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

Executive Summary

Ukraine

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Following Ukraine's independence, a population long held within state borders by the regime began engaging in international migration. The 1990s transition period was marked by economic crisis, with sharp decreases in production levels, high unemployment, low wages and worsening living standards. Ukrainians seeking employment abroad went primarily to Russia, Poland, and southern European countries, with men working mainly in the construction sector and women primarily in households. Surveys showed that more than 10% of the country's labour force was employed abroad at the beginning of the new millennium. Steady economic growth returned in the 2000s, but the quality of employment fell and the share of informal employment rose due to a lack of well-paying alternatives. The number of migrant workers declined over this period, but remained significant, and is today estimated at a total of 2-3 million individuals. Because wages and working conditions remain considerably more attractive in destination countries, a part of temporary labour migration has been increasingly transformed into permanent emigration.

As a result of campaigns supporting the legalisation of migrants in destination countries, the legal status of Ukrainian workers has improved. Nevertheless, surveys show that more than 25% of migrants work abroad without proper permits. As of 2008, about one-third of labour emigrants were female - a notable increase compared to 2001, when just 24% were women. Labour migrants have comparatively high average education levels, with 59% having upper secondary schooling (compared to 43.2% of Ukraine's domestic working population), and 31.2% with a tertiary education (compared to 46.9%).

After some internal migration to the countryside in the 1990s, recent flows have been predominately rural-urban, as individuals seek better living conditions and employment opportunities in the cities. The country's western and south-western regions, the primary regions subject to net migration loss, are characterised by high levels of poverty and unemployment, and a substantial incidence of subsistence-level agriculture. These areas have also comparatively poorer access to medical services and education.

Labour migration has had mixed effects on Ukraine's domestic labour market. The national unemployment rate would be an estimated 1.6 times higher in the absence of migration. At the same time, labour migration has also led to the loss of the most active and entrepreneurial workers, a shortage of professionals in some critical sectors (particularly in net migration loss regions) and an overall "brain drain". During the 1990s, for example, Ukraine lost 15-20% of its specialists with higher education to migration, and a 2001 census identified an overall decline in the average educational level of the young working-age population, despite increased levels of training. Significant shortages of medical personnel have emerged in part because Ukraine is a donor of medical personnel to neighbouring countries (Poland, Russia).

These losses are not balanced by migrants' earnings. Ukraine annually receives over € 4.3 billion in private transfers from abroad, the equivalent of 4-5% of GDP. However, these funds are being spent primarily on consumption, with little use for investment purposes. They reduce absolute poverty but exacerbate income inequalities, while tending to decrease regional inequalities slightly. The increase in consumer demand resulting from the transfers has a positive multiplication effect on the economy at large, but there is also evidence indicating that private transfers result in import price increases and higher levels of inflation.

Communities are concerned about migration's negative impact on family relationships and child-rearing, especially in cases when women are the migrants. At least 200,000 minors have at least one parent who has travelled abroad for employment purposes; within net migration loss regions, this group represents 10-20% of all children. Older family members left behind are often burdened with responsibility for caring for children, or can be subject to neglect and isolation, particularly in villages and small towns lacking social services.

Inadequate social protection for labour migrants, a significant share of whom work abroad and in other regions of Ukraine unofficially, is a serious problem. This poses a personal threat to them and is an additional burden for the Ukrainian national social welfare system, since members of migrant families staying at home and returning migrants themselves make

use of social assistance benefits. Moreover, social security based on the pensionable service record accumulated by labour migrants in Ukraine is minimal because they work mostly abroad. This can lead to poverty among families of migrants, and thus the need for additional state support.

Ukraine's migration regulatory regime has been strengthened by a number of important recent decisions, including the president's approval of the Concept for the State Migration Policy and the establishment of the State Migration Service. At the same time, shortcomings within the legal framework and decentralised management functions have left this policy area lacking in practical measures. As the state seeks to minimise the negative and maximise the positive effects of migration, policy should be directed first of all at:

- decreasing the number of labour migrants, by encouraging the creation of new jobs, increasing remuneration levels and developing depressed regions;
- protecting the rights of citizens working abroad, particularly by striking agreements with destination countries dealing with migrant workers' employment and social security;
- supporting families left behind by migrants, particularly children, in cooperation with non-governmental organisations active in this area;
- encouraging return of migrants to their home country, and facilitating migrants' reintegration into domestic society and labour markets through the development of state and regional programs (particularly within net migration loss regions) such as the provision of support and counselling for entrepreneurs;
- developing a system for organised and secure internal migration by citizens, in such a way as to satisfy Ukraine's domestic labour market needs while providing an alternative to international labour migration. This may include improvements in the transportation infrastructure, subsidies for transportation and job mediation by the public employment service as well as development of the temporary housing system.

Fulfilment of these and other tasks of migration policy will require institutional reform; relieving the State Migration Service from subordination to the Ministry of Internal Affairs is of particular importance. The former agency should manage all migration-related functions, including oversight of citizens' labour migration, encouragement of return and the provision of reintegration assistance.

Regular population sampling surveys should be introduced in order to estimate the volume, direction and composition of labour migration; survey results should serve as the foundation for future evidence-based decisions. In the same vein, a specialised research centre able to conduct scientific, cross-disciplinary research on migration should be established.

International cooperation is necessary to facilitate further migration policy progress. Cooperation with destination countries should focus on gaining access for Ukrainian migrant workers to social protection systems; establishing agreements promoting circular migration; and securing destination countries' assistance in reintegrating returning migrants. Expanding cooperation with the European Union within the Eastern Partnership framework, particularly if Ukrainians are granted a visa free regime, could become a powerful factor in developing and supporting circular migration.