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Analysis of Labor Migration Processes in Kazakhstan: The EAEU Context

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Abstract

The goal of this paper is to analyze the migration processes of Kazakhstan in the EAEU context by exploring main labor migration indicators of the Republic of Kazakhstan. The paper seeks to discuss the general reasons of migration processes from Kazakhstan to the EAEU. Discussion of the migration process causes seeks to analyze indicators related to the labor migration.

The comparative analysis method was used for conducting the research and to analyze the main labor migration indicators as migration indicators by education, specialties, balance of international migration, number of involved immigrants. Data analysis sought to identify and understand the main causes of migration processes. The provisions and conclusions are illustrated by statistical data presented in tables, diagrams, accompanied by references to scientific literature and legal acts.

A detailed study of labor migration indicators allows us to judge the effectiveness of the policies of states that are as considered economic processes that represent objective opportunities for realizing the opportunities of both an individual and the population as a whole. According to the study, authors identified the most important specialties and education level in migration process and the proportion of immigrated labor migrants.

Novelty and value of the study is as follows. The paper signals to government about brain drain in some specialties and people with specific education level and offers to revise the policy.

Findings suggest that government may undertake retention of citizens with specific education level and profession.

Keywords: migration in Kazakhstan, labor migrants, EAEU countries.

Introduction

The labor market is a fundamental factor in the economy of any country. The population growth rate depending on the degree of development of the global economy.

The labor market and the economy at the interstate level. In the context of deepening global and global processes in the world, which are manifested in interdependence, various labor markets operate in the country and in its countries, as well as markets for goods, services and capital.

The common labor market of the Eurasian Economic Union is something qualitatively new. National labor markets are losing their isolation, isolation and integrated labor market. It is based on the mobility of citizens of states, military personnel in the Eurasian Economic Union, secured instruments of coordinated migration and social policy, international legal framework for regulating the labor market, which are focused on maintaining a balance of economic and social interests of the countries of the integration union.

Literature Review

The demographic aspect and migration issues are the strategic areas for internal development, regional and interregional cooperation, as well as maintaining international stability and security of Kazakhstan.

Based on the position that in the process of migration, there is not only a territorial movement of labor, but also the accumulation and movement of information, labor migration can be defined as any significant change in the system of migration relations. The labor migration thus understood is organically included in the context of global problems and, above all, problems associated with the formation of a single economic, information and cultural space. Today, international labor migration is one of the most significant aspects of the intensive globalization of the global economy (Cherevichko, 2009).

According to the Message from the President of the Republic of Kazakhstan the priority directions of migration policy are fixed by the basic law and within the framework of the new development strategy “Kazakhstan-2050”, which defines the global demographic imbalance as the second of the ten global challenges of the 21st century and actualizes the problems of the stability of migration processes.

Along with this, one of the priority directions and tasks of the foreign policy of the Republic of Kazakhstan for 2014–2020 is the assessment of Eurasian economic integration as one of the effective ways to promote the country to stable positions in the system of world economic relations.

International migration in the Eurasian Economic Union is one of the main factors in ensuring the sustainable socio-economic and demographic development of the EAEU member countries. On the one hand, migration compensates for demographic losses and reduces the burden on the social security system in the countries of the Union that are at risk of depopulation and shortage of labor resources, on the other hand, it allows maintaining political and socio-economic stability in labor-surplus countries with high rates of natural population growth and economic stagnation.

In this regard, the development of common approaches to the regulation of the EAEU migration processes and the formation of a common labor market along with the removal of barriers to the movement of goods, services and capital has become a significant achievement of the Eurasian integration process.

Methods

Different indicators on migration were discussed to analyze the migration processes of Kazakhstan within the framework of the EAEU. We should note that over the years of independence, Kazakhstan has gone through various stages of migration processes: from active and intensive to relatively regulated. During this period, various trends took place in migration, depending on the form, motives, and timeframe. According to the report of the EAEU “Labour migration and social security for workers in the Eurasian Economic Union” (2019) the migration flows of the country were influenced by both socio-economic development and the gradual change of cultural values.

Analysis/Findings

A detailed study of labor migration indicators allows us to judge the effectiveness of the policies of states that are as considered economic processes that represent objective opportunities for realizing the opportunities of both an individual and the population as a whole.

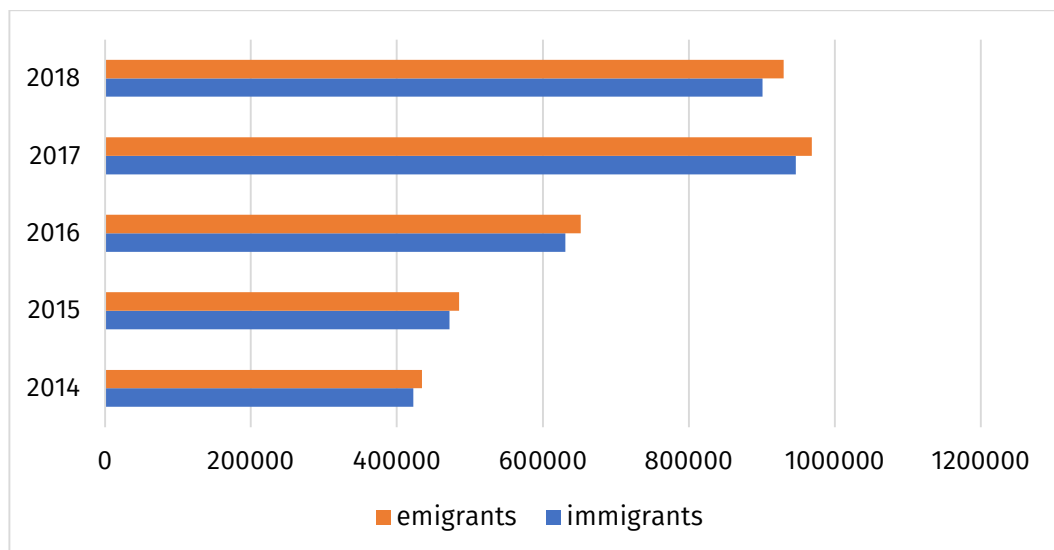


Figure 1. General migration in Kazakhstan

Source: Compiled by the authors based on the RK Committee on Statistics

<http://stat.gov.kz>

The number of overall migrants in Kazakhstan has continued to grow over the past five years, reaching its peak in 2017 (immigrants - 946 hundred, emigrants - 968 hundred). During the period 2014-2018, the average annual growth rate accelerated, reaching 23 per cent. As you see in the figure 1, the number of emigrants prevail over immigrants in the specified period. In general, according to the study by research institute 12.7% of respondents were planning to leave the country and only 5.3% wanted to go to foreign countries in 2018. In general, most often Kazakhstani migrants go to Russia due to affordable and better higher education and sometimes even guaranteed job after graduation. Consequently, we may say that social and economic factors are at the forefront for citizens.

As we said before, the EAEU is a project of economic integration, in which an important place is given to the functioning of a unified labor market and employment, the focus of interstate cooperation is focused on managing international labor migration (Gaeva, 2018).

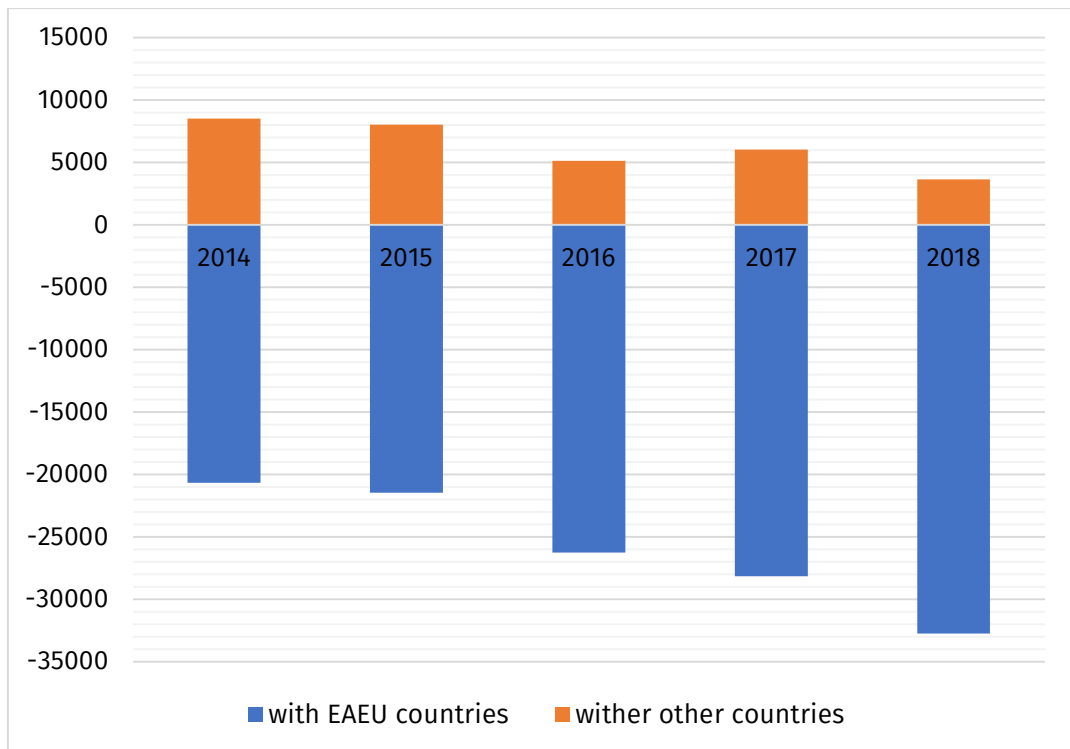


Figure 2. Balance of international migration

Source: Compiled by the authors based on the RK Committee on Statistics

<http://stat.gov.kz>

The figure 2 shows us the balance of international migration in Kazakhstan. According to the report “Labor activity and social security for citizens of the Eurasian Economic Union in the Member States” (2019), the immigrants from other countries are 2 times more than from EAEU members. However, at the same time we observe the opposite position about emigrants. Because according to statistics number of emigrants that go to the Union is 7-8 times more than those who migrate to other countries. The reason for this is may be the good conditions for migrants from participating countries.

The migration dynamics of the working-age population largely depends on the following circumstances: situations in areas of departure (extreme or normal); the situation in the areas of invasion (the state of economic, social, natural and other factors); the legislative base on migration issues (at the regional level, it is practically absent); the availability of organizational means (institutions for organizing the comprehensive adaptation of migrants and their employment); the possibility of financing the relocation and arrangement (Cherevichko, 2014).

There is a point that we must note that according to the Treaty on the Eurasian Economic Union, in which section XXVI introduces a number of preferences for migrants from participating countries.

In particular, they are not covered by measures to protect the national labor market and migration registration rules, according to which they are required to register and find work within 30 days. For employment in the host country of the Union, they do not need to draw up the relevant permits: access to employment is carried out on an equal basis with the citizens of the recipient country, and the length of stay of the employee and members of his family is determined by the period for which an employment or civil law contract was concluded with the employer. If the contract was terminated after 90 days, then the foreign worker without the need to leave within 15 days has the right to conclude a new contract.

Social security (social insurance) of migrant workers is carried out in accordance with the legislation of the state of employment; the labor (insurance) experience of

workers is counted in the total labor (insurance) experience for the purposes of social security (social insurance) in accordance with the legislation of the state of employment since 2015.

An equally important point is the mutual recognition of educational documents without appropriate accreditation procedures. Due to Treaty on the Eurasian Economic Union this greatly simplifies the entry of migrants from the EAEU member countries into the labor market of the host state, allows them to obtain a working position with more favorable conditions, according to their specialty and qualifications. Outside of this situation is the field of medicine, teaching, law and pharmaceuticals, because of the increased social responsibility of specialists in these areas, but also to the existing differences in the educational and professional systems of the EAEU countries.

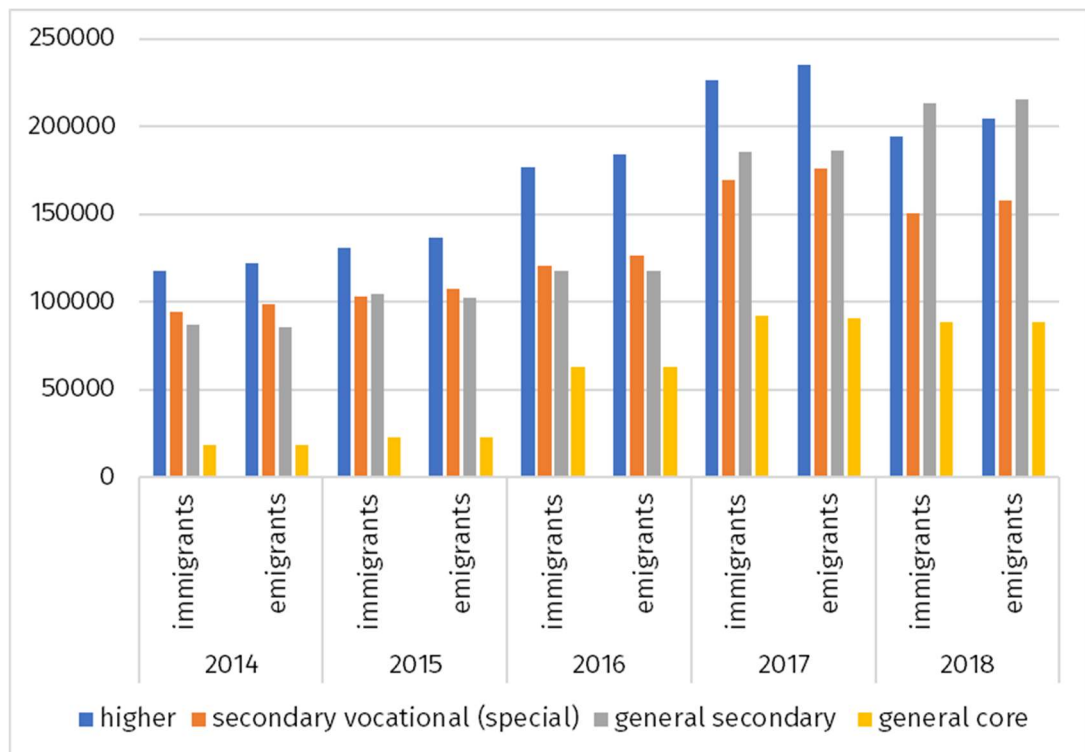


Figure 3 - Migration of population over 15 years of age by education
 Source: Compiled by the authors based on the RK Committee on Statistics
<http://stat.gov.kz>

According to the above figure 3, we see that mostly migrate with higher education than others. The main reason of the emigrants is seeking the job with higher salaries in order to increase the income-level as well as having an opportunity to give their children a good education. At the same time, it is clear that emigrate only those who have a good chance to settle in a new place with higher living standards and choose the best option for themselves as it was discussed in newspaper article “Kursiv”.

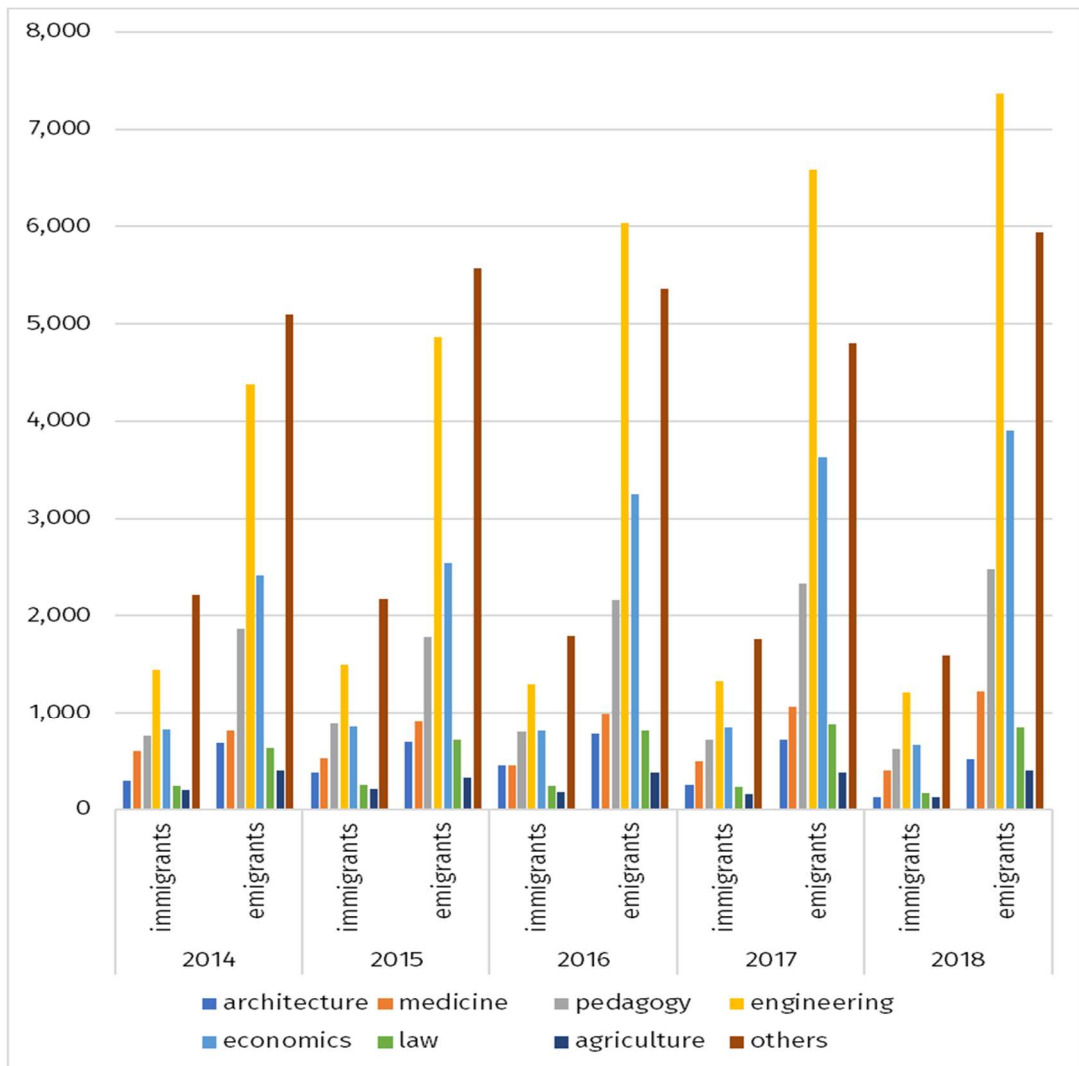


Figure 4 - Migration of the population over 15 years by specialties
 Source: Compiled by the authors based on the RK Committee on Statistics
<http://stat.gov.kz>

As you see in the figure 4, above the number of emigrants prevails over arrivals in the entire specified period. Mostly emigrates with engineering (31%) and economic specialties (16%) in compare with other ones. The outflow of "techies" from the country is mostly directed to Russia, because there is a shortage of this specialty. In 2018, those who dropped out in engineering and economic specialties turned out to be 6 times more than those who arrived, while in 2014 this indicator did not exceed 3 times. The sharp increase in 2016 is especially noticeable, which is possibly due to the established agreement on the EAEU.

Three main aspects can represent the Kazakhstani context of migration flows in the EAEU at this stage. The first covers the systematic nature, volume and direction of migration flows in terms of sustainability and manageability. The second aspect includes coordination of departments at various levels to form an effective and flexible labor market, taking into account all realities, problems and prospects. The third aspect, in our opinion, is the development of international migration cooperation of the Union with the active participation of Kazakhstan, taking into account the main national, regional and global trends in the development of the modern system of international relations.

Kazakhstan positions itself as a recipient state both in the Central Asia region and in the post-Soviet space, the country is also taking the second place after Russia within the EAEU and state donor of labor migrants. Kazakhstan accepts labor migrants from Kyrgyzstan, Belarus and Russia (Sadovskaya, 2005a; Sadovskaya, 2005b). Mainly skilled labor migrates from Kazakhstan to Russia (Novikov, 2015).

In general, the involvement of foreign specialists in the Kazakhstani economy remains one of the important issues of government policy in the field of labor migration.

As the diagram (figure 5) shows the large part of immigrants involved in economy of Kazakhstan are from other countries of the world (21 524) than from CIS and EAEU countries (4 661). In addition, according to the analytical report by analyzing the employment spheres of Kazakhstan we may say that the most significant part

of foreign labor involved in construction (44.4%), mining (13.4%) and manufacturing (5.4%).

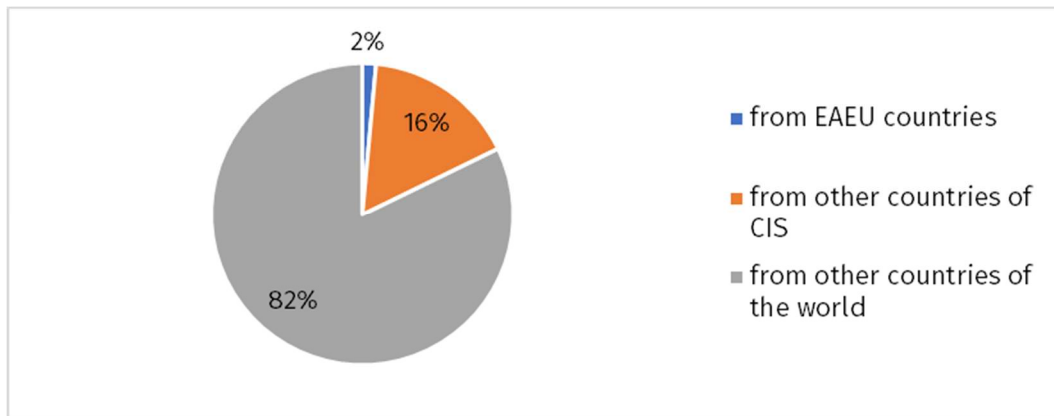


Figure 5. Number of immigrants involved in economy from other countries in 2018

Source: Compiled by the authors based on the RK Committee on Statistics <http://stat.gov.kz>

According to the monitoring data of huge recruiting companies, most part of migrants wish to work in Kazakhstan. For example, according to one of the largest recruiting agencies, “HeadHunter-Kazakhstan”, since the beginning of 2015, more than 9 thousand foreign users have indicated that they are ready to move to Kazakhstan to earn money. Most of the resumes came from Russian citizens - 60.3%, Ukrainians - 22.6%, Belarusians - 4.7% and others. At the same time, the vast majority of them apply for and receive the work of top and middle managers. It is noted that often companies prefer precisely foreigners than domestic ones. Moreover, here we should point about salary level in Kazakhstan that is higher for expatriates in compare with local specialists. Also here should be meant the provision of a full social package to the employee and his family. According to the discussion article in Forbes having such a good packages motivate to migrate not only top managers (project managers, general directors, etc.), but also middle managers (department directors, HR directors), which influence to the competitive environment among domestic employees. At the same time, attracting foreign labor constantly employers create new job places for domestic specialists, also organize professional advanced retraining for local employees.

Conclusions

Summing up all the facts we may say that the average annual growth rate of general migration is accelerated in the specified period. The number of emigrants to EAEU countries has continued to grow over the past five years that is assumed by the conditions of the established agreement on the EAEU. Here should be noticed that mostly migrate with higher education in ‘engineering and economics’ specialties to settle in a new place with higher living standards and choose the best option for themselves. Consequently, the number of migrants from other countries of the world is greater than from EAEU and as a result, they are more involved in the economy of Kazakhstan. Moreover, mostly work in construction, mining and manufacturing.

Analyzing a number of factors, including the direction of migration flows, volumes, effective coordinated interaction within the organization, as well as the development of international cooperation, determines the Kazakhstani context of migration processes within the EAEU. Creating a common labor market and attracting labor resources within the framework of the EAEU can serve as a powerful incentive for strengthening priority areas of the country's economy and deepening regional integration. It is important to formulate a flexible and balanced migration policy taking into account the specifics of the demographic potential and the development of priority sectors in the economy of Kazakhstan with the involvement of the foreign labor with an emphasis on highly skilled labor, as well as maintaining their own intellectual potential (Topilin, 2018). The stability, security, and manageability of migration flows, based on more integrated cooperation of all member states both within the EAEU and around the entire of its borders, are very important (Ryazantsev, Bogdanov and Dobrokhleb, 2017).

Thus, having migration processes within the framework of the EAEU for Kazakhstan requires a balanced and flexible policy at the national level.

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