

Socioeconomic assessment of micro, small and medium enterprises in Odeska oblast (Ukraine)

December 2023 – February 2024

KEY MESSAGES

- **Entrepreneurs reported that a lack of qualified workers due to the ongoing conflict is one of the most important challenge they currently face.** With large parts of the workforce displaced abroad or conscripted into the army, entrepreneurs have been forced to change their hiring strategies. This included lowering job requirements and recruiting profiles perceived as less qualified or suited for the role. As a result, about half of the entrepreneurs emphasised the need for additional employee retraining programmes.
- **Despite macro-indicators indicating signs of economic recovery in 2023** (GDP growth, increased exports, and reduced inflation), **the majority of obstacles to business activities reported appeared to be driven by broader economic factors.** Almost one-third of rural businesses and urban businesses reported a **decrease in customers**. Additionally, **logistical problems, inflation, rising production costs, and excessive tax pressure** continued to impact business activity.
- **There was a lack of interaction between businesses and local authorities.** More than half of surveyed entrepreneurs did not interact with local authorities at all since starting their businesses, and three quarters of KI businesses did not have detailed information about state plans for recovery and development in their area, nor have they used any form of government business support in the past year. Also, due to a partial distrust of the authorities and a lack of awareness of the relevance of government policies, entrepreneurs noted that existing recovery and development plans did not correspond or only partially corresponded to their business interests.
- **Shifts in gender dynamics, driven by the mass emigration of women abroad, internal displacement within the country, and the mobilization of men into the army, brought both opportunities and challenges for women's economic participation.** Businesses were increasingly seeking to hire women and members of other vulnerable groups to replace positions previously held by men, but both female business and female staff are being held back by a lack of adequate childcare facilities. At the same time, many of the economic challenges faced by micro and small businesses were the same or applied equally regardless of the gender of the business owner.

66%

KI entrepreneurs felt a strong impact of gender-demographic changes on their business activity

60%

KI entrepreneurs did not interact with local authorities at all since starting their businesses

CONTEXT & RATIONALE

Russia's ongoing invasion of Ukraine, which lasts for more than two years, has significantly impacted the country's economic landscape and business environment. As of January 2024, the war has caused nearly 155 billion USD dollars in direct damage to Ukraine's infrastructure¹. This has led to the emergence of specific barriers to the recovery and development of entrepreneurship, especially for businesses led by women. At the start of the war, 64% of micro, small, medium enterprises (MSMEs) temporarily suspended or closed their businesses². While the vast majority have now resumed their activities, they continue to face significant pressure from financial problems and physical losses of production facilities (buildings, equipment) and labour force. With the assistance of Global Affairs Canada, REACH is conducting a series of socioeconomic assessments to provide informational support to ACTED's implementation of the Securing Women's Economic Empowerment for Recovery and Development (SEED) project. In 2023, REACH Ukraine has conducted research in 4 oblasts: Odeska, Mykolaivska, Vinnytska and Chernihivska. The results of these assessments inform decisions on the type and targeting of assistance programs to support micro and small businesses led by women and raise awareness of standards for market-based programming in early recovery settings.



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ECONOMIC OVERVIEW AND BACKGROUND

Macroeconomic Context

The dominant sectors of the Odeska oblast's economy prior to the war were manufacturing, agriculture, maritime industry, construction, and tourism. The destruction of ports, infrastructure facilities, coupled with the complete blockade of commercial sea traffic to and from Ukraine, contributed to a sharp drop in the country's GDP in 2022.

After the creation of the international Grain Initiative³ (an agreement between the UN, Turkey, Ukraine and the Russian Federation on maritime corridors for the export of Ukrainian grain) in July 2022 and despite the termination of its existence in July 2023, the ports of Great Odesa (Chornomorsk, Pivdenyi, Odesa ports) carried out the transportation of about 60 million tons of cargo in 2023, primarily consisting of agricultural products export⁴. The Grain Corridor, initiated after the completion of the Grain Initiative, is now operating effectively. For almost nine months of operation of the humanitarian corridor from August 2023 to April 2024, 45 million tons of goods were exported to 44 countries through the Black Sea from the ports of Odesa. Since the beginning of 2024, the ports of Reni, Izmail, and Ust-Dunaisk have processed more than 5.5 million tons of cargo, of which 4 million tons were exported⁵.

Odeska oblast accounted for 4.9% of all goods exported from Ukraine in 2023, ranking fifth overall nationwide and considerably increasing from its pre-war share of 2.5% in 2021⁶. The basis of the Odesa region's exports in 2023 were vegetable products, fats and oils, ready-made food products, and low-value metals. In the first half of 2022, Odesa's industry operated at 55-60% of its pre-war level. By the first half of 2023, this figure had increased to 70-80%⁷.

As one of the most important sectors of the economy before the war, the tourism industry was profoundly affected. The volume of the tourist tax before the war was 13 million UAH, in 2022 it

decreased to 4 million, in 2023 it increased to 7 million UAH. As of 2024, the hotel business has been among the hardest hit within the tourism industry, with the occupancy rate falling at to 30%⁸.

As a result of massive missile attacks in the spring of 2024, the energy infrastructure of Odeska oblast was severely damaged, impacting the region's industry and business.

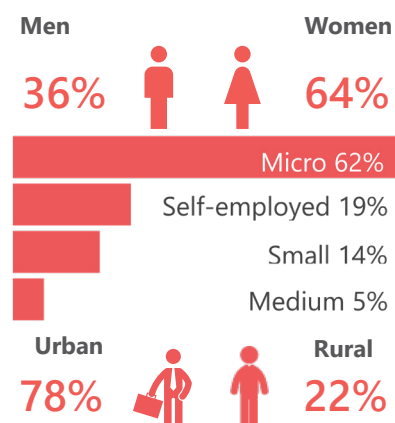
Business dynamics

Almost 8,000 Ukrainian businesses have changed their region of registration since the war escalation in February 2022. Of these, 9.5% have relocated to Odeska oblast⁹. In 2023, almost 24,000 new businesses were opened in Odeska oblast¹⁰. This is one of the highest numbers for any oblast in the country in 2023, ranking 4th overall. Only 465 businesses were in the process of liquidation by the end of 2023 in Odeska oblast¹¹. From February 2023, every second new sole proprietorship (FOP)¹² in Ukraine was opened by women. The number of female entrepreneurs has increased (compared to the prewar period and the first year of the war) most noticeably since the beginning of autumn 2023: women currently account for 57% of new entrepreneurs in the Odeska oblast. However, the share of female directors of new companies is only 33%¹³. According to the National Bank of Ukraine monitoring of business expectations of enterprises of the Odeska oblast for 2024,¹⁴ the vast majority of entrepreneurs expect a reduction in the volume of production of goods and services in Ukraine in the next year. At the same time, entrepreneurs positively assess the development prospects of their enterprises for this period, which can be explained by the resilience of businesses in overcoming economic shocks in difficult circumstances. Furthermore, inflation expectations remain high.

METHODOLOGY

The socioeconomic assessment of micro, small, and medium enterprises (MSMEs) was conducted using data collected between December 4, 2023, and February 2, 2024. This study gathered both quantitative and qualitative data from 613 representatives of MSMEs across four oblasts, including 197 in Odeska oblast. The distribution of informants in sampling depending on the size of enterprises is based on data from the State Statistics Service. It proportionally represents approximately 80% of micro-enterprises (including the self-employed), approximately 15% of small enterprises, and about 5% of medium-sized enterprises. The results are indicative and pertain to surveyed entrepreneurs. Also, scripts were developed in RStudio to scrape resume data from Ukraine's job search portal Work.ua.

Proportion of KIs by gender, size of enterprise, settlement type



CHALLENGES IN CONDUCTING BUSINESS ACTIVITIES

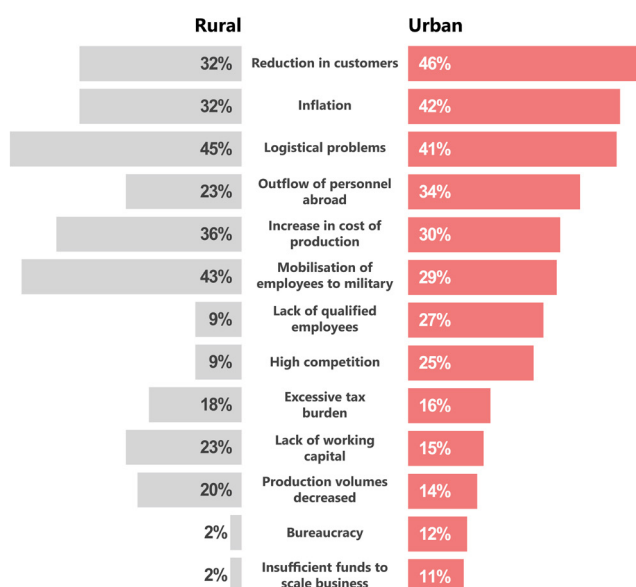
ECONOMIC AND WAR-RELATED BARRIERS: FUNCTIONING OF BUSINESS

Hospitality, entertainment and catering were mentioned by surveyed entrepreneurs as the most affected sectors by the war, which seems plausible, as before the war, Odeska oblast was a leader in the tourism sector¹⁵. Negative impacts of the conflict were also reported by informants in the logistics, construction and trade sectors. At the same time, KI entrepreneurs saw growth potential in crops production, food production, construction, retail trade and IT.

Inflation growth, population reduction in community and complicated logistics were reported by entrepreneurs as the three most urgent socioeconomic problems in the Odeska oblast. This correlates with the main reported barriers faced by KI business in this oblast: decrease in the client base, logistical problems of delivering materials and goods, inflation and an increase in the cost of production, lack of labour force due to emigration personnel abroad and mobilization of men to the army (see Figure 1).

"After the outbreak of the war, the main barrier I faced in my business was the lack of qualified employees. The deteriorating socio-economic situation and the massive outflow of specialists abroad led to instability in the labour market and made it difficult to find highly qualified personnel."
Businesswoman, 38 years-old, small business, Odeskiy raion

Figure 1: The main barriers faced by KI businesses in Odeska oblast after the outbreak war (multiple choices, N=197)



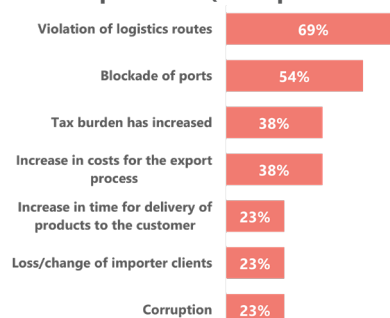
For KI entrepreneurs from rural areas, the problem of mobilization is more acute (43%) and has a greater impact on business activity than for entrepreneurs working in urban areas (29%) (see Figure 1). While the lack of qualified specialists is a more considerable barrier in the activity for businesses in urban settlements.

30% of KI entrepreneurs noted that they were having increased difficulty accessing specific goods or services, in particular due to logistics barriers. These include complicated customs procedures, the blockade of ports, the blockade of borders with the European market. Another issue involved the disruption of supply chains, with KI entrepreneurs reported having to change suppliers for goods such as chemicals, fertilisers, textiles, furniture, equipment, and products of foreign origin. Here, KI entrepreneurs also highlighted the increased costs of relying on more expensive Ukrainian raw materials to replace previous foreign supplies.

"We have a very strong shortage of goods, it was completely frozen until the fall of 2022 due to the full-scale invasion. There is still no fabric. And it was just more good, price-quality and shades, and in reality all factories worked on Belarusian linen. Now they have started working, the Italian one is super expensive, the Chinese one is terrible, the Turkish one is not good to work with either, it is too warm for Ukrainian buyers. And that's why finding the fabric is just kind of a mess. Ukrainian linen does not exist."
Businesswoman, 39 years-old, small business, Odeskiy raion

Half of the businesses surveyed that are involved in export operations noted the emergence of additional problems with export activities. *Complications of export routes (69%), blockade of seaports (54%), increased costs and the export process (38%) and growing tax burden (38%) became the biggest challenges for exporting entrepreneurs* (see Figure 2). KI entrepreneurs also indicated that there was a rise in fuel prices and problems with power supply during blackouts, which affected their production capabilities.

Figure 2: The main challenges faced by exporting KI entrepreneurs (multiple choices, N=24)



Businesswomen during individual interviews also reported that security risks have complicated production and business planning, by causing supply disruptions, adding risk to staff carrying out deliveries, and leaving investors 'afraid to enter' their city and 'invest in local businesses'.

According to KI entrepreneurs (both IDPs and non-displaced persons), residency status also had an impact on business activities. Being an IDP, businesses face additional problems such as lack of finances, difficulty in relocating production, lack of a network of clients, lack of contacts in a new city, as well as psychological stress.

CHALLENGES IN CONDUCTING BUSINESS ACTIVITIES

ECONOMIC AND WAR-RELATED BARRIERS: EMPLOYMENT

Changes in the socio-demographic structure of labour resources have led to a lack of qualified workers, which KI entrepreneurs noted as a problem which complicates their activities.

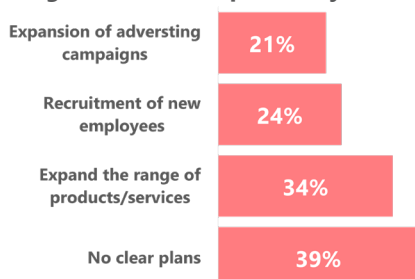
66% of KI entrepreneurs noted that gender-demographic changes that occurred as a result of the war affected their business activity.

More than half of them indicated that they could not overcome these problems. Mobilization of men to the army and displacement of female staff abroad were reported as issues by 32% and 31% of surveyed businesses in Odeska oblast.

Among the surveyed businesses, 43% in rural areas and 29% in urban areas identified men's mobilization to the army as one of the main obstacles to doing business. This was reported more frequently among businesses headed by men (40%) than among those headed by women (28%). Possibly because men are more likely to open businesses in male-dominated fields, where they would hire predominantly male employees at risk of conscription. Leaving of staff from Ukraine for other countries was still a challenge for business activities for 23% of surveyed entrepreneurs in rural areas and 34% in urban areas.

Considering the complicated security situation and economic issues, **more than a third of the surveyed entrepreneurs indicated that planning business activities in the coming months was difficult** and that they **did not have clear business plans** (see Figure 3 below). However, a part of KI entrepreneurs were optimistic and planned to expand their business activities and the range of goods and services. **24% of interviewed businesses indicated that they were planning to hire staff, presumably due to staff shortages.**

Figure 3: Proportion of reported business plans in the coming six months, reported by KIs (N=197)



42% of interviewed entrepreneurs reported the need for additional technical and vocational education and training programs to training/retraining of employees. In particular, they mentioned the need to train employees in the following areas: production-technical specialists

(craftsmen, electricians, plumbers, builders, drivers, welders), engineering specialties, accounting, IT skills, marketing and sales, agricultural specialists.

Businesswomen during individual interviews frequently mentioned that they were making some recruitment efforts, which in some cases involved reducing job requirements, recruiting recent graduates, and recruiting members of vulnerable populations, including internally displaced persons (IDPs), persons with disabilities (PwDs), and elderly people. In the context of challenging working conditions during the war and reported difficulties employing men, they also mentioned making more effort on retention, by increasing wages and reserving workers from conscription (conscription exemption). Female entrepreneurs also mentioned that in some cases they had to look for new employees, completely changing the staff, practice allowing employees to work online, hiring women to replace positions previously held by men and retraining employees.

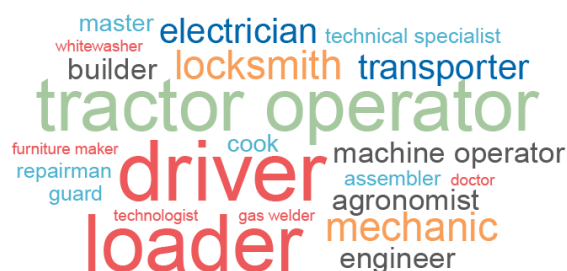
More than half of the surveyed businesses, both in rural and urban areas, employed people from vulnerable groups, in particular pensioners (28%), PwDs (23%), single parents (14%), women with children with disabilities (2%), military widows (3%), persons who lost family members due to the war (3%), veterans (3%), representatives of ethnic minorities (3%).

At the same time, 37% of interviewed entrepreneurs who had employees in their staff indicated that they still had positions for which men are hired more often, and 41% of KI entrepreneurs noted that they had vacancies for which women are primarily hired. This suggests that stereotypical perceptions of 'female' and 'male' professions persist (see Figure 4 and 5 below).

Figure 4: Positions most frequently mentioned by KIs for which entrepreneurs often hire women (open question)



Figure 5: Positions most frequently mentioned by KIs for which entrepreneurs often hire men (open question)



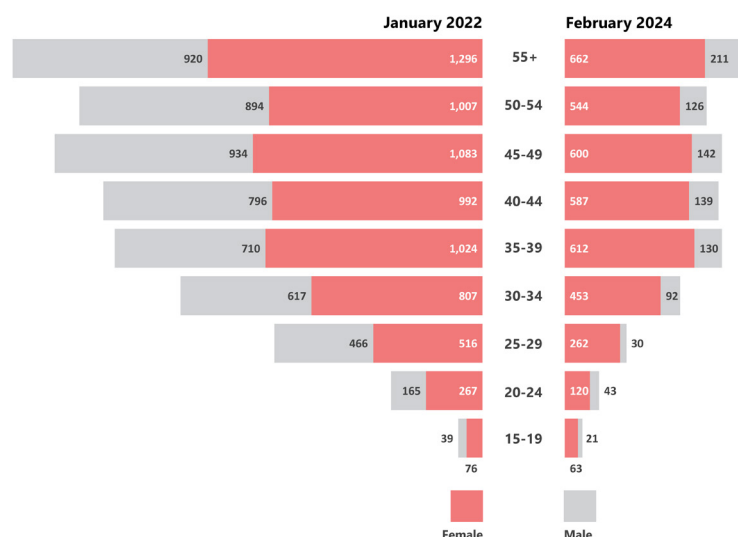
CHALLENGES IN CONDUCTING BUSINESS ACTIVITIES

EMPLOYMENT

As data from the Work.ua portal showed, there was a tendency for women to dominate the job search in the service, trade, accounting, education and science, beauty, and health sectors (the share of submitted female resumes in these sectors was over 65%). Men were more likely to seek employment in the agriculture, auto service, construction, security and manufacturing sectors (the share of submitted male resumes in these sectors was over 65%). Male jobseekers preferred to search for work through Internet job search portals or by directly contacting employers, avoiding official registration in employment centers due to fear of mobilization.

State Employment Service¹⁶ reported that during the last two years (from January 2022 to February 2024) there was an overall decrease in the number of unemployed persons registered with employment centers. They also noticed an increase in the share of female job seekers compared to male job seekers in 2024: 1.37 women to 1.00 men (average of ratio across 9 age groups in January 2022) and 4.45 women to 1.00 men (in February 2024).

Figure 6: Number of Unemployed Persons Registered with the State Employment Service by Gender and Age (January 2022 - February 2024)



SPECIFIC CHALLENGES FOR WOMEN ENTREPRENEURS

MOTIVATION

In general, men and women reported similar motivations for starting their own businesses.

Among both female and male KI entrepreneurs, the dominant motivations included: desire to work for themselves, pursue self-realization, increase income, create a new product, change lifestyle. However, in some cases there were notable differences.

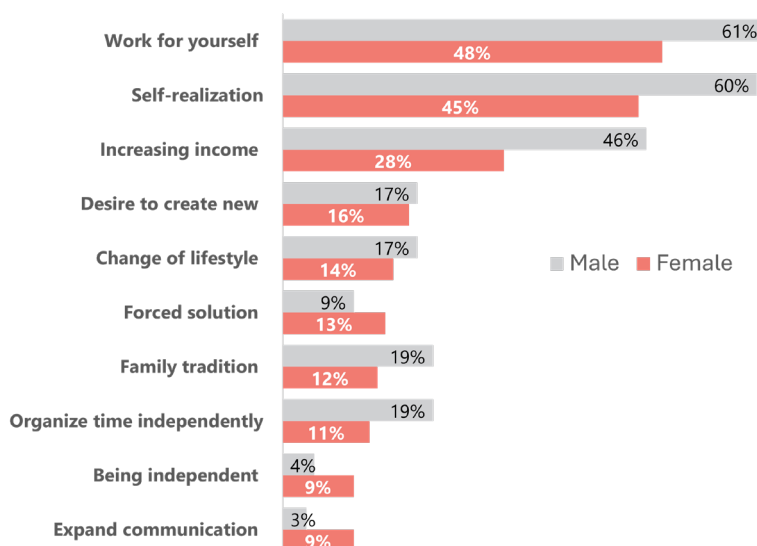
Businesswomen more often reported that their reasons for starting a business were due to a forced decision, to be independent from other family members, to expand the circle of communication (see Figure 7).

"My decision to start my own business was determined by strong motivation and my inner activity. I have always felt a craving for independence and creativity, and starting my own business was a great opportunity for me to express this activity. Love for work and the desire to do something meaningful have always been my main driver. I believe in my ideas and skills, and I want to have an impact on what I do."
Businesswoman, 38 years-old, small business, Odeskiy raion

At the same time, family tradition was noted more often as motivation for rural KI entrepreneurs than for surveyed businesses in urban areas (27%

rural vs 11% urban). While for KI entrepreneurs from urban areas, the motivation to start their own business to increase income was more important than for KI entrepreneurs from rural areas (39% urban vs 16% rural).

Figure 7: Proportion of KIs by gender reporting different motives for starting their own business (multiple choices, N=197)



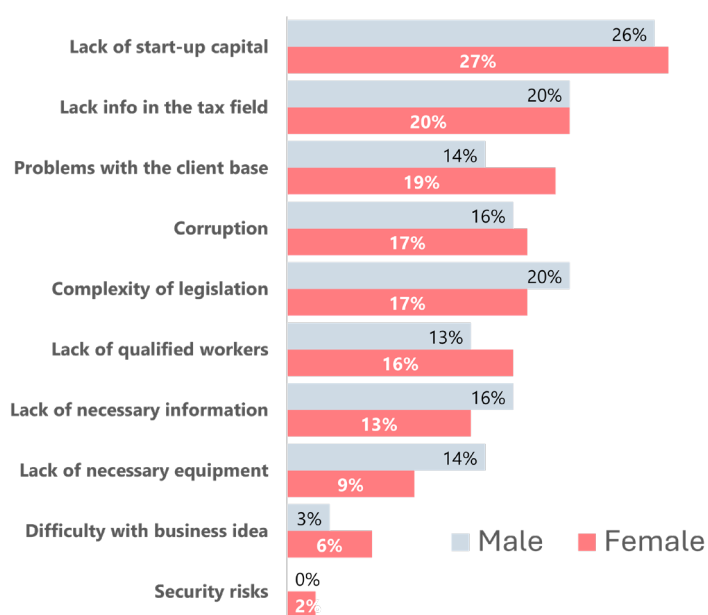
SPECIFIC CHALLENGES FOR WOMEN ENTREPRENEURS

BARRIERS

Among the obstacles encountered by KI entrepreneurs during the establishment of their business, both women and men faced almost the same problems - lack of start-up capital, lack of knowledge about taxation systems, complexity of legislation, corruption, lack of necessary information about the business registration process.

Differences were recorded only in the fact that men more often reported that the obstacles were problems with the necessary equipment (14% men vs. 9% women), and businesswomen mentioned more often the lack of qualified specialists (16% women vs. 13% men), lack of a client base (19% vs 14%), difficulty choosing a business idea (6% vs 3%). Also, not a single male KI entrepreneur reported that security risks were an obstacle, while 2% of female respondents indicated this.

Figure 8: Proportion of KIs by gender reporting different obstacles during starting their own business (multiple choices, N=197)



According to the informants, **the conditions of availability of childcare facilities have also deteriorated after the start of the war**, which can complicate the business activities of female entrepreneurs. It was noted by informants that kindergartens are closed due to security risks, schools work online, lack of shelters in schools, which limits their activities. Also, women entrepreneurs indicated that geographical accessibility to preschool/school facilities has become more difficult due to closures/mergers and the quality of services provided by childcare facilities has deteriorated, which is not an insignificant barrier to women's livelihoods, especially when trying to direct a business.

"In our region, all schools work full-time, of course, when there is an alarm they go to the bomb shelter, if there is no bomb shelter, then the parents pick up the children from school. That is, if the alarm sounds, then all women who have children pick up their children from school".
Businesswoman, 33 years-old, medium business, Podilsk

The majority of both female (80%) and male (86%) KI entrepreneurs used their own savings to open business. But **women more often than men used individual loans from close friends/relatives** (29% vs. 20%), and also more often used **bank loans** (13% vs. 11%).

GENDER DISCRIMINATION

Only 8% of interviewed businesswomen indicated that they faced manifestations of gender discrimination.

During the qualitative part of the research, in the course of individual in-depth interviews the manifestations of gender discrimination that women entrepreneurs face in their everyday and professional life was recorded in more details.

KI businesswomen noted that they did experience such form of gender discrimination, as distrust of a woman's management abilities, judgment of a professional woman by her appearance, discrimination due to childcare and maternity leave, as well as sexual harassment. 59% of the KI entrepreneurs considered that there is nothing preventing women from occupying managerial positions. But it was also noted that barriers can be gender bias (16%), lack of time due to household duties, childcare (13%), as well as a lack of desire on the part of the woman herself (16%).

"For example, in construction business, [...] if you start talking to them (men) in their language on an equal footing, then you will be devoured [or] you need to be dodgy and cunning, because they will not let you in as a woman. [...] Still men believe that they [women] should stay at home. We don't value ourselves yet. A woman does not know her own worth"
Businesswoman, 39 years-old, small business, Odesa

During the in-depth interviews, women entrepreneurs reported that childcare responsibilities, maternity leave and domestic responsibilities acted as obstacles and limitations for women to start their own business. These challenges were exacerbated by the increased burden of domestic responsibilities on women following the outbreak of war and the persistence of gender stereotypes regarding family roles.

"Basically, we have a mentality that women are more effective, but there are a lot of obstacles You have to prove to your husband and others that you are not only a housewife [...]. He [her husband] eats, brushes his teeth, jumps into his pants and that's it. I have more tasks in a day than he has. Yet, he doesn't understand that after work, I still need to cook, while he just lies down to relax because he is tired. Every woman has a similar situation".
Businesswoman, 39 years-old, small business, Odesa

GAPS IN INTERACTION WITH STATE AND LOCAL AUTHORITIES

The obtained results showed that among representatives of micro and small businesses there was a tendency to minimal interaction with representatives of state and local authorities. On the contrary, direct interaction between KI entrepreneurs to solve their problems was predominant. The surveyed businesses were mainly characterized by a low level of awareness and interest in the plans for the recovery and development of the oblast/hromada. This is mainly due to distrust in the efficiency of the work of authorities, the perception of the irrelevance of their work, concern about the level of corruption, or is based on one's own negative/unproductive experience of interaction.

60% of KI entrepreneurs did not interact with local authorities at all, and the interactions that do take place are largely limited to looking at information posted on official websites.

"Well, you know, I often try to attend such events [organized by local authorities - roundtables, public consultations, conferences, etc.], so I can find something useful for myself. But so to speak, when I applied for state support and did not receive it, then you no longer believe in it, do not react to it in the same way. [...] It seems to me that you find information from different sources. As for major plans, I do not have such information" Businesswoman, 35 years-old, small business, Odesa

More than three quarters of the surveyed business representatives (76%) did not have any information about state plans for recovery and development¹⁷ in their area. At the same time, a significant part of entrepreneurs noted that they have no direct barriers to access to information and pointed their lack of personal interest in this information (37%), which could explain their lack of knowledge.

17% of KI entrepreneurs noted that state plans either did not correspond or only partially correlated to the interests of their businesses. The correspondence of these plans to the interests of their activities was noted more often by entrepreneurs operating in urban communities than in rural communities.

At the same time, some of the representatives of **BMOs and CSOs indicated that they have an in-depth awareness of recovery plans and that they played a role in their development, such as by participating in or organizing forums and working groups to discuss the topic.** This indicates that there is greater awareness among specialised associations, but that this information does not reach business representatives.

77% of surveyed entrepreneurs in the Odeska oblast did not use any form of state business support last year. Among the informants who applied for and received help, most of them received state credit programs (5-7-9; E-Robota, etc.) and tax benefits.

Only 8% of surveyed businesses had the experience of being awarded a contract from Government, Donor/INGO or National/Multinational Company.

Only 19% of KI entrepreneurs used the services provided by the DIIA.Business portal¹⁸. In particular, they received free consultations for business, familiarized themselves with current offers for business support, made requests for financing, watched educational series and also applied for obtaining a license or opening a FOP (sole proprietorship).

Despite the fact that there are several business associations, business hubs, and a number of NGOs, CSOs actively operating in the Odeska oblast, which conduct activities to support entrepreneurial activity in the oblast and, in particular, have programs to support women in business, most of surveyed micro and small businesses had a lack of information about these organizations and the opportunities they offer. **The majority of KI entrepreneurs (86%) did not know any business associations in the oblast** that represent the interests of entrepreneurs as a whole, and 93% were not aware of BMOs that supports women's entrepreneurship.

58% of KI entrepreneurs noted that they interact directly with each other for help and support.

Examples included: exchange of experience, information and advice, help with equipment, mutual advertising, barter, cooperation on project implementation, exchange of employees, and help with finding suppliers.

"We are actively trying to unite in groups. When we meet other entrepreneurs, we exchange information and experiences. This allows us to interact, seek mutual support in the team and find ways to solve common problems. Our attempt to come together as a group reflects our belief in the importance of collective support and sharing of resources to achieve common goals."
Businesswoman, 38 years, small business, Odesa

Demands for support and training

KI entrepreneurs noted that the type of support that could facilitate the development of women's entrepreneurship are grant programs (46%), reduction of the tax burden (43%), state business support programs (41%), educational programs on business management (38%), information provision (34%), investment attraction (33%), psychological support (32%).

In addition to the need for retraining/up-skilling courses for their own employees, KI entrepreneurs pointed to desired trainings for business beginners, as well as already working entrepreneurs, to acquire skills that would contribute to the development and optimization of their activities.

The following are among **the training courses most in demand** by surveyed entrepreneurs: **business planning (56%), crisis management (54%), communication skills (53%), marketing (45%), preparation of grant projects (38%), personal branding (34%), HR/recruiting (34%) and IT (32%).**

POINTS OF ATTENTION

Early recovery programming. For Odeska oblast, the current challenges that impede or hinder business recovery/development are: population decline (especially in rural hromadas), weak lateral links between businesses and weak vertical links between businesses and government due to lack of trust, lack of perceived relevance of policy. Actors interested in supporting these hromadas in Odeska oblast to become more resilient and have the capacity to recover could explore forms of support that will enable hromadas from this oblast to develop early recovery and reconstruction plans, which can contribute to the creation of additional jobs and increase the attractiveness of hromadas for new residents. In particular:

- support hromadas in developing development plans and hromadas profiles¹⁹ by providing training and practical components in cooperation with urban planners and taking into account the capacities and profiles of specific hromadas;
- engage in measures to promote better organisation of business-to-business interaction through support for business and civil society associations that promote women's entrepreneurship and strengthen their capacity to provide a range of business services;
- promote stronger vertical links between businesses and government, in particular by using tools to engage micro and small businesses in dialogue and practical interactions.

Labour supply for business. The biggest obstacle affecting small and micro businesses in the assessment areas and limiting business activity is the lack of workers due to migration and mobilization. Accordingly, actors interested in supporting the development and strengthening of business capacity can pay attention to assistance in trainings, professional development, and retraining of employees for businesses in the area. Special attention can be given to categories such as women, PwD, persons of retirement age who plan to work, as they are targeted categories for recruiting. There is also a need to cover incentives like childcare, barrier-free working environment and other aspects to make workplaces more attractive to women and other vulnerable groups.

METHODOLOGY & LIMITATION

The socioeconomic assessment of micro, small, and medium enterprises²⁰ (MSMEs) was conducted using data collected between December 4, 2023, and February 2, 2024. This study gathered both quantitative and qualitative data from 613 representatives of MSMEs across four oblasts, including 197 in the Odeska oblast.

The distribution of informants in sampling depending on the size of enterprises is based on the data of the State Statistics Service and proportionally represents approximately 80% of micro-enterprises (including the self-employed), approximately 15% of small enterprises, and about 5% of medium-sized enterprises. The inclusion of self-employed persons in the sample population is planned at the level of approximately 10% of the total volume of the sample population. The selection of informants was carried out using the "snowball" method, taking into account the following criteria: conducting activities within a different sector of the economy, and ensuring a balance between officially registered businesses and those not officially registered at the time of the survey. However, accessing informants involved in informal business activities was challenging, resulting in this group being minimally represented at about 2.5% of the surveyed entrepreneurs.

One structured KoBo tool was built using a variety of constraints to enable data to be collected from businesses of different sizes, taking into account the gender of the manager. Considering the general

objective of this assessment, the weight representation of enterprises headed by women in the sampling was extended. In order to ensure diversity, an effort was made to find as many businesses as possible that represent different economic sectors, have different residence status (relocated, permanently operating in the oblast), and represent different districts of each oblast, focusing not only on urban area, but also involving businesses operating in rural hromadas.

Qualitative data in Odeska oblast was captured through semi-structured in-depth interviews with 7 representatives of women-led businesses and 4 interviews with leaders of business management associations (BMO), civil society organizations (CSO) that represent the interests of women. For this, two unique guides were developed for conducting interviews separately for each group of informants.

Given that the number of business representatives surveyed is not representative, all findings presented in this report should be interpreted as indicative of the overall experience of entrepreneurs in Odeska oblast.

Also, scripts were developed in RStudio to scrape resume data from Ukraine's job search portal, Work.ua. Results of the web scraping provided quantitative picture of labour market dynamics, including demographics of jobseekers as well as sectoral trends. This was supplemented by an analysis of secondary data collected on the labour market by the State Employment Service of Ukraine.

ENDNOTES

1. [Kyiv School of Economics. Report on direct damage to infrastructure from destruction as a result of Russia's military aggression against Ukraine as of the beginning of 2024. April 2024](#)
2. [United Nations Development Programme in Ukraine. Assessment of the Impact of the War on Micro-, Small-, and Medium-sized Enterprises in Ukraine. Kyiv: 2024](#)
3. The Grain Initiative is an agreement between the UN, Turkey, Ukraine and the Russian Federation on maritime corridors for the export of Ukrainian grain signed on 22 July 2022. On 17 July 2023, the agreement expired and Russia refused to participate in it. Between August 2022 and March 2023, the Grain Initiative exported more than 25 million tonnes of Ukrainian grain.
4. [AgroPolit. Article "In 2023, Ukraine managed to increase exports through the ports of Greater Odessa by 15%" January 2024](#)
5. [Suspilne media. More than six million tons of products were exported from the ports of Greater Odessa in December](#)
6. [Main Department of Statistics in Odesa Region. EXPRESS ISSUE. Foreign trade in goods of the Odesa region in January–July 2023](#)
7. [Odesa Regional Council. Program of socio-economic and cultural development of Odesa region for 2024](#)
8. [State Tourism Development Agency. Tourism statistics of Ukraine for 2022. Report](#)
9. [Opendatabot. Analytics. Where does Ukrainian business move during the Great War? November 2023](#)
10. [Opendatabot. Analytics. In which industries have the most new businesses opened? January 2024](#)
11. [Opendatabot. Analytics. In which areas are the most businesses closing? December 2023](#)
12. FOP (individual entrepreneur/sole tradership) - type of enterprise owned and run by one person and in which there is no legal distinction between the owner and the business entity. Does not necessarily work alone and may employ other people.
13. [Opendatabot. Analytics. In which regions did women in business set a gender record? November 2023](#)
14. [National Bank of Ukraine. Results of the managers' survey enterprises of Odesa region regarding their business expectations. 2023](#)
15. [Odesa Regional Council. Odesa oblast: Socio-economic passport. 2021.](#)
16. [Odesa regional employment center. Analytical and statistical information. The situation on the registered labor market and the activities of the State Employment Service. 2024](#)
17. State plans for recovery and development- In July 2022, the Verkhovna Rada of Ukraine made amendments to the Law "On the Fundamentals of State Regional Policy", which establish the main legal, economic, social, ecological, humanitarian and organizational principles of state regional policy, Ukraine's internal policy, establish the specifics of the recovery of regions and territories affected by armed aggression against Ukraine. And in July 2023, the Cabinet of Ministers of Ukraine approved regulations on the restoration and development of regions and communities. Read more: recovery.gov.ua
18. DIIA.Business portal - this is a national state project for the development of entrepreneurship and exports, which is implemented by the Ministry of Digital Transformation of Ukraine together with the Office for the Development of Entrepreneurship and Exports. Read more: business.dii.gov.ua
19. Hromada Profile is a document consisting of a set of statistics, tables, graphs, diagrams, and text that should comprehensively, clearly, quantitatively, and qualitatively demonstrate the socio-economic potential of the Hromada and the effectiveness of its use. Read more: <https://decentralization.ua/>
20. Micro-enterprises are enterprises with the average number of employees is up to 10 people. Small enterprises are enterprises with the average number of employees is up to 50 people. Medium-sized enterprises - the average number of employees is up to 250 people. Self-employed person is a taxpayer who is a natural person - an entrepreneur or carries out an independent professional activity, provided that such a person is not an employee within the scope of such entrepreneurial or independent professional activity.

ABOUT REACH

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 by REACH include primary data collection and in-depth analysis, and all activities are conducted through inter-agency aid coordination mechanisms. REACH is a joint initiative of IMPACT Initiatives, ACTED and the United Nations Institute for Training and Research - Operational Satellite Applications Programme (UNITAR-UNOSAT).