

THE IMPACT OF LABOUR MIGRATION OF UKRAINIANS ON THE ECONOMIES OF EUROPEAN UNION COUNTRIES

Lisova Valeriya

*Bachelor student in International Economic Relations,
V.N. Karazin Kharkiv National University*

In today's world, labour migration is one of the key socio-economic processes in the countries of the European Union. This issue has become particularly relevant since the start of the war in Ukraine, which triggered a wave of migration of the Ukrainian population to EU countries. The Ukrainian diaspora has become an important part of the European labour market, helping to address labour shortages in many sectors of the economy. To put this into perspective, in 2024 there were 29 million non-EU citizens living in the EU – 6.4% of the total population, up from 21 million (5%) in 2019. At the same time, public perception of migration is often far from reality. According to a 2022 Eurobarometer survey, 68% of Europeans overestimated the share of migrants in their country, believing it to be around 16%, while the actual figure was less than 7% [1]. This gap between perception and reality makes it harder to have an honest public debate about migration policy.

Migration is driven by interrelated factors. The main factor has been the war, which has led to the destruction of industrial infrastructure and the mass displacement of people. According to UNHCR and IOM data, at one point there were over 10 million internal and external migrants from Ukraine – the largest displacement in post-World War II Europe, in a country with a population of approximately 41.1 million as of end-2021. The immediate impact on the labour market was enormous: surveys from early March 2022 showed that 75% of small businesses had stopped working, and people began fleeing endangered regions en masse. The main consequence was not a sharp rise in unemployment, but a record shrinkage of the labour force – most people who lost their jobs simply stopped looking for new ones, primarily due to security concerns. The National Bank of Ukraine estimated the unemployment rate at around 21% in 2022, compared to 9.8% before the invasion. Moreover, unemployment became largely structural: production assets were destroyed or occupied, and people relocated to places where their skills were not needed [3]. The wage gap is also considered significant – the average wage in Ukraine in 2024 reached €457, which is 3–10 times less than in European Union countries, encouraging further emigration and, in the future, hindering the return of the population to Ukraine [2]. Ukraine's economy contracted by almost 30% in 2022 and recovered by only 3.5% in 2023 – a modest result that largely

depended on external support and was not enough to motivate emigrants to return [11].

But above all, Ukrainian migrants make a significant contribution to the economies of European Union countries. First and foremost, they have addressed labour shortages. According to the IMF, around two-thirds of jobs between 2019 and 2023 were filled by non-EU citizens [4]. Moreover, their arrival came at exactly the right time for the EU: in 2024, the European Commission identified 42 occupations with persistent worker shortages, including construction, transport, agriculture, healthcare and hospitality [1]. In 2023, over 3.9 million non-EU citizens obtained the right to reside and work in the EU [1], with Ukrainians being the largest group among EECA nationals with valid work permits [11]. Poland is the most telling example: a study by UNHCR and Deloitte showed that in 2024, Ukrainian refugees' contribution to Poland's economy amounted to 2.7% of GDP, whilst it is forecast that their impact will continue to positively influence economic development and will exceed the costs of support [5]. A similar picture is observed across the board: in the Czech Republic, the Ministry of Social Affairs reported that Ukrainian refugees contribute more to public budgets than they receive as support [1]. Employment rates among Ukrainians varied widely — from 78% in Denmark and around two-thirds in Poland and Czechia, to just 17–27% in Germany, Switzerland and Austria. Still, even countries with lower employment figures noted that Ukrainians found jobs faster than previous refugee groups [11].

Alongside the economic benefits, there are challenges; first and foremost, EU countries have faced various types of problems. The main ones have been: a housing shortage, overcrowded schools and nurseries, and difficulties with the healthcare system. Many Ukrainians face difficulties due to the language barrier, the complexity of having their qualifications recognised and unstable employment [6]. A clear example is the healthcare sector: despite a serious shortage of medical workers in the EU, only 7% of Ukrainian refugees with healthcare qualifications – around 50,000 people – were actually working in this field, because their diplomas were not recognised. More broadly, after three years in the EU, many Ukrainian women – who make up the majority of refugees – are still working in low-paid jobs in hospitality or agriculture, far below their actual level of education [11]. Another significant problem is the need for psychological support due to the consequences of the war and stress. A 2025 UNHCR report covering ten countries found that 23% of Ukrainian refugees reported mental health problems affecting their daily lives – up from 19% in 2023 – and 36% of households had at least one affected member. Women over 35 and people with chronic illnesses were the most vulnerable groups. Despite this, fewer than half of those affected – just 46% – sought help, mainly due to stigma, lack of awareness and language barriers. Healthcare access was also a challenge: 83% of those who needed medical care were able to get it, slightly less than 88% in 2023, and health costs consumed an average

of 8% of household budgets – and up to 15% for families with a disabled member [7]. All this places an additional financial and social burden on EU countries and requires a long-term policy for the integration of Ukrainian refugees.

Is the situation not looking good for Ukraine, according to the IOM – International Organization for Migration? Due to the full-scale war, Ukraine has lost a significant portion of its working-age population. This has exacerbated the labour shortage in the country; in 2023, 44% of Ukrainian enterprises reported a shortage of workers due to mobilisation, and 24% due to population migration [8]. By September 2023, around 3.7 million people remained internally displaced within Ukraine, and more than two-thirds of them had already been displaced for over a year [3]. In total, according to UNHCR, 6.3 million Ukrainians were living as refugees worldwide – 5.9 million in Europe and around 4.3 million in EU countries, with Poland hosting 1,640,510 and Germany 1,028,940 [11]. At the same time, remittances from migrants are an important economic stabiliser. The European Commission emphasises: *“The main benefit for the Ukrainian economy is linked to an inflow of remittances equivalent to 8% of GDP. Remittances significantly improve the welfare of migrants’ families and stimulate domestic demand, pushing up the GDP in the country and playing a counter-cyclical role”* – European Commission [9].

According to data from CEPR/VoxEU – How Ukrainian Migrants Affect the Economies of European Countries, Ukrainian migrants have a positive impact on the economies of European Union countries. According to IMF estimates, their contribution will be positive in the long term, as they are actively integrating into the European labour market, paying taxes and helping to address the labour shortage. This is very important for the EU, as it is currently facing an ageing population and a shortage of workers [10]. An important step in this direction was the extension of temporary protection for Ukrainian refugees until March 2027, giving both migrants and host countries more time to plan ahead. It is also worth noting that integration is seen as a shared responsibility: 70% of Europeans agree that both migrants and host societies must work together for it to succeed, and learning the local language is considered the most important step [1]. However, according to the ICMPD, the EU must determine the future status of Ukrainian refugees once temporary protection ends. What happens next will depend not only on the situation in Ukraine, but also on how well Ukrainians have integrated and how comfortable their lives in host countries have become. A practical solution being discussed is a dual approach – supporting Ukrainians in building lives in host countries while keeping open the possibility of return when conditions allow.

The main challenge at present is to effectively coordinate the migration policies of both sides in order to turn the migration challenge into a shared opportunity for development. This means investing in language programmes,

qualification recognition, mental health support and legal clarity – so that Ukrainian refugees can contribute fully to European economies today, and help rebuild Ukraine tomorrow [11].

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