

UKRAINE

SWTS country brief

December 2016

The ILO Work4Youth project worked with the Ukrainian Center for Social Reforms to implement two rounds of the School-to-work transition survey (SWTS) in 2013 (February) and 2015 (April–May). The latter survey excluded the Autonomous Republic of Crimea. The results of the first survey were published in E. Libanova, A. Cymbal, L. Lisogor, I. Marchenko and O. Larosh (2014): *Labour market transitions of young women and men in Ukraine*, Work4Youth Publication Series No. 11 (Geneva, ILO) and the second report in E. Libanova, A. Cymbal, O. Larosh and L. Lisogor (2016): *Labour market transitions of young women and men in Ukraine: Results of the 2013 and 2015 school-to-work transition surveys*, Work4Youth Publication Series No. 41 (Geneva, ILO). Both reports are also available in Ukrainian. The objective of this country note is to offer a general summary of youth labour market trends in Ukraine based on the SWTS. Youth is defined as 15–29.

Main findings of the ILO SWTS

Human capital and mismatch

- All surveyed youth had attended school or a training programme at some point in their lives. Almost two-thirds of the youth population had completed school (61.8 per cent) while more than one-third (36.1 per cent) were still attending school in 2015. Young women in Ukraine have equal opportunities to young men in terms of access to education.
- SWTS results show a correlation between the levels of education and a young person's labour market transition: a young person with tertiary education was able to complete the transition from school to a stable/satisfactory job in 4.4 months, as compared to 6.5 months for secondary school graduates and 16 months for those with primary education only.
- A majority of employed youth is adequately educated for the job they were doing (65.8 per cent of young workers with qualifications matching to those expected for the occupation in 2015). Yet given the high levels of educational attainment in the country, not all educated youth is able to find a job that matched their level of qualifications. The share of overeducated young workers in Ukraine was very high at 41.3 per cent in 2015. In contrast, only 3.8 per cent of young workers were classified as undereducated.
- One-quarter (25.7 per cent) of current students in Ukraine showed a preference for future work in the government/public sector, but larger shares expressed a desire to start their own business (36.6 per cent) or work for a private company (29.7 per cent).

The ILO **School-to-work transitions surveys (SWTS)** are implemented as an outcome of the Work4Youth (W4Y) project, a partnership between the ILO and The MasterCard Foundation. The project has a budget of US\$14.6 million and will run for five years to mid-2016. Its aim is to “promote decent work opportunities for young men and women through knowledge and action”. The immediate objective of the partnership is to produce more and better labour market information specific to youth in developing countries, focusing in particular on transition paths to the labour market.

See the website www.ilo.org/w4y for more information.

Underutilization of the youth labour potential remains a top concern

- The youth labour underutilization rate in Ukraine decreased slightly between 2013 and 2015 (from 29.7 to 29 per cent). The share of underutilized labour potential consisted of 6.8 per cent of the youth population in irregular employment (either in self-employment or paid employment with contract of less than 12 months), 11 per cent unemployed and 11.3 per cent inactive non-students in 2015.
- The youth unemployment rate decreased between 2013 and 2015 (16.8 to 11.6 per cent) thus remaining below the EU-28 average of 16.1 per cent in the latter year (Eurostat, youth aged 15-29). The unemployment rate of young women was slightly higher than that of young men (12.1 and 11.2 per cent, respectively).
- The most disadvantaged in finding work are those with the lowest levels of educational attainment; the unemployment rate of a young person with primary education was more than triple that of a young university graduate at 28.1 and 8.1 per cent, respectively. It was also difficult to find jobs for those with a completed general secondary education, with an unemployment rate of 19.4 per cent in 2015.
- The duration of unemployment can be long. Close to one-quarter (22.4 per cent) of unemployed youth had been looking for work for longer than one year in 2015 (compared to 28.3 per cent in 2013).
- The share of youth neither in employment nor in education or training (NEETs) in Ukraine did not change between 2013 and 2015 (18.7 and 18.5 per cent, respectively). The share among young women was more than double that of young men in 2015 (at 26.7 and 10.8 per cent, respectively).

Employment rates for youth are above regional levels

- More than half (51.7 per cent) of youth in Ukraine was employed in 2015, an increase from 44.7 per cent in 2013.¹ Young men are more likely to work than young women (employment ratios of 60.1 and 43 per cent, respectively).
- Most young workers (84.9 per cent) were in paid employment, but 11 per cent remained in vulnerable employment as own-account workers (8 per cent) or unpaid family workers (3 per cent). At the same time, 18.8 per cent of youth in paid employment were engaged without a written contract.
- The services sector absorbs the largest portion of Ukraine's young workers (57.2 per cent of young male workers and 81.6 per cent of young female workers), followed by industry (31.2 per cent of young male workers and 11.1 per cent of young female workers) and agriculture (8.3 and 5.7 per cent, respectively).
- Informal employment affected more than one-half of young workers in Ukraine in 2015; the informal employment rate increased slightly between the two years (57.1 to 57.5 per cent, respectively).

Selection of data tables

Table 1. Youth population by educational status, 2013 and 2015 (%)

Educational status	Total		Male		Female	
	2013	2015	2013	2015	2013	2015
Never attended school	0.0	0.0	0.0	0.0	0.0	0.0
Dropped out before graduation or completion of school	2.3	2.0	2.4	2.3	2.2	1.8
Currently attending school	41.6	36.1	42.5	35.9	40.7	36.4
Education completed	56.1	61.8	55.1	61.8	57.1	61.8
Total	100	100	100	100	100	100

¹ The two surveys are not strictly comparable due to the exclusion of the Autonomous Republic of Crimea in the 2015 SWTS.

Table 2. Key youth labour market indicators – traditional distribution, 2013 and 2015 (%)

	Total		Male		Female	
	2013	2015	2013	2015	2013	2015
Employed	44.7	51.7	50.5	60.1	38.8	43.0
Unemployed (strict definition)	9.0	6.8	10.5	7.6	7.5	5.9
Inactive	46.2	41.5	39.1	32.3	53.7	51.1
Total	100	100	100	100	100	100
Youth labour force participation rate	53.8	58.5	60.9	67.7	46.3	48.9
Youth unemployment rate (strict definition)	16.8	11.6	17.2	11.2	16.2	12.1

Note: The “strict” definition of unemployment refers to persons without work, available to work and actively engaged in a job search. The “broad” definition excludes the job search criteria. The youth unemployment rate is the number of unemployed persons divided by the youth labour force (employed plus unemployed).

Table 3. Key youth labour market indicators – alternative distribution, 2013 and 2015 (%)

	Total		Male		Female	
	2013	2015	2013	2015	2013	2015
In regular employment	37.6	44.5	41.4	51.4	33.7	37.3
In irregular employment	6.7	6.8	8.6	8.4	4.7	5.1
Unemployed (broad definition)	12.3	11.0	13.6	11.5	10.9	10.4
Inactive students	32.7	26.5	32.7	25.3	32.7	27.7
Inactive non-students	10.7	11.3	3.6	3.4	18.1	19.5
Total	100	100	100	100	100	100
Youth labour force participation rate (broad definition)	56.6	62.3	63.7	71.3	49.2	52.8
Youth unemployment rate (broad definition)	12.3	11.0	13.6	11.5	10.9	10.4
Youth labour underutilization rate	29.7	29.0	25.9	23.2	33.6	35.0

Table 4. Distribution of NEET youth by composition, 2013 and 2015 (%)

Sex	2013			2015		
	NEET rate	of which:		NEET rate	of which:	
		Inactive non-students	Unemployed non-students		Inactive non-students	Unemployed non-students
Total	18.7	11.9	6.9	18.5	13.0	5.5
Male	12.7	4.4	8.3	10.8	4.6	6.1
Female	25.0	19.6	5.4	26.7	21.8	4.9

Table 5. Employed youth by status in employment, 2013 and 2015 (%)

Status in employment	Total		Male		Female	
	2013	2015	2013	2015	2013	2015
Wage and salaried workers (employees)	85.7	84.9	83.3	84.0	88.9	86.2
Employers	1.7	2.5	2.0	3.3	1.3	1.5
Own-account workers	7.0	8.0	8.6	9.7	4.7	5.5
Members of producers' cooperatives	1.5	0.2	2.1	0.3	0.8	0.2
Contributing (unpaid) family workers	3.2	3.0	2.8	1.9	3.6	4.5
Not classifiable	0.9	1.4	1.1	0.9	0.7	2.1
Total	100	100	100	100	100	100

Table 6. Distribution of youth employment by sector at the 1-digit level, 2013 and 2015 (%)

Sector	Total		Male		Female	
	2013	2015	2013	2015	2013	2015
Agriculture	5.4	7.2	6.4	8.3	4.2	5.7
Industry	23.1	23.0	32.0	31.2	10.9	11.1
Services	65.3	67.1	54.3	57.2	80.2	81.6
Agriculture, forestry and fishing	5.8	7.4	6.9	8.6	4.4	5.8
Mining	2.3	2.4	3.3	3.1	0.9	1.4
Manufacturing	11.7	12.3	14.2	15.5	8.3	7.6
Electricity, gas, steam	1.8	1.3	2.6	1.5	0.8	1.0
Water supply	0.4	0.5	0.3	0.7	0.6	0.2
Construction	8.4	7.2	14.0	11.5	1.0	1.1
Wholesale and retail trade	20.1	20.0	18.3	20.0	22.5	20.0
Transport	7.2	6.5	10.2	9.0	3.2	2.9
Accommodation	2.6	4.4	1.6	3.3	3.8	6.0
Information and communications	4.2	3.0	4.8	3.5	3.3	2.2
Financial activities	3.1	1.9	2.7	1.4	3.6	2.6
Real estate	0.4	0.3	0.1	0.2	0.6	0.3
Professional scientific activities	4.5	3.5	4.4	2.7	4.7	4.6
Administrative and support activities	3.3	1.6	3.3	1.3	3.3	2.0
Public administration	5.1	6.1	5.6	6.9	4.4	4.9
Education	8.9	10.5	3.3	5.2	16.4	18.3
Health and social work	5.7	5.1	1.8	1.6	10.8	10.1
Arts and entertainment	1.2	2.2	0.4	1.3	2.3	3.5
Other services	3.3	3.3	2.0	2.0	4.9	5.2
Private households	0.2	0.6	0.1	0.7	0.4	0.5

Table 7. Young wage and salaried workers by type of contract, 2013 and 2015 (%)

Type of contract	Total		Male		Female	
	2013	2015	2013	2015	2013	2015
Written agreement	81.9	81.2	78.9	84.3	85.7	78.9
Oral agreement	18.1	18.8	21.1	15.7	14.3	21.1
Unlimited duration	93.1	94.0	92.6	94.8	93.7	93.4
Limited duration	6.9	6.0	7.4	5.2	6.3	6.6
– Less than 12 months	2.2	2.4	2.4	2.1	2.1	2.7
– 12 months to less than 36 months	3.3	3.1	2.9	2.2	3.9	3.7
– 36 months or more	1.4	0.5	2.1	0.9	0.6	0.3
Total	100	100	100	100	100	100

Table 8. Youth informal employment by composition, 2013 and 2015 (%)

	Total		Male		Female	
	2013	2015	2013	2015	2013	2015
Youth formal employment rate	42.9	42.5	41.9	41.6	44.3	43.8
Youth informal employment rate	57.1	57.5	58.1	58.4	55.7	56.2
Of which:						
– Informal employment outside the informal sector (share in informal employment)	80.2	79.5	79.7	80.0	80.8	78.8
– Employment in the informal sector (share in informal employment)	19.8	20.5	20.3	20.0	19.2	21.2
Total	100	100	100	100	100	100

Table 9. Employed youth by overeducation, undereducation or matching qualifications, 2015 (%)

Qualifications match	Total	Male	Female
Undereducated	3.8	4.6	2.8
Overeducated	41.3	41.9	40.5
Matching qualifications	53.3	51.5	56.2
Not classified	1.5	2.0	0.6
Total	100	100	100

Note: Comparable data is not available for 2013.

Table 10. Youth unemployment rates by level of completed educational attainment, 2013 and 2015 (%)

Educational attainment	Total		Male		Female	
	2013	2015	2013	2015	2013	2015
Primary	-	28.1	-	27.5	-	29.6
Secondary vocational	20.5	17.2	18.0	16.6	31.1	19.0
Secondary general	20.3	19.4	22.8	15.5	16.5	28.6
Post-secondary vocational	14.9	11.2	16.1	11.6	12.4	10.2
University and postgraduate studies	9.3	8.1	8.5	6.8	10.0	9.6

Table 11. Unemployed youth by duration of job search, 2013 and 2015 (%)

Duration of job search	Total		Male		Female	
	2013	2015	2013	2015	2013	2015
Less than a week	3.7	1.5	4.3	2.7	2.9	0.0
1 week to less than 1 month	10.1	11.6	9.0	9.1	11.8	15.1
1 month to less than 3 months	13.3	15.8	14.7	19.5	11.1	10.7
3 months to less than 6 months	16.0	20.8	16.5	26.2	15.3	13.5
6 months to less than 1 year	20.3	24.0	16.1	22.7	26.6	25.7
More than a year	28.3	22.4	30.0	15.7	25.9	31.4
Not available	8.3	3.9	9.5	4.1	6.5	3.6
Total	100	100	100	100	100	100

Table 12. Youth population by stages and subcategories of transition, 2013 and 2015 (%)

Stage of transition	Total		Male		Female	
	2013	2015	2013	2015	2013	2015
Total transited	37.2	41.4	41.7	47.3	32.5	35.2
Transited to stable employment	31.9	36.2	34.4	41.1	29.2	31.0
Transited to satisfactory temporary employment	1.1	1.2	1.6	1.3	0.5	1.2
Transited to satisfactory self-employment	4.3	4.0	5.7	5.0	2.7	3.0
In transition	28.2	31.2	24.9	27.2	31.6	35.4
Unemployed (broad definition)	8.1	7.4	9.1	7.4	7.0	7.4
In non-satisfactory temporary employment	1.4	2.1	1.9	3.4	1.0	0.8
In non-satisfactory self-employment	1.0	1.7	1.2	2.6	0.9	0.8
Active students	9.2	9.9	10.1	10.8	8.2	9.0
Inactive non-students with aim to work in the future	8.5	10.0	2.6	3.0	14.6	17.3
Transition not yet started	34.6	27.4	33.4	25.5	35.9	29.5
Inactive students	32.5	26.3	32.4	25.1	32.5	27.5
Inactive non-students with no plans to work in the future	2.1	1.2	0.9	0.4	3.4	2.0
Total	100	100	100	100	100	100

Note: Unless other specified, the categories exclude current students.