

# Challenges and prospects for Active Labour Market Policies development in Ukraine

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# Challenges of the Active Labour Market Policies development in Ukraine

- significant impact of war on the development of economy and labour market
- worsening of the demographic situation, large-scale migration (supply side)
- deterioration of the prospects for the sustainable economic development as result of the production, energy, transport infrastructure's destruction (demand side)
- increase of the regional disproportions of labour supply and demand
- problems of skills mismatch (by sectors, regions)
- expanding the target groups in need of the employability promotion (ISPs, demobilized combatants, disable persons)
- limited possibilities for the financing of ALMPs as a result of financial constraints
- lack of information about the labour market development (absence of LFS, Census)

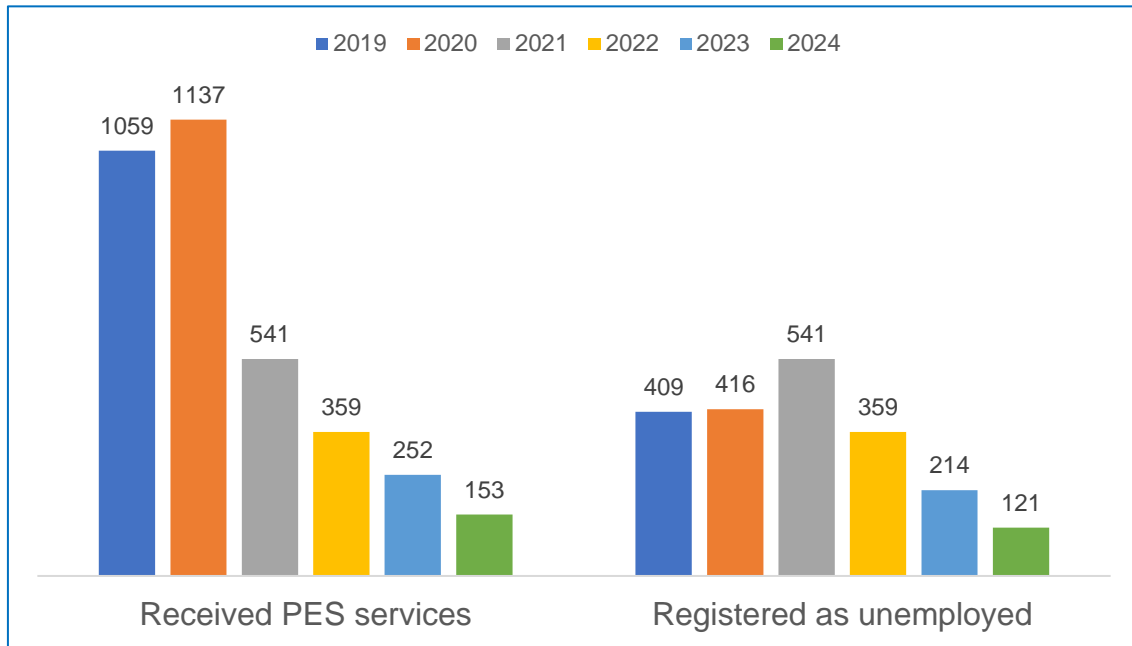
# Active Labour Market Policies development in Ukraine: current situation

- strengthening of the coordination between local authorities, business, employment centers, educational providers and experts concerning strategy of job creation
- implementations of the ALM programs (grants for unemployed for starting and establishing a business)
- training / retraining of unemployed (curricula updating), implementation of the voucher's programs for veterans, IDPs, disabled persons
- elaboration of short-term educational programs for obtaining of partial qualifications
- recognition / verification of professional qualifications (non-formal education) in qualification centers

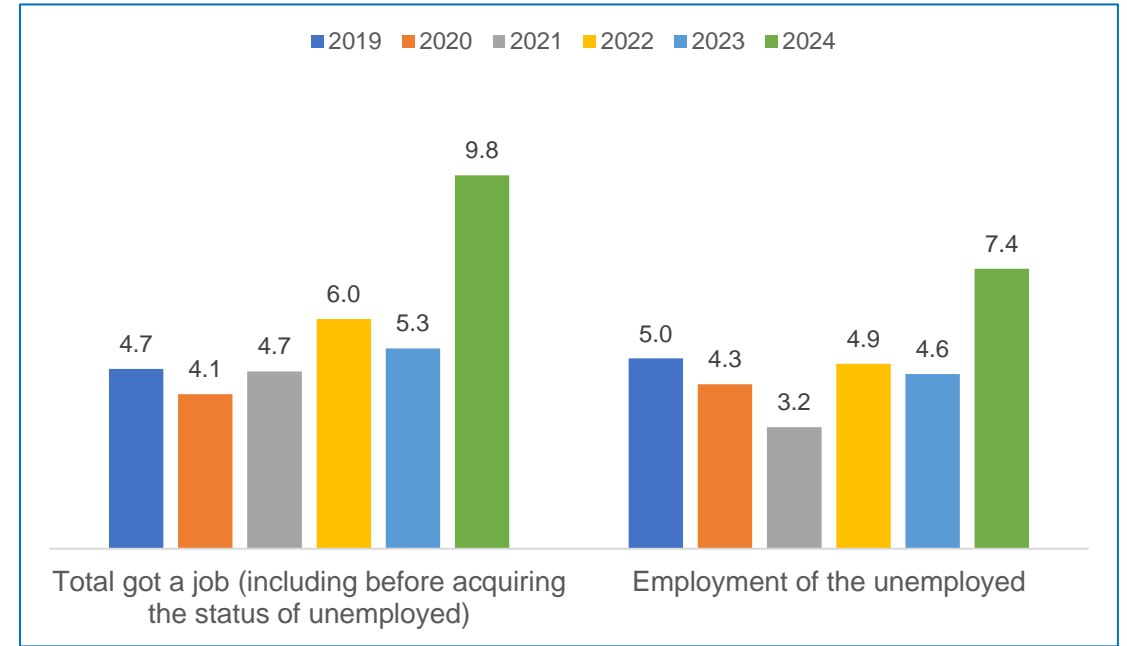
# Employment Promotion

The financial and economic crisis, the mass exodus of people abroad, mobilization, and the desire to avoid it have significantly reduced the funds of the Unemployment Insurance Fund and the number of PES clients against the backdrop of unprecedented unemployment growth and a simultaneous severe shortage of qualified workers

**The number of persons receiving PES services and registered unemployed (thousands persons)**



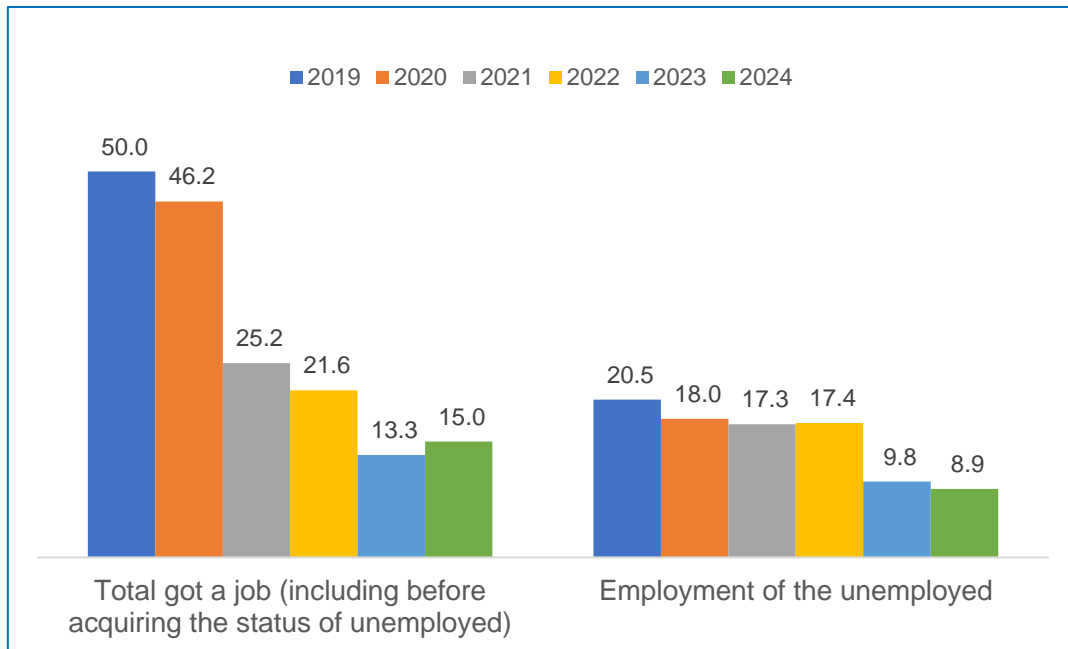
**Percentage of Employment of PES clients and registered unemployed (%)**



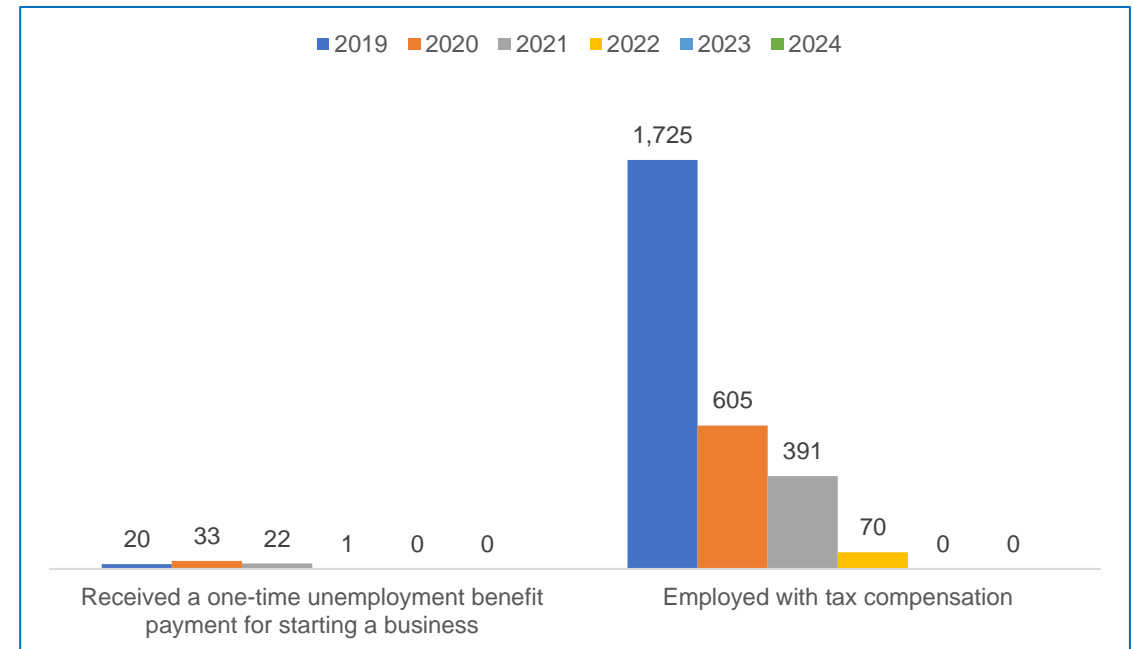
# ALMP in Employment Promotion

Reduction of self-employment support programs and employment compensation for vulnerable groups as a result of the budget deficit

## Employment of PES clients and registered unemployed (thousands persons)



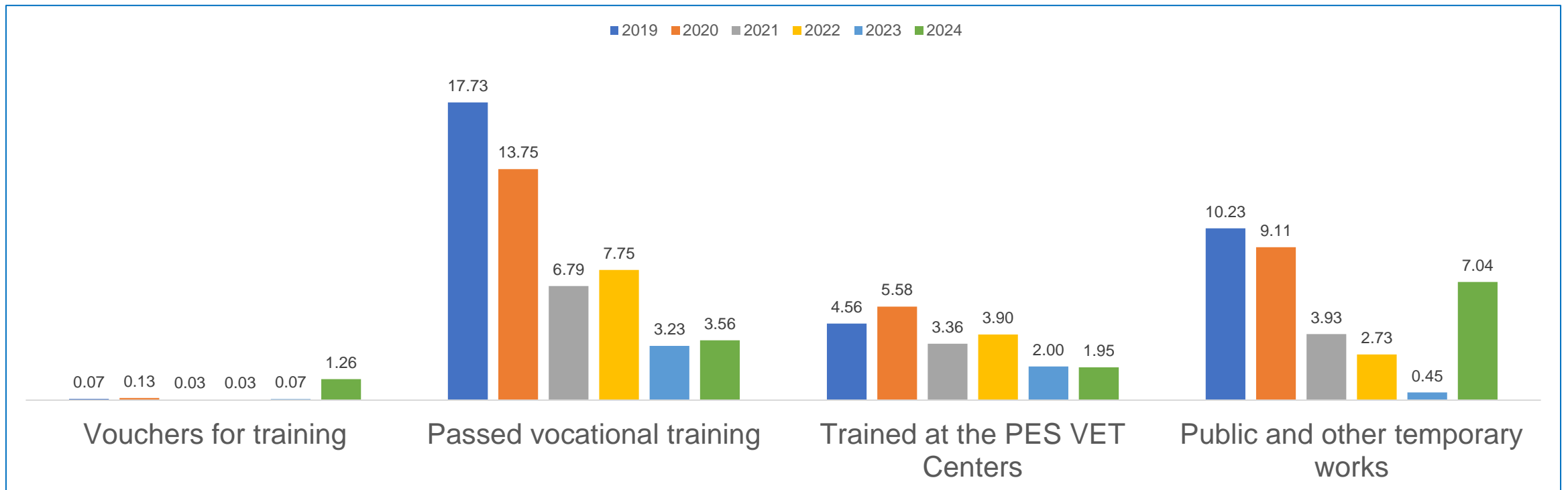
## Employment assistance programs (persons)



# ALMP in Employment Promotion

Redirecting available financial resources to retraining programs and socially necessary work to eliminate the consequences of Russian terror. Retraining remains the primary employment support program for war veterans, internally displaced persons and disabled persons

**Employment of PES clients and registered unemployed (thousands persons)**



# **EROBOTA** - government project providing grants for starting a business, developing entrepreneurship and training

It is aimed at boosting entrepreneurship and **stimulating creation of jobs**

- micro-grants for **creating own businesses** (up to 6 thous EUR);
- grants for the development of a **processing enterprise** (up to 190 thous EUR);
- state funding for **planting a garden** (up to 9.5 thous EUR per hectare);
- funds for the development of **greenhouse farming** (up to 165 thous EUR);
- a grant for **veterans** and their family members (up to 23.8 thous EUR).

<https://zakon.rada.gov.ua/laws/show/738-2022-%D0%BF#Text>

# EROBOTA – state of art

- **Online application** via Diia Portal

<https://diia.gov.ua/services/categories/biznesu/yerobota>

- **User friendly application** taking about 20 min BUT preparatory work is required
- Veterans can get free of **charge consulting support**
- Since the programme was launched in July 2022, **17,000 Ukrainians** have become winners, with the state investing **UAH 4 billion** in their businesses (more than 95 mln EUR).
- The grantees have already returned half of the funds by paying **UAH 2 billion (about 47.5 mln EUR) in taxes and fees** to the budget.
- 37,000 jobs will be created through implementation of business projects
- BUT no tracking of survival rates

<https://www.me.gov.ua/Documents/Detail?lang=en-GB&id=f26e87de-b597-4634-b77e-53792b7ac4a5&title=Erobota-GrantsFromTheStateForOpeningOrDevelopingABusiness>

# Inclusive Labour Markets for Job Creation (ILMJC) Project

- Donor: Danish Neighbourhood Programme (DANEP), \$1,852,893
- Implementor: ILO
- 1 December 2017 – 30 June 2024

## Main elements

- Institutional support of State Employment Service of Ukraine
- Start and Improve Your Business (SYIB) – 4500+ trainees
- TVET development – 10+ updated and digitalized curricula, new occupational standard for Cooks, upholstery
- Local Employment Partnerships (Kherson, Rivne, Lviv, Zakarpattia)

# Local Employment Partnerships (LEPs) = PPPs on Labour Market Governance

- LEP - a voluntary association of regional partners aiming at coordinated addressing of local employment needs under changing circumstances
- The activities of the partnerships based on the comprehensive analysis of local labour market needs
- Participants: state and local government authorities; local employment centers; TVET schools; employers' associations (business) and workers' organizations; active citizens and public organizations
- **Main goals:**
  - Reducing the mismatch between supply and demand in the local labour market
  - Supporting the professional growth in accordance with labour market needs
  - Supporting and developing entrepreneurial initiatives and self-employment
  - Creating inclusive employment opportunities
  - Combating undeclared work

- Kherson: GastroLab to train students and master trainers, new occupational standard for Cooks
- Rivne: Center for Automotive Transport Technologies "North" in Sarny
- Lviv:
  - Grants for SMEs and SYIB training
  - Mentorship support for newly created SMEs
  - Digital platform with information about available industrial and residential premises, and land plots; entrepreneurship support programs + matchmaking
  - Analysis of business needs
  - Retraining of the unemployed and internally displaced persons (IDPs)

# Cash for work program

- Cash for Work programs are essentially Social Protection Programmes, whereby the most disaster affected communities are able to **quickly earn cash under ‘decent work’ conditions to enable them to get back on their feet, in return for participating in disaster clean up and restoration activities**. They are usually of limited duration and fill the need for local communities while longer term rehabilitation measures are put in place and resumption of employment is possible. (ILO 2015)
- In most cases, CfW projects often have dual objectives:
  - Provide income support to poor, vulnerable men and women through short term, intensive and unskilled so they can meet their essential needs
  - Build or rehabilitate public/community assets and infrastructure that are vital for sustaining the livelihoods of a community and restoring agricultural activities

Cash for Work programs can address basic needs, prevent negative coping mechanisms, while building or rehabilitating productive assets, reduce the impact of natural hazards and promote climate change adaptation and mitigation, enhance livelihoods resilience to shocks and crises and thus help to address food security in the medium and long term.

CfW can be linked to existing Social Safety Net programs (FAO 2019)

# Caritas Ukraine Cash for Work programs

- Caritas Ukraine since 2017 started implementing Cash for Work program, accompanied by the wage for work program since 2023.
- Wage for work program is a deeper intervention in comparison to cash for work, with a more professional training and higher quality jobs offered to the beneficiaries.
- Cash for work in broad terms may also include support to small business development, small agricultural grants etc.

# Main results of the programme

- 28% of the beneficiaries of the CfW programme were men, while 72% were women.
- 2% were younger than 18. 31% - from 18 to 35, 60% - were 36-69, % were 60+.
- 37% were Internally displaced persons, 63% were local residents.
- Of those surveyed, 43% of the respondents are currently engaged in volunteer activities, while 57% are not involved. In terms of employment: 18% are officially employed, 44% are unofficially employed, and 36% are unemployed.
- When asked whether they found a job in the same field they worked in during their participation in the program, 46% of all respondents answered positively, 12.7% - negatively, and 3% were hesitant.
- The survey shows that the current job matches the qualifications of 30% employed individuals, and does not match for 16% individuals, while 16% were hesitant to respond.

# Impact of the cash/wage for work programme

- Participants of the program were paid for working (or internships) at different organizations for the period of 3 months
- Of the employed individuals, 57% of all respondents believe their work benefits others, 2% do not believe their work benefits others, and 3% were hesitant
- 65% of all respondents have gained new professional experience and expand their network
- 14% have restored their lost professional experience
- 39% have expanded their network.
- Other effects of the program: - Receiving necessary funds, the ability to pay utility debts, increasing the number of clients and connections, restoring faith in oneself, enhancing adaptation skills in society, the opportunity to do good deeds while earning money, satisfaction, joy, new interesting meetings, getting to know employers, other volunteers, and donors, gaining and sharing experiences, beneficiaries started communicating more with neighbors and among themselves in the community.

# Active Labour Market Policies development in Ukraine: what worked well:

## 1. EROBOTA government project:

- easy application
- online submission
- free of charge consulting support

## 2. Inclusive Labour Markets for Job Creation Project:

- strengthened capacity of the State Employment Service of Ukraine to provide targeted support
- digitalization of TVET curricula providing quick and tailored opportunity to gain new qualifications
- introduction of new occupational standard for TVET

## 3. Local Employment Partnerships:

- strong facilitation at the local level and coordinated efforts
- good understanding of the local labour markets and its needs
- support and development of the entrepreneurial initiatives and self-employment
- creation of the inclusive employment opportunities

## 4. Cash/Wage for Work programme:

- more advance support combined with more professional training and higher quality jobs offered to the beneficiaries

# Thank you for your attention

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