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Research paper

# Internal Forced Migration in Ukraine: Labor Market Impact and Employment Policy

Oleksandra Sled<sup>1\*</sup>, Iryna Shvets<sup>2</sup>, Ganna Myroshnechenko<sup>3</sup>, Viktoriia Vasiuta<sup>4</sup>,

<sup>1</sup>Donetsk national Technical University

<sup>2</sup>Donetsk national Technical University

<sup>3</sup>Donetsk national Technical University

<sup>4</sup>Poltava National Technical Yuri Kondratyuk University

\*Corresponding author E-mail: oleksandra.sled@ukr.net

#### **Abstract**

The article considers the peculiarities of internal forced migration in Ukraine and its impact on the regional labor markets. The volumes and directions of forced internal displacement by the regions are analyzed. The indicators of employment and unemployment, labor demand and supply in the regional labor markets are investigated. The grouping of internally displaced persons recipient regions has been carried out in order to develop targeted measures for local labor markets regulation. The patterns of labor markets functioning across the groups of recipient regions are revealed. Positive and negative effects of forced internal migration for local labor markets were examined. The main reasons for the difficulties in the forced migrants employment in Ukraine were considered. Recommendations aimed at the effective regional employment policy development are proposed.

Keywords: internal forced migration; regional labor markets; internally displaced persons; labor supply; labor demand; employment policy.

# 1. Introduction

Effective governance of the national economy requires a balance of supply and demand in regional labor markets. While the labor demand is formed by territorially localized production, the labor supply is determined by the nature and the population settlement conditions, its size and age, its movement features, that is, external and internal migration.

After Ukraine gained independence, the internal migration volume in the country was significantly reduced as a result of the cessation of organized resettlements and labor recruitment, which were inherent in Soviet times. This was also facilitated by the education sector commercialization, the growth in housing prices, the difficulties with employment, etc. If at the turn of 80-90s internal migration turnover in Ukraine amounted to 3 million people, by 2000s it made less than 1 million people. According to the most comprehensive data obtained in the IOM study, in 2014-2015, number of internal migrants in Ukraine exceeds 1,6 million people, representing 9% of the economically active population [1]. Internal displacement in Ukraine, which is taken into account by official statistics, is approximately 5 times higher than international migration. The main trends of internal migration in Ukraine are:

- Dominance in internal migration the transfers between rural and urban areas. The number of rural population is declining due to the outflow of youth to the cities, which leads to the rural population aging.
- The main recipient in interregional migration is Kiev, the capital of the country. In the pre-crisis period, the migration growth of the capital's population was 20 thousand people per year. Now this number has decreased (about 12 thousand in 2015), but still remains the largest in Ukraine [2].

- A significant number of internal displacements are not recorded by the official statistics. According to sociological surveys, only 20% of internal labor migrants work officially under an employment contracts, the rest obey just oral agreements, or consider themselves to be self-employed.
- 4. Starting from 2014 numerous internal displacement in Ukraine caused by the annexation of the Crimea and the military actions in the Donbas, are forced. A new category of the population for Ukraine was formed – internally displaced persons (IDPs), which cause a significant imbalance in regional labor markets.

The purpose of this paper is to study the impact of internal forced migration on the national labor market, as a result of a prolonged armed conflict in the east of Ukraine.

Uncontrolled and insufficiently regulated IDPs movement in Ukraine causes the decrease of their life standards and quality, worsening their social status and psychological state. Simultaneously, internal forced migration affects Ukrainians who have not participated directly in the migration, but are fully aware of its negative consequences, such as the imbalance of regional labor markets. In the situation context, the forced population displacement is seen as a very negative social and economic phenomenon, which requires in-depth study and rather rapid but thoroughly considered government intervention.

Many leading Ukrainian scientists, such as Kashuba Y., Novikova O., Amosha O., Antoniuk V., Gorbulina V., Vlasyuk O., Libanova E., Lyashenko O., are engaged in the research of the social and economic aspects of the crisis in the country due to events in the Donbas. The authors have proposed the theoretical basis for overcoming the negative consequences of internal forced migration, in the employment field as well. They offer approaches to evaluating potential opportunities to use IDPs as a development resource for



local communities and expansion of the employment scope [3, 4, 5].

Bilyk O. paying attention to problems of IDPs employment in Ukraine, stresses the need to introduce priority measures for the discriminated labor market participants, such as women and young people without practical experience [6].

The internal forced migration problem is a new issue for Ukraine, while in world practice it has already been sufficiently developed. Many scientists devoted their works to studying the migration impact on the labor market.

Jeffrey E. Zabel considers that one of the reasons for the national economic success is the willingness of its residents to follow jobs. He insists that decisions to move depend not only on job prospects but also on the relative cost of housing and investigate how the housing market affects the flow of workers across cities [7].

Karine Torosyan studying the experience of Georgia approves that internally displaced people make a serious economic, social and cultural problem for many countries, including countries in transition. Exploring the labor market outcomes for forced migrants, the author draws the conclusion that IDPs workforce will always be secondary to local residents and have fewer employment opportunities [8].

James F. Hollifield analytical work on the impact and future perspectives of demographic trends in the workforce, taking also into account education, skills and geographical mobility. It pays particular attention to the labor market adjustment patterns generated by the labor mobility development in Europe and similar developments in other parts of the world [9].

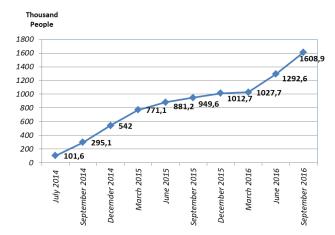
Bent Greve in his work aims to address the question of the differential impact that national welfare and labor market policies might directly or indirectly have on migration. He shows that a critical view of the classical economy-driven explanations to migration can give a wider understanding of key migration patterns and provide some insights into the factors that hinder or facilitate migration [10].

Mark D. Partridge, Dan S. Rickman, M. Rose Olfert, Kamar Ali, examine the population growth influence due to internal migration on a stationary spatial equilibrium of the economy. According to the authors, nearing spatial equilibrium would imply that site-specific factors such as amenities and location within the urban hierarchy substantially subside in their influence on net-migration and relative population growth because their values have been capitalized into prices, causing interregional utility levels to become approximately equal [11].

In spite of significant scientific and practical experience, the problem of the regulating the internal forced migration in Ukraine remains still unresolved. It requires the implementation of approaches that are designed with considering the internal economic, political and social specifics.

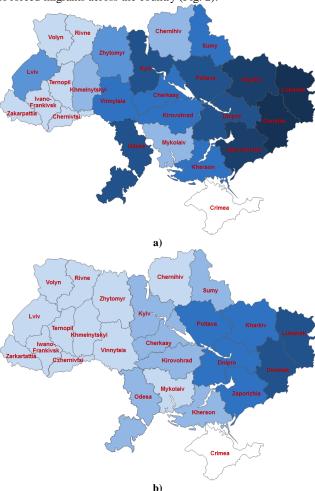
# 2. Problem research

The most urgent problem for Ukraine since 2014 is the rapid growth of internal labor migration through forced displacement of the population from the anti-terrorist operation (ATO) area. Analyzing the volumes of internal forced migration in Ukraine for the period 2014-2016 we indicate a positive dynamic and a steady increase in the number of IDPs (Figure 1). The data is given by Interagency Coordination Headquarters on social security issues for Ukrainian citizens moving from anti-terrorist operation area and temporarily occupied territory. At the beginning of September 2016, the number of forced migrants in Ukraine exceeded 1,5 million people with a positive dynamics maintaining. The number of forced migrants is impressive and even exceeds the number of population in many countries of the world, including European ones. Ukraine ranks first in Europe by the number of IDPs and is among the world leading countries [12].



**Fig. 1:** Dynamics of population displacement from the Crimea and uncontrolled territories of the Donbas in 2014-2016

The process of internal displacement in Ukraine was random, unorganized and uncontrolled, which led to an uneven distribution of forced migrants across the country (Fig. 2).



**Fig. 2:** Regions of Ukraine by the number of IDPs (a) and the number of IDPs per 10 000 local population (b)

According to the Interagency Coordination Headquarters information, the largest number of IDPs is located in Lugansk, Donetsk, Kharkiv, Dnipro, Zaporizhia and Kyiv regions. The smallest number of forced migrants currently live in Ternopil, Chernivtsi, Rivne, Zakarpattia, Ivano-Frankivsk, and Volyn regions [14]. Analyzing the trends of the population movements from the ATO area, one can notice the tendency of concentrating the majority of migrants in the regions that are closest to the places of their former residence. This geographic trend is formed due to hopes and ex-

pectations of many migrants to return home, unwillingness to break old ties and start the life from the beginning, or needs for regular visits home and relatives left in the conflict territory. According to sociological surveys, only one third of the IDPs is oriented to permanent residence in other regions of Ukraine [15].

oriented to permanent residence in other regions of Ukraine [15]. Table 1 presents data on the number of IDPs by regions and number of IDPs per 10 000 persons, which is more suitable for analysis purposes. It also provides some indicators on employment in the regions of Ukraine.

**Table 1:** Data on the number of IDPs and employment by regions of Ukraine

Region	Number of IDPs, pers.	Number of IDPs per 10 000 of popu- lation	Number of employed, thousand pers.	Number of IDPs per employed
Cherkasy	14232	116	517,5	27,5
Chernihiv	9439	91	424,8	22,2
Chernivtsi	3341	37	376,1	8,9
Dnipro	75578	234	1425,4	53
Donetsk	618561	1457	748,4	826,5
Ivano-Frankivsk	4608	33	556,9	8,3
Kyiv	54709	117	2100,6	26
Kirovohrad	14519	150	375,7	38,6
Kharkiv	189181	700	1236,6	153
Kherson	16109	153	441	36,5
Khmelnytskyi	6819	53	510,1	13,4
Luhansk	289300	1318	298,5	969,2
Lviv	11918	47	1047	11,4
Mykolaiv	8496	74	498,1	17,1
Odesa	40488	170	1000,6	40,5
Poltava	29505	207	570,4	51,7
Rivne	3208	28	474,2	6,6
Sumy	15977	145	478,5	33,4
Ternopil	2472	23	407,6	6,1
Vinnytsia	14095	89	658,8	21,4
Volyn	4603	44	382,1	12
Zaporizhzhia	105214	605	734,9	143,2
Zhytomyr	11767	95	507,6	23,2
Zakarpattia	3486	28	505,5	6,9
Crimea	-	_	_	_

The number of internal forced migrants is distributed unevenly across Ukraine. Obviously, the regions that have adopted the largest number of IDPs experience the greatest pressure in local labor markets, housing sector and the social sphere, that create new challenges for local and central government. Competition in the labor market contributes to the conflicts between migrants and local population and prevents IDPs integration into the local communities

For the further analysis and development of approaches to employment policy, it is advisable to unite the regions of Ukraine into several groups. The basis for grouping regions is the number of IDPs per 10 000 local population. Groups of regions of Ukraine by the number of IDPs per 10 000 population are presented in Table. 2

I group unites the recipient regions, where the number of IDPs per 10 000 population reaches more than 1 000 people. This is the Donetsk and Lugansk regions - administrative units, which are directly covered by the military and political conflict. Both regions include territories that remain temporarily beyond the control of the Ukrainian government. Migration flows are directed from uncontrolled areas to legitimate territories. Such a large number of IDPs in these regions is a result of migrant motives not to break ties with the place of their previous residence and their hope to return home soon.

**Table 2:** Grouping of the recipient regions by the number of IDPs

Group of recip-	Region	Number of IDPs per		
ient region	D (1	10,000 of population		
I group	Donetsk	1457		
	Luhansk	1318		
II group	Kharkiv	700		
	Zaporizhzhia	605		
	Dnipro	234		
	Poltava	207		
	Odesa	170		
	Kherson	153		
III anoun	Kirovohrad	150		
III group	Sumy	145		
	Kyiv	117		
	Cherkasy	116		
	Zhytomyr	95		
	Chernihiv	91		
	Vinnytsia	89		
	Mykolaiv	74		
	Khmelnytskyi	53		
IV anoun	Lviv	47		
IV group	Volyn	44		
	Chernivtsi	37		
	Ivano-Frankivsk	33		
	Zakarpattia	28		
	Rivne	28		
	Ternopil	23		
	Crimea			

Recipient regions of the **II group** are the areas that took the number of IDPs from 200 to 1 000 people per 10 000 population. Basically, these are the territories that are neighboring to the ATO area. The group includes such large, industrially developed regions as Dnipro, Zaporizhia, Kharkiv and Poltava. A large number of IDPs there is due not only to geographical proximity to Donetsk and Lugansk, but also to the specifics of economic activity in these regions, the structure of major Ukrainian industrial companies. Many industrial holdings transferred people from Donetsk and Lugansk industrial enterprises to affiliates located in the regions of the II group. In addition, the similar mentality of the inhabitants in these regions facilitates the easier integration of IDPs into the local communities.

III group of recipient regions covers Kyiv, Odesa, Cherkassy, Kherson, Kirovohrad, Sumy - regions where the number of IDPs per 10 000 local population varies from 100 to 200 people. They are large, economically developed administrative units and the influx of immigrants has not made a negative impact on their local labor markets and social infrastructure. These regions provide a variety of opportunities, both for employment and social integration of IDPs and their families, offer favorable conditions for setting up private business.

IV group of recipients includes all other regions of Ukraine, where the number of IDPs is less than 100 people. Basically, it is the western part of the country – Khmelnytskyi, Lviv, Volyn, Chernivtsi, Ivano-Frankivsk, Zakarpattia, Rivne, Ternopil Zhytomyr, and some central and southern regions – Chernihiv, Vinnytsia, Mykolaiv. These areas have become attractive for migrants who wanted to be away from military actions and, most likely, do not plan to return to their previous residence places. The main problem for this group of recipient regions is not so much an economic as a social one. One of the difficult issues remains the social and psychological integration of immigrants into local communities, the prevention of social and cultural conflicts between IDPs and the local population.

Table 3: Indicators of the IDPs labor supply and by groups of recipient	t		
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regions [16]							
Group of Recipient Region	Region	Coad per vacan- cy), people		Labor Demand (needed employ- ees to fill vacan- cies), people			
I	Donetsk	16	35	2,1	0,4		
group	Luhansk	31	23	0,7	0,4		
group	Kharkiv	7	8	3,7	2,8		
II	Zaporizhzhia	24	46	1	0,5		
group	Dnipro	4	9	7,5	3,4		
	Poltava	10	14	2,4	1,8		
III group	Odesa	6	5	2,2	2,7		
	Kherson	16	28	0,8	0,4		
	Kirovohrad	23	11	0,8	1,5		
	Sumy	21	15	0,8	1		
group	Kyiv	7	7	2,2	2,3		
	Cherkasy	43	43	0,5	0,5		
IV group	Zhytomyr	10	11	1,8	1,6		
	Chernihiv	11	17	1,3	0,7		
	Vinnytsia	78	52	0,3	0,5		
	Mykolaiv	14	12	1,3	1,4		
	Khmelnytskyi	76	28	0,2	0,6		
	Lviv	21	6	1,1	2,8		
	Volyn	21	6	0,5	1,6		
	Chernivtsi	19	11	0,5	0,7		
	Ivano-Frankivsk	33	21	0,5	0,5		
	Zakarpattia	16	14	0,6	0,4		
	Rivne	15	16	1,1	0,9		
	Ternopil	14	9	1,2	1,1		
	Crimea						

Let's consider the main labor market indicators by groups of recipient regions in the period before the armed conflict (2013) and after it (2016). Table 3 compares the indicators of labor supply and demand in regional labor markets. The economy of Ukraine in general, and the labor market in particular, is going through a severe crisis, which is a consequence of the military and political conflict. It is experienced by all the regions of Ukraine, regardless of the number of IDPs accepted. But a significant reduction in labor demand, increase in its supply and greater labor market imbalance are observed in the ATO zone regions (I group of recipients).

It is important to understand how the internal displacement of the population in Ukraine has influenced the unemployment rate. The survey-based unemployment rate of 34,1% to the total number of economically active IDPs is significantly higher than the unemployment rate among the total population aged 15-70 in Ukraine [17]. Rising unemployment rate in the I and II group recipient regions in the pre-military period (2013) and the military period (2016) is shown in the Figure 3. The increase in the unemployment rate is observed in all these regions. At the same time, the indicator dramatic rise occurred in the Dnipro region. In regions directly involved in the armed conflict (Donetsk and Lugansk), the unemployment rate has almost doubled.

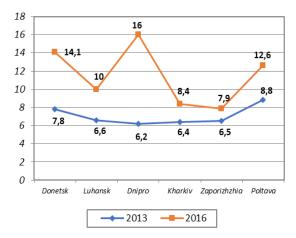


Fig. 3: The unemployment rate in the I and II groups of recipient regions before (2013) and after (2016) forced displacement of the population

Unemployment growth rates analysis in 2016 relative to the level of 2013 shows that the highest value of the indicator belongs to the I group of recipient regions. Namely, the unemployment rate in the Lugansk region in 2016 increased by more than 2,5 times in comparison with 2013. In the Donetsk region, the growth in the unemployment rate makes 1,8 compared to the pre-war level. The following average values of unemployment growth indexes are specific for other groups of recipient regions: II group - 1,5, III group -1,3, IV -1,2 (Figure 4). The data obtained allow to draw a conclusion that the mass IDPs influx exacerbates the unemployment problem in the main recipient regions of Ukraine. At the same time, the growth of unemployment is always accompanied by a number of additional negative social and economic phenomena. Escalation of the unemployment problem entails regular standard of living decrease, social tension increase, and criminal situation worsening.

#### IDPs recipient region groups

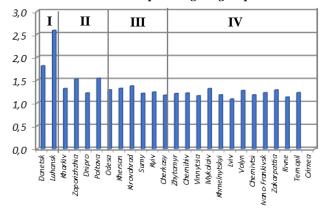


Fig. 4: Index of the unemployment growth rate (2016/2013) by groups of IDPs recipient regions

The rise in unemployment is a classic result of migration for the workforce recipients. However, it should be noted that internal forced migration is not the only factor that has led to an increase in the unemployment rate in Ukraine in recent years. National labor suffered dramatically due to economic recession that was the result of a deep political crisis in the state, the destruction of long-term economic ties and the loss of traditional markets, as well as the low investment attractiveness of the national industry.

The situation with the IDPs employment in Ukraine remains steadily disappointing. According to the recent data, less than half (48%) of forced migrants are employed. The main reasons for the low levels of IDPs employment are:

Discrimination against IDPs. One of the reasons for discrimination is the prejudice towards people from Donbas (Donetsk)

and Luhansk), due to their mentality and disruptive patriotic views, which is, in fact, a false stereotype. Often, employers fear that a person who has come from the ATO area and has experienced severe stress may have some psychological problems adapting to a new location, which will affect the quality of the work. Along with this, there are companies that often refuse to hire forced migrants, because of the conviction that they are only looking for a temporary refuge and, when the political crisis is over, they will return home, which will provoke a problem with staff turnover.

- 2. Legitimate dismissal from the previous workplace. Employees often could not formally quit their previous jobs in an uncontrolled territory, due to lack of legal framework there. In this case, in order to make an appropriate entry in the workbook, one must apply to the court or send a notarized statement of dismissal to the address of the previous place of work. This is necessary in order to be legally employed with a new job, but in practice it is extremely difficult to implement.
- Lack of residence place registration. Many employers require applicants to register in the city where the work is offered. It might be a problem until recently, but now the Ukrainian authorities have allowed IDPs to register their places of residence.
- 4. Lack of housing. The majority of IDPs have to look for an employer who is able to provide workers with housing or a decent level of wages sufficient for renting flat. However, due to the economic crisis in the country, the supply of highly paid vacancies in the labor market is very limited.
- 5. Labor supply and demand structures mismatch. The discrepancy between the branch structure of the labor markets in Donetsk and Luhansk regions and labor markets of the recipient regions exists. The structure of the economy in Donetsk and Lugansk regions is dominated by the metallurgical and coal industries. Most of the employees who have moved from there are not able to find a job according their profile in the rest of Ukraine, because there are no such vacancies. Metallurgical plants in Zaporizhia and Dnipro do not recruit new employees, but rather reduce their own staff.
- Age of immigrants. Many employers used to refuse to hire aged people. However, the denial of employment due to age is the general trend of the labor market in Ukraine, which is felt by residents of all the regions.
- 7. The need for better-paid work. Forced migrants need more highly paid jobs than local ones. IDPs, who were forced to leave their homes and all their property, have to settle their lives from zero and have more needs to be satisfied.

It cannot be asserted that all the reasons mentioned above are an insurmountable barriers in the IDPs employment. According to a study conducted by work.ua, one of the most popular resources for finding a job, about 90% of all employers are ready to hire internally displaced persons. The survey involved 636 employers, more than half of which (52,7%) answered that they have migrants in a staff; 34,1% of employers do not have, but are ready to hire; and only 13,2% of respondents are not going to hire immigrants.

Those employers who already have migrants in a staff were also interviewed. More than 60% of them consider that there are no problems with the migrants and they work perfectly; 26,9% of the respondents stated that they have some problems with them; 12,2% had a very negative attitude toward the work with the migrants.

The problem of employment regulation for IDPs should be solved, first of all, through the sound public policy. The Ukrainian government has already taken some steps to relieve tension in the labor market, but these measures are still insufficient.

An important measure was the adoption of the Law "On Amending Certain Laws of Ukraine on Strengthening the Social Protection of Internally Displaced Persons" in 2015 [18]. The Law provides for the state program implementation to encourage employers. The law provides the implementation of a State Program of incentives for employers in the IDPs employment. According to it,

the government is obliged to provide employers with compensation of labor costs for the employment of IDPs (not above the average wage in the certain region for the previous month). The duration of such compensation could be not more than 6 months, although in some cases it can reach 12 months. The employer is responsible for ensuring the employment of IDP for a period that is twice as high as compensation payment (for example, if compensation is paid for 3 months, the person must work for 6 months).

A registered unemployed displaced person is also entitled to compensation for the costs of moving to the area where he is going to work, and the cost of medical examination if necessary for employment. Also, all migrants have the right to receive a voucher "to maintain competitiveness" by retraining and upgrading qualifications in professions and specialties for priority economic activities. All types of compensations are supposed only for migrants who are employed through the State Employment Center.

However, in practice, this state program to encourage employers actually does not work and cases of its successful implementation are unknown. At the same time, some experts believe that such a program is not needed in principle and it will not help the migrants to find job. After all, employers are more interested to have qualified personnel that meet the requirements, then in government benefits.

In addition, the majority of unemployed migrants are not registered with the State Employment Service and do not receive information about employment opportunities for IDPS. Internal migrants believe that public service can only provide non-prestigious and underpaid job and also try to avoid the "stigma" of being unemployed.

Nevertheless, it would be incorrect to claim that the labor markets of the recipient regions are affected by the population displacement only in a negative way. It turns out that internal forced migration has a double impact on the employment. Due to the fact that many enterprises and organizations were evacuated from the ATO area to other regions of Ukraine, there was an increase in the number of jobs. That is, the absolute number of the employed population in the recipient regions has increased due to IDPs arrived, especially highly skilled workers. This promotes the dissemination of experience and the development of skills for local specialists. Besides, many migrants successfully set up some small businesses and begin to engage in entrepreneurship in new settlement places, which not only allows them to provide work for themselves, but also creates new jobs for others.

Moreover, IDPs are perceived in the places of their current residence as an additional resource for the development. The local communities see opening opportunities in connection with:

- social activity increase due to arriving activists;
- the opening of new businesses and a strong motivation to succeed:
- the introduction of more demanding requirements for the range and quality of goods and services;
- occupying work places that are not in demand by the local population, cheaper due to this production of goods, cheaper production of goods and services due to lower labor costs.

The labor market can't be adjusted only through market mechanisms and must be subject to obligatory government regulation. The management of the labor market in Ukraine is regulated by the Law "About Population Employment" [19]. The state policy of labor market regulation should take into account all the advantages and disadvantages of internal migration. Determining the impact of internal migration on the balance of regional labor markets in order to develop an appropriate employment policy is possible in four stages (Figure 5).

# 1st Stage

Evaluation of the migration characteristics in the regions and identification of the main sources of labor supply, including at the expense of migrants.



Assessment of the regional labor markets state and determining the migration impact on their functioning. Typology of regions on the basis of supply and demand balance degree in the labor market and the identification of areas with a positive and negative migration impact on the labor supply.



Determining the expected scope of labor supply through both internal and external migration, using forecasting methods.



Definition and clarification of the main ways to achieve a supply balance and demand in regional labor markets, based on a comparison of the results of previous stages.

Fig. 5: Steps to assess the impact of migration on regional labor markets

An effective public policy of IDPs employment should be aimed at matching the labor supply and demand in regional labor markets and include the following activities:

- Stimulating the demand for IDPs workforce (employment incentives)
- A) Creation of new workplaces. The government should initiate the creation of new jobs in the public sector or involve IDPs in temporary jobs and projects. It is necessary to create favorable conditions to attract investors, including foreign ones, in order to create enterprises whose economic activity corresponds to the professional structure of workers displaced from the ATO area (metallurgy, machine building, coal industry).
- B) Introduction of quotas for the employment of IDPs. The government may require the employer to have a small proportion of IDP workers (5%) in the state of the enterprise, and provide for a system of fines and compensations to promote this standards compliance. This approach is already used in Ukraine for the employment of disabled people and people of preretirement age.
- Improving the supply of IDPs workforce (rising the quality and competitiveness of the workforce)
  - A) Training of IDPs. An effective measure should be governmental funding of training, retraining, and upgrading programs for IDPs. Such training can be implemented on the basis of public employment centers involving educational institutions. This activity will bring the professional structure and quality of labor supply into line with the actual demand in the labor market.
  - B) Encouraging entrepreneurship. In-demand measure is the expanding of programs for learning the basics of running the own business. The development of small and medium-sized businesses and stimulation private sector development is a topical issue in Ukraine. Financ-

ing of the most promising business projects can be carried out through grants provided by national and major foreign donors.

Measures aimed at solving the problem of the IDPs employment, as the main condition for supporting their life in a new place, should be immediate but reasonable. Delaying active actions towards internal forced migrants can lead to a worsening of the situation in society as a whole, and in the labor market in particular. Successful regulation of labor markets in the recipient regions will result in decrease of social tensions between migrants and host communities, and further stabilization of the economic and social situation in Ukraine.

# 3. Conclusions

As a result of the severe military and political conflict, the number of internally displaced migrants in Ukraine reached more than 1.5 million people. Uncontrolled migration has led to the increase in the load on the labor markets of the main recipient regions. There is an uneven distribution of migrants across the country, a greater number of IDPs is recorded in the regions geographically close to the ATO area. The grouping of recipient regions by the number of IDPs and the analysis of the labor demand and supply within them led to the conclusion that internal migrants affect local labor markets by increasing unemployment. The highest growth in the unemployment rate is observed in the I group of the recipients (Donetsk and Lugansk regions).

Studies have shown that the internal forced displacement of the population has a mixed effect for the Ukrainian labor market. On the one hand, forced migration poses a load on the regional labor markets that are the main recipients, which destabilizes the national labor market and actualizes the problem of unemployment. On the other hand, internal forced migration has some positive effects and even leads to a slight employment increase, since some migrants move with their workplaces or create new jobs as private entrepreneurs.

The main reasons for the lack of IDPs employment are: discrimination, discrepancy of their profession and skills to the needs of the recipient regions, problems with housing in a new location and the general crisis in the country's economy. Measures aimed at regulating the labor markets of the recipient regions should be in matching labor supply and demand. The main ways to increase the demand for IDPs workforce are creating new jobs and introducing incentives for employers to hire IDPs Effective measures to improve the quality of labor supply are the implementation of training and retraining programs for IDPs and their encouraging to private business development.

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