**Internal Migration as an Adjustment Device in Russia: Spatial Issues**

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This paper aims to assess the role of migration as an adjustment mechanism device to favor convergence across states and regions of Russia. In this paper, we study the migration response to regional labour market shocks. The paper investigates the statistical relationship between migration in a region and the relative unemployment rate along with the relative income in a region in the case of Russia, a country for which there are only very few studies in migration flows. In contrast to previous studies and similar to what Jauer, Liebig et al. (2019) do for the EU, we use variations in the population of a region as a proxy of its net migration rate. We focus explicitly on population changes as proxies for migration flows what allows us to analyze both internal and external migration flows. This approach to our knowledge has not been used before for Russian data until now.

We also apply spatial econometric methodology in order to distinguish the effect of changes in incomes and unemployment rates in the neighbouring regions. This represent an important innovation in the relevant literature, since it allows us to separate the effect of distant regions from those of neighbouring ones.

In our paper, we study the case of convergence in unemployment rates, expecting a small but significant effect of mobility on regional convergence in unemployment. Our empirical analysis suggests that the relatively high degree of internal mobility coupled with the low sensitivity of migration flows to the local unemployment rate of distant regions might explain why migration flows tends not to generate convergence, but rather divergence across Russian regions.

This study innovates on the existing literature on several aspects. First, this is the first study in the literature on the adjustment mechanism which takes into account spatial econometrics effects of neighbouring regions and distinguish them from far regions. Second, this is one of the few studies looking at the impact of internal and international migration on Russian regions. We link the literature on international and internal migration with that on convergence in incomes and unemployment differentials in Russia.

The econometric analysis shows that migration flows are especially sensitive to regional income, rather than regional unemployment differentials. Nonetheless, we find that internal migration is sensitive to regional unemployment differentials of neighbouring regions. The relatively high degree of internal mobility coupled with the low sensitivity of migration flows to the local unemployment rate of distant regions might explain why migration flows tends not to generate convergence, but rather divergence across Russian regions.