ECONOMIC PARTICIPATION ASSESSMENT

A labor market-focused assessment

Overview of key findings from the **household survey**

CONTENTS

Multi information sources assessment of labor market in Government-Controlled Areas, Ukraine

Zoom in on **household survey across all Assessment Areas** (overall findings)

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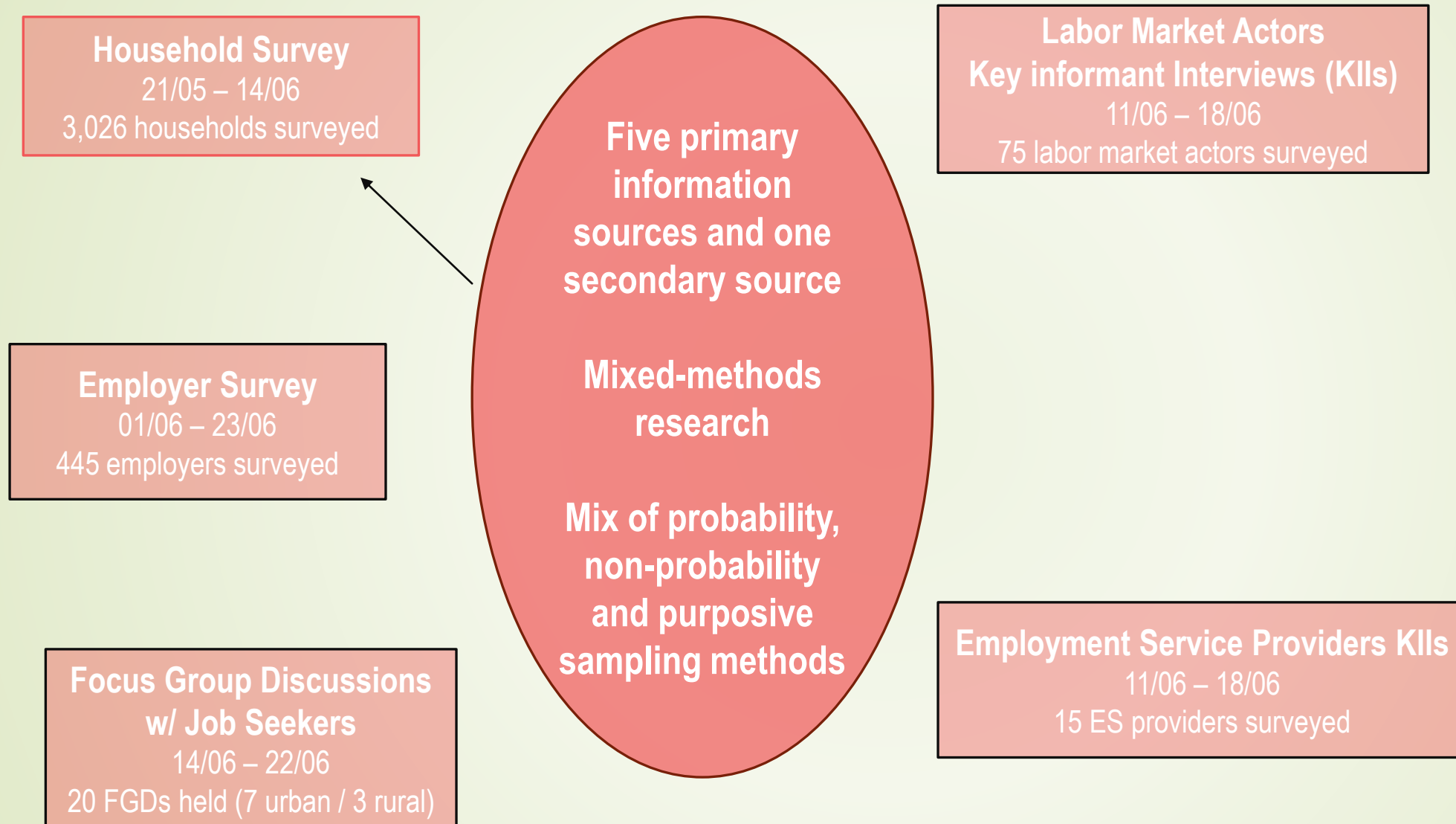➡ SECTION 5: Employment Services

➡ NEXT STEPS

Primary objectives

Making available age and sex sensitive information on (1) workforce engagement, (2) current labor market dynamics and (3) emerging sectors within the areas of intervention

➢ Inform partners in their activities aimed at building capacities of Employment Centers (ECs) to assist job seekers in finding sustained employment (e.g. long-term)

➢ Increase information available on these topics to employment service providers, business development centers, local government and development actors in Donetsk and Luhansk Oblasts

Specific objectives

o **Identify emerging sectors as well as perceived gaps and opportunities in the market**
(covered in this presentation)

o **Document current employer-side requirements and preferences**

o **Develop a labour force profile with information disaggregated by sex-age and rural-urban settlement**

o **Identify attitudes towards, and perceived barriers to labor force participation in accessing targeted employment services**

o **Assess the capacity of ECs to connect marginalized groups with prospective employers**

METHODOLOGY

Household Survey
21/05 – 14/06
3,026 households surveyed

**Labor Market Actors
Key informant Interviews (KIIs)**
11/06 – 18/06
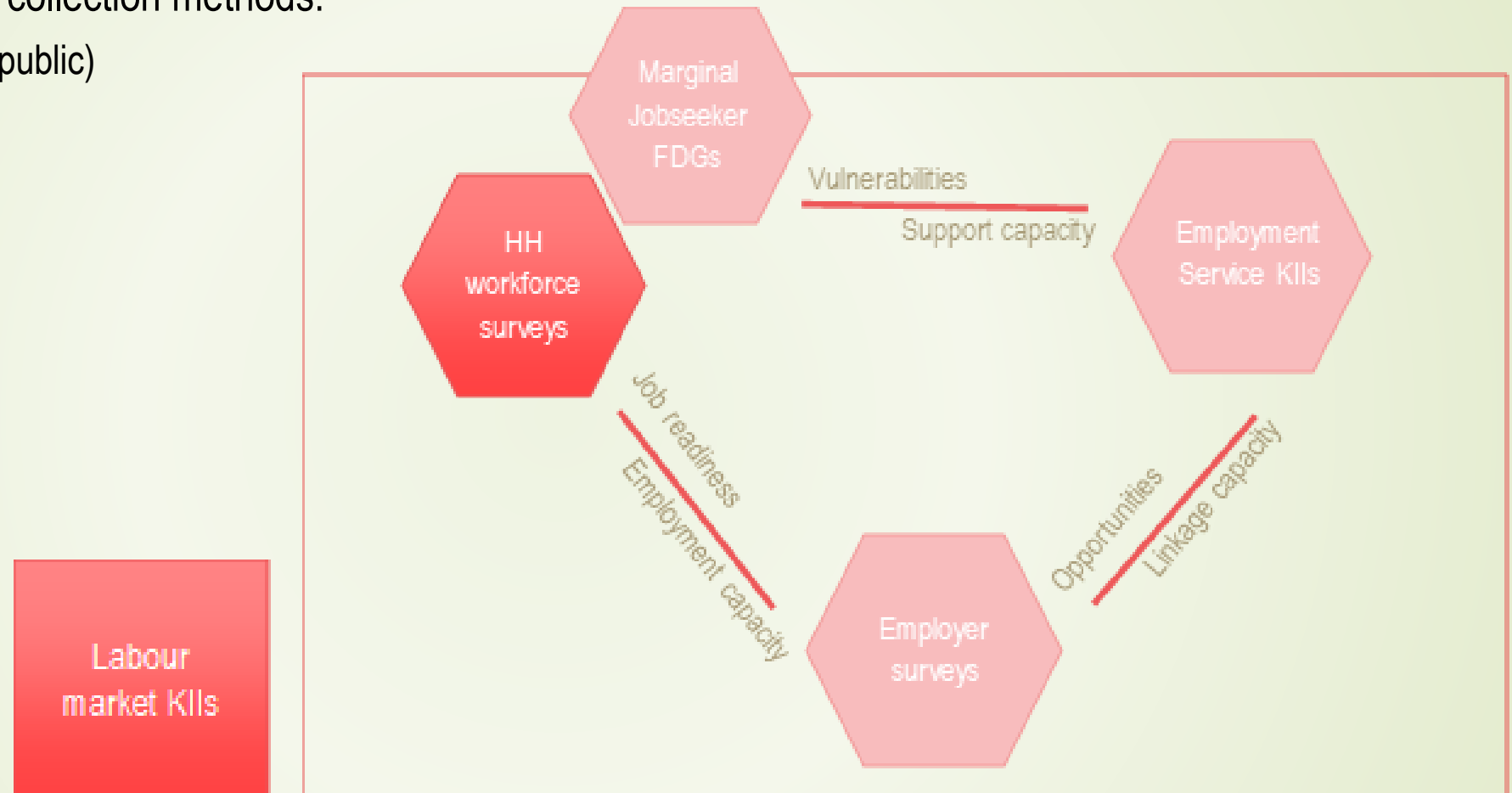75 labor market actors surveyed

Data collected via Computer-Assisted Personal Interviews (CAPI)

Overall, findings for the household survey are representative of the general population in the assessed areas (strata) with a 95% confidence level and a 5% margin of error

Employer Survey
01/06 – 23/06
445 employers surveyed

Five primary information sources and one secondary source

Mixed-methods research

Mix of probability, non-probability and purposive sampling methods

Findings related to a subset are not representative with a known level of precision

Employment Service Providers KIIs
11/06 – 18/06
15 ES providers surveyed

Disaggregation will be made available between urban and rural areas (hubs and peripheries) as well as by sex / age

Focus Group Discussions w/ Job Seekers
14/06 – 22/06
20 FGDs held (7 urban / 3 rural)

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Interlinkages between data collection methods:

from the Terms of Reference (public)
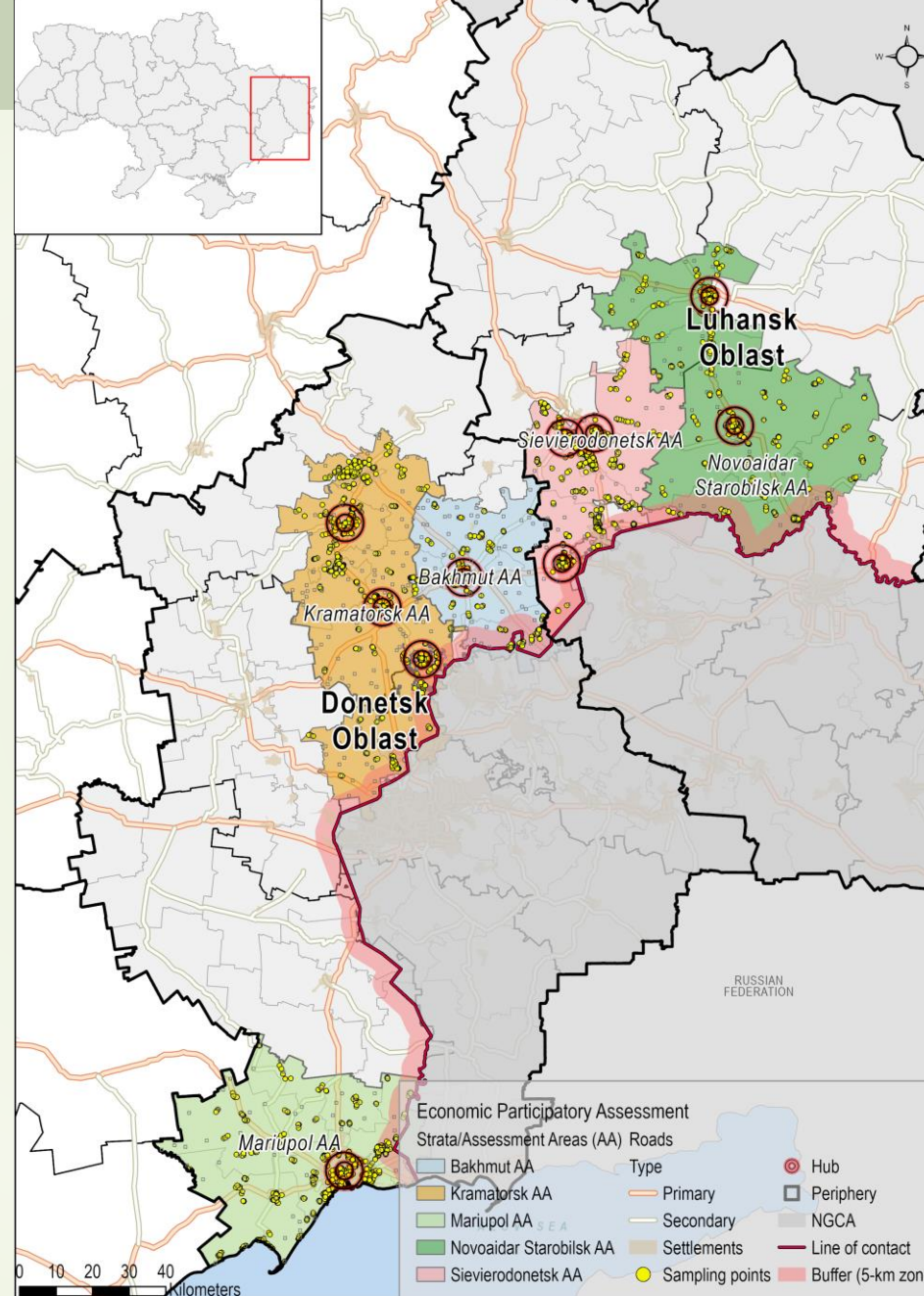
TARGET AREAS

5 Assessment Areas (AA):

Donetsk Oblast
- Mariupol and surroundings
- Kramatorsk corridor
- Bakhmut and surroundings

Luhansk Oblast
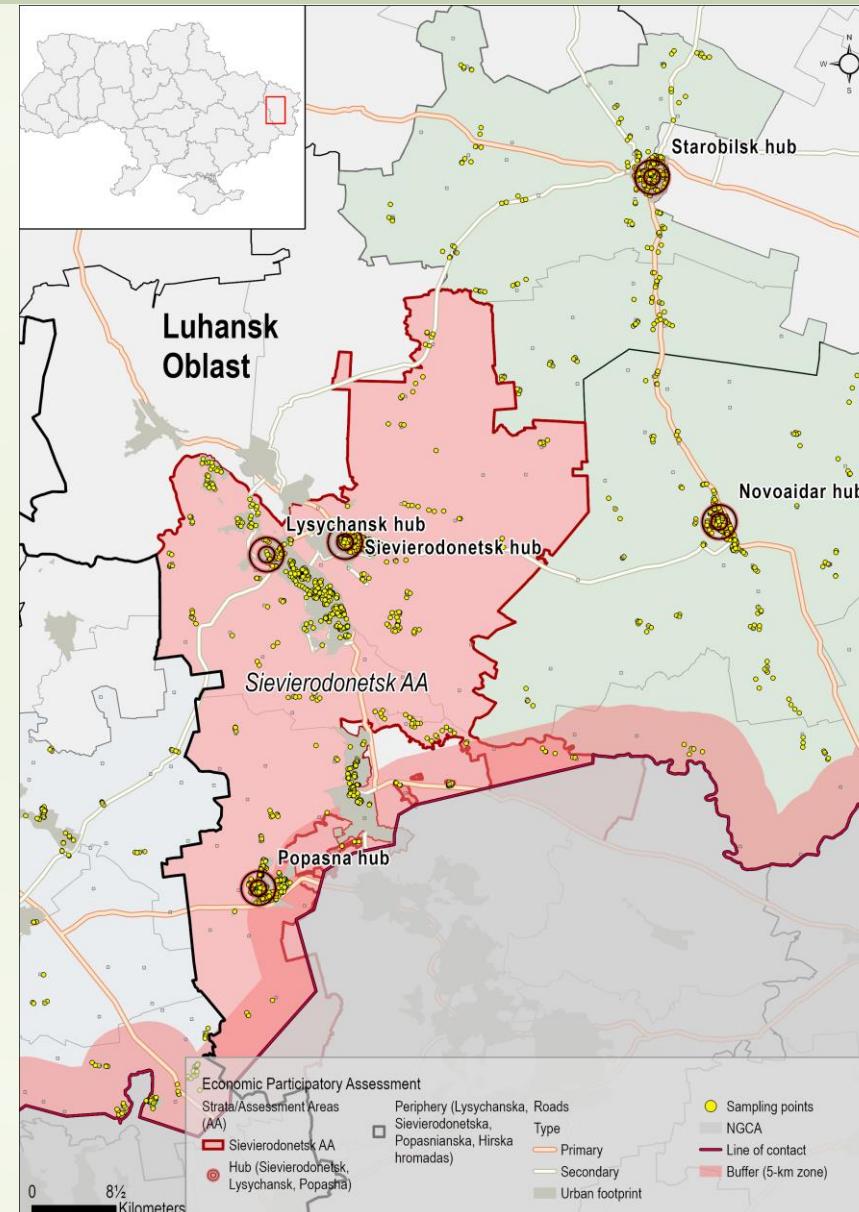- Severodonetsk and surroundings
- East Luhansk

Overview map of the five assessment areas covered under the EPA

AREA 1: SEVERODONETSK AND SURROUNDINGS

- Severodonetsk city (employment hub)
- Lysychansk city (employment hub)
- Popasna city (employment hub)
- Lysychanska, Severodonetska, Popasnianska and Hirska Hromadas (employment periphery)

806 surveyed households from AA 1
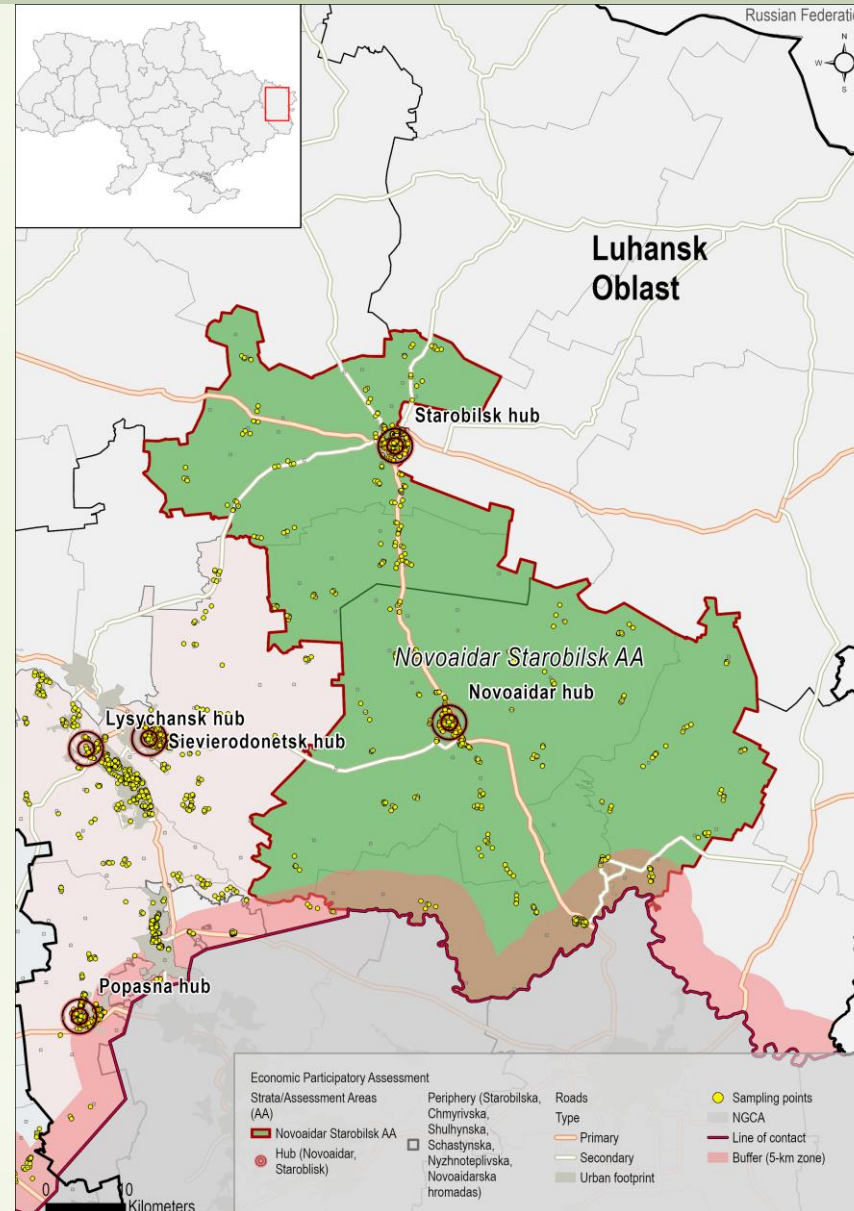Or 27% of total households assessed

Map of assessment area 1 covering Severodonetsk and its surroundings (Luhansk Oblast)

CLASSIFICATION OF AREAS OF INTERVENTION

AREA 2: EAST LUHANSK

- Novoaidar city (employment hub)
- Starobilsk city (employment hub)
- Starobilska, Chmyrivska, Shulhynska, Schastynska, Nyzhnoteplivska and Novoaidarska Hromadas (employment periphery)

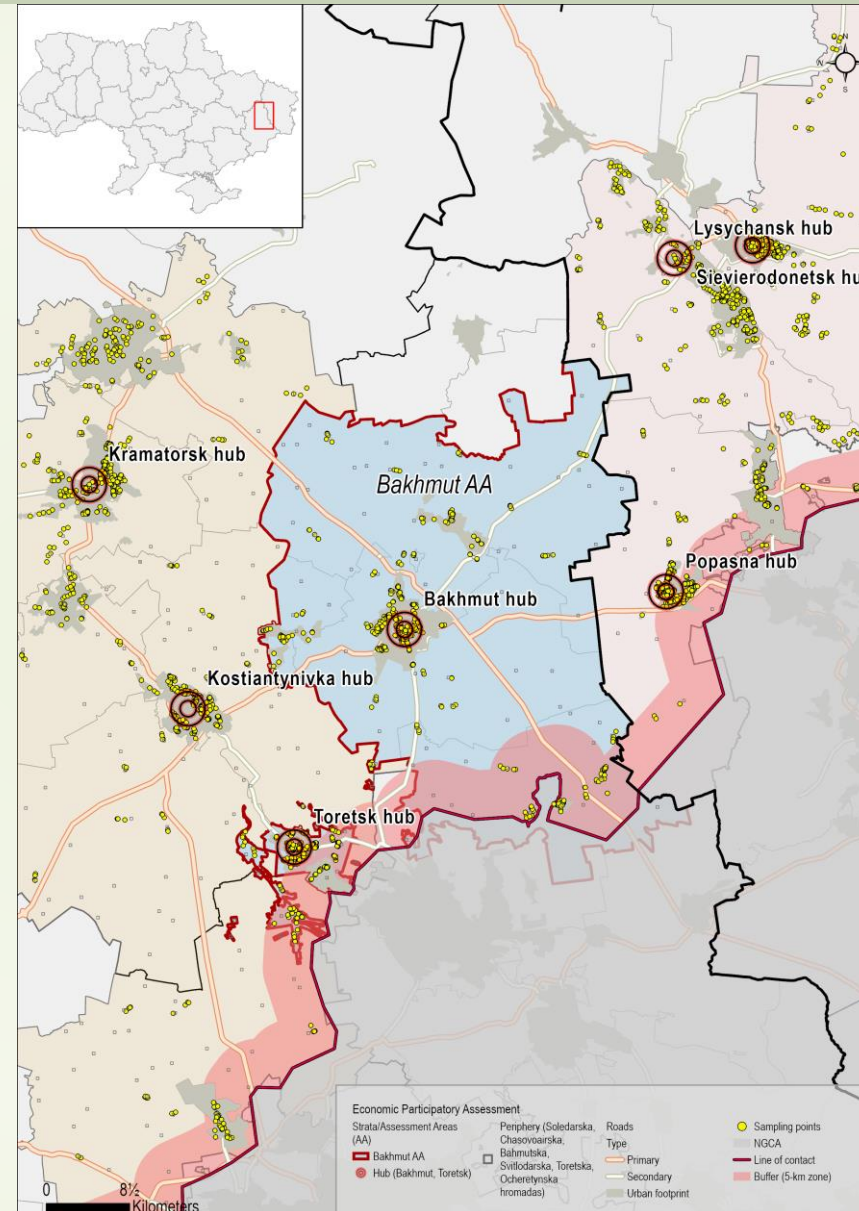606 surveyed households from AA 2
Or 20% of total households assessed

Map of assessment area 2
covering East Luhansk
(Luhansk Oblast)

AREA 3: BAKHMUT AND SURROUNDINGS

- Bakhmut city (employment hub)
- Toretsk city (employment hub)
- Soledarska, Chasovoairska, Bakhmutska, Svitlodarska, Toretska and Ocheretynska Hromadas (employment periphery)

620 surveyed households from AA 3
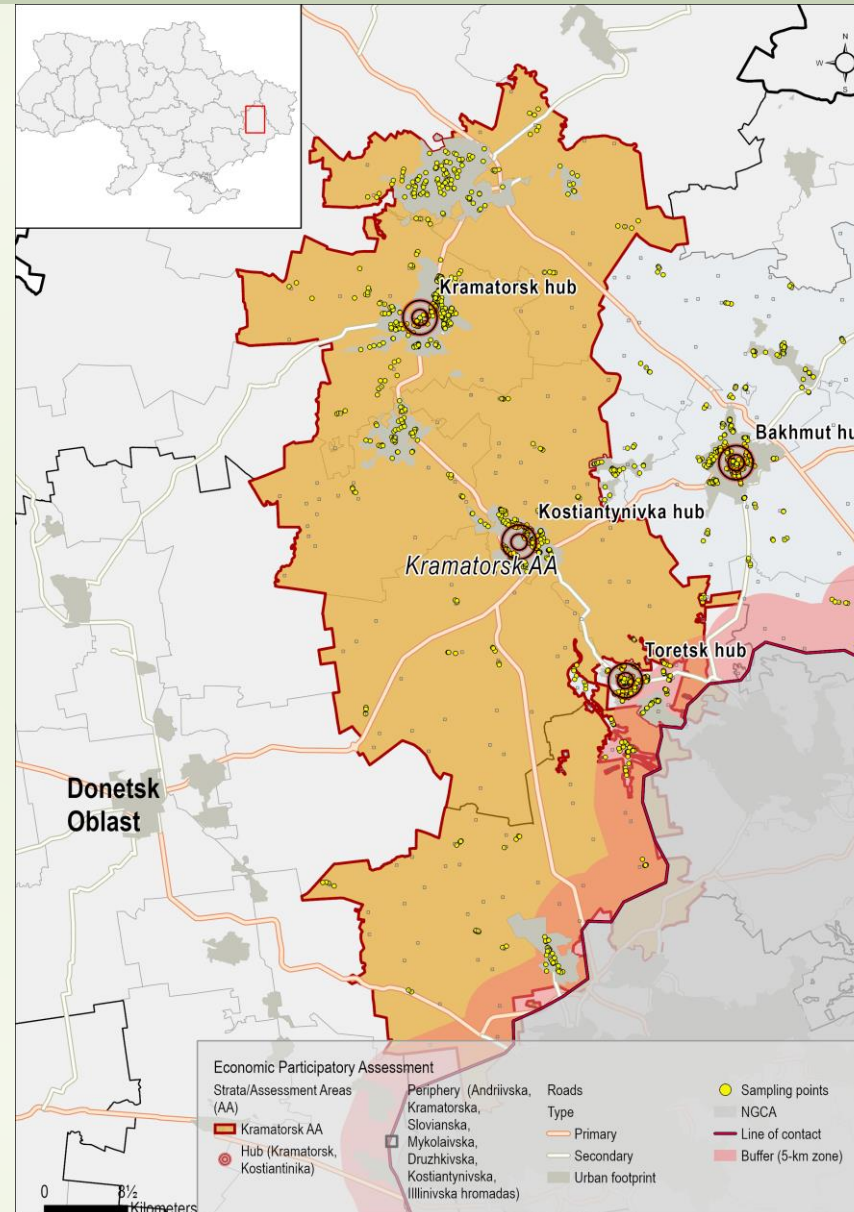Or 20% of total households assessed

Map of assessment area 3 covering Bakhmut and its surroundings (Donetsk Oblast)

AREA 4: KRAMATORSK CORRIDOR

- Kramatorsk city (employment hub)
- Kostiantynivka city (employment hub)
- Andriivska, Kramatorska, Slovianska, Mykolaivska, Druzhkivska, Kostiantynivska and Illlinivska Hromadas (employment periphery)

594 surveyed households from AA 4
Or 20% of total households assessed

Map of assessment area 4 covering the Kramatorsk corridor (Donetsk Oblast)

AREA 5: MARIUPOL AND SURROUNDINGS

- Mariupol city (employment hub)
- Kalchytska, Nikolska, Manhuska, Sartanska and Mariupolska Hromadas (employment periphery)

400 surveyed households from AA 5
Or 13% of total households assessed

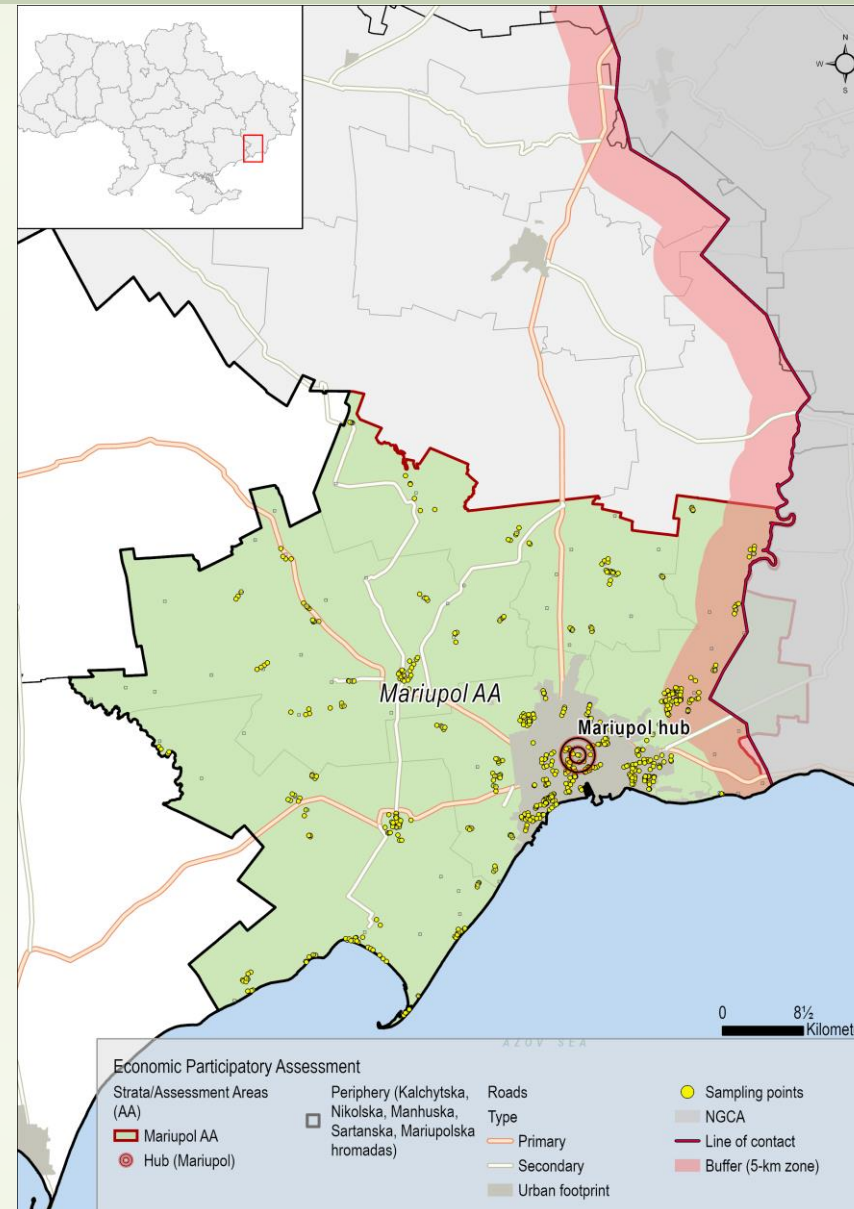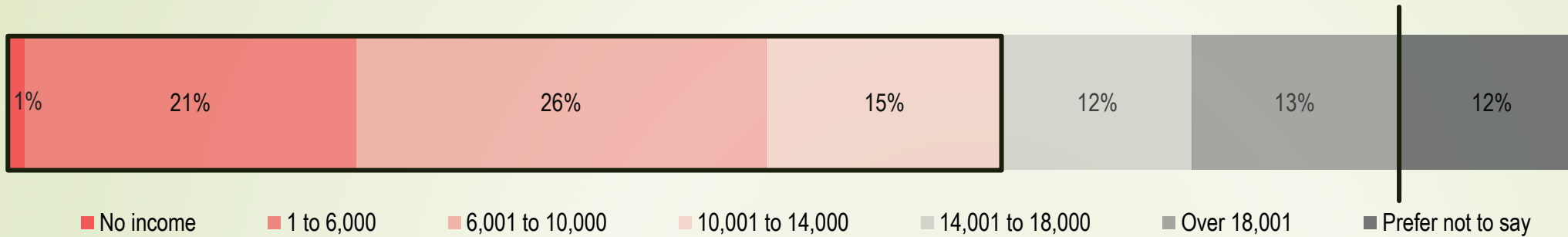**Map of assessment area 5** covering Mariupol and its surroundings (Luhansk Oblast)

PROFILES OF PARTICIPANTS: HOUSEHOLDS

IMPACT Shaping practices Influencing policies Impacting lives
REACH PANDA AGORA

% of households by estimated monthly household income (UAH)* (n= 3,026)

| 1% | 21% | 26% | 15% | 12% | 13% | 12% |

■ No income ■ 1 to 6,000 ■ 6,001 to 10,000 ■ 10,001 to 14,000 ■ 14,001 to 18,000 ■ Over 18,001 ■ Prefer not to say

⚠ **63%** of assessed households have reported a monthly average household income **below 14,000 UAH**

The threshold of 14,000 UAH is used as a reference, based on the most recent (Q2 2021) reported national average household income (13,785 UAH nationally). Source: State Statistics Service
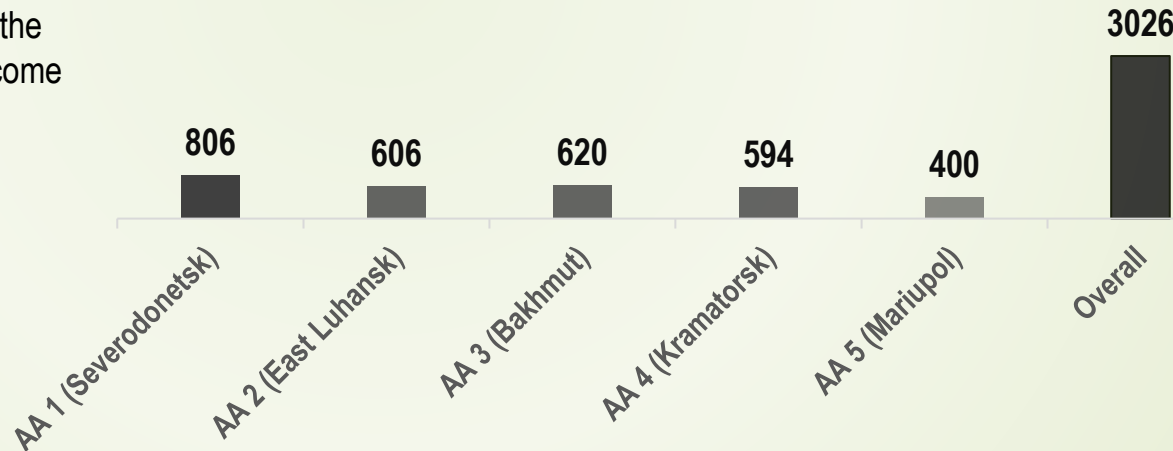
44 years old
Average age of head of household (HoH)

51% male
49% female
Head of household gender proportions

Number of assessed households

| 806 | 606 | 620 | 594 | 400 | 3026 |

AA 1 (Severodonetsk) — AA 2 (East Luhansk) — AA 3 (Bakhmut) — AA 4 (Kramatorsk) — AA 5 (Mariupol) — Overall

Bakhmut AA
has the highest proportion of female HoHs

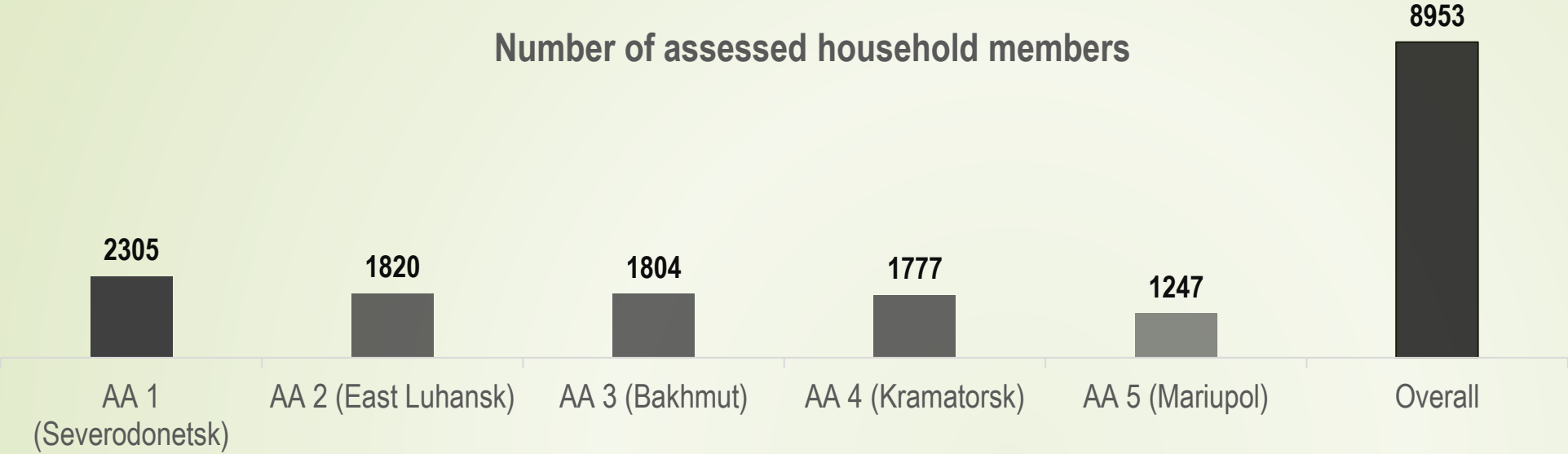**Mariupol AA**
has the highest proportion of male HoHs

*does not differentiate between size of households / number of members in households

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PROFILES OF PARTICIPANTS: HOUSEHOLD MEMBERS

Number of assessed household members

8953

2305

1820

1804

1777

1247

| AA 1 (Severodonetsk) | AA 2 (East Luhansk) | AA 3 (Bakhmut) | AA 4 (Kramatorsk) | AA 5 (Mariupol) | Overall |

33 years old
Average age of household member

Bakhmut AA
AA with the youngest average age of household members

East Luhansk AA
AA with the oldest average age of household members

Gender of household members (n= 8,953)

52% 48%

■ Male
■ Female

3
Average number of members in each household
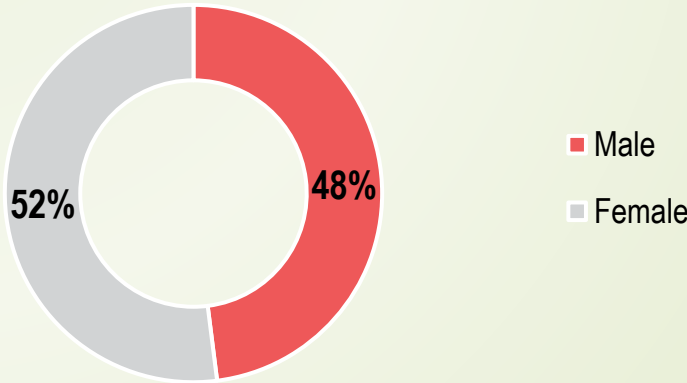
❑ Selection of households was based on whether they had members aged between 15 and 70 years old

❑ Therefore household profile may not be comparable to other household samples

KEY FINDINGS

- **1. Socioeconomic profile**

  Over half (63%) of household members reportedly did not have any vulnerability (e.g. older age, chronic illness or disability) at the time of data collection. However, chronic illnesses were the most commonly reported vulnerability characteristics for over one in ten household members (11%)

  One household member aged 15-70 out of two is reportedly employed, roughly half (48%) of which are employed in three employment sectors only: 1) *industry mining / processing;* 2) *wholesale and retail trade;* 3) *transport, warehouse, postal and courrier activities*

  Roughly half (46%) of employed household members have at least 10 years of work experience and only one in five has two years or less of work experience (20%)

- **2. Labor market dynamics**

  In the 12 months preceding data collection, the sector *wholesale and retail trade* was reported by almost half (46%) of households as experiencing growth. This has been particularly reported by households in hubs (Starobilsk, Kramatorsk and Kostiantynivka), while households in the peripheries (Bakhmutskyi, Novoaidar-Starobilsk and Mariupolskyi) have to a greater extent reported that *no sector* was experiencing any growth

  Some of the negative consequences of the COVID-19 outbreak on employment sector include, as reported by households, *quarantine / prohibition to work* (reported by nearly 9 respondents out of 10), *a decreased demand for services and commodities*, *business closure* and *the lack of profit*, all of which have been reported by nearly a third of households (respectively 33%, 31% and 29%)

KEY FINDINGS

- **3. Barriers to employment**

  Different causes for unemployment are reported for household members from different areas; in particular, household members from peripheries (Novoaidar-Starobilsk, Severodonetskyi and Bakhmutskyi) were more likely to report the *total absence of any vacancies*, while those from hubs (Mariupol, Kramatorsk and Novoaidar) were more likely to report *looking for a better job* as a reason for being unemployed

  Over half (60%) of unemployed household members (11%) have been so for over a year, while only less than a third (29%) reported shorter periods of unemployment (six months or less). Among those unemployed, nearly half (47%) have reported losing their job following the COVID-19 outbreak

- **4. Aspirations for change**

  Nearly a third (29%) of employed household members have expressed intentions to change their jobs in the year following data collection, especially in certain areas in the Kramatorsk-Bakhmut corridor (Kramatorskyi periphery, Bakhmut hub, Kostiantynivka hub). For over half (52%) of these, *getting a better paid job* is the main reason for expressing this intention

  Just above half (55%) of unemployed or studying household members are planning to search for a job in the year following data collection
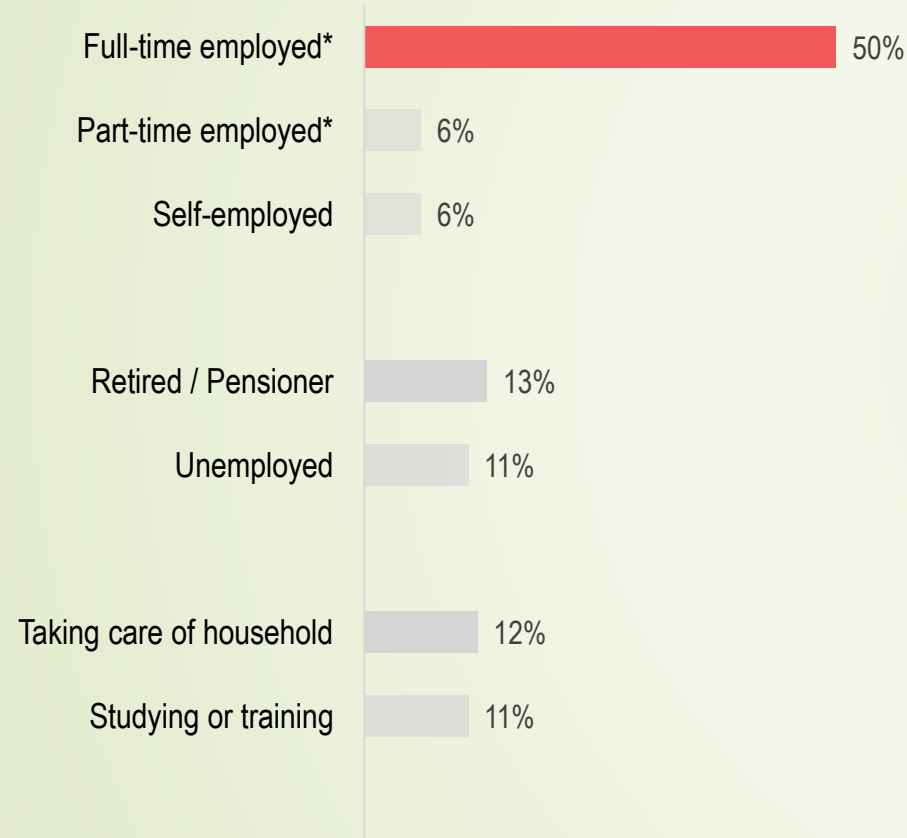
- **5. State Employment Services (SES)**

  Roughly a third (32%) of household members are or have been registered with the SES at the time of data collection. Among these, a majority (61%) has not reported any challenges experienced while using the SES, for which three categories of services mainly used can be brought out, as reported: *unemployment payments* (62%), *assistance with employment* (43%) and *consulting services* (41%)

  Overall, it was reported that household members have / have had high levels of satisfaction while ever using the SES: for 6 out of 10, they are either satisfied or completely satisfied, while only approximately 1 out of 10 (12%) report being either dissatisfied or completely dissatisfied
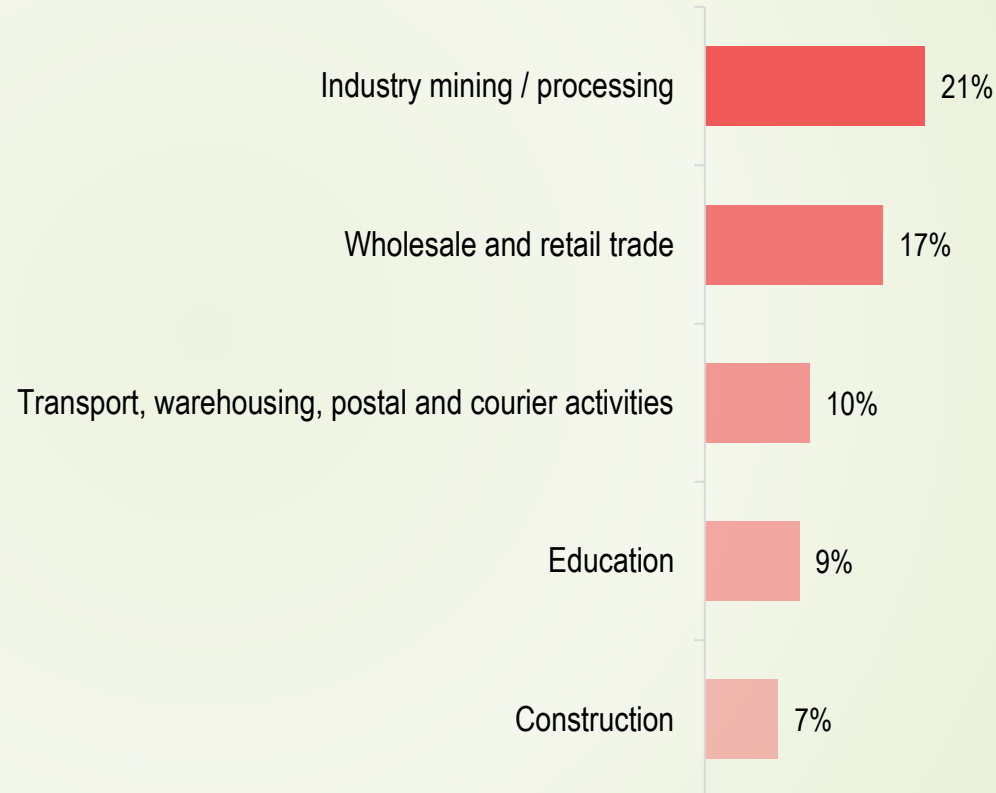
SECTION 1: Socioeconomic Profile

Employment status of household members aged 15-70
(n= 6,559) (multiple answers possible)

Full-time employed*	50%
Part-time employed*	6%
Self-employed	6%
Retired / Pensioner	13%
Unemployed	11%
Taking care of household	12%
Studying or training	11%

*excluding *self-employed*

Most commonly reported **employment sectors** at the time of
data collection, among household members reportedly employed
(n= 4,019) (multiple answers possible)

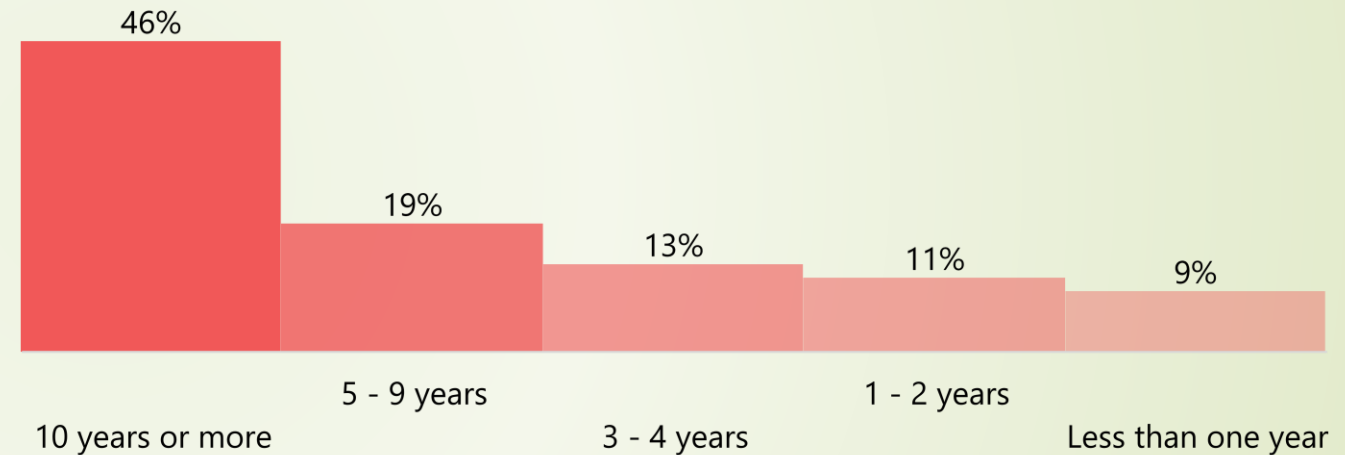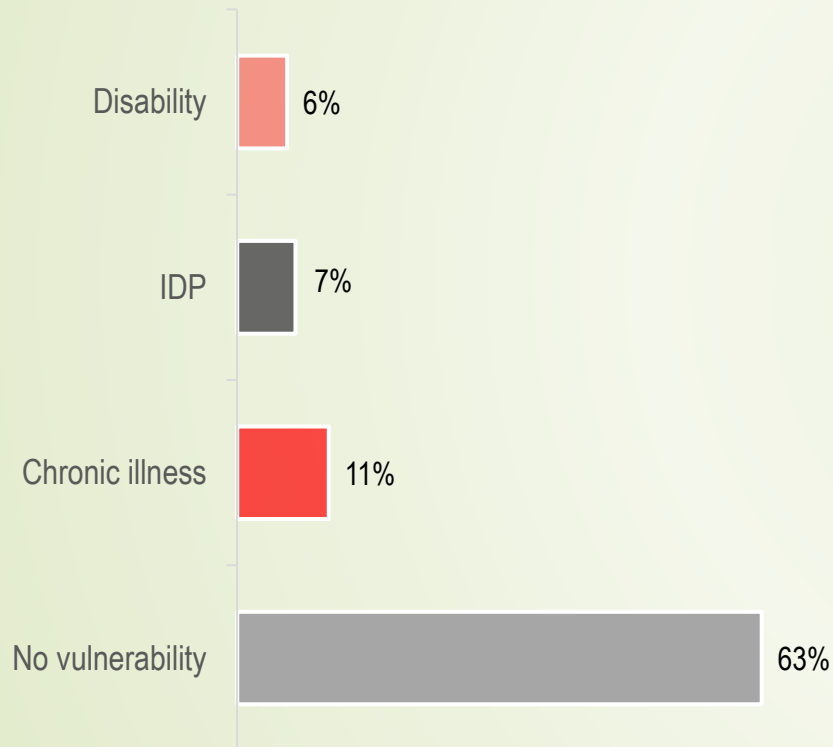|	
Industry mining / processing	21%
Wholesale and retail trade	17%
Transport, warehousing, postal and courier activities	10%
Education	9%
Construction	7%

77%

Proportion of household members officially employed (have a contract), among those reportedly employed
(n= 4,019)

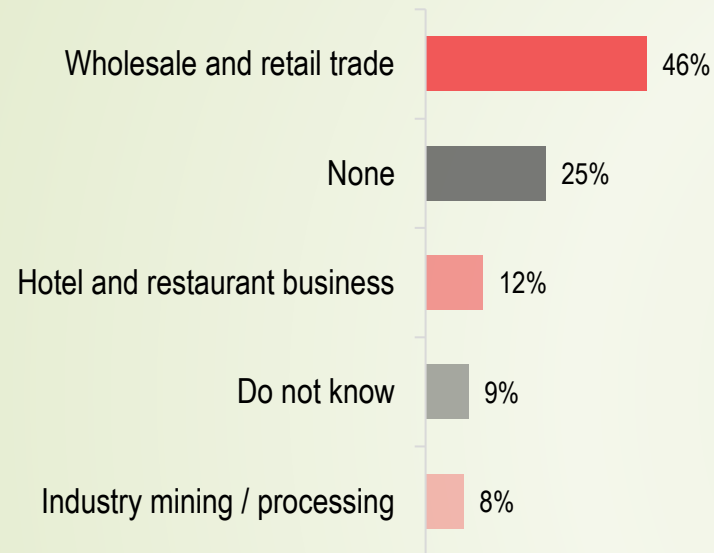**Vulnerability characteristics** of household members aged 15-70
(n= 6,559) (multiple answers possible)

Average number of **years of work experience** in sector of employment, as reported by employed household members
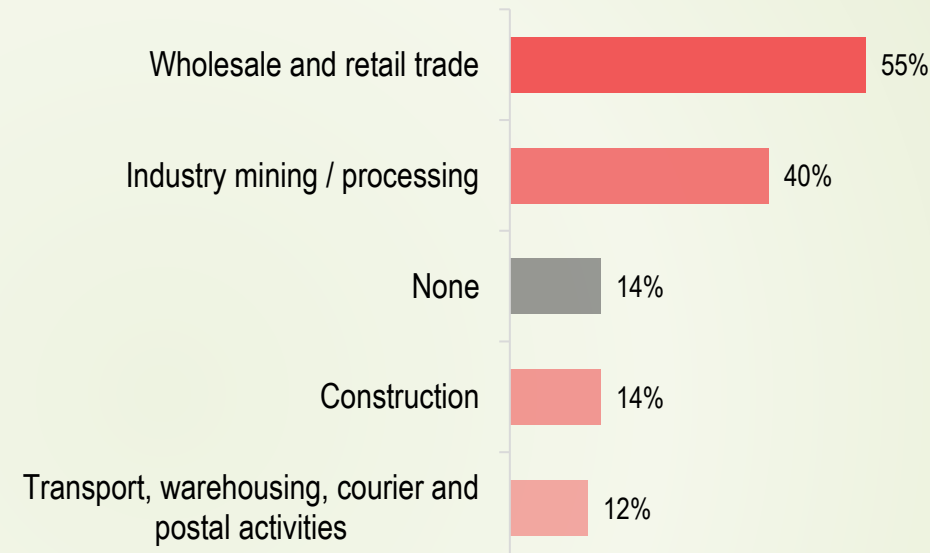(n= 4,019)

Disability 6%

IDP 7%

Chronic illness 11%

No vulnerability 63%

46%

19%

13%

11%

9%

10 years or more

5 - 9 years

3 - 4 years

1 - 2 years

Less than one year
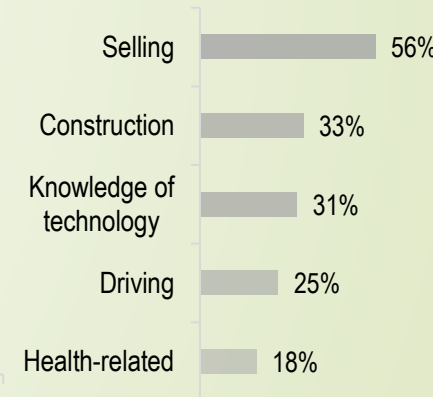
SECTION 2: Labor Market Dynamics

Top **sectors reportedly experiencing growth** in the 12 months preceding data collection, as reported by households (n= 3,026) (multiple answers possible)

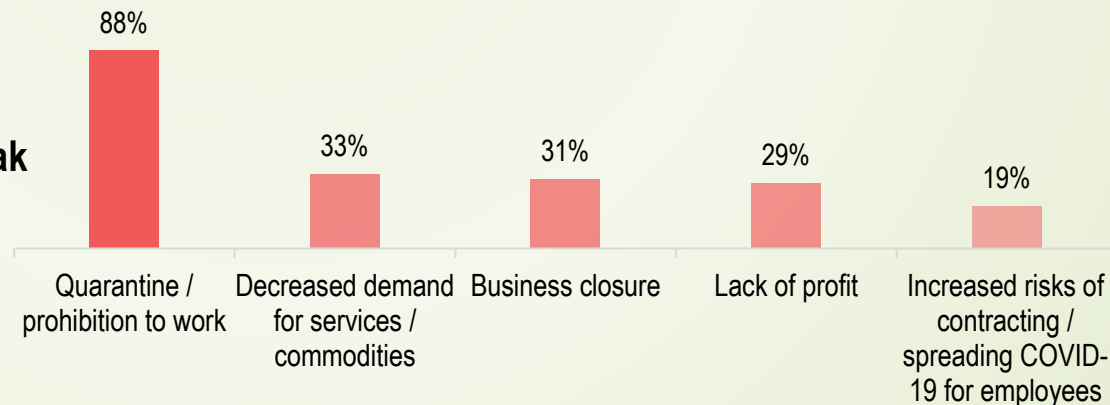| Sector	
Wholesale and retail trade	46%
None	25%
Hotel and restaurant business	12%
Do not know	9%
Industry mining / processing	8%

Top **sectors with readily available employment opportunities** in the 12 months preceding data collection, as reported by households (n= 3,026) (multiple answers possible)

Sector	
Wholesale and retail trade	55%
Industry mining / processing	40%
None	14%
Construction	14%
Transport, warehousing, courier and postal activities	12%

Top reported **professional skills** perceived by households as being **in high demand** within the local labor market in the 12 months preceding data collection, among those who reported that professional skills were in high demand (54%) (n= 1,576) (multiple answers possible)

Skill	
Selling	56%
Construction	33%
Knowledge of technology	31%
Driving	25%
Health-related	18%

Most commonly reported **impacts of the COVID-19 outbreak on employment**, according to households whose employed members have reported that their employment sector was affected (n= 2,229) (multiple answers possible)

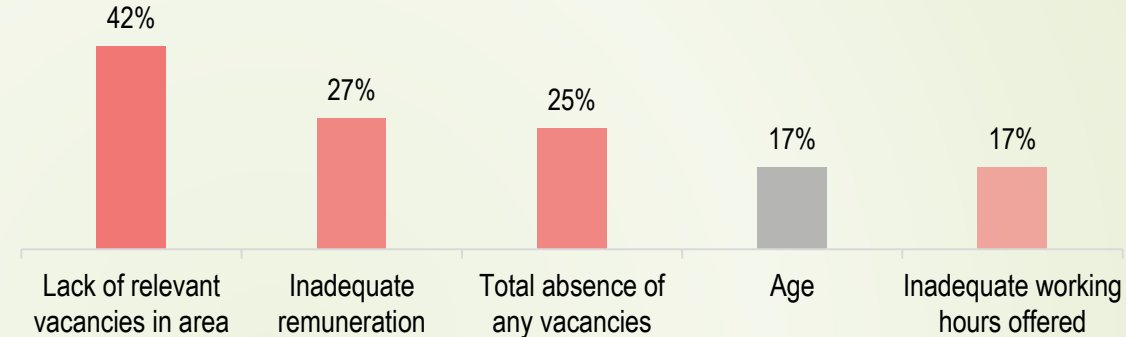| Impact	
Quarantine / prohibition to work	88%
Decreased demand for services / commodities	33%
Business closure	31%
Lack of profit	29%
Increased risks of contracting / spreading COVID-19 for employees	19%

SECTION 3: Barriers to Employment

Most commonly reported **reasons** why household members are **unemployed**, among those reportedly unemployed
(n= 745) (multiple answers possible)

| Reason	%
Lack of relevant vacancies	26%
Look for a better job	15%
Total absence of any vacancies	13%
Personal / family reasons	13%
Childbirth / care for children	13%
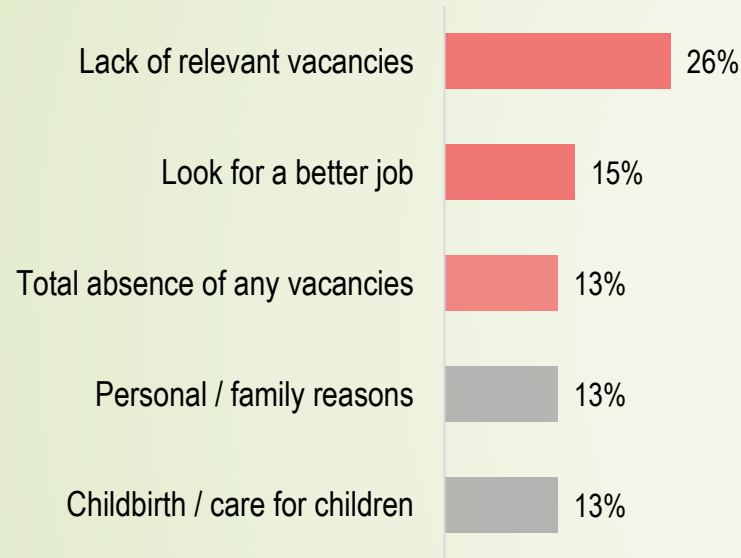
Most commonly reported **barriers to accessing employment**, among household members reportedly unemployed prior to the COVID-19 outbreak
(n= 286) (multiple answers possible)

Lack of relevant vacancies in area	Inadequate remuneration	Total absence of any vacancies	Age	Inadequate working hours offered
42%	27%	25%	17%	17%

47%

Proportion of household members who lost their job following the COVID-19 outbreak, among those reportedly unemployed
(n= 745)

Average **period of unemployment**, among household members reportedly unemployed (n= 745)

- 43%
- 29%
- 17%
- 10%

■ Less than 6 months   ■ 6 months to a year
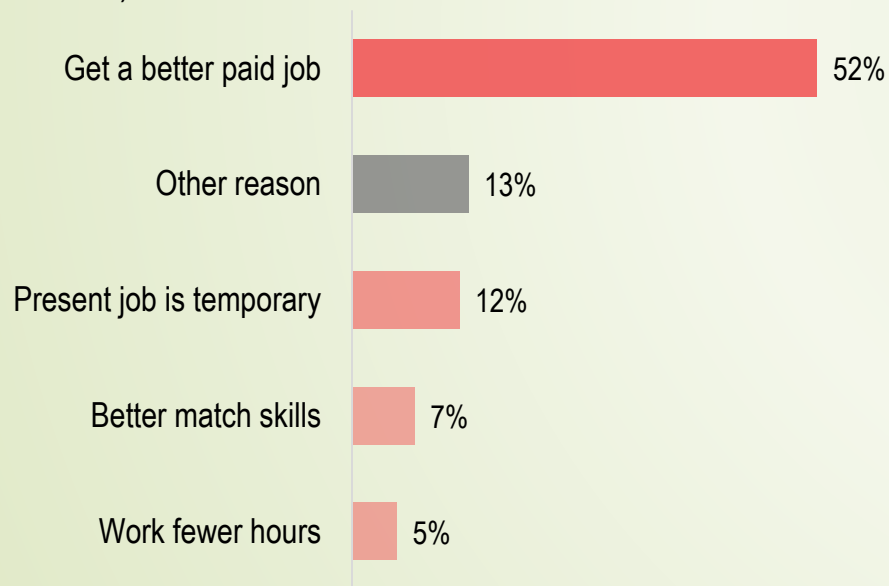■ 1 -2 years   ■ More than 2 years
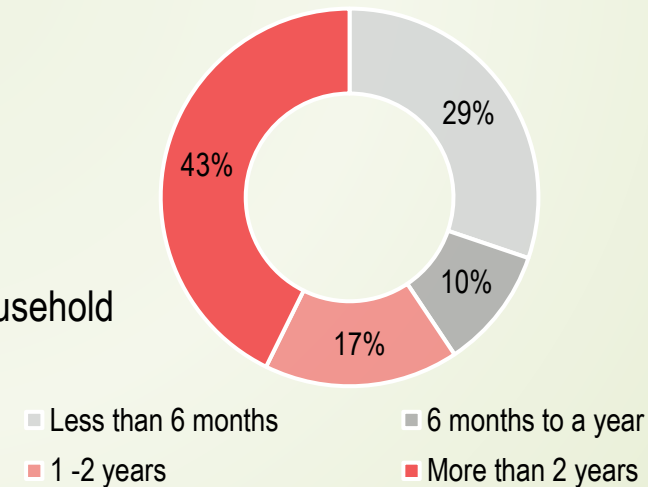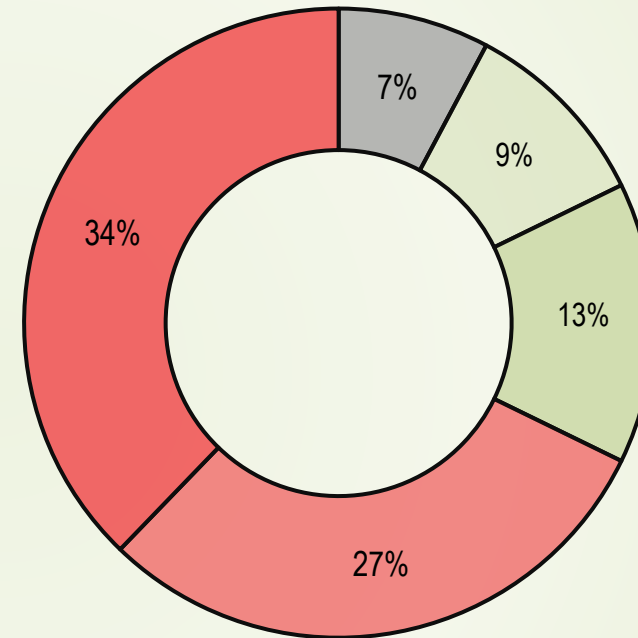
SECTION 4: Aspirations for Change

Proportion of household members with intentions to change their current occupation in the year following data collection, among those aged 15-70 and reportedly employed, doing unpaid voluntary work and taking care of household (n= 4,722)

29%

Most commonly reported **types of employment change intended to pursue**, among household members expressing a preference for change (n= 1,316)

Most commonly reported **reasons for employment change**, among household members intending to change their current occupation (n= 1,316)

Reason	%
Get a better paid job	52%
Other reason	13%
Present job is temporary	12%
Better match skills	7%
Work fewer hours	5%

Move into self-employment — 7%
Same sector / different location — 9%
Different sector / different location — 13%
Same sector / same location — 27%
Different sector / same location — 34%

■ Move into self-employment
□ Same sector / different location
□ Different sector / different location
■ Same sector / same location
■ Different sector / same location

55%

Proportion of household members with stated intentions to search for a new job in the 12 months following data collection, among those reportedly unemployed or studying (n= 1,406)

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SECTION 5: State Employment Services (SES)
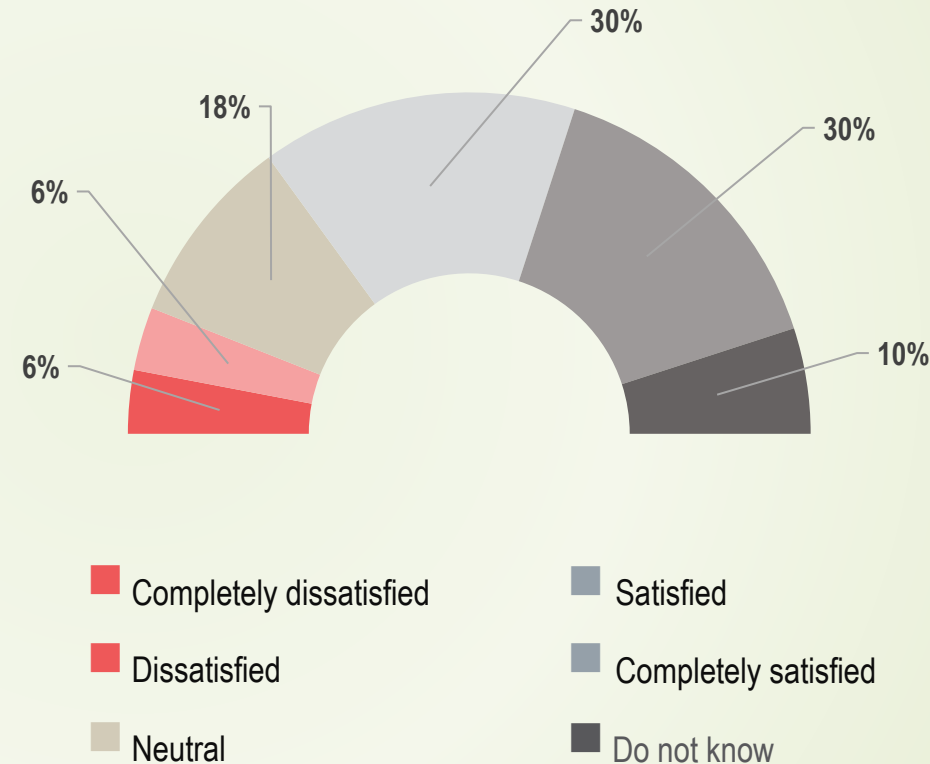
Most commonly reported **services used** by household members **at the SES**, among those registered (n= 2,063) (multiple answers possible)

Unemployment payments	62%
Assistance with employment / finding suitable job	43%
Consulting services related to employment	41%
Professional or advanced training	16%
Do not know	6%

Most commonly reported **challenges experienced** by household members **at the SES**, among those registered (n= 2,063) (multiple answers possible)

No challenges	61%
Lack of support from staff at SES	10%
Distance to SES	8%
Do not know	7%
Use of bulk paper work	7%

Level of satisfaction reported by household members based on their experience using the SES, among those registered (n= 2,063)

30%
18%
6%
6%
30%
10%

- Completely dissatisfied
- Dissatisfied
- Neutral
- Satisfied
- Completely satisfied
- Do not know

32%

Proportion of household members aged 15-70 who are or have been registered with the SES at the time of data collection (n= 5,973)

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NEXT STEPS

DATA ANALYSIS

• Data cleaning continues

• Detailed quantitative data analysis of all four datasets

• Further disaggregation by sociodemographic characteristics

• Deepening of understanding of area-specific dynamics

• Finalization of qualitative data analysis (Focus Group Discussions)

REPORTING & DISSEMINATION

• Five (5) area-based factsheets under preparation: 2-pagers with focus on key findings only
  release in August 2021

• Five (5) detailed area-based Situation Overviews (~30 p.) with disaggregation
  to be released monthly between September-December 2021

• One report presenting key findings across all assessment areas
  end of 2021

• One final presentation to partners
  end of 2021

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THANK YOU FOR YOUR ATTENTION