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The demographic and economic framework of circular migration in Ukraine

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Introduction and definitions

In the global population and workforce exchange system Ukraine acts primarily as a donor country. According to the estimates of the M.V. Ptukha Institute for Demography and Social Studies, Ukrainian National Academy of Sciences (hereafter IDSS), in 2008 the total number of Ukrainian labor migrants were 2,120,000 people (IOM, 2011). This estimate of the number of labor migrants relies on the Modular Population Survey of Labour Migration Issues from 2008¹ (hereafter the 2008 survey), carried out by the State Statistics Service of Ukraine (Ukrainian Center of Social Reform and Ukrainian State Statistics Committee, 2009). However, it also takes into account the stocks of labor migrants not covered by this survey, namely: persons who started to work abroad more than 3.5 years before the survey and who have not returned to Ukraine since then; migrants older than employable age (men 60 years old and senior, women 55 years old and senior); and border commuters (Pozniak, 2012).

The main destination countries for labor emigrants from Ukraine are Russia (around 40%), Italy (almost a quarter), Poland, the Czech Republic, Portugal, Spain and Hungary. In total over half of all Ukrainian labor migrants work in the European Union.

In this explanatory note circular migrants are understood as those who made one or more labor trips abroad and returns. There are two types of circular migrants. Migrants who made only one roundtrip between the places of origin and destination are described as “return migrants” (Newland, 2009) and migrants who made more than one trip are defined as “pure circular migrants”.

Size and characteristics of circular migration from (and to) Ukraine

A significant share of external labor migration in Ukraine is circular. According to the 2008 survey, from early 2005 to mid-2008 a migrant on average made 3.4 trips abroad to work, and the average duration of a labor trip was around 7 months². Among migrants who indicated the number of trips: only 35.5% went to work abroad once; 47.5% went abroad from two to five times; 15.5% from six to ten times; and 1.5% more than ten times. Among migrants covered by the 2008 survey almost all have experienced circular migration. Of 1,476,100 labor migrants identified by the survey 692,300 (46.9%) were in Ukraine at the time of survey; that is to say that they had returned at least temporarily. About 207,000 persons are return migrants (they made one roundtrip) and the rest 485,300 are pure circular migrants. Of the remaining 783,800 (who were not in Ukraine at the time of the survey) over 600,000 went to work abroad more than once: that is to say that they returned at least once to Ukraine after having worked overseas.

Migrants who are not covered by the 2008 survey (645,000 according to estimates of the IDSS) include: border commuters, 138,000 all assumed to be pure circular migrants; short- and middle-term migrants older than employable age, 139,500 too are assumed to be pure circular migrants; long-term migrants older than employable age, 35,500; and long-term migrants of employable age, 332,000.

In general, provided that all long-term migrants not covered by the 2008 survey are not circular migrants, the total number of Ukrainian citizens having experience of circular migration can be estimated at 1,570,000. In other terms this means almost three quarters of the total stock of external Ukrainian labor migrants. 1,360,000, or almost two thirds of the total stock of external Ukrainian labor migrants are pure circular migrants.

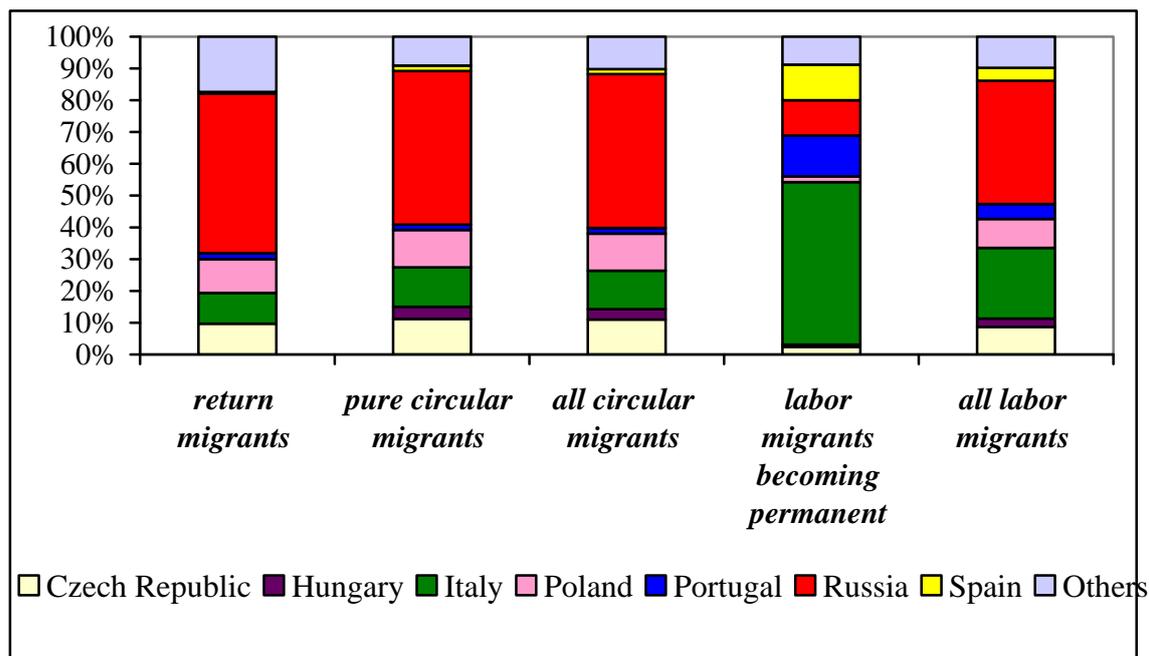
¹ The first special national survey on labor migration was carried out in 2008, and the second in 2012. Results of the 2012 survey have not yet been summarized. In 2008 survey migrants were defined as Ukrainian citizens of working age (women 15-54 years, men (15-59 years) who have been abroad for employment at least once from January 2005 to the interview date in May-June 2008

² Hereinafter the data of the 2008 survey, unless stated otherwise.

Circular migrants compared to permanent labor migrants are 6.5 times more likely to work in Poland, 5.0 times more likely to work in Hungary, 4.6 times more likely to work in the Czech Republic and 4.4 times more likely to work in Russia (figure 1). At the same time, among non-circular migrants the share of persons working in Italy is 4.2 times higher, in Spain 7.2 times higher and in Portugal 7.4 times higher.

The main difference between return migrants and pure circular migrants is that the former are much more oriented to countries which are not among the main seven country recipients of the Ukrainian labor force in particular the United Kingdom.

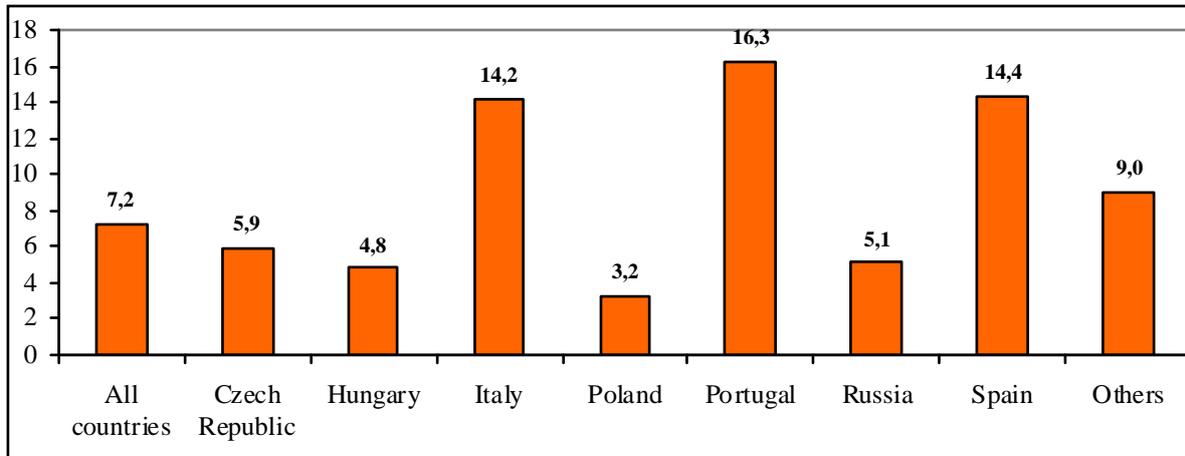
Figure 1. Ukrainian labor migrants by recipient country and type of migration, 2008



Source: author's estimate based on the Modular Population Survey on Labour Migration Issues 2008.

The duration of stay made by Ukrainian workers varies a lot depending on the destination country (figure 2). In terms of the average duration of the stay of Ukrainian citizens the seven main recipient countries clearly fall into two groups: the first comprises countries neighboring with Ukraine (Russia, Poland, the Czech Republic, Hungary), and the second comprises South Eastern Europe (Italy, Portugal, Spain). On average, seasonal and one-time jobs of 1-3 months length, are typical for Ukrainians working in the Russian Federation. Short trips 2-3 times a year are usually made by Ukrainian migrants going to Poland and Hungary. The trips of three quarters of workers to the Czech Republic last – on average – no longer than half a year. At the same time persons working in Southern Europe usually stay there longer.

Figure 2. Average duration of stay abroad (in months) of Ukrainian labor migrants by recipient country, 2008



Source: Modular Population Survey on Labour Migration Issues 2008.

Ukrainian male labor migrants work primarily in construction, this type of economic activity is dominant among men working in the Czech Republic and Russia and is most massive in Portugal, Spain and Hungary. For Ukrainian men working in Poland and Italy construction ranks second, while the main activity for Ukrainians in Italy is to work as domestic servants and in Poland as agriculturalists. High share of agricultural workers are also registered among those who work in Spain. In Hungary, Ukrainians, more often than in other main recipient countries, work in trade and industrial production. In Portugal and Russia Ukrainians often work in the transportation sector.

The employment structure of Ukrainian female migrants varies significantly depending on the countries of stay. The main types of activities for Ukrainian women in foreign countries are: work as domestic servants especially in Italy, as well as in Portugal and Spain; construction in Hungary, Portugal, Czech Republic, and the Russian Federation); and trade primarily in the Russian Federation and Hungary. The main type of activity for Ukrainian women in Poland is agriculture which is also typical in Spain. An increased share of persons employed in industrial production is observed among Ukrainian women who work in Hungary and the Czech Republic, in hotels and restaurants, in Spain and the Czech Republic. Permanent female migrants work much more as domestic servants than circular female migrants.

Circular migration is slightly male-dominated compared to the overall Ukrainian migration stock. The share of women among circular migrants is 1.3% lower than among labor migrants in general (31.6 versus 32.9%). This is primarily due to the fact that women occupied in private households are less oriented towards circular migration. Men working in transportation are also less inclined towards circular migration.

Young people are more frequently oriented towards non-circular migration, which constitutes a negative trend for Ukraine. Thus, among circular migrants 44.2% are below 35 years, while among migrants who never returned to Ukraine the number is 45.1%. As a matter of fact, the educational level of circular labor migrants is visibly lower than that of Ukrainian population employed at home: the average number of education years equals 11.8 and 15.3 years respectively, and the share of persons with complete higher education is 13.5 and 23.2%.

External labor migration is a crucial factor in labor market development and for remitted foreign currency. Based on the author's estimates (Pozniak 2010, IDSS 2010), labor trips abroad (even without super long-term migration) reduce the number of unemployed in Ukraine by 1.6 times. The lions share of this reduction is in the field of circular migration. Based on the complex methodology

developed by IDSS, it has been calculated that the total volume of money transfers made by migrants in 2007 was 4.67 bln. U.S. dollars while the volume of labor migrants' income was 6.68 bln. U.S. dollars, and in 2010, 4.43 and 6.32 bln. USD respectively (IDSS, 2011). The main contribution in terms of remittances is made by circular migrants, as persons oriented towards permanent migration are less inclined to send money to Ukraine and often bring relatives to their new home countries.

The volume of labor immigration in Ukraine is not large today. In early 2011 the number of foreigners temporarily working in Ukraine, according to the State Employment Service, was 7,800 people; the maximum was registered in late 2009 when 12,400 foreigners worked there. The stock is characterized by a high level of rotation: 25.0% work in Ukraine in the course of less than half a year, 25.4%, from 6 months to one year, 23.4%, from one to two years, 14.2%, 2-3 years and only 12.0%, over 3 years. In 2010 66.3% of all persons working at the beginning of the year left Ukraine, while 61.4% of foreign workers who were in Ukraine as of early 2011 arrived in 2010. Thus, a significant share of foreigners leaves Ukraine within a year of arriving, without becoming registered workers at the beginning or end of the year. Put in other terms, labor immigration in Ukraine is, just as labour emigration from Ukraine, primarily circular.

Conclusions and policy recommendations

The labor migration of Ukrainian citizens became large-scale and is associated with numerous social challenges. However, a consistent policy has not yet been formed. The state policy of external labor migration regulation ought to rely on a complex of measures directed towards ensuring the return flow of external labor trips and the social protection of Ukrainian workers abroad. It should stimulate the investment of money earned by migrants in the Ukrainian economy, and improves employment opportunities in the domestic labor market.

The strategic objective of state policy in the field of labor migration ought to see the gradual return of those labor migrants who are ready or under certain circumstances can be ready for re-emigration. To that end the Cabinet of Ministers ought to develop and adopt the State Program for return and reintegration of long-term migrants, supplementing that program with regional programs. The key component of these programs ought to be the facilitation of entrepreneurship as the most promising area for attracting migrants' wages to the Ukrainian economy. According to the estimates of IDSS, the aggregate financial effect from possible entrepreneurship pursued by return labor migrants and young people in Ukraine, whose parents continue working abroad, exceeds 1 bln. hryvnas as of 2010 (Pozniak, 2012), or 100 mln. euro according to the average annual official exchange rate of the National Bank of Ukraine (official site of National Bank of Ukraine). In addition to the financial effect, the creation of favorable conditions for entrepreneurship in Ukraine will contribute to an increase in the level of return labor trips and the integration of long-term migrants into society that changed while they were away.

At present the encouragement of circular migration is not among migration policy priorities. This notion is yet to become an established part of the public officials' and policy-makers' vocabulary. The first practical attempt to organize circular migration was made in 2008 within the project "Temporary and circular migration between Ukraine and Portugal". This project was supported by the International Organization for Migration, World Bank and European Commission. In the course of the project's implementation in 2009-2010, 50 Ukrainian workers were employed in Portugal, primarily in agriculture (picking berries and fruit, working in greenhouses...). In Ukraine the project was implemented in the Khmelnytsky Region. This region was chosen as it had one of the highest unemployment rates in the country. The project generated significant interest: on average there were three applicants per one vacancy. Selection was carried out by Khmelnytsky regional employment center, while the Portuguese side made the final confirmation of the list of participants.

Project results were positively assessed by both its participants and the Ukrainian authorities. Unfortunately, this project was not expanded. The main reason was the decision of the Portuguese

Government to suspend efforts to attract a workforce from abroad, a decision made in the context of the global financial crisis. However, this project, while it lasted, demonstrated the potential of such programs and the possibility of their implementation after the end of recession in countries that are recipients of a Ukrainian workforce. For instance, IOM experts developed an extremely valuable document for the project: instructions regarding the specific steps necessary for partners to make, in order to arrange Ukrainian workers' employment.

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