

Multi-Sectoral Needs Assessment 2023: Economic and livelihoods situation overview

May 2024 | Ukraine

CONTEXT & RATIONALE

Since the escalation of the war in Ukraine in February 2022, nearly 3.7 million people remain displaced inside the country¹ and more than 6.3 million refugees from Ukraine have been recorded globally,² while almost 4.6 million displaced persons have returned to their homes.³ Over the course of 2022 and 2023, the conflict has caused the destruction of and damage to houses and infrastructure, disrupting service provision and exacerbating humanitarian needs, with greater impact localised near the front line. There has been a marked decrease in income and access to paid work, and households have increasingly resorted to economically driven coping strategies to meet their needs.⁴

The 2023 Multi-Sector Needs Assessment (MSNA)⁵ was conducted at the request of the Humanitarian

Country Team (HCT), in partnership with the World Food Programme (WFP), and in coordination with OCHA and the Cluster lead agencies. The MSNA aims to build an evidence-base for improved humanitarian programming by collecting representative, household-level data to increase understanding of vulnerable demographic groups, the scope and severity of humanitarian needs across the country, and barriers to accessing assistance.

This economic brief uses MSNA data alongside secondary sources to explore the economic situation and livelihoods needs of Ukrainian households. It analyses reported household income and expenditures, employment, and Livelihood Coping Strategies (LCS).

KEY MESSAGES

- Households in raions directly affected by the conflict reported lower incomes, greater reliance on unstable income sources, lower levels of agricultural activity, greater barriers to employment, and more frequent adoption of coping strategies.
- The median income per capita in the 30 days before data collection reported by households with a member with a disability, households with more than five members, and female-headed households were all below the reported national median (4,667 UAH).
- The proportion of households reportedly using Livelihood Coping Strategies was greatest in the East, followed by the South and North, possibly due to the proximity of these macro-regions' to the frontline or Russian border (32%).
- Among household members who reported not working and not looking for employment, a considerable proportion reported doing housework or looking after children or other persons. This employment situation was most frequently reported by women aged 26-50, indicating gender roles are impacting women's participation in the workforce.

METHODOLOGY OVERVIEW

The 2023 MSNA, the data for which was collected between June 19 and July 31 of 2023, captured quantitative data for 13,322 households across 105 raions in 24 oblasts in Ukraine. The sampling approach was comprised of complimentary sampling methods, allowing for findings with a 95% confidence level and 7% margin of error across all strata in areas under the control of the Government of Ukraine. 11,427 interviews were conducted face-to-face (F2F), and, where security conditions prevented access by enumerators, 1,895 by Computer Assisted Telephone Interviews (CATI).

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).

Map 1: MSNA scope and sampling approach



CHALLENGES AND LIMITATIONS

Certain limitations to the 2023 MSNA apply to the situation overview at hand. First, needs related to sensitive topics, like income levels, may have been underreported by survey respondents. Accordingly, these needs may be higher than what the MSNA was able to capture. Second, seasonality may have also influenced reported needs similarly, as data collection took place over the summer and the needs reported may not be as severe as they might during the winter months. Last, because the sampling methodology did not explicitly seek them, the profile of the respondents in the survey is unlikely to capture the experience of those who have been most directly affected by the conflict, such as those who had their houses destroyed by the war.

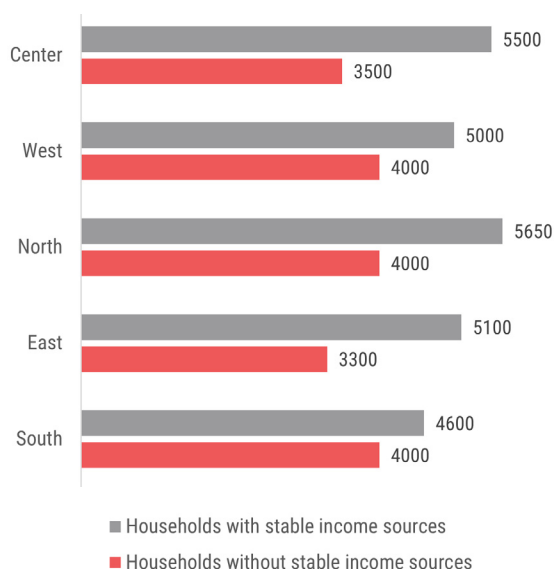
REPORTED SOURCES OF INCOME

Stable and unstable income sources

The stability of reported income sources seemingly impacted income levels. Reported median income per capita for households with no stable income sources (i.e. regular employment, owning a business or commerce, or pension) was 25% lower than households with stable income sources (e.g. irregular employment, humanitarian assistance, etc.). This difference was more pronounced in the Center (36% lower) and East (35% lower).

Positively, the most frequently reported sources of income at the national level were stable sources: regular employment (50%) and pensions (48%). Interestingly, however, returnee households reported both these sources of income in proportions notably different from both displaced and non-displaced households. Only

Figure 1: Median reported income per capita, by reporting of stable income sources



27% of returnee households reported pensions among their sources of income, compared to 42% of displaced and 52% of non-displaced households. On the other hand, returnee households were more likely to report receiving income from regular employment (64%) than both non-displaced (49%) and displaced households (42%). These findings potentially suggest that, in the absence of other stable sources of income, employment opportunities may drive people's decisions to return to their original area.

Remarkably, large households (those with five or more members) also reported receiving income from regular employment with greater frequency (68%) than either single-member households (24%) or households with two to four members (58%). Despite receiving this stable income, however, large households also reported relying on informal employment substantially more often (20%) than those with two to four members (12%) or single-member households (7%). These high reported levels of reliance on unstable income suggest that even income from stable sources isn't enough for large households to meet their needs.

Reported income sources also seemed to impact income levels. Households reportedly relying on pension and/or government benefits reported substantially lower levels of household income than those who did not report relying on these income sources. For example, the median monthly income per capita for households reporting a pension among their income sources was two thirds that of households who did not report pension among their income sources (4,350 UAH v 6,533 UAH). A similar, though less stark, difference exists between households who reported government benefits as a source of income and those who didn't (4,170 UAH vs 5,330 UAH). That vulnerable households have access to these benefits and programs reflects some measure of economic protection, but they still face greater difficulties meeting their needs than populations who don't receive them.

The overall proportion of households receiving income from regular employment (49% in 2023) slightly increased compared to 2022 (46%), driven primarily by an increase in the proportion of female-headed households who reported regular employment among their income sources (from 43% in 2022 to 49% in 2023). Regional differences emerged, however, with the East, North and Centre seeing increases between 5% and 12%, but the West and South seeing decreases between 4% and 5%. While the overall percentage of households reporting no stable income sources stayed constant from 2022 to 2023 (13%), regional disparities worsened. In the East and South, the percentage grew from 13% to 17% and 18% to 21%, respectively.

Nationally, a greater proportion of households reported receiving income from their own business or commerce in 2023 (7%) relative to 2022 (3%), potentially indicating a growth in business activity or a transition from

regular employment to self-employment. The business outlook index⁶ seems to support such findings, showing economic recovery across industries.

Pensions & Social Benefits

Among assessed households, almost half had at least one retired member, and one out of four consisted entirely of retired members (primarily retired single persons). The minimum pension for retired individuals in 2023 was 2,093 UAH,⁷ with a national median of approximately 4,000,⁸ slightly higher than the median identified in MSNA findings (3,600 UAH).

Regarding government social benefits, the fraction of households that reported receiving these doubled at the national level between 2022 and 2023 (from 10% to 20%). Interpretations for this increased reach of government benefits are ambiguous; it may reflect a positive development, as it may be that a larger fraction of the most vulnerable households are receiving vital economic protection, but simultaneously the increased proportion of households eligible for benefits potentially suggests that there was a downturn in the socio-economic situation of households from one year to the next.

Humanitarian Assistance

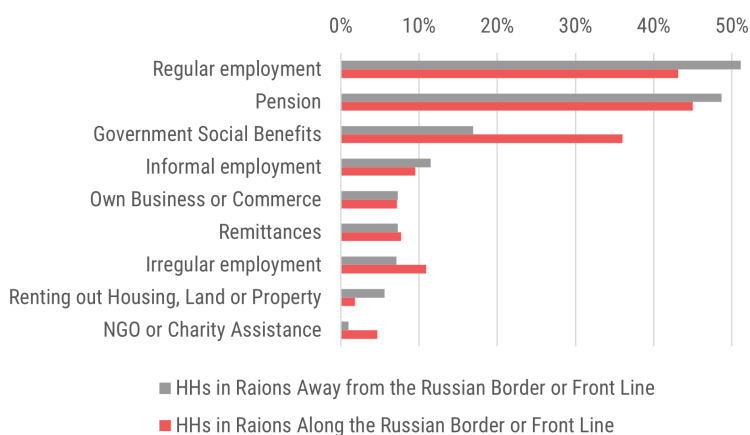
Among households that reported receiving humanitarian assistance in the three months prior to data collection (18% of assessed households), almost one out of four reported receiving cash assistance. Perhaps surprisingly, households in the West were the most likely to report receiving cash assistance (32%), while households in the South were the least likely (17%). Given the Southern macro-region's direct exposure to the war, the low reported levels of cash assistance are worrying.

Notable barriers to accessing humanitarian assistance were reported. Approximately half of all surveyed households reported such barriers, frequently identifying a lack of information on how to register for assistance (21%) and where to receive it (20%) as a barrier. Concerningly, households with a member with a disability were likelier to report not having the information on how to register for humanitarian assistance (28%) or where it is provided (28%) compared to households without such a member (19% and 17%, respectively). A gap appears to exist in which an already-vulnerable segment of the population faces elevated difficulty receiving assistance.

Proximity to the Russian border or front line

Findings for households living along the front line or Russian border are particularly concerning. These households were, compared to those living in other areas, less likely to report receiving income from regular employment (43% vs 51%), instead reporting more frequently receiving income from irregular employment (11% vs 7%). An analytics report of Ukrainian job aggregator work.ua⁹ supports MSNA findings, showing that the number of job opportunities in Eastern and Southern oblasts remains below pre-invasion levels.

Figure 2: Proportion of households reporting each source of income by proximity to the front line or Russian border



The proportion of households reportedly receiving government social benefits was more than twice as large in raions along the front line or Russian border (36%) as it was in other raions (17%). Similarly, households near the front line or Russian border were more likely to report receiving no income from stable sources (21%) than those further from the war (13%). With MSNA findings indicating that income was generally lower for households without stable income sources and households who reported social benefits among their income sources, households near the front line or Russian border exhibit sharp degrees of economic vulnerability.

INCOME & EXPENDITURE LEVELS

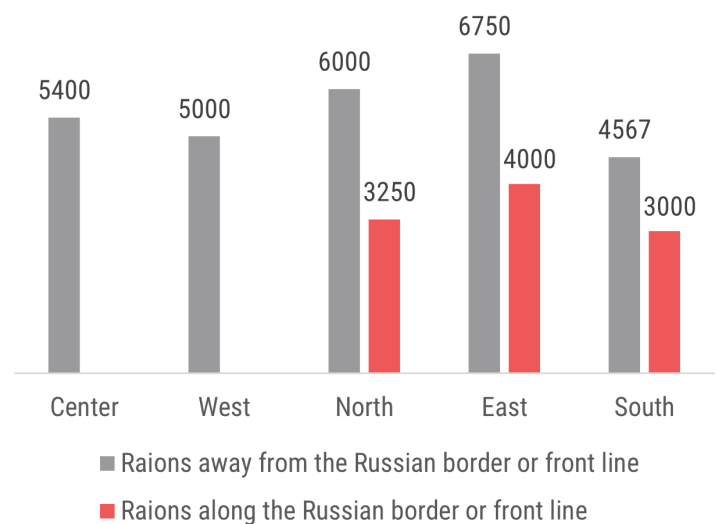
Median reported monthly income per capita*

The overall monthly median income per capita was found to be 5,000 UAH, with households in the South exhibiting the lowest (4,520 UAH) and households in the North (5,500 UAH) and Center (5,400 UAH) reporting the highest median. Median monthly income per capita was reportedly substantially higher in urban areas (6,000 UAH) than in rural areas (4,250 UAH), with the largest gap identified in the West macro-region (6,500 UAH vs 4,100 UAH, respectively). The relatively low income

in the South and East may be explained by these regions' proximity to the frontline or Russian border, as damage to facilities and industry may limit employment opportunities. The North, despite including areas near the front line or Russian border, exhibited high median income driven largely by Kyiv City's 8,000 UAH monthly median income per capita.

It is important to note that the minimum subsistence level established by Ukraine's Ministry of Social Policy is set to 2,920 UAH.¹⁰ In light of this minimum subsistence level, the low reported median incomes per capita in certain oblasts directly affected by the war are particularly concerning.

Figure 3: Median monthly income per capita by proximity to the front line or Russian border



The geographical pattern of differing income levels applied at lower administrative levels as well; the 6 oblasts reporting the lowest monthly income per capita were all situated near the front line or Russian border.

Table 1: Top 6 oblasts with the lowest reported median monthly income per capita

Oblast	Median Income (UAH)	Annual income growth (2022 - 2023)
Khersonska	3,000	No data available
Sumska	3,350	3%
Kharkivska	3,470	4%
Donestka	3,670	5%
Chernihivska	4,000	23%
Mykolaivska	4,000	14%
National Median	5,000	25%

* Calculated as income reported by households in the 30 days before data collection divided by the number of household members.

Although the overall monthly median income per capita recorded by the MSNA saw a 25% increase from 2022 to 2023 (4,000 UAH to 5,000 UAH), inflation meant that real income growth was limited to 4%,¹¹ according to a National Bank of Ukraine (NBU) report.

Total reported monthly expenditure per capita*

The overall median of households' reported expenditure per capita in the 30 days prior to data collection was 4,650 UAH. Similar to income levels, the reported median of female-headed households' total monthly expenditures was lower across all regions, with the greatest disparity emerging in the East, where the reported median for female-headed households 4,406 UAH compared to the reported median of 5,325 UAH.

Additionally, displaced households (5,570 UAH) and returnee households (5,300 UAH) were found to have higher expenditures than non-displaced households (4,510 UAH). Notably, displaced households in the West were found to have the highest median monthly expenditure per capita all groups (8,140 UAH), possibly due to the frequency with which these households reported renting their accommodation, and the amount reportedly spent when doing so (Figure 4).

Like the trends in income, households located along the frontline or Russian border reportedly had a notably lower median monthly expenditure per capita (4,060 UAH) than those located away from these areas (4,730 UAH). The largest difference observed between households living in raions along the frontline or Russian border and those living in other raions emerged in the North (3,521 UAH vs 4,737 UAH, respectively). There was a 17% increase in median monthly expenditure per capita from 2022 to 2023 (equivalent to 680 UAH), with the largest increases observed in the North (33%, or 1,140 UAH) and East (24%, or 890 UAH). Disaggregating by population groups, households with a member with a disability were found to have a notably lower median monthly expenditure per capita (3,780 UAH) than households without a member with a disability (5,125 UAH).

Median monthly food expenditures per capita

Overall, median reported food expenditures accounted for 46% of household's total expenditures, with approximately 2,175 UAH per capita spent on food. Patterns across regions, displacement status, and demographic divisions mirror the patterns identified for total expenditures. Decreased expenditure may instead reflect the lower income received by these households, and (as will be discussed later in this report) be tied to more frequent use of coping strategies.

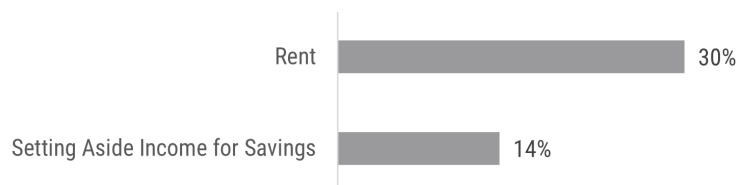
Other factors may also be connected to the amount spent by households on food. Although households

located along the front line or Russian border, for example, reported lower food expenditures, this could potentially be attributed to higher levels of assistance received through in-kind food distributions instead of through cash modalities.¹²

Median monthly domestic expenditures per capita

Overall, the non-food domestic expenditures¹³ reported by households made up 54% of total reported expenditures. The median monthly domestic expenditure per capita was 2,360 UAH. Households with a member with a disability were found to have a lower median expenditure per capita (1,930 UAH) than households without a member with a disability (2,600 UAH).

Figure 4: Average percentage of total spending among households reporting each expenditure



Though relatively few households reported rent among their expenditures (10%), it represented a large share of monthly spending for those who did: 30% on average. Such high amounts spent on rent is particularly concerning for displaced households, 69% of whom reported renting as their living situation at the time of data collection.

Although both the overall proportion of households reportedly renting their accommodation at the time of data collection and the median amount spent on rent remained constant between 2022 and 2023, regional differences emerged. In the East, there was a 7% increase in the proportion of households reportedly renting their accommodation, possibly suggesting that fewer households were able to remain in their original homes. In the Central and Western macro-regions, this proportion decreased by 4% and 3%, respectively. Despite the decrease in the proportion of households in the West reportedly renting, the amount households reportedly spent per capita on rent increased by 40% (1,000 UAH) in 2023. In the West, these increases in rental prices reflect a growing burden on displaced households.

Only 12% of households reported setting money aside for savings as one of their expenditures. On average, these households set aside 14% of their total expenses for savings. The mean amount of savings set aside by households – in the six months prior to data collection – stayed relatively constant from 2022 (16,600 UAH) to 2023 (16,300 UAH). Notably, however, there was a substantial increase in the median amount set aside

* Calculated as expenditure reported by households in the 30 days before data collection divided by the number of household members

for this expenditure by households from 2022 to 2023 (7,500 UAH and 10,000 UAH, respectively). Such findings indicate that the distribution of savings was more evenly distributed in 2023, meaning that households who had previously saved less were able to start saving more and those who had previously saved more began to save less.

EMPLOYMENT

Engagement with the labour market

Though national estimates of the unemployment rate are readily available from other sources,¹⁴ MSNA data allows for analysis of other notable aspects of the labor market. Across most demographic divisions and regions of Ukraine, the proportion of individuals who are unemployed and actively looking for a job (the standard group used to calculate the unemployment rate) is similar to the proportion of individuals who are unemployed, want a job, but are not actively looking. High proportions of the latter group indicate that conditions in the labor market are discouraging for potential workers.¹⁵ Displaced people proved to be the least discouraged group, as 9% of these individuals reported being unemployed and looking for work compared to the 4% who reported being unemployed and wanting work, but not actively looking. This high level of engagement with the labor market may be explained in part by the demographics of displaced individuals, who are likelier than non-displaced individuals to be younger.¹⁶

Barriers to employment

In total, 44% of households reported challenges in generating income to meet their needs in the 30 days before data collection. 23% of those who reported such challenges identified a lack of work opportunities as the reason. Households in raions directly affected by the war, as well as displaced households, were the most likely to report this challenge (32% and 34%, respectively).

Displaced households in particular face a number of barriers to employment. A Rapid Economic Assessment conducted by REACH identified a mismatch in skills in demand by employers and those supplied by displaced people as a barrier limiting employment opportunities.¹⁷ The same assessment cited a lack of recommendations and connections in the host community, additional household responsibilities, and potential future movement plans further hamper the employment of displaced people.

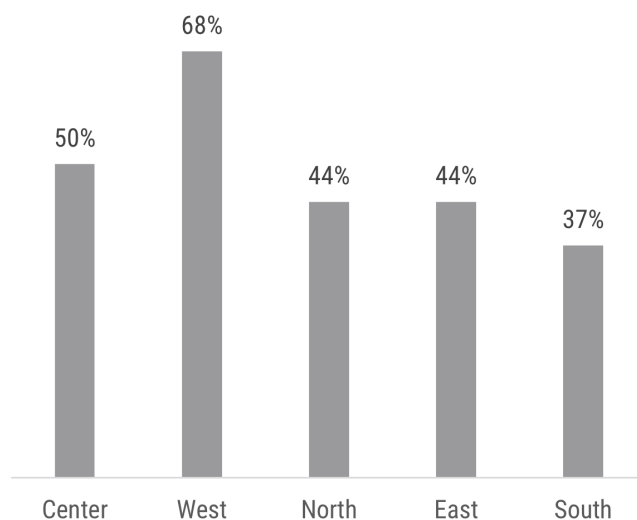
Women also faced unique barriers to obtaining employment. Nationally, approximately 16% of assessed female household members between 18 and 65 years old were reportedly doing housework or looking

after children or others. This figure presents a sharp contrast with men of the same age group, only 2% of whom reported the same. The need to care for children or others appears to represent a major barrier to employment; the largest proportion of women doing housework or looking after children were found in the 26-50 age group (22%). Although MSNA findings show that 60% of women in this age group are reportedly either in paid work or self-employed, 73% of men in this age group reported the same. This emerged as the largest gap between men and women across age groups, suggesting that the need to care for children or others limited opportunities for assessed female household members to enter the workforce.

Household agricultural activity

Overall, 51% of households reported owning land for agricultural use, with the highest proportion in the West (68%). Of those households that reported owning land for agricultural use, 83% of households reported using it for their own consumption/livelihood, while 20% reporting renting the land out, and 5% for production for sale. Land ownership was more frequently reported by households from rural settlements (72%) in comparison to those from urban areas (28%).

Figure 5: Percentage of households reportedly owning land use for agricultural purposes



Russia's war on Ukraine carries concerning implications for agricultural activity, particularly in areas retaken by the Government of Ukraine. Landmines and Explosive Remnants of War (ERW) are a notable safety concern for agricultural activity, with most civilian landmine and ERW casualties having occurred during agricultural work.¹⁸ Beyond immediate safety concerns for agricultural workers, disruptions to agricultural work by ERW pose risks to food security for households who rely on more on their own produce, particularly in areas

where markets may be less functional.

Almost half (48%) of all assessed households reported producing food for their own consumption, with the highest proportions in the Center (65%) and West (56%) and the lowest in the South (30%). Lower levels of household food production in the North, East and South could potentially be explained by the security concerns identified previously.

LIVELIHOODS COPING STRATEGIES

The Livelihood Coping Strategies Index is an indicator measuring the extent to which households need to utilise coping strategies as a response to lacking either food or the money to cover their basic needs.¹⁹ It is used to understand the medium and longer-term coping capacity of households to meet their basic needs in the future. Strategies are categorized by severity: Stress, Crisis, and Emergency.²⁰

Overall, 13% of households reportedly used at least one Stress coping strategy, 20% employed Crisis coping strategies, and 6% reported using Emergency strategies to meet their basic needs in the 30 days prior to data collection. Half of the assessed households in the East reported having used a coping strategy (50%), followed by the South and North (41% for both).

Positively, the proportion of households who did not report adopting any coping strategy increased from 51% in 2022 to 62% in 2023.

Notably, displaced households reported using coping strategies to pay for shelter notably more often than non-displaced households (50% vs 29%, respectively), likely driven by their need to rent their accommodation.

CONCLUSION

Despite some promising changes since 2022, including apparent industrial recovery and income growth, difficulties persist. Households living along the frontline or Russian border were found to have economic challenges across all indicators. These households reported lower incomes, greater reliance on unstable income sources, lower levels of agricultural activity, greater barriers to employment, and more frequent adoption of coping strategies.

Barriers exist for other groups as well. Displaced households face substantial difficulty in accessing the labour market – given an apparent mismatch in the skillsets supplied and demanded – as well as greater rent burdens. Women, especially those between the ages of 26 and 50, often reported staying home to take care of children or others, limiting their ability to enter the workforce. Households with at least one member with a disability faced heightened barriers to accessing cash assistance, compounding other vulnerabilities.

With the war entering its third year, attention should be paid to the particular economic needs of vulnerable people, especially those living close to the contact line, women, and displaced households.

Table 2: Proportion of households reporting use of LCS in the 30 days before data collection, by top 6 oblasts

Oblast	Stress	Crisis	Emergency
Zaporizka	16%	37%	14%
Khersonka	26%	27%	14%
Donetska	16%	39%	11%
Kharkivska	14%	37%	14%
Mykolaivska	17%	30%	10%

Reasons reported for adopting an LCS

Among households that reported using any LCS, the most reported reason for using these strategies was to pay for food (64%), followed by paying for healthcare (55%), and paying for shelter (32%). Among these households, those with at least one member with a disability reported using LCSs to access healthcare disproportionately more often (65%) than households without any members with a disability (48%). Households with a member with a disability also reported reducing health expenditure twice as often as households without a member with a disability (15%).

ENDNOTES

- 1 [IOM, Ukraine internal displacement report: General population survey, October 2023](#)
- 2 [UNHCR, Ukraine situation flash update #61, December 2023](#)
- 3 [IOM, General population survey: Round 14: Snapshot report, October 2023](#)
- 4 [SeeD, UNDP, Ukraine human impact assessment, June 2023](#)
- 5 [REACH, 2023 MSNA bulletin: Ukraine, December 2023](#)
- 6 [National Bank of Ukraine, Inflation report, October 2023](#)
- 7 [Secretariat of Cabinet of Ministers of Ukraine, January 2024](#)
- 8 [Pension Fund of Ukraine, Report, July 2023](#)
- 9 [Work.ua, Analytics report, June 2023](#)
- 10 [Government of Ukraine, State will pay pensions and benefits on time in 2024, January 2024](#)
- 11 [National Bank of Ukraine, Inflation report, October 2023](#)
- 12 [USAID, Ukraine: Complex emergency fact sheet # 2, fiscal year 2024, December 2023](#)
- 13 Domestic expenditures include rent, water, non-food household items, utilities, fuel, transportation, communication, recreational activities, assets used to generate income, shelter maintenance, medicine, debt, remittances, and savings
- 14 [State Statistics Service of Ukraine, Labour force report, January 2022](#)
- 15 Ibid.
- 16 [REACH, Durable Solutions for IDPs in Collective Sites, December 2023](#)
- 17 [REACH, Rapid economic assessment in Odeska oblast, June 2023](#)
- 18 [SIPRI, War in the breadbasket: Landmines and food security in Ukraine, November 2023](#)
- 19 [WFP, Livelihood Coping Strategies indicator for food security guidance note](#)
- 20 Coping strategies: Stress: selling household assets/goods, spending savings, spending credit/borrowing food, reducing education expenditures; Crisis: sending family members to live elsewhere, selling productive assets, reducing essential health expenditures, moving elsewhere; Emergency: selling land/housing, engaging in socially degrading or illegal work, asking strangers for money or food

ACKNOWLEDGEMENTS

THE MSNA WAS CONDUCTED IN THE FRAMEWORK OF:

Ukraine Humanitarian Country Team (HCT)

Ukraine Assessment and Analysis Working Group (AAWG)

FUNDED BY:



USAID
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