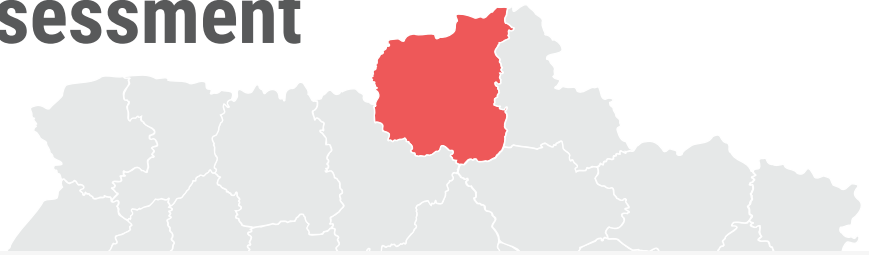


Rapid Economic Assessment in Chernihiv Oblast

June 2023 | Ukraine



KEY FINDINGS



In comparison with work.ua data, which reveals a similar number of jobseekers in July 2021 and July 2023, State Employment Service data shows a **significant reduction in registered unemployed individuals** in the same period (see figure 1). The drop appears to be too large to be accounted for by population movements alone. Although it is worth noting that Business Management Organisation (BMO) KIs reported the **loss of personnel due to relocation abroad/mobilisation** as the greatest challenge for their members, it also seems like both men and women were less often registered with employment centers. For women, the number of female jobseekers on work.ua did not decrease, but officially registered unemployed women at the Employment Centers in June 2023 are fewer as compared to June 2021.



Households with older persons have reportedly been the worst affected by loss of income since February 2022, as well as **the rural population**, and **households located in areas affected by active hostilities**. Rural areas also appear to have the most limited access to childcare services, a further constraint on the employment prospects of caregivers.



Bordering Russia to the north, Novhorod-Siverskyi was the raion in Chernihivska impacted by the largest number of conflict events between February 2022 and June 2023.¹ An estimated 40-50% of the population has reportedly been displaced since February 2022, with a relatively high share of those subsequently returning to their homes. The main employers in the area were reported to work in agricultural production (dairy and crops), wholesale of agricultural inputs (fertilisers and seeds), and forestry. KIs reported that **crops cultivation and dairy farming have been particularly impacted in the border areas**.² While impacts on forestry are less clear, this may become an increasingly relevant question moving into winter, with the possibility of contamination from explosive remnants of war (ERW).



There is anecdotal evidence to suggest that **informal employment may have increased** as a result of the war. For IDPs who may be uncertain of their long-term plans, have few professional connections in the area, and may be without proof of work/qualifications, informal work may sometimes present a more convenient option. As indicated by representatives of CSOs, among IDP men, there is often a concern that signing a contract with an employer may bring them to the attention of military recruitment authorities.



Provision of small grants and equipment for non-agricultural livelihoods was reported as the livelihood activity most demanded in the local area.

PROGRAMME DEVELOPMENT RECOMMENDATIONS

Interim livelihoods programming. Border areas have been most exposed to active hostilities. Not only has this led to displacement of a large share of the population and damage to housing and infrastructure, it was reported that Semenivka and Novhorod-Siverskyi communities were unable to benefit from state support of agriculture in 2022 due to insecurity in these areas. One key informant believes that many of the households remaining in these areas have elderly members. There are also environmental challenges such as the possible presence of ERW and the pollution of waterways. As a result, it may be necessary to conduct "clean-up" and demining operations in the area, not to mention reconstruction, before livelihoods can be fully restored. Actors interested in supporting these communities to become more resilient in the interim period may want to explore forms of support that enable people from the area to participate in the reconstruction and environmental

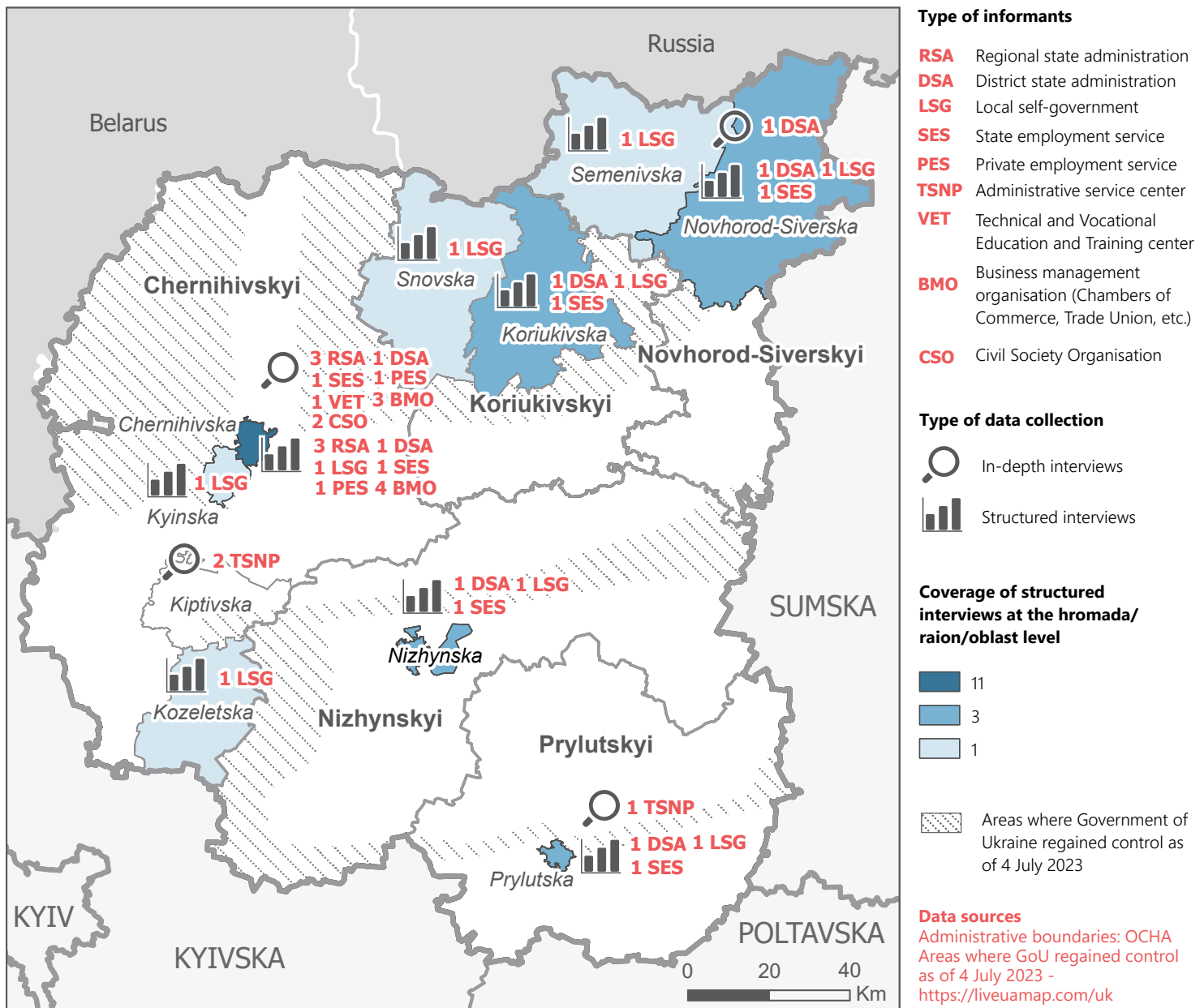
rehabilitation activities through trainings targeting relevant skills in collaboration with vocational training providers. There may also be a need to support care of the elderly and young, freeing caregivers to find work if interested in doing so.

Building skills needed for reconstruction and development. One CSO KI indicated that IDPs have been mainly displaced from within the region, with many residing in Chernihivskyi raion as of June 2023. For those interested in ultimately returning to their place of origin, vocational training adapted to the reconstruction and development needs of that area would help bolster the availability of relevant skills in the coming years. A list of trainings in demand in different areas is provided in [Annex A](#) of the accompanying presentation.

Psychosocial support and livelihoods. It may be worth considering the integration of psychosocial support for participants in livelihoods programs, particularly those who have experienced acute adversity, such as demobilised combatants, their family members, families of deceased combatants, and IDPs. The Chernihiv State Employment Center indicated that they were currently unable to provide such trainings.

1. In April 2023, Novhorod-Siverskyi had an estimated population of around 62,000 inhabitants, making it the smallest raion in Chernihiv oblast.
2. Dairy farming in the periphery of Chernihiv city (Lukashivka, Ivanivka, Sloboda, Rivnopillia and Kyinka) has also been reportedly negatively impacted.

DATA COLLECTION SAMPLE



METHODOLOGY

Most of the results of this assessment are derived from primary qualitative and quantitative data collected through 22 in-depth interviews and 27 structured interviews of key informants (KIs) present in the assessment areas. Six unique interview guides were developed for in-depth interviews with local authority representatives, business management organisations, civil society organisations, international organisations, and vocational training providers. Results of these interviews contributed to a nuanced qualitative picture of the socioeconomic impacts of the full-scale war in each of the assessed areas. One structured KoBo tool was built using a variety of constraints to enable data to be collected from representatives of

local authorities, employment centres, and business management organisations. Results of the survey allowed for an indicative quantitative analysis of the socioeconomic impacts of the full-scale war in different localities. In parallel, two scripts were developed in RStudio to scrape job vacancy and resume data from Ukraine’s most popular job search engine, work.ua. Results of the web scraping provided a more comprehensive quantitative picture of labour market dynamics, including demographics of jobseekers as well as sectoral and geographic trends. This was supplemented by an analysis of secondary data collected on the labour market by the State Employment Service of Ukraine.

MAIN IMPACTS ON BUSINESS AND SECTORS WORST AFFECTED

Bordering Russia to the north, Chernihiv was subject to a cross-border invasion in February 2022, with Russian Forces subsequently being forced to withdraw by April 2022. Since then, border areas have been subject to frequent shelling, resulting in significant damage to housing and economic infrastructure. According to a local authority key informant, more than 85% of the affected objects in the region were residential.

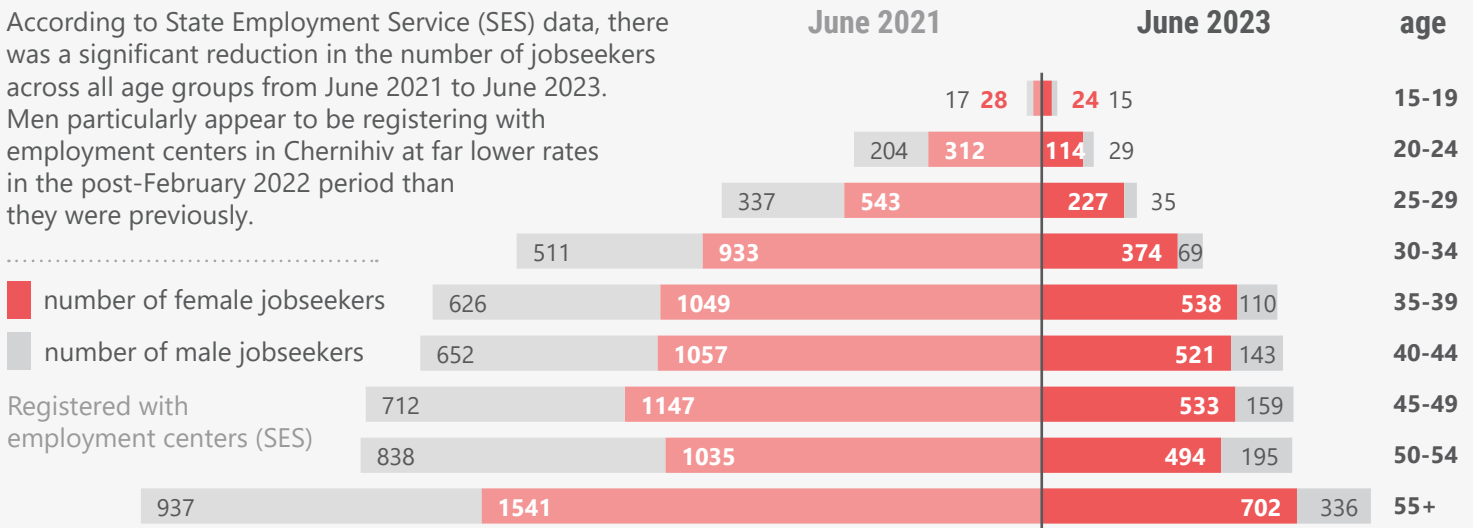
Consequently, and according to data from the Kyiv School of Economics, as of March 2023, Chernihiv region reported direct losses of approximately \$6.4 billion.³ The leading industries of the region before the war were the production of food, beverages and tobacco products, the supply of electricity and gas, the manufacture of wood products, paper production, mining, engineering and textile

production. The war has resulted in business closures, with manufacturing and crops production particularly affected, as well as some businesses relocating within the region or country. Local stores are reportedly facing challenges with prices charged by suppliers while the elevated price of key agricultural inputs, such as fertilizer and fuel, is reportedly a challenge for farmers. Furthermore, disruptions to export-oriented supply chains may be leading to an excess of agricultural products on the domestic market, pushing down prices and narrowing the margins of commercial farmers. There has been a state-led response to the challenges faced by businesses, and access to state grant programs, such as 5-7-9% and eRobota has reportedly increased. In addition to this, UN agencies and foreign national donors have supported local manufacturers, individual entrepreneurs, and farmers. However, it seems bank managed credit has become less affordable or accessible, which is likely a consequence of an National Bank of Ukraine (NBU) key policy rate that has remained above 20% since June 2022.

UNEMPLOYMENT DEMOGRAPHICS OVER TIME, CHERNIHIV OBLAST

Figure 1

According to State Employment Service (SES) data, there was a significant reduction in the number of jobseekers across all age groups from June 2021 to June 2023. Men particularly appear to be registering with employment centers in Chernihiv at far lower rates in the post-February 2022 period than they were previously.



Data source: State Employment Service of Ukraine

SUBPOPULATIONS WORST AFFECTED BY LOSS OF INCOME

Women aged 18-24 and 50-59 are reportedly the individuals worst affected by loss of income since February 2022, followed by people with disabilities and pensioners.

Households with older persons, single-headed households, and households with young children have also been badly affected, according to key informants. The vulnerability of the rural population and areas affected by hostilities (mainly de-occupied and border areas) were also emphasised by KIs of local authorities during in-depth interviews, and taken together, this information gives a sense of the areas and household demographics most in need of livelihoods support in the region.

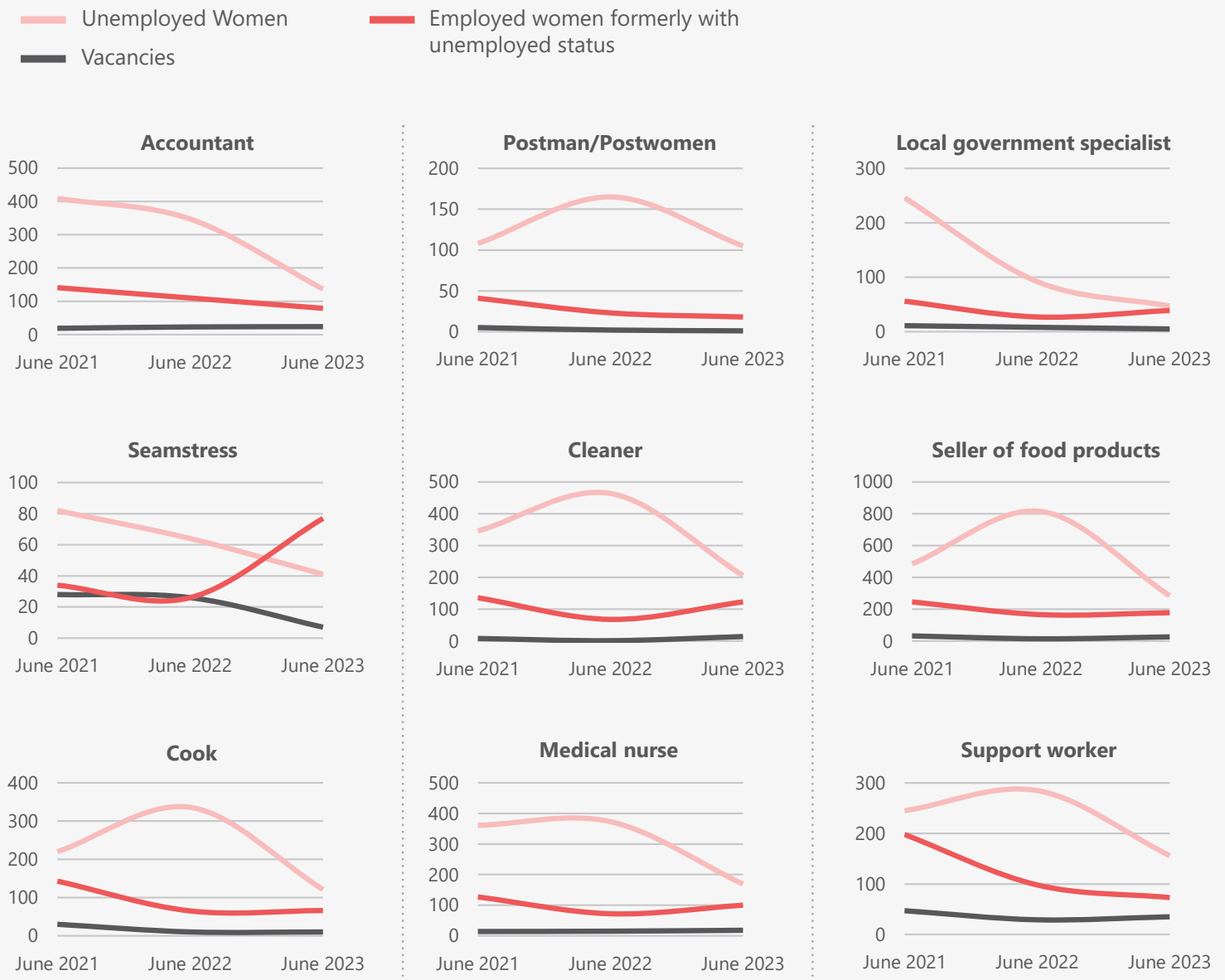
The absolute majority of IDPs in the region live outside collective centres. Respondents indicated that IDPs have mostly relocated within the region and are without any language, cultural or other differences from the host community. While the estimated employment rate of IDPs in the oblast center is higher than in the other assessment regions (Odesa, Mykolaiv, Vinnytsia), the figure remains low at only 40-50% of the working age population, of which many are believed to be engaged in informal rather than official employment. According to the IOM, the estimated number of returnees for June 2023 is 203,000,⁴ which is significantly higher than the IDP figure provided by a KI from the Regional State Administration of 71,275, also for June. Returnees and IDPs are reported to have the same top needs: access to employment and housing.

3. https://kse.ua/wp-content/uploads/2023/03/UKR_Feb23_FINAL_Damages-Report-1.pdf

4. [Ukraine — Returns Report — General Population Survey Round 13 \(June 2023\) | Displacement Tracking Matrix \(iom.int\)](#)

VACANCIES/JOBSEEKERS FOR SELECTED POSITIONS

Figure 2



Data source: State Employment Service of Ukraine

BARRIERS FACED BY VULNERABLE GROUPS ACCESSING EMPLOYMENT

According to SES data, as of the beginning of July 2023, women represented 76.4% of the unemployed people in Chernihiv region.

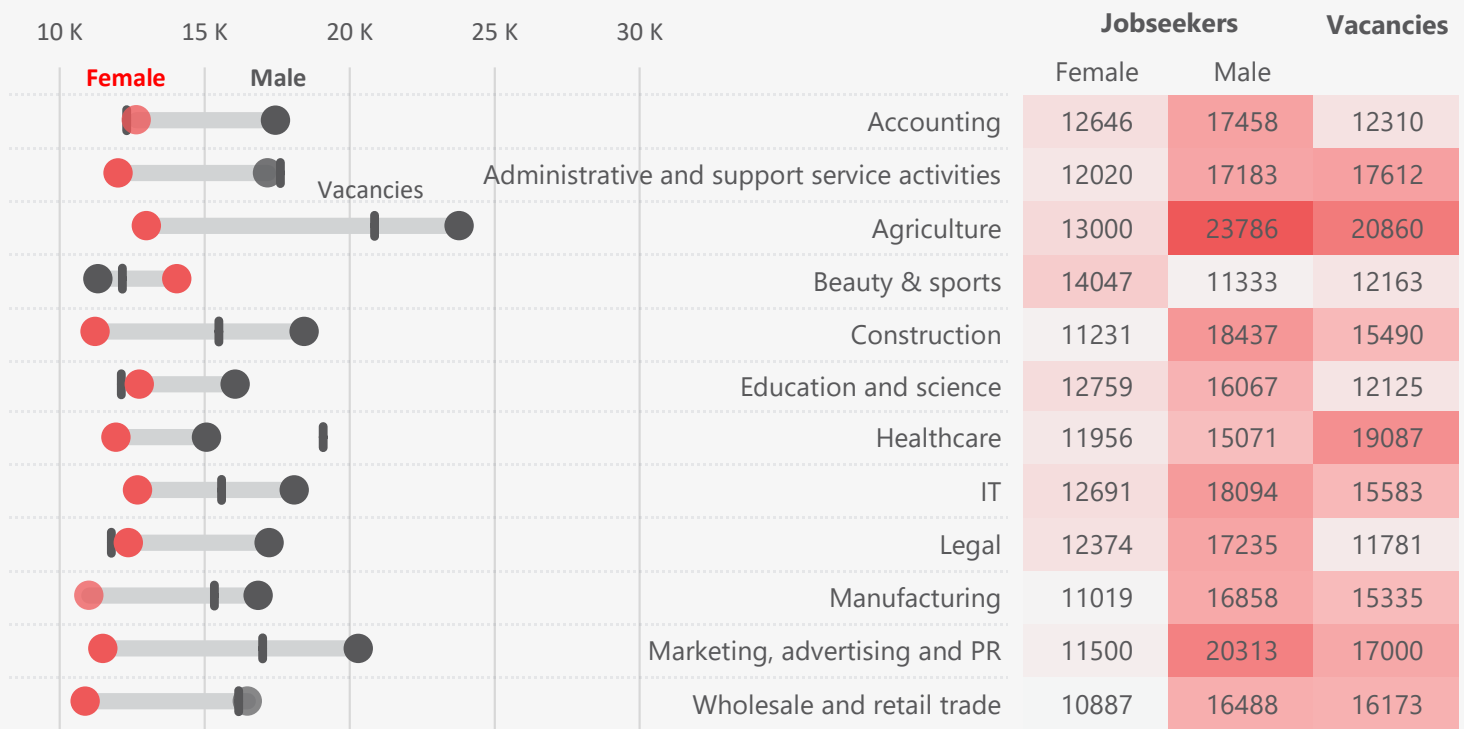
Similar to other assessment areas, CSOs reported that the main barriers to employment of women are: greater responsibility for the household since the outbreak of war, childcare, and age/sex-based discrimination, a lack of confidence in their abilities, and low salaries in the region. There also appears to be a shortage of childcare facilities in some areas, which may impact women’s ability to access work.

Despite barriers, BMO and CSO KIs noted that the number of women in management positions, the number of self-employed women, and the number of women in local self-government has increased in the last 3-5 years.⁵ As for running a business, women are still reported to face challenges, including a lack of time due to increased workload, domestic responsibilities, childcare, gender stereotypes, lack of financial resources and lack of entrepreneurial experience.

5. Especially after the 2020 elections due to the introduction of gender quotas in party lists.

SALARIES OFFERED/DEMANDED IN DIFFERENT SECTORS

Figure 3



Data source: work.ua resumes and vacancies, May and June 2023

GAPS IN LIVELIHOODS/BUSINESS SUPPORT

In general, informants reported good availability and accessibility of TVET services in the major cities, although there are certain gaps in the services offered by educational centres, with a KI from the Chernihiv State Employment Center indicating a lack of training aimed at social and psychological support of demobilized combatants, their family members, families of deceased combatants, and IDPs.

When asked about TVET courses most in demand in the area, KIs reported trade qualifications (such as drivers, welders, metalworkers, machine operators, repair technicians, plumbers, electricians, hairdressers, etc.) and to a lesser extent professional qualifications such as IT and accounting.

Representatives of a non-agricultural BMO reported that, although they provide training and professional development services in-house, they are interested in potential cooperation with TVETs. Another non-agricultural BMO described its mediating role in establishing cooperation between business and educational centres. Representatives of the farmers' association noted that

they have established relationships with employment centres and TVETs regarding the hiring of workers and compensation for the employment of certain categories of the population.

Both financial and non-financial support (regional SME development program, business consulting services, financial management consultations, etc.) are available for businesses in the Chernihiv region. Informants from the District State Administration of Novhorod-Siverskyi district indicated that there are certain restrictions/obstacles in accessing support programs among residents of border areas who were affected by hostilities and were unable to access state support programs last year, and that more access to employment and business opportunities is concentrated in cities. In terms of additional support, CSO KIs noted the need among businesses for microgrants, legal advice, fundraising support and a hub system for supporting entrepreneurship/startups, which will require mentors, lecturers, and market entry facilitators. Representatives of the farmers' association also indicated the need to strengthen advocacy on behalf of farmers at the local and government levels and ensure fairer competition between small producers and large agricultural holdings.

ABOUT US

REACH Initiative facilitates the development of information tools and products that enhance the capacity of aid actors to make evidence-based decisions in emergency, recovery and development contexts. The methodologies used

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