

Russia's Population Crisis: The Migration Dimension

Theodore Gerber
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Arizona State University

Since the Soviet collapse, Russia has experienced a number of unfavorable demographic developments:

- **Falling fertility.** The crude birth rate (births per 1000 population) declined from 12.1 in 1991 to 8.6 in 1997. Although some of the decline can be attributed to the changing age structure of the population, falling age-specific birth rates suggest that Russia's post-Soviet economic and social difficulties are the primary causes.
- **Increasing mortality.** The overall death rate grew steadily from 1991 until peaking in 1994, then gradually abating. This reflects the well-publicized increase in male (and, less markedly, female) mortality during the first half of the 1990s. The male death rate jumped from 11.6 per thousand in 1990 to 17.8 per thousand in 1994, then declined somewhat to 15.0 per thousand in 1997. The mortality increase has been attributed to a host of factors associated with the political and economic changes following the Soviet collapse: economic and social distress, deterioration of the health care system, widespread alcoholism, and growing homicide and industrial accident rates.
- **Negative natural increase.** The combination of the two preceding developments has produced annual natural decreases in Russia's population. Positive in-migration rates have offset the natural population decline somewhat, but not enough to prevent Russia from becoming one of the few countries with a shrinking population. From 1992 to 1998, Russia's population declined by approximately 1.4 million.

These developments have justifiably received considerable attention and analysis. They reflect the hardships experienced by the Russian population since the onset of the transition era. Moreover, the low fertility rate, particularly if it continues, portends future difficulties for the country that stem from an unfavorable population structure.

New migration patterns represent another dimension of Russia's post-Soviet population crisis. Migration trends have received less attention than fertility and mortality. But they also reveal important aspects of the post-Soviet transition, and they bear equally if not more important consequences for Russia's near- and long-term economic and social development. Three distinct patterns have emerged since the collapse of the Soviet state: high levels of in-migration to the Russian Federation from other countries; rapid out-

migration from Russia's northern and eastern regions to its western, southern, and central regions; and the response of net regional migration rates to increasingly varied regional labor market conditions.

Large-Scale In-Migration to the Russian Federation from Other Countries

Given the unremitting crisis in Russia's economy since 1991, it may surprise some that Russia has been a net recipient of migrants throughout the transition period. Although the migration rate peaked in 1994, it has been positive throughout the period and remained fairly stable in subsequent years. The bulk of this in-migration consists of ethnic Russians "returning" to the Russian Federation from other CIS countries for either economic or political reasons. Russian policy gives all Russian nationals the formal right to reside in Russia. Many such immigrants receive official status as "forced migrants," which formally entitles them to receive some assistance from the Federal Migration Service (FMS). However, the FMS, which first and foremost fulfills monitoring and regulatory functions, is severely underfinanced and plagued by inconsistent practices in its regional offices.

Net in-migration might be seen as a positive development insofar as it helps offset the natural decrease in Russia's population. However, Russia's constricted housing market, negative growth, and decaying infrastructure are ill-prepared for influxes of migrants. It is little surprise, therefore, that official pronouncements and frequent press reports testify to common problems associated with concentrations of migrants: high crime rates, unemployment, housing shortages, and epidemics. These effects are most strongly felt in the southern regions that border on the countries of the Transcaucasus and Central Asia. Due to their proximity to the main sources of in-migration, these regions receive a disproportionate share of the migrants, yet they initially have higher-than-average unemployment and lower-than-average wages and housing availability.

Out-Migration from Northern and Eastern Regions

The end of the 1980s witnessed the dramatic reversal of the principal long-standing inter-regional migration pattern within Russia. For centuries, Russians migrated in steady numbers from the European core to the northern and eastern regions. Soviet policies reinforced this flow by offering high wage increments and price subsidies in order to attract labor to these regions, the better to exploit their rich oil, timber, mineral, and precious metal resources. In stark contrast, the post-Soviet period has seen persistent negative net migration rates in the oblasts of the Far East, the north, and less consistently in eastern Siberia.

Out-migration from the north and east can be traced to a series of push factors related to the failure of the Soviet approach toward the development of these regions. Post-Soviet price liberalization and shrinking government revenues quickly made continued subsidies untenable. Increased transportation costs have produced steeper price increases of

consumer goods in the north and Far East than elsewhere in Russia. High labor costs and low labor productivity (a legacy of the Soviet extensive development model) make many resource industries uncompetitive on the world market. Despite their rich resource endowments and high per capita regional products, the oblasts of the north and Far East therefore have larger proportions of loss-making enterprises and higher unemployment than elsewhere. Living conditions are further worsened by a variety of political, ethnic, and environmental problems.

Some argue that the de-population of Russia's northern and eastern territories is a positive development, since the areas were over-populated in Soviet times relative to their capacity and many of the development projects there are not economically viable. However, there are reasons to be concerned about this pattern. Better educated, working-age ethnic Russians comprise the lion's share of out-migrants from the north and Far East. This bodes poorly for the population left behind, in which pensioners, those with few skills, and indigenous people who have been sundered from their traditional way of life are over-represented. Russia must effectively exploit the natural resources of the north and Far East to restore its economy. The Soviet approach failed and produced over-population in the region. But de-population per se will not help matters. Instead, the population's skill base must be carefully reconfigured to supply the labor inputs necessary to methodically restructure the various resource industries and to attract foreign investment. Finally, the westward and southward population flows aggravate the problems in the destination regions, stemming from in-migration from beyond Russia's borders.

Variation in Net Regional Migration Rates and Labor Market Conditions

Statistical analyses of the regional characteristics that influence net regional migration rates show that labor market conditions are a key factor. Higher unemployment and larger proportions of loss-making enterprises negatively affect the net migration rate, and average (price-adjusted) wages exert a positive effect, whether or not the regional patterns described above are controlled for. In short, favorable labor market conditions attract migrants and retain current residents, while poor labor market conditions encourage out-migration and deter in-migration. Other regional traits such as changes in recorded crime rates, availability of housing, and degree of urbanization also have the expected effects on net migration. (Note that in post-Soviet Russia urban-to-rural migration predominates over rural-to-urban, as urban dwellers seek readier access to opportunities for primary production.)

In Soviet times, labor market conditions had little discernible effect on regional migration rates, most likely because of the uniform full employment in the Soviet economy. The post-Soviet transition has increased regional differentiation in economic performance and, concomitantly, in labor market conditions. According to economic theories of migration, Russians should "vote with their feet" by gravitating to regions with relatively stronger economies. Several obstacles may impede such an adjustment to regional economic differentiation: poor information about regional economic conditions,

persistent housing shortages, disincentives to change jobs, and a supposed distaste for residential mobility among Russians. In fact, multivariate analyses demonstrate that Russians tend to leave lower-wage, higher-unemployment regions for higher-wage and lower-unemployment regions. This pattern is an encouraging sign, because it suggests the population has at least some capacity to respond to labor market signals and that a national labor market may be taking root in Russia.

However, a caveat is in order. Net regional in-migration leads to higher (i.e., in the subsequent year) near-term regional unemployment rates. In the context of rapidly changing--usually for the worse--labor market conditions in most regions, the migration response to varied conditions may constitute a sort of over-reaction, which succeeds only in geographically rearranging, not mitigating, regional disequilibria between labor demand and supply. Additional data and further analysis are needed to examine this possibility.

Migration Patterns, Consequences, and Migration Policy

The three migration patterns described above have complex causes and equally complex consequences for Russia's economic and social development. They may also be a source of political tensions, particularly in those regions most adversely affected. But it is doubtful that the resource-strapped Russian government can do much to counter the more negative developments associated with these patterns. Large-scale migration patterns result from individual cost-benefit calculations and, as the experience of the United States with its southern border shows, are difficult to regulate directly through state policy. Certainly, one cannot advocate a return to Soviet-era residency and migration restrictions. But piecemeal steps can be taken, such as improving the organizational consistency and resources of the FMS, implementing a more economically effective resettlement program for immigrants, bolstering existing programs to resettle pensioners from the north and Far East, and adopting a concerted development plan targeting investment and appropriate labor incentives to particular areas and industries in these resource-rich regions. Unfortunately, even modest versions of these measures seem improbable given the absence of resources and political consensus over how to handle migration issues. In any case, migration patterns, like the other components of Russia's population crisis, ultimately reflect the prolonged economic and social crises associated with the transition from Soviet-style socialism more than they contribute to them. But the longer current migration patterns continue, the greater the threats they pose. The flight of working-age Russians from northern and eastern regions could seriously undermine the successful exploitation of Russia's natural resources and further erode economic conditions in the affected areas. The concentration of immigrants from abroad in high-unemployment regions along Russia's borders exacerbates the poor labor market conditions there and endangers social and political stability. Thus, Russian government agencies, NGOs, and concerned observers should closely monitor regional migration patterns and carefully study their consequences.

Key Russian Demographic Statistics, 1991-1997 (Source: Goskomstat)

	1991	1992	1993	1994	1995	1996	1997
Fertility and Mortality Rates							
Births per 1000 population	12.1	10.7	9.4	9.6	9.3	8.9	8.6
Deaths per 1000 population	11.4	12.2	14.5	15.7	15	14.2	13.8
Natural Population Increase (per 1000 population)	0.7	-1.5	-5.1	-6.1	-5.7	-5.3	-5.2
Net Migration Rates (population increase per 10,000 due to migration):							
RSFSR	3	12	29	55	34	23	24
Northern Region	-64	-75	-62	-68	-43	-41	-52
Northwest	-8	-5	9	59	50	52	35
Central	3	20	38	72	56	46	47
Volga-Viatsky	5	26	31	60	37	26	24
Central Black Earth	34	103	117	130	79	68	49
Po-volzhsy	20	63	78	99	62	37	40
Northern Caucasus	87	60	82	95	49	20	21
Urals	-2	18	20	60	36	24	33
Western Siberia	-21	-5	17	74	33	20	43
Eastern Siberia	-31	-39	-25	-8	4	-8	-24
Far East	-82	-189	-129	-192	-136	-87	-94

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