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Migration policy challenges at the new Eastern borders of the enlarged European Union: The Ukrainian case

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**Migration policy challenges
at the new Eastern borders of
the enlarged European Union:
The Ukrainian case**

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Abstract*

With the enlargement of the European Union, new bordering countries emerged in the East which are characterized by comparatively low incomes and living standards, incomplete democratization and a number of latent political conflicts. Against this background it can be expected that migrations from these countries into the European Union will be growing, although a considerable part of the expected movements might be temporary or circular. Focussing on the Ukraine which shares borders with four European Union countries (Poland, Slovakia, Hungary, Romania) and which entertains migration relations with a number of European Union member states, this study identifies the new migration challenges at the Eastern borders of the enlarged European Union. The study reveals, that some European Union states are particularly addressed by Ukrainian labour migrations. Whereas high income differences and a lack of job opportunities in the home country trigger these movements in general, they are additionally based on traditional migration patterns and network relations in states such as Germany, Poland, Hungary, the Czech and the Slovak Republic. In other EU member states, such as Portugal, Spain, Italy and Greece, the demand for low-skilled labour in segmented markets, particularly in the nontraded goods sectors of the economy seems to have primarily supported the movement of Ukrainian labour migrants. Although the European Union has recently undertaken some efforts to develop common migration regulations, many of the proposed policy measurements are still indeterminate, particularly in the case of low-skilled labour movements.

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1 Introduction

The European Union is one of the most attractive parts in the world to migrate to, although some European Union member states have tried to reduce and control immigration as much as possible. This situation has been reinforced by the enlargement of the European Union which resulted in new migration challenges at its Eastern borders, facing Russia, the Ukraine, Belarus and Moldova. As in the case of many migrant sending states, the new East European neighbour countries of the European Union are characterized by comparatively low incomes and living standards, incomplete democratization and a number of latent political conflicts. Against this background it can be expected that migrations from these countries into the European Union will be growing, although a considerable part of the expected movements might be temporary or circular, meaning a repeated back and forth migration between sending and receiving countries. Presumably migrations in search for labour will dominate East-West movements, although ethnic return migrations, asylum and transit movements will also play a role. As the number of people willing to enter the European Union countries will certainly exceed the legal opportunities, illegal migrations are likely to occur.

Past experience shows that not all member countries of the European Union are confronted with a similar migration pressure from outside. Nevertheless, the free movement of people within the territory of the European Union led to the dependence of each member state on the immigration practice and policy of other European Union states. This situation calls for a unified and comprehensive European Union migration policy – a policy which has already been partly realized in the field of asylum regulations and border control and which is currently discussed in the field of labour migration.

This study identifies the new migration challenges at the Eastern borders of the enlarged European Union – focusing on the Ukraine which shares borders with four European Union countries (Poland, Slovakia, Hungary, Romania) and which entertains migration relations with a number of European Union member states. In the second part of the study it will be examined, how migration movements have developed since the Ukraine became independent in 1991. Against the background of theoretical considerations, migration motivations and the most important countries of destination will be portrayed. The third part reviews the discourse on the risks and chances of migrations in the European Union and the sending region Ukraine to identify economic and political concerns with respect to recent and potential movements. In a fourth part, the paper examines European Union migration policies currently in force and it surveys the discussion on future European Union migration policy options towards the new neighbouring countries in the East of its borders. The final part summarizes and concludes.

2 The Ukrainian migration experience: determinants, facts and figures

Since its independence in 1991 the Ukraine participated in international migrations which appeared as a result of the economic and political transformations of the country and of the fundamental geopolitical changes following the break up of the Soviet Union (Frejka et al. 1999, Tishkov et al. 2005). Although the area of today's Ukraine has been involved in numerous migration movements in its history, as for example the high emigrations in the late 19th and early 20th centuries¹, followed by resettlements, forced migrations and labour movements in the Soviet period, migration after independence was unique. In a comparatively short period, the Ukraine experienced considerable immigrations and emigrations because of ethnic reasons as well as refugee, transit and economic migrations.

2.1 Determinants of migration: theoretical considerations

In many studies, international migrations are nearly exclusively related to economic factors, such as income differentials and employment opportunities. This is rooted in the neoclassical theory of labour migration which emphasizes the responsibility of wage differences between different countries or regions for the movement of people. Given free mobility, workers move from countries with lower wages to those with comparatively higher wages (Bauer and Zimmermann 1998). In the framework of this model, where full employment, no migration costs and no insecurity exist and all individuals behave rationally, the larger the wage gap between sending and receiving areas, the more people will move. If wages increase in the sending area, migration will decrease, whereas a wage increase in the receiving country will lead to the opposite effect. In formulating a more realistic model, further theoretical work in the framework of neoclassics allowed unemployment in sending and receiving areas to exist. In this case, labour migration depends on the expected and not the absolute real wage differentials, thus taking the chance to find a job into account (Harris and Todaro 1970).

Modelling the migration decision in a micro context, human capital theory argues in the framework of neoclassics, but from a strictly individual point of view. This concept focuses on individual decision-making and highlights the importance of human capital characteristics in the migration process (Sjaastad 1962). According to human capital theory, people move if the expected returns to individual human capital - reduced by migration costs - are bigger in the immigration than in the home country. Incorporating migration costs which include the costs for travelling, information and income losses, as well as the psychological costs of leaving family, friends and the home country environment, obviously improves the explaining power of the model. If individual migration

¹ In that time emigrants left for the United States, Argentina, Brazil and Canada as well as for Siberia and Central Asia.

decisions are seen in dependence of human capital characteristics, sociodemographic factors influence the movement of people. In this framework, the demographic structure of sending countries is an important determinant for migration movements. As young people with a comparatively long working career ahead of them profit most from migrations, it can be expected that movements are stronger the younger the age structure of the sending countries is. This is reflected by many past and contemporary (labour) migration flows, which mostly consist of people in the beginning of their working career.

Apparently migration is a risky task, a fact that individual cost benefit approaches allow introducing. Dependent on individual risk aversion people decide to move in comparing a secure income at home with the expected value of earning abroad, discounted by risk aversion. Similar to risk aversion, expectations on future home country developments operate. In this context, the option value of waiting is a key argument, suggesting that potential migrants have an incentive to wait, if they are not sure migration pays off (Burda 1995). Thus, migration decisions may become obsolete in the longer run; given economic conditions improve in the home countries. The high relevance of expectations in the context of migration decisions has been emphasized by a recent World Bank report which found decreasing migration trends in sending countries if people think that the quality of life there will improve (Mansoor and Quillin 2006: 13).

Rejecting a purely individual point of view and the dominance of wage differential in explaining the movement of people, the new economics of labour migration argue that households are the relevant decision making unit and that the failure of capital, credit and insurance markets are primarily responsible for migration movements (Stark 1991). In the case of developing countries rural households can only survive under market conditions if they make capital investments and insure their production against risks. Likewise, workers in poor countries and in a number of transition economies are not (fully) protected by governments from unemployment risks and old age pensions are not guaranteed. In the absence of insurance systems and functioning capital as well as credit markets, family members are sent abroad to earn money for capital-building and risk insurance. Consequently, the migration decision of households can be interpreted as a portfolio strategy to diversify family incomes. In a further argument, the new economics of migration identifies relative deprivation to determine migration movements. If households earn a low income compared to their home country reference group, they tend to send family members abroad to relatively improve their income position.

Whereas most economic theories refer to the labour supply side in the migration process, some economists point to the demand for labour in segmented labour markets as the initial incentive for international movements (Piore 1979). In advanced industrial societies labour market segmentation is characterized by a primary labour market with secure employment conditions, comparatively high wages and social security standards, and a secondary labour market with a highly variable demand, low wages, little security and difficult working conditions. Because native workers are drawn into the primary sector of the economy and in many cases are not willing to accept secondary labour market jobs, immigrant labour is recruited. Under these conditions a growing demand for workers in the secondary labour market presumably leads to an increase in immigra-

tion, since enterprises are not willing to pay higher wages and improve labour conditions in secondary markets as a precondition to attract native workers. Particularly non-traded goods sectors – that can not be outsourced and do not require a high skill level – can be expected to be characterized by segmentation and the demand for low skilled immigration.

In some cases, demand-driven labour migrations have been supported by governmental recruitment programs or bilateral contracts. An example is the labour movement from Southern European countries to Germany in the 1960s and 1970s which had been initiated by the so-called guest worker policy. Since the early 1990s, Germany and some other European Union countries again established recruitment schemes for short-term labour by concluding bilateral agreements with East European and former Soviet Union states.

To understand the dynamics of international migrations, network theory has argued that across time and space migrant networks develop which stabilize and potentially increase population movements. In this context migration networks are defined as connections between migrants and non migrants in countries of destination and origin through ties of kinship, friendship, and shared community or ethnic origin. Because networks reduce the costs and risk of movements, they are expected to increase the likelihood of further migrations (Massey et al. 1998: 42). The development of migration networks influence the individual migration decision in such a way that the greater the number of migrants a person back home in the sending area knows, the greater the probability that this person will also migrate.

Although economic factors and supporting network relations have been proven to be key determinants in explaining international migrations (Mayda 2005), they have shortcomings. In a number of cases these are related to the fact that migration theories argue in the context of a world without migration barriers. In reality, however, migration policies and institutional barriers play a decisive role in channelling international movements (Hatton and Williamson 2002). Consequently state policy has to be introduced into migration models to capture the effects of legal migration regulations (Hollifield 2000). A further conceptual extension is needed in the case of refugee and (ethnic) return movements, which are closely related to political and ethno-national migration motivations, although economic hardship may play a role as well. Because of (civil) wars, political instabilities, national conflicts and ethnic discriminations in sending areas people are driven out, while asylum laws, citizenship regulations and the ethnic affinity of returning migrants towards receiving states act as pull factors. These migration determinants are best modelled in the framework of considerations which reflect historical, ethno-national and political preconditions in sending and receiving countries.

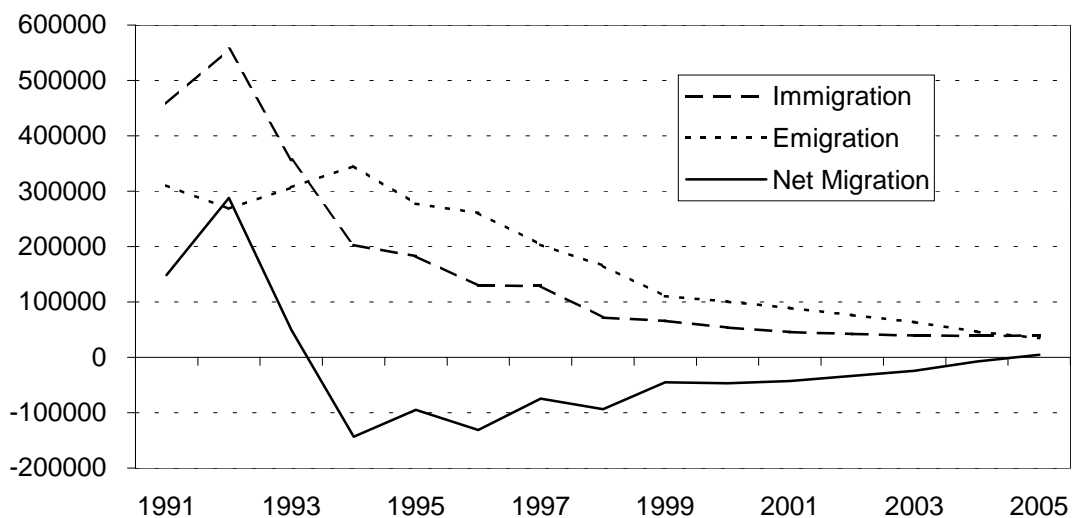
Although the theories described above focus on different levels of analysis and built on different assumptions and scientific disciplines, they are not mutually exclusive. To explore the complex determinants of empirical migration movements it is reasonable to draw on a combination of theoretical argumentations in identifying the economic, social and legal aspects that drive international movements.

2.2 Migration in the Ukraine: empirical evidence

In the two years following independence, the Ukraine experienced a high positive net migration which slowed down significantly in 1993 and turned negative between 1994 and 2004. In the year 2005 – after eleven years of out migration – a small migration surplus was achieved (see figure 1).²

Immigration into the Ukraine reached its peak in the year 1992 when more than half a million persons entered, most of them coming from the successor states of the USSR (Malynovska 2006). In subsequent years the number of immigrants decreased continuously, achieving its so far lowest figure (38 500) in 2004. As in the case of immigration, emigration was highest in the beginning of the nineties. With nearly 346 000 persons leaving, emigration mounted in 1994, slowing down year by year afterwards. Overall the Ukraine lost 246 000 people as a result of officially registered migration movements between 1991 and 2005 (TransMONEE 2006).

Figure 1: Immigration, emigration and net migration in the Ukraine (1991-2005)



Sources: TransMONEE 2006 database, State Statistics Committee of Ukraine

In the nineties a considerable number of border crossings occurred between the Ukraine and (neighbouring) states with no visa regime such as Poland and Hungary which were

² The data presented here refer to the TransMONEE 2006 data base. In a number of years (1991, 1993, 1995, 1996, 1997, 1998, 1999, 2000 and 2001) the TransMONEE data differ from official Ukrainian migration statistics, presumably because of a different definition of immigrants with respect to citizenship categories. As negative net migration data delivered by the Ukrainian statistical office are higher in the respective years than those of TransMONEE it is suspected that a considerable number of ethnic Ukrainians who returned to the Ukraine from the former Soviet Union had not been counted as immigrants by the State Statistics Committee of Ukraine.

not reflected by migration statistics. These movements consisted of short-term, circular trips undertaken by people engaged in petty-trade (shuttle trade). On both sides of the border, Ukrainian citizens bought and sold goods to profit from price and exchange rate differences. According to opinion polls conducted in the middle of the 1990ies regular trips abroad to improve income and living standard had become a key business activity for approximately 5% of the economically active population in the Ukraine while 20% of the working-age population attempted these trips occasionally (Frejka et al. 1999: 6).

After independence immigrations into and emigrations from the Ukraine were characterized by the dominance of exchange movements with former Soviet Union states, first of all Russia. Between 1991 and 2004, over 90% of all immigrants into the Ukraine came from post Soviet countries, whereas 75% of all emigrants left for the successor states of the USSR (Malynovska 2006). Although overall officially registered emigration declined since 1994, the share of people leaving for the West increased from 20% in the beginning of the nineties to 33% in 2004, confirming the growing weight of Western, primarily European Union states as destination for migrants, leaving the Ukraine (Malynovska 2006).

Based on the data presented above, emigrations from the Ukraine followed a decreasing trend since the middle of the nineties which contradicts the empirical observation that Russia as well as a number European Union countries faced an increasing immigration from the Ukraine in that period (see table 4). This inconsistency is due to the fact that only persons who receive an official permission to reside abroad are registered by Ukrainian officials as emigrants. Ukrainian citizens, who leave the Ukraine on the base of a tourist visa, participate in bilateral agreements for short-term work or in a student exchange program are not counted in official emigration statistics. Besides, illegal border crossings add to an increased number of Ukrainians, living and working abroad.³

What were the basic determinants which drove migration movements in the Ukraine since its independence? Referring to the theoretical argumentations introduced earlier it will be argued that a combination of ethnic and economic motivations as well as of social and legal factors were responsible for migrations in the Ukraine, although the weight of the respective causes changed over time. Whereas ethnic and political migration motivations had been prevalent in the beginning of the migration exchange with post Soviet states, economic determinants increasingly won in importance since the end of the nineties. This reflects the dominance of ethnic return movements after the dissolution of the Soviet Union when national minorities had an opportunity to return to their newly founded nation states. A similar pattern was observed with respect to migrations into Western countries. While a decreasing number of emigrants left the Ukraine because of ethnic, religious and political motives, the number of people that entered Western countries in search for (short-term) work grew.

Consistent with economic migration theory high differences in income between the Ukraine and Russia as well as between the Ukraine and Western states exist, which are

³ The weak and often inconsistent data base is a general problem in documenting international migration. This study addresses the dilemma by using various statistical sources on migrants' stocks and flows, by referring to estimations in the case of illegal migrations and by taking survey studies into account.

expected to exhibit a strong migration incentive (see table 1). In 2005, for instance, the GDP per head in the Ukraine amounted to 32% of that in Russia and to 15% of that in the Czech Republic, providing a solid migration motivation since the middle of the 1990ies.

A look at real GDP growth rates in the Ukraine indicates an improvement of the economic situation since the turn of the century, although the Ukrainian economy has still not reached its size prior to transition. As in the case of developing countries where dynamic growing economies are consistent with high emigrations (Massey 2005) it is assumed that migration pressure in the Ukraine will not be promptly reduced in the presence of GDP growth. This is related to the economic transformation from a planned to a market economy where the radical change of social structures encourages growth but creates a mobile population in search for employment opportunities.

A recent World Bank report found the labour market in the Ukraine in an early stage of transition, indicating that labour reallocation which will result in an increase in unemployment still lies ahead. While unemployment rates in the Ukraine are not remarkable in a transition country comparison (9% in 2003 according to ILO standards), a low labour participation rate points to job scarcity. Less than 60% of the Ukrainian working age population was employed in 2003 that is below the OECD average of 65% (World Bank 2005). In recent years, many workers had been discouraged by the poor job opportunities in the Ukraine and have withdrawn from the officially registered labour force. Besides working in the shadow economy, (short-term) migration is an option to obtain gainful employment.⁴

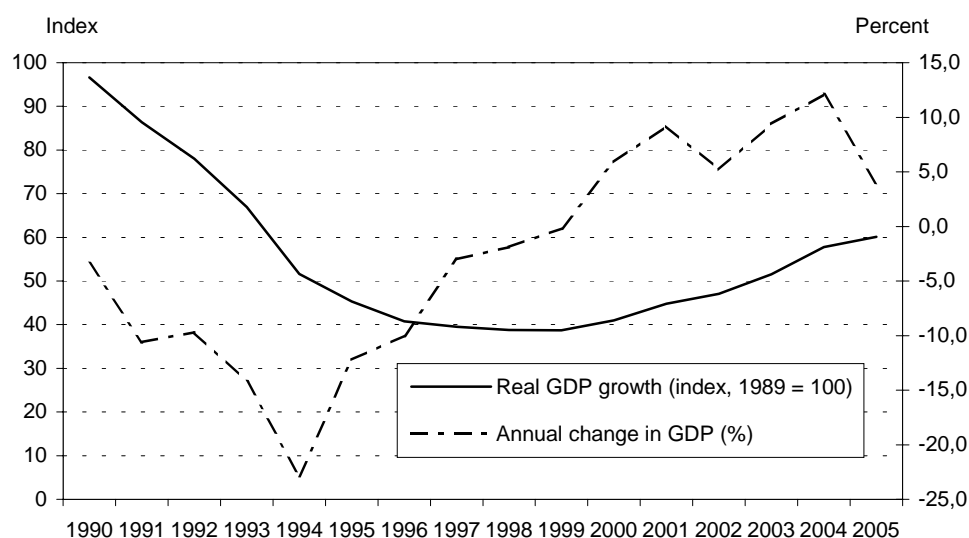
Table 1: **GPD per capita (PPP, in US \$), various European countries, Russia and Ukraine**

	1996	1997	1998	1999	2000	2001	2002	2003	2004
Germany	21 855	22 622	23 418	24 230	25 481	26 405	26 858	27 196	28 303
Italy	21 802	22 455	23 111	23 721	24 994	26 016	26 577	27 150	28 180
Spain	17 847	18 726	19 674	20 610	21 764	22 902	23 417	24 152	25 046
Greece	14 106	14 768	15 365	16 268	17 391	18 632	19 588	20 841	22 204
Portugal	14 696	15 575	16 416	17 220	18 255	18 933	18 974	18 932	19 628
Czech Rep.	13 745	13 919	13 981	14 442	15 373	16 428	17 211	18 064	19 408
Hungary	9 958	10 801	11 544	12 220	13 223	13 900	14 710	15 451	16 814
Slovakia	9 279	9 887	10 418	10 799	11 303	12 005	12 817	13 426	14 622
Poland	8 050	8 737	9 251	9 763	10 401	10 855	11 219	11 965	12 974
Russia	5 795	6 038	5 932	6 401	7 095	7 561	8 130	9 036	9 902
Ukraine	3 628	3 610	3 640	3 748	4 108	4 581	4 903	5 524	6 394

Source: United Nations Database

⁴ The shadow economy in the Ukraine was estimated by the World Bank to reach 54% of GDP in 2003.

Figure 2: **Real GDP growth, annual change in GDP, Ukraine**



Source: Transmonee Database

Approaching the migration decision from an individual perspective, survey studies revealed income differences and a lack of job opportunities as the two most important reasons for Ukrainians to emigrate. In a study conducted by the IOM in 1998, more than half of respondents (58%) named wages as motivation to migrate and 37% referred to good employment chances abroad (IOM 1998: 25). A very similar result was attained by a research, the IOM organized in 2006 in Belarus, Bulgaria, Moldova, Romania, and Ukraine (GfK 2006). The number one reason for working abroad was low income at home, given by 81% of respondents, whereas a lack of job opportunities in the country was identified second, by 60.8% of respondents (GfK 2006: 27). Furthermore, the new economics of migration which identify the insufficiency of markets for insurance, capital and credit as root causes for migration seem to be relevant in the Ukrainian context as well. Insurance markets are not functioning appropriately in the Ukraine and access to credits is very limited for average families (Institute for Economic Research and Policy Consulting 2004). This makes it attractive for people that for example plan to finance home ownership, to overcome the deficiencies of the credit market at home by earning an additional income abroad.

While economic arguments point to a considerable emigration pressure in the Ukraine, which in general is not constrained by Ukrainian laws, emigration movements are severely restricted by legal measures on the part of most receiving countries. Particularly in the context of migrations from the Ukraine into the European Union, restraining migration policies control the inflow of authorized (labour) movements, for example in the context of bilateral contracts on labour migrations. Nevertheless, labour migrants from the Ukraine can be expected to enter or work illegally in economically better off countries, as long as basic migration incentives persist. In this context human smuggling plays a decisive role in fostering movements into states that close their bor-

ders towards immigrants. Furthermore, human trafficking - where criminal networks transport men, women and children across borders for the purpose of sexual exploitation and forced labour – is a serious problem in comparatively poor countries with a high migration pressure. A recent U.S. Department of State report and an IOM study found the Ukraine the most important source country of human trafficking in Eastern Europe and Central Asia (U.S. Department of State 2006, GfK 2006).

2.2.1 The migration exchange with the successor states of the Soviet Union

The first two years after the break up of the Soviet Union were characterized by a high migration exchange between the successor states of the USSR, now being independent nations. This was particularly true for the Ukraine which received 984 000 immigrants from various parts of the former Soviet Union in 1991 and 1992 (Malynovska 2006). Most of these immigrants belonged to the group of ethnic Ukrainians (repatriates) who returned from Russia, Kazakhstan or Belarus. Furthermore Crimean Tatars resettled in large numbers in the Autonomous Republic of Crimea, their traditional homeland. A remarkable part of these movements was related to (forced) migrations in earlier periods of the Soviet era. In the 1930-50s, Ukrainians and other ethnic minorities (Crimean Tatars, Germans and Poles) living in the Ukraine had been subject to deportation and (forced) resettlement. They were sent to Northern and Eastern parts of Russia, to Kazakhstan and other regions of the Soviet Union. In later years the Soviet regime actively supported labour migrations which aimed at a population exchange within Union Republics. While the Ukraine was a net immigration republic throughout the Soviet era, ethnic Ukrainians were the most important group to leave while ethnic Russians were the biggest group to enter. In 1989, at the time of the last Soviet census there were 6.8 million Ukrainians living in the Soviet Union outside the Ukraine, predominantly in Russia (4.4 million) and Kazakhstan (890 000), whereas nearly half (44%) of those 11 million Russians who inhabited the Ukraine in 1989 had not been born there (State Statistics Committee of Ukraine).

In addition to groups, moving to the independent Ukraine because of ethnic and homeland reasons, a number of immigrants looked for refuge, having escaped ethnic tension, civil war and political conflicts in their post Soviet home countries. Among these populations were people from Moldova, Armenia, Georgia and Azerbaijan who sought protection in the Ukraine which had passed a law on refugees in 1993, based on the 1951 Geneva Convention (Malynovska 2006). In the course of the 1990s the Ukraine became the address of refugee groups from outside the former Soviet Union as well, which came from regions hit by (civil) wars and economic crisis such as Afghanistan, Pakistan, Sri Lanka, African countries and the Middle East (IOM 1996: 135, Kraler

and Iglicka 2002: 40, Mansoor and Quillin 2006: 42). Some of these asylum seekers found refuge in the Ukraine, others moved on to the West.⁵

As in the case of immigration, emigration from the Ukraine was characterized by ethnic return movements in the early nineties. Ethnic Russians, moving to Russia made up the most important part of emigrants in this period. However, in the middle of the nineties the motivation for leaving the Ukraine towards post Soviet states, primarily Russia, changed. Against the background of the economic crisis in the Ukraine, economic reasons were increasingly an incentive to move out of the country. In part, emigrants left permanently for economically better off post Soviet states, mainly Russia. Besides, labour migrants crossed the border primarily towards Russia in search for short-term and seasonal work. In addition to considerable GDP differences between Russia and the Ukraine (see table 1), movements were encouraged by a common history in the Soviet period, language proficiency and (ethnic) network relations. It is not surprising, therefore that an estimated number of one million Ukrainians worked in Russia in 2002 (Malynovska 2004: 14). Most of these migrants were occupied in semi legal and illegal jobs in construction, agriculture and services.

Between 1991 and 2004, the Ukraine lost 1 897 500 persons who moved to post Soviet states, while 2 229 870 entered from the successor states of the USSR (Malynovska 2006). Because these movements were primarily related to repatriations and ethnic return movements, they affected the ethnic composition of the population to a considerable extend (see table 2).

Table 2: **Ethnic composition of the population in the Ukraine (in thousands, 2001, 1989)**

	2001	in % of the population 2001	1989	in % of the population 1989
Total	48 457	100.0	51 452	100.0
Ukrainians	37 541	77.8	37 419	72.7
Russians	8 334	17.3	11 355	22.1
Crimean Tatars	248	0.5	46	0.0
Poles	144	0.3	219	0.4
Jews	103	0.2	486	0.9
Armenians	94	0.2	54	0.1
Azerbaijani	45	0.1	36	0.0
Georgians	34	0.1	23	0.0
Germans	33	0.1	37	0.1

Sources: State Statistics Committee of Ukraine, *Vestnik statistiki*, no.10, 1990

⁵ Because a readmission treaty has been signed between the Ukraine and the EU in the year 2006, the Ukraine will be obliged to take back third country nationals (as well as its citizens) entering the EU illegally from Ukrainian territory.

Due to a negative natural population development and an overall net emigration between 1989 and 2001 the population of the Ukraine decreased by 5.8% in this period. However, because of ethnic return migrations, the share of Ukrainians in the total population which had made up 72.7% in 1989, increased to 77.8% in the year 2001. In a similar way, the return of Crimean Tatars led to an increase of this ethnic minority by 5 times.

As census data reveal, population groups from post Soviet states that found refuge in the Ukraine enlarged their share such as Armenians, Azerbaijani and Georgians, whereas groups that left to their nation states lost in importance. The most prominent example is the Russian population in the Ukraine which decreased by 26.6% between 1989 and 2001, reducing its share in the total population to 17.3% in 2002, while in 1989 it had made up of 22.1% (State Statistics Committee of Ukraine).

2.2.2 The migration exchange with Western states

Migration into Western states is not a new phenomenon for the Ukraine. As a part of the Soviet Union, the country has experienced three waves of emigration towards the West: After the revolution in 1917, in the course of World War II and after the 1960s. Although the constitution of the USSR never contained any guarantee of freedom of movement, Soviet legislation permitted a very limited number of people to emigrate in the post World War II period for the purpose of reuniting families.⁶ This emigration policy was primarily the result of the intervention of foreign states on the part of groups wishing to emigrate.⁷ The main beneficiaries were Jews and Germans whose families had been wrenched apart by the events of the war and whose potential recipient countries (the USA, Israel and Germany) supported their cause. In the case of Jews, anti-Semitism forced people to leave, in the case of Germans, ethnic repression and forced resettlement in earlier periods were push factors.

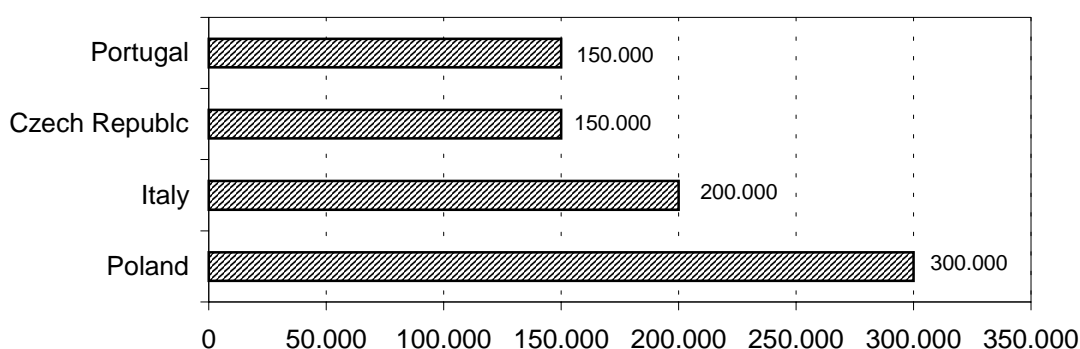
In October 1989, the debate over emigration policy in the Soviet Union took a new turn. The Supreme Soviet approved a draft law on its first reading which put travel in and out of the country for Soviet citizens on a new basis. Most importantly, the draft law accepted reasons for emigration other than family reunion and recognized the individual right to travel. Consequently, emigration from the Ukraine to Western countries increased in 1989, reaching its so far highest number of issued permissions to leave in 1990, when 95 000 persons were allowed to depart (Frejka et al. 1999: 5). In admitting 92% of all emigrants from the Ukraine in 1990, Israel was by far the most important receiving country in this year, followed by the USA (3%) and Germany (1.5%).

⁶ This refers to the "regulations on entry to and exit from the USSR" of June 1959. These rules of law were reviewed in 1970 and again in 1986, but were not fundamentally amended.

⁷ In this context the Jackson-Vanik amendment (1973) played a role, impeding trade unless Jews were allowed to leave freely. In addition the Soviet government signed the Helsinki accord (1975), pledging, among other things, to facilitate freer movements of its citizens.

Since the break up of the Soviet Union emigrants from the Ukraine to the West addressed new destination countries, many belonging to the European Union or becoming a part of it after May 2004 (Pribytkova 2006). In 1994, nearly every fifth emigrant (18%) from the Ukraine to the West chose a destination other than Israel, the United States and Germany. This development was related to a shift from ethnic to economic migration motivations originating in the economic crisis in the Ukraine which accompanied the transformation process. A labour movement towards the West established, which is reflected by the increase in registered labour migrants, rising from 11 800 persons in 1996 to about 40 000 persons in 2002 (Malynovska 2004). Besides, a high number of illegally employed Ukrainians are working in European Union countries. According to estimations of Ukrainians embassies about 800 000 Ukrainian labour migrants were occupied in various European countries in 2002, a considerable number of them illegally (figure 3).

Figure 3: **Estimated numbers of Ukrainian labour migrants in Poland, Italy, the Czech Republic and Portugal (2003)**



Source: Malynovska 2004

To channel the growing migration pressure and to prevent illegal labour movements, a number of European Union states has concluded bilateral agreements on temporary labour movements with the Ukraine or has established training programs for Ukrainian workers. Some European Union states which recently were exposed to (illegal) labour immigration from the Ukraine are discussing to introduce such bilateral agreements (see table 3). In the perspective of the Ukraine, bilateral agreements on labour migration became an increasingly relevant instrument to protect the rights of Ukrainian citizens working abroad.

What were the most important receiving countries in the European Union for Ukrainian labour migrants and which factors determined the choice of destinations? Although data sources are limited, the inflows of Ukrainian immigrants into selected European Union countries compiled by the OECD identify those states, which recently attracted Ukrainian (labour) migrants (see table 4). With respect to the background of Ukrainian immigration, the most important receiving European Union states can be

classified into two groups, with Germany being a special case. One group consists of new East European Union member states, such as Poland, the Czech Republic, Slovakia and Hungary which formerly belonged to the Warsaw pact. No visa regimes had existed between these states and the Ukraine before 2003 (in the case of Slovakia before 2000), thus facilitating border crossings, shuttle trade and short-term work. A second group that hosts Ukrainian labour migrants includes Portugal, Spain, Italy and Greece. In these countries that transformed recently from emigration into immigration regions labour migration from the Ukraine is a new phenomenon. Besides, Germany entertains migration relations with the Ukraine, primarily in the context of ethnic, family and refugee movements. Other European Union member states have not admitted a considerable number of Ukrainian (labour) migrants yet, although empirical studies point to a growing population of Ukrainians, working (illegally) in the United Kingdom and in the Netherlands (Trades Union Congress 2004, Shakhno and Pool 2005).

Table 3: Bilateral agreements on temporary labour migration between the Ukraine and European Union countries

Country	Agreements on temporary labour migration
Czech Republic	up to 12 month with possible 6 month extension for work permit
Latvia	not specified
Lithuania	not specified
Germany	12-18 months
Poland	12-18 months
Portugal	12 months with possible 24 months extension
Slovakia	not specified
Belgium	in discussion
Greece	in discussion
Hungary	in discussion
Spain	in discussion

Sources: OECD 2004, Cipko 2006

The new members of the European Union, for example the Czech Republic, Poland, Hungary and Slovakia experienced little immigration in the past. However, the encouraging economic development in recent years and the accession to the European Union turned them into an attractive destination for refugees and labour migrants from poorer and more unstable regions in the East (Wallace 2002). Although Ukrainians belong to one of the most important new immigrant groups in the Czech Republic, Poland, Hungary and Slovakia, their immigration patterns differ somewhat in a country to country comparison. In the Czech Republic, immigration from the Ukraine is characterized by circulating labour and partly by long-term movements. Married men with a relatively high education, coming without their families, dominate the group of Ukrainian labour migrants in the Czech Republic. In Poland, Hungary and Slovakia migrants from the

Ukraine were engaged in petty trade until the middle of the 1990s while in later years they performed primarily seasonal or short-term work (Drbohlav and Janska 2004).

**Table 4: Inflows of Ukrainian citizens into various European Union countries
(in thousands)**

	1996	1997	1998	1999	2000	2001	2002	2003	2004
Germany*	13.7	12.5	14.1	15.3	18.2	20.5	20.6	17.7	15.0
Italy	–	–	1.0	2.8	4.1	5.1	8.1	–	11.2
Spain	–	–	0.2	0.6	6.3	11.0	10.8	9.1	10.3
Portugal	–	–	–	–	–	45.2	16.5	2.5	0.7
Czech Rep.	1.1	1.4	1.5	1.6	1.0	2.4	13.0	23.7	15.0
Hungary	1.4	1.4	1.8	2.4	2.4	2.5	2.1	2.6	2.5
Slovakia	–	–	–	–	–	–	–	0.7	0.7
Poland	–	–	0.9	2.6	3.4	4.8	6.9	8.4	10.2

* ethnic German immigrants (*Aussiedler*) are not included

– not available

Source: OECD 2006

Next to geographic proximity, Ukrainian labour migration into the new European Union member states was triggered by income differences and job opportunities. In East European Union countries neighbouring the Ukraine, a substantial demand for (seasonal) unskilled labour exists which can not be satisfied by native workers. In addition, established network relations between ethnic minorities on both sides of the border strengthen potential movements in reducing costs and risks. In Zakarpathia (Ukraine) for example, near to the border of Hungary, approximately 151 000 ethnic Hungarians live, whereas the Polish minority in the Ukraine which settles near to the Polish border consists of 140 000 people. Ethnic ties to the Ukraine prevail on the Polish side as well where 312 000 Polish citizens are registered, who have been born in the Ukraine (OECD 2006: 269).

In the context of global migration movements it is a puzzling question why South European Union countries attracted Ukrainian migrants although no traditional economic, social or cultural relations exist and a comparatively far distance has to be overcome to reach these countries. In a European Union comparison, South European Union countries do not display the highest wages, which otherwise could be an explanation for the choice of this region. Nevertheless, existing income differentials between the Ukraine and South European Union countries can be considered high enough to make labour migrations pay off (see table 1). In addition, two further arguments have to be put forward to explain the new movements from the Ukraine into Portugal, Spain, Italy and Greece. On the one hand, a demand for low skilled, flexible labour exists in these countries, primarily in construction, agriculture, services and tourism. On the other hand, a

comparatively inexperienced migration control and regularisation procedures attract Ukrainian migrants into these regions.⁸

The regularisation of immigrants is a controversially debated issue in European Union member states (Heckmann and Wunderlich 2005). While North and West European Union countries usually oppose the legalization of illegals, South European Union states have practiced it frequently. The basic contra argument identifies legalization as an incentive to further (unwanted) immigrations. However, countries with a high number of illegals face a growing economic inequality, a loss of governmental incomes, distorted competition and social tensions. Thus, South European Union countries with little experience in regulating and controlling immigration use legalization procedures in order to manage migration after it has occurred. The high number of Ukrainian citizens which participated in recent regularisation programs in South European Union member states confirms a considerable illegal immigration from the Ukraine. In 1998 for example, Greece legalized 9 800 Ukrainians, Italy legalized 100 100 immigrants from the Ukraine in 2002 and Portugal 63 500 in 2001 (OECD 2005: 100).

Among European Union states that received Ukrainian immigrants in recent years, Germany represents a unique case. According to officially registered immigrations, between 1996 and 2004 Germany has been the most important receiving country for Ukrainian immigrants in the European Union (see table 4). This is related to the fact that Germany entertains migration relations with the Ukraine that date back to the beginning of the 1950ies. Since that period ethnic Germans (*Aussiedler*) return from the (former) Soviet Union to Germany where they are admitted on the base of the German constitution (Dietz 2006). They are entitled to receive the German citizenship and to obtain governmental support for economic and social integration. Although Ukraine is fourth behind Russia, Kazakhstan and the Kyrgyz Republic in sending ethnic Germans, approximately 40 000 return migrants of German origin had left the Ukraine between 1992 and 2006 to settle in Germany.⁹ Next to ethnic Germans, Jewish immigrants from the former USSR – a considerable number from the Ukraine - were admitted in Germany since 1991 (Dietz 2004). This immigration is related to a decision of the last GDR government to grant asylum to Jewish citizens from the Soviet Union who had come to East Germany because they were threatened by persecution in their home country. Following German reunification, entry visas for Jewish immigrants from the former Soviet Union were provided on the base of the so-called quota refugee regulation, guaranteeing a residence permit for an indefinite period and entitling Jewish immigrants to various rights and integration benefits.

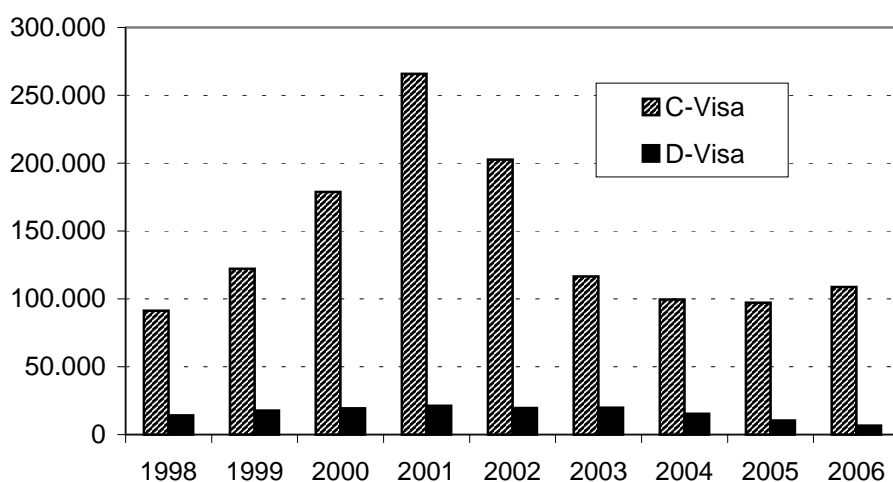
⁸ In recent years a number of efforts have been undertaken by Southern European countries to enforce immigration control.

⁹ This number includes all persons who have come to Germany in the context of the '*Aussiedler*' regulation. A considerable part of them were not registered as Germans in the Ukrainian census, as they entered Germany as non German family members of *Aussiedler*. In addition to the return movement of ethnic Germans from other parts of the former Soviet Union into the Ukraine, this explains the comparatively small decrease of Germans in the Ukraine between 1989 and 2001 (see table 2).

As a result of the admission regulations for ethnic Germans and Jewish refugees, immigration from the Ukraine to Germany was predominantly related to an ethnic and political background, although a limited number of labour migrants entered as well. Survey studies reveal that Germany is the number one destination country for Ukrainians, who plan to go abroad for work (IOM 1998, GfK 2006). Although (labour) migration from the Ukraine to Germany is strictly controlled, the increasing immigrant population from the Ukraine in Germany fostered family reunification and attracted co-citizens who were inclined to live and work in Germany.

With the intention to facilitate travel and visits from the Ukraine, the German embassy relaxed visa procedures for Ukrainian citizens in the year 2000. As a result, the number of Ukrainians who received a German tourist visa (Schengen visa) jumped up (figure 4). Although the relaxation of visa procedures had been withdrawn in the year 2003, a considerable immigration of Ukrainian citizens into various European Union countries manifested.

Figure 4: **C- and D- Visa, issued by the German embassy to Ukrainian citizens**



C-Visa are short-term Schengen visa (max. 90 days) that relate to business, tourism, family visits

D-Visa are national visa for family reunification, students, au-pairs

Source: Foreign Office, Germany

In the recent decade, tourist visa regulations have been used by a number of Ukrainian citizens to legally leave the Ukraine for an illegal job in European Union countries, particular in Portugal, Italy or Spain. Furthermore, criminal networks that smuggle and traffic people across European Union borders take advantage of tourist visa procedures. Smuggling networks demand a substantial amount of money to transport Ukrainian citizens with the help of regular tourist visa to perform illegal work in the European Union (Cipko 2006). As recent regularisation procedures in South European Union states, for example in Portugal, prove a high number of illegally occupied Ukrainians had entered

the destination region between 2001 and 2002 with a Schengen visa issued in Germany (Baganha et al. 2004). In a similar way, survey studies with Ukrainian immigrants found a considerable share of illegal workers in the Netherlands and in Portugal having left the Ukraine with a German Schengen visa (Baganha et al. 2004, Shakhno and Pool 2005). Nevertheless, no evidence exists that a great number of those Ukrainians who used a German Schengen visa to leave the Ukraine for illegal work, actually stayed in Germany.

Labour migrants from the Ukraine in the enlarged European Union earn their wages predominately in low-skilled jobs, often on a short-term base and in economic sectors that are typically characterized by labour market segmentation, such as agriculture, construction, care and services (Drbohlav and Janska 2004, Baganha and Fonseca 2004, Cipko 2006). This supports an argumentation introduced earlier by segmented labour market theory which points to the demand for low paid labour in segmented markets as a driving force for the international movement of people.

In recent years, Ukrainians citizens became an important new group in the foreign population of some European Union countries (see table 5). They can be found in Germany, Italy, Greece, Portugal, Spain, Hungary, Slovakia, the Czech Republic and Poland. In the year 2004, Ukrainian citizens were among the top two foreign nationalities in the Czech and Slovak Republic, in Hungary, Poland and Portugal (Baganha and Fonseca 2004, OECD 2006). In Germany, with a total foreign population of 6.7 million, Ukrainians were on place eight in 2004, ahead of traditional migrant populations from Spain and Portugal.

Table 5: **Stock of Ukrainian citizens in various European Union countries (in thousands)**

	1996	1997	1998	1999	2000	2001	2002	2003	2004
Germany	40.0	51.4	63.8	76.8	89.3	103.5	116.0	126.0	128.1
Italy	1.3	1.9	3.1	6.5	9.1	12.6	14.8	117.2	–
Greece	–	–	–	–	–	13.6	–	–	–
Portugal	–	–	–	–	–	46.4	62.0	64.8	65.8
Spain	–	–	–	–	–	–	26.2	–	47.6
Czech Rep.	46.3	43.4	52.7	65.9	50.2	51.8	59.1	62.3	78.3
Hungary	12.0	7.2	9.9	11.0	8.9	9.8	9.9	13.1	13.9
Slovakia	3.0	3.5	3.8	3.9	4.3	4.8	4.7	4.9	4.0
Poland	–	–	–	–	–	–	9.9	–	–

– not available

Sources: Portugal: Baganha and Fonseca 2004, Spain: Eurostat, others: OECD 2006

Whereas traditional international labour migrations, for example the so called guest worker movement in Western and Northern Europe, resulted in a domination of men in the immigrant population, this can only partly be confirmed in the case of the Ukrainian

population in European Union countries. Although in the Czech Republic and in Portugal, the immigration from the Ukraine is dominated by men who are occupied in construction and agriculture (Drbohlav and Janska 2004, Baganha and Fonseca 2004), significantly more Ukrainian women work in Italy and Slovakia, where they are engaged in (household) services and care. This reflects the feminisation of international migrations in response to the growing demand for female labour¹⁰.

Although the migration exchange between the Ukraine and Western states is nearly exclusively characterized by an out migration from the Ukraine, a very small West-East labour movement can be observed recently, linked to the inflow of capital and to the establishment of various programs sponsored by international organizations. Generally, labour migrants involved in these movements are highly-skilled professionals, experts and specialists, mainly coming from European Union countries, Canada and the USA.

2.3 Future migration tendencies between the Ukraine and the European Union

In recent years, the Ukraine newly appeared as a sending country of (labour) migrants heading towards European Union states. With respect to future trends, some basic tendencies can be identified which are expected to shape the migration exchange between the Ukraine and European Union countries in the years ahead.

Against the background of persistently high income differences between the Ukraine and European Union member states and the substantial (hidden) unemployment in the Ukraine, labour migrations can be predicted to continue. First of all migrants performing low skilled jobs are assumed to be involved in movements directed towards those European Union countries that demand flexible and short-term workers in low skilled occupations. According to survey studies, potential Ukrainian migrants name a broad range of European Union countries as target for potential labour migrations (IOM 1998, GfK 2006). This indicates the readiness of Ukrainians to move to those places where job opportunities have opened up. After Germany, East and South European Union states, France and Great Britain have been identified to be particularly favoured by Ukrainian labour migrants.

With respect to the time dimension of labour migrations, empirical studies reveal a preference of Ukrainians towards (repeated) short-term trips and longer term temporary labour movements (IOM 1998, Mansoor and Quillin 2006). However, in the case of long geographic distances and restrictive migration policies in receiving countries, labour migrants indicated to stay longer as wanted, because frequent back and forth movements between destination and home country may be related to high risks and costs (Shakhno and Pool 2005).

¹⁰ The increasing number of women participating in the labour force of advanced economies creates the demand for low paid female migrants who work in care and household services. This phenomenon has been described as global care chain (Ehrenreich and Hochschild 2002).

As a general trend, irregular labour migrations between the Ukraine and a number of European Union countries can be assumed to persist. This has to be understood against the background of a considerable migration pressure in the Ukraine which is not controlled by Ukrainian laws any more, while European Union countries stick to a strict migration regime, opening few options for legal labour migrants. At present, only a small part of labour migrations are based on bilateral (guest worker) agreements, to meet the labour market demands of receiving European Union states in a regulated way. Nevertheless, a number of European Union countries discuss the introduction of bilateral agreements on short-term and seasonal labour migrations with the Ukraine. Whereas in the view of European Union countries bilateral agreements are understood as an effort to reduce illegal migrations, in the view of the Ukraine they are expected to contribute to the protection of the rights of Ukrainian labour migrants.

A further group of migrants from the Ukraine into the European Union will consist of refugees, (ethnic) return migrants, students and persons, eligible for family reunion. In the case of (ethnic) return or diaspora migrants, predominantly Germany will be the destination region. Because legal provisions for admitting ethnic Germans and Jewish refugees from the Ukraine have recently been strengthened in Germany, these forms of movements can be expected to decrease. With respect to family reunification the opposite trend may establish, as an increasing migrant population from the Ukraine in European Union countries is eligible to invite following family members.

Furthermore, transit movements, passing through the Ukraine in an attempt to reach the West, will contribute to population flows from this country into the European Union. Because of its geographic location, its comparatively generous immigration provisions and because of network relations with Asian and African countries, reaching back to the Soviet period, the Ukraine has emerged as an important transit route between East and West (Mansoor and Quillin 2006). Most migrants addressing the Ukraine for transit have experienced (civil) war, economic crisis, ethnic repression or ecological catastrophes in their home countries. They come from Afghanistan, Sri Lanka, the Middle East and a number of African states. Because the European Union has tightened border controls in the East and restricted asylum regulations, many transit migrants got stuck in the Ukraine as they failed to enter those European Union countries they had originally addressed. Primarily because of its geographic location, the Ukraine can be expected to face considerable transit movements in the time to come.

Table 6: Natural population development, population aged 65 and more in the Ukraine (in percent)

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
natural population decline	-0.8	-1.9	-3.5	-4.7	-5.8	-6.0	-6.2	-6.0	-7.1	-7.6	-7.6	-7.6	-7.5	-7.0	-7.6	-6.4
population aged 65+	12.0	12.6	12.7	13.1	13.5	13.7	13.8	14.0	14.0	14.0	14.0	14.0	14.3	14.8	15.9	16.0

Source: State Statistics Committee of Ukraine

Although economic, social and policy factors identify the Ukraine as a potentially important migrant sending country with respect to the European Union, the demographic development in the Ukraine speaks against high emigrations (Zimmer 2007). Since 1991, the natural population development in the Ukraine is negative, the population is decreasing and ageing (see table 6).

While the Ukraine lost 9.6% of its population between 1991 and 2006 due to the natural population decline, the percentage of people over 65 increased from 12% to 16% in the same period. Projecting the natural population development for the year 2050, the United Nations population division found the Ukrainian population to decrease to 30.9 million people, predicting a natural population decline of 39% between 2006 and 2050, whereas the percentage of people in the age of 65 and older would reach 27% in 2050. In the light of this demographic perspective, the Ukraine may not be capable in the longer run, to send large part of its working age population abroad. To the contrary, the decline in the working-age population will create a demand for labour in the Ukraine which most likely will have to be met by immigrants.

3 The discourse on migration challenges in the enlarged European Union and the Ukraine

The policy debate on the impact of migration plays a prominent role in all European Union countries, including the new East European Union member states. This has to be understood against the background of the demographic development in the European Union on the one hand and a generally reluctant attitude towards immigration in most European Union member states on the other. While long-term demographic projections of Eurostat point to the dependence of the future population growth in the European Union on net migration, politicians and the public in many European Union countries associate a number of negative economic and social consequences with the inflow of migrants. In contrast to these perceptions the results of economic studies on the impact of migration in receiving countries reveal a much more complex picture.

3.1 The impact of migration on receiving countries

Although the inflow of (labour) migrants bears the risk of increasing the unemployment of natives and depressing their wages, economic research has shown that these potential impacts depend on the labour market sectors and skill groups involved. If workers, performing low skilled jobs enter, low qualified natives may face unemployment or wage decreases (Borjas 1999). However, if immigration reacts to labour market shortages in specific sectors or skill groups, immigrants may not crowd out natives and may have – particularly in the case of highly-skilled workers – a positive effect on economic growth (Bauer et al. 2004: 32). Concerning the consequences for the welfare system, migrants' skills and employment perspectives are decisive. Whereas highly-skilled labour migrants in secure labour market positions are expected to contribute to the welfare system, low-skilled immigrants in jobs at risk are more likely to put a burden on the welfare state.

Most economic studies find a comparatively low overall impact of labour migrations on the receiving economies, although migrations hold the risk of specifically affecting regional or sectoral labour markets (Friedberg and Hunt 1996, Longhi et al. 2005). Rather, migrations have been identified to contribute to economic prosperity in satisfying the demand for otherwise unavailable labour in demographically aging societies (Bauer et al. 2004: 19). In recent migrations from the new East European Union member countries into the EU-15 immigrant workers have been found to complement native labour and thus ease labour market shortages (Heinz and Ward-Warmedinger 2006). Nevertheless, immigrations potentially result in a redistribution of incomes from native workers competing with immigrant labour to natives who are complements to labour migrants and to employers of immigrants. In the light of this consideration it is decisive to focus on the winners and losers from migration processes (Camarota 2005: 10, IOM 2005: 168).

Specific problems are related with illegal labour migrations as they challenge the concept of welfare states in the European Union in undermining the principle of solidarity on which the welfare states are based. Because illegal immigrants do not pay taxes and contributions into the national social security systems, their direct impact on publicly financed activities is negative. Furthermore, distorted competition may result as a consequence of illegal occupations because labour costs are lower for firms hiring illegals than for enterprises, paying official wages. Next to fiscal and economic concerns, the protection of human rights of irregular migrants is a pressing issue in European Union societies. Modern democracies can hardly accept an - however small - part of the population living in an extreme weak legal position, potentially subject to discrimination and exploitation (Mansoor and Quillin 2006: 16).

Besides the economic impact of migration, European Union societies are confronted with the political and cultural consequences of migration movements as well. In the case of a high migration pressure from poor and instable countries, single European Union states and the European Union on the supra-national level are concerned of losing control of borders and (national) sovereignty. This is particularly true in the case of illegal migration movements or human trafficking and smuggling which recently challenge the European Union at its Eastern borders. Furthermore, many European Union nation states and local communities oppose migration because of an anticipated increase of cultural diversity which is considered a challenge to national identity formation (Niessen et al. 2005: 5).

3.2 The impact of migration on sending countries

International migrations do not only have an impact on receiving, but also on sending states. In this context, two topics are of primary importance: the sending of remittances and the out migration of highly-skilled workers, i.e. brain drain.

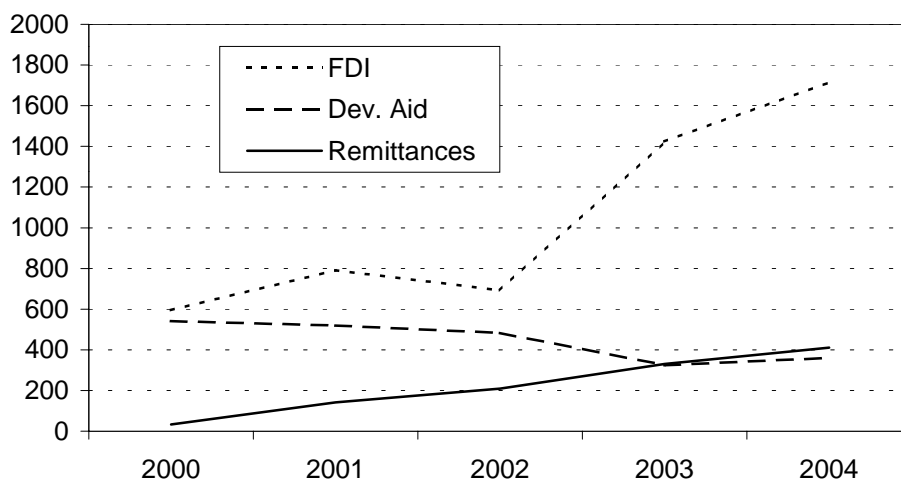
Recent studies have pointed out that remittances are increasingly relevant for the transfer of resources to migrant sending states, predominantly in the case of developing and transition countries, such as the Ukraine (Buch and Kuckulenz 2004, Mansoor and Quillin 2006). After foreign investment, remittances are the second-largest source of financial flows to developing countries and they are generally higher than development aid (Ratha 2003). In the case of the Ukraine this trend has manifested in the year 2003, when remittances – which had been negligible before - surpassed development aid (see figure 5). It has to be considered though, that the official recording might severely underestimate remittances in the Ukraine, as a number of Ukrainian labour migrants do not send money back home by the banking system (Cipko 2006: 124). Particularly when the stay of workers abroad is short or when their occupation is illegal, migrants tend to use individual channels for sending money home.

Among other factors such as education, income level, intention to invest or to insure the family at home against risks, the motivation of migrants to remit depends on the duration of stay. A recent study has shown that temporary migrants seem to be much more

concerned in sending remittances home than permanent migrants (Glytsos 1997). This result suggests that countries as the Ukraine, where the share of short-term migrants is high, will particular profit from remittances.

With respect to the effects of remittances for sending countries of labour migrants, different views are currently discussed. First of all, a number of positive impacts are expected, as remittances provide the home country's economy with foreign exchange and additional means for consumption and investment. Although some studies found remittances to primarily increase family consumption but not investments in productive assets (Taylor 1992), there is evidence that both, the spending of remittances for consumption and for investment will sustain economic growth (Ratha 2003). However, remittances might deteriorate the payment position of the economy (Dutch disease) and have distributive effects as well, as remittances are only transferred to a part of the home countries' population therefore potentially leading to wealth disparities and social tensions (Buch and Kukulenz 2004). Nevertheless remittances provide an important and stable additional source of income, which in the case of transition countries results in a reduction of poverty, at least in the short-run (Manssor and Quillin 2006: 67).

Figure 5: **Foreign direct investment (FDI), development aid and remittances in the Ukraine (millions, in US \$)**



Source: World Bank Development Indicators

In the recent discussions on the consequences of migrations in Eastern Europe and the former Soviet Union, brain drain has been a crucial topic, although the dimensions of brain drain are difficult to identify, due to a lack of data. According to survey studies, conducted with Ukrainian migrants in the Czech Republic, the Netherlands and Portu-

gal, a remarkable number of labour migrants from the Ukraine are highly educated, although they perform low-skilled work in the receiving economies.¹¹

Concerning the effects of brain drain, usually negative economic consequences are associated with the emigration of highly-skilled professionals. However, recent studies have shown that the emigration of highly-skilled may encourage natives left behind to accumulate skills to also have an option for emigration. If these natives delay emigration and actually fill the gaps of skilled emigrants, negative economic effects would be reduced (Lundborg and Rechea 2002). Because the proportion of tertiary-educated persons in the Ukraine is high, the negative consequences of brain drain might have been mitigated. Furthermore, the increase of the enrolment ratio in tertiary education in the Ukraine that occurred between 1998/99 and 2002/2003 indicates a potential compensation of brain drain (see table 7).

Table 7: **Gross enrolment ratio, tertiary level in the Ukraine (regardless of age, as a percentage of the population of official school age for that level)**

	1998-1999	2002-2003
Men	44.1	56.5
Women	50.5	67.2

Source: UNESCO Database

In the case highly-skilled migrants move back home after having acquired new skills abroad, they may contribute to the economic prosperity in their country of origin. In addition to valuable management experience, entrepreneurial skills and access to global networks, returning skilled migrants may even bring venture capital, enhancing economic growth and welfare at home. In less favourable conditions, comparatively skilled labour migrants return who have been occupied in jobs and sectors that required low qualifications (brain waste). Although these migrants can be expected to bring money back, positive consequences of migration on workers' experience are not likely to materialize.

¹¹ In the Netherlands, a survey found 88% of questioned Ukrainian migrants having a tertiary education; while in Portugal 69% of the respondents in a survey study were highly educated (Shakhno and Pool 2005, Baganha et al. 2004).

4 European Union policy response towards external migration challenges: a first look

After the European Union abolished internal border controls in 1997, common rules regarding visas, asylum rights and checks at external borders were adopted. With the enlargement of the European Union, a new migration space opened up at the common external borders in the East which made the need for a comprehensive European Union migration policy evident. As has been pointed out by European Union organizations and by NGO's (for example the United Nations and the International Organization for Migration) the basic challenge for a comprehensive European Union migration policy is to move from migration control towards migration management in order to realize the potential gains of migration movements and to minimize its burden for receiving and sending states.

So far the European Union has put most emphasis on the control and restriction of migration flows, to ensure what is considered the internal security of the European Union and to protect the labour markets and welfare systems of its member states. To a certain extent, this policy contradicted the new neighbourhood policy, admitted by the European Union commission in 2003 which aimed to strengthen the cooperation between the enlarged Europe and the countries bordering in the South and the East, such as the Ukraine (Aliboni 2005). Whereas European Union countries were primarily interested in an increased cooperation with migrant sending states neighbouring the European Union in the field of migration restriction and border control, the neighbouring non European Union states were demanding simplified visa procedures and an ease of access to European Union labour markets.

In managing migration movements from non European Union states, the enlarged European Union has agreed to address the following topics in a common effort: the control of external borders (preventing illegal migration and human smuggling and trafficking), the creation of a common asylum law and – in the longer run – the regulation of labour migrations. With respect to external border controls, i.e. fighting an expected inflow of illegal immigrants and preventing human smuggling and trafficking, the European Union primarily focused on traditional border security policy as well as on legal measures discouraging illegal immigrants and fighting people, involved in human smuggling and trafficking. First of all, the European Union strongly supported the new East European Union border states with financial and logistic resources to improve external border control.¹² In a similar way, the negotiations with non European Union neighbouring states, such as the Ukraine focused on border security and immigration restraint. This policy approach has been reinforced by the agreement on the readmission of illegal migrants between the European Union and the Ukraine which has been signed in October 2006. In the view of the European Union this treaty has been a precondition for the negotiation of a simplified visa regime for Ukrainian citizens travelling into the European Union.

¹² The European Union provided more than 900 million € in the period between 2004 and 2006 to help the new EU member states to finance initiatives at the new external borders of the Union.

In the field of asylum and refugee migration, the European Union member states reached a general agreement on minimum standards for granting and withdrawing refugee status in the European Union in April 2004. However, in the view of leading refugee assisting organizations, the European Union minimum standards on refugee protection were a step back with respect to asylum rights. The standards of refugee protection were considered to be minimal, indicating that asylum agreements have been reached at the lowest common denominator. The policy objective to reduce the inflow of asylum seekers and irregular migrants has materialized in the safe country concept which excludes persons from demanding asylum who either are citizens or enter from a country, defined safe.

While the European Union has decided on a number of common regulations with respect to border controls and asylum procedures, labour migrations into the European Union have not yet been regulated on a common base. In recent years most European Union member states competed for highly-skilled labour migrants while the immigration of low-skilled workers was seen with concern. However, unskilled, flexible labour is in demand in some sectors of a number of European Union economies, thus opposing a policy that tries to prevent the immigration of people, performing unskilled jobs (Castles 2006). In this context it has been proposed to work out policies – for example flexible systems for temporary and circular labour migration – that match the domestic sectoral demand for low-skilled migrant workers in European Union countries with the high migration potential in non European Union states, prepared to perform low-skilled work (GCIM 2005: 18). Nevertheless, these policies have to be backed by a strong enforcement of rules on workers rights, to avoid the formation of a second-class category of workers.

With respect to the planned common management of labour migrations, several European Union policy proposals have been presented so far which intended to channel labour migrations according to labour market requirements. A basic suggestion was to define the conditions of entry and residence of third country nationals with respect to categories of immigrants, such as seasonal workers, intra-corporate transferees, especially skilled migrants and remunerated trainees. In addition a common fast-track procedure was proposed to admit migrants in the case of specific labour market and skill gaps (COM 2004: 5). While European Union member states in general agreed upon the necessity to introduce common European Union criteria for labour migration from non European Union countries, it was demanded to regulate the number of economic immigrants to be admitted on the national level.

Experience with labour migrations in many European Union countries show that migrant workers tend to not return home if the chance to come back to the immigrant country is low. Thus the proposition has been formulated to guarantee an admission preference to those economic migrants who have already worked for some years in the European Union before returning temporarily back to their home country. This procedure could encourage “brain circulation” as migrant workers can count on a more favourable admission treatment if they wish to come back to a European Union country, after having returned to their country of origin.

In order to manage labour migrations more effectively in the interest of sending and receiving countries alike, the European Union envisaged a closer cooperation with the sending countries of labour migrants. A step in this direction was the effort to provide solid information on the conditions of entry and work permissions into the European Union. This will be accomplished by setting up a European Union Immigration Portal and by the revision and development of the European Job Mobility Portal (EURES). Besides, the problem of “brain drain” has been put on the agenda which should be addressed in a common initiative of sending and receiving states, primarily by encouraging return or circular movements.

In general, recent intentions of the European Union to regulate labour migrations from outside have favoured the support of short-term and circular movements. To a certain extent, this is a reasonable policy option, particularly because migrants from non European Union states in the East seem to prefer to return home in the longer run. Nevertheless this policy approach bears risks, because short-term labour migrants who happen to stay in the longer run potentially face constant marginalization in the receiving country (de Palo et al. 2006).

5 Summary and conclusion

After becoming independent in 1991, the Ukraine turned into a new migration space attracting and sending migrants to the successor states of the USSR and to the West. Whereas ethnic return movements dominated in the beginning of the 1990ies, economically motivated migrations prevailed in later years. This study demonstrated that migrations from the Ukraine into European Union countries have increased recently and that a growing migration potential is envisaged in the years to come. Although a considerable part of these movements are expected to be temporary or circular, European Union countries face a potentially substantial labour migration from the Ukraine. As the number of Ukrainian citizens willing to enter the European Union will almost certainly exceed the legal opportunities currently in force, illegal migrations are likely to occur.

In analyzing recent labour movements from the Ukraine into European Union countries, it becomes clear that some European Union states are particularly addressed by Ukrainian labour migrations. Whereas high income differences and a lack of job opportunities in the sending country trigger these movements in general, they are additionally based on traditional migration patterns and network relations in states such as Germany, Poland, Hungary, the Czech and the Slovak Republic. In other countries, such as Portugal, Spain, Italy and Greece, labour migrations from the Ukraine have developed in the absence of migrant networks, cultural and political ties. In these cases, the demand for low-skilled labour in segmented markets, particularly in the nontraded goods sectors of the economy seems to have supported the movement of Ukrainian labour migrants. With respect to the characteristics of Ukrainian migrants in European Union states, comparatively skilled persons – working in low-skilled jobs - prevail, who mostly favour short-term and circular movements. Furthermore, the inflow from the Ukraine into European Union countries is dominated by females in some European Union countries and by males in others, depending on the demand structure for migrant labour. Concerning the choice of destination regions, the movements between the Ukraine and European Union countries reveal an increasing regional diversity since the end of the 1990ies.

Although most European Union countries react reluctantly towards (labour) immigration from outside, long-term demographic projections point to its necessity in the light of a decreasing and ageing population in nearly all European Union states. While national migration experiences and national migration policies are different in European Union member states, the free movement of people within the territory of the European Union which signed the Schengen agreement resulted in the dependence of each member state on the immigration practice and policy of the others. Thus a common European Union migration policy was envisaged, aiming at the installation of a comprehensive and cooperative migration system which facilitates the movement of legal (labour) migrants, controls asylum seekers as well as refugees and prevents illegal border crossings. In response to a considerably migration pressure from outside its territory, the European Union additionally opted for an increasing cooperation with migrants' sending states. Although the European Union has depicted a number of important issues in the context

of common migration regulations, many of the proposed policy measurements are still indeterminate, particularly in the case of low-skilled labour movements.

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