

# THEORETICAL AND APPLIED ASPECTS OF ECONOMIC PROCESSES IN UKRAINE AND IN THE WORLD ECONOMY

UDC 314.15:331:005.52(477)

DOI <https://doi.org/10.26661/2414-0287-2019-4-44-13>

## ANALYSIS OF LABOR MIGRATION IN UKRAINE AND ECONOMIC EFFECTS OF MIGRATION

**Vyshnyakov V.M., Lavrenchuk I.V.***Zaporizhzhia National University  
Ukraine, 69000, Zaporizhzhia, Zhukovsky str., 66*

irina.lavrenchuk.97@gmail.com

ORCID ID 0000-0002-4536-3353, 0000-0002-7197-051X

**Key words:**

labour migration, international labour migration, labour resources, migration processes, globalization.

The article is devoted to the study of peculiarities of external migration processes in Ukraine, analysis of factors and main trends, identification of causes of external labour migration of the population and their consequences for the socio-economic development of our country, disclosure of existing threats and negative consequences of international labour migration for migrants and the economy of Ukraine. The main factors of influence on the level of labour migration of Ukrainians abroad in the conditions of European integration and in the current political and economic situation are analysed. International migration is a global phenomenon, the complexity, scale and impact of which are steadily increasing on the economic development of countries. The methodology of the study of the volumes and dynamics of migration processes, features of the development of migration policy in Ukraine and the world is based on the application of general scientific and special methods of scientific knowledge: dialectical, systematic approaches, sociological questioning, comparison, statistical analysis. Particular attention is paid to identifying the socio-economic causes and consequences of international labour migration from Ukraine and its impact on various sectors of the country's economy. Also, this paper proposes the main approaches to improving the state migration policy based on regulation of labour migration processes in Ukraine. The overall purpose of the study of migration is to meet the educational, qualification and demographic needs of the human potential, to preserve it, to increase it and to use it effectively for the economic growth of the country. Therefore, the article has great practical and theoretical importance, since the issue of the impact of labour migration on the development of the state economy remains quite relevant, because the administrative and legal regulation of labour migration processes, which have their peculiarities in the period of economic transformations, is an important component of the social policy of the Ukrainian state.

---

## АНАЛІЗ ТРУДОВОЇ МІГРАЦІЇ УКРАЇНИ ТА ЇЇ НАСЛІДКИ ДЛЯ ЕКОНОМІКИ

**Вишняков В.М., Лавренчук І.В.***Запорізький національний університет  
Україна, 69600, м. Запоріжжя, вул. Жуковського, 66***Ключові слова:**

трудова міграція, міжнародна трудова міграція, трудові ресурси, процеси міграції, глобалізація.

Статтю присвячено дослідженню особливостей зовнішніх міграційних процесів в Україні, аналізу факторів та основних тенденцій, визначенню причин зовнішньої трудової міграції населення та їх наслідків для соціально-економічного розвитку нашої країни. Розкрито існуючі загрози та негативні наслідки міжнародної трудової міграції для мігрантів та економіки України. Проаналізовано основні фактори впливу на рівень трудової міграції українців за кордон в умовах європейської інтеграції та в сучасній політико-економічній ситуації. Міжнародна міграція є глобальним явищем, складність, обсяг і вплив якого на економічний розвиток країн постійно зростають. Методологія дослідження обсягів і динаміки міграційних процесів, особливостей розвитку міграційної політики в Україні і світі ґрунтується на застосуванні загальнонаукових та спеціальних методів наукового пізнання: діалектичного, системного підходів, соціологічного опитування, порівняння, статистичного аналізу. Особливу увагу приділено визначенню соціально-економічних причин та наслідків

міжнародної міграції робочої сили з України та її впливу на різні сектори економіки країни. Також у роботі запропоновано основні підходи щодо вдосконалення державної міграційної політики на основі регулювання трудові міграційних процесів в Україні. Загальною метою дослідження проблеми міграції є задоволення освітньо-кваліфікаційної і демографічної потреби в людському потенціалі, його збереженні, збільшенні та ефективному використанні для економічного зростання країни. Стаття має важливе практичне та теоретичне значення, адже питання впливу трудової міграції на розвиток економіки держави залишається доволі актуальним, тому що адміністративно-правове регулювання процесів трудової міграції, які мають особливості в період економічних перетворень, є важливою складовою соціальної політики української держави.

### Statement of the problem

The timeliness of the topic is required for a number of reasons. The migration is a significant threat to the world order. Military conflicts in Syria, Libya, Afghanistan, as well as the illiterate migration policy of some EU countries provoked a real "Exodus" of refugees to Europe. Every day, news programs hear reports about the problems that arise with the acceptance of these people. At the same time, most of them are so - called "economic" migrants-people who do not want to work and live only on benefits. Secondly, migration is a big problem for our country. On the one hand, the domestic economy requires labour, especially in light of the demographic situation of our country. On the other hand, the migration policy pursued by the Ukrainian government is ineffective and needs to be improved. And finally, thirdly, migration has a serious impact not only on the country's economy, but also on society. Thus, the chosen problem is relevant and significant for the study.

### Analysis of recent studies and publications

Interest in labour migration in the domestic scientific literature is consistently high. This is due to both the scale of the process and the role of migration in demographic and socio-economic development. In Ukraine, many studies of labour migration trends, socio-demographic characteristics of migrants, their position in the labour markets of foreign countries have been carried out. Such Ukrainian scientists as G. I. Glushchenko, V. A. Ponomarev [1], N. Bortnik, M. Dolishny, Yu. I. Rymarenko [2], S. V. Ponomarev made a significant contribution to the development of various aspects of migration problems and directly related to labour migration. Doroguntsov, A. Dotsenko, Ya. Zhupansky, A. Zagrobskaya, F. Zastavny, S. Kopchak, Yu. Korchak-Chepurkovsky, E. Libanova, O. Malinovskaya [3], V. Onikienko, T. Petrova, Yu. Pityurenko, S. Pirozhkov, T. E. Miroshnichenko [9] O. Piskun, I. Pribytkova, M. Ptukha, Yu. Rymarenko, U. Sadovaya, V. Steshenko, S. Stetsenko, V. Tovkun, O. Khomra, O. Shablyj, M. Shalenko, L. Shepotko and others. In particular, Ukrainian scientists have studied in detail the trends of external labour migration [3-6], made several attempts to assess the role of remittances in the development of migrants [7, 8], studied the life strategies of migrants, evaluated the consequences of labour migration for migrants and their families [9, 10]. At the same time, the impact of labour migration on socio-economic development remains poorly understood, as for the assessment of the long-term consequences of labour migration.- of migration for the development of the labour market and social system of the country, the researchers are mainly limited to generalized conclusions without determining specific quantitative indicators.

### Objectives of the article

The objective of the article is the study of the impact of labour migration on economic and social processes in the country.

### The main material of the research

The close relationship between migration and economic development is confirmed by significant historical experience. It is unconditional today. However, at the present stage, the nature of this relationship is much more complex and multifaceted and often ambiguous. The versatility of modern migration processes in the context of global development predetermines the need to develop new conceptual approaches to the study of the problem of labour migration, which will help to carry out the evolution of migration policy, neutralize the negative consequences and reveal the development potential inherent in labour migration [1].

For modern Ukraine, the question of the impact of labour migration on the development of the economy of the state remains quite relevant, because the administrative and legal regulation of labour migration processes, which have their own characteristics in the period of economic transformation, is an important component of the social policy of the Ukrainian state. During the years of state independence of Ukraine, the nature, volume, composition and direction of internal and external labour migration flows in connection with the transformation of socio-economic relations, democratization of public life, simplification of procedures for travel abroad and change of residence, the economic crisis and the fall in living standards of the population have undergone significant changes and acquired a new meaning. They are reflected primarily in the decrease in the intensity of labour migration within certain regions of the state and at the interregional level, a significant outflow of population outside the state, the formation of powerful and constant flows of external labour migration.

In the context of our study, first of all it is necessary to find out the deep essence and main causes of migration processes in General. Since, as evidenced by scientific research and practical experience of many developed countries of the world, the population and labour resources, their statistical composition is formed and due to natural growth, and due to the population migrations.

In the most General form, labour migration (labour migration) refers to the movement of people of working age outside the region of their residence, including abroad, the main purpose of which is employment in a legal or illegal manner. According to the ILO classification, labour migration is divided into five types (see Fig.1) [1].

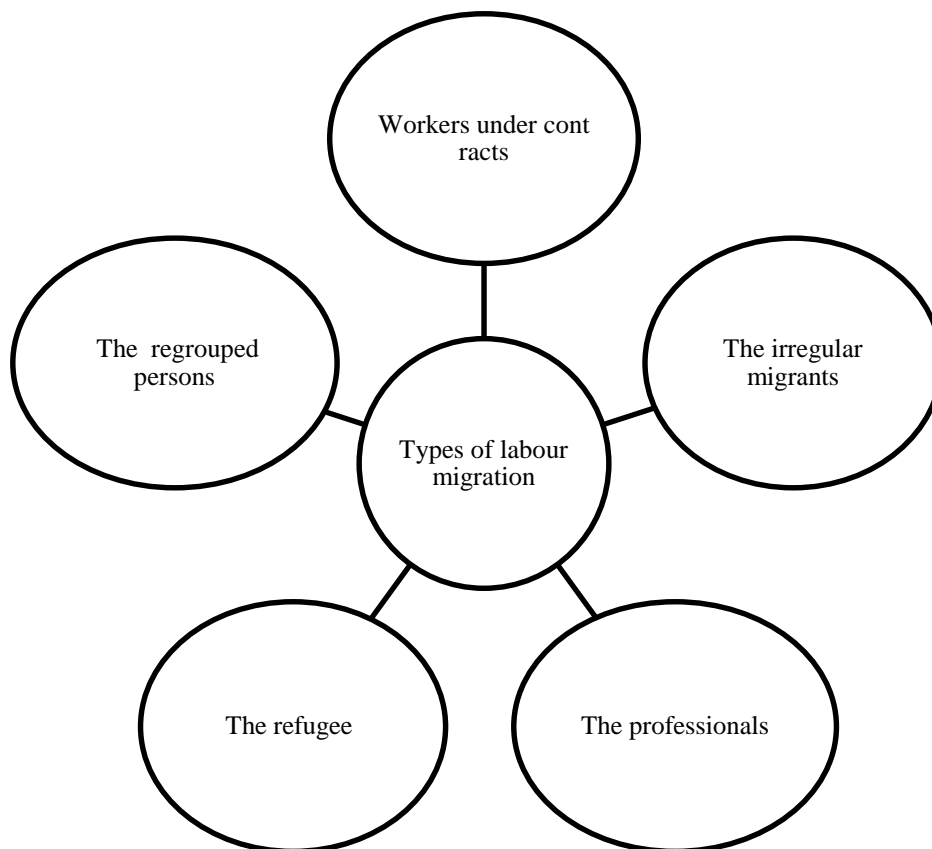


Fig. 1. Types of labour migration according to ILO classification [1]

Labour migration manifests itself in various forms and affects, first of all, the country's economy. The impact can be both positive and negative. Thus, highly skilled labour migrants by their activities in the recipient country have a positive impact on the economic development of various industries in the long term. In this regard, there is an acute struggle between the countries for high-quality specialists. Countries such as the United States and the United Kingdom are developing and implementing various programs to find and lure "brains" to themselves. It is interesting that A number of large German, American and British companies have invested in the SKOLKOVO innovation centre. The impact of unskilled labour is not so clear: on the one hand, the cheapness of migrant labour is beneficial to employers, because it allows them to perform more work for less money, which makes the local population unattractive. On the other hand, the shortage of workers is disastrous for any production [2].

The unstable political situation and relatively low salaries are pushing Ukrainians to search for a better life. The Minister of social policy stated that 3.2-9 million citizens permanently or temporarily work abroad.

Experts estimate the number of employees of 2.5 million. The shortage of personnel has already become a problem for business and will deepen VoxUkraine analysed the offer of work abroad on the OLX platform and found interesting trends.

During 2018, vacancies in seventy countries of the world were available for Ukrainians. The total number of vacancies for 2018 amounted to almost 47 thousand. Almost 60% of the vacancies offered in the "Work abroad" section in Poland, the Czech Republic is in second place - 12%, Germany is in third place-5% [3].

There are nine times more foreign vacancies than corresponding resumes. It can be assumed that a person who wants to work abroad can quickly find a job by posting a resume, because the demand is much higher than the supply.

Noticeable fluctuations in the number of vacancies at the time of the year. There are more vacancies in spring and summer than in winter. It can be assumed that this is due to the seasonality of work in construction and agriculture. The most significant, 43%, increase in the number of vacancies in March 2018, the most decreased-in December 2018 [3].

Workers are the most common request among those looking for workers. There is also a high demand for packers, builders, drivers and electricians. Ukrainians are more likely to apply for jobs that do not require higher education or knowledge of languages.

The lowest salaries in 2018 were offered in Bulgaria, Hungary and Poland, the highest-in Germany, Israel and Sweden. The median salaries for the countries with the largest number of vacancies were considered (see Fig. 2) [3].

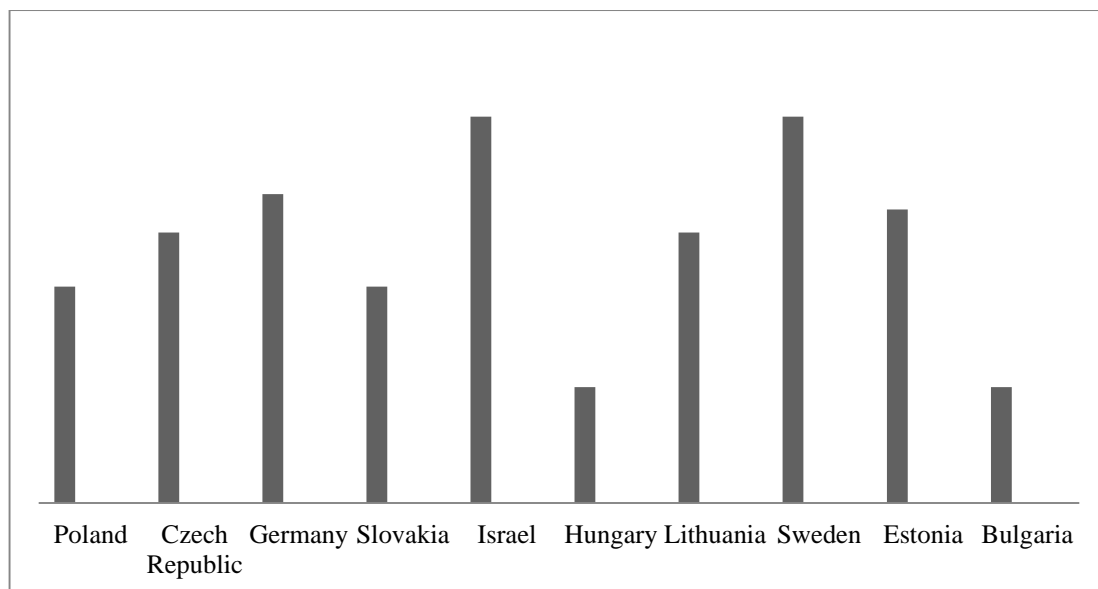


Fig. 2. Wages (median) by country in 2018, UAH [3]

Poland offers the largest number of vacancies, but here the average salary is one of the lowest - 24 024 UAH. In Poland, half of the salaries below 22 thousand UAH, this figure is worse only in Hungary - 18 thousand UAH. The best in terms of average and median wages are Israel and Germany.

What does the Ukrainian labour market offer? In September 2018, the average salary abroad was 30 056 UAH, in Ukraine - 9 660 UAH. Thus, for Ukraine all vacancies were considered, for other countries-generally working vacancies [3].

Even taking into account the fact that the average salary in Ukraine is constantly growing, it is still very far from what is offered for guest workers in other countries.

Table 1 - How much can a Ukrainian save in other countries?

	The average salary is higher by, %	The cost of living without the cost of renting a home is higher by, %	Rent higher on, %	Savings of the average Ukrainian, for a month, UAH
Ukraine	—	—	—	2 500
Poland	149	40	57	15 494
Czech Republic	208	140	182	12 526
<b>Germany</b>	378	61	91	<b>39 540</b>
Slovakia	181	65	36	18 350
<b>Israel</b>	422	61	70	<b>45 205</b>
Hungary	114	163	207	-321
Lithuania	195	193	252	5 768
Portugal	210	95	316	11 461

Having analysed all the above, we can distinguish the following consequences of migration processes.

The loss of the most productive part of their workforce (young people, scientists, experts), to easing tensions on the labour market, loss of skills of most labour migrants, working not on a speciality, reducing unemployment, investing government funds into the training of specialists who implement their abilities and add value abroad, improving the well-being of migrant families, the

The difference is smaller for maximum wages and higher for a minimum. This means that Ukrainians who earn significantly more than the average in Ukraine will not be able to significantly increase their income by working in other countries.

The pragmatic person compares not only wages, but also the cost of living in Ukraine and abroad. A Ukrainian who earns 11.5 thousand UAH at home, spends 3 thousand UAH on rent and utilities, and 6 thousand UAH on other goods and services. Thus, it saves 2.5 thousand UAH per month [3].

opportunity to realize their potential for migrants, receive migrants citizenship of the country of migration, which worsens the demographic situation, the return of migrant workers the retirement age, family breakdown, the problem of social "orphanhood", the risk of falling into the situation of human trafficking (sexual exploitation abroad, labour slavery).

The main factors influencing the level of labour migration of Ukrainians abroad in the conditions of

European integration in the current political and economic situation are the demographic situation, unemployment, wages, migration policy, as well as the political situation in Ukraine and the world. Each of these factors affects the dynamics of the number of labour migrants. Thus, in particular, the decrease and aging of population in EU countries, the presence of hidden unemployment in Ukraine, the problems of youth employment after education, exceeding wage 3-5 times, in the EU in comparison with Ukraine, and high salary levels among all the countries-recipients of Ukrainian migrant workers, the lack of specific measures in Ukraine aimed at the repatriation of Ukrainians and but the presence of such measures in foreign countries, political instability in Ukraine – these are all factors that contribute to the increase in the number of migrants in the EU. The signing of the Association Agreement between Ukraine and the European Union will also contribute to an increase in the number of migrant workers, in particular by simplifying the visa regime, as well as promoting the mobility of the population [4]. So, at the moment, the greatest impact on the further dynamics of migration processes will have such a factor as the political situation in the country. Migration policy of highly developed countries of the European Union is aimed at attracting immigrants, including Ukrainians, which contributes to the increase in migration. However, all the measures of foreign countries will not matter for the Ukrainian emigrant, if as an alternative he will have prospects at Home. If after the stabilization of the political situation in Ukraine, the country's economy will develop in such a way that the Ukrainian migrant will be able to get a decent salary to provide normal living conditions for his family, social guarantees, favourable conditions for doing business, he will not have the need to seek low-skilled work or work with a high level of injuries abroad. Especially promising in this direction is the development of measures for the return home of young people who study abroad, and can use the world experience for doing business in Ukraine.

Migrants contribute to the growth of the economy in the host countries by taking on jobs that require a large contribution of human resources and energy, but are considered prestigious in a given society, thus migrants complement the local workforce rather than compete with them. Host countries are equally interested in the influx of skilled migrant workers, who play an important role in the establishment of commercial enterprises and innovation, especially in areas related to scientific and technological progress.

In recent years, the main destination countries for migrant workers have been Poland, the Russian Federation, the Czech Republic and Italy. They account for about 80% of the total flows of short- and long-term labour migrants from Ukraine [5].

Under the influence of the military conflict and the deep economic crisis, the emigration mood of the population is growing. Attempts to solve the problems of life in the way of employment abroad contributes to the experience gained by Ukrainians working outside the state, powerful migration networks that have formed over the past decades.

According to the IOM study, the structure of labour migration from Ukraine is also changing, namely, the volume of long-term migration is increasing, in addition,

more and more young people, women, urban residents, immigrants from Northern, Central and Eastern Ukraine are able to migrate [5].

Also, the number of Ukrainian students is growing in countries where labour migration flows are directed. According to the annual monitoring of the number of Ukrainian citizens who study at foreign universities on a full-time basis, carried out by the analytical centre SEDOS, in 2013/2014 academic year 47.7 thousand citizens of Ukraine studied abroad. Most of them are in Poland (fifteen thousand people), Germany (nine thousand people), Russia (six thousand people), Canada and the Czech Republic (two thousand people) [6].

Permanent return and reintegration are generally considered to be the last stage of the labour migration process. In terms of migration and development, as well as migration management perspectives, the process of reverse migration is considered important because it is closely related to the transfer of accumulated financial capital (accumulated savings), human capital (experience, skills, knowledge, business practices, ideas, etc.), social capital (contacts, networks). Homecoming intentions and actual behaviour are critical determinants in the process of explaining and predicting savings, remittances and investment trends. In the end, they affect the level of development that can be enhanced by labour migration.

The course of migration in the long term depends on the development of the situation in Ukraine. If the parameters of social and economic development in Ukraine do not improve in the long term (remain at the level of 2014-2016), the transition of temporary external labour migration into an irrevocable form will increase [6].

Migrants also play an important role in strengthening the socio-economic structure of Ukraine. The peaceful political course of these States, ensuring the security of their citizens, the rule of law and the availability of jobs - such a situation in the country will create a situation in which people migrate for their personal choice. Due to the migration corridors of the government can establish relations with their citizens and national communities abroad. Encouraging the repatriation of skilled emigrants can help to eliminate skills shortages in their countries. Consequently, through the mechanism of international migration there is a redistribution of development resources, without which no country can do [8].

From the above information, it turns out that migration has an impact on almost all spheres of society, but most of all on the demographic and social situation, the economic sphere, labour markets and finance.

In order to gain fundamental knowledge in the field of international migration and to develop correct recommendations for migration policy it is necessary to conduct additional research in the following areas:

- improving the quality of data. Lack of data on the characteristics of migration, the sources of statistical data collection in ministries and departments are different, there is no coordination between ministries, there are almost no studies on labour migration;
- study the experience of countries that have many years of experience in attracting migrant workers (traditionally attractive to immigrants);

- impact on the labour market. The migration of skilled and unskilled labour, as well as the effects of permanent and temporary migration, needs to be analysed;
- «brain drain». Ukraine (due to low and medium incomes) faces the problem of emigration of highly skilled workers. It is necessary to conduct research: under what conditions do migrants' remittances and the transfer of their accumulated knowledge bring benefits to our state, and for which we lose human capital;
- remittance. The issue of remittances as a source of capital for the country is now becoming increasingly important, so the study of the factors that determine cash flows and the effective ways to use them should be a priority;
- access to social security systems and transferability of social benefits and entitlements;
- social and political integration, citizenship and economic status of migrants;
- communication with the Diaspora;
- impact on economic development and poverty reduction in Ukraine.

### Conclusions

Proceeding from the above and based on the experience of developed countries to improve the state migration policy of Ukraine, the necessary direction of the authorities is to: reduce the losses of the country's

population due to emigration by providing citizens with decent conditions at home; inadmissibility of creating unjustified benefits or advantages for immigrants, which put them in a privileged position compared to the citizens of Ukraine, but preventing any manifestations of discrimination against migrants; regulation of natural processes of population migration through the creation of state socio-economic and national-cultural programs; combating illegal migration and human trafficking; protection of the interests of Ukrainian emigrants, development of close ties with foreign diasporas; return of migrant workers and ethnic Ukrainians by creating attractive conditions for the use of their foreign currency savings in business activities in Ukraine.

In the process of conceptualization of state regulation of migration processes, it was revealed that the formation and implementation of a set of migration policy methods in the context of the overall strategy of socio-economic development of Ukraine and increasing its competitiveness in the global sphere of application are promising development opportunities. The General purpose of the introduction of a set of migration policy methods in General is to meet the educational, qualification and demographic needs for human potential, its preservation, increase and effective use for the economic growth of the country.

### References

1. Holovina N.M. (2007). Sotsialno-psykhologichni aspekty trudovoi mihratsii v Ukraini [Socio-psychological aspects of labor migration in Ukraine] Mizhnarodna mihratsiia ta rozvytok Ukrainy v konteksti yevropeiskoi intehtatsii – International migration and development of Ukraine in the context of European integration, 33, 129–136. [in Ukrainian].
2. Doslidzhennia u sferi trudovoi mihratsii: Ukraina [Research in the field of labour migration] Mizhnarodne biuro pratsi, Analitychna dopovid – International Bureau of Praxis, Analytical Support, 10, 193-204. [in Ukrainian].
3. Sait novyn «Ekonomichna pravda» [Site of news «Economic truth»]. [www.epravda.com.ua](http://www.epravda.com.ua). Retrieved from: <https://www.epravda.com.ua/publications/2019/04/23/647290/> [in Ukrainian].
4. Mihratsiia yak chynnyk rozvytku v Ukraini [Migration as a factor of development in Ukraine] (2016). Doslidzhennia finansovykh nadkhodzen, poviazanykh z mihratsiieiu, ta yikhnoho vplyvu na rozvytok Ukrainy. Mizhnarona orhanizaciya z mihratsii – Upcoming financial support, due to migration, and that's great excitement for the development of Ukraine. International Organization of Migrations. [in Ukrainian].
5. Christof Van Mol and Helga de Valk Intehratsiini protsesy i polityka v Yevropi, kontekst, rivni i subiekti [Integration Processes and Policies in Europe Contexts, Levels and Actors] Migracziya i immigranty` v Evrope: Istoriko-demograficheskaia perspektiva – Migration and Immigrants in Europe: A Historical and Demographic Perspective (Vol.3) Retrieved from: [https://link.springer.com/content/pdf/10.1007%2F978-3-319-21674-4\\_3.pdf](https://link.springer.com/content/pdf/10.1007%2F978-3-319-21674-4_3.pdf) [in English].
6. Sait Derzhavnoi sluzhby statystyky Ukrainy [Site of the State statistics service of Ukraine]. [ukrstat.gov.ua](http://ukrstat.gov.ua). Retrieved from: <http://www.ukrstat.gov.ua/> [in Ukrainian].
7. Statystychni dani Derzhavnoi mihratsiinoi sluzhby Ukrainy [Statistical data of the State migration service of Ukraine 2018]. [dmsu.gov.ua](http://dmsu.gov.ua). – Retrieved from: <https://dmsu.gov.ua/diyalnist/statistichni-dani.html> [in Ukrainian].
8. Leiken R.S. (2015). Immihratsiia ta natsionalna bezpeka pislia 9/11 [Immigration and National Security after 9/11]. [nixoncenter.org](http://www.nixoncenter.org). Retrieved from: [http://www.nixoncenter.org/publications/monographs/Leiken\\_Bearers\\_of\\_Global\\_Jihad.pdf](http://www.nixoncenter.org/publications/monographs/Leiken_Bearers_of_Global_Jihad.pdf) [in English].
9. Mizhnarodna Mihratsiina Polityka. Dumky i priorytety uriadu [International Migration Policies. Government Views and Priorities] Departament po e`konomicheskim i soczial`ny`m voprosam – Department of economic and social affairs, 19-25. Retrieved from: [http://www.un.org/en/development/desa/population/publications/pdf/policy/InternationalMigrationPolicies2013/Report%20PDFs/z\\_International%20Migration%20Policies%20Full%20Report.pdf#zoom=100](http://www.un.org/en/development/desa/population/publications/pdf/policy/InternationalMigrationPolicies2013/Report%20PDFs/z_International%20Migration%20Policies%20Full%20Report.pdf#zoom=100) [in English].