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Kazakhstan Migration and Remittances Survey: Migration, Welfare and the Labor Market in an Emerging Economy

Survey report

Institute for East and Southeast European Studies
Regensburg, 2013

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Impressum

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Ethnically motivated emigration from Kazakhstan after independence

Since the break-up of the Soviet Union, migration has developed dynamically in the region. The newly introduced freedom of movement has allowed people in post-Soviet countries to return to their former homelands or to move because of better economic prospects. Located in the Central Asian part of the former USSR, Kazakhstan is a case in point for high migration rates. Following its independence in 1991, Kazakhstan experienced huge emigration, which accounted for a population loss of 2.04 million people or 13 percent of its population until 2004. Since that year Kazakhstan's external migration balance has been positive. This can be attributed to the almost complete termination of ethnically motivated emigration, the steady inflow of ethnic Kazakhs (oralmans) and the growing number of labor immigrants from neighboring countries (Sadovskaya, 2007; Diener, 2008). Although political and public attention has primarily been devoted to these external movements, internal migration flows in Kazakhstan are of high social and political relevance as well.

Kazakhstan's vast territory covers about 2.7 million sq. km (which makes it the 9th largest country in the world), but it is inhabited by a relatively small population of approximately 16 million people. In administrative terms it is divided into 14 regions (oblasts) and two cities (Almaty and Astana).

Internal migration in Kazakhstan: a new development topic

According to official data, interregional migration in Kazakhstan is not particularly intensive, although economic and social disparities between regions are very high and do not seem to have decreased over time (Aldashev and Dietz, 2011). Between 2000 and 2010 interregional movements on average involved 138,000 persons per year, i.e. 0.8 percent of the population. In balance, the two big cities Almaty and Astana attracted nearly all internal migrants. The city of Astana received a great number of people from the nearby regions Akmola, Karaganda, Kostanai and East Kazakhstan, while Almaty received most immigrants from the surrounding Almaty oblast, Zhambyl, as well as South and East Kazakhstan.

Within regions annual migration on average amounted to approximately 166,200 persons (one percent of the population). These movements can predominantly be characterized by population flows from rural to urban areas and by the migration of people from small and medium cities to urban centers. The size of inter- and intra-regional migration flows in Kazakhstan is close to that in Russia, but much smaller than that in the USA and Canada (Andrienko and Guriev, 2004).

Although the (internal and international) migration experience of independent Kazakhstan has been unique and highly relevant in economic and social terms, little research has been conducted on this topic as yet. Against this backdrop, the research project "Migration and Remittances in Central Asia: The Case of Kazakhstan and Tajikistan" which has been conducted in cooperation with the Center for Study of Public Opinion (CIOM) in Almaty, Kazakhstan analyses the determinants and impacts of recent migration movements in this post-Soviet country. Because micro-

level data on migration movements in Kazakhstan are rare or unavailable to researchers, a household survey was conducted with the aim to obtain first-hand information on migration and remittances in this country and to test standard hypotheses of migration theory. The Kazakhstan migration and remittances survey (KMRS) was conducted in four cities in Kazakhstan (Almaty, Astana, Karaganda and Pavlodar) between October and December 2010 (figure 1).

Figure 1: Regions of Kazakhstan and city locations

Kazakhstan Migration and Remittances Survey data

Sampling strategy

In designing the household survey it had to be taken into account that migration is mostly directed toward large economic centers of Kazakhstan, although the entire country has been experiencing considerable migration activities since achieving independence. This situation had an impact on the sampling strategy, as a countrywide random sampling could not have guaranteed the inclusion of enough households with migration experience in the survey to allow for a meaningful data analysis. Therefore, it was decided to choose regions with a high migration turnover and to define within these regions the ultimate units in which the survey would be conducted. This method is a well-established technique in international migration surveys (Groenewold and Bilsborrow, 2008).

As Kazakh cities – notably Almaty and Astana – attracted by far the highest numbers of internal and international migrants and were likewise the most important sending areas, Almaty and Astana were chosen as sampling regions. The chance to have a rea-

sonably high number of migrants in the survey on the basis of a random procedure was expected to be much higher in these cities than sampling households throughout the country, where a difficult screening procedure would have had to be employed to identify a sufficient number of migrant households. The choice of Astana further provided an opportunity to look at migration movements in the context of the relocation of the Kazakh capital from Almaty to Astana in 1997.

To reflect the mobility patterns in Kazakhstan's second order economic centers, two further cities (both oblast capitals) were included in the survey. Due to their geographic location, population size and ethnic composition, Pavlodar and Karaganda were the best qualified for such a comparison (table 1). Until the relocation of the capital, Karaganda had been Kazakhstan's second city after Almaty in terms of population size, economic weight and human capital endowment, while Pavlodar had been comparable to Astana. In later years, however, these cities followed different development paths. While in Almaty, and even more so in Astana, the population grew steadily between 1989 and 2009, in Karaganda and Pavlodar the number of residents declined between 1989 and 1999, although it increased again moderately thereafter. Nevertheless, against the substantial emigration of minorities, the change in the population composition of all four cities was substantial.

Table 1: Population size and ethnic composition in Almaty, Astana, Karaganda and Pavlodar

	1989	1999	2009
Population size			
Almaty	1,121,400	1,128,989	1,365,105
Astana	277,365	326,939	639,311
Karaganda	613,800	436,864	465,634
Pavlodar	330,700	300,918	307,880
Percentage of Kazakh			
Almaty	23.8	38.5	50.1
Astana	17.5	40.9	63.4
Karaganda	12.6	24.2	35.4
Pavlodar	14.4	24.0	37.8

Sources: Brill Olcott (2002); Anacker (2004); Gentile (2004); Statistical Agency of Kazakhstan

Due to their rich and diverse migration experiences, the four cities Astana, Almaty, Karaganda and Pavlodar were defined as sampling regions. In Almaty and Astana 550 households were included in the survey, while in Karaganda and Pavlodar the number of surveyed households was set at 450. Within the four cities a random route sampling was applied to select households which were approached for an interview. The routing was based on the election lists, which included all streets and micro districts in the respective municipalities.

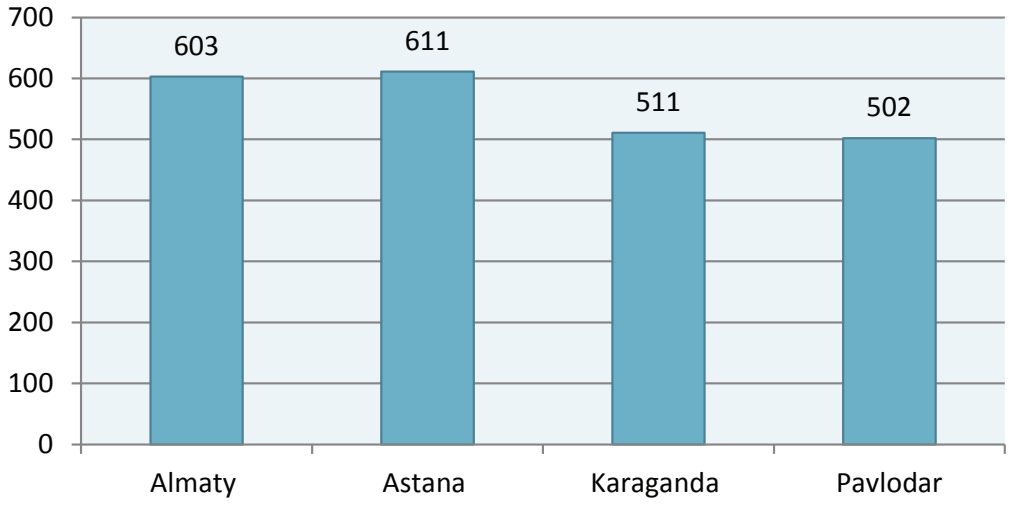
As ten interviews were envisioned on each route, 50 routes were selected in Almaty and Astana, while in Karaganda and Pavlodar 45 routes were defined. The routes were chosen by a random number generator from the full list of streets in the respective cities. Within the routes, houses were chosen systematically using a pre-defined interval (i.e. every second single house after the starting house number along the route; in the case of apartment houses, every fifth apartment). Accordingly, the selection of the surveyed households within these cities was accomplished on the base of a random procedure.

The interviews were conducted face to face with either the head of the household or a second influential person in the household aged 18 years and older. While choosing the respondent, a gender quota was introduced which reflected the male/female ratio in the respective cities. This was implemented to avoid a gender bias, as one might expect females to be at home more often or more willing to respond to a survey. Only family members who lived in the household permanently were interviewed.

Sample size

Altogether, 4907 interview attempts were undertaken during the field work, yielding a total number of 2227 completed interviews. In the cases where interviews did not work out, this was mostly because the addressed respondents refused to take part in the survey (45 percent) or did not open their door (40 percent). Figure 2 presents the number of interviews by city.

Figure 2: Sample size by cities, N=2227 households



Source: KMRS database

The respondents provided information about their demographic background, their work and migration patterns and the characteristics and living conditions of their households. Furthermore, the survey collected basic information on all household members (survey population), i.e. 6752 persons.

Questionnaire

The questionnaire was designed to obtain basic information on the determinants, patterns and consequences of migration and on the prevalence and use of remittances in Kazakhstan. These topics were embedded in a number of other questions related to the demographic characteristics of respondents and their household members and to the economic and social living conditions of their families. More precisely, the survey analyzed the differences in the economic and social behavior of the households with international and internal migration experience and those without migration practice. In addition, information on the household members who had left and were still abroad ("household members currently away") was collected. This information included questions on these members' motivation for moving, their destination and the living and working conditions abroad. The interviews were conducted face to face. A number of questions involved the use of show cards to help the respondent select the correct answer.

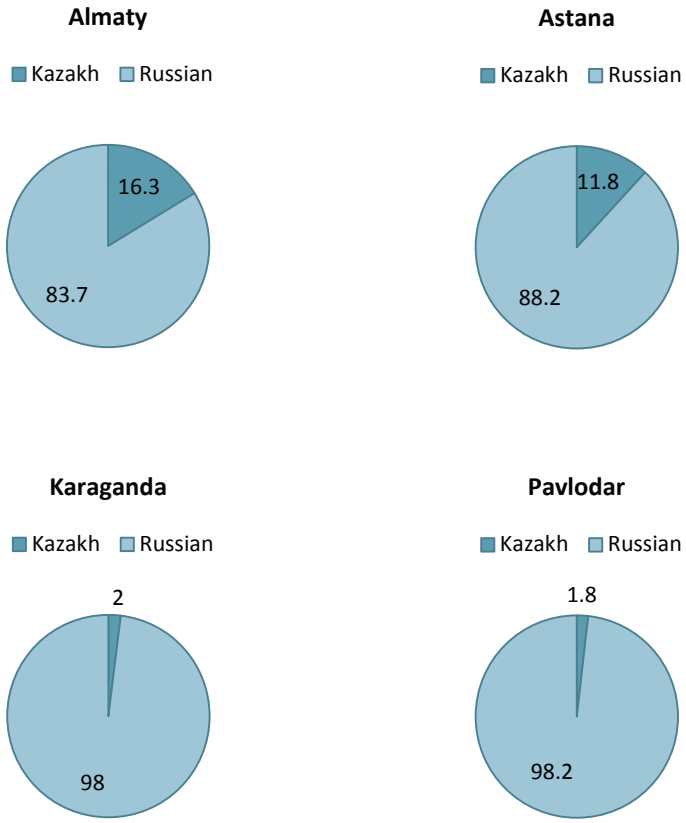
The questionnaire comprised 130 questions and was divided into nine blocks. In the first block, basic information on the demographic characteristics of all household members was collected, while in the second block the respondent answered questions related to the educational attainment and language competence of all family members. The third block included questions on the respondent's current job such as enterprise type, economic sector and wage. The fourth block concentrated on the respondent's residence and work history, focusing on the years 1991 and 2001.

In block five the migration experience of all household members was briefly recorded. If appropriate, the respondents were asked in detail about their most recent move, including questions on their motivation for migration and the impact of the move on their earnings, job advancement and living conditions. Information about remittances was collected in block six, which covered sending and receiving activities at the household level. The seventh block inquired about the respondent's personal attitudes towards immigrants and immigration in Kazakhstan. In block eight the respondent was questioned about his/her household income and living standard and in block nine about household expenditures. As far as appropriate, the structure and topics of the survey were adapted from established migration questionnaires (Lucas, 2000).

Interview language and language competence

The questionnaire and all other survey tools (show cards, coding lists) were first designed in English and then translated into Russian and Kazakh. The interviews were conducted either in Russian or Kazakh, depending on the respondent's choice. More than 90 percent of respondents chose Russian, although the interview languages differed considerably across cities. While in Almaty 16 percent of respondents opted for the Kazakh language, in Pavlodar only 2 percent asked to be interviewed in Kazakh (figure 3). These choices reflect the high relevance of the Russian language in daily life in Kazakhstan, particularly in Pavlodar and Karaganda, where ethnic Russians make up the majority of the population.

Figure 3: Interview language across Kazakh cities, in percent



Source: KMRS database

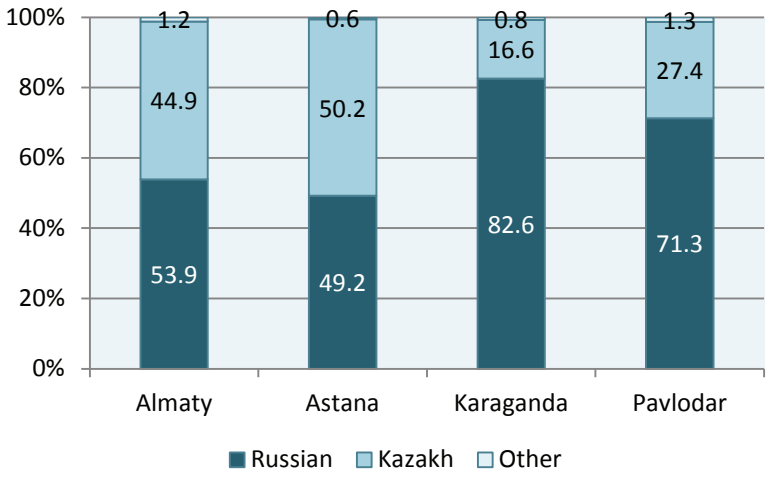
In 2001 a government program on "the functioning and development of languages for 2001–2010" was enacted in Kazakhstan. Its official goals were to expand and strengthen the communicative function of the state language, i.e. Kazakh, to preserve the cultural function of the Russian language and to develop the languages of ethnic minorities. A 2006 amendment to this program contained concrete measures to establish the state language as mandatory in the fields of public administration, legislation and legal proceedings until 2010 (Vdovina, 2008).

Nevertheless, the Russian language continues to play a dominant role in communication and in the media. This is reflected in the survey's results with respect to language competence (figure 4). When asked about language spoken best, 63 percent of respondents named Russian, 36 percent Kazakh and one percent other languages.

Data description: Gender

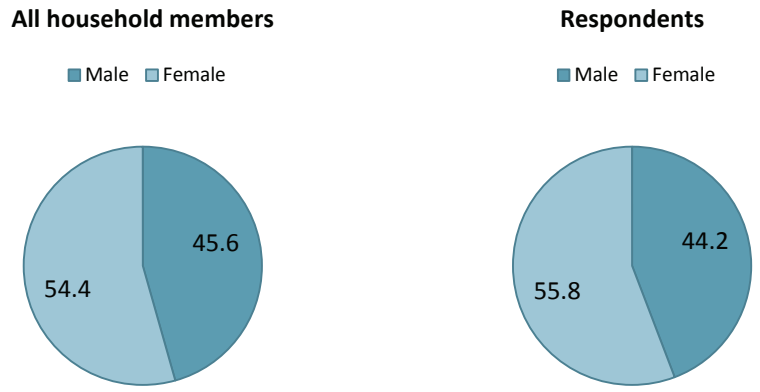
A first examination of the KMRS data reveals that 54 percent of respondents were females and 46 percent were males (figure 5), approximately mirroring the female/male relation in urban Kazakhstan in 2010.

Figure 4: "What language do you know best?", in percent



Source: KMRS database

Figure 5: Gender, in percent



Source: KMRS database

Because a gender quota had been pre-defined, the gender ratio of respondents was close to that of the respective cities (table 2).

Table 2: Respondents and city population in Kazakhstan (2010) by gender, in percent

	Females		Males	
	Survey	Population	Survey	Population
Almaty	56.6	54.6	43.4	45.4
Astana	52.0	50.8	48.0	49.2
Karaganda	56.8	54.7	43.2	45.3
Pavlodar	58.6	54.4	41.4	45.6

Sources: KMRS database, Statistical Agency of Kazakhstan

Age

A comparison of the age structure of the survey population with the urban population in Kazakhstan shows rather consistent figures (table 3). The same can also be said for the cities Almaty and Astana, for which information on the age structure of the population is available at city level. The average inhabitant of the city of Astana is younger than the average person living in Almaty, Karaganda or Pavlodar. This may reflect Astana's status as Kazakhstan's new capital, which attracts young professionals and public sector workers.

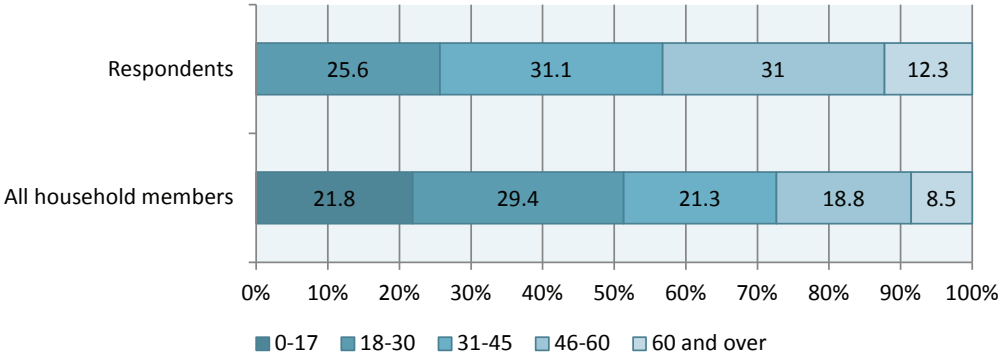
Table 3: Age structure of the survey and city population in Kazakhstan (2010), in percent

Age groups	0–14		15–64		65+	
Cities	Survey	Population	Survey	Population	Survey	Population
Almaty	18.0	19.3	75.0	71.9	7.1	8.8
Astana	20.0	18.2	77.1	75.9	2.9	5.9
Karaganda	16.7	n.a.	76.0	n.a.	7.3	n.a.
Pavlodar	17.3	n.a.	76.6	n.a.	6.1	n.a.
All	18.1	22.7*	76.1	69.8*	5.8	7.5*

*Urban population in Kazakhstan
Sources: KMRS database, Statistical Agency of Kazakhstan

Figure 6 presents the age structure of respondents and the total sample including all household members. Because the age limit for respondents was set to 18 years and older, the group of persons aged 0 to 17 years is not represented in the age structure of respondents.

Figure 6: Age structure of respondents and household members, in percent

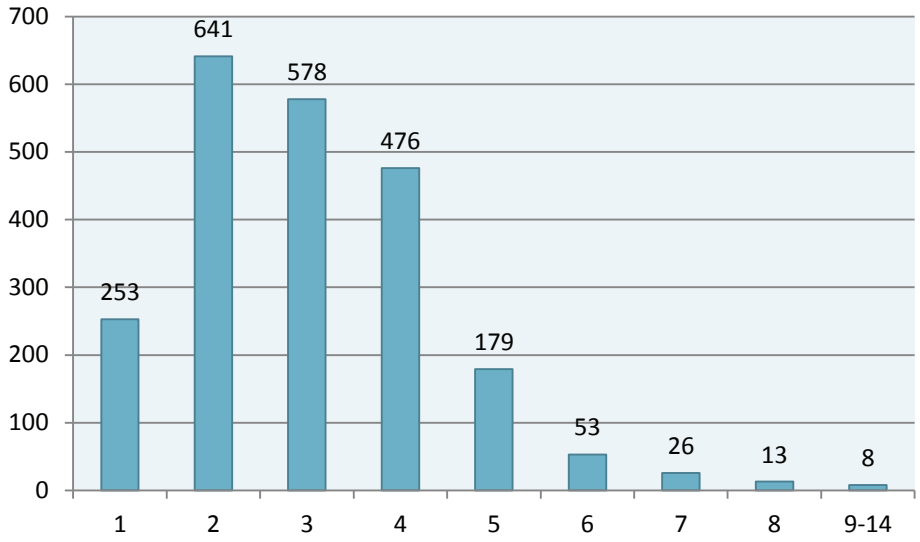


Source: KMRS database

Family size

The family size varies across the sample from one to 14 persons (figure 7). The average surveyed household has 3 members. This is in line with official statistics. According to the 2009 census, the average family size in Kazakhstan was 3.5 persons, and, as a rule, families living in cities are smaller than those in rural areas.

Figure 7: Total number of household members, N=2227



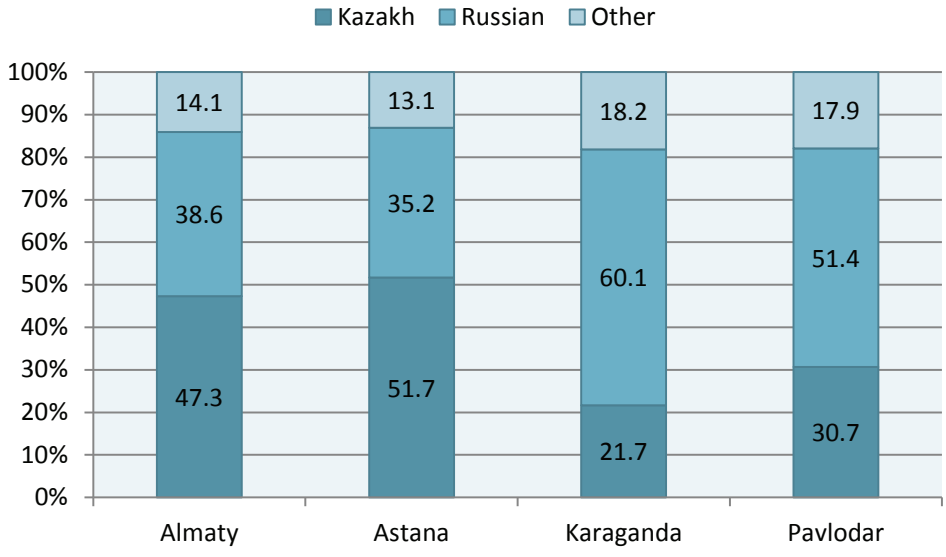
Source: KMRS database

Ethnicity & education

Figures 8 and 9 show the respondents' distribution according to their ethnicity and educational attainment. The share of ethnic Kazakhs in Almaty and Astana exceeds the share of ethnic Russians, contrary to Pavlodar and especially Karaganda, where ethnic Russians constitute over half the population. The ethnic distribution of respondents in the survey corresponds roughly with the data of official statistics (see table 1).

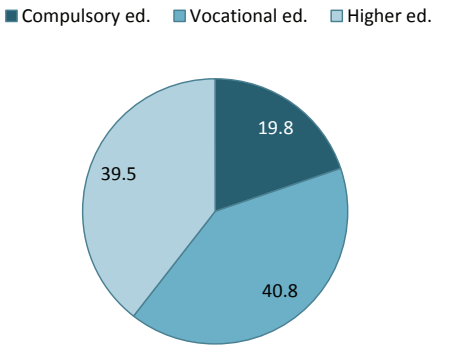
Most respondents are well educated, with only 20 percent having no higher or vocational education.

Figure 8: Ethnicity of respondents, N=2227



Source: KMRS database

Figure 9: Education of respondents, N=2227

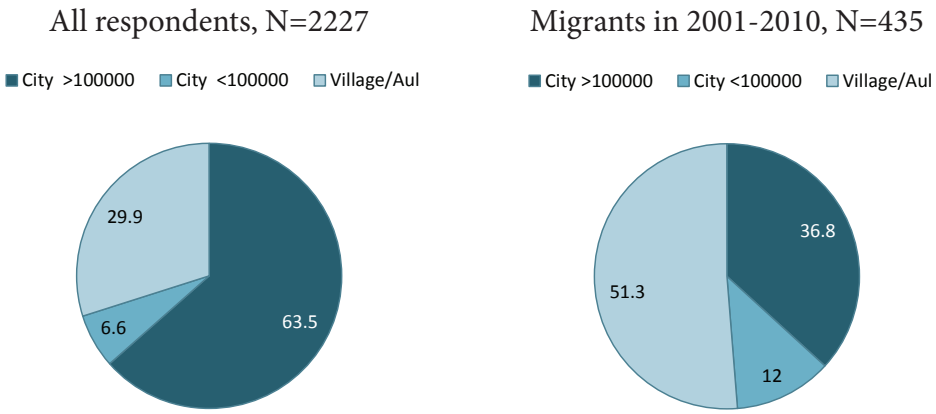


Source: KMRS database

Place of birth

Not surprisingly, the overwhelming majority of respondents (64 percent) in the four surveyed cities were born in large cities with a population of over 100,000 inhabitants. At the same time, the place of birth of a considerable part of respondents (30 percent) was a village (aul) (figure 10). In contrast, the percentage of the persons born in a village (51 percent) in the group of internal migrants who came to the four surveyed cities between 2001 and 2010 was considerably higher than of those whose place of birth was a large city (37 percent).

Figure 10: Place of birth of respondents



Source: KMRS database

Migration patterns and motivations

Migration incidence

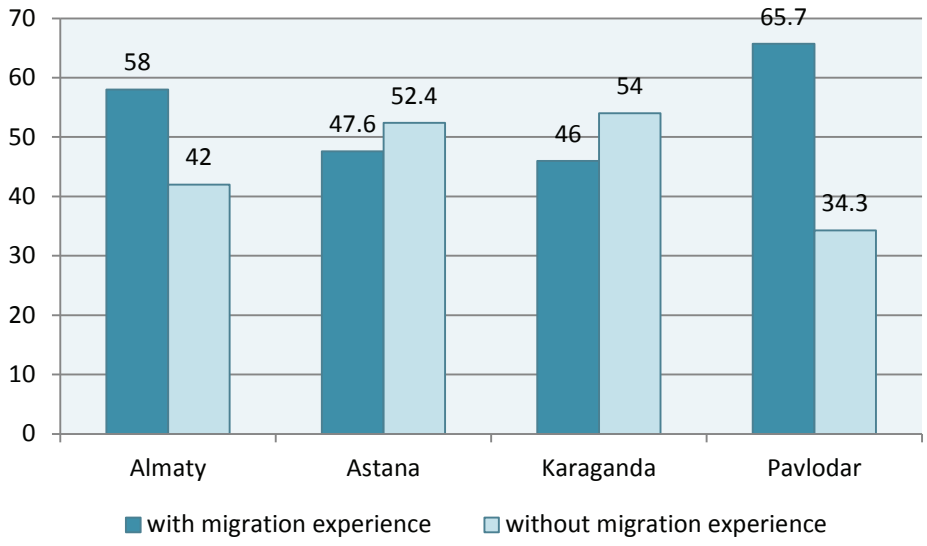
The transition from a centrally planned to a market-based economy provides the background for the economic development patterns in Kazakhstan over the last two decades. Besides many other topics relevant in this context, the KMRS survey was so far used to analyze the determinants and impacts of internal migration and to explore the welfare and labor market performance in independent Kazakhstan.

Before the break-up of the Soviet Union, migration to urban areas in the Kazakh Soviet Socialist Republic was characterized to a considerable extent by the inflow of people from other parts of the Soviet Union, mainly from Russia. After independence a huge outmigration of ethnic Russians and other non-Kazakh nationalities from cities occurred, while an urbanization of ethnic Kazakhs took place. Between 1989 and 2009 the percentage of ethnic Kazakhs living in urban centers in Kazakhstan increased from 38 to 48 percent, while the total urban population decreased slightly (from 57 to 54 percent). The highly urbanized Russian population experienced a decline of city dwellers from 77 to 73 percent.

Migration incidence

In the KMRS survey practically half (49 percent) of all respondents indicated that they had migrated at least once in their life. A very similar migration pattern is observed for Astana and Karaganda (figure 11). The migration experience in Almaty and Pavlodar deviates somewhat from this picture: Almaty's sample includes a considerably higher proportion of respondents with migration experience (58 percent) and Pavlodar's population is characterized by the highest percentage of migrants across the four cities covered in our survey (66 percent).

Figure 11: Migration experience of respondents, N=2227, in percent

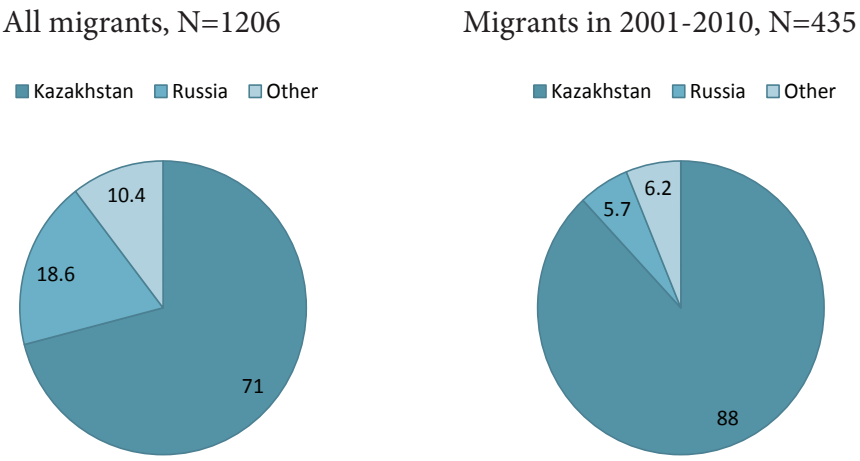


Source: KMRS database

Internal and international migration

The questionnaire allows tracing the movements of people between different points in time and differentiating between external and internal migrants. If January 1, 2001 is considered as the cut-off between recent and earlier migrants, approximately 36 percent of migrants belong to the group of people who have moved in the recent decade. Most migrants in the KMRS sample are internal migrants. About 88 percent of those who moved in the period 2001-2010 migrated within Kazakhstan, while about six percent came from Russia (figure 12). The remainder of the sample had lived in a third country before migrating (in particular Uzbekistan or Kyrgyzstan). If all respondents with migration experience are considered, a far higher proportion of migrants from outside of Kazakhstan is found. About 19 percent immigrated from Russia and ten percent from a third country, mostly from the (former) Soviet Union (figure 12). It can be shown that the differences between the places of origin of the recent migrants compared to all migrants are mainly caused by the large number of people who migrated from Russia to Kazakhstan before the break-up of the Soviet Union.

Figure 12: Pre-migration country of respondents

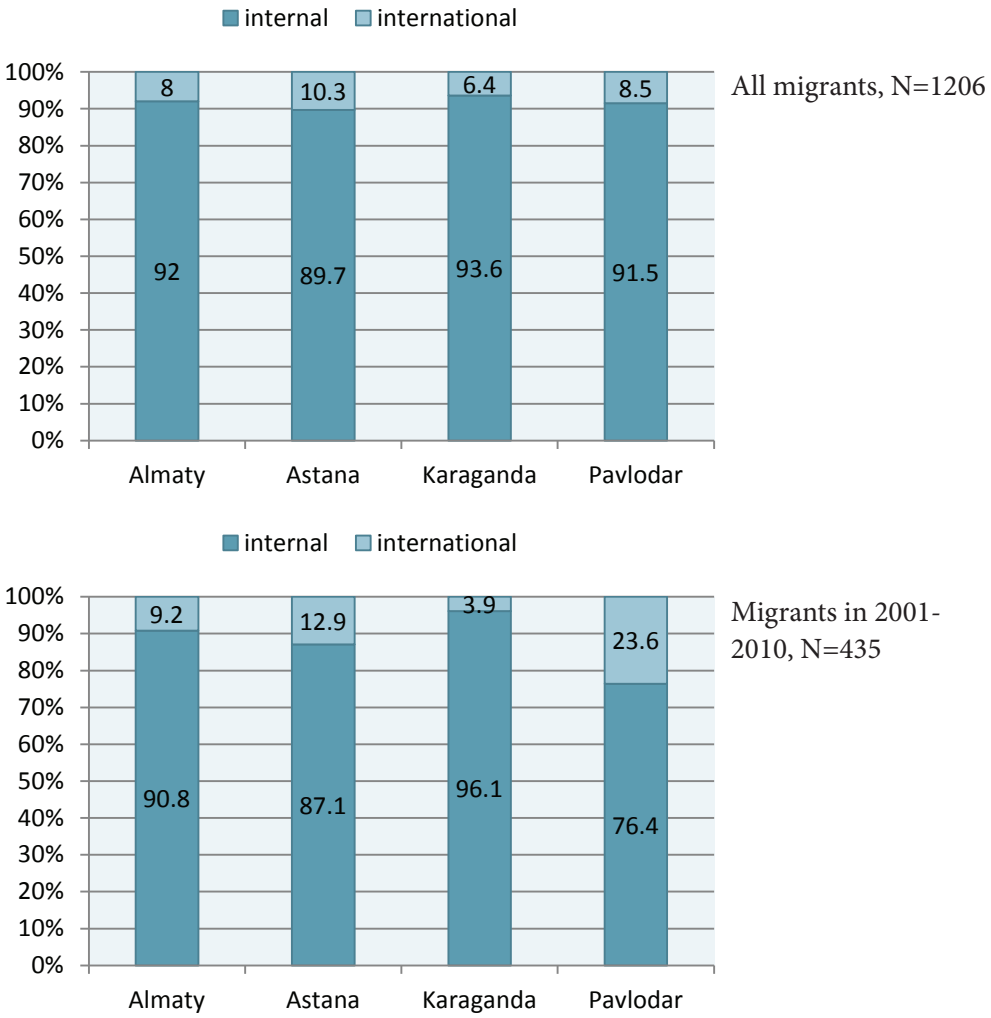


Source: KMRS database

A closer look at the destination city of internal and international migrants is provided in figure 13. It reveals that about 94 percent of the recent migrants whose destination was Karaganda had already lived in Kazakhstan before moving. This is the case for about 92 percent of the individuals who migrated to Almaty or Pavlodar and 90 percent of those who moved to Astana.

The relatively high rate of international immigration to Pavlodar in the last decade (24 percent) can probably be explained by its location in Northern Kazakhstan and its high proportion of Russian inhabitants. 13 percent of migrants to Astana who moved between 2001 and 2010 came from abroad.

Figure 13: Internal and international migration and city of destination



Source: KMRS database

Pre-migration location

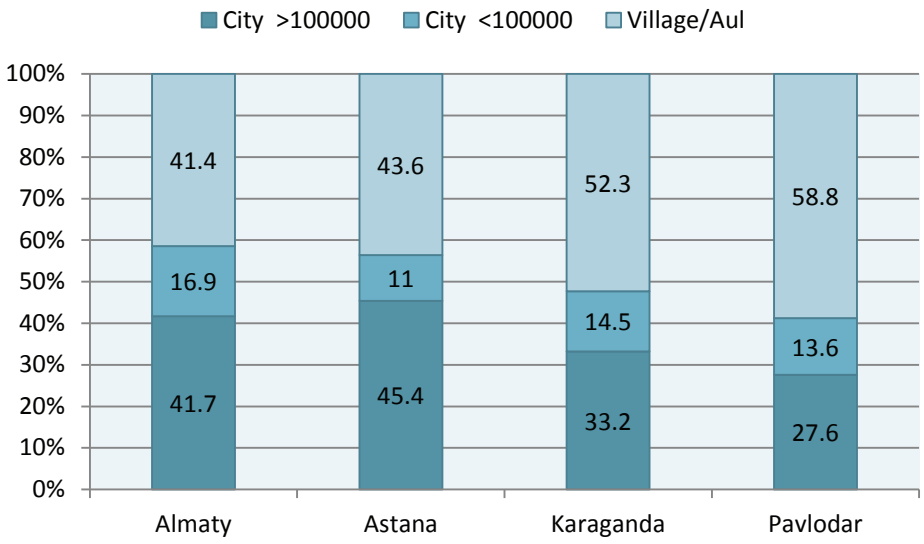
A more detailed breakdown of the pre-migration location of internal migrants reveals a very strong gravity effect. More specifically, about 30 percent of internal immigrants to Almaty and Astana came from the regions (oblasts) surrounding these cities (Aldashev and Dietz, 2011). The corresponding figures for Karaganda and Pavlodar are even higher: more than half (52 percent) of those individuals that moved to Karaganda internally came from the surrounding Karagandinskaya oblast, and almost two thirds (66 percent) of immigrants to Pavlodar migrated from the Pavlodarskaya oblast.

The evidence presented in figure 14 is again related to the origin of the recent immigrants to Almaty, Astana, Karaganda and Pavlodar, but shifts the focus to the size of their pre-migration location. The figure shows that about 45 percent of the migrants in our sample came from cities with more than 100,000 inhabitants, about

15 percent moved from cities with less than 100,000 inhabitants and the rest had lived in a village or aul before moving.

Figure 14 reveals striking differences between the four destination cities in the focus of this report: while 45 percent of immigrants to Astana had been living in a city with more than 100,000 inhabitants before moving to Kazakhstan's new capital, this had been the case for 42 percent of those who moved to Almaty, for about 33 percent of those that migrated to Karaganda, and of 28 percent of those relocating to Pavlodar. Conversely, approximately 55 percent of immigrants to Karaganda and Pavlodar originated from a village or aul, in contrast to almost 43 percent of those who moved to Almaty or Astana. All in all, our data confirm the well-known pattern of migration occuring in steps: in general, people tend to move from villages or small towns to medium-sized cities (often close by) and from medium-sized cities to large cities. Migration flows from villages directly to large cities are generally much smaller.

Figure 14: Pre-migration location and city of destination, all migrants, N=1206

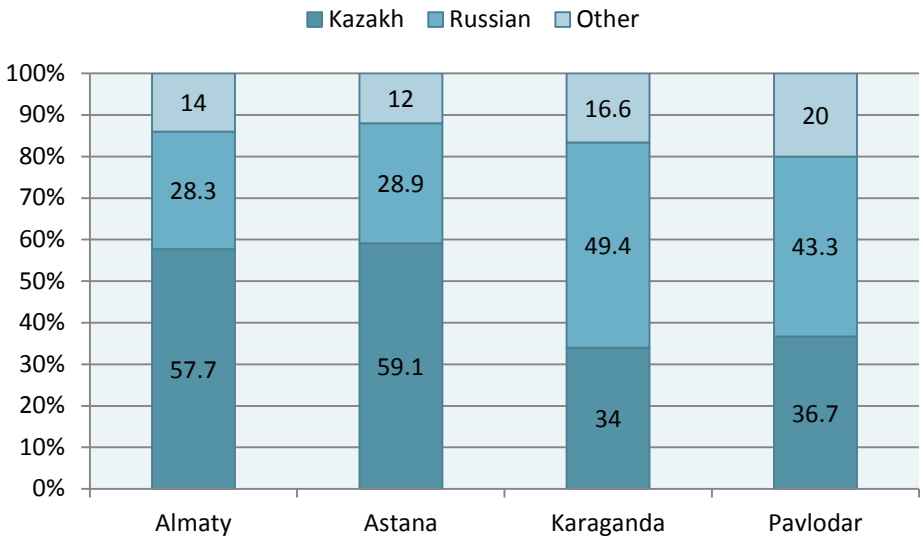


Source: KMRS database

Ethnicity of migrants

About 48 percent of city dwellers with migration background in our sample identified themselves as ethnic Kazakhs, 37 percent as Russians and the rest of the respondents as members of another ethnicity. Figure 15 reveals that the majority of migrants (almost 60 percent) in Almaty and Astana are ethnic Kazakhs, while in Karaganda and Pavlodar migrants with Russian ethnicity (49 percent and 43 percent) outnumber migrants representing other ethnical groups.

Figure 15: Ethnicity and city of destination, all migrants, N=1206

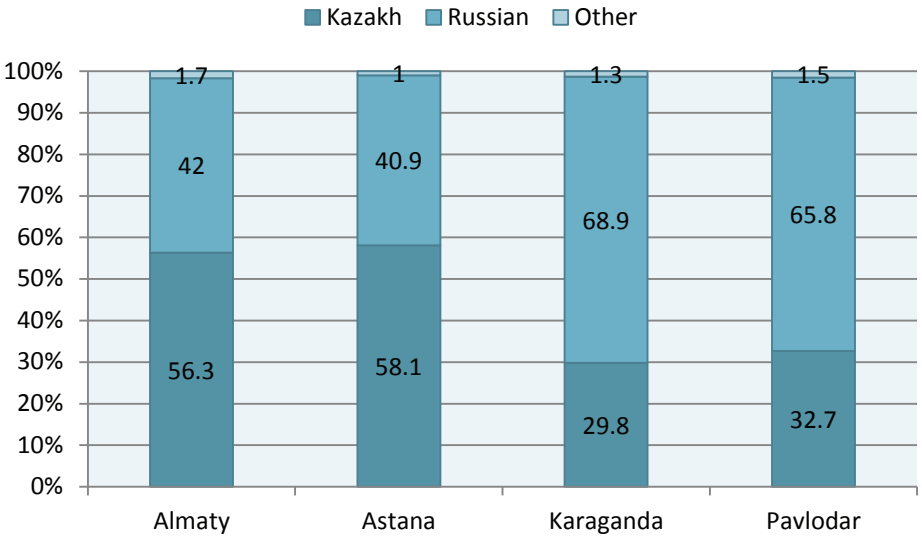


Source: KMRS database

Language known best by migrants

Figure 16 provides a breakdown of migrants' answers to the question on language known best by city of destination. This breakdown results in a pattern qualitatively comparable to that found for ethnicity: while almost 56 percent of migrants to Almaty reported that Kazakh was the language they spoke best, the corresponding figure for Astana was 58 percent. For Karaganda and Pavlodar the share of migrants reporting that Kazakh was the language they spoke best was considerably lower (30 and 33 percent, respectively).

Figure 16: Language known best and city of destination, all migrants, N=1206

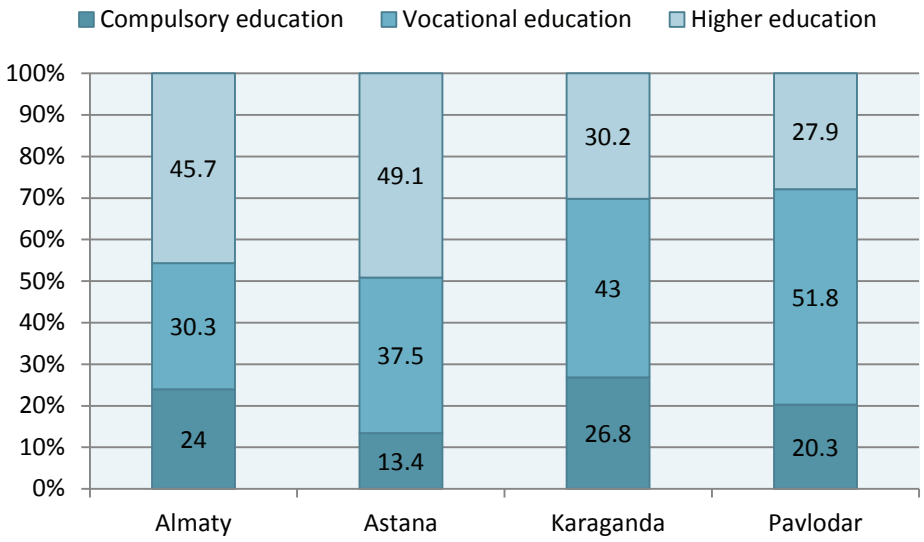


Source: KMRS database

Education of migrants

The majority of respondents with migration experience in our sample have either vocational or higher education (figure 17). In Astana the share of migrants with higher education amounts to 49 percent and in Almaty to 46 percent. Considerably lower shares of migrants with tertiary education can be found in Karaganda (30 percent) and Pavlodar (28 percent). In these two cities the persons with vocational education outnumber other educational groups.

Figure 17: Education and city of destination, all migrants, N=1206



Source: KMRS database

Sources of financing the move

The questionnaire also contained the question "By which means did you finance the move and initial living costs?" (figure 18). It turns out that about 33 percent of migrants financed their move primarily through assistance from family members. This result shows that family ties are extremely important in Kazakhstan. Another 36 percent of migrants stated that they had primarily relied on their own savings to fund their move and around 17 percent financed it by selling their home or land. Interestingly, only 2 percent of migrants – not even those who had moved to Astana – had been supported by a governmental program[1].

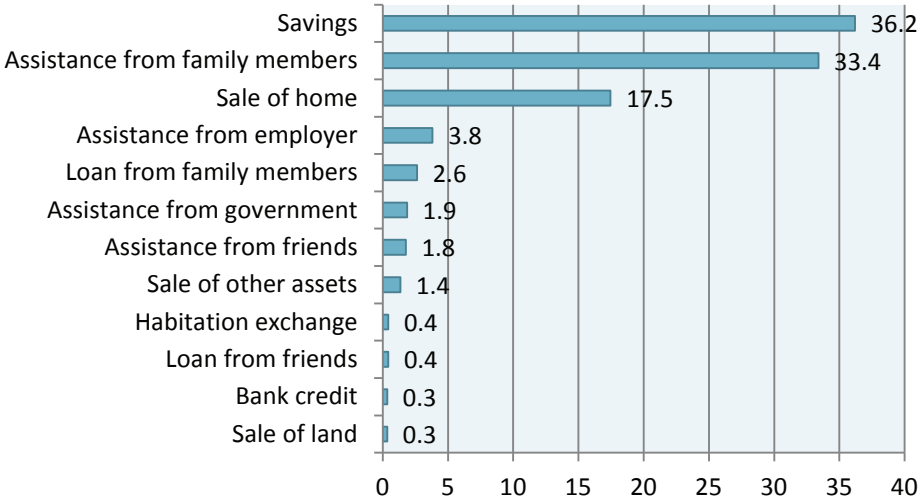
Reasons to migrate

In the survey, the reasons for moving were distinguished according to family-, education- and work-related motives, marriage and the wish to "return to the ethnic homeland".[2] Figure 19 shows that a plurality of sampled individuals – about 32 percent – moved because their family moved or because they wanted to join their family.

[1] See Anacker (2004) for a detailed examination of the relocation of Kazakhstan's capital from Almaty to Astana.

[2] Respondents were allowed to give multiple answers to the question "Why did you move to the current residence?", but we will focus solely on what they said was their most important reason. Taking their other answers into account would not qualitatively alter the resulting picture.

Figure 18: Sources of financing the move, first choice, all migrants, N=1206

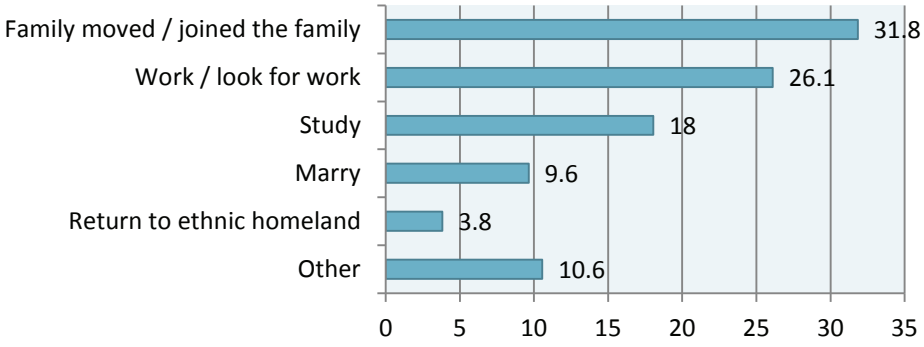


Source: KMRS database

Another quarter (26 percent) of respondents migrated for work-related, reasons whereas 18 percent of individuals migrated in order to study. In addition to that, almost ten percent of migrants named marriage as their main reason for moving, almost four percent returned to their homeland and about eleven percent gave one of various other reasons.

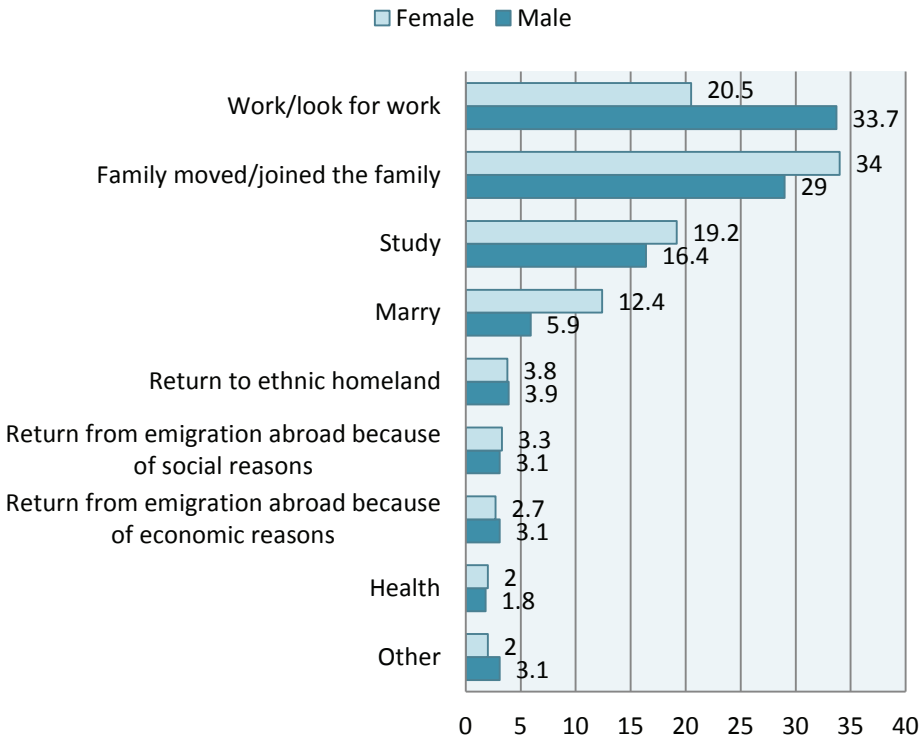
The comparison of motives of male and female migrants reveals some striking differences between genders: While 34 percent of males moved because of their work, only 21 percent of females reported that work-related motives had been their main reason for moving (figure 20). At the same time, more than one third of females migrated because their family moved or because they wanted to join their family. The corresponding figure for males is about five percentage points smaller. Interestingly, females were also more likely to migrate because of marriage than males (12 percent of females stated this motive compared to 6 percent of males).

Figure 19: Reasons to migrate, first choice, all migrants, N=1203



Source: KMRS database

Figure 20: Reasons to migrate by gender, first choice, all migrants, N=1203, in percent

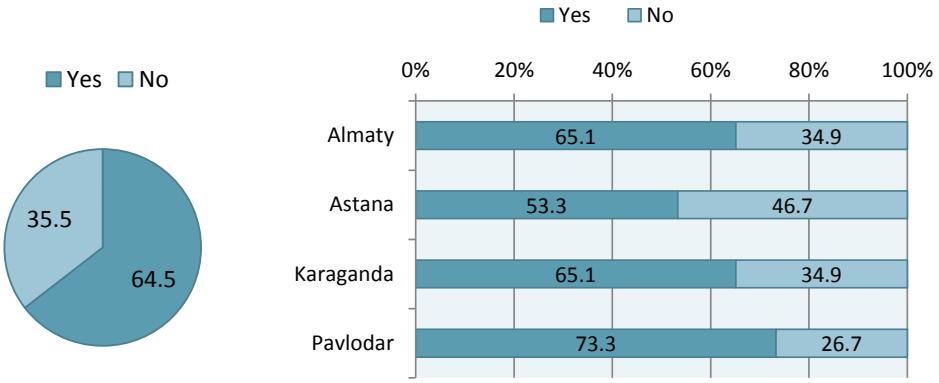


Source: KMRS database

Social networks

The KMRS data capture the importance of social networks for migration (figure 21). In general, 65 percent of migrants indicated having either relatives or acquaintances in the destination city before moving. The highest share of migrants with no social network members in the city of destination was found in Astana (47 percent) and the lowest share in Pavlodar (27 percent).

Figure 21: Family members, other relatives or acquaintances in the city of destination before the move, all migrants, N=1206, in percent



Source: KMRS database

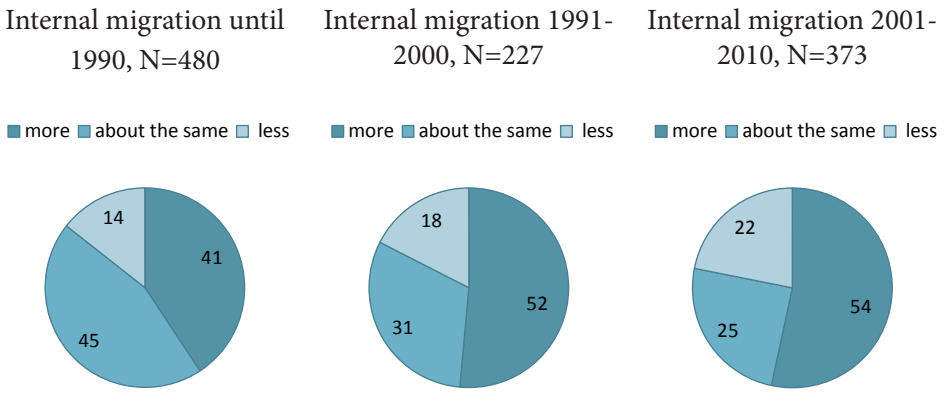
Welfare, internal migration and the labor market

In emerging economies a considerable part of internal migration is undertaken to improve earnings, living conditions and the social status of those who move (Stark and Taylor, 1991, Resosudarmo et al., 2010). Based on the KMRS survey, Danzer et al. (2013) investigate in the context of Kazakhstan whether mobile individuals and households actually gain from internal migration to big cities. This question was analyzed by comparing migrants' earnings and their perceived socio-economic status before and after the move and by comparing migrants' average earnings, household income and socioeconomic status to that of non-migrants in the destination city.

Earnings and socio-economic status before and after the move

To explore the inter-temporal effects of internal movements on individual earnings three groups of internal migrants were distinguished: those who moved until 1990, those who moved between 1991 and 2000 and those who came to their current place of residence after 2000. While it was a priori unclear whether those who moved until 1990 gained from migration (since internal movements in the Soviet Union were subject to governmental control) a majority of internal migrants after 1991 should have experienced gains in earnings because economic motives became key migration factors in independent Kazakhstan. The results indicate that all groups of internal migrants enjoyed earnings gains after moving. However, the share of those who earned more as a consequence of migration was higher among recet internal migrants than among earlier migrants (figure 22).

Figure 22: "Did you earn more, the same or less than in your job before the move?", in percent



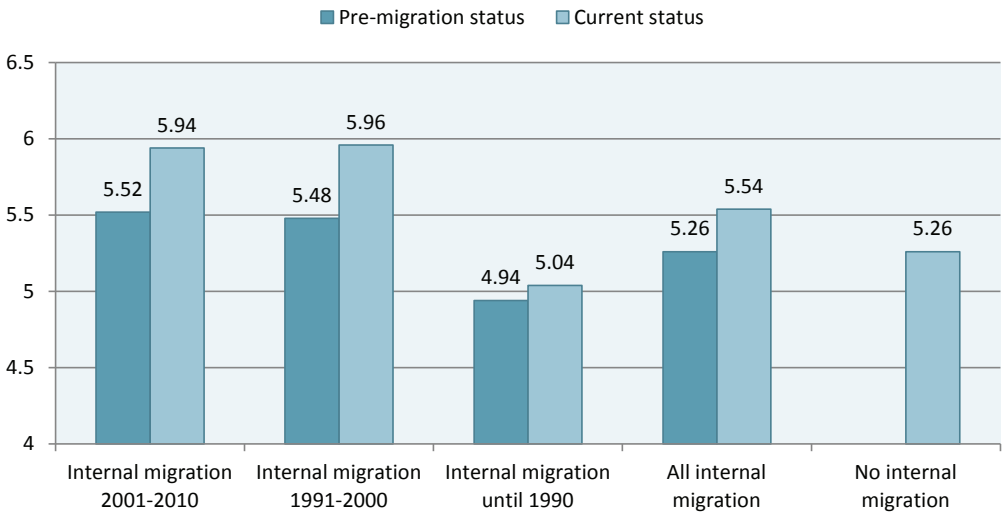
Source: KMRS database

Next, the socioeconomic status of migrant households before and after the move was explored. The socioeconomic status variable reflects the perceived position of respondents' households relative to others. The KMRS survey collected information on the location of migrants' households on a socioeconomic ladder before and after the move. For this purpose, two similar questions were used: "Where on a ladder

between 1 (the poorest) and 10 (the richest) would the household in which you lived in the last place before moving be located (just before the move)?" and "Where on a ladder between 1 (the poorest) and 10 (the richest) would your household be located in the place of residence where you are living now?" The second question referred to the time of the survey, i.e. fall 2010. Individuals without migration experience were asked to rate their status at their present place of residence only.

Figure 23 shows the average subjective socioeconomic status of migrants' households before and after their move, again distinguishing between those who moved until 1990, those who moved between 1991 and 2000, and those who moved later. By way of comparison the average status of non-migrants in 2010 was also reported. The figure reveals that the status of households of all three types of migrants improved on average with migration. Strikingly, and in line with the results on earnings, the internal migrants who moved after Kazakhstan's independence reported a higher status growth than earlier migrants.

Figure 23: Average subjective socioeconomic status assessment on a scale from 1 (the poorest) to 10 (the richest), N=2074



Source: KMRS database

Besides, internal migrants tended to rate their households higher on the status ladder than individuals with no migration experience.

In a further step, migrants and non-migrants were compared at the time of the survey in 2010. Danzer et al. (2013) investigated whether monthly earnings differed between migrants and non-migrants using the OLS regression technique. The estimates show that internal migration experience was not significantly associated with earnings levels once demographic and job characteristics were controlled for. Hence, internal migrants seem not to be discriminated compared to indigenous city residents. The individual-level earnings regressions were complemented with a comparable estimation of the relationship between internal migration status and monthly household

income. In general, the results obtained in the individual earnings regression were confirmed: internal migration experience is not significantly associated with household income if demographic and job characteristics are adequately controlled for.

To analyze the perceived socioeconomic status of migrants and non-migrants an ordered probit regression was estimated, controlling for a variety of individual and household level characteristics. This revealed a statistically significant status premium for the group of internal migrants that had arrived in the city after 1991, while the status of internal migrants who came before 1990 was not different from that of non-migrants. This finding indicates that recently migrated households tended to enjoy a significantly better subjective socioeconomic standing than other households. As shown above, this cannot be due to higher earnings or incomes because recent migrants did not do significantly better than their new neighbors. Instead, the different opportunities available in big cities in Kazakhstan might have a stronger impact on the subjective status of recent migrants than on the status of indigenous city dwellers and earlier migrants.

According to recent studies, newcomers to cities define their place in the urban society by signaling their status (Janabel, 1996; Sivanthan and Pettit, 2010) or by gaining costly access to social networks (Anggraeni, 2009). Building on these observations, Danzer et al. (2013) explored whether the higher subjective socioeconomic status reported by recent migrants compared to their new neighbors in big cities in Kazakhstan goes hand in hand with comparatively higher status consumption. Since recent migrants have no significantly higher earnings and household incomes, it was suspected that they reallocate their budget in order to signal a higher status as a tool for building self-confidence and adapting to the new social environment (Sivanthan and Pettit, 2010). A substantial literature on status signaling suggests that individuals or households consume in order to convey information about their status and that status consumption need not necessarily be related to economic resources (Moav and Neeman, 2010). Migration implies a change in many dimensions of life so it is plausible that new residents try to 'define their place' in society through status consumption. In order to define the proper differences in consumption habits we focus on the fraction of expenditures dedicated to visible consumption while keeping household income and level of overall expenditures constant.

A regression analysis of the share of total expenditures on status goods revealed that recent internal migrants spend a higher share of their total expenditures on status consumption than their otherwise comparable new neighbors, while those who migrated before 2001 did not. A plausible explanation for these results would be that status signaling is indeed a part of the adaption process of newly arrived migrants. This explanation is in line with the results of expenditure regressions for 12 consumption categories (e.g., food, personal care, transportation). The only category on which recent migrants spent a significantly higher fraction of their total expenditures was the one encompassing status goods, while they spent less on food and public services/utilities. The observed consumption pattern is also prevalent independently of whether the migrant household originated in an urban or rural area

and independently of its ethnicity. To sum up, Danzer et al. (2013) found evidence that migrant households to big cities in Kazakhstan care about their status position at their destination and that their status signaling behavior slowly fades away as they adapt to the new surroundings.

Labor market mobility of internal migration

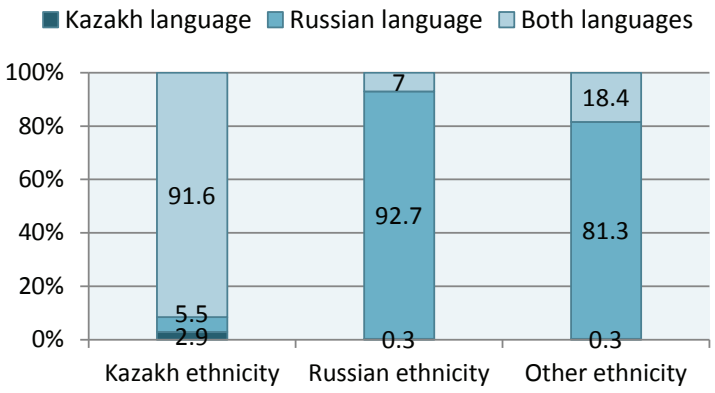
The case of Kazakhstan allows investigating the interesting question whether geographic mobility pays a mobility premium. In other words: Do geographically mobile workers earn more than geographically immobile workers? In order to answer this question, Danzer (2013) compared geographically immobile job changers in Kazakhstan to those who changed their jobs and moved to another city. This approach eliminates potential biases from comparing migrants with the people who simply move along their age-earnings profile without any job interruption. This provides a much cleaner analysis than in previous studies, because the KMRS collects highly reliable wage information that was verified by traditional work books (a remnant from Soviet times) in which accurate job and wage information is recorded. At the same time the survey includes background information on the motivation of the move, issues that are normally not collected even in high quality register data.

The results suggest that voluntary migrants and migrants who move for job reasons earn a wage premium, while tied movers (e.g., wives who follow their husbands) suffer from a mobility penalty. The study clearly highlights empirical problems in the previous work and provides evidence of the geographic mobility premium in a fast growing emerging economy, while the previous literature mostly focused on industrialized countries (Yankow, 2003; Böheim and Taylor, 2007).

Ethnicity, bilinguality and the labor market

Analyses of the effect of language and ethnicity on labor market outcomes have become increasingly important, as researchers and governments wish to understand sources of discrimination and ethnic conflict. These topics are especially relevant for multilingual societies, where fluency in two (or more) languages is normally per-

Figure 24: Bilinguality and ethnicity



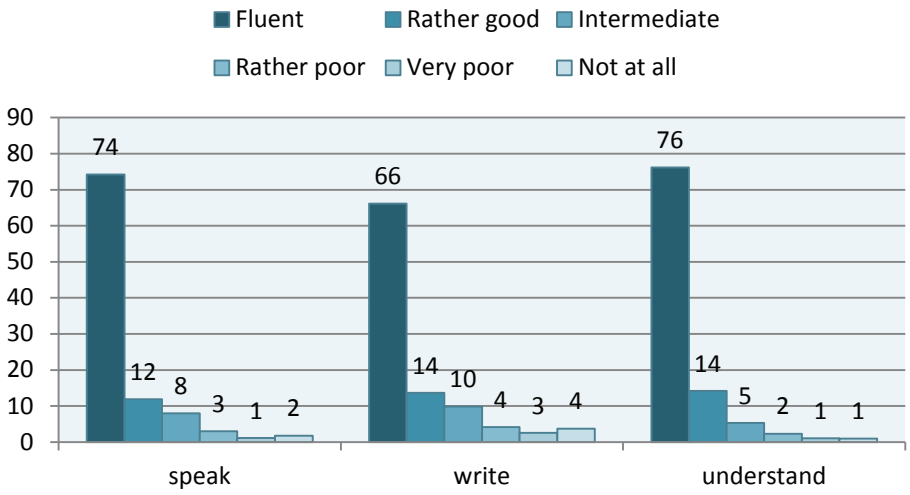
Source: KMRS database

ceived as positive. Economic studies have supported this view with evidence that bilingualism generally pays a wage premium (Shapiro and Stelcner, 1997; Henley and Jones, 2005). Kazakhstan is an interesting laboratory for labor market analysis due to its aforementioned ethnic and linguistic fragmentation (figure 24).

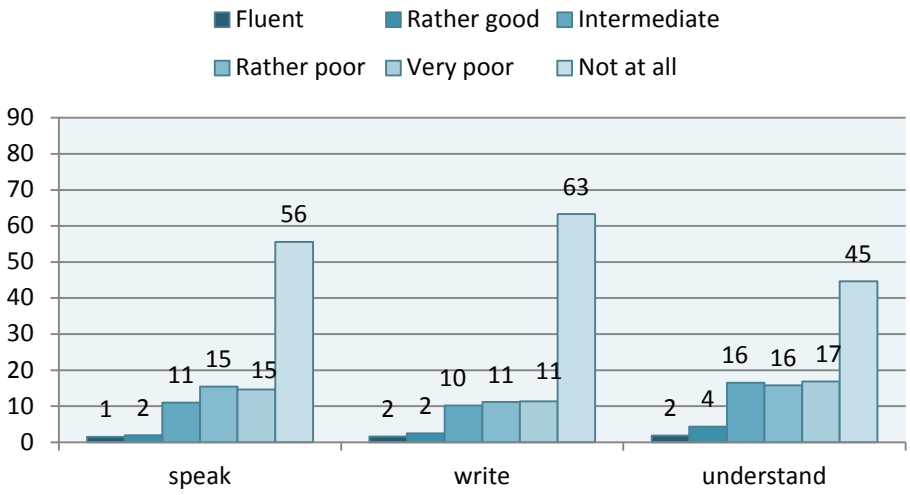
While the official state policy increasingly favors Kazakh as state language (and increasingly demands Kazakh language skills in specific occupations), many ethnic Kazakhs are unable to speak the titular language fluently (figure 25). This ambiguous constellation can explain why speaking Kazakh in addition to Russian does not pay a wage premium (as in some other economies), but rather reduces average wages. Since it is predominantly the ethnic majority of Kazakhstan that is bilingual, ethnic discrimination is a poor explanation for the observed wage pattern.

Figure 25: Kazakh language fluency by ethnicity, in percent

Kazakh ethnicity, N=866



Russian ethnicity, N=1013



Source: KMRS database

An often expressed hypothesis is that Kazakh speaking workers earn less because of the sector segmentation of the labor market. According to this idea, Russians work predominantly in the manufacturing and export related sectors, while Kazakhs are more likely to be overrepresented in public sector occupations in health care, teaching and public administration. However, a test whether Kazakh workers are disadvantaged because of their employment in less rewarding economic sectors could not be supported by the KMRS data (Aldashev and Danzer, 2013a). In fact, it seems that the differences in educational qualities between schools with Kazakh and Russian language of instruction have largely survived from Soviet times and are most likely to explain the disadvantaged labor market position of Kazakh bilinguals (Aldashev and Danzer, 2013b). This reflects the general perception that Russian is a business language, while Kazakh is understood as a language for privacy.

Summary and policy implications

The Kazakhstan migration and remittances survey (KMRS) collected firsthand information on the determinants, patterns and consequences of the recent migration movements in four big cities in Kazakhstan (Almaty, Astana, Karaganda and Pavlodar). A comparison of the randomly selected survey population and the respective city inhabitants revealed a high correspondence with respect to basic demographic and social characteristics such as gender, age structure and ethnic composition.

Approximately half (49 percent) of all KMRS respondents indicated that they had changed their place of residence at least once in their life. The majority of migrants (71 percent) moved internally, about 19 percent came from Russia and ten percent from a third country, predominantly from the (former) Soviet Union. In the most recent period (2001-2010), migration to the four big Kazakh cities was mainly caused by internal movements (88 percent). A breakdown of the pre-migration location of internal migrants revealed a very strong gravity effect. More specifically, about 30 percent of internal immigrants to Almaty and Astana came from the regions (oblasts) surrounding these cities. Corresponding figures are even higher for Karaganda and Pavlodar: more than half (52 percent) of those individuals who moved to Karaganda internally arrived from the adjacent area and almost two thirds of immigrants to Pavlodar originated from the bordering regions. In addition, the data confirm the well-known pattern of migration occuring in steps: in general, people tend to move from villages or small towns to medium-sized cities (often close by) and from medium-sized to large cities. Migration flows from villages directly to large cities are generally much smaller.

A number of recent studies suggest that internal migration to urban centers generally improves migrants' income and socioeconomic status. To explore the welfare consequences of internal migration to big Kazakh cities, the relative welfare positions of

internal migrants as compared to their new neighbors in terms of earnings, household income and socioeconomic status were analyzed. Based on the KMRS data this comparison revealed that the subjective socio-economic status of migrant households exceeds that of indigenous city dwellers, while their earnings and household income are not significantly different, ceteris paribus. Household expenditure data show that internal migrants not only report a higher social status but also spend more of their resources on status consumption. This behavior is apparently a means to signal the migrants' achievements in the destination city and likely to be part of an adaptation strategy aimed at the acquisition of social capital and defining their own position in the urban social hierarchy. In light of these results, it is worth noting that Kazakh state officials have recently demanded to strictly control and minimize internal migration, as they expected these movements to result in poverty and social deprivation of newcomers (Interfax Kazakhstan, 2012; Tengri News, 2012). Contrary to this reasoning and in line with the existing literature, Danzer et al. (2013) show that the majority of internal migrants to big Kazakh cities enjoy an inter-temporal earnings and status gain after moving. Compared to their new neighbors, neither earnings discrimination for internal migrants nor differences in household income are found. In absolute terms, internal migration provides economic benefits for mobile households. The adaptation effort of migrant households in the form of status consumption has negative consequences for the consumption of food and public services/utilities. While the regulation of status consumption is on the political agenda in several countries, the available policy tools (taxes, bans, redistribution) do not necessarily meet their objective. Even more fundamental for drawing specific policy conclusions is the still open question whether status consumption is purely conspicuous or whether it is associated with improving access to social capital.

Kazakhstan is a multi-ethnic country with complex ethnic settlement patterns that has recently switched its official state language from Russian to Kazakh. Against this background, the KMRS data were used to analyze the effect of bilingualism (Russian and Kazakh) on earnings. Surprisingly, a negative effect of bilingualism on earnings and generally low returns to speaking Kazakh were found. The most likely explanation for the low economic value of the Kazakh language is the comparatively poor quality of schooling in Kazakh as opposed to Russian language schools. In light of this argumentation, promoting the Kazakh language could be better achieved through an improvement of the quality of Kazakh-speaking schools rather than through language legislation.

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This booklet presents general results of a new household survey on migration and remittances in Kazakhstan, which was conducted in four cities (Almaty, Astana, Karaganda and Pavlodar) between October and December 2010. It gives an overview over the basic characteristics of respondents, illustrates migration experiences at the individual and household level and compares migrants and non-migrants.
Furthermore, it summarizes the policy-relevant findings concerning welfare, internal migration and the labor market in Kazakhstan.

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