

# **Personal characteristics of migrants from Commonwealth of Independent States (CIS) in the European Union: a comparative study of Ukrainian migrants in the Czech Republic and Italy<sup>1</sup>.**

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## **Abstract**

The aim of this study is to provide a comparative analysis personal characteristics and main determinants of migration decisions for migrants from Commonwealth of Independent states (CIS) with a particular focus on Ukrainian migrants in the Czech Republic and Italy.

The papers attempts to answer a number of novel research questions by determining whether some personal attributes could be traced for Ukrainian labour migrants in the EU and their families in Ukraine. The paper attempts to generalize the findings for the outward East-West migrations from CIS to the EU countries (both old and new Member States).

In order to shed some light on the issues raised in the paper, empirical evidence from two independent research projects was employed: the first one is Ukrainian Migration Project (2010-2012) that focuses on migrations and remittances from Ukraine to the Czech Republic and the second one is INTEGROMETRO project (2008-2009) that dealt with measuring the integration of immigrants in selected regions of Italy. The data obtained with the help of both survey is confronted with the main findings from migration theories and research literature on migration and remittances.

The importance of approach used in this study relies on the independent data set which enables the researchers to test the main hypotheses without using official sources and governmental data that cannot capture all important facts and figures of this topic.

The outcomes of this study might enrich the knowledge on migration and remittances from the perspective of basic and applied research (e.g. for designing the policy implications for the construction of migration and development policies in Italy and the Czech Republic with the implications for the whole EU).

**Keywords:** international migration, labour migration, CIS, Italy, Czech Republic, Ukraine, remittances, remittance behaviour, migration and development policies

**JEL Classification:** C33, F22, F24, J61

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<sup>1</sup> This paper was supported by the Czech Science Foundation project No. P404/10/0581 entitled: „Migration and development – economic, social and socio-economic impacts of migration on the Czech Republic, as migration target country, and Ukraine, as migration source country (with a specific focus on the analysis of remittances)”.

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## **Introduction**

From the point of view of neo-classical economic theory it can be stated that in the absence of targeted immigration policy the stream of immigrants will always follow the same rule: skilled immigrant workers will originate from the countries where the returns to skills are low and unskilled immigrants will recruit from the countries where the returns to skills are high. Nevertheless, these movements will never take a massive form due to the factor defined in the migration literature as the “propensity to migration” (Strielkowski and Turnovec, 2008). Propensity to migration can be expressed using the cost of migration that has both tangible and intangible aspects:

- monetary (financial) costs of migration (e.g. keeping two homes, travel expenses, various travelling and administrative adjustments and re-settling, etc.);
- other costs represented by (intangible) psychological factors (e.g. habits, language barriers, breaking of social ties in the country of origin, deprivation related to migration, etc.).

Most economic studies simply assume that the migration transaction cost can be fully expressed in financial terms and ignore the immeasurable intangible costs associated with migrations. These costs, however, might be decisive in migration decision of the majority of individuals and can be used as an explanation why not all humans behave economically (i.e. migrating in a search of better jobs or life standards). Various studies dealing with the economic impacts of migration on different regions try to look at specific groups of migrants originating from specific source countries and going to specific target countries.

The analysis of the effects of migration on the labour market of the source and target countries would be incomplete without studying the impact of remittances. It can be argued that one of the most important effects of migration on the labour market of the source country is due to remittances (see for example Biller, 2007 or de Haas, 2011).

It is obvious that while most of remittances go to middle income countries, the low income countries have a very high dependency on remittances (around 6.5 per cent in 2008). It is believed that remittances have boosted both thanks to the structural increase of the South-North and East-West migration over the past twenty years or so, as well as due to the rapid decrease in the price of financial products (opening and maintaining an account at the bank, using travel checks, using cheap and sufficient money transfer agencies to send money abroad) and technological progress allowing to use safer channels for transferring money (Internet and telephone banking).

## **Brief overview of the Ukrainian migration experience after the fall of Communism**

Ukraine is a transition economy that still experiences economic and social turmoil after the collapse of the Soviet Union. The unemployment in Ukraine is high and the development is slow. In addition, there are various political and socio-economic problems such as dependency on Russian energy resources, “The Great Divide” between Russian-speaking East Ukraine and Ukrainian-speaking West Ukraine, on-going fight for power dominated by the pro-Western opposition which culminated by the so-called “Orange revolution” and recent presidential elections that returned pro-Russian forces back to power.

Due to all these issues, the outward migration from Ukraine remains at its highest level. In 2005 alone, the stock of emigrants originating from Ukraine was over 6 million people (World Bank, 2007) - this was 13.1% of the whole population. The top 10 destination countries for Ukrainian migrants are: Russia, U.S., Poland, Israel, Kazakhstan, Moldova, Germany, Belarus, Spain and

Canada. Currently, 14.7% of total Ukrainian population lives abroad, mostly in post-Soviet states, Poland, United Kingdom, Czech Republic, Portugal, and Italy. Although the Czech Republic does not appear in top 10 destinations for Ukrainian outward migrations, the Ukrainian migrants constitute the highest share of all migrants in the country (according to the Czech Statistical Office, in 2010 alone there were 128,636 Ukrainian nationals in the Czech Republic (30% of all migrants) making the Ukrainians No. 1 foreign ethnic in this country) and Ukraine is undoubtedly the most important source country of foreign labour for the Czech market (Czech Statistical Office, 2010)<sup>5</sup>.

The number of Ukrainians resident in Italy has steadily increased during the last decade passing from 12,000 in 2002 to 200,000 in 2010. Ukrainians are now ranked 5 among migrants resident in Italy. We need to stress also that Ukrainians resident in Italy are mostly women (3 out of 4) working in the care for elderly sector.

Determinants of emigration from Ukraine represent an interesting research question, especially when countries such as Czech Republic and Italy with the highest share of Ukrainian migrants are concerned. It appears interesting to find out whether some personal attributes leading to this migration can be determined. Further, it seems intriguing to understand the dynamics of this migration and to make predictions or extrapolations of possible future trends and changes in migration flows and stocks of Ukrainian migrations.

### **Description the surveys**

The relevance and importance of this paper mainly lies in the uniqueness and independence of the data set used for the estimations. Thanks to the availability of the first-hand data there is no need to rely on the official and governmental sources that are often incomplete. Moreover, the issue of migration (including illegal migration) from Ukraine remains too sensitive and too difficult to capture by official statistics in the Czech Republic. Therefore, the UMP questionnaire surveys bring in novel data that are capable of providing new findings on the phenomenon of migration decisions and remittance behaviour in Ukraine, as the source country for migration, and the Czech Republic, as the target country for migration. For the Czech Republic, the core data for this paper was obtained from two household surveys administered in Western Ukraine in 2010 and 2011 with 100 remittance-receiving households (359 respondents in total) and 161 households (651 individuals in total: both households receiving money and goods from the Czech Republic and households not receiving any remittances). Both surveys are a part of the Ukrainian Migration Project (UMP) that is on-going (2010-2012).

For Italy, data comes from the research project Integrometro “Measuring Integration”, carried out on a national scale and coordinated by ISMU Foundation between 2008 and 2009. The survey involved 20 research groups around Italy, covering 32 provincial and municipal areas. More than 12,000 migrants, first and 1.5/second generation, coming from developing countries and aged 19-71, were selected for face to face interviews, according to a sampling method, based on specific meeting centers and places (Blangiardo 1996), which allows to catch the undocumented migrants. For the scope of this paper only data on Ukrainian migrants were selected (690 Ukrainians). In all areas, an identical questionnaire was used, which made it

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<sup>5</sup> It has to be noted that there are several other countries in Europe which prove to be popular destinations for Ukrainian migrations and/or where Ukrainian migrants constitute considerable percentage to its country's labour force (although they do not enter Top 10 destination countries for Ukrainian migrations). Examples of such countries might be Italy and Portugal.

possible to pool the data sets. The survey focused on the lives of migrants with the purpose to measure the migrants' level of integration in its different aspects; economic, cultural, social and political. The questionnaire is composed of two sections. In the first one, the questions refer to the four dimensions of integration identified: cultural (knowledge and use of Italian language, interest in the Italian events, use of mass media), social (friendships, participation in association, level of satisfaction with Italian lifestyle), economic (income, employment, housing, perceived difficulties with income) and political (citizenship and opinion on the importance of citizenship for migrants and their children, legal status and registration with Registry Office). The second section encompasses socio-demographic characteristics and questions on remittances and the feeling of belonging to the home country.

## Research methodology

For better understanding of migrants' characteristics an econometric model employing probit equation was constructed. We attempt to estimate the impact of various characteristics of both the individual and the household on migration decision. The model is based on similar studies and estimations conducted in the research literature for example by Funkhouser (1992, 2006); Durand and Massey (1992); Durand et al. (1996); and, most recently, Massey, Durand and Pren (2011). Our model estimates the probability of being a migrant/remittee (expressed as 1, or 0 otherwise) based on variables that express life cycle characteristics, human capital characteristics and household characteristics (see below). Equation (1) assigns the individual and household characteristics to remitting migrants in the following way:

$$Pr(Migrant=1)=F(\alpha+\beta_1Fem+\beta_2Age+\beta_3Femm+\beta_4Malm+\beta_5Sec+\beta_6Uni+\gamma_1HH+\gamma_2Inc) \quad (1)$$

where

the following six variables represent life cycle (individual) characteristics of migrants:

*Fem*            Dummy indicating gender ("Fem" here stands for "Female")

*Age*            Age of an individual

*Femm*          Dummy indicating a married female

*Malm*          Dummy indicating a married male

two variables represent human capital characteristics:

*Sec*            Dummy indicating finished secondary education

*Uni*            Dummy indicating University degree

and another two variables represent household characteristics:

*HH*            Household size (variable indicating big household (>4 members))

*Inc*            Family income (variable indicating family with a high income (>1,500 UAH (app. 130 EUR) per person per month))

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