

## 4.4 Ukraine: stable outflow and changing nature

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### 4.4.1 Introduction

The labour market in Ukraine took shape in the early 1990s. It was formed under the influence of organizational, legal, economic, social and psychological factors, under circumstances of permanent economic reforms and the stratification of the population by income level. The specific features of the labour market in Ukraine are a high level of employment in the informal sector and a significant migration outflow.

During the economic crisis in the 1990s, external migration in Ukraine rapidly changed its character: from an ethnic nature it switched to a labour-oriented nature. Permanent migration was replaced by circular migration. Subsequently, circular migration also changed: from shuttle to labour migration, and later also to educational.

The scale of international migration is difficult to assess accurately. Various estimates suggest, however, that the outflow of migrants is stable. From 1994 to 2004 more than 1.2 million people emigrated from Ukraine for permanent residence. A national sample survey on migration showed that from the beginning of 2005 till the middle of 2008 1.5 million Ukrainians worked abroad, and a modular sample household survey on labour migration in Ukraine revealed that 1.2 million people worked or looked for work abroad between 2010 and mid-2012.

### 4.4.2 General demographic trends, socio-economic and political conditions of international migration in Ukraine.

#### 4.4.2.1 General demographic trends

During the period from 1991 to 2012, the population of Ukraine declined by 6.4 million people and now it is 45.553 million. Since 1993, the average annual population decline has been 335 thousand. During the 1989-2011 period, the urban population decreased by 9.1% and the rural by 16.2%. Over the last years, two cities ceased to be “millionaires” (Donetsk and Dnipropetrovsk). The highest rates of population decline can be observed in cities in Eastern Ukraine and cities with an unfavourable demographic situation and declining industry in Central Ukraine. Due to the depopulation of the rural areas, 641 rural settlements were abandoned between 1991 and 2012. Most of these settlements

can be found in the northern and north-eastern regions, and the fewest in Volyn and Transcarpathia.

During the 1990s there was a decrease in CBD in Ukraine: from 12.6‰ in 1990 it fell to 7.7‰ by 2001. However, since 2002 there has been a slight increase in the birth rate. Now the CBD stabilized at 11.0‰ (2011), but it shows significant differences by region (10.5‰ in urban areas, 12.1‰ in rural). In the period 1991-2001, the crude death rate (CDR) decreased by 1.6 times, and from 2001 to 2011 increased by 1.4 times.

The total fertility rate (TFR) declined from 1.7 in 1991 to 1.5 in 2011 (Fig. 1). The best situation is observed in the north-western regions, while the worst in the eastern and north-eastern parts of the country.

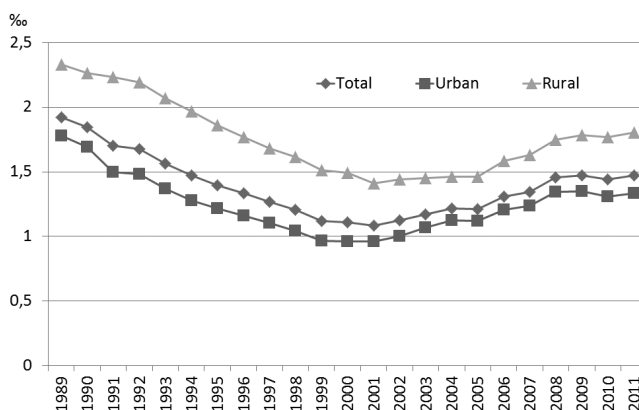


Figure 1. Changes in TFR in Ukraine

Source: Authors' calculation based on State Statistical Service of Ukraine data

The relatively high CDR is a significant demographic issue for Ukraine. It increased till 2001, and it reduced slightly afterwards (14.5‰ in 2011).

Since 1991, Ukraine has seen a natural decline in population. The situation began to improve from 2006 (from -7.6‰ in 2005 to -3.5‰ in 2011), which is primarily due to an increase in the crude birth rate and the implementation of a state demographic policy.

Another substantial demographic challenge in Ukraine is ageing. Over the years 1991-2011, the number of people aged over 65 increased by nearly 1 million people. The age structure has deteriorated in all regions of Ukraine. The share of the population over 65 exceeds the share of younger age groups (0-15) in 14 out of 25 regions. During the 2000s, the proportion of the population over 65+ increased steadily (from 14.5% in 2001 to 15.9% in 2009), but in recent years this volume declined slightly (15.3% in 2011). In 2011, the old-age dependency ratio was 22.0 per 100 working age persons.

#### 4.4.2.2 Socio-economic and political conditions of international migration in Ukraine

During the last century, four emigration waves took place in Ukraine. Each of them was determined by a combination of socio-political and socio-economic factors. The first

wave covered the period from the last quarter of the 19th century until the First World War. Its main causes were the overpopulation of the countryside and, associated with this, the low living standard of a large part of the population and the national oppression of Ukrainians and others. The second and third waves covered the period between the two world wars and the period after World War II. These two waves were mainly determined by socio-political factors.

The fourth wave of emigration began in the 1990s and has continued until now. Among the factors which caused this wave should be named the transition from a planned to a regulated market economic model and the subsequent economic hardship of a major part of the population. On the other hand, the democratization and the establishment of Ukraine as a sovereign state resulted in the fall of the “Iron Curtain”, which provided massive opportunities for the international travel of citizens.

The major economic factor triggering the fourth wave of emigration was the unprecedented drop in the level of economic development in Ukraine. In the development of the economy in the post-Soviet era, three periods can be traditionally distinguished – stagnation and adaptation (1991–1999), growth (2000–2008) and post-crisis rehabilitation (2008–today).

For the social adaptation of the population the first period was the most difficult, which is characterized by the highest rate of GDP decline. Its lowest volume was in 1999, when it reached only 40.8% of the 1990 level. At this stage, beyond economic reasonability, attempts were made to save jobs (both by government bodies and business entities). These attempts were not efficient, but they resulted in incomplete or partial employment, i.e. the growth of latent unemployment. However, hidden unemployment soon acquired an explicit nature. In 1999, 1,175 thousand officially unemployed people were registered. In 1995, this figure was only 127 thousand. All these processes caused a wave of emigration.

The second period was characterized by the fact that inflation was successfully restrained and it ensured the growth of economy with the help of rather tight monetary and fiscal policies. In 2008, the GDP amounted to almost 178% of the 2000 level. In the same period, substantial transformation occurred in the economy, associated with the growth of the tertiary sector and the reduction of the real sector share. Gradually, employment started to increase and unemployment reduced (Table 1). However, the problem was not resolved entirely.

The stratification of the population on the basis of property and social insecurity continued to increase in the country; and an oligarchic economic system took shape, in which the bulk of the nation’s wealth is concentrated in the hands of a few financial-industrial groups. The presence of these groups in government led to the widespread occurrence of corruption. Corruption became a serious restraining factor in the development of small and medium-size businesses, which were meant to compensate for the lack of jobs and provide employment. All these facts led to the rise in labour migration from Ukraine.

Because of the global economic crisis, the country has seen a sharp drop in its GDP. In 2009, it accounted for only 85.2% of the 2008 level. It resulted in the devaluation of the national currency (hryvnia) by more than one and a half times and reduced real wages by about 10%. In subsequent years, the economy has started to recover, but it has not reached pre-crisis level until now.

Table 1. Dynamics of employment and unemployment in Ukraine

	2000		2005	
	1,000 persons	% to economically active population	1,000 persons	% to economically active population
Employment	20175	55,8	20680	57,7
Unemployment	2653,8	11,6	1600,8	7,2

	2010		2012	
	1,000 persons	% to economically active population	1,000 persons	% to economically active population
Employment	20266	58,5	20354	59,7
Unemployment	1785,6	8,1	1657,2	7,5

Source: State Statistical Service of Ukraine

Despite a certain decrease in unemployment in general, a deterioration in the labour market can be observed in recent years (Table 2), caused by the rapid reduction of the demand for labour force. While the number of job vacancies reached 186.6 thousand in 2005, the same number was only 48.6 thousand in 2012, and the average number of candidates applying for each vacancy rose from 5 in 2005 to 11 in 2011.

Table 2. Dynamics of the labor market in Ukraine

	2005	2010	2012
<b>The number of registered unemployed citizens, thousand</b>	903,5	564,0	526,0
<b>Necessity of enterprises for workers to fill vacant jobs, thousand</b>	186,6	63,9	48,6
<b>Load on one free workplace (position), persons</b>	5	9	11

Source: State Statistical Service of Ukraine

Thus, the level of the socio-economic development of the country continues to be rather low: in 2013 the Human Development Index in Ukraine amounted to 0.74 (78th place among 186 countries). Among the countries of the former Soviet Union, Ukraine was outrun by Estonia (0.846), Latvia (0.818), Lithuania (0.814), Belarus (0.793), Russia (0.788), Kazakhstan (0.754) and Georgia (0.754). In the Visegrad countries the Human Development Index is higher: it is 0.873 in the Czechia, 0.840 in Slovakia, 0.831 in Hungary and 0.821 in Poland.

Similar differences can be observed in the Gross National Income per capita. In 2012, the value of GNI by purchasing-power parity per person in Ukraine amounted to about 7300 international dollars, which is well below not only the indicators of the Visegrad countries, but of some countries of the former Soviet Union, as well (Table 3).

It is clear that the significant differences in the socio-economic potential of neighbouring countries create the effect of “pull-push” for the economically active population, thereby forming the migration flows from less developed to more developed countries.

Table 3. Production of Gross National Income per capita (PPP), 2012, in international dollars

Rate	Country	GNI per capita	Rate	Country	GNI per capita
1	Slovak Republic	24 770	11	Turkmenistan	9 640
2	Czechia	24 710	12	Azerbaijan	9 200
3	Lithuania	22 760	13	Ukraine	7 300
4	Russian Federation	22 720	14	Armenia	6 990
5	Estonia	22 030	15	Georgia	5 860
6	Poland	21 170	16	Moldova	4 510
7	Latvia	21 020	17	Uzbekistan	3 750
8	Hungary	20 710	18	Kyrgyz Republic	2 260
9	Belarus	15 220	19	Tajikistan	2 220
10	Kazakhstan	12 040			

Source: State Statistical Service of Ukraine

#### 4.4.2.3 Changing role and features of international migration

In general, the net external migration in Ukraine was positive until 1993 (maximum in 1992 with 287.8 thousand people), which was due to the return of both Ukrainians and other indigenous ethnic groups to the country (including the deported Crimean Tatars) (Fig. 2). From 1994 to 2004 there was a migration outflow, when more than 1.2 million people emigrated from Ukraine, mainly from urban areas. In subsequent years the situation changed diametrically, resulting in migration growth in urban areas and reduction in rural regions. In 2012, net migration (61.8 thousand) exceeded the sum of the migration gain of the previous four years (Fig. 3).

The role of international migration varies significantly in the different regions of Ukraine. As seen from Fig. 4, the maximum migration gain during the last decade is typical of Odesa, the Crimea regions and the city of Kyiv. At the same time, a migration loss is observed in regions with relatively favourable dynamics of natural increase (Transcarpathian and Rivne regions).

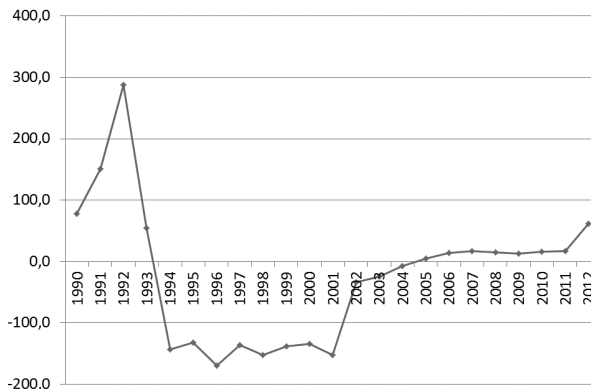


Figure 2. Dynamics of the net external migration in Ukraine, thousand people  
Source: State Statistical Service of Ukraine

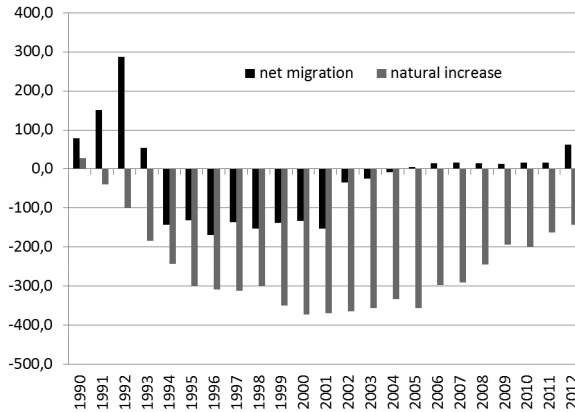


Figure 3. Changes in net migration and natural increase in Ukraine, thousand people  
Source: State Statistical Service of Ukraine

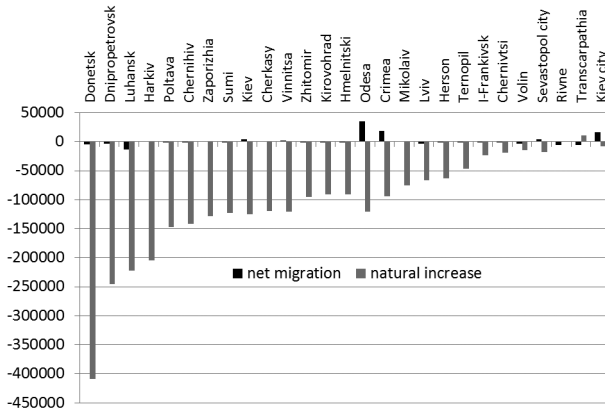


Figure 4. The ratio of net migration and natural increase/decrease in the regions of Ukraine in 2002-2011 (regions are ranked according to the population increase), persons  
Source: Authors' calculation based on State Statistical Service of Ukraine data

Over the past 20 years there have been significant changes in the nature of international migration. In the early 1990s, two types of migration dominated: ethnic and “shuttle”. The first one is related to the emigration of the Jews, Germans, Russians and, simultaneously, the return of Ukrainians and other indigenous ethnic groups to the country. It is characterized by a permanent migration pattern. At the same time, circular migration has become quite significant in scale, which is related to the problems of the economic transformation and the increase in unemployment, and its main goal was buying and selling goods in neighbouring countries (especially in Poland and Romania). That is why this kind of emigration was called “zarobitchanska”, because the main reason for this migration was to make earnings (“zarobitok”).

Furthermore, the share of permanent migration decreased and the geographical span of “shuttle” migration expanded. The structure of circular migration changed due to the

gradual increase in temporary labour migration. The nature of illegal labour migration also changed: in the 1990s migrants crossed the border illegally, now they are doing it legally, but take up employment mainly illegally. In the 2000s, educational migration became more and more significant. Thus, currently Ukraine can be regarded as a country of origin, transit and destination for migrants, simultaneously.

Because of the relatively high tolerance of Ukrainians towards “non-traditional” migrants, flows of asylum seekers, refugees and foreign students to Ukraine have increased substantially. At the same time, there has also been a steady growth in the migration flow of young Ukrainians moving to Central and West European countries for education purposes. The length of time temporary migrants stay abroad was extended: in the 1990s less than 20% of circular migrants worked for more than a month, in the 2000s the average period of staying abroad lasted 1-6 months.

The early 1990s were characterized by the “permeability” of Ukrainian borders due to the lack of national legislation in the field of migration. Now the process of labour migration has become more regulated.

#### 4.4.3 Legal framework of international migration

##### 4.4.3.1 Development of the state migration policy: a series of experiments

The migration policy of Ukraine has undergone significant changes in the last two decades. We can identify four stages in its evolution. The first stage (1991-1992) is associated with the formation of the legislative field of international migration: Parliament accepted the two acts “On Citizenship of Ukraine” and “On Employment” (1991). The latter included the right of citizens for professional activity abroad (labour activity during a temporary stay abroad), if it does not contradict either the current legislation of Ukraine or that of the host country. The resolution of the Cabinet of Ministers of Ukraine “On priority measures concerning addressing out of Ukrainian citizens abroad” (1992) lifted the requirement of a permit in travel documents in order to travel abroad. However, the regulations governing border crossing procedures were only put in place at a later date, therefore the legislation standards of the USSR continued to be valid until then.

The second stage (1993-2000) laid the foundation for the institutionalization of a migration policy. In 1993, the Ministry of Ukraine for Nationalities and Migration was established, one of whose functions was to develop and ensure the implementation of a state policy in the field of migration. In 1996, the Ministry was reorganized into the State Committee of Ukraine on Nationalities and Migration, and in 2000 it was merged into the State Department for Nationalities and Migration. So, the “status” of the institution responsible for migration was significantly reduced. An important instance was the approval by the Cabinet of Ministers of Ukraine of a program to combat illegal migration for 1996-1997 and 1999-2000. In 1999, by the Presidential Decree “Issues of immigration control” the responsibility to coordinate efforts to combat illegal migration was transferred to the Ministry of the Interior of Ukraine. In 2000, the State Committee for State Border Guard of Ukraine was established.

At this stage, the legal framework for managing international migration had been formed: Parliament accepted the acts “On Refugees” (1993), “On the order of departure from Ukraine and entry to Ukraine for citizens of Ukraine” (1994), “On the Legal Status of Aliens” (1994, which, in particular, regulates the issues of asylum, refugee status, entry and exit of foreign citizens). In 1996, the Ukrainian Constitution was adopted, which defines the main provisions in the field of migration management.

The third stage (2001-2010) is associated with significant changes in the organizational structure and migration legislation. Several state bodies were established in this period, with the aim of regulating and governing migration issues: the State Committee of Ukraine on Nationalities and Migration (2001), responsible for the issues of refugees, (and renamed State Committee of Ukraine on Nationalities and Religions from 2006), Department of Citizenship, Passport and Migration Service in the Ministry of Internal Affairs of Ukraine (as an executive authority on immigration, which in 2002 was transformed into the State Department of Citizenship, Immigration and Registration of Individuals), and the State Border Service of Ukraine (2003), which is responsible for combating illegal migration. As a result of such transformations, the issues of international migration were dispersed among various agencies.

In 2001, a number of important acts was adopted: “On Citizenship of Ukraine”, “On Immigration”, “On Refugees”, “On amendments to some legislative acts on the fight against illegal migration”, and also a program to combat illegal migration for 2001-2004 was approved.

#### 4.4.3.2 On the way to a new migration policy

A new stage (from late 2010) was marked by the establishment of the State Migration Service of Ukraine as the central executive body in the field of migration (from the Department for Refugees of the State Committee on Nationalities and Religions and the Department of Citizenship, Immigration and Registration of Persons of the Ministry of Internal Affairs).

It should be noted that in 2008, the Cabinet of Ministers already made an attempt to establish the State Department of Migration Service, thus concentrating all migration issues within the Ministry of Internal Affairs, but the President issued a decree suspending this resolution. The Constitutional Court declared the unconstitutional nature of the decision, so, it was overturned by the CMU in 2009.

In 2011-2012, the newly revised acts “On the Legal Status of Foreigners and Stateless Persons”, “On Refugees and Persons in need of Complementary or Temporary Protection” were adopted.

The third important step was the approval of the Concept of State Migration Policy and the Action Plan for the implementation of this concept (2011). The strategic directions of the state migration policy included the following principles: strengthening the social and legal protection of Ukrainian citizens working abroad, creating favourable conditions and mechanisms for the return of migrants to Ukraine, implementing mechanisms for additional and temporary protection of foreigners and stateless persons, enhancing tolerance towards migrants, setting up immigration quotas taking into account the demo-



graphic situation and the situation in the labour market, improving the system of collection of statistical information on migration, as well as encouraging the rational spatial settling of migrants on the basis of the socio-economic and demographic situation in the various regions.

The main tasks of the State Migration Service of Ukraine (SMSU, <http://dmsu.gov.ua>) as the central executive body are the implementation of the state policy in the field of migration (immigration and emigration, including the fight against illegal migration, refugees and other categories of migrants). The activity of the SMSU is directed and coordinated by the Cabinet of Ministers of Ukraine through the Minister of Internal Affairs. Its responsibilities include the analysis of the migration situation in Ukraine, refugees and other migrants' issues, development of current and long-term forecasts. Its activities are also carried out through territorial authorities – the main migration service in the Crimea, regions, and cities of Kyiv and Sevastopol, as well as migration departments and divisions (sectors) in districts and cities with regional or republican subordination. In the structure of the SMSU, there are two centres of temporary stay for foreigners and stateless persons who are illegally residing in Ukraine (Volyn and Chernihiv regions), as well as three temporary accommodation centres for refugees (Odesa, Transcarpathian and Kyiv regions).

Certain functions related to migration are performed by other central executive bodies:

- the Ministry of Social Policy of Ukraine ([www.mlsp.gov.ua](http://www.mlsp.gov.ua), including Department of Labour Market and Employment), the State Employment Service of Ukraine ([www.dcz.gov.ua](http://www.dcz.gov.ua)), and the Council on labour migration of Ukrainian citizens within the Cabinet of Ministers of Ukraine – issues of external labour migration, temporary employment of foreigners in Ukraine and Ukrainians abroad, social protection of migrants, in particular;
- the State Border Service of Ukraine ([www.pvu.gov.ua](http://www.pvu.gov.ua)) – issues of border crossing registrations, control of illegal immigration at the border and in the border areas;
- the Ministry of Education and Science of Ukraine ([www.mon.gov.ua](http://www.mon.gov.ua)) – issues of training of foreign citizens in Ukraine;
- the Ministry of Foreign Affairs of Ukraine ([www.mfa.gov.ua](http://www.mfa.gov.ua)), diplomatic missions and consulates of Ukraine – issues of the provision of visas and permits to stay in the country, consular registration and assistance to Ukrainian citizens abroad, return of migrants.

The migration policy of Ukraine is closely linked to the demographic policy. So, in the Demographic Development Strategy of Ukraine till 2015, which was approved in 2006, the regulation of external migration is seen as a means to reduce the rate of depopulation, emphasizing the need to empower legal employment outside Ukraine, strengthen the control on recruiting companies, as well as the development and implementation of the programs on the social and professional adaptation of returning labour migrants and providing cheaper services for migrants' remittances.

The parliamentary hearings in November 2013 identified the following key issues: the strengthening of social and legal protection of labour migrants and their families, the enumeration of labour migrants working abroad, the prevention of illegal migration and the risks associated with it, the creation of the necessary conditions for the return and

reintegration of labour migrants, the activation of the state policy aiming to create an attractive domestic labour market (Rekomendatsii, 2013).

#### 4.4.4 International migration in Ukraine: patterns, trends and issues

As it was already mentioned, the geographical structure of migration is determined by the differences in the socio-economic development and political stability of countries and regions, the emergence of social cataclysms, etc. This is quite clearly confirmed by the specificity of the migration balance and the geographical migration in Ukraine.

According to the World Bank, the number of immigrants living in Ukraine in 2010 amounted to 5257.5 thousand people (Migration and Remittances Factbook, 2011). This figure corresponds with the results of the Ukrainian population census in 2001, where it was found that 5.2 million immigrants living in Ukraine were born outside the country (Vseukrains'kyi perepys naseleennia). Taking into consideration the scale of illegal immigration, it can be assumed that this figure is at least 1.3 times higher.

The vast majority of immigrants in Ukraine (about 4,850 thousand) are from countries of the former Soviet Union. 65.5% of them arrived in Ukraine from Russia, 5.2% from Belarus, 4.8% from Kazakhstan, 4.7% from Uzbekistan, 3.2% from Moldova and 13% from other former Soviet republics. The majority of these people arrived in Ukraine during the Soviet era. It should be mentioned, however, that about 22% of them arrived after Ukraine gained its independence in 1991.

In addition, about 350 thousand migrants arrived in Ukraine from the countries of the former socialist camp, mainly from Germany, Poland, Hungary, etc. The majority of these immigrants are children of military servicemen, born within the borders of the former Warsaw Pact countries.

Particular attention should be paid to the post-Soviet repatriation processes in Ukraine. These processes do not only involve Ukrainians (their share in the population in the period 1989–2001 increased from 72.7% to 77.8%), but also other nationalities. Also, it is important to mention the return of the Crimean Tatars to their historic homeland. Today, their number in the Autonomous Republic of Crimea is about 265 thousand.

A separate category is formed from immigrants who are not citizens of Ukraine but possess a temporary or permanent permit for residence in the territory of the state. At present, there are more than 210 thousand people holding such permit. The geographical structure of this category of immigrants is presented in Table 4.

The number of immigrants in this category is growing rapidly. During the period 2006–2012 their number increased by more than 1.4 times. In addition, in Ukraine reside about 2.5 thousand people who have been granted refugee status; most of them are from Afghanistan.

During the 2011–2012 academic year, 42.6 thousand foreign citizens attended higher education in Ukraine. They were mainly citizens from Turkmenistan (7,335), Nigeria (3,313), Iran (3,142), India (3,097), China (3,078), Azerbaijan (3,078), Jordan (2,380) and Russia (1,971).

Table 4. Geographical structure of immigrants, who possess a temporary or permanent permit for residence on the territory of Ukraine

Country	1,000 persons	Share in total, %	Country	1,000 persons	Share in total, %
Russia	123,8	59,0	Israel	1,7	0,8
Moldova	12,3	5,9	Lithuanian	1,3	0,6
Armenia	9,3	4,4	China	1,2	0,6
Azerbaijan	8,1	3,9	Turkey	1,2	0,6
Georgia	7,8	3,7	Syria	1,2	0,6
Uzbekistan	7,2	3,4	Poland	1,1	0,5
Belorus	5,9	2,8	Turkmenistan	1	0,5
Vietnam	4,2	2,0	Others	19,5	9,3
Kazakstan	3,2	1,5	Total	210	100,0

Source: Ukraina. *Mihratsiinyi profil*, 2013.

The following indicators can characterize the scale of illegal immigration. Only in 2012, about 7 thousand illegal migrants were found in the territory of Ukraine; 4,640 foreigners – potential illegal migrants – were not allowed to enter the country, and 1,120 people were stopped when crossing the border illegally.

The possibility of free travel into and out of Ukraine for Ukrainian citizens was created by the adoption of the act “On the order of departure from Ukraine and entry to Ukraine for citizens of Ukraine” in 1994. In fact, this law initiated a mass emigration from Ukraine in the post-Soviet period, which has been changing in intensity and character over the next 20 years.

At its initial stage, emigration had a predominantly ethnic character, which was related to the outflow of Jews, Czechs, Poles, Slovaks, Germans, etc., for permanently settling abroad. The scale of this emigration did not have a mass character.

With the economic crisis, emigration rapidly lost its ethnic traits and turned into a labour-related one, and at the same time it became mass emigration. The exact definition of these scales raises a number of problems caused by the difficulty of assessing the number of labour migrants and migrants residing and engaging in some kind of labour activity abroad.

In recent years, several attempts have been made by a number of agencies to determine the number of labour migrants. The results varied over a very wide range, which was due to the differences in methodological approaches.

The Ministry of Social Policy of Ukraine gives a figure of about 3 million labour migrants, while the Ministry of Foreign Affairs counts with about 2.5 million. The State Statistics Service in conjunction with the Ptukha Institute of Demography and Social Research of the National Academy of Sciences, based on the 2012 survey on households found that about 1.2 million people are working or searching for work abroad. It seems that 2.3–2.5 million labour migrants can be considered a realistic estimate. At the same time, about 20% of the total number of labour migrants worked abroad without any legal status.

Due to the lack of visa obligations and that of a language barrier, as well as relatively favourable transport facilities there can be observed a dominance of Russia in the geographical structure of labour migration in Ukraine (more than 53% of the total number of people working abroad). Russia is followed by Italy (9.5%), Germany (7.6%) and Spain (7.0%) (Table 5).

The number of labour migrants in the Visegrad countries is about 225 thousand people (10% of the total). Leaders among them are the Czechia (142 thousand or 6.2%) and Poland (72 thousand or 3.3%).

Table 5. Geographical structure of the labor migration from Ukraine

Country	1,000 persons	Share in total, %	Country	1,000 persons	Share in total, %
Russia	1226,1	53,3	Turkey	8,2	0,4
Italy	218	9,5	Belgium	8	0,3
Germany	175	7,6	Sweden	7	0,3
Spain	161	7,0	Bulgaria	5,1	0,2
Czechia	142	6,2	Argentina	5	0,2
USA	90	3,9	Cyprus	4	0,2
Poland	75	3,3	Ireland	3,5	0,2
Portugal	48,5	2,1	Switzerland	3,4	0,2
Canada	30	1,3	Lithuanian	3,1	0,1
Greece	18	0,8	Lebanon	2,5	0,1
France	12	0,5	Slovakia	2,4	0,1
Austria	9	0,4	Japan	2	0,1
Israel	9	0,4	Other countries	23,2	1,0
Hungary	9	0,4	Total	2300	100,0

Source: Malynovska, 2011

The role of the various regions of Ukraine in the formation of labour emigration significantly varies. The western region of the country is a major donor region of labour migration. About 11% of the working age population is involved in it. In the Southern region, this figure is 1.9%, while it is 1.3% in the Northern, about 1% in the Eastern and less than 1% in the Central region (Ukraina. Mihratsiyni profil', 2013).

It should be stated that the majority (over 54%) of labour migrants from Ukraine are from rural areas. Only about 46% of them are urban residents. This situation seems quite natural, since the absence of any effective agrarian reforms led to extremely disastrous conditions in agriculture and the lack of job opportunities for the rural population, which undermined their well-being. The unemployed labour force migrates to large cities, especially in Kyiv and other interregional centres, or leaves the country in search of job opportunities abroad.

In view of the above-mentioned facts, it is natural that about 66% of the migrants are men. Their average age is 36.2 years. The corresponding figures for women are 34.4% and 37.9 years (Malynovska, 2011).

Labour emigrants are characterized by a lower level of education than the national average. Thus, those who completed higher education constitute only 15.4%, while the national average is 27.1%. The overwhelming number of labour migrants has completed secondary education (64.9%). Throughout the country, among the employed population, this figure is 44.9%. 15.1% of labour migrants have a basic or unfinished higher education qualification, while the national average is 21.3% (Malynovska, 2011).

We can define two factors that determine the role of the Visegrad countries in the international migration profile of Ukraine. The first factor is the gap in the level and standards of living. The second is related to the specifics of Ukraine's geopolitical situation – geographical proximity and neighbourhood on the one hand, and the presence of a number of preferences, on the other.

In 2010, officially 80.4 thousand Ukrainians worked outside of Ukraine (in 2000 it was 33.7 thousand): 29 thousand persons worked in the Czechia (in 2000 – 3.5 thousand) and in Slovakia – 0 (in 2000 – 0.5 thousand).

The overall number of Ukrainian migrants in the Visegrad countries is estimated to be somewhere between 225 and 940 thousand. According to the Ministry of Foreign Affairs of Ukraine, 156 thousand legal and 72 thousand illegal migrants stay in the Visegrad countries. In particular, between 140 and 400 thousand Ukrainians (132 thousand legal and 10 thousand illegal migrants, according to the MFA estimation) work in the Czechia, between 75 and 450 thousand (15 and 60 thousand, respectively) in Poland, between 8 and 80 thousand (8.4 and 0.5 thousand) in Hungary, and between 2 and 6 thousand (0.9 and 1.5 thousand) in Slovakia.

The most significant pressure of Ukrainian migrants per 100 of the economically active population accounts for the Czechia (more than 2.5), to a lesser extent for Poland and Hungary (under 1.0, primarily illegal migrants). At the same time, Ukrainians are not a threat for the host society, compared to the ethnically and culturally different Vietnamese or Chinese migrants, who put increasing pressure on the Czechia and Slovakia.

The reasons for migration of Ukrainians to Visegrad countries can be represented as a push-pull scheme (Table 6):

Thus, the motives of labour migration from Ukraine to the Visegrad countries are not only economic, but also largely socio-psychological. A considerable part of the migrations is not forced, but conscious.

Another important factor is the various types of preferences for migrants from Ukraine consider. In particular:

- ethnic preferences. For example, citizens who can prove Polish descent and therefore are granted a Card of the Pole (Karta Polaka) are eligible for employment in Poland without any restrictions. A similar situation for ethnic Hungarians (law about Hungarians living in neighbouring countries is the so-called law of status);
- preferences for residents of border areas: agreements on local border traffic between Poland and Ukraine (for those who live in the 50-km zone along the border, except

Table 6. Push-pull factors of the labour migration from Ukraine to V4 countries

<b>Ukraine Push</b>	<b>Visegrad countries pull</b>
<u>Economic reasons:</u>	<u>Economic reasons:</u>
lower wages in Ukraine, the underestimation of the cost of labor (lower payment for the same work), the gap in payment of top-managers and teachers, doctors, etc;	unsatisfied demand for labor, particularly in construction, agriculture, services, the outflow of domestic labor, the lack of experts in some fields;
unemployment;	employers save on taxes and social insurance through the use of illegal immigrants;
willing to provide the welfare of children, their education;	„openness” for labor migrants from Eastern Europe
underdevelopment of small businesses in Ukraine (lack of cheap loans, tax burden, the complexity of business registration, etc.);	
underdevelopment of the middle class	
<u>Socio-psychological reasons:</u>	<u>Socio-demographic reasons:</u>
discomfort from the political and economic instability in Ukraine (including the negative inflationary expectations);	ethnic, cultural proximity;
“hopelessness” of rural inhabitants;	growth of the welfare, desire to have a maid-servant, unwillingness occupy the low prestige profession;
„social fashion” on migration, positive image of labor migrants, an example of others;	challenges of ageing;
“flight” from the social and everyday problems, parenting of children;	emigration to Western Europe
non-prestigious of the same occupations in the country;	
desire “to see the world”, „a better life”	
<u>Administrative reasons:</u>	<u>Administrative reasons:</u>
corruption (deeply intruded corruption), vulnerability to abuse of power;	there are a number of regulations aimed at attracting labor migrants from Ukraine;
ineffective migration policy	visa liberalization

Lviv), Hungary (for those who have lived in the 50-km zone for three years, affecting 400-450 thousand citizens of Ukraine, of which about 150 thousand Hungarians), Slovakia (for those who live in the 30-km zone, affecting 400 thousand Ukrainians);

- preferences for seasonal workers. For example, in Poland there is a seasonal employment scheme regarding Ukrainians. This means that the agricultural sector is opened for the seasonal employment of citizens from neighbouring states without the necessity to obtain work permits.

The main migration pathways of Ukrainians to Visegrad countries are:

- 1) Through kinship or informal communities (social networks) of migrants. Particularly close ethnic ties exist between Transcarpathia and East Slovakia and North-East Hungary or between West Ukraine and South-East Poland.

- 2) Through recruitment agencies that are licensed by the Ministry of Social Policy of Ukraine. According to estimates, approximately 10% of labour migrants from Ukraine migrate through recruitment agencies, in particular to Poland 9%, the Czechia 7% and Hungary less than 3%. From the 75 countries with a licensed recruitment agency, Poland is the most popular (22.5%). The share of the Czechia is 5.7%, Hungary 0.4% and Slovakia only 0.2%. However, the activities of recruitment agencies are limited because of the small demand for legal labour (it applies to sailors in particular, so one third of the agencies are located in the Odessa region), the relatively high cost of formal services, as well as the dishonesty of some agencies (when they give incorrect information regarding wages, do not fulfill their obligations, etc.). The so-called migration industry was not yet formed in Ukraine.
- 3) Without intermediaries, by direct contact with the employer. Sometimes companies publish vacancies through the media and on specialized sites.

In 2010, in accordance with bilateral agreements made with neighbouring countries, more than 70% of detained foreigners were at the border of Slovakia, 20% Poland, almost 7% Hungary. Herein more than 40% of detainees are from Moldova, nearly 20% from Afghanistan, 16% from Georgia, 6% from Russia.

The authors of the research project “Circular Migration: new approaches to the old concept” revealed that Ukrainian migrants typologically belong to the circular type of migration: over 80% of them want to return home, about 70% have families in Ukraine and maintain close relationships with loved ones at home while staying abroad, 90% forge plans for the future in Ukraine (buy accommodation, pay for education of children, etc.). At least twice or three times a year Ukrainian migrants pay a visit to Ukraine if it is possible (those having legal status in the receiving state, enough funds or those who come on vacation) (Markov I. et al., 2012).

The main features of the circular migration of Ukrainians as part of the global migration profile are the following:

- embraces almost all European states;
- includes various socio-demographic groups;
- massive scale of female migration;
- accumulation of migrants in urban agglomerations;
- organized through social networks;
- dynamics of labour migration is driven by people with higher education and specialized secondary education;
- significance of illegal migration (Markov I. et al., 2012).

Among the main needs of Ukrainian labour migrants that were revealed as a result of the research project of the Centre entitled “Social Indicators” are the need for legal protection, opportunity to learn the host country’s language, obtain reliable information about the labour market and migration policy, have secure and accessible means for money transfers to Ukraine, a need for psychological support and adaptation programs in order to overcome the considerable psychological stress related to the adaptation

to the life and work in the country of residence, assistance in healthcare (Research of Ukrainian..., 2008).

Because of the predominantly temporary and partly illegal nature of the migration of Ukrainians, they are rather poorly integrated into the host society and maintain close links with the local Ukrainian Diaspora. At the same time, social networks organized by migrants from Ukraine play an increasingly important role. Such social networks accelerate the development of chain migration of Ukrainians in certain countries and regions and simultaneously contribute to their return to Ukraine. Social networks implement infrastructural and informational functions, providing support in the transfer of migrants' income to Ukraine, information support to migrants concerning the situation in labour markets, job and housing opportunities, legal aspects, the specific conditions of residing abroad, etc.

Experts note that due to the well-organized social networks, Ukrainian migrants are flexible and mobile in responding to the quickly changing conditions in the labour market (especially during a period of financial crisis). The self-regulation of labour migration is done through social networks (Markov I. et al., 2012).

Although labour migrants do not have strong relations with the Diaspora, they try to support the cultural and educational activities (especially in Central and Western European countries), in particular via different NGOs. The congregation centres of the Ukrainian Greek Catholic Church play a significant role in this. In general, the international circular migration of Ukrainians has a dual effect. On the one hand, it contributes to the improvement of the living standard enhancing the formation of the middle class, helps people integrate into the European labour market, gain experience and get to know new technologies, it reduces the level of registered unemployment, and boosts the establishment of small businesses in Ukraine (both by returning migrants personally and by using their remittances). According to the calculation of the experts of the Institute of Demography and Social Studies of NAS of Ukraine, if labour migration did not exist in Ukraine, the unemployment rate would be 1.6 times higher than the actual level (i.e. that at the end of the 1990s – beginning of the 2000s) (Malynovska, 2011).

On the other hand, external labour migration causes a number of threats, in particular:

- Social – threats of family breakdown, social orphanhood (lack of parental care, family values, carefree attitude of children to life, “easy money”, risks of emerging of a new “lost generation”), the formation of the so-called migratory way of life (“I make money, so social and everyday family issues do not interest me”);
- Economic – outflow of workforce, shortage of skilled workers in the domestic labour market, financial problems (labour migrants get free education in Ukraine and claim for a pension at old age, but do not work in the country; no contribution is paid to pension and social funds from their wages, while they and their children are entitled to all social services); – Free education, healthcare, etc.), loss of intellectual potential (“brain drain”);
- Political – negative image of Ukraine as a state that is unable to create worthy living conditions for its citizens, complaints to Ukraine from the receiving states.



## 4.4.5 Specific issues related to migration in Ukraine

### 4.4.5.1 Labour and educational migration of the youth

A significant problem in Ukraine is youth emigration, both for temporary employment and for education abroad. According to a survey conducted in 2008, from the 1.3 million Ukrainian labour migrants 567 thousand were young people (under 35 years of age). According to the experts' findings, the annual outflow of young professionals from Ukraine is about 10-12% (Danylyshyn, Kutsenko, 2005). According to the UNESCO Institute for Statistics (UIS) in 2011, 37.4 thousand Ukrainians were studying at universities in other countries. Compared with 2001, this value doubled since then (Fig. 5). Over 37% of students from Ukraine study in Russia, almost 16% in Germany. Almost 20% study in the Visegrad countries (4.7 thousand in Poland, 1.6 thousand in the Czechia, 1.1 thousand in Hungary, 0.1 thousand in Slovakia) (Fig. 6). 1.2% of Ukrainian students study in Belarus, Moldova and Georgia.

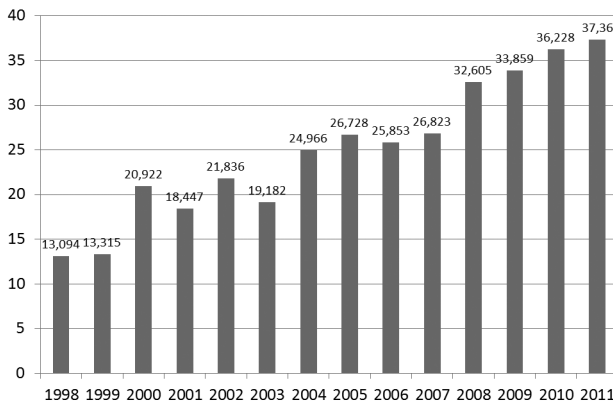


Figure 5. Dynamics of the number of Ukrainian students studying abroad, in thousands  
Source: UNESCO Institute for Statistics estimation, <http://stats.uis.unesco.org/unesco>

The main reasons for the labour and educational migration of the youth are: an ineffective Ukrainian youth policy, a high level of youth unemployment, impossibility to find professional work (up to 40% of employees with high qualifications are not working in their profession, because the education system in the country does not focus on the needs of the labour market), young people's aim to acquire a degree of European standard.

The fundamentals of a youth policy in Ukraine were laid by the Declaration of the Supreme Council of Ukraine "On the general basics of the state youth policy in Ukraine" in 1992 and by the act "On the promotion of the social establishment and development of the youth in Ukraine" in 1993. In 2003, the act "On the state program of youth support for 2004-2008" was accepted, and in 2009 the Cabinet of Ministers of Ukraine approved of the state target program "The youth of Ukraine" for 2009-2015. Despite these facts, however, the youth policy does not provide guarantees for youth employment in Ukraine.

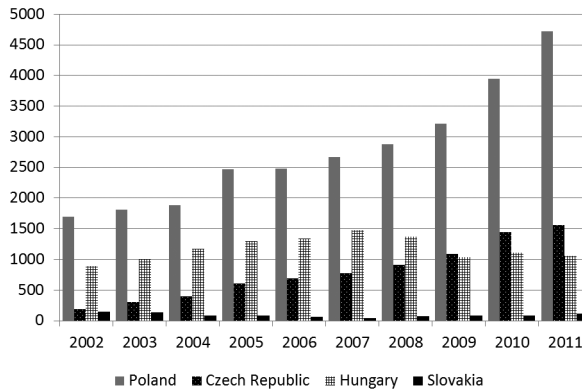


Figure 6. Dynamics of the number of Ukrainian students studying in the Visegrad countries, in persons. Source: UNESCO Institute for Statistics estimation, <http://stats.uis.unesco.org/unesco>

According to the sociological research carried out in 2002, 64% of young people aged 14-28 did not realize the state support (study of the State Institute for Family and Youth Problems). In 2005, 21% of respondents among youth aged 15-23 characterized the state youth policy as inefficient, and another 27% as rather inefficient (study conducted by the Centre of Social Expertise of the Institute of Sociology of NAS of Ukraine in the framework of the UNDP project “Creating a safe environment for Ukrainian youth”). In 2010, 79% of youth aged 15-34 did not perceive the implementation of the national youth policies (socio-demographic survey “Youth of Ukraine, 2010”) (Libanova, 2010).

At the beginning of 2012, unemployed youth (under 35 years of age) accounted for 41.8% of the registered unemployment in Ukraine (more than 200 thousand people). This rate is especially high in the western regions: more than 50% in the Volyn, Ivano-Frankivsk, Lviv regions. The highest rate of unemployment is in the 15-24 year age group.

The migratory intentions of young people were identified in the socio-demographic survey “Youth of Ukraine, 2010”. Nearly one third of respondents would study abroad if they had the opportunity (more than half of the students). Moreover, from the respondents aged 15-19 every second person would like to study abroad, while from the 20-24 age group – every third, 25-29 – every fourth, 30-34 – every fifth. Temporary labour migration was regarded as attractive for the 45% of respondents. Great Britain, the USA and Germany were named among the most attractive countries for study purposes, while for temporary employment they were the USA, Poland, Italy and the Czechia, and for permanent residence the USA, Canada and Germany (Libanova, 2010).

In the survey conducted in 2013 among students at national universities in regional centres of Ukraine (Kiev, Kharkov, Odessa, Dnipropetrovsk, Donetsk, Lviv), it was revealed that about one third of respondents (26% of the students surveyed in Kharkiv, 27% in Donetsk, 28% in Lviv, 33% in Kyiv, 35% in Dnepropetrovsk, 37% in Odessa) are ready for temporary labour migration. The most attractive countries are Germany, the United States (over 10%), Great Britain, Italy, Canada, and among the Visegrad countries – Poland (5%, in Lviv 14%) and the Czechia (3%).

#### 4.4.5.2 Return of Ukrainian migrants

According to the survey “External labour migration of Ukraine” conducted in 2008, 14% of labour migrants from Ukraine were not planning to return home. Those who return to Ukraine face problems of employment and re-adaptation. These two reasons are considered to be the most significant barriers preventing labour migrants from returning.

The project “Development of initiatives for economic reintegration of Ukrainian labour migrants” conducted in 2010-2011 revealed that 45% of respondents from the Ternopil and Ivano-Frankivsk regions reject the possibility of returning and taking up employment in Ukraine in view of the existing income gaps between their home country and the destination countries (Bogdan, 2011).

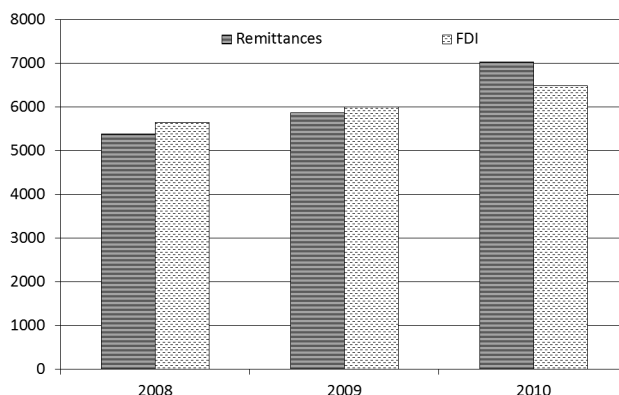
Among the factors that lead to the return of migrant workers the most significant are health deterioration in the migrant’s family, approaching retirement age, feeling of fulfillment of own duty in ensuring family security. Young people return from an illegal status to complete education and probably to be legally employed abroad in future (Research of Ukrainian..., 2008).

With the support of the EU, the International Organization for Migration implemented the “Reintegration Program for Ukrainians who Return to Ukraine from EU”, which provides assistance with resettlement, emergency medical care, vocational training, job search, starting an own business. The International Charitable Foundation Caritas Ukraine (Ukrainian Greek Catholic Church) also plays an important role in the reintegration of migrants providing legal, financial, informational or psychological assistance to migrants who have returned to Ukraine from the EU.

#### 4.4.5.3 Remittances of Ukrainian migrants

According to the National Bank of Ukraine, the volume of remittances by Ukrainian labour migrants in 2011 through the international payment system amounted to 7.0 billion U.S. dollars, and in 2012 – 7.5. Compared to 2003, this amount increased by more than 22 times. This volume is comparable with the annual FDI to Ukraine (Fig. 7). During the financial crisis, remittances decreased (in 2008 – 6.2, in 2009 – 5.4, in 2010 – 5.9). The largest volume of transfers comes from Russia, the USA, Germany and Italy. The negative trend can be caused by the tightening of the control over the payment of tax on foreign remittances by individuals, because in accordance with the Tax Code, remittances are treated as foreign income.

On the one hand, the investment of the remittances of Ukrainian labour migrants from abroad into human capital (education, health, improving quality of life) is a positive aspect. On the other hand, investment of the remittances in real estate can have negative consequences. Real estate development in areas with lack of jobs leads to the “immobilization” of capital, as such housing is not used, and the purchase of real estate in the capital and in regional centres stimulates the migration of young people from rural areas and small towns. In addition, the artificial increase in the demand for paid education services, which is stimulated by migrants’ income, led to the growth in the number of higher education institutions and students who do not meet the demands of the labour market (Malynovska, 2011). For example, in the 2000s the number of graduates in the Ternopil region was 4.5 times higher than in the early 1990s.



*Figure 7.* Annual private remittances from abroad through international payment systems and receipts and foreign direct investment to Ukraine, million US dollars  
Sources: National Bank of Ukraine, State Statistics Service of Ukraine

#### 4.4.6 Conclusions

In the overall context of migration, Ukraine is a country of origin, transit and destination, simultaneously. Negative demographic changes (natural decrease and depopulation, ageing, etc.) and challenges of economic and political transformations raise the threats of international migration in Ukraine. On the one hand, the scale of Ukrainian external labour migration threatens the sustainable socio-economic development of the country, on the other hand, it contributes to the growth of the welfare of the migrants and their families.

Official statistics on migration are insufficient, and survey results and experts' estimations differ considerably.

We can identify some contradictions regarding the international labour migration in Ukraine:

- encouragement of return migration vs migrants' remittances that are comparable with foreign direct investments providing stable currency inflow (in periods of low investment attractiveness);
- outflow of economically active population, the loss of human, labour and intellectual capital vs outflow of active social elements, which reduces the threat of further social tension (in conditions of unemployment, economic crises, permanent political conflicts);
- encouragement of legalization of illegal migration vs the complexity, bureaucracy and high cost of legal employment.

The substantial differences experienced in living standards stimulate labour migration from Ukraine to the Visegrad countries. But the motives of labour migration from Ukraine to the Visegrad countries are not only economic in nature, but they are socio-psychological as well. A considerable part of labour migration is not forced but conscious. The integration of Ukrainian migrants into host societies is made complicated by the reluctance

of the migrants on the one hand, and insufficient support by the states of origin and arrival, on the other. In addition, the migration infrastructure in Ukraine is underdeveloped.

As a result of the administrative reform taking place in Ukraine, the governing of migration has become more effective but the optimization of the migration policy is still just beginning. The migration policy should overcome the causes rather than the consequences of migration, however, that requires radical reforms of the economic and social security system, pension legislation, educational, medical spheres, real (not only declarative) fight against corruption, shadow economy and insecurity due to abuse of power. Otherwise, “cosmetic measures” only mitigate, but not solve the problem of labour migration.

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