

ДЕМОГРАФІЯ, ЕКОНОМІКА ПРАЦІ, СОЦІАЛЬНА ЕКОНОМІКА І ПОЛІТИКА

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MIGRATION AND THE LABOUR MARKET: THE ROLE OF STATE POLICY OF UKRAINE IN THE REGULATION OF THE LABOUR MIGRATION

МІГРАЦІЯ ТА РИНОК ПРАЦІ: РОЛЬ ДЕРЖАВНОЇ ПОЛІТИКИ УКРАЇНИ У РЕГУЛЮВАННІ ТРУДОВОЇ МІГРАЦІЇ

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In the article the issue of labour migration is analyzed on the example of Ukraine. The research is looked into the interconnection of the state migration policy and labour market equilibrium from the academic perspective as well as from the public perception. The article contains the detailed analyses of the migration policy of Ukraine as well as investigation of migration moods in the country.

Keywords: migration, labour migration, migration policy, Ukraine.

У статті розглянуто питання трудової міграції на прикладі України. Розглянуто взаємозв'язок державної міграційної політики і рівноваги на ринку праці з боку академічного та соціального аналізу. Зроблено детальний аналіз міграційної політики України, а також дослідження міграційних настроїв у країні.

Ключові слова: міграція, трудова міграція, міграційна політика, Україна.

В статье рассмотрен вопрос трудовой миграции на примере Украины. Выявлена взаимосвязь государственной миграционной политики и равновесия на рынке труда со стороны академического анализа и восприятия населением. Осуществлен детальный анализ миграционной политики Украины, а также исследованы миграционные настроения в стране.

Ключевые слова: миграция, трудовая миграция, миграционная политика, Украина.

Relevance of the research topic. The migration processes reflect the general economic and political performance of the states. The history of European civilization is illustrated by a number of geopolitical ruptures, which on background of prolonged unfavorable economic situation, evoked the numerous migration waves, starting with intra- state migration in the Western Europe and ending with economic migration processes from African and Asian countries. The modern trends of migration flows indicate an increase in the migrant's quantity around the world, which changed their country of residence with an aim of further employment. Not seeing the job prospects and the possibility of decent earnings in the country of actual residence, the future migrants start to explore the better living and working conditions in more developed countries.

The example of Ukraine demonstrates how the sharp political crisis with the subsequent escalation of the military conflict caused has led to the economic recession and subsequent intensification of emigration processes. The mass jobsite cuts and bankruptcy of enterprises along with the abrupt devaluation of the national currency has evoked an increase in the unemployment rate that has become a motivating factor for the Ukrainians to look for an employment abroad. On the other hand, one can notice a certain percentage of non-residents employed in the enterprises of Ukraine, especially on those which have a foreign investment share in the authorized capital, which also should be included to the scope of research. The given article is aimed to investigate the current state migration policy of Ukraine and its influence

of labour market situation as well as to define the profile of emigrant from Ukraine. The used methods to reach the aim are surveying, SWOT-analyses, comparative methods, legal analyses.

Results of research. In the contemporary world, irrespective of the chosen governance model, the state authority in a varying degree regulates all essential spheres of the public life, including the immigration and emigration policies. Since the labour migration is a consequence of the "large differences in prosperity and perspective in different parts of the world" [1, p. 29-36] with a natural attempt of individuals to pursue better living standards of life, there is clear arrangement of states on more desirable and less desirable immigration destination.

Generally, the migration policy can be defined as a part of public policy, which is aimed on the regulation of migration flows on the national level in order to meet the domestic needs of the state. The migration policy of a particular state largely depends on the wide range of domestic and international factors. For instance, if there is a deficit of the labour force in domestic economy there is a higher probability of migrant-friendly policy; however, in practice such approach is implemented towards the particular group of economic migrants, which forms the immigration profile of the state.

Furthermore, the position of state in the global stage, including economic, social, climate dimensions largely defines the course of governmental migration policy. The state with a weaker position, i.e. ongoing economic recession, possible military conflict and strained state of war, political instability is usually less attractive to the migrants; thus, as a result of the relatively low migrant flow, the state faces with a less tension and conflict points during immigration process. The most prosperous and economically attractive states and supra-state organizations, such as the US, Canada, Australia, and the European Union, on other hand, have the migration policy, which complicates access to the labour market.

In order to evaluate the effect of migration and migration policy on labour market there is a need to arrange migrants on skilled and non-skilled migration in the global social science. In accordance with the OECD research both type of labour migrant makes their positive contribution to labour market due to excess of the contributed amount of payable tax in comparison with lower receivable social benefits; increasing labour-market flexibility, enhancing human capital development of receiving countries etc [7]. However, there is widespread opinion among scientists and researchers that such phenomena as labour migration can be an obstacle in terms of economic and social development of recipient countries. Thus, Dr. Martin Ruhs and Dr Carlos Vargas-Silva suggest that the influence of immigration on the labour market of hosting country is largely depends on the three main factors: skills of migrants, the skills of exist-

ing workers, and the characteristics of the host economy [19]. The respective scholars do not find the correlation between migration and a negative impact on the employment of non-migrant workers, but they admit the possible negative influence on the labour market during economic recession [19]. The temporary fluctuations will be smoothed in the long-term perspective [19].

On the contrary, Giovanni Peri and Chad Sparber substantiate the expected decline in the level of wages in the recipient country in case of substitutability of relatively educated "native" workers with less educated migrant work force [17]. At the same time, Brucker and Jahn also consider economic migration as a potential source of unemployment level increasing, mostly in the rigid sector [7]. Simultaneously, the research on the example of the Great Britain represents the low impact of the migration flows on the system of wages and salaries on the labour market, whereas it can cause the changes in the allocation of the income among society [19]. Due to the empirical evidences, there can be also noticed small changes in the wage distribution: "low-waged workers lose while medium and high-paid workers gain" from the inflow of economic migrants [7].

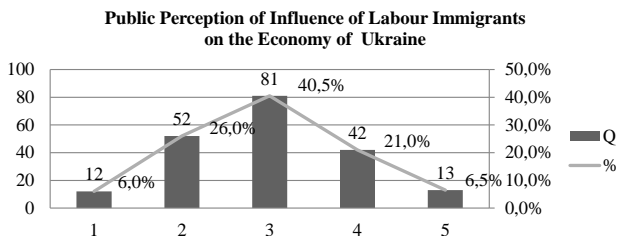
On the other hand, one can consider the inflow of new actors on the labour market as an incentive to competition and development. According to the theory of labour market equilibrium, the higher demand will be on the market with the same level of supply, the greater competition will be for a one working place, hence the employer can select the employee, who will be make the tasks with the higher quality. Such scheme can be non-zero game for socium, however, the factor of "prejudice and fears in the public dialogue" [5] towards migrants (especially unskilled) can be an obstruction to enforce the equality principle.

An issue of emigration impact on labour market and domestic economy of the country of emigration is much less discussed in literature. According to the theory of the market equilibrium, the mass emigration can lead to the deficit of labour force in the domestic economy. Bearing in mind that the emigration wave is traditionally begins with a drain of more qualified citizens abroad, thus, such process will substantially decrease the human potential and capacity to the active economic and social development of region. On the other hand, there should be noticed the increasing of the currency inflow in the domestic economy from the emigrants' side in the form of remittance. Furthermore, it can be considered as an investment in the human capital in case whether emigration is a temporary decision and emigrant after the certain period will come back to the country of residence.

Important factor to shift the impact of economic migration to the positive ones is a public perception of migration processes within society, because the positive perception will mean more opportunities for migrants to self-realization, thus, to unlock the

potential in favor of economic, cultural and social development of hosting country.

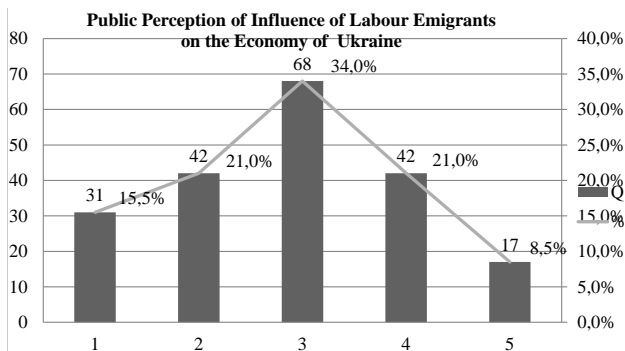
To estimate the public perception of influence of labour immigrants on the economy of Ukraine during September-June, 2016 there was conducted the online social survey among Ukrainian society. The sample consists of 200 respondents from different region of Ukraine and represented by all age groups.



Picture 1. Public Perception of Influence of Labour Immigrants on the Economy of Ukraine

* Source: based on the results of the online survey

According to the conducted survey the public perception of influence of labour emigrants and immigrants on the economy of Ukraine on the 5-rate scale (where 1 is the most negative effect and 5 is the most positive) has approximately the same estimation by public. The majority of respondents marked the phenomenon of labour emigration on the average level, which can be interpreted as a lack of awareness about the effect of immigration.



Picture 2. Public Perception of Influence of Labour Emigrants on the Economy of Ukraine

* Source: based on the results of the online survey

Simultaneously, the allocation of responses on the estimation of the labour emigrants on the economy of Ukraine was more gradual with higher percentage of estimation of the phenomena as those, which has negative consequence for economy of Ukraine, which can be connected to the one-side analyses of the issue. Thus, among positive sides of emigration is a possibility of poverty reduction in the country of origin, which is especially relevant in the period of economic recession. On statistics, emigrants transfer part of earnings from abroad in foreign currency, which can be considered as financial "injections" in the economy. Simultaneously, it is also significant from the state side to stimulate

spending inside country, which can multiply effect from the "injections". There is also a great impact of the return after emigration, because in this case one can also estimated the foreign experience of specialists as a transfer of skills and a contribution in the human capital in a country as well as a motivation for positive reforms in both societies.

In order to regulate migration in the countries the states and inter-states organizations implement the migration policies, which reflect the position of the state towards accepting or not-accepting migrants. However, the migration policies are rarely blanket approaches, which means implementation of the special migration policy towards particular groups of migrant; for instance, as in Germany in the beginning of the 21st century, when government tried to attract the qualified specialist from abroad in order to satisfy the needs of the economy [10].

Simultaneously, such selectivity in the forming of desirable or possible migrant profile can have veiled reference on the discriminatory policy of the government. The very vivid case of the discriminated labour immigration policy is Australia. The state, which used to be the country of immigrants, had been criticized for a long time for its doctrine of the openly proclaimed "White Australia" policy until 1975 [9] and the rule of mandatory detention of newcomers as the asylum seekers with the usage of extraterritorial allocation principle in Papua New Guinea and Nauru [8] and simultaneous anti-migration media campaign [3]. Prime Minister Malcolm Turnbull justified such approach for the issue of national security and the necessity to protect the border [18].

Thus, a conclusion can be made that the migration policy has a great role on the migration flows in and out of the country, the balance of which largely depends on the economic and social opportunity to have a better living and employment conditions. The migration processes can also have a great impact on the labour market, especially in the time of downturn. However, there is a scientific rationale that in the economic terms the immigrants usually produce the fiscal surplus, which means the paying more taxes then consumption of the state social benefits [7]. On the other hand, if we shift the focus of the effect of migration on the host countries to the countries of origin, there can be noticed the allocation of global welfare though the transfer of funds to the families in the developing countries [5].

The migration policy of Ukraine has gone through the vast changes during the last decade. The pivotal direction of the current state position on migration policy is represented in the Concept of State Migration Policy of Ukraine [25]. The main reformation processes were devoted to the institutional aspect, namely, there was established the State Migration Service of Ukraine [6] with subsequent creation of 27 regional departments, which take function of migration and registration of natural persons and the regulation of refugees' issues [16]. Nevertheless, the function of the labour

migration regulation remains in the authority of the State Employment Service, which means absence of integrity in terms of regulation and administration of labour migration [15].

The peculiarity of the migration policy formation in Ukraine is the intensifying of reformation only in regard of visa liberalization process and possibility of European integration [21]. For instance, the first clear formulation of migration policy postulates was initiated only after the receiving of the Action Plan for liberalization of the EU visa regime for Ukraine [23]. The process is still pending because of the gross political and academic dialogue on the content of the Conception.

Next stage within the given framework is the implementation of permanent monitoring mechanism of the migration flows on the territory of Ukraine, including the illegal migration. Since Ukraine is used to be the transit state for the migration routes from East to West, from South to North, this step is essential to make the migration flows through, in and out the country more transparent and accountable. In the practical terms, it means the elaboration of migration profile of the country [13] as well as the estimation of the migration risks, based on the migration statistics [14]. Ukraine is also going through the implementation of the Unified State Demographic Registry [12]. The latter was largely criticized by its gross net cost of implementation and exaggerated state access to personal information [21].

Considering all the mentioned drawbacks as well as strong recommendations from the EU side the process of drafting of new migration policy document is on the political agenda of Ukraine. During the discussion stage the state authorities should consider all positive and negative sides of existing national Conception on the migration policy as well as take into account the political, demographic and economic situation in country, which remains

unstable and to some extent even critical. The reformation of the migration policy regulation opens the door of new opportunities to Ukraine, in particular it means the approximation to the European standards of migration policy regulation. On the other hand, Ukraine can face with the particular risks during reformation process, such as insufficient financial support because of budget deficit, brain drain as a consequence of durable non-effective regulation of the scope of remuneration and corruption risk, the probability of which remains extremely high due to the Transparency International Corruption Perception Index 2015 [20].

In order to analyze the strengths and weakness of the contemporary migration policy of Ukraine as well as the potential risks and opportunities on terms of the labour migration and labour market regulation, there has been conducted a special tailor-made SWOT-analyses (table 1).

Since in the recent years Ukraine would be rather a country of emigration than a popular immigration destination in terms of labour migration, there was analyzed attitudes towards possibility of emigration among the Ukrainian citizens and defined the profile of potential emigrant during online survey.

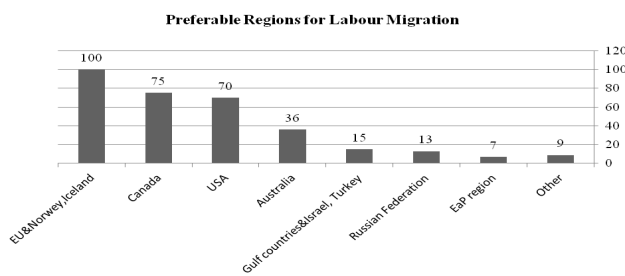
6 of 10 respondents do not believe that Ukrainian labour market can provide the decent workplace, the 75% of which are the people under 30 years old. Almost 25% consider Ukraine as a place, which can offer adequate working conditions, whereas more than 15% cannot decide. Simultaneously, near 80% of respondents are interested in the obtaining the international working experience. At the same time, approximately four of five respondents have no previous experience in foreign employment. Also it is remarkable that near 82% of those, who have previous experience of working abroad, are ready to repeat such an experience.

Table 1

SWOT-Analyses of the Migration Policy of Ukraine

Strengths	Weaknesses
<ul style="list-style-type: none"> - conclusion of a bilateral treaties on the labour migration issues with a range of countries-recipients and donors of the migration flows in Ukraine; - institutional reform at the migration service; - duality in regulation of migration issues at the central and local level, which takes into account the peculiarities of migration by region 	<ul style="list-style-type: none"> - delay of the process of formation of new state migration policy; - non-strategic character of the existing migration policy conception [22]; - lack of public awareness about migration policy transformation process [22]; - the non-competitiveness of Ukrainian employment sector, which lead to brain drain; - inconsistency of the work of ministries and departments [22]
Opportunities	Threats
<ul style="list-style-type: none"> - access to visa-free regime via effective regulation of migration; - increasing the economic attractiveness for the foreign investors through the simplification of employment of non-residents; - facilitating the return of emigrants via "wise" migration policy; - amendment and harmonization of the legislation basis in the scope of migration 	<ul style="list-style-type: none"> - lack of budgetary support to the reform due to the economic recession; - risk of the negative impact of the migration tendencies on the national labour market [24]; - threat of increasing of illegal labour migration or usage of Ukraine as a transit state to illegal migration to the EU; - risk of the increasing drain of qualified workforce [24]; - corruption risk

Only a quarter of respondents have an experience of working abroad. The most popular working destination was the EU, the US, Russian Federation and Turkey. There were also respondents with working experience in Israel, Canada, Armenia, the UAE and Malaysia. The most preferable destination is the European Union, where exactly half of respondents would like to go for a working purpose. Among the EU states the most popular was Germany, Poland, France and Denmark. Basically, there were several incentives from the side of interviewees. Firstly, this is the closest mentally and geographically region for Ukraine. Additionally, the factor of attractiveness is the political and economic stability in this region as well as high social standards, including the decent working and living conditions and remuneration amount. For some respondents there was an opportunity of the professional realization, because their professions are higher demanded and more valuable in the European Union countries, for instance, scientist and engineers. The transparency of employment process as well as accountability and low corruption level are the pivotal factors for interviews to emigrate to the EU for labour purpose.



Picture 3 Preferable Regions for Labour Migration

* Source: based on the results of the online survey

Also the respondents name the personal reason for labour migration in the European Union, the most popular of which are such as follows: previous study experience in the region and knowledge of European languages. Thus, the 43% of the respondents are able to work at least in the one foreign language, whereas near 28% know 2 foreign languages at the level of working proficiency. Each fifth respondent is able to communicate on the 3 foreign languages. 4% of respondents know 4 or more foreign languages and the same amount knows none foreign language at good level (mainly aged 18-23).

For those, who have chosen Canada as a preferable place for labour emigration, the motivation was defined by the high social standards of living and developed economy. Simultaneously, the factor of developed Ukrainian diasporas in the country, clean environment and climate conditions as well the high level of tolerance in society have played a great role in the rising attractiveness for labour migration. The main incentives for the US labour migration is the attractive and stable working environment, positive corporate culture in the hiring companies as well as possibility to organize the worth living conditions. The respondents, who would like to migrate in the EaP region, substantiate their decision with the geographical location and the reason of repatriation, however there would noticed the issue of gender inequality in the South Caucasus countries, which woman can probably face with.

The 60% of respondents were female and 40% are of male gender. 64% obtained the master or equivalent degree and almost 19% have bachelor diplomas. The PhD or higher degree is hold by almost 9% of interviewees. The main group of respondents was 18-23 years old (almost 50%) and thirds of targeted group was adults aged 18-23. Approximately 10% was of 31-49 years old. 5% are juveniles and 1% is people of above 50 years old.

Summary of the research. On the background of the migration flows intensification in Ukraine because of the political and economic instability, the issue of state migration policy and its impact on labour market arise again with high level of relevance. Nowadays the vast majority of scholars estimate the low level of correlation between the migration policy and labour market equilibrium in the long-term perspective, though the short-term fluctuations are still possible. Simultaneously, the analyses of state migration policy of Ukraine reveal that despite some progress in the reformation there is a wide range of issues to solve, such as amendment and harmonization of the legislation basis, for reaching the targeted goals. On the other hand, there is a trend of activation of the intention of Ukrainians (especially among young people) to find employment abroad, which was identified by the conducted survey. Such findings emphasize the relevance and urgency of the "wise" migration policy reformation for Ukraine as well as push for re-thinking the mechanisms of labour market regulation in the field of increasing attractiveness of domestic employment.

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