

Coping with Insecurity:
The Ukrainian People's Security Survey

by

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Contents

Preface

1. Introduction.....	1
2. A Conceptual Aide Memoire	2
3. Basic Security	2
4. Labour Market Security	9
5. Employment Security.....	12
6. Job Security.....	16
7. Work Security.....	18
8. Skill Reproduction Security	19
9. Representation Security	27
10. Income Security	30
11. Seeking Social Justice: The Views of Ukrainians	46
12. Some Concluding Reflections	48

PREFACE

The People's Security Survey of Ukraine is the first serious attempt to map the extent of economic and social insecurity in the country, which has been plunged into a decade of economic decline. The PSS is an instrument being developed within the ILO's Socio-Economic Security Programme, focusing on poverty, labour market experience, and access to social protection policies and institutions of representation.

At the time of the publication of this paper, other PSS were in progress in several countries, including Argentina, Bangladesh, Brazil, Chile, China, Hungary, India (Gujarat), Indonesia, Pakistan, Russia, South Africa and Tanzania.

A draft of the following paper was presented at a technical, tripartite conference in Kiev on May 31-June 1, 2001. It has benefited from comments from the many participants in that conference, including leaders of Ukrainian unions and the employers organisation, and from the dedicated work of the statisticians and fieldwork enumerators attached to the Ukraine State Committee of Statistics. We would also like to express our appreciation to the Minister of Labour and Social Policy, who has expressed his interest and support for the survey, and to the First Deputy Minister and their senior colleagues, who participated in the conference.

Thanks are also due to the UNDP in Ukraine, which provided financial support for the PSS and for the complementary Ukraine Enterprise Labour Flexibility and Security Survey, and to the Rockefeller Foundation for its financial support.

Finally, special thanks are due to Richard Anker, who helped set up the PSS and is co-ordinating the PSS programme in general, and, for comments, to Maria Caceres, Igor Chernyshev, Vasyl Kostrytsya and Vladimir Yatsenko.

Coping with Insecurity:

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1. Introduction

For ordinary people in Ukraine, as anywhere else in the world, life consists of a constant struggle for basic security, in which to develop their talents, look after their families and to try to find ways of avoiding or coping with the personal disasters and crises that characterize human existence. For the 50 million or so people living in Ukraine, a potentially thriving country on the eastern edge of Europe, life in recent years has been fairly miserable – nasty, brutish and shorter than it used to be. The economy has shrunk, life expectancy has fallen and livings standards have shriveled. In such circumstances, personal and family *insecurity* can be expected to be a way of life, not something that can be conveyed simply in terms of a *risk society*.

In order to assess the extent to which Ukrainian workers, of all types, are experiencing social and economic insecurity, the ILO's Socio-Economic Security Programme carried out the first Ukrainian People's Security Survey (UPSS) in late 2000, in collaboration with the national Statistics Office of Ukraine. This involved asking 8,200 individuals from 8,200 households a detailed set of questions, about their living standards and, in detail, about their work. The sample was selected by means of a stratified random sample, i.e., a random sample of households based on the regionalized listing of households, so that a quota of persons in several work statuses was achieved. The sampling method was complex, and not ideal. However, it is reasonably representative, and is not subject to any known biases. In effect, although one cannot have complete confidence in making statements about national levels of insecurity, one should be able to make inter-personal comparisons, and form a strong impression of the pattern of socio-economic security.

This paper reports the preliminary descriptive results of the UPSS. It considers not only the types and degree of insecurity, comparing various groups and regions, but also looks at the perceived and actual capacities to cope with the adverse outcomes. It also ascertains the attitudes and perceptions of people towards aspects of their working lives, defined in terms of the seven forms of labour-related security. And the UPSS also assesses their perception of the assistance available from Government, family networks and institutions of so-called civil society, should they have need.

This preliminary paper does no more than give a hint of the underlying relationships between different forms of social and economic security, focusing instead purely on descriptive indicators, usually disaggregated by gender and age group, as well as economic activity status, where relevant. It does not report any statistical significance tests. Subsequent papers will go into each of the main issues in more detail, leading to recommendations for policy and institutional reform.

2. A Conceptual *Aide Memoire*

Adequate social and economic security together constitute the basis of any good society. Without *basic security* one cannot envisage a country successfully restructuring, or imagine that it can create the conditions for the general growth of *decent work* among its population. What constitutes basic security?

The ILO's view is that it requires that everybody in society can obtain their basic subsistence needs, and that there should be policies and institutions to reduce the insecurities of the least well-off and most insecure groups in society. As far as work is concerned, there are seven forms of security to consider – labour market, employment, job, work, skill reproduction, representation and income security.

We believe primacy must be given to improvement of basic income security and Voice representation security. Without a floor of sufficient income on which to survive, nobody can be expected to be able to make rational choices about how to conduct themselves or develop their skills and work capacities. And without access to organizations that can represent their interests, they will always remain vulnerable to social, economic and other discriminatory pressures that characterize any market society.

In assessing security, we need to recognize that there are *objective indicators* of the levels and trends in various forms of security, and there are *subjective indicators*, consisting of the attitudes, fears and expectations of people. In the following, attention is given to both types of indicator.

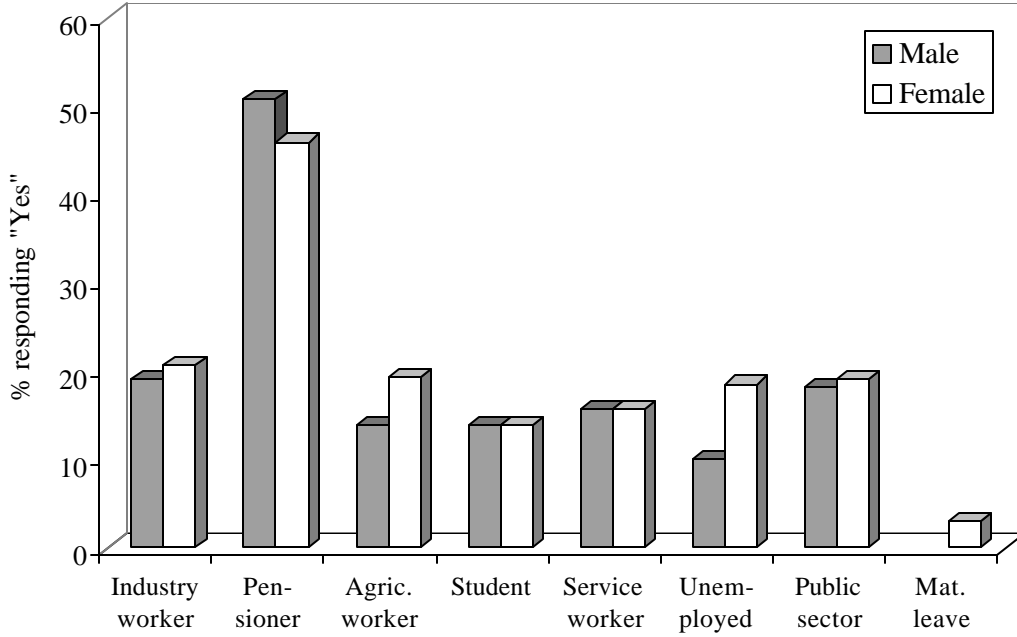
3. Basic Security

The UPSS began with a brief set of questions on what we call 'basic security'. These are intended to indicate whether or to what extent people feel they can satisfy their 'basic needs', in terms of actual and expected access to adequate food, healthcare, housing and schooling.

Most Ukrainians feel that they do not have access to acceptable healthcare services in their neighbourhood – 81.6% of women, 79.2% of men. This should be seen in the context of a very high proportion of adults suffering from medical problems – including 20% of industrial workers, 17% of agricultural workers, and 15% of service workers. This is perhaps the most striking phenomenon of all, highlighted by Figures 1 and 2. And as with so many aspects of social and economic security, the situation of people living outside Kiev was on average worse than in the capital. Amid the many worrying signs about public services, one mildly encouraging one was that there were no significant differences between the different ethnic groups.

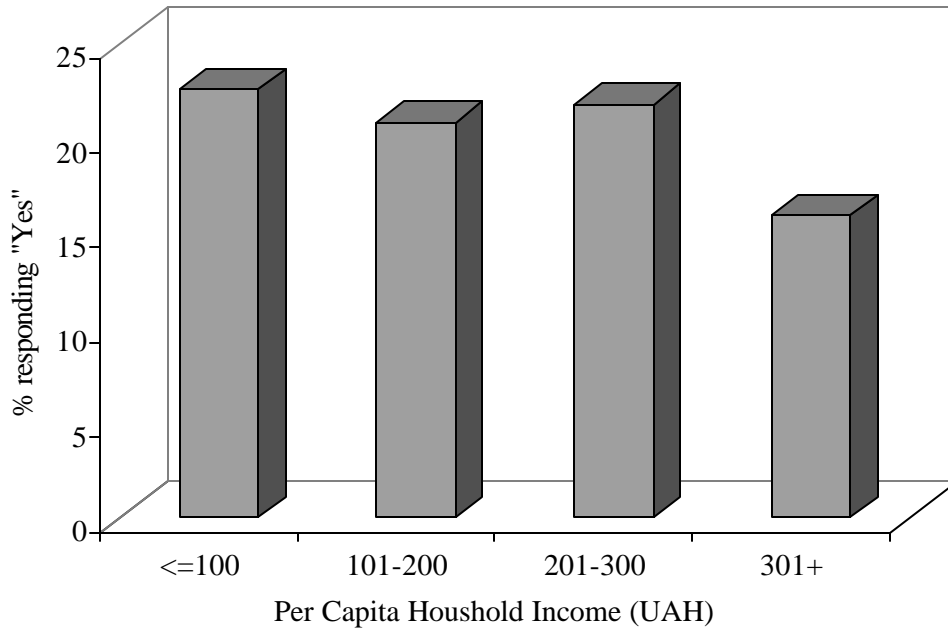
There is no doubt that poor health is a feature of Ukrainian society, and not just to due to the long-term effects of the terrifying Chernobyl accident of 1986. Symptomatically, it has been reported that 60% of military conscripts have some kind of chronic illness or disability. Inadequate diet, poor living and working conditions, and exposure to dangerous pollution require urgent remedies. The PSS attests to a crisis.

Figure 1: Suffering From a Chronic Illness, by Current Main Work Status, by Gender, 2000, Ukraine
(percent of respondents suffering from illness within category)



Source: UPSS1, n = 8200

Figure 2: Suffering From a Chronic Illness, by Per Capita Household Income, 2000, Ukraine
(percent suffering within each per capital income category)



Source: UPSS1, n = 7890

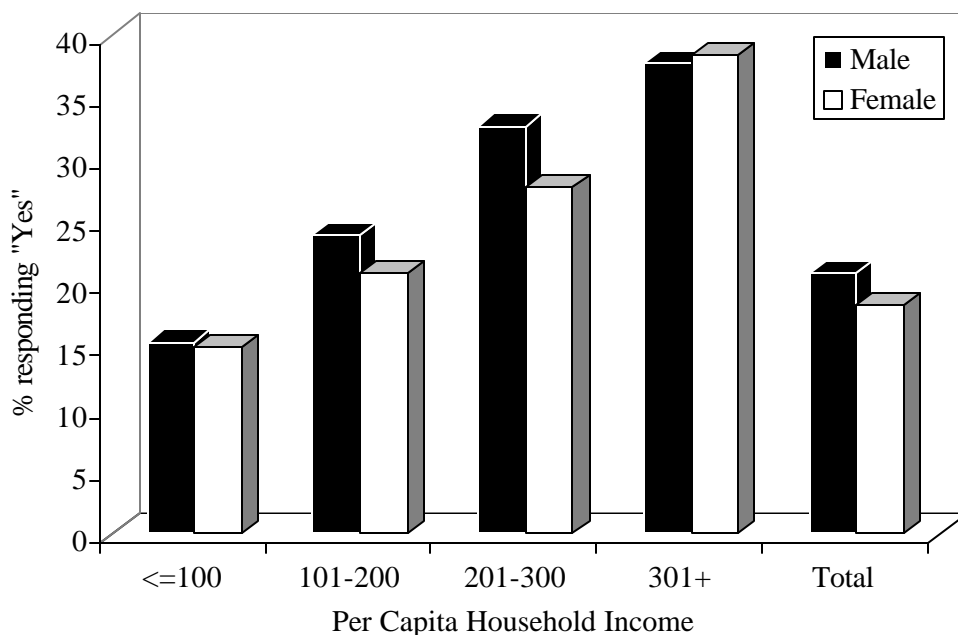
Perhaps reflecting a relatively greater need for healthcare, or perhaps a sense that public services had declined over the past decade of steady cuts in the state

sector, the lack of faith in healthcare services was even greater among those aged over 30 than among the younger cohorts. There was a fairly strong direct relationship between the household income of the respondent and the probability of feeling that they would have access to acceptable healthcare. And those living in Kiev were more likely to report access than those living in other parts of the country.

Those in the lowest-income households (defined as having less than 200 UAH per capita per month) were most likely to report that they lacked access to acceptable healthcare services in their area of residence. But high proportions of all income groups expressed this feeling.

In terms of perceived adequacy of school facilities in their community, just over three-quarters believed they were inadequate, with more women expressing this view than men. As one would expect, younger men and women were relatively more likely to be concerned about this aspect of public services.

Figure 3: Access to Acceptable Healthcare Services, by Per Capita Household Income, by Gender, 2000, Ukraine
(percent of each income group having access to acceptable service)



Source: UPSS1, n = 7890

When asked what they would expect to be their main sources of financial support if someone in their household lost a job (allowing for multiple main sources), merely 5.7% reported that *government agencies* would be one of their main sources of support. Only 1.2% reported that they thought *non-governmental organizations* would be a main support, whereas 49.9% said *relatives* would be, 16.2% said they would rely mainly on *friends and neighbours*, 4.9% said that other household members would go out to take a job, 7.7% said those in jobs would work longer, 3.4% said children in the family would provide a main source of support, 4.7% said they would rely on savings, 6% said the sale of assets would be a main source of support, 8.2% said loans would be (with younger people showing a greater willingness or ability to

do this), and 40.8% said they would be 'self-reliant' in such circumstances, with more men giving this response.

Even more revealing of the loss or absence of faith in government, only 3.1% of all respondents reported that government agencies would be a main source of income support if they or other adults in the household did not receive wages for several months. The corresponding figures are 1.1% on non-government agencies, 46% relatives, 18.6% friends or neighbours, 3.6% other household members going out to take a job, 6.8% someone would work more hours, 2.5% children in family, 5.9% savings, 5.8% sale of assets (with a rising percentage with age), 12.6% loans, 39.1% would depend on themselves.

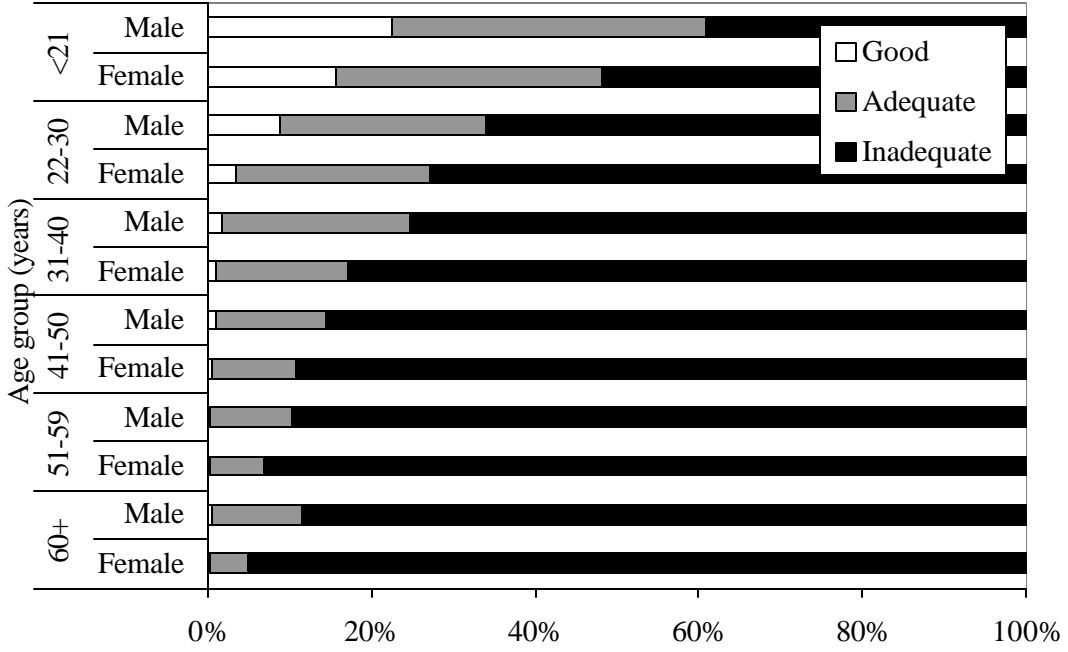
In the case of an *illness in the family*, only 6.3% expected to rely on government assistance, and 2.1% on NGOs. Half expected to rely on relatives, 17.4% on friends and neighbours, 3.4% on another family member starting a job, 5.5% on someone working more somehow, 2.6% on children of the family giving more support (with no age group reporting more than 5%), 6% on savings, 9.8% on the sale of assets, and 11.9% on loans. Perhaps most tellingly of all, 38.4% said they would be self-reliant.

The one clear message coming from this part of the People's Security Survey is simply stated: *The State has withered*, and needs to be strengthened in the sense of being able to provide social protection and services for a far larger proportion of the people of Ukraine.

Looking into the future, over four in every five people (81.1%) thought that their financial situation in old age would be inadequate or bad, whereas only 2.9% thought it would be good, the remaining 16% expecting it to be 'adequate'. There was no difference between rural and urban areas in this respect. As expected, women were more pessimistic (83.1% expecting the situation to be inadequate, compared with 77.4% of men). And as Figure 4 indicates, pessimism rose strikingly with age – with nearly 92% of all those in their 50s expecting an impoverished old age.

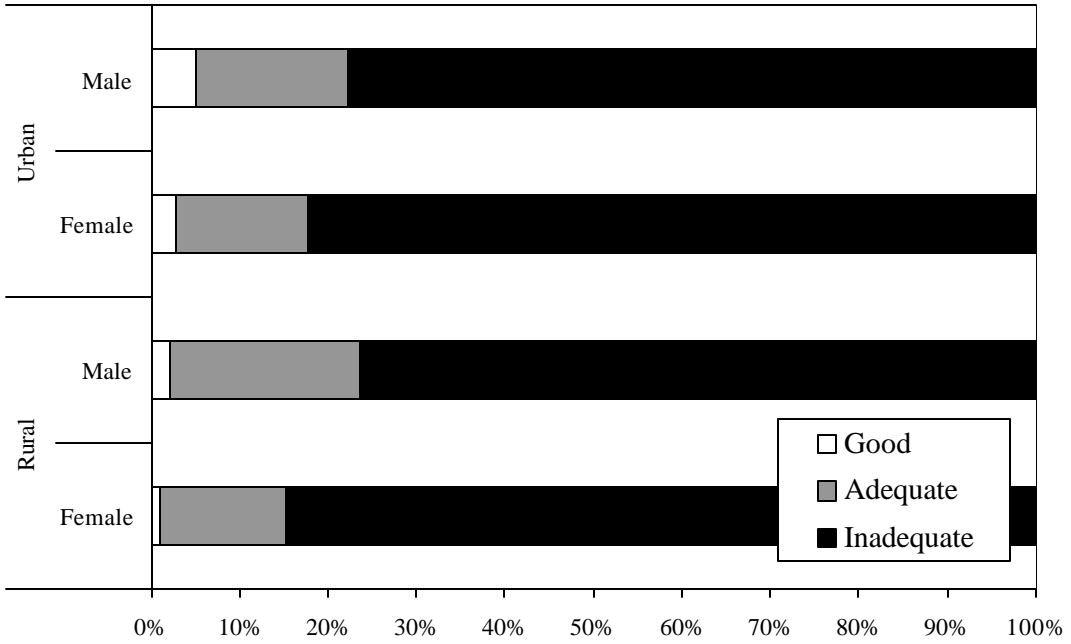
As for healthcare, over three in every four (76.4%) expected it to be inadequate in their old age, with women typically being more concerned than men. This pessimism also rose with age, indicating that nearly nine in every ten people in their 50s were expecting an inadequate service as they approached the age group in which illnesses mount.

Figure 4: Expected Financial Situation in Old Age, by Age, by Gender, 2000, Ukraine
(percent giving good, adequate or poor as response)



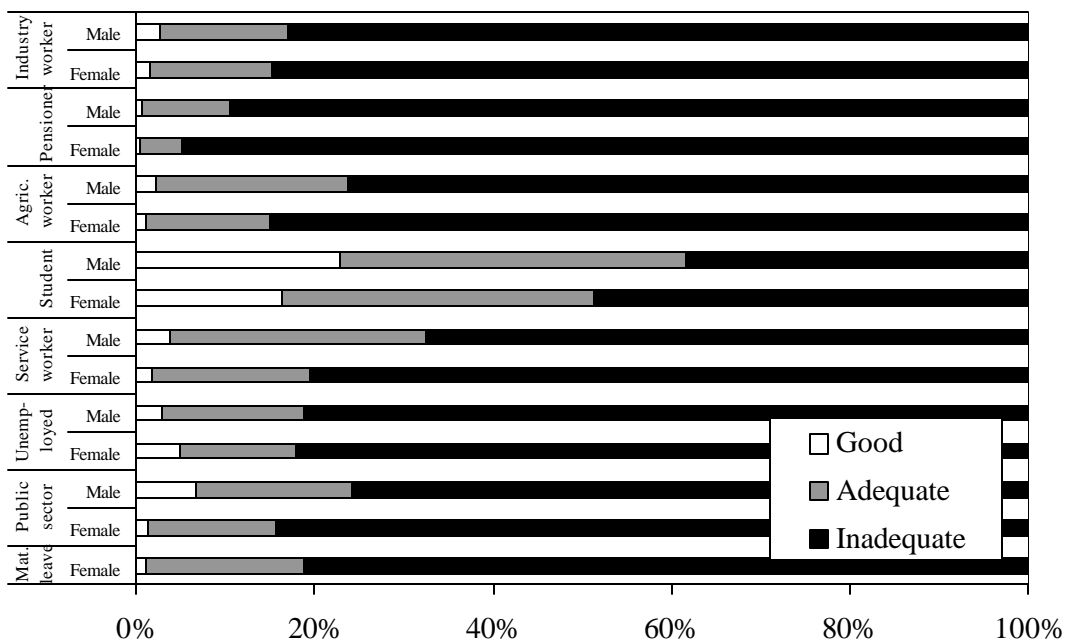
Source: UPSS1, n = 8200

Figure 5: Expected Financial Situation in Old Age, by Area of Residence, by Gender, 2000, Ukraine
(percent giving good, adequate or poor as response)



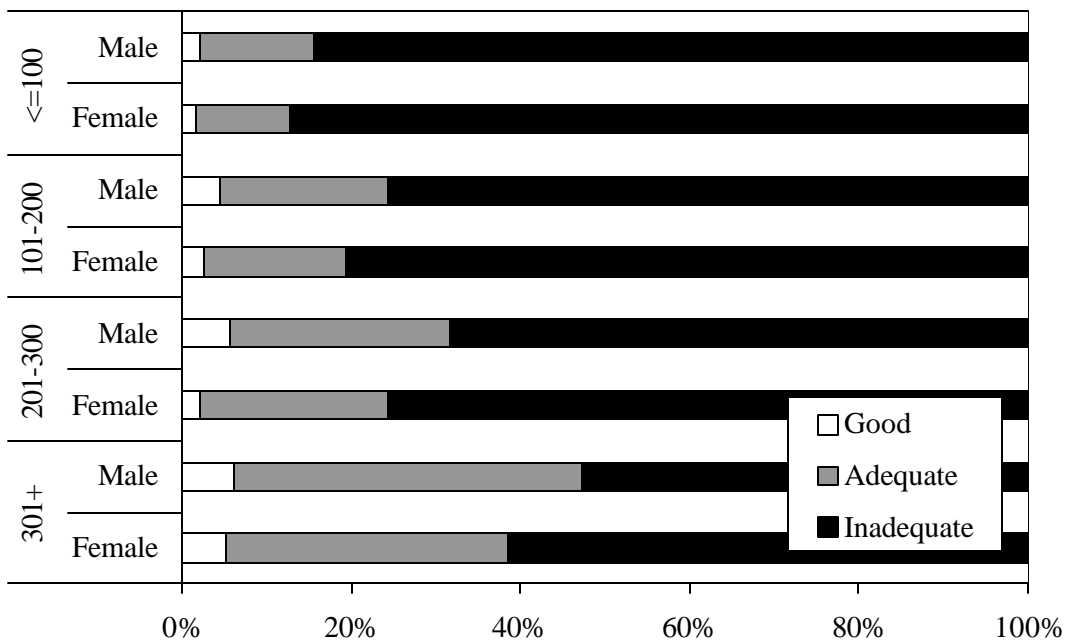
Source: UPSS1, n = 5364

Figure 6: Expected Financial Situation in Old Age, by Current Main Work Status, by Gender, 2000, Ukraine
(percent giving good, adequate, poor as response)



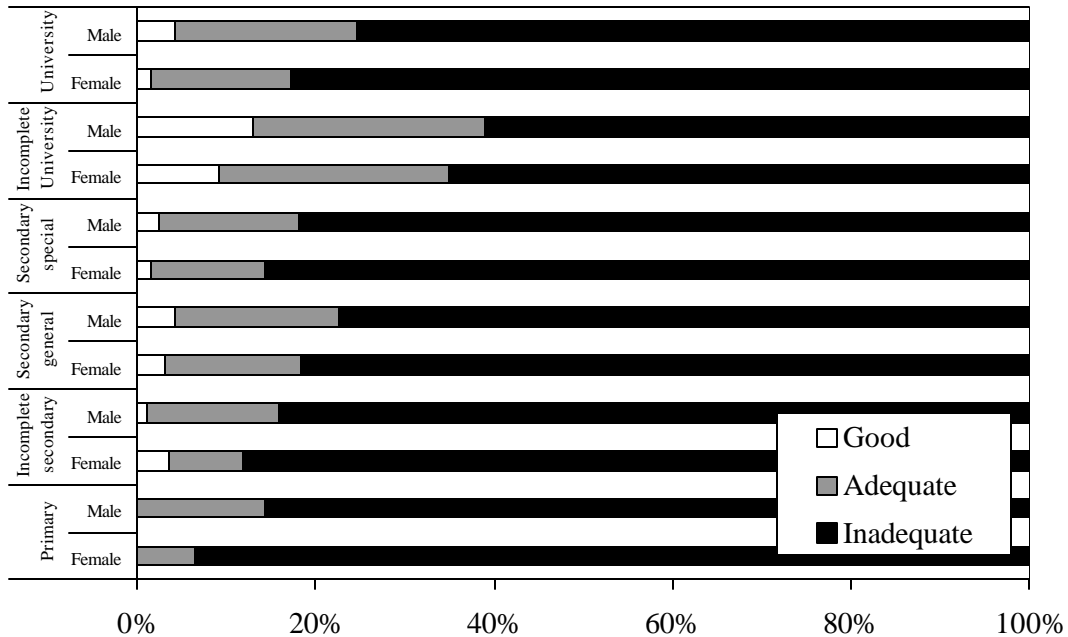
Source: UPSS1, n = 5364

Figure 7: Expected Financial Situation in Old Age, by Per Capita Household Income and by Gender, 2000, Ukraine
(percent giving good, adequate or poor as response)



Source: UPSS1, n = 8200

Figure 8: Expected Financial Situation in Old Age, by Education, by Gender, 2000, Ukraine
(percent giving good, adequate or poor as response)



Source: UPSS1, n = 8200

What about the severity of the threat? As expected, most people reported themselves very worried about their financial and healthcare service situation in old age – 77.8% of men, 84.1% of women. Most of the rest were just worried. These pessimistic feelings were scarcely surprising, in that the pension system in the country is in a mess. Until late 2000, just before the UPSS was conducted, *pension arrears* were widespread, and ordinary Ukrainian workers could be expected to look forward with fear to the non-payment of state pensions. A vicious circle has been operating. Because wages have been unpaid, or only paid partially, contributions to pension funds have lagged, leading to deficits, and an inability to pay. The Government reported that by late September 2000, pension arrears had been erased. There was some scepticism about that.

Whatever the truth about that, the level of pensions actually received has been inadequate. Including cash benefits for the poor, the minimum pension as of mid-2001 was 58 UAH (equivalent to less than \$11 a month); this was about 19% of the minimum subsistence income set by Parliament in January 2001. As of January 2001, just over one million pensioners, or 8% of the total, were receiving the minimum state pension. The average pension was 66 UAH, or about 37% of the average wage. These figures lend credence to the sense of despair recorded by the UPSS responses.

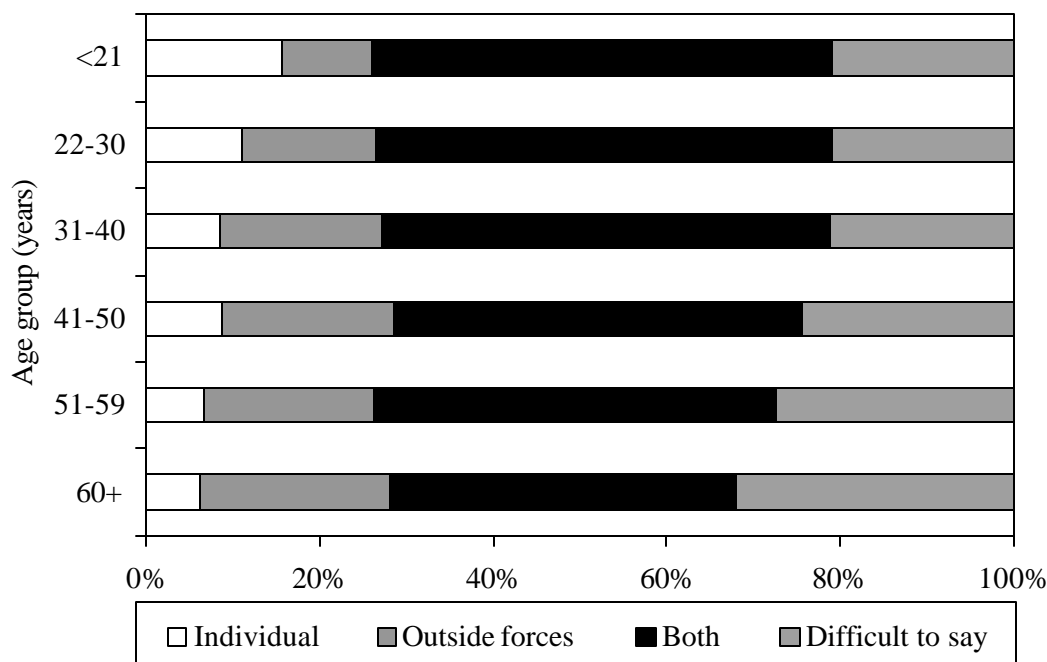
We asked also whether people *trust government agencies* dealing with social protection. The responses from the sample of 8,200 Ukrainians from all over the country should cause considerable concern for those responsible for public policies. Merely 1.3% of people fully trust the government, only 10.2% have some trust, 26.6% have not much trust, and 49.4% have no trust at all. Actually, middle-aged and elderly

people were more likely than others to have no trust. The fact that people do not trust government agencies means that to obtain social and economic security they must have alternative sources of collective solidarity, but as we will see there is a deep sense of *powerlessness* that compounds the lack of trust in government agencies.

Another leading indicator of the social mood of the population was the finding that only 9% felt that their living standards and opportunities were mainly determined by their own efforts, whereas 18.3% thought their situation was mainly determined by external factors. Some 48.7% thought individual and external factors were equally important, while the remaining 24% found it hard to answer. Men were relatively likely to think individual effort determined living standards, but even so most men thought that external forces dominated their lives.

Possibly indicating an interesting trend is that, as shown in Figure 9, the younger cohorts were more inclined to think their individual effort was the main determinant, whereas what might be described as *social fatalism* was greater among older Ukrainians. However, one cannot say whether this reflects the normal exuberance of youth, or whether there is a cohort effect at play. Only later surveys will be able to ascertain the answer to that.

Figure 9: Perceived Main Determinant of Own Living Standards, by Age, 2000, Ukraine
(percent stating that individual effort, or outside forces or both determined living standards)



Source: UPSS1, n = 8200

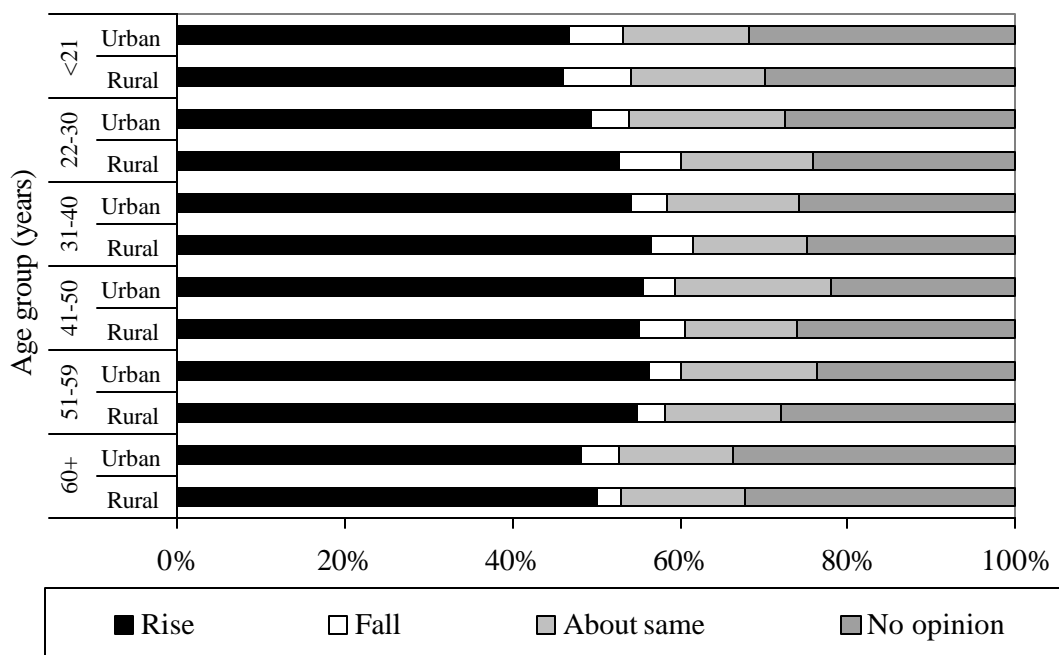
4. Labour Market Security

In any country, labour market security could be said to be strong if there are ample opportunities for all adults to obtain income-earning activities, and if people

think there are such opportunities and that they will continue in the medium-term future.¹ Traditionally, in the old Soviet system, workers in the main had very strong employment security, as part of the commitment to the *de-commodification* of labour relations.

In the UPSS, we asked a series of questions about actual and perceived labour market security in Ukraine. First, we asked people what they thought about actual and expected trends in *unemployment*. Although estimates of current unemployment varied widely and showed little knowledge (the modal estimated rate was 40%), over half of all respondents from across the country thought unemployment would rise over the next 12 months, while only 4.7% thought it would fall. Middle-aged workers were relatively pessimistic about this.

Figure 10: Expected Change in Unemployment over Next Year, by Age, by Area of Residence, 2000, Ukraine
(percent expecting type of change in unemployment level)



Source: UPSS1, n = 8200

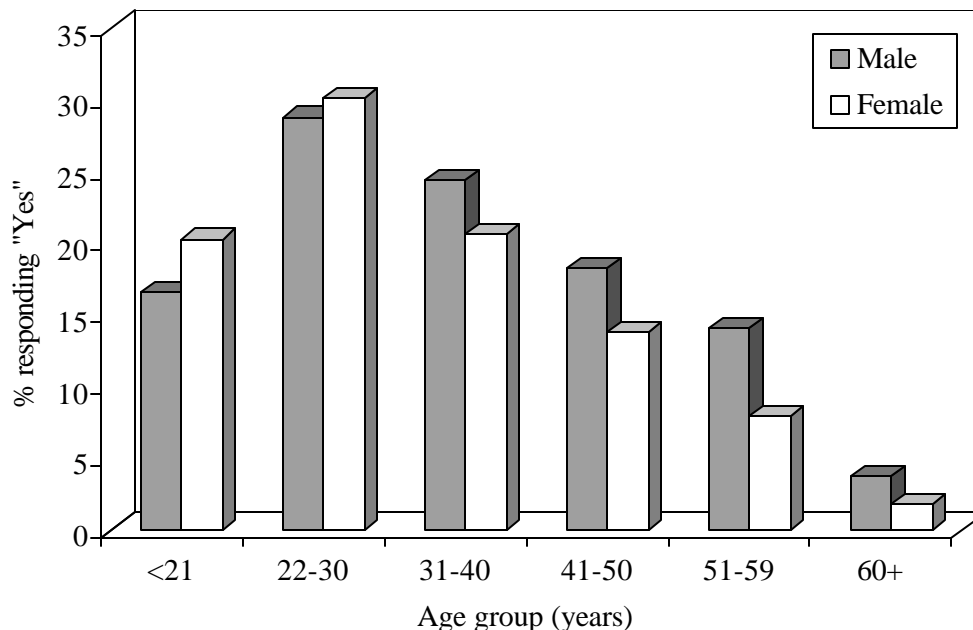
Most of those in employment worked in establishments where at least some workers had been made redundant in the past 12 months, although nearly a third of them did not know how many had been made redundant. At least, the proximity to redundancy had become the norm.

Some 17.6% of all Ukrainians in the sample had been unemployed at some time during the past five years, with 29.7% of all those in their twenties. Men were more likely to have been unemployed. Of those who had experienced some unemployment

¹ This and other forms of labour security are defined elsewhere, and the evidence of international trends in each is reviewed in some detail. G.Standing, *Global Labour Flexibility: Seeking Distributive Justice* (Basingstoke, Macmillan, 1999).

in the past five years, 59.3% had been unemployed during the past year. Over 90% had searched for work in their unemployment.

Figure 11: Whether Unemployed in Past Five Years, by Age, by Gender, 2000, Ukraine
(percent reporting that they had been unemployed)



Source: UPSS1, n = 5364

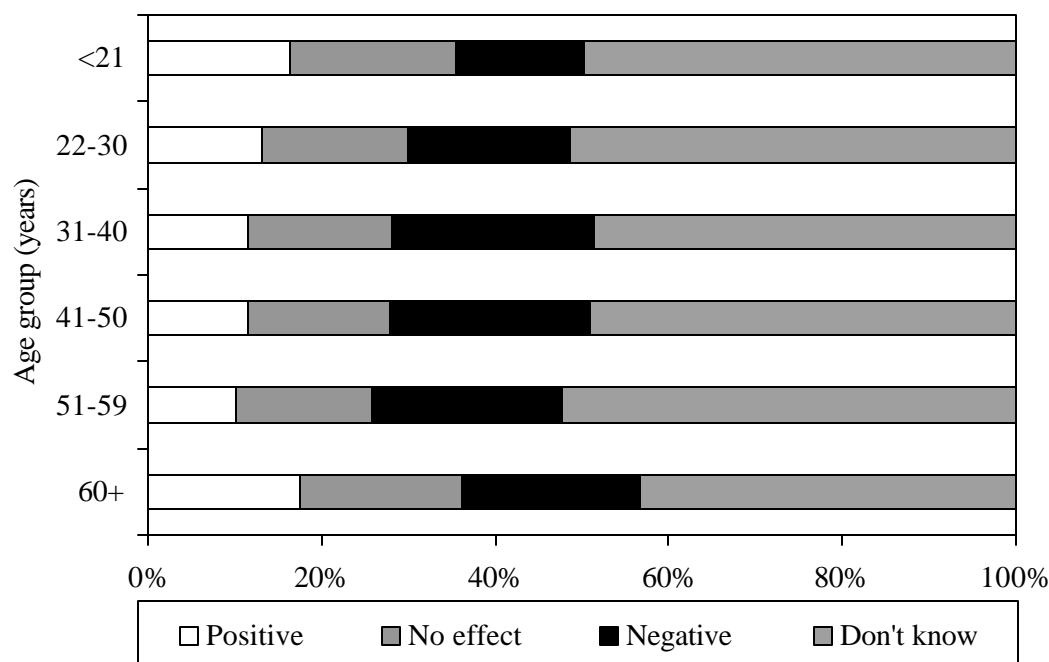
Another interesting aspect of labour market security is the perceived probability of finding an alternative employment if they lost their current job. Confidence is not high. Only 2.6% of the employed thought it would be very easy to find another job, and only 12.5% that it would be easy. By contrast, 31.2% thought it would be difficult, and 25.6% very difficult. A majority of all age groups thought it would be difficult, with increasing proportions of older ages. At the same time, most people would not be prepared or feel able to move to another area to take another job – only 18.1% being willing to do so, with a further 16.3% being unsure. As one would expect, younger workers were rather more prepared to move. The main reasons people gave for not being prepared to move were the difficulty of obtaining housing and the belief that they would lose social and economic networks of support.

Finally, there is the impact of entry to the global economy to consider. Much debate in the media across the world has alerted ordinary people to the notion of *globalisation*. Do most people take any notice? Do they fear impending or actual economic forces? Or do they see entry to a global economy as opening up uncharted opportunities? These questions are particularly pertinent in the country such as Ukraine. Accordingly, we asked the following question:

“Ukraine is entering the international market economy. Do you feel that ‘globalisation’ has a positive effect, a negative effect, or no effect on the chances of workers such as yourself of keeping their job/work?”

The question is complex, and no doubt there could be alternative formulations that would be a better gauge of the underlying fears or hopes. Nevertheless, about half of the respondents – and the question was addressed only to those in employment – said that they “did not know”. Of the remainder, the net balance was one of *fear* of globalisation.

Figure 12: Perceived Effect of Globalisation on Employment Opportunities, by Age, 2000, Ukraine
(percent reporting the expected effect)



Source: UPSS1, n = 6206

Whereas 11.8% thought it would have a positive effect, 21.8% thought it would have a negative effect, the remaining 16.6% thinking it would have ‘no effect’. If one ignores the oldest group, simply because those employed in their 60s are likely to be rather selective, then one can detect that *hope scores over fear* for the younger generation, while *fear scores over hope* for older age cohorts. However, even for those in their twenties, fear predominates. There has not been a lot of hope in recent times.

5. Employment Security

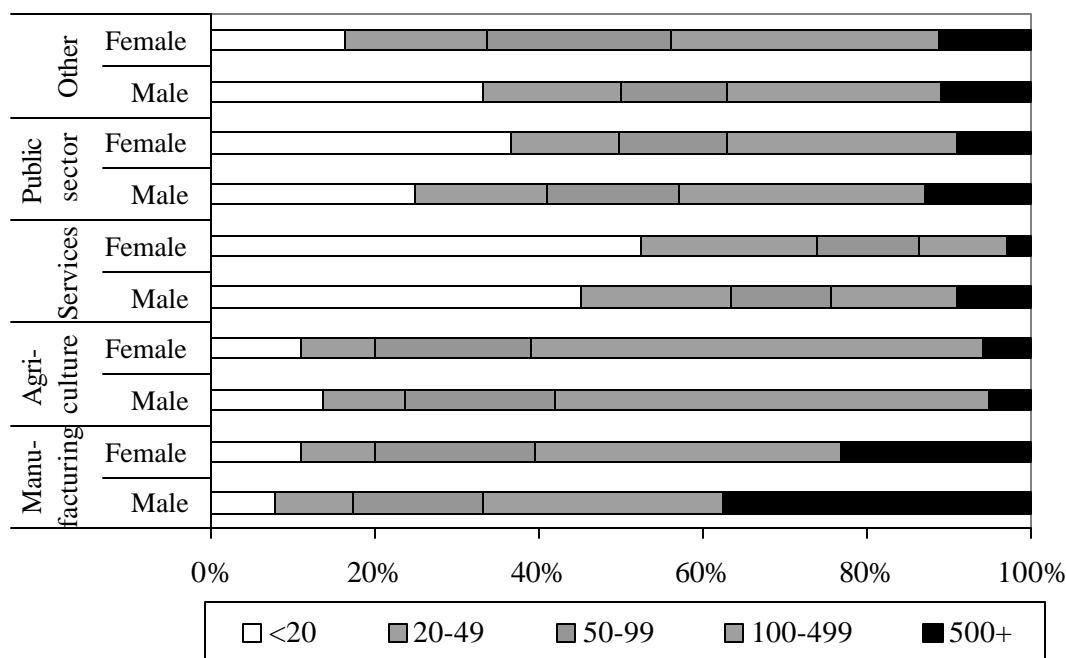
Internationally, one form of labour security given a great deal of analytical and policy attention in recent years is *employment security*. It is generally recognized that in the Soviet era, workers had a very high degree of employment security, even though labour turnover was usually high, because of ‘job hopping’. In any case, matters changed in the 1990s. Although unpaid or partially paid ‘administrative leave’, or lay-off, has been more common than straightforward redundancies, many workers have lost their employment in recent years. This is a reality for Ukrainian workers, and the policies and institutions required to serve their interests have been ill-prepared.

While unemployment has mounted, those in jobs have tended to cling to them. About three out of every four currently employed workers in the UPSS reported that they had not changed their main job or income-earning activity in the past five years, and only 7.9% had changed two times or more. Men were slightly more likely to have changed jobs, but even for them job mobility was clearly low, in absolute terms and by international standards. Those in their 20s were more likely than other age groups to have changed job, but even a majority of them had not done so. It would seem from these data that employment security is still quite high in Ukraine. However, one should add a caveat, since the data refer to the currently employed, rather than to the whole sample.

One indirect indicator of employment security is the *size of firm* in which people are working, because it is known that small-scale firms have a higher turnover, or tendency to go bankrupt or go out of existence. Traditionally, most employment in Ukraine has been in very large enterprises, and we know that restructuring has been slow in this respect, even if there has been a considerable decline in the average size of establishment.

Even so, nearly a quarter of the employed worked in establishments with fewer than 20 workers in total, with women being significantly more likely to be in small establishments. Relatively more workers in services were in small-scale firms, and as this sector is expanding in relative terms, that in itself can be expected to imply a structural decline in employment security.

Figure 13: Employment Size of Establishment, by Sector, by Gender, 2000, Ukraine
(percent of firms in each size group)

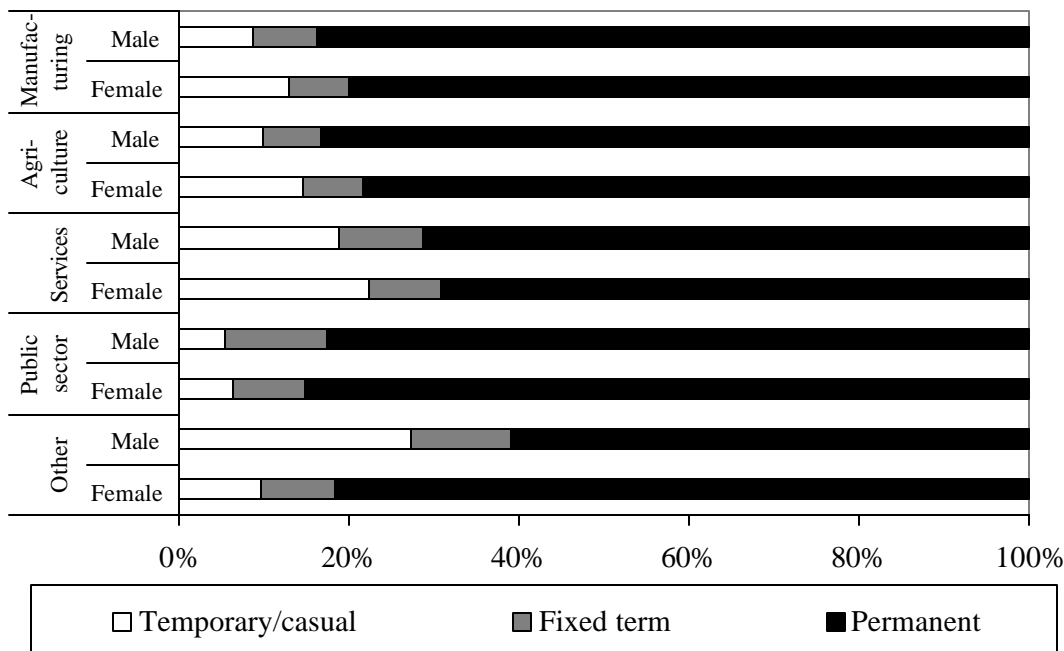


Source: UPSS1, n = 5971

However, the strongest indicator of the extent of employment security is the existence and duration of an *employment contract*. On that measure, workers still have

strong employment security, since over three quarters of the employed claimed to have ‘permanent’ contracts. Women seemed slightly less likely to have such secure employment, but the difference was not great. Young workers were the most likely to have employment without any contract. But the main predictor of having an insecure employment contract was size of firm. Nearly 30% of men, and 27% of women, were in firms with fewer than ten workers had temporary or casual contracts, compared with 5% of men, and 7.5% of women, in firms with more than 1000 workers.

Figure 14: Type of Employment Contract, by Sector, by Gender, 2000, Ukraine
(percent of workers with specified type of contract)



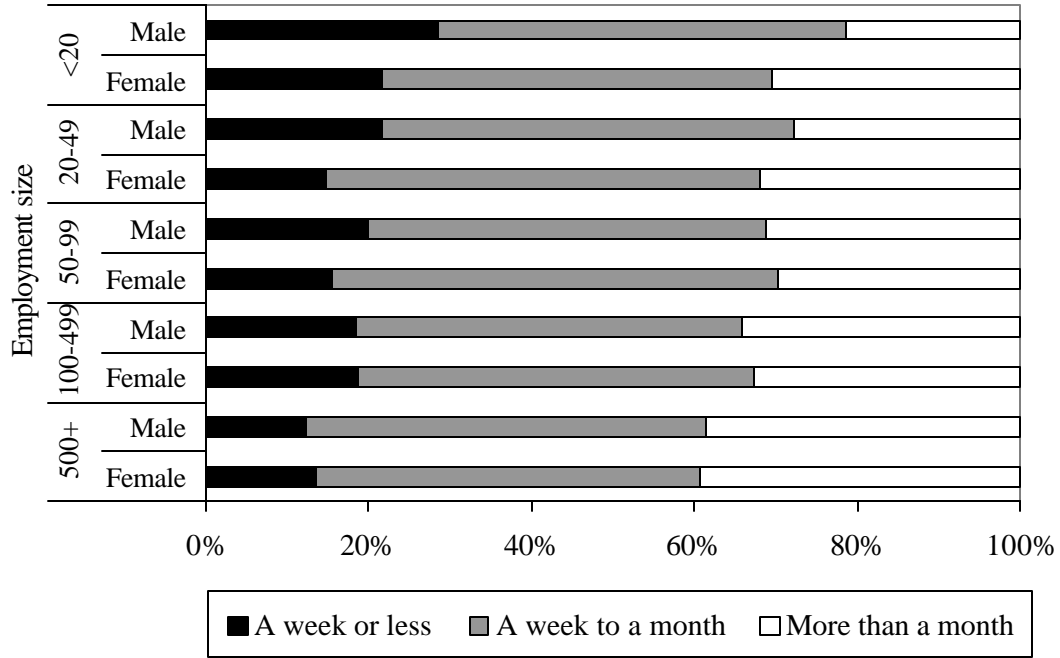
Source: UPSS1, n = 6073

Over a third of all those in jobs (37.9%) said that most workers in their workplace had protection against unfair dismissal, and a further 19.1% said that some workers were protected. There was only a slight tendency for workers in large firms or organizations to be protected to a greater extent than in smaller firms.

In terms of *advance notice of redundancy* for economic reasons, nearly a third of all employees thought they could expect more than a month of warning, and nearly half thought they would receive a month’s notice, while 18.4% expected it to be a week or less.

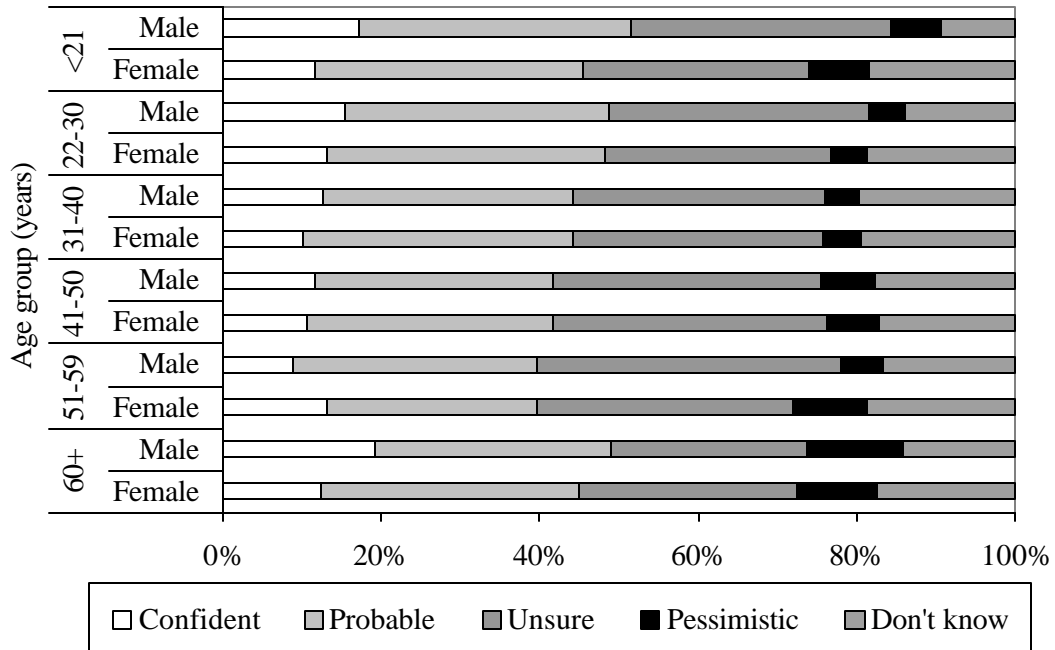
Another indicator of employment security is the subjective *expectation* that the person will retain his employment. Here again, Ukrainian workers seem remarkably confident. About 43.5% of the employed thought they would keep their employment over the next 12 months.

Figure 15: Expected Length of Dismissal Notice, by Employment Size of Establishment, by Gender, 2000, Ukraine
(percent believing they would have notice of specified duration)



Source: UPSS1, n = 5971

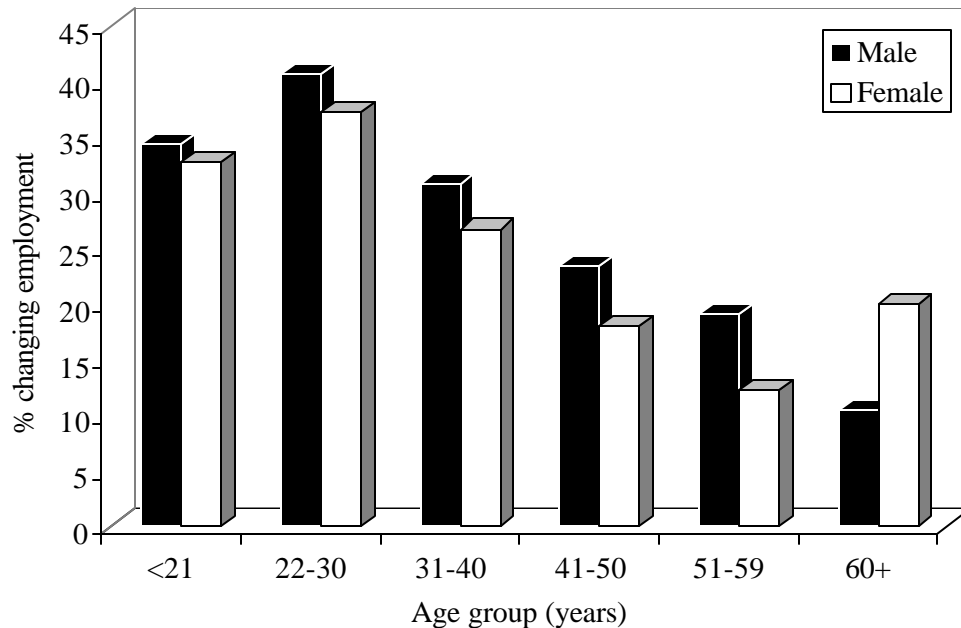
Figure 16: Expectation of Employment Retention over next 12 Months, by Gender, by Age, 2000, Ukraine
(percent giving specified expectation about retention)



Source: UPSS1, n = 6206

As for previous employment changes, only a minority of workers had changed their main jobs once or more over the past five years, suggesting that voluntary job hopping had been deterred by the general decline in employment.

Figure 17: Percent Changing Main Employment in Past Five Years, by Age, by Gender, 2000, Ukraine
(percent reporting that they had changed employment)



Source: UPSS1, n = 6206

Most workers (84%) said that it would matter a lot to the quality of their life if they lost their job. Actually, it seemed to matter *less* to workers in their twenties than to older workers.

6. Job Security

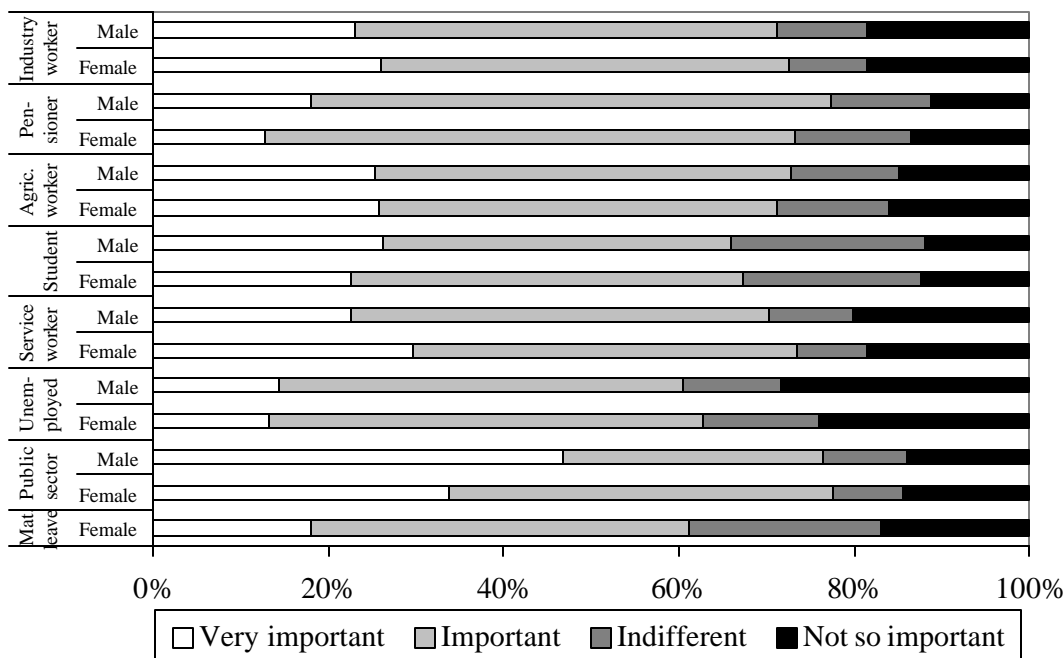
Employment security refers to the sense of attachment to a current enterprise or establishment, whereas *job security* refers to the sense of attachment to a particular job or range of tasks. One may have strong employment security but weak job security, or they may be both weak or strong, or one may be perceived as strong and the other as weak. Conceptually, the differences are fairly easy to appreciate. However, empirically finding a way to assess job security is much harder, and the aspect of labour-related security has been much less studied than employment security.

One way of trying to do so is to ask about subjective *perceptions* of aspects of the job, such as the opportunity to develop one's competencies. In this regard, it is notable that only 1.2% of the employed in Ukraine reported themselves to be 'very satisfied' with the opportunity for promotion in their current main job, with a further 20.7% reporting themselves 'satisfied'. About 4.3% were very dissatisfied and 32% dissatisfied. If anything, women were more likely to be satisfied, but most were not.

By contrast with their views of the adequacy of their incomes and benefits, which are discussed in the income security section, a majority of employed workers (57.3%) reported that they were satisfied with ‘the nature of their work’, and 3.5% said they were ‘very satisfied’. Only about one in every five said they were dissatisfied or very dissatisfied. There were no notable differences between men and women, or between the various age groups. There was a more mixed picture with respect to views on ‘the extent of autonomy or independence’ in their jobs, with a little more than a third being satisfied and about a quarter being dissatisfied, the rest being ‘neutral’. As for perceived ‘opportunity for improving skills’, 2.1% were very satisfied and 33.8% satisfied, whereas 2.7% were very dissatisfied and 26.1% dissatisfied. Again, there were no differences between men and women, and surprisingly little difference between the age groups. So, while there was extensive dissatisfaction with jobs and opportunities, a mixed picture of job insecurity emerges.

One clue to that is that people typically vary in the significance they attach to the formal job in their lives. Everybody has a distinctive attitude to their work, and regard the role of their ‘occupation’ in their life as more or less important. When asked how important they regarded the opportunity to pursue their particular profession or occupation, about a quarter of all Ukrainians said it was ‘very important’, a further 47% said it was ‘important’. So only a minority regarded it as unimportant. Intriguingly, women were actually, if anything, more likely to report that it was ‘very important’. If anything, younger workers seemed less likely to report that it was important or very important. Those working in the public sector were relatively likely to say their job was very important, as Figure 18 shows.

Figure 18: Level of Importance to Follow Profession or Occupation, by Area of Residence, by Gender, 2000, Ukraine
(percent indicating degree of important of occupation)



Source: UPSS1, n = 7805

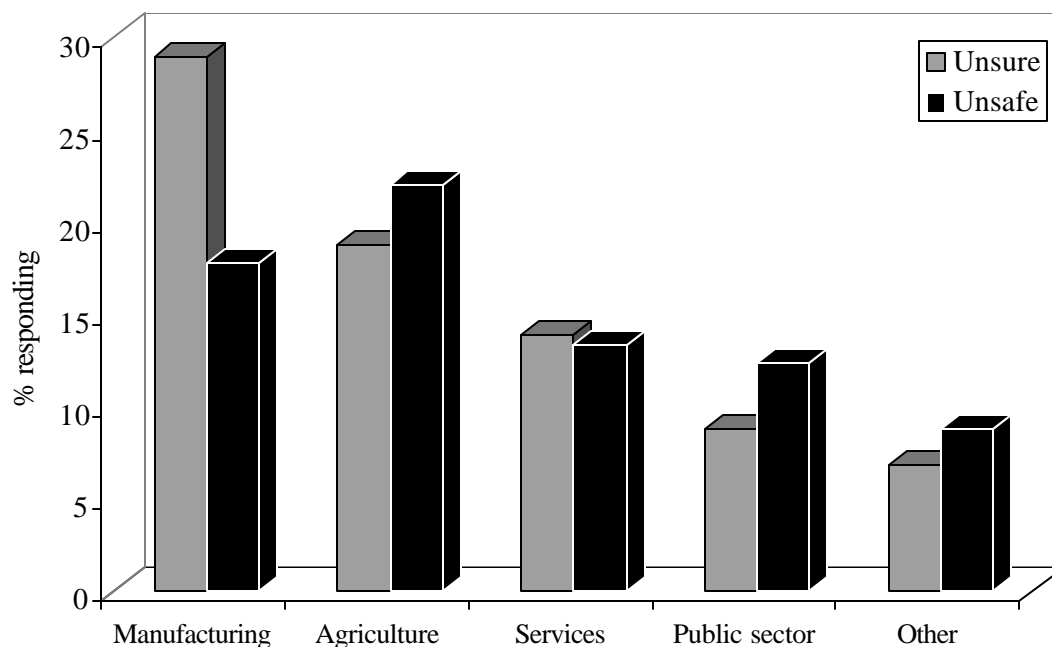
7. Work Security

In terms of *work security*, which includes what is usually called ‘occupational health and safety’, the results were merely setting benchmarks for future surveys. Several indicators were used, through a short module of questions. We asked whether or not the person had been absent from their work/job for a week or more due to a work-related injury over the past year. Only 1.6% of those currently employed had been absent for that amount of time. Perhaps we should have restricted the time of absence to something like three days. For what it is worth, it seemed that men were far more likely to have been absent than women, and that the youngest and oldest were more likely than middle-aged workers to have been absent.

As for knowing about other work colleagues being absent due to work-related injuries in the past year, 6.6% said that they did know someone. When asked if they knew of any fellow worker who had been absent for a week or more in the past year because of a work-related illness or stress, 11.7% said yes, with more men than women reporting this.

The employed were also asked, “*In general, how safe or unsafe do you regard the working environment in your main workplace?*” Most workers seemed to think their workplace was safe, as Figure 19 suggests. Nevertheless, *one in every seven workers thought their workplace was “very unsafe”*, which is very high by international standards. The psychological and social impact of working every day burdened by constant anxiety about exposure to unsafe working conditions should be a cause of considerable concern.

Figure 19: Percent Thinking That Working Environment Is Safe, by Sector, 2000, Ukraine



Source: UPSS1, n = 6206

Respondents were asked what were the main work security hazards in their main workplace. Of those reporting the existence of some hazard, 23.5% said that

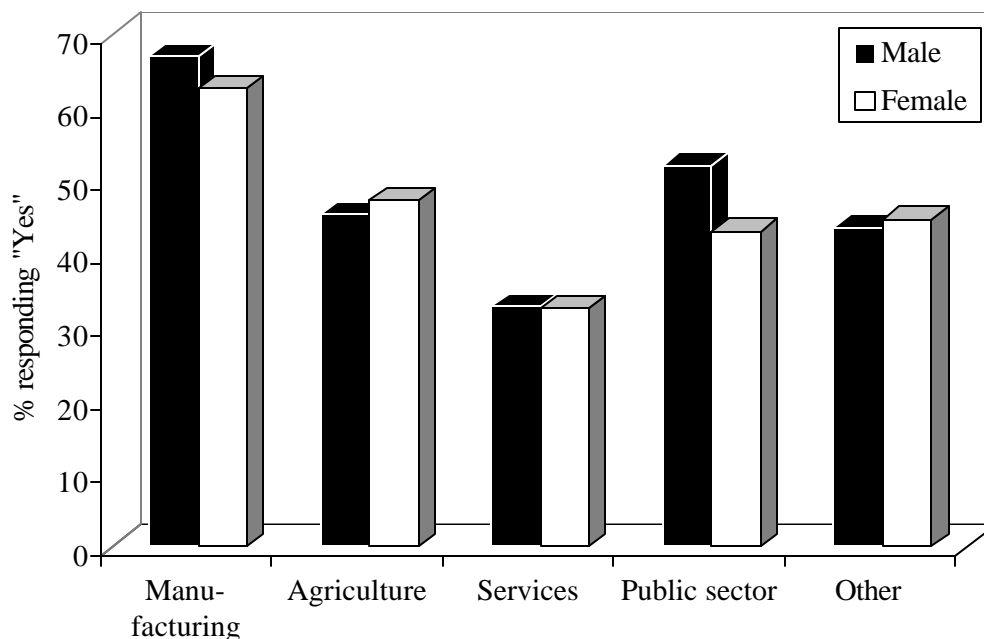
chemical substances were a major hazard, with more men reporting exposure; 50.5% said that unguarded or other dangerous machinery was a major hazard; 7.1% said that ionizing radiation was a major hazard; 40.1% said that excessive heat or cold was a major hazard; 44.4% reported excessive noise as a problem; and 21.1% reported excessive vibration. In all cases, men were more likely to report the hazard. These findings highlight the need for action to protect workers' lives and health.

The employed were asked whether or not there was a department or committee responsible for health and safety in the workplace. Just over half reported that there was one, with men being more likely to have such support. But many younger workers simply did not know.

Some 2.5% of women workers reported that they had experienced *sexual harassment* in their workplace in the last 12 months, and 3.8% of women knew of others who had been subject to it. Nearly half (48.7%) of all workers believed there should be a policy to deal with sexual harassment (50% of women, 46% of men), with a third being unsure, and about 18% believing there should not be such a policy.

In sum, work insecurity remains one of the most drastic features of the Ukrainian economy. It deserves to be given higher priority in social protection policy.

Figure 20: Existence of Safety Committee or Department in Workplace, by Sector, by Gender, 2000, Ukraine
(percent reporting committee or department in workplace)



Source: UPSS1, n = 6206

8. Skill Reproduction Security

Access to the means of obtaining work-related skills, and to the means of updating and improving personal skills, is a crucial part of the security of everybody

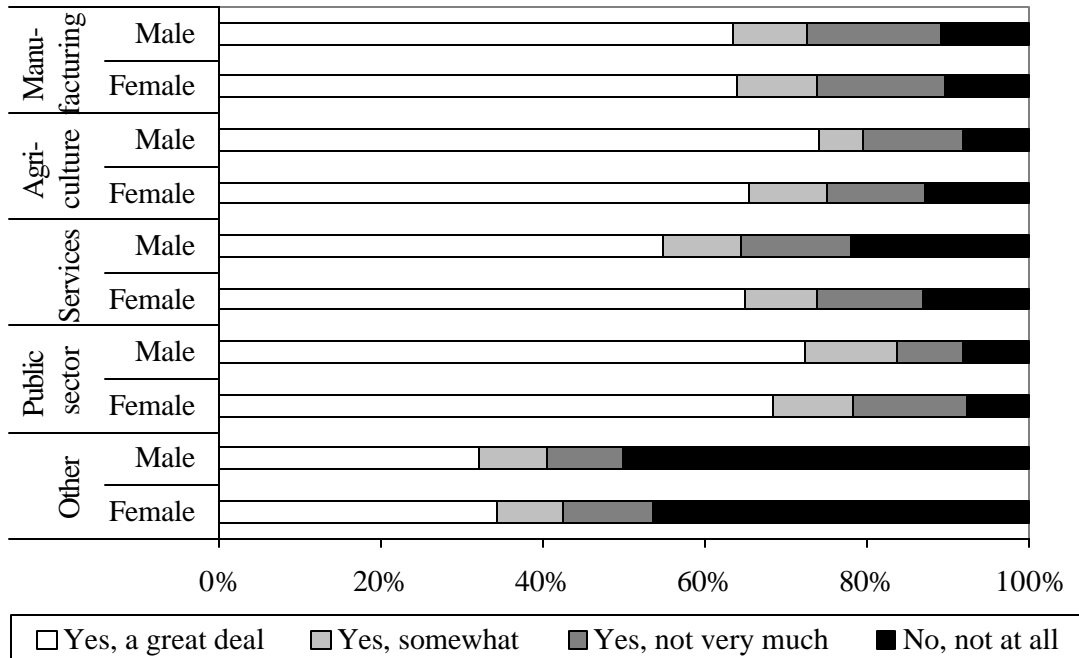
as they go through life. In this respect, the UPSS asked a series of questions on Ukrainians' schooling, training and access to skill-enhancing opportunities.

Over 80% of all respondents, of both sexes, reported that they had received some formal work-related training. But most of that seems to have been in educational institutions, including college, university and vocational schools, so some respondents may have regarded their general schooling as 'training'. Only 4.2% said they had served an 'apprenticeship', while 6.6% said they had received manual on-the-job training, and 1% said they had received on-the-job training in clerical work.

Most of those who have had training reported that they used the resultant skills in their current main job – 59.6% a great deal, 9.1% somewhat, 13.3% not very much. This means that 18% did not use their skills/training at all in their current job. This non-use was particularly likely among younger workers, and among the oldest age group of workers. Those working in agricultural jobs were relatively likely to think they were using the training they had received, although there was not much of a difference by sector (Figure 21).

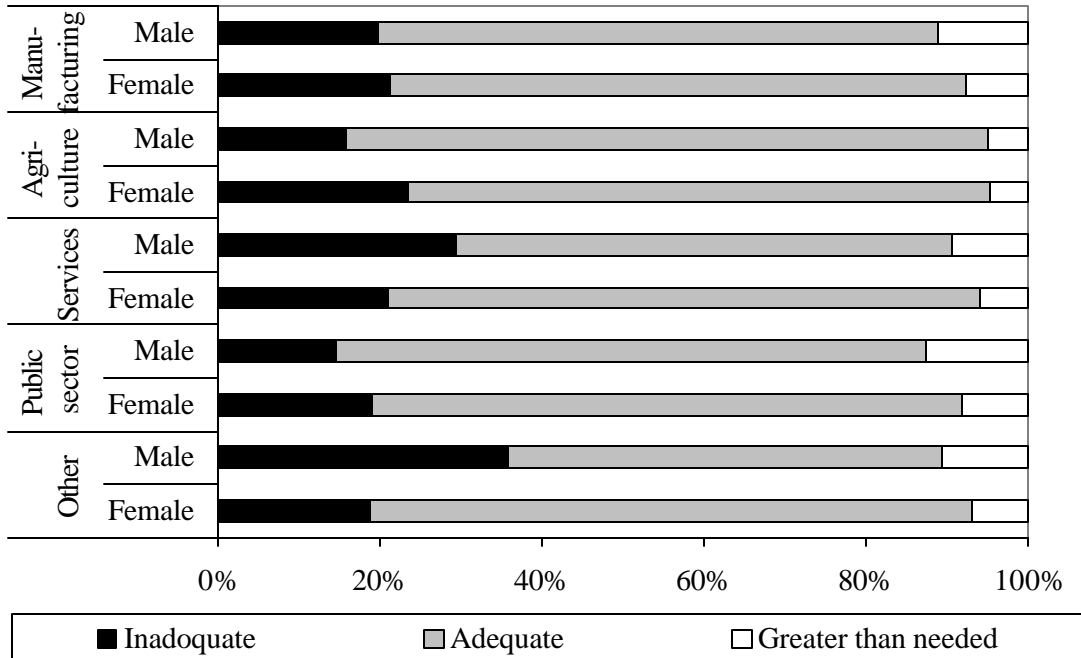
Most workers (71.8%) who had received some training regarded it as roughly *adequate* for the work they were doing. But 20.5% regarded the training as inadequate for what they were doing, while 7.6% said their training was greater than required for the work, presumably because they were doing jobs requiring little training. There was some differences between men and women in this respect, in that more men thought their qualifications were inadequate for their job and more men thought that they were over-qualified for the job they were filling (Figure 22).

Figure 21: Percent of Workers Using Training in Their Job, by Sector, by Gender, 2000, Ukraine
(percent reporting use of training by specified amount in sector)



Source: UPSS1, n = 6547

Figure 22: Workers' View on Adequacy of Skills for Their Job, by Sector, by Gender, 2000, Ukraine
(percent of workers feeling their skills adequate or inadequate)

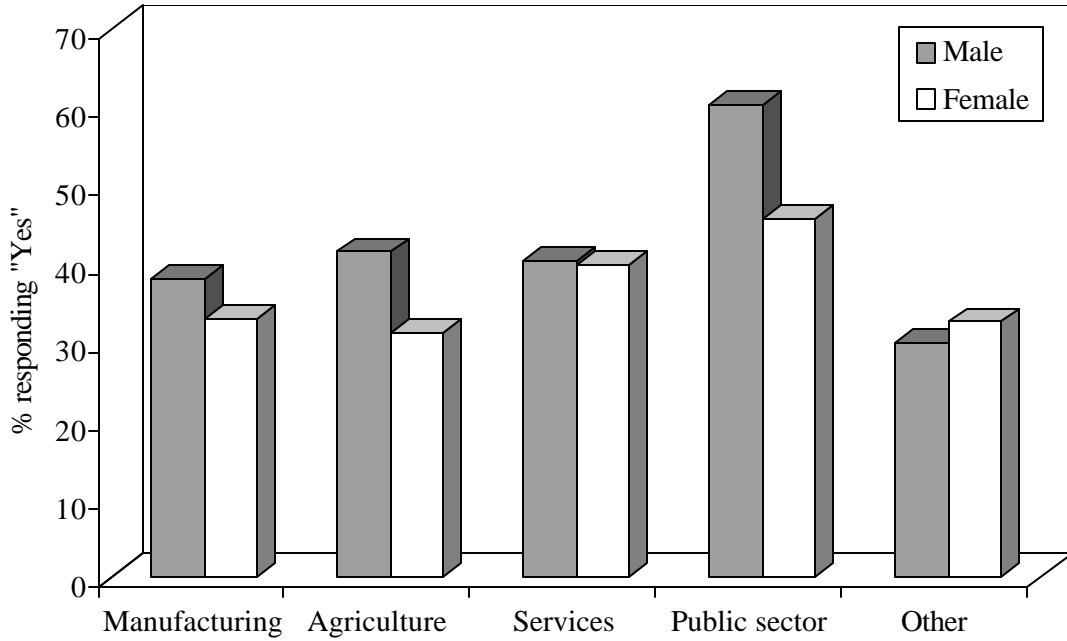


Source: UPSSI, n = 6207

In terms of expectations, only a minority were confident that they would be able to use their main skills and training in their work over the next five years, as shown in Figure 23.

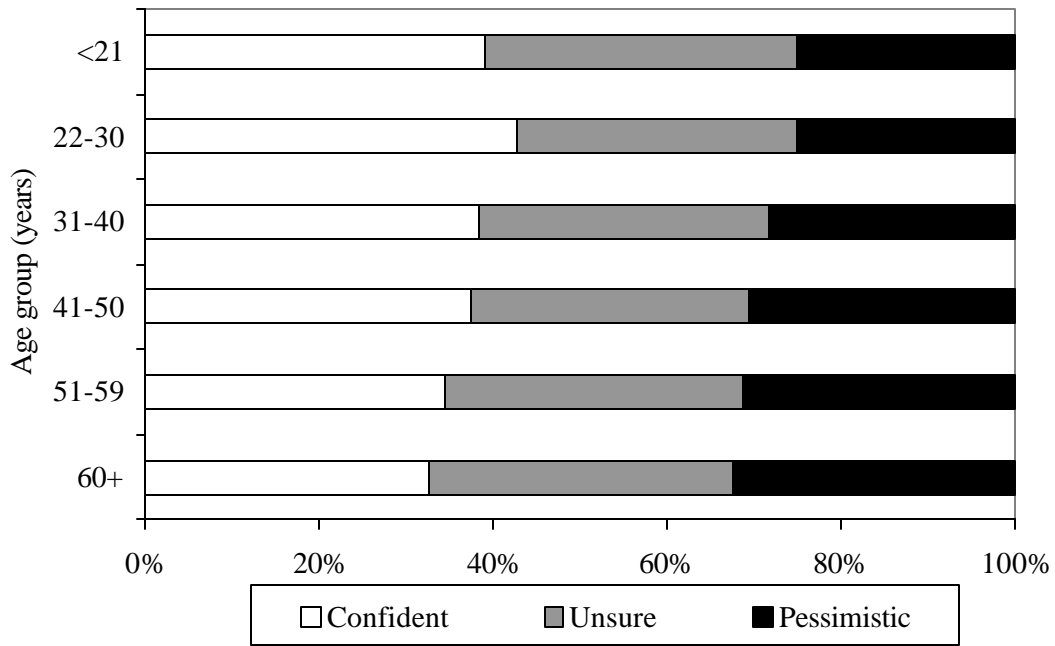
An aspect of skill security and of the related phenomenon of *occupational security* is the probability of upward mobility inside one's workplace and job. We asked about *promotion*, and according to the responses about 23% of the employed had been promoted at some time during the past 12 months, with slightly more women reporting this. The highest probability of promotion was among those in their 20s and 30s. Promotion was particularly likely to have occurred for those working in the public sector (Figure 25). And, as one should expect, probability of promotion was greater in large firms.

Figure 23: Feeling Confident of Using Past Training over Next Five Years, by Sector, by Gender, 2000, Ukraine
(percent of workers in sector feeling confident of using training)



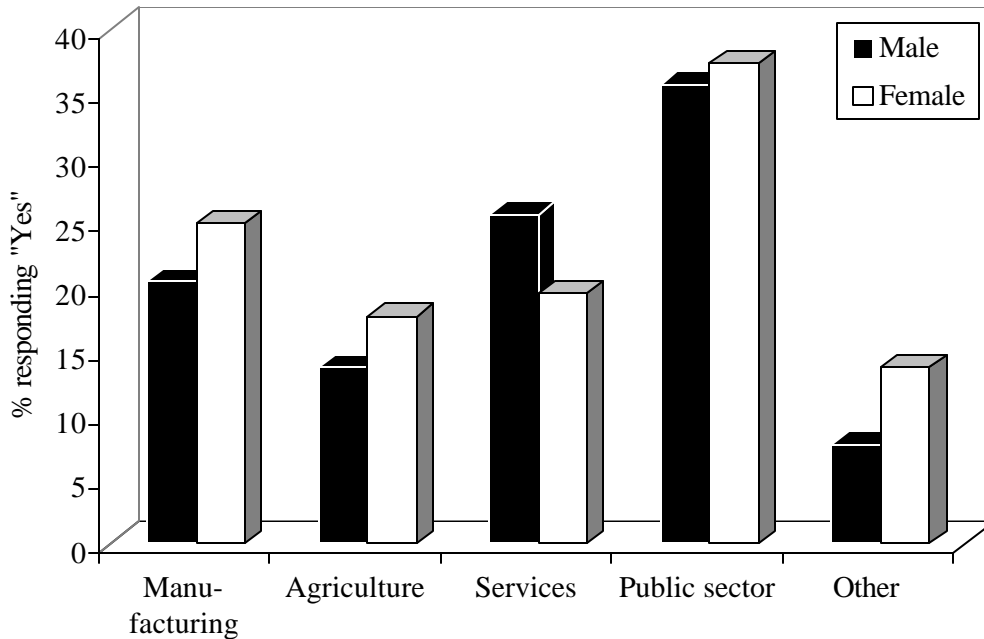
Source: UPSS1, n = 4109

Figure 24: Extent of Confidence in Using Past Training over Next Five Years, by Age, 2000, Ukraine
(percent distribution by degree of confidence)



Source: UPSS1, n = 6218

Figure 25: Percent Promoted in Past Five Years, by Sector, by Gender, 2000, Ukraine
(percent of employed having been promoted in sector)



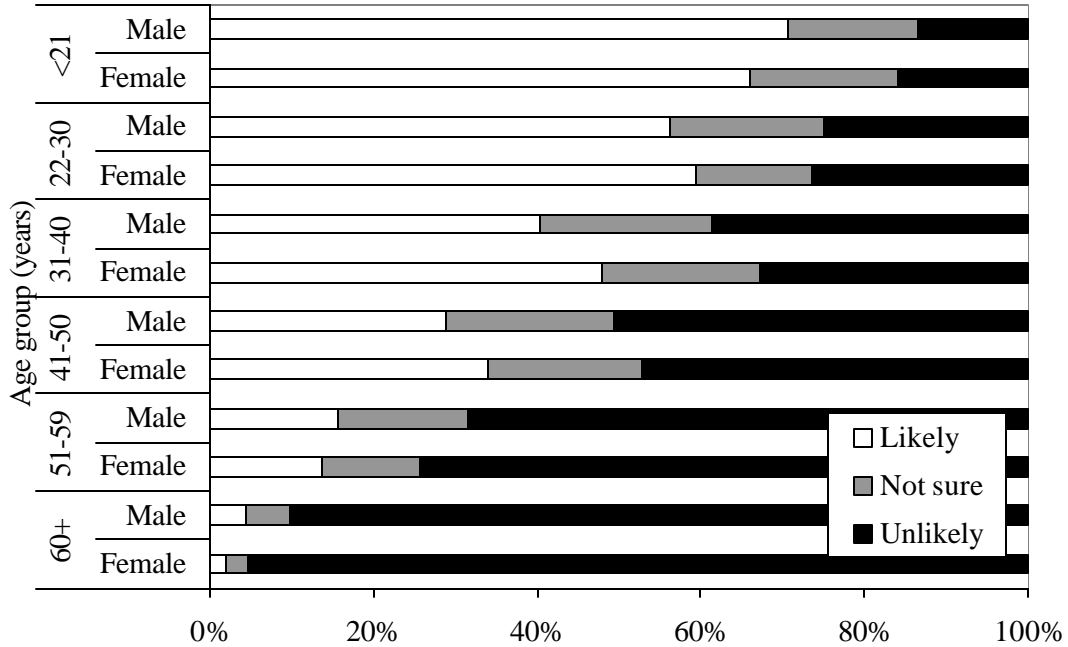
Source: UPSS1, n = 6197

During the same period, some 9.2% reported that they had been ‘downgraded’, either in occupational grade or skill, or in terms of salary scale. This seemed slightly more likely to have happened to men, and to workers in their 40s and 50s. Again, if anything, women were less likely to have been downgraded. And downgrading was more likely in large firms.

As for the *expectation* of promotion in the next 12 months, there was not a great deal of optimism. Only 2.2% thought a promotion ‘very likely’, and 10.8% thought one ‘likely’. By contrast, 30.4% thought it ‘unlikely’ and 16.5% ‘very unlikely’. There was not much difference between men and women in this respect.

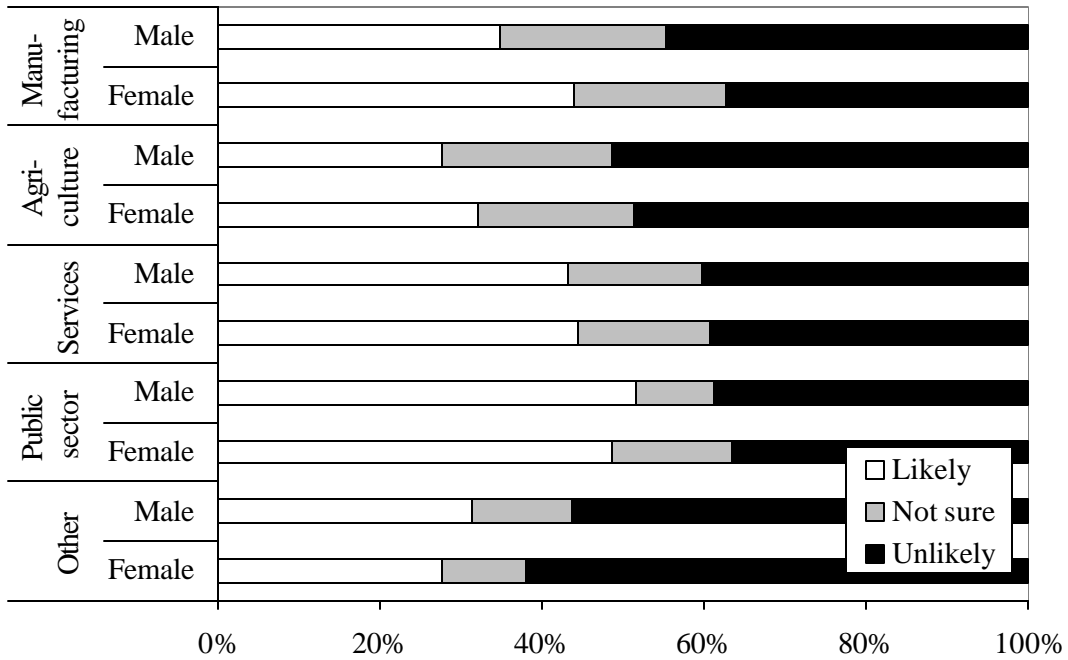
Expectations of upgrading were equally pessimistic – less than 3% thinking promotion was very likely over the next year, and about 10% thinking it likely. Again, there seemed to be no difference between men and women. In spite of this pessimism, 12.6% of all Ukrainians thought it very likely that they will need to acquire new work skills in the next five years, and 24.5% thought it ‘likely’. At the same time, 46.5% thought it was unlikely or very unlikely that they would need to do so. An encouraging sign was that, as shown by Figure 26, a majority of young workers thought they needed to upgrade their skills, suggesting a willingness to learn.

Figure 26: Perceived Need to Acquire New Work Skills in Next Five Years, by Age, by Gender, 2000, Ukraine
(percent of age and gender group reporting expected need)



Source: UPSS1, n = 8182

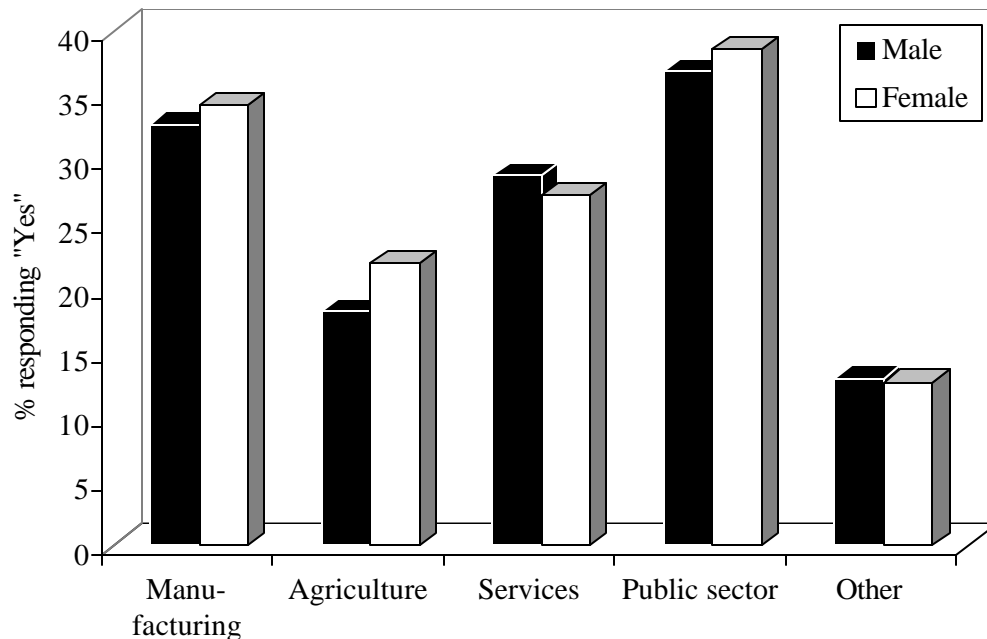
Figure 27: Perceived Need to Acquire New Work Skills in Next Five Years, by Sector, by Gender, 2000, Ukraine
(percent of age and gender group reporting expected need)



Source: UPSS1, n = 8182

Most workers (73.1%) were not confident that they could obtain training or retraining at their workplace. If anything, men were less confident. More than two-thirds of all age groups felt they would not obtain training. This is a striking contrast with the picture given by managements in the Enterprise Labour Flexibility and Security Survey, where many firms reported that they do have training facilities. It does confirm the strong impression of a collapse of any 'training culture' in the country. In any case, women and men in manufacturing or public sector jobs were relatively likely to think they could obtain training if needed, as Figure 28 suggests.

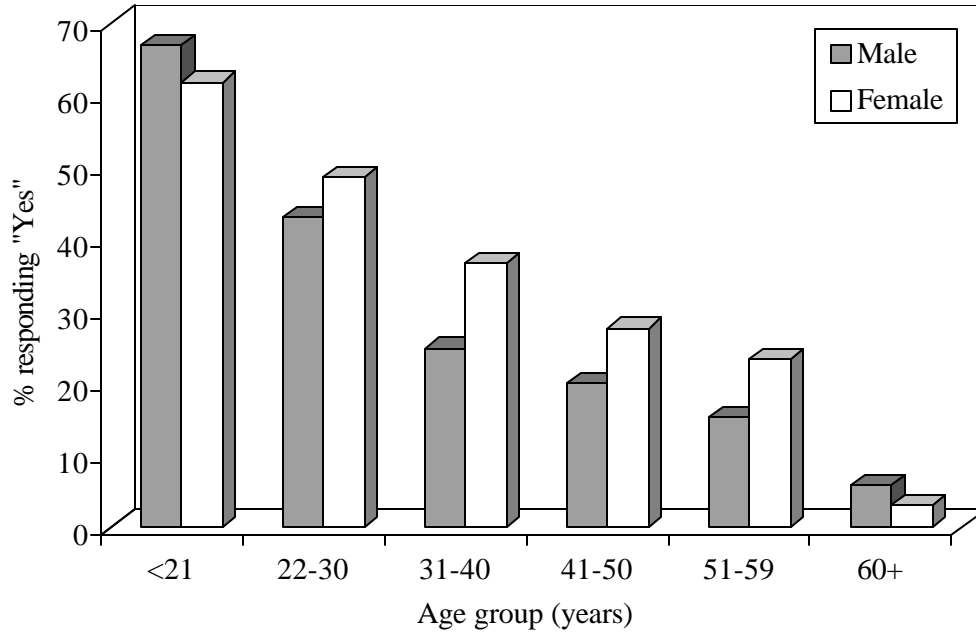
Figure 28: Access to Training If Needed, by Sector, by Gender, 2000, Ukraine
(percent expecting they could obtain training)



Source: UPSS1, n = 7451

A final indicator of the work capacity of Ukrainian workers is the ability to use a computer. When asked this question – and bearing in mind that the question was sufficiently vague to mean that a lot of people could say that they could use a computer when their actual skills might be limited – 30.8% said they could do so, 33.2% of women, 26.3% of men. As Figure 29 shows, and as expected, the reported capacity to use a computer was concentrated among younger adults. This ability will be essential in the future.

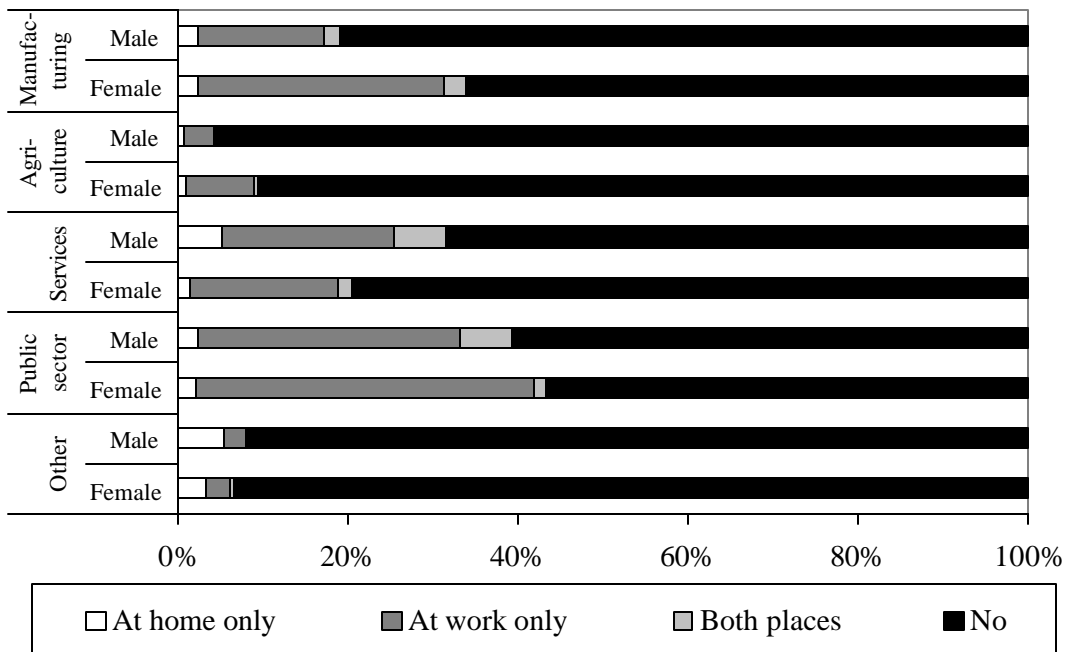
Figure 29: Ability to Use a Computer, by Age, by Gender, 2000, Ukraine
(percent of age group reporting ability to use computer)



Source: UPSS1, n = 8200

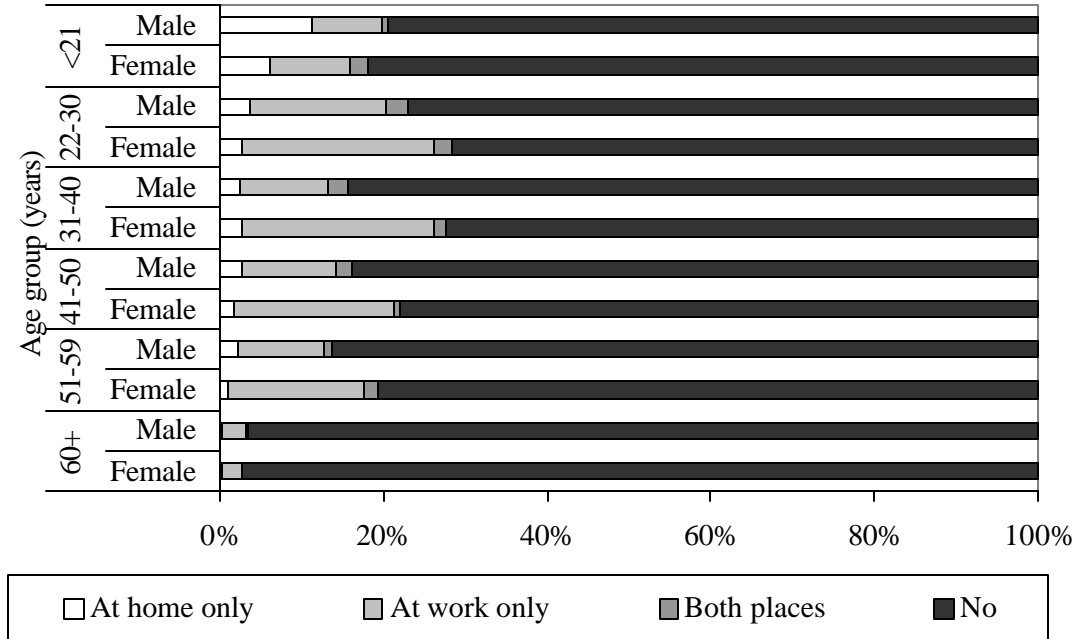
Unfortunately, very few Ukrainians actually have regular access to a computer – 2.6% having access to one at home only, 15.8% at work only, 1.5% at work and home, leaving over 80% without access to a computer at all. This is in very sharp contrast with the pattern that would be found in any western European country.

Figure 30: Access to Computer, by Sector, by Gender, 2000, Ukraine
(percent of men and women in sector having access)



Source: UPSS1, n = 8200

Figure 31: Access to Computer, by Age, by Gender, 2000, Ukraine
(percent of age and gender group having access)



Source: UPSS1, n = 8200

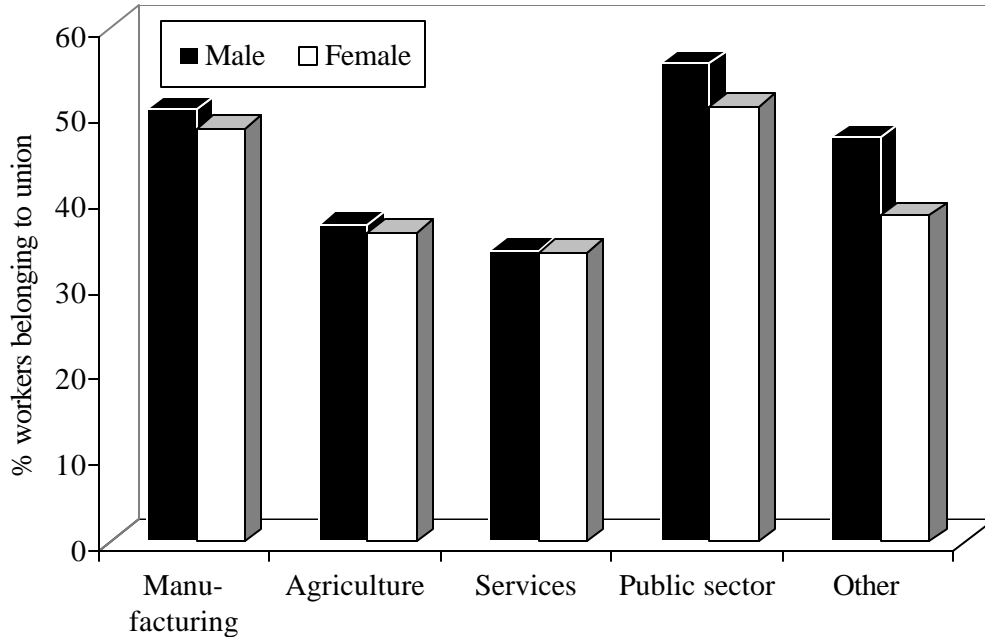
9. Representation Security

Without access to an organization that can represent one's interests, most people are likely to be vulnerable to economic and social insecurity. We need Voice, in the sense of belonging to a body capable and willing to bargain for rights and entitlements, and access to institutions that can enforce and enhance such rights.

The main form of *representation security* in labour markets has been the trade union. Some unions have been much more representative and responsive to their members needs and aspirations than others. And some have been little more than mechanisms of management, or have been divisive bodies giving some groups of workers privileges and benefits denied to others outside or on the edge of the unions. In short, trade unions have been imperfect, just as any human creation. And now, as labour markets become more flexible and informal, the desirable character of trade unions is changing, making it more desirable that they represent workers as citizens, rather than just inside the factory or office.

In Ukraine, a substantial proportion of the employed workforce still belongs to trade unions – 43.5% of all the employed respondents in the UPSS. It seems as if men were slightly more likely to be union members, but the difference was very small, if not insignificant. Although most people (60%) said they did not know when asked what they thought the level of unionization was, many more (39.9%) thought that the level had fall in the past five years than the number who thought it had risen (1.8%); 5.7% thought the level was about the same, and 52.6% said they did not know.

Figure 32: Unionisation Rate, by Sector, by Gender, 2000, Ukraine
(percent of employed in each sector belonging to trade union)



Source: UPSS1, n = 6206

More people had a positive attitude towards trades unions (40.4%) than a negative one (19.4%), with 32.4% reporting that they had a 'mixed opinion' and 7.8% being unsure. Again, if anything, women were more positive, and less negative. Older workers tended to be more positive, whereas the young tended most to have a mixed opinion. These figures should be interpreted by union leaders as a warning signal, and also be a sign of hope, indicating that potentially a large majority of the youth were still open about the appeal of trade unions.

What was really most surprising that when asked what type of trade union best represents the interests of workers, just over a third said 'company unions', whereas only 9.6% said industrial or sectoral unions, and 52.2% said they did not know.

Attitudes towards employers or managers varied a great deal, and one certainly could not claim there was a common attitude. About 39% of all the employed respondents said that their employer provided an opportunity to discuss claims and personal issues, compared with 29% who said the employer did not provide it. And 41.7% said that they trusted management to look after their welfare. Admittedly, 58.3% said they did not trust management to do so.

Very few Ukrainians indeed (1.5%) knew of any organization besides trades unions that might represent workers' interests. This too is both a worrying sign, suggesting that there is a thin source of support, and an encouraging one for trades unions, in that they remain the only feasible source of worker representation. A few more (3.5%) reported that they knew of organizations to represent the interests of the self-employed, presumably including employers. But only a minority (18%) of those few people who were self-employed actually belonged to any such organization.

Finally, we asked about how people thought they would respond to certain labour market contingencies. First, we asked how they would like to react to sustained wage arrears lasting three months or more. Remarkably few workers saw the government as the source of support, since only 9.6% thought it worthwhile applying to a government agency. Nearly 52% thought they would take the employer to the courts. Some (10.8%) thought they would go to the trade unions, while 5.7% would demonstrate and 4.9% would strike. A minority (15.7%) would take no action whatsoever, presumably reflecting a lack of faith in any of the available channels of protest.

In response to any systematic neglect of work security, or labour safety, many more were inclined to turn to trade unions (33.6%), followed by applications to the courts (31.6%), no action (14.4%), application to government agencies (11.1%), demonstration (4.5%) and strike (3.4%). If anything, women were slightly more likely to turn to the unions.

In response to any unfair dismissal of other workers, court action was seen by the preferred option by 39.8%, whereas resort to the trade union was the second most popular option (24.5%), followed by 'no action' (17.2%), application to government agencies (8.1%), demonstration (5.8%) and strike (3.5%).

In response to violations of a labour law or collective agreement, application to the courts was the most popular preference (45.6%), followed by an appeal to the union (25.3%), no action (12.9%), application to government agencies (8%), demonstration (4.1%) and strike (2.9%).

In response to price increases on food and other basic consumption goods, 27.6% thought it most appropriate to make an application to a government agency for help. Nearly as many (26.4%) said that no action was appropriate, and 26.5% said they would take part in a demonstration. Interestingly, going on strike was a more common response (7.6% of the total) than applying to the courts (7.3%).

In response to price increases in local transport, another basic need in Ukraine, the most popular action was to apply to government agencies (28.7%), followed by public demonstrations (26.5%), no action (25.6%), strike (8.4%), application to the courts (6.1%), and application to trade unions (3.4%). Some of these perceived responses might seem fanciful and unlikely to go very far. But they show a pattern of perceived options to social pressures.

In response to any disconnection of water supply, gas or heating, protesting to government agencies was again the most popular reaction (37.4%), followed by no action (18.2%), application to the courts (17.3%), demonstrations (17%), strike (6.9%), and appealing to trade unions (2%).

Finally, in response to an increase in crime, easily the most popular reaction (39.2%) was to look to government agencies, presumably demanding more police protection. This was followed by the incidence of 'no action' (26.9%), application to the courts (14.7%), demonstrations (12.2%), strikes (3.7%), and application to unions (1.7%).

What all these figures suggest is a lack of faith or awareness of active protest. Most workers were effectively saying that they would take a relatively passive approach, with large numbers admitting a sense of apathy. This applied to men and to women, and to workers of all age groups.

10. Income Security

How should a person's income security be assessed? Clearly, it has something to do with the *level* of disposable income, and it must reflect the *stability of income*, and the *risk* of a decline. It also has something to do with one's *relative income*, relative to others' income and to their variability.

In the UPSS, we have probed several aspects of income security. This section just spells out the basic patterns. Figure 33 shows the relative household incomes of all the respondents, by sex. As can be seen, a majority had household per capita incomes of under 100 UAH per month, or the equivalent of \$17. This is extraordinarily low, even allowing for the fact that the purchasing power of the UAH might be undervalued by a dollar valuation. By world standards, this puts the average Ukrainian deep in the poverty zone of the world's population.

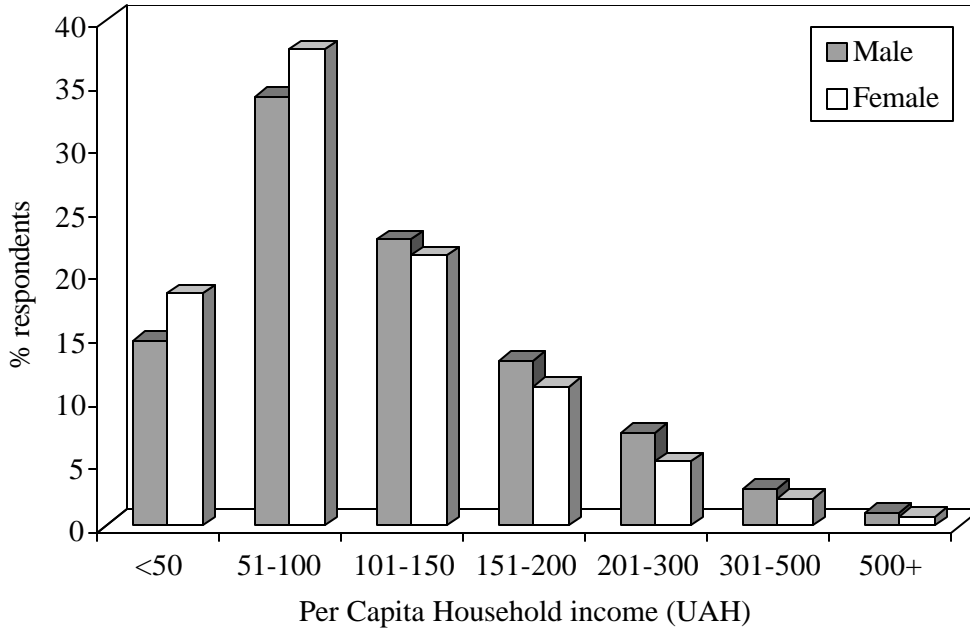
One way by which most Ukrainians have survived is by means of petty informal activities, if anecdotal statements are to be believed. Many observers have also claimed that this survival strategy is less helpful than widely presumed. One source of supplementary income has been the 'kitchen garden' or small plot of land on which to produce vegetables and fruit. This was something done in the early years of socio-economic restructuring and is indeed a pervasive phenomenon. However, the results of this survey do not support the view that such 'informal' activity provides much relief. Interestingly, those with lowest incomes were more likely than others to be operating a plot of land, as Table 1 indicates. But if anything those with a plot were more likely to report themselves as badly off financially.

Table 1: Whether or Not Cultivating Land, by Per Capita Household Income, Perceived Financial Status, Employment Status, and Main Work Status, Ukraine, 2000

	Yes	No	All
<u>Per Capita Household Income (UAH)</u>			
<=100	61.2	44.6	55.7
101-200	32.1	40.5	34.8
201-300	4.5	9.2	6.1
301+	2.3	5.8	3.4
<u>Perceived Financial Status</u>			
Well off	9.2	10.3	9.5
Not well off	84.1	83.2	83.8
Can't say	6.8	6.6	6.7
<u>Employment Status</u>			
Employee	60.1	62.7	61.0
Cooperative member	14.1	4.4	10.8
Employer or self-employed	2.2	2.5	2.3
Unemployed	4.9	8.7	6.2
Pensioner	12.6	11.8	12.4
Student	4.8	8.4	6.0
Maternity leave	1.3	1.5	1.4
<u>Main work status</u>			
Industry worker	27.1	35.4	29.8
Pensioner	12.4	11.8	12.2
Agricultural worker	25.7	2.3	17.9
Student	4.7	8.4	6.0
Service worker	12.8	18.3	14.7
Unemployed	4.8	8.6	6.1
Public sector	11.2	14.0	12.2
Maternity leave	1.2	1.2	1.2

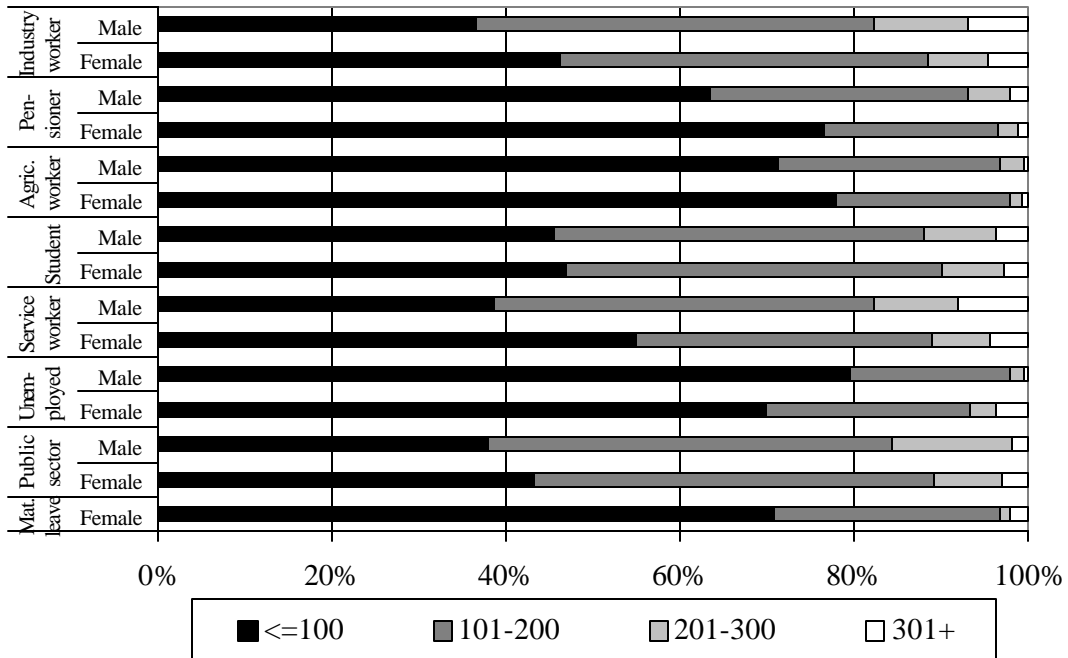
Source: UPSS1, n = 8200

Figure 33: Distribution of Persons with Specific Per Capita Household Incomes, by Gender, 2000, Ukraine
(percent with incomes in specified ranges)



Source: UPSS1, n = 8200

Figure 34: Distribution of Persons with Specific Per Capita Household Incomes, by Current Main Work Status, by Gender, 2000, Ukraine
(percent with incomes in specified ranges)

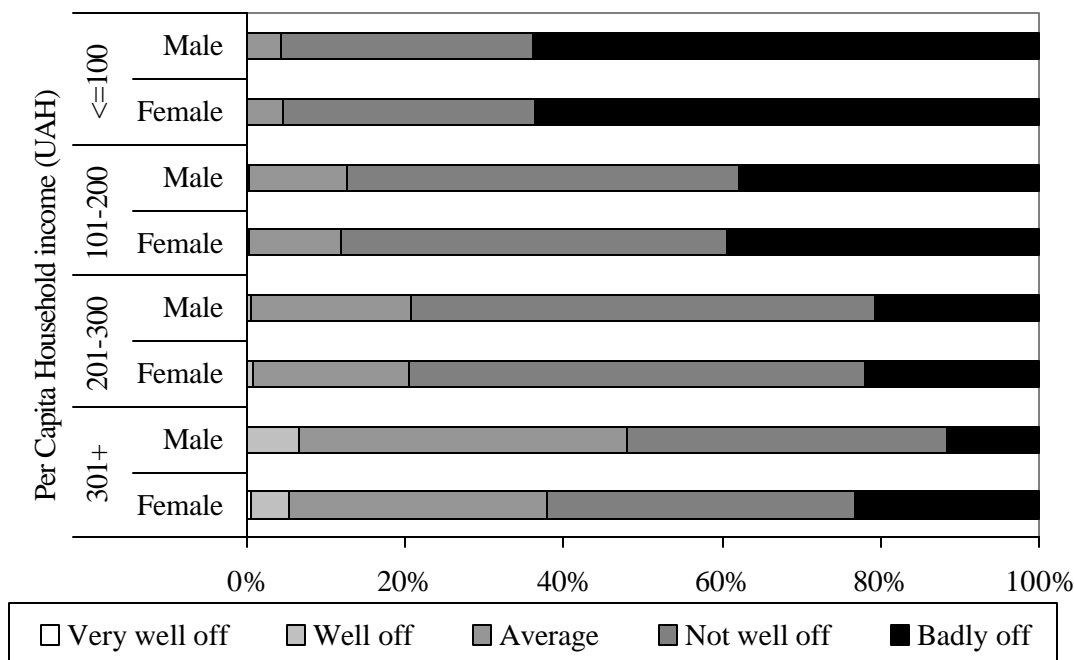


Source: UPSS1, n = 7890

Remarkably, scarcely anybody described themselves as ‘very well off’ or ‘well off’, financially speaking. And only 9.2% described themselves as ‘average’. By contrast, 36.9% described themselves as ‘not well off’ and no less than 46.8% said they were ‘badly off’. This is surely the reality in modern-day Ukraine. And not surprisingly, the tendency to report themselves as very badly off financially rose with age, so that a majority of all those aged over 50 described their situation as that.

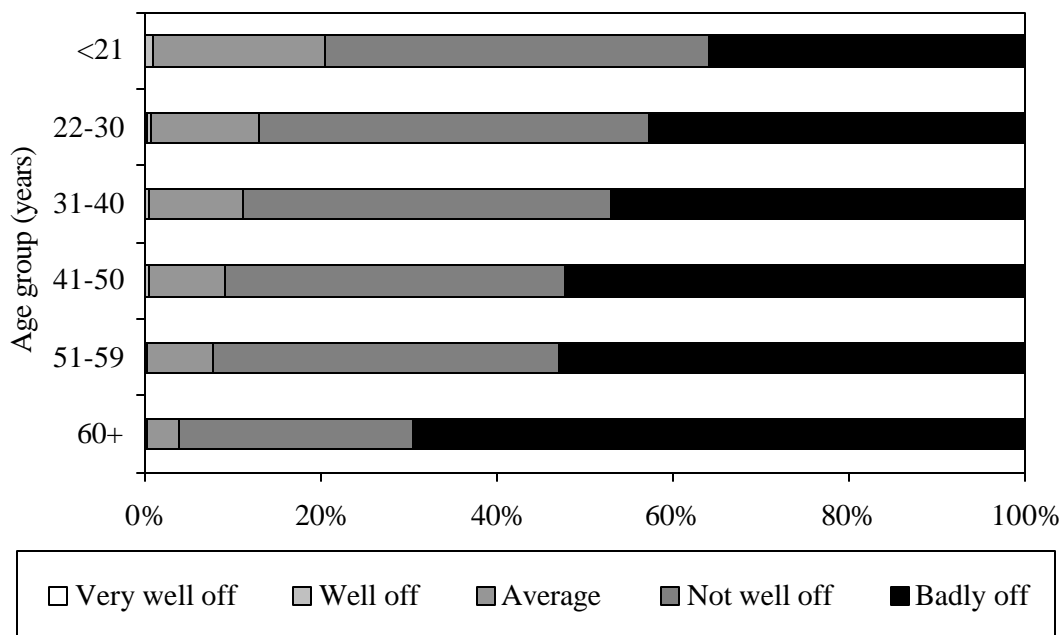
As Figure 35 shows, 49.6% of men and 51.6% of women who reported that their household income per capita was less than 200 UAH described themselves as ‘badly off’, whereas 19.7% of men and 21.1% of women in households with per capita income of between 200 and 300 UAH described themselves as that. But note that among higher-income households as well, many respondents described themselves as badly off, and the simple fact is that they scarcely had high incomes by international standards.

Figure 35: Perceived Financial Status, by Per Capita Household Income, by Gender, 2000, Ukraine
(percent of income group perceiving their financial status as bad or good)



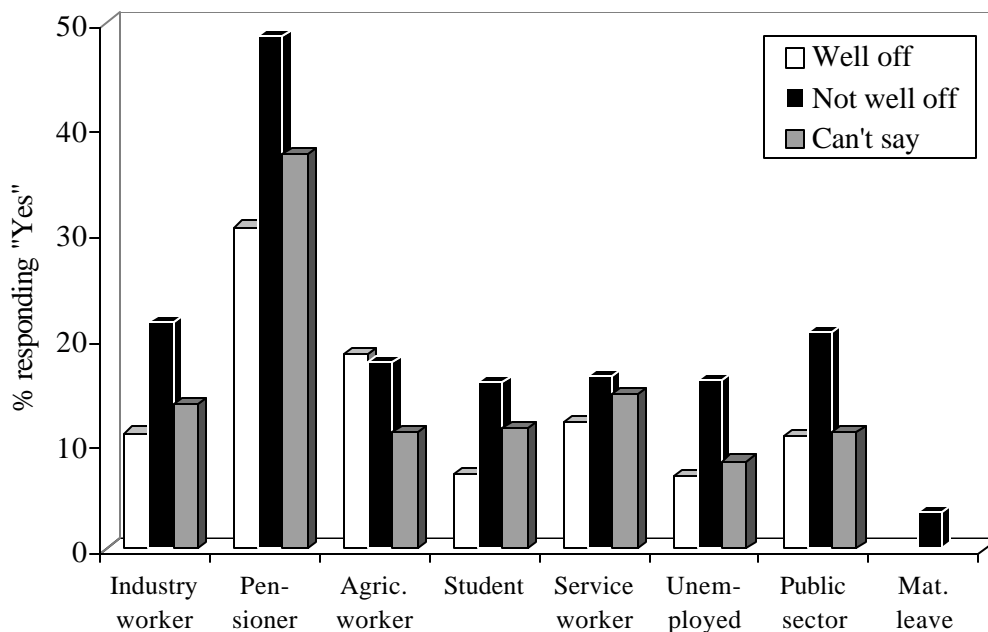
Source: UPSS1, n = 7737

Figure 36: Perceived Financial Status, by Age, 2000, Ukraine
(percent of age group with perceived financial status)



Source: UPSS1, n = 7651

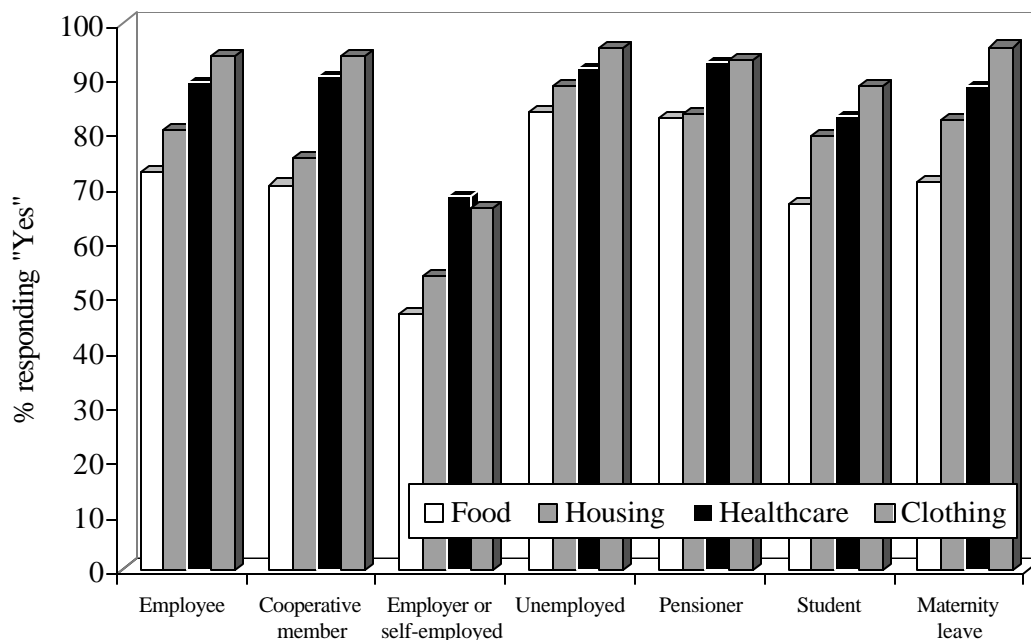
Figure 37: Suffering From a Chronic Illness, by Current Main Work Status, by Perceived Financial Status, 2000, Ukraine



Source: UPSS1, n = 8200

A factor that deserves to be taken into account in later analysis is the inter-relationship between financial status and *health status*. Figure 37 shows that within each work status group, the probability of having a chronic illness or disability was higher for those reporting their financial situation was poor. One need not speculate that the causation is from the one to the other, since almost certainly poor health accentuates poor financial status and vice-versa. However, the positive correlation between financial and health status was clear.

Figure 38: Percent Believing Income Insufficient for Food, Housing, Healthcare or Clothing, by Work Status, 2000, Ukraine



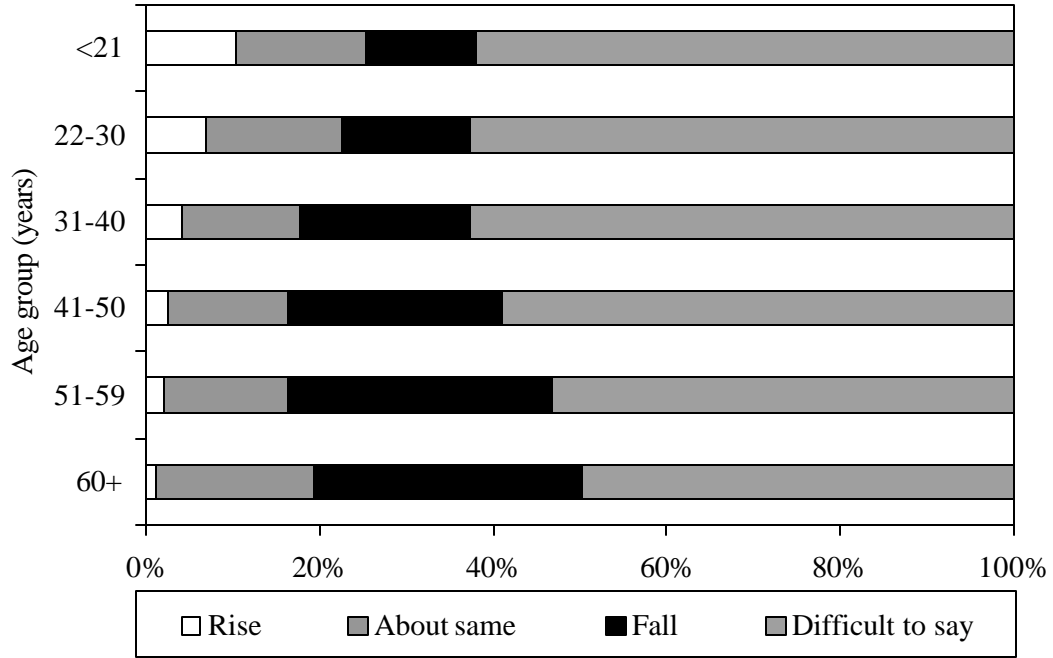
Source: UPSS1, n = 8080

By contrast with actual incomes, the average amount that respondents thought a family of four *needed* in order to live ‘a simple, basic life’ was 1,582 UAH, or approximately 400 UAH per person.² Men tended to report a higher income requirement. On average, those living in rural areas thought that about 1,383 UAH were required, those in urban areas a figure of 1,670 UAH. In stark terms, given that only 3.3% reported that their household per capita income was more than 300 UAH, it can be seen that the vast majority were describing themselves as chronically poor.

The future looked no brighter for most Ukrainians. Only 4% of respondents reported that they expected their family income to be higher in one year’s time, whereas 22.3% thought it would be lower, and 58.9% were unable to say. Again, the older the person, the more pessimistic he or she was likely to be. And those who had lowest incomes now were actually less likely to expect their incomes to rise than those with higher incomes. If the pattern of expectations shown in Figure 39 is borne out, the extent of income inequality and poverty can be expected to grow.

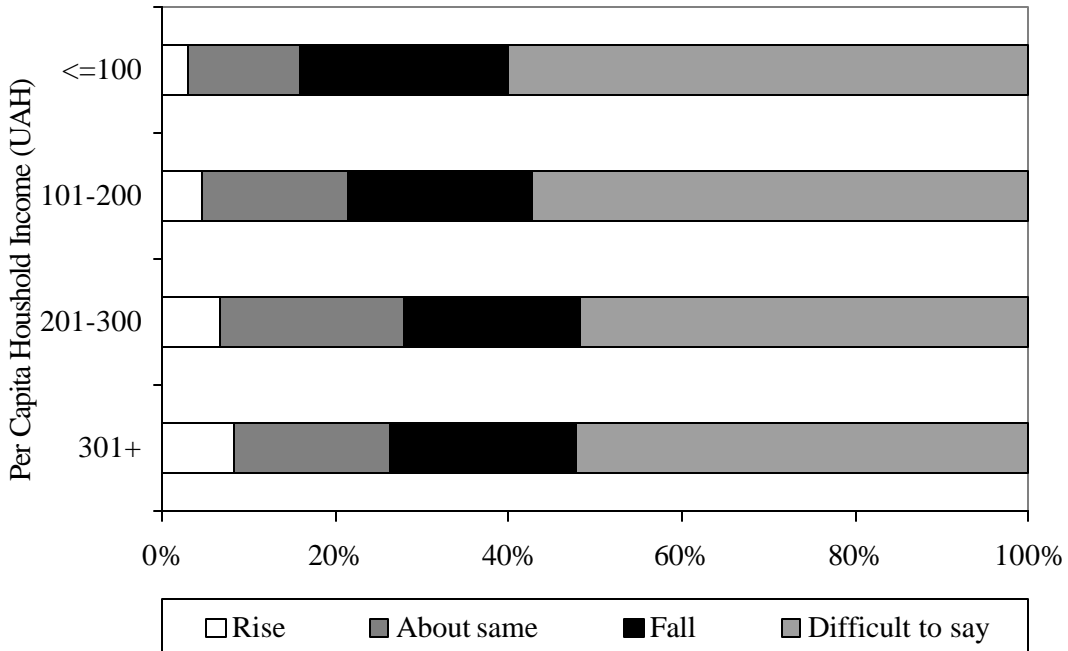
² The UAH-US\$ exchange rate in early 2001 was 5.8 UAH for one dollar.

Figure 39: Expected Change in Family Income in Next 12 Months, by Age, 2000, Ukraine
(percent of age group expecting specified change in income)



Source: UPSS1, n = 8200

Figure 40: Expected Change in Family Income in Next 12 Months, by Per Capita Household Income, 2000, Ukraine

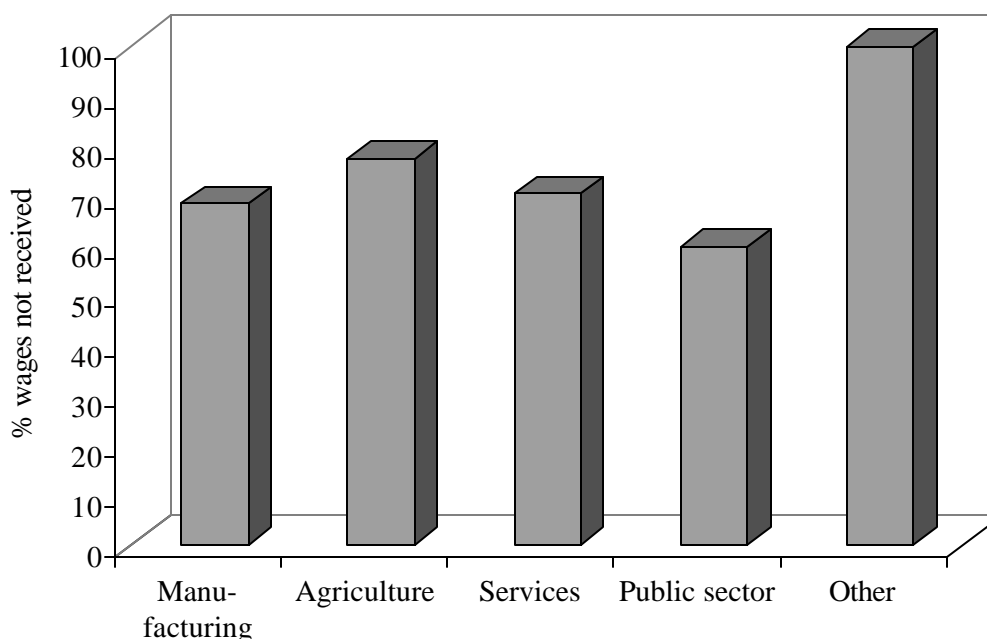


Source: UPSS1, n = 7890

Another aspect of income security of immense importance in Ukraine has been actual receipt of wages. As reported elsewhere, and found repeatedly in our Ukraine Enterprise Labour Flexibility and Security Surveys, for most of the past decade there has been a chronic pattern of *wage arrears*, whereby workers have not been paid their wages for several months, or for many months; in many cases, they have never received them, and in others they have only received part of them, often several months late, when the real value of the money has fallen due to rapid inflation.

It turned out that in the past three months 41.7% of all those in wage employment had not received all the wages to which they had been entitled. It seemed that men were actually slightly more likely to have experienced wage loss in this way, and that workers in their 40s and 50s were more likely to have lost. We will conduct a more systematic investigation into the pattern of wage arrears later. But workers in agriculture were the least likely to have received their wages, and within most sectors those in large firms were more likely to have received them.

Figure 41: Percent of Wages Not Received Over Past Three Months, by Sector, 2000, Ukraine
(Percent of total wages among those experiencing wage arrears)



Source: UPSS1, n = 4603

Of those who had not received their wages, more than half (57.6%) had not received them at all over the three months, and virtually everybody who reported wage arrears said they had not received anything at all. There seemed to be a tendency for workers in medium and large firms to be more likely to suffer from wage arrears, presumably reflecting the sectoral distribution of the firms in trouble.

Suffice it to state that the main reason most people gave for not having received all their wages was that the firm for which they worked had been unable to pay. And most of those who had not received all their wages said they had not received them for two months or more.

Access to non-wage benefits and services varies very considerably. We asked people whether they were entitled to a variety of benefits that might be provided by the enterprise of their employment and whether or not they actually received those benefits. As can be seen from Table 2, only a minority of Ukrainian workers are now entitled to a fairly wide range of benefits. This is a major change since the beginning of the last decade, when enterprises were seen to be the main vehicle of social protection, giving ‘cradle -to-grave’ benefits and social services. About 72% of the employed were entitled to paid sick leave, the same for women as for men. Only 28% were entitled to severance pay, 20.3% to disability benefit, if needed. Only 6.7% had subsidized meals in their workplace, 20.3% had a housing subsidy, 3.5% had a transport allowance, 13.8% to a pension from their firm.

Table 2: Enterprise Benefit Entitlement and Receipt, by Gender, 2000, Ukraine
(percentage of respondents entitled to and receiving benefits)

	Entitled		Received, if entitled	
	Male	Female	Male	Female
Paid sick leave	71.8	71.9	51.2	58.5
Paid maternity leave (women)	–	33.6	–	10.2
Severance and dismissal pay	27.4	28.4	6.4	5.4
Disability bene fit	22.0	19.5	12.8	9.7
Full or partial meals cost subsidy	10.3	4.8	64.9	60.6
Housing subsidy/benefit	20.7	20.0	66.3	65.6
Childcare leave (women)	–	29.5	–	12.7
Extended unpaid childcare leave (women)	–	25.6	–	5.3
Childcare cost at (pre)school (women)	–	5.0	–	30.6
Transport allowance	5.1	2.8	71.9	54.6
Pension	13.2	14.1	1.6	2.8
Other	1.4	1.9	75.0	84.9

Source: UPSS1, n = 6111

Note that probability of entitlement to various enterprise benefits is greater in large-scale firms (the norm in most countries). Since small-scale firms are becoming more common, and can be expected to account for a growing proportion of the workforce, this in itself can be expected to mean a decline in enterprise benefits, and in this aspect of income security.

Table 3: Enterprise Benefit Entitlement and Receipt, by Sector, 2000, Ukraine
(percentage of respondents entitled to and receiving benefits)

Sector	Entitled					Received, if entitled				
	Manu- facturing	Agri- culture	Services	Public sector	Other	Manu- facturing	Agri- culture	Services	Public sector	Other
Paid sick leave	77.5	66.2	60.0	80.6	2.9	58.3	45.4	57.5	62.0	62.3
Paid maternity leave (women)	34.8	31.8	29.2	40.2	55.7	10.5	10.2	8.5	10.1	86.0
Severance and dismissal pay	30.7	24.3	22.3	33.4	14.0	6.0	2.8	9.7	4.9	23.1
Disability benefit	22.7	18.2	16.3	22.2	24.0	11.2	10.9	8.7	11.8	58.3
Full or partial meals cost subsidy	10.6	5.6	3.7	2.2	3.0	69.1	48.6	63.2	40.0	66.7
Housing subsidy/benefit	21.1	18.7	17.0	24.2	25.2	69.6	58.7	71.0	61.7	84.6
Childcare leave (women)	30.3	29.3	23.2	35.8	46.9	14.1	14.0	9.6	10.6	89.5
Extended unpaid childcare leave (women)	26.1	23.4	20.7	33.3	27.3	4.6	6.4	2.3	7.1	52.4
Childcare cost at (pre)school (women)	5.3	5.4	4.5	4.8	2.6	26.3	23.8	42.1	33.3	50.0
Transport allowance	4.5	1.8	4.1	3.0	5.9	65.3	42.9	77.3	48.1	80.0
Pension	14.9	8.7	10.7	21.7	13.7	2.1	1.8	2.7	3.0	50.0
Other	1.8	0.8	1.0	3.4	1.3	78.1	87.5	88.9	83.3	33.3

Source: UPSS1, n = 8200

Table 4: Enterprise Benefit Entitlement and Receipt, by Per Capita Household Income, 2000, Ukraine
(percentage of respondents entitled to and receiving benefits)

Per Capita Household income (UAH)	Entitled				Received, if entitled			
	<=100	101-200	201-300	301+	<=100	101-200	201-300	301+
Paid sick leave	48.0	62.6	66.9	63.7	53.5	58.5	60.2	58.1
Paid maternity leave (women)	30.6	37.8	42.2	35.5	15.2	11.3	6.9	7.9
Severance and dismissal pay	22.2	32.8	37.6	34.2	5.7	6.2	3.6	10.4
Disability benefit	16.1	23.7	28.2	26.8	11.8	12.8	11.5	11.8
Full or partial meals cost subsidy	5.3	7.3	10.2	10.0	56.0	68.3	71.1	60.0
Housing subsidy/benefit	20.8	21.5	19.0	11.3	70.7	63.9	54.9	39.1
Childcare leave (women)	26.4	34.0	35.9	31.8	19.0	13.1	5.4	8.8
Extended unpaid childcare leave (women)	22.3	29.5	32.4	28.3	7.9	5.6	3.1	3.3
Childcare cost at (pre)school (women)	5.0	4.9	6.3	3.8	34.0	27.6	30.8	25.0
Transport allowance	2.3	4.3	7.5	6.8	55.6	67.8	71.4	76.9
Pension	10.6	15.4	22.7	22.9	3.0	4.5	0.0	4.5
Other	1.2	2.3	2.2	2.1	82.8	85.3	71.4	66.7

Source: UPSS1, n = 8200

As suggested in Table 4, in most cases – an exception being housing – entitlement to the various enterprise benefits tended to be more likely for those in higher-income households, thus indicating that they probably accentuate the extent of income inequality.

In Ukraine, there has been one particular benefit that has been used excessively, apparently as a device to put women on extended leave, rather than make them (or other workers in their place) redundant.³ This is *maternity leave*. In the UPSS, only a little over a third of all women in employment were entitled to paid maternity leave, nearly as many were entitled to childcare leave, and 25.6% were entitled to extended unpaid childcare leave. In case a wrong impression were created, of all the women who were on extended childcare leave in the sample, 98% were in the lowest income bracket, with per capita household income of less than 200 UAH per month.

Besides existing benefits, respondents were also asked whether they thought men should be entitled to paid or unpaid *paternity leave*. Over two-thirds of women, and nearly two-thirds of men said they should be entitled to it. Support for paid maternity leave was predictably very strong, with both male and female respondents on average reporting that women should be entitled to three years of paid leave for maternity and childcare. This indicator of welfarist thinking shows that ordinary people have not lost that way of thinking in the past decade. Most respondents also thought that women with young children should be entitled to two years of unpaid leave. This is also an indicator of support for one aspect of employment security.

In Ukraine, as in many countries, there has been an attempt to measure the ‘poverty line’, a level of income set by government to determine income transfers, based on an estimate of what is required for basic survival. It turns out that more than one in every three Ukrainians in the UPSS did not know of the existence of a ‘minimum security level’ of income set by government. And only 52% of those who did know of its existence know, or thought they know, its level. This suggests that public authorities need to improve the dissemination of information on a rather fundamental matter, since unless people know what income level would entitle them to benefits, they are unlikely to apply for them. One could be cynical about this, in that the probability of payment of state benefits may have been so low that lack of knowledge is of only ‘academic’ interest. However, for any ‘targeted’ state benefit system, the potentially eligible population at risk must have access to the basic information needed.

Not surprisingly, over two-thirds of those who did know the amount set as the minimum security level of income felt that it was ‘not adequate’ for minimum income security. Only 2% thought it was adequate, the remaining 28% being unsure. There was no notable difference between men and women in their perceptions.

Given the low incomes, very few Ukrainians are managing to save. Only 9.8% reported that their households had some *savings*. Nearly three out of every four respondents said they worried a great deal about the safety of any savings, which might be a contributory factor in the low propensity to save, although obviously the

³ G.Standing and L.Zsoldos, “Worker Insecurities in Ukrainian Industry: The 2000 ULFS”, SES Paper (Geneva, ILO, 2001).

major reason was the poverty of the population in general. The main reason given for trying to save was to meet contingencies and emergencies, rather than to acquire assets, or even to save for retirement. This applied to respondents of all income levels. People in general are too close to 'the bread line' to be able to use savings for long-term objectives.

A pervasive feeling of insecurity about assets came through in the responses. We asked, "Do people such as yourself worry a lot, a little or not at all about the security of the following assets?" About 78% reported they are very worried about the security of their housing, 12.9% are somewhat worried, and only 9.2% were not worried. Some 55.7% were very worried about security of any land owned, and 22.7% were somewhat worried.

With low incomes and few savings, Ukrainians could be expected to need *loans* from time to time in order to smooth over fluctuations in their incomes. But only 10.4% said their households borrowed 'regularly', a further 23.1% said they borrowed from time to time, 23.5% said they did so rarely. This means that 43% said they did not borrow at all. Of course, the main reason for many not borrowing is likely to be their inability to obtain loans, because of an inability to repay it. For this reason, it is not surprising that most people could only envisage borrowing from relatives or, to a somewhat lesser extent, from friends or neighbours. Only 1% of all respondents thought they could borrow from a bank if they needed to take out a loan.

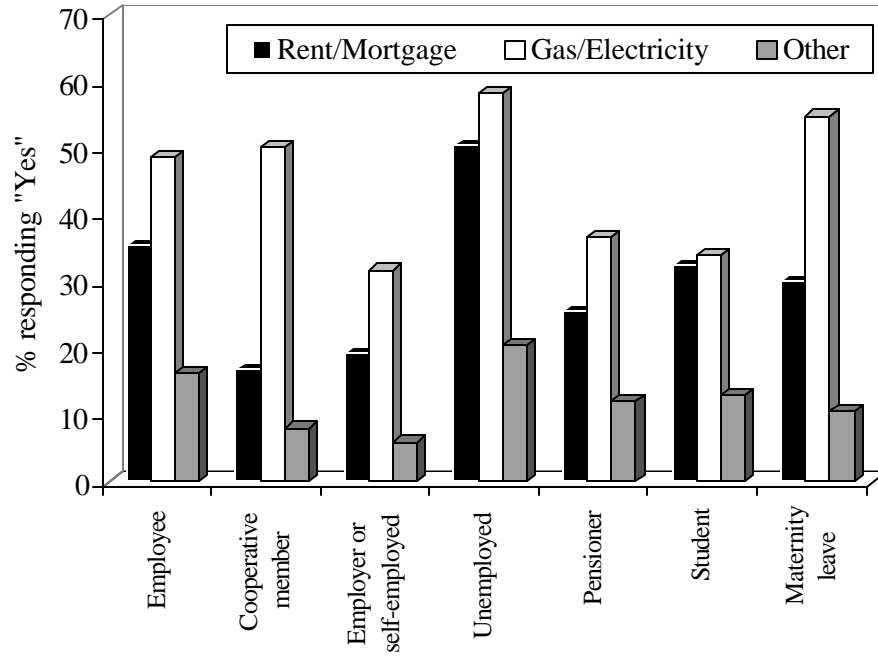
As it is, of those who had taken out loans, 89.1% reported themselves 'very worried' about their ability to repay their debt, with a further 10.1% being 'somewhat worried'. Households of all income levels were generally very worried, as were respondents of all activity statuses.

Consistent with this generalized income insecurity, nearly one-third (32.4%) of all households admitted that they were in *arrears in paying* for their housing, in terms of rent or mortgage. No less than 46.9% said they were in arrears in payments for gas or electricity in their homes. And 14.5% said they were in arrears for other forms of payment obligations. These figures are powerful indicators of poverty and income insecurity, since they imply a likely fear of dispossession at almost any time.

As one should expect, those who were unemployed were most likely to be in arrears in paying rent and other obligations. But large numbers of industrial workers and public sector workers were also in arrears, as Figure 42 bears out.

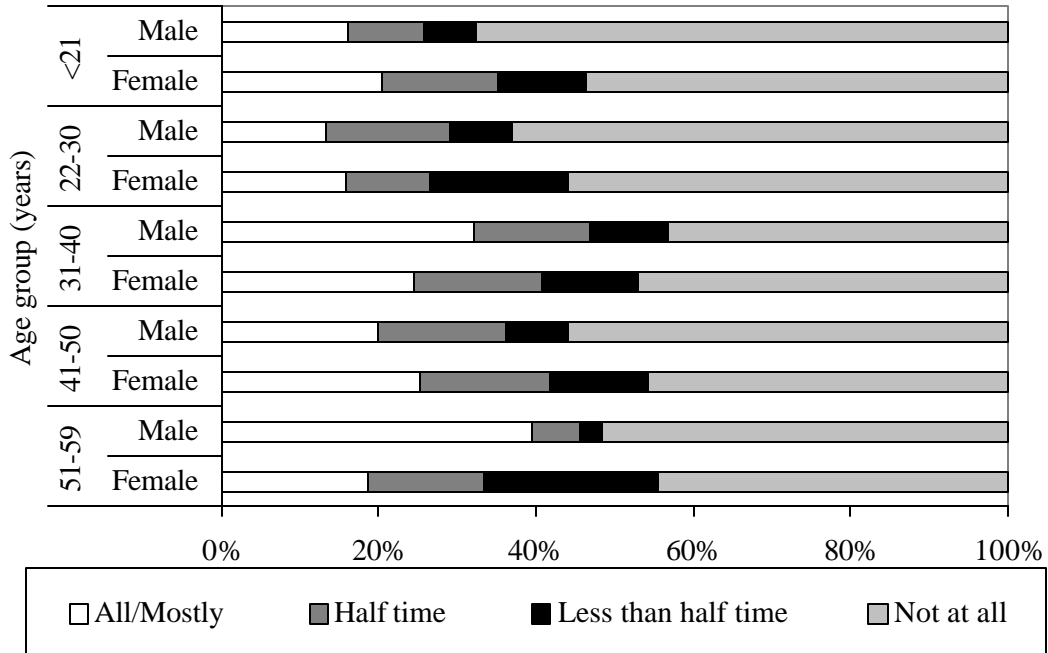
Another crucial aspect of income security is access to income support during a period of *unemployment*. In Ukraine, this is worrying. Of all those who had experienced unemployment during the past year, only 21.7% had received unemployment benefits for most of the time, 14.3% had received them for about half the time, 11.7% for less than half the time, and 52.3% had not received any unemployment benefit at all. Although multivariate analysis would be required to support or refute the following, it seemed that men (55.7%) were more likely than women (50.4%) to have received no benefits at all. The main reason the unemployed did not receive benefits was that they had not applied for them, presumably because they thought they would not qualify for them, or that they were not worth obtaining,

Figure 42: Percent in Arrears in Paying for Housing and Other Essentials, by Work Status, 2000, Ukraine



Source: UPSS1, n = 8080

Figure 43: Unemployed Receiving Unemployment Benefit, by Age, by Gender, 2000, Ukraine

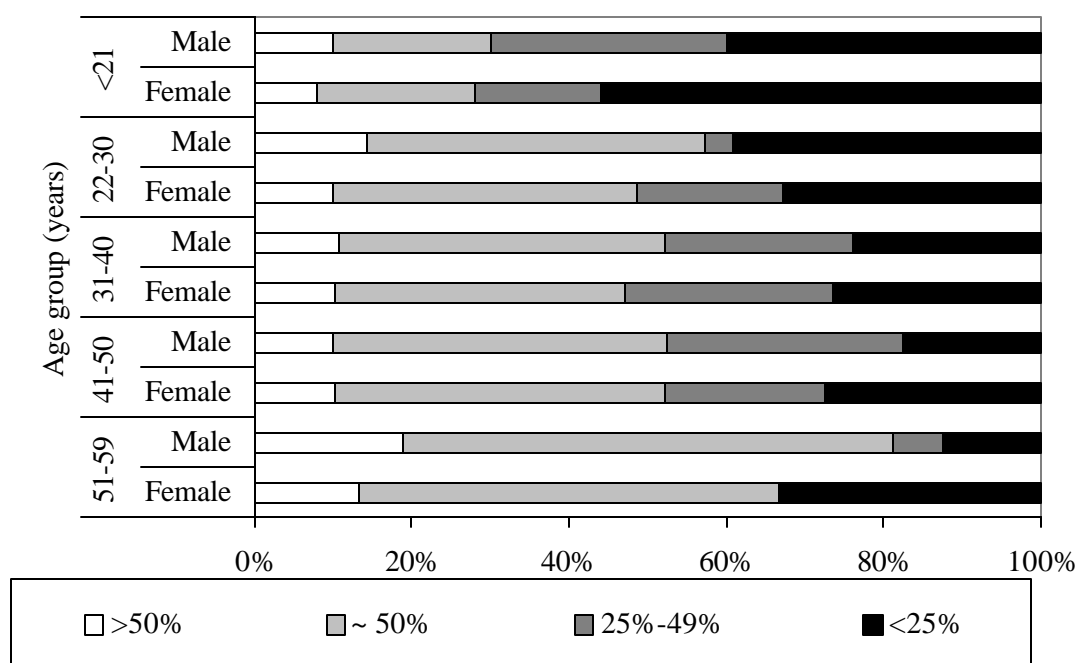


Source: UPSS1, n = 531

or would not be available, or because the cost of travel to and from employment exchanges was too high.⁴

Of those who had received unemployment benefits, the amount they had received tended to be very small. We investigated this in terms of what is usually described as the *income replacement rate*, i.e., the value of unemployment benefits expressed as a percentage of the person's previous income when in employment. About 11% had a replacement rate of more than 50%, 39.6% of about 50%, 20.1% of between 25% and 49%, and 29.2% of less than 25% of past income. As shown in Figure 44, women tended to have a lower replacement rate. In sum, there should be no claim that unemployment benefits are 'generous' or 'encouraging voluntary unemployment'.

Figure 44: Unemployment Benefits Income Replacement Rate, by Age, by Gender, 2000, Ukraine



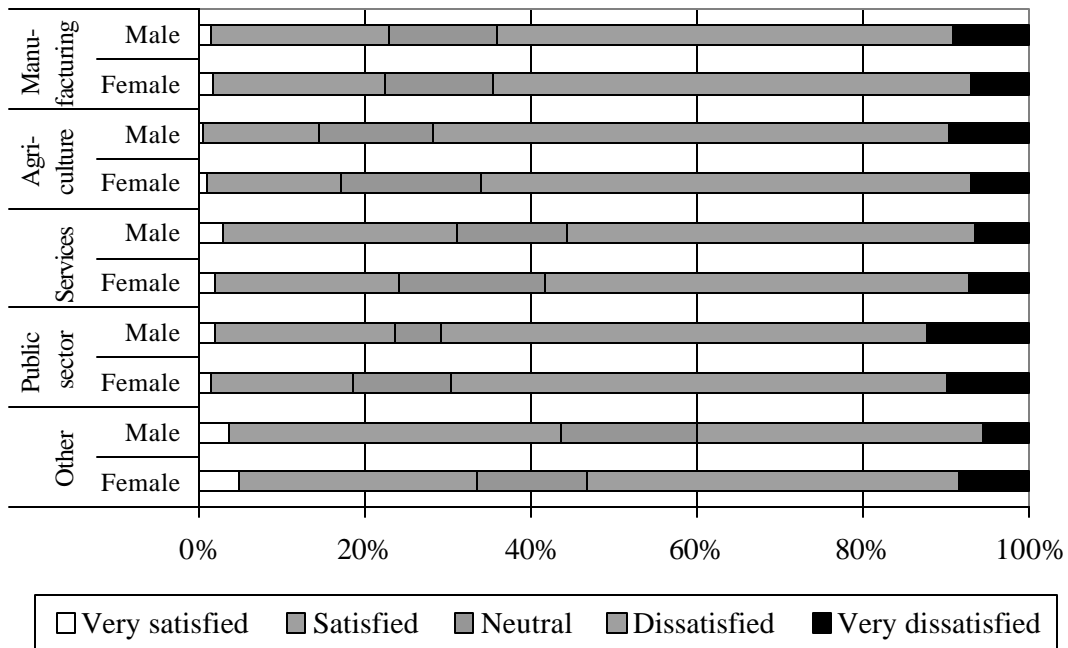
Source: UPSS1, n = 266

As for the attitudes of Ukrainians towards the unemployed and their income security needs, almost all respondents (97.7%) said that workers 'dismissed' from their jobs for whatever reason should receive unemployment benefits, and 96% believed that all the unemployed in poor families should receive them. There were no differences in viewpoints between men and women or over the various age groups. What was less clear was the attitude toward those who leave their employment "voluntarily". Only 40.5% thought they should be able to receive unemployment benefits. Equally puzzling was the finding that only 41.3% of respondents felt that those who had run a business ("self-employed") which became bankrupt felt that they should be able to receive unemployment benefits. Perhaps it is significant that older people were less inclined to think they should receive them.

⁴ These were the reasons found to determine application for, and access to, unemployment benefits in the Russian Federation.

Finally, those in employment were asked whether they were satisfied, dissatisfied or neutral about the income they were receiving from their main job. It was surprising that 1.5% were 'very satisfied' and 19.9% were 'satisfied', given the generally low wages and incomes. In any case, 56.3% reported themselves 'dissatisfied' and 8.2% 'very dissatisfied'. There were no notable differences between the sexes, or between the age groups.⁵ As for their benefits, only 15.7% were satisfied (or, in a few cases, very satisfied), while 58.8% were dissatisfied or very dissatisfied. A higher proportion were satisfied among those with relatively high household income, suggesting that enterprise benefits were accentuating inequality.

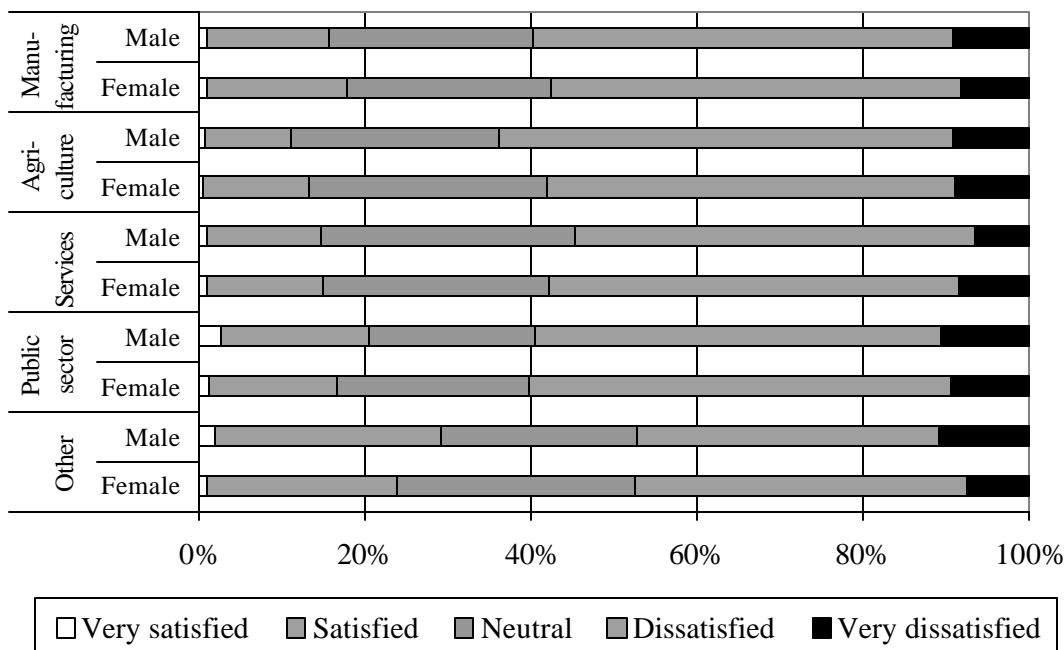
Figure 45: Extent of Satisfaction with Income from Current Employer, by Sector, by Gender, 2000, Ukraine



Source: UPSS1, n = 6206

⁵ Note that dissatisfaction had no relationship to whether or not the household cultivated land or a 'kichen garden'.

Figure 46: Extent of Satisfaction with Non-Wage Benefits in Current Employment, by Sector, by Gender, 2000, Ukraine
(percent of employed in sector expressing degree of satisfaction)



Source: UPSS1, n = 6206

11. Seeking Social Justice: The Views of Ukrainians

What do Ukrainians think should be the basic principles of social justice in their society? A final set of questions was asked to ascertain attitudes to income security in general and to the desirable degree of income inequality.

First, respondents were asked whether or not they agreed with the following statement, *“There be an upper limit on individual incomes.”* Almost exactly one-third of all 8,200 respondents said there *should* be an upper limit. The proportion thinking this was desirable rose with age, and seemed to be a stronger feeling among women than among men.

Second, respondents were asked whether or not they agreed with the statement, *“There should be a lower limit below which no individual’s income should fall.”* In this case, many more said yes, 71.3%, with no significant difference between men and women or across the age groups. This is encouraging, as an assertion of a sense of social solidarity and citizenship.

Third, they were asked about the statement, *“There should be no restriction on individual’s income, but there should be policies to improve the situation of the least well off.”* Just over 60% agreed with this, with no noticeable differences between men and women or between people of different age groups. Presumably, those who agreed with this and also with the preceding question were asserting that as long as there was a *floor*, there was no need for a *ceiling* on incomes.

Fourth, respondents were asked about the statement, “*Everyone should receive the same income.*” Here, only a small minority agreed, 7.2%. Egalitarianism of this crude variety merely raises memories of things past.

Fifth, respondents were asked about several aspects of income discrimination, or in effect principles of equal compensation. They were asked whether or not one specified group should receive higher, lower or similar wages as another specified group doing similar work. The first comparison was between men and women. The responses were encouraging, in that 88.5% said there should be equal wages. Unusually, 8.7% said women should be paid more, and merely 2.8% said they should be paid less, with slightly more women saying more, and slightly more men saying less. If anything, older groups thought that equality was correct. Overall, acceptance of a principle of gender equality in the labour market seems solid.

Several age comparisons were made. Most, 85%, said that workers in their 50s should earn the same as those in their 30s and 40s. And a very similar percentage thought there should be equality between those in their 30s or 40s and those in their 20s. The general pattern of responses indicated that people feel age *per se* should not be a determinant of income differentials.

A similar comparison between *women with children* and women without them yielded more variation, with 71.3% believing they should be paid the same, and 27.3% that the women with children should be paid more. Younger respondents were more likely to think they should be paid more. Besides self interest, presumably financial need dictated this.

The attitude to *internal migrants* was mostly non-discriminatory, with 87.4% believing they should be paid the same as local residents doing similar work. Perhaps of note was that 12.3% of men, and 9.1% of women, felt that the internal migrants should be paid less. This is perhaps a legacy of the *propiska* system of residence permits of the Soviet era, although such a discriminatory attitude was slightly stronger among young workers.

Of more relevance is the attitude to *immigrants*. There was only limited evidence of xenophobia, since 84.5% said that immigrants should be paid the same as those born in Ukraine. However, 16.5% of men and 12% of women said they should be paid less than natives. And this attitude was strongest among the youngest age group. Observers should be concerned about this tendency, although the generally civilized perspective is encouraging.

Similar comparisons were made in asking about attitudes to *equal employment opportunities*. Nearly three out of every four persons felt that men and women should have equal opportunities, with 11.3% thinking women should have a preference in recruitment, and 14.8% thinking men should have priority.

Finally, respondents were asked about their attitude to income security for those providing care. First, they were asked for their view on whether or not the government should compensate fully, partially or not at all for the time individuals put into the care of their children under the age of five years. Over 58% said they should be fully compensated, 35.2% thought they should be partially compensated, 1.9% not at all, and 4.7% did not know. There was not much difference between men and women, or

between the age groups. Second, they were asked a similar question about caring for elderly relatives. Here, 36.3% said fully, 52.1% partially, 3.5% not at all, and 8.1% were unsure.

12. Some Concluding Reflections

What a sorry picture! The long dark night that has been the reality for the Ukrainian population since the country emerged into independent existence in 1991 seems to stretch into the early years of the 21st century. Most Ukrainians are living impoverished lives, characterized by low and insecure incomes and lack of access to decent social services.

At the beginning of the millennium, as Ukraine prepared to celebrate its tenth anniversary of independent existence, the vast majority of its citizens consider themselves poor by international standards – over 90% according to opinion polls and according to our survey. Meanwhile, a new phenomenon has emerged – rapidly growing *inequality*. While the vast majority suffer, at the top of the pile, is a tiny minority of people with enormous wealth by national standards. There has been a remarkable growth in the number of recorded hryvnya millionaires as reported by the State Tax Administration of Ukraine, based on officially declared incomes. In 1997, there were just 17, in 1998 30, in 1999 40, and in 2000 there were 1,221; in the latter year, there were also 1,660 persons with an income of between 500,000 and one million UAH. For this tiny minority, very wealthy times exist, and there should be no doubt that their incomes and assets are seriously underestimated, because they have the means of disguising it and not declaring it.

Besides the income insecurity that has spread, other forms of labour insecurity are pervasive. Clearly, ordinary Ukrainians think unemployment is much worse than those official statistics suggest. Although there are vestiges of *employment security* for those in jobs, the prevalence of wage arrears and arrears in the payment of key benefits make that worth rather little for millions of Ukrainian workers. The fact that a large proportion of workers are unable to pay their housing rent and have not even been able to pay for their domestic electricity and gas bills implies a persistent insecurity at home to complement that characterizing their jobs.

At present, Ukrainians are seeking security through reliance on relatives and local networks, rather than on the government agencies dealing with social and labour market policy. For the most part, they have found ways of surviving the severe difficulties of the past decade. Over the next decade, social and economic security will surely improve.