

UKRAINE: ECONOMIC PARTICIPATION ASSESSMENT (EPA)

Assessment Area 1: Severodonetsk and surroundings, Luhansk Oblast (GCA), December 2021



CONTEXT

In its 8th year, the conflict in eastern Ukraine continues to impact labour market dynamics in the region. As highlighted in REACH's [Capacity Vulnerability Assessments \(CVAs\)](#) conducted in 2018, the 'Line of contact' has impeded access to employment in large cities currently in the non-government-controlled areas (NGCA). As a result, smaller regional centres in the government-controlled areas (GCA) have an increased role as employment hubs for communities in proximity to the 'Line of contact'. Further to conflict-related interruptions to employment, the COVID-19 outbreak has led to significant reductions in economic activity and employment rates across Ukraine.¹

In this context, under the Canadian aid-funded Securing Women's Economic Empowerment in Donbass (SEED)² and in partnership with ACTED, IMPACT Initiatives conducted the **Economic Participation Assessment (EPA)** to inform partners in their activities aimed at assisting marginalised job seekers (such as women, youth and pre-pensioners) in finding sustained employment and increasing the information available on these topics.³ The **EPA covers 5 geographic or assessment areas (AAs)** divided as follows: **AA 1: Severodonetsk and surroundings** (assessment coverage map to the right), AA 2: East Luhansk, AA 3: Bakhmut and surroundings, AA 4: Kramatorsk corridor, AA 5: Mariupol and surroundings.

METHODOLOGY

This factsheet is built on the findings from **AA 1** and focused on: a) Severodonetsk city (employment hub), b) Popasna city (employment hub), c) Lysychansk city (employment hub), d) Lysychanska, Severodonetska, Popasnianska, Hirsk hromadas (employment network periphery). It offers an overview of demography and socioeconomic conditions of households living in the assessment area. The factsheet includes a summarised gender-analysis of labour market dynamics, barriers to employment, intentions to change or search for a new job, experience of using services of state employment centres. The indicators aim at offering an understanding of the impact of the COVID-19 outbreak on the local economic conditions.

Findings draw from the **household survey** and compare results for Severodonetsk and surrounds against the total for all five assessment areas (Overall). The survey was conducted between 21 May and 14 June 2021. It comprises a total of 3,026 households (including 806 in AA 1) sampled by using stratified simple random sampling where eligible households were selected from each stratum to achieve 95% confidence level and 7% margin of error. In order to be considered eligible, households had to have at least one member of working age (**15-70 years old**). Data were collected via Computer-Assisted Telephone Interviews (CATI). Findings are representative with a 95% confidence level and a 5% margin of error for each AA. The full activity terms of reference can be accessed [here](#).

DEMOGRAPHICS

Assessed households **806**

Household members represented **2,305**



52%



48%

46% of households have at least one child under the age of 15 (n= 375)

23% of households have at least one member over the age of 60 (n= 188)

7% of households members are internally displaced (n= 102)

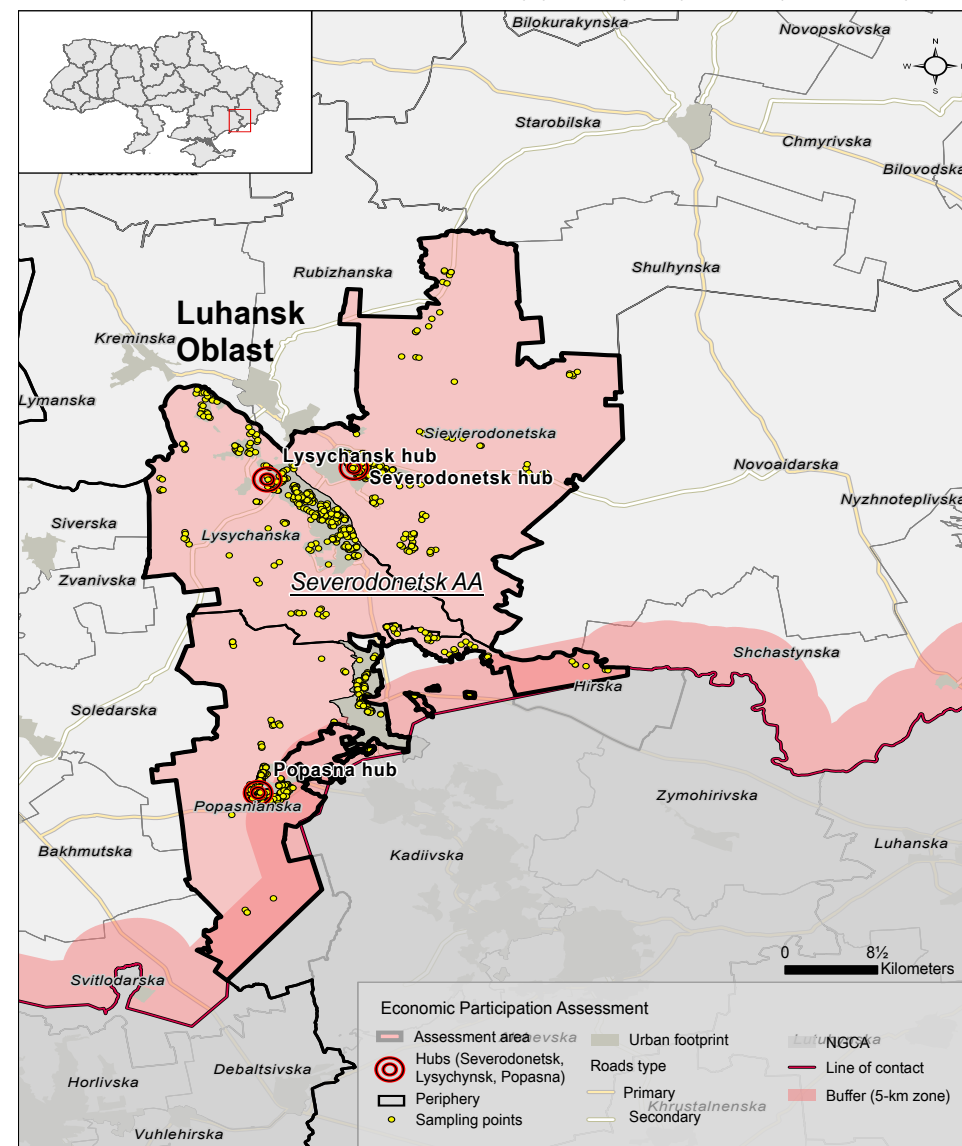


of household members aged 15-70 (n= 1,721) reportedly have a **chronic illness** (n= 175)



of household members aged 15-70 reportedly have a **disability** (n= 93)

Map of Assessment Area 1: Severodonetsk, Popasna, Lysychansk (employment hubs) and periphery



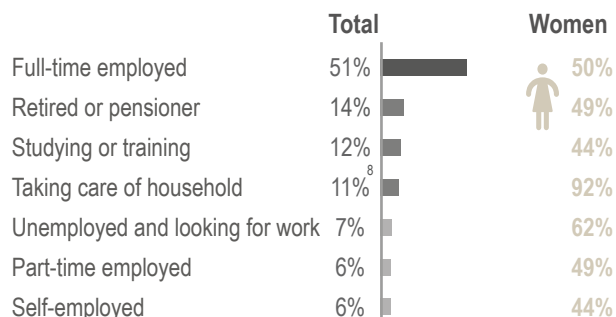
1. United Nations Ukraine. Assessment of the socio-economic impact of COVID-19 in Ukraine ([link](#)), December 2020.

2. Securing Women's Economic Empowerment in Donbass ([SEED](#)) is a 36-months project funded by [Global Affairs Canada](#) and implemented by ACTED, IMPACT Initiatives and 5 civil society organisations in Ukraine.

3. Services provided by employment centers include, but are not limited to, workforce engagement, current labor market dynamics and emerging sectors within the areas of intervention.

1. EMPLOYMENT DYNAMICS^{4,5,6}

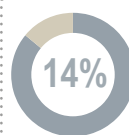
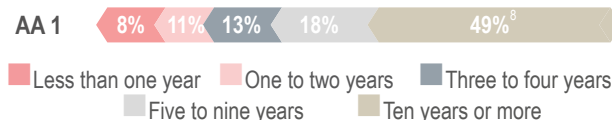
Employment status in AA 1, proportion of household members aged 15 - 70 by activity type⁷, and proportion by this type who are women (n= 1,721)



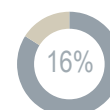
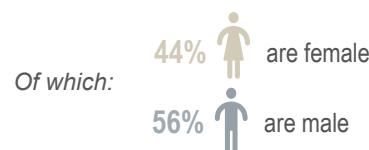
Most commonly reported **sectors of employment** at the time of data collection, among household members reportedly employed

	Sieverodonetsk hub (n= 275)	Popasna hub (n= 232)	Lysychansk hub (n= 270)	Periphery (n= 269)
Industry mining and processing	22%	13%	20%	38% ⁸
Wholesale and retail trade	13%	7%	13%	13%
Education	10%	10%	13%	8%
Transport, warehousing, postal and courier	7%	30% ⁸	10%	7%

Average number of years of work experience in sector of employment, among household members reportedly employed (n= 1,046)

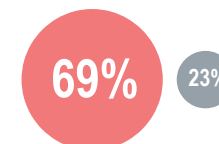


of household members in AA 1 reported to **have worked for 1 hour or more during the week** before data collection, in addition to their main reported activity (retired, working, unemployed, home duties, etc)⁹ (n= 1,624)



Overall (n= 6,146)

Percentage of HHs, in AA 1, by **average monthly HH income**, at the time of data collection, reported as above or below the national average¹⁰ in Ukrainian hryvnia (UAH)

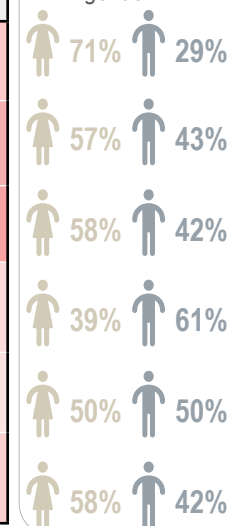


Below 14,000 UAH

Above 14,001 UAH

Other employment indicators for household members between 15 and 70 years of age, at the time of data collection	Severodonetsk hub	Popasna hub	Lysychansk hub	Periphery	AA 1	Overall ¹¹
% of household members reported to have been registered with State Employment Services at any time in the past ¹²	29%	48% ⁸	35%	30%	32% (n= 1,565)	32% (n= 5,973)
% of unemployed household members who were employed prior to the COVID-19 outbreak	33%	47%	37%	42%	38% (n= 190)	47% (n= 745)
% of household members who were unemployed or studying who reportedly intended to find a job within a year	49%	67% ⁸	55%	49%	53% (n= 384)	55% (n= 1,406)
% of household members who were not officially employed ¹³ (among employed members)	23%	8%	19%	14%	19% (n= 1,046)	22% (n= 4,019)
% of household members who have previously tried to set up a business ¹²	18%	13%	14%	10%	14% (n= 1,565)	17% (n= 5,973)
% of employed household members reportedly with intentions to change occupation within a year	29%	30%	25%	22%	26% (n= 1,226)	29% (n= 4,722)

Subset for AA 1 disaggregated by gender:

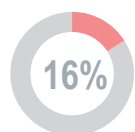


- Given the focus not only on household-level information but also on the individual experiences of household (HH) members, a single household representative aged 18 years old or older was selected on a voluntary basis to report as a proxy for other household members.
- Findings presented in this factsheet may not include answers such as "Do not know" or "Decline to answer" and total percentages may therefore not sum to 100%.
- Figures between brackets show the subset size corresponding to the number of household members concerned by the question.
- This question allowed multiple answers.
- The concerned stratum (or assessed area) has registered the highest value for this indicator amongst all strata assessed in the five AAs (or amongst the five assessed areas).
- This included jobs of 1 hour or more, worked for additional income.
- Monthly wage between April-June 2021, averaged as Q2 2021, corresponds to 12,137 UAH in Ukraine and 14,444 UAH in Luhansk Oblast (GCA), from [State Statistics Service of Ukraine](#).
- Findings for "Overall" refer to all five assessment areas throughout.
- This question was not asked to self-employed household members.
- The concept of informal employment defines as "all remunerative work" (i.e. both self-employment and wage employment) that is not registered, regulated or protected by existing legal or regulatory frameworks, as well as non-remunerative work undertaken in an income-producing enterprise, from [International Labour Organization](#).

2. BARRIERS TO EMPLOYMENT⁵

Most frequently reported reasons for unemployment, at the time of data collection, amongst unemployed household members ^{6,7}	Severodonetsk hub (n= 33)	Popasna hub (n= 57)	Lysychansk hub (n= 57)	Periphery (n= 43)	Overall (n= 745)
Lack of relevant vacancies in the area	36%	35%	44% ⁸	33%	26%
The total absence of any vacancies	9%	19%	12%	28%	13%
Personal/ family reason	18%	14%	18%	9%	13%

Of which in AA 1 (n= 190):



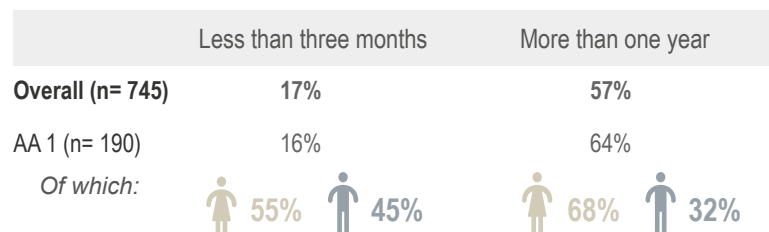
of HH members from AA 1 facing long term unemployment¹⁴ (n=86) have reported that **the total absence of vacancies** was the **main barrier to accessing employment**.



Overall (n= 286)

Most frequently reported barriers to rejoining employment among unemployed household members who were looking for work at the time of data collection and were employed prior to the COVID-19 outbreak ^{6,7}	Severodonetsk hub (n= 21)	Popasna hub (n= 48)	Lysychansk hub (n= 39)	Periphery (n= 31)	Overall (n= 341)
Lack of relevant vacancies	55%	52%	57%	72% ⁸	46%
Inadequate remuneration	45%	15%	29%	22%	33%

Proportion of unemployed households members by length of unemployment, at the time of data collection



3. INTENTION TO CHANGE



of household members in AA 1 who reportedly had a paid/unpaid employment¹⁵ or were performing home duties (n= 1,226) **expressed an intention to look for a (new) job** in the 12 months following data collection.

Among these (n= 320):



reported **getting a (better) paid job** as main reason to look for a (new) job.

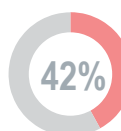


reportedly **wanted to change their occupation sector and stay in the same location**.



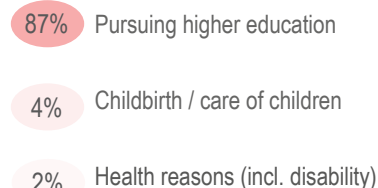
reportedly **wanted to stay in the same sector and location**.

The following reasons were then the next **most often reported in AA 1**:



of household members who were reportedly unemployed or studying (n= 384) **did not express an intention to look for a job** in the 12 months following data collection.

Among these (n= 152), the **most frequently reported reasons in AA 1** were:⁷



Most frequently reported sectors of employment sought after, among household members planning to look for work in the 12 months following data collection ⁶	Severodonetsk hub (n= 50)	Popasna hub (n= 88)	Lysychansk hub (n= 77)	Periphery (n= 57)	Overall (n= 769)
Wholesale and retail trade	17%	19%	27%	12%	23%
Transport, warehousing, postal activities	7%	22%	10%	14%	11%
Industry mining and processing	10%	20%	12%	12%	15%

¹⁴. Household members who were unemployed at the time of data collection since before the COVID-19 outbreak in March 2020.

¹⁵. Including household members who are: full-time employed, part-time employed, seasonal workers, freelancers, self-employed, doing unpaid voluntary community charity work.