

Economic Factors of the Intensifying the Migration Process

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Abstract

The factors influencing the intensification of the migration process have been considered since the appearance of the first migration theories. These factors determine both the potential migration opportunities and the actual conditions for the implementation of the migration process. Among the main factors that determine the intensity of the migration process, basic are the factors formed by the labor market (economic factors). Despite a number of migration theories that consider other factors, such as the demand structure, psychological and social factors, we determine the impact of precisely the economic factors (factors formed in the labor market) as the most significant. In today's world, when determining the intensity and main directions of migration, the economic factors are taken into account by the majority of migrants. At the same time, indirect factors play an important role in the analysis of the migration process. Indirect factors, determining the basic conditions for the intensification of the migration process, form the potential for migration. Potential migration opportunities form an environment that determines the potential number of migrants. Indirect factors include not only the parameters of the development of the national economy as a whole, but also the parameters of the development of individual regions or territories that form the migration attractiveness of these regions.

Keywords: Economy; Efficiency; Competition; Capitalism; Social policy; Society.



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1. Introduction

Among the basic theories that study the migration process are those that try to identify the basic parameters of the migration process. The main factors that induce an individual to make a decision about migration can be attributed to factors that repel (induce to leave the country) and attract (induce people to choose their country of residence). These factors have been analyzed for a long time and were considered for the first time within the framework of the theory by E. Ravenstein. The main attention among all factors influencing the migration process in the framework of the theory by Ravenstein was paid to economic factors. The desire to identify the most significant factors affecting the migration process was undertaken in almost all current theories of migration. The importance of the identified factors can vary depending on the region, the economic, social and political situation, but it is precisely the set of these factors (with different significance) that directly influences the decision to migrate (Larionova and Varlamova, 2014; Varlamova *et al.*, 2016).

Approaches to regulating the migration process differ depending on the theoretical premise of the possibility of government intervention in regulating this migration for the national economic system. For example, according to the neoclassical theory of migration, the reason for migration is the difference in Equilibrium wages that are formed in labor markets in different countries (in this case, the migration process actually becomes one of the tools for natural regulation of labor market problems). At the same time, migration of the population between countries is viewed initially as a natural process, regulated by instruments, mainly in the labor market. An important point in this theory can also be considered the rationality of the behavior of the economic subject. The individual assesses the situation in his country (acting as an expert), makes rational decisions, and any of his/her personal characteristics (contributing to increasing his competitiveness in the labor market) increase the likelihood of migration. If we compare neoclassical theory with the theory of determining repulsive factors and factors of attraction, then all these factors are considered in this theory mainly within the labor market (Berkowitz and Jackson, 2006; Dustmann *et al.*, 2008; McKenzie and Rapoport, 2010).

Among the theories that determine the parameters of the intensity of the migration process regardless of the labor market, the theory of the dual labor market, proposed by M. Piore, is quite interesting. This theory assumes also the naturalness of the migration process between countries. Moreover, it is assumed that the state in fact can not influence migration flows. To change the intensity of the migration flow, changes in the structure of the economy are needed. In addition to the purely economic factors associated with the peculiarities of wage changes in different countries, the reason for migration is the structural need for a low-skilled labor force (Bagautdinova *et al.*, 2013).

When determining the basic parameters that influence the decision on migration by the economic entity, one can not fail to mention the theory by Valerstein, which considers migration within the framework of labor market characteristics, but focuses on shifts and structural imbalances in the labor market. In this theory, when considering the intensity of the migration process, it is actually assumed that in many ways the migration process is determined

by the very evolution of the development of society, namely the formation and development of capitalism. Moreover, the development of capitalism in new countries (third world countries) actually creates mobility of the population, readiness for migration. This theory accordingly assumes that migration is completely independent of labor market parameters (in particular, the level of wages), and the migration flow becomes a counter flow to the flow of goods and services to developing countries (Bulnina and Askhatova, 2014; Gallyamova *et al.*, 2014; Safiullin *et al.*, 2014).

Thus, we may argue that almost all migration theories sought to determine the underlying factors influencing the intensity of migration.

2. Methods

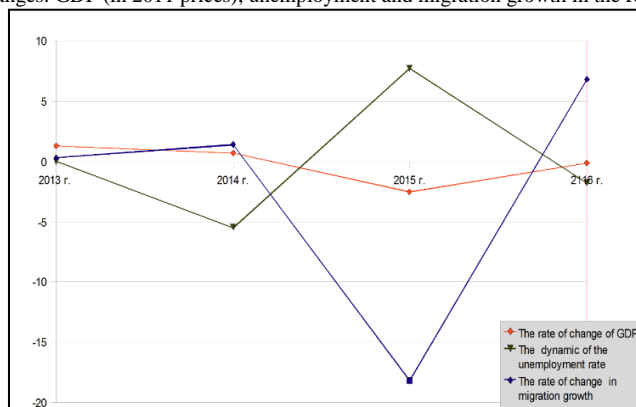
When considering the situation in the Russian economy, we will now analyze the relationship between a number of macroeconomic parameters (Table 1).

Table-1. Changes in GDP (in 2011 prices), unemployment and migration gain in the Russian economy

	2012	2013	2014	2015	2016
GDP (in 2011 prices), bln. rub.	62,486.4	63,602	64,071.8	62,445.4	62,337.6
GDP change rate, %	3.4	1.3	0.7	-2.5	-0.1
Unemployment %	5.5	5.5	5.2	5.6	5.5
Unemployment change rate, %	-15	0	-5.5	7.7	-1.8
Migration gain	294,930	295,859	299,990	245,384	261,948
Migration gain change rate, %	-7.8	0.3	1.4	-18.2	6.8

Based on the statistics, we can note the relationship between the increase in the migration flow and the change in the unemployment rate in Russia. Thus, we can assume that it is the rate of change in GDP that is the main economic indicator that affects all the characteristics of the migration process. Based on the data in the table, the relationship of the parameters (the beginning of the analyzed period shows some delay in the changes in parameters caused by the continuation of the development of trends of the previous period and the expectation of positive changes in the market from investors before the crisis of 2014) is clearly visible in Diagram 1.

Diagram-1. The rate of changes: GDP (in 2011 prices), unemployment and migration growth in the Russian economy (2013-2016)



In addition to factors directly related to the rate of economic growth in different countries (attracting migrants to a particular country), it is also necessary to analyze the indirect factors that determine the decision to migrate. Among these factors (contributing to the increase in the migration flow), one can single out a high level of unemployment, that is, the lower the probability of finding a job in your country, the greater the likelihood that an individual will want to migrate (with other things being equal and rational behavior), political and social instability, as well as the potential for developing and improving the quality of life of the family in the future.

3. Results and Discussions

When considering the situation in the Russian economy, we analyzed the factors that contribute to and hinder the finding of work. These factors were quantified. Five most important parameters were identified among the many parameters of the model.

Calculations in the model were carried out according to the age group of the able-bodied population under 24 years old. (assuming that the migration stream initially is based on a more mobile young population of the country).

Significant parameters in the model were: x_1 - GDP growth rates; x_2 - the total death rate; x_4 - the index of consumer prices for goods and services; x_5 - unemployment rate; x_7 - average duration of job search in months.

Positive result of job search = $-112.6 + 7x_1t - 120.8x_2t - 0.19x_4t - 16.6x_5t - 75.4x_7t + \varepsilon t$

When interpreting the model in this way, we may argue that with an increase in the rate of GDP growth by 1 percentage point, the number of young employees will increase by 7,000.

With an increase in the overall death rate by 1 unit, the employment of young workers is reduced by 120,800 people.

With an increase in the consumer price index by 1 percentage point, the number of young employees will decrease by 0.19 thousand.

With an increase in the general unemployment rate by 1 percentage point, the number of young employees will decrease by 16.6 thousand.

With an increase in the average duration of job search by 1 month, the number of young employees will decrease by 75,400 people.

Among the significant parameters of the model, therefore, the GDP growth rate contributed to the possibility of finding a job and, accordingly, was a factor hampering the growth of the migration process. In turn, the growth in the death rate, the consumer price index, the unemployment rate, and in the average duration of job search hampered employment in the country (that is, repulsive factors in Ravenstein's terminology, contributing to a growing desire to migrate).

The parameters of the labor market thus directly affect the individual's decision to migrate, but these themselves are the result of more global changes in the national economy (related to general issues of economic development).

4. Summary

State regulation of economic processes is currently one of the main elements of the development and enhancement of the competitiveness of the national economy. Accordingly, the migration policy in this way can not be implemented without establishing an effective mechanism for interaction with federal and local, legislative and executive authorities, without using an accurate analysis of the innovative potential of the national economy. At the same time, since the decision on migration is taken rationally by the economic entity and is based on the consideration of economic parameters, the role of the state in regulating the migration process must be attributed to indirect factors. In addition to directly regulating the migration process, the state decisions largely determine the political and social stability, that is, those parameters that are taken into consideration when deciding to migrate.

The global economy is now undergoing significant changes related to mass migration caused by economic and political instability, uneven development, and aggravation of competition between regions. These relationships were analyzed quite well in the paper by Varlamova J, Kotenkova S, Larionova N. "Evaluation of the regional infrastructure" [1, 317-324]. In fact, the parameters of the development of the regional infrastructure in this case can be placed in a series of indirect parameters that affect the intensity of the migration process. And in modern conditions, when the market is the dominant value in social development, the meaning and role of the state in regulating the migration process is largely determined by its innovative potential and the competitiveness of producers (which determine the attractiveness of the territory and the region, including the intensity of migration flows). It is the provision and increase of the competitiveness of national production that should underlie the development of migration policy.

Considering the formation of migration policy at the current moment, let us note that Russia's peculiarity is that the conditions for its formation still largely depend on the development of market elements in a certain region of Russia and, quite significantly, on the existing conditions providing the possibility of competition. That is why providing conditions for an actively developing market remains an important element in the number of regional priorities in the Russian economic system. However, many problems of determining and interrelating the elements of migration policy with the development of the market economy as a whole and the development of competitiveness of domestic companies in particular remain unresolved.

5. Conclusions

When analyzing migration flows within a country, it is necessary to take into account that the competitiveness of a particular region may be understood to mean the role of this region in the economic life of the country, its capabilities in ensuring and improving the living standards of the population and the ability to implement the potential on the territory (including human capital). At the same time, the ability of a region to increase competitiveness is actually determined by the existing opportunities for getting regional revenue. In turn, such an economic attractiveness of the country in general or of a particular region also becomes an incentive for the intensification of the migration process.

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