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As the Ruble Falls, Migrant Workers Leave Russia

If the ruble to dollar rate tops 140, it may not be profitable for foreign workers to stay.

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Kirill Zykov / Moskva Agency

The Russian economy may face a new and unexpected stress: as the ruble weakens, migrant workers may leave Russia for more lucrative work elsewhere. Experts polled by The Moscow Times said that the ruble has even fallen 20% in relation to the Tajik somoni, and workers from that Central Asian country are beginning to seek opportunities in Southeast Asia and the Middle East.

“The mass exodus of migrants from Russia could begin in three to six months if the war in Ukraine does not end quickly,” Vadim Kovrigin, a political scientist at Plekhanov Russian Economic University, told The Moscow Times.

"If the ruble settles at more than 130-140 rubles per dollar, it could lead to this,” he

continued. “Although the ruble has already fallen, migrants can’t respond to the change quickly. They can't quit your job in Russia in one day, and they can't go back to their homeland where there are no immediate vacancies.”

But Kovrigin is certain that even an exchange rate of 100 rubles per dollar is profitable for migrants to work in Russia.

Batyrzhon Shermuhammad, a human rights activist from Uzbekistan, told The Moscow Times that his compatriots are still hesitant to leave Russia and are waiting for the conflict in Ukraine to end. But workers who were about to come to Russia are pausing.

"They can’t assess the prospects of working in Russia. Several people who bought tickets for the Tashkent-Moscow flight asked me if they should fly," Shermukhammad said. "Tickets are not cheap, and if wages fall, people will simply have nothing to bring back home.”

Migrants aren't interested in politics, Shermukhammad said. They worry about exchange rates and the price of housing and goods in Russia, since work migrants from Central Asia are just here to make money to send home to their families. He predicts an outflow of migrants in the next two months.

Maria Yermilova, associate professor of finance for sustainable development at the Plekhanov Russian Economic University, told The Moscow Times that the construction and agricultural markets where most of the migrants work will be supported by the government. So she believes that Russia will still be attractive for earning money.

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"If migrants do leave Russia, our citizens will be able to replace them," Yermilova said. “But this will only be possible if there are massive layoffs in other sectors of the economy and rising unemployment."

Some migrants are considering alternative labor markets. Shokhzhakhon, a cab driver from Andijan, told The Moscow Times that many of his friends are now thinking about moving to Saudi Arabia to work.

"My brother has been living there for more than a year. I'm now learning the language and pulling together documents," Shokhzhakhon said, "It's harder to get used to it, but the wages are much higher there.”

Human rights activist Shermukhammad confirmed that many migrants are indeed looking for options to earn money outside Russia, including in Saudi Arabia and South Korea. However, for most of them Russia remains the most accessible option — it’s easy to get a job and easy to assimilate.

The volume of remittances to individuals from Russia to the CIS countries through the payment system July - September 2021 was $2.29 billion — a record for the last 6 years. Most of the money was sent to Uzbekistan, Tajikistan and Kyrgyzstan.

The year before, the coronavirus pandemic had caused a major outflow of migrants from the

CIS who worked in construction, transportation and agriculture. This immediately caused panic in the labor market. According to the Ministry of Internal Affairs, before the pandemic about 12 million migrants worked in the country. Now there are half as many. The labor market immediately felt the shortage of workers.

Since the end of 2020, agricultural companies have asked the Ministry of Agriculture to facilitate the entry of foreign workers during the sowing and harvesting periods. According to reaseach by Kommersant, employers have raised salaries for guest workers many times over. Deputy Prime Minister Marat Khusnullin said that Russia will need to attract up to 5 million additional foreign workers by 2024 in order to meet the national housing construction goals.

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