



# UKRAINE

EDUCATION, TRAINING AND EMPLOYMENT  
DEVELOPMENTS 2016



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## KEY EDUCATION, TRAINING AND EMPLOYMENT DEVELOPMENTS IN UKRAINE

A new strategic, legislative and regulatory base is being drafted for the education and training sector in the light of the new political and economic conditions. In 2015 and 2016, stakeholders undertook extensive work and consultation to help formulate two new framework laws: the Law on Education and the Law on Vocational Education and Training (VET). In June 2016, a draft Law on Education was submitted to Parliament for adoption by the end of December 2016. The Law on VET is in the drafting process.

The main principles within VET system reform include decentralisation of VET; establishment of regional stakeholder boards for VET; VET school network optimisation; the introduction of region-led funding; and the development of modern professional education standards. At present, the regions have serious problems with debt, leading to the non-payment of wages and other funding for VET schools although the Ministry of Education is making every effort to find funds to fill the gaps. The Ministry has also launched the concept of 'New Ukrainian School', which implies a competence-based approach and a focus on student values and attitudes through an increased emphasis on key competences.

In February 2016, the national 'Youth of Ukraine' Programme for 2016–2020 was adopted for implementation under the leadership of the Ministry of Youth and Sports. The programme incorporates short- to mid-term policy measures to foster youth employment among 14–35-year-olds. The Ministry of Social Policy is engaged in the preparation and drafting of a new law that will reform the governance system in the field of employment and unemployment insurance.

In July 2015, the Ministry of Labour amended the procedure 'For registration and re-registration of the unemployed and job-seekers' (Resolution No 473) to simplify the registration process. In March 2016, the Strategy for Overcoming Poverty was adopted with strategic directions aiming to increase access to productive employment and to promote the growth of income from employment and benefits in the public social security system in order to ensure conditions for decent work.

### 1. Key demographic and economic characteristics

Ukraine's population stood at 42.7 million in 2015 (World Bank, 2015); 69% of which is urban and 31% rural. Population growth continues to be negative although the decline has been slightly slowing in recent years. In 2015 population growth was -0.36% down on 2014 levels<sup>1</sup>.

Ukraine ranks among the top 30 oldest countries of the world by share of the population aged 60 years and above. Life expectancy at birth is around 70 years, which is among the lowest levels of life expectancy at birth in Europe<sup>2</sup>. The old-age dependency ratio was 21.9% at the end of 2015 while the youth population (age group 15–24) accounted for only 16.4% of the population in 2014. The working-age population is expected to reduce ever further between 2015 and 2020<sup>3</sup> and the overall population is expected to decline more than 15% by 2050<sup>4</sup>.

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<sup>1</sup> State Statistics Committee of Ukraine. Last accessed 11 July 2016 at: [http://ukrstat.org/operativ/operativ2007/ds/nas\\_rik/nas\\_r/nas\\_rik\\_r.html](http://ukrstat.org/operativ/operativ2007/ds/nas_rik/nas_r/nas_rik_r.html)

<sup>2</sup> United Nations, World population prospects, Key findings and advance tables, Revision July 2015. Last accessed 20 August 2015 at: [http://esa.un.org/unpd/wpp/Publications/Files/Key\\_Findings\\_WPP\\_2015.pdf](http://esa.un.org/unpd/wpp/Publications/Files/Key_Findings_WPP_2015.pdf)

<sup>3</sup> Ministry of Labour and Social Policy, Ukraine national progress report on the Regional Implementation Strategy of the Madrid International Plan of Action on Ageing 2007–2011, 2012.

<sup>4</sup> United Nations, op. cit.

Thousands have been forced to flee their homes as a result of the conflict that started in Eastern Ukraine in April 2014, and these people have become increasingly vulnerable. As of May 2016, there were 1 787 019 registered internally displaced persons. Most are concentrated in the Donetsk (724 500), Luhansk (267 000), Zaporizhia (126 700), Kharkiv (199 000) and Dnipropetrovsk (73 500) regions and the city of Kyiv (136 000). These numbers include 980 600 pensioners, 71 800 persons with disability and 233 000 children<sup>5</sup>. The European Union (EU) and its Member States have committed over EUR 268 million in humanitarian and early recovery aid to help the most vulnerable of those affected by the conflict. In March 2016, the European Commission announced the further allocation of EUR 20 million for humanitarian aid in 2016<sup>6</sup>.

In 2015, the economy contracted by almost 10% due to unprecedented shocks from the conflict in the east and lower global commodity prices, combined with considerable fiscal and external adjustment. A gradual economic recovery is projected of 1% in 2016 and 2% in 2017, contingent on the reform progress and no further escalation of the conflict. Reforms on multiple fronts are crucial to sustainable recovery and economic growth, but the current political uncertainty poses a serious risk to continued reform and economic recovery in Ukraine. While the general government deficit was reduced to 2% of GDP in 2015, the fiscal outlook remains challenging. Poverty is estimated to have increased in 2015 and is projected to remain high until 2018. A gradual recovery of economic activity is also expected, including increase in real wages and improved availability of jobs<sup>7</sup>.

Industrial production declined by a more modest 5% in the fourth quarter, rebounding by 7.6% in February 2016. While Donetsk and Luhansk saw the most severe contraction in industrial output overall in 2015 (35% and 65%, respectively), recent improvements in other regions have driven stabilisation, with industrial production in the Dnipropetrovsk and Zaporizhzhya regions and Kyiv City up 3.7%, 7.4%, and 26.2%, respectively, in December 2015. Inflation remained high in December 2015, at 43.3% year on year, due to currency depreciation and utility tariff hikes, but this had fallen back from a peak of 61% in April<sup>8</sup>.

The economic perspective varies across the regions of Ukraine. The relative size of their economies differs widely, for instance GDP in Kyiv is 10 times that of the Sumy and Khmelnytsky regions and GDP is also high in Dnipropetrovsk. The economies also differ in structure: the east of the country is mainly industrial, while the west thrives on tourism and services. The Government of Ukraine has displayed commitment and readiness to introduce new approaches in the area of regional development. The State Strategy for Regional Development was adopted in August 2014 and the route to regional development was opened with the adoption of the Law of Ukraine 'On Principles of the State Regional Policy' in 2015. This Law also defines financial instruments and sources of support for regional development, including the State Fund for Regional Development. In 2015, the government allocated UAH 2.9 billion to this fund for the implementation of investment projects and regional development programmes and the reform process was further strengthened by the establishment of regional development agencies.

Ukraine has taken several steps to improve the business environment and these reforms helped the country to move up the overall ranking in the World Bank Doing Business Report from 87<sup>th</sup> place in

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<sup>5</sup> EU-Ukraine Sub-Committee on Economic and Other Sector Cooperation, Cluster 6 meeting on employment, social policy, equal rights and public health, Non-paper, Kyiv, 10 June 2016. Last accessed 12 July 2016 at: [www.kmu.gov.ua/document/249111193/20160606\\_UA%20Non%20paper\\_cluster%206.pdf](http://www.kmu.gov.ua/document/249111193/20160606_UA%20Non%20paper_cluster%206.pdf)

<sup>6</sup> European Commission, 'Ukraine', *ECHO Factsheet*, March 2016.

<sup>7</sup> World Bank, *Ukraine Economic Update*, April 2016.

<sup>8</sup> Ibid.

2015 to 83<sup>rd</sup> in 2016<sup>9</sup>. Data collected by *Doing Business 2016* showed the starting-a-business indicator improved significantly, bringing Ukraine to 30<sup>th</sup> in the ranking of 189 global economies on the ease of starting a business<sup>10</sup>. The country also ranks 79<sup>th</sup> out of 140 countries analysed in the 2015–2016 World Economic Forum Global Competitiveness Index (WEF, 2015)<sup>11</sup>. The major reasons commonly cited for the restricted growth of the private sector in Ukraine include corruption, low diversification of economy and exports, and low productivity levels. Ukraine ranked 130<sup>th</sup> out of 168 countries in the 2015 Transparency International Corruption Perceptions Index, indicating a very high level of corruption<sup>12</sup>.

The Ukraine 2020 Sustainable Development Strategy, adopted by Presidential Decree in January 2015, sets important targets including reform priorities, such as decentralisation and public administration reform, deregulation and the development of entrepreneurship. The economic reform policy focuses on ensuring macro-economic stability, energy efficiency and improved governance.

In December 2014, the EU-Ukraine Association Agreement was signed and in March 2015, this was followed by endorsement of the EU-Ukraine Association Agenda to prepare and facilitate implementation of this. The Deep and Comprehensive Free Trade Agreement (DCFTA) between the EU and Ukraine provisionally entered into force on 1 January 2016, as part of the Association Agreement. The EU is Ukraine's largest trading partner and accounts for more than a third of its trade, while also providing a main source of foreign direct investment. The DCFTA provides an opportunity to make the country more competitive and to diversify exports as Ukraine has strong industrial potential. Human capital development is another core issue in ensuring the economy remains competitive.

## 2. Education and training

### 2.1 Trends and challenges

The education and training attainment level of the working population in Ukraine is relatively high. In 2015, only 6.5% of Ukrainians aged over 15 had primary education or lower; 48.5% had secondary education; and 45% had completed or were engaged in tertiary education. Gross enrolment rates in secondary education are almost universal, at 99.2% (UNESCO data for 2014), which is above the OECD average. The share of enrolment in upper secondary VET stood at 30.2% in 2014, while the share of enrolment in total upper secondary schooling stood at 92.7% (UNESCO, 2014).

Higher education has gained considerable importance in the Ukrainian education system with the vast majority of young people aspiring to obtain a higher education degree. Participation in higher education has increased to the highest levels in Europe, raising concerns about the sustainability, the quality of the system and the employability of graduates.

As of 1 January 2016, the VET network consisted of 821 institutions. Of these, 817 are under the jurisdiction of the Ministry of Education and Science with the following breakdown: 703 VET institutions; 26 VET institutions that are divisions of higher education institutions; 23 education institutions of other types which also provide VET; and 65 educational centres within the penitentiary

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<sup>9</sup> World Bank, *Doing Business 2016*. Last accessed 11 July 2016 at: [www.doingbusiness.org/data/exploreeconomies/ukraine](http://www.doingbusiness.org/data/exploreeconomies/ukraine)

<sup>10</sup> World Bank, *Doing Business 2016: Measuring regulatory quality and efficiency*, World Bank, Washington, DC, 2016. doi:10.1596/978-1-4648-0667-4.

<sup>11</sup> World Economic Forum, *Global Competitiveness Report 2015–2016*, Date of data collection or release: 1 September 2015. Last accessed at: [www.weforum.org/gcr](http://www.weforum.org/gcr)

<sup>12</sup> Transparency International, *Corruption perceptions index 2015*. Last accessed 11 July 2016 at: [www.transparency.org/cpi2015#map-container](http://www.transparency.org/cpi2015#map-container)

system. In total, 113 VET institutions are located in the occupied territory of Donbas (52 in Donetsk and 61 in Lugansk). There are 303 100 vocational students (18 800 of whom belong to vulnerable groups) studying in the 817 VET institutions under the jurisdiction of the Ministry of Education and Science. Some 278 800 students study in the VET institutions; 10 200 students in the VET institutions that are divisions of higher education institutions; 7 700 students in education institutions of other types, which also provide VET; and 6 400 students in the educational centres within the penitentiary system<sup>13</sup>.

In 2016, responsibilities for VET were decentralised to the regions and municipalities. The authorities have not maintained VET provision in the smaller cities and rural areas, and the regional authorities have taken over this responsibility. In the second half of 2016, many authorities have found themselves unable to meet the budgetary needs of the VET schools. As a result, teacher salaries are paid late, if they can be paid at all, leading to some unrest in schools.

The Ministry of Social Policy has responsibility for vocational training and the State Employment Service (SES) runs 11 vocational training centres in the Dnipropetrovsk, Donetsk, Ivano-Frankivsk, Luhansk, Lviv, Odessa, Poltava, Rivne, Sumy, Kharkiv and Kherson regions.

## 2.2 Education and training policy and institutional setting

A new strategic, legislative and regulatory base for the education and training sector is being drafted in the light of the new political and economic conditions. In 2015 and 2016, stakeholders undertook extensive work and consultation in relation to the formulation of two new laws: the framework Law on Education and the Law on VET.

In June, 2016 a draft Law on Education was submitted to Parliament, for adoption by the end of December 2016. The law provides for a New Ukrainian School to be established on the basis of four main components:

- development and introduction of new modern education standards with a competence-based approach in secondary education;
- revision of the national curriculum according to the new education standards;
- introduction of a teacher certification procedure and new certified programs for professional qualification enhancement;
- systemic removal of bureaucracy from education system management and the introduction of a transparent and effective governance system.

The drafting of the Law on VET is ongoing and a working group was established in the Ministry of Education and Science in June 2016. The main principles of VET system reform include decentralisation of VET; the establishment of regional stakeholder boards for VET; VET school network optimisation and the introduction of region-led funding; and the development of modern professional education standards.

The Law on Higher Education, adopted in July 2014, establishes the autonomy of universities and academic freedom of teachers and students, introduces a system of quality assurance in higher education and promotes academic mobility and integration into the European educational space. Ukraine is a full member of the Bologna Process and the country is establishing a Quality Assurance Agency for Higher Education, although it is not yet self-certificated to the Qualifications Framework in the European Higher Education Area. The new list of specialisations indicates that there will be fewer

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<sup>13</sup> Source: Ministry of Education and Science.

higher education qualifications in the future, and while legislation is in place for the Quality Assurance Agency for Higher Education, this is not yet operational. From 2017, the State will provide no more funding for the VET colleges, which have been transferred from the higher education sector to the VET system. Responsibilities for the colleges will lie with the regions.

In August 2015 Resolution No 657 was adopted, laying the foundation for the financial autonomy of higher educational and VET institutions, and forming an important milestone for implementation of the Law on Higher Education. The new form of 'financial autonomy' means that educational institutions now have certain rights concerning the administration and disposal of funds for specific purposes without prior coordination with the relevant state authority (the State Treasury Service of Ukraine), including decisions to spend money on training processes or the renovation of infrastructure and facilities. From January 2016, universities and VET schools also have the right to put money received 'for paid services' into deposit accounts within the state-owned banks. This opens a pathway to the creation of endowment funds capable of earning accrued interest and forms an important step toward the financial autonomy of educational institutions.

The development of a national qualification framework (NQF) has been a lengthy process, most recently resulting in the adoption of the Action Plan for Implementation of NQF 2016–2020. The Ministry of Education and Science has piloted the development of education standards and qualifications in three professions in order to establish a general methodology. The Association Agreement with the EU makes reference to the NQF and foresees a functioning NQF comparable with the European Qualifications Framework by 2020.

Within the institutional restructuring processes, the Institute of Innovative Technologies and Education Content of the Ministry of Education and Science was recently reorganised and two new institutions were established: the Institute for Education Modernisation and the Institute for Education Analytics<sup>14</sup>. The overall objectives of the restructuring processes are to improve the institutional and legal mechanisms to implement the constitutional right to equal access to quality education at all levels; to create the conditions for lifelong learning; to create the conditions for a high-quality education system accessible to everyone; to decentralise governance of the education system; and to clearly outline the responsibilities of executive bodies and local governments concerning the establishment, licensing and accreditation of education institutions.

There are no major donors in VET or skills issues in Ukraine. June 2015 marked the completion of the two-year EC Twinning Project on the 'Modernisation of legislative standards and principles of education and training in line with the EU policy on lifelong learning' that had been the only EU intervention to address the VET system of the country in any systematic manner. The ETF actively supported implementation of the project and has consistently been promoting the inclusion of VET and the skills agenda in EU interventions.

### 3. Labour market and employment

#### 3.1 Trends and challenges

Ukraine's labour market faces challenges such as low internal labour mobility, high informal employment and a skills mismatch. It is characterised by structural deficiencies, regional disparities and an activity rate that fell slightly from 64.2% in 2011 to 62.4% in 2015 (69.2% for males and 56.2% for females).

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<sup>14</sup> Decree No 687 of 26 November 2014 (<http://zakon3.rada.gov.ua/laws/show/687-2014-%D0%BF>).

The employment rate (15–70-year-olds) also decreased – dropping from 59.1% in 2011 to 56.7% in 2015 (62.2% for males and 51.7% for females). Over the same period, the overall unemployment rate increased from 8% to 9.1%, with little difference between sexes, while the total long-term unemployment rate increased from 1.5% to 2.2%. The proportion of long-term unemployment stood at 30.5% of the total unemployed in 2015, showing a slight increase from 29.2% in 2011.

Among the young people, the youth unemployment rate increased from 18.6% in 2011 to 22.4% in 2015, with 17.6% classed as not in employment, education or training (NEETs) in 2015 (14.9% for males and 20.5% for females). The biggest challenge inherent within youth employment in Ukraine is the phenomenon of ‘over-education’ for the jobs performed, as the mismatch in supply and demand forces some degree holders to take up work they are overqualified to perform. In these circumstances, the overeducated young people are likely to earn less than they otherwise could have and they are not making the most of their productive potential. At the same time, the less-educated sections of youth at the bottom of the educational pyramid are being crowded out, finding themselves at the back of the queue even for those jobs for which they are best qualified.

In spite of having a well-educated workforce, Ukraine has the lowest labour productivity in the entire Europe and Central Asia region (IMF, 2015), undoubtedly due in part to the constraints imposed by the skills gap. In a 2014 survey<sup>15</sup> of four key sectors, four out of ten firms reported a significant gap between the type of skills found among their employees and those they need to achieve their business objectives. Skill gaps limit company efficiency, service quality and the ability to retain and grow a client base. They also prevent firms from finding the right candidate for the job in the hiring process, especially in higher-skilled occupations and those occupational categories where workers must possess job-specific technical skills when they start working<sup>16</sup>.

The main barriers to internal labour mobility in Ukraine are institutional with administrative procedures, residence-dependent benefits, underdeveloped housing and credit markets, inadequate human capital and weak formal labour market institutions all working against movement. Informal employment presents another significant challenge, with 4.6 million people working informally in 2012; a number equivalent to 22.9% of total employment. Reducing informality will be a key factor in Ukrainian development in terms of promoting social cohesion, the protection of workers, labour and product market efficiency, increased productivity, the rule of law and better governance.

### 3.2 Employment policy and institutional setting

The Ministry of Social Policy, in coordination with the State Employment Service, is engaged in drafting a new labour law<sup>17</sup> aiming to introduce measures to stimulate employment for the integration of various groups of job-seekers and unemployed in the labour market; strengthen the underlying insurance principles relating to the payment of unemployment compensations; and reorganise the State Employment Service and establish the National Employment Agency as an active intermediary in the labour market.

One particular aspect of the new law will be the introduction of new mechanisms to stimulate subsidised employment. These will compensate employers for their expenditure on salaries or wages paid to members of the unemployed taken on from among the least competitive groups (the aging jobless, former Anti-Terrorist Operation staff from the east of the country, orphans, etc.). Employability among the young people will also be targeted by placing university graduates in internship

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<sup>15</sup> World Bank, Ukraine Skills Toward Employment and Productivity (STEP) Employer Survey 2014.

<sup>16</sup> World Bank, Skills for a Modern Ukraine, Launch event, November 2015.

<sup>17</sup> Working title of the draft law as of May 2016: ‘Law on amending certain legislative acts of Ukraine concerning the reforming of state governance in the field of employment and social unemployment insurance’.

programmes, allowing employers to recover expenses for qualification upgrades and the retraining of young people.

The current policy framework for active labour market measures in Ukraine is defined by the government at national level and measures are implemented across the country by the State Employment Service in cooperation with the Department for Employment of the Ministry of Social Policy. Some positive trends indicate an upgrading of the employment services in recent years. Before the recent rise of unemployment following the crisis, there had been a shift in the balance between passive and active labour market policies (ALMPs) in favour of the latter. Greater emphasis was placed on demand-side measures in the form of wage subsidies and the stimulation of self-employment. The State Employment Service improved its operations and increased staffing, which resulted in higher job placement ratios and a reduction in the average period of unemployment. Resources for ALMPs are, however, quite limited. Ukraine spends about 0.1% of GDP on labour market measures (both active and passive), a level comparable to that of Armenia, Azerbaijan and Belarus, but far below the average 2% spent by the EU Member States. About 30% of this budget is allocated to active measures, which include a portfolio of placement and job referral services, wage subsidies, public works and training<sup>18</sup>.

The State Employment Service monitors the labour market to identify job vacancies and unemployed job-seekers, and also analyses employment data by occupational sector. However, it has access only to around 30 to 35% of labour market vacancies, and these are mainly low-paid jobs. In the first half of 2016, it helped 387 400 people to find a job<sup>19</sup>. Almost 16% of these belonged to socially vulnerable groups, such as people with disabilities and internally displaced persons. During the same period it provided services to a total of 868 700 registered unemployed including services such as career guidance, help with launching a business, and training and retraining in high-demand occupations. Other lines of action included the involvement of 132 200 unemployed people in community services and other temporary work, while 104 000 more took up vocational training in 'in demand' occupations for the Ukrainian labour market.

The State Employment Service also provides support in relation to business start-ups and entrepreneurial activities. The laws 'On Compulsory State Social Unemployment Insurance' and 'On Employment' state that unemployment compensation may be paid on a one-off basis for the entrepreneurial activities of unemployed people aged 18 years and older. They must be duly registered as unemployed with the State Employment Service, and they need to have been waiting for a suitable job for more than one month.

Unemployed individuals are offered seminars on entrepreneurship and relevant professional training and they also receive professional consultation. In the first half of 2016, 3 300 businesses were started using the lump-sum unemployment allowance. Most of the businesses created operate in trade, automotive maintenance, agriculture, forestry and fishery, or in professional, scientific and technical activities. During the same period, a further 6 400 unemployed individuals were placed in newly created jobs under a single social contribution reimbursement scheme for employers<sup>20</sup>.

The recently completed 2016 Small Business Act assessment indicates that the amount of targeted support provided for human capital development has not changed much, remaining at low levels

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<sup>18</sup> Betliy, O. and Feiler, L. (European Training Foundation), *Flexicurity and the role of lifelong learning in Ukraine*, ETF, 2011.

<sup>19</sup> Information last accessed 25 July 2016 at:  
[www.dcz.gov.ua/control/uk/publish/article?art\\_id=401586&cat\\_id=364661](http://www.dcz.gov.ua/control/uk/publish/article?art_id=401586&cat_id=364661)

<sup>20</sup> Ibid.

mostly due to the lack of implementation of SME support measures (business service provision, entrepreneurial learning training).

The effectiveness of policy making in entrepreneurial learning and entrepreneurship has also been impaired by frequent institutional changes involving the allocation of responsibilities for SME policy design and implementation to different bodies, weak coordination across government ministries and agencies, the weak role of the Ministry of Education and Science, and limited public-private dialogue involving the SME community. The situation has further deteriorated due to the ongoing economic crisis.

In February 2016, the 'Youth of Ukraine' National Programme for 2016–2020 was adopted for implementation by the Ministry of Youth and Sports through short- and mid-term measures. The four pillars of the programme provide policy measures aimed at ensuring youth employment, such as encouraging employers to provide young graduates with a first workplace; introducing extracurricular activities on start-ups, launching a business and acquiring entrepreneurial skills within the syllabus of educational institutions; introducing a system for the validation of informal education; and promoting occupational guidance for students in secondary education.

As part of the EU package to support Ukraine in 2015, worth a total of EUR 1 billion, the European Commission adopted a Special Measure for Private Sector Development and Approximation. This measure responds to the urgent need for support of recovery and economic development in Ukraine in the form of the EU SURE: EU Support to Ukraine to Relaunch the Economy project. This will run from 2016 to 2020 with a budget of EUR 95 million (EU total funding, including a loan guarantee facility worth EUR 40 million).

EU SURE will support the development of SMEs across the Ukrainian regions and the relaunch of the Ukrainian economy to create growth and employment. The project will include areas affected by conflict and neighbouring regions actively participating in the re-integration of internally displaced persons. At national level, EU SURE provides technical assistance and policy advice to complete the ongoing deregulation of SMEs and the national and regional economic development strategies, and to create a web information portal for SMEs. The project will also contribute to Ukrainian participation in EU programmes related to private sector development (Horizon 2020).

# ANNEXES

## Statistical annex

This annex reports annual data from 2011 and 2015 or the last available year.

Indicator		2011	2015
1	Total population (000)	45 598	42 760.5 (2016) <sup>(2)</sup>
2	Relative size of youth population (age group 15–24) (%)	18.9	16.4 (2014)
3	Youth dependency ratio (%)	20.2	21.4
4	Old-age dependency ratio (%)	22.6	21.9
5	Global Competitiveness Index	Rank	82
		Score	4.0
6	GDP growth rate (%)	5.2	-9.9 <sup>(6)</sup>
7	GDP per capita (PPP) (current international \$)	8 281.9	7 915.9
8	GDP by sector (%)	Agriculture added value	9.5
		Industry added value	29.1
		Services added value	61.4
9	Poverty headcount ratio at \$3.10 a day (2011 PPP) (%)	0.2	0.1 (2013)
10	Gini index (%)	24.6	24.6 (2013)
11	Educational attainment of adult population (aged 15+) (%) <sup>(1) (3)</sup>	Low <sup>(4)</sup>	12.1
		Medium	46.4
		High	41.5
12	Gross enrolment rates in secondary education (%)	93.3	99.2 (2014)
13	Share of VET students in secondary education (%)	8.8	9.0 (2014)
14	Gross enrolment rates in upper secondary education (%)	81.8	92.7 (2014)
15	Share of VET students in upper secondary education (%)	31.3	30.2 (2014)
16	Low achievement in reading, mathematics and science – PISA (%)	Reading	N.A.
		Mathematics	N.A.
		Science	N.A.
17	Participation in training/lifelong learning (age group 25–64) by sex (%)	Total	M.D.
		Male	M.D.
		Female	M.D.
18	Early leavers from education and training (age group 18–24) by sex (%)	Total	M.D.
		Male	M.D.
		Female	M.D.
19	Activity rates (aged 15+) by sex (%) <sup>(1) (2)</sup>	Total	64.2
		Male	70.5
		Female	58.6

Indicator		2011	2015	
20	Employment rates (aged 15+) by sex (%) <sup>(1) (2)</sup>	Total	59.1	56.7
		Male	64.2	62.2
		Female	54.5	51.7
21	Unemployment rates (aged 15+) by sex (%) <sup>(1) (2)</sup>	Total	8.0	9.1
		Male	8.9	10.1
		Female	6.9	8.1
22	Unemployment rates (aged 15+) by educational attainment (%) <sup>(1) (2) (3)</sup>	Low <sup>(4)</sup>	6.6	12.1
		Medium	8.8	10.0
		High	7.1	8.2
23	Youth unemployment rates (aged 15–24) by sex (%) <sup>(2)</sup>	Total	18.6	22.4
		Male	18.5	22.7
		Female	18.8	21.9
24	Proportion of long-term unemployed out of the total unemployed (aged 15+) (%) <sup>(1) (2)</sup>	29.2	30.5	
25	Long-term unemployment rate (aged 15+) (%) <sup>(7)</sup>	1.5	2.2	
26	Incidence of self-employment (%)	19.3	19.1 (2013)	
27	Share of the employed in the public sector (%)	M.D.	M.D.	
28	Employment by sector (%) <sup>(1) (2) (3)</sup>	Agriculture	17.2 (2012)	17.1 (2014)
		Industry	21.1 (2012)	20.2 (2014)
		Services	61.7 (2012)	62.7 (2014)
29	Employment in the informal sector (%) <sup>(1)</sup>	23.1	25.1 <sup>(2)</sup> (2014)	
30	Proportion of people aged 15–24 not in employment, education or training (NEETs) by sex (%)	Total	M.D.	17.6
		Male	M.D.	14.9
		Female	M.D.	20.5
31	Public expenditure on education (as % of GDP)	6.16	6.67 (2013)	
32	Public expenditure on education (as % of total public expenditure)	13.48	13.87 (2013)	
33	Skill gaps (%)	N.A.	7.5 (2013)	
34	Contribution of SMEs to GDP (%)	M.D.	M.D.	
35	Share of SMEs in employment – excluding bank and budgetary institutions (%) <sup>(2) (3) (5)</sup>	75.9	78.2 (2014)	

**Sources:** Indicators 1, 11 (2011), 19, 20, 21, 23, 24, 28, 29, 35 – State Statistics Service of Ukraine; 2, 26, 33 – OECD statistical database; 3, 4, 6, 7, 8, 9, 10 – World Bank, World Development Indicators database; 5 – World Economic Forum; 11 (2015), 22, 25, 30 – ILOSTAT; 12, 13, 14, 15, 31, 32 – UNESCO Institute for Statistics

**Legend:** N.A. = not applicable; M.D. = missing data

**Notes:** <sup>(1)</sup> Age range 15–70. <sup>(2)</sup> 2010–14 – Data without the population of the Autonomous Republic of Crimea and Sevastopol; 2015 – Data without the population of the Autonomous Republic of Crimea, Sevastopol and part of the conflict zone. <sup>(3)</sup> ETF calculation. <sup>(4)</sup> Low = basic or less; Medium = intermediate; High = advanced. <sup>(5)</sup> Data related to SMEs include enterprises below 250 employees as well as individual entrepreneurs. <sup>(6)</sup> Based on data from official statistics of Ukraine and Russia. <sup>(7)</sup> Age range 15–64.

## Definition of indicators

	Description	Definition
1	Total population (000)	The total population is estimated as the number of persons having their usual residence in a country on 1 January of the respective year. When information on the usually resident population is not available, legal or registered residents can be considered.
2	Relative size of youth population (age group 15–24) (%)	The ratio of the youth population (aged 15–24) to the working-age population (usually aged 15–64 or 15–74).
3	Youth dependency ratio (%)	The ratio of younger dependents (people younger than 15) to the working-age population (those in the 15–64 age group).
4	Old-age dependency ratio (%)	The ratio of older dependents (people older than 64) to the working-age population (those in the 15–64 age group).
5	Global Competitiveness Index	The Global Competitiveness Index assesses the competitiveness landscape, providing insight into the drivers of countries' productivity and prosperity. It is expressed as a score on a 1 to 7 scale, with 7 being the most desirable outcome.
6	GDP growth rate (%)	The annual percentage growth rate of GDP at market prices based on constant local currency.
7	GDP per capita (PPP) (current international \$)	The market value of all final goods and services produced within a country in a given period of time (GDP), divided by the total population and converted into international dollars using purchasing power parity (PPP) rates.
8	GDP by sector (%)	The share of value added from agriculture, industry and services.
9	Poverty headcount ratio at \$2 a day (PPP) (%)	The percentage of the population living on less than \$2.00 a day at 2005 international prices.
10	Gini index (%)	A Gini index measures the extent to which the distribution of income (or, in some cases, consumption expenditure) among individuals or households within an economy deviates from a perfectly equal distribution. A Gini index of 0 represents perfect equality, while an index of 100 implies perfect inequality.
11	Educational attainment of adult population (aged 25–64 or 15+) (%)	Educational attainment refers to the highest educational level achieved by individuals expressed as a percentage of all persons in that age group.
12	Gross enrolment rates in secondary education (%)	The number of students enrolled in a given level of education, regardless of age, expressed as a percentage of the official school-age population corresponding to the same level of education.
13	Share of VET students in secondary education (%)	The proportion of VET students in secondary education out of the total number of pupils and students in secondary education (general + VET).
14	Gross enrolment rates in upper secondary education (%)	The number of students enrolled in a given level of education, regardless of age, expressed as a percentage of the official school-age population corresponding to the same level of education.
15	Share of VET students in upper secondary education (%)	The proportion of VET students in upper secondary education out of the total number of pupils and students in upper secondary education (general education + VET).
16	Low achievement in reading, mathematics and science – PISA (%)	The share of 15-year-olds failing to reach level 2 in reading, mathematics and science.
17	Participation in training/lifelong learning (age group 25–64) by sex (%)	The share of persons aged 25–64 who stated that they had received education or training in the four weeks preceding the (LFS) survey.

	Description	Definition
18	Early leavers from education and training (age group 18–24) by sex (%)	The percentage of the population aged 18–24 with at most lower secondary education who were not in further education or training during the four weeks preceding the (LFS) survey. Lower secondary education refers to ISCED 1997 levels 0–3C short for data up to 2013 and to ISCED 2011 levels 0–2 for data from 2014 onwards.
19	Activity rates (aged 15+) by sex (%)	Activity rates represent the labour force as a percentage of the working-age population.
20	Employment rates (aged 15+) by sex (%)	Employment rates represent persons in employment as a percentage of the working-age population.
21	Unemployment rates (aged 15+) by sex (%)	Unemployment rates represent unemployed persons as a percentage of the labour force.
22	Unemployment rates (aged 15+) by educational attainment (%)	Educational levels refer to the highest educational level successfully completed. Three levels are considered: low (ISCED levels 0–2); medium (ISCED levels 3–4); and high (ISCED 1997 levels 5–6 and ISCED 2011 levels 5–8).
23	Youth unemployment rates (aged 15–24) by sex (%)	Youth unemployment rates represent young unemployed persons (aged 15–24) as a percentage of the labour force (15–24).
24	Proportion of long-term unemployed out of the total unemployed (aged 15+) (%)	The number of unemployed persons aged 15+ who are long-term unemployed (12 months or more) as a percentage of unemployed persons aged 15+.
25	Long-term unemployment rate (aged 15+) (%)	The number of unemployed persons aged 15+ who are long-term unemployed (12 months or more) as a percentage of the labour force aged 15+.
26	Incidence of self-employment (%)	The share of self-employed as a proportion of the total employed. Self-employment includes employers, own-account workers, members of producers' cooperatives and contributing family workers.
27	Share of the employed in the public sector (%)	The share of those employed in the public sector as a proportion of the total employed.
28	Employment by sector (%)	The share of those employed in agriculture, industry and services.
29	Employment in the informal sector	The share of persons employed in the informal sector in total non-agricultural employment.
30	Proportion of people aged 15–24 not in employment, education or training (NEETs) (%)	The percentage of the population of a given age group who are not employed and not involved in further education or training.
31	Public expenditure on education (as % of GDP)	Public expenditure on education expressed as a percentage of GDP. Generally, the public sector funds education either by directly bearing the current and capital expenses of educational institutions, or by supporting students and their families with scholarships and public loans, as well as by transferring public subsidies for educational activities to private firms or non-profit organisations. Both types of transactions together are reported as total public expenditure on education.
32	Public expenditure on education (as % of total public expenditure)	Public expenditure on education expressed as a percentage of total public expenditure. Generally, the public sector funds education either by directly bearing the current and capital expenses of educational institutions, or by supporting students and their families with scholarships and public loans as well as by transferring public subsidies for educational activities to private firms or non-profit organisations. Both types of transactions together are reported as total public expenditure on education.
33	Skill gaps (%)	The percentage of firms identifying an inadequately educated workforce as a major constraint.
34	Contribution of SMEs to GDP (%)	The share of value added from small and medium-sized businesses.
35	Share of SMEs in employment (%)	The share of persons employed in small and medium-sized businesses.



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