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**ANALYSIS OF THE STRUCTURE OF
THE POPULATION OF UKRAINE IN
2015-2016 AND INTENSIFICATION OF
THE INTERNAL AND EXTERNAL
MIGRATION**

Movement of people has always been the driving force in the social and political development of the world. Nowadays, the population migration has acquired the features of a global phenomenon. According to UN reports, there are about 250 million international migrants in the world in 2015[1]. One of the main reasons of migration is a job search. For many people, labor migration is a way to solve the economic problems. At the same time, these processes represent a challenge for states: for example, the increasing flow of illegal migrants, which often resorted to extreme measures to get into the EU makes European countries look for new ways to stability and addressing the migration crisis.

In recent years, labor migration in Ukraine has acquired comprehensive nature. It includes expatriation abroad a large part of the economically active population, transit migration to the EU countries and the increase of labor immigrants number. According to the latest official survey of labor migration 1.2 million Ukrainian citizens temporarily work abroad [2]. According to the State Migration Service of Ukraine, the number of foreigners who are temporarily residing in Ukraine is 53.4 thousand people, including more than 7 thousand migrant workers [3]. At the same time it should be noted that as for illegal migration the real volumes of official figures of labor migration may be significantly higher than in Ukraine. There are reasonable grounds to expect the increasing of migration pressure on Ukraine in the nearest future. The escalation of military confrontations in Africa and the Middle East will cause is growing flows of illegal immigrants that will not pass side our state as well. Worsening of the economic situation and the military situation in Ukraine leads to an increase of the number of Ukrainian migrant workers. In addition, new, but not less essential for our state categories of migrants, including internally displaced persons, are emerging at present. However, taking into consideration the nature of the movement of such persons, they cannot be attributed to the

migrant workers.

Despite the large number of regulations, legal regulation of labor migration in Ukraine is fragmentary. In practice, such a situation entails the occurrence of collisions and ambiguous law enforcement. These problems haven't been solved by the updating the migration legislation either, introduced in 2011-2016 in the framework of the Action Plan on liberalization of the visa regime for Ukraine by EU as well as adoption of the law of Ukraine "On external labor migration" from 05.11.2015 No. 761-VIII aimed at providing a legal basis for regulation of labor migration abroad and measures regarding the reintegration of migrants who return to the country [4]. For proper regulation of labor migration it is important to overcome the gaps and continue harmonization of national legislation with EU legislation. Another important component of the settlement of labor migration processes in Ukraine is creating an effective system of its bodies of public administration, which has also undergone changes after the creation of the State Migration Service of Ukraine.

Unsettled issues create and will create a lot of difficulties in the future, both for the state as well as for migrant workers. Besides, without proper regulation of labor migration is not possible to fully obtain the positive and prevent its negative effects. The situation is complicated with the lack of theoretical development of administrative and legal regulation of migration in Ukraine and its clear division for internal and external one. Works devoted to the study of various aspects of migration by such scientists as O.A. Banderol, A.P. Gorman, Y.F. Gavrushko, A.V. Tosca, S.M. Kremenchugskiy, S.F. Konstantinov, S.A. Mosiondz, A.V. Polishchuk, V.M. Stolbovoy, M. Snegir, N.P. Tyndik, S.B. Chekhovich, etc.

The results of international research scientists, involved in the problems of labor migration: G.P. Azarov, A. Bolkh, D. Weissbrodt, A.M. Veretennikova, L. Danielson, P.V. Konovalov, S.D. Stepanov, G. Feldman and others have been considered. Of great importance are the studies of migration processes carried out by scientists and representatives of other sectors of the national science (public administration, sociology, demography, economics) such as A.P. Gaydutskiy, E.M. Libanova, I.P. Maydanik, A.A. Malinovskaya, A.V. Pozniak, B.M. Yuskov and others. At the same time, the constant dynamics of migration processes, changes in migration legislation and reorganization of public bodies implementing the state policy in this sphere, have updated the wide range of problems of the theoretical,

legislative and practical measures that require urgent solutions as a whole and for each country in particular.

Thus, according to our evaluation and the data [5], at the end of 2015 the population of Ukraine was 42,617,345 people. During 2015 the population of Ukraine decreased by approximately 155 694 people. Taking into consideration that the population of Ukraine was estimated at the beginning of the year as 42,773,039 people, an annual increase was 0.36%.

The basic demographic indicators in Ukraine for the year 2015 were as follows:

Born: 461,521 people

Deceased: 654 000 people

Natural population growth: 192 479 people

Migration population growth: 36 785 people

Men: 19,603,583 people (estimated at the date of December 31, 2015)

Women: 23,013,762 people (estimated at the date of December 31, 2015)

In 2016 the population of Ukraine reduced by 155 127 people and at the end of the year will amount 42,462,218 people. Natural population growth will be negative and will constitute 191 778 people. During the full year approximately 459,841 children will be born and 651,619 people will die. If the level of external migration will remain at the same level as last year, than as a consequence of migration reasons the population will change by 36 651 people. Hence, the total number of people entering the country for the purpose of long-term stays (immigrants) will be greater than the number of people leaving the country (immigrants).

Below are the rates of change of number of the Ukrainian population, we have calculated for 2016:

Fertility: at the average of 1,260 children per day (52.49 an hour)

Mortality: at the average of 1,785 people a day (74.39 an hour)

Migration population growth: at the average of 100 people per day (4.18 per hour)

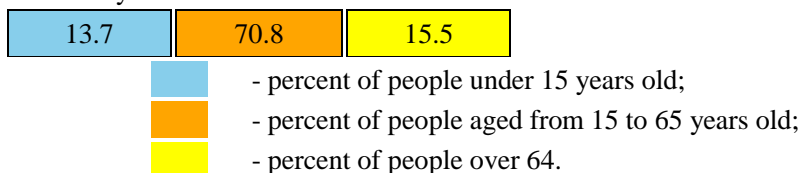
The rate of declining of the population of Ukraine in 2016 will be 425 people per day.

According to the Department of Statistics of the Organization of United Nations organization, the total area of Ukraine is 576 320 square kilometers. [6] The total area denotes the area of land and all water surfaces areas of the state within the international borders. The

population density is considered as the ratio of the total population living in a given territory, to the total area of the territory. According to our calculations, at the beginning of 2016 the population of Ukraine was approximately 42,617,345 people.

Thus, the density of the population of Ukraine is 73.9 persons per square kilometer.

At the beginning of 2016, the population of Ukraine had the following distribution on age which in turn affects the performance of the country workforce:



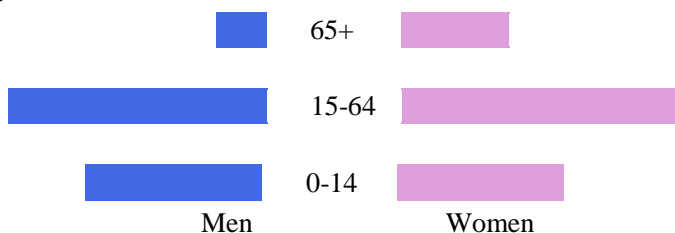
In absolute numbers:

5 854 771 persons under 15 years (Men: 3 008 785 / women 45 986)

30 173 933 persons older than 14 and less than 65years (men: 14 430 233 / women 15 743 700)

6 588 642 persons over 64 (men: 2 166 666 /women: 4 421 550)

We have prepared a simplified model of age and gender pyramid, which lists only three age groups, the data of which have been given above:



As we can see, the age pyramid of Ukraine has a regressive or descending type. This pyramid type usually occurs in highly developed countries. Such countries usually have a fairly high level of health care, as well as of education of citizens. Due to the relatively low mortality and birth rates, the population has high life expectancy. All these factors, along with the set of others, leads to population aging (increase the average age of the population).

Dependency ratio indicates the pressure on society and the economy by the non-working population (the dependent part of the population).

The population, not related to the labor force, involves the total number of the population under 15 years and the population over 64. The age of the working-age population (the productive part of the population), is respectively, between 15 and 65 years.

This ratio reflects directly financial expenses for the social policy in the state. For example, with the increase in this ratio it would be necessary to increase the costs of educational for the construction of educational institutions, for social protection, health care, pension's payments and so on.

Overall dependency ratio.

The overall dependency ratio is calculated as the ratio of the dependant part of population to the productive part of the population.

For Ukraine the overall dependency ratio is equal to 41.2 %.

The value 41.2 % is relatively low. It shows that the working-age population is twice bigger than the population of working age. This attitude creates a relatively low social burden to the society.

Coefficient of the potential replacement.

The coefficient of the potential replacement (child dependency ratio) is calculated as the ratio of the population below working age to the working-age population.

The coefficient of the potential replacement for Ukraine is 19.4%.

The coefficient of pension burden.

Retirement burden coefficient

The retirement burden coefficient is calculated as the ratio of the population over the working age to the working-age population.

The retirement burden coefficient for Ukraine is 21.8%.

Estimated life expectancy.

The estimated life expectancy is one of the most important demographic indicators. It shows the average number of years of the forthcoming years of life of a person. That is the number of years, which a person could theoretically live, provided that the current birth and death rates will remain unchanged throughout a person's life. As a rule, the term "estimated life expectancy" refers to a life expectancy at birth, that is, at the age of 0 years.

Average life expectancy at birth (for both sexes) in Ukraine is 68.6 years.

It is lower than the average life expectancy in the world, which is at about 71.

The average male life expectancy at birth is 62.8 years.

The average life expectancy for women at birth is 74.8 years.

According to our calculations, in Ukraine, about 36,675,767 people aged over 15 can read and write in any language. This represents 99.76% of the total number of the adult population. Under the adult population in this case, all people older than 15 years are implied. Accordingly, around 86 382 people still remain illiterate.

The literacy rate among the female adult population is 99.74% (20,113,224 people).

52,026 people are illiterate.

The literacy rate among the young people is 99.72% and 99.81% for males and females respectively. The overall literacy rate for young people is 99.76%. The concept of youth in this case covers the population aged 15 to 24 years inclusive [7].

Taken into consideration its geographic location and level of economic development, the level of development of the labor market and the rate of wages in the country, Ukraine is an active participant in international migration. It comes second in the volume of emigration and immigration in its own region. The directions of labor migration in Ukraine are from the Russian Federation to Ukraine and from Ukraine to the Russian Federation has recently accounted for 12 million people for each of them. However, since 2014 the most urgent problem for Ukraine has become the rapid growth of internal labor migration.

Internal migration refers to the movements of population within the country's borders for further accommodation for more than one year. Internal migration is largely determined by the causes of social and economic nature (e.g., a regional asymmetry in labour payment, the level of industrial development in the region, and the like). Unfortunately in the case of modern Ukraine the main reason that encouraged the intensification of population movements, became the military operations, terrorism and attacks on the integrity and sovereignty of the state.

After the outbreak of military actions in the Donetsk and Lugansk regions more than 73 million people have left the mentioned regions [2]. These figures are official, but, unfortunately, they are very rough due to the impossibility of accurate counting in situations of armed conflict. The exact information about the number of people who left the annexed Crimea is also unavailable. This amount is estimated about 13 thousand people [2]. The major host regions have become accordingly Kyiv region and Kyiv, Kharkov, Zaporizhzhya, Dnipropetrovsk and Poltava regions. The number of working-age population (that means, respectively, migrant workers) is about 50% of the total number of

migrants from the Crimea and the area of anti-terrorist operations. This is evidenced by the data random survey conducted by the magazine “Forbes, Ukraine”:

Small volumes of sampling are due to a lack of data on migrants. Therefore, the conclusions about the real volume of labor migration from the East and South of Ukraine are difficult to make. However, they are sufficient to put forward the assumptions and make certain generalizations.

Table 3.4

Characteristic features of Ukrainian refugees in thousand of persons

Category	Donbas	Crimea
Women of working age (18-55)	1582	211
Men of working age (18-60)	576	132
Migrants of retirement age(55+/60+)	858	143
Children (0-18)	1486	185

So, we have about 40 thousand of working age population in need of employment. Besides, the need to provide the employment is urgent because a government payment for refugees’ assistance is 2400 UAH a month (95-100 US dollars) for one family. For comparison, the average wage ratio is up to 4000 UAH (160 US dollars) and 3400 (135 US dollars) in the Donetsk and Lugansk regions respectively. The average salary in Ukraine in August 2016 was 5200 UAH (210 US dollars).

The apparent loss in their own well-being the migrants will compensate by the employment at the new place of residence. We can assume that in this case, they could agree to worse conditions of remuneration than those they had before the move.

This situation can be compared with the situation that envisages the involvement of low-skilled foreign labor migrants in the production process. The entrepreneur thus has a chance to reduce the production costs, saving on the wage fund. However, in the current situation an additional advantage for the producer can be the skills and knowledge of internal migrants. There is a situation of forced downshifting, mainly for Ukrainian workers takes place during labor migration.

Downshifting is a voluntary renunciation of the full use of the knowledge and skills, the transition from higher-paid jobs to the jobs with less payment. According to their study sample, 418 of 635 Ukrainians would not agree to a downshifting in the conditions of the

Ukrainian labor market. At the same time, 119 of 418 would agree to it in the case of emigration. Overall number of people prone to downshifting turned out to be 288 of 635.

The results of the study indicate that the Ukrainians appreciate the acquired skills and knowledge, and have no wish to ignore them in employment.

In the context of forced migration, this situation is changing, and such forced downshifting plays for the benefit of the employer.

Companies (especially small and medium-sized businesses) will be able to at least partially compensate this way for the losses caused by inflation and the fall of the hryvnia. In addition, technology and production efficiency will be improved by the quality increase of human capital.

However, in the employment of refugees, there is one significant drawback. This employment is inherently temporary, because, basically, the purpose of these workers is to return to their own region in a certain period of time. It complicates business planning and forecasting of future expected profits. That is why employers refuse to risk by offering a job for such workers.

In addition, migrants from the zone of the ATO do not always have a full set of documents required for employment with them. This complicates the procedure of filling in paperwork and tax reporting. This fact doesn't also evidence in favor of engaging the arrived workers.

It should also be noted that a reinforced internal migration has brought with it additional burden on the labor market. According to the State Statistics Service of Ukraine as of January 1, 2016 the number of unemployed in Ukraine is 490 thousand of people [2]. Employment of temporary migrants (refugees) for relatively lower wage rate can cause unemployment growth among local workers. This situation on the one hand can stimulate healthy competition for jobs, on the other - the growth of social tension in some regions. And if the first option will help to improve the competitive position of local businesses, the latter, at least, will have a negative impact on the investment attractiveness of the region.

There is also the possibility that the loss of jobs will stimulate international labor migration from Ukraine. In the context of the future prospects of the development of labor migration from Ukraine it would be worth pointing out that the number of people receiving education abroad, is growing rapidly. The number of Ukrainian students differs depending on the country of study. Although traditionally most

Ukrainians studied in Russia, but the number of Ukrainian students has reduced here. At the same time, the number of Ukrainian students in Poland increased 6 times, in the Czech Republic – 22.5 times, in Italy – 45 times, in Spain, where they were not previously available - 152 times. In other words, it is particularly fast growing in countries where as a result of labor migration of Ukrainians the numerous diasporas have been formed and powerful migration networks have developed. These factors will function in the future. The migrant children are involved in studying abroad, thus we can talk about the second generation of migrants. They will be superimposed on the general trend of development of educational migration, which, of course, will continue to grow, despite the decrease in incomes of the Ukrainians, thanks to the vast possibilities for training, provided by the destination countries interested in the arrival of young talents.

Anticipating the further development of labor migration we cannot ignore the prospects of transformation of the educational migration to labor migration, and the greater part, the worse will be the conditions of employment and career growth of young people in Ukraine. This will mean that, besides the growth of the proportion of professionals in the structure of labour migrants it could be possible as well to assume the increase the number of young people among them.

The rapid growth in the number of Ukrainian students, especially in the countries which receives significant workflow, can also indicate the formation of another trend deserving attention that will determine the further development of labor migration from Ukraine. The case is the reunion of migrant workers' families abroad. This trend has already appeared under the influence of the global financial and economic crisis, when the adult children of employees, whose payment of training was perhaps the main motive for the parents' departure for work abroad, were left in Ukraine without decent employment prospects. This has prompted some of them to join their parents in foreign countries. The current, more acute economic crisis, complicated by the circumstances of military operations, will have an impact on strengthening orientation of migrant workers is to unite families outside Ukraine. Especially because in the years of working abroad, many of them managed to resolve their legal status and establish social bonds, to provide the material and social conditions that make it possible to invite family and are necessary for obtaining the related permit from country of residence.

In this connection, it could be possible to provide another important change in the migratory behavior of the Ukrainians that can dramatically

affect the nature of labor migration and its consequences for the development of the country. Today, the dominant model of migratory behavior was a temporary seasonal migration, which, however, has all the signs of circularity, i.e. the repeated recurrence. Research Statistics Committee has shown that the average length of absence of the migrant in the country was equal to five months, and the average frequency of trips to work - three trips during 2.5 years of observation. The long-term migrants who have been (or have planned to be) abroad for more than 12 months, accounted for only 14.1% of all migrant workers identified in the survey. Short circular trips practiced primarily to the neighboring countries - Poland, Russia, Belarus, Hungary, the Czech Republic. Length of stay in other countries was naturally longer.

However, it is possible to provide a gradual transformation of the part of short-term travels for the longer ones, as well as for emigration for permanent residence for the future. It will be contributed by the difficult economic and political circumstances in the country, the change of composition of migrant workers in favour of specialists, as well as experience of foreign travel gained by migrant workers, their adaptation in countries of employment. The indicator of such transformation is a considerable increase in the number of Ukrainian citizens who apply for a residence permit (temporary, permanent) in foreign countries. Thus, according to the Ministry of Internal Affairs of Poland in 2016 the number of the Ukrainians who applied for the residence permit doubled, for temporary stay increased one and a half times.

The dynamics of migrants' cash remittances to their families back home is possible to consider as an indirect confirmation of this trend. They are quite considerable and have been steadily growing since 2013. According to calculations of the National Bank of Ukraine they make up 8.5 billion US dollars. However, the reducing of the remittances volume by 24% recorded at the present time. This trend was partially the result of attempts of the National Bank to establish the payment of foreign currency remittance in UAH and at the rate below the market level. Despite the fact that this procedure lasted less than a month, it has undermined the already low confidence of migrants to financial institutions of the state, forced many of them to refrain from money transfer or to use informal channels of transfer.

However, the reduction in remittances may have another reason as well. As the number of migrants has not diminished, and on the contrary, probably increased, it confirms the extension of the stay of the migrants abroad, and even refusal to return home, indicating the reunion

of families in foreign countries. According to the inquiry of migrants in the host countries of previous years, more and more of them made savings, bought real estate, not in Ukraine but abroad, that indicated the gradual move of their vital interests to that direction.

Modern transformation of migration processes in a period of deep economic crisis and military actions may have another extremely negative component. In case the assumptions about the growth of labor migration is fair, and taking into account the policy of countries of destination, that tightly control and restrict the entry of foreigners, especially unskilled workers, the increase in the proportion of Ukrainians who will work overseas without proper permits, i.e. illegal can may increase. At present, the proportion of migrants without regular status is large enough, about 20% [8]. The highest rated has been noted in Poland, Italy, Russia. It is typical for Ukrainian migrant workers to make legal entry and stay abroad, but have an illegal employment. This is evidenced by the fact that during investigations part of migrants admitted working in foreign countries with only short-term visas, which don't give the right to work. Under such circumstances, the introduction of visa-free travel regime to the EU can contribute to the further spread of the employment of Ukrainians to the illegal labor market within the permitted three-month stay for every six months. Indirectly, the possibility of illegal employment volume growth abroad is also evidenced by the sharp increase in the number of Ukrainians who applied in foreign countries for asylum. In particular, only in Poland for 2015, 23 thousand of such requests were submitted. Most of them do not come from refugees from Ukraine, but from those who have already been abroad and try in this way to use this situation to gain a proper legal status.

Thus, the assessment of the possible development of labor migration from Ukraine in the short term is as follows: under the conditions of a deep economic crisis, the intensity of trips abroad for employment may increase; reorientation of migration flows from the east to west direction will accelerate; composition of migrant workers may change as a result of increasing the proportion of professionals and young people among them; the current dominant model of circular labor migration can be gradually transformed to a longer, permanent residence abroad; the possibility of growth of the segment of illegal labor migration from Ukraine is not excluded. This migration should be regulated and maintained by the state. According to the current situation on the labor market, the profile "Golden emigrant" should be formed. "Golden

immigrant 'refers to able-bodied man, whose departure for employment abroad will provide the most favorable effect on the economy of the country of origin. This effect is most significantly expressed in cash remittances to the homeland, carried out by international labor migrants. These foreign currency interventions are performed mainly in dollars or Euros. It will be very relevant in the modern conditions of lack of supply of foreign exchange in Ukraine.

The reduction of savings of Ukrainians through the inflation and devaluation of the hryvnia reduces the likelihood of such development of events. These factors make it difficult to legally move abroad, making it too expensive for the average citizen.

One of the solutions of this problem is the creation of new jobs in regions that receive the highest number of internal migrants from the East and the Crimea. This will ensure the proper employment of able-bodied workers and will not allow to growth of local unemployment figures. The situation is complicated by the inability of government subsidies and investments in modern conditions. This is primarily due to the increase of funds for the maintenance of the army and the military-industrial complex recovery, which has been neglected in the country for 20 years. Another part of the government funds are spent on welfare payments to the families of victims, victims of the anti-terrorist operation and, as mentioned above, individuals who have fled left their homes in the occupied territories and were forced to migrate.

Hence, the possibility of creating new jobs entirely depends on the inflow of foreign investments. The ten major investing countries, accounting for over 83% of the total direct investment, are: Cyprus – 18712.0 million USD, Germany – 6,194,800,000 US \$, Netherlands – 5504.0 million US \$, the United States, the Russian Federation – US \$ 3,842,100,000 US \$, Austria – 3.2164 billion US \$, Britain – 2,724,400,000 US \$, Virgin Islands (Brit.) – US \$ 2,452,400,000 US \$, the USA, France – 1843.0 million US \$, Switzerland – 1,277,500,000 US \$, the USA and Italy – 1259.0 million US \$ [11].

The number of migrants in Ukraine and in the world as a whole will grow. Migration issues have remained open and unsolved so far and require significant research. Positive and negative aspects of migration require optimization mechanisms, as this phenomenon has a spontaneous character.

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