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The review “Russian Economy. Trends and Outlooks” has been published by the Gaidar Institute since 1991. This is the 43th issue. This publication provides a detailed analysis of the most significant trends in the Russian economy, global trends in the social and economic development. The work contains 6 big sections that highlight different aspects of Russia’s economic development, which allow to monitor all angles of ongoing events over a prolonged period: global economic and political challenges and national responses, economic growth and economic crisis; the monetary and budget spheres; financial markets and institutions; the real sector; social sphere; institutional changes. The work is based on an extensive array of statistical data that forms the basis of original computation and numerous charts confirming the conclusions.

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5.4. Migration in Russian in 2021[1]

5.4.1. Long-term migration

After a sharp fall in 2020, Russia's net migration in 2021 was the highest in recent years. According to the estimates based on the Rosstat's operative information on the population, which decreased by 692,900 people in 2021, and on the natural population decline (in 2021 — 1,042.7 thousand people), the migration gain was 349,800 people. At the same time, according to the last published data for January-November 2021 the positive migration balance for

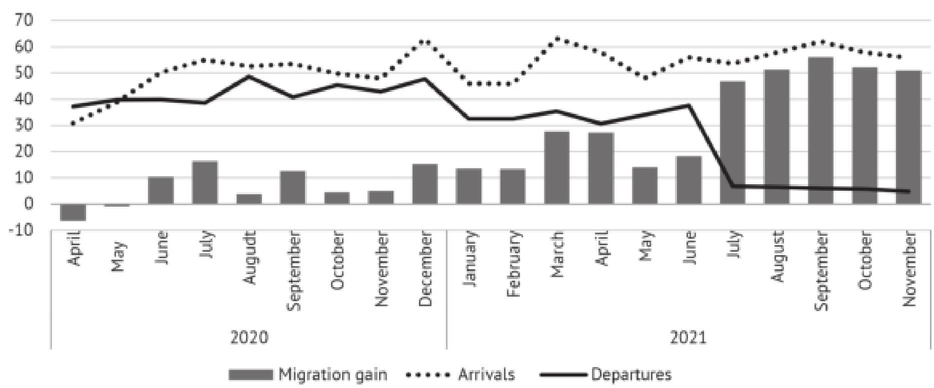
1 This section was written by: *Mkrtchyan N.V.*, Candidate of Geographic Sciences, Leading Researcher, INSAP RANEPA; *Florinskaya Yu.F.*, Candidate of Geographic Sciences, Leading Researcher, INSAP RANEPA.

11 months already made up 371,400 people, and there is no reason to believe that there was a migration loss in December. Monthly dynamic of the index allows us to assume that the net migration will exceed 400,000 people. The reason for the discrepancy in these data is not clear. But no matter how Rosstat estimates the final results of migration gain for the year, it is obvious that its magnitude was extremely high in 2021.

The fact that positive migration balance will increase compared to 2020 was clear beforehand. However, its magnitude can be explained, as it happened before, by a change in statistical accounting procedures. Since July 2021, Russia stopped counting departures from the country at the end of the term of registration at the place of residence, because the terms of registration were extended until the end of the year. In H2 2021, only those who were de-registered at the place of residence (as it was before 2011) were counted as departures. As a result, in July the number of people leaving the country amounted to 17.8% by the relevant period of 2020, and in July — November 2021 — 13.8%. Arrivals for July-November went up by 11%, but their role in the change of the migration growth was secondary.

Since July 2021, Russia's population growth has been 47-56 thousand people a month (*Fig. 20*), and between July and November 2021 — a total of 257,200 people.

Migration gain of Russia's population in January-November compared with a number of previous years increased with all countries (*Table 5*), which is not surprising in a situation when the migrants count system is changing so radically, and the vast majority of departures from the country are not registered. Tajikistan became Russia's main migration donor by a significant margin, followed by Ukraine and Kazakhstan.



Note. Data for January and February 2021 — estimate based on two months of data as a whole.

Fig. 20. Long-term international migration of the Russian population in April 2020 — November 2021, monthly data

Source: Socio-Economic Situation in Russia. Bulletins for 2020 and 2021.

Table 5

Migration gain (loss) in Russia in January through November 2017–2021, thousand persons

	2017	2018	2019	2020	2021
International migration, total	**200.9**	**119.1**	**259.4**	**91.1**	**371.4**
With CIS countries	193.6	123.0	233.8	100.4	344.2
Including:					
Azerbaijan	7.9	8.1	15.8	9.9	20.6
Armenia	13.4	14.1	33.7	-3.1	39.9
Belorussia	10.8	6.8	5.9	-2.1	13.5
Kazakhstan	30.2	24.3	37.5	5.8	42.4
Kirgizia	16.9	9.1	13.7	0.6	36.0
Moldavia	9.2	7.0	5.2	2.2	14.3
Tajikistan	31.7	28.8	43.5	34.4	83.3
Turkmenistan	3.3	2.7	5.3	0.9	6.4
Uzbekistan	20.3	6.6	18.2	3.7	31.3
Ukraine	50.1	15.5	55.1	48.1	56.4
With far abroad countries	7.3	-3.9	25.6	-9.2	27.3

Source: Socio-Economic Situation in Russia. Bulletins for 2018–2021.

In 2021, there were no significant changes in the internal migration count and for a number of previous years. Nevertheless, starting from 2019, the number of recorded relocations is decreasing (*Fig. 21*). Between January and November 2021, the number of in-country relocations stood at 3,319,000, a drop of 671,200, or 16.8%, from the corresponding period in 2018. Compared to the 11 months of 2020, the number of relocations moved up by only 3.2%, not making up for the 14% drop in the year of the most severe coronavirus restrictions.

The sharply increased net migration of Russia's population induced by an improvement in the migration balance of some of its regions. In January-November

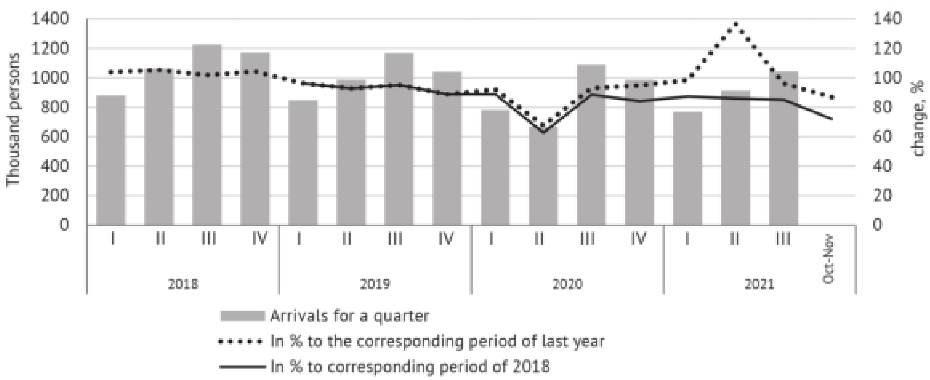


Fig. 21. Internal long-term migration in Russia in 2018–2021, quarterly data

Source: Socio-Economic Situation in Russia. Bulletins for 2018–2021.

2021, the number of regions with a migration loss was 29, compared to 50 in the corresponding period of 2020. Of all the federal districts only the population of the North Caucasus continues to decline as a result of migration. In this case, the migration gain of the population of Moscow continues to remain low (+12,400 people), while the population of St. Petersburg is lower than the average in the 2010s - +21,400 people. Meanwhile, the migration growth of Kaluga, Kaliningrad, Novosibirsk, Tyumen regions, Tatarstan surged.

5.4.2. Temporary migration

Throughout 2021, the number of foreign nationals in Russia remained at its lowest level in a decade (*Fig. 22*). The number of foreigners ranged throughout the year from 5.5 million to 6.9 million, about 40 percent below the pre-pandemic 2019 and one-third lower than in 2020. At the same time, the foreign-born population numbers during 2021 (starting in February) returned to their pre-pandemic levels. The number of foreign nationals (starting in February) returned to its usual pattern: the lowest numbers at the beginning and end of the year, rising in summer and early fall, when additional seasonal labor migrants come to the country. By the end of 2021, there were about 5.93 million foreign nationals in Russia. Compared to the end of 2019, the contingent of tourists decreased the most (by more than 80%), as well as those staying in the country for transit, business and private purposes (by 73, 66 and 58%, respectively); the number of those staying for work and study purposes declined the least (by 21 and 22%, respectively).

Among all those staying in Russia, the absolute majority are citizens of the CIS countries, and their share is higher than in previous years and has reached 89% (79% in 2019, 84% in 2020). At the beginning of winter, there were 5.3 million

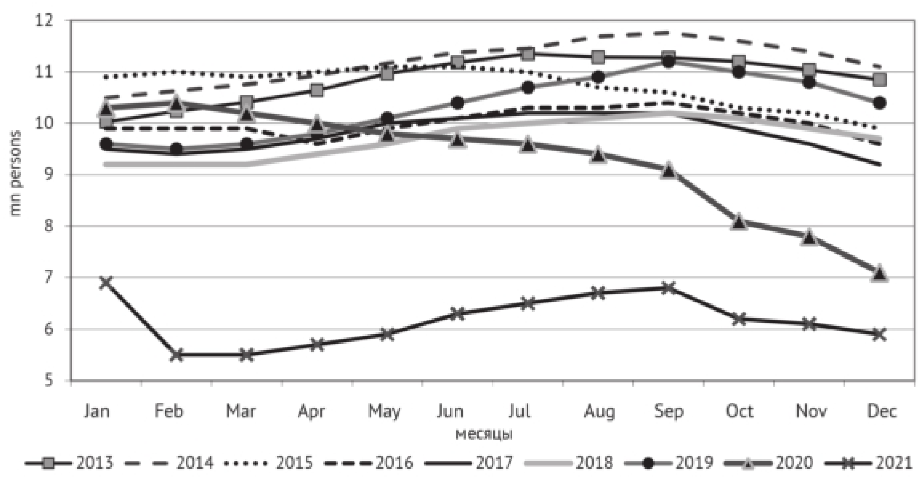


Fig. 22. Stay of foreign citizens in Russia at the end of the month, 2013—2021

citizens from CIS countries (*Table 6*), at the end of the year — 5.2 million (at the end of 2019 — 8.2 million). The leaders are all three Central Asian countries: Uzbekistan, Tajikistan, and Kyrgyzstan. For the first time, Ukraine was missing in the top three.

Table 6

Stay of foreign citizens from the CIS in Russia on the date, persons

	04.12.14	**01.12.15**	**01.12.17**	**01.12.19**	**01.12.20**	**01.12.21**
Azerbaijan	598 646	531 080	601 704	758 377	548 389	253 961
Armenia	499 084	490 156	494 848	483 250	339 985	301 035
Belorussia	506 759	644 598	689 534	690 854	628 134	515 694
Kazakhstan	581 516	671 751	531 865	547 398	365 632	270 887
Kirgizia	554 808	541 855	624 756	746 477	599 294	663 683
Moldavia	586 069	512 637	425 269	310 679	205 747	98 510
Tajikistan	1 052 822	898 849	988 771	1 243 080	1 012 186	1 143 290
Uzbekistan	2 275 290	1 884 110	1 719 492	2 007 895	1 460 120	1 514 596
Ukraine	2 476 199	2 598 303	2 129 446	1 708 652	1 037 016	577 225
CIS, total	**9 131 193**	**8 773 339**	**8 205 685**	**8 496 662**	**6 196 503**	**5 338 881**

Sources: RF FMS; GUVD MVD RF; TSBDUIG.

Compared to 2019, the number of CIS citizens staying in Russia has decreased; compared to 2020, — all, except from three Central Asian countries. Compared to pre-pandemic indexes, the number of Moldovan, Azerbaijani and Ukrainian citizens staying in Russia dropped the most (by 68%, 67% and 66%, respectively); the number of citizens of Tajikistan and Kyrgyzstan fell the least (by 8% and 11%).

The pandemic and accompanying travel restrictions between countries have significantly reduced the presence of citizens of developed Western countries in Russia (*Table 7*). On average, at the beginning of winter 2021, their number decreased by 3.7-fold compared to 2019; there were 7 times fewer citizens of France and Spain, 6 times fewer citizens of Italy, and 4 times fewer citizens of Germany and Great Britain. Most of all, the reduction affected those in Russia with business and commercial purposes (by 84%), with tourist purposes (by 80%). The number of people from developed countries who work for hire has dropped twofold, and the number of those who stay for study purposes has decreased by two-thirds.

At the end of 2021, there were 3.07 million migrant workers in Russia — those who indicated in the migration card the purpose of entry "work for hire" (at the end of 2019 — 3.9 million, by the end of 2020 — 2.97 million). Of this number, 3.0 million are CIS citizens (98%), 73,000 are from non-CIS countries. Compared to the end of 2020, there were 3% more migrant workers and 20% fewer migrants than at the end of 2019. The contingent of migrant workers from Ukraine and Moldova went down most of all (by 75 and 71%). At the same time, the number of migrant workers from the three Central Asian countries was only 12% lower than before the pandemic.

Table 7

Stay of foreign citizens from some EU countries and the USA in Russia as of the date, persons

	04.12.14	**01.12.15**	**01.12.17**	**01.12.19**	**01.12.20**	**01.12.21**
EU as a whole	843 824	484 981	437 189	700 325	551 964	190 157
Germany	242 978	112 053	105 524	150 914	122 565	34 616
Spain	45 860	14 960	14 109	31 239	22 139	4 421
Italy	54 097	29 004	24 092	43 989	34 787	7 373
Great Britain	111 093	29 225	23 616	30 297	31 853	8 175
Finland	76 091	76 220	73 500	87 635	66 983	36 852
France	53 487	34 161	26 071	54 997	47 510	8 363
USA	142 016	47 355	43 875	59 509	63 296	20 400

Sources: RF FMS; GUVD MVD RF; TSBDUIG.

The measures taken to extend the opportunity for foreign nationals[1] who were already in Russia to "come out of the shadows" played an important positive role in their legalization in the labor market. Of all migrant workers staying in Russia at the end of the year, 1.99 million people had valid documents for work (patents or work permits) (at the end of 2020 — 1.21 million); about 856,000 more, from EAEU member-states, had the right to work without such permits. Thus, at the end of 2021, approximately 2.9 million, or 93% (at the end of 2020 — 69%) foreign migrant workers had the potential to be fully legalized on the Russian labor market (if employers so wished). This is the highest figure in all the years since the changes in migration legislation introduced in 2015 came into force. This result clearly demonstrates that even the temporary easing of conditions for migrants to obtain documents contributes to the desire of most of them to legalize in Russia.

As for employers, the number of notifications sent by them to the RF Ministry of Internal Affairs in 2021 on the conclusion of contracts with all categories of migrant workers (with patents, with work permits, from EAEU countries) spiked by 26% compared to the previous year, but decreased by 12% compared to 2019. In the meantime, the number of EAEU citizens in possession of valid documents at the end of 2019 was almost the same as at the end of 2021 (same 2.9 million people).

The same upward trend in the number of legalized migrants is confirmed by statistics on the issuance of new documents for work (*Table 8*). In addition to migrants who were already in Russia and were able to obtain new documents without leaving Russia, newly arrived migrants also began applying for patents and work permits. In 2021, air flights were resumed to all major countries that are donors of labor migration to Russia, and, although airfares continued to be high, the entry of new foreign workers was gradually mounting. During the 12 months of 2021, 1.9 times more patents and work permits (WP) were issued than during

1 Executive Order of the President of Russia No. 364 of 15.06.2021 "On temporary measures to regulate the legal status of foreign nationals and stateless persons in the Russian Federation during the period of overcoming the consequences of the spread of the new coronavirus infection (COVID-19".

the same period last year. Overall, the number of issued documents was higher than in 2021, only in 2014.

Table 8

Registration of work permits for migrants in Russia, January - December, people

		2014	2015	2017	2019	2020	2021
WP for foreign citizens (FC)*		1 334 899	177 175	139 595	117 452	58 475	87 331
Including:	WP for QS*	158 644	22 099	17 333	16 877	7 286	6 557
	WP for HQS	34 225	41 829	21 363	31 754	18 937	44 295
Patents**		2 379 374	1779 796	1 658 119	1 686 418	1 101 832	2 156 125
Total		**3 714 273**	**1 956 971**	**1 797 714**	**1 803 870**	**1 160 307**	**2 243 456**

* Since January 1, 2015 are issued only to FCs from visa entry countries.
** Since January 1, 2015 issued to FCs from visa-free regime countries to work for both individuals and legal entities.

Sources: data from FMS RF and GUVD MVD RF.

Payments by migrant workers to regional budgets have also moved up: in 2021, the amount came up to Rb67.9 bn (in 2020 — Rb47.5 bn, in 2019 — Rb60.4 bn). The main payers have not changed — these are migrants from Uzbekistan and Tajikistan (they got 94% of all patents in 2021); citizens of Ukraine and Moldova accounted for less than 3% of patents issued.

The gradual recovery of labor migration, which was observed in 2021, occurred almost exclusively owing to migrants from Central Asia.