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LABOUR MIGRATION IN UKRAINE: ECONOMIC, SOCIAL AND PSYCHOLOGICAL EFFECTS

MIGRACJA PRACOWNIKÓW NA UKRAINIE: EFEKTY EKONOMICZNE, SPOŁECZNE I PSYCHOLOGICZNE

Резюме

В статье исследуются вопросы трудовой миграции в Украине как явления рынка труда. Проанализированы экономические, социальные и психологические последствия этого явления. Раскрыты положительные и отрицательные вопросы трудовой миграции украинцев. Поданы предложения уменьшения негативного влияния трудовой миграции на социум страны. Исследованы вопросы возможностей применения зарубежного опыта разрешения кризисных моментов трудовой миграции в Украине.

European choice, democratization of regime and social life effected in new opportunities for their movement. Previously, the state kept the population within the borders and free movement was controlled by law enforcement authorities, and therefore some signs of slavery existed.

In addition, the acquisition of the right to free movement coincided in time with the economic crises, inflation and accompanying registered and undeclared in reporting unemployment, dismissals from work, with significant structural transformations in the economy. In turn, this inevitably led to a decline in living standards and underemployment. Privatization of state property divided society into rich and poor in equal shares. Also, due to destruction of free education and degradation of medicine system population was forced to take on another burden – to pay for these services.

On the other hand, because of the absence of private capital, the developed equity and commodity markets and consumer loans, a person who wanted and tried to start a business, met with the problem of lack of initial capital.

Development of the foundations for market movement of goods and capital, preconditions of such economics restored consumer demand to improve the quality of life, buying goods of high value, housing, cars, appliances, expensive things. Having good work and a good rest became pleasurable wishes for the majority of society, especially for youth. All this restored historic labour migration that at the beginning of 2000's turned into

a massive spontaneous social phenomenon and a source of livelihood and income for many families.

Labour migration in Ukraine – movement of people because of temporary employment, accompanied by crossing the border (external labour migration) or the boundaries of administrative units of Ukraine (internal migration). According to the UN office in Ukraine, every fifth Ukrainian is a potential migrant and would like to leave the locality in which he lives. At that time, from those who chose to leave, about 15% made their choice in favour of other areas in Ukraine and only 5% are intended to travel outside the state [1].

In their works local scientists distinguish such periods of Ukrainian's migration and therefore of their labour migration:

- Kniazhi and the Lithuanian-Polish days;
- Cossack Hetman state;
- Ukrainian emigration in days of statelessness;
- Interwar emigration;
- Ukrainian labour movement during World War II and in the postwar period;
- Ukrainian emigration during the independent Ukrainian state [5].

The initial reason of labour migration in the country is unemployment. According to the State Statistics Service of Ukraine on January 1, 2013 the State Employment Service registered 506.8 thousand persons, and on March 1, 2013 – 589.1 thousand unemployed. Reportedly, the average benefit per unemployed amounted to 1,069 thousand hryvnias (UAH 1.089 in January 2013 and 1.028 UAH in December 2012). On October 1, 2012 a competition for one job was 6 persons, on March 1, 2013 10 unemployed for one vacancy [4].

At early stage of independence of Ukraine (1992-1999 years) the migration was predominantly a form of tourist's trips to the nearby countries for selling and buying goods. It was a kind of trading boats, i.e. small retailers, personally carrying small consignments by own transport or by other modes of travel and profited on the difference in prices or exchange rates. Their first experience of trafficking household things, alcohol and food, established links between small vendors contributed to the entry of Ukrainian citizens to the international, particularly European labour market. Illegal accumulation of capital was developed, which later (today) was used to open their own businesses.

The first large-scale survey conducted by the State Statistics Service of Ukraine in 2001, covered 18 thousand people of working age in 8 regions of Ukraine and allowed to estimate the amount of temporary labor migration in 2,3-2,7 million, or 10% workforce.

The cast of migrant workers, as their quantity, has remained unchanged over the past 20 years. According to data of the State Statistics Service of Ukraine, men form the majority of working immigrants – 67.2%, women – 32.8%.

The age of migrants gradually increased. Thus, according to the study of the State Statistics Service of Ukraine in 2001, the average age of workers was 34.6 years, but it was

already 36.7 in 2008. Women who migrate, are slightly older than men: their average age is 37.9 against 36.2 for men [2].

Labour migrants increase investments in the Ukrainian economics. How much money do they "pass" to their relatives in Ukraine? Its exact calculation fails. According to the National Bank of Ukraine, the volume of their orders is about 4.5% of gross domestic product. This is twice as the annual funding of Ukrainian army. According to unofficial data, half of the funds are transferred illegally –through the bus drivers, conductors, friends. And this is despite the fact that Ukraine has 23 companies offering money transfer services. 44% of all cash flows of migrants transferred to Ukraine goes through banks, through informal bus transfer – 14% of the funds, but in fact this amount is much higher. The largest part of private transfers came to us from Russia, more than 32.8% of the total, from the U.S., oddly enough, more than 10%, followed by Cyprus, Germany, Greece, Italy. Why is Italy in last place, apparently, because of buses' transfers.

Today there are 23 companies offering money transfer services in Ukraine. Five major companies among them – Western Union, Unistream, MoneyGram, Contact accounted for 75% of international money transfers. Despite great competition and despite the fact that all of the international remittances reduce tariffs, many workers still use illegal money transfers through buses. The main reason is that many workers abroad are illegal and therefore can not declare their income officially.

In 2012, with domestic and international remittance 4.3 billion dollars was transferred into Ukraine by residents and non-residents and only 0.74 billion was transferred out of the territory of Ukraine. While within Ukraine there was transferred 21.57 billion UAH (2.7 billion dollars) by residents and non-residents [3].

For regional example, in 2012, migrant workers sent \$ 175 million as financial resources to Ternopil region (Western Ukraine).

Of course, this has a positive effect on the economy of the Ternopil region, which has one of the highest unemployment rates among Ukrainian regions. In 2012, 1 billion 100 million UAH (\$ 137.5 million) was invested in housing land. Citizens invested 709 million UAH (\$ 88.6 million) out of this amount. It could be said that the lion's share of it are immigrants' funds – this means workers who support the construction industry and therefore all the industries that are associated with it.

Money, sent by workers, are going not only for construction, but also for the development of small and medium-sized businesses and the education sector. Simultaneously, it is difficult to calculate how many area residents are working abroad, but experts call the approximate number of missing that is almost 200 thousand people.

For those workers who return to Ukraine economic, psychological and social adaptation is needed. Today we can state the fact that many of those who returned just do not want to

work in Ukraine at that wage, which is currently given. An official salary in Ternopil region remains one of the lowest in Ukraine and in January 2013 was 2,091 UAH.

Raising the retirement age and working experience for women in Ukraine during the pension reform had added problems also for those migrant workers who went abroad knowing they'll have adequate retirement. The government today is making certain steps for these people to have a right for a pension. State agreements with Bulgaria, Georgia, Estonia, Spain, Latvia, Lithuania, Moldova, Portugal, Czechoslovakia are concluded. In addition, agreements regarding pension are concluded with countries of former Soviet Union.

However, the overall positive impact of migration on the economy of Ukraine for the accumulation of human capital, wealthy people's lives are reduced by its negative social and psychological effects, such as the destruction of families, alcohol addiction and a significant dominance of consumer confidence among young people. Also motivation to studying and work is lost because they believe that money sent by parents from overseas will provide graduation and further life without much effort.

The tasks to minimize the negative and maximize the positive outcomes of migration should be:

- improving state policy in this area, a clear understanding of its objectives;
- legislative and institutional support of their achievements;
- development of productive cooperation between government agencies and non-governmental organizations;
- cooperation with diaspora.

It should be emphasized that the right of citizens for freedom of movement, including travelling abroad, is inseparable from their right to stay at home, that is, to have a job or a business that would allow to realize themselves, to ensure the welfare of the family. But unless there are objective preconditions for migration, it should be taken into account in strategic economic planning, employment policy, education policy and investment programs both at the central and regional levels.

To fulfill the above goals the following measures must be implemented:

- Creating conditions for reducing departure to work abroad;
- The development of an organized and safe internal migration to meet the needs of the labour market in Ukraine and as an alternative for departure to work abroad;
- Protection of working abroad citizens' rights;
- Encourage the return of migrants to their homeland by maximizing the results of migration for development.

The first thing is to give a proper assessment of the illegal employment. Due to its significant spread, main task appears to be providing a legal and regulated labour migration. This will contribute to the official employment abroad, paying all taxes on received income, the development of the country. This counterweights spontaneous migration, organized by

criminal groups or connections, based on corruption, which destabilizes society. Countries, workers and employers for the most part are all interested in this.

Therefore, at this time the maximum attention has to be given to providing legitimate opportunities to Ukrainian's legal employment abroad. This is primarily the conclusion of bilateral and multilateral agreements, effective governmental and public control of their implementation. One of the directions is making agreements on circular labour migration. Also signing international agreements on social and pension systems becomes important as it has great value for migrant workers.

The prospects for reducing the import duty on the tools import by migrants and equipment to start their own business in Ukraine should be researched. Moreover, it is needed to introduce schemes for cheap loans from migrants' savings accounts to acquire education, solve the housing problem and open a small business.

The positive potential of migration can be fully utilized only if the migrants return to their homeland. There should be such components of an effective policy of Ukraine as encouraging revolving circular trips, encouraging workers to return home, to facilitate their reintegration. For this purpose it is necessary to develop the national and regional strategy and program of action. Proper attention should be paid to relations with diaspora formed in foreign countries under the influence of historical migration of Ukrainian. Their national and cultural life, organizing, libraries, clubs and associations abroad should be effectively maintained.

More attention should be paid to Ukrainian schools established in the host countries of migrant workers. It is not only cultural centers, but also leverage of the return of Ukrainian migrant workers home. If the child of migrant worker receives basic education and a certificate in Ukrainian schools, you can expect that its future will be connected with Ukraine. The experience of diasporas should be applied to implement return programs, such as providing information on job opportunities or start their own business at home.

For the development and implementation of migration policy it is very important to improve migration statistics and deepen the research. For this purpose it is necessary to introduce regular random population survey to determine the volume, direction, composition of labour migration; to create a specialized research center, where research of migrations could be conducted; establish permanent exchange of information with recipient countries of Ukrainian migrant workers.

An important factor in the implementation of these and other problems can be international cooperation in the field of migration. In particular, cooperation with destination countries to resolve the legal status and social protection of migrant workers from Ukraine, to explore the possibilities of training the specialists of specific profile, such as nurses, by educational institutions of Ukraine with financial support from countries interested in their

job. Versatility, complexity and problematic task migration determines the need to strengthen institutional support for their implementation.

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