



KAPITEL 6 / CHAPTER 6⁶
MIGRATION CRISIS IN UKRAINE: SCALE, CHALLENGES, ECONOMIC CONSEQUENCES AND WAYS TO OVERCOME IT UNDER MARTIAL LAW

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Introduction

Migration is a phenomenon that has been observed throughout human history. It describes the transfer of individuals from one location to another, whether domestically or across international borders. Individuals move for various reasons, including job opportunities, political unrest, environmental concerns, or just to be near family. The extensive and expanding canon of research on migration and mobility demonstrates that migration is fundamentally linked to the larger global economic, social, political, and technical changes that are having a significant impact on a wide variety of high-priority policy concerns.

The problem of migration from Ukraine, mainly related to issues of labor migration, which have been relevant in recent decades, has deepened due to the large-scale invasion of the Russian Federation into Ukraine. This determined the emergence of challenges and certain consequences both for Ukraine and for the economies of the recipient countries.

On the one hand, it can promote variety and cross-cultural interaction and, by bringing in new talent and labor, help the economy thrive of the recipient countries. It can also result in strained resources and societal unrest in the recipient countries. Governments must ensure that migrants are treated fairly and given access to essential services like healthcare and education if they are to properly manage migration. On the other hand, government must also deal with the disputes that drive people to leave their homes and promote development in less developed areas to address the underlying reasons for migration.

Therefore, the main challenge for the government of Ukraine is to reduce the negative impact of migration on the economy of Ukraine and create conditions for the

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return of migrants who left due to the full-scale invasion of russia in Ukraine, since they determine part of the economic potential of Ukraine, which is necessary for the recovery of the country after the end of the war.

6.1. Periodization of population migration

Migration is a complex issue that requires careful analysis, the first stage of which research, in our opinion, should be periodization. Periodization provides an opportunity, firstly, to determine the main stages of this phenomenon, that is, the periods during which the main migration processes took place. Secondly, to combine the main stages of migration and the factors that determine each of the established stages. This forms the basis for conducting root-cause analysis and cause-and-effect analysis

Based on this approach, Fig. 1 presents the periodization of migration in Ukraine in the period from 2014 to the present, which defines the main stages, the population of Ukraine that immigrated abroad and the factors that caused these processes.

Migration processes, which were caused mainly by labor migration, is a constant trend that characterizes the movement of labor in the global environment. The periods presented in fig. 1 caused by other events. The first wave of migration, which occurred in 2014, is connected with the conflict in the east of Ukraine and the annexation of Crimea by russia. The last wave of migration, which began in 2022, was caused by a full-scale russian invasion, and due to dangerous living conditions, the population was forced to leave Ukraine.

Taking into account the carried out periodization of migration, which is shown in Fig. 1, the main reasons that caused certain waves of migration of Ukrainians abroad were summarized. They are as following:

- 1) The war in Ukraine triggered the largest displacement crisis on the European continent since World War II, forcing people to flee their homes on a very rapid and massive scale. The main recipient countries that accepted the largest number of



refugees are shown in fig. 2.



Figure 1 – Timelines of migration in Ukraine from 2014 to 2023

(completed by the authors based on [1-3,10])

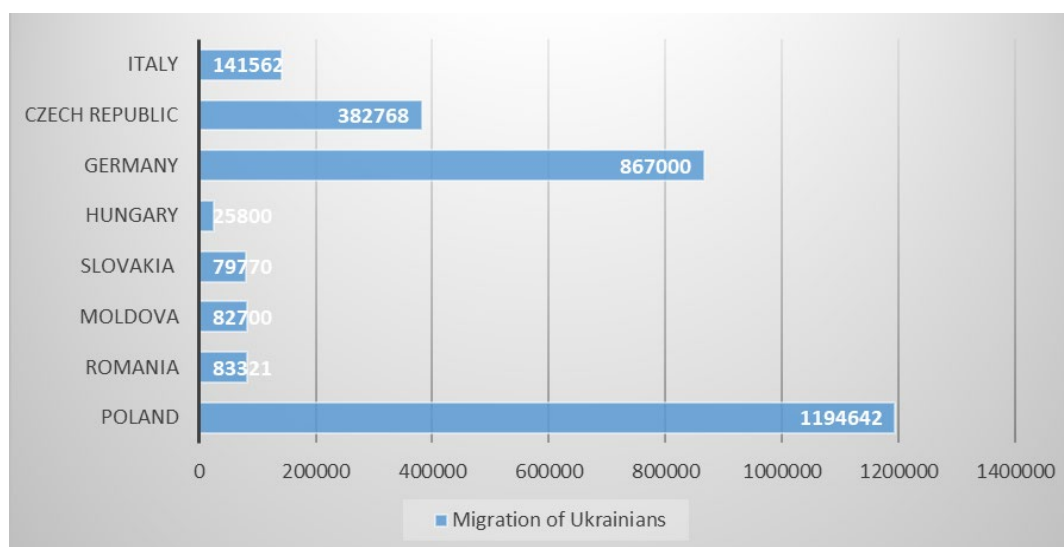


Figure 2 - Countries to which Ukrainians migrate most during the war

(completed by the authors based on[5])

The large-scale invasion prompted the population to migrate both within the country and abroad. Some moved for a short time and have already returned to their permanent place of residence, while for others the question of leaving the country may arise later. Sudden movements of large numbers of people create new challenges and exacerbate existing problems.

According to UN data, as of November 15, 2022, 7.8 million Ukrainians remain abroad due to the war. Of these, approximately 3 million are in Russia and Belarus, including those who were forcibly deported. In total, about 4.5 million Ukrainians live in Europe.

However, the number of Ukrainian refugees in the EU has stabilized compared to the first months of the full-scale invasion. In May-September 2022, there was even a tendency for their return. However, in autumn, the situation changed due to intensified Russian terrorist attacks against critical infrastructure.

As of April 4, 2023, we have 8,163,268 registered refugees from Ukraine and 5,027,182 refugees from Ukraine registered for temporary protection or similar national protection schemes in Europe according to UNHCR, Government [5].

The future population of Ukraine has been the subject of a recent study that looked at the possible effects of long-term migration trends and forcible relocation [6]. Using



different presumptions on the length of the war, the magnitude of displacement, and the post-war return rates, the researchers created four hypothetical scenarios that are shown in Fig.3. The graph shows five-year estimates starting from 2022. The first projection interval from 2022 to 2027 already includes a high number of refugees that have returned to Ukraine. The shaded area shows the 95% prediction interval around the United Nations Median projection. The dotted line shows a projection with displacement and migration set to zero.

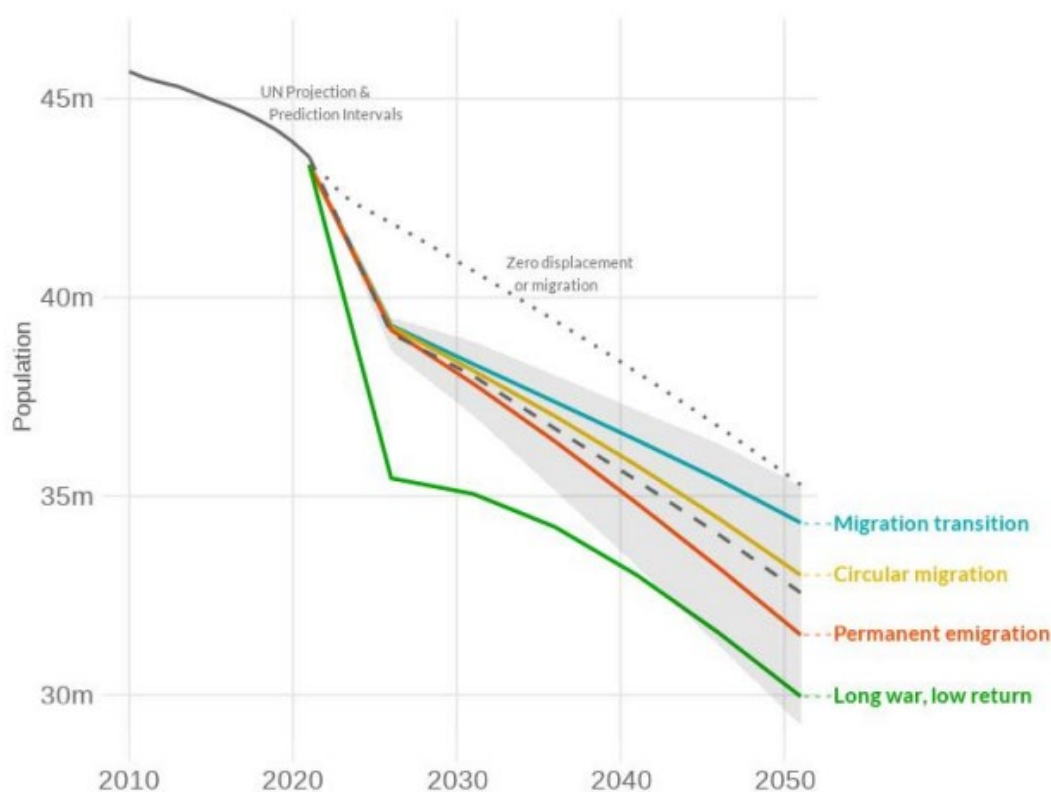


Figure 3 - Scenarios of the population size of Ukraine depending on international displacement, return migration, and longer-term migration trends, 2020 to 2050 [6]

The main content of these hypothetical scenarios is as follows [6]:

1) Long War and Low Return: The scenario assumes a long, intensive war that causes international displacement numbers to rise again, leads to the low return of refugees, and delays economic recovery and reconstruction. Ukraine remains a country of emigration and a high share of the migration after the war is of permanent character.



The return migration rate is low.

2) Permanent Emigration: The scenario assumes a short war with the majority of Ukrainian refugees returning in the next decade. Following the war, Ukraine remains a country of emigration with a slow economic recovery. A high share of future emigration is permanent and return rates are low.

3) Circular Migration: The scenario assumes a short war with the majority of Ukrainian refugees returning in the next decade. Ukraine remains a country of emigration with a slow economic recovery. However, post-war migration is characterized by a high share of circular migration enabled by changed institutional settings in the major destination countries in the EU. Return rates are high.

4) Migration Transition: The scenario assumes a short war with the majority of Ukrainians returning. With strong support from international partners, Ukraine recovers from the war and experiences economic growth and political and social stability. There is a high demand for labor that generates significant recruitment of foreign workers supported by a proactive migration policy. The country follows the path of some other Eastern European countries and transitions from a net-losing to a net-receiving country of migrants in the 2030s. Return rates are high.

Whatever the case, all estimates indicate that Ukraine's population will continue to decrease through at least 2052. In the most pessimistic scenario, which assumes that few Ukrainian citizens return after a protracted war, forecasts show a gradual 31% decline in the population of the nation. Declines are still predicted to reach 21%, even in rosier scenarios (such as conflict recovery and inward migration). Due to the aggravation of current events, such as internal conflicts, considerable shifts within age groups may occur during this time as a result of these tendencies.

As a result of these trends, significant changes within age groups may occur throughout this period due to exacerbation by current events including internal conflicts; making it important for continued research into overall demographic change likely moving forward within diverse populations globally such as those found across different regions or countries around the world today based upon their unique characteristics like ethnicity or culture among other things.



6.2. Classification and reasons of migration.

Migration can be classified based on the following characteristics: according to the direction of movement; according to the freedom of choice and according to the subject of migration (see Fig. 4).

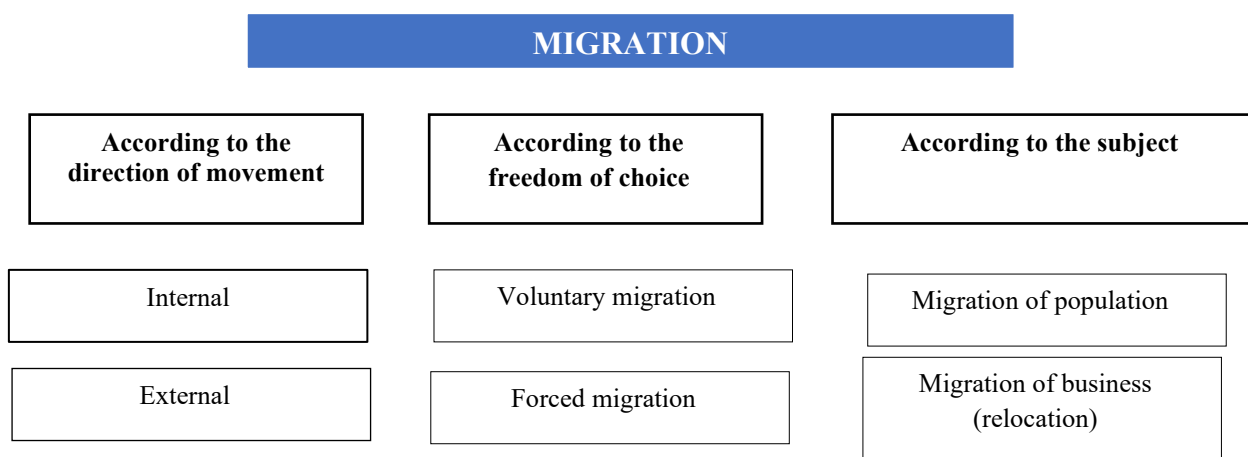


Figure 4 – Classification of migration

Based on the established classification, the reasons for migration were identified, which are as follows:

1. High unemployment and low wages in many sectors, including education, healthcare, and social protection, are among the key reasons for migration in Ukraine. Unfortunately, the Ukrainian labor market is characterized by high unemployment and low wages compared to other countries. In many sectors, including education, healthcare, and social protection, wages are insufficient to ensure an adequate standard of living. This situation is causing many Ukrainians to seek employment and higher incomes abroad. Most migrants from Ukraine work in sectors where wages are higher than Ukrainian rates. For example, many Ukrainians work in construction, agriculture, hospitality, freight delivery, and information technology and software development. Thus, high unemployment and low wages in many sectors are one of the main reasons for migration in Ukraine, which requires many Ukrainians to seek employment and income abroad.

2. Exacerbation of socio-economic problems. This may include political



instability, rising prices for goods and services, declining living standards, corruption, and other problems that may become intolerable for some people. These problems may lead people to seek better living conditions in other countries. In particular, a sense of security, access to employment and education, high salaries, and other benefits that may not be available in Ukraine. The worsening of socioeconomic problems may also lead to an increase in crime and security threats, which may force people to seek protection in other countries.

3. The possibility of realizing their professional aspirations: getting a job in another place of residence on better terms of payment, in the specialty, and the desired position.

4. The need for a renewed life, a certain culture, and knowledge. That is, a person wants to change the environment and expand opportunities. This may include a desire to live in a culture different from the one you grew up in or to gain new knowledge and experience that is not available in your home country. Lack of equal opportunities and a poor quality of life can also lead people to migrate in search of better living and development conditions.

5. Changes in the regional location of production and its restructuring. This may be due to a decline in demand for certain types of products, changes in production technology, or the relocation of production to other regions or countries with better conditions. This can reduce the number of jobs and worsen the economic situation in the region. People may therefore migrate in search of new job opportunities and better living conditions.

6. Health and the need for climate change. For example, people may move from areas with hazardous environmental conditions, such as air and water pollution, to places with better environmental quality. Changing climate conditions can also lead to changes in living and working conditions in a region, which can also be a reason for migration. For example, climate change can lead to changes in the growing conditions for certain crops, which can lead to employment problems for people living in the region.

7. Family and marriage relations, reunification with relatives. This may be related



to starting a family, reuniting with relatives, providing better living conditions for children, or leaving home due to national events or changes in the political system. Some people migrate to help loved ones in difficult situations or to protect family traditions and cultural heritage [8].

Based on the reasons that determine migration, a migrant's portfolio is formed and constantly updated [7], which makes it possible to monitor and identify changes over time and helps identify the consequences of migration.

6.3. Consequences of migration and ways to overcome them under martial law

History has shown that migration is a process with the capacity to have enormous effects on both the source and host populations. The social, economic, and cultural fabric of both the areas individuals leave behind and the places they settle in can alter as a result of people moving from one place to another.

The effects of migration on host populations can be both positive and negative. On the one hand, migrants can boost the economy by filling labor market vacancies or launching new ventures. They could also contribute variety and fresh viewpoints that enhance the local culture.

Eventually, migrants lead to social, economic, and political issues in their host countries, such as

- 1) population growth with a negative impact on existing social institutions;
- 2) increased demand for goods and services
- 3) displacement of people from rural to urban areas;
- 4) an increase in the size of the informal sector of the national economy;
- 5) deterioration of the wage structure in the informal, rural, and urban sectors of the economy;
- 6) transculturation;
- 7) accidental loss of customs and traditions by the local population;
- 8) introduction of diseases and social problems.



One of the first consequences of the migration wave was financial. Millions of Ukrainians traveling abroad started paying with their Ukrainian bank cards, which led to a large-scale outflow of foreign currency.

However, the National Bank later froze the official exchange rate and imposed strict currency restrictions. This helped keep the situation relatively under control. However, the state had to pay dearly for this conditional stability, having "burned through" more than USD 28 billion of foreign exchange reserves in 2022.

Ukrainians abroad will continue to put pressure on Ukraine's foreign exchange market for a long time.

"This outflow will decrease in 2023 unless there is an additional large wave of refugees. However, it will not be completely exhausted, as some refugees will work remotely for Ukrainian employers and receive support from men who work in Ukraine or serve in the Armed Forces," said Hlib Vyshlinsky, Executive Director of the Centre for Economic Strategy [9].

As competent employees go for greater possibilities abroad, migration can result in a brain drain for source communities. This may harm regional economies and reduce growth opportunities. Families may also split up as a result of migration, which can have an emotional toll on those left behind. As well as some consequences of the population of origin:

- The loss of stable jobs and the outflow of people from their places of residence significantly impact middle-class consumption and, in turn, the number of goods and services produced.
- Limited export opportunities for Ukrainian goods have a negative impact on the business climate. There is currently no foreign direct investment in Ukraine.
- At the same time, expenditures on social additional expenses are increasing and tax revenues to the state budget are decreasing.
- Negative impact on the gene pool of the Ukrainian population for many years to come.

Let's analyze in more detail the negative factors and the impact of migration on the citizens of Ukraine and the country as a whole in each area.



Impact on the labor market. The impact of labor migration on the labor market is ambiguous. On the one hand, it is a calming factor for it. Experts from the Institute of Demography of the National Academy of Sciences have estimated that without labour migration, the unemployment rate in Ukraine would be 1.6 times higher than the actual level. At the same time, even now, in a crisis that has not yet been overcome, there is a shortage of medical and educational personnel, construction workers, welders, drivers, oil workers, etc. in areas of mass migration. The biggest problem is the lack of personal development, which leads to a decline in the quality of workers. Although long-term vocational training of the self-employed has not decreased, it has increased.

Impact on the economy. The income of labor migrants has become an important factor in Ukraine's socio-economic development. According to the National Bank, the country annually receives more than \$5 billion in personal remittances from abroad, which is equivalent to 4-5% of GDP. The money that migrants earn abroad is mainly spent on consumption. They are very important for family well-being, but the investment benefits are small. According to various studies, only 7-8% of migrants start or expand a business with money earned abroad. The reasons are insufficient income for serious investment, lack of cheap credit, unfavorable domestic investment climate for SMEs, and the impact of private transfers on price and import growth. In particular, remittances from abroad have contributed significantly to the economically unjustified growth of real estate prices.

Impact on the social sphere. The majority of migrants work abroad as employees, but surveys show that only one-third have labor contracts, while the rest have verbal agreements. In addition, only half of them are enrolled in social insurance. The main cause of social problems is illegal employment (according to a study by the National Bureau of Statistics, a quarter of migrant workers did not have permission to live and work abroad). However, immigrants who are working legally are sometimes deprived of the opportunity to spend their payments on the social funds of the host country. This is due to the lack of a national social security agreement. Ukraine has introduced a voluntary pension insurance system to regulate the provision of pensions to Ukrainians working in countries without intergovernmental agreements and to Ukrainians who are



not covered by social insurance due to illegal employment abroad. However, so far only one immigrant has taken advantage of this opportunity. Similarly, family members of migrants who remain in their home country receive social benefits on a general basis. Thus, the main burden of social security for labor migrants is borne by Ukraine. This, firstly, increases the burden on social funds to which migrants do not make any contributions while working abroad; secondly, it causes the loss of social contributions that migrants pay in their countries of employment but cannot use in most cases; and thirdly, it limits the social protection of migrants by taking into account their insurance record only in Ukraine. The latter can lead to poverty for their families and, consequently, the need for targeted social assistance.

Impact on the political sphere. Due to the scale of immigration and the complex problems it creates, this phenomenon is increasingly appearing in political struggles, being used by politicians as an argument against their opponents or as a means of obtaining political dividends. The politicization of immigration has contributed to further tensions in society. Immigrants working abroad are effectively excluded from political life and cannot exercise their right to vote, creating a huge space for election fraud and manipulation of migrant worker communities.

Demographic consequences of migration. According to the National Bureau of Statistics census, a significant proportion of labor migrants do not plan to return home, and almost a third of female migrants plan to reside permanently outside Ukraine. The transformation of a significant part of temporary labor migration into permanent migration is the most threatening consequence of demographic development. However, even if all migrant workers return home, demographic losses are inevitable due to disruption of family relationships as a result of the prolonged absence of one of the spouses, delayed births or refusal to have children, and deterioration of health due to work abroad [4].

Actions that can be performed, first of all, to return migrants to their homes, their place of origin.

First of all, the number of individuals compelled to escape their homes due to violence and war can be decreased by addressing the current crisis in Ukraine and other



parts of the world via diplomatic and peaceful means. The primary drivers of migration, such as political turmoil, economic uncertainty, and social unrest, need to be addressed to entice migrants to return to their own countries. To do this, measures that deal with these problems and give people access to the economy and social safety nets must be put in place. Many of the socioeconomic issues that induce migration, such as poor salaries, falling living standards, and restricted access to services and opportunities, may be addressed by tackling corruption and strengthening governance.

The need for individuals to move for economic reasons can be reduced by investing in economic development in areas with high levels of migration. This will open up job possibilities and assist in improving living circumstances.

At the same time, it will be important that governments entice people and companies to invest in their nation by offering incentives like tax reductions, subsidies, or loans. This will promote economic growth, assist generate jobs, and provide returning migrants chances. People's living conditions in their native countries can be improved by expanding access to education, healthcare, and social safety, which can lessen the motivation to leave for better possibilities. Governments can provide infrastructure upgrades in the areas of transportation, healthcare, and education to entice returning migrants to settle in their original communities. As a result, people's quality of life will improve, and an atmosphere that supports economic growth will be created.

Besides, governments can offer assistance to returning immigrants to aid in their reintegration into their communities. To assist people in finding employment and rebuilding their lives, this might include language instruction, vocational training, and other support programs. By making investments in them or buying their products, migrants may help small enterprises in their native country. As a result, the economy will flourish and more employment will be created, increasing the country's appeal to relocating immigrants.

It is also necessary to pay attention to social aspects because, to manage migration in a secure and orderly manner while upholding human rights and valuing the needs and contributions of migrants, international collaboration on the issue may be



strengthened. By remaining in touch with friends and family, contributing to neighborhood causes, and making frequent trips home, migrants can preserve ties to their native country. This will foster a sense of belonging and strengthen ties to the nation of origin. The potential for prejudice and violence against migrants may be reduced, and there will be more chances for them to contribute to the society in which they reside, thanks to the promotion of diversity and inclusion.

These are but a few solutions to the issues that may be dealt with to address the underlying reasons for migration. To implement successful policies and initiatives to address the complex and interrelated challenges that drive migration, a comprehensive strategy requires collaboration between governments, civil society, and international organizations.

Conclusions.

In summary, migration is a complex and multifaceted phenomenon that has significant consequences for individuals and society as a whole. Because of unsafe living circumstances and socioeconomic difficulties brought on by the ongoing war in Ukraine, millions of Ukrainians have fled the country. This is the continent's worst displacement catastrophe since World War II. One of the main factors pushing Ukrainians to go overseas in quest of job chances with higher incomes is the country's high unemployment rate and poor wages. According to fictitious scenarios predicted by researchers who specifically looked at long-term trends related to forced relocation, other factors like political instability, declining living standards, and changes in production technology can also influence migratory behaviors on economic grounds leading to population decreases through at least 2052. Governments must ensure that migrants are treated fairly while addressing the root causes that push people away from their communities through development strategies and efforts at conflict resolution.

If we are to ever completely comprehend how to deal with extreme migration conditions efficiently over time within varied contexts around the world based on distinct social-cultural traits defining each region's overall identity & way-of-life, continued research will be vital.