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Economic and spatial determinants of interregional migration in Kazakhstan



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ABSTRACT

In this paper we analyze economic and spatial determinants of interregional migration in Kazakhstan using quarterly panel data on region to region migration in 2008–2010. The main contribution of the paper relates to the ethnic divide in Kazakhstan, which is the home of a big ethnic Russian community, adding to the scarce literature on ethnic differences in migration patterns. Against this background we investigate whether the determinants of interregional mobility depend on ethnicity. In line with traditional economic theory we find that migration is determined by economic factors, first of all wage. As predicted by gravity arguments, mobility is larger between more populated regions and distance has a strong negative impact on migration, indicating high migration-related costs. Most likely caused by stronger family ties and kinship bonds, the deterring effect of distance is higher for ethnic Kazakhs.

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1. Introduction

Since gaining independence in 1991, Kazakhstan experienced new migration dynamics. The huge emigration of citizens that prevailed in the 1990s faded out in later years and turned into a positive migration balance in 2004. Between 1991 and 2004 net migration in Kazakhstan accounted for a

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population loss of 2.04 million persons or nearly 13% of the population. To a considerable part this movement was related to the legacy of the Soviet labor market and nationality policy. The Soviet government had allocated its labor force within its vast territory according to central plans and certain ethnic groups had been forcefully relocated. After the break-up of the Soviet Union the newly introduced freedom of movement allowed people to return to their former homelands. Most persons who left Kazakhstan after independence had either originally gone there for work and job advancement (predominantly Russians) or because they had been forcefully resettled (mainly ethnic Germans).

Compared to the large and highly volatile external migration, interregional movements have been less pronounced and more stable: since independence they have on average involved approximately 1% of the population each year. Due to the alarming size of emigration from Kazakhstan in the early period after independence almost all attention has been on external migration while interregional migration has been mostly neglected. The disregard of internal mobility can also be attributed to data problems: time series on region to region migration have only recently been published and micro-data based on registration forms are unavailable for researchers. Accordingly, little is known about the patterns and determinants of interregional movements in Kazakhstan, although its geographical and structural economic conditions point to the crucial role internal labor migration might play in regional adjustment processes.

Kazakhstan spans a vast territory (about 2.7 million km²; it is the 9th largest country in the world) which is inhabited by a relatively small population (nearly 16 million inhabitants) and is hence characterized by a low population density. Although ethnic Russians emigrated in huge numbers since independence, Kazakhstan is still the home of a big Russian minority. As of January 2010, 24% of the population in Kazakhstan were ethnic Russians. Moreover, regional development has been persistently uneven across regions: on the one hand Astana (Kazakhstan's capital since 1997), Almaty (the country's financial center and old capital), and oil-rich regions at the shores of the Caspian Sea have been developing fast; on the other hand depressed regions exist in the north and south. According to standard economic reasoning, these discrepancies in regional development should provide incentives for substantial internal migration movements. Such movements might also be expected to happen because internal migration barriers which existed throughout the Soviet system were abolished after Kazakhstan had become independent.

In this paper we analyze the economic and spatial determinants of interregional movements in Kazakhstan based on newly released region to region migration data. For 2008–2010 we study whether standard economic arguments such as differences in income and unemployment as well as factors put forward by spatial economics, i.e. population size and distance, explain the regional mobility of people in a transition country. Motivated by the ethnic partition in Kazakhstan, the paper adds to the scientific literature on ethnic differences in migration patterns.

We find that migration behavior of both Kazakhs and Russians is sensitive to wage. However, given larger elasticities, the result implies that ethnic Kazakhs are more responsive to economic opportunities. We also find that distance negatively affects migration. The stronger negative effect of distance on the migration of ethnic Kazakhs suggests that Kazakhs face higher migration costs. We believe that this could be explained by stronger kinship ties among ethnic Kazakhs compared to ethnic Russians.

The remainder of this paper is structured as follows: Section 2 describes the economic and migration development in Kazakhstan at the regional level. Section 3 presents the theoretical framework that motivates the gravity approach applied in our analysis and exemplifies empirical findings on internal migration movements. Section 4 introduces our data and methods, while Section 5 presents estimation results and Section 6 concludes.

2. Regional economic development and migration in Kazakhstan

Kazakhstan, which had belonged to the Central Asian part of the Soviet Union for 70 years, emerged as a newly independent country in 1991. After an administrative reform and the relocation of the country's capital from Almaty to Astana in 1997, the state was organized in 14 regions (*oblasts*) and 2 cities (Almaty and Astana). In the 1990s Kazakhstan experienced a severe economic and social crisis,

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