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Social Impact of Emigration and Rural-Urban Migration in Central and Eastern Europe

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1. Socio-economic and political overview

The directions, intensity, and composition of the Ukrainian migration flows were influenced by significant changes in the political and economic environment during the last twenty years. Besides, political events not just adjusted the influence of socio-economic conditions, usually determinative for migration movements, but sometimes changed the nature of migrations cardinally.

The collapse of the USSR and the emergence of 15 independent states on its former territory, which transformed migration on the post-Soviet territory from internal into an external one, as well as radical socio-political reforms, including introduction of freedom of movement and the right to leave the country, were most prominent events in this respect.

The interethnic tensions and military conflicts which emerged in several post-Soviet countries sped up repatriation of millions of Ukrainians who during the USSR collapse lived beyond the borders of their motherland. The change of the regime gave those individuals repressed and deported during the totalitarian regime, particularly Crimean Tatars, the possibility to return home. At the same time, the opening of the borders allowed Ukrainians to travel to countries which were not members of the USSR. Moreover, they did this under conditions of visa-free regime for trips to the neighbouring Central European countries, which was lifted just on the eve of these countries' accession to the EU. Democratization, on the one hand, removed political, ethnic, and religious reasons for emigration, same as foundations under which Ukrainian natives received asylum in the Western Europe. This resulted into a decrease of emigration, but, on the other hand, it facilitated significant increase in cross-border mobility of population.

The gradual liberalisation followed by the cancellation of the residence registration system inherited from the Soviet times, which appeared to be a tight administrative mechanism to control the movement of the population, was of great importance for the internal migration development. The registration procedure was changed significantly with the adoption of the Law of Ukraine *On Freedom of Movement and Residence* in 2004. In particular, a written application is the only necessary document for registration, while before he/she was obliged to obtain permission from the local authorities first.

The transition period after the collapse of the USSR was marked with a deep economic crisis in Ukraine. Decrease in manufacturing volumes, unemployment, low wages, and inflation worsened the living conditions of wider population and thus became the major regulators of migration processes starting from mid-1990s. Fall of the GDP in Ukraine was the worst among all countries of the Eastern Europe and Central Asia region (between 1990 and 1999, GDP fell by 59.2% (State Statistics Service (SSS)). Under such conditions the migration outflow increased sharply from 1994. It slowed down just at the turn of Millennium under the influence of the following factors: war in Chechnya and Russia debt default, which was the major destination country for emigrants from Ukraine, in 1998; tightening of the immigration rules in destination countries, particularly, due to the EU enlargement; introduction of visa regimes for trips to the neighbouring Central European countries (Czech Republic and Slovakia introduced a visa regime for Ukrainian citizens in 2000, Poland and Hungary did the same in 2003); and also some revival of the Ukrainian economy.

However, despite continuous average annual GDP growth of 8.5% in the years 2000-2008, the GDP 1990 level was not reached (Figure 1.1). The new economic downturn occurred in 2009 under the conditions of global economic crises and in 2010 the GDP amounted to just 66% of the 1990 level (Figure 1.2). During 2000-2008, the absolute poverty rate, calculated as the share of population consuming less than the subsistence minimum, dropped from

70.6% to 12.6% (State Statistics Committee (SSC) of Ukraine, 2010b); but it increased again to 16.8% in 2010¹.

Despite the growing employment rate in the years 2000-2010 from 55.8% to 58.5%, the quality of employment has been worsening and the share of informal employment and (self-) employment in subsistence agriculture is high due to lack of alternative decent jobs and income sources. The maximum unemployment level was observed at the end of 1990s (11-12% of the population aged 15-70 years² (SSS). The situation has been improving till the beginning of the global economic crisis in 2009 when the unemployment rate reached 8.8%. However, the relatively low level of unemployment is also caused by labour migration and informal employment. It should be noted here that youth unemployment (15-24) has been considerably high during the last years, with rates around 16%.

As sociological monitoring shows, the vast majority of Ukrainians (75.4% in 2002 and 80.9% in 2010) thinks that it is extremely difficult to find a job complying with their qualification and ensuring the acceptable income³ (Table 1.1). It is considered to be easier to find a job complying with their qualification but not ensuring decent earnings (correspondently 56.4% and 61.6%). The unsatisfactory wage is the major problem of the Ukrainian labour market, and not the lack of jobs. For example, the average wage in Spain in 2010 exceeded the Ukrainian wage 14.6 times, and in Portugal - 10 times. The huge difference in remuneration pushes a significant share of the population to search employment abroad.

The situation changed somewhat in the mid-2000s due to the hopes related to success of the so-called "Orange Revolution" – peaceful civil disobedience which took place from November 22 to December 26, 2004 as a reaction to mass falsifications influencing the results of the Presidential elections in Ukraine. The major legal result was the recurrent second round of Presidential elections (is not envisaged directly in the legislation) set by the Supreme Court. The success of such mass civil society action provided grounds to expect democratic changes, establishment of fairness, and increasing prosperity in the country. These political changes might have been the cause for the officially registered negative external migration balance to shift for the first time since 1994 towards a positive one in 2005.

The events during the consequent years, however, caused disappointment, which have significantly deepened under the conditions of the financial and economic crisis, from which Ukraine has just started to recover. At the same time, the readiness to migrate in general remains quite high among the Ukrainians (Figure 1.3), while the motives to emigrate even increased due to the crisis (Figure 1.4).

2. Main emigration and internal migration trends and patterns

2.1. Main emigration trends

2.1.1. Volume of emigration

6.5 million individuals born on the territory of Ukraine or 14.4% of the population (World Bank, 2011: 249) live outside the country. The majority of these migrants left the country in the times of the USSR and went to other Soviet republics, i.e. at that moment these Ukrainians were internal migrants. The highest share of Ukrainian emigrants lives therefore in the Russian Federation (3.6 million people) and a significant group of them lives in

¹ Poverty rates are calculated on the basis of the data of households' survey which is conducted by the State Statistics Service of Ukraine (State Statistics Committee prior to 2011) since 1999, survey sample includes 10,000 households.

² Unemployment rate calculated according to ILO methodology.

³ Sociological monitoring of social changes is an annual survey conducted by the Institute of Sociology of the National Academy of Sciences of Ukraine. Survey sample (1,800 respondents) is representative for the population of the country.

Kazakhstan (272,000 people). The high number of persons born in Ukraine and now living in Poland (330,000 people) is a consequence of a post-war exchange in population: around 800,000 of ethnic Poles moved from Ukraine to Poland and 500,000 of ethnic Ukrainians moved in the opposite direction at the middle of 1940s. The high number of Ukrainian natives living in the USA, Israel, and Germany is the result of political and ethnic emigration which took place in the 1970s, which became particularly intense in the 1980s due to the easing in emigration limitations in the USSR and politics in countries-recipients supporting repatriation and providing soviet emigrants with the refugee status.

After the independence from the USSR, the stocks of emigrants from the country have increased. The official statistics registered 2.7 million Ukrainian emigrants in 1991-2010⁴. Around 2 million of them emigrated towards the post-Soviet countries and around 700,000 emigrated towards other countries (Figure 2.1).

However, it should be noted that official statistics significantly underreport population's migration movements, since the registration procedure after achieving independency became less strict. The first Ukrainian Census of 2001 revealed that actual losses of the population due to migration were 1.7 times higher than stated in figures from the current records mentioned above (Libanova, 2005: 144).

This is mainly caused by the intense labour emigration. When a person moves for permanent residence purposes, he/she cancels his/her registration at the place of permanent residence, whereas when a person moves for labour purposes, he/she usually does not do so considering his/her staying in the foreign country as temporary, even if it is enduring.

A comparison of Ukrainian statistics on migration with the corresponding data of destination countries shows a considerable underestimation of migration on the Ukrainian side. Furthermore, the foreign countries' data also does not provide accurate information on the volumes of emigration from Ukraine, due to significant shares of migrant workers without correspondent permits and, therefore, not registered

The first large-scale survey on labour migration, conducted by the State Statistics Committee of Ukraine (SSC) in 2001⁵ in 8 oblasts of Ukraine⁶, allowed assessing temporary labour migrations abroad at that time. The number was 2.3 – 2.7 million people or 10% of the working age population (ILO, 2005).

This, in general, coincided with estimates obtained by the Ministry of Foreign Affairs on the basis of information from the Ukrainian embassies in the destination countries (Table 2.1), as well as simultaneous estimates of the Ministry of Social Policy of Ukraine, obtained on the basis of the analysis of population's activity on the labour market (Verkhovna Rada of Ukraine, 2004).

External labour migration of Ukrainian citizens somewhat contracted at the eve of the crisis, when Ukraine's economy has been successfully developing. The State Statistics Committee of Ukraine conducted the second large-scale survey in 2008⁷. It revealed that in the three years prior to the survey, i.e. in 2005-2008, 1.5 million of Ukrainians or 5.1% of the working

⁴ Hereinafter, if not mentioned separately, we present the current migration statistical data of the State Statistics Committee of Ukraine (now – State Statistics Service). The data is formed on the basis of data on registration (deregistration) of people through their place of residence. Registration (deregistration) is provided by the bodies of internal affairs at the place of residence of people immigrating to the country for the term of 6 months and longer (or emigrate from it for 6 months and longer). Some other social and demographic characteristics of migrants are being registered during preparation of the correspondent records.

⁵ The survey was conducted by the State Statistics Committee of Ukraine (SSC) in 2001 in the border regions of Ukraine and covered 8,000 households with 18,000 working-age individuals. The sample of the surveys of population's economic activity was applied for this research (Libanova, Poznyak, 2002).

⁶ Ukraine is divided onto 27 administrative units: the Autonomous Republic of Crimea, 24 oblasts, and also cities Kyiv and Sevastopol.

⁷ The nationwide sample survey on labour migration, conducted by the SIC in 2008, was based on the sample households used for nationwide sample surveys of population's economic activity and households' living conditions. 22,000 households, which included 48,000 working-age individuals all over Ukraine, were interviewed.

age population, have at least once left abroad for employment purposes (SSC, 2009a: 25). At the same time, it is worth mentioning that the subject of the survey were labour migrants, which occasionally return back to their families in Ukraine. The information for the survey has been provided by these left-behind families. At the same time, some migrants who have left Ukraine for employment purposes and live abroad for a long time, often together with their families, did not visit the country during the period covered by the survey (2005-2008). Therefore, the real number of labour migrants could be substantially higher. With the economic crisis, the number of Ukrainians abroad could have remained constant or slightly declined.

2.1.2. Periodisation of Emigration

According to the main factors and intensity of migration movements, the 20-year period of Ukraine's independency can be divided into three periods.

The **first period** covers the years 1991-1993, when migration was conditioned by the collapse of the USSR and took place almost exclusively under the influence of political and ethnic factors. This period is characterized by the mass return of ethnic Ukrainians and Ukrainian natives of other nationalities back to their historical homeland. Also, for Ukrainians who were repressed and deported and were forced to stay at the places of exile during the Soviet times it became possible to return back to Ukraine. Many of those who have left previously to other republics of the former USSR due to organisational recruitment, job placements of young specialists, military services, etc. also often decided in favour of resettlement back to their home country. Moreover, a significant growth of the immigration rate was caused by the withdrawal of the USSR troops from the Eastern European countries.

As a result, during the first years of independency the Ukrainian population has sharply increased, even though the natural growth rates were negative. The officially recorded positive migration balance reached its peak in 1992, amounting to 288,000 (Figure 2.2). Since repatriation was not statistically traced, one can only assume its volumes on the basis of the data on ethnic composition of immigrants. Such data, particularly, show that 46% of the immigrants from the post-Soviet countries in 1992 were ethnic Ukrainians.

An active repatriation of Crimean Tatars, Bulgarians, Armenians, Greeks, and Germans who were illegally deported by Stalin's regime in 1944 has also taken place after the independence. 88,500 people of Crimean Tatar ethnicity arrived to Ukraine in 1991-1993, amounting to 7% of all immigrants.

Beside the natural wish to return to the homeland, increasing tensions and military conflicts in some post-Soviet countries induced migrants to resettle to Ukraine. Records of forced migrants were not maintained in Ukraine. However, according to the data of local authorities, solely in 1993, the number of people who applied for help amounted to 18,000 (UNHCR, 1996: 20) or 5.5% of the total number of immigrants.

Repatriation was the major tendency also in relation to emigration from Ukraine. The majority of emigrants in the 1990s were Russians moving back to Russia, followed by the representatives of other nations of the former USSR moving to their newly-founded states. As a result of the repatriation processes, the first Ukrainian Census of 2001 compared to the last Soviet Census of 1989 revealed a decrease of the share of Russians within the total population by 4.8 percentage points (SSC, 2003).

Emigration to the countries which were not members of the USSR was of clearly pronounced ethnic nature. Over 60% of individuals who have received the permit for departure from the internal affairs bodies in the beginning of 1990s belonged to the Jewish ethnic group. The majority of them left to Israel. According to the results of the Census of 2001, the share of Jews in the total population decreased from 0.9% to 0.2%. Apart from Jews, representatives of other ethnic minorities, first of all those whose mother countries implemented programs of

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repatriation support, have left Ukraine⁸. In particular, around 40,000 individuals of German origin migrated to Germany in 1992-2006 (Dietz, 2007: 15).

During the **second period** (1994-2003) the economic factors caused by the deep economic crisis of the transition period were determinative. The number of immigration significantly decreased, while emigration increased and the net migration became negative, starting from 1994 (Figure 2.2). The most important component of migration was labour migration, which reached its maximum at the beginning of the millennium.

Travels abroad became an important aspect of survival for many Ukrainian families. The so called “shuttles”, i.e. petty traders, shipping small amounts of goods across the border, gained incomes from the difference in prices and exchange rates. At the same time, the experience gained by the “shuttles” and the established connections enabled Ukrainian citizens to enter the international, particularly, the European labour market (Frejka et. al., 1999). This period was characterised by irregular labour migration, i.e. the majority of Ukrainian labour migrants moved to European countries on tourist visas and worked there without appropriate permits.

Emigration became less ethnically characterised. Even official emigration data – which only cover a selected fraction of all those who take up residence abroad – show an increase in the share of ethnic Ukrainians in the total emigration (Figure 2.3).

The **third period** started in 2004 and is still ongoing. It is characterized by a stabilization of migration movements and also by resolving the issue with status of irregular migrants who left Ukraine earlier. According to the official Ukrainian statistics, a positive migration balance, even though not significantly high, has been observed during this period (Figure 5). At the same time, according to the data of the destination countries, UN experts calculated that the real balance of Ukrainian emigration is still negative and it could amount to 35,000 people per annum in 2000-2005 and 8,000 people per annum in the following years (UN Population division database, 2010 revision).

According to a State Statistics Committee survey on labour migration conducted in 2008, about 50% of the emigrated Ukrainians work in Russia, others - in the neighbouring Central European countries (Poland, Czech Republic, Hungary, and Slovakia) as well as in the Southern European countries (Italy, Spain, Portugal, and Greece) (Figure 2.4).

The legal status of Ukrainians abroad improved due to migration amnesties in several destination countries (Italy, Spain, Portugal, and Greece) and to new legislations on foreign employment (Russia and Poland). According to the survey, in 2008 35.1% of labour migrants had permits for work and residence, 39.3% had temporary registration, and 25.6% stayed abroad without any official status. The biggest share of such irregular migrants was reported for Poland (56.2%) and Italy (36.2%), while the lowest number was reported for Spain (Figure 2.5).

At the eve of the global financial and economic crisis, the decrease in intensity of officially registered departures abroad was accompanied by the return of migrants back home (if one considers those people who lived abroad for a long time) or the termination of trips to neighbouring countries for employment purposes (if one considers workers who make short but systemic trips for employment purposes).

Based on the results of the research conducted by the European Training Foundation (ETF) in 2007⁹, the share of returning migrants within the total population amounted to 3.2% (ETF,

⁸ The number of Czechs decreased by 35 % in Ukraine in 1989-2001, the number of Poles decreased by 34%, the number of Slovaks – by 19%, the number of Germans – by 12%, the number of Greeks – by 7%, and the number of Hungarians – by 4% (SSC, 2003).

⁹ European Training Foundation (ETF) conducted a study of correlations among migration, education and training systems, and labour markets in Ukraine in 2007. A sample of 2,100 people was identified (1,086 potential and 1,014 returning migrants).

2008: 32). As the number of the working age population in Ukraine is approximately 30 million, this share of returning migrants amounts to 900,000 people.

However, the financial and economic crisis did not cause any notable intensification in the flow of workers returning back home. First, the situation in destination countries still remained more favourable than in Ukraine. Second, even though many construction workers most probably lost their jobs abroad, migrants employed as household servants, agricultural workers, and transport workers mostly retained their jobs. The labour migration from Ukraine rose again after the economy in the neighbouring countries has recovered - particularly in Russia in 2010. Moreover, the crisis conditions became an additional factor for transformation of the temporary labour migration into a permanent one and for an intensification of labour migrant families' reunification process in countries of their employment (Levchenko, K. (ed.), 2010).

2.2. Main internal migration trends

The most notable characteristic of internal migration movements after 1991 is a decrease in their volume¹⁰. While in 1989-1991 up to 3 million arrivals and departures were registered, recently this number was just 1.5 million. More than the half of all resettlements takes place inside the regions and only one third – between the regions of the country.

The termination of the practice of the obligatory balanced distribution of higher educational institutions' graduates of the Soviet era, as well as economic troubles of the 1990s (impoverishment of the population, problems with employment, high housing prices, restriction of access to education due to high costs, significant increase in transport tariffs, etc.), led to a decrease in the number of registered resettlements.

The volume of internal migration has stabilised, starting from the mid-1990s. The economic buoyancy period at the beginning of the 2000s was characterised by some intensity in internal migration. However, a decrease in the number of resettlements was registered in 2009, which was the recession year. After the recovery of the economy in 2010, the volume of internal migration has somewhat increased again (Table 2.2).

Correspondently, the periodisation of internal migration, same as the periodisation of foreign migration, is related to political changes, public order transformation, and, first of all, tendencies of economic development in the country. Three periods of internal migration development can be distinguished: the first covers the beginning of the 1990s, the second – the second half of the 1990s, and the third – from the beginning of the century until now. The difference between the indicators of internal and external migration is due to the fact that internal migration decreased as an answer to the worsening of the situation in the country, while external migration grew. And vice versa, economic buoyancy led to activation of internal migration and to a decreased number of travels abroad.

Kyiv, the capital of the country, is the main recipient in the cross-regional exchange of the population.¹¹ The inflow of migrants ensures the increase of the Kyiver population in addition to the compensation of the natural depopulation (the number of deaths exceeded the number of births by 2008, the increase in birth rate in 2008-2010 ensured a small natural population growth in Kyiv). Further population growth due to internal migration can be observed in the

¹⁰ Statistics of internal migration (and actually registration at the place of residence) is more accurate than statistics of external migration, since payment of pensions, social assistance, medical services, participation in elections, and many other issues are linked to registration. At the same time, the procedure of employment inherited from the Soviet times, under which one could formalise labour relations only in case he/she had registration in the correspondent settlement, was lifted in 1997. This opened broad opportunities for the development of internal migration which not always was accompanied by a change of the place of residence or by a registration of such change and, therefore, not recorded statistically.

¹¹ The net migration growth of Kyiv population at the expense of other regions amounted to 4,100 people in 1995 (0.16 per 10,000 of population), then in 2000 the number was 12,900 (0.5 per 10,000 of population) and it was 24,800 in 2007 (0.9 per 10,000 of population). Due to crisis the number decreased to 15,400 in 2009 and to 10,600 in 2010 (0.6 and 0.4 per 10,000 of population correspondently) but still remained the highest in Ukraine (Kyiv Statistics Administration).

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largest industrial regions of Ukraine (Kharkiv and Dnipropetrovsk oblasts), the Autonomous Republic of Crimea, and in Sevastopol city.

A resettlement, conditioned by the Chernobyl catastrophe of April 1986, is Ukraine's specific form of internal migration. Over 90,000 people were resettled during the first three months after the accident. 35,900 individuals were resettled from settlements which suffered from the accident in 1990-2003, 31,700 people left on their own.

Migrations between the urban and rural areas dominate in the internal redistribution of the population¹². In the 1960s-1980s, the rural areas lost annually 150-250,000 people due to the buoyant industrialisation and urbanisation processes in the urban areas. One half of the country's population resided in urban areas already in 1963 and at the moment of independence promulgation in 1991 it amounted to 68%.

At the beginning of the 1990s, the migration to urban areas slowed down due to the economic crisis of the transition period. Unemployment and high prices in urban areas forced many recent migrants to return back to rural areas, where land plots provided them with major foodstuffs. The migration balance of rural population was negative, amounting 36,400 people in 1991; then in 1992 it became positive for the first time and reached the level of 78,700 people. The migration balance between the urban and rural areas was in favour of the latter in 1992-1996 and amounted to 141,500 people. However, already in the second half of the 1990s, the migration flows have balanced and the rural population started decreasing again, due to the migration flows to cities after an improvement of the economic situation. The losses of the rural population exceeded 50,000 people in 2005. The global financial and economic crisis led only to an insignificant decrease in this indicator.

Rapid decrease in agricultural employment (3,5 times lower in 2010 than in 2000, which caused high unemployment rate of the rural population – 7.1% in 2010 (SSS, 2011), economic attractiveness and better life conditions in the urban areas were important factors for a decrease in the share of the rural population, constituting 31.3% of the overall Ukrainian population in 2011 (SSS). Reforms in agricultural production under market conditions caused a collapse of big agricultural enterprises of the Soviet type (collective farms and co-operative farms) and of numerous social sphere enterprises which often belonged to collective farms and co-operative farms, while new forms of economic activities developed extremely slowly. The low number of offered jobs was accompanied with an extremely low labour remuneration: the average wage is almost twice as low in the agriculture compared to the manufacturing industry (UAH 1,430 against UAH 2,580 or EUR 130 and EUR 235 correspondently in 2010 (SSS)). All these aspects contributed to an impoverishment of the rural population, with a poverty and social exclusion level much higher than in urban areas and causing an intensified migration to urban areas, particularly among young people.

The permanent resettlement from rural to urban areas is being slightly hindered by a lack and high cost of accommodation in urban areas and also by the necessity for many families to preserve subsidiary plots for growing food. Because of this and also due to the cancellation of Soviet state "propyska" registration system, which demanded a confirmation of residence for employment reasons (see reference 10), commuting became widely spread. Furthermore, a new form of internal labour migrations emerged: the inhabitants of villages and small towns work on a temporary or even permanent basis in the capital of the country or in the biggest industrial centres, but still keep their permanent residence in rural areas (or are just registered there).

¹²Cities (towns) and urban type settlements belong to urban areas in Ukraine. To cities (towns) belong settlements with population of not less than 10,000 people most of which are employed in manufacturing and service industries. The urban type settlements contain not less than 2,000 people, over half of which are not employed in agriculture or forestry. Rural settlements are characterized by the fact that majority of their inhabitants work in agriculture. Among rural settlements legislation distinguishes small (up to 500 inhabitants), medium (500-1,000 inhabitants), and large (over 1,000 inhabitants) villages.

A statistical survey, conducted in rural settlements in 2005, identified over 1 million of rural inhabitants who worked in urban areas¹³. This amounted to 28.5% of the total employed rural population. The highest number of rural inhabitants who have migrated to regional centres for employment purposes was registered in Kyiv oblast and also in the most industrially developed Donetsk, Kharkiv, and Lugansk oblasts. The number of rural inhabitants employed in urban areas increased by one third in five years from the time of the previous survey (IDSS, 2007: 180).

The data of the above mentioned survey, unfortunately, does not allow distinguishing between rural commuters and those who work in more distant towns and live there during the whole employment period, i.e. internal labour migrants. According to the expert estimates, the number of labour migrants in Kyiv migrating from more distant regions of Ukraine is two times higher than the number of commuters (Pozniak, 2007: 113).

Kyiv oblast and the neighbouring Chernigiv and Zhytomyr oblasts are the main suppliers of labour migrants to Kyiv. Odesa oblast and the Autonomous Republic of Crimea, known for its high number of seasonal works in agriculture and the recreational sphere, also attract a significant number of internal labour migrants. Among the donor regions (beside Kyiv, Chernigiv, and Zhytomyr oblasts supplying labour migrants for the capital) Ivano-Frankivsk oblast should be mentioned, whose inhabitants often work in Lviv and in Kyiv.

Internal labour migrants are employed, first of all, in construction, trade and public catering, transport, and also in households of rich urban inhabitants (Pozniak, 2007: 117). Internal labour migration is for many Ukrainian families an alternative to international migration, since it is, obviously, much easier to realise and is characterised by lower risks.

2.3. Main characteristics of migrants

Official migration statistics show changes of the age and gender structure of international migration since the beginning of the 1990s. In Soviet times, the majority of migrating population were young people, who headed to other territories to study, work, or military duties, and was characterised by larger share of men than women. In the 1990s, usually complete families migrated, which is typical for repatriation and forced migration. Subsequently, the average age of migrants increased and the gender composition became more uniform (Pozniak, 2007: 63).

The participation of young single people in internal migration movements increased in the 2000s due to some stabilisation of the economic and political situation and an intensification of educational migration. People aged 15-29 years constituted over 50% of internal migrants during these years. Even under conditions of a positive migration balance of rural population in 1992-1996, the migration balance for younger age groups of population remained negative (IDSS, 2007: 173). A distinctive feature is the higher share of young females leaving villages compared to young men. At the same time, the return of former rural migrants in retirement and pre-retirement age to villages has been observed (Geyts, 2009: 212).

As for the international labour migrants' characteristics, the data of a survey, conducted by the State Statistics Committee in 2008 (see reference 7), shows that males dominate with 67.2% (SSC, 2009a: 27). However, comparing to the survey results of 2001, the share of females increased notably (from 24% to 32.8%). The gender structure of migrants differs, depending on the country of destination and the nature of jobs in the country¹⁴. 81.3% of all migrants to Russia were male, while regarding the labour migration to Italy, males accounted only for 39 %.

¹³ The State Statistics Service of Ukraine conduct surveys of rural settlements usually once in five years (the most recent was at the end of 2005). Special application forms are filled in for each rural settlement. The following information is provided through those application forms: number of inhabitants of a settlement working outside the settlement, including the number of those who work in cities (towns) and urban settlements of the same oblast, the number of those who work outside the oblast, the number of employed abroad.

¹⁴ Construction is the major employment sphere of Ukrainians abroad (over a half of migrants work in it). Household servant services are on the second place (16.3%) (Figure 2.6).

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The majority of international labour migrants are urban inhabitants (55%). However, in relative terms, emigration is much more important for rural regions, as it makes up about 8% of the rural labour force compared to about 4% of the urban labour force.

The age of labour migrants increased gradually. According to the survey of the State Statistics Committee of 2001, the average age of labour migrants was 34.6 years and increased to 36.7 years according to the 2008 survey. Female migrants tend to be older than male migrants, the average age being 37.9 and 36.2 respectively.

As for the internal labour migrants, they differ from the migrants abroad because of their age. They are notably younger than workers in the places of their employment. For example, the share of young people among the push-pull migrants in Kyiv is 1.5 times higher than that among the employees (Pozniak, 2007: 117).

The educational level of officially registered migrants was recorded by migration statistics the last time in 2005. According to the data, mainly highly educated individuals emigrated abroad for permanent residence. These emigrants had on average 11.0 years of education in 1995, while in 1999 the educational level reached 11.2 years and remains almost unchanged since then. The educational level of those who emigrated outside the former USSR was the highest - 11.7 years of education. Herewith, the share of people with higher education among those who migrated to countries which were not members of the USSR is more than 1.5 times higher than among those who migrated to post-Soviet countries (Pozniak, 2007: 63).

Emigration of scientists was a notable component of the migration process: in 1991-2002 State Statistics Committee recorded emigration of 574 Doctors of Sciences and in 1996-2002 – 907 Doctors of Philosophy (Karpachova, 2003: 27), i.e. 80 Doctors of Science and more than 100 PhD on average per annum. In 2002 the numbers were 19 and 69 correspondently, revealing a gradual decrease. First, the majority of those who wanted to leave already did so. Second, highly qualified experts have more opportunities for employment in Ukraine, also because of implementation of joint projects with foreign scientific institutions and firms. Third, temporary migration abroad aimed at internships or scientific work was more common rather than emigration for permanent residence. As already mentioned above, migration statistics mostly do not provide data on temporary migration.

Educational characteristics of labour migration abroad changed during the past years. Highly educated people, who appeared to be more mobile because they had more information, were proficient in foreign languages, etc., were the first who emigrated abroad for employment purposes in the 1990s. According to the data of the survey of the State Statistics Committee of 2001, 18.8% of labour migrants were with a second stage of tertiary education. In 2008, 13.9% of labour migrants had the second stage of tertiary, whereas the share of individuals employed in Ukraine with the same educational level was higher (23.2% of all employed) (SSC, 2009a: 31). At the same time, the majority of labour migrants (59%) had upper secondary education, while only 43,2% individuals with the same educational level where employed in Ukraine (Figure 2.7).

According to the results of the survey¹⁵, the education of internal labour migrants, at least of those working in the capital, is characterized by a high share of workers with higher (59.4%) and vocational secondary (20.3%) education (Pozniak, 2007: 117). At the same time, the share of internal labour migrants either not working in their specialisation or working below their qualification is higher than the share of local inhabitants.

The data of some surveys serve as the only source of information about the characteristics of migrants returning back to Ukraine. In particular, according to the data of the survey prepared by the ETF in 2008 (see reference 9), migrants return, first of all, to cities and to the Western region of the country. Around 60% of them are males; their average age is 37 years. They are characterised by a high educational level: 37.5% graduated from higher educational

¹⁵ The survey of migrant workers in Kyiv was conducted by the Institute for Demography and Social Studies, the NAS of Ukraine in 2005. 270 migrants were interviewed and snow-ball sample was applied.

institutions (ETF, 2008: 32). Partially, such high number is obtained because the survey has also covered those who went abroad for educational purposes (6.1%). At the same time, surveys focussing on labour migration also prove that the high educational level is a factor stimulating repatriation: the share of people with higher education among returnees exceeds the share of people with higher education among the labour migrants in general (Levchenko, 2010: 127).

3. Labour market and social development trends under the influence of emigration

3.1. Economic and labour market developments

Influence of migration on demographical structure and labour market. During the period between the Censuses (1989-2001), external migration caused a decrease in the total Ukrainian population by 0.9%. However, the number of males and females aged 25-29 years decreased correspondingly by 6.8% and 4.9% and of males and females aged 30-34 years decreased by 3.7% and 2.1% correspondingly. Therefore, migration losses covered almost exclusively the most economically active age strata of the population. At the same time, migrations have conditioned an increase in the share of children, teenagers, and elderly people aged over 70 years, i.e. those persons who are not yet or not anymore active on the labour market. If there would have been no emigration in 1989-2001, the unit weight of people of the most economically productive age (25-44 years of age) would be 0.5% higher, while the indicator of the demographic loading on the working age population would be 2.5% lower (Table 3.1).

Temporary labour emigration has a stronger influence on the domestic labour market, particularly on the level and scale of unemployment. According to the calculations of experts of the Institute of Demography of NASU, the unemployment level would be 1.6 times higher in 2008, if there would have been no labour migration (Kalicka et al., (2009): 234).

At the same time, some lack of medical and pedagogical workers, builders, electric welders, drivers, and oil production specialists is observed in the net migration loss regions. The fact that the most active and entrepreneurial individuals emigrate is the most disturbing one, since this can create additional difficulties in the modernisation process of the country¹⁶.

Remittances to Ukraine. According to the World Bank (WB) data, the scale of private cash remittances to Ukraine is quite high (Figure 3.1). Ukraine is just behind Russia and Serbia in the volume of cash inflows in the region of Eastern Europe and Central Asia (WB, 2011: 26). The estimates of the private remittances' scale prepared by the National Bank of Ukraine (NBU) are even higher (Table 3.2).

All the estimates confirm rapid growth in the volume of remittances in the second half of the 2000s. This is not only due to labour migration, but also due to the improvement of the situation of migrants caused by regularisations established in several countries of destination, as well as the increase in the share of remittances through official channels. Such situation was a result of proceedings initiated in 2004 by the Antimonopoly Committee of Ukraine against the financial services company Western Union which enjoyed the monopoly position in the market. As a result, the company agreed to decrease its tariffs¹⁷ (Antimonopoly Committee of Ukraine, 2007). Higher affordability of official remittances was ensured by legislative changes adopted in 2006 according to which the right to operate with foreign currency was granted to the Ukrainian Post Service, with offices situated all over Ukraine and moderate cost of services. The observed increase in transfers was also the result of the revision of the methodological approaches according to the IMF

¹⁶ An interview with the Deputy Ministry of Economic Development and Trade of Ukraine Mr. A. Maksiuta.

¹⁷ Cost of remittances from Czech Republic amounted to 21% of the sum, cost of remittances from Spain – 17%, from Portugal – 16.5%, and from Russia – 16%. The cost of remittances from Russia decreased by 2.5 times and from Portugal, Spain, Italy, Czech Republic, Poland, Greece, Israel, and Kazakhstan – by 2-4 times.

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recommendations by the NBU in 2007. However, the labour migrants' cash resources which came into the country through informal channels were still estimated as 15-16% of the total amount of remittances (Kravec, Mahaieva, 2007: 25).

The record value of remittances to Ukraine has been registered by NBU in 2008 – EUR 4,403,725, or 3.4% of the GDP¹⁸. During the crisis of 2009, according to the NBU data, EUR 3,850,014 of private transfers have been sent to the country through both official and unofficial channels, that is 13% less than in 2008 (NBU, 2009). However, the depreciation of the GDP due to the crisis was much stronger than the decrease in remittances, causing a 4.6% increase in the share of remittances within the GDP in 2009. Furthermore, inflow of funds into the country through other channels significantly decreased. Particularly, the direct FDI decreased from EUR 7,3 billion in 2008 to EUR 3.5 billion in 2009. Therefore, remittances became an important financial source of the Ukrainian economy and fully confirmed its anti-cyclical nature.

During the recession in 2009, the largest decrease in cash remittances was observed for transfers from Russia (almost by one third). This was caused by a significant decrease in the economic activities in this country, the nature of labour migration to its territory (mostly seasonal migration), and also by the free border crossing regime and low transport costs conditioning the return of a significant share of migrant workers to Ukraine. Same factors conditioned a fast recovery of migration after the economic revival in Russia in 2010. As a result, the volume of cash remittances from Russia almost returned to the pre-crisis level.

The decrease in cash remittances from Italy, Spain, and Portugal also appeared to be significant: by 19%, 29%, and 22% correspondently. In contrast to Russia, the recovery of receipts from these countries did not take place and still is in a downfall. This can be related to both continuing recession in these countries and decreasing migration due to the decrease in demand for Ukrainian labour force.

Overall, cash remittances increased by 9.2% in 2010 compared to 2009. The cash remittances volume was estimated by the NBU as EUR 4.3 billion which is 4.3% of the GDP.

Use of remittances. According to the data of the survey, conducted by the State Statistics Committee in 2008 (see reference 7), 72% of remittances are invested into the purchase of daily goods (Table 3.3). There are no proofs of any significant investment into the development of agricultural or industrial production. This is due to the fact that earnings are insufficient for serious investments, cheap credits are not available, and the climate for small business investment is unfavourable in the country. Not less significant is unpreparedness of migrants themselves to start their own business in Ukraine. A low level of awareness about the situation in the home country, particularly, regarding business opportunities and legal requirements, loss of social connections, insufficient knowledge in the field of entrepreneurship, and personal characteristics of the significant share of migrants returning back (return to the home country is often conditioned by an impossibility to continue working abroad due to age, health, or family circumstances) are additional reasons for the generally low entrepreneurial potential among migrants.

At the same time, the comparison of characteristics of migrants and of the total population allows the conclusion that migration in some way is positively related to development of entrepreneurship. In particular, survey of migrants' households of 2001 (see reference 5) showed that the share of the self-employed (i.e. entrepreneurs who worked without hiring

¹⁸ Calculation of private remittances' amounts is held by the NBU without taking into account of citizenship of both sender and recipient, since it is not indicated during realisation of the banking operations. So, remittances of other countries' citizens sent to Ukraine to both addresses of Ukrainians and foreigners staying in Ukraine are included to the total value of remittances. One should also take into account long period of time Ukraine was a part of the former Soviet Union and strong family connections between the population of Ukraine and populations of the Post-Soviet countries, first of all Russia that have significant importance for the volume of private remittances, even though it is not related to labour migration. As a result, actual volume of remittances of migrant workers from abroad is, possibly, lower than the volume of private remittances showed in the balance of payments.

employees) among people with migration experience is 1.5 times higher and the share of employers (former migrants had hired on average 5 employees) is by one third higher than respective shares among the employed population in general (Pozniak, 2007: 139).

Another observation reveals that, remittances often negatively affect the economic activity of the population. After returning back to Ukraine, migrants often refuse to work, because they cannot find a job with an adequate remuneration. Then after spending the previously earned abroad money, they move abroad for employment purposes again. Furthermore, remittances from abroad lower the motivation for employment of members of migrants' families who remain in the country. According to the statements of representatives of local authorities and business, the employable members of migrants' families often are not interested in labour activities in regions with mass migration, since they receive from abroad much higher funds than they can earn in Ukraine (Pisarenko, Chekan, 2005: 20).

Significant investments of migrants into housing caused a rapid increase of housing projects in the regions with significant external labour migration. This growth was significantly higher than the average country level (Figure 3.2). These capital expenditures apparently caused employment growth, which is especially important for rural areas where the problem of employment is even more acute. In addition, large scale housing construction (reconstruction or repair of old housing) conditions increase in demand for construction materials, bathroom fitment, furniture, etc. This, cumulatively, positively influences on economic situation in the country, especially in the regions of emigration.

At the same time, there are proofs of the influence of private remittances' on increases in prices. The economists warned already in 2005 that remittances can be considered as one of the catalysts of formation of the speculative "bubble" in the real estate market which, in turn, threatens stability of financial institutions and reliability of preserving citizens' savings (Pisarenko, Chekan, 2005: 30). This statement was fully confirmed during the years of the global financial and economic crisis.

Such a negative consequence as "necrosis" of capital, i.e. construction expenditures in depressed regions where there are no jobs and where newly constructed houses remain unused, is also related to the investment of the earned abroad funds into housing construction. Some migrants invest their funds into purchasing housing in regional centers or in the capital. This speeds up migration of young people from their home grounds with all the negative consequences for the rural development.

Impact of emigration on human capital development. Beside the purchase of daily goods and durables, construction and repair of houses, remittances are also used for the payment of tuition fees and education, albeit to a much lesser extent.

The demand for higher education increased due to the growing earnings of migrants and this stimulated the development of educational industry, first of all in the regions with large migration outflows. In particular, an increase in the number of higher educational institutions, of students, and of graduates in the Western regions is above the Ukrainian average. Particularly, in Ternopil oblast the number of trained graduates of the higher educational institutions increased by 3.8 times from 1995 to 2010 (Ternopil Statistics Agency Web-site).

Unfortunately, the professional formation does not meet the needs of the labour market in Ukraine and the failure to find a job according to their specialisation forces young people either to find employment in other fields, or to go to other regions of Ukraine or abroad. According to estimates of economists, the annual outflow of recently graduated specialists who have migrated abroad is about 10-12% (Danylyshyn, Kucenko, 2005: 28). The majority of migrants perform work which needs much lower qualification. Non-recognition of Ukrainian educational documents in most countries of destination explains this tendency.

Thus, the phenomenon of "brain drain", which is the reason for a worsening of the qualitative characteristics of the employees in the country, is the most serious problem. Even though training of professionals in Ukraine increased after the independency, the First All-Ukrainian

Census of 2001 documented a worsening of indicators of the educational levels of young generations. According to expert estimates, Ukraine lost 15-20% of its specialists with higher education due to emigration and transfer of workers to jobs not needing professional work and knowledge during the 1990s (Kucynska, 2006: 82).

According to the data of the Ministry of Health, Ukraine is a donor of medical personnel for the neighbouring countries, i.e. Russia and Poland, and also for the USA, Canada, etc. The MH continuously receive requests from abroad concerning the quantitative indicators of medical workers' training in Ukraine and concerning their further training plans (Skrypnyk, O., 2007.) The recruitment agencies actively employ nurses for the USA, Canada, Italy, etc.

This is also one more reason for a decrease in availability of practicing physicians, i.e. those who provide the first hand assistance. In 2011, 19.2% of doctor's positions were vacant in the healthcare institutions in Ukraine. The share of the working doctors in retirement age is 24.5%, while the deficit of nurses is even higher (Cabinet Council of Ukraine, 2011c).

3.2. Social Security

According to the data of a 2008 survey of the State Statistics Committee (see footnote 7), the majority of Ukrainian migrants abroad (83.6%) worked on hire; however, it is important to notice, that only one third of them had a labour contract, while the others worked under oral agreements. The lowest number of cases on formally completed labour relations was among people working as servants (16.1%), in trade (31.5%), and in construction (32.7%). Further, only 51.5% of the people having labour contracts are covered by social security (pensions, medical treatment, unemployment benefits). A better situation could be observed among those who worked in Spain, Hungary, and Czech Republic, whereas people working in the Russian Federation are the least protected (SSC, 2009a: 46).

Ukraine is one of the parties in the agreement between the CIS countries *On Cooperation in the Field of Labour Migration and Social Security of Workers-Migrants* from 15 April 1994. Bilateral agreements on employment have been concluded with CIS countries such as Azerbaijan, Belarus, Armenia, Moldova, and the Russian Federation (Table 3.4).

A special feature of the agreements concluded with CIS countries is the fact that they contain separate provisions on the acceptance of educational documents and granting qualification without any legalisation. Also, these agreements contain provisions on acceptance (accounting) of job tenures and registration of correspondent records into the employment history, which implies both the period of USSR and after the collapse.

Agreements on employment with Poland (the Agreement was amended with the Protocol on seasonal employment), Czech Republic, Slovakia (the later two agreements expired), Lithuania, and Latvia were signed in the years 1993-1996.

These agreements are actually identical in meaning. The majority of them regulate the procedure for compensation of losses caused by industrial accidents and professional diseases, responsibility for which lies in the country where the event took place. However, the realisation of this provision is sometimes problematic because of the inconsistency of legislation in different countries. For example, compensation which is being accrued by Turkmenistan through the translation of Soviet Ruble into other present-day currencies is so small that there is no sense in receiving it. The Baltic States pay compensations for six months, even though Ukrainian legislation foresees life-long payments¹⁹.

The agreements signed later, particularly, with Portugal and Libya (2003), are more specific. They foresee employment mechanisms, labour contract conditions, main requirements for candidates, etc. The Agreement with Spain (2009, not ratified) covers 3 categories of workers simultaneously: permanent and seasonal workers as well as trainees.

¹⁹ Interview with Mr. O.Postoiuk, Head of the Department of the Ministry of Social Policy of Ukraine.

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Thus, employment agreements have a rather political importance; they serve as Memorandum of Intent of partners regarding the development of cooperation in the field of employment (Rozka, 2009). Agreements on pension provision and social security are much more important for the purposes of satisfying the needs of particular individuals.

The agreements on these issues signed by Ukraine should be divided into two categories: agreements in which the territorial principle of social security is used; and agreements based on the proportionality principle.

The territorial principle, according to which the social security is provided in accordance with legislation and at the expense of the state in which the person is living, is the basis for Agreements signed by CIS countries: multilateral Agreement of CIS member states *On Guarantees of Civil Rights in the Field of Pension Provision* of 13 March 1992 (12 members of the Commonwealth are parties of this Agreement); bilateral agreements with Belarus, Georgia, Azerbaijan, Moldova, and Kazakhstan. Ukraine is also a successor of the agreements on social security, concluded by the USSR with Mongolia, Hungary, and Romania, which are also based on the territorial principle. These agreements successfully solve issues of pension provision for Ukrainian citizens which have worked on the territory of the former USSR or moved there for the purpose of residence after retirement. However, the situation has changed during the last decade, even though at the moment of signing of these agreements almost identical pension systems were operational in all Post-Soviet states. In particular, some countries increased their retirement age, the duration of the job tenure which is required in order to receive pensions, and the procedure for calculating pensions have been changed repeatedly. All this significantly complicates the implementation of the territorial principle of the pension provision (Tkachenko, 2009: 72).

According to the proportional principle, each country is responsible for its share of insurance commitments. Such agreements are concluded with Bulgaria, Estonia, Spain, Latvia, Lithuania, Slovakia, and Czech Republic. The Agreement with Portugal was signed in summer 2009. These agreements foresee mutual accounting of job tenure and payment of benefits within the pension insurance, occupational injury insurance, unemployment insurance (is not envisaged in agreement with Spain), etc. Negotiations concerning the signing of the correspondent agreements with Germany, Israel, Italy, Greece, etc. have been initiated by Ukraine²⁰.

The provision on mutual accounting of the job tenure is the key provision. It is important for entitlements for different types of assistance and pension. The entitlement comes into effect only if a person complies with the requirements for the pensionable service. The agreements foresee also a mechanism of transferring assistance and pensions from abroad. They concern, in particular, old age pension, pension in case of the loss of the breadwinner, industrial accident and professional disease benefits, and also payments because of death due to these reasons, and assistance due to a temporary loss of labour capacity.

Experts think that in general, the Agreements ensure social protection of citizens which are legally employed or were employed in countries with which those Agreements were concluded, even though some difficulties with implementation of Agreements still take place²¹. These are related to mutual acceptance of medical reports, since different countries may use different indicators, with translation of the necessary documents (funds from the state budget are not appropriated for this needs and this hinders the reaching of a consensus between Ukrainian and foreign social insurance institutions).

Agreements on social security not just guarantee citizens' social protection but also stimulate legal employment, facilitate return and adaptation of migrants in Ukraine. Employees of the Ministry of Social Policy think that such agreements serve as one of the rare methods to

²⁰ Social security agreement between Ukraine and Germany is already ready to be signed; negotiations with Israel go on; there is no progress in talks with Greece and Italy as for now.

²¹ Interview with Mr. Postoiuk O.O., Head of the Department of the Ministry of Social Policy of Ukraine.

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motivate migrants to return to Ukraine²². If there are no inter-country agreements, then migrants returning to their home country lose the rights acquired in foreign countries, same as contributions to social funds of those countries. This induces some migrants to continue their stay abroad and to make a decision in favour of migration aimed at permanent residence.

These agreements have become even more important after the 2011 Pension Reform in Ukraine which, particularly, increased the minimum pensionable service record required for eligibility to old age pension from 5 to 15 years.

However, agreements are not been signed by all countries in which Ukrainian citizens are employed. In addition, loopholes in the Ukrainian legislation narrow the scope of agreements' application. In particular, a system of medical insurance still does not exist in Ukraine. This does not allow foreseeing relevant regulations in the inter-country agreements. Therefore, even in the case when a migrant is employed legally in a state which is a party of the relevant agreements, upon returning to Ukraine he/she will not be able to benefit from the time period of medical insurance acquired abroad.

According to the data of the Pension Fund of Ukraine, Ukraine has transferred abroad EUR 1.818 million as pension payment in 2010. At the same time, foreign countries transferred to Ukraine EUR 1.960 million to ensure payments to 900 pensioners (Table 3.5). This means that pensioners of foreign countries received on average around UAH 2,000 a month (around EUR 180), i.e. almost twice as much as the average Ukrainian pension (UAH 1,100 or around EUR 100). Some share of pension payments is conducted by foreign states not through the Pension Fund of Ukraine but directly to citizens' accounts and, correspondently, are not reflected in the official statistics. Such a procedure is foreseen by the agreement with Spain. However, the number of payments by foreign pension funds is not high. This can be proved by the data on pensions, paid by the Federal Pension Fund of Germany to citizens of Ukraine. Overall, there were 1,724 such individuals in 2008. At the same time, just 60 of them transferred their pensions to Ukraine.²³ In other words, German pensions have benefited not labour migrants but individuals living in Germany permanently.

For those individuals living or working abroad in countries not covered by inter-country agreements, and also for irregular migrants, a procedure of voluntary pension insurance has been introduced in Ukraine in 2004. The minimum monthly contribution is 20 Euro, which is equal to the minimum pension contribution according to the Ukrainian legislation on pension system. It is also possible to pay contributions for the period not covered by the pension insurance.²⁴ However, as of today, just a few migrants snatched such an opportunity. 4,765 agreements on voluntary pension insurance of Ukrainian citizens residing abroad are registered by the Pension Fund of Ukraine as of January 1, 2011. The lack of trust in financial institutions of the state - which has even worsened during the crisis - is the main reason for the described situation. Migrants, usually, do not dare to deposit a significant amount of money in the Pension Funds, which would ensure a relatively high pension and there is no sense to make small deposits and obtain the minimum pension as a result (approximately UAH 800 or EUR 70) as upon their return to Ukraine the national legislation guarantees the payment of the minimum pension to Ukrainian citizens in any case.

Also, returning migrants and members of their families living in Ukraine use medical services at the expense of the state and receive other social benefits, for example child birth allowance. Regarding disability pensions resulting from work accidents, migrants having worked illegally abroad receive a significantly lower disability pension than migrants who can provide documentary proof of their employment record (in the latter case the disability

²² Interview with Mrs. I. Rozka, Head of the Unit of the Ministry of Social Policy of Ukraine.

²³ Compiled from the Statistics of the German Pension Insurance Fund (DRV-Bund), Time series Table 903.00 G RV

²⁴ It is possible to make an agreement on this by phone, fill in the application form through the Internet, or send the application by mail.

pension is calculated depending on the previous wage of an injured worker and added to the minimum pension). The pension in case of loss of the breadwinner would be granted to members of migrant's family also on a regular basis. However, regarding irregular migrants, this will also be the minimum one and the wage of the deceased will not be taken into account.

Upon return, migrants, same as all citizens of Ukraine, can register as unemployed and take advantage of the employment centres' services in applying for a job and requalification. However, the unemployment benefits, most probably, will not be reckoned up to those citizens, since a person is required to work for at least 26 weeks during the year when obtaining the status of the unemployed.

Thus, just the first steps concerning social protection of workers-migrants in cooperation with countries of their employment were done. Due to the high share of migrants not covered by social security agreements, the main burden of the social benefits to labour migrants and members of their families lies on Ukraine.

3.3. Poverty and Social Exclusion

The relative poverty level in Ukraine remained constant during 1999-2010 (around 27%), however, the absolute poverty level has been decreasing during 2000-2009 (from 70.6% to 9.8%); the absolute poverty level increased to 16.8% due to the increase in the subsistence level in 2010. The risks of poverty are the highest for the following categories of families: families with three and more children (58.4% according to the data for 2010), families with two children (40.7%), families with children under 3 years of age (35.2%), and families with unemployed family members (36.3%) (See footnote 1).

Significant part of migrants keeps in touch with the members of their families which remain in their home country, especially regarding children, parents, or other close relatives. In particular, such relations are characterized by direct material assistance. According to the estimates based on the results of Household Surveys 2009²⁵, the Ukrainian population received UAH 12.8 billion or EUR 1.2 billion from abroad. Undoubtedly, this money is an important source of foreign currency inflow (especially into traditional net migration loss regions) and increase in internal consumption and investments. These funds form a quite stable but from the point of view of the unit weight (5.5% of total monetary incomes - Table 3.5) small income component of households receiving those funds.

However, the influence of remittances on poverty and inequality in the country is quite complex. First, the total amount is being distributed between the particular population groups extremely non-uniformly. Particularly in 2009, the poorest quintile received 15.6% of the total amount, the second quintile 16.4%, the third quintile 18.8%, the fourth quintile 19.5%, and the richest received 29.7%. Thus, the larger part of assistance from relatives abroad is received by the richer quintiles of the population, which significantly deepens the inequality in Ukraine. This is quite understandable as usually active people having some professional knowledge and financial means are able to pay for their trip abroad, costs for visa, working permit, services of intermediaries, etc. Usually, the total cost is measured from several hundreds to even thousands of dollars. Thus, mostly individuals who are more or less better-off leave Ukraine, while poorer individuals rather work in other regions of Ukraine.

Secondly, the regular inflow of remittances from abroad notably improves the financial standing of its recipients. Correspondently, difference in the cumulative effects for the rich and poor households is even bigger. Thirdly, while the poorest households invest the funds obtained from abroad almost exclusively in current consumption or medications, richer households invest some share either into construction of housing, education, or into own business. Fourthly, more qualified and higher educated emigrants (direct correlation between educational level and incomes is observed in Ukraine during the whole period of 1999-2009,

²⁵ Survey of Households' Living Conditions is conducted on the quarterly basis by the State Statistics Service of Ukraine in all the regions of the country; the sample size is 10,000 households.

i.e. migrants from rich families are, usually better educated and better trained) are more competitive also in countries to which they emigrate²⁶. They have better access to information, can utilize services of more qualified and more responsible intermediaries, can utilize contacts with those people, who left their home country earlier (usually with representatives of the same social stratum). As a result, migrants from such households receive higher incomes abroad.

The share of assistance obtained from abroad in the total monetary income is also higher in richer quintiles of the population. However, this assistance is not that important for family budgets – its share in the budgets of the poorest 20% of families is 4.3% and its share in budgets of the richest 20% of families is 6.6% (Table 3.6).

The results of analysis of the inequality level within Ukrainian population with the help of Gini coefficient and decile ratio (Tables 3.8. and 3.9) show that remittances from migrants increase the inequality level. They are on the fourth place among the inequality factors after remuneration, pensions, and entrepreneurial incomes (Table 3.7).

Regarding the overall poverty alleviation, effect of remittances received by family members from abroad is more accentuated in the case of absolute poverty. If there were no remittances, the relative poverty rate would increase from 24.1% to 25.5% and the absolute poverty rate from 16.8% to 21%²⁷ (see Tables 4.7, 4.8).

There is no reliable evidence on social exclusion of migrants' families or any tension with their surrounding. However, the analysis of the situation with children left in Ukraine show that among other problems those children have tensions in relations with peers. Better clothing and footwear, mobile phones and computers, and manifestations of exceptionality and superiority on the side of migrants' children related to material superiority cannot be left without any adequate reaction of peers and sometimes of some adults (Levchenko, 2008: 75).

4. Labour market and social development trends in net migration loss/gain regions

4.1. Identification of regions

The identification of the Ukrainian net migration loss and gain regions is based on some indicators: the share of the population which changed their place of residence at least once in their lifetime; the share of the population born outside the region; and the share of the population born outside Ukraine (by the Census 2001 data), the share of people which at least once went abroad for the employment purposes in 2005-2007 and the first half of 2008 (by the SSC 2008 survey data (see footnote 7) in the total working age population as of the mid-2008, and coefficients of migration turnover in the first decade of the XXI century.

According to the results of both internal and external migration flows and their influence on the number and composition of the population, 2 groups of regions were distinguished: donor regions (Group A) and recipient regions (Group B). Group A contains 10 oblasts in the West and Southern West of the country (Vinnytsia, Volyn, Zakarpattya, Ivano-Frankivsk, Lviv, Rivne, Ternopil, Khmelnytsk, Cherkasy, and Chernivtsi oblasts) and one Eastern oblast (Lugansk). These oblasts are characterized by higher emigration, compared to the average in Ukraine. Group B contains 3 regions (the Autonomous Republic of Crimea, Kyiv, and Sevastopol) which are characterized by higher immigration. Overall, Western and South-Western oblasts, which are closer to the borders with the EU countries, and Eastern Lugansk oblast, which is characterized by high intensity of labour migration to Russia, are the major labour donor regions for foreign countries.

²⁶ Own calculation on the basis of the Households' Living Conditions Surveys (see footnote 25).

²⁷ The relative poverty line is 75% of the median expenditures of an equivalent adult and the absolute poverty line is calculated according to the officially established subsistence minimum.

The Group B regions are characterized by a higher share of rural inhabitants²⁸ and show a higher demographic ageing level, due to the lasting high outflow of young and middle working age individuals: as of January 1, 2011, the proportion of individuals of 65 years of age and older within the composition of rural population is equal to 19% and 14% within the composition of the urban population (SSC, 2011: 28-36). Rural population has worse access to medical and educational services, lower educational level, and a lower life expectancy.

4.2 Labour Market development in net migration loss/gain regions

Failure to find a job with acceptable wage at the place of residence is the major motive of migration either to another region of the country, or abroad (Institute of Sociology, NAS of Ukraine, 2010: 567).

Comparing to the Group A regions, the Group B regions are characterized by a higher share of employed in agriculture and self-employment sector (21.5% versus 6.8% in the net migration gain regions, including 20.1% self-employed versus 7.0% in the regions of mass population inflows). The share of employment in the manufacturing industry is much higher in migration loss regions (11.0% versus 9.6%), although those industrial enterprises where highly qualified individuals work (particularly, machine building) are situated mostly in South-Eastern but not in Western oblasts. As a result, the structure of the employed through the economic activities in the net migration loss regions is obviously obsolete (Table 4.1).

The employment level in the net migration gain regions (Group B regions) is notably higher (by 9.8% according to the data of 2009) than in net migration loss regions (Group A regions) and higher than the average indicator for Ukraine (Table 4.2). The maximum difference was registered for 2002-2004 (12-14%): the economic buoyancy at the beginning of the century in the emigration regions' group started a bit later and lasted for a shorter period of time. The lowest employment level is traditionally observed in Ivano-Frankivsk and Ternopil oblasts.

The year 2009 was characterized by a total decrease in the employment level. An increase in employment occurred during the first half of 2010, but not in all Group A regions. The decrease in demand for labour continued in Lugansk oblast, the economy of which is in the most difficult condition.

The unemployment level in the net migration loss regions is significantly higher than in the net migration gain regions. It was almost twice as high during the economic growth period (2000-2008), which indicates that only in the big cities economic growth could be translated into employment. On the other side, the influence of the crisis appeared to be graver in net migration gain regions, where unemployment levels increased more than in net migration loss regions (Table 4.3).

Overall, the probability of unemployment in the net migration loss regions is 9.7% higher than the average in Ukraine and it is 1.5 times higher than in the net migration gain regions (Table 4.4). The educational level of the labour force in the Group A regions is significantly lower comparing to the average in the country, as well as to the Group B regions. Regarding the tertiary level, the share of people in the Group A regions with completed higher education is 27.2%, while in the Group B regions it is equal to 37.1% (the average in Ukraine is 27.8%). On the other side, the share of employees with completed secondary education is considerably higher (45.1%) in the loss regions than in the gain regions (36.0%) (Table 4.5).

4.3. Poverty and Social Exclusion in Migration Loss/Gain Regions

Regional variation in the relative poverty levels shows that inhabitants of the net migration gain regions are in a more favourable situation. This is quite natural, taking into account the

²⁸ Share of rural population in Ukraine is 31.3%, in donor regions it is 43.8%, particularly 62.8% in Zakarpattia, 56.7% - in Ivano-Frankivsk oblast, 56.2% in Ternopil oblast (SSC, 2011:19).

more developed labour markets and higher living standards in general, which makes them more attractive for inhabitants from other parts of Ukraine. In general, the highest poverty rate was registered exactly in the net migration loss regions during the whole period of 1999-2009. In particular, the relative poverty rate there was 26.6% versus 15.4% in the net migration gain regions in 2010 and the absolute poverty rate was 18.8% and 10.5% correspondingly.

Due to the deepening of territorial inequality, the differences in poverty rates between the Group A and Group B regions are grow. If the relative poverty rate in the net migration loss regions exceeded the rate in the net migration gain regions by 9.7 percentage points in 2000, then in 2010 the difference was equal to 12 percentage points (Table 4.7). Only the difference in absolute poverty rates between loss and gain regions slightly decreased over time (Table 4.8).

The levels of poverty and social exclusion in the net migration loss regions correspond to the high share of the rural population, which has a worse access to medical and social services (Table 4.9).

However, the remittances improve situation even despite their notable influence on the increase in inequality. This influence is stronger in the net migration loss regions: because of the assistance the absolute poverty rate decreases from 23.8% to 18.8% (according to the 2010 data), while in net migration gain regions the alleviation effect of remittances on the poverty level is also lower (from 13% to 10.5%) (Table 4.8). As already mentioned before, remittances tend to increase inequality between the poorer and the richer strata of the population. This trend can be also observed on the regional level (Table 4.6).

Crimea is an exception because a higher share of the quartile of the poorest households receives assistance from relatives (66.6%). This share is higher compared with other regions in Ukraine and also compared to other population groups in Crimea. Probably, this is because of specific family relations in Tatar families. Further, as we can see from table 4.6, the share of assistance recipients among the households in migration loss regions is higher than the share in migration gain regions. This allows the assumption that remittances tend to decrease regional inequalities.

5. Impact of migration on vulnerable groups

5.1. Women

Statistics show that compared to Ukrainian male migrants, female migrants are older, have a higher education, and also have a higher share illegal workers. Furthermore, the impossibility to visit the home country because of the unregulated legal status and a relatively stable employment of many migrant women in the field of service activities in remote countries of the Southern Europe cause a situation when women stay abroad much longer than men. According to the data of the State Statistics Committee of 2008 (see footnote 7) one fifth of the total number of women worked abroad over a year compared to only one tenth of men (SSC, 2009a: 35).

Longer employment in countries with relatively higher remuneration level conditions enable women to receive higher remuneration: on average EUR 595 per month against EUR 560 per month for men, according to the data of SSC survey of 2008. Higher remuneration levels can lead to a significant support of the family members left behind by migrant women, especially taking into account the traditional affection to the family. Women spend a larger share of earnings on education and medical treatment of family members and savings, though this difference is rather small (Table 6). On the other hand, the duration of women's stay abroad has serious consequences on family relations and parenting. The data on marital status of migrant women is quite speaking. In particular, the share of divorced women among migrants is three times higher than the correspondent share of men (Table 5.1). In

addition, the share of divorced women is higher among the migrants than among the total female population of the country (11%) (Gerasymenko, Poznjak, 2006: 51).

The transformation of gender roles and traditional family relations is a consequence of women's migration. Not coincidentally almost one third (29.9%) of Ukrainian women employed in Italy mentioned in their interviews²⁹ that they have problems in their relations with their husbands and children (West-Ukrainian Centre "Female Perspectives", 2003: 11).

Unwillingness to return to a less favourable "past life", bad prospects in the Ukrainian labour market and worse prospects in the Ukrainian small business for women compared to men, overlapping with personal problems induce many women-migrants to continue their stay abroad. According to the data of survey of the State Statistics Committee of 2008, 28.2% of migrant women did not plan to return to Ukraine, while among men the number was 10.5%.

While migrant women, who fulfilled their goals thanks to employment abroad need psychological assistance after returning home, the needs of those who failed, especially human trafficking victims, are much more serious. According to the estimates made on the basis of the large scale survey held in 2006 and 2008 by the GFK Ukraine Company, the number of Ukrainian citizens who suffered from human trafficking starting from 1990s reaches 100,000. The vast majority of them are women who, upon return, meet a large set of health, legal, and other problems and need a complex rehabilitation (GFK Ukraine, 2008).

5.2. Children

Financial assurance of a family, including parental duties such as education of children and financial assurance of a child, is the major goal of labour migration. Thanks to employment of parents abroad, children get better nutrition and medical services, go on vacation, have good clothes, up-to-date mobile phones, computer equipment etc. Parents pay for their education in higher educational institutions. As psychologists say, some of these children become more independent and responsible and are more committed to education in the absence of parents (Pachkovskij, Kornijenko, 2007).

At the same time, separation from parents is always a stress for a child regardless his/her age, gender, and character. Therefore, teachers and psychologists state serious negative impact of parents' migration on children³⁰ (Golovina, Golovina, 2007).

Around 50% of labour migrants leave their children aged over 14 years at home and around a third of labour migrants do the same to their children of aged 10-13 years (UNDP, 2011: 90).

According to the estimates of the former Ministry of Ukraine for Family, Youth, and Sports (abolished in December 2010), there are in total 200,000 minors in Ukraine, one or two parents of which migrated abroad for employment purposes, which is approximately 2% of the total minor residents. This estimate is based on surveys which were carried out by educational authorities in regions involved into migration. For example, a survey, conducted in Ternopil in 2004, showed that 25.5% of pupils had at least one parent working abroad, 4.2% of them had both parents working abroad (Dovzhuk, 2006). According to the data of authorities of Chernivtsi oblast in 2004, 8% of pupils had at least one parent working abroad (and in 2008 the number was already 11%), one fifth of those children were left without both parents. There are districts of the oblasts, where the share of labour migrants' children

²⁹ West-Ukrainian Centre "Female Perspectives" interviewed 441 Ukrainian migrants in Italy in 2001.

³⁰ In particular, lowering of progress in education is often observed; same as getting under the influence of "bad companies"; difficulties in building interpersonal relations with relatives and peers; consumption of drugs and alcohol; committing crimes; progression of chronic diseases due to weakening of child's health monitoring; emotional disorders, feeling of being useless and unsafe in the external world; spreading of consumptive moods, unwillingness to study or work; and, finally, formation of a permanent wish to leave the country. Specialists also express concerns that children of migrants deprived of personal family relations will irretrievably encounter serious problems while creating own families.

reached the level of 28% (Institute for postgraduate pedagogical education of Chernivtsi region, 2010).

According to evidence of the local authorities, 47% of labour migrants' children live with one of their parents, 43% live with a grandmother and (or) a grandfather, and approximately 4% - with brothers and sisters. At the same time, 5% of migrants' children live with other more distant relatives, 0.5% live with friends or neighbours, and 0.2% live on their own (Institute for postgraduate pedagogical education of Chernivtsi region, 2010).

12% of problematic families with children which came in view of social services (there are around 180,000 of such families, which corresponds to 3% of all families with children in Ukraine) are families in which one of the adults migrated abroad for employment³¹.

As psychologists state, teenagers react on the separation with parents much more painfully than children of younger age, particularly when meetings with their parents are rare. A survey on migrants' children, which was held by psychologists of Lviv oblast shows, that over one third of migrants' children had an opportunity to meet their parents once a year (34%), 7% meet their parents even rarer, and 10.5% did not meet their parents since their emigration abroad (Pachkovskyj, Kornijenko, 2007: 14).

A problem with migrants' children emerges sometimes in those cases, when parents move with their minor children abroad. For example, according to information of Chernivtsi Oblast State Administration, there are villages in the region where just one third of children of six years of age enter the first grade in school. Other children went with their parents to Italy, Portugal, Greece, or Russia. Sometimes they stay there without proper documents (even though parents have the permission to stay, they cannot obtain the permission for family reunification and bring children with tourist visas). In other words, they have neither access to proper education, nor to medical services (Levchenko, 2010).

5.3. Elderly

The ageing of population in Ukraine is fast. During the period between the Censuses of 1959 and 2001, the share of individuals aged over 60 years increased from 10.5% to 21.4%. Herewith, this growth was not caused by an increase in life expectancy for senior age groups but rather by a decrease in birth rate. Demographers forecast that the tendency of population ageing will last and the share of people aged over 60 will be equal to 24.8% in 2025 and 26.7% in 2050 (IDSS, 2010).

The risk of poverty and acute social exclusion is significantly higher in households with elderly people. In the households with at least one pensioner, the risk of social exclusion is 101.0% compared to the average and for households where all members are pensioners – 127.7% (UNDP, 2011: 97). Low pensions are responsible for an increased pressure of pensioners on the labour market and also for their active participation in labour migration (this, of course, concerns the youngest pensioners – females of 55-60 years and males of 60-65 years)³². Individuals in pre-retirement or early retirement age, mostly females, often seek employment abroad in the seasonal agriculture sector and the household sector. Such migration is mostly illegal or half-legal. Therefore, migrants are mostly deprived of even the minimum social protection, work under hazardous or unpleasant conditions, and have no access to medical services when necessary. Under such conditions, labour migration becomes an extreme trial and has a negative influence on health.

The work load on elderly people still increases even in cases when they do not participate directly in migration but instead younger members of their family move abroad for employment purposes. In such cases elderly family members have to sustain their household on their own and additionally have to take care of their grandchildren (see section 5.2). In

³¹ Interview with Mrs. S. Tolstoukhova, former Deputy Minister of Ukraine for Family, Youth, and Sport, President of the League of Social Workers of Ukraine.

³² Prior to adoption of the new legislation in 2011, retirement age for females in Ukraine was 55 years old, and for males – 60 years old.

some cases, when migrant children break the links to their home country, there is a risk of a neglect and isolation of the elderly. It is hard to find proper substitute for family care, as the state social services, especially in the villages and small towns, are not always available and the cost of private services is too high, not mentioning that it is extremely difficult to find people who wish to provide such services.

At the same time, successful migrants who remain in close relations with their parents at home are better endowed with financial means to provide their old parents with proper care (Piperno, 2007: 65), even though this does not compensate the absence of communication, exclusion, and isolation of elderly whose children left the country.

5.4. Roma

As of now, internal affairs bodies registered over 61,600 Roma in Ukraine, about 0.1% of the country's population. Other 3,600 Roma live without registration, i.e. without official permanent place of residence.³³ So, the total number of Roma is over 65,000 individuals according to the official data. Around 30,000 of them live in Zakarpattia oblast³⁴.

At the same time, Roma organisations state, that there are up to 400,000 Roma in the country, which is seen as overestimated. According to the calculations of researchers, the number may reach 200,000 individuals (Yevtukh, 2009: 57). The difference between the official and mentioned data is explained by the fact that many Roma hide their ethnic identity due to prevailing prejudices and identify themselves as Hungarians or Moldovans.

Employment, education, documentation, health care, and living conditions in Roma settlements are the main problems, in addition to the negative ethnic stereotype. The majority of Roma belong to the poorest population strata. They sometimes are short of money even to buy food stuffs, not mentioning primary priority goods – clothing and footwear.

These problems have been accumulating for decades, but during crisis of the 1990s they became more acute. According to the estimates, only 38% of Roma are currently employed and only 28% work on a full time basis (Council of Europe, 2007). They are to a great extent forced to involve into traditional crafts, particularly, farriery or tinwork, to work on the less qualified jobs, to work without formalisation of labour relations and, therefore, without social protection. The number of crimes conducted by Roma increased, causing conflicts with local population and authorities. The issue of drugs became especially acute. Absence of stable profits forces many Roma to grow poppy, to produce and distribute opiates (Bielikov, 2003).

Roma's living conditions, even though the vast majority of them lives in their own houses, are unsatisfactory, since these premises are mainly not equipped with plumbing, heating, and electric supply network in addition to the absence of warm flooring (Libanova, 2009: 214-219): each tenth Roma lives in unsanitary conditions (Council of Europe, 2007).

Insufficient education of Roma is both the reason and the consequence of social exclusion. According to Census 2001 data, only 0,02% Roma have higher education, 4% - completed secondary or vocational education, 17% - basic secondary education, 49% - primary education (SSC, 2004). Experts estimate, that only 68% of Roma can read and write (Lukanova, 2005).

The survey on the living conditions of the Roma population, conducted by Ukrainian Institute of social research³⁵, showed that 9% of Roma children, unfortunately, do not visit schools at

³³ Absence of passports and registration imposes serious problems during search for employment, receiving state subsidies, pensions, and other benefits, and deprives of a right to vote. Absence or loss of birth certificate is the major barrier to getting passport for Roma, since children often are born at home and their birth is not registered by parents. Another reason is that Roma are often living in not legalized buildings, where an individual cannot be registered.

³⁴ Interview with the employee of the State Migration Service of Ukraine Nikitina T. V.

³⁵ 303 Roma in 14 settlements in 4 oblasts of Ukraine were interviewed, also, 15 leaders of Roma communities and 15 experts took part in the survey in 2003.

all, while 51% of Roma children often miss lessons. A high share of Roma children leave education after the 5th-6th grade. Bad financial standing is a significant barrier to obtaining education: children have to work in order to help their families, in addition to the absence of proper conditions for studying. (Yaremenko, Levtsun, 2003: 89).

Poverty and absence of jobs are the main condition for mass migration of Roma. 10% to 50% adult inhabitants of different Roma settlements (mostly males) participate in migration. The majority of migrants are young people: 47% of them are of 18-28 years old (Yaremenko, Levtsun, 2003: 82). The majority of migrants move to large cities of Ukraine as well as abroad, mostly to the Russian Federation and mostly illegally.

A high share of Roma migrants are hired as seasonal workers abroad and some of them work in construction (often with application of traditional craft skills). Another share of them is involved into the so-called "shuttle" trade trips aiming at purchasing goods for further resale. However, most often they earn occasional incomes, collect scrap metal, and are engaged in beggary (Memorial Antidiscrimination centre, 2011). Absence of identification documents and their illegal status create conditions for violation of rights during their stay abroad.

Regarding migration to other than CIS countries, it is less widespread and common mostly for Roma from Zakarpattya region³⁶. High costs of travelling, impossibility to obtain visa, and absence of identification documents hinder migration abroad. According to the internal affairs bodies, in 2010 2,079 Roma have obtained identification cards for interior purposes while only 102 passports for travelling abroad were issued.

5.5. Other Ethnic and Religious Vulnerable Communities (Crimean Tatars)

Serious social problems emerged in Ukraine because of necessity to accept and accommodate within a very short time period *repatriates of former deported Crimean Tatars, Bulgarians, Armenians, Greeks, and Germans*. Over 260,000 Crimean Tatars, who as of now constitute 13% of the Crimean population, and also 589 Armenians, 855 Bulgarians, and 2,579 Greeks returned to Crimea in the period from 1989 to 2010 (Verkhovna Rada of Autonomous Republic of Crimea, 2011).

The problems with accommodation is the acutest one, as houses and apartments constructed or bought with state funds provide only 36,000 repatriates, i.e. 15% of the total number, with accommodation. Around 130,000 of repatriates had built or bought houses on their own (Verkhovna Rada of Autonomous Republic of Crimea, 2011). Under such conditions, almost 100,000 repatriates actually still do not have own accommodation, they live in dormitories, rented apartments, and in unfinished buildings.

A significant share of the settlements and residential neighbourhood, where repatriates and formerly deported people live, still has no basic sanitary conditions. One third of them have no water supply, the level of provision with electricity is 87%, the level of provision with natural gas does not exceed 25%, and there are almost no sewerage networks and hard-surface roads in those settlements (Verkhovna Rada of Autonomous Republic of Crimea, 2011).

Insufficient medical provision in places of compact residence of repatriates remains a problem. Medical statistics show that Crimean Tatars are "at risk" regarding several serious diseases (Bilukha, Vlasenko, 2002: 46).

Employment is the second acutest problem. According to the sociological data³⁷, only 26% of Crimean Tartars were employed in 2009. However, the employment level of formerly deported mostly became even to the average level in Crimea. In particular, around, 26% Ukrainians, and 35% of Russians were employed in 2009, according to the data of the same survey. At the same time, the share of the unemployed is higher among the repatriates: 10% unemployed among Crimean Tatars compared to 7% Russians and 8% Ukrainians.

³⁶ Interview with Mrs. E. Navrotska, journalist, chief of TV program "Roma life".

³⁷ The Kyiv International Institute of Sociology interviewed 2,837 households in the Crimea in 2009.

Unemployment and larger size of families compared to other ethnic groups are the main reasons why 42% of Crimean Tatars are poor. 20% of households of Crimean Tatars (16% of households of Ukrainians and 11% of households of Russians) named subsidiary plot as the main source of foodstuffs for their family (UNDP, 2009: 69, 71).

One resource surviving is labour migration, first of all seasonal migration: the members of 27% of households of Crimean Tatars moved to other settlements, first of all to the recreational regions of Crimea, according to the data of the mentioned survey. The number of Russians and Ukrainians was 23% and 14% correspondently (UNDP, 2009: 72).

One of the serious challenges for Crimean Tartars is to acquire land for construction and agricultural purposes. Since repatriation was spontaneous and there were no efficient mechanism to normalize resettlement, the unauthorized land seizure and illegal building became widespread. As for the agricultural lands, only 16,900 Crimean Tatars accrued rights for land when the state adopted a decision to divide lands of collective agricultural enterprises into shares and provide them exclusively to those people, who worked in those enterprises. The situation improved over time and over 70,000 Crimean Tatars accrued right for land by now (Razumkov Centre, 2009: 46). However, the issue is not resolved completely, especially taking into account that due to the continuing repatriation the need for land increases. At the same time, demands of Crimean Tatars concerning priority provision of them with land cause a negative reaction from other inhabitants and provoke conflicts.

Social problems overlap with political ones, cause tensions in relations between different ethnic communities in Crimea. The data of sociological surveys demonstrate that there is still a high level of distancing from Crimean Tatars on the side of the Russian speaking population in Crimea and there are displays of discrimination. At the same time, a fruitful dialogue has been developing between the former deported individuals, the state, and the local population. This allowed preserving peace in the society and enhancing interethnic cooperation on the peninsula. The comparison of the data of surveys conducted in 2008 and 2010 show a decrease in social distancing between the major ethnic groups in Crimea and a decrease in the level of interethnic tensions in general (Razumkov Centre, 2011: 29).

6. Policy responses

6.1. Encouragement of circular migration

Labour migration of Ukrainian citizens became large-scale and is linked to numerous social challenges, but the full-fledged policy focusing on this issue has not been formulated yet. The major regulatory activities are: control of activities of recruiting agencies providing services of employment abroad; diplomatic efforts related to conclusion of the inter-country agreements on employment and social security; and counteraction to human trafficking.

There is no encouragement of circular migration among these priorities. This term is just entering the vocabulary of civil servants responsible for decision-making. At the same time, a significant segment of labour migration in Ukraine is de-facto circular in nature.

There are no inter-country agreements on circular migration as of now. At the same time, the intention to stimulate such form of mobility is expressed in the draft agreement with Italy, which was prepared by Italian counterparts and transferred to Ukraine for consideration³⁸.

The first practical attempt to organize migration on the circular basis was made in 2008 in the form of the pilot project "Temporary and Circular Migration between Ukraine and Portugal". The Project was proposed by Portugal and was implemented under the support of the IOM, the World Bank, and the European Commission. The idea of the project appeared because the agreement on temporary migration of Ukrainian citizens to Portugal for employment purposes signed already in 2003 was not operational and there was a need to work out the

³⁸ Interview with Mr. V.Yerasov, Head of the Department of the Ministry of Social Policy of Ukraine.

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mechanisms established in the agreement. The particular aim was to enhance bilateral understanding of the national needs and priorities of Ukraine and Portugal concerning labour migration; identify stimuli of return (circular nature of migration) of Ukrainian labour migrants; identify motivations of Portuguese employers to hire Ukrainian workers and the proposed employment conditions; assess efficiency of procedures of selection of workers for employers by way of comparison of vacancies in Portugal with Ukrainian databases of the unemployed; and design the package of actions to stimulate circular nature of migration (Rozka, 2009).

In the frame of this pilot project, 35 individuals were employed in 2009-2010. Portuguese employers proposed jobs mostly in agriculture, picking berries and fruits, and in greenhouses. The Office of the IOM in Ukraine took the responsibility for logistics, i.e. organization of transportation, insurance, and assistance with arranging visas. An operational framework / logistical roadmap for the circular migration scheme was successfully developed by the IOM and could be used also for the implementation of other inter-government employment agreements, particularly, during the preparation of the mentioned draft agreement with Italy, which is currently in the process of negotiation³⁹.

Travel tickets and documents were paid at the expense of the project, financed by the European Commission. The selection of candidates was conducted by the Employment Centre of Khmelnytsk oblast which was chosen for participation in the project due to having one of the highest unemployment levels in the country. The interest to participate in the project was high: 3 candidates applied for one vacancy on average. The Portuguese counterparts made their final decisions after the Employment Service has finished a primary selection.

The project participants were completely satisfied with the working and living conditions. On average they earned EUR 600 per month, while housing and food were free of charge. They could work overtime, that yielded them additional income. The participants of the project considered obtaining Schengen visa, which is almost impossible for unemployed and poor Ukrainians (embassies demand certification of the source and size of incomes) already as a success, as well as prospects of further trips for employment purposes to Portugal which are foreseen by the circularity principle.

Official authorities have also positively assessed the project results, even though there were some problems. Firstly, Ukrainian migrants who have already stay in Portugal did not understand the meaning of the project and interpreted arrival of new workers as violation of their interests, as staff of the Ministry of Social Policy admitted. Secondly, even though the vast majority of the employed project participants in Portugal returned home on time, two workers remained in the country without authorisation and legal foundations.

Vocational education and consultations on own business start-up for the IOM project participants were organized upon completion of employment. This enabled them to spend earned money more efficiently (Savchenko, Slabinska, 2011: 5).

Despite the generally positive evaluation, the Pilot Project was not developed further, even though the interest of the Portuguese employers, who did not manage to find workers able to do the correspondent work in Portugal, was still high and the European Commission was ready to further support this project. The government of Portugal made a decision to suspend attraction of labour force from abroad due to developments of the financial and economic crisis.

Despite this, the gained experience within the Pilot Project shows that similar programs have high potential and can be developed in the future after the improvement of economic environment in the interested recipient countries.

³⁹ Interview with Mr. G. Gigauri, Operation Officer of the Office of IOM in Ukraine.

6.2. Encouragement of return migration and support of integration of returnees

Mass trips abroad for employment purposes were always recognized by Ukrainian society and authorities as the indication of problems in the country. Therefore, in numerous political statements it was directly indicated that there is a need to decrease emigration and stimulate the return of migrants. In particular, the specialized hearings on the issues of the legal and social status of current Ukrainian labour migrants, which took place in the Ukrainian Parliament on October 17, 2004 (Verkhovna Rada of Ukraine, 2004), stressed that the goal of the state policy in the field of labour migration had to be the stimulation of return migration and the investment of the earned funds into the economy of Ukraine.

The issue of ensuring return from work abroad was made more specific in the Strategy of Demographic Development of Ukraine, approved by the Decree of the Government (Cabinet Council of Ukraine, 2006). However, works on development of concrete measures started only in 2010, as a response to the Action Plan of the Council of Europe related to Ukraine and to the recommendations of the European Committee on Migration, which proposed Ukraine to develop actions ensuring the return and adaptation migrants in Ukraine, and to provide them with services of orientation in the labour market (Council of Europe, 2008).

After a range of interdepartmental consultations and works with European experts, the Ministry of Social Policy of Ukraine prepared the Action Plan on Integration of Migrants in the Ukrainian Society for the period of 2011-2015, which was adopted by the government in June 2011 (Cabinet Council of Ukraine, 2011a). It is planned: to inform Ukrainian migrants on the issues of business start-up, investment opportunities, employment, social security, and healthcare; to develop methodological recommendations and establish courses for children of returning Ukrainian migrants; and establish the provision of psychological support to returning migrants.

According to the Concept of the State Migration Policy of Ukraine, approved by the Ukrainian President in May 2011, stimulating the return of labour migrants is one of the strategic goals in the migration sphere. Concept's Action Plan envisions the development of the State Program on Supporting the Return of Ukrainians from abroad and their re-integration (Cabinet Council of Ukraine, 2011b).

It is also planned to develop a mechanism to accredit professional knowledge of migrants obtained abroad. The employment experts agree that such a mechanism is needed also for citizens who obtained their qualification during their work in Ukraine and not only to migrants⁴⁰. Propositions were submitted to the Verkhovna Rada and the correspondent draft law has passed the first reading. At the moment, the proceeding is as follows: in case of an application to the Employment Centres of workers with practical experience which is not documentarily confirmed, these workers are proposed to visit educational courses with halved program in the educational centres of the employment service or in other educational institutions cooperating with it and obtain the necessary documents. Educational services are free of charge for individuals registered as unemployed.

While the implementation of these plans has not started yet, some projects on returning migrants' reintegration are being executed by the international and non-governmental organizations. First of all, those projects are directed on provision of assistance to those returnees who are forced to return under readmission agreements and other vulnerable categories, like victims of human trafficking.

The main implementing body of such projects is the Office of IOM in Ukraine and its partners. Only in 2010, different forms of assistance have covered 1,085 victims of human trafficking (Figure 6.1). After the medical and psychological rehabilitation, such people get assistance in obtaining qualification, employment, they may utilize financial assistance of up to EUR 2,200 and use it to start business or develop agricultural production on their subsidiary plot. These

⁴⁰ Interview with Ms.Olena V.Kozyrjeva, Head of analytic and statistics department of the State Employment Centre.

expenditures are financed by governments of Switzerland, Denmark, and the USA. The European Commission also participated in financing the project earlier⁴¹.

In cooperation with the British Government, the Office of IOM in Ukraine is implementing a joint project of voluntary return of Ukrainians with uncertain legal status from Great Britain. The project covers 20-30 individuals per annum. The IOM organizes travel and provide migrants with integration funds of EUR 2,000-3,000, which are paid by the British partners accompanied by recommendations on how to utilize those funds rationally, for example for purchase of goods for manufacturing purposes in order to ensure self-employment.

Recently the IOM started the Pilot Project on reintegration of individuals returned to Ukraine in accordance with the readmission agreements. The project is supposed to provide reintegration assistance for up to 50 individuals. The EU will finance provision of up to EUR 1,500 for each participant. However, the major goal of the Pilot Project is to develop the effective Action Plan on provision of assistance to this category of returning migrants jointly with the Ministry of Social Policy of Ukraine.

The non-governmental organizations are quite active in providing assistance for migrants' reintegration. The leading role play the Ukrainian Greek Catholic Church as well as "Caritas Ukraine", which is a member of the international ERSO network and provides assistance for migrants' reintegration. "Caritas" is coordinator in the return project which involves 30 non-governmental organizations in 15 regions of the country. It provides legal consultations, help to re-issue personal documents, ensure necessary psychological and medical support, facilitate employment, etc. At the same time, the coverage of the project is still insignificant – only several dozens of individuals (Seleshchuk, 2009).

6.3. Reintegration of Formerly Deported Individuals Who Returned

Several programs on resettlement and reintegration of deported Crimean Tatars and individuals of other nationalities who have returned to the Autonomous Republic of Crimea have been adopted since 1996. The work on the development of the state resettlement program by 2015 continues. Overall, UAH 1,259,200 were allocated during 1992-2010 for capital construction aiming at settlement of repatriates (Verkhovna Rada of Autonomous Republic of Crimea, 2011). Despite the fact that these programs were dedicated mainly to housing issues, they aimed also at social and labour market reintegration of former deportees. Particularly, they provided support for small entrepreneurship, development of traditional crafts etc. Attention was also paid to the revival of culture and education for the former deportees. 15 schools with Crimean Tatar language as teaching language were opened. However, only 16% of 34,000 pupils of Crimean Tatar nationality are enrolled in those schools.

The international community provided Ukraine with significant assistance in the resettlement process of former deportees. Just in 2010, 50 projects of the international technical aid with the total cost of UAH 59.6 million (approximately EUR 5 million) were executed in the AR Crimea. Such organizations as the UNDP, OECD, UNHCR, IOM etc. implemented their projects in different times. The European Commission decided to implement the Joint EU Initiative in Crimea as a Pilot Eastern Partnership Project (Razumkov Centre, 2011a).

Political issues of repatriation need to be resolved simultaneously with the socio-economic issues. In particular, one third of repatriates did not have the Ukrainian citizenship at the end of 1990s due to bureaucratic difficulties. With Uzbekistan, an agreement was reached in 1998 to simplify the procedure of withdrawal from citizenship for former deportees and release them from duty payment. Also, the Law of Ukraine *On Citizenship* was significantly amended for this purpose in 2001. The amendments ensured unhampered acquisition of Ukrainian citizenship by repatriates. As a result, the issue in general was resolved.

⁴¹ Interview with Mr. G. Gigauri, Operation Officer of the Office of IOM in Ukraine.

The Council of Representatives of Crimean Tatar People, under the President of Ukraine, was created in 1999 to ensure a dialog between authorities and repatriates. At the same time, political representation of the former deportees is still at an inadequate level. Even though Crimean Tatars constitute almost 13% of the Crimean population, their share in the governmental bodies is not higher than 3-4% (Djamilev, 2011). The absence of the law on restoration of rights of people deported on grounds of nationality, although relevant draft laws were considered by the Parliament numerous times, also hampers the resolving of repatriates' problems.

6.4. Development of the Net Migration Loss/Gain Regions

Strengthening the development of problematic and depressed regions and provision of them, first and foremost, with state assistance is the major emphasis of the regional socio-economic policy of Ukraine. The system of budget management (regulated by the Budget Code) is designed in a way that the lion's share of revenues is concentrated within the central budget and then funds are directed to the local budgets (at the level of the AR Crimea, oblasts, and Kyiv and Sevastopol cities) through the leveling-off system. The leveling-off formula is determined by the number and composition of the population.

The State Fund of Regional Development was created in December of 2011 aiming at overcoming the regional disproportions in accordance with the State Program of Economic and Social Development of Ukraine for 2012.

Legal support of regional policy includes the Concept of the State Regional Policy (2001), Laws of Ukraine *On Stimulation of Development of Regions* (2006), *On Trans-Border Cooperation* (2004), and the State Strategy of Regional Development by 2015 (2006). Unfortunately, these efforts of state support have low efficiency due to lack of funds and are limited mostly to building of trans-border relationships with Western countries.

The development of regions, districts, cities (excluding small) is subject to annual monitoring. The monitoring results are used, particularly, to consider separate territories as the depressed ones and to provide them with a proper state support.

6.5. Support to Vulnerable Groups Related to Migration

Considerable attention is paid to human trafficking prevention in order to protect the most vulnerable migration groups in Ukraine. The new Criminal Code, which aligned the definition of human trafficking to the definition used in international law, was adopted in 2001.⁴²

The First State Program of Human Trafficking Prevention was developed for the period of 2002-2005. The regular State Program was adopted in 2007 and it foresees crime-prevention actions such as detection of human traffickers, raising awareness, educational programs, assistance to returning victims and facilitation of their employment and professional education, improvement of rehabilitation centres' operation, etc. Results of the monitoring of Program's implementation, conducted by non-governmental organizations in 2010, proved that law-enforcement organs were quite active in the field. Nevertheless, the effectiveness of the judicial decisions is still low. Awareness raising activities and preventive measures are the most successful, but social support to the victims of trafficking is not sufficient due to poor funding (Kharkiv Human Rights Protection Group, 2011).

During the last years, the state paid more and more attention to problems of migrants' children left behind. Several acts of relevant ministries addressed the issues of migrants' children in addition to general legal acts ensuring the rights of a child. According to these acts, the psychological service of the educational system, consisting of practicing psychologists, sociologists, and social pedagogues, should work on solving problems of such

⁴² Ukraine ratified the UN Convention against Transnational Organized Crime of 2000 and protocols amending it. Ukraine also signed the European Council Convention on Action Against Trafficking in Human Beings and is executing procedures to ratify it.

children. The joint order of the Ministry of Education and Science, Ministry of Health, Ministry for Family, Youth, and Sports, and Ministry of Internal Affairs is aimed at improving the coordination of activities of these ministries' services which are responsible for social work with families in difficult living circumstances.

The Ministry of Education and Science of Ukraine established the International Ukrainian School (a distance learning secondary educational institution) for children of labour migrants staying with their parents abroad. As a result of the cooperation with this institution, students of independent education institutions which started to emerge spontaneously in the communities of Ukrainian migrants abroad received the opportunity to obtain formal Ukrainian education certificates.

The International Ukrainian School cooperates with 27 Ukrainian educational institutions of 8 countries (Czech Republic, Spain, Portugal, Turkey, France, Greece, Italy, and Austria). The number of students of the school doubled in three years and reached the level of 1,491 in 2010/2011 academic year. The school certified around 3,500 students, issued 232 certificates of completed secondary education (11 years of studies) and 372 certificates of basic secondary education (9 years of studies) (Verkhovna Rada of Ukraine, 2010).

The certification of students is conducted by joint commissions consisting of teachers from schools abroad, representatives of the International Ukrainian School, and the Ministry of Education of Ukraine. The major problem is the absence of funding for travels of representatives of the International Ukrainian School abroad for the purposes of checking knowledge and certification of students. As the travels are not financed by the state, the Ukrainian communities abroad usually, provide the necessary financial support.

In addition, the International Ukrainian School provides methodological support to educational institutions abroad, organizes distance retraining for teachers, sends to schools abroad and publishes on its web-site different informational and methodological materials.

The support of the Roma ethnic group takes place within the framework of the state ethnic policy implementation and mainly focuses on cultural activities. 90 Roma national and cultural organizations were created by now. The association of social organizations "Congress of Roma of Ukraine" operates at the national level; its Head is a member of the Council on Ethno-national Policy under the President of Ukraine.

The Verkhovna Rada adopted the Decree *On Commemorating the International Day of Roma Holocaust* in 2004. The Committee for Human Rights, National Minorities, and International Relations held committee hearings "On Current Situation of Roma in Ukraine" under participation of Roma national and cultural organizations.

Attention was paid to the provision of identification documents to Roma. After adoption of the Law of Ukraine *On Principles of Social Protection of Homeless Individuals and Neglected Children* in 2006, Roma without official place of residence may register their place of residence at the address of the social institutions for the homeless or centres for registration of homeless individuals.

Unfortunately, there are no special national programs supporting Roma. Relevant programs have been implemented only by international organizations (European Council, European Commission, International Organization for Migration, the International Renaissance Foundation (Soros Foundation), other). Experts evaluate these programs as rather successful but not sufficient⁴³. Nevertheless, "they show the way to go".⁴⁴

6.6. Best practice example

More problems than success stories exist in the field of social issues related to emigration in Ukraine. At the same time, efforts of the state on reintegration of the former deportees

⁴³ There are 115 schools in Zakarpattya with Roma pupils and only 4 of them are supported with the grants (financial support) by the international organizations.

⁴⁴ Interview with Ms. E. Navrotska, journalist, chief of TV program "Roma's Life".

returning back to Ukraine should be taken into account. Even though many difficulties still remain, the program approach foresees a complex resolving of reintegration programs. The creation of specialized executive authority bodies responsible for the realization of correspondent programs, accumulation of funds from the state and local budgets and from international aid, targeted support of households trying to resettle with their own means, provision of the state assistance to the most vulnerable categories of people among the former deportees should be considered as a positive experience worth of application in the course of solving the problems of other migrant categories' reintegration.

The experience of the operation of the International Ukrainian School seems to be timely and quite successful. Thanks to this institution, children of migrants abroad obtained an opportunity to exercise their constitutional right of education. Obtaining Ukrainian certificates of education allows them to continue education or to enter higher educational institutions in Ukraine upon return. According to the director of the school, such documents serve as a ticket for returning to their home country⁴⁵, as that decision whether to return highly depends on the selected strategy of future education of children in migrant families.

7. Key challenges and policy suggestions

7.1. Key challenges of the social impact of emigration and internal migration

The consequences of migration are reflected by important changes in demographic, socio-economic, and psychological spheres. The most serious of them is Ukraine's loss of the most educated, qualified, active and entrepreneurial population. To a great extent due to migration, the local labour markets experience a lack of labour force in some professions, particularly, medical, educational, engineering, etc. These losses will not be compensated even in case of a mass return of migrants to Ukraine, because migrants lose their qualification due to long-term work abroad in jobs below their qualification and because of the fact that first of all elderly people return to the country and they do not offer their work force to the Ukrainian labour market anymore.

The transformation of a part of the temporary labour migration into a permanent migration increases population losses in Ukraine. In particular, almost one third of female labour migrants do not plan to return back to their homeland. An increase in the share of women among the labour migrants and their commitment to stay abroad is one of the reasons for family crisis and dissolutions, and problems with raising children left in Ukraine.

The outflow of the most active inhabitants of rural settlements and depressed regions, narrows development opportunities in these settlements and regions and deepens regional disproportions.

Even though earnings of migrants are of a significant importance for their families' welfare, they also contribute to the increasing inequality between the poorest and richer strata of the population. Only a small part of remittances is used for investment. Also, they contribute to increases in pricing for housing and consumer goods.

The inappropriate social protection of labour migrants and the significant share of informally employed individuals remains a serious problem. It is a threat not only to migrants but it also becomes an additional burden for the social protection system, since members of migrants' families left behind and migrants themselves after return depend on social assistance benefits.

The absence of a comprehensive migration policy and legislation as well as proper state institutions which would ensure adequate reaction to the emerging problems and facilitate the use of migration's potential in view of economic development can also be counted as one of the major society's challenges in the field of migration.

⁴⁵ Interview with Mrs. L. Ivanova, Director of the International Ukrainian School.

7.2. Policies to be taken

In order to improve the state policy in the field, the policy should focus on minimising the negative and maximising the positive results of migration. This is the necessary condition for both the international cooperation development and productive cooperation between the state authorities, non-governmental actors, and Ukrainian communities abroad.

Actions of the state should be devoted, first of all, to the following:

- creation of conditions to decrease emigration for employment purposes through the stimulation of creation of new jobs, raising of remuneration, and intensification of depressed regions' development;
- protection of rights of citizens working abroad and support of migrants' families left behind;
- stimulation of migrants' return to their home country and support during reintegration;
- development of the organized and safe internal migration of citizens in order to satisfy the needs of the labour market of Ukraine on the one hand, and as an alternative to emigration abroad on the other hand.

Special attention should be paid to contacts with the new diaspora which emerged abroad as a result of the most recent migration of Ukrainians. It is important to create clubs, libraries, and public associations in order to support national and cultural life of migrants abroad. Ukrainian schools, created in some countries of migrants' stay, deserve a special attention and support, since they are strong and important return motivation factors for labour migrants.

Improvement of migration statistics and deepening of scientific knowledge are extremely important for both development and implementation of migration policy. Aiming at this, it is necessary to introduce regular sample surveys of population in order to determine the volumes, directions, and composition of labour migration, to establish a specialized scientific centre conducting systemic scientific studies on migration on cross-disciplinary basis, and set up the permanent exchange of information with the countries-recipients of Ukrainian labour migrants.

Fulfillment of these and other tasks of migration policy needs implementation of further institutional reform in the field of migration regulation, particularly, release of the State Migration Service from subordination to the Ministry of Internal Affairs, concentration in this body of all the functions related to regulation in the correspondent field, including functions related to labour migration of citizens, encouraging return, and assistance in re-integration.

Among the most important tasks of the central authorities (both legislative and executive) in the sphere of social protection of migrants are the following:

- Conclusion of bilateral and multilateral agreements with countries of employment of Ukrainian migrants, first of all agreements on social security and pension schemes;
- Popularization of voluntary pension insurance opportunities in Ukraine for people staying abroad;
- Experimental establishment of the special insurance system for citizens who move abroad for employment purposes.

Promotion of return of Ukrainian labour migrants from abroad and their reintegration in the homeland should include:

- establishment of state guarantees for currency deposits of labour migrants;
- experimental dissemination of the special state bonds among migrants;

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- experimental establishment of procedure to decrease customs duty for imports of tools and equipment, in case migrants import them for the purposes of starting business in Ukraine;
- establishment of a system of tax privileges for migrants returning to Ukraine and support in investments of funds earned abroad into their own business;
- establishment of procedures for recognition of qualification obtained abroad;
- different forms of provision of necessary information and consultations on employment and starting business to migrants, etc.

The special programs for intensification of development of the net migration loss regions should become a top priority. It is important, for these purposes, to identify activities for each oblast (district or large settlement) which have a potential to develop their economies and labour markets.

Taking into account the need of employment of the economically active rural population and the extremely limited capacity of the local labour markets, it is necessary to stimulate interior labour mobility. In this context, the development of a temporary housing system as well as organising transportation of workers from their place of residence to their place of work are necessary. The nationwide database, established by the Employment Centre of Ukraine, should be further developed. Holding of job fairs specifically in regions with excessive labour capacity is also quite promising.

From the point of view of the state regional policy it is important to do the following:

- investments of state resources in supporting the depressed regions;
- stimulation of the cross-border and inter-regional economic relations on the basis of manufacturing concentration and integration;
- acceleration of infrastructure building for regional development of both manufacturing and social nature;
- support of rural development by enhancing the network of social infrastructure and improving access of rural population to basic social services.

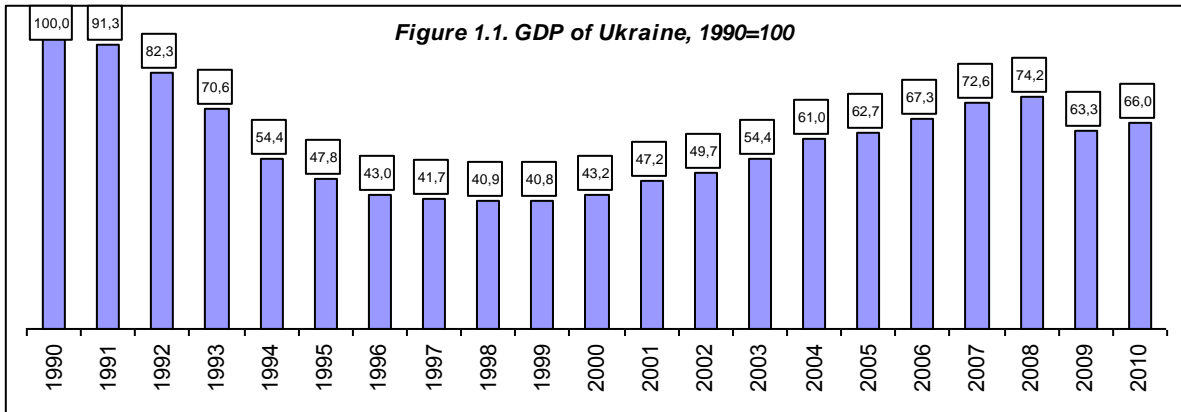
Regarding the Crimean Tartars, activities aimed at integration of this group should be continued. This includes provision of this population with land plots and housing, same as facilitating procedures for business start-ups.

Special attention should be paid to migrants' families left behind, especially to children. The institution of the temporary guardianship of labour migrants' children should be established by law. Local authorities, social services, and educational institutions should closely cooperate with non-governmental organizations and church in order to solve emerging problems.

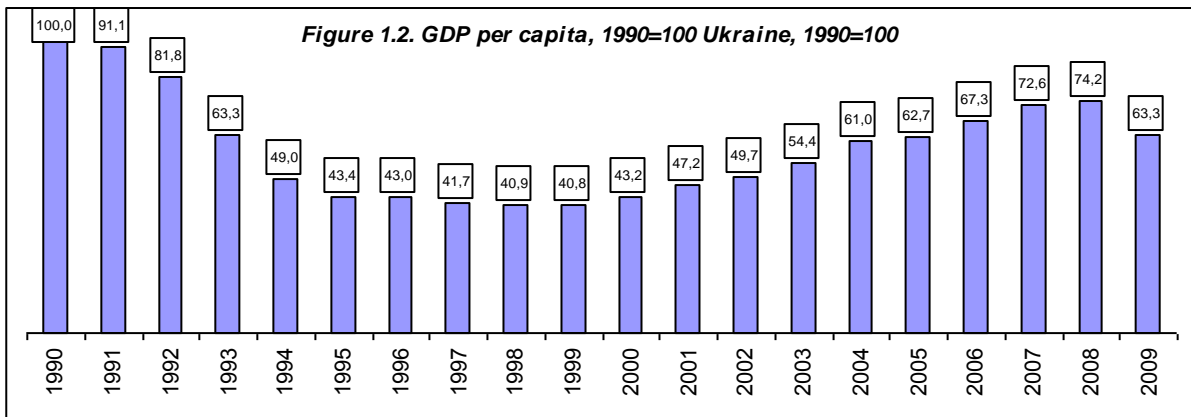
International cooperation also can be an important factor in achieving the goals. Further development of the cooperation with the European Union within the Eastern Partnership Policy Framework, particularly, provision of Ukrainians with visa-free regime, will contribute to mitigation of migration problems in Ukraine. This cooperation will become a powerful factor in the development of circular migration.

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ANNEX



Source: State Statistics Committee of Ukraine

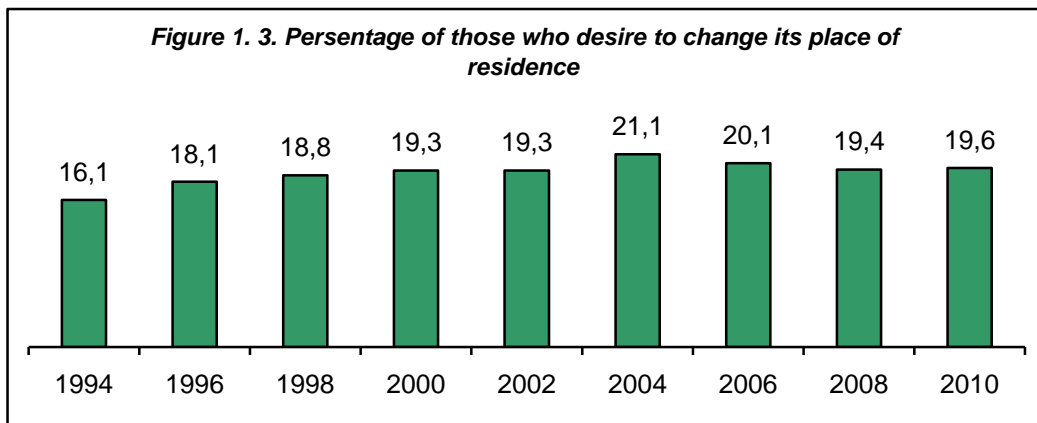


Source: State Statistics Committee of Ukraine

Table 1. 1. Self-appraisal of the hardship to find the job on the local labour market, %

	2002	2006	2008	2010
The job of appropriate qualification and with enough salary	75,4	73,3	74,5	80,9
The job of appropriate qualification and without enough salary	56,4	50,1	47,5	61,6
The job with enough salary but not of appropriate qualification	66,9	61,7	60,5	72,4
Any job	56,1	43,0	39,0	57,4

Source: Institute of Sociology, NAS of Ukraine, (2010): *Ukrainian Society 1992-2010. Sociological Monitoring.* /Ed. by V.Vorona, M.Shulga, Kyiv, p.584-585



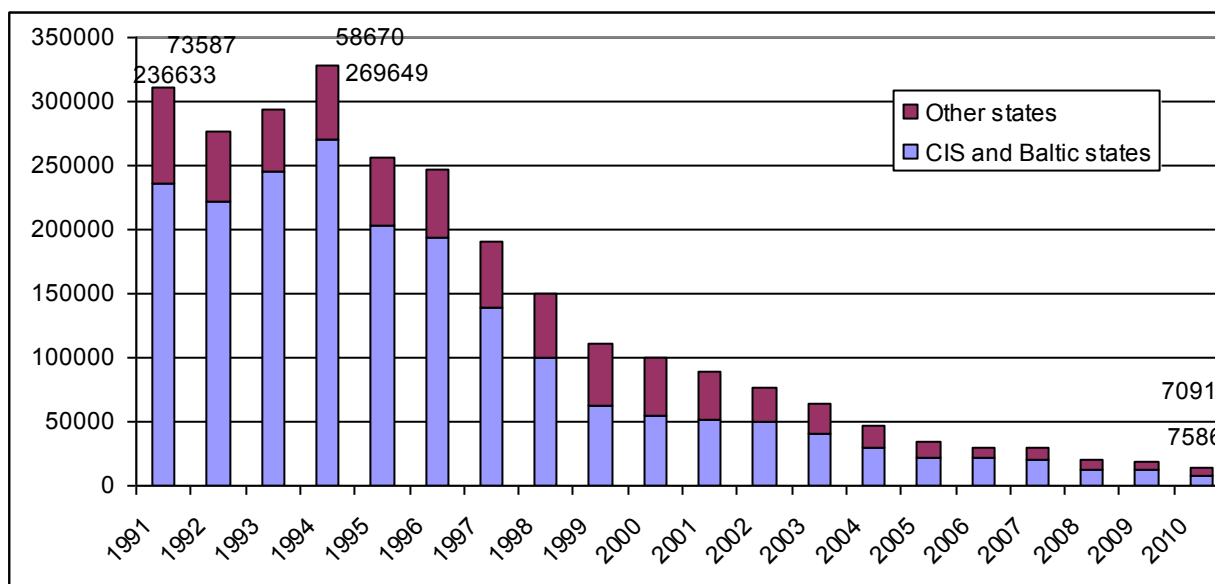
Source: Institute of Sociology, NAS of Ukraine, (2010): *Ukrainian Society 1992-2010. Sociological Monitoring.* /Ed. by V.Vorona, M.Shulga, Kyiv, p.567.

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Source: Institute of Sociology, NAS of Ukraine, (2010): *Ukrainian Society 1992-2010. Sociological Monitoring.* /Ed. by V.Vorona, M.Shulga, Kyiv, p.567

Figure 2.1. Emigration from Ukraine in 1991-2009, persons



Source: State Statistics Committee of Ukraine

Table 2.1. Ukrainian labour migrants abroad according to calculation of Ministry of Foreign Affairs of Ukraine, 2005

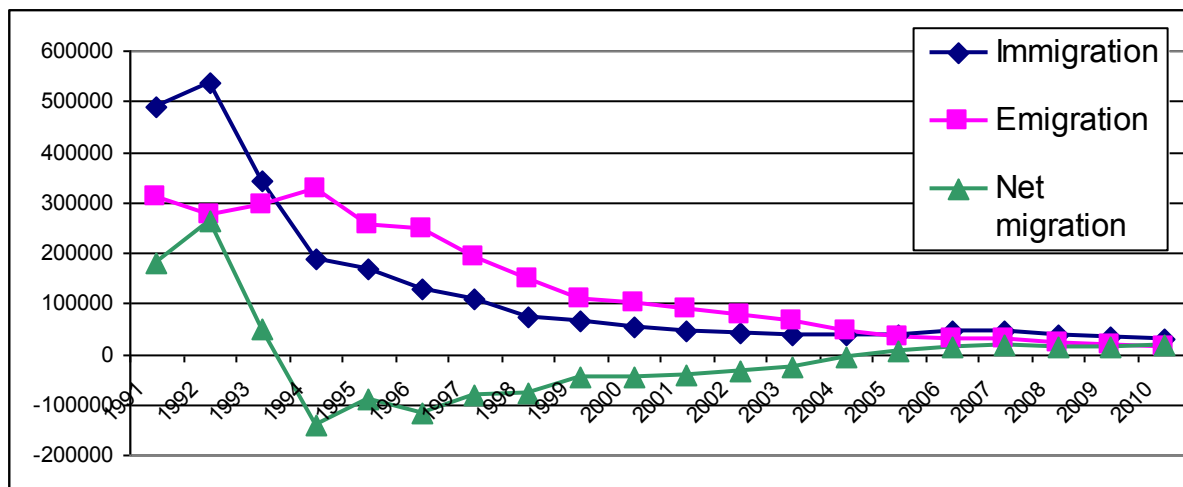
Country	Ukrainian citizens employed abroad with work permits (data of foreign employment services and Ukrainian consulates)	Ukrainian citizens employed without working permits (experts' estimates)
Austria	5,000	4,000
Argentina	5,000	
Belgium	2,000	6,000
Bulgaria	5,000	50

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Greece	15,000	3,000
Israel	4,000	5,000
Ireland	3,000	500
Spain	61,000	100,000
Italy	98,000	120,000
Canada	20,000	10,000
Cyprus	3,000	1,000
Lithuania	3,827	
Lebanon	2,500	
Libya	2,000	
Germany	130,000	45,000
Poland	15,000	60,000
Portugal	39,480	9,000
Russian Federation	227,096	1,000,000
Slovakia	910	1,500
USA	40,000	50,000
Turkey	1,207	7,000
Hungary	8,368	550
France	7,000	5,000
Czech Republic	131,965	10,000
Switzerland	3,206	200
Sweden	5,000	2,000
Japan	2,000	20
Other	9,386	11,806
TOTAL	891, 602	1,451, 626

Source: Ministry of Foreign Affaires of Ukraine

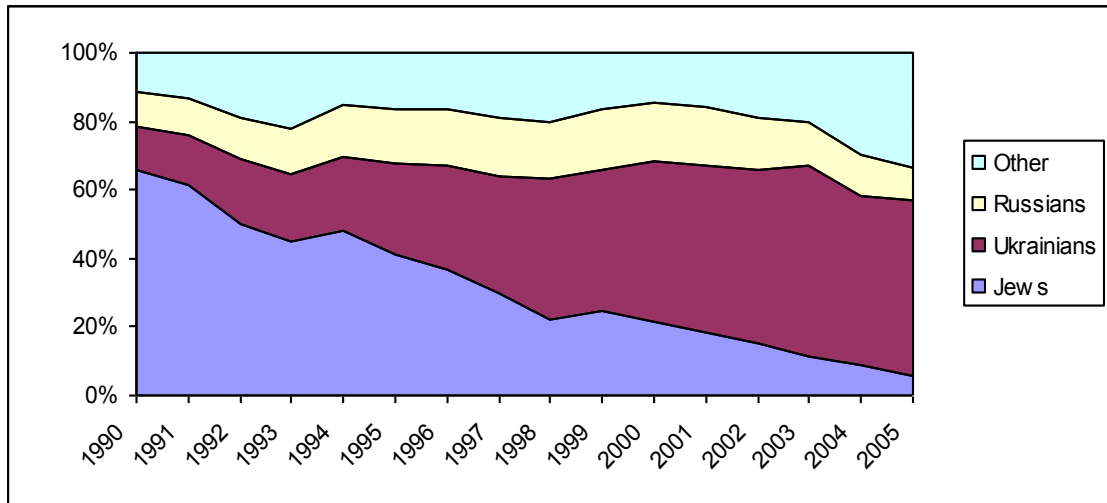
Figure 2.2. External migration in Ukraine in 1991-2010, persons



Source: State Statistics Committee of Ukraine

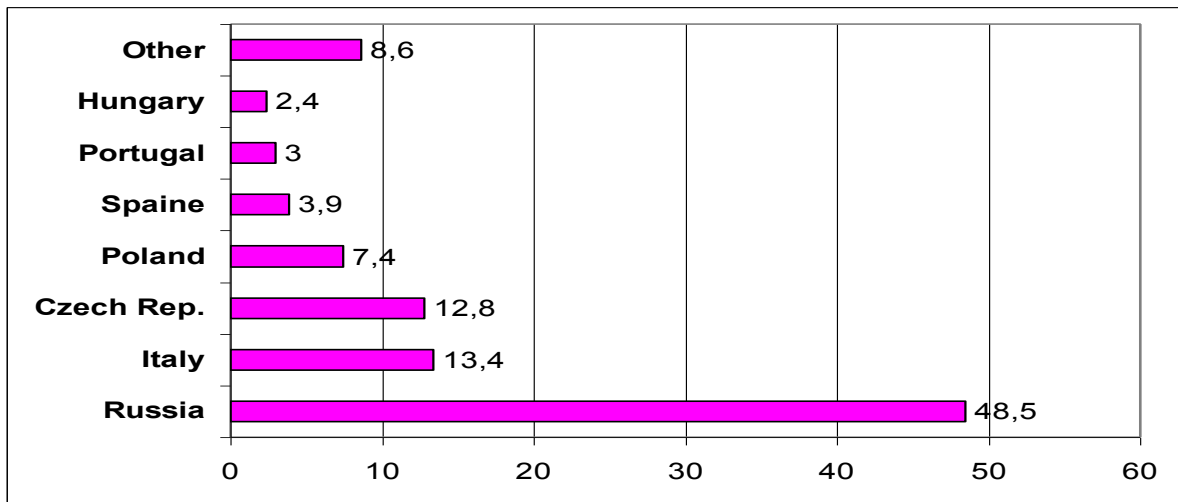
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Figure 2.3. Ethnic composition of emigrants from Ukraine to the countries which were not the part of the USSR in 1990-2005, %



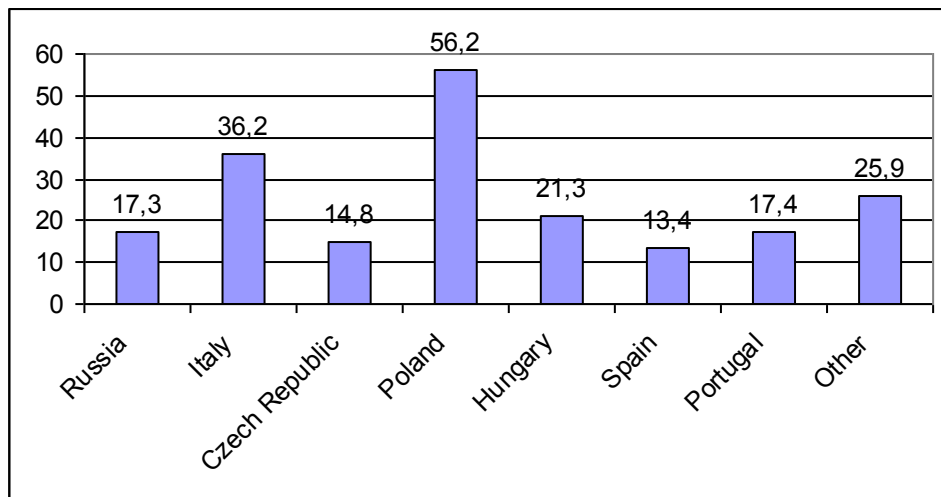
Source: State Statistics Committee of Ukraine

Figure 2.4. Countries of destination of labour-migrants, %



Source: State Statistics Committee of Ukraine, Survey on labour migration 2008.

Figure 2.5. The share of migrants in irregular situation



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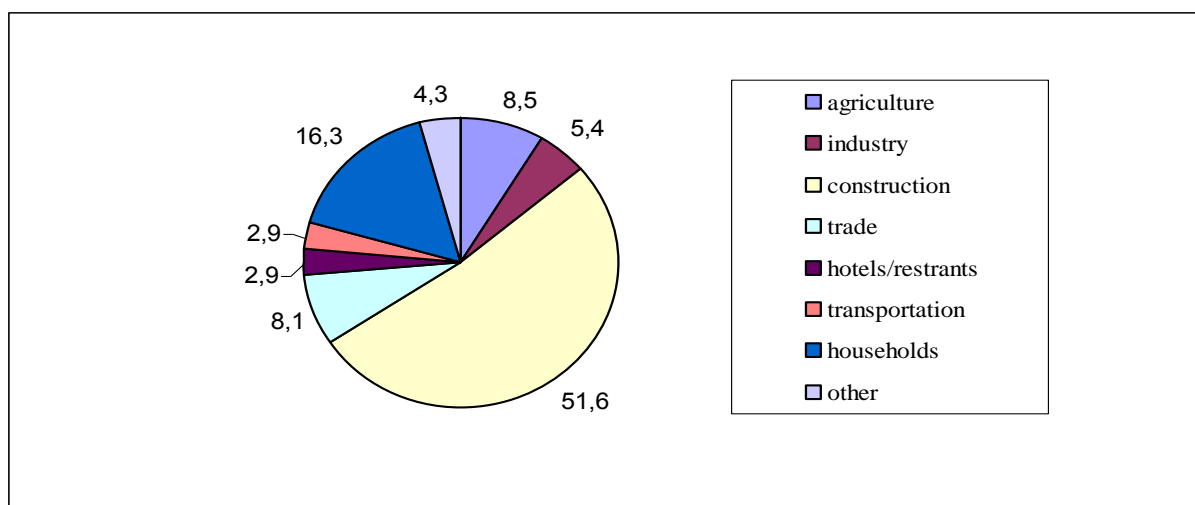
Source: State Statistics Committee of Ukraine, Survey on labour migration 2008.

Table 2.2. Volume of internal migration

	1995	2000	2002	2003	2004	2005	2006	2007	2008	2009	2010
Internal migration (inflow), thousand persons	738.1	736.8	717.5	722.5	750.8	723.6	721.7	711.9	673.5	609.9	652.6
The rate of internal migration	14,3	14,9	14,9	15,1	15,8	15,4	15,4	15,3	14,6	13,3	14,2

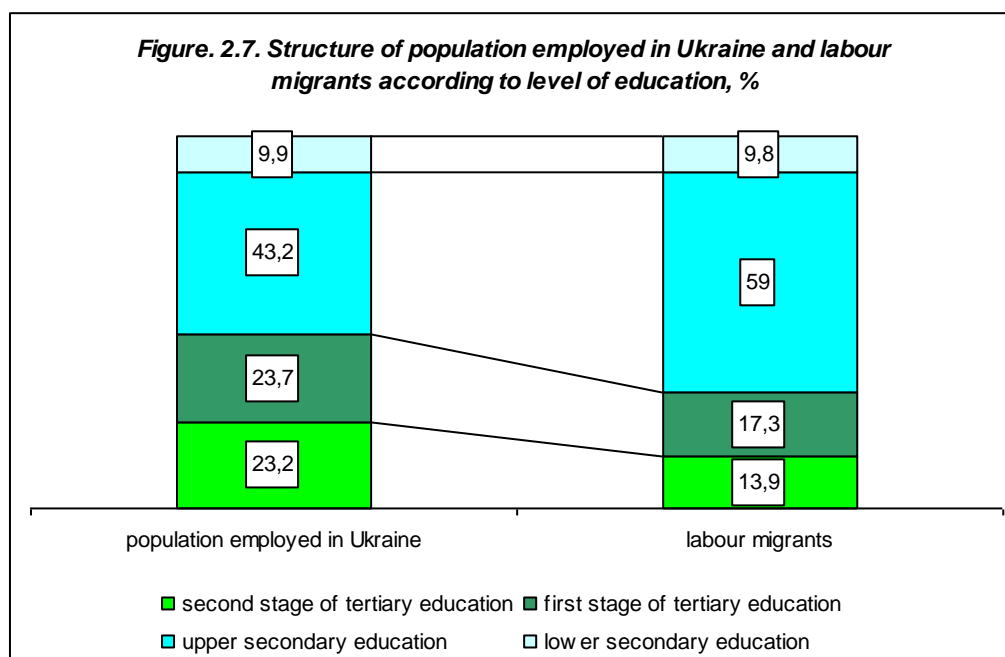
Source: State Statistics Committee of Ukraine

Figure 2.6. Employment spheres of labour-migrants, %



Source: State Statistics Committee of Ukraine, Survey on labour migration 2008.

Figure 2.7. Structure of population employed in Ukraine and labour migrants according to level of education, %



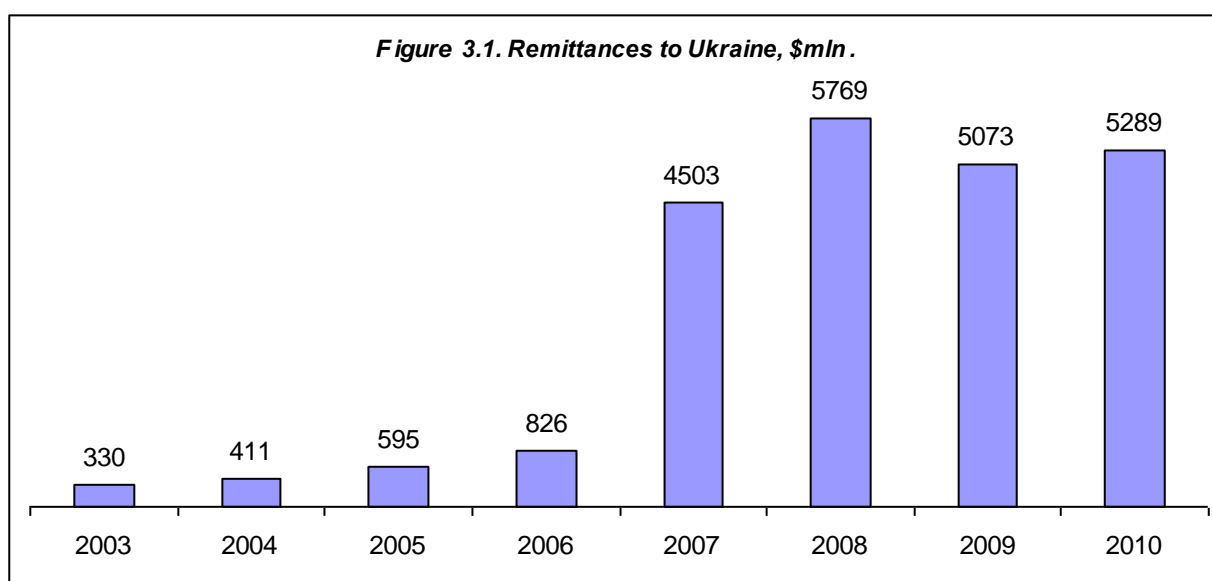
Source: State Statistics Committee of Ukraine, Survey on labour migration 2008

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Table 3.1. Actual and hypothetical (in case of no migrations in 1989-2001) indicators of the age structure of population, Ukraine, 2001,%

	Actual	Hypothetical
Aging factor (share of people of 60 years of age and older)	21,4	21,2
Demographic load on the working age population	723	705
Share of individuals of 25-44 years of age	28,7	29,2
Share of women of fertile age (15-49 years)	26,0	26,1

Source: Pozniak, O., (ed.), (2007): *Migration process in Ukraine: current situation and the prospects* (Міграційні процеси в Україні: сучасний стан і перспективи), Уман, p. 130.



Source: World Bank, (2011): *Migration and Remittances Factbook*, p. 249.

Table 3.2. Remittances to Ukraine, \$mln

	2007	2008	2009	2010
Remittances - Total	4922	6177	5370	5862
- through correspondent accounts in banks	2818	3275	2832	2959
- through international payment systems	1458	2097	1825	2126
- carried inwards informally	646	805	713	777
Remuneration (without taking into account taxes and expenditures in a country of stay)	1842	3024	2855	3373
- carried inwards informally	216	414	352	455
Private remittances	3080	3153	2515	2489
Cash remittances of workers employed abroad	2292	2140	1643	1560
- carried inwards informally	430	391	361	322
other private remittances	788	1013	872	929
Share of cash transfers in the GDP, %	3,4	3,4	4,6	4,3

Source: National Bank of Ukraine

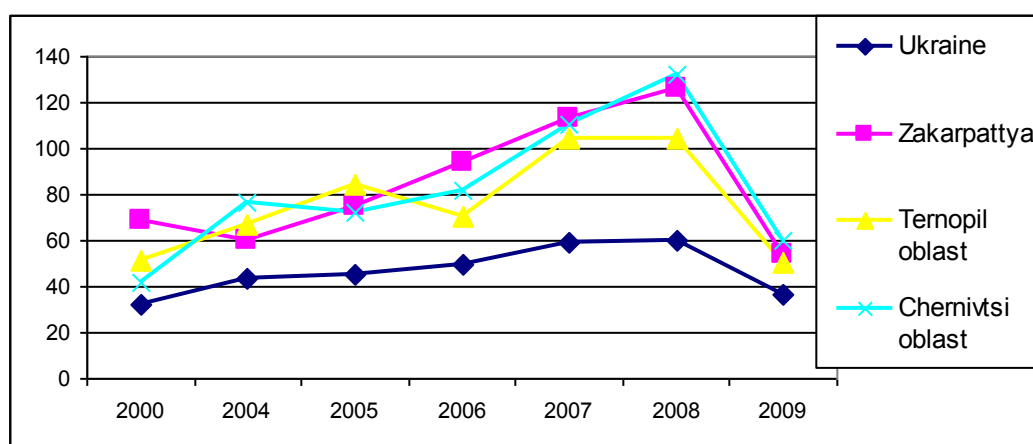
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Table 3.3. Distribution of remittances from abroad by utilization purposes at the place of residence, %

	Total	female	male
Purchases of the daily use goods – foodstuffs, cloth, footwear, payment for services, etc.	72,0	68,0	74,0
Purchases of durables – a car, a TV set, a computer, a washing machine, etc.	39,3	33,4	42,1
Purchase, construction or repair of housing	29,1	29,4	29,0
Repayment of debts	10,4	11,3	9,9
Tuition fees	12,4	14,8	11,2
Payments for medical treatment	6,5	8,3	5,7
Savings	9,7	9,8	9,7
Other	1,5	1,8	1,3

Source: State Statistics Committee of Ukraine, Survey on labor migration 2008.

Figure 3.2. Indices for housing put into service



Source: State Statistics Committee of Ukraine

Table 3.4. International treaties of Ukraine in the field of employment and social protection

Azerbaijan	About labour activity and social security of Ukrainian citizens, who work temporarily in Azerbaijan, and Azerbaijan citizens, who work temporarily in Ukraine	3.06.2004
	About cooperation in the field of pension service	28.07.1995
Belarus	About labour activity and social security of Ukraine and Belarus Republic citizens, who work abroad.	17.06.1995
	About guarantees of citizens in the pension service sector	14.12.1995
Bulgaria	About social maintenance	04.09.2001
Armenia	About labour activity and social security of Ukraine and Armenian Republic citizens, who work abroad.	17.06.1995
	About cooperation in pension service sector	09.01.1995

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Georgia		
Estonian Republic	About cooperation in pension service sector	20.02.1997
Spain	About social maintenance of citizens	07.10.1996
	About regulation of the labour migration flows between two states	12.05.2009
Kazakhstan	About cooperation in pension service sector	21.09.1995
Latvia	About labour activity and social security of Ukraine and Republic of Latvia citizens, who work on the territories of both states.	21.11.1995
	About cooperation in social service sector	26.02.1996
Lithuania	About cooperation in pension service sector	27.09.1994
	About social service	23.04.2001
Moldova	The treaty between the Government of Ukraine and the Government of Moldova Republic on labour activity and social security of Ukraine and Republic of Moldova citizens, who work abroad.	13.12.1993
	About guarantees of citizens in the pension service sector	29.08.1995
Mongolia	The treaty between USSR and Republic of Mongolia about cooperation in social service sector	
Republic of Vietnan	About mutual employment of citizens and their social security	08.04.1996
Poland	About mutual pension provision transferring for people who is entitle to pension provision and reside in Ukraine and Poland	19.05.1993
Portugal	About social service	07.07.2009
Russian Federation	About social security of families with children of Ukrainian citizens, who work and study in Russian Federation and families with children of Russian Federation citizens, who work and study in Ukraine	14.01.1993
	About labour activity and social security of Ukraine and Russia citizens, who work abroad	14.01.1993
	About medical insurance of Ukrainian citizens who stay temporary in Russian Federation and Russian Federation citizens who stay temporary in Ukraine.	28.10.1999
Romania	Convention on cooperation in the field of social service	24.12.1960
Slovakia	About social service	05.12.2000
Hungary	About cooperation in the field of social service	20.12.1962
Czech Republic	About social service	04.07.2001

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Table 3.5. Number of people participating in the international transfers of pensions, 2010, individuals

Country	Transfers of pensions to Ukraine	Transfers of pensions from Ukraine
Georgia	-	2
Latvia	454	206
Estonia	284	309
Slovakia	-	604
Israel	-	84
Bulgaria	25	315
Czech Republic	-	230
Spain	-	181
Lithuania	148	213

Source: Pension Fund of Ukraine

Table 3. 6. Distribution of aid by different income quintiles, Ukraine, 2009,

	The first	The second	The third	The fourth	The fifth	Total
Total aid, UAH million	1 991,1	2 097,3	2 408,6	2 498,3	3 804,2	12 799,5
Total aid, USD million	255,6	269,2	309,2	320,7	488,3	1 643,1
Total aid, EUR million	183,2	192,9	221,6	229,8	350,0	1 177,5
Total aid, %	15,6	16,4	18,8	19,5	29,7	100,0
Aid per an equivalent adult, UAH thousand	924,0	1135,7	1439,8	1834,6	3155,1	1769,7
Aid per an equivalent adult, USD thousand	118,6	145,8	184,8	235,5	405,0	227,2
Aid per an equivalent adult, EUR thousand	85,0	104,5	132,5	168,8	290,3	162,8
Share of aid recipients among the households, %	58,3	58,7	60,9	62,6	63,5	61,0
Share of aid received in monetary incomes, %	4,3	4,6	5,0	5,4	6,6	5,5

Source: Households' Survey, own calculation

Table 3. 7. Contributions of several income components to inequality (the Gini coefficient decomposition), Ukraine, 2009, %

Income components	Contribution to the Gini coefficient
Remuneration	+57,8
Pensions	+22,9
Property incomes and entrepreneurial incomes	+11,7
Aids	-0,6
Privileges and subsidies	+1,3
Remittances of migrants	+4,9
Other incomes	+1,9

Source: State Statistics Committee of Ukraine, Households' Survey, own calculation

Table 3. 8. Impact of migrants' remittances on the population inequality level, by groups of regions, 2010, %

	Gini coefficient after remittances	Gini coefficient before remittances
Regions of mass population outflows	26,0	27,9
Regions of mass population inflows	31,0	26,3
Other regions	26,8	31,3
Ukraine in general	27,4	27,4

Source: State Statistics Committee of Ukraine, Households' Survey, own calculation

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Table 3.9. Impact of migrants' remittances on the population inequality level, by groups of regions, 2010, times

	Decile ratio after remittances	Decile ratio before remittances
Regions of mass population outflows	3,0	3,1
Regions of mass population inflows	3,4	3,5
Other regions	3,1	3,2
Ukraine in general	3,2	3,2

Source: State Statistics Committee of Ukraine, Households' Survey, own calculation

Table 4.1. Structure of employees by types of economic activities and groups of regions, 2010, %

	Ukraine	Regions of mass population outflows	Ternopil oblast	Regions of mass population inflows	The AR Crimea
Agriculture	15.4	21.5	27.5	6.8	17.7
Manufacturing industry	12.9	11.0	6.1	9.6	7.4
Self-employment	17.4	23.7	40.3	10.6	21.4
Agriculture self-employment	13.7	20.1	36.9	7.0	17.8

Source: State Statistics Committee of Ukraine, Labour Force Survey, own calculation

Table 4.2. Employment Rate, following the ILO methodology, %

	Ukraine	Loss Regions	Ternopil oblast	Gain Regions	AR Crimea	Ratio of gain regions to loss regions
1	2	3	4	5	6	7=5/3*100
1999	55.0	54.1	49.2	57.0	51.	105.4
2000	55.8	55.2	50.1	58.6	56.2	105.0
2001	55.4	54.0	46.6	59.4	56.3	110.0
2002	56.0	53.7	46.6	61.3	60.1	114.2
2003	56.2	54.0	46.0	62.2	59.4	115.2
2004	56.7	54.5	47.8	61.8	58.5	113.4
2005	57.7	55.9	52.6	61.4	58.7	109.8
2006	57.9	56.0	51.1	61.7	59.0	110.2
2007	58.7	56.9	52.7	62.4	59.6	109.7
2008	59.3	57.6	53.1	63.0	60.2	109.4
2009	57.7	56.3	52.9	61.8	60.0	109.8

Source: State Statistics Committee of Ukraine, own calculation

Table 4.3. Unemployment Rate, following the ILO methodology, %

	Ukraine	Loss Regions	Ternopil oblast	Gain Regions	AR Crimea	Ratio of gain regions to loss regions
1	2	3	4	5	6	7=5/3*100
1999	11,6	11,4	13,1	11,6	12,8	98,3
2000	11,6	11,9	13,8	8,4	8,1	141,7
2001	10,9	12,3	17,1	6,5	6,7	189,2
2002	9,6	11,3	13,1	5,7	5,1	198,2
2003	9,1	10,1	13,0	5,4	5,9	187,0
2004	8,6	10,2	11,9	5,9	6,9	172,9
2005	7,2	8,5	9,1	4,9	5,5	173,5
2006	6,8	8,1	9,2	4,3	5,1	158,8
2007	6,4	7,6	8,6	3,9	4,6	194,9
2008	6,4	7,6	8,8	3,9	4,7	194,9
2009	8,8	9,6	11,3	6,7	6,8	143,2

Source: State Statistics Committee of Ukraine, own calculation

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Table 4.4. Labor Market Situation, by regions, 2009

	number, thousand		Structure, %		Unemployment probability in comparison to average in Ukraine, %
	employed	unemployed	employed	unemployed	
Ukraine	20,191.5	1,958.8	100.0	100.0	100.0
Regions of mass population outflows	6,684.3	711.5	33.1	36.3	109.7
Ternopil oblast	422.1	53.8	2.1	2.7	128.6
Regions of mass population inflows	2,466.8	175.9	12.2	9.0	73.8
AR Crimea	905.7	66.5	4.5	3.4	75.6

Source: State Statistics Committee of Ukraine, own calculations

Table 4.5. Educational level of the working population, by regions, 2010

	Distribution of population by educational level, %					Average number of years of education, years
	Completed higher education	Basic higher education	Completed secondary education	Basic and primary secondary education	Other	
Ukraine	22.2	21.4	40.9	13.6	2.0	12.6
Regions of mass population outflows	19.2	19.7	42.7	16.3	2.2	12.6
Ternopil oblast	19.4	19.2	38.4	21.7	1.3	12.8
Regions of mass population inflows	34.7	20.8	34.7	8.5	1.2	13.1
AR Crimea	21.9	20.1	41.5	15.2	1.3	12.8

Source: State Statistics Committee of Ukraine, Households' Survey, own calculation

Table 4.6. Distribution of assistance between different population groups, by income quartiles and groups of regions, 2010, %

		Income quartiles				On average
		The first	The second	The third	The fourth	
Share of assistance recipients among the households, %	Ukraine	59.9	63.1	63.5	65.3	63.2
	Regions of mass population outflows	61.6	67.4	69.7	70.4	67.5
	Ternopil oblast	50.7	55.6	63.9	78.9	60.6
	Regions of mass population inflows	57.6	57.3	58.6	60.3	59.0
	the AR Crimea	66.6	60.6	59.8	43.6	57.3
Share of the cash income assistance received, %	Ukraine	4.4	4.3	4.8	6.0	5.1
	Regions of mass population outflows	5.0	5.1	5.6	9.1	6.5
	Ternopil oblast	7.4	5.6	7.3	16.4	9.6
	Recipient regions	4.9	3.5	4.3	5.0	4.7
	the AR Crimea	6.2	4.3	3.4	3.7	4.1

Source: State Statistics Committee of Ukraine, Households' Survey, own calculation

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Table 4.7. Relative Poverty Rate, by groups of regions, %

		2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Ukraine	Before assistance	26.8	27.9	27.6	27.0	27.5	27.8	28.5	27.7	28.3	27.1	25.5
	After assistance	26.4	27.2	27.2	26.6	27.3	27.1	28.1	27.3	27.0	26.4	24.1
Regions of mass population outflows	Before assistance	29.4	32.6	32.1	31.4	32.5	30.9	30.0	30.1	30.8	28.4	28.3
	After assistance	29.2	31.6	31.3	31.1	32.1	29.4	29.1	29.4	29.2	27.3	26.6
Ternopil oblast	Before assistance	27.6	25.8	28.3	27.6	34.4	40.0	34.7	35.6	47.4	31.9	40.6
	After assistance	27.5	25.7	24.6	26.9	32.9	37.6	34.3	33.3	42.8	29.4	37.3
Regions of mass population inflows	Before assistance	19.7	21.8	22.2	21.1	18.8	19.1	18.4	15.7	16.5	16.5	16.3
	After assistance	18.8	19.1	20.0	19.4	18.2	19.0	17.0	16.3	15.1	15.6	15.4
AR Crimea	Before assistance	25.4	41.9	43.3	43.6	35.6	37.1	33.7	26.8	28.6	26.3	26.7
	After assistance	25.0	38.4	38.3	39.6	34.0	38.1	30.8	29.2	24.9	25.8	25.4

Source: State Statistics Committee of Ukraine, Households' Survey, own calculation

Table 4.8. Absolute Poverty Rate, by groups of regions, %

		2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Ukraine	Before assistance	72.0	73.4	74.9	66.5	54.4	42.3	36.9	30.4	15.5	13.3	21.0
	After assistance	70.6	71.2	72.5	63.3	50.2	38.2	32.9	26.2	12.6	9.8	16.9
Regions of mass population outflows	Before assistance	75.6	79.7	80.8	71.8	60.7	46.5	39.1	33.4	17.9	13.6	23.8
	After assistance	73.8	77.9	78.1	68.5	55.9	41.2	34.3	28.4	14.7	10.0	18.8
Ternopil oblast	Before assistance	70.9	73.1	83.7	61.0	60.3	57.2	45.8	37.5	31.7	17.7	36.6
	After assistance	68.7	70.0	77.3	57.5	54.9	47.3	39.0	33.0	26.9	13.9	31.4
Regions of mass population inflows	Before assistance	59.9	62.5	62.5	53.9	41.4	30.4	25.3	17.6	7.2	7.9	13.0
	After assistance	57.4	59.2	59.5	51.3	38.8	27.4	20.8	14.8	4.8	3.1	10.5
AR Crimea	Before assistance	77.5	85.0	85.5	82.1	67.3	53.5	43.3	31.2	13.5	11.7	23.1
	After assistance	75.1	80.5	82.5	80.9	63.3	49.1	36.4	26.5	9.0	4.3	19.5

Source: State Statistics Committee of Ukraine, Households' Survey, own calculation

Table 4.9. Share of population without access to different kinds of services, %

	Cities	Small towns	Rural areas
Medical services		5.9	9.6
Trade		2.3	4.9
Daily services		2.9	8.3
Transport services		1.0	3.7

Source: State Statistics Committee of Ukraine, Households' Survey, own calculation

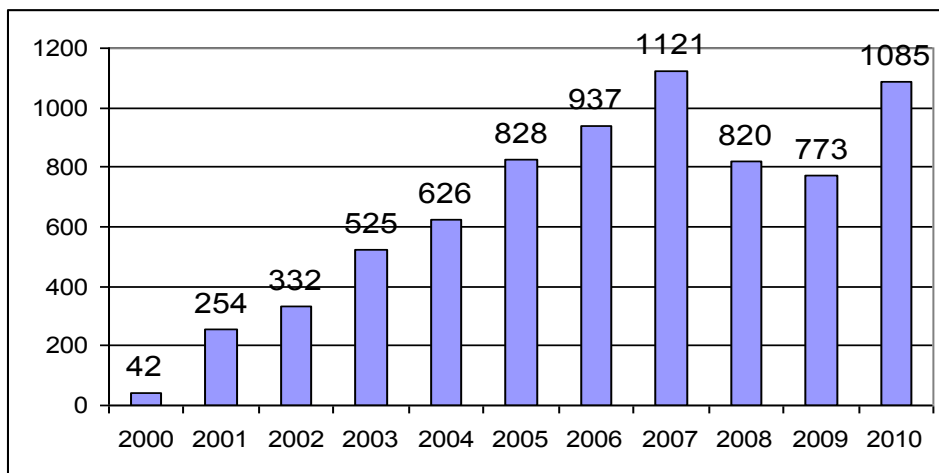
Table 5.1 Breakdown of labour migrants according to gender and marital status, %

	female	male
Married	51,3	61,6
Have never been married	22,6	29,7
Divorced	22,2	7,8
Widowed	3,9	0,9

Source: State Statistics Committee of Ukraine, Survey on labor migration 2008.

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Figure 6.1. Victims of human trafficking who were supported by IOM Office in Ukraine in 2000-2010, persons



Source: IOM Office in Ukraine

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List of experts' interviews

	Name	Organisation	Function/ Area of expertise	Type of consultation and form of documentation	Date and duration of consultation
1	Maryna J.Jegorova	State Employment Center of Ukraine	Head of department of external labour migration and international cooperation	Personal interview	21.03.2011 40 minutes
2	Olena V.Kozyrjeva	State Employment Center of Ukraine	Head of analytic and statistics department	Personal interview	21.03.2011 40 minutes
3	Volodymyr V.Jerasov	Ministry of Social Policy of Ukraine	Head of department of employment and labour migration policy	Taped group discussion	22.03.2011 2 hours
4	Vasyl S.Husechko		Vice head of department		
5	Iryna K. Rozka	Ministry of Social	Head of department for	Personal	25.03.2011

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		Policy of Ukraine	social partnership and external relations	interview	1 hour
6	Ihor A. Shumylo	National Bank of Ukraine	Director of General economic department	Telephone interview	28.03.2011 20 minutes
7	Vladislav G. Mashkin	Pension Fund of Ukraine	Director of department for provision of pensions	Personal interview	24.03.2011 1,5 hours
8	Anatolij A. Maksjuta	Ministry of economic development and trade of Ukraine	Vice Minister	Personal interview	28.03.2011 40 minutes
9	Olexij O. Postojuk	Ministry of Social Policy of Ukraine	Head of department of state social insurance policy	Personal interview	30.03.2011 1 hour
10	Nina O. Solomatina	Federation of Trade Union of Ukraine	Head of economic protection department	Personal interview	03.04.2011 40 minutes
11	Vasyl I. Kostruca	ILO Office in Ukraine	National coordinator	Personal interview	29.03.2011 1,5 hours
12	George Gigauri	IOM Office in Ukraine	Operation Officer, Capacity Building for Migration Management Programme	Personal interview	03.04.2011 1 hour
13	Sergij O. Olijnyk	Trade Union of labour migrants in Ukraine and abroad	Chairman	Telephone interview	25.03.2011 20 minutes
14	Grygorij Seleschuk	Ukrainian grease - catholic church	Chairman of the commission for migration issues	Telephone interview	25.03.2011 20 minutes
15	Svitlana V. Tolstouhova	League of social workers of Ukraine	President	Personal interview	7.04. 2011 1 hour
16	Ivan O. Myronjuk	HIV/AIDS medical centre in Zakarpattya	Chief doctor	Personal interview	13.04. 2011
17	Ljudmila V. Ivanova	Ministry of education and science of Ukraine	Director of International Ukrainian School	Telephone interview	18.04.2011 20 minutes
18	Tatjana V. Nikitina	State Migration Service of Ukraine	Officer	Telephone interview	28.07.2011 20 minute
19	Evgeniya N. Navrotska	TV "Tyssa-1"	Journalist, chief of TV program "Roma life"	Telephone interview	25.08.2011 30 minute