

УДК 339/926^339/94^517/383

**INTERDEPENDENCE BETWEEN LABOR POTENTIAL DEVELOPMENT AND INTERNATIONAL MIGRATION PROCESSES OF COUNTRIES WITH DIFFERENT INCOME LEVELS****Prof. Orlovs'ka J.V.  
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В статті розглянуті питання впливу розвитку трудового потенціалу на економічний розвиток країн з різним рівнем доходів. Особливу увагу приділено тенденції взаємозв'язок процесів міжнародних міграційних потоків та розвитком трудового потенціалу різних країн. Визначено роль міжнародних міграційних процесів у формуванні трудового потенціалу та соціально-економічного розвитку країн. Обґрунтовано необхідність подолання негативних тенденцій у формуванні трудового потенціалу через інструменти соціально-економічної політики країн для кращого прояву на міжнародній арені. Розкриті принципи формування міжнародної міграційної політики країн з різним рівнем доходів на прикладі України на Німеччини.

**Ключові слова:** трудовий потенціал, міжнародні міграційні процеси, міжнародна міграційна політика.

This article deals with the issue of labor potential impact on the economic development of countries with different income levels. Particular attention is paid to trends in interrelationship between processes of international migration flows and the development of labor potential of different countries. The role of international migration in shaping of labor potential and the socio-economic development is determined. The need to overcome the negative trends in the formation of labor potential through the instruments of social and economic policies for better display in the international arena is justified. Principles of international migration policies of countries with different income levels in the case of Ukraine and Germany are disclosed.

**Key words:** labor potential, international migration processes, international migration policy.

**Actuality of issue.** Productive and efficient use of labor potential is a proven factor in economic growth of developed economies. One manifestation of discomfort living in the home country is migration; and its impact on reducing of the use of labor potential in donor-country causes negative

social and economic trends in development as well as reciprocal situation in recipient-country's economic environment. Thus, obvious interdependence of such processes may lead to imbalances on international level. Nowadays, level of international migration flows remains actual problem. Numerically, these processes are observed and retraced by national statistical services of countries as well as international organizations with different directions of activities. Nevertheless, the problem of generation of migration policies for countries with different income levels and labor potentials remains uncertain and requires following consideration.

**Analysis of previous scientific researches.** Orientation on real condition of countries' labor potential is needed for actual assessment of countries' labor possibilities; for that, analysis of one of the most influential factors – level of international migration - on this integrator is required. Many scientists were working on problems of interdependence of labor potential and international migration flows: I. Gnibidenko, V. Danuk, F. Zastavniy, O. Homra, V. Litvinenko and others. The full social and economic potential labor issues have been the object of study in the writings of classical political economy. The methodological framework was laid by scientists such as V. Peti, A. Smith, and D. Ricardo. Development of the theory of labor potential is largely facilitated the study of such philosophers as G. Hegel, A. Saint-Simon, W. Fourier, R. Owen and others. Increasing migration intensity has attracted attention of scholars throughout the world. However, the problem of level of labor potential as migrants' motives, which could serve as the basis for justified choice of mechanisms for regulation of migration activity of population, remains beyond attention.

**Purpose of the article.** Given the growing importance of migration issues and its direct relationship with the use of labor potential, the aim of this paper is to study the effects of contemporary immigration and justify methods of international migration policies in countries with different income levels.

**Statement of main results.** During the development of society, the labor potential of the country has always been one of the most important factors of economic growth. The labor potential of the country is often referred to as natural and economic factors of economic growth, providing the public an opportunity to increase the volume of national production. In the process it forms the material base that enables economic growth. People cannot exist

outside the economy; they make the most significant impact on the national economy. The labor potential is always in conditions of constant development.

The labor potential and mechanism of its formation are characterized by quantitative and qualitative factors that can be considered as a socio-economic and accounting and static category.

In market terms the transformation model of employee takes place, and most dynamic changes are professional component of the model (knowledge, skills, acquiring skills and experience gained in a particular field of human activity). That is the quality of the labor potential is determined primarily by qualification.

There is a long-term relationship between economic growth and human development. It is believed that human development is the ultimate goal, and economic growth - is only the means of achieving this goal.

Economic factors exert significant impact on living standards, which include the presence of the country's economic potential, the possibilities for its application, value of national income, etc.

As inferred by many scientists, migrants tend to move to the countries with higher level of economic development, thus with higher efficiency of labor potential's use. Such migration tendency is depicted with examples of Germany and Ukraine in the following tables, where Ukraine is economically less developed country than Germany. According to World Bank list of economies in 2012, Ukraine is considered as country with lower middle income (\$1,026 to \$4,035), while Germany is considered as country with high income (\$12,476 or more). Thus, Ukraine and Germany can be compared according to different indicators as countries with different income levels [1]. To prove the statement, quantitative data concerning inflows of Ukrainian and German population between those countries is provided below in Table 1 and Table 2:

*Table 1. Inflow of German population to Ukraine, 2002-2010 years*

Country of origin	Ukraine								
Variable	Outflows of foreign population by nationality								
Gender	Total								
Year	2002	2003	2004	2005	2006	2007	2008	2009	2010
Germany	7,127	6,626	6,357	5,656	4,652	4,477	6,337	5,679	4,847

Source: Organization for Economic Cooperation and Development [2]

Table 2. Inflow of Ukrainian population to Germany, 2002-2010 years

Country of origin	Ukraine								
Variable	Inflows of foreign population by nationality								
Gender	Total								
Year	2002	2003	2004	2005	2006	2007	2008	2009	2010
Germany	20,578	17,696	15	10,881	6,994	7,174	6,869	6,947	6,87

Source: Organization for Economic Cooperation and Development [2]

One can infer from above-mentioned tables that inflows of Ukrainian population to Germany quantitatively exceed inflows of German population to Ukraine, which proves the statement about migrants' tendency to move to countries with higher income level.

The process of reproduction of labor potential of Ukraine is characterized by destructive trends - decline in population, deterioration of health, active processes of emigration.

The labor potential is crucial for economic development at all levels of management: national, regional and entity level. Depending on the level, government can determine the labor potential of the country (region), the company and the employee. All three levels of the labor potential are interdependent and influence each other. The labor potential of society characterizes the full potential total capacity for socially useful activity of the working population. This is particular form of materialization of the human factor, an indicator of level of development and limits of the creative activity of employees.

Moreover, there is direct dependence of labor potential on living standards. Thus, living standards, economic development and labor potential influence migrant's decision and strong connection between labor potential and international migration flows (as influenced by labor migration) can be seen.

On the other hand, reverse influence is also observed in international global society. Migration processes are the main component of human history, influencing the state and prospects of socio-economic and cultural development of the country and region. In a globalized economy the exchange of labor potential at the international level is increasingly expanding. Contemporary processes of globalization are characterized by activation of

international migration. Herewith, its structure and scopes influence labor potential of countries even more and more. The magnitude of the problem of labor migration and its negative socio-economic consequences that are a manifestation at the national level, require the clarification of causes of mechanical movement of the population.

Labor potential is considered as the main competitive advantage in modern globalized economy. Too high levels of labor migration and contraction of demographic database of labor potential's reproduction has an adverse impact on development of labor potential of society of donor-countries.

In addition to reducing of the usage of labor potential in the country, mass emigration has other negative effects, such as uncompensated government costs of workers' training.

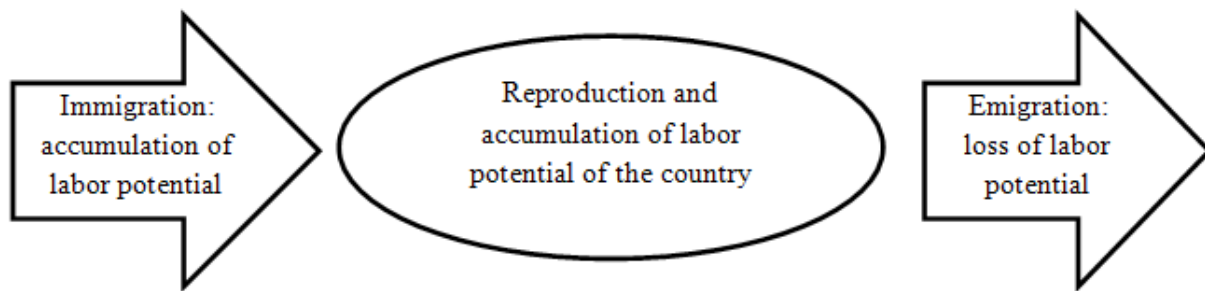
To provide the protection of national interests of different countries in migration sphere and prevent the imbalances of labor potential levels between countries on international level the negative dynamics of migration processes must be overcome and conditions of labor migrants' recurrence should be created. The basis for these actions can be circumspect consistent socio-economic policies, conception of which should be formed in the following directions: 1) creating of conditions for increasing of competitiveness of national labor market and 2) providing the protection of national migrants' interests abroad.

Objectivity of laws, inherent to migration, proves that the underestimation of their actions or complete ignorance leads to negative consequences such as increases in illegal migration disorders in the distribution of productive forces, the underdevelopment of transport links, reduced quality of life, emergence of social conflicts.

Migration policy significantly affects the labor potential and is a component of the overall population policy and stands alone as an independent element to specify the control measures of population movement. Without a thorough analysis and clarification of cause-effect relationships and migration mechanisms, improvement of migration management is almost impossible. This mechanism affects mainly the areas of social and economic relations, which leads to the study of the causes and points in the movement of people. Graphically, the influence of migration processes of labor potential can be



depicted in the following way in Figure 1:



*Figure 1. Creation and usage of labor potential of the country in the context of influence by migration processes*

As scope and features of migration flows influence labor potential of different countries, migration policies differ with national interests of those countries. Internationally, the regulation of migration based on international labor law. Its contractual sources are international agreements on settlement, immigration, vocational training, social security, seasonal workers and others. The legislative power of migration policy is built according to international law for the protection of human rights and freedoms, harmonizing interests of the state and society.

Use of migration policy and its nature depends on the socio-economic situation, the country's needs in the labor force (foreign and local), including certain categories of professionals and the basis of certain qualitative criteria immigrants (age, sex, level of education and training, etc.), realizing feature selection (filtering).

Regulation of international labor migration on the level of integration is made by the agreements, rules and contracts between the integrated associations. It comes down mainly to ensure visa-free movement of people within an integrated association, joint information system on labor migration, taking joint measures to prevent illegal immigration from third countries. In other words, the regulation of labor migration for integration levels designed to protect the common labor market of unwanted immigrants.

Depending on the state of the economy, more or less favorable legal conditions for exit, entry, return of that left are created. The nature of these conditions is the basis of the distribution of incentive and restrictive patterns of migration policy.

Within Europe, Germany (as a country with high level of income) - which currently is home to about one-third of the European population of foreign origin, is projected to remain the main destination for immigrants. It has

taken Germany many years to accept that immigration is unavoidable and that legal channels should be opened to regulate the inflow and to foster the integration of immigrants. However, even now public opinion is reluctant to accept immigration, while immigrants are still viewed by a substantial part of society as a source of social problems, whether as Islamic fundamentalists, consumers of social benefits or competitors in the labor market.

As to the migration policies, Germany is introducing Blue Cards designed to make the immigration process easier for skilled workers. Among other measures, the program rewards immigrants who learn German. The German government is keen to control immigration based on what newcomers bring to the country. Only people with a university degree or “certified qualifications based on at least five years of work experience” are entitled to a Blue Card. There are also minimum salary requirements for getting one.

The conclusion from the latest inventions of German immigration policies states that Germany is creating migration policy, forming conditions to develop and improve its labor potential. Nevertheless, Germany, like other developed western countries is facing growing demographic problems; mainly low fertility rates, low mortality rates, and increasing life expectancy. The decisions to these problems have always been inflows of immigrating population and German government still has to reform its migration policy in following directions:

1. Integration and social cohesion via building trust between government actors and immigrant organizations, encoring community-building activities, communicating the benefits of inclusive policies to nonimmigrants and establishing an independent monitoring system.
2. Equality for third-country nationals by granting dual citizenship, equal access to education, and local voting-rights and full rights to long-term resident third-country nationals and their descendants.
3. Modern labor migration policies by e.g. improvement of foreign job credentialing.

Ukraine (as a country with lower middle income) still has not adopted concept-based principles of national migration policy. Such uncertainty is a serious threat for Ukraine due to the fact that it does not allow to fully assess negative and positive consequences of migration processes in the territory of Ukraine, and therefore makes it impossible to develop comprehensive tools

for dealing with problems of migration: illegal migration, human trafficking, aggravation of demographic crisis, the departure of intellectual labor force and highly qualified part of labor pool from Ukraine.

According to the Decree of the President of Ukraine № 622/2011 On the Concept of State Migration Policy, The main mechanisms for implementation of the state migration policy in the sphere of immigration are: 1) Facilitation of immigration flows into Ukraine in terms of investment, scientific and cultural needs of the state, creation of favorable conditions for return to Ukraine of scientists and artists, skilled specialists and workers who are in significant demand for the national economy, and their integration into Ukrainian society; 2) facilitation of return to Ukraine of persons deported on ethnic grounds as well as their descendants, and integration of such persons into the Ukrainian society; 3) ensuring of implementation of the international principles and rules of international law as to the protection of persons, who suffered from the trafficking in human beings, their rehabilitation and return of such persons to their respective countries of origin; 4) improvement of legislation with the purpose of protection of the rights of migrants, who stay in Ukraine, and ensuring of the access of all migrants, despite their legal status, to the health protection programs [3].

In comparison to the countries of European Union, Ukraine came up against migration problems only recently, therefore these problems are not perceived as sharply as in Europe. But steps towards the reasonable and efficient migration policy should be taken immediately. The previous unsuccessful experience of Ukraine, as well as achievements of European countries should stimulate this process. To develop efficient mechanisms of migration policy which will correspond with modern trends of migration processes in Ukraine, it is necessary to evaluate the actual situation both in Ukraine and in the world. The main world trend in the international migration is the fact that migration as a phenomenon does exist and is regarded as normal and natural process.

**Conclusions.** To implement the policy of labor potential development, long-term target programs should be applied as part of the main directions of its development, providing solutions to the most pressing problems in the areas of improving the natural framework of the educational framework of employment and regulation of industrial relations, incomes policy, health and safety. Also, migration policies of countries with different income levels



should be directed on labor potential development through socio-economical mechanisms and instruments. Under deep consideration should be mass uncontrolled migration that today is characteristic for Ukraine, significantly affecting the intellectual labor potential.

The most important conclusion is thought to overcome the negative trends in the formation of labor potential need, based on socio-economic policy to put the task of achieving competitive advantages of the national job market. It is needed to ensure the growth of wages in all sectors of the economy. Implementation of all components of socially responsible business will help not only to raise wages at times, but also on the basis of economic growth make the redistribution of national income in favor of labor, mostly skilled workers.

The development of labor potential is the process of strategic change of its quantitative and qualitative characteristics to provide the most complete and efficient use of labor potential at present and in the future. Addressing the most pressing and complex problems of formation and functioning of the labor potential in the current situation include: as soon as possible to ensure the conditions for the formation of its quality, efficiency and development, mitigation and prevention of risk destruction of the labor potential, increase of competitiveness of the national labor force, human capital, labor, entrepreneurial and innovative activity, providing employment opportunities of personal fulfillment.

The processes of international labor migration are the integral part development of international economic relations. Today these relations experience significant influence global processes of globalization. Globalization has significantly accelerates international labor migration. The consequences of migration depend on whether a country is a donor or country is recipient of foreign labor. On a global scale international migration of labor causes optimize the distribution of productive forces, the alignment of prices for main factor of production. Economic globalization has shaped the formation of a new approach to migration policy. This approach is urged to move states from supervisory functions to a comprehensive migration management, which is based on creating conditions that counteract migration.

It is also important to note that the global economic crisis intensified processes of re-emigration of labor associated with measures of state migration

policy to restrict employment opportunities for foreigners and even direct them to deportation.

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