russians and Russian-speaking migrants and refugees moved to the Russian Federation, Ukraine and Belarus. During 1989-1996, a number of armed conflicts generated about 870,000 refugees¹⁵.

Other social and political developments also led to high migration flows, most notably to the Russian Federation. It was, and remains, the main country of destination for migrants from the region as well as refugees and labour migrants. In 1994 more than 1.1 million people migrated to the Russian Federation with net migration peaking that year at 810,000 (see Figure 5). Over the period 1991 and 2015, nationals from former Soviet republics represented more than 90 percent of all arrivals and over two-thirds of departures. Overall, the Russian Federation received about 11.8 million immigrants and lost 5.3 million emigrants over this period.

Figure 5 Migration flows to and from Russia, 1991-2015



Source: Federal Stats Service (Rosstat), cited from "Russia: A Migration System with Soviet Roots", published by Migration Policy Institute, 18 May 2017¹⁶

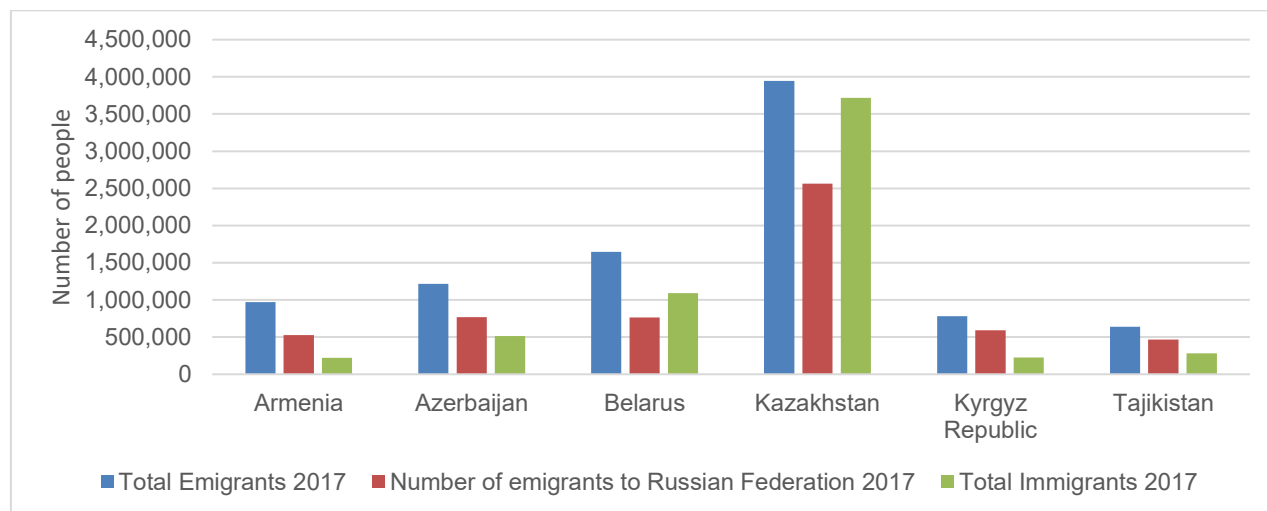
While in the first decade after the collapse of the USSR, migration in the region was primarily driven by conflicts, wars, and ethnicity-based repatriations, the beginning of the 21st century was marked by increased (temporary) labour migration. An improving Russian economy led to an increased demand for labour, especially in construction, transport, and service industries¹⁷. The inflows from Central Asia (with the exception of Kazakhstan) and the South Caucasus to the Russian Federation grew from 15 percent throughout the 1990s to almost 40 percent in total between 2011-15. A large proportion of this labour migration had a temporary/seasonal nature. Anecdotal evidence suggests, however, that there was significant illegal migration, especially in the mid-2000s. Therefore these numbers need to be treated with caution.

According to Migration Policy Institute, in 2012-14, unskilled workers, primarily in trade and construction, represented 30 percent of all labour migration. The establishment of the Eurasian Economic Union (EEU) by Armenia, Belarus, Kazakhstan, the Kyrgyz Republic and the Russian Federation in 2015 allowed people to move freely to live, work and study in other members of the Union. This became a milestone defining the legal nature of labour migration between these countries.

The economic slowdown and policy changes in the Russian Federation, including the introduction of re-entry bans on migrants for administrative violations, have been partially responsible for a relative decline in migration rates from Central Asia¹⁸. This has largely affected livelihoods and incomes that rely on remittances, particularly in Tajikistan¹⁹. In response, migrants have either returned to their country of origin, remained illegally, or sought alternative destinations, most notably Kazakhstan. However, as per the official Russian statistics, since 2016-2017 the migration rates from Central Asian countries have started to grow again, and have almost reached pre-crisis levels.

In general, the majority of migrants from CIS countries are male, due to their cultural and economic roles as heads of household, as well as connected to the type of work available in the destination countries. It is understood that 69 percent of migrants in the Russian Federation are men, and only 31 percent are women (NAFI, 2018). The vast majority of those migrants are of working age (from 18 to 54 years old), and 90 percent of them do not hold higher or tertiary education qualifications.

Figure 6. Migration statistics in CIS countries



Source: World Bank T4 Data (2017)

While, in general, the most popular reason for migration from CIS countries is better economic opportunities abroad, recently other important trends have also emerged such as political emigration from Azerbaijan²⁰.

2. Remittances and Financial Inclusion of Migrants and their Families

2.1. Remittances from Migrants

With a growing emphasis on migration and development links, especially since the adoption of the Sustainable Development Goals in 2015, there is considerable interest in remittances at international and national levels. In a context where remittances to developing countries have greatly surpassed official development assistance (ODA)²¹, attention has increasingly shifted to remittances as a source of development finance.

These numbers are generally even higher for some Central Asian countries where remittances from abroad account for a larger share of the economy than that of ODA, foreign direct investment, or even national export income²². As discussed in the previous chapter, some of the six project countries are highly dependent on remittances. This is particularly true for Armenia, the Kyrgyz Republic and Tajikistan, where remittances range from 13 to 35 percent of the national GDP and the amount of remittances stand well above USD 1 billion per year (See Figure 4). In those countries, remittances are a key driver to economic development and poverty reduction²³.

Exchange rate fluctuations also had an impact on remittances along with the economic slowdown and structural problems. The Russian rouble lost more than half of its value relative to the US dollar between 2013 and 2015. Therefore, the decline in the remittance value in those years is more a reflection of the exchange rate decline rather than a decline of labour migrants' remittances from the Russian Federation. From 2014 to 2015, the dollar value of remittances fell 41 percent, while the corresponding fall in the rouble value of remittances fell only 7 percent²⁴.

The impact of remittances on the national economies, their importance for households and proportion of family income differ significantly across the six countries. One study found that labour migrants from Belarus, for example, managed to address a number of problems related to housing conditions, purchasing durable consumption goods, good quality clothes and food²⁵. About a quarter of respondents mentioned helping relatives and business-related issues as their motive for migration. Labour migration from Belarus was explained more as an urban than a rural phenomenon, in contrast to some Central Asian states, or as a life choice where migration is undertaken to make a fundamental social advancement from a solid urban base.

Various projects and studies in the Kyrgyz Republic and Tajikistan show²⁶ that the majority of migrants do remit back home and that they remit half or more of their income (53 percent in Tajikistan). Most money transfers take place once a month: on average, 75 percent of migrants from the region sent money back home at least once every two months, while the frequency of money transfer may depend on factors such as regularity of income earned, the intensity of the needs of the family receiving remittances, the use of remittances and the channel used, among other reasons. Remittances are transferred through formal and informal channels, with the vast majority of migrants using formal ones.

2.2. Remittances Infrastructure

The formal Russian remittance market is based on:

- International money transfer systems: large and effective international operators, like MoneyGram and Western Union, quickly gained a significant share of the market thanks to their wide network of customer service points, their reliability and high speed of data operations.
- Russian Federation owned operators: they emerged from credit organisations, which became their settlement centres, with a large number of country branches and an extensive network of correspondent accounts with non-resident banks or accounts.

The average costs of sending money from the Russian Federation are among the lowest worldwide. They amount to about 2 percent versus an average 6.5 percent in Europe and Central Asia, and over 10 percent from some Western European countries ^[1]. The vast majority of remittances are sent to CIS countries, with all project countries except Belarus, being among the top-10 remittance recipients from the Russian market.

Money Transfer Operators (MTOs) hold 80 percent of the share of the remittance transfers from the Russian Federation to CIS and vice versa ^[2]. The share of the top-3 MTOs (out of 15), namely Golden Crown, CONTACT and Unistream, account for more than 70 percent of the market. At the same time, the share of international MTOs (Western Union, MoneyGram, Sique Money Transfer) account for only 16 percent. Operators from CIS countries (AsiaExpress, Faster, Caspian Money Transfer) operate in niche segments, carrying out mainly money transfers to their countries of origin (Kazakhstan, Azerbaijan). In most cases, banks and MTOs work under partnership arrangements. Some banks have set up specialised units or departments for remittances (e.g. Anelik Bank, Armenia). "Post of Russia" and Sberbank are also major players in the remittances market.

The share of digital channels for remitting money is quite low, due to low digital literacy of labour migrants, and the sporadic use of personal computers and smartphones. Technological developments could facilitate the use of digital remittance transfers in the future, thanks to:

- *Electronic payment systems* such as Yandex.Money, WebMoney, RBK Money, IntellectMoney, Coin.Ru
- *Digital payment systems of international cards*, such as MasterCard MoneySend and Visa Money Transfer, enabling bank card to bank card transfers; the developing national payment system "MIR" could complement such services in the future
- *Internet and mobile banking*. About 20 banks were implementing such options in 2016

The role of informal remittances has decreased significantly over the last decade and continues to decline gradually across the region. Most informal transfers consist of physically transporting cash and are most likely still used due to habit and lack of knowledge about the remittances channels, products and pricing ^[3]. Nevertheless, informal remittances prevail in some CIS countries, and especially to Uzbekistan and Tajikistan. In contrast, an IMF survey (2012) showed that the 68 percent of Armenian migrants use MTOs to remit to their families, followed by the physical delivery of cash (17%) ^[4].

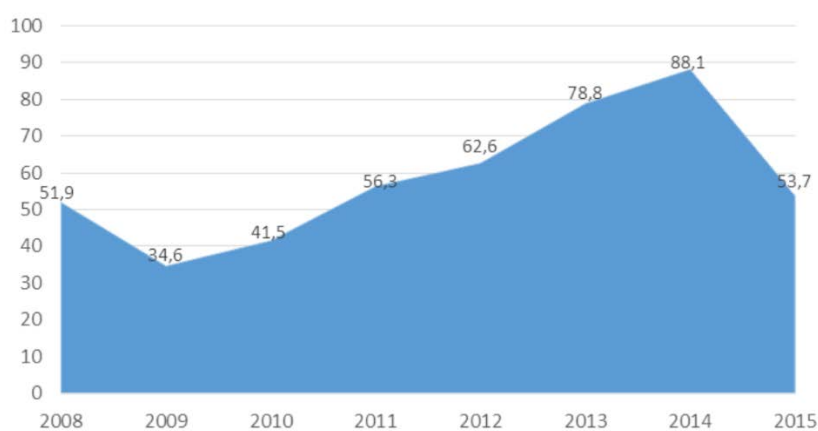
[1] Remittance Prices Worldwide, Q4 2018 data

[2] *ibid.*

[3] Interview with leading expert

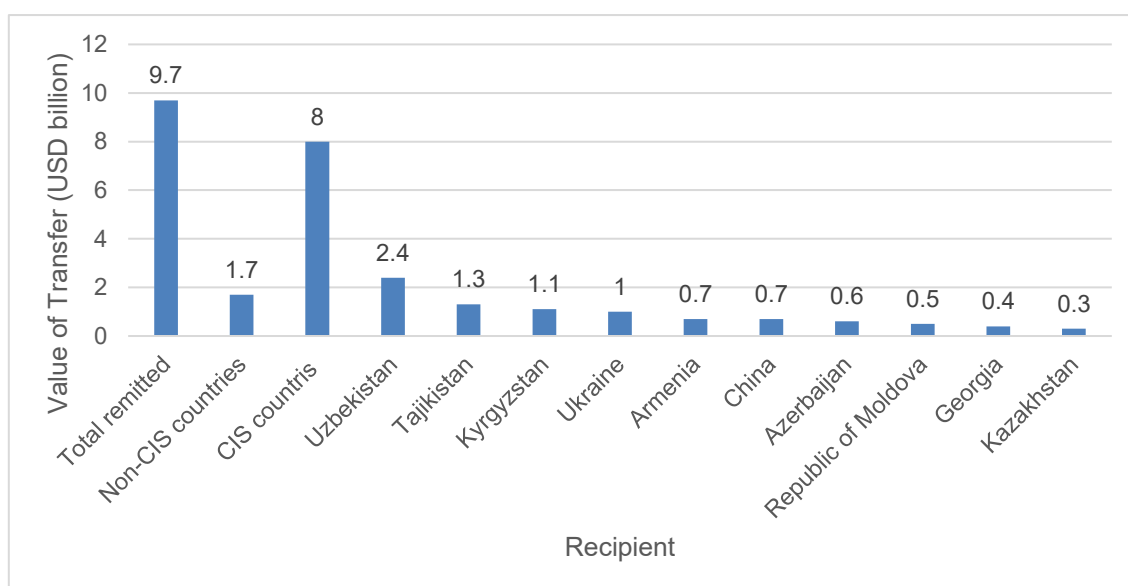
[4] IMF (2012) Republic of Armenia Country Report No. 13/34

Figure 7. Total volume of sent and received cross-border transfers, USD billion



Source: The Central Bank of the Russian Federation (2015) ²⁷

Figure 8. Transfers from the Russian Federation carried out through MTOs to the top 10 counter-parties



Source: The Central Bank of the Russian Federation (2015) <https://www.cbr.ru/eng/statistics/Default.aspx?Prtid=tg>

2.3. Financial Services to Support Migration and Migrant Families

Apart from remittance services, there is a variety of other financial products and services that can be used by migrants prior or upon their return, as well as by their families in home countries. However, access to financial services for migrants, particularly at traditional banking institutions, may be hindered by factors such as low income, limited language proficiency, registration, legal status, lack of experience and knowledge about the (local) financial system and their product offers.

2.3.1. Use of financial services by migrants

In reality, the majority of labour migrants in the Russian Federation use financial services²⁸. However, they are among the most excluded groups, alongside the elderly and rural population. Even though sending remittances via MTOs (64 percent) and direct cash transfer via a bank branch without opening an account (14 percent) remain the most used financial services among migrants, other products and services are starting to gain popularity:

- Bank debit cards are the most popular financial product among labour migrants (63 percent). The majority of those who do not have a bank card argue that they do not need one or do not have extra money for one
- Almost no labour migrants use savings products. Only 8% of respondents have a deposit (savings) account
- Migrants and their families have very limited experience with credit, for example, only 9 percent have a consumer loan, 7 percent have a credit card, and 8 percent borrow from family members or friends. At the time, only 10 percent of labour migrants use a credit product, of these, 68 percent of them use banks, while 21 percent use microfinance organisations
- Most labour migrants in the Russian Federation have a mobile phone (95 percent) and 57 percent have mobile internet access. Nevertheless only 49 percent use online or mobile banking facilities
- Only 45 percent of migrants make non-cash (online) financial transactions. The reason for this is the low awareness and knowledge of mobile and online financial services²⁹.

2.3.2. Providers

The market leaders in the Russian Federation are Russian Federation based MTOs, which have become rather a multifunctional payment and settlement system provider. The products include traditional financial services for national and international money transfers, payment cards, terminal networks, banking products and services (repayment of loans, top up of bankcards), electronic and mobile wallets, and other solutions. Diversification of the product portfolio has allowed MTOs to increase revenues and increase market share in this competitive market.

The rapid development of technologies and the increasing affordability of smartphones, tablets and other devices for labour migrants has the potential to remove the boundaries and merge many of these financial services in the future. MTO-market leaders such as Golden Crown, Unistream, CONTACT, and others offer services such as remitting from and to bank accounts, debit card, repayment of the transfer via cheque, remitting from a prepaid mobile phone account and various online and mobile notifications³⁰.

2.3.3. Access to Credit

A legal permanent work contract, the legal status in the country, and some history of regular money transfers (over years) is necessary to gain access to any type of credit. However, migrants from CIS countries working in the Russian Federation have very limited access to credit³¹. Most financial service providers (FSPs) are hesitant to offer credit products to migrants because of their lack of credit history in the country, the temporary nature of their residency and the lack of legislative practice in dealing with foreign citizens. However, there are a few exceptions, such as Uniastrum Bank or Ruslavbank³². Some microfinance organisations such as Molbulak and TudaZhdut³³ offer micro credits to migrants from CIS countries without many documents or collateral required, however these services are very expensive and have higher interest rates.

Some other Russian Federation banks are starting to enter the migrant market with less risky products, such as bank deposits and savings products and payment service facilities to non-citizens. There are few

FSPs in the Russia Federation focusing exclusively on serving migrants, with Molbulak being a prominent one offering micro credit, legal and financial advice to migrants, from mostly CIS countries³⁴.

Since January 1st, 2015, the Russian law obliges foreign citizens arriving in the country for tourism, medical treatment or work to take out medical insurance (with the exception of Belarus and Kazakhstan out of the project countries). This law has sparked a wave of new medical insurance programmes for migrants and currently, most of the big insurance companies and market leaders have a special “Migrant” medical insurance product. However, only 21 percent of labour migrants subscribe to insurance products³⁵, and very few migrants actually use their product after purchase³⁶.

Table 1 Overview of financial services available for migrants in each country

Armenia ¹	<p>For Syrian migrants and refugees in Armenia:</p> <ul style="list-style-type: none"> • SBFIC project 2016-2017 worked with the regulators and the financial sector in order to establish the Revolving Credit Fund, which would allow refugees to access credit products. <p>For labour migrants from Armenia and their families:</p> <ul style="list-style-type: none"> • The banking institutions that cooperate with MTOs and host MTO service points, practice remittance-backed deposits and loans • Remittance-backed lending is offered by some FSPs - Financial institutions require proof of monthly remittance flows for at least six months. Statements and receipts from other banks and MTOs are accepted • Remittance-backed deposits • New loans for areas such as agriculture or trade are targeting labour migrants and their families.
Azerbaijan	<p>For immigrants to Azerbaijan:</p> <ul style="list-style-type: none"> • No special financial products for immigrants who are mostly from Asia were identified, mainly due to a number of migrants without proper registration or legal status. <p>For labour migrants from Azerbaijan and their families:</p> <ul style="list-style-type: none"> • Several remittance-backed products were identified, mostly offered by providers that specialise in money transfers.
Belarus	<ul style="list-style-type: none"> • No special financial products for migrants were identified. This is mainly due to the relatively lower number of migrants and to the legal status of Belorussian labour migrants in the Russian Federation who are mainly illegal.
Kazakhstan	<p>For migrants from Central Asia:</p> <ul style="list-style-type: none"> • Generally, there are no special banking products for migrants from neighbouring Central Asian countries in Kazakhstan. They can use the products available for the local population, but the use is very limited due to high entrance requirements (identification, costs and so on) and the high number of illegal Kyrgyz, Uzbek and Tajik migrants in the country.

Kyrgyz Republic ²	<p>For Kyrgyz labour migrants and their families:</p> <ul style="list-style-type: none"> • A few banks have savings products on offer in Russian roubles, aimed at Kyrgyz migrants and their families working in the Russian Federation and receiving remittances in roubles • Offer of savings product connected to remittances service – money remitted from the Russian Federation automatically goes to the savings account – there are options in different currencies, incl. roubles.
Tajikistan ³	<p>For Tajik labour migrants and their families:</p> <ul style="list-style-type: none"> • Popular remittance-backed financial products by banks – linking remittances with savings account to keep the money in the financial system • Remittance-backed lending is offered by some FSPs - financial institutions require proof of monthly remittance flows for at least six months (statements and receipts from other banks and MTOs are accepted).

Notes:

1. ILO (2008)

2. OSCE (2011)

3. ILO (2010)

3. Financial Education for Migrants and their Families

This section focuses on the need for financial education for migrants and their families, outlines evidence of its effectiveness, and discusses evaluation and monitoring tools together with international experiences. Moreover, it looks into underlying objectives and analyses CIS indicators on financial literacy and inclusion.

3.1. Background

Considering the major role of remittances, the need for migrants to manage their money and be able to access and use appropriate financial products and services in their host countries (as well as for their families in home countries), is recognised both at national and international levels. This includes the development of financial competencies to understand the financial and social context of the new country, to make adequate financial decisions and actively participate in the economic and financial life of the host country³⁷.

Evidence shows low levels of financial inclusion of migrant populations across the world³⁸. It also highlights the need for migrants to access and understand the use of various financial services (not only affordable remittances services), and for their families to use the received money in a way which is efficient and sustainable for the household. There are a number of barriers to the financial inclusion of migrants, many of which stem from cultural and social attitudes, as well as trust and confidence in the financial system. Others include, limited knowledge, skills, and, in particular, low levels of financial literacy and inadequate provision of financial education to migrants.

The time at which financial education is provided affects its significance. When it is offered “just in time”, it is more likely to be retained and to influence behaviour, (Centre for Financial Inclusion), which is known as a ‘teachable moment’³⁹. There are two particularly relevant ‘teachable moments’, namely before a migrant departs to their host country and when their relatives collect remittances. Pre-departure migrants make a number of decisions about their future and that of their families (Centre for Financial Inclusion). MTOs and banks have the clear opportunity to address the relevance and benefits of their products for migrant’s families collecting remittances, and thus improving financial literacy is of value to the institution itself as well as the migrants and their family.

3.2. Objectives of Financial Education for Migrants and their Families

Financial literacy of migrants is closely associated with financial inclusion, formal savings, and entrepreneurship. It is also often seen through the prism of remittances and access to other financial services, such as credit, insurance or pension plans in the host country, as well as savings, investment and entrepreneurship in the home countries. According to GIZ, a number of key aspects of financial literacy relevant for migrants and their families stand out⁴⁰:

- Knowledge and skills to make informed decisions about financial topics and instruments go hand in hand with the understanding of issues that are specific to transnational families and the culture/society of migrants' countries of origin.
- Educators, training strategies and materials must create trust, build self-confidence and empower the target group; they must be adapted to the needs and contexts of the target group.
- Financial literacy refers to an evolving state of competency; a one-off exercise is not sufficient, particularly as the target groups' needs, context and environment change.
- The impact goes beyond the migrant's personal financial situation to the (extended) family and the community.

A number of instruments could help to channel remittances to investment-linked products in a way which benefits both individual households and the economy⁴¹. An important objective of financial education initiatives is, therefore, to enable migrants to use such products, in order to achieve higher levels of investment, productivity, and economic growth in their home countries (See Table 3 for a summary of key objectives of financial education for migrants and their families).

Academic and policy work has pointed to the importance of financial literacy for the success of MSMEs. Xavier et al (2013) have noted that the number of self-employed migrant workers compared is higher than that of native workers. However, migrants setting up enterprises may encounter greater barriers than native entrepreneurs. These include difficulties accessing finance, regulatory hurdles, tax burdens and a lack of general guidance or support⁴². Other challenges can include the lack of sufficient knowledge of the financial / social landscape in the host country, lack of a network of contacts and difficulties related to language skills and education levels. These barriers could ultimately constrain the contribution of MSMEs to the economy by slowing down their development and growth.⁴³

The lack of individual financial literacy of migrants affects potential entrepreneurs in a significant number of countries. Thus, providing migrants with the necessary financial skills and knowledge could potentially increase their chances of success for their enterprises, and facilitate their integration into society, as well as encourage job creation in the host countries. Moreover, after returning back home from migration, entrepreneurship is often seen as the most realistic way to continue earning a livelihood at home, taking into account limited employment opportunities and low income in home countries⁴⁴.

Furthermore, as ILO and IOM point out, labour migration sometimes comes with high costs and risks due to the lack of basic literacy and numeracy skills of the most vulnerable, often women. These risks can include labour exploitation, indebtedness and human trafficking. For these reasons, in addition to improving their financial knowledge and skills, migrants need to prepare prior to their departure by learning about the financial system and landscape in their host country⁴⁵.

As the analysis of various financial education programmes and initiatives for migrants suggests (especially in the CIS region), financial education often comes as a component of or in conjunction with other programmes, related to human trafficking, combatting terrorism and extremism, social integration into the host communities and legal support. Good quality financial education for migrants, as a complement to supply-side financial inclusion initiatives and financial consumer protection, therefore, appears to be an important part of any attempt to support these vulnerable groups, reduce poverty and increase financial well-being and financial stability⁴⁶.

Table 2. Key reasons for providing financial education for migrants and their families

Reasons to provide financial education for migrants and their families:	
•	Facilitate integration into the host countries and communities
•	Maximise the benefits of better economic and employment situation in the host country for the long-term livelihoods of migrants and their families
•	Reduce the legal risks, risks of human exploitation, human trafficking
•	Combat risks of extremism among potential migrants
•	Reduce wealth inequality through remittances
•	Encourage effective use of remittances
•	Foster long-term investment and savings
•	Facilitate formal financial inclusion
•	Smooth income and use of remittances
•	Promote entrepreneurship and set up (micro-) enterprises, and their access to finance.

3.3. Examples of Financial Education Initiatives for Migrants

A number of financial education initiatives and programmes have been undertaken in recent years as a result of greater awareness of governments and development organisations for their potential. The insights have been discussed in an increasing number of reports, some of which have attempted to measure their impact (see Table 2).

Table 3 International experience: financial education initiatives for migrants

Examples from home countries	
India ¹	The <i>Ministry of Overseas Indian Affairs</i> (MOIA) has introduced a special social security scheme named “Mahatma Gandhi Pravasi Suraksha Yojana” for overseas Indian workers. This scheme helps to save for their pension through the National Pension Scheme (NPS-Lite), to save for their return and resettlement, and to obtain life insurance cover free of charge.
Indonesia	Indonesian public authorities have been providing specific financial education to migrant workers since 2008, including entrepreneurship since 2011. The National Financial Inclusion Strategy, launched in 2012, targets vulnerable segments of the population, including migrant workers. It focuses on increasing the knowledge of financial product and services, awareness raising about consumer protection and providing information on financial management. The Indonesia <i>Financial Services Authority</i> (OJK), the <i>Central Bank</i> , ministries and other stakeholders are working hand-in-hand to offer financial education to migrant workers and their families, including on savings, remittances, credit payments and small business loans. Migrants are also trained to apply this knowledge. OJK reports that migrants’

	<p>feedback was positive about the content, the delivery (easily understood) and its overall relevance (implementation-focused). However, this approach requires a lot of resources and is difficult to scale up.</p> <p>An Indonesian study (Doi et al, 2012, in OECD,2016) highlighted the benefit of providing education to both the sender and receiver of remittances before migrants leave Indonesia (treating planned migration as a teachable moment). The authors found a positive impact of such training in terms of increasing savings and decreasing the reliance on credit.</p>
Examples from host/ destination countries	
Hong Kong, China	<p><i>Enrich</i> is the leading Hong Kong charity promoting the economic empowerment of migrant domestic workers (MDWs) through financial education. The charity carries out free workshops providing newly arrived migrant workers (2 years or less in Hong Kong, China) with the tools to save, budget, and plan for greater financial security. Additional forms of support include full and half-day mentoring sessions focusing on introduction to personal finance, investment concepts, tools and instruments; entrepreneurship for those planning to start a business; family money matters and more. The organisation also provides one-to-one, confidential advice for migrant women with specific money concerns, which is especially useful for indebted people or those who have big financial decisions to make. Financial counselling can help them understand their debt, make a plan for paying back loans, calculate their financial situation and set priorities.</p> <p><i>Enrich</i> conducted a year-long impact evaluation of its financial and empowerment education programmes for MDWs in partnership with the <i>Chinese University of Hong Kong China's Department of Social Work</i> and with financial support from the <i>Investor Education Centre</i> (which leads the Financial Education Strategy in Hong Kong, China). The evaluation showed significant improvements in financial behaviour and knowledge, across financial and general self-efficacy dimensions.²</p>
USA	<p>A variety of providers including federal governments, cities, community-based organisations, and immigrant service organisations have offered financial education programmes for migrants. For example, the National Resource Centre on Women and Retirement Planning focuses on vulnerable women, including migrants, by providing culturally relevant education and booklets such as “Financial Steps for Caregivers” and “What Women Need to Know About Money and Retirement” made available in various languages.³ The Federal Deposit Insurance Corporation offers a <i>Money Smart</i> financial education curriculum. The <i>Appleseed Network</i> has developed a number of publications aimed at promoting financial access among immigrants, while the <i>U.S. Committee for Refugees and Immigrants</i> has provided a series of financial education brochures in six languages together with <i>Citi</i>. The <i>U.S. Conference of Mayors' Council for the New American City</i> developed the National DOLLAR WISE Campaign as a way for mayors to offer financial literacy programs to residents in their communities. Many financial institutions and remittance providers also target migrants in the US.</p> <p>Evaluation of financial education aimed at Hispanic migrants in the US⁴ found that knowledge was not retained after 6 months after the intervention, and that it did not lead to the change in behaviour. This could suggest that such interventions would need to occur at the point at which the knowledge is required (the importance of</p>

	teachable moments), and that longer or different programmes would be necessary to create lasting effects.
Qatar	<p>The Qatar National Research Fund (a member of The Qatar Foundation) undertook a project on financial literacy of transnational (migrant) families in Qatar. The purpose was to design and pilot a financial literacy curriculum and to produce a set of instructional videos based on the contents of the curriculum.</p> <p>According to an impact study^{5 6} of other projects, such as a savings-focused financial literacy workshop for Indian migrant workers in Qatar and their wives in India, it appeared that the training was instrumental in boosting total savings and increasing joint financial decision-making of migrants with their wives in India.</p>
International and bilateral organisations	
International Labour Organisation (ILO)	<p>The ILO works both on the demand and supply sides of financial services in order to appropriately address the needs of migrant workers and their families. This dual method reflects a rights-based approach, which strengthens the capacity of migrant workers and their families to make informed financial decisions and further influences income generating activities and sustainable opportunities.</p> <p>The ILO has developed a financial education training toolkit utilised in a series of Training of Trainers (ToT)⁷ workshops to develop the knowledge and skills for responsible budgeting, spending, saving, borrowing, and investing. The workshops targeted the ASEAN region, Africa and some Caribbean countries.</p>
International Organisation for Migration (IOM)	<p>IOM has also implemented several targeted financial literacy programs for migrants, as well as included a financial literacy component in other educational and training programs for migrants. For example, “Smart Finance,” a financial literacy App targeting young people between the ages of 15 to 35, was launched in 2016 by the Caribbean Confederation of Credit Unions (CCCU) under the framework of the ACP-EU Migration Action, a programme implemented by IOM. The “Smart Finance” App allows users to learn the basics of budgeting and financial planning in a fun and interactive way, thus contributing directly to the improvement of the lives of migrants, their families and communities. The app also includes a financial glossary, video content and useful articles to learn on the go.</p>
GIZ (Deutsche Gesellschaft für Internationale Zusammenarbeit)	<p>The GIZ Sector Project “Migration and Development” produced a handbook on financial literacy for remittances and diaspora investments (FReDI)⁸ in 2012. The objective was to support the development of projects for financial education and independence of migrants and their families, link remittance flows to other financial products/services (savings, insurance, loans) and foster migrant savings and diaspora investments in their countries of origin. The handbook discusses various methods of targeting migrants and diaspora members with financial literacy as a means to an end of other goals – such as financial inclusion and entrepreneurship.</p> <p>Moreover, GIZ has led and funded a number of projects for migrants and refugees with a financial literacy and financial inclusion component across the world. In 2015 – 2019, in partnership with the Central Bank of Jordan,⁹ GIZ carried out a project on “Improving Access to Remittances and other Financial Services through Digital Solutions” targeting Jordanians with restricted or no access to financial services, as</p>

well as Syrian refugees in Jordan. The project included information campaigns on digital money transfer services and basic financial literacy training which has reached 12,000 refugees and 18,000 Jordanians (by mid-2018).

Notes:

1. Based on OECD (2016) and desk research.
2. ENRICH (2017)
3. OECD (2016)
4. Ibid.
5. Seshan, Yang (2014) *Motivating migrants: A field experiment on financial decision-making in transnational households*
- 6.7. Financial Planner for ASEAN Migrant Workers by the International Labour Organization (ILO) is licensed under the Creative Commons Attribution-Non Commercial 4.0 International License. To view a copy of this license, visit <http://creativecommons.org/licenses/by-nc/4.0/>
8. GIZ (2012)
9. Based on an interview with GIZ representative in April 2018

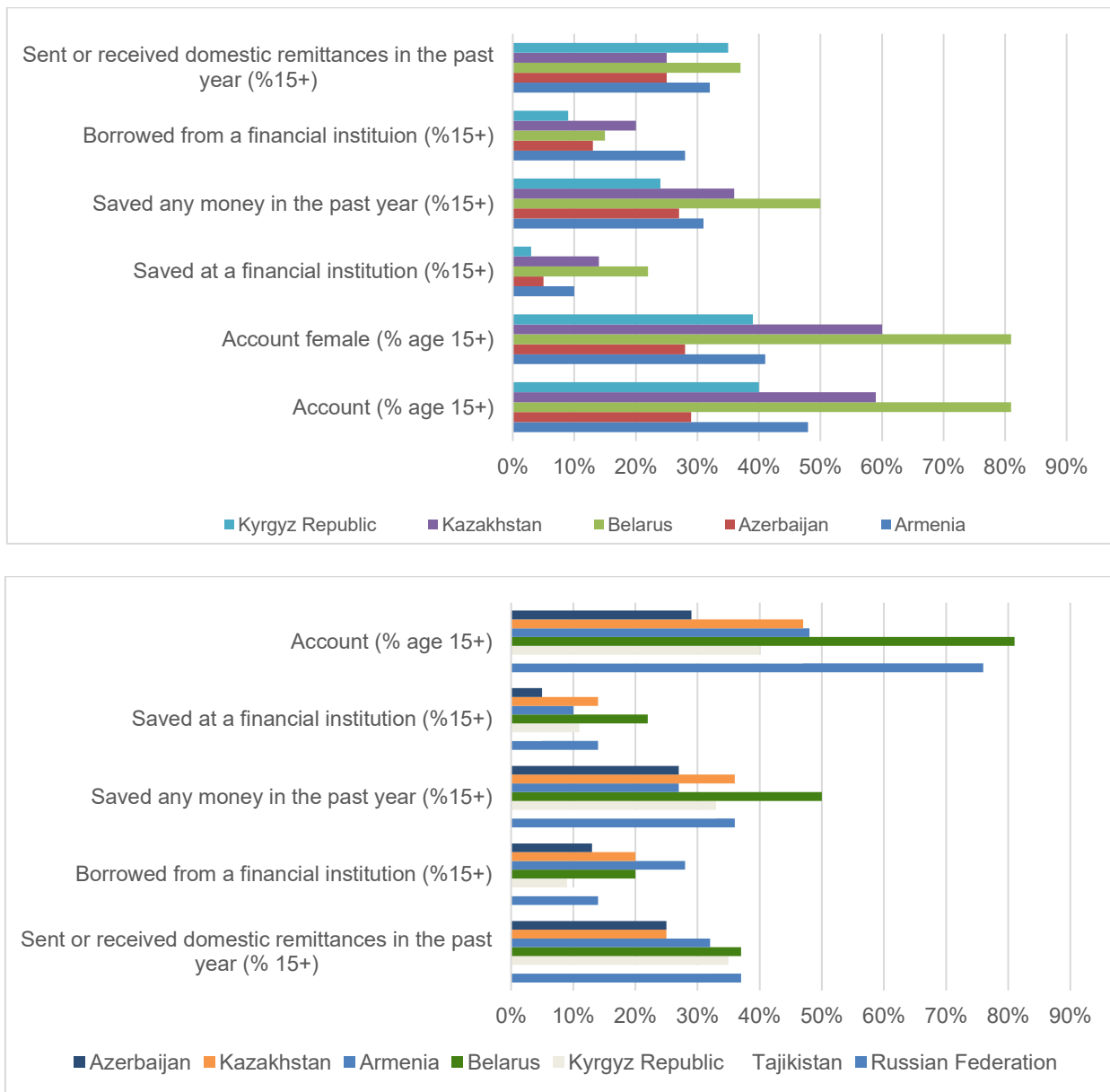
As these examples show, rigorous monitoring and evaluation of financial education initiatives for migrants provides important evidence base to convince stakeholders and donors to support such projects. Relevant monitoring and evaluation tools exist, including those developed by the OECD/INFE (e.g. Comparative and analytical framework for evaluation of financial education (2010), High-level principles on evaluation of financial education programmes (2011), the Guides to evaluation (2011)), as well as those designed by national-level financial education initiatives (such as the evaluation toolkit of the Money Advice Service in the UK). The handbooks on financial literacy initiatives, particularly for migrants and their families, developed by the ILO and GIZ⁴⁷, also offer useful mechanisms for needs assessment, monitoring and evaluation.

3.4. Financial Literacy and Inclusion of Migrants and their Families in CIS

Low levels of trust in formal financial institutions have resulted in low levels of financial inclusion in these countries⁴⁸. These can be traced back to the widespread banking crises of the 1990s with costly consequences for savers.

Even though traditionally CIS countries are falling behind Europe and OECD-country averages in terms of financial literacy, significant progress has been made over the past few years. Research suggests that big spending and borrowing for family events such as weddings and funerals is widespread in the region, particularly in Central Asian countries⁴⁹. Overall, while financial inclusion indicators in the CIS are higher than for some emerging countries, much work is still necessary, particularly to promote formal savings and careful budgeting to avoid over-spending.

Figure 9. Financial Inclusion Indicators



Source: Source: FINDEX Data, 2017
 Source: World Bank Findex, 2017

There is very limited data available on the financial literacy of migrants and their families in the six CIS countries at hand. A survey of the most vulnerable consumer groups in the Russian Federation was conducted in 2017, including a sample of 400 labour migrants, of which 69 percent were men and 31 percent were women. Nearly all (94 percent) are of working age, from 18 to 54, and without higher education (90 percent)⁵⁰. The findings with regard to financial literacy showed that⁵¹ :

- Labour migrants in the Russian Federation reported high awareness about banking products such as deposits, loans and credit cards (84-90 percent), but less are aware of investment products and micro loans (62 percent). The most difficult products for this group to understand are credit (34 percent), investment products (32 percent), and deposits/savings products (30 percent);

- Labour migrants find it difficult to assess their own level of financial literacy (46 percent consider it to be high, while 44 percent consider it to be low). Considering the language barrier, the most common source of financial knowledge for labour migrants are friends and family, as well as the Internet.

With the exception of Armenia, the project countries did not participate in the OECD/INFE International Survey of Adult Financial Literacy Competencies, nor in the OECD PISA financial literacy assessment of the financial literacy of 15-year olds (it took place prior to the project). Therefore, there is not much data for comparison even at a general level of adult financial literacy between the countries. However, surveys and studies undertaken in the past decade or so by the World Bank, Asian Development Bank and other international organisations do focus on financial literacy in these countries. For instance, the 2018 ADBI report on Financial Inclusion, Regulation and Financial Literacy in Armenia⁵² points out that financial literacy levels mask a sizable heterogeneity among social, economic, and demographic backgrounds. This calls for targeting, in particular, the most vulnerable groups, such as labour migrants, their families in (mostly rural areas), and the recently arrived refugee population. Similar results were found in ILO studies in Armenia, Kyrgyz Republic and Tajikistan, showing that older individuals and women have lower financial knowledge and behaviour results than younger and male respondents. In a 2014 OECD survey, Armenia scored the lowest along with Poland and South Africa based on a simple average of the three financial literacy dimensions used in the survey.

The socio-demographic aspects considered in the OECD/INFE survey⁵³ include gender, age, income, education level, and attitude towards risk. It showed that the urban population exhibits more positive financial behaviours and is likely to have a more positive attitude towards formal financial institutions.⁵⁴ The survey also revealed that employment increases the probability of better financial behaviour. At the same time, the majority of labour and seasonal migrants from Armenia, as well as other CIS countries come from the rural areas and from the population with lower levels of education. Hence, we can expect lower levels of financial literacy from this segment compared to the national average.

4. Regional Financial Education Needs Assessment of Migrants and their Families

This chapter outlines the financial literacy needs and requirements of migrants with some high-level recommendations and suggestions of potential regional financial literacy initiatives. While the situation of each one of the six countries is different, some of the recommendations are relevant for the region as a whole.

4.1. Financial Literacy Needs and Requirements

Prior to departure, migrants need to have adequate, accurate and objective information about the **financial landscape of the country** along with the legal and economic context of the host country. This concerns not only the main remittance-sending and receiving channels, but also current/savings bank products, payment products and infrastructure, as well as insurance products, and what documentation and other requirements are needed in order to access them in a safe and timely way. These products are essential to a migrants' livelihood and in some cases, like with health insurance in the Russian Federation, they may be compulsory. It appears that most migrants do not prepare sufficiently prior to departure, or if they do, it is in an unstructured way through personal networks of friends and family and other members of the community who have migrated in the past.

Family members, using and making spending decisions regarding the use of remittances also need to be aware of the **financial landscape in their home country**. Remittance-backed savings and credit are gaining popularity, and **saving** part of the remittances received in a bank account could become an important long-term strategy for the families. Therefore, these family members need to receive appropriate, objective and understandable **information** at a "*teachable*" moment. For example, when they come to the MTO or a bank branch in order to collect the remittances. According to various studies, this is the most effective moment when targeted consultation can be provided, ranging from non-personal written information in the form of posters, booklets, brochures at the branch, to a personal one-on-one (free) consultation.

Migrant families need more exposure to education about **long-term saving, investment and starting a business**. Many studies have indicated that the labour market and current economic development in CIS countries, particularly in small Central Asian countries, will not be able to absorb the big numbers of returned migrants and create **significant** new employment opportunities for the ones left behind⁵⁵. Thus, stimulating entrepreneurship among returned migrants and using remittances by families for setting up (micro-) enterprises is a major regional need.

4.2. Regional Challenges and Opportunities

This section focuses on barriers and opportunities for advancing financial education for migrants and their families in CIS, taking into account the regional context of financial literacy, inclusion and remittance use. While general barriers for financial inclusion and education of migrants, such as low/underdeveloped financial service industry and financial consumer protection in (some) CIS countries, cultural and social barriers exist along with some specific additional challenges.

4.2.1. Challenges

Low trust in financial institutions and in the formal financial system across the region. This could be largely attributed to the rapid transition from closed government-controlled financial system to a market and internationally-open system. Trust remains low, despite considerable financial system reforms and the implementation of consumer protection frameworks in some countries.

Lack of reliable data on the levels of financial literacy and the needs of the various segments of migrants and their families. As reported by interviewees in the OECD-INFE mapping exercise carried out in the framework of its project on financial education in the CIS, none of the interviewed organisations could provide broad data on migrants' financial literacy gaps, which is the basis for identifying specific needs to be addressed by policy makers. The diagnostic studies by the ILO in Armenia, Tajikistan and the Kyrgyz Republic in 2008-2013 on the potential for saving and investment from migrant remittances, remain one of the main sources of comparable data on the use of remittances and financial resources by migrants and their families⁵⁶. A key conclusion was that remittances are important sources of family support strategies but there was a distinct lack of meaningful data.

Lack of special financial products for migrants (including remittance-backed products) and a lack of awareness of those that exist. With the exception of some FSPs in Armenia and Tajikistan, there is limited experience with remittance-backed products in the region, particularly credit, and most FSPs see migrants as an unreliable target group to invest in. Likewise, few FSPs in the Russian Federation have yet complemented their product range with specific products and services for migrants. With rising competition on the national banking market and the size of migrant population in the country, it is only a matter of time before the banks and other FSPs will look closer at this market (NAFI, 2017).

Language barriers and low education and literacy levels. While the region benefits from a similar cultural past, the labour migrants to the Russian Federation usually represent the lower educated segments of the population. CIS migrants from Central Asia often lack basic numeracy and literacy skills, and Russian language skills are frequently low among young Kyrgyz and Tajik labour migrants.

Poor financial literacy of migrants also limits both access to, and use of financial products in spite of indicators suggesting that the use of formal remittance products is high among migrants in this region. According to a World Bank study of the remittance corridors in CIS countries, some Russian Federation banks prefer not to serve Kyrgyz and Tajik migrants wishing to send remittances, mainly because of their lack of language and basic banking skills. The banks indicated that it can take up to 30 minutes to process a remittance of a few hundred U.S. dollars, which makes the transaction generally unprofitable for the bank⁵⁷. Organisations experienced in working with migrant groups, with adequate resources to provide information/client support in various languages are needed to serve migrants.

The risks of exploitation and human trafficking. As reported by many of the respondents of the mapping exercise, the low levels of financial literacy of labour migrants could be associated with higher risks of exploitation and human trafficking. Migrants without a proper contract with the

employer, who do not discuss the remuneration, employment and financial conditions of the job beforehand are more vulnerable and exposed to risky or illegal labour conditions, and exploitation. Despite tighter regulation, cases of human trafficking and labour exploitation are widespread in various industries, both in Russia and Kazakhstan. Another challenge is the risk of **exposure to extremist groups**, particularly in Central Asia. Efforts to implement Anti Money Laundering (AML) and Combating Financial Terrorism (CFT) controls can have unintended consequences on financial inclusion.

Illegal migration and eligibility for financial services in host country. This challenge has been removed for migrants from Armenia, Belarus, the Kyrgyz Republic and Kazakhstan since the creation of the EEU where migrants are able to access financial services in Russia. However, for migrants from Azerbaijan and Tajikistan, opening a bank account requires a 'migration card', which can only be obtained with a valid working permit. For illegal migrants and/or Tajik temporary seasonal workers, many of whom do not have a valid permit, access to formal financial services is therefore unavailable in their host country. Cash-to-account remittance transfers from the Russian Federation through MTOs however, only require a valid passport and the details of the recipient bank and account

4.2.2. Opportunities

Despite many challenges of CIS countries in targeting migrant groups and their families with financial education, there are also many opportunities related to the advantages of regional geographical and political proximity, developed financial markets and low transaction costs. These include:

Competitive remittance markets. There is a highly competitive MTO remittance market, which has resulted in the Russian Federation having **the lowest remittance costs** in the world. This leads to high rates of formal remitting in CIS, with most of migrants using MTOs as a channel to send their money back home.

Formal remittance services may be the first formal financial services used by a migrant and could serve as a gateway to a broader range of banking services. Given migrants and their families often physically visit MTOs and back branches to pay-in/out remittances, this provides an opportunity to identify and intercept target audiences for financial education and awareness. Increasing awareness among migrants about available products needs to be among the objectives of financial education initiatives in the region.

Large, frequent remittance payments represent an opportunity to develop products and tailored financial education. Migrants from CIS countries remit more frequently and consistently, than for example migrants from other Eastern European countries⁵⁸, signalling a possibly stronger connection to their home states. The frequency and consistency of these remittances (even in small amounts) is an opportunity to provide education to migrant families on the possibilities for long-term financial planning, the benefits of long-term saving, and the opportunities for starting a (micro-)enterprise, thus creating a "safety net" for the time when the migrant returns home.

The geographical, cultural and language proximity of the states in question offer a number of opportunities for better financial education delivery. Countries from the region have a common past and thus maintain strong ties at cultural, economic, social and political levels, which could facilitate regional co-operation on financial education. Russian is an official language of the CIS Union. While the younger generation of migrants are less likely to be fluent, the vast majority of them still have a basic knowledge. Common challenges, such as low trust in the banking system, reliance on informal networks, and negative attitude towards saving could be addressed in a similar fashion with adjustments to respond to individual domestic contexts. Financial literacy projects for migrants could also rely on co-operation at border crossings as a channel for raising awareness about various migration-related issues of several countries at the same time.

Recommendations for Potential Regional Financial Education Initiatives

Policy makers from the region rarely consider financial education of migrants and their families as a priority. It also appears that until now, regional co-operation, which could play a significant role in boosting financial literacy, has been supported mainly by bilateral or international organisations. For example, in 2010-2014, the EBRD worked with Azerbaijan, Armenia, the Kyrgyz Republic and Tajikistan on financial education of migrants, while the GIZ supported initiatives - coordinated by the Union of Banks and the SBFIC – focused on financial capability of Syrian refugees in Armenia.

While it is important to take into account country-specific contexts, challenges of and opportunities for financial education are often quite similar at a regional or sub-regional level. Against this background, this section attempts to formulate a number of potential solutions and recommendations for regional approaches and initiatives fostering the financial literacy of migrants and their families. The success of such policy actions depends to a great extent on ensuring that domestic and cross-border financial literacy initiatives benefit from the attention and support of high-level policy makers.

1. Engage bilateral, regional and international stakeholders for advocacy and implementation:

International and bi-lateral donor organisations and (sub-) regional networks are well positioned to promote financial education of migrants and their families. They are uniquely placed to support capacity building thanks to their relevant expertise and access to governments, migrant networks and local civil society organisations active in the field. A number of organisations with experience supporting financial education and migration related work, such as the ADB, EBRD, GIZ, IFC, IOM, KfW, SBFIC, UNDP and USAID, are present in more than one project country. These organisations represent potential stakeholders in (sub-)regional financial education initiatives for migrants and their families. In particular, CIS policy makers could:

- **Look into potential avenues for co-operation with the IOM.** IOM programmes primarily focus on increasing migrants' skills prior to their departure abroad, particularly in Tajikistan and Kyrgyz Republic. **The Almaty Process**⁵⁹ could offer opportunities for interaction with the IOM, as one of its objectives is to promote sustained dialogue on migration and refugee protection in Central Asia and the wider region. Four out of the six project countries, Azerbaijan, Kazakhstan, Kyrgyz Republic and Tajikistan are members of the initiative. Going forward, the Almaty process could focus, in particular, on financial literacy and its implications for migrant integration and vulnerabilities.
- **Explore synergies with MIRPAL**⁶⁰, which is the first CIS network of practitioners in the field of migration and remittances. The project involves information exchange, development of joint recommendations on data collection methodologies, data analysis and other joint activities. All project countries, except Azerbaijan, are MIRPAL members, which could facilitate co-operation on financial education of migrants, drawing on relevant MIRPAL expertise, data and analytical materials.

2. Work with diaspora, community, civil society organisations and NGOs

The majority of migrants in the region primarily relies on information received from the diaspora or a personal network⁶¹. Most migrants have low trust in government institutions and are easier to reach with the help and support of civil society organisations and NGOs, which can play a significant role in mediating and starting a dialogue with religious communities and diaspora. Additionally, NGOs and diaspora networks can raise migrants' awareness of their rights and help monitor violations.

- **Engage with diaspora networks and leaders in the host country.** Armenian, Azeri, Kyrgyz and Tajik diaspora organisations in both the Russian Federation and Kazakhstan have a prominent place in the lives of labour migrants. Engaging their leaders in cooperation with national initiatives on advancing financial literacy at home can become an effective channel to reach a wide range of

individuals. The successful IOM experience with diaspora media personalities, who provided Indian migrants to GCC countries with financial behaviour advice, is a good example of such engagement.

- **Explore opportunities for co-operation with the regional civil partner initiative “Central Asia on Move”⁶²** which currently has 30 members from civil society organisations across the Russian Federation, Kazakhstan, the Kyrgyz Republic and Tajikistan. The platform’s objectives include support for social and economic integration of migrants in the destination environment and regional and national advocacy initiatives. A potential engagement with “Central Asia on Move” could aim to include financial literacy in the agenda of the platform.
3. Add financial education to existing pre-departure orientation and integration programmes and create relevant content

As part of the broader training of migrants, financial education should not be a goal in itself, but rather a means for economic empowerment and improvement of the livelihoods of migrants and their families. A number of existing orientation programmes for pre-departure or returned migrants currently lack a financial education component, and stakeholders could collaborate with relevant institutions to add it. Below are some examples.

- **Add financial literacy content** to the android app “MigApp” (Migracionnii spravochnik)⁶³ launched by IOM in the Kyrgyz Republic and handed over to the State Migration Service. Such content could include savings, budgeting, financial planning calculators, saving tips, objective information about financial products and services available for migrants and so on. Recognising the value in exploring a potential sub-regional use of this app, the IOM’s office for Central Asia is interested to explore developing links of Kazakhstan (as destination country) with the Kyrgyz Republic and Tajikistan (as countries of origin).
 - **Create a financial education module** with content for pre-departure migrants going to the Russian Federation that could be adapted and translated for pre-departure orientation and training programmes in CIS countries. These programmes are normally run by IOM, its partners, State Migration Services and their training/education partners. The network of institutions in each of the six countries would be responsible for adaptation, customisation, translation and implementation of the education module.
 - **Support universities in developing financial education projects targeting migrants.** The University of Central Asia (UCA) is looking for project partners to implement a financial literacy component in a multi-year regional project for economic empowerment of labour migrants. UCA is ready to participate in the exchange of information and content creation. The project aims to cover Kazakhstan, the Kyrgyz Republic and Tajikistan, and involve cross-border partners in the project.
4. Use innovative methods and online/ digital technology to advance financial literacy of migrants at a regional level

While standard training (one-day or multi-day) is the most popular delivery channel of financial education programmes for migrants, experience until now suggests the need to make greater use of more innovative approaches. In this vein, the IOM and other organisations have emphasised the need for more digital products to improve migrants’ financial literacy. The IOM has also started testing the concept of “financial motivation”.

- **Use informational videos,** YouTube and social media networks as an effective outreach method. A number of organisations in the region have used such an approach to promote investment and responsible spending of prospective migrants and their families. A regional approach could draw on existing experience and on materials in national languages respecting cultural and social differences.
- **Include a financial literacy component to existing websites and online resources for migrants,** including regional ones, such as the *Migrant-Help* website in Kazakhstan.

- **Consider creating an online portal / application for migrants** (particularly, in Central Asia) including legal information, visa and work permit requirements, as well as essential financial literacy information on: the financial landscape and available financial products, remittance channels in destination countries, respective price comparisons. Tools such as savings calculators and budget planners, adapted to migrants needs, could also be helpful. The platform should be available for mobile phones with information offered in different languages. The success of such initiatives is contingent on sound internet and mobile coverage.

5. Use “teachable moments”

The strategic timing of financial education initiatives is important, although harnessing teachable moments can be difficult to achieve. This could be particularly the case for informal and seasonal migrants. Consider using the following approaches, which have been effective for labour migration:

- Provide pre-departure orientation and specific programmes when workers take a decision to migrate
- Offer information about investment, savings and other relevant financial products in banks or at MTOs when migrants use remittance services and formal channels to send money back home or when migrant families receive remittances at local MTO / bank branches. The EBRD has supported a project, which has successfully implemented this approach.
- Make available various financial education booklets, brochures and other materials when migrants visit regional migration and employment centres, cross borders or use helplines.

5. Country Analysis: Migration, Financial Education Needs, Gaps and Solutions

This section focuses on financial education in each country from the region. The discussion covers policy objectives, main target groups and key stakeholders. It also aims to provide a preliminary needs assessment, gap analysis, and options for policy action.

Table 4 Country Analysis

Policy options and initiatives	Armenia	Azerbaijan	Belarus	Kazakhstan	Kyrgyz Republic	Tajikistan
Improve coordination of different policy agendas and between government stakeholders	✓			✓	✓	
Coordinate specific needs assessment of migrant groups e.g. financial literacy/financial inclusion needs	✓	✓				
Complement existing migrant integration, orientation and training programmes with other education e.g. financial education or human trafficking	✓	✓	✓	✓		✓
Track migrants and their families as a segment in existing financial education programmes	✓					
Use online tools to spread financial education for migrants and their families	✓			✓	✓	✓
Address migrant families/women	✓				✓	
Tackle migrants (all) with savings, investment and entrepreneurship education	✓	✓	✓			✓
Explore the potential for a regional initiative including Kazakhstan, the Kyrgyz Republic and Tajikistan				✓		
Engage with civil society, NGOs and community leaders				✓	✓	

Policy options and initiatives	Armenia	Azerbaijan	Belarus	Kazakhstan	Kyrgyz Republic	Tajikistan
Disseminate financial literacy through regional employment centres and migrant centres					✓	
Work through Ministry's vocational training centres and IOM network to target pre-departure migrants						✓
Engage with the financial/microfinance sector in providing financial education for remittance recipients						✓

5.1. Armenia

Following the collapse of the Soviet Union, Armenia has followed wider regional trends of mass emigration since 1991. The Armenian diaspora is one of the strongest in the world, with a big influence on the national economy, industry and the country's development. Since gaining independence in 1991, the country's population has declined by about 640,000 people, and stands just under 3 million people today (2018). This report considers mostly migration starting in the 1990s. It was then that the demand for labour and the economic realities in the country pushed people to go abroad and which still has relevance today.

The Russian Federation is the main destination country for temporary labour and permanent migrants. The Eurasian Economic Union (EEU) brought new opportunities for the Republic of Armenia to broaden the cooperation in the sphere of migration. Currently, Armenian labour migrants have the right of employment and the right to stay in any of the member states (without having to meet the requirements that apply to others in order to protect national labour markets). About 70-75 percent of long-term and 96 percent of short-term, seasonal Armenian migrant workers reside in the Russian Federation⁶⁴.

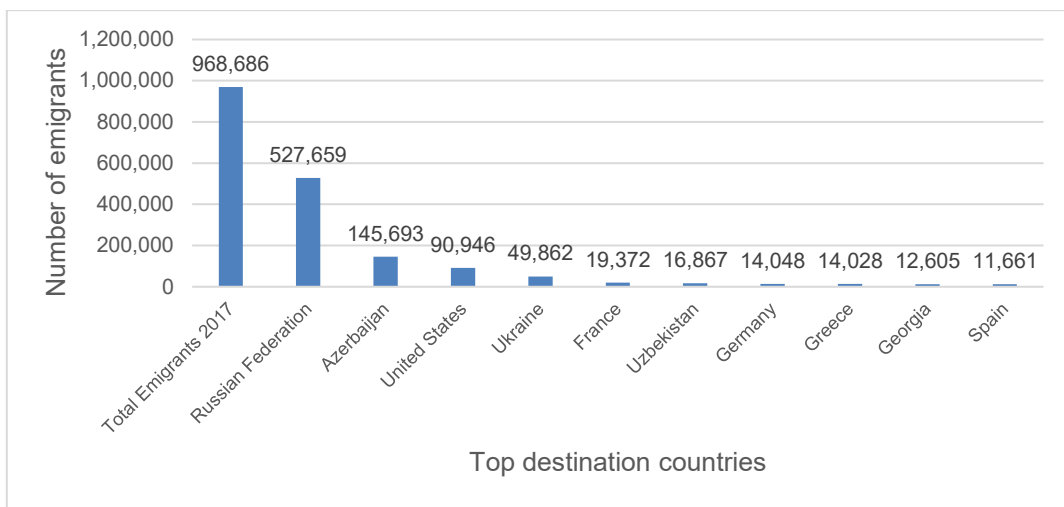
Data on the socio-economic profile of Armenian migrants searching for employment abroad is quite limited. However, it shows that they are predominantly male (78.5 percent in 2013), of working age (average age of 36 years in 2016) and with mostly medium-high level of education. OECD countries tend to have a higher proportion of tertiary educated Armenians – 40.4 percent, compared to just 17 percent in CIS. More than half of labour migrants going to work in the Russian Federation work in construction, trade, service industry, transport and other areas⁶⁵. According to the ILO (2008)⁶⁶, almost 40 percent of the Armenian migrants were long-term, while 22 percent were short-term.

Concerning immigration trends, between 1988 and 1992 Armenia saw the arrival of over 200,000 refugees from Azerbaijan due to the war of Nagorno-Karabakh. Hence, a major migratory challenge for the Armenian government was the effective provision of socio-political rights and welfare to refugees and IDPs⁶⁷. Since 2012, Armenia has seen a considerable influx of migrants and refugees from Syria, mostly Syrians of Armenian origin, who are fleeing the conflict in that country. As of June 2017 UNHCR has registered more than 18,500 people of concern, refugees, asylum-seekers, persons in a refugee-like situation and stateless persons, while the Ministry of Diaspora of Armenia indicates that more than 22,000 people arrived from Syria to Armenia between 2012 and 2015. Currently, Syrian-Armenians have various legal statuses in Armenia, including Armenian citizens (dual citizens), refugees, asylum seekers, and persons with temporary or permanent residence (one/five/ten years)⁶⁸. Large numbers of Syrian arrivals have medium and high levels of education after holding professional positions in Syria. However, they require a lot of assistance to successfully integrate into the Armenian society. Beyond immediate support, the most important challenge in the integration of refugees is the provision of and access to quality housing, health services, education and employment.

Remittances play a key role in the Armenian economy, accounting, on average, for 16 percent of GDP over the last several years, peaking at 19 percent in 2004⁶⁹. In 2016, personal remittances to Armenia comprised 13 percent of the national GDP. According to the International Monetary Fund, remittances into Armenia average 38 percent higher than total exports and twice the size of FDI. Following the economic crisis in the Russian Federation (2014-2015), there was a significant decrease of remittance inflows to Armenia. According to the Central Bank, in 2015 they decreased by 30 percent to USD 1.2 billion. However, they have since reached USD 1.38 billion in 2016⁷⁰.

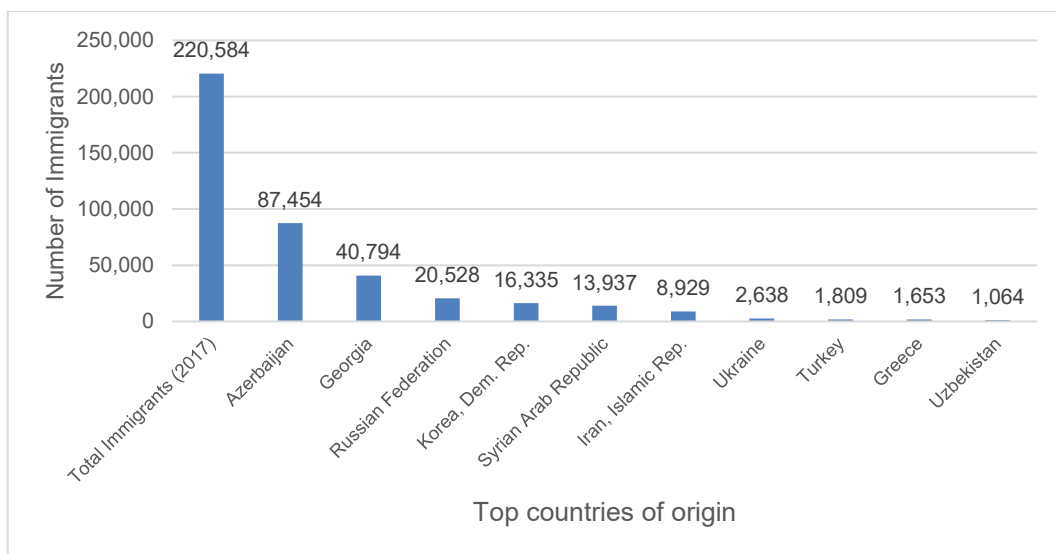
One of the main objectives of the Migration Strategy of Armenia for 2017-2021 is to establish a uniform data collection methodology in the Armenian migration sector. Currently, reliable data is relatively limited, with the latest international statistics available from 2014.

Figure 10. Armenia Emigration Statistics



Source: World Bank, Bilateral Migration Data, 2017

Figure 11 Armenia Immigration Statistics



Source: World Bank, Bilateral Migration Data, 2017

5.1.1. Policy objectives

Migration has historically played a large role in the economic and social development in Armenia. In the last 20 years, both permanent and seasonal labour migration has been mostly directed to the Russian Federation. Hence, recent labour migrants contribute the largest proportion of inflows of remittances into the country. Refugees from Syria are a predominant migrant group within Armenia, even though this group has not been studied extensively there is some suggestion that most of the refugees and migrants plan to stay in Armenia. This is even more the case since the documentation process has been eased and normalised by the Armenian government in recent years. There is growing attention being paid to target this group with development initiatives in order to foster their integration into society.

The government of Armenia is paying significant attention to the Armenian migrant diaspora around the world and as has defined policy objectives on financial education for migrants. These policy objectives are defined in two different documents;

- The National Financial Education Strategy 2014-2019 (NFES), led by the Central Bank of Armenia (CBA). While financial education of migrants is not explicitly mentioned in NFES, the CBA has responsibility for designing the financial education programme for migrants in Armenia in 2018, according to the Action Plan of NFES 2014-2019
- The Migration Policy Strategy for 2017-2021, adopted by the Government of Armenia in 2017. This is Armenia's fourth strategic policy document in the field of migration since 2000. For the first time this new national strategy contains a new pillar on "*migration and development*", and comprises 24 concrete actions designed to reinforce the positive link between migration and development. Some key areas for action aim to promote and facilitate the positive contribution of migrants to growth and sustainable development. The Strategy document focuses on, among other goals, *advancing financial literacy of migrants and members of their families, and raising awareness about the potential risks of informal channels*. In the strategy document, the action to "*Develop and conduct targeted financial literacy courses for emigrants and members of their families living in Armenia*" is explicitly mentioned⁷¹. According to this Action Plan:
 - A training programme will be implemented to raise the financial literacy of emigrants and members of their families residing in 2018-2019.
 - Conduct financial literacy classes for immigrants residing in Armenia and members of their families based on the approved training programme in 2020-2021.

The overall objective of the Armenian Government is to achieve a population increase⁷² to stimulate the return of Armenian labour migrants, students and ethnic Armenians who live abroad (this is likely to remain a priority after the recent "velvet" revolution and government change in May 2018). Therefore, integration and re-integration is the focus of the Government, and the main issue is how to entice people to come back. Considering the high levels of unemployment in the country and the small size of the market, stimulating the entrepreneurship and entrepreneurial environment seems to be the most feasible solution. Thus, government bodies, the IOM and other international donor organisations are working to promote entrepreneurship and setting up migrant enterprises. Financial education is an important aspect of these programmes.

<p>Target groups:</p> <ul style="list-style-type: none"> • Pre-departure Armenian migrants • Returned Armenian migrants • Migrant families at home (women) • Syrian Armenians (SAs) 	<p>Key stakeholders:</p> <ul style="list-style-type: none"> • Central Bank of Armenia • State Migration Service / Ministry of Diaspora • IOM • State Employment Agency (access to migrants) • Financial sector, civil society
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5.1.2. Needs assessment and gap analysis

While Armenia has a comprehensive financial education strategy, there is still a lot to be done in order to increase the financial literacy of the population as a whole, as well as for migrants. The **attitude towards long-term saving and trust in formal institutions** are among the main negative factors behind the low level of financial literacy. The most “alarming” factor dragging the overall level of financial literacy in Armenia down is the attitude of people towards long-term saving (only 11 percent of Armenians show positive attitude towards saving)⁷³. In the 2014 OECD survey, Armenia scored in the lowest group based on financial knowledge, behaviour, and attitude towards various aspects of financial literacy. This included budgeting, financial planning, and financial product choice. Therefore, improving all those aspects for migrants needs to be the objective of the policy and programme actions.

The survey also showed **lower financial knowledge and behaviour results within the female population, as well as for those from rural areas and with lower education levels**. This group represents families of migrants that stay behind, as the labour migration from Armenia particularly, towards the Russian Federation, is predominantly male workers from rural areas with lower education levels. Therefore, as the ADB and other stakeholders point out, Armenia needs to consider developing special financial education projects targeted towards such specific groups.

According to the World Bank’s survey in Armenia, households receiving remittances do not make enough productive investments, with only 12 percent of households engaging in business activities. The main productive use of remittances has been on housing development.

The government sees the **risks of the informal remittance** channels as one of the main messages in its financial education programme for migrants, as well as keeping migrants and diaspora representatives informed **about the cost of remittances**. For this latter purpose, they have developed the online information portal for migrants, www.sendmoneyarmenia.am, helping to make informed choices by comparing transaction costs, speed and other parameters of different service providers.

In line with these considerations, IOM Armenia has identified the following priorities in financial education for Armenian migrants, namely:

- i) increasing the knowledge of remittance mechanisms and the effective use of money by migrants
- ii) promoting long-term savings and starting businesses for migrants and their families, and
- iii) offering business training and support in setting up micro enterprises for returned migrants⁷⁴.

In 2017, GIZ conducted an overall needs assessment study of Syrian refugees in Armenia⁷⁵, which showed that the majority of refugees have middle or high education, are of working age and have found employment in Armenia. When conducting the needs assessment, ‘access to finance’ was identified as the main need, followed by **training, networking, and information** or knowledge. Conversely, the IOM suggests this group particularly needs **business training and support in setting up their own (micro-)enterprises** because of high unemployment rates in the Armenian market, and other integration issues for Syrian Armenians⁷⁶.

5.1.3. Challenges and opportunities

One of the objectives of the Migration Strategy of Armenia for 2017-2021 is to establish a uniform data collection methodology to effectively tackle different migration issues. The existence of **reliable and full data on their socio-economic situation and their behaviours, knowledge and gaps in financial literacy of the families** of Armenian migrants left at home, would allow for a more targeted formulation of financial literacy interventions. More data on the financial behaviour, knowledge and attitudes of Armenian migrants abroad is also needed, as well as its comparison with pre-migration levels, in order to identify the gaps.

At a workshop held by the IOM in November 2016 in Yerevan⁷⁷, some of the SDG migration targets were prioritised by the participants directly relating to the financial education and financial inclusion aspects of migration, such as:

- There is an overall need for better regulation of migration, particularly for a stronger labour migration framework that takes into account the needs of different migrant profiles
- Trafficking, exploitation and forced labour remain key issues, particularly for women and children. There is also a need to tackle gender discrimination better in labour markets
- Education and migration links need to be addressed better. Key issues include skills matching for migrants and return migrants, and retaining national human capital
- Better data collection and use is necessary to effectively tackle migration issues.
- There are links between SDG migration targets. For example, labour migration is linked to trafficking; if the former were better managed, a reduction of the latter may take place.

The World Bank study of remittances in Armenia also found that households receiving remittances tend not to work. Regression analysis showed that growth of remittances reduces employment in Armenia. It also showed that because the growth of remittances is mostly due to migration in previous years, this is evidence of overall workforce reduction, particularly for the high-quality workforce.

Despite the policy challenges and slow economic development of Armenia in the past years, there are many opportunities that can be taken advantage of when developing financial literacy interventions:

- With Armenia joining the Eurasian Union fully, Armenian migrants have full access to the Russian Federation labour market, which made migration more regulated, orderly and reduced the cases of undocumented and illegal migration. This has also led to an increase in the use of formal remittance channels and could lead to increased access to financial products.
- There is government backing and developed coordination mechanisms between various stakeholders, such as the Central Bank, government bodies, donor and international organisations, as well as a relatively well-developed financial sector (although there is significant room for improved coordination).
- The recent government change and “velvet” revolution could also potentially lead to an increase in donor funding for development projects, that could benefit from future financial education initiatives.

5.1.4. Policy options and initiatives

1. Improve coordination of different policy agendas and among government stakeholders

While financial literacy for migrants is discussed in the NFES and the Migration Policy Strategy, there has been no substantial cooperation or coordination of governmental and other stakeholders. It appears, for example, that the State Migration Service (SMS) and the State Employment Agency (SEA) in Armenia have limited (or no) contacts with the CBA.

The IOM has experience in working with the SMS and the SEA. Other international or bilateral organisations, such as GIZ and SBFIC have implemented a series of projects, seminars, awareness campaigns and other initiatives for Syrian migrants with limited coordination with other stakeholder groups. It is, therefore, important to ensure strong coordination of work focusing on outgoing and incoming migrants overall. This is especially the case as Armenia has strong leadership on the financial education agenda and often serves as an example for other countries in the region.

The following potential actions could be considered to improve coordination:

- Organise a stakeholder meeting with the participation of the State Migration Service, State Employment Agency, the Central Bank, IOM and other relevant stakeholders to define the type of migrants to target and a roadmap for expanding financial education programmes to include migrants.
- Draw on previous experiences of the IOM and the State Migration Service to define the most effective channels and methods for increasing the literacy of migrants
- Ensure continuous information exchange among government stakeholders
- Create an overall plan to advance financial literacy for migrants in Armenia to be agreed by both the CBA and SMS.

2. Conduct specific needs assessment of migrant groups

Taking into account the heterogeneity of migrant groups, the government priority to promote the return of Armenian migrants, and the differentiation between outgoing and incoming migrants, it is important to conduct needs assessments. They would help to clarify the objectives and targets of different projects before implementation. Therefore, prior to the development of a financial education programme for a particular type of migrants, a thorough assessment of this group would assist in better addressing their particular needs, concerns and gaps in financial literacy.

3. Complement migrant integration, orientation and training programmes with financial education components

There are a number of ongoing training programmes for labour migrants from Armenia that target pre-departure migrants, returned migrants and their families. For instance, the IOM is running a number of training programmes on business and entrepreneurship skills for returned migrants, which include support and mentoring, creating a business plan, etc. Moreover, initiatives aimed at facilitating the integration of Syrian Armenians into society often aim to also promote access to finance and setting up (micro-) enterprises.

Potential actions in this respect could include:

- Add financial education components to integration programmes for Syrian migrants, in addition to other social integration issues (housing, education, employment and business skills training). Build on the work of the KASA Foundation which has started a camp for refugee children in Armenia offering training including financial literacy modules
- Consider using news sources for migrants as a platform for disseminating more financial education content. For example, the online information portal for migrants (www.sendmoneyarmenia.am) could also become an effective tool for further dissemination of financial education for migrants, beyond the current comparison of remittance prices
- Partner with the State Migration Service, State Employment Agency, regional Migration Centres, and use their networks to reach target groups
- Deliver financial education as part of the pre-departure orientation at the regional Migration centres.

4. Track migrants and their families as a segment in existing financial education programmes

Many of the current financial education initiatives, particularly those targeting rural areas, could be already reaching migrants and their families. For example, the Rural Financial Education Project (RFEP, implemented by the CBA and SBFIC, aiming to reach about 20,000 people by 2019), has the potential to involve the pre-migrant and current migrant population, as many of the immigrants, including seasonal and permanent, come from the rural areas. The programme's beneficiaries are likely to already include members of migrants' families, not to mention that some participants might also migrate afterwards. However, none of the current programmes, which are part of the NSFE action plan, includes specific financial education content targeting the migrant population, or tracking migrants as special social group.

5. Use online tools to spread financial education for migrants and their families

Armenian labour migrants have high rates of using mobile and online technology. There is untapped potential for using online tools for training, and for addressing the knowledge and awareness needs of migrants. Some actions in this respect could include:

- Consider developing an online portal including relevant information in accessible and user-friendly fashion. This would be an optimal solution for reaching larger numbers of migrants, given the limited capacity for direct outreach by government authorities and stakeholders
- Up-date the existing online information portal for migrants (www.sendmoneyarmenia.am) by adding relevant financial education information
- Complement the national financial education website www.abcfinance.am with a special section on remittances, financial products and with references to other financial information relevant for migrants.

6. Focus on migrant families and women

Learn from the experience of previous projects designed to address issues faced by migrant families and develop follow-up activities:

- Raise the awareness of banks of the importance of financial education as a core activity, in order to change the attitudes and perception of the trained population, encourage the use of remittances in an efficient way and foster savings.
- Evaluate the impact of past financial education activities targeting migrant families and women to gauge their long-term success and impact. Special attention would be necessary to evaluate the experience of banks, which had removed fees on deposit accounts and worked with financial educators as market agents⁷⁸.

Explore possibilities to carry out new programmes for migrant families and women, and follow up on former projects. An EBRD initiative completed in 2013 involved work with financial advisers who provided remittance recipients with free, one-on-one financial consultations on how to manage their finances, resulting in 27,000 people trained, of which 42 percent opened savings accounts.

7. Reach out to returned migrants with savings, investment and entrepreneurship education

Only 12 percent of migrant households are involved in any kind of business activity in Armenia⁷⁹. As the government has prioritised the facilitation of employment and entrepreneurship opportunities for returned migrants, it would be useful to consider the following:

- Make a structured effort to increase the percentage of migrants developing and implementing business projects.
- Put in place programmes aiming to develop the business and entrepreneurship skills of migrants, in co-operation with relevant stakeholders, such as those from the microfinance sector.

- Multiply the effect of domestic initiatives by co-operating with financial sector players or other stakeholders, such as the Eurasian Partnership Foundation, which is considering a potential 'returnee investment programmes' which has a component on how to effectively invest savings⁸⁰.

5.2. Azerbaijan

During the first years after regaining independence in 1991, the Republic of Azerbaijan was faced with the emigration of a significant number of its nationals abroad⁸¹. Current migration flows are mainly directed to the Russian Federation, the EU and the US. The Russian Federation is the predominant host country, with more than 740 000 people from Azerbaijan living there as of 2013⁸². However since 1998/2000, Azeri migration has been re-directed towards other countries as well, including the US, Germany and Turkey⁸³.

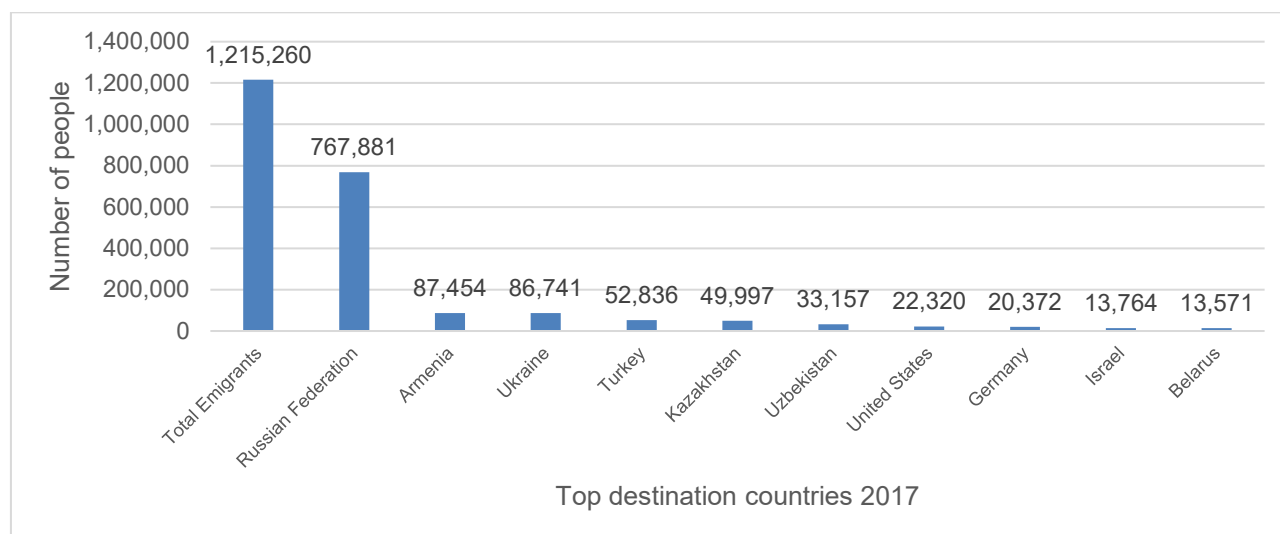
From 2008 Azerbaijan has had a positive net migration largely due to migration of a labour force from Afghanistan, Pakistan, Iran and Central Asia⁸⁴. Azeri migrants abroad have an intermediate level of education with 52.7 percent having a secondary level education and 25.0 percent having a tertiary level of education, (Migration Policy Institute 2013). By looking only at tertiary educated migrants on average, their proportion is however lower than the OECD average. In the OECD countries, Azeri migrants are mainly employed as professionals (18.8 percent), service, shop and market sale workers (18.3 percent) and craft, and related trade workers (15.2 percent). Some data suggests that Azeri migrants in CIS (and particularly, the Russian Federation) are typically employed in lower-paid industries and lower-skilled jobs, however due to the fact that large numbers of ethnically Azeri migrants already hold Russian citizenship it is difficult to determine precisely the socio-economic status of these individuals. There is also only limited data available on inward migration, as Azerbaijan does not have any official registration for labour migrants⁸⁵.

The majority of workers from Azerbaijan in the Russian Federation are men who predominantly work in construction, services, trade, and agriculture. Official statistics on related payments are likely to underestimate the actual inflows⁸⁶.

Another important migration-related issue and a major challenge for Azerbaijan is the welfare, territorial resettlement, and the re-integration of refugees and internally displaced persons (IDPs). They include those that have moved to Azerbaijan following the Nagorno-Karabakh conflict between Armenia and Azerbaijan, and the Meshkhetian Turks that sought refuge from conflicts in Georgia⁸⁷. The number of Karabakh IDPs' in Azerbaijan was estimated at more than 1 million people of which over 40,000 people are likely to live in "very difficult conditions"⁸⁸. The Government of Azerbaijan is paying significant attention to this target group and is developing various integration programmes, however, the financial situation of many IDPs remains very unstable.

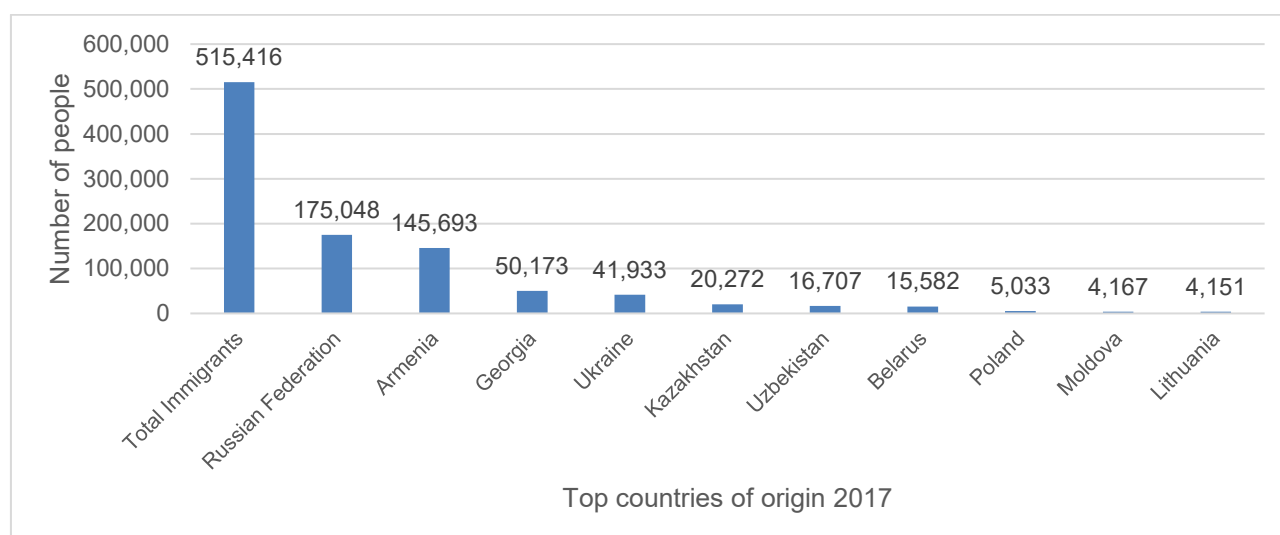
Azerbaijan is the second least dependent country on remittances in the region of South Caucasus and Central Asia (after Kazakhstan). According to the 2016 World Bank data, remittances from abroad constitute 1.7 percent of the economy of Azerbaijan. They peaked at almost USD 2 billion in 2012. However, like in many countries from the region, there has been a significant decline, with about USD 1 050 million estimated by the World Bank in 2017. The most popular channels for receiving remittances include bank transfers and money transfer services, both from the Russian Federation (Blizko, Zolotaya Korona and Contact), and other countries (MoneyGram, Western Union). There is relatively little data on the use of remittances, but a study from 2007 suggested that recipients spent approximately 80 percent on basic daily expenses such as food, housing, clothing, utilities and medicine⁸⁹.

Figure 12 Azerbaijan Emigration Statistics



Source: World Bank, Bilateral Migration Matrix, 2017

Figure 13 Azerbaijan Immigration Statistics



Source: World Bank, Bilateral Migration Matrix, 2017

5.2.1. Policy objectives

With the economic development and boom in oil prices in 2000s, Azerbaijan has seen a significant reduction in labour migration from the country, and is now seeing a positive net migration⁹⁰. The main priorities of the Ministry of Foreign Affairs of Azerbaijan in the field of migration are:

- Managing the incoming migration streams
- Introducing labour migration quotas
- Improving migration management mechanisms
- Increasing the efficiency of the state migration management
- Co-ordinating the activities by relevant public agencies
- Improving the legislative framework

- Taking proper actions to prevent illegal migration
- Cooperating with migration services of other countries as well as international organisations.⁹¹

Thus, policy objectives are mostly targeting the “new” incoming wave of labour migrants.

Policy objectives focused on financial education in Azerbaijan are set by its national Financial Literacy Project launched in 2010 under the mission plan of the Central Bank of Azerbaijan, and the National Financial Literacy Strategy of 2016. The Department of the Centre for Research and Development implements these activities on behalf of the CBA. The key target audience of the Financial Literacy Project are high school students, the general public, economic journalists, CBA employees, commercial bank employees, and students majoring in banking. Although not explicit, these groups might include migrants and their families, however tracking indicators are not included in monitoring and evaluation activities of the Plan. Moreover, Azerbaijan is the only one of the project countries not part of the MiRPAL. Hence there is limited data available on Azerbaijan in terms of financial literacy, remittance behaviour, and knowledge of migrants, as well as about stakeholders involved in migration issues.

Table 5 Target Groups and key stakeholders (Azerbaijan)

<p>Target groups:</p> <ul style="list-style-type: none"> • Azeri migrants abroad and their families in Azerbaijan • Labour migrants in Azerbaijan • IDPs from Nagorno-Karabakh conflict 	<p>Key Stakeholders :</p> <ul style="list-style-type: none"> • Central Bank of Azerbaijan • State Migration Service • Ministry of Foreign Affairs • SBFIC and other donors • Azerbaijan Micro-finance Association (AMFA) • ABTC Training and Consultancy Services
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5.2.2. Needs assessment and gap analysis

The EBRD National Public Opinion Survey on Remittances of 2007⁹² was one of the major sources of analysis of remittances received by Azeri families. It was found that 9 percent of Azeri adults were receiving remittances on a regular basis. The ADB study of 2018⁹³ reported that for 37 percent of poor households remittances are the only household income source. It was also found that Azeri remittance recipients spend approximately 80 percent of the money they receive on basic daily expenses such as food, housing, clothing, utilities and medicine. Other than these daily expenses, only 9 percent of families saved part of the money, and only 5 percent used the money to start a business. Even though the levels of financial inclusion in Azerbaijan are quite low, the EBRD found that more than 70 percent of the population have a positive attitude towards banks. Even though most people did not have any investments, they were “very interested” in financial products such as mortgages, opening a savings account, health/life insurance and loans to start a business. Thus, the **promotion of savings and other financial instruments, as well as general financial budgeting and planning** could be priorities for the financial education of migrants’ families.

The lack of financial literacy in an environment with complicated application procedures for bank loans and high financing costs creates a substantial disadvantage for SMEs (ADB). The increasing occurrence of parallel borrowing coupled with the massive dollarisation or withdrawal of savings from banks indicates the need for increased financial literacy.

5.2.3. Challenges and opportunities

In spite of the above mentioned EBRD findings - and similar to other countries of the region there is a need to continue building trust. This is an important task for regulators and government bodies.

Moreover, there is very little data available on Azeri migrants abroad, on their behaviour and use of remittances by their families, except for the hard data on the size of remittances collected by the World Bank. Labour immigration from Azerbaijan has significantly slowed down in recent years, transforming the country into more of a “host nation”. This also explains why little government attention is focused on financial education of migrants and their families. This leaves space for financial institutions, MTOs, banks and donor organisations to target this group with financial education. Considering that the majority of Azeri migrants use formal channels, such as MTOs, to send their remittances, the latter could be a delivery channel for financial education messaging and information.

5.2.4. Policy options and initiatives

Based on stakeholder interviews, a number of recommendations could be made in order to assist public, private and civil society organisations in Azerbaijan in including migrants and their families in financial education initiatives.

1. Collect data and identify financial literacy and financial inclusion needs of IDPs in Azerbaijan

While Azerbaijan has conducted a national financial literacy survey and several projects included Azeri migrant families and remittance receivers, the group of IDPs is still relatively unexplored in terms of access to financial services and financial literacy needs. Many IDPs still struggle with economic hardships and are one of the most vulnerable groups in Azeri society. Targeting this group with financial education initiatives is important for their economic, financial and social inclusion in society.

2. Promote financial education among IDPs and complement IDP integration programmes with financial education

A range of financial initiatives for IDPs could be organised in partnership with the Azerbaijan Bank Training Institute and Consultancy Services (ABTC). In accordance with the 2018 ABTC proposal for financial literacy training for IDPs (mostly from Karabakh region), targeted actions could include as follows:

- Develop training materials, (especially case studies on the preparation of financial and marketing plans for micro businesses)
- Design guidance on registration of companies and individual entrepreneurs
- Advise IDPs on the opening of their own business and how to obtain financing
- Organise classroom training
- Provide on-line digital content.

The ABTC project and other such actions could be implemented with support from international organisations such as IOM, SBFIC, GIZ, which could share international experience. Moreover, such initiatives could also complement other integration initiatives for IDPs, as envisaged by the government of Azerbaijan.

3. Promote long-term savings and investment among Azeri migrants and their families

Similar to other countries in the region, most remittances received by Azeri households are used for immediate everyday consumption, and little is being saved in a bank account or invested. The EBRD project (2010-2014) in Azerbaijan included 4 banks and 13 educators trained to offer on-the-spot, individualised, quick financial education sessions in bank branches. The project showed positive results in

terms of savings by remittance receivers and their use of banking products. Drawing on the EBRD experience, recommendations on long-term savings and investment could include:

- Promote financial counselling and one-on-one consultations
- Include in existing financial education initiatives, such as SBFIC Nationwide project on Responsible Finance, Financial Education and Consumer Protection and other activities of SBFIC, and track migrant families and IDPs
- Design a separate section for migrant groups for the national financial literacy portal (<https://bizimpullar.az/>) launched by the Central Bank of Azerbaijan. Content could include remittance channels, costs, the importance of savings, savings calculators for migrants and remittance-backed financial products.
- Include migrant-related content to the work of other stakeholders targeting rural and vulnerable populations, such as the Azerbaijan Micro-finance Association (AMFA). This could build on the results of the EU funded project “Building female professionals and promoting women entrepreneurship development in rural regions of Azerbaijan” that AMFA implemented in 2014-2017.

Box 1. Building female professionals and promoting women entrepreneurship development in rural regions of Azerbaijan

The Project aimed to enable women to become more informed financial decision makers, develop awareness of personal financial issues and choices, and learn basic skills related to earning, spending, budgeting, saving, borrowing, and investing money. The focus of the project was on low income households, with a preference on women and youth. It was noted by AMFA that some of the participants were labour migrants, internally displaced people and refugees (possibly most from the Karabakh region). However no targeted content was included for these groups, and appropriate follow up was not conducted. AMFA noted the lack of funding opportunities to expand the programme to rural regions on a sustainable basis as a major challenge of the project. They note that in order for the participant to get family support to participate in the programme, it is important to conduct the training both for women and their husbands, but in separate groups. Moreover, for all regions in the country, it is important to contact the local government bodies as a first priority in order to reach the preferred target audience. Subject to the availability of funding, AMFA would be interested to implement financial literacy trainings on a sustainable basis, addressing various target groups, including migrants, their families and internally displaced persons in Azerbaijan.

5.3. Belarus

In the 2000s, Belarus and the Russian Federation became the main countries in the region with positive migration inflows. Emigration patterns from Belarus a decade earlier were particularly centred towards the Russian Federation, as well as some European Union Member States. According to The World Bank, around 1.6 million Belarusian migrants were living abroad in 2017.

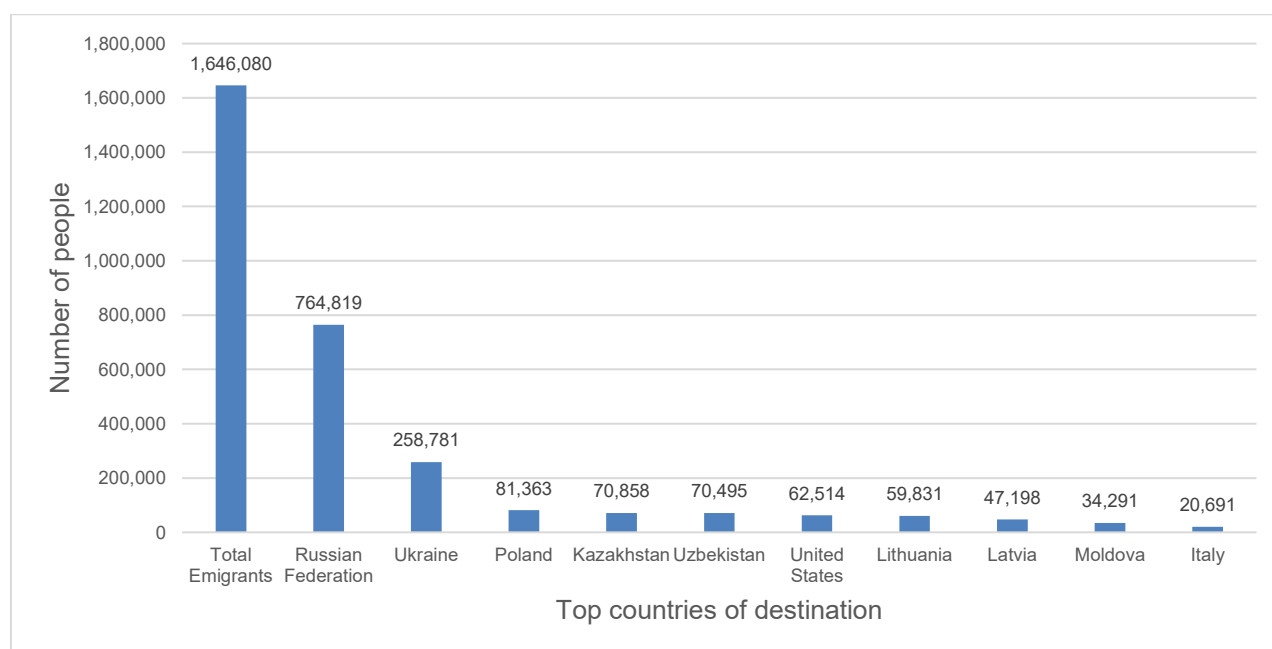
The profile of Belarusian migrants differs significantly according to their destination country. For example, the majority of labour migrants moving toward the European Union are female, whilst the opposite is observed regarding flows to the Russian Federation and other CIS states. This pattern can be explained by more opportunities for females in domestic work in the EU countries, while in the Russian Federation male temporary migrants are employed mostly in construction and manufacturing industries⁹⁴. On average, Belarusian migrants show a medium-high level of education and are employed in medium skilled jobs⁹⁵.

Currently there are more CIS migrants coming to Belarus for work than Belarusians going abroad. The estimates show that almost 30,000 people migrated to Belarus in 2015. The number of incoming migrants in Belarus peaked in 2015 due to war breaking out in neighbouring Ukraine⁹⁶. Moreover, Belarus is used as a transit country by migrants from other CIS countries on their way to Western Europe and EU countries, with some estimates suggesting that 30,000 people stay in Belarus, trying to cross the EU-Belarus border⁹⁷. Coping with this transit is one of the main priorities of the Belorussian migration policy.

According to the World Bank remittances were estimated to be around USD 1,258 million, or 2 percent of GDP in 2016. Remittances from Belarus are comparatively low compared to other CIS countries, yet there has been a continual increase over the last two decades, with the exception of the world financial crisis of 2008. This relatively low figures means that migrants are not a target group for financial education.

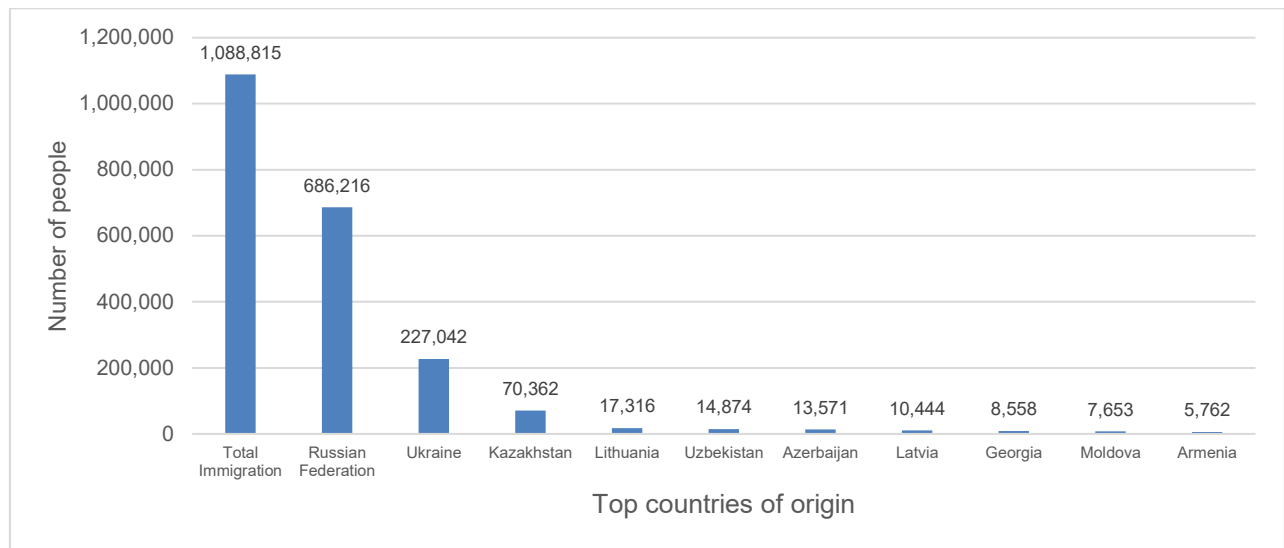
The Migration Policy Centre and other data sources indicate that the data on temporary migration is likely to underestimate current outward migration flows as most of temporary migrants go to Western countries on temporary and guest visas, and then find permanent employment (most notably in Poland). Since the Russian Federation and Belarus are part of the so-called Union State, it provides both citizens the right to work and permanently settle in either country without formal immigration procedures otherwise mandatory for foreign nationals. This makes the number of temporary Belorussian migrants difficult to estimate.

Figure 14 Belarus Emigration Statistics



Source: World Bank, Bilateral Migration Data, 2017

Figure 15 Belarus Immigration Statistics



Source: World Bank, Bilateral Migration Data, 2017

5.3.1. Policy priorities

The migration policy of Belarus (2009) aims to combat illegal immigration and transit, to improve refugee living conditions, and to combat brain drain. Financial literacy or financial inclusion are not identified as policy priorities.

The National Bank of the Republic of Belarus (NBRB) is the main driver and coordinator of financial education initiatives in Belarus. The National Plan of Joint Actions of state bodies and participants in the financial market on financial literacy was implemented in 2013 with schoolchildren, youth and journalists as main target groups. No targeted activities or initiatives were directed at any type of migrant populations.

5.3.2. Needs and gaps in financial literacy

The National Bank of the Republic of Belarus (NBRB) has conducted several assessments and studies on the levels and gaps in financial literacy of the Belorussian population in the last decade. In 2016, they assessed financial literacy within the AFI Technical cooperation project. The study showed an improvement in levels of financial literacy since 2013. About 15 percent of respondents had a negative experience in financial services, mostly linked to the use of bank deposits and consumer credits. The tendency towards investment has not changed significantly, as people prefer to spend money for buying goods or to keep it at home rather than invest or use available financial instruments. Belarus has one of the best scores in savings indicators in the region with almost three-quarters of respondents in 2016 willing to save money. Most of them were advocates of the “residual saving” strategy, saving remaining money after covering all day-to-day needs. For almost 20 percent of respondents, savings are a priority; they allocate some amount from the household budget for savings and use only the remaining part to satisfy their day-to-day needs. The number of respondents spending all their money on their day-to-day needs and making no allocations for savings was almost 34 percent. Thus, raising financial awareness of the population on investment instruments and long-term financial planning in Belarus is important.

5.3.3. Challenges and opportunities

Negative experiences with the use of financial services, could be one of the challenges in trying to improve the financial literacy of migrant families in Belarus. Moreover, even though most Belorussian migrants prefer to use formal channels to remit money, the National Bank of Belarus noted that many migrants still

prefer to carry cash to Belarus, thus bypassing the banking system. It is, therefore, essential to strengthen local authorities' capacity and extend their participation in the development and implementation of domestic and regional programmes promoting financial literacy and supporting economic opportunities for migrants⁹⁹.

At the same time, the propensity to save and the related literacy is above the average levels for the region. There is also a developed financial system, common language and cultural habits between Belarus and the Russian Federation. Belarus needs to build on these favourable conditions for targeting and implementing cross-border remittances and investment initiatives.

The development, use and promotion of a single internet portal for financial literacy (www.fingramota.by) in Belarus has been quite successful. Moreover, all activities of the NBRB and other stakeholders to improve the financial literacy of the population are conducted in close cooperation with the media, including joint projects with print media underway.

The Republican Microfinance Centre (RMC), supported by USAID, has also developed relevant experience through the project "Improving Access to Finance for the Rural Population in Belarus" (2014). This work covers events and activities fostering micro-entrepreneurship in rural settlements of up to 20,000 citizens and provides assistance with improving the administrative and regulatory framework for microfinancing. The project also focuses on increasing investment opportunities in rural areas, supporting rural microenterprises' fostering supply chains, strengthening and revitalising rural communities thereby facilitating economic growth and contributing to an increase in household income. The project has focused on owners of private subsidiary farms, farmers, agro-ecotourism sites, artisans, individual entrepreneurs and microenterprises employing up to 10 people.

Table 6 Target groups and key stakeholders (Belarus)

<p>Key target groups:</p> <ul style="list-style-type: none"> • Belorussian migrants abroad and their families in Belarus 	<p>Key Stakeholders :</p> <ul style="list-style-type: none"> • National Bank of the Republic of Belarus • Republican Microfinance Centre • IOM • Financial sector and other participants of the joint national action plan (led by NBRB)
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5.3.4. Policy options and initiatives

While the issues of labour migration of low-skilled workers towards the Russian Federation is less of a priority in Belarus (compared to other countries of the region), a number of other issues on which policy makers could focus to successfully promote financial literacy among migrants and their families are outlined below.

1. Make use of existing financial literacy programmes and initiatives to target migrants and their families

Belarus has a well-organised financial literacy coordination mechanism, with a strong leadership and structure set up by NBRB. This is an important prerequisite for exploring synergies among programmes for the development and implementation of financial literacy initiatives for migrants and their families.

- Collaborate with relevant governmental and non-governmental stakeholders in fostering financial literacy of migrants and their families.

- Use the RMC's experience in covering the rural and vulnerable population of Belarus in exploring the particular needs of migrant households in the country.
 - Create content and tools for the official Internet portal on financial education to address the needs of migrants and their families. Focus on as well as on media messaging to raise awareness of new initiatives.
- 2. Set up programmes promoting long-term savings, entrepreneurship and investment of migrants and their families**

In this respect, Belarus could consider the following:

- - Work with non-governmental partners to implement policies and programmes fostering the reintegration of migrants in the domestic economy and the investment of their resources to encourage their return and provide them with a long-term vision for the future. Such an approach is also supported by the Population Reference bureau¹⁰⁰ and academics.
- - Explore opportunities offered by a number of nongovernmental initiatives to harness migration for development. Some NGOs from the sending countries have worked with their governments to establish networks of expatriates in a host country that support migrant savings and alternative investment programmes. While no similar programmes exist in Belarus, such initiatives are already taking place in Central Asia¹⁰¹.
- - The IOM could be a potential partner in setting up specialised programmes on integration of migrants in Belarus as well as the reintegration of returning citizens¹⁰².

5.4. Kazakhstan

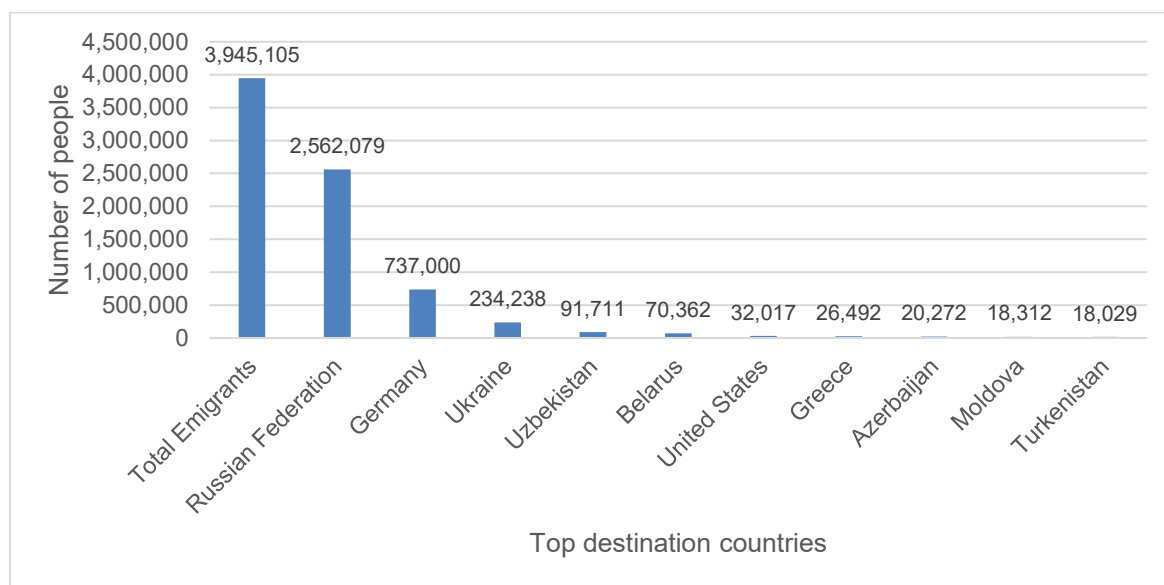
Kazakhstan has a migrant population living abroad and contributing to the local economy in a form of remittances, as well as a large immigrant population from neighbouring Central Asian countries (Kyrgyz Republic, Tajikistan and Uzbekistan)¹⁰³. Following its independence in 1991, Kazakhstan experienced huge emigration¹⁰⁴, which accounted for a population loss of 2.04 million people (13 percent of its population) until 2004¹⁰⁵. According to official data, interregional migration in Kazakhstan is not particularly high, however most significant internal (and international) migration is directed towards two major cities, Almaty and Astana.

Around the year 2000, Kazakhstan emerged as an attractive destination for labour migrants from other Central Asian countries. Kazakhstan proved popular because of the geographic closeness and visa-free travel (with some exceptions) within the CIS. In the mid-2000s, over one million people were moving to Kazakhstan annually as labour migrants, contributing an estimated 10 to 12 percent to the country's GDP¹⁰⁶. An average of about 15 percent are officially registered and have the status of labour migrants, while the remaining 85 percent work illegally, mainly in the construction industry and in private households. Legal labour migrants in Kazakhstan are principally engaged in agriculture, plant farming, construction, mining and manufacturing industries, real-estate, trade and customer services¹⁰⁷. Labour migrants to Kazakhstan are predominantly male, of working age 18 to 45, with women making up about a quarter of the total.

The National Migration Policy 2017-2021, adopted in 2017, addresses a number of priorities, including temporary migration, involvement of foreign workers, resettlement of the population, as well as long-term permanent migration with respect to ethnic returnees arriving in the Republic of Kazakhstan¹⁰⁸. The Policy only mentions the emigration of the young highly qualified and educated specialists, rather than lower skilled labour migrants, as in other Central Asian countries. The immigrants from neighbouring countries, as well as rural workers from inside Kazakhstan, are seen as the main sources of labour within the country, while the outflowing of labour migrants are not seen as a significant factor at present.

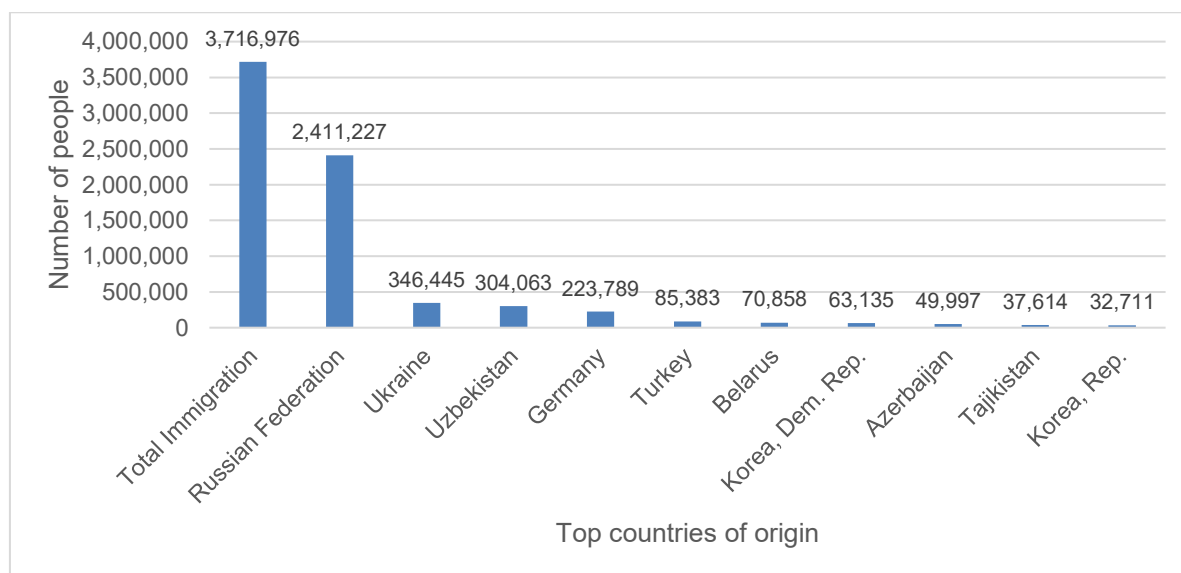
The contribution of incoming remittances was estimated at 0.2 percent of GDP in 2016 (World Bank), and is the lowest out of the 6 CIS countries in this report. Remittances in Kazakhstan increased to USD 355 million in 2017. Similar to the Russian Federation, outgoing remittances were largely affected by the economic slowdown in Kazakhstan in 2014-2015, but have since recovered and are growing again. The main channels used to send and receive remittances to and from Kazakhstan are bank transfers, MNOs (mobile network operators) and post branches (primarily, Post of Russia¹⁰⁹).

Figure 16 Kazakhstan Emigration Statistics



Source: World Bank, Bilateral Migration Matrix, 2017

Figure 17 Kazakhstan Immigration Statistics



Source: World Bank, Bilateral Migration Matrix, 2017

5.4.1. Policy objectives

Kazakhstan's overall national policy priorities are guided by the "Kazakhstan 2050" Strategy¹¹⁰ that includes a 100 step plan. The Strategy guides policy and programme implementation in the country. The plan has a clear demographic challenge; to increase the rate of population growth, which is seen as essential to achieve the goals of national development. Therefore, the National Migration Policy 2017-2021 highlights the priorities of temporary migration focused on the involvement of foreign workers, the optimal resettlement of the population throughout the country, as well as long-term permanent migration with respect to ethnic returnees¹¹¹. The incoming immigrants from neighbouring countries, as well as rural workers from inside Kazakhstan are the main source of labour within the country, while the outflow of labour migrants is not considered to be a significant issue at present. Greater attention is placed on the importance of **socio-economic integration of Central Asian workers in the country, including targeting financial education and training support (IOM)**.

Many of the migrants coming to Kazakhstan from Tajikistan and Uzbekistan do so as a "last resort", due to the re-entry bans introduced by the Russian Federation for thousands of migrants from Central Asia. These migrants also often have lower levels of general literacy and qualifications and are even more vulnerable on the labour market.

Kazakhstan's active participation in the Almaty Process¹¹², which promotes sustained dialogue and exchange of information on migration issues and on refugee protection in Central Asia and the wider region, supports domestic policy formulation as regards migration (IOM). The Almaty Process includes themes that concern financial literacy of migrants, such as **combatting human trafficking, irregular migration, migrant integration, and migrant vulnerabilities**.

Table 7 Target groups and key stakeholders (Kazakhstan)

<p>Key target groups:</p> <ul style="list-style-type: none"> • Central Asian migrants in Kazakhstan (mostly, from Tajikistan, Kyrgyz Republic, Uzbekistan) • Families of Kazakh migrants and their families • Victims of human trafficking in Central Asia 	<p>Key stakeholders:</p> <ul style="list-style-type: none"> • IOM and its partners • National Bank of Kazakhstan • Ministry of Labour and Social Protection • State Migration Service • NGOs and civil society organisations • Chamber of Commerce / Entrepreneurship
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5.4.2. Needs and gap analysis

Research has identified the lack of savings culture, lack of skills to manage a family budget and financial planning, as well as low trust in the financial system as main issues¹¹³. Over-indebtedness and low levels of understanding credit and loan products are also problematic¹¹⁴.

The needs of migrants in terms of financial education were outlined by interviewed organisations as: basic numeracy skills, the ability to make a simple financial plan, calculating incomes and expenses streams, awareness about the importance of budgeting, as well as awareness of formal remittance channels, and comparing the prices and basic banking products (including bank accounts).

5.4.3. Challenges and opportunities

The overall low levels of literacy, including reading, counting and writing skills of migrants in Kazakhstan are the main challenges. Low skilled and low educated migrants from Central Asia have low levels of awareness of not only financial, but also social and legal landscapes in Kazakhstan, which makes their integration harder. The importance of training and supporting migrants with legal help is very urgent, but financial awareness should complement other types of support for migrants.

While a recent IOM report noted that the number of migrants with re-entry bans to the Russian Federation in Kazakhstan has started to decline in 2017 (compared to 2015 and 2016), they still represent an important target group. In addition, re-entry banned migrants could potentially become one of the most vulnerable migrant groups, exposed to the risk of recruitment by terrorist and criminal groups due to their unfavourable economic situation, the inability to find a job after the ban, and the strong psychological stress accompanying their new life situation¹¹⁵. Thus, many of the economic integration programmes for migrants in Central Asia are linked to combatting extremism, human trafficking and labour exploitation issues amongst other issues. Particularly, the risk of human trafficking (largely, due to low awareness of migrants about their social, economic and legal rights) was also reported as a major challenge in Central Asia.

A big part of migration in the South regions of Kazakhstan (border regions with Kyrgyz Republic and Uzbekistan) is irregular¹¹⁶, with people migrating for weeks, days or months for particular jobs, crossing the border illegally and irregularly. This group of migrants do not use official remittance channels, and are carrying cash across the border.

There is a growing number of civil society initiatives aimed at integrating migrants from Central Asia in Kazakhstan, offering them business and employment training and skills, as well as legal and documentation support and consultation. These grass root organisations have direct outreach to migrants and can serve as an appropriate platform to target them with financial education. At the same time, many practitioners point out that cultural and language similarities with Kazakhstan, and with a more tolerant and familiar environment, make the integration of Central Asian migrants somewhat easier than in the Russian Federation¹¹⁷.

Moreover, the government's priority to attract highly skilled foreign labour and participation in international agreements such as Almaty Process and MIRPAL, could be harnessed by international and local organisations in targeting migrants in the country.

5.4.4. Policy options and initiatives

1. Engage national authorities in financial education for migrants

The National Bank of Kazakhstan has been involved in various financial education activities since the mid-2000s, however currently most of its activities are directed at the legislative framework and financial consumer protection. The NBK adopted the Financial Education Programme in 2016, and supports some activities for financial education of youth and children, however no information was found on broader-scale initiatives and programmes for the larger population that could potentially include different groups of migrants, or their families. Specific recommendations are:

- Engage NBK through the national online financial literacy portal (<http://www.fingramota.kz/>) and add to the latter a financial literacy section or information for migrants.
- Up-date the platform regularly and promote it to the public.
- Organise a stakeholder meeting to involve the relevant government ministries, migration service, as well as financial regulators in order to foster the exchange of ideas and experiences in providing financial education to migrants. The Ensure the participation of migration and civil society organisations as well as municipal authorities, dealing with migrants.

2. Explore the potential for the regional initiative linking Kazakhstan with Kyrgyz Republic, Tajikistan (and Uzbekistan)¹¹⁸

Considering the recent emergence of Kazakhstan as the new destination for Central Asian migration, and the borders that the country shares with Kyrgyz Republic and Uzbekistan, there is a strong potential for regional cooperation.

- Make a structured effort to engage with migration authorities of Kazakhstan, the Kyrgyz Republic, Tajikistan and Uzbekistan. In doing so, harness synergies in combining financial literacy objectives with other economic empowerment goals
- Co-operate with the IOM as the leader of Almaty Process, together with the OECD and other relevant international bodies. Build on their experience to draw the attention of the general public and the practitioners to the issue¹¹⁹.

3. Combine financial education with broader migrant integration programmes

There are a growing number of government and civil society initiatives aimed at the economic integration of migrants in Kazakhstan. At present, none of them include targeted financial education content, but there is potential for collaboration in this regard.

- Explore opportunities for reaching out to migrants with financial education programmes in co-operation with the NGO Sana Sezim. Its experience with labour migration in Kazakhstan since 2006 through the provision of information support, management of the website migrant-help.org, as well as legal support and legal consultations could be harnessed to increase the financial literacy of migrants and their families. Particularly useful in this respect is the NGO's work on the promotion micro entrepreneurship, thus facilitating migrant integration in the Kazakh society.
- Foster the inclusion of a basic financial literacy content in the training provided by the Chamber of Commerce/Entrepreneurship of Kazakhstan to migrants along with consultations and support for business plan preparation. Creating user friendly and accessible materials is essential to integrating financial literacy components as is co-operation with other relevant public, private sector stakeholders and NGOs.

4. Add financial education components to other migrant programmes, such as combatting extremism and human trafficking

Vulnerable migrants can be at higher risk of exposure to terrorist and extremist groups, as well as human trafficking and labour exploitation. The lack of basic financial and legal knowledge and competences can lead to increased risks.

- Include financial literacy content on basic financial concepts as a component of the governmental integration programmes carried out in eight centres for victims of human trafficking, where victims can stay for up to 6 months. As most people in the Centre participate in these programmes, this could be an efficient and effective way to increase their exposure to financial education while in the centre.

5. Engage with civil society, NGOs and community leaders

Civil society, NGOs and diaspora organisations play a big role in responsible labour migration in Central Asia. Support from local and religious communities (in origin and destination countries), and diaspora organisations in engaging with migrants can make a positive change in the migration process.

- Use these networks and their leaders to spread financial literacy in the community. Moreover, engagement of these leaders in spreading financial literacy messages has already proved successful in IOM's initiatives with Indian migrant workers in Qatar¹²⁰. Monitor and build on the lessons from similar behaviour-influencing interventions, which are being designed and implemented in the Central Asian region going forward.
- Strengthen the engagement with civil society and NGOs to get direct access to migrants, many of whom are illegal and do not trust government or public authorities and institutions.

- Co-operate with other organisations, currently involved in the provision of financial education, but without targeting migrants. For example, the microfinance sector that serves and has access to migrant groups such as KazMicrofinance (KMF) with their “Increase of Financial Literacy of the Population” Project, or initiatives of Association of Microfinance Organisations of Kazakhstan (AMFOK) could be well prepared to include financial education aspects to their work.

6. Use existing and innovative methods to spread financial literacy messaging

Many of organisations are interested in and planning to include financial literacy messages and creating awareness about programmes via existing and new channels. In doing so, they could:

- Work with government institutions at the first point of migrant entry, such as at the border check points. A lot of migrants get their initial information about various services, training and helplines available to them at these border crossings.
- Provide concise and concrete information at entry points stalls about key contacts and sources of financial information and training carried out by the non-governmental organisations, NGOs and other relevant local players. Many of these stakeholders have reported that this is an effective way to reach out to target groups.
- Explore partnerships with organisations that have direct access to migrants as word of mouth is considered to be the most important tool to reach this target group.

5.5. Kyrgyz Republic

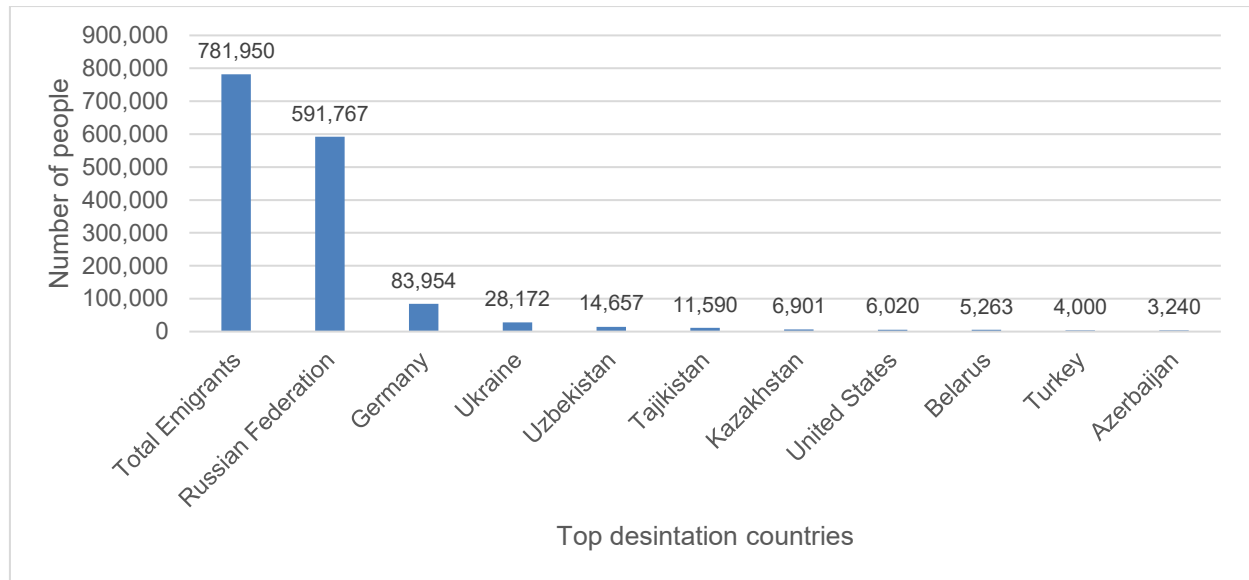
After the breakup of the Soviet Union, the Kyrgyz Republic played an important role in the regional migration process, with a regular outflow of Kyrgyz migrants. Due to the uncertain economic situation and high levels of unemployment (particularly among the youth), many nationals went in search of employment opportunities abroad. The Russian Federation has remained the main destination country since 1990s, followed by Kazakhstan. According to the National Statistics Committee of the Kyrgyz Republic (2012), over 90 percent of labour migrants leave to work in the Russian Federation. The main destination countries, for the small percentage of Kyrgyz nationals migrating outside the CIS in 2012, were Germany, USA, and Canada.

Immigration to the Kyrgyz Republic is relatively low, primarily originating from other CIS states. Workers from China are estimated to fill about 77 percent of the jobs made available to migrants under an annual quota. Such jobs typically become available due to the outflow of Kyrgyz citizens to the Russian Federation¹²¹. Thus, the Kyrgyz Republic has a negative migration balance, being one of the major exporters of labour force within the region. The socio-economic characteristics of Kyrgyz migrants are comparable to Central Asian neighbours with the majority of the migrants being male with lower levels of education. They are primarily employed in low-skilled jobs abroad, mainly in construction, service industry and national utility services. Kyrgyz migrants are often work in the informal sector, characterised by low wages, difficult conditions and minimal rights.

The largest migrant-sending region of the Kyrgyz Republic is the Osh region. The events of 2010¹²² in the southern cities of Osh, Jalalabad and nearby areas affected around half a million people resulting in the appearance of thousands of IDPs. Despite various initiatives providing support, many IDPs still face significant challenges, particularly with respect to documentation, livelihoods and accessing services¹²³, thus contributing to external and internal migration processes. In 2012, around 35 percent of Kyrgyz migrants originally came from the region of Osh city, which is one of the most densely populated areas of the country with few employment opportunities and high birth rates in the 1980s and 1990s. Moreover, thousands of people are migrating from rural areas to the big cities (mostly, Bishkek and Osh) in search of better economic opportunities. These migrant populations, in particular women, remain a vulnerable segment of the society, with very limited opportunities for work, education, or integration in urban society and life.

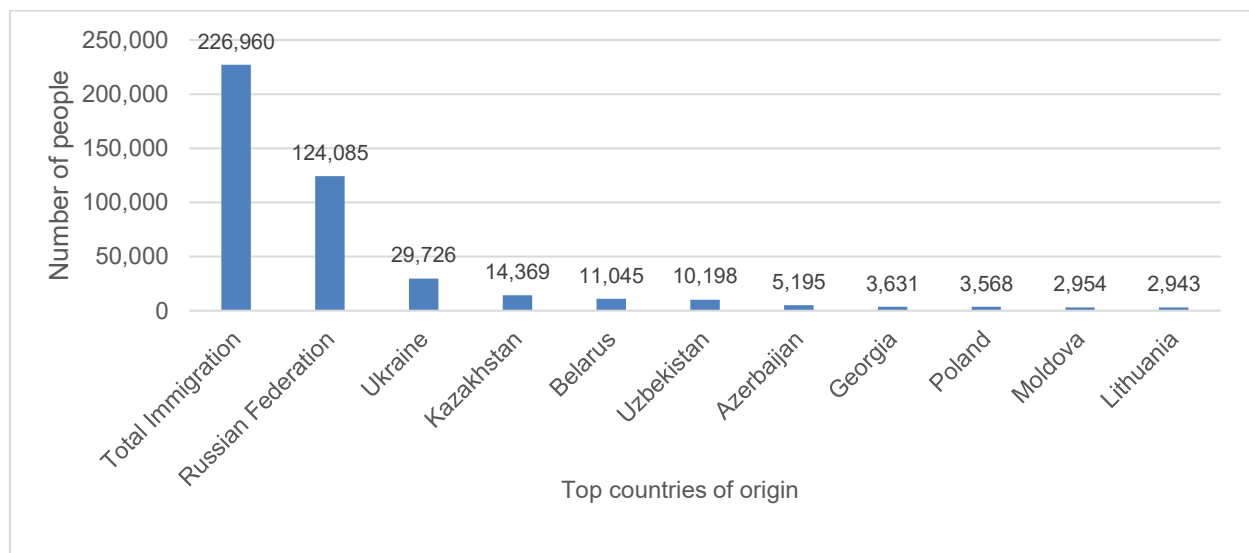
Remittances from abroad are an essential part to the Kyrgyz economy, contributing to 35 percent of GDP¹²⁴. The Kyrgyz economy is largely dependent on these remittances, with 53 percent of the households receiving remittances from migrant family members in 2009. This number represented 64 percent of household’s revenues¹²⁵.

Figure 18 Kyrgyz Republic Emigration Statistics



Source: World Bank, Bilateral Migration Matrix, 2017

Figure 19 Kyrgyz Republic Immigration Statistics



Source: World Bank, Bilateral Migration Matrix, 2017

Policy objectives

The National Migration Policy of 2010 does not envisage any objectives or actions aimed at economic integration or the use of remittances of migrant families in Kyrgyz Republic¹²⁶. Using remittances for the long-term economic development of the country is crucial given the large dependence of its national income on remittances.

However, the national financial literacy programme for 2016-2020, approved by Decree of the Government of the Kyrgyz Republic in 2016, does mention migrants. The programme, implemented by a Coordination Council, is led by the National Bank of the Kyrgyz Republic (NBKR). Target groups of the programme include school-age children and youth between the ages of 18 and 28, and the adult population, including rural residents, vulnerable groups, persons of pre-retirement and retirement ages, and migrants. The Kyrgyz Republic is the only country in the CIS region that has explicitly mentioned migrants as a priority group in their national financial education programme, however, with no specific activities implemented or envisaged until now.

The programme includes financial education activities for children and youth, the development of financial competences for adults, a series of educational information and educational publications is also envisaged by the programme, as well as further development of the financial literacy website. Within the National Programme themes such as family budget management, responsible attitude to loans, personal savings and financial protection, protecting rights of financial service consumers and investments are considered learning priorities for the population.

The issue of internal migration is also becoming increasingly relevant in the country, with thousands of people migrating from rural areas to the big cities (mostly, Bishkek and Osh) in search of better economic opportunities.

5.5.1. Financial literacy needs and gaps analysis

The National Bank of Kyrgyz Republic assessed the financial literacy of the Kyrgyz population in 2015¹²⁷. The lack of savings in general and low levels of saving in financial institutions were one of the most alarming findings that relate to the low level of trust in the financial system. There is also lack of awareness about consumer protection mechanisms (such as the Deposit Guarantee Fund), absence of savings culture and long term planning. Moreover, a very low awareness of the population about the investment instruments on the Kyrgyz market is of particular concern for the government. The OECD/INFE financial literacy survey (2018) confirms many of these findings.

The Centre of Support for International Protection has reported that only 5 percent of migrants save and make family budget planning, and more than 90 percent of migrants and their families spend all of their income on immediate consumption. Migrants themselves do not make the spending decisions, which are instead made by their families. After everyday consumption, the money is spent on the purchase of used cars, celebrations and weddings.

Table 8 Target groups and key stakeholders (Kyrgyz Republic)

<p>Key target groups:</p> <ul style="list-style-type: none"> • Pre-departure Kyrgyz labour migrants • Returned Kyrgyz migrants (incl. the ones with re-entry ban) • Families of labour migrants • Internal migrants from rural areas (particularly, women) 	<p>Key stakeholders:</p> <ul style="list-style-type: none"> • National Bank of the Kyrgyz Republic • State Migration Service • Financial sector (FSPs with wide branch networks such as FINCA, Bai Tushum, Molbulak) • Civil society and NGOs (for example Soros Foundation, Development Policy Institute, Civil initiative “Central Asia on the move”, Centre for Support of International Protection as well as others)
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5.5.2. Challenges and opportunities

One of the challenges in the Kyrgyz Republic is the re-integration of migrants that have re-entry bans to the Russian Federation. According to the Centre for Support of International Protection, there are more than 70,000 migrants with a ban at this moment. Employment opportunities are limited, hence there is a growing need to facilitate entrepreneurship skills among this group. Returned migrants also need to learn about investment possibilities, how to set up and develop enterprises, the sustainability of MSMEs, marketing, taxes, the legal aspects of setting up the business and accounting.

The limited productive use of remittances by the families of the migrants remain the main barrier. A number of international organisations conducted research to identify the reasons behind. For example, in 2011¹²⁸, the OSCE found that a low level of trust in the financial system, is prevalent among migrants. Even those that can save, prefer to do so by opening savings accounts in Russian Federation banks (mostly, in the government-owned Sberbank). The same study highlighted the need for promoting longer-term savings and investment as 90 percent of those respondents who did save, did so for short periods of time (from several months to several years). The majority of migrants and migrant households reported the low amounts of money at their disposal is the main reason for not using the banks. They were unaware of the possibility of making bank deposits with the amount of cash that they have.

On the other hand, the Kyrgyz Republic’s membership in the Eurasian Economic Union, with full, unrestricted access to the labour market is an important opportunity. Kyrgyz migrants and entrepreneurs have enjoyed some fiscal and financial benefits when working and setting up businesses in the Russian Federation, hence there is a need to capitalize on these. There are many opportunities to explore synergies with existing projects for migrants and complement them with financial literacy content. For example, IOM has supported the development of “Migrant handbook” (“Migracionnii Spravochnik” in Russian) that was later passed on to be managed and implemented by the State Migration Service. The Centre for Support of International Protection (CSIP) has also been offering different migrant training and consultation programmes and other initiatives are also being developed (e.g. University of Central Asia, UCA).

5.5.3. Policy options and initiatives

1. Support the NBKR with the development of financial literacy programs for pre-departure and returned migrants, and their families

The National Bank of the Republic of the Kyrgyz Republic has cited migrants as part of the vulnerable population of the country in its National financial education programme. However, it is not planning any related activities before the third phase of the implementation of the Programme, scheduled to start in 2020. Until then, NBKR is focusing on youth and adults. Some specific recommendations include:

- Accelerate the definition and implementation of financial education initiatives for migrants and their families, by initially focusing on the preparation of content targeting their specific needs.
- Use the national financial literacy website to provide financial information for migrants and cross-reference content available on other online platforms/sources.
- Disseminate financial literacy content for migrants and their families through employment and migration centres, administered by public, private and civil society organisations, drawing on their positive reputation among migrants:
 - Consider co-operating with the Aga Khan Development Network School of Migrants in Osh and the UCA to support the planned financial literacy component of their forthcoming online portal and programme focusing on the economic integration of migrants (expected to begin in 2020-2021).
 - Support information dissemination and financial counselling with the small migration councils from local communities set up with the support of the IOM. Explore such opportunities also with the two migration centres run by the IOM (the biggest one in Bishkek)¹²⁹.
- Build on lessons from past experiences with financial education stakeholders in targeting migrants. For example, the Union of Banks of the Kyrgyz Republic with the local IFC office conducted activities for remittance-senders and receivers, including information campaigns through billboards, posters, and flyers/brochures at the financial institutions and offices of money-transfer providers. They included information on the importance of savings, banking products and transfer services among others.
- Follow-up on the results of an EBRD project (2010-2014) implemented with 5 banks and 20 educators, which resulted in the training of 25,800 people with a conversion rate for opening savings accounts amounting to 9 percent. The target group consisted of overseas migrants (Kyrgyz migrants working abroad) and their families. Support the evaluation of its results to determine its long-term effectiveness and new initiatives to address gaps.

2. Cooperate with and coordinate the efforts of key stakeholders in reaching out to migrants and their families

The State Migration Service, the institution that would be the primary partner for financial education initiatives for migrants, as indicated by NBKR, is not currently a member of the national working group financial education. However NBKR has indicated interest to engage with other stakeholders that could target various groups of migrants, such as IFC and Union of Banks.

Several financial sector stakeholders in the Kyrgyz Republic are actively involved in providing and participating in financial literacy programming and initiatives. Banks that were previously microfinance organisations that have recently obtained their banking license are among the most active including Companion, FINCA and Bai Tushum. This is due to the fact that such banks have mainly maintained their client base of more financially vulnerable groups compared to those of the more traditional commercial banks. For instance, FINCA Bank has been implementing financial education training programmes for adults since 2012, and even though it is not specialized to migrants, they indicate that a substantial number of their beneficiaries are migrants and/or their families. The topics of the programme, include information about remittances, money management, savings and deposits.

- Include the State Migration Service in the National working group on financial education.
- Organise a stakeholder meeting to discuss the design and implementation of financial education initiatives for migrants and their families. The meeting should include the State Migration Service, IOM, GIZ, IFC and selected other financial education stakeholders.
- Explore ways to involve the network of Financial Literacy Advisors of the National working group for financial literacy in migrant integration programmes.

- Nudge stakeholders with resources for financial literacy programmes, such as FINCA Bank, to consider including more content, addressing the needs of migrants and their families in their programmes.

3. Engage civil society and diaspora networks

Most of the training programmes for migrants are advertised via word of mouth, and migrants tend to pass on the contacts of support organisations and NGOs and the information training and education programmes. Spreading financial education and information via community, diaspora and religious leaders in host as well as home country could be an effective tool.

- Build on the wide outreach to migrants on the ground, particularly in the South regions of the country, of NGOs and civil society organisations and engage with them to promote financial literacy by adding dedicated components to their programmes. The civil society initiative “Central Asia on a move”, for example, has more than 30 members, and the Kyrgyz association Centre for Support of International Protection (CIP) was its chair in 2014-2015. These organisations are uniquely positioned to reach the most vulnerable migrants such as victims of human trafficking, internal migrants and returned migrants (by their own decisions or deported).
- Monitor the results of financial education initiatives for migrants with the participation of personalities / celebrities. Such programmes are currently planned in the Kyrgyz Republic, emulating the success of similar programme for Indian workers in Qatar, carried out with support from the IOM.

4. Target internal migrants and especially rural women

Internal migration from rural areas to big cities in the country (mostly, Bishkek and Osh) is a growing trend, with thousands of people migrating in search of better economic opportunities. Women internal migrants are particularly vulnerable as they have very limited access to broader education, work opportunities, or integration into urban life. Particular stakeholders and measures could include:

- Build on the results and experience of EBRD work to shape related financial education programmes for internal migrants. Carefully select financial institutions as partners for such projects, which is a critical prerequisite of success.
- Evaluate and analyse the experience of integration initiatives for women migrating to the cities from rural areas, in order to define their learning needs and gaps in their networks. Co-operate with local grass roots organisations and initiatives, which are the only ones targeting women. This would be particularly helpful as many of them live in the so-called “novostroiki” or newly built apartment complexes in the outskirts of town, which makes it hard to reach out to them.

5. Use innovative / digital tools for financial literacy

Apart from standard training and consultation initiatives, the need to target migrants with other types of financial education is essential. Apart from the use of media personalities, the following tools could be used:

- Design an android app¹³⁰ with financial education content, such as a budget calculator, savings tips, budget planner, information on financial products in the Kyrgyz Republic, but also in the Russian Federation and Kazakhstan. The IOM and the State Migration Service could be the main stakeholders in such an initiative
- Use existing platforms such as the “Migrant handbook” (Migracionnii Spravochnik”), the national Internet platform and the forthcoming portal of the UCA and Aga Khan network, which could also be made accessible from a mobile phone
- Explore opportunities for elaborating and disseminating video content on financial literacy for migrants to promote long-term investment, savings and responsible spending. Such work could build on the experience of the CSIP with video (YouTube) content for migrants,¹³¹ which is gaining

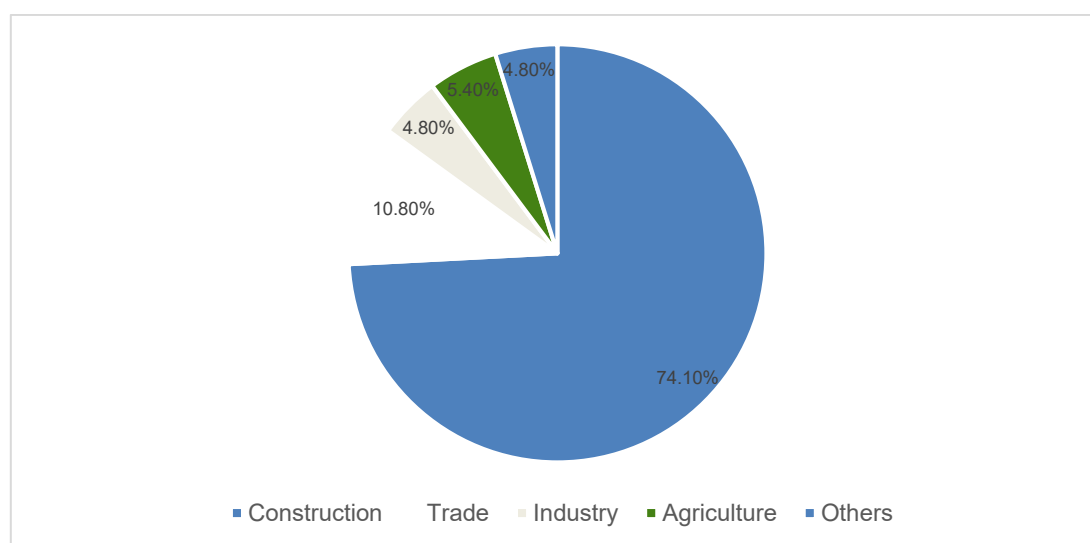
popularity in social networks¹³². CSIP and the “Central Asia on the move” platform could be key potential partners.

- Explore the benefits of social networks to reach migrants to spread financial literacy messaging. Social networks, such as Odnoklassniki (Classmates), Facebook, Instagram, WhatsApp and Telegram, may be used for online consultations, sharing success stories, and broader communication on financial literacy.

5.6. Tajikistan

The Tajik civil war in 1990s that followed the collapse of the Soviet Union led to the displacement of over 700,000 people. International organisations, including the IOM, provided assistance to both migrants and government officials to facilitate the return of refugees and other displaced populations. However, in the 15 years since its independence, Tajikistan has transformed itself from a state of IDPs and refugees to one of the largest regional labour exporters¹³³. Tajikistan is the poorest country of the ex-USSR republics, and also sees some of the highest numbers of emigration in the world. In 2016 more than 870,000 migrants from Tajikistan were living in the Russian Federation out of a population of 8.7 million people. In 2012 the World Bank estimated that half of working-age males in Tajikistan are abroad. Tajik labour migrants employment data are detailed below¹³⁴.

Figure 20 Tajik Migrant Employment



Source: Prague Process (2013)

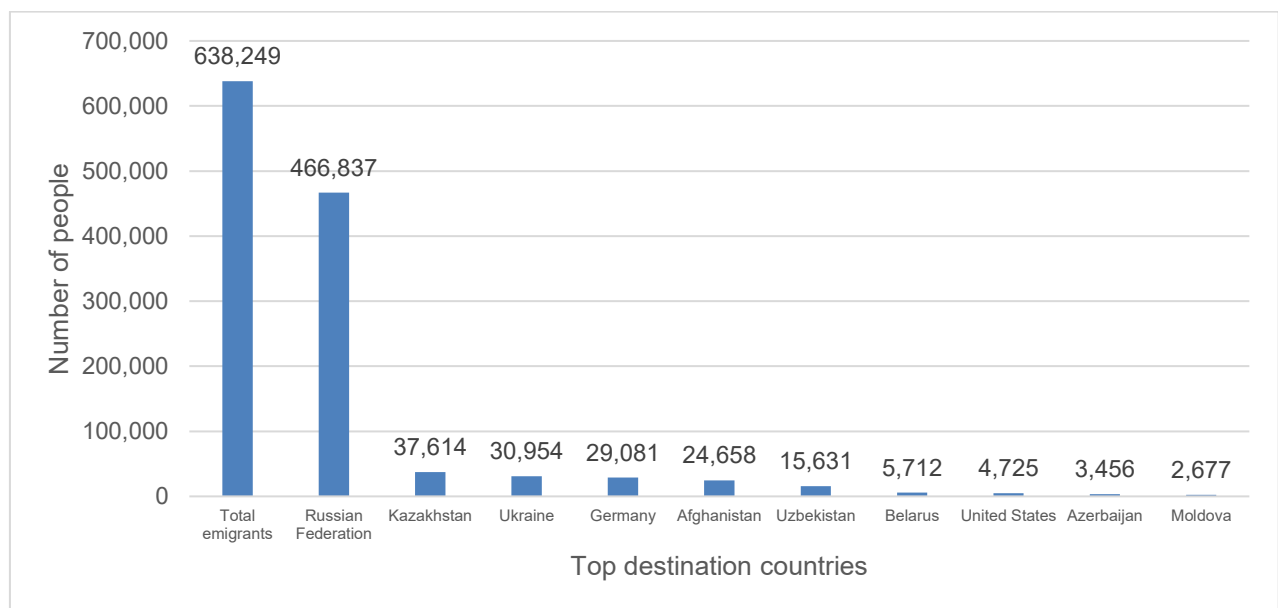
Tajikistan is a member of the Eurasian Economic Community (EEC), which allows Tajik citizens to stay in the Russian Federation for 90 days without any visa. This significantly complicates the availability of reliable statistics on the numbers and nature of work of Tajik migrants, especially in light of an estimated 9 out of 10 Tajik migrants residing illegally¹³⁵. Surveys show that most Tajik migration is seasonal, and originates from the rural, high mountainous regions of the country.

According to an ILO study in 2011¹³⁶, more than 70 percent of households have one family member, 22 percent have two members and 7 percent have three or more family members living abroad. The study of 2018¹³⁷ showed that 83 percent of returned migrants were men, and 17 percent women. There has been an increasing general trend of feminisation of the migrant movement from Central Asia. However, men still dominate the statistics. According to the ILO, the largest proportion of Tajik emigrants are long-term

migrants, and have been away from Tajikistan for more than two years but with several short home visits during this time. The majority of migrants, 88 percent, are people between 18 and 45 years old. About 76 percent of returned labour migrants in 2018 have families in Tajikistan, thus implying that support of their family is the primary reason for labour migration¹³⁸. Half of migrants have secondary education, while only 5 percent of respondents had professional education and 18 percent had tertiary education.

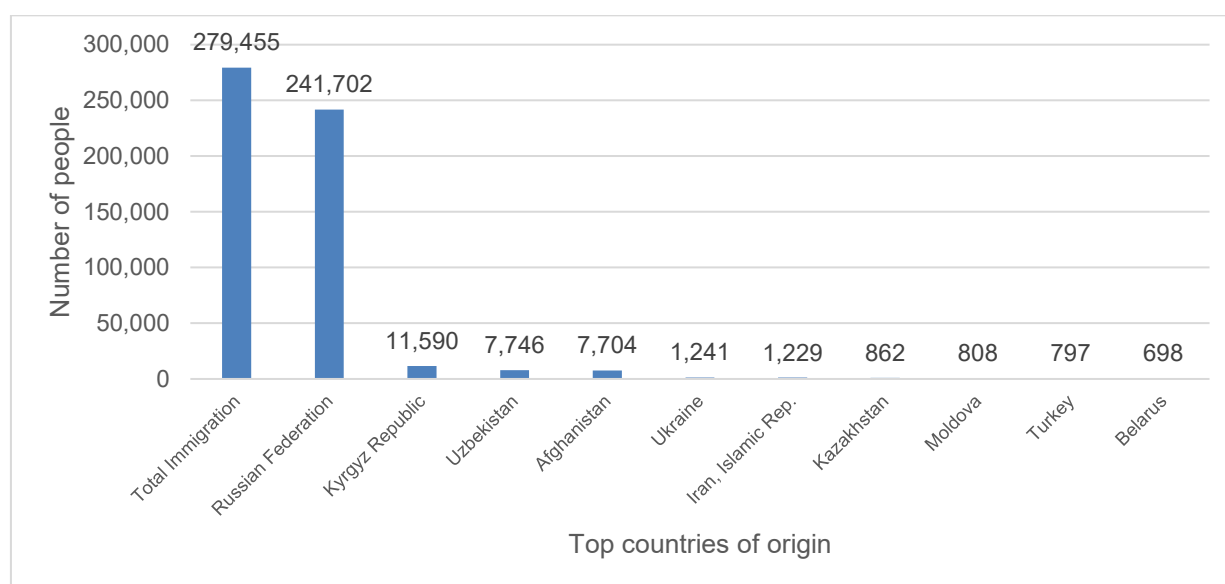
Remittance flows from the Russian Federation to Tajikistan are among the highest in the world. The more recent World Bank data of 2017 places Tajikistan as the third most remittance-dependent country in the world (after the Kyrgyz Republic and Tonga) with 31 percent share of GDP. This represents, however, a significant drop from 48 percent in 2012¹³⁹, which is mostly due to the economic slowdown in the Russian Federation, the main destination country of labour migrants. In the first six months of 2015, according to the National Bank of Tajikistan, remittances dropped by 32 percent in comparison to the same period in 2014 (World Bank, 2017). The number of returned migrants also rose in 2014-2016, due to lower wages and falling employment opportunities in the Russian Federation. Although the remittance inflows started to recover in 2017¹⁴⁰, they are still far from the pre-crisis levels, thus impacting poverty reduction and other national livelihoods indicators. At present, Tajikistan is not a member of the EEU, which means that they still have to apply for work permits and follow the “patent” and other work permit systems available in the Russian Federation for foreign workers. Against this background, the government of Tajikistan has put a high priority on the use of remittances is .

Figure 21 Tajikistan Emigration Statistics



Source: World Bank, Bilateral Migration Matrix, 2017

Figure 22 Tajikistan Immigration Statistics



Source: World Bank, Bilateral Migration Matrix, 2017

5.6.1. Policy objectives

At present, there is no nationally coordinated mechanism or strategic policy on financial education in Tajikistan. The IOM and the Ministry of Labour, Migration and Employment of Tajikistan are the main organisations currently working with migrants in Tajikistan. The National Bank of Tajikistan (NBT) has started to engage in financial literacy and has set up a Consumer Protection Department. The NBT is mostly dealing with the adult population, and has suggested incorporating a financial literacy component into the Strategy of Development of the Republic of Tajikistan to 2030. The NBT also supports various financial education activities for children and youth, and is actively engaging financial institutions in such activities. The NBT has produced a variety of financial education materials with the support of an IFC project, and they have confirmed further interest in the development of the topic. The NBT is also considering to apply a strategic approach to financial inclusion and financial literacy in co-operation with international and domestic stakeholders. The Bank has a keen interest in migrants, due to the high number of Tajik nationals going to work abroad.

The need for educating both migrants and their families on the use of remittances is a recognised concern for the government of Tajikistan, especially as many of them use most of the remittances for consumption purposes¹⁴¹. In an attempt to foster savings or investing in entrepreneurship, a law “On streamlining traditions, celebrations and ceremonies in the Republic of Tajikistan”¹⁴² was adopted in 2007 to **regulate the population’s spending on social events**. As the country has deeply-rooted traditions of very large and very expensive celebrations at many social events, such as weddings, national rites or funerals, this law, in particular, limited the number of participants and duration of these events. The law has prohibited certain traditional practices associated with high unproductive spending. The adoption of the law was accompanied by a government information campaign, yet no formal guidance on budgeting or planning was developed.

On the policy level, Tajikistan is also an active member of MIRPAL (World Bank initiative) and the Almaty Process.

Table 9 Target groups and key stakeholders (Tajikistan)

<p>Key target groups:</p> <ul style="list-style-type: none"> • Pre-departure Tajiki labour migrants • Returned Tajik migrants (incl. the ones with re-entry ban) • Families of labour migrants 	<p>Key stakeholders:</p> <ul style="list-style-type: none"> • National Bank of Tajikistan • State Migration Service • Ministry of Labour, Migration and Employment of Tajikistan • IOM • IFC • Financial sector (particularly microfinance sector) • Civil society and NGOs, “Central Asia on a move” network, Diaspora networks
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5.6.2. Financial literacy needs and gaps analysis

In 2010 and 2016 the Ministry of Labour, Migration and Employment of Tajikistan conducted research on migrants' use of remittances. The research confirmed that a very small part is invested in productive activities or savings. ILO research also found that almost one fifth of respondents expect to spend the biggest portion (81–100 percent) of the remittances received on consumption within a month.

In April 2018 the NGO, “Centre for Innovative Development”, funded by the Open Society Foundations Dushanbe published the socio-economic study of returned labour migrants to Tajikistan¹⁴³. The study found similar results, with only 0.4 percent of received remittances being spent on investment or setting up some form of micro-business. The general lack of entrepreneurship skills, knowledge about the domestic financial and business landscape, are major concerns of returned migrants.

There is also a general lack of basic budgeting and financial planning skills. For example, the IOM and a number of civil society organisations have been providing support (e.g. draft a business plan) or loans to entrepreneurs and returned migrants to help them start a business. However, often the beneficiaries of this assistance do not possess basic financial planning skills, such as the ability to estimate revenue streams or perform some calculations.

Several observers highlighted the need to focus on changing attitudes towards money as part of financial literacy initiatives, in order to prevent some risky behaviours. For example, many of the migrants who used to work in the Russian Federation and receive good salaries developed gambling addictions. Moreover, many migrants have not prepared their homecoming and thus, the lack income upon return makes them vulnerable to other risks, such as human trafficking, or recruitment for extremist organisations.

Challenges and opportunities

Similar to the rest of the region, low levels of general literacy and education by Tajik migrants represents a significant challenge in targeting them with financial education activities. Furthermore, organisations working with migrants in the country report that many migrants from rural areas experience problems with basic reading, writing and numeracy skills, which also affects their financial literacy. Moreover, financial inclusion is particularly low among migrants. In a 2011 survey by ILO, only 2 percent of migrants had a bank account.

Some migrants and their families still manage to save a proportion of their income. Fifty one percent of households save up to 20 percent of their income/remittances. However, these savings are almost never kept in banks (98 percent of households do not keep savings in banks). Under such circumstances, it is

difficult for financial institutions to design and offer saving products linked to remittances.. The ILO found that reasons for not keeping money in the banks included: the small amounts of savings, resistance to change, mistrust in banks, lack of information about banks and remoteness/inconvenience of banks. Targeting these barriers and developing attractive remittance-linked financial products is a major challenge and key opportunity for policy makers and practitioners. Moreover, 95 percent of the households are unaware of existing savings products and the financial sector has a lot to do to raise awareness of what is available, before engineering new products.

There is growing attention to return migrants particularly in light of the re-entry bans introduced by the Russian Federation government in 2015, which is the reason for return of 42 percent of Tajik migrants' (Centre for Innovative Development 2018). Thus, integration of migrants that cannot leave again represents an important challenge, especially given the prevailing low wages and the difficulty to find long-term contracts. The majority of returned migrants expect to be engaged in agricultural activities or some forms of small business/services. There is also a concern that 21 percent of returned migrants do not even try to find a job back home and wait till they can go to work abroad again (Centre for Innovative Development 2018). Even though 55 percent of returned migrants have learned a new profession/skill while working abroad, they see almost no opportunity to practice it back in Tajikistan. At the same time, only 12 percent of Tajik households that have migrants working abroad are engaged in business activities. In this context, it is of the essence to design and implement effective measures to promote the integration in the local job market of returned migrants, , including through entrepreneurial training and encouraging investment. This is also a key job creation opportunity for the country.

5.6.3. Policy options and initiatives

1. Work with the vocational training centres of the Ministry of Labour, Migration and Employment and the IOM networks to target pre-departure migrants

The Ministry of Labour, Migration and Employment with their diverse network of training centres and diaspora connections, as well as the activities of IOM, could be the primary network for advancing financial education.

- Explore opportunities to include financial literacy modules in IOM's programmes targeting labour migrants prior to their departure abroad. This could also include co-operation on fostering savings and investment by migrants and their families, building on IOMs work in this field.
- Make a structured effort to use the training network of the Ministry of Labour, Migration and Employment for dissemination of financial literacy content among migrants and their families. In 2016, the 61 youth vocational centres of the Ministry trained 25,523 students, of which 20 percent were women. The Ministry also has 73 centres for adult professional training, which taught 105,815 unemployed people and labour migrants the same year. Moreover, tThe Ministry could also add financial literacy content to the legal and employment related information disseminated to Tajik migrants in the Russian Federation thank to its contact with 81 Tajik organisations, cultural and diaspora centres based there.

2. Engage with the financial sector in providing financial education for remittance recipients

Due to the active International Finance Corporation (IFC) Azerbaijan and Central Asia Financial Infrastructure (ACAFI) project, a lot of FSPs in Tajikistan are involved in the provision of financial education to their clients and the wider public in the country. In particular, microfinance institutions, including those with deposit-taking license like IMON International, have offices in rural areas and can thus reach pre-departure and returned migrants, as well as remittance recipients. Overall, results of FSP work suggest that the Tajik population is generally receptive to financial advice, which has proved to be an effective way to mobilise 'under the mattress' savings into the formal financial institutions.

- Use existing trainer networks of FSPs to foster migrant households' savings and use of financial products. A Financial Literacy Programme for adults implemented under the ACAFI Project in 2014-2018 (with a potential extension to 2020) worked with 15 banks and microfinance institutions, which received a package of financial literacy tools, including: training modules, video materials, household income and expenditure tracking tools, visual aids in the form of comics, and a series of video and audio clips. The Programme also offered personal consultations, workshops, consultations, interactive games, media campaigns (video, TV, edutainment) and printed information.
- Harness the competencies of FSP staff that were trained to offer individualised financial education sessions in the framework of the EBRD project on financial education (2010-2014). This was an effective programme involving 20 staff members of 5 banks who trained 43,800 people with 6 percent on-the-spot conversion rate for opened savings accounts.
- Replicate relevant methods used by financial institutions to initiatives focusing, in particular, on financial literacy of remittance recipients. It is essential to target migrants' families with information and advice on how to save parts of their income (remittances) and not to excessively spend on weddings and other ceremonies.

3. Include financial literacy components to other integration and training initiatives for returned migrants

Most of the current work focusing on pre-departure and returned migrants includes legal support, consultation and training. Moreover, many civil society initiatives in Tajikistan belong to similar networks or are members of the civil society platform "Central Asia on a move". Against this background, the following initiatives could prove useful:

- Prepare a set of financial literacy materials, make sure they are included as part of existing migrant programmes, and conduct training of trainers for civil society organisations. Explore specific coordination mechanisms (single coordinating body, by an organisation such as the IOM) and impact evaluation to ensure such initiatives are effective and efficient.
- Motivate migrants to take part in training events with small perks, such as provision of lunches or transportation to the seminar venue, particularly for multiday educational activities.

4. Foster entrepreneurship of returned migrants and their family members

Taking into account limited employment opportunities in Tajikistan, it is important to support returned migrants in setting up (micro-) enterprises. This is also considered as a way to prevent potential risks of joining extremist groups and organisations, which specifically target economically vulnerable young men.

- Design user-friendly materials to support organisations (such as "Akhtari Bakht" operating in South Tajikistan), which are running grants and loans programmes for returned migrants with a re-entry ban. Build on their experience and interest in deepening the financial literacy component of their
- Increase awareness of initiatives aiming to promote business creation. For example, the government has declared 2018 as the "Year of Crafts" and hence, offered tax exemptions for starting a business in the small crafts industry. This and other efforts to foster entrepreneurship are reported to be insufficiently publicised among the public.
- Work with local NGOs, which have expressed readiness to support migrants' families by using their existing networks and connections with the migrant communities. Approaches to promote entrepreneurship by migrants' families could include fieldwork, such as consultations at households' homes, accessible and easily understandable brochures and financial planners, or video clips.

5. Use alternative delivery channels

Many migrants have low literacy skills, including difficulties with reading, writing and numeracy skills. Therefore, the use of alternative methods, instead of the traditionally used training and written materials, could be particularly useful in increasing the financial literacy of migrants.

- Use video clips to promote messages on the risks of human trafficking, on the different cultural norms of selected destination countries, as well as on the benefits of responsible savings and investment. Disseminate video materials via the networks of IOM and civil society stakeholders, the Internet, and social networks. The video clips should contain simple messaging and portray characters that every migrant could associate him/herself with.
- Up-grade existing online or mobile platforms covering legal, documentation, and financial information for pre-departure migrants in Tajikistan and integrate financial education content. Provide, in particular, easily accessible, objective and free of charge information about remittance channels, financial products, financial planning and budgeting tips, as well as other information relevant for migrants (legal, documentation support). To ensure the success of such initiatives, it would be useful to address current low level of Internet penetration and high communication costs.

6. Conclusion and Summary

The efforts for promoting financial education of migrants in CIS countries have been relatively modest overall. Broader financial education initiatives have not specifically targeted this group of people and, furthermore, there have been no assessment of the potential impact they might have had on them. Therefore, the report highlights the need of ensure that CIS governments and stakeholders are well aware of the benefits of financial education for migrants and their families and to address the need of these specific target groups via dedicated initiatives in a structured way. For a number of countries, remittances have a sizeable impact on the economy and financial education of migrants and their families would need to be singled out and tackled as a priority.

Importantly, this report identifies potential solutions for policy and programmes on financial education at national and regional level. The recommendation of approaches, measures, tools and delivery channels of financial education drew on the evidence on their relevance, potential effectiveness and impact in the context of a particular country. However, many of the policy options appropriate for one country could be applicable to others as well.

Policymakers need to ensure, in particular, that projects have a long-lasting impact on the financial knowledge, attitudes and behaviour of migrants and their families. They need to harness opportunities for regional co-operation and work with partner organisations and countries to multiply the effects of their work. The Russian Federation, given its experiences in delivering financial education programmes and its status of a recipient country, can continue to play a leading role in promoting cooperation in the CIS in the field of financial education in general and as it relates to migrants and their families.

Targeted discussions, co-operation and coordination with stakeholders are important to elaborate and implement action plans and roadmaps. This could take place in the framework of regional and domestic discussions, events, thematic workshops, meetings and consultations. The OECD technical assistance project for the CIS, supported by the Russian Federation, could serve as a useful platform facilitating and fostering such co-operation.

More specifically, policy options for consideration by CIS policy makers and stakeholders, which are applicable at a regional level could be summarised as follows:

Identify participants in financial literacy programmes and educate migrants and their families at the most responsive times

- Use “teachable moments” when targeting migrants and their families. On a number of instances, migrants and their families are likely to be more responsive to financial education, such as pre-departure when they are collecting remittances, etc.
- Consider incorporating financial education in existing pre-departure orientation and integration programmes.
- Target migrant families and households making most of the decisions regarding the use of remittances
- Pay special attention to women, both as migrants and as beneficiaries of remittances

Mobilise stakeholder support and build on existing networks

- Co-operate and engage with international organisations with experience in supporting and targeting migrants.
- Engage regional level stakeholders for advocacy and implementation. Leverage regional bodies and regional cross-border networks and initiatives.
- Use the existing infrastructure for migrants, including regional migration centres, employment centres, remittance providers, as a basis for delivering financial education initiatives.
- Engage the diaspora, community, civil society organisations and NGOs to help building trust. They may be best placed to discuss financial matters with migrants, given a perceived lack of trust in financial institutions and some government organisations in the region.
- Improve the coordination of initiatives led by governments and other stakeholders in the country. This is key as there is often a mismatch between the actions of different bodies coupled with inadequate resource allocation.

Provide tailored content through a variety of channels

- Conduct needs assessments and analyse financial literacy gaps of each group of migrants (including labour migrants at different stages of the migration cycle) and their families.
- Track migrants and their families as a segment in existing, mainstream financial education programmes.
- Design financial education programmes that look beyond remittances and encourage long-term financial planning, savings, investments and entrepreneurship.
- Use innovative methods and online/digital technology to advance financial literacy rapidly and in a cost-effective fashion on the regional level.
- Engage with the finance/microfinance sector in providing financial education for recipients of remittances, drawing on the experience of the relatively small number of private sector organisations providing financial education to their customers.
- Consider developing solutions leveraging the natural flow of people in the region, especially those in Kazakhstan, Kyrgyzstan and Tajikistan.
- Build on synergies and collaborate with countries receiving large numbers of migrants, including the Russian Federation.

Notes

¹ OECD. International Migration Outlook, 2018

² OECD. Ready to Help? Improving Resilience of Integration Systems for Refugees and other Vulnerable Migrants, 2019

³ IOM, *Key Migration Terms*

⁴ IOM (2018)

⁵ IOM (2008), *Labour Migration Infosheet*

⁶ UNHCR (2017) Global Trends report

⁷ UNHCR(2017) Global Trends report

⁸ IOM (2018); World Bank (2016a)

⁹ World Bank T4 Data (2017)

¹⁰ World Bank (2017)

¹¹ OECD. Official Development Assistance 2018

¹² IOM (2018)

¹³ For examples of such interlinkages see ODI policy briefs (September 2017) - Migration and the 2030 Agenda for Sustainable Development. <https://www.odi.org/sites/odi.org.uk/files/resource-documents/11826.pdf>

¹⁴ https://www.iom.int/sites/default/files/our_work/ODG/GCM/NY_Declaration.pdf

¹⁵ Rybakovsky (2011), Russian Academy of Science

¹⁶ Migration Policy Institute (2017), *Russia: Migration System with Soviet Roots*

¹⁷ *Ibid.*

¹⁸ IOM (2018)

¹⁹ Because it is not part of the EEU

²⁰ The Foreign Policy Centre (2017), Azerbaijan: Challenges to migrants and asylum seekers from the oil-rich state

²¹ IFAD (2017); World Bank (2003), (2017)

²² World Economy Brief (2016)

²³ ADB (2014)

²⁴ Rillo A.D.; Levine J.J. (2018)

²⁵ CARIM East (2013)

²⁶ ECSPF (2007)

²⁷ Russian Development Centre (2016) <https://dcenter.hse.ru/data/2017>

²⁸ NAFI (2018)

²⁹ *Ibid*

³⁰ The study by the National Research University- Higher School of Economics in Russia has compared the product offer & respective pricing of the leading international, Russian and CIS-based MTOs, operating in Russia. Information is available in Annex 2 of the Report (Report is available in Russian)

³¹ NAFI (2018)

³² NBJ: <http://nbj.ru/publs/banki-i-biznes/2015/10/12/bankovskoe-kreditovanie-migrantov-i-xochetsja-i-koletsja/index.html>

³³ <https://tutjdut.com/mikrozajmy-i-mikrokredity-grazhdanam-sng-bajbol/?office=moskva>

³⁴ <https://www.molbulak.ru/>

³⁵ NAFI (2018)

³⁶ Based on reports in Russian media and popular online resources for migrants. Migrants are among the groups that are least likely to call the doctor or use other medical services, this is often associated with poor labour conditions and lack of time for medical visits, as well as the lack of knowledge among the migrants about the possibilities and services that the purchased insurance product could provide.

³⁷ OECD (2016)

³⁸ OECD (2016), ADB (2015), UNDP (2015)

³⁹ Centre for Financial Inclusion (2016) <https://www.centerforfinancialinclusion.org/using-teachable-moments-to-increase-understanding-of-insurance>

⁴⁰ GIZ (2012)

⁴¹ These could include diaspora bonds, used in some countries. ADBI (2017)

⁴² OECD (2017)

⁴³ OECD (2018)

⁴⁴ Association “Centre of innovative Development” Open Society Foundation , Tajikistan, (2018) a recent study in Tajikistan supports this understanding, the poll of returned migrants suggests that they see very little or no opportunities to find employment at home. Yet only 19 percent set up their own business which is partly attributed to limited knowledge, financial literacy and lack of capital.

⁴⁵ ILO (2011)

⁴⁶ OECD (2016)

⁴⁷ GIZ (2012)

⁴⁸ DMA; EBRD (2013)

⁴⁹ ILO (2010)

⁵⁰ The National Agency for Financial Research, (NAFI, Russia) conducted a study within the framework of the national financial education project on advancing financial literacy in the Russian Federation, led by the Ministry of Finance in Russia.

⁵¹ <https://www.nafi.ru/analytics/bolshinstvo-trudovykh-migrantov-polzuyutsya-finansovymi-uslugami-v-rossii/>. Other results of the survey were translated from Russian and are presented in Annex E of the current report.

⁵² ADBI (2018)

⁵³ OECD/INFE Survey of Adult Financial Literacy Competencies (2016)

⁵⁴ Ibid.

⁵⁵ Studies such as ILO (2018), *Gender and Youth Employment in the Commonwealth of Independent States*

⁵⁶ ILO (2009), *Armenia Country Study*. (2016), *The ILO in Tajikistan*. (2009), *Assessing the Business Environment for Women's Entrepreneurship Development in the Kyrgyz Republic*

⁵⁷ ECSPF (2007)

⁵⁸ Several studies of the remittances corridors in Europe, incl. World Bank (<http://documents.worldbank.org/curated/en/635911468252622201/pdf/531060NWP0Remi10Box345597B01PUBLIC1.pdf>) show that CIS migrants remit more often than those from Balkan countries.

⁵⁹ The Almaty Process includes themes that concern financial literacy of migrants, such as combatting human trafficking, irregular migration, migrant integration, and migrant vulnerabilities. IOM (2013)

⁶⁰ <http://mirpal.org/mirpal.html>

⁶¹ In its 2017 needs assessment in Central Asia, the IOM has concluded that migrants trust informal channels more; thus, the support to local communities (in both origin and destination countries) and diasporas in engaging with migrants can be quite effective.

⁶² <http://camplatform.org/?p=2231&lang=en> (2013)

⁶³ The app contains legal and documentation advice, information about trafficking, rights of migrants abroad, contact details of consulates, diaspora and support civil society organisations' contacts <https://www.iom.int/migapp>

⁶⁴ Armenia Migration strategy 2017-2021

⁶⁵ UNPF (2007), Report on Sample Survey on External and Internal Migration in RA

⁶⁶ ILO (2008), *Migrant Remittances to Armenia*

⁶⁷ Migration Policy Centre (2013), *Migration Profile: Armenia*

⁶⁸ Open Society Foundations Armenia

⁶⁹ IMF (2012), *Remittances in Armenia*

⁷⁰ World Bank

⁷¹ 2017-2021 STRATEGY FOR MIGRATION POLICY OF THE REPUBLIC OF ARMENIA

Statement by Ambassador Zohrab Mnatsakanyan, Permanent Representative of Armenia to the United Nations, 22 May 2017

⁷² Example of discussion on this policy priority <https://anca.org/expert-calls-sarkisians-population-growth-task-challenging/>

⁷³ ADBI (2018)

⁷⁴ Finding based on interview

⁷⁵ GIZ has also led the largest economic integration project of this group to date

⁷⁶ Such as the different dialect of Armenian that they speak compared to native Armenian population, Western vs. Eastern Armenian

⁷⁷IOM http://www.iom.int/sites/default/files/press_release/file/IOM-Armenia-SDG-Prioritization-Workshop-Summary.pdf

⁷⁸ Detailed results and recommendations of the project at hand can be found in the Project Report “Financial Inclusion and Access to Financial Services for Remittance Recipients in CIS Countries: Phase I and Phase II Final Report”, 2013

⁷⁹http://www.ilo.org/wcmsp5/groups/public/---europe/---ro-geneva/---sro-moscow/documents/publication/wcms_308928.pdf

⁸⁰ http://www.epfarmenia.am/wp-content/uploads/2014/06/labormigrationarmenia_edit.pdf

⁸¹ Republic of Armenia Ministry of Foreign Affairs, “Migration”

⁸² Migration Profile Azerbaijan, International Labour Organization

⁸³ Migration Policy Centre (2013), *Migration Profiles: Armenia*

⁸⁴ Republic of Azerbaijan Ministry of Foreign Affairs, “Migration”

⁸⁵ Migration Policy Centre (2013), *Migration Profiles: Azerbaijan*

⁸⁶ ADB (2018)

⁸⁷ Migration Policy Centre Brief (2013), *Fact Sheet: Azerbaijan*

⁸⁸ Ministry of Foreign Affairs of Azerbaijan, “Refugees and IDPs”

⁸⁹ EBRD (2007)

⁹⁰ Ministry of Foreign Affairs of Azerbaijan - <http://www.mfa.gov.az/en/content/118>

⁹¹ Republic of Azerbaijan Ministry of Foreign Affairs (2013)

⁹² EBRD (2007)

⁹³ ADBI (2018)

⁹⁴ Migration Policy Centre (2013)

⁹⁵ *Ibid.*

⁹⁶ Belarus Digest, 2017

⁹⁷ <https://www.uef.fi/documents/428549/854028/Titarenko.pdf/220c69e2-2a0b-4ecf-839e-f76ee7a28f97>

⁹⁸ <http://www.nbrb.by/engl/today/InternationalCooperation/AFI/FinancialLiteracyPopulationFeb2016.pdf>

⁹⁹ <http://iom.by/data/uploads/2016/06/Final-Document-ENG.pdf>

¹⁰⁰ PRB (2006)

¹⁰¹ For example, in Kazakhstan for migrant workers, and in Kyrgyzstan and Tajikistan for returned migrants or migrants with re-entry bans

¹⁰² The need to develop such a programme was highlighted at the IOM workshop in Minsk in 2016 with representatives of the government and civil society.

¹⁰³ UNICEF Migration Profile Kazakhstan (<https://esa.un.org/migmgprofiles/indicators/files/Kazakhstan.pdf>)

¹⁰⁴ The population loss can be attributed to ethnical and language issues, with millions of ethnic Russians leaving the country back to the historic homeland

- ¹⁰⁵ Institute for East and Southeast European Studies Regensburg (2013)
- ¹⁰⁶ OSCE (2016)
- ¹⁰⁷ Prague Process (2015)
- ¹⁰⁸ <https://www.zakon.kz/4883043-utverzhdena-kontsepsiya-migratsionnoy.html> (2016)
- ¹⁰⁹ Detailed overview of remittances channels in the region will be discussed in Chapter 4.
- ¹¹⁰ Republic of Kazakhstan Ministry of Foreign Affairs (2018)
- ¹¹¹ <https://www.zakon.kz/4883043-utverzhdena-kontsepsiya-migratsionnoy.html>
- ¹¹² IOM (2013)
- ¹¹³ A national financial literacy survey is implemented in 2018 according to a Press release by the National Bank of Kazakhstan – 7 September 2017
- ¹¹⁴ <http://www.centrasia.ru/newsA.php?st=1499844960>
- ¹¹⁵ IOM (2017)
- ¹¹⁶ Based on the interviews with civil society organizations, e.f. Sana Sezim NGO and Migrant Help representatives
- ¹¹⁷ <https://eurasianet.org/s/perspectives-kazakhstan-is-central-asias-migration-outlier>
- ¹¹⁸ Even though Uzbekistan is not part of the OECD project, if any kind of regional initiative would be established, Uzbekistan should be included, as it shares a direct South border of Kazakhstan, and the majority of labour migrants to Kazakhstan come from Uzbekistan.
- ¹¹⁹ In the interview with IOM Sub-regional office, as well as Regional Office, the IOM representatives confirmed their interest to promote the topic
- ¹²⁰ As was reported in the interview with Michael Newson, IOM Regional Office Vienna
- ¹²¹ Prague process (2013)
- ¹²² Authors refer to the ethnic clashes of 2010 in Southern Kyrgyzstan, that became part of the Kyrgyz revolution.
- ¹²³ http://www.imap-migration.org/fileadmin/Editor/Profiles/PPTI/Kyrgyzstan/Kyrgyzstan_-_Extended_Migration_Profile_EN_Final.pdf
- ¹²⁴ Migration and Development Brief 29, KNOMAD (2018)
- ¹²⁵ Marat (2009)
- ¹²⁶ Ministry of Justice of Kyrgyz Republic (2004)
- ¹²⁷ *ibid.*
- ¹²⁸ Перспективы развития банковских продуктов для трудовых мигрантов. Опыт Кыргызстана, 2011
- ¹²⁹ They include language learning courses, hotlines, stalls and booths with information and employment opportunities in different countries, with financial counselling and consultation being the next potential themes.
- ¹³⁰ IOM research showed that most of migrants do have a simple Android-based smartphone
- ¹³¹ Examples of their video clips about risks of illegal migration, cultural norms in host and home country, and risks of human trafficking, prepared by the Centre of Support for International Protection:
<https://www.youtube.com/watch?v=j9lGauFubCM>
https://www.youtube.com/watch?time_continue=14&v=HmtKyJXky5M
<https://www.youtube.com/watch?v=ntnfWohVFhw>

¹³² The link to the investment video - https://www.youtube.com/watch?v=12PV_ubrfFo

¹³³ Migration Policy Institute (2006)

¹³⁴ Prague process (2013)

¹³⁵ Migration Policy Institute (2006)

¹³⁶ *Ibid.*

¹³⁷<https://www.osiaf.tj/wp-content/uploads/1%D1%80%D1%83%D1%81-%D0%98%D1%82%D0%BE%D0%B3%D0%BE%D0%B2%D1%8B%D0%B9-%D0%BE%D1%82%D1%87%D0%B5%D1%82-%D1%84%D0%B8%D0%BD%D0%B0%D0%BB-08.02.2018.-corrected-1.pdf>

¹³⁸<https://www.osiaf.tj/wp-content/uploads/1%D1%80%D1%83%D1%81-%D0%98%D1%82%D0%BE%D0%B3%D0%BE%D0%B2%D1%8B%D0%B9-%D0%BE%D1%82%D1%87%D0%B5%D1%82-%D1%84%D0%B8%D0%BD%D0%B0%D0%BB-08.02.2018.-corrected-1.pdf>

¹³⁹ World Bank (2013)

¹⁴⁰ World Bank (2017)

¹⁴¹ Further information is based on the interview with OECD consultant on CIS project for Tajikistan Olga Tomilova

¹⁴²<https://kumitaizanon.tj/index.php/ru/zakony/45-ob-uporyadochenii-traditsij-torzhestv-i-obryadov-v-respublike-tadzhikistan>

¹⁴³<https://www.osiaf.tj/wp-content/uploads/1%D1%80%D1%83%D1%81-%D0%98%D1%82%D0%BE%D0%B3%D0%BE%D0%B2%D1%8B%D0%B9-%D0%BE%D1%82%D1%87%D0%B5%D1%82-%D1%84%D0%B8%D0%BD%D0%B0%D0%BB-08.02.2018.-corrected-1.pdf>

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Annex A. Interviews conducted by country

ARMENIA

Organisation	Name	Position
ICARE	Vardan Urutyán	General Director
Savings Banks Foundation for International Cooperation (SBFIC)	Matthias Fohs	Head of Division
SBFIC	Ilonka Ruhle	
EBRD	Nini Karseladze	Project coordinator and trainer
Central Bank of Armenia	Amenuhi Mkrtychyan	Head of Consumer Protection and Financial education Centre
Union Banks of Armenia	Seyran Sargsyan	Executive Director
MFC	Ewa Bankowska	

AZERBAIJAN

Organisation	Name	Position
ABTC Training and Consultancy Services	Javanshir Abdullayev	Director
Azerbaijan Micro-finance Association (AMFA)	Jhale Hajiyeva	Executive Director
Savings Banks Foundation for International Cooperation (SBFIC)	Matthias Fohs	Head of Division
EBRD (the project was implemented by IAD, MFC and DMA)	Nini Karseladze	Project coordinator and trainer
Microfinance Center (Poland)	Ewa Bankowska	Responsible Finance Expert
Central Bank of Azerbaijan	Anar Babazade	Senior Specialist Economic Education Division

BELARUS

Organisation	Name	Position
The Republican Microfinance Center (RMC)	Margarita Korzoun	Project manager administrative and financial assistant
National Bank of the Republic of Belarus (NBRB)	Yulia Sakovich	Department of Information and Public Relations Department, Financial Literacy Division

KAZAKHSTAN

Organisation	Name	Position
IOM Regional Office Central Asia	Dejan Keserovic	Coordinator for Central Asia, Chief of the Mission in Kazakhstan, Kyrgyzstan, Turkmenistan and Uzbekistan
IOM Vienna, Regional Office for South-Eastern Europe, Eastern Europe and Central Asia	Michael Hewitt	Senior Labour Mobility & Human Development Specialist
NGO Sana Sezim	Shakhnoza Khassanova	Vice President
KazMicrofinance (KMF)	Rauza Ibragimova	

THE KYRGYZ REPUBLIC

Organisation	Name	Position
FINCA Kyrgyzstan	Bagyshbaeva Botogoz	Head of Training and Development Department
EBRD (the project was implemented by IAD, MFC and DMA)	Nini Karseladze	Project coordinator and trainer
GIZ	Ellen Kramer	Promotion of Sustainable Economic Development Programme Project Manager
University of Central Asia / Aga Khan network	Gulnara Djushunaliyeva	Director of School of Professional and Continuing Education
University of Central Asia / Aga Khan network	Neil Bailey	Manager; Development & Donor Relations
Microfinance Center (Poland)	Ewa Bankowska	Responsible Finance Expert
IOM Vienna, Regional Office for South-Eastern Europe, Eastern Europe and Central Asia	Michael Hewitt	Senior Labour Mobility & Human Development Specialist
National Bank of the Kyrgyz Republic	Emir Boobekov	Head of Financial literacy division

TAJIKISTAN

Organisation	Name	Position
Open Society Institute Assistance Foundation Tajikistan	Abidjanova Nigora	Director for Public Health and Economic Advancement program
MDO HUMO	Lobar Mirzoeva	Head of marketing department
MDO Arvand	Ganieva Sarvinoz	SPM manager
IFC ACAFI Project with support from the State Secretariat for Economic Affairs of Switzerland (SECO)	Zarina Boboaliyeva	WBG IFC, ACAFI and EDFs Outreach Consultant
First MicroFinanceBank	Parvina Navruzova	Research and Product Development Officer
EBRD (the project was implemented by IAD, MFC and DMA)	Nini Karseladze	Project coordinator and trainer
NGO Akhtari Bakht	Mohiniso Shonazarova	Director
Human Rights Center	Nodira Abdulloeva	Programme Coordinator and Labour Migration Expert
National Research Institute of Labour, Migration and Employment	Yusuf Yusufbekov	Researcher; Head of division
OECD CIS project	Olga Tomilova	Consultant
Microfinance Center (Poland)	Ewa Bankowska	Responsible Finance Expert
IOM Vienna, Regional Office for South-Eastern Europe, Eastern Europe and Central Asia	Michael Hewitt	Senior Labour Mobility & Human Development Specialist
Bank Eskhata	Ikrom Bobojonov	

Annex B. Migration statistics per country

Table A B.1. Total number of emigrants per country

Country	Total Emigrants 2017 (bilateral migration data)	Key countries of destination of migrants 2017 (bilateral migration data)	Number of emigrants 2017 (bilateral migration data)
Armenia	968 686	Russian Federation	527 659
		Azerbaijan	145 693
		United States	90 946
		Ukraine	49 862
		France	19 372
		Uzbekistan	16 867
		Germany	14 048
		Greece	14 028
		Georgia	12 605
		Spain	11 661
Azerbaijan	1 215 260	Russian Federation	767 881
		Armenia	87 454
		Ukraine	86 741
		Turkey	52 836
		Kazakhstan	49 997
		Uzbekistan	33 157
		United States	22 320
		Germany	20 372
		Israel	13 764
		Belarus	13 571
Belarus	1 646 080	Russian Federation	764 819
		Ukraine	258 781
		Poland	81 363
		Kazakhstan	70 858
		Uzbekistan	70 495
		United States	62 514
		Lithuania	59 831
		Latvia	47 198
		Moldova	34 291
		Italy	30 691
Kazakhstan	3.945.105	Russian Federation	2 562 079
		Germany	737,000
		Ukraine	234,238
		Uzbekistan	91,711
		Belarus	70,362
		United States	32,017
		Greece	26,492
		Azerbaijan	20,272

		Moldova	18,312
		Turkmenistan	18,029
Kyrgyz Republic	781.950	Russian Federation	591,767
		Germany	83,954
		Ukraine	28,172
		Uzbekistan	14,657
		Tajikistan	11,590
		Kazakhstan	6,901
		United States	6,020
		Belarus	5,263
		Turkey	4,000
		Azerbaijan	3,240
Tajikistan	638.249	Russian Federation	466,837
		Kazakhstan	37,614
		Ukraine	30,954
		Germany	29,081
		Afghanistan	24,658
		Uzbekistan	15,631
		Belarus	5,712
		United States	4,725
		Azerbaijan	3,456
		Moldova	2,677

Source: World Bank

Table A B.2. Total number of immigrants per country

Country	Total Immigrants 2017 (bilateral migration data)	Key countries of origin of migrants 2017 (bilateral migration data)	Number of immigrants 2017 (bilateral migration data)
Armenia	220.584	Azerbaijan	87,454
		Georgia	40,794
		Russian Federation	20,528
		Korea, Dem. Rep.	16,335
		Syrian Arab Republic	13,937
		Iran, Islamic Rep.	8,929
		Ukraine	2,638
		Turkey	1,809
		Greece	1,653
		Uzbekistan	1,064
Azerbaijan	515.416	Russian Federation	175,048
		Armenia	145,693
		Georgia	50,173
		Ukraine	41,933
		Kazakhstan	20,272
		Uzbekistan	16,707
		Belarus	15,582
		Poland	5,033
		Moldova	4,167
Lithuania	4,151		

Belarus	1.088.815	Russian Federation	686,316
		Ukraine	227,042
		Kazakhstan	70,362
		Lithuania	17,316
		Uzbekistan	14,874
		Azerbaijan	13,571
		Latvia	10,444
		Georgia	8,558
		Moldova	7,653
		Armenia	5,762
Kazakhstan	3.716.976	Russian Federation	2,411,227
		Ukraine	346,445
		Uzbekistan	304,063
		Germany	223,789
		Turkey	85,383
		Belarus	70,858
		Korea, Dem. Rep.	63,135
		Azerbaijan	49,997
		Tajikistan	37,614
		Korea, Rep.	32,711
Kyrgyz Republic	226.960	Russian Federation	124,085
		Ukraine	29,726
		Kazakhstan	14,369
		Belarus	11,045
		Uzbekistan	10,198
		Azerbaijan	5,195
		Georgia	3,631
		Poland	3,568
		Moldova	2,954
		Lithuania	2,943
Tajikistan	279.455	Russian Federation	241,702
		Kyrgyz Republic	11,590
		Uzbekistan	7,746
		Afghanistan	7,704
		Ukraine	1,241
		Iran, Islamic Rep.	1,229
		Kazakhstan	862
		Moldova	808
		Turkey	797
		Belarus	698

Annex C. Remittance Statistics

Table A C.1. Remittances received per country

Country	Remittances received 2017 in millions (bilateral remittances data)	Key corridors inbound 2017 (bilateral remittances data)	Amount received 2017 (bilateral remittances data)	Remittances received 2012 (bilateral remittances data)	Growth rate 2012-2017
Armenia	1,539	Russian Federation	979	1.915	-24.43%
		United States	213		
		Ukraine	84		
		France	38		
		Germany	31		
		Uzbekistan	28		
		Spain	22		
		Kazakhstan	16		
		Greece	15		
Azerbaijan	1,050	Russian Federation	610	1.990	-89.52%
		Armenia	174		
		Ukraine	68		
		Kazakhstan	41		
		Uzbekistan	26		
		United States	21		
		Turkey	21		
		Germany	18		
		Israel	12		
Belarus	1,200	Russian Federation	545	1.053	12.25%
		Ukraine	184		
		Poland	61		
		United States	54		
		Uzbekistan	50		
		Lithuania	45		
		Latvia	44		
		Kazakhstan	37		
		Germany	33		
Moldova	24				
	355	Russian	226	178	49.86%

Kazakhstan		Federation			
		Germany	73		
		Ukraine	21		
		Uzbekistan	8		
		Belarus	6		
		United States	3		
		Azerbaijan	2		
		Moldova	2		
		Israel	1		
		Kyrgyz Republic	1		
Kyrgyz Republic	2,486	Russian Federation	1,904	2,031	18.30%
		Germany	282		
		Ukraine	74		
		Uzbekistan	37		
		Tajikistan	25		
		Kazakhstan	21		
		Belarus	16		
		United States	16		
		Turkey	14		
		Israel	10		
Tajikistan	2,220	Russian Federation	1,687	3,222	-45.14%
		Kazakhstan	141		
		Ukraine	92		
		Germany	79		
		Afghanistan	63		
		Uzbekistan	45		
		Belarus	20		
		United States	20		
		Azerbaijan	12		
		Israel	8		

Source: World Bank

Table A C.2. Remittances sent per country

Country	Remittances sent 2017 (bilateral remittances data)	Key corridors outbound 2017 (bilateral remittances data)	Amount sent 2017 (bilateral remittances data)	Remittances sent 2012 in millions (bilateral remittances data)	Growth rate 2012-2017
Armenia	292	Azerbaijan	174	315	-7.88%
		Georgia	80		
		Russian Federation	12		
		Lebanon	9		
		Iran, Islamic Rep.	7		

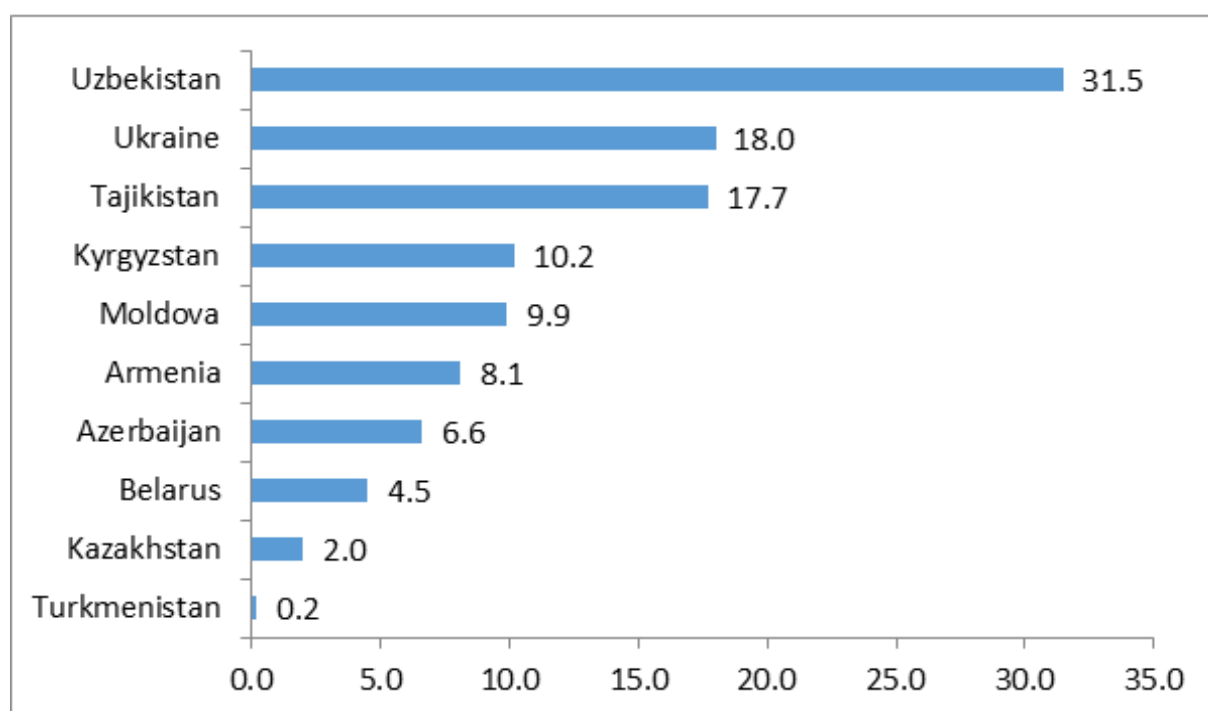
		Syrian Arab Republic	5		
		Ukraine	3		
		Germany	2		
		Turkey	1		
		Greece	1		
Azerbaijan	285	Russian Federation	126	2,073	-627.37%
		Ukraine	55		
		Tajikistan	12		
		Georgia	12		
		Germany	12		
		Belarus	11		
		Kyrgyz Republic	10		
		Lithuania	9		
		Poland	8		
		Moldova	7		
Belarus	982	Russian Federation	495	142	85.54%
		Ukraine	300		
		Lithuania	35		
		Latvia	31		
		Georgia	20		
		Tajikistan	20		
		Kyrgyz Republic	16		
		Moldova	14		
		Azerbaijan	11		
		Armenia	11		
Kazakhstan	2.892	Russian Federation	1.713	3,809	-31.71%
		Germany	387		
		Ukraine	338		
		Tajikistan	141		
		Poland	45		
		Korea, Rep.	45		
		Azerbaijan	41		
		Belarus	37		
		China	31		
		Turkey	27		
Kyrgyz Republic	190	Russian Federation	89	286	-50.53%
		Ukraine	35		
		Germany	8		
		Belarus	8		
		Georgia	8		
		Lithuania	6		
		Tajikistan	6		
		Poland	6		

		Armenia	4		
		Moldova	4		
Tajikistan	210	Russian Federation	174	263	-25.24%
		Kyrgyz Republic	25		
		India	2		
		Ukraine	1		
		Georgia	1		
		Moldova	1		
		Iran, Islamic Rep.	1		
		Denmark	1		
		Germany	1		
		United States	0		

Source: World Bank

Annex D. Personal Remittances from Russia to CIS countries

Figure A D.1. Personal remittances from Russia to CIS countries, 2011-2015 (billions of US dollars)



Source: <http://www.e-ir.info/2017/05/05/migration-to-russia-and-the-current-economic-crisis/>

Table A D.1. Personal remittances from Russia to CIS States in USD million

Personal remittances from Russia to the CIS countries, millions.

	2011	2012	2013	2014	2015	2016 (Q1)	2016 (Q2)	2016 (Q3)	2016 (Q4)	2016	2017 (Q1)
Azerbaijan	932	1139	1378	1374	950	165	230	250	262	906	188
Armenia	1168	1398	1747	1752	1159	150	224	239	213	826	141
Belarus	684	843	993	1000	585	117	144	143	169	573	160
Kazakhstan	290	298	377	465	351	64	120	133	114	431	93
Kyrgyz Republic	1386	1682	2113	2239	1519	250	409	485	438	1582	267
Tajikistan	2705	3125	3927	3662	2092	330	493	584	499	1906	259

Source: Bank of Russia (2017)

Annex E. Translated selected figures from National Agency for Financial Research – Survey on labour migrants in Russia (2017)

	Which of the following services do you know? (% of respondents who chose the answers "fully trust" and "rather trust")	In your opinion, what financial services are the most difficult for an ordinary person to understand? (% of respondents who chose the answers "fully trust" and "rather trust")
Deposits	90 %	30 %
Loans	96 %	34 %
Bank cards	95 %	7 %
Microloans	62 %	18 %
Insurance	84 %	13 %
Investment products	35 %	32 %
Difficult to answer	1 %	9 %

	Which of the following financial products (services) do you personally use at present? (% of all respondents)
Bank cards	63 %
Insurance	21 %
Loans	10 %
Deposits	8 %
Microloans	3 %
Investment products	0 %
None of the above	24 %
Difficult to answer	2 %

	Can you remember, please, what types of loans you personally or your family have ever used? (% of all respondents)
A loan for the purchase of goods in the store (consumer credit)	9 %
A loan from family members, relatives, friends (no interest rate)	8 %
Credit cards	7 %
A bank loan given in cash	6 %
A loan from microfinance organization	4 %
A loan from private person (with interest rate)	4 %
A loan from employer	3 %
A car loan	2 %
Mortgage	1 %
None of above, did not take loans	49 %
Difficult to answer	21 %

	The proportion of respondents with a low score (knowledge and skills are not sufficient; unsatisfactory knowledge) and with high (good and excellent knowledge), as well as a test for financial literacy (the proportion of correct answers), % of all respondents
Low	44 %
High	46 %

www.oecd.org/daf/fin/financial-education/

