

The Economic Development of the Regions and the Migration

Irek K. Nizamutdinov*

Kazan Federal University, Russia

Vladimir V. Malaev

Kazan Federal University, Russia

Abstract

The economic development of the regions is determined by multiple parameters (financial, industrial, social). By developing regions financially and industrially developed regions, they become the centers of attraction for migration from the both of the country and other nations. Factors influencing migration can be divided into multiple categories including the level of poverty, the size of real incomes of the individual and the value of individual real wages, and indirect ones, which can include the effectiveness of the functioning of a national or regional economy (when considering migration processes between regions of a single country). Direct factors allow us to compare the parameters in countries associated with the migration process. Indirect factors include not only the parameters of the development of the national economy in general, but also the parameters of the development of individual regions or territories that form the migration attractiveness of these regions. In fact, indirect factors can also include actions and decisions taken by public authorities. State actions affect both the direct attractiveness of certain regions and territories, and create potential opportunities for changing the intensity of migratory flows in the future period of time.

Keywords: Economy; Migration; Territory; Migration attractiveness; Labor market; Society; Efficiency.

CC BY: [Creative Commons Attribution License 4.0](https://creativecommons.org/licenses/by/4.0/)

1. Introduction

The regional production structure is manifested in the division of social production into parts according to the territorial character. At the industrial stage of economic development, the differences between regions caused by essential (natural) factors were largely overcome, however, on the other hand, the industrialization-generated differentiation increased.

Thus, the regional system in the market conditions allowed for the development of some industries in all regions; some industries have developed only in a number of regions; individual industries, most often related to the extractive sector, are presented in two or three regions only. Such branch division of regions significantly influences the attractiveness of the regions for the migration flow (from the point of view of the level of wages, demand for professions, economic and social stability) (Larionova and Varlamova, 2014; Varlamova *et al.*, 2016).

At the same time, regions are not equivalent. The general criterion for dividing regions can be defined as follows. If the costs of production in the analyzed region are higher than revenues, then the region can be considered subsidized (low wages, high unemployment risk, low migration attractiveness); if incomes exceed the amount of investment and costs, then this is the donor region (higher level of salaries and real incomes of the population, more chances to find attractive work, but at the same time a greater attraction for the migrants) (Sarkin *et al.*, 2013).

The regional economy, as the economy of a single territory, can not remain closed. The movement of labor across the borders of the region, the use of external resources by the regional economy, and other links between the territories destroy economic isolation and increase the efficiency of the functioning of the regional economic system (Isaeva *et al.*, 2013).

2. Methods

In the history of the development of economic science, the interaction of territories received theoretical coverage through the category of regional rent. The first works on the consideration of regional rent appeared in the XIX century. This is the law of comparative advantages by D. Ricardo, which means that countries exchange goods in the event that their domestic costs for the exported goods are less than the domestic costs of the imported goods.

This principle is valid for any number of goods and countries. The method of comparative analysis of costs and expenses set forth by D. Ricardo did not lose its significance in the modern economy. Moreover, this law is within the framework of a number of migration theories justifying the existence of a migratory flow as a counter-flow for the flow of goods and services between countries (Becker, 1964).

Thus, regional rent expresses the objective existing differences between costs in the production region and costs in the region of consumption and becomes, accordingly, the basic concept of the division of territorial production and one of the factors that justify the intensity of the migration flow (Corry, 1996).

Nevertheless, the assumption of the development of various industries in different regions makes it possible to pay attention to the structural imbalances existing in the labor market (which affect the intensity of the migration process). In the administrative economic system, the labor market is the basis of the system and is regulated through the planning of training and the organization of jobs. One of the reasons for the imbalance in the labor market in Russia in this way can initially be considered a transition from a planned to a market system. There are migration theories (neoclassical migration theory) proving the naturalness of migration flows between countries in the absence of regulation by the state. At the same time, the absence of regulation is seen as a factor that increases the efficiency of the redistribution of labor resources. However, the imbalance in the labor market in Russia actually confirms the hypothesis that the regulation of migrant labor flows by simply market mechanisms does not justify itself this area hardly requires state intervention (Dylevskaya and Avilov, 2013; Fakhrutdinova, 2014; Kundakchyan and Zulfakarova, 2013).

The imbalance of the labor market in our understanding is the discrepancy between demand and supply in the sectoral labor market. The Russian economy is characterized by the presence of just such an imbalance. For example, the unemployment rate in 2013 in the Russian Federation was 5.5%, while in the Central Federal District - 3.3%, and in the North Caucasus - 10.3%. The presence of such an imbalance between real jobs and personnel ready to work for the proposed wage in the relevant region is one of the reasons for migration between regions (Biktimirov et al., 2014; Shaidullin et al., 2013).

3. Results and Discussions

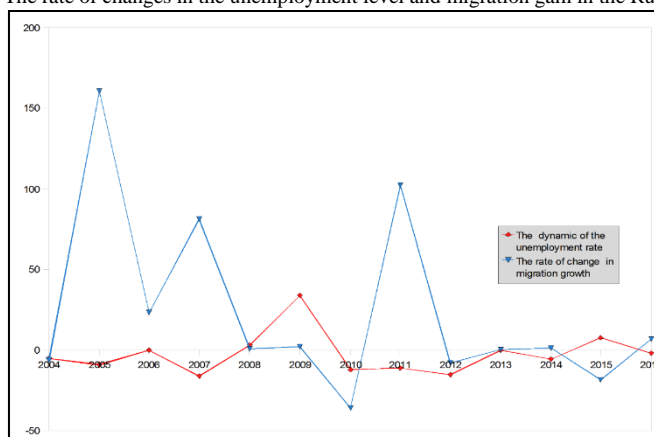
In general, the analysis of the situation in the Russian economy allows us to identify the relationship between changes in the unemployment rate and migration growth (Table 1).

Table-1. Changes in the unemployment level and migration gain in the Russian economy

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Unemployment level, %	7.8	7.1	7.1	6	6.2	8.3	7.3	6.5	5.5	5.5	5.2	5.6	5.5
Unemployment change rate, %	-4.9	-9	0	-16	3.3	33.9	-12	-11	-15	0	-5.5	7.7	-1.8
Migration gain	41,275	107,432	132,319	239,943	242,106	247,449	158,078	319,761	294,930	295,859	299,990	245,384	261,948
Migration gain change rate, %	-5.9	160,3	23,1	81.3	0.9	2.2	-36.1	102,3	-7.8	0.3	1.4	-18.2	6.8

The interdependencies between the intensity of the migration flow and the dynamics of the unemployment rate in Russia are clearly shown in the diagram.

Diagram-1. The rate of changes in the unemployment level and migration gain in the Russian economy



In general, the Russian labor market is currently getting worse (Table 2).

Table-2. Indicators of the Russian labor market development in 2012-2016.

	2012	2012	2013	2013	2014	2014	2015	2015	2016	2016
The population with cash incomes below the subsistence minimum	15.4 million people	10.70% of the total population	15.5 million people	10.80% of the total population	16.1 million people	11.20% of the total population	19.5 million people	13.30% of the total population	19,6 mil. people	13.40% of total population
Increase in high-performance jobs	1,849.1 thousand un.	12.70%	1,122.8 thousand un.	6.90%	788.1 thousand un.	4.50%	-1,671.9 thousand un.	-9.10%	-799,1 thousand un.	-4.80%

At the same time, the worsening of the situation can be traced even in case of possible forecasting of the development of the situation for the future period of time (within the framework of the potential for the formation of

high-performance jobs). The problems of both the Russian economy and labor market affect the intensity of the migration process.

Going back to the migration attractiveness of the regions, we may note that the development of the region becomes effective from the economic point of view, if it is possible to get regional revenue. Regional revenue in turn arises:

- as realization of production advantages in the given region, caused by essential (natural) conditions;
- when there are enterprises in the region that produce new products being in demand in the markets of other regions;
- the region has a high quality of human capital and highly qualified scientific personnel, which conduct successful research activities.

Thus, the economic development strategy of the region is directly related to the possibility of getting regional revenue. However, the main internal contradiction of the territorial economy remains the narrowness of the specialization of production and the breadth of regional consumption. Most of all losses are borne by the economy of territories with rather narrow specialization. The narrower the specialization is, the greater the need for external economic ties is, which can provide a wide range of consumption.

Nevertheless, even in the economic crisis, we can observe some stability of the migration process between the regions. For example, according to the territorial agency of the federal service of state statistics for the Republic of Tatarstan, it can be noted that the number of emigrants from the Republic of Tatarstan to other republics and regions of the Russian Federation for 2014 is 27,163 people, immigrants - 32,016 people, thus, the migration growth of the Republic of Tatarstan in 2014 year is 4853 people. The number of emigrants from the Republic of Tatarstan to other republics and regions of the Russian Federation for 2015 is 28,155 people, immigrants - 29,719 people. However, the migration growth of the Republic of Tatarstan in 2015 is already 1564 people, which is 3.1 times less than in the previous year. Thus, while maintaining the stability of the directions of migration flows, their intensity decreases.

4. Summary

In general, it can be argued that the experience of many countries benefiting from foreign labor demonstrates that migration policy is almost always implemented within the framework of interaction of two opposite tendencies.

On the one hand, these are the social sentiments of the society, which determine the presence of the growth of restrictive measures and the development of special laws that hinder the growth of migrant inflows. In most countries, the indigenous population in general has a negative attitude towards the actions of the state, which encourage the migration process. At the heart of this negative attitude of society towards migrants are many causes, each of which is anyhow connected with the opposition of the indigenous population to the possibility of increasing competition in the labor market. In the minds of most people, there is also an aversion to labor migration as a possible factor of increasing social tension.

On the other hand, these are the economic interests of society associated with satisfying the need for labor that would close certain existing niches in the labor market. As a result of this confrontation between the two tendencies, the orientation of the migration policy shifts to either one or the other. In fact, we can talk about the cyclical nature of this process. Countries periodically review the migration policy: the periods of admission of migrants to the domestic labor market change for periods of strict control and complication of procedures governing the migration flow. After a certain time, the cycle repeats..

5. Conclusions

Thus, it can be argued that the complexity of solving the problem of regulating the migration process is determined by the fact that often not only migrants do not have the desire to integrate into a new society, but society also does not want to host migrants. The role of the state in this case increases, and the state actually becomes a factor determining the overall economic, social and political parameters of the intensification of the migration process

Acknowledgements

The work is performed according to the Russian Government Program of Competitive Growth of Kazan Federal University.

References

- Becker, G. S. (1964). *Human capital, a theoretical and empirical analysis, with special reference to education*. national bureau of economic. Columbia University Press: New York.
- Biktimirov, N., Gabdrakhmanov, N., Rubtsov, V., Mustaphin, M. and Arzhantseva, N. (2014). Peculiar features of the tatar people migration on the territory of Tatarstan. *Mediterranean Journal of Social Sciences*, 5(24): 267.
- Corry, D. (1996). Economics and european union migration policy. institute for public policy research. 136.
- Dylevskaya, A. I. and Avilov, V. V. (2013). On training highly qualified personnel in the light of the new trends of the petrochemical complex of the Russian federation. *Bulletin of the Kazan Technological University*, 16(19):
- Fakhrutdinova, E. V. (2014). The labor market in Russia, and the dynamics of its needs. *Economic sciences*: 110.

- Isaeva, T. N., Safiullin, L. N., Bagautdinova, N. G. and Shaidullin, R. N. (2013). Aspects of a multi-level study of competitive performance of objects and subjects of economic management. *World Applied Sciences Journal*, 27(13): 116-19.
- Kundakchyan, R. M. and Zulfakarova, L. F. (2013). Econometric modeling of performance indicators of the companies. *World Applied Sciences Journal*, 27(13): 1307-11.
- Larionova, N. and Varlamova, J. (2014). Qualitative assessment of banking system institutional environment. *Mediterranean Journal of Social Sciences*, 5(18): 177-82.
- Sarkin, A. V., Bagautdinova, N. G. and Averianov, B. A. (2013). Development and implementation of adaptive science-intensive manufacture management system based on management ocesses automation. *World Applied Sciences Journal*, 27(13): 159-64.
- Shaidullin, R. N., Ulesov, D. V., Shigabieva, A. M. and Safiullin, L. N. (2013). Innovative Infrastructure in Post-Industrial Society. *World Applied Sciences Journal*, 27(13): 180-83.
- Varlamova, J., Kotenkova, S. and Larionova, N. (2016). Evaluation of regional infrastructure. *Journal of Economics and Economic Education Research*, 17: 317-24.