

# Links between rural economic development and migration in Kazakhstan

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# Why is it important?

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- The growing gap between the regions encourages active internal migration
- Internal migration is one of the main tools for assessing the socio-economic differentiation of regions
- Lack of studies on out-migration and its economic effects on rural areas in Kazakhstan:
  - 2013, Danzer, Dietz and Gatskova have conducted an internal migration and remittances survey in Kazakhstan (Almaty, Karaganda, Pavlodar and Astana)
  - 2014, Aldashev and Dietz, *Economic and Spatial Determinants of Interregional Migration in Kazakhstan*

# The gap between the quality of life for urban and rural population in Kazakhstan has increased

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- 2014: the poverty rate in rural areas exceeded the urban rate more than **3.6 times**, in 2000 the difference was only **1.1 times**
- 43 percent of the Kazakhstani population lives in rural areas

# Questions

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1. What are the main rural-urban migration flows in Kazakhstan?
2. What are the factors of the main rural-urban migration flows in Kazakhstan?
3. How internal rural-urban migration flows influence on reducing poverty and increasing economic development (poverty, average income, consumption, investment, RGP) in donor regions of Kazakhstan?

***The paper aims to bring an empirical evidence on how rural-urban migration affects rural development in Kazakhstan.***

# Methodology and data

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- Quantitative analysis
- Descriptive statistics
- Econometric regression analysis of panel data: 66 observations

## **Data:**

- Inter-regional migration data of Kazakhstan, 2004-2014
- Consumption, unemployment, GRP, poverty depth, wages, investment in fixed capital, balance of migration, agricultural & manufacturing output in donor regions

# Assumptions

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- inter-regional migration data (2004-2014) represents general rural-urban migration in Kazakhstan

- there are only three cities with population of one million people (or approaching it) (Almaty, Shymkent, Astana)
- there is a substantial gap between the GRP of three biggest regions (Almaty, Astana, Atyrau) and all other regions

***These observations imply that economic activity in Kazakhstan is predominantly concentrated in the aforementioned regions with subsequent implications for inter-regional migration***

# Interregional migration in Kazakhstan

departed arrived	Total	Including															
		Akmola	Aktobe	Almaty region	Atyrau	West Kaz-n	Zhambyl	Karagandy	Kostanai	Kyzylorda	Mangystau	South Kaz-n	Pavlodar	North Kaz-n	East Kaz-n	Astana	Almaty
<b>Kazakhstan</b>	<b>177298</b>	<b>11969</b>	<b>5575</b>	<b>26922</b>	<b>4004</b>	<b>4171</b>	<b>14516</b>	<b>9645</b>	<b>5342</b>	<b>8062</b>	<b>5097</b>	<b>23026</b>	<b>5174</b>	<b>6116</b>	<b>11835</b>	<b>16381</b>	<b>19463</b>
Akmola	9114	-	58	254	43	60	316	761	668	187	53	381	339	2485	388	2909	212
Aktobe	5274	66	-	300	747	781	164	114	135	1078	647	373	41	40	68	400	320
Almaty region	21387	258	348	-	185	189	2614	746	253	947	369	2666	282	204	2769	837	8720
Атырау облысы	4360	44	797	158	-	818	215	83	58	140	757	423	51	31	134	286	365
West Kaz-n	3222	33	607	196	679	-	73	77	59	186	476	188	32	24	57	326	209
Zhambyl	6702	157	96	971	96	66	-	410	108	321	245	1684	75	83	220	986	1184
Karagandy	10186	1099	118	814	64	86	924	-	718	331	114	1944	712	589	591	1562	520
Kostanai	4840	877	123	302	41	74	210	510	-	135	102	303	147	385	203	1159	269
Kyzylorda	5506	60	573	441	106	92	417	208	101	-	182	1425	38	26	140	791	906
Mangystau	6113	97	685	678	613	506	639	69	84	239	-	1804	32	29	154	231	253
South Kaz-n	9450	216	159	853	126	117	1517	623	156	934	576	-	112	116	274	1939	1732
Pavlodar	4913	501	61	294	12	43	138	623	179	63	40	311	-	210	1147	993	298
North Kaz-n	3404	1128	31	127	30	25	112	366	230	38	41	183	153	-	127	649	164
East Kazakhstan	6889	206	81	1868	70	59	315	438	153	235	102	452	648	102	-	1027	1133
Astana	33886	6796	967	1349	499	661	2318	3335	1930	1431	516	4599	1971	1490	2846	-	3178
Almaty	42052	431	871	18317	693	594	4544	1282	510	1797	877	6290	541	302	2717	2286	-

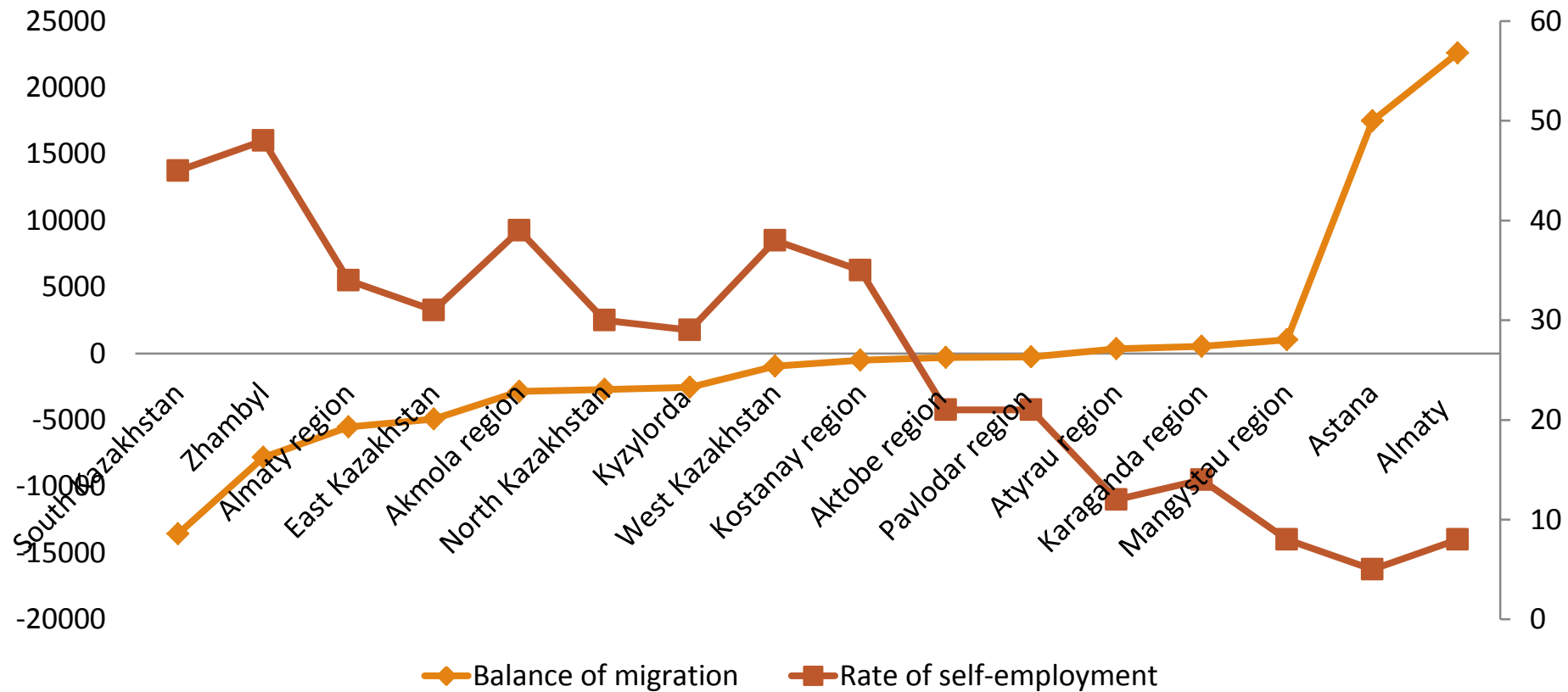
# Internal migration in Kazakhstan

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- in regional terms, Kazakhstan consists of 14 provinces and two main cities, Astana and Almaty. Therefore, there are 16 possible points of departure and fifteen points of arrival
- since 2004 to 2014 interregional migration in Kazakhstan has grown by almost 50 000 people, having peaked in 2014 (177 298 people), after a downturn in 2012 and 2013.
- intensive outflow of population from East Kazakhstan, South Kazakhstan and Zhambyl region
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# Labor surplus/overpopulation



# Defining determinants of internal migration

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we examined various socio-economic indicators, and tested for correlation relationship with the number of migrants to urban areas.

After a study of the influence of various factors on the number of migrants in each of the streams, the methods of mathematical analysis, the following factors were selected:

- historical data, i.e. the number of migrants the pair of regions in the past year;
- Average monthly nominal wage in each of the points;
- RGP per capita in each of the regions;
- The unemployment rate in each of the points;
- Derivatives of the analyzed indicators, such as the difference between the average monthly nominal salary, the difference between the indices of RGP per capita of each item of the pair under consideration, the difference in unemployment rates, as well as natural logarithms, the first differences, the second differences (gains increments) and the geometric return.

# The main factors?

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- ❑ The rural-urban migration in Kazakhstan is largely explained by economic motives
- ❑ migrants are attracted by higher wages or income.
- ❑ South Kazakhstan remains as the most intensive donor for all the three biggest recipients

Akmola region - Astana;  
Zhambyl region - Almaty;  
Zhambyl region - Almaty region;  
South Kazakhstan region - Almaty region;  
South Kazakhstan - Astana;  
South Kazakhstan - Almaty region;  
East Kazakhstan - Almaty;  
Almaty - Almaty region;  
Karagandy region - Astana  
Almaty - Astana



# Results

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- Rural-urban migration has positive influence on improving consumption
- Negative correlation between net outflow of migrants and poverty depth
- Migration does not influence agricultural output in rural areas
- No specific correlation between migration and RGP
- Migration positively affects investment in donor regions
  - o agricultural output, migration and RGP have positive impact on investment in rural areas