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**MIGRATION
PROCESSES AND
ENSURING LABOR
POTENTIAL OF THE
COUNTRY IN
CRISIS
CONDITIONS**

Abstract

A characteristic feature of the development of the international community and the world economy in recent decades is the consolidation of each national economy's respective place and role in the international division of labor, which largely depends on the level of development in the country and the conditions for using the labor potential. The formation and use of labor potential is carried out under the influence of a wide range of socio-economic, national-cultural, historical-educational and other factors that have specific effects at different stages of the economic cycle. The specified factors have special manifestations in the crisis periods of the development cycle, which have the nature of both direct economic recession and other manifestations of the economic crisis, and are related to the indirect influence of other crisis phenomena in the political, national-cultural, religious and other spheres. The purpose of this work is to consider the impact on the demographic situation in the country as a whole, as well as on the formation and development of its labor potential, migration processes occurring in the conditions of the military-political and economic crisis in Ukraine.

The article examines the essence of the labor potential, its levels and features of the components that make it up, as well as the influence of migration processes on the quantitative and qualitative characteristics of the labor potential. The peculiarities of the causes of existing migration processes in Ukraine in the conditions of economic crisis, political upheavals and war, as well as the consequences of internal and external migration from the point of view of its impact on the formation of labor potential are given. Certain courses of action regarding the restoration of the labor potential on the way to overcoming the effects of the crisis in the post-war period are proposed.

Keywords: *labor market, labor potential, quantitative and qualitative characteristics of labor potential, migration, internal and external migration, labor migration.*

Introduction

Ukraine, in terms of its territory and population, is one of the largest countries in Europe, it is a country with significant economic potential, which is confirmed both thanks to its geographical location and existing industrial complexes, the agricultural sector, infrastructure and taking into account various natural and climatic, resource, its demographic characteristics and even historical features of the country's development. The mentioned advantages of Ukraine were largely devalued as a result of the annexation and occupation of part of its territory in 2014, as well as a result of significant destruction of industrial, agricultural, construction, transport and energy infrastructure, as well as social objects as a result aggression against it by Russia from the beginning of 2022. The restoration of the country's economy in the post-war period and its further integration into the world economic system requires the reconstruction of both its resource and processing and labor potential, with the determination and further consolidation of the national economy's appropriate place and role in the international division of labor and the world economy.

Achieving the stated goal largely depends on the availability of the necessary labor resources in the country with the appropriate level of education and professional qualification structure, as well as on the ability to ensure the development of these available resources to ensure the successful functioning of the country's economy in general, as well as increasing the effective functioning of specific business structures, in particular. At the same time, it is necessary to create and successfully use effective mechanisms for the realization of these opportunities.

It is the collective social ability to work of the country's residents of working age who, based on certain characteristics (health status, psychophysiological features, educational, professional and intellectual level, socio-ethnic mentality, etc.), who are able and intend to work, determines the level potentially-possible efficiency of this society from the point of view of the use of labor resources in

this country or its *labor potential*.

The depth of the structuring of the labor potential makes it possible to consider it from the point of view of a certain *parameter of potential opportunities* for the existence and development of the country's economy as a whole, which is determined by continuous changes in both the quantitative and qualitative composition of the employees themselves, as well as the applied technologies and means of production. In addition, the labor potential of employees and their competitiveness are essential components of intangible assets that form a significant part of both the value of an individual business and the economy of a certain region and the country as a whole.

The quantitative aspect of a country's human labor resources, which determines its labor potential, depends on many factors, among which one of the important ones is population migration — the mechanical movement of people across the borders of certain territories with a change of place of residence permanently, for a more or less long time, or with by regularly returning to it. The movement of able-bodied persons for the purpose of temporary employment constitutes *labor migration*, which largely determines the state of the labor market (both in a separate region and the country as a whole, and internationally) and its development trends.

Globalization processes, which expand the borders of national economies, creating free space for the movement of labor within the world, have a special influence on the modern international labor market. The steadily growing trend of international labor migration contributes to the need to study its consequences in both socio-economic and political transformation.

Many EU member states in general, as well as Ukraine, in particular, in connection with military events and political tension and economic crisis in certain countries of Central Asia, the Middle East and North Africa and others, are experiencing the largest migration crisis since the Second World War, which especially intensified in connection with the war in Ukraine. An unprecedented number of forced migrants, including from Ukraine, as a result of military operations on its territory, flooded the countries of Europe, which requires special attention to be paid to the study of problems related to migration processes by both domestic and European researchers.

Considering that the situation with the migration of the population

of Ukraine is catastrophic and, without exaggeration, poses a threat to the national security of the country, one of the most urgent areas of research of socio-economic systems in order to ensure the existence and possible development in the future of both the economy of the country as a whole and its labor potential, in particular, is to identify the problems of migration processes and ways to create conditions for Ukrainians to return home.

Materials and Methods

The study of problematic aspects of the labor market as a whole, the formation and development of labor potential, the use of human resources and increasing their competitiveness, are devoted to the work of such famous Ukrainian scientists as O. Grishnova, G. Dmitrenko, T. Zayets, O. Kolot, I. Kurylo, E. Libanova, L. Lisogor, I. Petrova, M. Romanyuk and many others. In the study of migration processes in Ukraine, an important place is occupied by the works of scientists of the Institute of Demography and Social Research named after the National Academy of Sciences of Ukraine, headed by its director E. Libanova, as well as the works of such domestic scientists as V. Borshcheshkyi, A. Hayuduky, S. Doroguntsov, A. Zagrobska, O. Malinovska, O. Piskun, S. Stetsenko, A. Filipenko, and others.

The ongoing processes of world globalization significantly contribute to the evolution of migration processes by forming new migration flows, accelerating the pace of labor force localization, etc. From the point of view of the formation and development of the labor potential of a separate national country, these processes have both positive and negative consequences, namely: **a)** on the one hand, migration comprehensively destroys cultural, linguistic, ethnic and traditional borders, promotes multicultural development and forms a new type of personality – people of multimodal transnationality who perfectly assimilate into the new space and make their own adjustments to its existence; **b)** on the other hand, the development of migration processes creates negative factors in the economies of recipient countries, which consider this phenomenon exclusively as a danger to the economy.

The purpose of this work is to consider the influence of migration processes taking place in the conditions of the military-political and

economic crisis on ensuring the formation of competitive labor potential of Ukraine.

Considering the labor potential of the country as the presence of a certain number of people that society has at its disposal at a given level of development of science and technology, who have a certain set of different qualities that determine their maximum possible quantity and quality of work, it is necessary to divide the labor potential: **a)** of a specific person; **b)** collective of united employees (business structures); **c)** of a separate region and the country in general.

At the same time, the labor potential of an individual (certain personality) is the starting unit and the basic basis for the formation of the labor potentials of other, above-mentioned structural levels. Taking into account that the labor potential of each individual employee is a complex multifaceted composition that includes a certain number of components, there is a certain difficulty in researching the problems of formation and development of labor potential at its various levels, as well as in the practical application of the results of such studies by spreading them to more a large collection.

In particular, among the most important components of an employee's labor potential, which deserve special attention during his research, it is possible to note such as: **a)** psychophysiological components of the employee's work potential, which determine his abilities and inclinations (advantages), his health, work capacity, endurance, type of nervous system, etc.; **b)** qualification components of the employee's labor potential – characterize the volume, depth and versatility of general and special knowledge in a specific activity, as well as labor skills, abilities and practical experience in this activity. This component of labor potential determines the ability of a specific employee both to perform work of a certain content and complexity, and further improvement in this type of labor activity; **c)** social components of the employee's labor potential, which characterize the level of social consciousness, civic self-awareness and social maturity, which determine the degree of assimilation by the employee of the norms of attitude to work, value guidelines accepted by the team and society as a whole, as well as the interests, needs and requests of participants in labor processes taking into account the existing hierarchy of human needs.

Undoubtedly, the demarcation of individual components of an

employee's labor potential is not only theoretical, but also of very important practical importance, because the effectiveness and efficiency of employees' work largely depends on the degree of their mutual coordination in the development of each specific employee.

The labor potential of the collective, the region and the country as a whole (social labor potential) accumulates and synthesizes the collective abilities for socially useful activities of the working population. This potential is a concrete form of materialization of the human factor of work and serves as an indicator of the level of development and limits of creative activity of workers in society.

Thus, the labor potential of society (country) must be considered both quantitatively and qualitatively, because it is the rational combination of quantitative and qualitative measurement (estimation) of labor potential that determines its competitiveness - the ability to withstand competition with similar entities.

In quantitative terms, the labor potential of a society is the ability of this society to attract different sections of the working population (of different sexes, ages, national-cultural and religious preferences, etc.) living on its territory to public work. *In qualitative terms*, the labor potential of society characterizes the real opportunities for the realization through participation in socially useful work of all the diversity of personal abilities and qualities: knowledge, abilities and skills acquired by people in the process of education, preparation for work, direct labor activity, retraining and advanced training.

One of the essential factors affecting both the quantitative and qualitative components of the labor potential of the country as a whole, as well as its individual regions, territorial associations of communities and certain labor groups, in particular, are migration processes that take place in the form of *internal and external migration*.

Results and Discussion

The starting point for characterizing both quantitative indicators of the labor potential in general and migration processes, in particular, there is the state of the total population of the object under investigation – a separate labor team, a certain region, the country as a whole.

According to the data of the last population census of Ukraine,

the population of the country was more than 45 million people at that time (2001 year), which is almost 7 million fewer people than according to the data of the previous population census (1989 year). (Libanova, 2016, p. 114-116). According to the estimates of a number of labor market researchers based on data contained in the reports of 6 central executive bodies of Ukraine (namely, the ministries of social policy, education and science, health care, justice, defense and internal affairs) as of the end of 2012 year (the beginning of Russia's aggressive actions aimed at the annexation and occupation of part of the territory of Ukraine) the country's population was roughly estimated at 35 million people (Lisogor, 2012). Undoubtedly, using the specified information in the form of final integration indicators of the characteristics of the total population is, unfortunately, not enough, because it highlights only the information that is within the competences of these bodies, and it is necessary to supplement it, but it sufficiently fully characterizes certain aspects of the labor potential of the country.

Against the background of such a significant decrease in the overall quantitative indicators of the labor potential, as well as taking into account the fact that as of January 1, 2022, according to the State Statistics Committee of Ukraine, there were more than 10.8 million people of working age in the country who received pension provision and were not involved in the economy, conducting research and developing practical recommendations on the processes of both internal and external migration taking place in the country is of particular importance.

The main reasons for *internal migration* in Ukraine, according to the results of the study in the period 2015-2021, were: **a)** unequal conditions and opportunities for the use of labor in different regions of the country, which led to a difference in the standard of living; **b)** differences in changes in the content of labor activity and in the labor field as a whole; **c)** increase in some regions of social tension, etc. The military crisis changed the character of migration processes from individual to group, bringing to the fore in these processes security aspects of life preservation, destruction of the social sphere and the economy of entire regions, etc. Thus, according to the assessment of the International Organization for Migration, as of the beginning of June 2022, the number of internally displaced persons in Ukraine

amounted to more than 7 million people, and in the temporarily occupied territories may reach at least 1.5 million people (Hayduky, 2021).

However, if the problems of the impact of internal labor migration on the labor potential can be solved by strengthening the regulatory and stimulating functions of the state, it is much more difficult to deal with the impact of *international labor migration* on the competitiveness of the labor potential of Ukraine, the pace of which, as a result of certain political processes and the military crisis in Ukraine, is significantly have grown.

So, for example, before the political crisis of 2013-2014 and the annexation and occupation of part of the territory of Ukraine, taking into account "pendulum" and irregular migration, the number of Ukrainian labor migrants abroad was estimated at about 2.25 million people (record places among the countries where migration flows were directed Ukraine was occupied by Russia and Poland) (Piontkivska, 2018). With the adoption of a visa-free regime with many EU countries, the number of Ukrainians subject to migration has increased significantly, which has led to a certain shortage of workers in certain specialties and even the aging of the nation. In particular, as of 2021, about 3 million permanent workers and up to 7 million seasonal workers came to Poland alone, the second most popular place after Poland was occupied by the Czech Republic (from 140 to 180 thousand permanent workers), and Spain also became popular, Italy, Portugal, Germany, Finland, Great Britain and Sweden) (Filipenko, 2021).

According to the statistics of the Office of the United Nations High Commissioner for Refugees, as of July 19, 2022, 9,567,033 people left Ukraine as a result of the war on the territory of Ukraine. In addition, cross-border movements, which may have a pendulum character and cannot be considered confirmation of sustainable return, amounted to about 3.8 million people. At the same time, research conducted on the basis of the *4refugees.info* platform shows that more than 43% of surveyed migrants from Ukraine in EU countries are interested in the availability of courses for studying and deepening knowledge of the language of the host country, schools and kindergartens, as well as places for work and employment on a permanent basis, that is, they intend to stay permanently in this

country. For comparison, according to similar studies conducted on the same platform as early as May 2022, the share of migrants with the intention to stay in the host country was 20% lower than at the end of the year (Starodubov, 2022).

Thus, Ukraine is actually losing representatives of the next generation due to the fact that there is no return of long-term migrants, and the tendency of family members of successful long-term migrants to leave abroad for the purpose of family reunification is increasing. Undoubtedly, the outflow of a certain part of the population from their permanent places of residence and their loss of permanent work, taking into account the fact that being in war conditions both individual citizens and businesses as a whole are in a state of shock, significantly affect both the economy of the country in general and the business activity and its labor potential, in particular.

Taking into account the specifics of the labor market of Ukraine, a characteristic feature of which is the focus on the formation of professional and qualification structures and their development within the business, the further formation and development of labor potential with the destruction of business in the country and the strengthening of external migration becomes problematic. Thus, in the conditions of overcoming the consequences of the military-political and economic crisis, the migration crisis creates a number of additional challenges for the state and society from the point of view of the restoration and development of both labor resources in general and labor potential, in particular.

Ensuring the primary needs of the population and creating conditions for people to return home (to the country as a whole and its individual regions, in particular) should become the main priority of state policy in the field of managing social and economic systems in post-war conditions, taking into account the existing globalization challenges. Such challenges, of course, in addition to security issues, include ensuring people's daily needs (housing, food, water, heat, light, fuel, etc.) and creating workplaces with attractive employment conditions. At the same time, in the conditions of a large share of uncertainty and risks for the further state and prospects for the development of the country's economy in general and its individual socio-economic systems, the function of the main driver of the economy and a beacon for the investment policy of business to solve

the priority problems of the population and the formation of labor potential should be performed by the state with involving the resources of international organizations and partners.

First of all, it is necessary to ensure the functioning of certain safeguards that will avoid problems with the use of such aid, for example from the European Investment Bank and other organizations and donor countries that were in the pre-war period. The purpose of using such support should be to improve in a short time both the indicators of private consumption and the improvement of indicators regarding the volumes of production of goods and services.

The starting point for restoring the country's economy and improving its investment environment (climate) after the ceasefire in order to restore jobs and create new ones can be a balanced placement of a state order, supported by both the state and partner countries, and international financial and grant organizations.

State authorities (both at the legislative level and at the level of executive bodies of state administration and local self-government) must provide signals to businesses (regardless of the forms of ownership and types of activities) regarding the availability of new opportunities for its existence and development, as well as reducing the level of threats from on the part of the factors of the external environment. These signals, taking into account the destruction of traditional logistics chains and the significant limitation of export opportunities of business in Ukraine, are important for both small and medium-sized and large businesses from the point of view of creating favorable working conditions at existing and newly created workplaces.

In our opinion, this will allow not only to slow down the decrease in the quantitative and qualitative characteristics of the labor potential of the country, as a whole, but at the same time, it will allow to develop this potential by creating a certain foundation for the return in the future of able-bodied persons who left the country in search of security and better luck.

Conclusions

Migration processes, from the point of view of ensuring the formation of labor potential and its further development, like any other phenomenon, have not only threats, but also create certain

opportunities.

The negative effects of migration processes on the labor potential are primarily related to its quantitative aspects and are based, first of all, on the loss of the country's human potential and, as a result, the decline of certain sectors of the economy that have lost labor, as well as on the devaluation of traditional family values and the decline of national identical culture in general.

At the same time, labor migration *creates certain opportunities* for the development of qualitative characteristics of the labor potential due to the acquisition by migrants of new knowledge, abilities, skills and work experience, simultaneously with the reduction of tension on the labor market, together with the inflow of foreign currency into the country through transfers of Ukrainian migrants, additional opportunities for development of the service sector and education, developing conditions for integration into the new socio-cultural space, etc.

Developing the country's economy and creating new jobs with attractive working conditions for the return of Ukrainian labor migrants is, of course, a thorough but long-term strategy for the development of labor potential. But the primary task on this path should be the creation of socio-economic and political-cultural conditions that are able to stop the migration of highly qualified specialists and contribute to the adaptation of the country's economy to its orientation towards the growth of the importance of creative industries and the innovative sphere, which will gradually transform the country's economy to the transition to a new level - information economy of knowledge. For this, state and interested business investments are needed in both formal and informal training structures, systems and practices for the formation of labor potential, its implementation and the creation of human capital in the country.

In the medium-term period, it is possible to implement the strategy of formation of labor potential and its development in such areas as: **a)** providing an opportunity to realize gains from labor migration (knowledge, abilities, skills, work experience accumulated during the period of migration); **b)** stimulating the development of the state together with those who return by creating appropriate conditions and providing them with certain benefits, loans, etc.; **c)** formation of a favorable climate for the development of small and

medium-sized businesses as one of the significant aspirations of migrants accumulating capital, etc.

In our opinion, it should be important to create a comprehensive system of indicators for assessing the level of both human resources in general and labor potential in particular. In this system, there should be a place for indicators that reflect the state of labor resources and their potential, as well as an assessment of conditions and factors that influence their formation and development.

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