

AMURCON 2020
International Scientific Conference**POVERTY AND LIFE QUALITY AS CAUSES OF EMIGRATION
FROM RF FAR EAST**Khvan Inna Sukilovna (a)*
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Administration, 33 Muraviev-Amursky St., Khabarovsk, Russia, iskhvan@mail.ru**Abstract**

This paper presents an overview of how emigration from the Far Eastern Federal District correlates with poverty and quality of life there. These factors are considered to be the primary cause of emigration. The state policies regarding the development of the macroregion are based on these factors. These policies are clearly unified in the sense that they apply to all the regions of the macroregion, especially with regard to migration. This paper tests the hypothesis that these factors may have different effects on the emigration rates in different regions. The author hereof believes that unless this hypothesis is duly considered, the federal migration policies on the Far East might be ineffective. Poverty is analyzed herein through the lens of the absolute poverty concept; it is therefore measured as the percentage of the population whose income is below the subsistence level. The quality of life was assessed by referring to the integral index reported annually by RIA Rating. This index covers the broadest range of indicators and can be used to draw comparisons for the reporting period. The author shows that both factors combined can indeed determine the general negative migration balance of the Far East, as for the reporting period of 2009-2019, the Federal District was indeed poorer than the country on average, and the quality of life lagging behind. On the other hand, this paper shows that these factors do have different effects on different regions in the Far East.

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1. Introduction

The Far Eastern Federal District (the FEFD) is a top priority of Russia's regional development policies. This is showcased by the "exclusive" federal measures that apply to it. This is not surprising though, as the FEFD is 40.6% of Russia territory-wise. At the same time, it only contains 5.5% of the country's population and generates only 5.1% of its gross product. Therefore, there is a striking imbalance between the size and the economic efficiency of the area, which urges the federals to boost the Far Eastern economy. Needless to say, that the Far East is also the country's dominant source of raw materials on top of its extremely important geostrategic location.

Far East and its problems have been covered by Aganbegyan (2019), Minakir (2017a, 2017b). In addition to the basic research by these authors, multiple studies have covered the specific aspects of regional development: demographics and quality of life, the development of certain industries and branches of economy in the Far East (Prokapolo, 2019), as well as the issues of governmental regulation of its development (Khvan et al., 2019). Despite being in the spotlight of research and federal policies, the region remains plagued by its socioeconomic issues, causing it to lose its population. Over the last 20 years alone, the Far East lost about 819 thousand people.

2. Problem Statement

FEFD development is a challenge that has been facing Russia for quite a long time already. FEFD development programs were in place as far back as in the USSR. However, it was only in the 2000s that the measures, albeit mostly declarative in nature, were taken to an impressive scale. To date, the FEFD is the only macroregion to have its "own" federal ministry, the Ministry for the Development of the Russian Far East and Arctic, in addition to a respectable list of institutions, including the Far East Development Corporation, the Far East Development Fund, the Investment and Export Agency, and the Human Capital Development Agency. In 2020, the Federal Government passed the 13th national project, the National Program for the Development of the Far East 2025 and until 2035.

Notably, the federal efforts to boost the Far East have borne fruit. Since 2014, the gross regional product (GRP) of the Far East has been growing faster than the country's average. Fixed investments have been growing so far. Specialists tend to associate such positive dynamics with the 2013 establishment of the aforementioned Ministry (Khvan, 2019).

Yet although the key macroeconomic parameters of the area are on the rise, emigration remains a challenge. Notably, no other federal district of Russia is losing its population at such rates, see Figure 1.

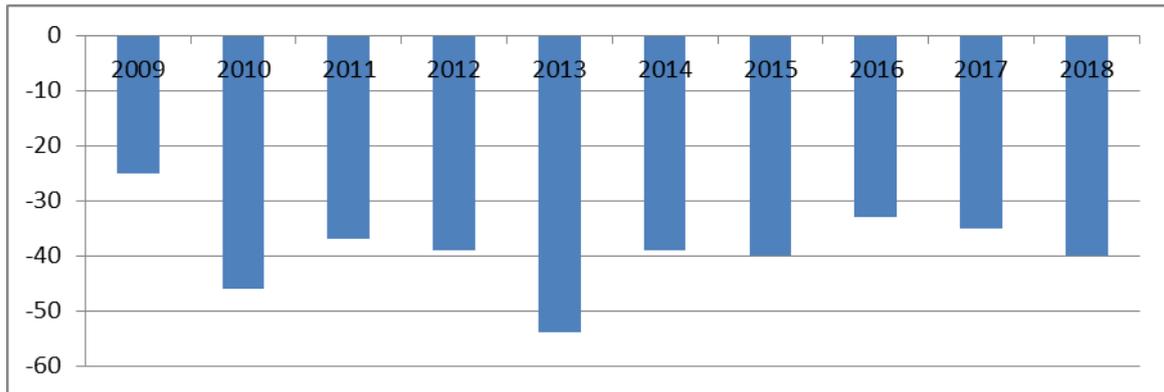


Figure 1. Migration rates (per 10,000 persons) in the Far Eastern Federal District

The most commonly cited causes of such emigration rates are poverty and low quality of life (Shvorina & Faleychik, 2018). Indeed, the Far East is poorer than the country on average, see Figure 2; the quality of life is not great either (Bardal et al., 2019). However, given how large and diverse¹ the FEFD regions are, one can assume these factors should contribute differently and to different extent to emigration.

Research into how poverty and quality of life affect different FEFD areas might help devise more appropriate regional development policies.

3. Research Questions

This paper is an attempt to analyze the effects of poverty and quality of life on emigration rates in different FEFD regions.

Note that poverty and quality of life are interconnected concepts. Many integral QoL scoring guidelines use personal/household income as a metric. On the other hand, subjective poverty assessment methods score people's satisfaction with their quality of life. The two concepts are separated herein. Poverty assessment here is based on the absolute poverty concept, which defines poverty as such state of the art where the person struggles to meet their basic needs such as food, minimum clothing, etc., and only ponders their quality of life when the basic needs have been met, and opportunity has arisen to improve the quality of foods and to expand the range of consumption.

The author hereof believes that most people that emigrate are not poor, since the poor would not be able to do so; rather, they are those dissatisfied with the quality of life. Income advantage was the major contributor to migration in the USSR, since the quality of life less important back then, partly because it was roughly the same across the country. What dictates the migration preferences today is not the nominal income but the quality-price ratios for products and services in a region. People take education, health, and leisure costs into account. The author hereof believes it is the physical and economic separation of the Far East, its lag behind Central Russia in QoL terms that results in the relative poverty of the FEFD residents and urges them to migrate.

¹The FEFD contains all possible types of Russian regions: autonomous republics, krais, oblasts, an autonomous oblast, and an autonomous okrug.

4. Purpose of the Study

This paper analyzes how poverty and quality of life affect the rates of emigration from the FEFD regions, which might help devise an adequate public policy for the regional development of the Far Eastern Federal District.

5. Research Methods

This paper analyzes the effects of quality of life and poverty by comparing the poverty/living standards rankings of each of the FEFD regions against their emigration rankings. Rankings are based on the averaged data of 2009-2019, since this is when the Federal Government applied intensive Far East development policies; 2009 is the starting point, being the year of adopting the Strategy for the Development of the Far East 2025.

The author hereof uses the absolute poverty concept, which defines the poverty index as the percentage of the population living below the subsistence level, to score the poverty and its dynamics in the FEFD. The author is well-aware of the limitations of this approach and its nominal nature, and agrees with such view of the method (Kartseva, 2020). However, for the objectives hereof, which are to compare the poverty index and its dynamics in the FEFD regions against the Russian averages, this approach is more than usable since:

- relevant data is available;
- indexes are calculated by the same methodology across the country;
- it is exactly the data that the authorities use to make decisions on how to tackle poverty today.

Quality of life data are retrieved from RIA Rating's indices. There are many quality-of-life indices and rankings of Russian regions (Nayden & Belousova, 2018); however, RIA Rating's index uses the broadest range of indicators. In fact, it is based on 72 indicators grouped into 11 categories that describe all the core aspects of the quality of life, including:

1. Income
2. Employment and the labor market
3. Housing
4. Safety
5. Demography
6. Ecology and climate
7. Public health and education
8. Social infrastructures
9. Economic development index
10. Small business development
11. Transport infrastructure and territorial development

Russian regions are ranked by the integral score, which is calculated by aggregating the regions' scores across the categories. The score under a category comes from aggregating all the indicators in this category. All the 85 regions are on the list. It is important that this research requires comparable scores for all the years of 2009 to 2019; the index in use does allow that.

Migration rates are calculated by migration-related population growth (or reduction) per 10,000 persons.

6. Findings

The FEFD had a higher poverty index for every year from 2009 to 2019 than the country on average, see Figure 2. The trend is not consistent, but the poverty index was three percentage points lower in 2019 compared to 2009. In 2009, the FEFD poverty index was 18.1%; in 2019, 15.1%.

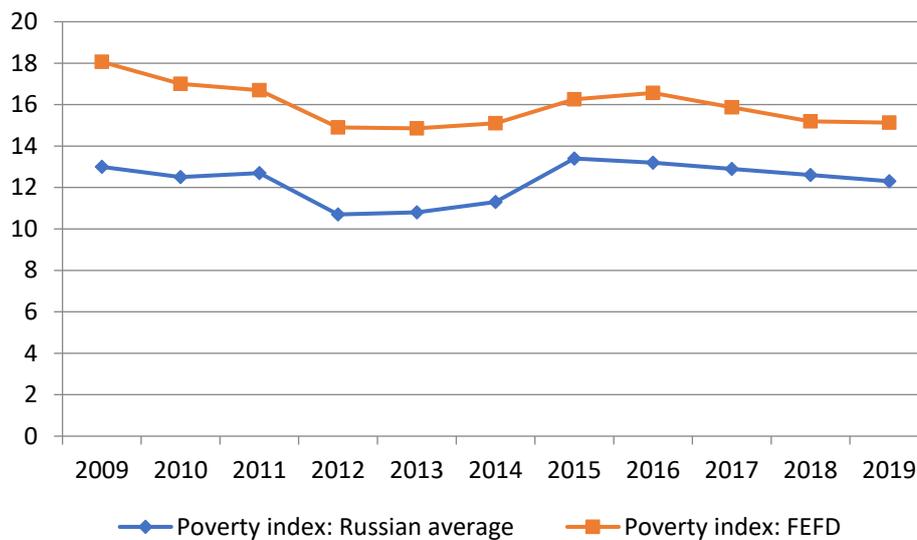


Figure 2. Russia / Far East poverty index, 2009-2019

The Jewish Autonomous Oblast is the “poorest” FEFD region. Its poverty index was consistently 22% in 2009-2019. Notably, its negative lead was only entrenched in 2011. In 2009 and 2010, Amur Oblast ranked first; however, its situation improved significantly over the reporting period, going down to the 5th place of the 11 FEFD regions as of 2019. Some of Russia’s poorest regions were made part of the FEFD in late 2018: the Republic of Buryatia and Zabaykalsky Krai, which had poverty indices of 18.9% and 19.9%, respectively, in 2009-2019. In general, eight out of the eleven regions of the Far East are poorer than the country on average. The “well-off” regions include Sakhalin Oblast, Magadan Oblast, and Chukotka Autonomous Okrug. They are not as poor thanks to high regional salary adjustments plus Northern allowances.

Table 1. Poverty index and population growth rates in the FEFD regions in 2009-2019

FEFD regions	Poverty index	Poverty rank	Population growth rate	Population growth rate rank
Republic of Buryatia	18.9	3	1.40	11
Republic of Sakha (Yakutia)	18.5	4	0.91	10
Zabaykalsky Krai	19.9	2	-3.90	4
Kamchatka Krai	17.6	6	2.60	7

Primorsky Krai	15.6	7	-3.18	5
Khabarovsk Krai	14.0	8	-2.05	9
Amur Oblast	17.7	5	-4.99	3
Magadan Oblast	12.2	9	-11.19	1
Sakhalin Oblast	10.2	10	-2.33	8
Jewish Autonomous Oblast	22.2	1	-9.92	2
Chukotka Autonomous Okrug	8.8	11	-2.93	6

Apparently, poverty does not strongly correlate with emigration as can be seen in Table 1. Over the reporting period, Magadan Oblast led in terms of emigration despite not being the poorest region in the FEFD. It can therefore be assumed that poverty defined as the percentage of the population below the subsistence level is not indicative of the actual poverty. That might be the cause, but two other poor regions, Chukotka and Sakhalin Oblast, do not suffer from emigration as much. Strong correlation between poverty and demographic loss is observed in the Jewish Autonomous Oblast, which is the poorest region and ranks 2nd in terms of emigration.

Average QoL indices for 2009-2019 show that most of the Far Eastern regions are below the country's average. Six of the eleven FEFD regions are in the Bottom 10: Zabaykalsky Krai, the Jewish Autonomous Oblast, the Republic of Buryatia, Chukotka Autonomous Okrug, and the Republic of Sakha (Yakutia). Other FEFD regions ranked 37th to 70th out of Russia's 85 regions in 2009-2019. Thus, none of the Far Eastern regions makes it to Top 30 regions of the country in terms of the quality of life.

Table 2. Correlation between quality of life and population growth rates in the Far Eastern Federal District in 2009-2019

FEFD regions	Quality of life index	Quality of life rank	Population growth rate	Population growth rate rank
Republic of Buryatia	76	9	1.40	11
Republic of Sakha (Yakutia)	70	7	0.91	10
Zabaykalsky Krai	80	11	-3.90	4
Kamchatka Krai	37	2	2.60	7
Primorsky Krai	53	5	-3.18	5
Khabarovsk Krai	37	1	-2.05	9
Amur Oblast	64	6	-4.99	3
Magadan Oblast	40	3	-11.19	1
Sakhalin Oblast	43	4	-2.33	8
Jewish Autonomous Oblast	78	10	-9.92	2
Chukotka Autonomous Okrug	70	8	-2.93	6

As in the case of poverty, there is no direct correlation between the quality of life and the emigration patterns in the Far East. The only region to show a strong correlation here is again the Jewish Autonomous Oblast, which ranks 10th in terms of the quality of life and 2nd in terms of emigration.

These facts prove that poverty and quality of life have different effects on emigration from different FEFD regions. The author hereof believes that the factors behind such differentiation call for in-depth research and should be borne in mind by policy makers attempting to resolve the Far East's migration issues.

7. Conclusion

This paper is but the first step towards a better comprehension of how poverty and quality of life affect migration in the Far East. The finding here is that migration rates do not correlate strongly with either of these factors. FEFD regions respond differently to the dynamics of either factor. Apparently, only in combination can such factors shed light onto the general patterns of emigration from Russia's Far East. The author plans to further research poverty and quality of life effects by applying econometric and sociological methods.

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