

# Current State of Youth Employment in Ukraine

## 2021 LABOR MARKET ASSESSMENT

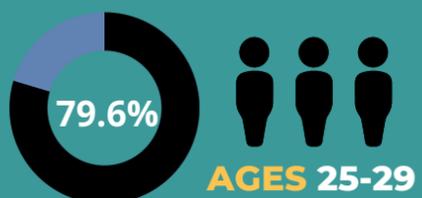
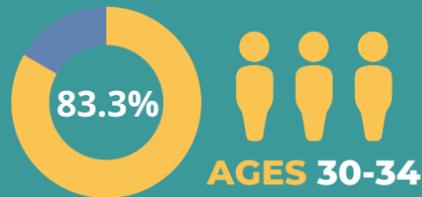
From March to April 2021, UNITY, a program funded by the U.S. Agency for International Development (USAID), conducted a labor-market assessment (LMA). The purpose of the LMA was to identify the most youth-friendly sectors and value chains for employment and entrepreneurship, pinpointing sectors, regions, and public-private partnerships that will support increasing youth employment (for those aged 18–35).



### LABOR FORCE BY SECTOR

61.2% SERVICES    25.1% INDUSTRY    13.7% AGRICULTURE

### MOST ECONOMICALLY ACTIVE BY AGE



### INCLUSION



2,062,259 UNEMPLOYED PEOPLE WITH DISABILITIES



24% to 26% GENDER PAY GAP INCREASE SINCE 2014

## CREATIVE INDUSTRY IS ON FIRE

Employment in the sector and the number of creative-industry entities in Ukraine is growing rapidly, rising 40 percent between 2013 and 2019. 🔥



### Thriving

The creative-industries sector is relatively young, being officially defined in 2019 as inclusive of visual art, stage art, publishing, design, fashion, information technology (IT), audiovisual art, architecture, advertising, libraries, archives and museums, folk arts, and crafts. Number of companies in sector went from 97,000 (2013) to 205,500 (2019).



### Growing

Ukrainian IT is skyrocketing despite the turbulence caused by the COVID-19 pandemic outbreak. Ukraine's tech community has gained worldwide recognition and the IT sector has become a significant contributor to the country's economy as the third-largest service exporter.



### Expanding

Ukraine has an excellent network of incubators, accelerators, and science parks that has profoundly influenced the local startup ecosystem, providing access to contacts, mentorships, and funds. One of the largest strategic projects is Unit City in Kyiv, a former motorcycle factory now booming with more than 100 resident companies.

“[I have] acquaintances who studied finance but are now studying computer programming, or already working at IT, and are well paid.”  
— Focus Group Participant, male, aged 25–35

## TRADITIONAL INDUSTRIES ARE HIRING YOUTH



### Wholesale Trade/Retail

Wholesale trade and retail employed about 30 percent of Ukrainian labor force in 2020 and is important to youth employment because it offers a high number of entry-level jobs. For this assessment, the sector included sales, tourism (e.g., hotels, restaurants), financial services, and transportation and logistics.



### E-Commerce

The COVID-19 pandemic has significantly accelerated the development of e-commerce as businesses from mini-factories to coffee shops to large online and offline stores have shifted and strengthened their positions. Almost nine percent of all purchases in Ukraine are currently made online versus seven percent in 2019. Online commerce is expected to grow by 30 percent in 2021.



### Agriculture

Although the agriculture sector employs only 14 percent of the labor force in Ukraine, it is one of the country's key industries, generating 9 percent of the total GDP in 2019. Linking technology and agriculture offers youth new opportunities in the sector. Efforts like Ukraine's *Greencubator* have pioneered opportunities for business development, networking, and investment for green startups and innovators in sustainable development.

## WAYS TO IMPROVE EMPLOYMENT PROSPECTS

1

Build financial literacy skills. Assessment findings demonstrate poor financial literacy not only among youth but also Ukrainians in general.

2

Improve digital literacy. Even though youth are considered to be digital natives, most interviewed employers noted that the skills of young people in this regard are quite limited, usually to using smartphones and social networks.

3

Improve employment-related soft and technical skills. Soft skills like problem-solving and teamwork are important for a good career start. Ensuring that educational institutions are offering training on skills needed in the labor force is also important.

4

Create inclusive skill-building opportunities to all groups of youth. Efforts are underway that provide inclusive skills development opportunities, especially for youth with disabilities and girls and young women.

5

Build the capacity of Vocational Education and Training (VET) centers. While reforms to improve the system are currently happening, there are opportunities to support improvements in training and career-development capacity.

Source: Ukraine National Identity through Youth (UNITY) Labor-Market Assessment Final Report, June 2021

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