

Migration between the EU, V4 and Eastern Europe: the present situation and the possible future.

The perspective of Ukraine

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- *Summing up...*

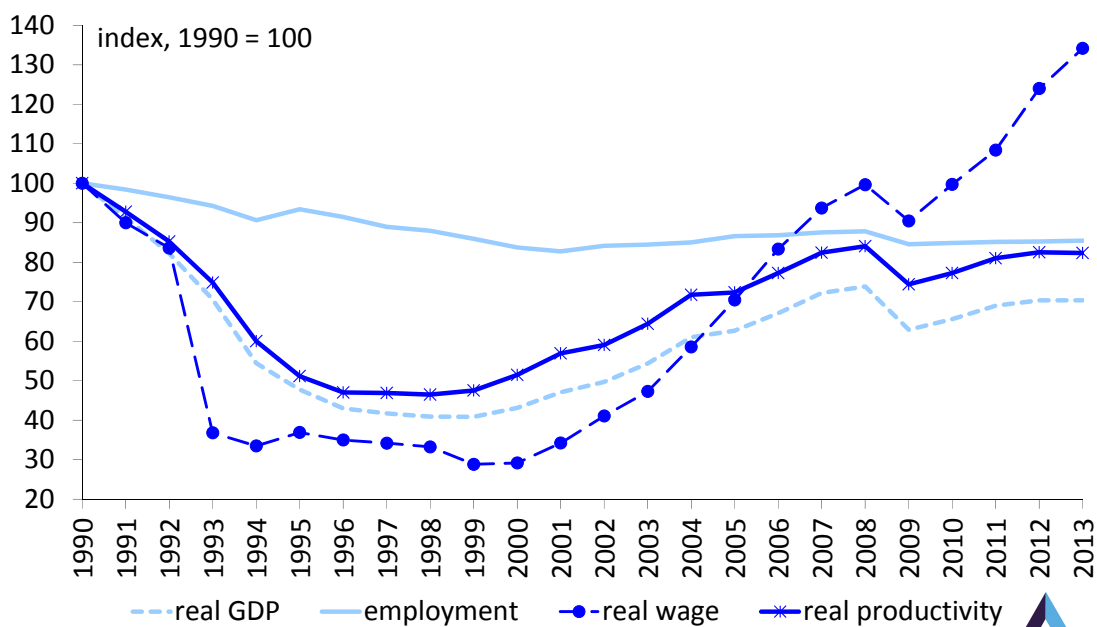
Ukraine: some facts

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Economic situation

Major shock: transformation from centrally planned to market economy after the collapse of the USSR



Source: Ukrstat

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Coping mechanisms for households 5

- Engagement of informal activities
- **Migration**
- Risk aversion, *including work after retirement, low job mobility, readiness to work despite wage arrears and forced part-time job, and high employment in public sectors*
- Downturn in consumption
- Family support and social safety nets
- Delayed payments for housing and utility services
- Households' savings
- Development of small business
- Crime



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Migration profile of Ukraine



Migration profile of Ukraine

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Major source of data:

- 2 nationwide surveys:
 - Migration between 2007 and 2008
 - Migration between 2010 and mid-2012
- Delphi survey conducted within this project's framework
 - Two rounds between November 2013 and March 2014 (with 19 and 16 participants, respectively)
 - Challenge: political crisis in Ukraine, annexation of Crimea by Russia
- Econometric model for forecasting migration from Ukraine



Number of migrants: *nationwide surveys*

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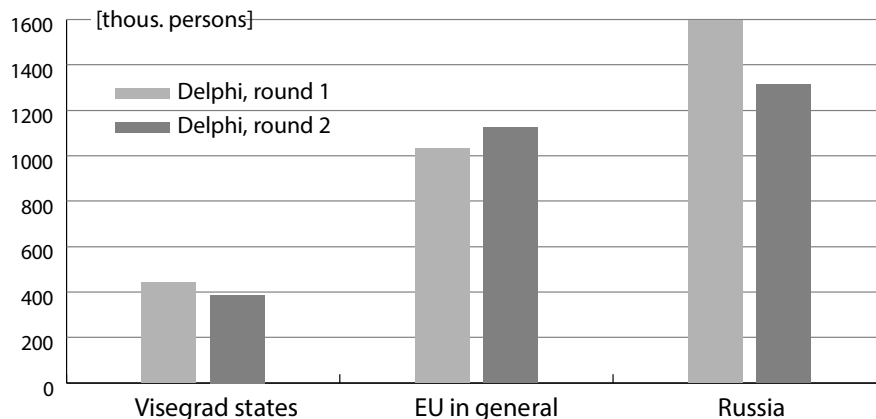
- 1.2 m individuals (3.4% of population in age between 15-70 years old) either worked or looked for a job abroad in the period of January 2010 - June 2012 (*results of recent Ukrstat's survey*)
 - 98.2% of these individuals worked abroad, while the rest looked for a job
 - 4.8% and 2.2% of economically active men and women, respectively, were labour migrants
 - 2.2% and 6.3% of economically active individuals in urban and rural areas, respectively, were labour migrants
 - 64.9% of labour migrants had complete secondary education. while 15.4% had tertiary education.
- Number of labour migrants reduced:
 - Share of labour migrants in working labour force reduced from 5.1% in 2005-2008 to 4.1% in 2010-2012



Number of migrants: Delphi

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- The number of migrants estimated according to the nationwide surveys is likely to be underestimated.
- According to the Delphi survey, number of migrants *de facto* exceeds 2 million Ukrainians.



Note: average number reported by respondents

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Main determinants of emigration

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(by importance)

- High wages in destination countries
- Poverty and social tensions in sending country
- High living standards in destination countries
- Already staying and working relatives or close friends (migration networks)
- It is easy to find job in destination countries
- Geographic proximity and low travel costs
- Liberal visa and migration policy of destination country



Labour migrants: major characteristics

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	Duration of work for more than a year %	Major sector of activity	Profession als, technicians , %	Craft and related trades workers, %	Elementary occupations, %
All migrants	17.3	Construction (45.7%), individual services (18.3%), agriculture (11.3%)	10.8	24.7	39.1
Russia	8.7	Construction	8.2	36.9	28.3
Poland	2.3	Agriculture	1.7	10.8	55.9
Italy	44.2	Individual services	7.0	2.4	68.8
Czechia	9.0	Construction, hotels and restaurants	22.1	29.8	31.3
Spain	64.0	Individual services, Construction	13.3	25.5	26.8

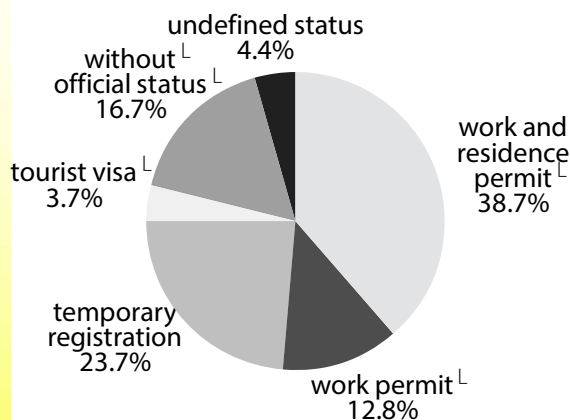
Source: LMS-2012

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Labour migrants: legal status

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Source: LMS-2012

- Many migrants work on seasonal works – circular migration (*LMS & Delphi*)
- Between 2010-2012 one labour migrant made on average 3 trips
- Average length of work is 5 months
- Frequency of home visits depends on the destination country (due to visa regimes)
- High share of illegal migrants (*according to Delphi*: 17% in the Czechia and 65% in Russia)

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Migration profile of Ukraine

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- Impact of migration:
 - Worsened demographic situation (as most migrants are of working age, migration often means delay in childbirth or less children in family)
 - Labour market impact:
 - *Brain drain* and *brain waste* (occupational downshifting)
 - *Depletion of labour*
 - *BUT mitigates* labour market pressure
 - Mitigates social tensions mainly through remittances
 - Remittances are mostly spent on everyday consumption, purchase of durables
 - 12% of migrant households spend remittances on education
 - Increase pressure to social security and health care systems as temporary migrants don't contribute to the system, but demand services after return

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Media and public discourse

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- Migration is not a profound topic of public debate
- Received more attention in the framework of visa liberalisation talks with the EU
- *Delphi*: topic is important for general public and business (again more due to visa liberalisation issues)
- Migration is often covered in media as a negative factor:
 - Problems with social protections
 - Family problems
- Migrants are often perceived as victims and losers

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Visa policy

Before going to migration forecast



Ukraine and the EU

- In November 2010 Ukraine received the **Action Plan on Visa Liberalisation from the EU**. *The second block of elements of the Action plan is "Illegal Migration, Including Readmission", which among others envisages following measures:*
 - **Adoption of a National Migration Management Strategy** for effective implementation of the legal framework for migration policy and an Action Plan;
 - Establishment of a mechanism for the **monitoring of migration flows**, defining a regularly updated migration profile for Ukraine.
- Future visa liberalisation will make it easier for Ukrainians to travel to the EU countries and is expected to benefit Ukrainians
- In 2011 the National Action Plan on Visa Liberalisation was approved
- The EU has high concerns to visa liberalisation due to migration threats and large financial revenues from Consular fees



- In May 2014 Ukraine finally approved all legislation amendments required for completing the 1st stage of the Visa liberalisation plan and moving to the 2nd stage
- The EU council is expected to approve respective decision on June 23, 2014
- Then Ukrainian government is expected to implement all required steps

According to Delphi, visa liberalisation will take place:

- By mid-2015 (4 out of 16 experts)
- In 2-3 years (10 out of 16 experts)
- In 4-6 years (2 out of 16 experts)



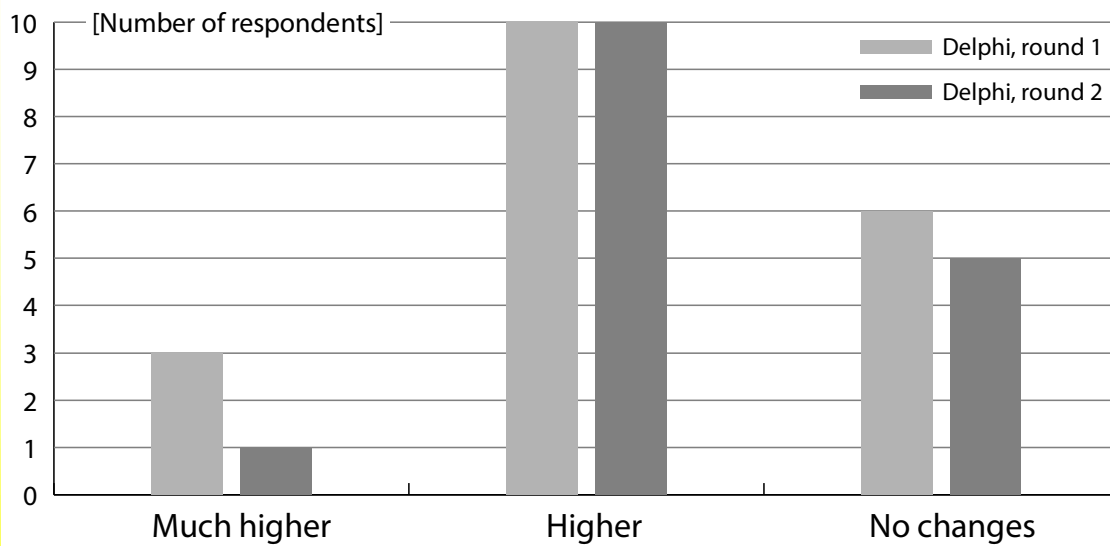
Migration forecast from Ukraine to the EU

after visa liberalisation (abolition)



Migration forecast: after visa liberalisation

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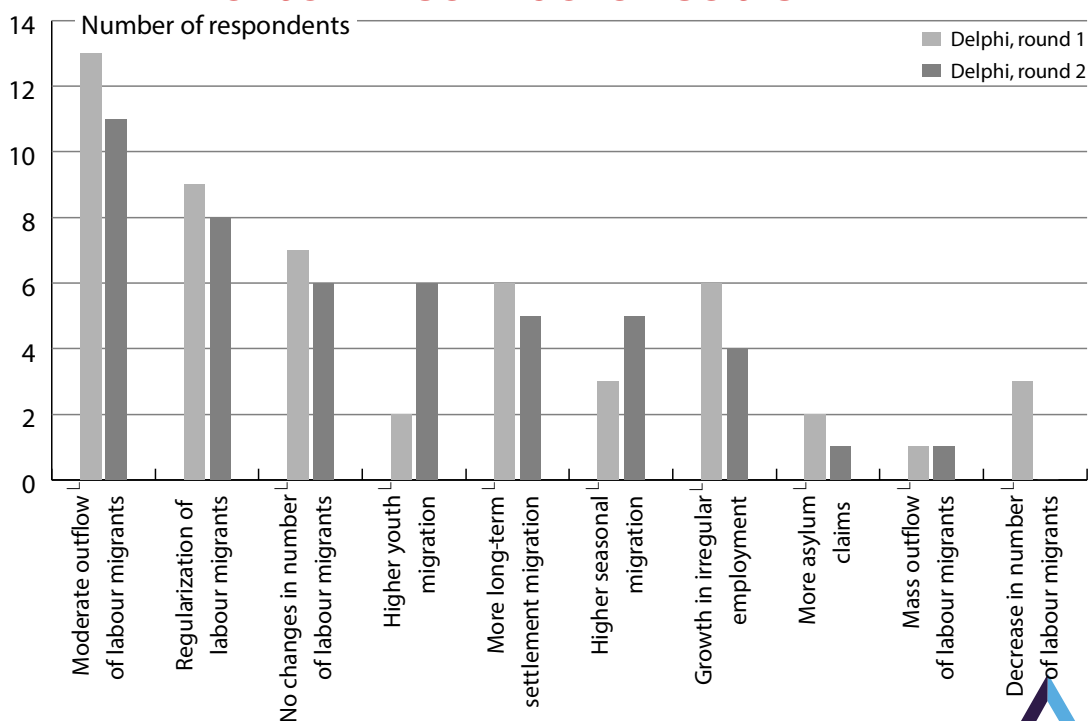
Note: none of respondents reported decline in migration outflows

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Migration forecast: after visa liberalisation

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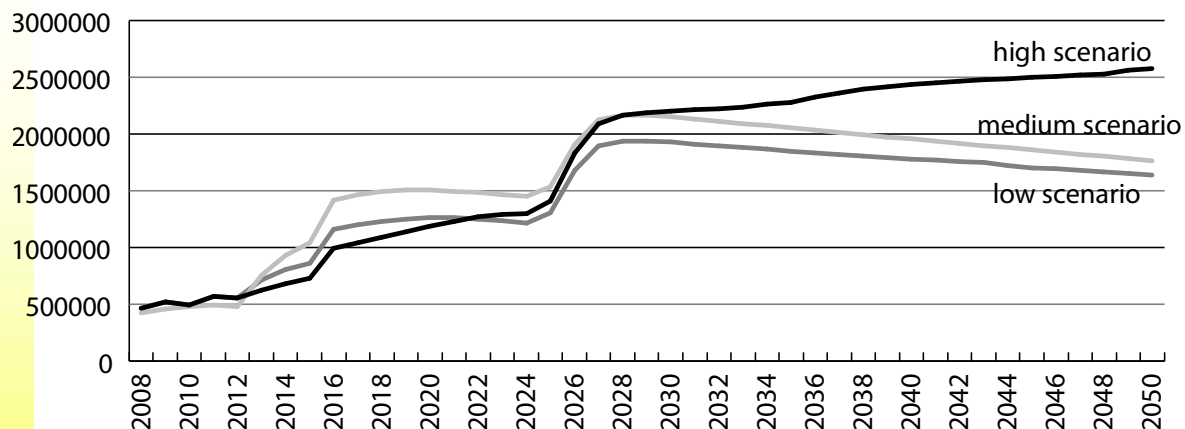


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Migration forecast: after visa liberalisation

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- In short-term: increase by 2014 Ukrainian, then stabilisation and increase again from around 2025.
- In long run (up to 2050): 1.5 m migrants according to low and medium scenario (however, should be regared carefully)

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Migration of Ukrainians to the EU: visa liberalisation impact

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To sum up...

- Large cross-border migration flows have been typical for Ukraine over many years.
- Russia and the EU countries are major destinations for Ukrainians who have decided to work abroad.
- Lifting the requirements for short-term EU visas for Ukrainians is **NOT** expected to result in a **sharp** increase in the number of Ukrainians emigrating.
- At the same time:
 - Circular migration might climb
 - Migration might become younger (students and family reunion)
 - Regularisation of migrants

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Migration of Ukrainians to the EU: 23 visa liberalisation impact

HOWEVER

- Migration flows might increase more than expected if political tensions with Russia increase and unrest in Eastern Ukraine escalates and spreads to other regions.
- In this case, one could expect a rising number of asylum-seekers
 - Even though so far internal migration is increasing
 - Some additional asylum claims might be related to delayed claims as well as open window of opportunity

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