

THE NATURE OF CHANGES IN MIGRATION IN KAZAKHSTAN SINCE CREATION OF THE CUSTOMS UNION

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Abstract

The paper discusses a general trend in character of change in migration in Kazakhstan. Being closely tied with Russia these two countries became major recipients of migrants from the republics of Central Asia after the collapse of the Soviet Union. The Republic of Kazakhstan being a transit zone for the labour migrants to Russia also became a recipient due to the economic development and sustainable growth. Since creation of the Customs Union between Russia, Kazakhstan, and Belarus the process of legislation unification started. After several agreements were signed a common labour market is to arise and develop. Since then a fear of mass labour migration from Kazakhstan to Russia is observed. The paper elaborates on statistical data about migration including adjustment for financial crisis years and concludes that much of fears have a weak ground. The paper also includes some information on the problem of illegal migration as well as a snapshot of trends in migration across the Common economic space.

Key words: migration, labour market, remittances, unified migration policy

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Introduction

In 1991 the collapse of the USSR resulted in creation of independent states. As concerns internal labor force movement, “internal migration flows between former soviet republics became interstate” (Labor migration in CES, 2012).

In 90s most part of migration flows occurred due to political and demographic causes, primarily, because many people living during soviet era in a huge, multinational state decided to leave for historical homeland. For the first seven years of independence about 1.2 mln. of ethnic Russians left Kazakhstan, and 90% of them – to Russia (www.stat.kz, 2013). Consequently, although political and demographic factors still present as causes of migration, economic factor became dominant. Political migration, thus, became much more labor-

oriented. “A powerful center of work force attraction was formed and concentrated in Russia followed by its spread to Kazakhstan” (Labor migration in CES, 2012). The main inflow of migrants in CIS countries is comprised by former republics geographically situated in Central Asia region – Uzbekistan, Tajikistan, and Kyrgyzstan. These countries suffer from chronic economic stagnation. Some of them often meet serious social and interethnic conflicts. Meanwhile, Kazakhstan and Russia are experiencing economic growth and the need for manpower. Kazakhstan, as a transit zone for labor migration from these countries to Russia gradually became their recipient as well. Russia dominates among the recipient countries of migrants from Central Asia due to the historical community in the past, as well as the Russian language, which is still spoken by the vast majority of citizens in the republics of Central Asia. Today, Russia and Kazakhstan share more than three-quarters of the migration flows in the Eurasian region (Pavlovec, 2013).

After reorientation towards forced integration between Russia, Belarus and Kazakhstan Customs Union was created, and Common Economic Space is functioning from January 1, 2012. On November 19, 2010 an agreement was signed on the Legal Status of Migrant Workers and Members of their Families, which came into effect on January 1, 2012. The agreement provides inter alia the introduction of a simplified procedure for the employment contract between employers and migrant workers within the Single Economic Space, the increase in the time limit for actions needed for registration at the place of stay, the increase for the maximum period of temporary stay. It also proposes providing children of migrant workers with rights for education in a country of stay, providing migrant workers with the rights to join trade unions, and other measures to protect migrant workers’ rights. Another agreement on cooperation to combat illegal migration from third countries was also signed. Thus, the legal framework of the Single Economic Space concerning migration legislation was formed and necessary prerequisites for the emergence of a common labor market were set. However, these agreements have caused different reviews and opinions in the Kazakhstani community. One of them is that these agreements will increase the outflow of migrants from Kazakhstan to Russia. Such opinion existed since integration trends between the states and prior to agreements, but became popular only after the Customs Union creation. After the mentioned agreements were signed the opinion about increasing migration flows of qualified specialists to Russia became strongly pronounced.

1 Disadvantages associated with migration

Despite the signing of agreements on migration between the countries of the Common Economic Space, the problems associated with migration continue to hamper economic development. Most of these problems existed before the creation of the Customs Union.

First of all, illegal immigration should be noted which acquired vast scale and chaotic character in the last years. The illegal nature of labor migration is a big problem for Russia and Kazakhstan. The total number of illegal migrants in the Republic of Kazakhstan estimated differently and ranges from 300 thousand to 1 million people. According to the Federal Migration Service about 12-15 million migrants currently stay in the Russian Federation, and only 2.5 - 3 million of them have legal ground (Meduhanova, 2011). According to the report made by the center for integration studies in the Eurasian development bank, the number of illegal migrants in Russia is estimated between 1.5 and 20 million people, while stating that the reasonable evaluation is extremely difficult to proceed due to weak border and migration control, poor coordination between these official services, and the lack of a unified database for migrants. It is also stated in the report that estimations which are usually presented do not provide a methodology on which evaluations are driven. As for the causes of illegal migration, most researchers agree that they include a visa-free regime between the majority of the CIS countries and devastating bureaucracy in obtaining a work permit for a foreign worker. Moreover, the demand for labor in Kazakhstan will continue to grow, and the gap in economic development between Kazakhstan and other republics of the region is also increasing, which in turn will sustain the increase in the inflow of migrants, including illegal.

Another disadvantage is the development of the so-called labor-intensive type of economy which requires large number of workers (Labor migration in CES, 2012). It also indicates that the number of workers will increase, and, to a greater extent, this is true for low-skilled labor. Under these conditions the formation of the path of innovative development becomes more difficult to imply. It is possible that experiencing labor shortages Kazakhstan partially tried to solve the problems of the labor market by means of policies concerning repatriates called “oralmans” (ethnic Kazakhs who were living abroad throughout Asia prior to the collapse of the USSR). During the years of independence, up to 1 million of repatriates returned to Kazakhstan, however, a significant majority of them lived in rural areas, and had low qualifications. The fact that Kazakhstan anyway continues to be the recipient of migrants from other republics of Central Asia indicates that the involvement of repatriates does not solve the problems of the labor market, not only in the industrial sector, but also in the labor market as a whole. There exists a widely spread opinion in the society that the repatriates

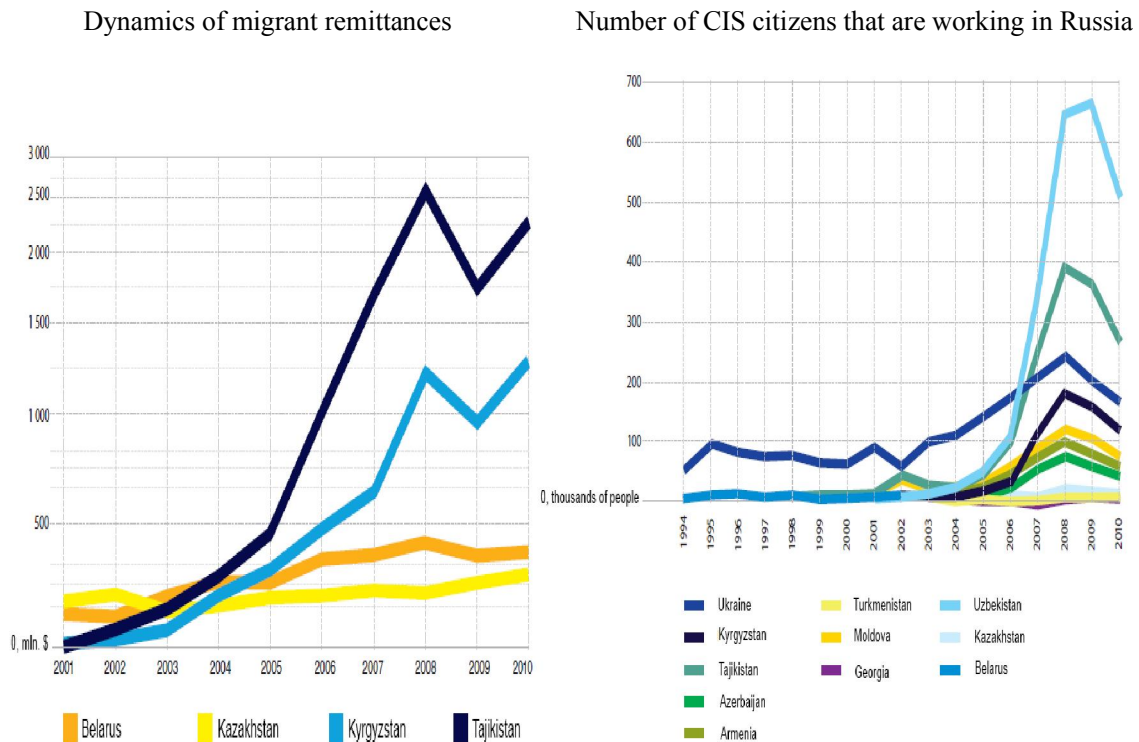
prefer to use the benefits granted and engage in highly personalized agriculture, rather than participate in social production, but the validity of such judgments is difficult to verify.

Finally, migration is a powerful economic force in CIS countries, with every country having a significant share of its population residing abroad. And when skilled workers migrate away from their home economies, their countries can suffer a “brain drain” (Canagarajah, Kholmatov, 2010). According to the majority of the researchers this problem, acute for Kazakhstan, will be exacerbated to the extent of participation of Kazakhstan in integration associations and in consequent migration agreements mentioned before. Previously, the process of obtaining work permits between employers and migrants in Russia, Kazakhstan, and Belarus was difficult and time-consuming, resulting in illegal migration within the Common Economic Space. Therefore, many believe that the simplification of the stay and work in the countries of the Common Economic Space may result in an outflow of skilled workers from Kazakhstan to Russia (Zharkenova, 2012). The study of migration of the working age population of Kazakhstan conducted by recruiting company Smart Solutions in 2011 and 2012 shows that after the entry into the Customs Union with Russia and Belarus, there is a slight trend of migration of skilled professionals from Kazakhstan (<http://www.smarthr.kz/news/2012>). The study shows that in 2011 20% of respondents expressed a desire to go to Russia to work under the terms of an agreement on labor migration and given an opportunity to move freely in the territory of the Customs Union. According to the re-examination in September 2012, 16% (193 respondents) have already migrated from Kazakhstan in search of work, and 13% (154 people) have been negotiating with a potential employer. Of the 193 who migrated 59% moved to Russia, 15% - to Europe, and 5% - to Belarus. Of the 154 which were planning to move 60% chose Russia. The share of immigrants over 45 years was only 12%. This study of labor migration shows the predicted migration of skilled professionals from Kazakhstan to the countries of the Customs Union and the other countries where the wages are higher than in Kazakhstan. However, the study misses the differentiation between intentional migration and natural trends in labor force movement. Thus, these researchers believe that the entry into the Customs Union with the prospect of the opening of labor markets will significantly increase the flow of migrants from Kazakhstan to countries with a high standard of living (<http://www.smarthr.kz/news/2012>). Such views have become quite common after the creation of Common Economic Space.

2 Changes in migration since creation of Customs Union

In order to determine whether there will be an actual increase in the outflow of personnel from Kazakhstan to Russia it is necessary to identify migration trends to Russia existing prior to 2012. This can be observed by the data in Fig. 1. As it can be seen, for all the CIS countries the main trends match in values from year to year. Prior to 2008, almost all countries experienced increase in the outflow of migrants to Russia, but in 2006 the rate of growth is reduced, while in Kazakhstan and Belarus even becomes negative. In 2008-2009, and especially in the years 2009-2010, a sharp reduction in the number of migrants from all over the CIS countries can be observed. Of course, the global financial crisis which took place affected most of the ratios and indicators including those of migration in 2009-2010. During global economic crisis CIS countries experienced a significant decline in remittances.

Fig. 1: Migration trends to Russia existing prior to 2012



Source: Labor migration in CES, 2012

For example, figures for the fourth quarter of 2008 showed remittances from Russia to other CIS countries down by 25 percent from the previous quarter believed to be a direct result of the crisis (Canagarajah, Kholmatov, 2010). In this year the percentage of reduction in the number of migrants from all CIS countries is negative, and Kazakhstan is located in the center of the general trend - 28.25%. However, despite this figure, the amount of money

remittances not only decreases as in other countries, but even increases (Fig. 1, left). After the crisis in 2010-2011 there is even more dramatic change compared to the previous recession jump in migration, this time upwards. Tajikistan, Kyrgyzstan and Uzbekistan migration growth was 92.91%, 98.85% and 167.71%, respectively. The consequences of the crisis in these countries are likely to be far more destructive and forced the citizens of these countries to search job outside of the home country. In 2011 Tajikistan migrant remittances had scored 47% of GDP, Kyrgyzstan – 29%, and the World Bank “expects growth of flows to remain robust in regions that rely on remittance flows from Russia” (The Migration and Development Brief, 2012).

Other countries show a less impressive increase, and Kazakhstan takes last place with 30.91% that drastically differs from the overall trend. The difference is more remarkable if to recall that the Customs Union is already functioning and the plans for further integration are proclaimed. This supports the fact that the concerns of political scientists and journalists who prophesied a significant outflow of at least overstated. A significant role was played by the fact that the effects of the crisis in Kazakhstan were less noticeable than in other Central Asian countries. A completely different situation occurs in Belarus, where a dramatic increase comprises 108.05%, which is significantly out of the general picture of percent growth in Belarus since 2003. According to some researchers it happens due to the fact that the level of education and technical equipment in Belarus is higher than in Central Asia and the Caucasus regions, but the level wages of skilled professionals is lower than in Russia and Kazakhstan. Much has been written and said by officials in Belarus about the fact that with the beginning of the crisis Belarus suffered migration of doctors and other high-qualified specialists to the border regions of Russia and other countries (Pavlovec, 2013). Thus, the very high growth, most likely is associated with the effects of the crisis, and not grounded by attractive integration efforts and initiatives. Most likely the growing integration did not actually stimulated migration flows, but provided a more favorable environment. Thus, up to 2012, the migration of Kazakhstani citizens to Russia did not give reasons for the mentioned outflow fears neither during crisis, nor the year after. In addition, significant growth was not observed, especially in comparison with the dynamics of growth in other countries, despite the course taken towards increasing integration since 2006-2007. As there is no data for the consequent years yet, it is rational to believe that only a slight increase in migration outflow under started Common Economic Space can occur. Such increase can be explained by natural trends in the movement of labor force, especially in border regions. Therefore, the fears, especially those containing national security arguments are likely to be groundless.

Conclusion

Since January 1, 2012 the Agreement Legal Status of Migrant Workers and Members of Their Families came into effect. However, even before, many Kazakhstani political scientists, journalists and public figures argued that this agreement will contribute to an outflow of Kazakh highly qualified specialists to Russia. As it can be seen from the data presented implying the already embarked integration of the Common Economic Space members before 2012 these fears were exaggerated. An indirect proof of this can be driven from the data on the dynamics of remittances, as well as the fact that in post-crisis year of 2011 an increase of migrants from Kazakhstan was the lowest among the CIS countries. The valuation of processes which are already going can be given only around year of 2015, when statistical data concerning migration in the first years of Common Economic Space existence under the agreements will be disclosed.

After the establishment of a common labor market illegal labor migration is now becoming a problem of the whole Common Economic Space, and the “real value for the economy will be provided by possible accession of donor countries to the labor agreements adopted in the EEA” (Labor migration in CES, 2012). It is widely believed that after the tightening migration legislation in Russia, flows of migrants from Central Asia will rush in Kazakhstan. The researchers called that the World Bank marked the following issues while studying migration across the CIS: creation of a unified migration space and labor market, protection of migrants’ rights, and development of an efficient migrant support system (Canagarajah, Kholmatov, 2010). Therefore, it is imperative for Kazakhstan to adopt organic and coordinated agreements and to sustain only a unified migration policy within the Common Economic Space.

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