# Migration, Life Satisfaction, Return and Development: The Case of a Deprived Post-Soviet Country (Ukraine)

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Abstract. This article explores the nexus between life (dis)satisfaction, migration aspirations and return and development within the context of a previously relatively developed but in the meantime deprived post-Soviet country, Ukraine. It is based on a mixed method quantitative and qualitative study conducted from 2010 to 2013. Three key findings have been emerging. First, life dissatisfaction significantly contributes to the emergence of migration aspirations and thus is an important driver of migration. This points to a correlation between the state of development of a country, according life (dis)satisfaction of its populations' and their propensity to migrate. Second, the study suggests that the better educated have stronger intentions to migrate abroad; this trend rather undermines the country's capability to develop further. And third, our findings suggest that (a) expected dissatisfaction with life in Ukraine upon return undermines migrants' aspirations to return or to stay and instead inspires remigration and (b) that those who return have little incentive to invest skills and capital and thereby contribute to the country's development. This raises various policy concerns for so far absent Diaspora politics or reintegration measures which we will discuss.

Key words: Ukraine, migration, life(dis)satisfaction, return, development

# Introduction

This article explores the nexus between migration, life (dis)satisfaction, migration aspirations and return and development within the context of a previously relatively developed but in the meantime deprived and crisis-shaken post-Soviet country, Ukraine. Development studies have so far neglected post-Soviet countries, notably the case of Ukraine; also the situation of a country in decline provides, we believe, a specific and unique perspective. Three key findings have been emerging from our research. First, life dissatisfaction significantly contributes to the emergence of migration aspirations and thus is an important driver of migration. Often migration aspirations are not simply triggered by dissatisfying economic conditions but shaped by a low quality of social services and a political system; deficient rule of law and in particular corruption and generally by low a quality of life and low levels of overall life (dis)satisfaction. The study thus reveals that there is a correlation between the state of development of a country, the life satisfaction of its populations' and their propensity to migrate. Second, the results suggest that the better educated have higher intentions to migrate abroad. This is driven by lack of opportunities in Ukraine, weak future economic prospects of the home country but also higher aspirations of human capital development. This trend

further undermines the country's capability to address the above deficiencies and to development. And third, our findings suggest, that (a) current and expected future unfavourable conditions and dissatisfaction with life in Ukraine undermines migrants' aspirations to return and (b) that those who return have little incentives to invest skills and capital as to contribute to the development of the country.

The article is based on a mixed quantitative and qualitative study conducted from 2010 to 2013 in Ukraine. It takes a sending country perspective and thus covers previous, return, prospective migrants and non-migrants but only indirectly also those who were still abroad at the time of the survey. We have conducted 500 survey questionnaires each with a randomly selected member (first birthday method) of the sampled households in four research areas (RA) in western, central and eastern Ukraine, hence a total of 2,000. The survey only sampled people aged 18-39 (the age group that is most likely to consider migration an option to improve one's life), some questions also refer to all members of the sampled household and thus cover over 7,000 individuals. The research areas selected are two high emigration areas, one in the west Zbarazh rayon in Ternopilska oblast) and one in the east (Novovodolazki rayon in Kharkivska oblast), one low emigration area (Znamyanski rayon in Kirovogradska oblast) and one immigration area (Solomyanski rayon in the capital Kyiv). In all four areas, we followed up on the survey with 20 qualitative in-depths interviews, 80 in total, some ethnographic research (observations, walks, photographic evidence) and nine qualitative interviews with various stakeholders (policy makers, western embassies, NGOs, a migration advice and a marriage agency) (for our methodology see Ersanilli, Carling and de Haas 2011 and de Clerck et al. 2011). The survey data we analysed by a STATA regression analysis and the qualitative data was coded in NVivo and further analysed with grounded theory method. In any case, our results cannot be generalised for Ukraine as a whole but only for the research areas we studied.

# **Background**

The territory that is today known as Ukraine is characterised by a long troubled history; most of the time, it was divided and ruled by various other powers, including Lithuania, Poland, the Austro-Hungarian empire, the Ottomans or Tsarist Russia. From 1919, Ukraine was a Socialist Soviet Union Republic – except from 1941-44 when it was occupied by Nazi Germany - and only became a sovereign state in 1991 when the Soviet Union collapsed. Since, it went through more troubles, a painful and ongoing period of transition from socialism to market economy, two economic crises, the

'Orange Revolution' of 2004, some political stalemate in 2007/2008 and another period of social discontent and protests in 2013/2014. In addition, the country is sandwiched between and partly dependent on two powerful neighbours, Russia and the EU both aiming to politically, culturally and economically pull Ukraine towards their side which leaves Ukraine with difficult choices. Finally, Ukraine is somewhat divided in a pro-Russian East and South and a pro-EU North and West and a more ethnic-cultural Ukrainian respectively Russian population; the distinction is not easy to make though and also the two divisions do not simply overlap with one another.

The transition period and its aftermath have had dramatic and often negative impacts on Ukraine's economy and the welfare of its population. Initially, Ukraine was amongst the most developed and prosperous republics within the Soviet Union and generally the 'Eastern bloc'; it had mining (iron ore and coal), large heavy industries (steel), chemical industry, ship building, machine building (thus labelled the engineering workshop of the Soviet Union), huge and productive agriculture (thus famously labelled the 'bread basket' of the Soviet Union), luxury consumables (wine, chocolate), a tourism industry, important ports (Odessa) and a well-developed higher education sector which also attracted international students from the system of the befriended socialist countries (e.g. Aslund, 2009). In the early 1990s, Ukraine ranked 45 on the UN Human Development Index (HDI) and was categorised as a high HDI country. But by 2012, Ukraine dropped to rank 78 of the HDI and is now situated in the medium HDI countries group (UNDP 2013, also see Graph 1). This development has to be seen within the wider economic- exhausted natural resources (mines), outmoded and obsolete industries (e.g. Crowley, 1997; Aslund, 2009) - and socio-political context - the brutal breakup of the implicit late Soviet social contract which resulted in a sharp rise of social inequality and poverty (Astrov et al., 2010).

## <Graph 1 here>

Ukraine's development of its GDP and GDP per capita reflects an equally troubled history. In 1989, towards the end of the Soviet Union, Ukraine recorded its highest ever GDP per capita, USD 8,628.6. By 1998, this had more than halved and dropped to a meagre USD 3,430; in the same period, the country also suffered from hyper-inflation. From 2000 to 2007 the economy began to recover and GPD per capita rose to around USD 7,000 only to drop again due to the 2008 global economic crisis; by 2012, GDP per capita had climbed up to USD 6,393.72 (adjusted by purchasing power parity (PPP).

This is equivalent to only 29 percent of the world's average; indeed GDP per capita never again reached late Soviet-period levels. Graph 2 illustrates the double dip of GDP per capita, its long and deep decline after 1998, a period of recovery from 2001 and another sharp drop in 2006/7. In addition, Ukraine's Gross National Income (GNI) per capita also decreased by about 22 percent between 1990 and 2012.

#### <Graph 2 here>

In absolute terms, the average monthly salary in Ukraine and our four research areas in 2012 was: Ukraine UAH 3,026 (USD 378), Kirovogradska oblast UAH 2,428 (USD 303), Ternopilska oblast UAH 2,185 (USD 273), Kyiv UAH 4,607 (USD 575) and Kharkivska oblast 2,753 (USD 344) (State Statistics Committee of Ukraine, 2013). And one salary is often only sufficient to even pay for rent. Finally, the currently observed recovery of its GDP veils the fact that the country continues to suffer from significant inflation (8-15 percent over the past decade), is almost economically bankrupt and depends on financial aid from Russia, EU and IMF (Adomanis, 2013). Overall, Ukraine was affected much worse and for longer by the transition than most other post-Soviet countries, notably Russia and Belarus (Estermann, 2002).

Even more dramatic has been the impact of the post-Soviet transition on Ukraine's demographic development. In 1990, just before independence, the population of Ukraine was 51.8 million; by 2001 this had dropped to 48.5 million and continued to drop to 45.5 million in January 2013; this is a loss of 12.1 percent (State Statistics Committee of Ukraine, 2013). In the same period, the life-expectancy at birth of Ukrainians has decreased by 0.5 years. This decline of Ukraine's population can be attributed to three causes, low birth rates, decreasing life expectancy and emigration, though the latter is difficult to determine due to lack of reliable data.

Ukraine's history of migration is complex and dynamic (for a detailed overview and references see Vollmer et al. 2011). At the end of the 19<sup>th</sup> and the beginning of the 20<sup>th</sup> century around a tenth of the population emigrated, mostly to the Americas before international migration largely ceased with Soviet ruling. During the first half of Soviet ruling, the Stalin era, ethnic and national minorities, intellectuals and others were forcefully deported to other Soviet republics, whilst during this and notably the second half of Soviet ruling Ukrainians were deployed to other Soviet republics whilst Russians and others were deployed to Ukraine. From the late 1980s, ethnic, national and religious minorities emigrated to Germany, Israel, Greece and elsewhere. During these decades international students arrived from many befriended socialist countries in Asia

and Africa. With the break-up of the Soviet Union, first, ethnic Russians, ethnic Ukrainians and others relocated to their perceived homelands in their millions whilst some ethnic minorities, notably Tatars returned to their ancient homelands (Crimea) in Ukraine. From the mid 1990s, Ukrainians first began engaging in international shuttle trade and then labour migration. Broadly spoken, eastern Ukrainians and the lower skilled rather went to Russia whilst western Ukrainians and the higher skilled tended to go west, to Germany, Poland, Portugal, Spain, Italy and Greece. During the same period, smaller numbers of refugees, students, traders and transit migrants to the EU began arriving in Ukraine. Unfortunately, Ukrainian migration statistics are politically loaded and unreliable but also distorted by high levels of circular migration. Therefore it can only be estimated that there now is a Ukrainian Diaspora of 5-6 million and that there are 2-7 million Ukrainian migrants, depending on season, year, types included and source. This is to show that Ukraine has a long history of migration and that some parts of the country in the West almost display a culture of international migration. To sum up, the particularities of the Ukrainian case are that the country once was the most affluent and developed part of the Soviet Union. It then suffered greatly from the post-Soviet transition, partly recovered only to fall back again into a relatively deprived status further aggravated by poor governance, political tensions and instability. These are the conditions and characteristics that determine peoples' perceptions and behaviour and shape the migration and development nexus.

# The Study of Migration and Development in Ukraine

It is typically assumed that international labour migration due to three main mechanisms has positive effects on the development of the sending countries: migrants' remittances, human capital acquisition and related return migration and through this the transfer of knowledge, technology or investments (see, for e.g., Lowell and Findlay, 2002; Katseli et al., 2006; Chappell and Sriskandarajah, 2007). So far studies on the development effect of migration in Ukraine are scarce though there is something to be learned from studies of other post-Soviet cases; in any case the messages from these studies are mixed. With regards to migrants' remittances it is argued that these represent a significant element of the Ukrainian economy though their level is a matter for dispute. In 2012, remittances are claimed to range from USD 7.5 bn., these are based on central bank figures, to around USD 25 bn., which are based on MoneyGram International estimates and include remittances through unofficial channels (see Kupets, 2012); though there are even higher estimates. Thus, migrants' remittances outweigh FDI

(USD 7.2 bn. in 2011, UNCTAD, 2012) and represent 4.3 - 15 percent or more of the GDP. Ivakhnyuk (2008) finds that generally in the post-Soviet countries labour migration is an important factor for development, that remittances help improving housing, nutrition, schooling and health care and are an alternative form of social security in countries where statutory social support is limited. She also suggests that remittances encourage the growth of consumer markets, are invested in small and medium scale businesses and subsequently contribute to the development of national industries. According to Gaidutski (2010) remittances mostly benefit the more deprived regions of Ukraine. Tynaliev and McLean (2010) have shown that in Kyrgyzstan migrant workers' remittances help to reduce poverty and inequality among the population - there on average one migrant supports three people in Kyrgyzstan - and thereby contribute to human development. In their opinion the benefits of migration also include acquiring new skills that upon return are invested in new businesses. Generally, research in other post-Soviet countries concludes that 'migrants' remittances ...re-shape the social structure in source countries by prompting the growth of the middle class and reducing the poor and extremely poor layers' (Tiuriukanova, 2005). But from Ukraine, there are also negative consequences reported. Piatkovska (2008) and Shevchuk (2006) provide evidence that remittances have contributed to inflationary pressures, notably because remittances have increased demand for property which then significantly increased property prices; in social terms this then partly excludes non-remittance receivers from the property market.

It is also argued that in Ukrainian in particular return migration did not bring relevant benefits to economy and society. Notably Kupets (2011) demonstrates that few returnees utilize their newly acquired skills and values (if any) or invest in productive activities and thereby create jobs or contribute to developing economies and societies. Instead, she found that return migrants rather have a higher probability of being non-employed. The reasons for this are complex and manifold. Ukrainian labour migrants are often employed in low-skilled jobs, rather suffer from down-skilling and thus no or few skills are acquired that could be invested upon return. In addition, migration involves discontinuous employment trajectories in the origin country, these then negatively impact on returnees' prospect to find a job, for instance due to weakened social ties that are however necessary for obtaining information on job opportunities. She also refers to physiological and health problems caused by negative migration experiences. Further reasons are that many return migrants do not search for jobs or business opportunities in Ukraine but rather retire; others, notably seasonal workers have strong re-emigration

intentions and thus do not make efforts to engage in domestic social and economic activities. And on the structural level, economic volatility and political instability create a rather unfavourable business and investment climate. Ukraine ranks only 152nd out of 183 countries on the World Bank's (2012) ease of business index and bureaucracy, weak investor protection and corruption are mentioned as some of the reasons for this. This confirms research findings from other post-Soviet countries where high levels of corruption are found to undermine the development potential of migration (see Babić 2013 on Bosnia and Herzegovina). Thus, in Ukraine migration does not yet generate much 'brain gain' and (return) migrants are not normally relevant actors of change (see Kupets, 2011). In the following sections we will empirically build on the above researches and specifically focus on the link between Ukraine's development state, and the migration/return, migration remittances and migration/human capital nexuses.

# Development, Life (dis)satisfaction and Migration Aspirations

Recent empirical studies have demonstrated that not only wage differentials, better educational and employment opportunities affect migration decisions but also that life (dis)satisfaction can be an important driver of migration (Otrachshenko and Popova, 2012). Thus migration aspirations are not simply triggered by economic conditions but by the level of life dissatisfaction. This is an aggregated migration determinant that also includes peoples' perceptions of their social lives, the quality of public services and the quality of the political system. It thus links its populations' perception of a countries state of development, and this can divert from the measurable development status, with its migration aspirations.

In post-Soviet Russia and Ukraine it was shown that the majority of the population perceive the post-1991 economic and political changes rather negative and levels of general satisfaction or happiness are comparatively low (e.g. Abbott and Sapsford, 2006). Notably in Ukraine life satisfaction is ranked comparably low; according to the World Happiness Report 2013 (Helliwell, Lavard and Sachs, 2013) Ukraine ranks 87<sup>th</sup> of 156 countries and is situated between Ghana and Latvia. People in other post-Soviet countries are considerably happier, as in Russia (68<sup>th</sup>), Belarus (66<sup>th</sup>) and Kazakhstan 57<sup>th</sup> or even the much poorer countries Uzbekistan (60<sup>th</sup>) and Turkmenistan (59<sup>th</sup>). Another survey suggests that 62 percent of Ukrainians across all regions are unhappy with their lives whilst only 35 percent are happy (Research & Branding Group, 2011). Otrachshenko and Popova (2013) analysing the Eurobarometer Survey for 27 Central and Eastern European (CEE) and Western European (non-CEE) countries found that

not surprisingly people have a greater intention to migrate when dissatisfied with life. They explain that the socioeconomic variables and macroeconomic conditions affect the intention to migrate indirectly through life satisfaction. In particular, they reveal that people from CEE countries have greater intentions to migrate than people from non-CEE countries even if their characteristics are similar.

Our study sheds further light on the life (dis)satisfaction-migration nexus and the underlying reasons for peoples' life (dis)satisfaction in Ukraine. Across the four research areas we studied 45.6 percent of our respondents were dissatisfied with their financial situation. People were particular dissatisfied with policies addressing poverty (82.3) percent), corruption (80.3 percent, 88.4 percent in Solomyanska RA), employment opportunities (75.5 percent believe it is difficult to find a good job, 85.7 in Zbarazh RA), politicians (74.6 percent believe they do not do what is best for the people), and health care (69.7 percent believe it is bad or very bad, 78.2 percent in Zbarazh RA). Other than this, more than one third (37.3 percent) of the respondents were neither unsatisfied nor satisfied with their lives whilst only 25,2 percent express overall life dissatisfaction (for a more detailed analysis see Bilan et al., 2012). This implies that a satisfying social life partly compensates for dissatisfying financial situation, public services and politics, hence that non-monetary factors have a strong impact on peoples' life satisfaction. We then wanted to know whether and to what extent life (dis)satisfaction shapes the aspiration to migrate or to stay. A logistic regression analysis taking migration aspiration to Europe as main explanatory variable and sex, age-group, marital status and education as control variables generates the following results (table 1).

#### <Table 1 here>

From this it is evident that the variables 'life (dis)satisfaction' and 'level of education' are statistically significant. The odds ratio of 1.2\* for those people who have 15 years or more of education suggests significant evidence that this group is 1.2 times more likely to have a positive migration aspiration compared to those who have less than 15 years of schooling, controlling for the other variables. The odds ratios of 2.9\*\*\* for those people dissatisfied with their current life condition suggests that this group is 2.9 times more likely to wanting to migrate than those who are rather satisfied with their overall life condition, keeping all other variables constant. The predicted probabilities (table 2) show that the probability of having positive migration aspirations is 61 percent for those who are dissatisfied with their live, whilst it is only 37 percent for those who are satisfied

with their lives.

#### <Table 2 here>

We took this one step further and specifically asked not for life (dis)satisfaction in generally but specifically for (dis)satisfaction with the respondents' financial situation to establish how this shapes migration aspirations. The predicted probabilities (table 3) show that the probability of having positive migration aspirations is 57 percent for those who are dissatisfied with their financial situation, whilst it is 35 percent for those who are satisfied with their financial situation. This illustrates that dissatisfaction with the overall life situation is a stronger driver of migration aspirations than financial dissatisfaction.

#### <Table 3 here>

For people with higher education, i.e. 15 years or more of schooling the probability of having a positive migration aspiration is 54 percent and slightly higher than those of people with less than 15 years of schooling of which only 48 percent have positive migration aspiration (table 4).

# <Table 4 here>

In the qualitative interviews people further elaborated on their (dis)satisfaction with life in Ukraine:

'Mainly ...life isn't easy, it is very difficult [44121, Novovodolazka RA]. 'In my opinion, we have very poor quality of life, because there is a lack of everything. The town is small, ...here is bad health service, one might say, and there is nowhere to study and to work too. There is a lack of everything, and we want something better' [42109, Znamyanska RA].

Life satisfaction in Zbarazh, the high-emigration research area is particular low as further explained by this interviewee.

'Quality of life..., quality of life, of course, we have no quality of life; because salaries are low, ...for example, my salary is enough only to pay for gas, for electricity, but it is not enough for phone' [41121, Zbarazh RA].

A significant proportion of our respondents were neither satisfied nor dissatisfied with their lives:

'The quality of life is average, I won't call it high, because people have low

salaries. Taking into account that we live in a village, many people have gardens, they work there all year round, so they don't have to spend money on food' [42204, Znamyanska RA].

This demonstrates that even in a more developed country such as Ukraine some subsistence economy compensates for insufficient incomes. Other interviewees, however, explain how social factors can offset economic hardships.

'To be honest, I am satisfied [with my life]... I am satisfied because I have friends and work here, thanks to God. I am doing sports here. Well, I am telling you, Zbarazh is my hometown, so I am satisfied with it...' [41129, Zbarazh RA]. 'I love my country, ...I like my town. I got used to it, I grew up here and everything suits me here, here are my relatives, close people, friends' [42111, Znamyanska RA].

Finally, we also asked people how they perceive the future, meaning whether they believe that within five years things will change for the better or for worse; 44.2 percent displayed a rather pessimistic outlook and believed that things will change for the worse, another 39 percent believed that it will be staying the same, which is pretty bad, whilst only 16.5 percent have had an optimistic outlook stating that it is 'getting better' or even 'much better. One argued, 'there are hopes for the better that some time the government will change and something will change in the country and in town' [41127, Zbarazh RA].

Our study shows that there is a correlation between the state of the development of a country, the life satisfaction of its populations' and their propensity to migrate. From our analysis we can therefore conclude that the state of development, or to be more precise the extent of reverse development causes widespread dissatisfaction with life which then increases aspirations to migrate. One interviewee literally argued 'the town ...ought to be very strongly developed. ...There is a lack of everything, ...we want something better, [a] more developed town' [42109, Znamyanska RA] which then drives people into international migration.

## **Migration and Development in Ukraine**

This section elaborates on the positive and negative development impacts of migration in our four research areas. We specifically consider three issues, return migration, the different types of monetary, material and social productive and consumptive remittances (see Sorensen 2004 for this distinction) and human capital development (the 'brain

drain' versus 'brain gain' debate) and related migration induced social and economic change on micro and macro levels.

# Migration and Return

Return migration has been identified as a potentially important process through which international labour migration can have direct positive effects on the economic, social, political and cultural development of sending countries (e.g. Olesen, 2002; Lucas, 2005). On the one hand, over time, Ukraine lost a significant proportion of its population due to emigration (see above); on the other hand, large proportions of migration are temporary, seasonal or circular return migration which implies significant levels of return migration. Nevertheless Kupets (2011: 46) found that return migration is of only limited scale. In addition, a small-scale study of all CEE countries including Ukraine found that 58 percent of highly-skilled returnees would like to remigrate again (Tung and Lazarova, 2007). Return is in particular reported in case where employment abroad is only of temporary nature, for personal and family reasons or as a result of failed migration experiences (Kupets, 2011).

Of all the members of the households we sampled 41.4 percent have lived abroad for at least three month and have thus returned, 22.7 percent report a non-post Soviet Union country whilst 16.5 percent mention Russia (the latter proportion, however, also includes people who were born or have lived in another part of the Soviet Union or people who have spent long holidays abroad and might have come back or relocated to their perceived home country). Also 12.4 percent of our respondents (17.8 percent in Zbarazh) had migration experience (including internal Ukrainian, internal Soviet Union or international migration experience) and had since returned whilst 18.8 percent of all households still had household members abroad who had not yet returned. A regression analysis of our data also shows and thus confirms Tung and Lazarova (2007) that those who have ever lived abroad for at least three months are 1.5 times more likely to wanting to migrate again instead of staying (table 5). This shows that the relationship between migration aspiration and experience living abroad is positive and significant (Though the result is problematic because of the low number of observations).

<Table 5 here>

Further to this, in our qualitative interviews our respondents discuss, for instance, whether or not return is a reasonable and feasible option.

'Our neighbours who lived across the street, at first the husband went abroad, he was there for a year, has settled there a little, then he took his wife abroad and then after three years two of their children. ...I do not know any family, which have returned from abroad and stayed here. It's nonsense' [41245, Zbarazh RA]. 'They don't want to return once they work outside Ukraine, ...they would get very little salary here in Ukraine' [NGO representative].

Another major theme running through our interviews is the shock on return when again facing some of the unpleasant realities in Ukraine further reinforced by diminished resilience towards these:

'My friend came [back] here from Germany. She went there under some program, came here and took our bus to get home and just started crying because she was scared when she looked at that bus, at our people on our streets. The standard of living is much higher there [in 'Europe'] than we have here. As for Ukrainians, I think it is better there than here' [41240, Zbarazh RA].

'When they return home, they face the same nasty things here, the rude behaviour of salespeople in a shop, for example. Now this would seem absolutely outrageous to them. So, many of those, who happened to work abroad, do not want to return. They use every opportunity to stay there. ... My friends went abroad as a whole family, worked there and then returned. Initially they intended to settle here but then thought again and decided to get back' [43109, Solomyanska RA].

This latter account also refers to the trend to remigration. A further theme running through people's accounts is what to do and how to reintegrate after return. According to an NGO returning migrants are often in their late 40s or 50s and it is argued that because the labour market is geared towards a young and hard-working labour force their reintegration into the labour market is difficult (interview Caritas). This is said to be further aggravated in case people have been abroad for long and therefore lost their all-essential contacts and networks (ibid.). In addition, another NGO refers to adaptation problems upon return, 'they don't find themselves' (interview, Europe without Borders) as well as to family problems and divorces caused by long absence which either act as disincentives to return or undermine reintegration efforts (interview Caritas). Returning to Ukraine is thus not only associated with disadvantages and problems but it is even considered 'tak[ing] a risk [of] coming back' [43107, Solomyanska RA], meaning taking the risk of not finding a job, only finding low paid jobs, no longer having a social network

and of only finding broken families and relationships. Those who return are said to 'go there [to Europe] again' [41129, Zbarazh RA].

'Many want to go abroad. But I know many of those who want to return back to Ukraine. [But] they do not return because they are afraid that it takes time to find work in Ukraine, get settled. ...And anyway they have a stable job abroad, stable income and therefore are afraid to come back here. They are afraid because of instability' [41124, Zbarazh RA].

'Most of the people when going abroad, it is unlikely that they will return back to Ukraine. It is better for them there, there is a higher standard of living, they have a stable job, stable income, [they] help their relatives here. I think that even those who come back here and start to look for a job cannot find it and again are looking for ways to go and work abroad' [41240, Zbarazh RA].

If people nevertheless return this is then occasionally associated with class and with parental support, 'people who have rich parents can afford studying abroad..., parents can help them to find a job [here] in a particular organization, company, or elsewhere' [43107, Solomyanska RA]. Alternatively, return is sporadically associated with failed migration projects or the hardship of prolonged irregularity.

'there is ...a man who went illegally to Slovakia; several times he was caught there by police, then repatriated and so on, he just couldn't find a way to settle there successfully and returned home without any profit. It is a lottery, with some people luckier than others' [42206, Znamyanska RA].

'My two friends from Ternopil [a boy and a girl] ...went to Poland, worked there for three months, they were deceived, ...another friend went to Poland, enter the university there, was looking for a job, couldn't find one and finally came back home' [41242, Zbarazh RA].

'[Question: What was the reason for your return?] First, I was there illegally, ...as if always hiding from everyone without documents. I should go home' [41112, Zbarazh RA].

These negative perceptions of return are aligned with the widely held negative perceptions of the economic, social and political conditions in Ukraine and in particular peoples' pessimistic outlook (see above). We thus conclude that the generally found high level of dissatisfaction with life extends into (a) similarly expected dissatisfaction with life in Ukraine upon return which then diminishes migrants' aspiration to return or, if they return, to stay and (b) that those who return have little incentive to invest skills and capital as to contribute to the development of a country that they perceive so critically.

#### Remittances

Migrant remittances are considered of central importance to the migration-development nexus (de Haas 2007). Across our four research areas 18.8 percent of households report that they have one or more family members living and/or working abroad with whom, and that is important, they are in contact, in Zbarazh the proportion is as high as 33.3 percent, and many of these can be supposed to also receive monetary and/or material remittances. Of all these households, 2.1 percent report that remittances are their main source of income, in Zbarazh these are 7.1 percent, 8.4 percent of all women-headed households. This suggests that in most cases remittances rather complement the main source of income, mostly a salary which is reported by 80.2 percent of households as the main source of income; another 2.1 percent mention business. In addition, migrants also send or carry home material remittances. During previous ethnographic research of one of the authors, Düvell, it was noticed that, for instance, hundreds of regular mini-bus lines (in Ukrainian 'mashrutki') link Rome and other cities in Italy with countless Ukrainian cities, towns and villages; often half of the space is occupied by passengers, the other half used for carrying or sending goods, such as furniture, textiles, bicycles and household good (field report, 2007; also see Solari, 2010, for a similar account). Our qualitative research further confirms that remittances are considered an important source of households' income.

'How do they survive? ...a lot of people are abroad, and many send money here; ...many help from abroad' [41122, Zbarazh RA].

'A lot of things are based on the money sent from abroad, ...if we take away all the people who work somewhere abroad it would be much worse here' [41112, Zbarazh RA].

In the literature it is commonly accepted that most remittances are invested in consumption and thus into increasing living standards, improving housing, preventing or alleviating poverty or improving the childrens' education and rather less into productive investments and businesses or enterprises. Also in Ukraine it is suggested that only 7-8 percent of remittances are invested in businesses, not at least because investment conditions are unfavourable, remittances are too small and additional loans are too expensive (Malinovska 2012).

It is argued though that consumption has indirect impacts on the economy, as through remittances induced increased demand for local goods and services that then enhance economy at large and increase peoples' incomes and employment (for a critical appraisal see de Haas, 2007). Our interviewees indeed frequently critically discuss the economic and business dimension of remittances. On the one hand, we find that remittances are invested in economic activities:

'We have a big road passing by and I have thought it would be nice to open a café or an SRT (service station) and I have chosen the SRT' [44118, Novovodolatzka RA].

'A lot of people are abroad, and many send money here. Due to this even entrepreneurs are working... it is better ... the turnover of money is better, money is coming into stores, much more can be bought' [41122, Zbarazh RA].

Also the representative of a private advice agency suggests there is a significant business impact of migration:

'People come back with money and knowledge, open their companies here; the majority of shops were opened by those who had gone somewhere' [marriage agency, Lviv].

In course of our ethnographic research we also came across a corner shop in Zbarazh RA that was established by two brothers who had been migrated to Italy for working (field report 2010).

On the other, a large majority of the respondents across all research areas complains about unfavourable conditions and difficulties in doing business, about high tax burdens, bureaucratic hurdles, omnipresent corruption and frequent inspections.

'Doing business has become harder; inspections by regulatory authorities have become more frequent. The tax system has become more complicated and less transparent' [director of large plant, observation report 431].

'There are some other problems with a café: one should find a common tongue [i.e. an agreement] with police, they always want some money [i.e. bribes], there are also firemen and so on who need to be taken into account, ...there are very high prices to pay to the emergency workers, state taxes are very high too' [44118, Novovodolazka RA].

Some even explain that the legal-political climate prevent them from investing in businesses.

'Fiscal authorities now try to suppress us on the legislation level too; small businesses suffer the most' [43135, Solomyanska RA].

[Business] depends on the local authorities, even if some businessman expresses a wish to do something his ambitions are cut at once, at the very root; so they rather suffocate businessmen than help them to develop and grow' [42203, Znamyanska RA].

'The development of business isn't appreciated at all, ...here, ...it is stopped, ...it seems no one thinks about development. There is no support in fact [42203, Znamyanska RA].

These quotes imply that the choice to rather spend on consumption than investing in business is not simply a result of needs and preferences but also determined by politically unfavourable environments. Hence it is also the state and quality of Ukraine's business governance, in other words the state of development that impacts on migrants' investment behaviour.

Another area mentioned by our interviewees in which they invest is their own education or that of their children, just as found in other studies (e.g. Adams, 2006; UNDP/USAID, 2010). This is further encouraged by the fact that the country's education system is considered good as our survey shows and least critical than other social systems.

'In Zbarazh, there are many people who went abroad. Parents I would say can help their children so that they actually can get an education. They are working there, they earn money and send it here to their children and ...well ...many of them study, other pay to simply get an education' [41118, Zbarazh RA]. 'They make some money there and come back here, continue to study or work, well, mostly they study here' [41129, Zbarazh RA].

Research usually suggests that investing remittances in education and training is in fact an investment in human capital (Wahba, 2005: 188) and as such has significant social and economic effects for individuals, their families and society at large.

The third main area mentioned in our research is investments of remittances in property and renovations. Guided by a local we conducted a tour of a street in Zbarazh RA, took pictures of every house and got briefed on the migration situation of the households. The road consisted of 40 houses, all but two detached, one shop and three abandoned small factories; 28 households had or have one or more members working abroad, two were (Moldovan) immigrants households and only nine had nobody working abroad. Of the 28 labour migrants' households two were locked-up and their owners were considered to being abroad permanently. The migrants' houses were generally in a much better state than those of the non-immigrant; houses of immigrants to the US, Germany and Italy displayed the highest quality whilst houses of migrants to Russia

were rather at the bottom of the scale showing only few improvements like new roofs and windows. This can be explained with the higher salaries earned in EU countries compared to the lower salaries in Russia. We were told by our guide that this situation is the same across other streets in the town (from field report 2010).

'A lot of things are based on the money sent from abroad, houses are built. ...My mom is abroad, ...my mother helped me, bought us a house and we live independently' [41112, Zbarazh RA].

[Some part of the street is rundown whilst the houses of another part look pretty good and clean, from the question]. This is because of the migration abroad.

Those who go abroad and get a salary there can invest it in the house' [41130, Zbarazh RA].

One interviewee pointed out that whilst due to migrant's remittances the quality of houses has been improving the general state of the street, its surface, street lights etc. is rather left to decay by the authorities; a claim that our ethnographic research confirmed. Insofar, the development effect is only felt on private but not on public and community level. It is important to emphasize, however, that expenditures on housing, notably on renovations, are productive for the economy as a whole because they have important secondary effects on wages, employment and business opportunities. For example, Ternopilska oblast, where our Zbarazh RA is located, is one of the five poorest oblast in Ukraine where the level of unemployment is one of the highest in Ukraine (11 percent in 2013) whilst the average salary is one of the lowest (UAH 1,925) in 2011 compared to UAH 2,694 average salary in Ukraine); meanwhile, migrants are found to be the major investors in the construction sector (Karapetyan, 2013). From this analysis it can be concluded that due to remittances 'standards of living improved' as one interview typifies, 'probably because people go abroad, send some money [back here] to their families; they of course build some houses, do something new...' [41240, Zbarazh RA]. This seems to be the case across all households; indeed we found no evidence that remittances mostly benefit the poor as some authors like to make us believe (e.g. Ratha and Mohopatra, 2007: 1). Whilst it can be assumed that remittances and their investments in property and education improve individuals' living standards, enhance their capability to lead lives they have reason to value and to enhance their substantive choices (Sen, 1999) and also positively impact on economy at large there is little evidence if any that this also affects community level, the public sphere or local productive economies. This resembles pessimistic conclusions from the earlier studies of migration, remittances and development (see Taylor et al., 1996 for an overview).

# Migration and human capital development

There is a vast body of literature on the nexus of migration, human capital and development (e.g. Stark, 2004; Biondo et al., 2012), for instance, considering migration as a loss of human capital for the country of origin ('brain drain'), studying migrants' acquisition of human capital abroad and subsequent reinvestments in the country of origin upon return ('brain gain') or looking at migrants' investments of remittances in the education of their children (see previous section) et cetera. In Ukraine, people are generally well educated (see UNDP 2013). Our survey reveals that on the one hand the better educated are 1.2 times more likely to wanting to migrate than the less well educated (see above table 4); this implies that in the first instance migration rather has a 'brain drain' effect. Also on discursive level it is believed that it is the best who emigrate: 'the adequate, normal people who could really be useful for the state and in general, those leave; it's a pity, of course' [interview with migration advice agency]. In addition, our findings suggest that those who migrate and gain human capital do not return, 'a friend from Italy says he likes to live there and he is not going to return. He went there to study and decided to stay' [43108, Solomyanska RA]; this is also confirmed by the previous section. On the other hand, Commander et al. (2013: 8 - 9) find that contemporary 'Ukrainian migrants abroad commonly downshift and take up work for which they are seemingly overgualified, ...43 percent of medium-skilled and 56 percent of high-skilled respondents'; though prior migration only around 20 percent were employed on levels lower than that on which they were employed. This suggests that human capital acquired prior migration is underutilised and that there also is a significant 'brain waste' effect of emigration. Finally, Tung and Lazarova (2007) suggest that skills and standards acquired in Western Europe cannot easily be applied to the transition country conditions as standards were too different. This indicates that the transferability of human capital acquired abroad and thus the 'brain gain' effect is restricted by the conditions in the country of origin. Deskilling is a theme also running through our qualitative interviews.

'What could be the work if our diplomas are not accepted there? There are engineers with higher education and awards washing dishes or other work like this. A friend of mine is an administrator in a pizzeria in Italy. Some go to Poland,

but that is a seasonal work, picking strawberries or something else' [41242, Zbarazh RA].

'I have a friend; she has higher education, but in Italy she works as a nurse, she looks after an old person' [43116, Solomyanska RA].

In contrast, other interviewees nevertheless hold more optimistic views about migration, acquiring skills and return.

'If we talk about education in Europe, then perhaps people educated in Europe if they come back to Ukraine, they occupy prominent positions in some companies' [43107, Solomyanska RA].

Notably, 65.1 percent of the respondents believe that people going to live or work in Europe gain valuable skills, only 11.3 percent disagree, hence that through migration they enhance their human capital.

'People come back with money and knowledge, open up their firms here. The majority of shops were opened by those who had gone somewhere. And it's a knowledge, ideas and skills exchange' [interview, marriage agency].

"My friend's father went to work in Russia on construction and when he came from there he built a cottage himself. He got experience, skills and now he knows how to build. ...I think everything they do there might be useful in future life' [41244, Zbarazh research area].

'[About an acquaintances who migrated Moscow] He got some experience, he already has know-how. He uses his experience' [44102, Novovodalazka RA]. 'In our village there is a woman, who lives in Italy right now. ... She is quite a different person now. Previously, she had a husband [who was] a drunkard, beat her, but now she is a woman who knows her value. Europe changed her for the better' [42206, Znamyanska RA].

In addition, it must be noted that the 2013/14 wave or protest for a change of government and a more European, i.e. democratic approach to politics has been led by a returnee from Germany (Vitali Klitchko). This and the previous quote indicate that in Ukraine migration, human capital acquisition and return may stimulate socio-cultural change and contribute to changing values, tastes and social norms. By and large, however, our study rather suggests that the development effect of human capital acquisition due to migration is so far rather limited and that migration from Ukraine is rather a 'brain drain' and a 'brain waste' than a 'brain circulation' and 'brain gain'.

#### Conclusion

On the one hand, the Ukrainian case mostly resembles what is already known from the study of migration and development in other countries. On the other hand, it throws light on how the migration-development nexus plays out in (a) a post Socialist transition country and (b) an industrialized country that is in social, economic and demographic decline. Notably, it reveals that the conditions that Ukraine displays are not conducive to generating a development effect of migration; indeed it is typically concluded that the 'Ukrainian state has not been able to create the institutional infrastructure that allows its post-Soviet emigrants to reinvest human or economic capital in Ukraine' (Solari, 2010: 216).

Our study illustrates that the aspiration to migrate is greatly affected by people's

(dis)satisfaction with life; this parameter implicitly reflects people's (dis)satisfaction with a country's state of development, notably of its economic, social and political systems. This is maybe no surprise but what is probably more interesting is that people's satisfaction with the state of a country also affects their aspirations to return and/or invest and thus implicitly or explicitly contribute to its development. We thus suggest that the lower people's satisfaction with the conditions in their country and the lower the hope that matters will improve the less likely they are to return, stay and/or contribute to improve conditions and the smaller the development effect of migration. So far, we found that the migration discourse in Ukraine is dominated by a rather negative perception of migration and this includes the academic discourse; migrants are rather perceived as deserting their country (own observations; also see Gatuccio 2010). Even remittances are often discredited as 'easy money' corrupting those left behind (see Solari, 2010: 222). As a consequence, there is hardly any discussion or any policy provisions that would facilitate or enhance the development effects of migration, return and remittances. Instead, conditions in Ukraine neither attract return migration nor productive investments of remittances or skills acquired abroad. In particular inadequate governance of economics, omnipresent corruption as well as widespread pessimism regarding the future of Ukraine, notably with regards to a better government prevents migrants from more productive use of remittances.

In order to turn migration into a source of development the authorities would need to address the disincentives and obstacles to return, remittances and productive investments. Notably, policies that facilitate reintegration of returnees, removing red tape from business activities and investments, easing international remittances and combating corruption have come out from our study as pressing matters.

Acknowledgement: The regression analysis was run by Luana Gobeia, Department of Sociology, University of Oxford

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Table 1: Logistic Regression for Life Satisfaction and Educational Level by Migration Aspiration in Ukraine

Variables:	Odds Ratio	
Migration Aspiration		
Woman	0.776** (0.095)	
Age Group (18-29)	1.569*** (0.203)	
Currently Married	0.728** (0.0926)	
15 or More Years of Education	1.246* (0.165)	
Dissatisfaction with Life	2.949*** (0.371)	
Logistic Regression Information		
Chi2	104.14***	
Observations	1,222	

Standard errors in parentheses \*\*\* p<0.01, \*\* p<0.05, \* p<0.1

Source: Eumagine Data Set for Ukraine, 2011, author's calculations.

Table 2: Predicted Probabilities of Migration Aspiration by Dissatisfaction with Life in Ukraine

Region	Mean
Satisfaction with Life	.3675451
Dissatisfaction with Life	.6087824
Total	.4664484

Source: Eumagine Data Set for Ukraine, 2011, author's calculations.

Table 3: Predicted Probabilities of Migration Aspiration by Dissatisfaction with Financial Situation in Ukraine

Region	Mean
Satisfaction with Financial Situation	.3490814
Dissatisfaction with Financial Situation	.5666293
Total	.5015699

Source: Eumagine Data Set for Ukraine, 2011. Author's calculations.

Table 4: Predicted Probabilities of Migration Aspiration by Years of Education in Ukraine

Region	Mean
Less than 15 Years of Education	.4837261
15 or More Years of Education	.5430809
Total	.5015699

Source: Eumagine Data Set for Ukraine, 2011, author's calculations.

Table 5: Logistic Regression for Migration Aspiration by Experience of Living Abroad

Variables:	Odds Ratio	
Migration Aspiration	Odus Ralio	
Woman	0.812 (0.152)	
Age Group (18-29)	0.819 (0.172)	
Secondary Education	1.389 (0.281)	
Currently Married	0.568*** (0.123)	
Experience Living Abroad	1.504** (0.291)	
Logistic Regression Information		
Chi2	16.36***	
Observations	512	

Standard errors in parentheses \*\*\* p<0.01, \*\* p<0.05, \* p<0.1

Source: Eumagine Data Set for Ukraine, 2011, author's calculations.

Graph 1: Human Development Index of Ukraine, 1994-2012

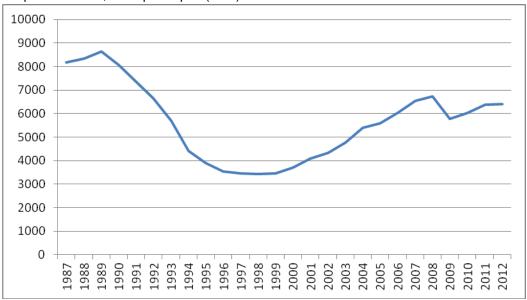
Graph 2: Ukraine, GDP per capita (PPP)

Graph 3: Use of remittances by age groups (% of respondents who sent remittances)

Graph 1: Human Development Index of Ukraine, 1994-2012

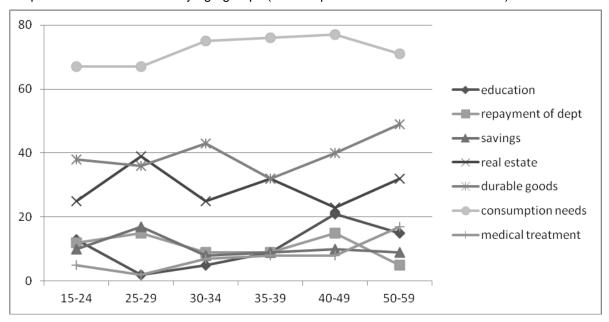
Source: UNDP (diverse years)

Graph 2: Ukraine, GDP per capita (PPP)



Source: State Committee of Statistics of Ukraine (http://www.ukrstat.gov.ua)

Graph 3: Use of remittances by age groups (% of respondents who sent remittances)



Source: Kupets, 2012: 24