



# Remittances and Development II (Ukrainian labour migrants in Czechia)

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**EMN letný vzdelávací seminár  
„Migrácia globálne a lokálne“  
20.-23. augusta 2012  
Hotel Sorea Regia, Kráľovské údolie 6, Bratislava**





**Supported by:**

The Czech National Grant Agency

Project: Migration and development –  
economic and social impacts of migration  
on the Czech Republic and Ukraine (with  
a focus on the analysis of remittances -  
No. P404/10/0581)



## **Members of GEOMIGRACE research team involved in the project:**

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**Based on:**

**Longitudinal survey (diaries) in Czechia in 2011**

# My house, my castle



# Ready for reconstruction



# Potatoes – to sell and to eat





# The Czech Republic/Czechia and Ukraine

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# EVROPA

# EUROPE





# Structure

- 1) Introduction
- 2) Ukraine and Czechia (background)
- 3) Methodology and methods used
- 4) Expenditures/incomes behavioral analyses of diaries - the case of 10 respondents -



# Main objective of the project

- To shed light on remittances and „life style“ of Ukrainian migrants (labour force) who stay and work in the Czech Republic, while making use of a duality of migratory process (research done both in Ukraine and Czechia) ...

# Ukraine (and Zakarpathian region)

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- Population – **Ukraine**: 46 mil., area 604,000 km<sup>2</sup> (Zakarpathian region: 1.3 mil., 13, 000 km<sup>2</sup>)

versus **Czechia**:

- Population: 10.5 mil., area 79,000 km<sup>2</sup>

# Background

In developed countries as „poor“ are considered those who have less than 14 USD per day. There are almost 80 % of such people in Ukraine.

## ■ **Ukraine**

■ GDP: **6,318 USD** per capita (PPP) (2009)

■ HDI: 76 (rank) 0.729

■ The average gross income – 275 USD (2010), Zakarpathian region – 226 USD

## ■ **Czechia**

■ GDP: **25,581 USD** per capita (PPP) (2009)

■ HDI: 27 (rank) 0.865

■ The average gross income – 1,370 USD (2011)

Between one and two thirds of Ukrainian labour migrants are living abroad without residence and working permits (ETF, 2009b). (Duvell, Ukrainian Statistical Office 2007)



## Target: Ukraine and its Zakarpathian region

According to estimates (Gaydutskiy), the yearly amount of **remittances** from Ukrainian labour migrants equals to **22.8 billion USD** (exchange rate of 2007).

This estimate is based on the following assumptions:

- total number of international labour migrants is **4.9 million persons**
- all migrants work abroad throughout a year;
- share of monetary remittances in total income of Ukrainian migrants is estimated based on the relevant data of those from developing countries.

Monetary remittances are important source of well-being of migrants' families;

Estimates for Ukraine indicate an inflow of remittances equal to 7-11% of GDP (Astrov et al. 2010).

**Perhaps 250,000 Ukrainians in Czechia (Duvell 2008) ...**



# Background

**The Czech Republic is currently a transit and immigration country:**

Immigration in 2010 – <b>30,515</b>	effect of the current crisis --	(in 2007 – 104,445)
Emigration in 2010 – <b>14,867</b>	effect of the current crisis --	(in 2007 – 20,500)

As of June 30, 2011 – **417,000** foreigners officially registered in the country ...  
(citizens of the EU, EEA and Switzerland – 156,000; third-country citizens – 261,000)

**309,000** (74%) – involved in economic activities (employees or entrepreneurs)

The most numerous immigrant groups: **Ukrainians 114,000; Slovaks 79,000; Vietnames 58,000; Russians 30,000; Poles 19,000; Germans 15,000** (Horáková 2011)

Newly - attention devoted to immigration and immigrants' integration issues in Czechia – not so much known about immigrants' impact upon the economy (lack of in-depth respective analyses)





# Methods - longitudinal (diary) survey of 20 (10+10) labour migrants from Ukraine

Divided into two groups of 10 people (surveyed: a) February-July, 2011 b) August-January 2011/2012).

Ukrainian migrants (employed in construction, industry and services) were selected via Ukrainian mediator and using a “snowball sampling” method.

Only those: 1) legally residing (with residence and work permit or trade license), 2) staying in Prague or Central Bohemia, 3) with families in the Zakarpathian region (for the simplicity of research, this is perceived as the broadly defined area Uzhgorod, Chust and Rachiv) and 4) willing and able to cooperate with the research team for the next 6 months were selected .

Migrants kept the diary inputting the detailed daily records on incomes, expenditures and remittances for the period of 6 months.

Members of the research team collected the data from respondents weekly. Respondents were continuously rewarded for keeping the diaries upon presenting the complete records (total monthly payments represented 1,500 CZK – about 90 USD).



# Methods - longitudinal (diary) survey of 20 (10+10) labour migrants from Ukraine

## Problems of the diary method:

- Little experience of applying this method to migration issues
- Developing mutual trust between respondents and researchers is not easy
- Impossibility to check whether the data really represent reality
- Respondents may and do leave the country for some time. Respondents may lose their job and therefore may decide to migrate or return
- Respondents, for various reasons, may lose interest to be involved in the given survey
- It is necessary to cover/survey a „unit“ (an individual or a couple) within which the household is maintained

# Individual migrants and migrants' couples, income – per month in USD (February-July 2011, Prague)

	<b>Taras I 22 weeks</b>	<b>Halina 22 weeks</b>	<b>Vasil II 23 weeks</b>	<b>Gabriela 17 weeks</b>	<b>Michal II 24 weeks</b>	<b>Michal I 8 weeks</b>
<b>Gross Income</b>	33.8	188.2	0.0	0.0	853.0	2,622.1
<b>Net Income</b>	1,294.3	821.4	0.0	920.7	188.0	282.0
<b>Unofficial/unregistered income</b>	3.2	23.3	1473.2	4.1	20.3	0.0
<b>Income - Total</b>	<b>1,331.3</b>	<b>1,032.9</b>	<b>1,473.2</b>	<b>924.8</b>	<b>1,061.3</b>	<b>2,904.1</b>

# Individual migrants and migrants' couples, income – per month in USD (February-July 2011, Prague)

	<b>Tereza/Taras 23 weeks</b>	<b>Vasil I/Svetlana 23 weeks</b>	<b>Oksana/Vladimir 11 weeks</b>
<b>Gross Income</b>	0.0	0.0	0.0
<b>Net Income</b>	1,062.7	0.0	528.5
<b>Unofficial/unregistered income</b>	25.3	2,475.1	2,461.9
<b>Income - Total</b>	<b>1,088.0</b>	<b>2,475.1</b>	<b>2,990.4</b>

- Both official and unofficial incomes important.
- Official income paid regularly (once a week or a month) x unofficial income usually paid for a one day shift ...
- Employees/temporary workers – get net income, entrepreneurs – get gross income.
- Generally, income per month higher than it is reported for Ukrainians by Czech statistics: it was 14,371 CZK (836 USD) in the first half of 2011 (for Ukrainian employess).

# Individual migrants and their incomes and expenditures (and their structure), in USD, in %

	<b>Taras I 22 weeks</b>	<b>Halina 22 weeks</b>	<b>Vasil II 23 weeks</b>	<b>Gabriela 17 weeks</b>	<b>Michal II 24 weeks</b>	<b>Michal I 8 weeks</b>
<b>Overall income</b>	<b>7,322</b>	<b>5,680</b>	<b>8,474</b>	<b>3,930</b>	<b>6,368</b>	<b>5,808</b>
<b>Overall expenditure</b>	<b>4,960</b>	<b>5,703</b>	<b>9,677</b>	<b>4,333</b>	<b>4,361</b>	<b>6,374</b>
<b>Net income</b>	<b>2,362</b>	<b>-23</b>	<b>-1206</b>	<b>-403</b>	<b>2007</b>	<b>-566</b>
<b>Expenditures (%)</b>						
<b>Basic needs</b>	<b>12</b>	<b>26</b>	<b>49</b>	<b>57</b>	<b>54</b>	<b>38</b>
<b>Recreation and culture</b>	<b>18</b>	<b>1</b>	<b>3</b>	<b>7</b>	<b>15</b>	<b>3</b>
<b>Personal care, insurance and financial services</b>	<b>22</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>3</b>	<b>0</b>
<b>Remittances</b>	<b>48</b>	<b>73</b>	<b>46</b>	<b>43</b>	<b>28</b>	<b>59</b>

# Couples and their incomes and expenditures (and their structure), in USD, in %

	<b>Tereza/Taras 23 weeks</b>	<b>Vasil I/Svetlana 23 weeks</b>	<b>Oksana/Vladimir 11 weeks</b>
<b>Overall income</b>	<b>6,256</b>	<b>14,232</b>	<b>8,224</b>
<b>Overall expenditure</b>	<b>4,165</b>	<b>18,922</b>	<b>7,448</b>
<b>Net income</b>	<b>2,091</b>	<b>-4,690</b>	<b>776</b>
<b>Expenditures (%)</b>			
<b>Basic needs</b>	<b>68</b>	<b>43</b>	<b>77</b>
<b>Recreation and culture</b>	<b>3</b>	<b>6</b>	<b>7</b>
<b>Personal care, insurance and financial services</b>	<b>2</b>	<b>2</b>	<b>12</b>
<b>Remittances</b>	<b>27</b>	<b>49</b>	<b>4</b>

# Conclusions

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- Net income – both positive and negative ... when negative, savings were spent (the extreme case – Vasil I/Svetlana).
- Generally, expenditures related to recreation and culture and personal needs and insurance and financial services are very small. Basic needs and remittances represent the most important items among expenditures.
- Obviously, remitters save as much as possible, pay only what is really necessary. Hence, their integration into Czech society is rather limited.

# Individual migrants, remittances - in USD, in %

Migrant/surveyed for x months	Taras I 22 weeks	Halina 22 weeks	Vasil II 23 weeks	Gabriela 17 weeks	Michal II 24 weeks	Michal I 8 weeks
Financial – in absolute terms	2,400	4,000	3,143	1,860	1,200	3,700
Financial – in relative terms (per month)	436	727	547	438	200	1,850
Currency	USD	USD, EUR	USD, EUR	USD	USD	USD
Frequency	6 times	3 times	12 times	5 times	2 times	2 times
In-kind	-	122	1,279		6	87
Products		Shoes, food, washing powder	Food, clothes and other gifts	-		Shoes, toys
Share of the financial remittances on the overall income (in %)	33	70	37	47	19	64



# Couples, remittances - in USD, in %

	<b>Tereza/Taras</b> 23 weeks	<b>Vasil I/Svetlana</b> 23 weeks	<b>Oksana/Vladimir</b> 11 weeks
<b>Financial – in absolute terms</b>	<b>1,009</b>	<b>5,903</b>	<b>29</b>
<b>Financial – in relative terms (per month)</b>	<b>175</b>	<b>1,027</b>	<b>11</b>
<b>Currency</b>	<b>USD, CZK</b>	<b>EUR, USD</b>	<b>USD</b>
<b>Frequency</b>	<b>7 times</b>	<b>24 times</b>	<b>once</b>
<b>In-kind</b>	<b>128</b>	<b>3401</b>	<b>259</b>
<b>Products</b>		<b>Food, clothes and electronics</b>	
<b>Share of the financial remittances on the overall income (in %)</b>	<b>16</b>	<b>41</b>	<b>0.4</b>

# Conclusions

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- The „model/regime“ through which remittances are sent to Ukraine has been very stable over the surveyed time (no robust changes).
- The amount of money sent from Czechia to Ukraine is high – also in a comparative international perspective.
- It seems, logically, and in harmony with experience of other countries/world regions that individual migrants remit more money than those who stay abroad as a couple or a family with children.
- The money remitted is represented by USD and EUR while often a remitter decides between these two currencies according to the exchange rate in a given moment.

# Conclusions

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Frequency of remiting varies – some remit regularly every several weeks while remiting smaller amounts of money, others remit rather rarely.

- Remittances go only to family members (minimal amount sometimes represents donations for church). Remitters take always money with them when going to visit their families in Ukraine, otherwise money are sent via friends or acquaintances. Surprisingly, banks were not used for remiting money at all.

- In-kind remittances do not represent (with one exception) an important part of the overall remittances. Mostly food, clothes, toys for children and some specific products which are much cheaper in Czechia than in Ukraine (like washing powder) are sent.

# Individual migrants, expenses (basic needs) – per month in USD

	<b>Taras I 22 weeks</b>	<b>Halina 22 weeks</b>	<b>Vasil II 23 weeks</b>	<b>Gabriela 17 weeks</b>	<b>Michal II 24 weeks</b>	<b>Michal I 8 weeks</b>
<b>Food and non-alcoholic beverages</b>	<b>247.9</b>	<b>303.9</b>	<b>169.8</b>	<b>179.4</b>	<b>132.8</b>	<b>143.8</b>
<b>Alcoholic beverages, tobacco</b>	<b>107.2</b>	<b>28.3</b>	<b>128.9</b>	<b>106.1</b>	<b>124.4</b>	<b>183.8</b>
<b>Clothing and footwear</b>	<b>20.0</b>	<b>47.2</b>	<b>162.3</b>	<b>58.8</b>	<b>56.2</b>	<b>112.6</b>
<b>Housing: rent, water, electricity, gas, other fuels, tools for repairing</b>	<b>0.0</b>	<b>190.3</b>	<b>266.4</b>	<b>105.7</b>	<b>0.6</b>	<b>568.1</b>
<b>Furnishings, household equipment</b>	<b>43.0</b>	<b>1.3</b>	<b>1.5</b>	<b>0.0</b>	<b>1.3</b>	<b>4.0</b>
<b>Health</b>		<b>0.5</b>	<b>1.5</b>	<b>8.8</b>	<b>0.0</b>	<b>5.7</b>
<b>Transport</b>	<b>13.6</b>	<b>23.0</b>	<b>38.3</b>	<b>37.6</b>	<b>34.2</b>	<b>29.4</b>
<b>Communication</b>	<b>31.7</b>	<b>7.4</b>	<b>57.6</b>	<b>11.9</b>	<b>44.6</b>	<b>140.6</b>
<b>Total</b>	<b>463.4</b>	<b>601.9</b>	<b>826.3</b>	<b>508.3</b>	<b>394.1</b>	<b>1,188</b>

# Couples, expenses (basic needs) – per month in USD

	<b>Tereza/Taras 23 weeks</b>	<b>Vasil I/Svetlana 23 weeks</b>	<b>Oksana/Vladimir 11 weeks</b>
<b>Food and non-alcoholic beverages</b>	<b>177.3</b>	<b>330.2</b>	<b>592.4</b>
<b>Alcoholic beverages, tobacco</b>	<b>170.2</b>	<b>181.3</b>	<b>27.3</b>
<b>Clothing and footwear</b>	<b>15.4</b>	<b>142.7</b>	<b>294.9</b>
<b>Housing: rent, water, electricity, gas, other fuels, tools for repairing</b>	<b>313.4</b>	<b>411.0</b>	<b>549.4</b>
<b>Furnishings, household equipment</b>	<b>27.3</b>	<b>45.5</b>	<b>9.4</b>
<b>Health</b>	<b>0.0</b>	<b>11.8</b>	<b>0.8</b>
<b>Transport</b>	<b>73.8</b>	<b>52.7</b>	<b>412.0</b>
<b>Communication</b>	<b>59.4</b>	<b>229.7</b>	<b>210.6</b>
<b>Total</b>	<b>836.8</b>	<b>1,404.9</b>	<b>2,096.8</b>

# Conclusions

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- Expenditures closely tied to food and housing are the most important. On the other hand, health and furnishing and household equipment areas are almost ignored in migrants' expenditure strategies.

# Individual migrants, expenses (recreation and culture) – per month in USD

	<b>Taras I</b> 22 weeks	<b>Halina</b> 22 weeks	<b>Vasil II</b> 23 weeks	<b>Gabriela</b> 17 weeks	<b>Michal II</b> 24 weeks	<b>Michal I</b> 8 weeks
<b>Holiday with a travel agency, sport equipment, pets, games, toys</b>	<b>0.0</b>	<b>3.8</b>	<b>0.0</b>	<b>56.1</b>	<b>24.2</b>	<b>40.6</b>
<b>Photographic and information processing equipment (camera, PC, TV)</b>	<b>8.3</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>23.3</b>
<b>Church donation, sport, cultural events, lottery, casino</b>	<b>0.0</b>	<b>3.2</b>	<b>0.0</b>	<b>0.0</b>	<b>63.0</b>	<b>0.0</b>
<b>Newspapers, books</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.5</b>	<b>0.0</b>	<b>0.0</b>
<b>Education</b>	<b>0.0</b>	<b>4.6</b>	<b>5.6</b>	<b>2.7</b>	<b>0.9</b>	<b>0.0</b>
<b>Eating and lodging (restaurants, hotels ...)</b>	<b>154.2</b>	<b>1.8</b>	<b>48.8</b>	<b>14.0</b>	<b>20.4</b>	<b>31.3</b>
<b>Total</b>	<b>162.5</b>	<b>13.4</b>	<b>54.4</b>	<b>73.3</b>	<b>108.5</b>	<b>95.2</b>

# Couples, expenses (recreation and culture) – per month in USD

	<b>Tereza/Taras 23 weeks</b>	<b>Vasil I/Svetlana 23 weeks</b>	<b>Oksana/Vladimir 11 weeks</b>
<b>Holiday with a travel agency, sport equipment, pets, games, toys</b>	<b>0.0</b>	<b>51.4</b>	<b>93.2</b>
<b>Photographic and information processing equipment (camera, PC, TV)</b>	<b>0.0</b>	<b>5.1</b>	<b>4.2</b>
<b>Church donation, sport, cultural events, lottery, casino</b>	<b>22.0</b>	<b>1.0</b>	<b>13.7</b>
<b>Newspapers, books</b>	<b>2.1</b>	<b>10.8</b>	<b>0.0</b>
<b>Education</b>	<b>0.0</b>	<b>2.0</b>	<b>25.4</b>
<b>Eating and lodging (restaurants, hotels ...)</b>	<b>0.0</b>	<b>113.2</b>	<b>47.2</b>
<b>Total</b>	<b>24.1</b>	<b>183.5</b>	<b>183.7</b>



# Individual migrants, expenses (personal care, insurance and financial services) – per month in USD

	<b>Taras I 22 weeks</b>	<b>Halina 22 weeks</b>	<b>Vasil II 23 weeks</b>	<b>Gabriela 17 weeks</b>	<b>Michal II 24 weeks</b>	<b>Michal I 8 weeks</b>
<b>Personal care</b>	<b>16.0</b>	<b>4.5</b>	<b>33.2</b>	<b>0.0</b>	<b>23.3</b>	<b>10.3</b>
<b>Insurance and financial services</b>	<b>178.5</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Total</b>	<b>194.5</b>	<b>4.5</b>	<b>33.2</b>	<b>0.0</b>	<b>23.3</b>	<b>10.3</b>

# Couples, expenses (personal care, insurance and financial services) – per month in USD

	<b>Tereza/Taras 23 weeks</b>	<b>Vasil I/Svetlana 23 weeks</b>	<b>Oksana/Vladimir 11 weeks</b>
<b>Personal care</b>	<b>2.9</b>	<b>84.2</b>	<b>296.4</b>
<b>Insurance and financial services</b>	<b>10.1</b>	<b>0.0</b>	<b>26.8</b>
<b>Total</b>	<b>13.0</b>	<b>84.2</b>	<b>323.2</b>

# Conclusions

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- Expenditures for recreation and culture and personal care, insurance and financial services are rather marginal (with one exception – Oksana/Vladimir).

# The house of Halina and Igor

- Family house,
- Mother, sister and two brothers live together
- Croft for growing vegetable
- Plans to build a new house in the garden



# The house of Svetlana and Igor



- Grandparents rely mostly on their production from their garden
- No travelling

