

# COVID-19 IMPACT ON UKRAINIAN MIGRANTS: SITUATION OVERVIEW

Updated on 31 March 2020

Experts estimate that there are approximately 3 million Ukrainian migrant workers abroad at any given time, majority in Europe with Poland, Italy, the Czech Republic and, since recently, Baltic states being main destination countries among the EU Member States. The COVID-19 outbreak and consequent business closures and economic slowdown are likely to cause a surge in returning migrant workers to Ukraine posing a number of protection concerns and placing further weight on the far-reaching socioeconomic impact of the pandemic.

## PROTECTION CONCERNS



**DISCRIMINATION:** Social media monitoring confirms that migrants are frequently blamed for “bringing” COVID-19 to Ukraine. Placing Ukrainian evacuees from Wuhan for quarantine in Novi Sanzhary was a litmus test for Ukraine’s society that showed how a perceived threat to public health could rapidly escalate into violent outbreak in the community. In many countries, coronavirus brought out fears, stereotypes, and xenophobia, that in Ukraine are channeled toward the returning migrants who are commonly blamed for disease transmission.



**HEALTH:** It is also highly likely that COVID-19 will cause additional risks to migrant health. The majority of Ukrainian labour migrants are lower skilled migrant workers who often find themselves living in cramped and sub-standard housing where the risk of contagion is greater and the risk to other sicknesses (as well as to psychological strain) during a lockdown is more significant. Evidently, the very process of return migration may trigger health risks to migrant workers, if not well managed and organized. When the Government of Ukraine (GoU) announced it would close the border for all crossings by the end of the day of 27 March, it provoked panic and thousands of Ukrainians rushed from Poland to Ukraine which lead to crowds at the Border Crossing Point (BCP) and further exacerbated risks of virus spreading (see photo).



PHOTO: EPA-EFE/DAREK DELMANOWICZ



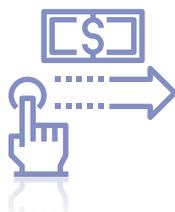
**EXPLOITATION:** In crisis situations such as the current pandemic, migrants are often at risk of increased vulnerability to exploitative practices, including trafficking. Ukrainian migrant workers are prone to the risks of exploitation as evidenced by the high numbers of Ukrainian victims of trafficking identified even prior to the pandemic outbreak. Every year, IOM Ukraine identifies and assists more than 1,000 victims of trafficking of Ukrainian origin who were exploited for forced labour, and this number is believed to be just the tip of the iceberg. The vulnerabilities and the risk of migrant worker abuse might further increase in times of crisis. Drawing parallels to the past crises and IOM experience in Ukraine demonstrate significant increase in vulnerabilities and consequent increase of identified number of victims of human trafficking following the financial crisis of 2008–2009, and more recently, following the beginning of the armed conflict and economic instability in Ukraine in 2014.

UNEMPLOYMENT:



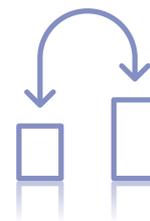
According to [ILO estimates](#) more than 25 million jobs could be lost around the world in the wake of the virus. Migrant workers are particularly vulnerable to the impact of the COVID-19 crisis with many Ukrainian workers in Poland, for example, working in sectors to be particularly hard hit by business closures, such as hotels, hospitality, and retail. The majority of an estimated 3 million Ukrainian migrant workers abroad are employed in low-skilled occupations and even small disruptions in income or increase in expenses could have a crippling effect on them and their families. Migrants engaged in informal employment will face even greater dangers of unemployment and exploitation. Facing the brunt of job cuts, some of Ukrainian migrants (experts estimate: 20–25%) will have to return home and look for new sources of income in conditions of equally or worse affected domestic economy. Due to COVID-19 impact, Ukraine's GDP will decline by 4 per cent at least, and by 9 per cent if quarantine measures last longer than three months, according to Dragon Capital .

REMITTANCES:



Remittances sent by migrant workers to Ukraine amounted to USD 12 bln (more than 10% of GDP) in 2019. Families of migrant workers rely on money sent home to provide for their immediate needs from food and lodging to education and healthcare. The current business slowdown and likely coming recession will negatively impact migrant workers' earnings and, consequently, remittances sent home to family members. Families and communities dependent on remittances will see a knock-on effect of lower spending and lower consumption, creating economic challenges in communities of origin. In mid-March 2020, the National Bank of Ukraine (NBU) forecasted possible decrease in remittances of up to 9 per cent if compared to 2019. However, based on data from previous crises the decrease may be more significant, for example, in 2014, the amount of remittances dropped by 24 per cent as a result of the conflict and security, political and economic challenges in Ukraine.

INCREASED INEQUALITY:



In Ukraine for more than ten years, IOM has been offering economic empowerment and enabling access to income-generating activities for vulnerable migrants (victims of trafficking and, since 2014, internally displaced persons) who with grant support open up and run micro-business in their communities of return or displacement. For many of over 10,000 IOM-supported households this is the only source of income and many will not be able to survive the economic slowdown having to close their businesses and returning to the situation of vulnerability. According to the in-house assessment conducted by IOM Ukraine among its beneficiaries (former victims of trafficking) in mid-March 2020, 60 per cent of beneficiaries (majority engaged in services provision) lost their source of income either because it falls under quarantine restrictions or because the clients are unable to pay for services/products. As concerns Ukrainian migrant workers, majority of Ukrainian migrants abroad are employed in the spheres that would not allow them to work remotely during the lockdown and, furthermore, when the business re-opens it is likely that governments in the countries of destination will prefer hiring their own citizens . Finding a source of income upon return to Ukraine will be especially complicated for labour migrants whose skills are not necessarily matching the demand of the domestic labour market.

**“ One third of citizens of Ukraine who live and work in Poland lost or significantly limited the work due to restrictions imposed because of COVID-19 pandemic.”**

*Results of the IRCenter survey, March 2020*



Dmytro and his wife Tetiana worked abroad to save money for the childcare centre that they wanted to open in their hometown Irpen, Ukraine. In 2019, they took part in the IOM 1+1 funds matching initiative for Ukrainian migrants willing to return and invest in a small business at home. Having successfully completed IOM business training, Dmytro and Tetiana opened a childcare centre that saw immediate success as it was located in a rapidly growing residential area. Dmytro's mother came back from Moscow, where she worked as a nanny, to join the family business. Things have changed dramatically in March 2020, when they had to close the child centre to combat COVID-19 spread. “We have relocated all the furniture that we have purchased with the help of IOM to a storage and have to wait until things settle down,” Dmytro says. The whole family is currently unemployed. “We hope that the savings we accumulated will suffice for at least two months. Like many thousand entrepreneurs I'm hoping only for the better with strong determination to renew my business once the world gets back to the normality that used to be taken for granted by all of us,” says Dmytro.

## RAPID ASSESSMENT OF IMPLICATIONS FOR UKRAINIAN MIGRANT WORKERS IN COUNTRIES OF DESTINATIONS

Poland and the Baltic countries have seen significant increases in inward labour migration over the past few years, especially increase of migrant workers coming from the Ukraine. Slowdown or closure of numerous businesses in the short term and the likelihood of an economic downturn in the near future, may have a significant impact on the migrant population in terms of job losses, potential for exploitation, and large-scale returns. According to the information collected through IOM Offices in Poland, Latvia, Lithuania and Estonia, the Governments in the destination countries are taking measures to protect the population, including regular migrant workers, from COVID-19 impact. While emergency medical assistance is made available to all, the economic packages including increased unemployment insurance, in most cases, is offered only to migrants employed officially and paying taxes. Even in the early days of quarantine, migrants already started losing jobs and could not afford to pay rent.



### IMMEDIATE IMPACT ON THIS LABOUR MIGRATION CORRIDOR: (collected through IOM Offices in countries of destination)

#### POLAND:



The Government will most probably pass new legislation – “**anti-crisis shield**” this week. It includes some points regarding migrant workers. IOM Warsaw runs a hotline for both migrants and employers and in fact, many people are losing their jobs, are unable to get back home (Poland closed its borders), losing places to live. Those who face problems with housing are directed to shelters for people experiencing homelessness.

#### ESTONIA:



Estonia declared state of emergency on 12 March 2020. Those aliens whose temporary stay in Estonia (either visa-free or based on the visa) ends during the emergency situation and who do not have the possibility to return to their country of residence, will have the legal basis for staying in Estonia without having to apply for extension, however would have to leave the country within 10 days after the end of the state of emergency. Similarly, all other proceedings related to extending stay are suspended until the termination of the state emergency. Applications for short-term employment of foreigners who are legally in Estonia are processed. **Many economic sectors are facing job cuts and many migrant workers are vulnerable to this, there is a likelihood that options for restoring their employment in Estonia remain rather limited.** Many migrant workers are likely to face lack of resources to support their stay while stranded and unemployment.

#### LITHUANIA:



The most affected sectors of COVID-19 in Lithuania are tourism and transport. Some long-distance transportation companies claim they have lost up to 90 per cent of their orders. Keeping in mind that the majority of Ukrainians in Lithuania work in the construction and transport (long-haul truck drivers) sectors, the current situation is affecting them significantly. **Foreigners, whose period of legal residence in Lithuania expired during the declared quarantine and who were unable to depart from the Republic of Lithuania in due time through no fault of their own, will not be subject to the return decisions, as well as administrative liability for irregular stay.** Due to quarantine, majority of both public and private sectors provide only online services. However, not all foreigners have Lithuanian e-banking or electronic signature, therefore they are not able to profit from those services.

#### LATVIA:



The situation is similar to Lithuania and Estonia. The employers in Latvia, whose employees have been affected by COVID-19, can submit the list of their workers for **down-time support**. This support which is 75 per cent of the salary and should not exceed EUR 700 monthly, will be immediately provided to the workers by the Latvian tax agency. **This applies to workers employed officially and paying full taxes.** So some of affected migrants will be able to receive some support immediately. But it is up to employer to declare their staff as downtime subjects, they can also put them on hold, they can ask migrants to go for unpaid leave and they also can cancel their contracts.

### GOOD PRACTICE

To reduce the risks of public health during the COVID-19 outbreak, the Council of Ministers of [Portugal](#) guaranteed the rights of migrants, granting them full access to the country's healthcare. Citizens of Ukraine are the third most numerous group of migrants in Portugal.

Vulnerabilities of Ukrainian migrants should be further examined and factor in specifics of migrants' profile (age, gender, employment sector and other characteristics) in different countries of destination. For example, **80 per cent of Ukrainian migrants in Italy are women and 27 per cent of them belong to 60+ age group**, while majority of Ukrainian migrants in Poland are men (62%) and 72 per cent of them are between 20 and 44 years old (Eurostat data). Regular information exchange with countries of destinations, improved data collection and new tools for communication with migrants shall be employed to inform respective response measures designed in Ukraine and support evidence-based programming tailored to the specific needs of migrants and communities

<sup>1</sup> <https://www.kyivpost.com/business/covid-19-already-inflicting-harm-on-ukraine-economy.html>

<sup>2</sup> The assessment covered 306 former victims of trafficking (104 women and 202 men), which represents 59 per cent of the total number of victims of trafficking assisted by IOM Ukraine assisted in December 2019 – March 2020.

<sup>3</sup> <https://www.csis.org/analysis/five-ways-covid-19-changing-global-migration>

## PROPOSED RESPONSE

IOM Ukraine is actively seeking additional financial support from donor partners to support GoU in addressing immediate risks posed by COVID-19, mitigate its short to medium-term effects, as well as to counter long-lasting impact caused by the outbreak and consequent economy slowdown.

Suggested response measures build on more than 20 years of IOM experience in Ukraine and excellent working relations with state and civil society partners on national, sub-national and local levels, leveraging existing capacities and expertise of IOM and its implementing partners present in each oblast (administrative unit) of Ukraine.



### MIGRANTS

■ Returning migrants and their families are particularly vulnerable to the effects of crisis. Moreover, Ukraine still copes with a large-scale displacement, and for IDPs living in rented premises, loss of source of income may mean also loss of place to live.



#### Recovery Measures:

- ▶ Providing immediate support for returning migrants with specific needs and vulnerabilities.
- ▶ Programmes to leverage migrants' savings to be used in productive ways upon return (including matching grant programmes)
- ▶ Financial assistance to most vulnerable households (especially elderly).
- ▶ Labour market assessment and job-matching services (referrals, trainings, re-qualification) targeted at the returning migrants and their communities.
- ▶ Seed funding to enable sustainable income generating activities, with a focus on youth and women.



### MICRO-, SMALL- AND MEDIUM-SIZED ENTERPRISES

■ The economic downturn can be even more challenging for micro- and small businesses leading to significant slowdown or even closure. IOM has previously supported thousands of micro-entrepreneurs among former victims of trafficking, returning migrant workers, IDPs and conflict-affected population, for whom the COVID-19 outbreak might result in loss of sources of income.



#### Recovery Measures:

- ▶ Disaster assistance/Stimulus packages for previously supported micro-businesses.
- ▶ Opening financing access to micro-, small- and medium-sized businesses.
- ▶ Support to local businesses to develop teleworking capacities and/or to reorganize their activities, to keep working places, to create new job opportunities and to provide new services such as delivery and transportation.



### LOCAL COMMUNITIES

■ Tax exemption on land and rental levy on community property introduced<sup>1</sup> by GoU to support local businesses might potentially decrease tax revenues to the local budgets by up to 80 per cent. Local development will also be hampered as investment budget of the State Regional Development Fund is planned to be redirected to fight COVID-19.



#### Recovery Measures:

- ▶ Small-scale funding for infrastructure projects that will generate new jobs, including for returning skilled labour<sup>2</sup>.
- ▶ Support of initiatives that create jobs and have social effect in the community.

Additional support measures will build resilience of the individuals most exposed to the economic impact of the crisis, allow businesses and communities to weather the downturn, prevent layoffs and make possible creation of new local jobs.



## MEDIA MONITORING

- **From 500,000 to 700,000 people in Ukraine lost their jobs** since quarantine (27 March, [Ukraine's Chamber of Commerce and Industry](#))
- Quarantine restrictions impact estimated **up to 700,000 entrepreneurs and small businesses** in the service sector, educational institutions that **employ up to 4 million people** and had to stop their activities (20 March, [Ukraine's Chamber of Commerce](#)).
- The Polish Association of Construction Employers: **20 per cent of the construction industry's Ukrainian workers** already went home (26 March, Bloomberg)
- **Majority of Ukrainians (57%) will not be able to survive unpaid quarantine for more than 4 weeks.** Nearly 7 per cent have money to survive for just a few days, 12.1 per cent for one week, 16.8 per cent for two weeks, 5.7 per cent for three weeks, 15.5 per cent for four weeks. Only 4.3 per cent have funds to survive for more than half a year (22 March, [Survey Conducted by Gradus](#))
- Survey of the European Business Association (EBA) in Ukraine: Almost half of the companies (**48%**) have already incurred **between 20 and 50 per cent of revenue losses**. Another **16 per cent** decided to change staff salaries, and **14 per cent** decided to cut staff. Based on the survey results, the business response to the introduction of 30-day quarantine, will be as follows: **23 per cent plan to reduce staff salaries, 17 per cent plan to reduce staff**, another 6 per cent plan to partially close the business, 23 per cent do not plan any reduction or downsizing, and 31 per cent will search for new niches to develop their business (25 March, [EBA](#))
- The volume of remittances to Ukraine by the end of 2020 could **decrease by USD 0.5-1 billion** from USD 12 billion due to the spread of coronavirus in the world (16 March, [the National Bank of Ukraine](#))
- Once those **migrant workers** [working in the EU Member States] **return**, and unless the EU's foreign labour market is quickly restored to a level of normalcy, the potential influx of hundreds of thousands of people will create **a major strain on Ukraine's already fragile economy**. The potential for major social unrest will grow exponentially once mass unemployment becomes a reality. (26 March, [New Europe](#))

<sup>1</sup> Budget-forming revenues for small towns and amalgamated communities according to Vitalii Klytchko, Mayor of Kyiv city and head of the Association of the town of Ukraine

<sup>2</sup> Large share of Ukrainian labour migrants abroad is employed in construction sector