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

<table>
<thead>
<tr>
<th>Sector</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Services</td>
<td>61.2%</td>
</tr>
<tr>
<td>Industry</td>
<td>25.1%</td>
</tr>
<tr>
<td>Agriculture</td>
<td>13.7%</td>
</tr>
</tbody>
</table>

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 2019 and 2021.

Thriving

The creative-industries sector is relatively large. It generated about 3,000 jobs in 2019, including in sectors like architecture, advertising, publicity, filming, sound, and visual arts. The number of companies in the sector went from 97,000 (2013) to 205,500 (2019).

Growing

Ukrainian IT is representing for the technology country in Europe. The technology community has grown worldwide recognition. The industry sector has become a significant contributor to the country’s development in digital technology services.

Expanding

Ukraine has an active network of incubators, accelerators, and science parks. The government is introducing policy initiatives, creating a robust startup ecosystem, providing access to contacts, mentoring, and seed capital. One of the largest strategic prospects is digital city. Kyiv is building an interactive factory, coworking with more than 100 seedsheet companies.

TRADITIONAL INDUSTRIES ARE HIRING YOUTH

Wholesale Trade/Retail

Wholesale and retail employment employed about 30 percent of the total active labor force in 2020 and is expected to continue to support youth employment. The number of entry-level jobs likely will increase in the years to come.

E-Commerce

The COVID-19 pandemic has significantly accelerated the development of e-commerce. A recent study from McKinsey Global Institute found that online sales have shifted and even improved in the majority of sectors, including nine percent of all purchases in Ukraine. Online commerce is expected to grow by 35 percent in 2021.

Agriculture

Although the agriculture sector employs only about 8 percent of the total 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.

WAYS TO IMPROVE EMPLOYMENT PROSPECTS

1. Build financial literacy skills. Demonstrate your financial literacy and skills, especially in regards to your current and future career.

2. Improve digital literacy. Even though youth are considered digital natives, most educational institutions noted that the skills of young people in this regard are quite limited. This includes using smartphones and social networks.

3. Improve employment-related soft skills. Children, often like problem-solving and communication, are important for a good career start. Educating educational institutions on offering training on skills needed in the labor market.

4. Increase skill-building opportunities. To provide more skills development opportunities, especially for youth with disabilities, older girls, and young women.

5. Build the capacity of educational institutions. Building learning centers. While reforms to increase the nation’s GDP are currently happening, some are opportunities to support: investments in training and career-development capacity.