




Rapid Economic Assessment in Odesa Oblast


June 2023 | Ukraine


KEY FINDINGS


 While work.ua—Ukraine’s most popular job search platform—shows the same ratio of jobseekers to vacancies in July 2021 and July 2023 for Odesa, currently there may be a greater **mismatch between the supply and demand of specific skills** due to population displacements away from the region, military **mobilisation**, and the **presence of IDPs** from other regions.

 **Pensioners** were reported to be one of the groups worst affected by loss of income since February 2022. In December 2021, the minimum pension for non-working retirees was 1,934 UAH.¹ This was increased to 2,093 UAH in December 2022, representing an 8.2% increase in nominal terms.² However, in that same period, inflation increased by 26.6%, meaning **minimum pensions were worth 18.4% less**, adjusting for inflation, in December 2022 compared with December 2021.³

 Related to the reported mismatch between the supply and demand for specific skills, KIs emphasised the need to **rapidly reskill** the working age population in the oblast.

 **Reconstruction of housing and infrastructure** is a key area of focus in local authorities’ recovery plans. As of June 2023, it was reported that the recovery plan had not yet been adopted, with local authorities in the preliminary phases of collecting information and providing compensation to persons whose houses have been damaged or destroyed.

 **Single-headed households** (HHs) were reportedly among the worst affected by loss of income. Caregivers in single-headed households, especially those with young children, have experienced **increased childcare responsibilities** resulting from the closure of schools and kindergartens, limiting their ability to work.

 For actors interested in Cash for Work activities, it is worth being aware of the state program **Recovery Army**, which is a joint initiative of local authorities and employment centres to involve unemployed persons in public works, such as rubble removal, construction, harvesting firewood, unloading humanitarian aid, strengthening dams, providing assistance to vulnerable groups, etc., in exchange for financial compensation.

PROGRAMME DEVELOPMENT RECOMMENDATIONS

Targeting. As one INGO pointed out, IDPs are not the only vulnerable population group and livelihoods activities should take into account challenges faced by the host community as well. The specific vulnerabilities of, and challenges faced by, different population groups should be an integral part of program design. For example, while IDPs may typically have difficulty accessing employment due to inappropriate skills/experience as well as psychosocial factors, women may have limited capacity or access to work due to existing household/community commitments and cultural expectations around appropriate work for women. Female IDPs may face both sets of challenges.

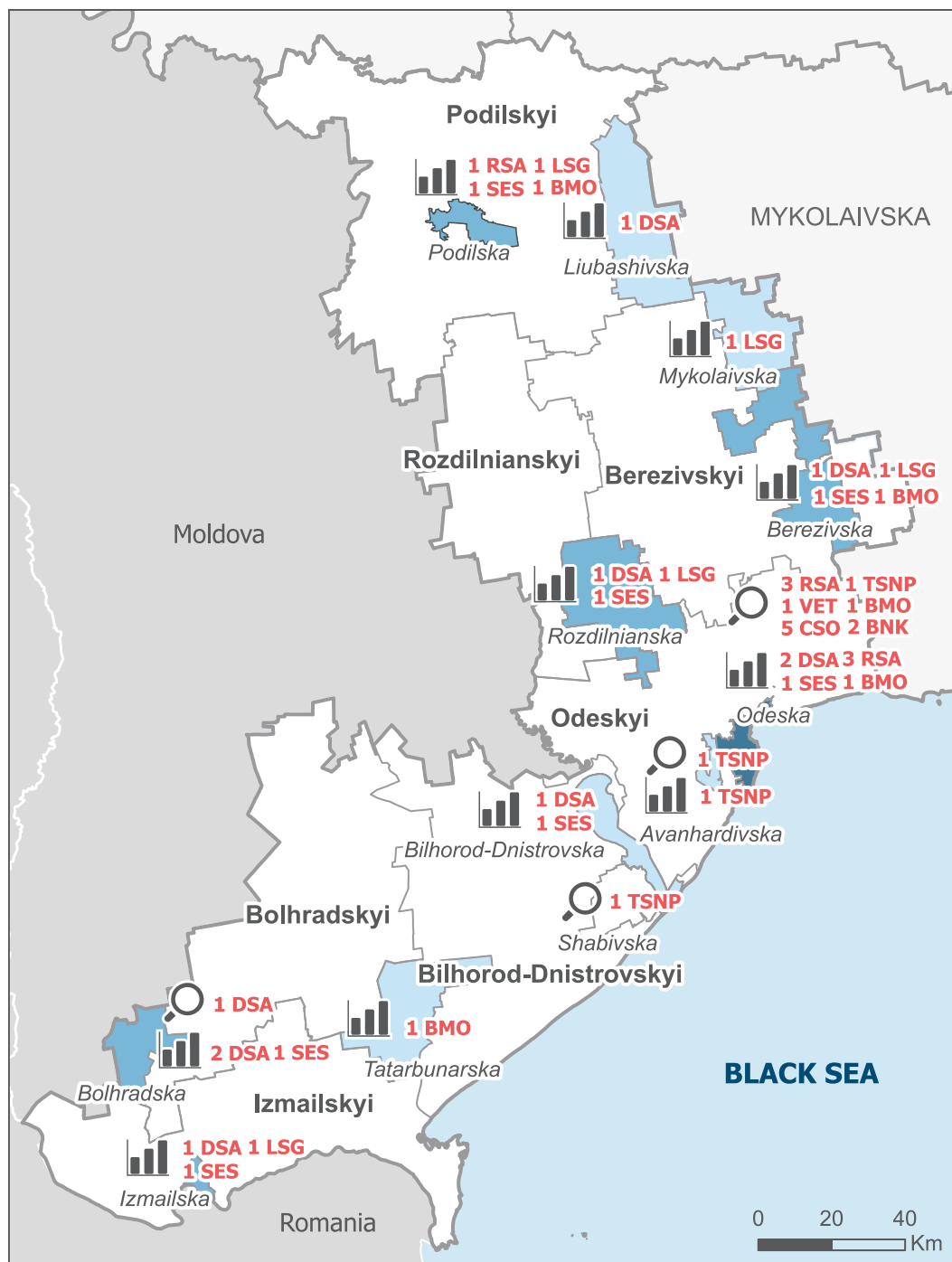
Livelihoods and shelter. As livelihoods—whether employment, entrepreneurship, or farming—are often difficult to sustain without stable accommodation, in some cases—particularly for IDPs—it will be useful to ensure beneficiaries of livelihoods activities also have access to long-term housing solutions. In practice, this may mean combining livelihoods and shelter activities.

Type of programming. Many support services already exist in the region, provided by a range of public institutions, private actors, and CSOs. As rapid reskilling was identified as a priority activity, design of such programmes should take into account existing training services and reported service gaps. It may be that existing providers are able to address gaps identified with the support of international organisations, rather than the latter seeking to provide services directly. As for small grants, here again it is necessary to understand the availability and average value of different types of grants and loans to MSMEs. Relevant information can be found in [Annexes to the presentation](#) associated with this factsheet.

Location. When determining the location of activities, livelihoods actors should be aware that impacts differ from area to area, and that some local authorities are better resourced than others.⁴ Understanding the financial position of different local authorities and the current availability of employment services should be a first step in determining the location of activities.

- [Pensions have been recalculated since December 1, 2021 - Pension Fund of Ukraine \(pfu.gov.ua\)](#)
- [From December 1, the Pension Fund of Ukraine will recalculate pensions of citizens - Pension Fund of Ukraine \(pfu.gov.ua\)](#)
- [NBU Comment on Inflation Rate in 2022 \(bank.gov.ua\)](#)
- See for example [slide 29 of the accompanying presentation](#).

DATA COLLECTION SAMPLE



Type of informants

- RSA** Regional state administration
- DSA** District state administration
- LSG** Local self-government
- SES** State employment service
- PES** Private employment service
- TSNP** Administrative service center
- VET** Technical and Vocational Education and Training center
- BMO** Business management organisation (Chambers of Commerce, Trade Union, etc.)
- CSO** Civil Society Organisation
- BNK** Bank

Type of data collection

- In-depth interviews
- Structured interviews

Coverage of structured interviews at the hromada/raion/oblast level

- 5-6
- 3-4
- 1-2

Data sources
Administrative boundaries: OCHA

METHODOLOGY

Most of the results of this assessment are derived from primary qualitative and quantitative data collected through 20 in-depth interviews and 30 structured interviews of key informants (KIs) present in the assessment areas. Seven unique interview guides were developed for in-depth interviews with local authority representatives, business management organisations, civil society organisations, international organisations, vocational training providers, administrative service centres, and banks. Results of these interviews contributed to a nuanced qualitative picture of the socioeconomic impacts of the full-scale war in each of the assessment 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

Home to most of Ukraine’s seaports, Odesa is the main import/export hub of the country, and import/export and related services, such as transport and storage, are the main drivers of the local economy.⁵

The destruction of ports, bridges, and storage facilities in the region, coupled with the restriction to complete blockade of commercial sea traffic to and from Ukraine, contributed to a sharp drop in the country’s GDP in 2022.⁶ With restrictions on exports by sea, some of this traffic has been channelled via Izmil and Reni ports on the Danube.⁷ Likely a result of increased import/export operations, as of June 2023 there were nearly three times as many vacancies

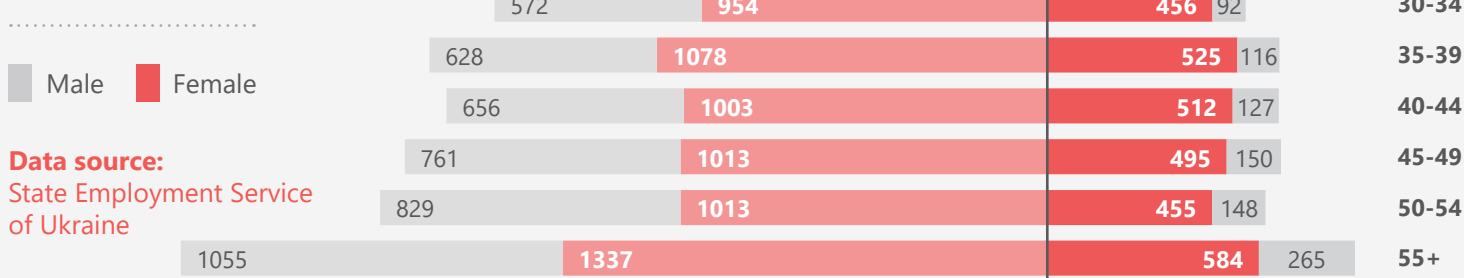
advertised on work.ua in Izmil compared with June 2021. However, increased aerial attacks on the ports of Reni and Izmil between July and September 2023 may force a scaling back of cargo-carrying activities, impacting job opportunities.⁸

While 1/3 of KIs reported that many businesses had closed since February 2022, 1/3 also reported businesses relocating to the area and a majority reported that many new businesses had opened since the beginning of the full-scale war. In connection with the apparent rebound of local business, it is worth noting that a local authority KI mentioned the introduction of the *eRobota* program—grants from the state for opening or developing a business—in June 2022, and the increase in loans taken out under the *Affordable Loans 5-7-9%* program in the Odesa region in 2022.⁹

UNEMPLOYMENT DEMOGRAPHICS OVER TIME, ODESA OBLAST

Figure 1

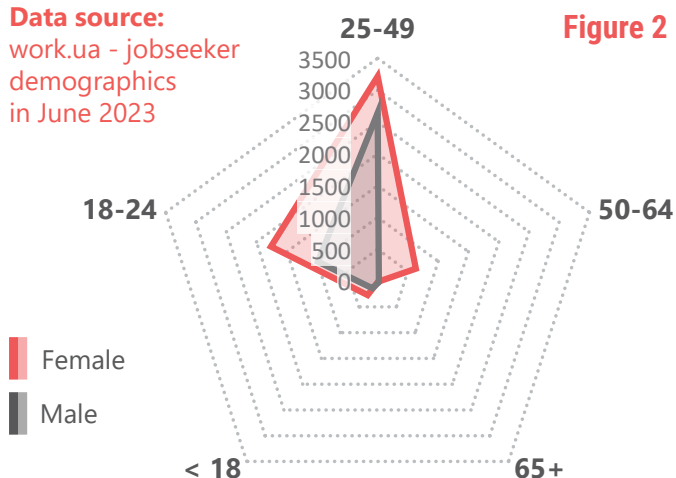
According to State Employment Service (SES) data, there was a significant reduction in the number of jobseekers across all age groups from June 2021 to June 2023. Men in particular appear to be registering with employment centers in Odesa at far lower rates in the post-February 2022 period than they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



Data source: State Employment Service of Ukraine

Data source: work.ua - jobseeker demographics in June 2023

Figure 2



SUBPOPULATIONS WORST AFFECTED BY LOSS OF INCOME

Apart from pensioners and single-headed HHs, younger (18-24) and older (50+) men were reportedly among the worst affected by loss of income since February 2022.

State Employment Service data shows a marked decrease in male registered jobseekers across all age groups in June 2023 compared with June 2021. Comparative analysis with work.ua data, which shows a relatively larger share of male jobseekers in June 2023, suggests that men, though still actively looking for work, may be avoiding registering as unemployed with employment centers, thereby forfeiting unemployment support.¹⁰

5. <https://oda.od.gov.ua/odeshhyna/pro-odeshhynu/pasport-oblasti/>

6. For detail of damages, see https://kse.ua/wp-content/uploads/2023/03/UKR_Feb23_FINAL_Damages-Report-1.pdf. for the evolution of Ukraine’s GDP, see [GDP \(current US\\$\) - Ukraine | Data \(worldbank.org\)](https://data.worldbank.org/UY)

7. <https://usm.media/izma%D1%97I-reni-ta-ust-dunajsk-yak-za-rik-vijni-zminilis-ukra%D1%97nski-porti-na-duna%D1%97/>

8. <https://intent.press/news/economy/2023/obstrili-ta-obmilinnya-dunayu-vplinuli-na-robotu-portiv-reni-ta-izmayil/>

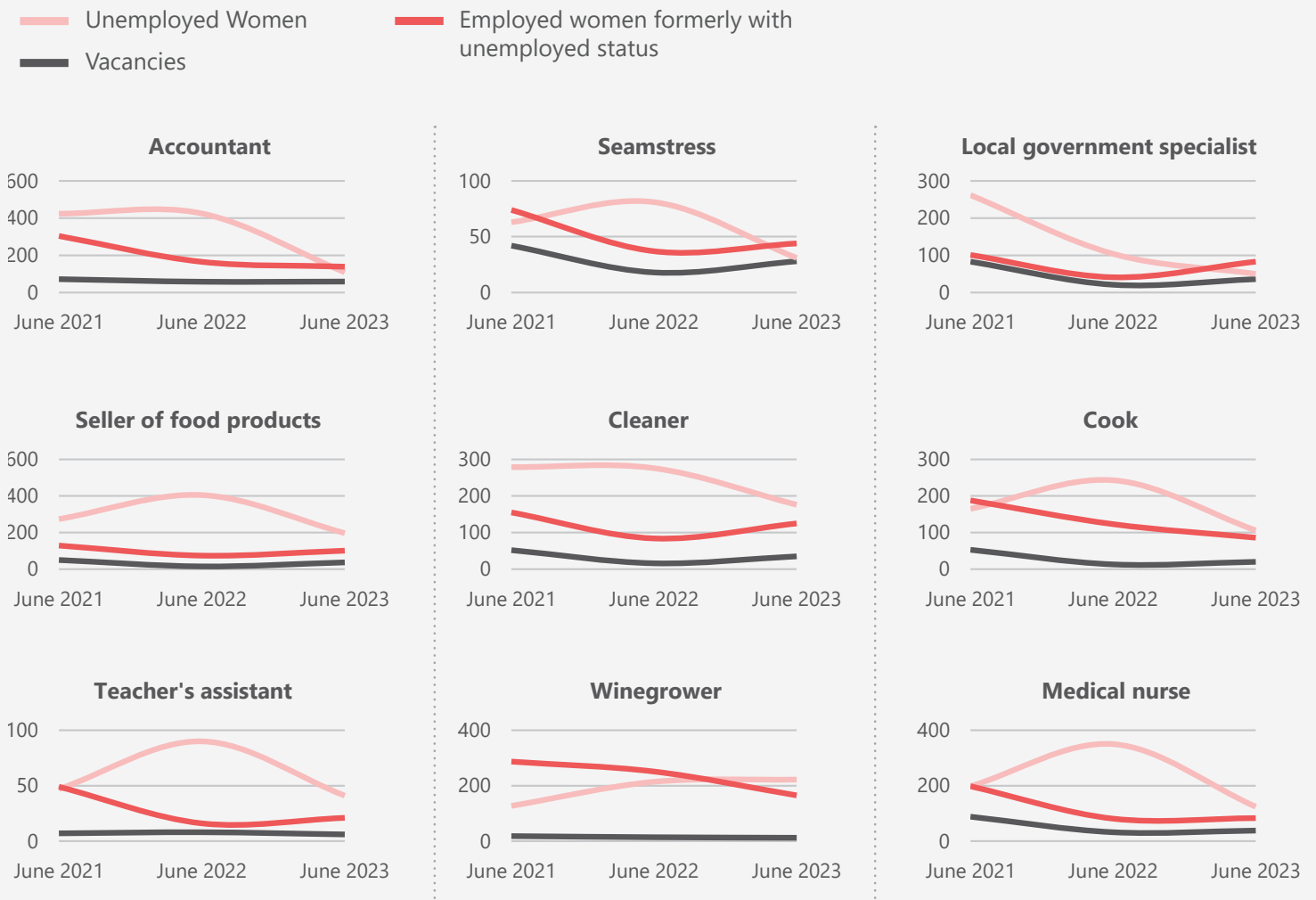
9. For information on *eRobota*, see <https://diia.gov.ua/services/categories/biznesu/yerobota>; for information on

Affordable Loans 5-7-9%, see <https://5-7-9.gov.ua/>

10. See [Annex G of accompanying presentation](#) for demographics of jobseekers on work.ua in May and June 2023.

VACANCIES/JOBSEEKERS FOR SELECTED POSITIONS

Figure 3



Data source: State Employment Service of Ukraine

BARRIERS FACED BY VULNERABLE GROUPS ACCESSING EMPLOYMENT

Odesa hosts a large IDP population, with most residing in Odeskyi raion, where the employment rate of working age IDPs is estimated to be only 10-20%.

Access to employment is reportedly the greatest need among IDPs, followed by access to housing. IDPs face a specific set of barriers in accessing employment, the most important perhaps being the mismatch between their experience/qualifications and available opportunities. It may also be that a smaller proportion of working age IDPs are searching for work in comparison with the general population, due to limited opportunities, additional household responsibilities, limited financial incentive, onward movement plans, among other reasons.

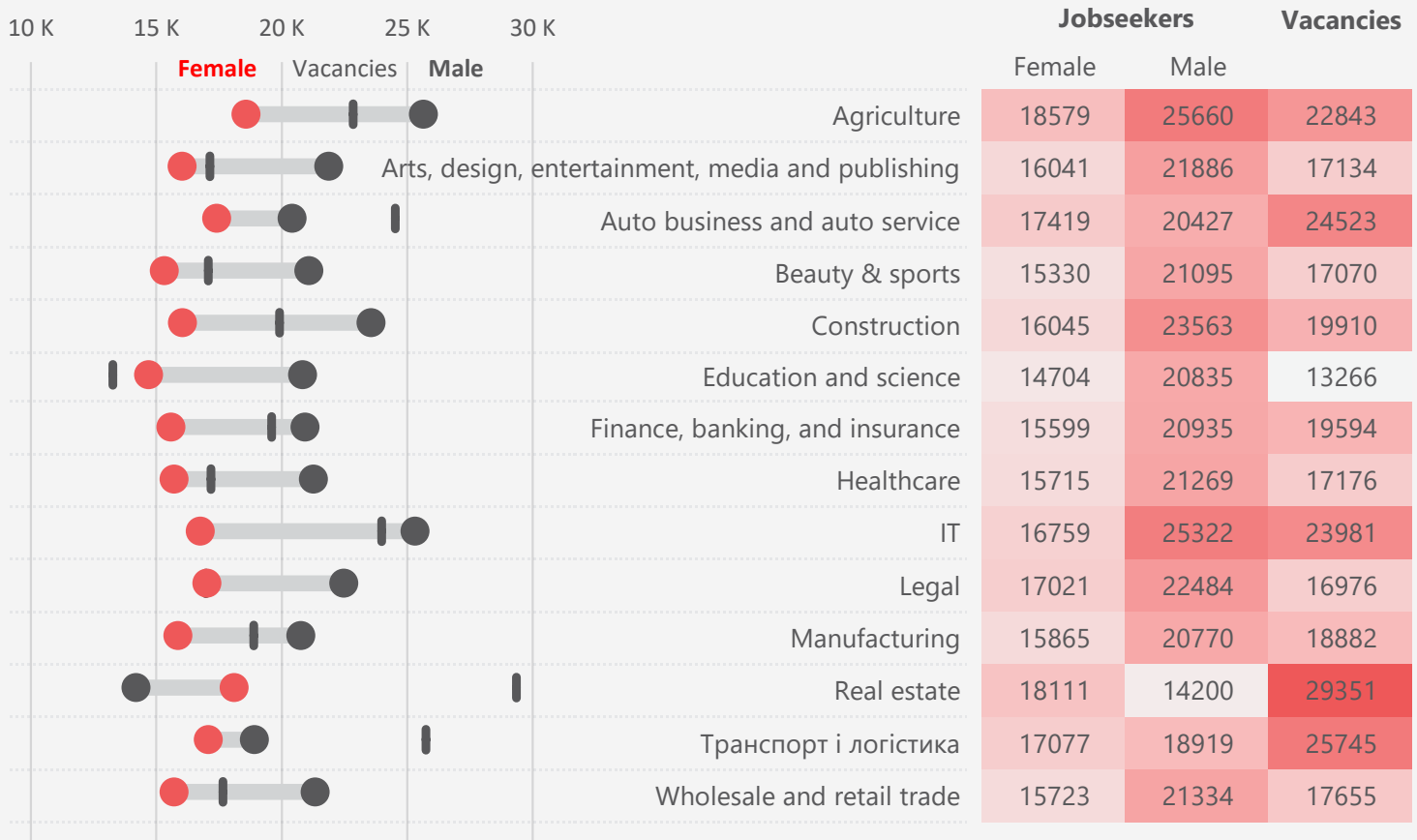
The most commonly reported barrier affecting women's access to employment is increased unpaid responsibilities since the outbreak of the war. Such responsibilities include

increased childcare due to the limited operation of schools and kindergartens, additional domestic responsibilities for caregivers whose partner has been mobilised, as well as participation in volunteering initiatives to support those impacted by the war. However, it was reported that cultural barriers preventing women from working in traditionally male-dominated trades may be lifting as a result of vacancies created by men joining the army. Though a positive development, there will likely be a skills gap among women for whom certain trades have been off limits for socio-cultural reasons and therefore a need for retraining.

It was reported that many women are either self-employed or business owners in Odesa and are increasingly involved in local self-government and therefore able to influence policy at the local level, although one CSO suggested female representation in local government is still insufficient. Two CSOs reported that, since the outbreak of the war, women are increasingly stepping into leadership positions at work. Taken as a whole, the qualitative data speaks of women taking on increasing responsibilities in domestic, social, political, and professional spheres.

SALARIES DEMANDED/OFFERED IN DIFFERENT SECTORS

Figure 4



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

GAPS IN LIVELIHOODS/BUSINESS SUPPORT

In terms of vocational and educational training services, 7 of 30 KIs reported either limited service availability or accessibility. As the sample did not cover every hromada in the region, it is difficult to assess where the needs are greatest. Based on feedback from KIs, it seems likely that most services are provided by employment centers located in major cities, especially Odesa.

While there may be centres providing trainings in most areas, there appears to be a need for increased trainings: rapid reskilling was reported to be the most in-demand livelihoods support activity. Popular trainings differ between raions and a list of the most requested courses can be found in Annex A of the accompanying presentation. Additional trainings on agricultural/agribusiness skills rank highly. As one KI pointed out, the Ministry of Science and Education has emphasised the importance of trainings

related to reconstruction needs in the country in the coming years.

As for support to business, provision of inputs for crop production, small grants and equipment for non-agricultural livelihoods, and business creation/development services were commonly reported by KIs. A CSO reported the need for business incubators to support female entrepreneurs, and this may be a complementary activity to the training and guidance services already provided by employment centers, TVETs, and TSNAPs. It is worth noting that the average size of loans under the Affordable Loans 5-7-9% program was reported in the range of 100-500,000 UAH (see Annex C of accompanying presentation).

A CSO and a TSNAP identified better signposting to services and making trainings available online as a way of capitalising on existing support.

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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