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Labour
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EMPLOYMENT
PROMOTION

EMPLOYMENT NEEDS ASSESSMENT AND EMPLOYABILITY OF INTERNALLY DISPLACED PERSONS IN UKRAINE

SUMMARY OF SURVEY FINDINGS AND RECOMMENDATIONS

**EMPLOYMENT NEEDS ASSESSMENT AND EMPLOYABILITY OF
INTERNALLY DISPLACED PERSONS IN UKRAINE:
Summary of survey findings and recommendations**

ILO DECENT WORK TECHNICAL SUPPORT TEAM AND COUNTRY OFFICE FOR CENTRAL AND EASTERN EUROPE

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Abbreviations

ALMPs	Active Labour Market Programs
DWT/CO-Budapest	ILO Decent Work Technical Support Team and Country Office for Central and Eastern Europe
LFS	Labour Force Survey
IDP	Internally displaced person
ILO	International Labour Organization
ISCED	International Standard Classification of Education
ISCO	International Standard Classification of Occupations
KIIS	Kyiv International Institute of Sociology
MoSP	Ministry of Social Policy
NACE Rev. 2	Statistical Classification of Economic Activities in the European Community, Revision 2
SES	State Employment Service
SSSU	State Statistics Service of Ukraine
UAH	Ukrainian hryvnia
UNHCR	United Nations High Commissioner for Refugees

Foreword

Following the political and military crisis that broke in Ukraine in November 2013, ILO has made a special effort to respond to the most urgent demands emanating from the constituents in the context of the new political and socio-economic situation of Ukraine and to ensure that social issues and decent work are part of the recovery programme. In particular, the crisis has generated a growing wave of internally displaced population with urgent needs in the field of jobs recovery. The challenge is manifold, as the employment situation was already fragile, and economic performance is showcasing a negative trend.

Against this background, the government and the social partners in Ukraine have approached the ILO with a view to developing short-term responses to address the jobs recovery needs with emphasis on internally displaced people, and longer-term assistance to help in the design and implementation of policy measures that will contribute to reducing the impact of fiscal and monetary consolidation on employment.

The report on “Employment Needs and Employability Assessment of IDPs” is a key product of technical advice provided by the ILO to the Public Employment Service. The report provides detailed quantitative and qualitative information on the employment needs and the employability of Internally Displaced Persons (IDPs) in the current economic environment. It also contains a number of policy recommendations with regard to possible responses by the State Employment Service.

The gap in information regarding the employment and unemployment status and needs of IDPs is posing serious constraints to developing strategies and responses in support of livelihood recovery and labour market (re)integration of IDPs. The present report features a detailed picture of employment needs and employability of the Internally Displaced Persons, their coping strategies, and offers a set of recommendations aiming at enhancing the national labour market information system and supporting the reform of relevant labour market institutions to lead to more targeted, cost-effective active labour market programmes addressing rising unemployment specifically of IDPs.

This report would have not been possible without the dedicated work of the research team from the Kyiv International Institute of Sociology led by Olga Kupets, which was supported by the ILO team composed of Gregor Schulz, Sergiy Savchuk and Kateryna Kelemen in Kyiv and Mauricio Dierckxsens and Anna Anita Farkas in Budapest.

We would like to thank Pavlo Rozenko, Minister of Social Policy of Ukraine, Valeriy Yaroshenko, Deputy-Minister of Social Policy of Ukraine, Natalia Zinkevych, Director a.i. of the State Employment Service of Ukraine, and staff of the social security and employment service branches who facilitated the implementation of the study.

Antonio Graziosi
Director
DWT/CO-Budapest

Introduction

This report is one of the outcomes of the project “Effective Employment-friendly Crisis Recovery in Ukraine”. The project is implemented during 1 October 2014 – 30 September 2015 by the International Labour Organization (ILO) together with Ukrainian constituents under the leadership of Mr. Gregor Schulz. It aims to support employment-friendly and socially sustainable crisis recovery by preparing short and medium term responses in the areas of employment and social security, developing emergency job placement policies and modernizing State Employment Service (SES) structures.

Immediate support is required in developing effective active labour market policies and in enhancing the capacity of the SES to promote the labour market integration of internally displaced persons (IDPs) from Crimea and the Eastern regions and to support the creation of public and other temporary works in the areas which hosted IDPs. As a part of the project component on IDPs, this report aims at filling existing knowledge gaps about the employment needs of IDPs not registered with the State Employment Service and the level of their employability in the current environment. Based on the results of this research it offers recommendations for the Government of Ukraine and SES on how to design policies and approaches to enhance the labour market integration of IDPs, whether temporarily or more permanent, and to reduce their dependency on social transfers.

This report is prepared by a multidisciplinary team of researchers from the National University of Kyiv-Mohyla Academy (Economics Department) and Kyiv International Institute of Sociology (KIIS), namely by Olga Kupets (task team leader), Marina Shpiker, Natalia Kharchenko, Artem Miroshnichenko and Olexiy Khmelko. The report draws on work done by a larger team from KIIS that was closely involved in the implementation of the quantitative survey of IDPs and qualitative study of Ukrainian employers.

The team would like to express its gratitude to Gregor Schulz and Katerina Kelemen from the ILO DWT/CO Budapest project team for their support and valuable contribution along the entire study process.

The team would like to thank the Ministry of Social Policy and the State Employment Service of Ukraine, which facilitated initial data collection through the local social welfare offices in the selected regions and supported the study as a whole. The team is also grateful to all participants of surveys and in-depth interviews in Ukraine for their cooperation and honest answers.

The key findings of the study were presented and discussed at the meeting of the Committee on employment relations and labour market issues of the National Tripartite Council of Ukraine on 28 July 2015 and at the UN Livelihoods and Early Recovery Cluster meeting on 6 August 2015. The team is grateful to the participants of these meetings for their valuable suggestions which helped improve the report.

Executive summary

Over one million Ukrainians have been displaced during the course of the conflict in the Donbas region. Influxes of working age IDPs to certain areas have exacerbated an already deteriorating situation in the Ukrainian labour market by increasing competition for available jobs and putting downward pressures on wages. As the conflict becomes more long-term and devastating and the number of internally displaced people (IDPs) who intend to settle in the host regions increases, the focus of the government of Ukraine and international organizations increasingly moves from short-term humanitarian assistance to longer-term, sustainable development assistance aimed at successful integration of displaced people into the host community. One of the major priorities in this respect is to help IDPs sustain themselves through appropriate employment and productive activity.

To support data-driven and evidence-based policymaking, this study provides background information about employment needs of IDPs not registered with the State Employment Service, their further migration intentions and survival strategies, based on the individual-level data from a targeted survey of 2000 IDPs aged 18-70 years carried out in June 2015 in 9 oblasts. The study also assesses employment opportunities for IDPs in the current economic environment based on in-depth interviews with 55 Ukrainian firms of different economic activity, size, type of ownership, and region. Based on the findings, the study developed policy recommendations on how to overcome employment-related problems of IDPs and enhance their labour market integration.

The main findings of the study are the following:

- IDPs have significantly higher inactivity rate (i.e. the proportion of the working-age population that is not in the labour force, including pensioners, students, disabled, women on maternity leave, etc.) than total population in Ukraine. But many surveyed inactive IDPs are work-able and not receiving pensions or some other permanent income, and may become active job-seekers soon. This requires specific, well-targeted measures to smooth their transition from education, maternity leave or long-term inactivity to work;
- the estimated unemployment rate among IDPs at 34.1 percent of all economically active IDPs is significantly higher than the unemployment rate among total population aged 15-70 years in Ukraine and in nine regions covered by the study. IDPs, particularly those who moved recently and live in areas with high concentration of IDPs, are much more affected by unemployment than other categories of population and therefore need strong support of the government and NGOs in finding a suitable job;
- the most popular reason for not registering with the SES among currently employed IDPs is that they have found work without help of the SES, including via transfers within their enterprise/organization from conflict-affected areas to the other areas of Ukraine;
- the most popular reasons for not registering with the SES among currently unemployed IDPs are that the SES offers very low-paid jobs and limited number of vacancies that would match their profession;

- many unemployed did not register because they did not believe in the effective help of the SES (particularly job-seekers with specific needs such as students, women with small children, older people, people with some disabilities); or they lacked the documents necessary for registration; or they did not know about the possibility of registering with the SES (the most popular reason among unemployed IDPs with general secondary or lower level of education). Some reported about having the stigma if registered as the official unemployed with the respective record in their labour books and about negative experience with the SES;
- the most popular and effective methods of job search that helped the currently employed IDPs (during the survey in June 2015) find their job or income-generating activity are asking relatives, friends, former colleagues, etc. ; responding to job ads in the published media, on the street and in the Internet; direct contacts with new employers or subsidiaries of the previous employer as well as automatic transfers of employees within an enterprise/organization from conflict-affected areas to the other areas of Ukraine;
- the overwhelming majority of the currently employed IDPs are wage and salaried workers, but there are also many own-account workers providing work for themselves and not having employees and some employers hiring permanent or temporary workers;
- the largest sector of the economy which provides jobs for about 30 percent of all employed IDPs in our sample is Wholesale and retail trade, repair of motor vehicles and motorcycles. The second and third most important sectors are Construction and Other service activities. All three sectors are known for widespread informality, job insecurity and seasonal, often casual, character of jobs. Given this, we can expect an increase in the unemployment rate of IDPs in late autumn and winter;
- elementary occupations, mainly in trade and repair, construction, education and other services, absorbed many IDPs workers who were not able to find better jobs in line with their previous occupation. These are mainly workers belonging before to skilled agricultural workers (group 6 according to ISCO), craft and related trades workers (group 7) and plant and machine operators, and assemblers (group 8). IDPs who previously worked at high-skilled jobs (groups 1-3) also experienced occupational downgrading, but mainly to non-manual jobs.
- many employed IDPs find their current employment worse than previous employment before displacement, particularly in such important aspects as the level of income/salary and fringe benefits. A significant proportion of them would like to change their current job (activity) but they did not take active steps to realize their intentions, probably because of the fear of staying without any job;
- the majority of the unemployed IDPs are women (68%), aged under 45 years (74%), holders of a college (22.3%) or university diploma (46.3%), with employment experience before displacement (81.8%), and active users of computer and the Internet. However, compared to the employed IDPs, those who were looking for a job at the survey time in June 2015 were relatively younger, less educated, less experienced and less able to use modern IT technologies;

- unemployed IDPs most often searched for job opportunities through job ads in the Internet, mass media and on the street; direct contacts with employers; and via their relatives, friends, neighbours; and volunteer organizations helping IDPs;
- the incidence of longer-term unemployment (over 6 months) is higher among women, older and highly educated workers who worked before displacement and who left their homes in August-September 2014;
- the majority of the unemployed IDPs were looking for full-time jobs, but each fifth job-seeker among surveyed IDPs would prefer part-time jobs. At the same time 17.3 percent of all surveyed unemployed IDPs would accept any work, including irregular and casual;
- half of the surveyed unemployed IDPs would accept only jobs that pay at least UAH 3000 per month (net wage for a full-time job), and over 20 percent would like to get at least UAH 5000. Males, prime-age and higher educated workers with employment experience before displacement have on average higher reservation wages;
- unemployed IDPs face many difficulties during their job search. The top six difficulties, shown in decreasing priority ranking, are: low wages offered by available jobs, lack of suitable jobs that would match to the education and profession of job-seekers, discrimination of IDPs in the labour market as employers refuse to hire them, lack of job-specific skills and relevant work experience as well as lack of job searching skills. Taking into account that many IDPs have very firm- or region-specific skills and that many people who did not work before displacement might have obsolete skills (if any), the issue of skills should be an essential element of the sustainable livelihood and active labour market programs for IDPs;
- the majority of surveyed unemployed IDPs are interested in participation in public or temporary works (up to 3 months) but these works should be better paid and better aligned to the specific needs of IDPs in order to address short-term economic hardship of IDPs and promote their longer-term employment;
- some unemployed IDPs are also interested in participation in some training programmes to enhance their employability, most often in foreign language or computer courses but sometimes also in acquiring entrepreneurial skills or job-specific skills for IT professionals, accountants, highly-skilled professionals in other areas, drivers and fitters of public transport, providers of beauty services, etc. Training vouchers that have to be provided by the SES to the disadvantaged IDPs according to the Law On amendments to some laws of Ukraine to strengthen social protection of internally displaced persons (№ 245-VIII, dated 5 March, 2015) are of particular importance in this respect;
- the majority of surveyed IDPs (61 percent) do not plan to move somewhere during the next 12 months that highlights the need for the sustainable livelihood strategy for IDPs with access to decent employment in its core. As expected, inactive people are relatively more willing to come back to their previous place of residence whereas unemployed IDPs are relatively more likely to go to the other settlement in Ukraine;

- availability of housing and jobs for family members are the most attractive factors that could encourage surveyed IDPs to further migration within Ukraine, given availability of a suitable job for respondent himself/herself. Mobility allowance from the government that is envisaged by the Law On amendments to some laws of Ukraine to strengthen social protection of internally displaced persons (№ 245-VIII, dated 5 March, 2015) is another possibility that is of interest for about 20 percent of all IDPs and 23.1 percent of unemployed IDPs. Access to public services such as education and medical care are also important factors that could encourage IDPs to move within Ukraine, particularly employed people with children for the former and inactive people for the latter;
- at the same time, relocation to rural area is unattractive to the majority of IDPs even if they were provided with a job and housing, except those who had previously lived in rural area and those who have no permanent place to live.
- the main income sources of IDPs largely depend on their labour market status: for currently employed IDPs it is labour income from permanent or casual work; currently inactive people rely more on pension, labour income of their household members or social assistance; the top three most popular income sources for unemployed are the same as for all IDPs and inactive people but they also rely relatively more often on help of relatives or friends and own savings;
- the most widespread strategies to cope with financial hardship, caused by resettlement from the conflict-affected areas, used by the surveyed IDPs, are rather passive. These are, in decreasing priority ranking: denying themselves basic necessities (food, goods, medicines, etc.), drawing up documents to obtain some social assistance from the state, borrowing money or sale of personal property, and delaying obligatory payments;
- according to in-depth interviews with employers, labour market situation is worsening because of the economic recession in Ukraine as a whole and mass mobility of IDPs, and many respondents significantly reduced their needs in hiring new workers. Hiring of new workers mostly occurs in sectors which need seasonal workers such as agriculture and fishing, and construction;
- despite a weak labour demand and a surplus of workers of all levels of education, finding highly-skilled professionals and workers with technical skills is the most difficult task for employers. The search is especially difficult when a worker has to combine several narrow professional skills, or to manage the equipment from different generations;
- most employers who have hired IDPs have quite positive impressions. According to them, IDPs as employees have little differences from the rest of their workforce, but often they are even more diligent workers because they cling to their jobs and depend on having a job more than local workers;
- however, the employers stressed that their main criterion for hiring is whether the candidate's skills and competences meet job requirements, and that they don't see any fundamental difference between IDPs and local employees;

- the most frequent barrier to hiring IDPs cited by the interviewed employers is the tough economic situation in Ukraine: decline in production, no need in new workers, inability to pay wages in full even to the already hired workers. Another important barrier for some respondents is the uncertainty about how long IDPs will stay at the new place. Employers are not ready to invest in such workers, particularly if long-term initial training is needed. Problems with documents (e.g. lack of local registration ("*propiska*") or a labour book) are not seen by employers as a major barrier in hiring IDPs;
- the overwhelming majority of surveyed employers did not know about any benefits in hiring IDPs provided by the state. Respondents indicated two main things which could make hiring IDPs more attractive. The majority of them think that the overall improvement of economic situation would be the most important. It would allow them to expand their business and hire new workers, and IDPs then would be able to compete with other candidates on general terms. Compensation of wages and/or training costs, tax benefits, assistance from the government in placing orders, finding new markets, etc. are also of interest to employers who could hire IDPs;
- the focus of the state policies and programmes targeted at IDPs should be on enhancing their employability (supply side measures) and improving access to employment (demand side measures);
- taking into account that many IDPs seeking for jobs are left outside the SES and therefore are not entitled to longer-term and more costly ALMPs, an important issue is to strengthen the capacity of the State Employment Service to respond to the needs of all job seeking IDPs and to encourage employers to cooperate with the SES and hire workers among the job seeking IDPs;
- leaving aside the fundamental measures to boost the economic and employment growth in Ukraine, we highlight five priority areas to overcome employment-related problems of IDPs: (i) improvement of the labour market information system in Ukraine, better access of job seeking IDPs to SES services and effective profiling of job seekers; (ii) better match of job seeking IDPs to available vacancies; (iii) more training (including on job search skills) and apprenticeship opportunities for IDPs who do not strictly follow all requirements for the registered unemployed; (iv) organization of high-skilled public and temporary works with active involvement of the private sector and more opportunities for subsidized employment; (v) flexible work arrangements and affirmative actions to tackle existing labour market discrimination towards some categories of job-seekers (women with children, older people, workers with disabilities).

CHAPTER 1: INTRODUCTION

2000

FACE-TO-FACE
INTERVIEWS
WITH **IDPS**:

18-70
YEARS OLD



CHANNELS FOR
RECRUITMENT
OF IDPS



IN **16** TOWNS
& CITIES
IN **9** OBLASTS

REGISTERED AS IDPS
BUT NOT AS THE
UNEMPLOYED

IN AUGUST
2014 | OR LATER

LEFT THEIR PLACES OF RESIDENCE
IN CRIMEA, DONETSK AND LUHANSK
OBLASTS

55 IN-DEPTH INTERVIEWS
WITH EMPLOYERS:



44
SMALL
FIRMS



6
MEDIUM
FIRMS



5
LARGE
FIRMS



ECONOMIC SECTORS
(INDUSTRIES)

IN **89** CITIES
OBLASTS

1. Introduction

1.1 Background

The ongoing conflict in the Donbas region in eastern Ukraine has exerted a strong impact on the social, economic, and political fabric in the region and in the country as a whole. According to the State Statistics Service of Ukraine (SSSU), real Gross Domestic Product declined by 6.8 percent in 2014 and by 17.2 percent in the first quarter of 2015. As a result of declining economic activity and labour demand, the unemployment rate in Ukraine has risen from 9 percent of the labour force aged 15-70 years in the first quarter of 2014 to 9.6 percent a year later. And it increased even more in the conflict-affected areas: from 9.1 to 14.4 percent in Donetsk oblast and from 8.4 to 15.3 percent in Luhansk oblast.

The dangerous security situation in the conflict-affected areas and unbearable living conditions caused thousands of civilians to flee to the areas controlled by the Ukrainian government. As of 31 July 2015, the country hosted about 1,414,800 internally displaced persons (IDPs) and the number is increasing weekly (Figure 1.1). But the real number of IDPs remains unclear as many displaced do not register as they do not need government assistance while some adult men do not register in order to avoid conscription (UNHCR, 2014).

Internally displaced person is a citizen of Ukraine, permanently residing in Ukraine, that was forced or voluntarily left one's residence place as a result of or in order to avoid negative impact of armed conflict, temporary occupation, situations of generalized violence, mass violations of human rights and disasters of natural or human-made origin.

The fact of internal displacement shall be proven by the certificate of registration of an internally displaced person. Registration of residence at the territory where circumstances referred to above at the moment of emergence of such circumstance shall be grounds for registration of a person as internally displaced.

In order to get a certificate, a person shall approach social protection department of the local state administration at the place of actual residence with an application for certificate of registration as an internally displaced person.

Source: The Law of Ukraine On ensuring of rights and freedoms of internally displaced persons, dated October 20, 2014 (its unofficial translation in English is available at <http://unhcr.org.ua/en/2011-08-26-06-58-56/news-archive/1231-internally-displaced-people>).

The largest number of IDPs is geographically located in the areas close to their homes, particularly in the areas of Donetsk and Luhansk oblasts under government control (Figure 1.1). Large numbers of IDPs are hosted in the first line of oblasts surrounding the Donbas region, namely in Kharkiv, Zaporizhia, and Dnipropetrovsk oblasts. Some IDPs have moved to other regions of Ukraine, with larger groups in Kyiv City and oblast, Poltava and Odesa oblasts. Many IDPs wish to maintain close ties to family and property

left behind, and therefore fewer of them travelled the length of the country to long-distance areas in western Ukraine (UNHCR, 2014).

Figure 1.1. Internally displaced people in Ukraine, as of July 31, 2015



Source: UNCHR, <http://unhcr.org.ua/en/2011-08-26-06-58-56/news-archive/1244-internal-displacement-map>.

Although the Ministry of Social Policy of Ukraine (MoSP), UNCHR and other agencies collecting information on IDPs in Ukraine report about the disproportionately high numbers of female IDPs, pensioners and children and the disproportionately low number of working age people as compared to the average demographics in Ukraine, there are supposedly many working age people among the IDPs who seek employment.¹ Their presence in labour markets weakened by the economic downturn is exacerbating labour market pressures, namely competition for scarce jobs and downward wage pressures.

¹ As of June 25, 2015, there are 1,357,000 IDPs registered with the social protection departments according to the Resolution of the Government of Ukraine № 509 dated October 1, 2014. Among them, 319,000 are working age people (23.5 percent), 807,000 are pensioners (59.5 percent), 172,000 (12.7 percent) are children, and 58,000 (4.3 percent) are people with disabilities. When receiving a certificate of registration, 112,000 working age IDPs indicated that they had been in need of work. In the period from the 1st to the 25th of June 2015, over 4,000 working age IDPs contacted the social protection departments and indicated the need of work. This information is taken from a weekly update of the SES on IDPs (http://www.dcz.gov.ua/control/uk/statdatacatalog/list/category?cat_id=30543, accessed on August 5, 2015).

However, comprehensive data on employment needs and the unemployment rate of IDPs are not available as only few IDPs register with the SES. A survey of IDPs which is conducted monthly by the SES representatives among the IDPs contacting the social protection departments finds that out of 2,966 IDPs surveyed during June 1-25, 2015, 1611 people (54 percent) do not plan to use the SES services, mainly because they planned to start a job search later or because they have been already employed. Qualitative information and anecdotal evidence through interviews of individuals indicate that many of them did not register because they consider their current situation as temporary, cannot go to work because they have to take care of other family members or have no entitlements for unemployment benefits and thus do not consider to approach the SES. Whatever the reasons are it is obvious that many of them are looking for work.

According to the SES data,² in the period from March 1, 2014 to July 31, 2015, 54,227 IDPs got various types of assistance from the State Employment Service. Of them, 38,963 IDPs received the status of unemployed and 31,618 IDPs received the unemployment insurance benefits. As of July 31, 2015, there were 13,582 people having certificates of IDPs who registered with the SES as the unemployed. Over half of these registered job-seekers are located in five regions, namely in Dnipropetrovsk, Donetsk, Kharkiv, and Zaporizhia oblasts and in Kyiv City. This reflects very much the overall distribution of IDPs in Ukraine (Figure 1.1). The SES has information on the education level, professional qualification and work experience of the registered job-seekers among IDPs and also those who have already found employment through the SES. This information provides some details on which professions and areas of economic activity IDPs were able to find employment but it covers only the specific segment of IDPs who were registered with the SES.

Those studies that shed light on the employment needs of IDPs without taking into account registration with the SES are usually based on a small-scale survey of IDPs in one or few regions. Moreover, they usually analyze employment needs along with many other needs and do not provide a conclusive picture on employment, unemployment and coping strategies of IDPs and their willingness to cooperate with the SES.

For example, Labour and Health Social Initiatives (LHSI) conducted a survey of 471 IDPs in December 2014- January 2015 in Kyiv city, Poltava, Zaporizhia, Dnipropetrovsk, Chernihiv, Kharkiv, Lugansk, Zakarpattia, Ivano-Frankivsk and Lviv oblasts, in which the needs of internally displaced people in Ukraine were assessed (LHSI, 2015). The results showed that the primary needs of the IDPs are: financial (employment); humanitarian (food and clothes); housing (permanent or temporary lodging); and medical need. Financial or employment need has been mentioned by 69 percent of all respondents. Among the secondary needs of IDPs are: social (participation in community life), legal (protection of rights), psychological, cultural and political (participation in political life). According to the survey, most of the respondents were middle-aged women (76.8 percent) with minor children (65.3 percent), who needed a special approach such as home based work, training after formal education and psychological support. The report concluded that in view of the fact that 45 percent of the respondents

² A weekly update of the SES on IDPs

(http://www.dcz.gov.ua/control/uk/statdatacatalog/list/category?cat_id=30543, accessed on August 5, 2015).

were not satisfied with their financial and employment situation, there is an urgent need for a comprehensive approach on supporting job placement of IDPs and providing them with an affordable housing, with a broad involvement of all local, national and international resources.

International Renaissance Foundation conducted a study “Problems of Adaptation and Employment IDPs in Luhansk” (IRF, 2015) using the data from a survey of 500 IDPs living in Luhansk oblast, visits to the places of IDPs’ residence, employment centres and private entrepreneurs, interviews with small and medium enterprises, also applying the method of “secret clients” in employment in order to explore the attitude of employers to IDPs and overall employment opportunities. The study reveals that finding work is one of the key issues for IDPs. People often lack basic job search skills and also job-specific skills in certain occupations. 73 percent of surveyed IDPs believe that training courses on the basics of job search and professional reorientation would be useful for them. Among the most popular topics for training or re-training courses, respondents identified CV writing, computer courses, and courses on the income opportunities in the Internet (IRF, 2015).

1.2 Objectives and organization of the report

In the absence of comprehensive employment-related data on IDPs further research is required to better understand the employment needs of IDPs and the level of employability of IDPs in the current environment. The ultimate objective of this research is to support the SES and the Government of Ukraine in designing well-targeted and effective active labour market programmes and broader measures of the economic and social policy that are in line with professional qualifications and specific needs of IDPs (supply side) and also meet the needs of employers (demand side). This will help enhance the labour market integration of IDPs and reduce their dependency on social transfers, but also will hopefully improve the functioning of the labour market, leading to lower unemployment and higher productivity.

Based on the sample survey of 2000 IDPs not registering with the SES and 55 in-depth interviews with employers, this report provides the following important information:

- the labour market status, the unemployment rate and the share of potentially active people among working age IDPs not registering with the SES;
- the main reasons why the job seeking IDPs have not registered with the SES;
- characteristics of employment for those IDPs who have found employment, and in which aspects this employment differs from previous employment before their displacement;
- alternative channels of job search used by the unemployed IDPs, difficulties in finding employment, reservation wage and the desired type of job, and interest of job-seekers in participation in public and temporary works and training courses organized by the SES;
- further migration intentions of IDPs and their survival strategies;
- employment and training opportunities from the employers' side for all job-seekers in Ukraine and for IDPs in particular.

The remainder of the report addresses these questions, in the following manner. The next section in this chapter describes the methodology of the survey of IDPs (component 1) and interviews with employers

The remainder of the report addresses these questions, in the following manner. The next section in this chapter describes the methodology of the survey of IDPs (component 1) and interviews with employers (components 2) conducted for the study. Second chapter uses information collected in the individual-level survey of IDPs to focus on the supply side of the labour market among IDPs. The third chapter provides the main findings from in-depth interviews with employers. The last chapter suggests policy recommendations based on the results of the assessment of employment needs of IDPs and their employment opportunities.

1.3 Methodology of the study

Component 1. Survey of IDPs

Sampling design and fieldwork

The quantitative survey of IDPs has been conducted by the Kyiv International Institute of Sociology. The main fieldwork was carried out during June 1-18, 2015. Additional interviews were conducted during June 25-26 after the stages of field control and verification of the entered data.

The target population of the survey includes people aged between 18 and 70 years, who had been internally displaced from Crimea, Donetsk and Luhansk oblasts. Additional important criteria used in this survey are: (i) individuals had left their place of residence not earlier than in August, 2014; and (ii) they have been registered as IDPs in the social protection department of the local state administration (i.e. had a certificate of registration), but have not been registered as unemployed by the State Employment Service.

The total number of respondents was initially 2151, but 151 interviews had been removed from the dataset as not correct. The final sample includes 2000 respondents.

The fieldwork was conducted in nine oblasts: Donetsk, Luhansk oblasts (in towns which are under control of Ukrainian authorities), Dnipropetrovsk, Zaporizhia, Kharkiv, Kyiv, Odesa, Poltava and Lviv oblasts. According to the MoSP data as of March 27, 2015, 91 percent of all IDPs and 86 percent of all working-age IDPs were registered in these oblasts. Initially it was planned to conduct a survey only in oblast centres in non-conflict-affected oblasts and in the largest towns in the territory under control of Ukraine in Donetsk and Luhansk oblasts. But during the fieldwork the geography of the research has been expanded in order to cover the target population better. In the end, the survey has been conducted in 16 cities and towns of 9 oblasts (see Table A.1 in Annex A)

Selection and recruitment of respondents

According to the provisional outline, it was originally intended that the interviews would be conducted in the social welfare offices of MoSP where the IDPs had to re-register. Therefore, the selection of respondents was planned as random with a certain step. However, the first attempts of implementation of this strategy showed that in most towns and cities the daily number of IDPs attending the social welfare

It was impossible to implement a sample close to the random one, as there were no conglomeration points where every IDPs would have a chance to show up with an equal probability (or with a probability that can be assessed) during May-June 2015. Besides, the KIIS did not have access to any lists of IDPs. For these reasons, the respondents have been chosen in a non-random way and the sample is not based on the predefined criteria following from the total population.

Overall, four channels have been used to get to the IDPs:

- places of compact residence (health resorts, hostels for forced migrants, so called “modular towns”, recreation camps etc.);
- public institutions (social protection departments of local state administrations, local offices of the State Migration Service and the State Emergency Service);
- charity funds and volunteer organizations, which work with forced migrants, through centers of distribution of humanitarian assistance etc.;
- personal contacts of interviewers and through the contacts provided by the interviewed IDPs (“the snowball”).

In order to compensate for the systematic bias that could be caused by the attempt of searching for IDPs, the interviewing teams were given a task to maximize the diversity of survey points (for example, to avoid searching for IDPs only in places of compact residence). Nevertheless, in oblasts with a relatively low share of IDPs (Lviv, Odesa, and Poltava oblasts) the interviewing teams had to use one or two of the most productive ways of search. Distribution of respondents by region and the channel used for their search is provided in Table A.2 in Annex A.

The survey was conducted using a face-to-face interview method in the points where the contact with the respondent was initiated.

An important remark worth emphasizing is the willingness of respondents to engage in the dialogue, high social importance of the research, the willingness of volunteers and charity organization members to help with the survey, as noted by the interviewers and their supervisors.

Tools for the survey

Tools for the survey received by each interviewer include the following:

- a questionnaire in Russian consisting of 68 questions in 8 sections, namely A. Screener, B. Information about respondent, C. Information about previous economic activity/ employment before displacement, D. Filter questions about current labour market status, E. Characteristics of employed individuals, F. Characteristics of non-employed individuals, G. Expectations and plans for future, H. Survival strategies. The questionnaire has been developed by the team on the basis of the Labour Force Survey questionnaire developed by the State Statistics Service of Ukraine (SSSU) to define labour market statuses – employed, unemployed, inactive – as well as sectors and occupations of employed IDPs strictly in line with the standard ILO criteria and classifications used by the SSSU for its

labour market statistics (Box 1).³ It allows comparison of the key labour market indicators for the surveyed IDPs with those provided by the SSSU for Ukraine and regions,

Box 1. Definition of current labour market statuses

A person is classified as **employed** if, during the reference week (complete week from Monday till Sunday prior to the interview), he/she met one of the following criteria:

- he/she had some paid (with money or in-kind) work or income-generating activity/business;
- he/she had some temporary or casual work or activity (at least for one hour), even for negligible payment or income in the form of money or in-kind or with expectation of being paid;
- he/she was employed as unpaid family helper, working in a family enterprise/business, or subsidiary agricultural plot, with the aim of contributing to the generation of income for the family;
- he/she had a job, own business or income-generating activity at which he/she was temporarily absent during the last week (due to illness or injury, paid vacation, days off or holidays, etc.).

A person is classified as **unemployed**, if he/she simultaneously satisfies the following two conditions:

- he/she did not have any paid work or income-generating activity during the reference week;
- he/she was actively seeking work or trying to launch a business in the four weeks prior to the interview.

Standard third criteria of being available for work (i.e. for paid employment or self-employment) within the next two weeks has not been used for defining the unemployed in our survey because many job-seekers did not provide any definite answer to the question about availability for work. In this respect our definition of the unemployed differs from the one used by the SSSU.

The **currently active population (or labour force)** comprises all persons who fulfil the requirements for inclusion among the employed or unemployed populations as defined above.

The **economically inactive population** (that is, **persons out of the labour force**) consists of persons who were neither employed nor unemployed during the reference period. This group comprises the following functional categories: people with retirement or disability pensions or retired on preferential terms; students; those engaged in household duties and/or caring for children or sick family members; discouraged workers; people who did not know where and how to seek work or who believed there are no suitable jobs for them; people with no need to work for other reasons.

- a set of cards with suggested alternatives of answers for the closed questions,
- interviewer's manual guide,

³ Namely, "one hour of work" criterion for the definition of employed, 1-digit groups from the International Standard Classification of Occupations (ISCO)-1988 for occupational groups, and "letter" groups from the Statistical Classification of Economic Activities in the European Community, Revision 2 (NACE Rev.2) for economic sectors.

- a form of complete interviews in which an interviewer had to fill in the name, telephone number and location of the interview for every respondent,
- an attendance form in which an interviewer had to fill in the time, duration of staying at a certain point of the survey, a number of conducted interviews and a number of refusals to answer the questions, special assignments according to the sample (including the list of points where one could find forced migrants).

Besides, every interviewer had three letters of support: from the Ministry of Social Policy, from the International Labour Organization and from the Kyiv International Institute of Sociology.

Control over the field stage and logical control

In total 217 questionnaires had been verified with help of the telephone control method. Several interviews have been selected for control from every interviewer (up to 10% from the total number of the questionnaires collected by this interviewer). If the majority of selected interviews turned out to be unconfirmed, additional telephone calls were made and, if necessary, the questionnaires were removed from the dataset.

Besides, the accuracy of respondent's selection, based on checking whether they belong to the target population of the survey, was verified. The dataset was also checked to see if there were any errors and if the logic of transition between the questions was correct, and the respective changes have been done if necessary. Particular attention has been focused on the accuracy of codes for occupations and economic sectors of the employed provided by respondents that has been checked with answers to open-ended questions about the job title and the main economic activity of employer.

Socio-demographic characteristics of respondents

The main characteristics of respondents, namely gender, age, period of migration, and the former place of residence in the total sample and by region are shown in Table A.3 in Annex A. The majority of interviewed IDPs are women, prime-age workers, who moved from Donetsk and Luhansk oblasts in August-September 2014. Sample parameters are rather close to the data of the State Employment Service for all Ukraine and for those IDPs who are registered as unemployed, except for the previous occupational group (see Table A.4 in Annex A).

The sample includes 10.8 percent of people aged 60-70 years which is significantly lower than in the official data of MoSP, according to which about 60 percent of all registered IDPs are pensioners.⁴ Lower percentage of old-age pensioners in our sample can be explained by several factors:

- no strict quota on the number of working-age respondents, which is set separately for every oblast and is based on the official data from the MoSP (starting from not less than 45 percent of working-

⁴ According to the UNHCR report "Profiling and needs assessment of internally displaced persons (IDPs)" (17 October 2014, available at <http://unhcr.org.ua/attachments/article/971/IDP.pdf>) pensioners comprised 19 percent of all IDPs and 27.5 percent of adults.

age population in Donetsk, Luhansk, Kharkiv and Zaporizhia oblasts up to not less than 70 percent in Kyiv, Odesa and Lviv oblasts);

- potentially lower response rate among older people due to the specific topic of the survey (employment);
- lower percentage of pensioners who actually reside on the non-occupied territory of Ukraine compared to those who had registered on the non-occupied territory of Ukraine to apply for pension and social assistance but kept living in the conflict-affected occupied areas (so called “pension tourists”).

Having on hand the accurate data about the number of older people of retirement age who actually reside in every oblast, the data can be balanced and brought into accordance with an actual age structure of forced migrants.

Comparison of respondents by socio-demographic and job-related characteristics across the channels used for their search shows that IDPs interviewed in places of compact residence have lower levels of education, they worked in lower-level occupational groups before migration and are less likely to work now, and a higher share of them cannot use computer and Internet (Table A.5 in Annex A). Among IDPs interviewed in volunteer organizations and via the snowball method, there is a higher share of people with complete higher education. Larger shares of the IDPs interviewed in public institutions and via the snowball were employed during the survey. The combination of survey points allows decreasing the possible systematic bias.

Component 2. In-depth interviews with the representatives of employers and employment agencies

Sampling design and fieldwork

The second component of the study – a qualitative research study to explore the attitudes of the Ukrainian employers concerning current situation on the labour market in general and employment of IDPs in particular – was also conducted by the Kyiv International Institute of Sociology (KIIS).

The field work of the study took place on June 5-16, 2015 and included 55 in-depth interviews with employers or their representatives who are the best informed about recruiting practices in their enterprise, including one interview with the local office of the SES (i.e. an employer and employment mediator at the same time). One additional interview was with a volunteer NGO which helps IDPs to find employment. Two interviews with employment mediators were conducted on June 29-30.

The regional points for interviews were selected by researchers involved in the project (sociologists and economists) and then approved by the ILO DWT/CO Budapest project team. After a mutual agreement, interviews were conducted in 9 cities: Lviv, Kharkiv, Zaporizhia, Dnipropetrovsk, Odesa, Mariupol and Artemivsk (Donetsk oblast), Lisichansk (Luhansk oblast) and Kyiv .

Enterprises (i.e. respondents) were distributed proportionally among quotas according to their size and type of economic activity (Table A.6 in Annex A). The quota task was prepared on the basis of the following statistics provided by the State Statistics Service of Ukraine (SSSU):

- 1) statistical yearbook "Activity of large, medium and small enterprises", statistics on the number of enterprises by size and economic activity in 2010-2013;
- 2) official web-site of SSSU, statistics on the number of active enterprises by region and economic activity as of November 1, 2014 (data access 15.05.2015);
- 3) statistical Bulletin in January- March 2015, statistics on the number of subjects of economic activity by organizational form as of April 1, 2015.

An important characteristic used in the selection of enterprises is their form of ownership. As there is no official classification and information on the form of ownership in Ukraine, organizational and legal form has been used as a proxy. Among 55 surveyed enterprises, four belong to the public sector and the rest are private ones (and some mixed forms).

Selection and recruitment of respondents

Selection of participants was organized by KIIS from its Head office in Kyiv and was implemented by KIIS regional recruitment managers who are heads of regional interviewers' network.

Recruitment has been done with combining the two methods. First, recruitment from the database of respondents, who participated in previous studies conducted by KIIS and agreed to take part in the other surveys. Second method is a "snowball" method: participants were selected from the lists formed on the basis of recommendations of already selected respondents, given that they met characteristics necessary for the study. Primary informants in this "snowball" method were selected via personal contacts of recruiters.

The average duration of the in-depth interviews is about 37 minutes. There were no significant problems encountered during recruitment process or conduction of the in-depth interviews.

CHAPTER 2:

EMPLOYMENT NEEDS AND COPING STRATEGIES OF IDPS NOT REGISTERING WITH THE SES

OVER
45%
OF SURVEYED IDPS
NEITHER WORKED
NOR WERE LOOKING FOR
ANY WORK DURING
THE REFERENCE WEEK IN
JUNE 2015

34.1%
OF ECONOMICALLY
ACTIVE IDPS

OR

18.2%
OF ALL SURVEYED IDPS
WERE UNEMPLOYED

THE TRADE AND REPAIR OF MOTOR
VEHICLES SECTOR EMPLOYS

ABOUT **30%** OF
ALL EMPLOYED IDPS



OVER
40%

OF EMPLOYED IDPS EXPERIENCED
WORSENING OF WORK
CHARACTERISTICS (MAINLY LEVEL OF
WAGES AND FRINGE BENEFITS)
COMPARED TO THEIR EMPLOYMENT
BEFORE DISPLACEMENT



LOW
OFFERED
WAGES



AVAILABILITY OF
HOUSING AND **JOB**S FOR
FAMILY MEMBERS ARE THE
MOST ATTRACTIVE FACTORS
FOR FURTHER MIGRATION
WITHIN UKRAINE



LACK OF
TRANSFERABLE
SKILLS

ALMOST **75%**
OF IDPS REVISED THEIR
ESSENTIAL NEEDS IN
ORDER TO SURVIVE

2. Employment needs and coping strategies of IDPs not registering with the SES

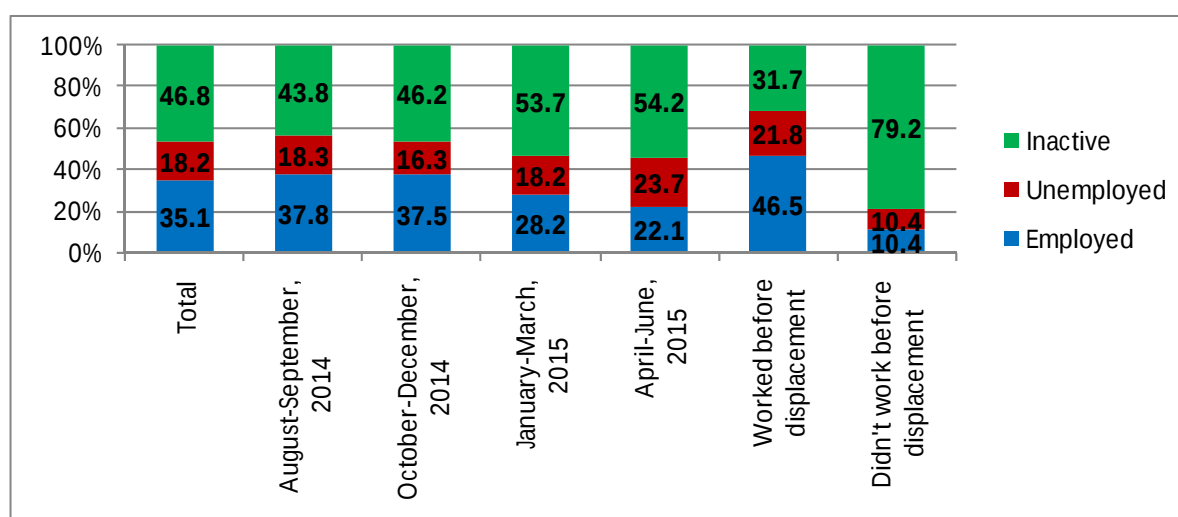
This section identifies the profile of IDPs not registering with the state employment service, their employment needs and coping strategies based on the survey of 2000 IDPs conducted for this study. One of the main focuses is on the unemployed IDPs and their willingness to cooperate with the SES. This information will help improve the design of the job placement strategy and active labour market programmes (ALMPs) to make them better aligned to the specific needs of IDPs and therefore facilitate their employment.

2.1 Current labour market status, previous employment experience and the reasons for inactivity of IDPs

Composition of the surveyed IDPs by labour market status

The supply side of the labour market is usually described in terms of classificatory groups of people regarding their economic activity (or labour market) status. The main three are the employed, the ILO unemployed and the economically inactive. Using the standard criteria for defining the current labour market status (see Box 1), we get the composition of surveyed IDPs by their labour market status in June 2015 (Figure 2.1). The inactive people make up a significant share of IDPs – 46.8 percent of the total sample, and it tends to be ever larger among those who moved from the conflict-affected areas later and among people who did not work before their displacement.

Figure 2.1. Labour market status of the surveyed IDPs, by the period of displacement and previous employment experience (%)



At the same time, the share of employed people tends to decrease over time, from 37.8 percent among the most numerous group of IDPs who moved in August-September 2014, to 22.1 percent among the most recent and smallest group of IDPs who moved in April-June 2015. This is most likely because people

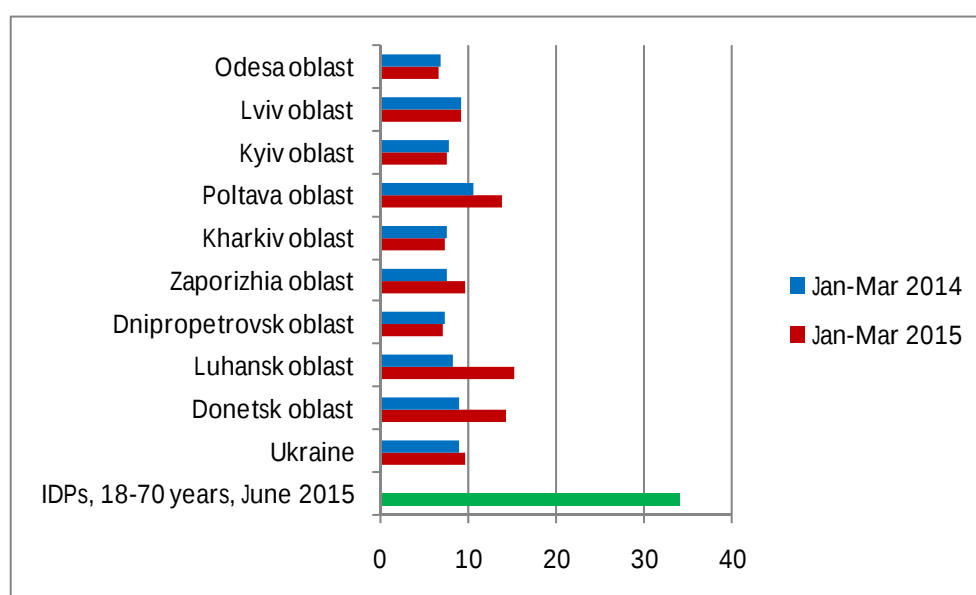
who moved later did not have enough time to settle on a new place and find employment. Besides, recent IDPs may face more difficulties in finding employment as the economic downturn in Ukraine has resulted in significant employment losses and therefore significant slack in the labour market, particularly in the regions seeing huge influx of IDPs over the last 18 months.

Not surprisingly, the share of employed people is significantly higher among IDPs who worked before displacement compared to those who not. As we will see later, many of those previously employed changed their place of residence but not firm and occupation because large firms with many subsidiaries over Ukraine transferred their employees from conflict-affected areas to the other areas. Others were more actively engaged in search for a new job to get a permanent income source and to avoid depreciation of skills.

Unemployment rate among the surveyed IDPs

The unemployed, i.e. people without any work or income-generating activity who have looked for work in the past four weeks prior to the survey, comprise 18.2 of the total sample. The share of the unemployed ranges between 16.3 percent among IDPs who moved in the end of 2014 to 23.7 percent among recent IDPs (Figure 2.1). The unemployment rate among IDPs is estimated at 34.1 percent of all economically active IDPs, and it peaks at record high 51.7 percent among recent IDPs. It is significantly higher than the unemployment rate among total population aged 15-70 years in Ukraine and in nine regions covered by our study, as published by the State Statistics Ukraine for the first quarter of 2015 (Figure 2.2).

Figure 2.2. Unemployment rate among surveyed IDPs (18-70 years) vs. total population (15-70 years) in Ukraine and selected regions (% of the labour force)



Source: SSSU, on-line statistics for Ukraine (excluding Crimea and Sevastopol) and oblasts; authors' calculations for IDPs.

As a result of the armed conflict, concurrent economic downturn and forced migration of population within and between regions, unemployment levels rose in many regions of Ukraine between January-March 2014 and the same period twelve months later, particularly in Donetsk, Luhansk and Poltava oblasts (Figure 2.2). However, even the highest unemployment rate among total population aged 15-70 years in Luhansk oblast (15.3 percent) is twice lower than among all IDPs surveyed in our study. This suggests that IDPs are much more affected by unemployment than other categories of population and need strong support of the government and NGOs in finding a suitable job. The details on the characteristics of the unemployed IDPs and the main difficulties seen by them during the job search are analyzed in a separate section below.

Inactivity of surveyed IDPs and the main reasons for it

Along with much higher unemployment rate compared to the total population, IDPs also have significantly higher inactivity rate. According to the SSSU data for the first quarter of 2015, the inactivity rate of people aged 15-70 years was around 38 percent in Ukraine as a whole, 34.6 percent in Luhansk oblast and 41 percent in Donetsk oblast, which is 5.8-12.2 percentage points lower than among surveyed IDPs (see Figure 2.1. above).

An important question then is how many of these inactive IDPs worked before displacement, are work-able now and therefore are potentially able to enter the labour market when they complete their studies, arrange childcare for their small children or lose important income sources such as social assistance to IDPs from the government and NGOs. Two out of three inactive IDPs in our sample are either pensioners or have some health problem or need to take care of family members, with significantly larger shares of pensioners and people with disabilities among males and larger share of people with family and care responsibilities among females (Table 2.1). 7.8 percent of the total number of inactive IDPs and 32.6 percent of inactive youth need to finish their studies. 4 percent of the total number of inactive IDPs and 6.3 percent of inactive male IDPs had other income sources than work.

At the same time, 19.3 percent of inactive IDPs (or 179 respondents), most often men and prime-age workers, can be classified as marginally attached to the labour market because they mentioned the reasons for not searching a job during the reference period which are related to some job search-related difficulties (lack of documents, discouragement, short period of stay on a new place, etc.) rather than to long-term inactivity (Table 2.1). If we add up students and women aged 18-44 years with care responsibilities to this number, we get 501 potentially active people out of 934 inactive IDPs. In other words, over 53 percent of the surveyed inactive IDPs are work-able and not receiving pensions, and may become active job-seekers soon.

Table 2.1. Main reasons for inactivity of surveyed IDPs, by gender and age (%)

	Male	Female	18-29 years	30-44 years	45-59 years	60+ years	Total
Previous employment was not terminated	2.9	2.2	0.0	3.0	6.0	0.0	2.4
Documents required for employment (labour book, certificates of education etc.) are missing	7.3	3.9	4.2	6.6	4.6	2.1	4.6
Hope to come back to the previous place of residence and work	4.4	2.4	2.3	3.3	4.1	1.1	2.8
Discouraged (tired of unsuccessful job search)	5.9	3.6	2.8	6.3	5.5	0.5	4.1
Do not know how and where to search for a job	0.5	1.1	0.5	2.3	0.0	0.5	1.0
Believe that there is lack of suitable jobs	2.4	2.5	1.4	4.3	1.8	1.6	2.5
Moved recently, did not have time for search	1.5	1.1	1.4	2.0	0.9	0.0	1.2
Already found (incl. via transfer), wait for a job to start	1.0	0.7	1.4	1.3	0.0	0.0	0.8
Total, marginally attached	25.9	17.5	14.0	29.1	22.9	5.8	19.3
Family responsibilities, need to take care of children, sick or elderly members of family	3.9	39.4	48.8	50.0	14.2	2.6	31.5
Own illness, injury or disability	15.1	8.1	1.4	11.3	21.1	3.1	9.6
On pension (for age or years of service)	28.8	25.1	0.0	1.3	32.6	86.4	25.9
Need to finish studies in educational institution or (re)training courses	16.6	5.3	32.6	0.7	0.0	0.0	7.8
Did not need a job as there are other means for subsistence	6.3	3.3	1.4	5.0	6.9	2.1	4.0
Total, completely inactive	70.7	81.3	84.2	68.2	74.8	94.2	78.8
Other	1.5	0.6	0.5	1.3	1.4	0.0	0.9
DIFFICULT TO SAY / REFUSE TO ANSWER	2.0	0.7	1.4	1.3	0.9	0.0	1.0
Total	100	100	100	100	100	100	100

Note: Inactivity means here being not employed and not looking for a job after displacement (during the last 4 weeks prior to the survey).

Compared to the currently unemployed IDPs (see Table B.1 in Annex B), these potentially active people have higher shares of women and young people with secondary vocational or incomplete higher education (tertiary vocational) and modern skills (computer and Internet). However, a lot of them did not work before displacement and might be binded by childcare responsibilities.

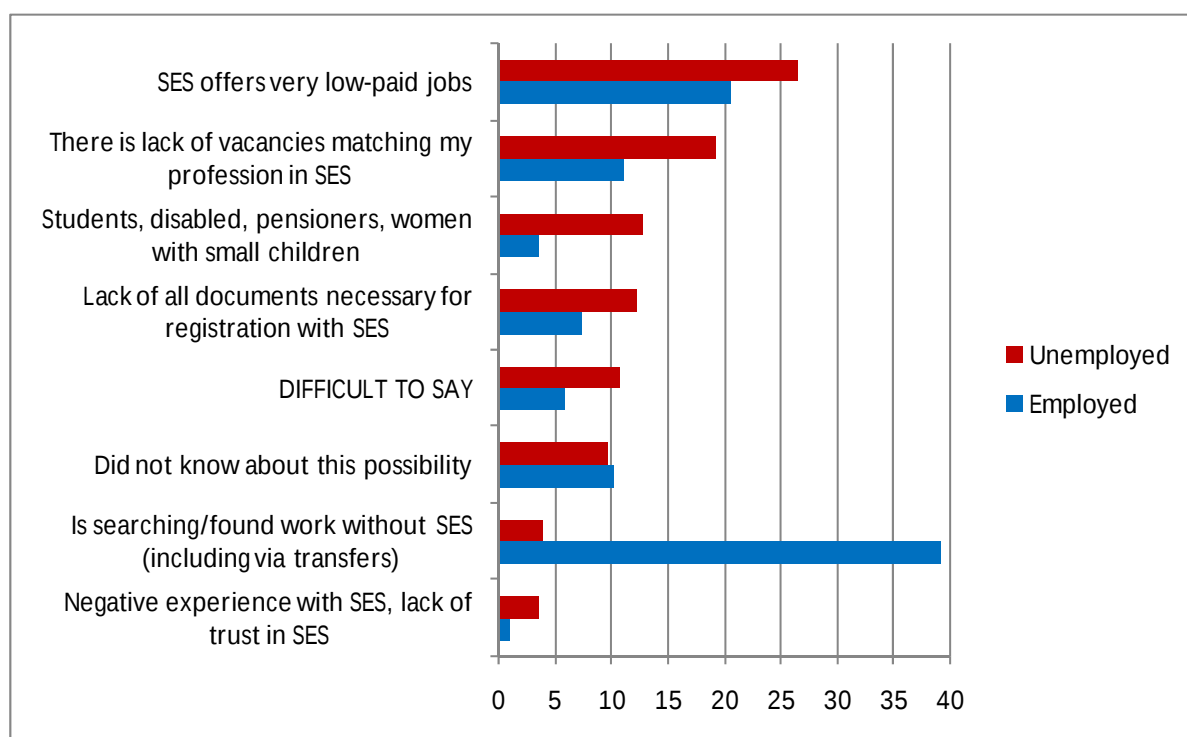
There are two important implications for the policy. First, specific, well-targeted measures aimed at facilitation of transition from education and maternity leave to work are needed. These may include wage subsidies or a social security exemption, job rotation and job sharing, vocational (re)training and internship, and perhaps self-employment schemes. Second, it is important to improve the employment opportunities of women with care responsibilities by providing more part-time jobs or jobs with flexible forms of work (including distance work) but with the same social benefits as for full-time jobs (Kupets, 2010).

2.2 The reasons for not registering with the SES

Among 2000 IDPs surveyed in our study, 25.4 percent contacted the State Employment Service since their forced resettlement but none of them has registered with the SES as a job-seeker. This is explained by the survey design which was targeted at IDPs not registered with the SES (see Section 1.3).

Overall, each third IDP in the sample reported that he or she did not register with the SES because of being a student, a mother on maternity leave, a pensioner or a person with disabilities (Table B.2 in Annex B). But this does not mean that all these people were inactive. Over 10 percent of them have found a job (classified as employed) or were looking for it at the survey time (classified as unemployed) on their own, probably being aware of limitations in the SES regarding their registration and effective support in employment (Figure 2.3).

Figure 2.3. Top reasons for not registering with the SES among surveyed economically active IDPs



As expected, there are significant differences in the main reasons for not registering with the SES between employed and unemployed people (Figure 2.3). For example, the most popular reason among employed IDPs is that they have found work without help of the SES, including via transfers with or within their previous employer. The second most popular reason among the employed and the first one among the unemployed is that the SES offers very low-paid jobs. Moreover, a large share of the employed and unemployed IDPs (11.1 and 19.3 percent, respectively) are dissatisfied with the number of available vacancies in the SES that would match their profession. Taking into account that the overwhelming majority of vacancies in all occupational groups and in the total number of vacancies reported by the SES in the end of 2014 offered wages below UAH 3000, and that the number of registered unemployed

significantly exceeds the number of available vacancies in all occupational groups and regions,⁵ it is clear why many active job-seekers among IDPs are unwilling to register with the SES.

Lack of all documents necessary for registration with the SES is also an important reason mentioned most often by the unemployed (12.1 percent), i.e. IDPs who have been looking for a job at the survey time and therefore could be potential clients of the SES. The Resolution of the Ukrainian Government aimed at simplification of the procedure of registration of IDPs as the unemployed (№ 473 approved on July 8, 2015), is likely to encourage some IDPs to register with the SES. However, it will not bring all IDPs seeking for a job to employment centres of the SES as the overwhelming majority of them do not believe in the effective help of the SES, some report about having the stigma if registered as the official unemployed with the respective record in their labour books, and therefore they prefer to use other channels of information about employment opportunities.

If we consider only currently unemployed IDPs who comprise 18.2 percent of the total sample and compare the reasons for not registering with the SES by gender, age, education and previous employment experience, the issue of low-wage jobs offered in the SES is the most popular reason among all subgroups, except for the least educated people and those who did not work before displacement (Table B.3 in Annex B).

The most popular reason among unemployed IDPs with general secondary or lower level of education is that they simply did not know about the possibility of registering with the SES. This suggests that either information about activity of the SES did not reach the least educated job-seekers or that these job-seekers were not interested in knowing more about the SES services. In any case, the SES should improve its promotion campaign through the popular TV and radio channels in order to expand the pool of potential clients.

IDPs who didn't work before displacement but who would like to work now, often belong to vulnerable groups with special needs (pensioners, students, people with disabilities, women with small children). They prefer to find a suitable job using the other channels because the SES either refuses to register these people or does not help finding specific jobs, i.e. part-time jobs for women with small children. Alternative channels of job search and other important characteristics of the unemployed IDPs are analysed in detail in Section 2.4 after a closer look at the characteristics of the employed IDPs in the next section.

2.3 Characteristics of current employment

Methods of job search used by the employed IDPs

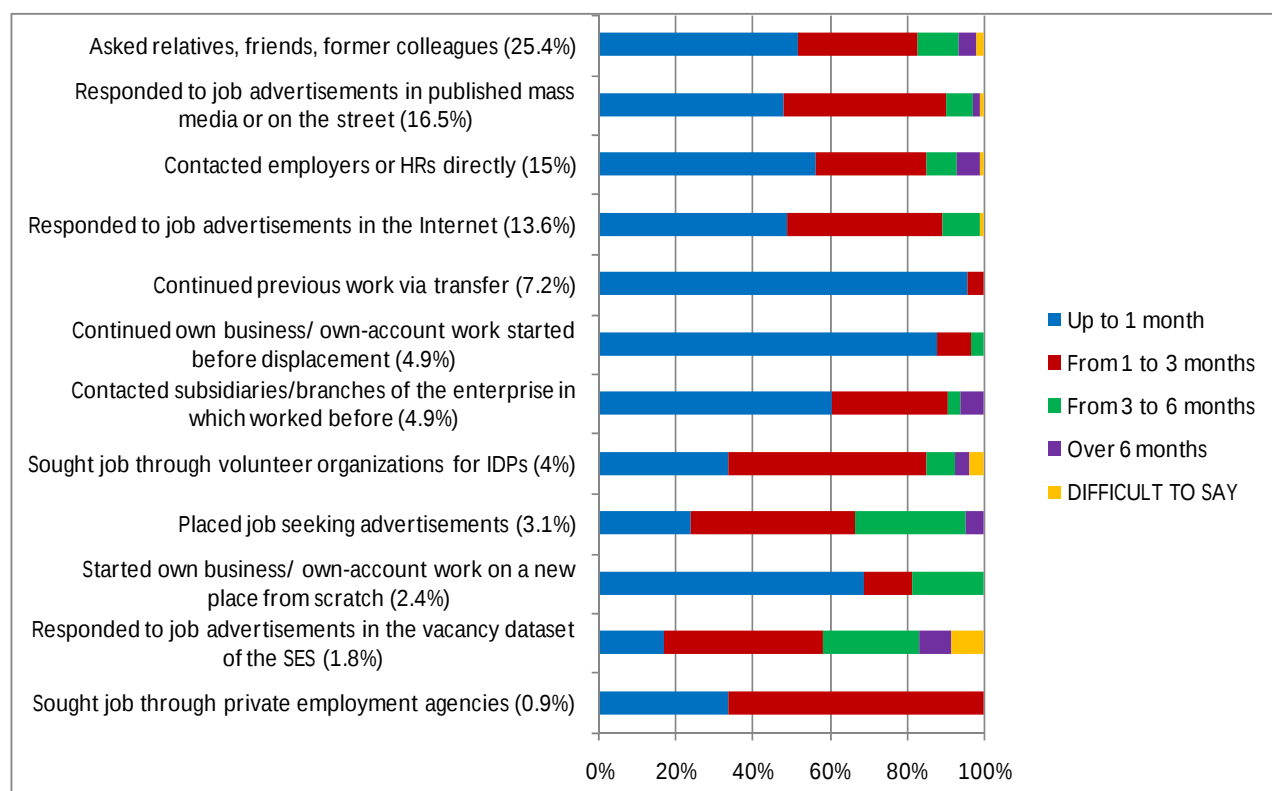
All IDPs in our sample who are currently employed were not registered with the SES and found employment without help of the SES. Interesting questions in that case are which alternative methods of job search are most helpful in getting work for the IDPs and how much time is needed to get a job, depending on the method used. As usual in Ukraine, using informal channels of information about

⁵ Analysis of statistical information provided by the SES on-line (http://www.dcz.gov.ua/control/uk/statdatacatalog/list/category?cat_id=30543).

employment opportunities – relatives, friends, former colleagues, etc. – appear to be much more popular and effective than any other method. One in four employed IDPs got his/her current job or income-generating activity after asking their friends or relatives (Figure 2.4).

16.5 percent of employed IDPs responded to job ads in the published media or on the street and 13.6 percent used job ads in the Internet. The third group of methods effectively used by the IDPs includes direct contacts with new employers or their representatives (15 percent) or subsidiaries of the previous employer (4.9 percent) as well as automatic transfers of employees within an enterprise/organization from conflict-affected areas to the other areas of Ukraine (7.2 percent). There are also entrepreneurs among the employed IDPs who continued (4.9 percent) or started (2.4 percent) own business after displacement. Some IDPs found jobs through volunteer organizations (4 percent) or private employment agencies (0.9 percent), placing own job seeking advertisements (3.1 percent) or responding to vacancies in the vacancy dataset of the SES (1.8 percent) but, as Figure 2.4 shows, these methods were the least effective in terms of duration of job search.

Figure 2.4. Methods of job search used by the employed IDPs, by duration of job search (%)



Note: Methods are shown in descending order of popularity among the employed IDPs (from top down), with the percentage of employed who used this method shown in the brackets. Organization of own business is also considered a job search method. Respondents were asked to choose only the most effective method that helped them find their current job.

Employment statuses before and after displacement

The overwhelming majority of the currently employed IDPs (about 85 percent) are employees, i.e. work by labour agreement, contract, oral agreement on a firm, enterprise, organization, establishment or for a physical person. 9.7 percent are own-account workers providing work for themselves and not having employees. About 2.4 percent classified themselves as employers hiring permanent or temporary workers. The rest include unpaid family helpers and workers with unspecified employment status. As Table 2.2 shows, most IDPs in our sample remained with the same employment status that they had before displacement.

Table 2.2. Transition matrix between previous and current employment statuses (number of IDPs)

		Current employment status		
		Employee	Own-account worker	Employer
Employment status before displacement	Employee	483	29	7
	Own-account worker	38	26	0
	Employer	8	5	9
	Did not work	53	7	1

Note: Unpaid family helpers and workers with unspecified employment status are not shown here.

But some changed their status, e.g. former own-account workers and employers became employees, and vice versa. Whether these changes are voluntary or forced and whether people are satisfied with such changes are open questions. An assessment of current employment compared to the previous one presented in the end of this section provides important insights into some of these issues.

Informality of employment among wage and salaried workers (employees)

Each third employee IDPs in our sample worked by oral agreement with an employer, i.e. informally. Slightly more than half of the currently employed wage and salaried workers (52.6 percent) worked formally, i.e. according to labour agreement. The rest 13.5 percent refused to answer or found the question about formality of their employment difficult.

The informality rate among IDPs at 34 percent is more than twice higher than the average informality rate among all wage and salaried workers aged 15-70 years in Ukraine in 2014 (16.1 percent) (SSSU, 2015). Even tertiary university education does not guarantee secure employment in the formal sector as almost each fourth displaced employee with a university degree works informally, and this figure can be even higher, given that over 14 percent of highly educated employees did not specify type of their employment.

Hence, IDPs face not only higher risk of unemployment but also much higher risk of informal employment. Both risks point to significant vulnerability of IDPs in the local labour markets and urge a comprehensive approach helping these displaced people to escape their vulnerability and get secure employment in the formal sector.

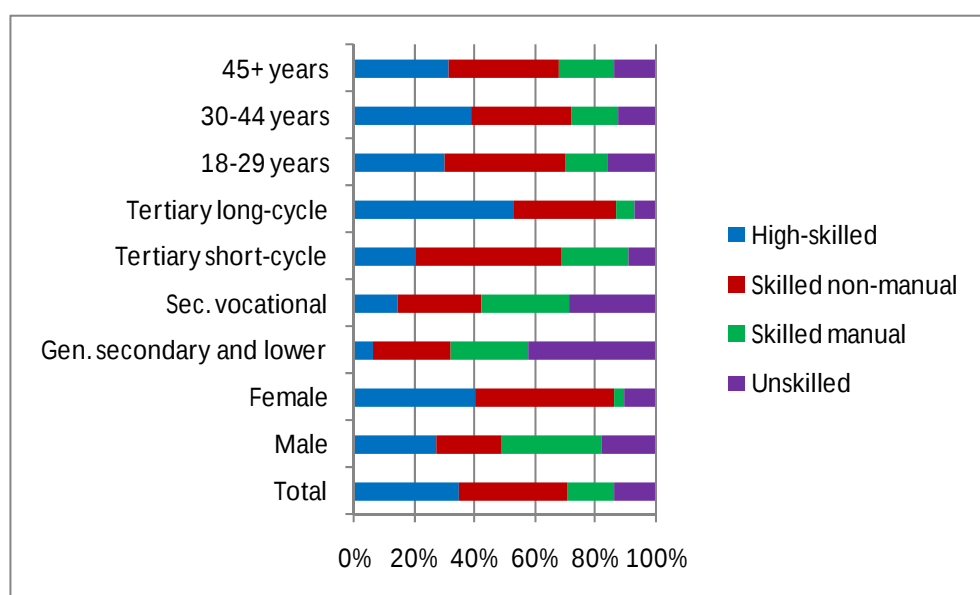
Economic sector, occupation and type of current employment of IDPs

As in the case of Ukraine, the largest sector of the economy which provides jobs for about 30 percent of all employed IDPs in our sample is Wholesale and retail trade, repair of motor vehicles and motorcycles (Table B.4 in Annex B). However, the share of this sector in employment of IDPs is 7.4 percentage points higher than it was among the total employed population in Ukraine in 2014 according to the SSSU data (SSSU, 2015). This difference may be explained by the fact that our survey of IDPs was in June when a lot of seasonal jobs emerge in the trade and repair sector while the average yearly data might hide this seasonal spike. But it may also show that IDPs are much more likely to find a job in this dynamic sector which provides many employment opportunities, even though not always formal and long-term, than in the other sectors.

Wholesale and retail trade is followed by Construction (11 percent of all employed IDPs) and Other service activities (10.8 percent) which are also known for widespread informality and job insecurity. On the other hand, the fourth and fifth sectors providing a significant share of jobs for IDPs are Education (8.8 percent) and Human health and social work activities (5.4 percent) which are characterized by better job security and working conditions but much lower wages.

The occupational structure of employment of IDPs follows from its sectoral structure, with the largest shares of Service workers and shop and market sales workers (28.2 percent of all employed IDPs), Professionals (18.2 percent) and Technicians and associate professionals (14.3 percent) (Table B.4 in Annex B). According to Cedefop (2011), these occupational groups belong to skilled non-manual and high-skilled broad occupational groups. As expected, the share of these groups is higher among women, holders of a university degree (tertiary long-cycle education) and prime-age workers (Figure 2.5). Males and less educated workers relatively more often take up manual skilled or unskilled jobs.

Figure 2.5. Employed IDPs by occupational group, gender, education and age



Note: High skilled occupations include three top 1-digit ISCO groups, namely Senior officials and managers, Professionals, and Technicians and associate professionals; Skilled non-manual occupations include Clerks and Service workers and shop and market sales workers; Skilled manual occupations refer to Skilled agricultural, forestry and fishery workers, Craft and related trades workers, and Plant and machine operators and assemblers; Unskilled is the same as Elementary occupations (Cedefop, 2011).

Comparison of the composition of the currently employed IDPs by occupation of previous job before displacement vs. current job (Table B.4 in Annex B) reveals a significant increase in the share of unskilled jobs (elementary occupations) and also of services and sales workers at the expense of highly-skill and skilled manual occupational groups. Therefore, elementary occupations, mainly in trade and repair, construction, education and other services, became a buffer absorbing displaced workers who were not able to find better jobs. As Table 2.3 shows, occupational downgrading to elementary occupations is particularly acute among skilled agricultural workers (group 6), craft and related trades workers (group 7) and plant and machine operators, and assemblers (group 8). IDPs who previously worked at high-skilled jobs (groups 1-3) also experienced occupational downgrading (cells to the right of the diagonal ones in Table 2.3), but mainly to non-manual jobs.

Table 2.3. Transition matrix between previous and current employment occupational group (% , row total=100%)

		Occupation at the current job*								
		1	2	3	4	5	6	7	8	9
Occupation at the last job before displacement	1. Senior officials and corporate managers	51.9	22.2	3.7	3.7	14.8	0	0	3.7	0
	2. Professionals	1.3	65.2	15.2	3.2	9.5	0	1.3	0.6	3.8
	3. Technicians and associate professionals	0	6.5	62.0	6.5	13.0	1.1	4.4	0	6.5
	4. Clerks	0	9.3	4.7	62.8	16.3	0	0	0	7.0
	5. Service and sales workers	0	3.6	2.4	3.6	74.6	0	1.8	1.8	12.1
	6. Skilled agricultural, forestry and fishery workers	0	0	0	0	0	33.3	16.7	16.7	33.3
	7. Craft and related trades workers	0	0	4.1	0	12.3	1.4	56.2	5.5	20.6
	8. Plant and machine operators, and assemblers	0	0	2.0	0	10.2	0	4.1	63.3	20.4
	9. Elementary occupations	0	0	0	0	6.7	0	0	0	93.3

Note: * Nine occupational groups are the same as in column 2 (ISCO-1988 groups).

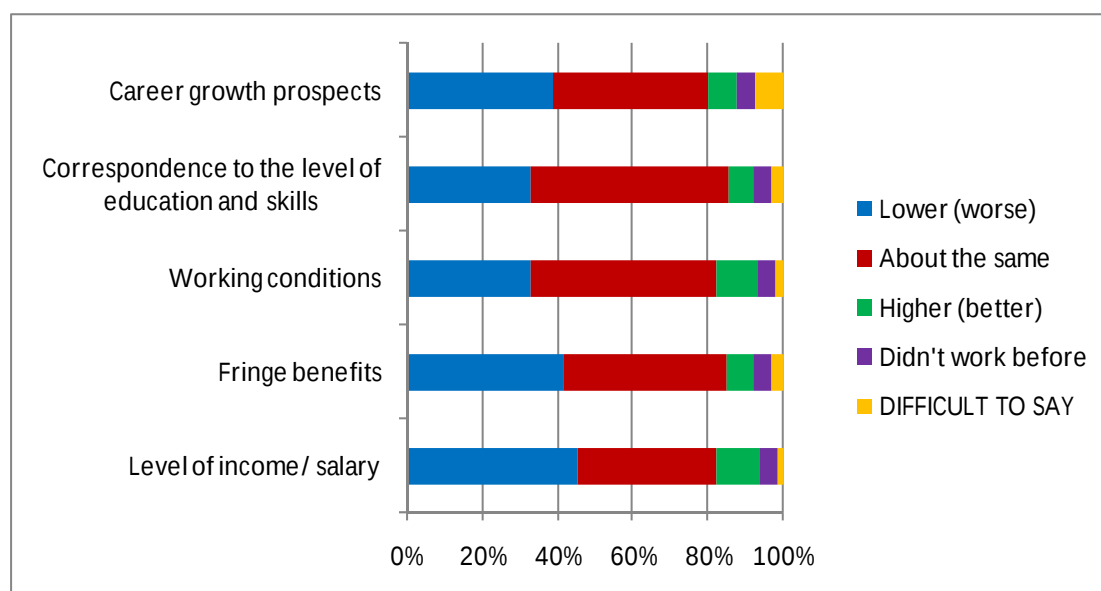
From the analysis of other characteristics of employment of IDPs such as ownership type and size of their firms, type of employment and work schedule follows that the majority of IDPs work in the small private sector (up to 50 employees) and have permanent full-time employment (Table B.5 in Annex). But there are some important differences in employment by gender and age, with relatively higher shares of women and prime-age workers working in the public sector, higher shares of males and younger workers holding casual jobs, and higher shares of women and older workers having flexible work schedule and temporary limited-duration work.

59 respondents, or 8.5 percent of all employed IDPs in our sample, reported about having casual, irregular work. These are mainly prime-age males many of which have a college or university diploma. Comparing this indicator to the share of casual workers among the total employed population in Ukraine in 2013 according to the LFS data – slightly more than 1 percent – we understand that IDPs are much more prone to casual work than the rest of population. This is another sign of the vulnerability of IDPs in the local labour markets.

IDPs' assessment of their current employment compared to the previous one

It is not surprising after our analysis of employment characteristics, that many IDPs who work now find their current employment worse than previous employment before displacement, particularly in such important aspects as the level of income/salary and fringe benefits (Figure 2.6).

Figure 2.6. Current employment compared to the previous one according to IDPs' assessment (%)



Note: Answers to the question "Please compare your current job/ activity with the one you had before displacement in the following aspects using a scale from 1= lower (worse) to 3=higher (better)".

Overall, among 702 employed IDPs in the sample there are 400 workers who assessed that their current work is worse than the previous one at least in one aspect, and 147 workers reported that their employment deteriorated in every aspect. Most of them experienced occupational downgrading which is usually associated not only with poor correspondence to the level of education and skills together with poor career growth prospects but also with lower wages and prestige, worse working conditions and fringe benefits. Relatively larger proportions of such dissatisfied workers are among IDPs living now in Zaporizhia and Kharkiv oblasts (43.3 and 33.3 percent of all surveyed IDPs in the region who were employed at the survey time, respectively).

In view of such a high share of people who experienced deterioration in the main characteristics of their work as compared to their last job before displacement, it is obvious that a significant proportion of the

employed IDPs would like to change their current job (activity). As expected, this proportion is considerably higher among workers who reported about deterioration of their employment at least in one aspect than among the other employed IDPs (62 vs. 13.6 percent).

The most popular reasons for the willingness to change a job mentioned by employed IDPs are: (i) to have a higher hourly salary; (ii) present job is temporary or casual; and (iii) to work more hours with a corresponding increase in earnings. Low wages, instability of current employment, poor working conditions and limited use of available skills might encourage IDPs to look for some other job but only half of those who would like to change a job tried to find an alternative during the last two weeks prior to the survey. The others remained with their intentions unrealized, probably because they were aware of the limited employment opportunities in the local labour market and no chance to find better employment.

In other words, having a bad job seems to be better for IDPs than no job at all. And the government's task is to support creation of more and better jobs in Ukraine and particularly in the near-conflict regions which sheltered a lot of IDPs. Then migrant workers who seized upon the first available job will not be afraid that they can go from bad to worse.

2.4 Job search and barriers faced by the unemployed IDPs

Profile of the unemployed IDPs

Among 363 unemployed IDPs defined in our study without criteria of the availability for a job (see Box 1), only 318 job-seekers reported about being ready to start a suitable job during the next two weeks if it were offered at the survey time. 21 job-seekers would not be ready to start a job while 24 people hesitated and did not provide any definite answer.

The majority of the unemployed IDPs are women, aged under 45 years, holders of a college or university diploma, with employment experience before displacement, and active users of computer and the Internet (see Table B.1 in Annex B). However, compared to the employed IDPs, those who were looking for a job at the survey time in June 2015 were relatively younger, less educated (probably with interrupted studies due to the conflict), less experienced and less able to use modern IT technologies.

As regards the occupational background of the currently unemployed compared to the employed IDPs, the top three occupational groups are exactly the same, but there are significantly higher shares of the unemployed belonging to smaller occupational groups of various skill levels such as Managers, Clerks, Plant and machine operators and assemblers, and Elementary occupations (Table B.4 in Annex B). Top five top economic sectors in which the unemployed had worked before displacement are Wholesale and retail trade and repair, Manufacturing, Construction, Transport and storage, and Education. Almost twice higher share of manufacturing among the unemployed IDPs compared to their peers who have found a work after displacement (Table B.4 in Annex B) might suggest that the unemployed have some sector- and region-specific skills that are difficult to apply in a new location.

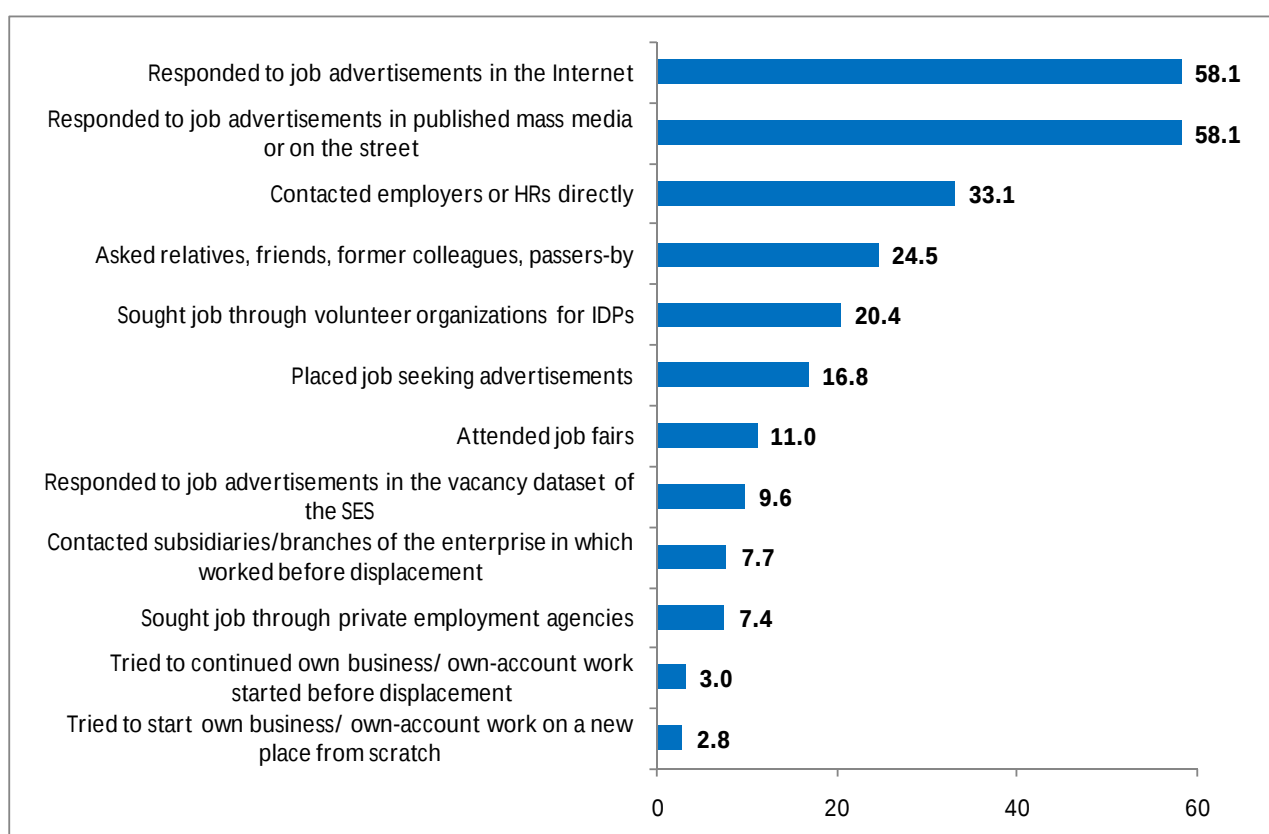
This profiling brings important information for designing of the targeted programs aimed at helping the unemployed IDPs to find employment and integrate them into the local society. Analysis of additional

characteristics of the unemployed in the next subsections helps understand better which jobs the unemployed are looking for and which obstacles they face in their job search most often.

Parameters of job search: methods, duration, type of work searched and reservation wage

IDPs looking for a job used different methods and channels of information about employment opportunities (Figure 2.7). The most popular of them – job advertisements in the published mass media, on the street, and in the Internet – are used by the majority of surveyed IDPs. Each third job-seeker tried to contact employers or their representatives. Each fourth IDP looking for a job asked relatives, friends, former colleagues or passers-by, i.e. used social networks and informal channels. Each fifth job-seeker among the unemployed IDPs contacted volunteer organizations providing assistance to IDPs. At the same time, information about job opportunities provided by public and private employment agencies is much less popular among the IDPs.

Figure 2.7. Methods of job search used by the unemployed IDPs (%)



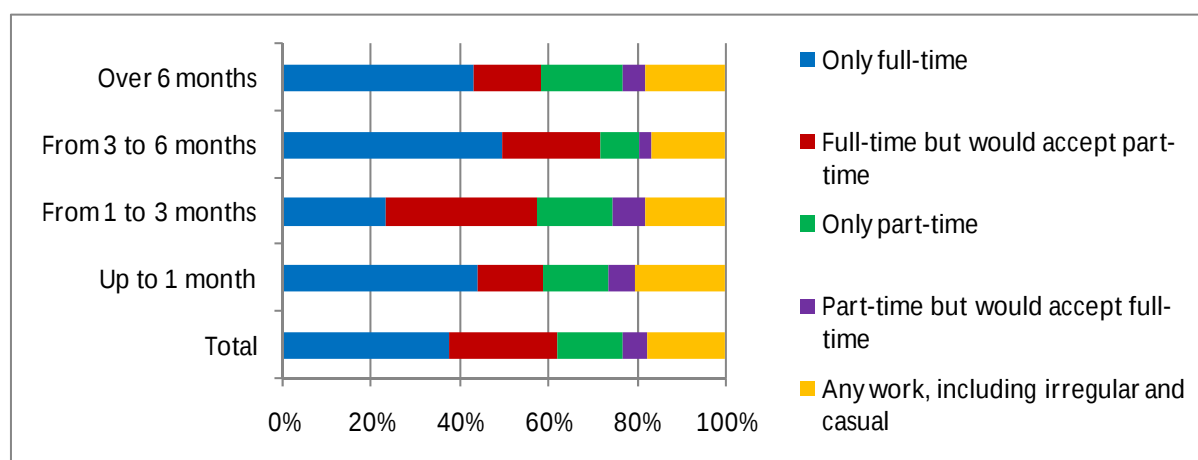
Note: Respondents were asked to choose three most popular methods that they used during the last 4 weeks prior to the survey.

As regards duration of job search, the largest number of the unemployed IDPs (36.8 percent) had been searching for a job from 1 to 3 months. 30.5 percent of the unemployed spent from 3 to 6 months on their job search, and 21.3 percent did this for over 6 months. Obviously, longer-term unemployed are largely comprised of migrants who were forced to move earlier (in August-September 2014). The incidence of

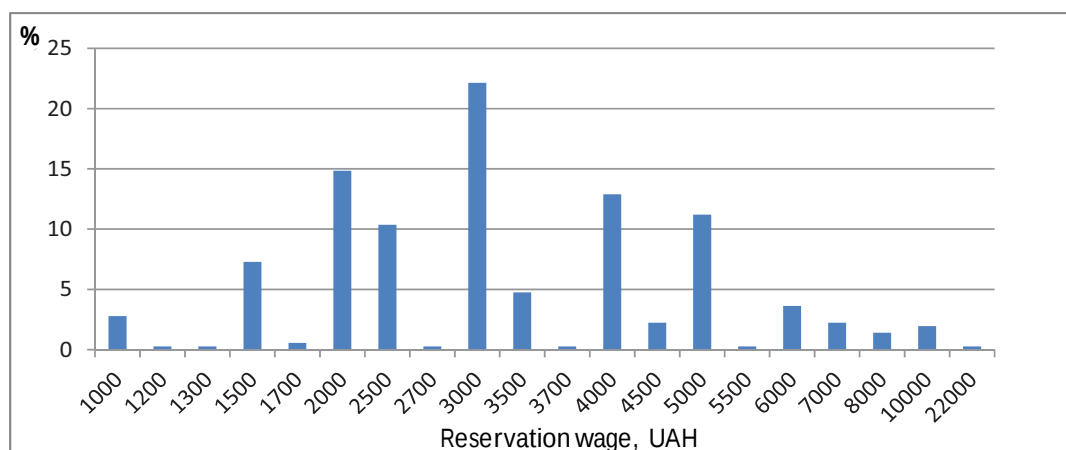
longer-term unemployment (over 6 months) is higher among women, older and highly educated workers who worked before displacement (Table B.6 in Annex B).

The majority of the unemployed IDPs were looking for full-time jobs, and about 20 percent would prefer part-time jobs (Figure 2.8). At the same time 17.3 percent of all surveyed unemployed IDPs and 20.3 of those seeking for a job up to 1 month would accept any work, including irregular and casual. This finding is in line with perceptions of the employers that IDPs left without alternative means of subsistence might be more dependent on having a job than locals and therefore they are more ready to accept any job and work harder (see Section 3.3 below).

Figure 2.8. Unemployed IDPs by type of work searched and duration of unemployment (%)



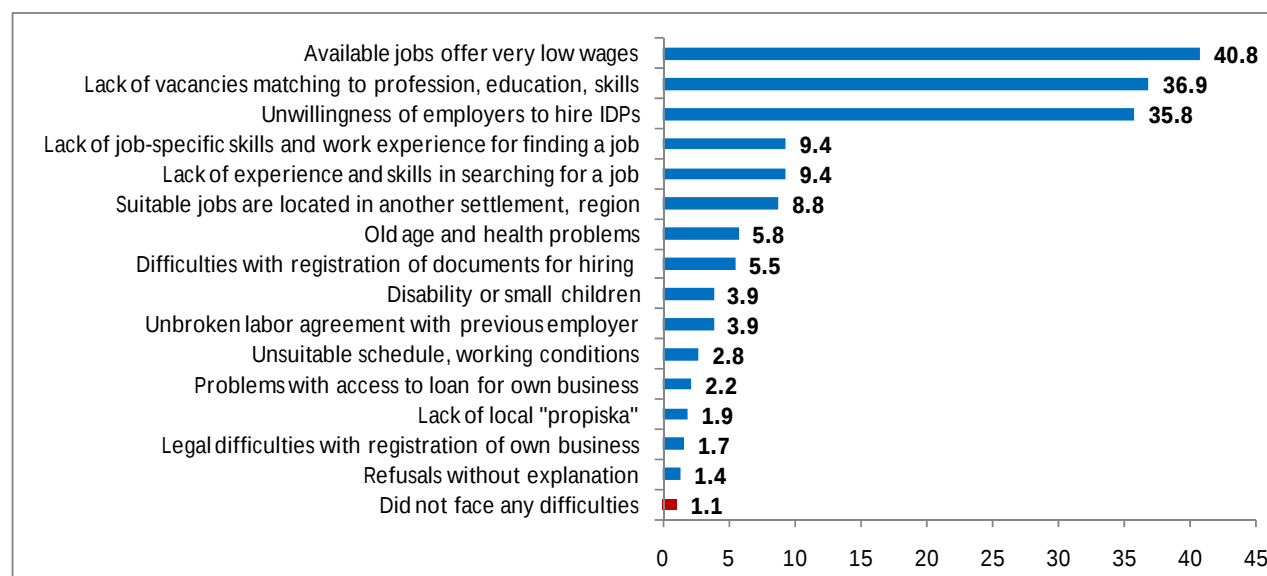
On the other hand, a closer look at the net reservation wage of the unemployed IDPs, i.e. the lowest monthly salary (after taxes and necessary deductions) for a full-time job at which a worker would be willing to accept a job offer, reveals that many IDPs are quite demanding regarding the wage level (Figure 2.9). The reservation wage reported by 357 unemployed IDPs varies from UAH 1000 to UAH 22000, with the mean at UAH 3495 and median at UAH 3000. Over 20 percent of the unemployed IDPs would accept only jobs that pay at least UAH 5000. And it is quite expected, as they need to cover the costs for renting an apartment/house (59% of the unemployed live in a rented housing) and to buy clothes, footwear and other necessities that might be lost due to the conflict and resettlement.

Figure 2.9. Reservation wage reported by surveyed IDPs looking for a job (%)

Males, prime-age and higher educated workers with employment experience before displacement are more likely to look for a better paid jobs (Table B.7 in Annex B), which is in line with the job search theory and empirical evidence in developed countries (e.g. Prasad, 2003).

Difficulties faced by the unemployed IDPs during their job search

Unemployed IDPs have many difficulties finding employment. Generally low wages offered by available jobs and lack of suitable jobs that would match to the education and profession of job-seekers are the major problems mentioned by surveyed unemployed IDPs (Figure 2.10). There is also a strong evidence for discrimination of IDPs in the labour market as employers refuse to hire them, often without any explanation. As our second component of the study – interviews with employers – reveals, employers often perceive that IDPs will leave the region soon and therefore do not want to invest money and time in training of new workers among the IDPs. Some employers refuse to hire IDPs because of the negative perception of their personality traits, professional behaviour and psychological state (see Section 3.3 below).

Figure 2.10. Difficulties faced by the unemployed IDPs during their job search (%)

Note: Respondents were asked to choose all difficulties/ barriers they face during their job search. The overwhelming majority of respondents reported about one or two major problems. About 20 percent of surveyed unemployed IDPs reported about facing from three to five problems.

The fourth and fifth problems most frequently mentioned by IDPs are the lack of job-specific skills and relevant work experience as well as lack of job searching skills (Figure 2.10). Taking into account that over 20 percent of the surveyed unemployed IDPs who worked before displacement (66 persons in our sample) have a tenure of 10 years and over, i.e. have very firm-specific skills, and that many other unemployed did not work before displacement (68 persons in our sample), the issue of skills should be an essential element of the sustainable livelihood and active labour market programs for IDPs.

Registration of residence of IDPs and renewal of passport and other important documents (labour book, diplomas about education, etc.) are also the issues to be resolved in the near future as they affect re-employment opportunities of many IDPs. Although a lack of local "*propiska*" (permanent residence registration) should not be an obstacle to employment according to the Labour Code of Ukraine, some IDPs complained that they could not get a job because of permanent registration in another settlement. IDPs willing to start their own business complained about difficulties in registration of business and access to loans, most likely due to the absence of the necessary documents and evidence of residence registration required by banks and tax authorities.

Finally, there are difficulties related to characteristics of available jobs (location, work schedule and working conditions) that are not suitable to specific categories of job-seekers, and discrimination of these job-seekers by employers. These include old-age workers, women with small children, and people with health problems and disabilities.

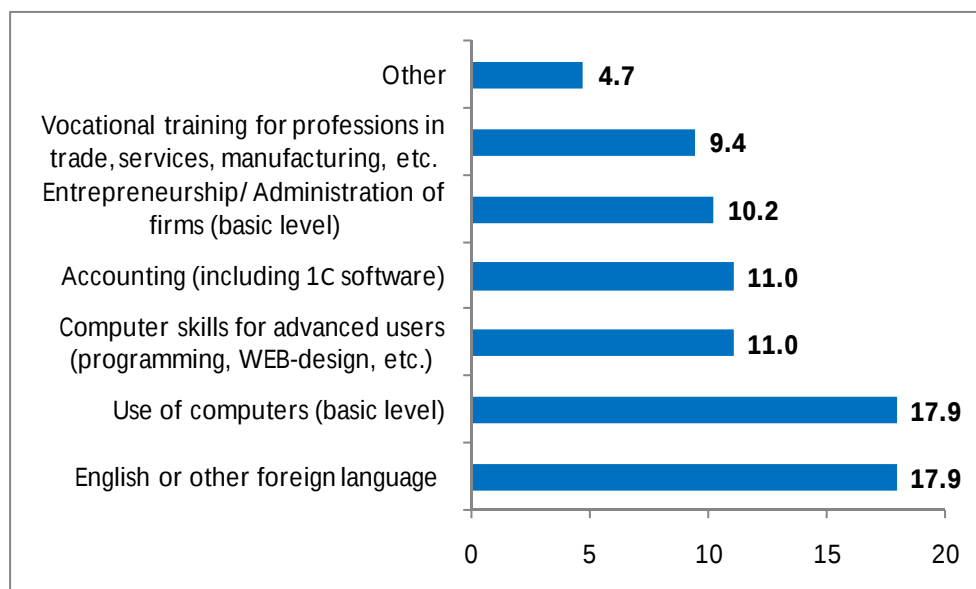
Willingness to take up public or temporary works and attend training programmes

The last section about the unemployed IDPs examines their willingness to take up public or temporary works offered by the SES and the interest of job-seekers to invest time and efforts in some training to enhance employability.

Answering the question "Would you accept a temporary or public work (up to 3 months), offered with support of the State Employment Service?" with 3 suggested answers "Yes, sure", "Yes, subject to ... (specify)", and "No", the largest number of the unemployed IDPs (40.5 percent) reported that they would definitely accept such an opportunity. 15.6 percent would accept a temporary or public work under certain conditions, most often related to the offered wage level (10.2 percent), and sometimes to work schedule (3 percent), content of job (not physically demanding, with career growth possibilities -2.2 percent), and provided childcare (0.8 percent). And only 25.6 percent of surveyed IDPs searching for jobs would not participate in public or temporary work schemes, whereas 16.2 percent refused to answer or found the question difficult. These results might be used as an indication of a fairly strong support of job-seekers for public and temporary works but these works should be better paid and better aligned to the specific needs of IDPs in order to address short-term economic hardship of IDPs and promote their longer-term employment.

As regards participation in some training programmes, if it were possible, about half of the surveyed unemployed IDPs would not like to take this opportunity to enhance their employability. Over 10 percent found it difficult to answer. But there are still many IDPs who would like to participate in at least one type of training within six suggested alternatives and one open-ended alternative (Figure 2.11).

Figure 2.11. Training courses attractive for the surveyed unemployed IDPs (%)



Note: Respondents were asked to choose all types of training courses they are interested in or suggest their own option in the "Other". The overwhelming majority of respondents reported about one or two types of training. But 33 respondents indicated their interest in three to six different training courses.

As we can see from Figure 2.10, a large proportion of the unemployed IDPs are interested in higher-skilled courses to improve their foreign language and computer skills that are transferable across sectors and occupations and therefore can give people better chances of rewarding employment in the longer-term. Some of them are also interested in acquiring basic economic and entrepreneurial skills (including entrepreneurship courses provided by All-Ukrainian Association "*Ukrainski rubezhy*"), or job-specific skills for IT professionals, accountants, and other skilled occupations (such as psychologist, professional in human resources, administrator, florist). Each tenth unemployed IDP would be interested in attending some vocational training courses, for example driving of public transport or beauty services specialist.

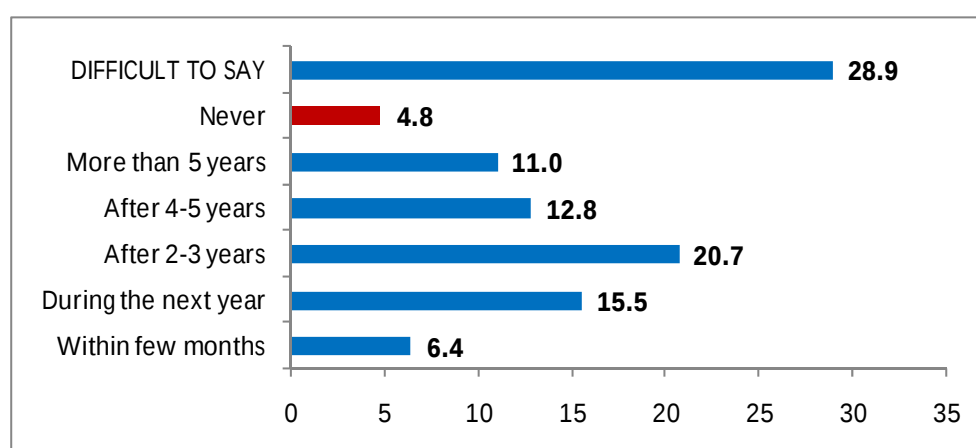
Training vouchers that have to be provided by the SES to the disadvantaged IDPs according to the Law On amendments to some laws of Ukraine to strengthen social protection of internally displaced persons (№ 245-VIII, dated 5 March, 2015) would help improve their employability and address the existing skills mismatches. But the issue remains how to involve more unemployed IDPs to the SES register before they can get access to training vouchers and other ALMPs, and how to organize effective training of adults.

2.5 Expectations and coping strategies of IDPs

Expectations and migration intentions

Only 6.4 percent of surveyed IDPs expressed optimism about the situation in the Donbas region thinking that the conflict will come to an end within few months of the current year (Figure 2.12). 15.5 percent of respondents expected the conflict to come to its end during the next year. Almost half of respondents were rather pessimistic in their forecasts, believing in peace in the Donbas region to be maintained at least after 2-3 years. The rest 29 percent had no idea when the conflict would be over.

Figure 2.12. Surveyed IDPs by their perception of when the conflict in Donbas will come to an end (%)



In December 2014 the KIIS asked the same question to the inhabitants of the most needy towns and cities in the occupied Donbas region and on the frontline.⁶ Those who kept living in their original places of residence appear to be much more optimistic than those who had finally moved to other areas. Even in December 2014 – the “hot” period of fight which was the most difficult to civilians due to shooting and

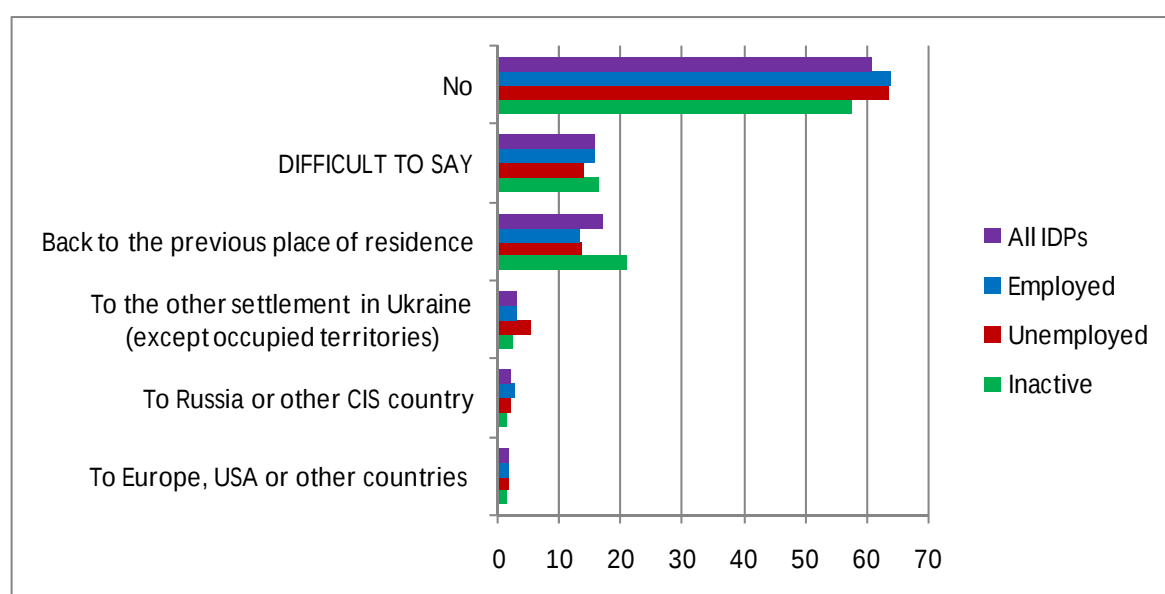
⁶ “Humanitarian monitoring” for Rinat Akhmetov Foundation

strong shortage of the most necessary goods – 40 percent expected the end of the conflict in the coming year. Further research discovered the pattern of short-term migration, when some of Donbas inhabitants moved to non-occupied towns and cities for a couple of weeks/months because of active military actions and returned home when the fights were over.

Our survey of IDPs shows that many of such short-term migrants live in Donetsk oblast and they are much more optimistic about the end of the conflict coming soon. 15 percent of surveyed IDPs in Donetsk oblast expect the conflict ending within the next few months. It is significantly more than in other oblasts (see Table B.6 in Annex B).

The majority of IDPs (61 percent) do not plan to move somewhere during the next 12 months (Figure 2.13). About 17 percent plan to return to their previous place of residence, 6.6 percent would probably move to some other settlement in Ukraine or outside it, and 16 percent did not provide any definite answer regarding migration intentions. Inactive people are relatively more willing to come back to their previous place of residence whereas unemployed IDPs are relatively more likely to go to the other settlement in Ukraine.

Figure 2.13. Surveyed IDPs by intentions of migration within the next 12 months by current labour market status (%)



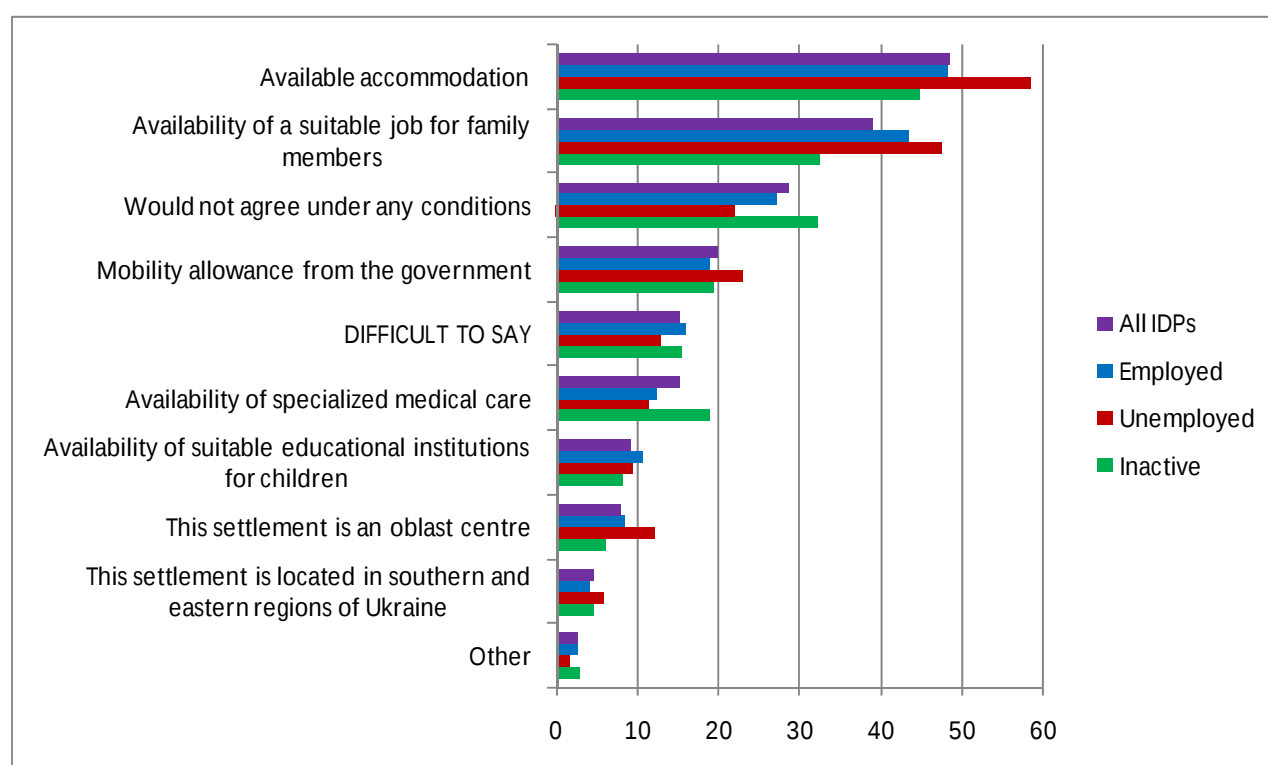
As before, Donetsk oblast is the location with the highest concentration of those who have moved for a short period of time and are planning to return home during the coming year. On the contrary, in Poltava, Dnipropetrovsk, Kyiv and Kharkiv oblasts the biggest share of IDPs are going to stay for at least 1 year in their current places (see Table B.7 in Annex B).

Although the majority of IDPs have no certain plans for resettlement in the nearest future, certain categories are more likely to change their current place of residence than others:

- older people aged 45-70 years plan to return to their home places more often than younger IDPs (23-25 percent), while 18-29 year olds are more ready to migrate to other Ukrainian settlements (5 percent);
- those who live in housing provided by their relatives, acquaintances or other people without paying rent for accommodation plan to move (35 percent), mostly back home;
- workers who perceive their current employment worse than their previous employment before resettlement in various aspects (see Section 2.3 above) are more inclined to migrate again soon, as compared to IDPs who have found better work and especially IDPs who did not work before and now have a job;
- skilled and unskilled manual workers are more likely to migrate in the next 12 months (28 and 35 percent, respectively). 8 percent of craft and related trades workers plan to migrate to Russia where they can get better employment opportunities.

When asked under which conditions an IDP would agree to move to some other settlement within Ukraine (excluding the occupied territories), if there is a suitable job for him/her, 28.6 percent of all respondents reported that they would not move under any conditions, with much higher share among inactive people and the lowest share among the unemployed IDPs (Figure 2.14).

Figure 2.14. Surveyed IDPs by conditions that would encourage them to move to other settlement within Ukraine (excluding the occupied territories), given a suitable job there (%)



Note: Respondents were asked to choose all conditions they are interested in.

The most critical conditions of resettlement to some other settlement in Ukraine are availability of affordable housing (mentioned by 49 percent of all IDPs and 58.4 percent of unemployed IDPs) and the availability of work for their family members (39.1 percent of all IDPs and 47.7 percent of unemployed IDPs). Mobility allowance from the government that is envisaged by the Law On amendments to some laws of Ukraine to strengthen social protection of internally displaced persons (№ 245-VIII, dated 5 March, 2015) could be an attractive factor for further migration within Ukraine for about 20 percent of all IDPs and 23.1 percent of unemployed IDPs.

Access to public services such as education and medical care are also important factors that could encourage IDPs to move within Ukraine, particularly employed people with children for the former and inactive people for the latter. Characteristics of the new destination – whether the settlement is a large city (oblast centre) or whether it is located in southern and eastern regions of Ukraine which are mainly Russian-speaking – are much less important than the other factors for all IDPs in the sample. But they are relatively more important for the unemployed IDPs who were looking for a job in June 2015 than for their employed or inactive counterparts (Figure 2.14). This might suggest that job-seekers would prefer to stay in the same region where they could better apply their region-specific skills and where they could use their social networks and informal arrangements to overcome some of the institutional barriers to internal migration and to find a better job.⁷

As regards the interest of IDPs in moving to rural areas of Ukraine it is quite low as the majority of respondents (62.3 percent) would not agree to move to villages even if they were provided housing and work. Although the majority in all three groups by labour market status would rather disagree to move to a village, unemployed IDPs are relatively more likely to agree to move to rural areas if housing and job is provided there (25 percent) than currently employed (18.7 percent) or inactive IDPs (20.5 percent). The categories which are relatively more interested in resettlement to rural areas than the others are:

- those who lived in a village before the beginning of the armed conflict (47 percent of them would agree to move) and worked as a skilled agricultural, forestry and fishery worker (80 percent);
- those who do not have permanent housing and frequently change their dwelling (67 percent of them would agree to move).

Hence, the resettlement to rural areas is unattractive to the majority of IDPs, except those who had previously lived in rural area and those who have no permanent place to live.

⁷ An empirical study of spatial, economic and social factors of internal migration in Ukraine before the conflict in Crimea and Donbas (Kupets, 2014) finds that Ukrainians were more likely to move to neighboring oblasts with similar levels of socio-economic development clustered in the same macroregion rather than to the oblasts located in a different macroregion. Someone could think about language as an essential barrier for job-seekers to move further within Ukraine, but the study by Kupets (2014) finds that the common language was not a significant factor in explaining interregional migration when other important factors are taken into account. The same result is found based on the qualitative research: language issues were rarely mentioned among the main barriers to internal mobility by migration experts as well as by potential and active migrants participating in focus group discussions in 2012 (Koettl et al., 2014).

Living conditions

A half of respondents (51 percent) live in a rented accommodation, alone or with someone else. A quarter has their dwelling in the hostel, sanatorium, recreation centre or other premises provided to the of IDPs. Almost the same number (23 percent) live in the accommodation of relatives, friends or philanthropists where they do not pay for rent. Less than 1 percent of surveyed IDPs live in own housing.

The average reported rent payment is UAH 2125, and payment for utilities is often required in addition. The average rent is the highest in Lviv (UAH 2919 UAH), followed by Kyiv (UAH 2794 UAH). The lowest average rent payments are in Donetsk (UAH 1325) and Luhansk oblasts (UAH 1379).

Household structure

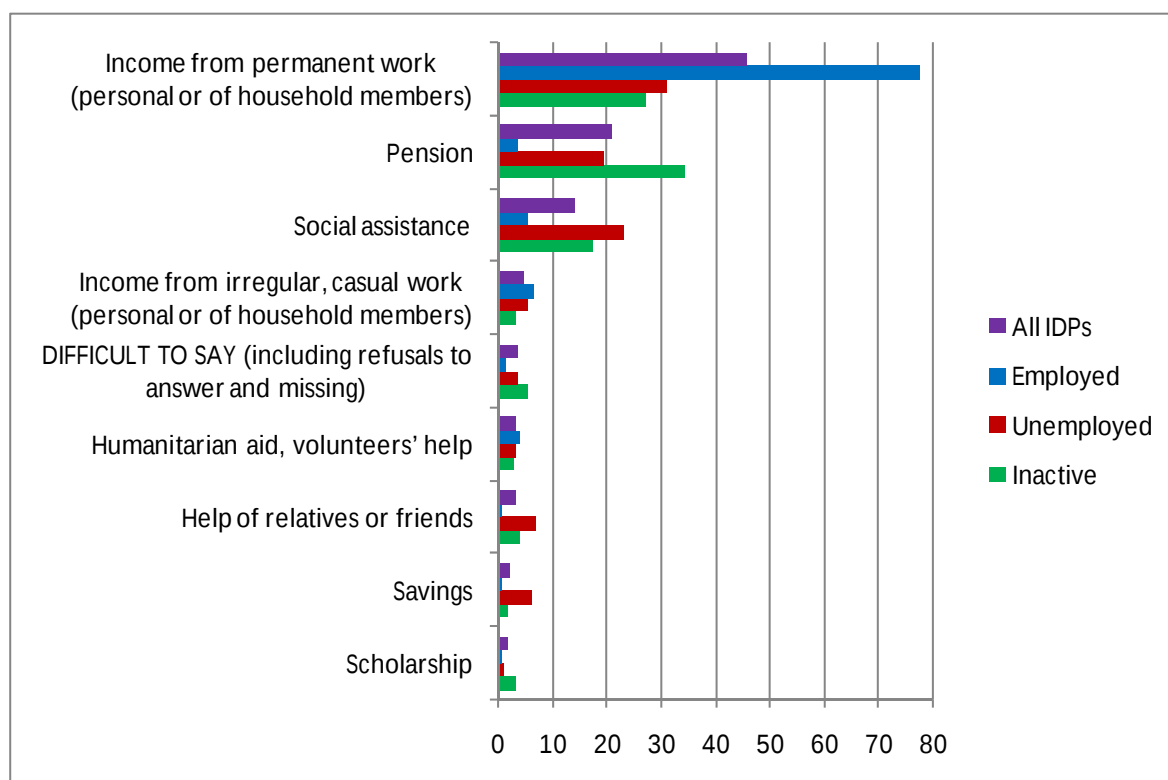
The average household size of interviewed IDPs is 3.2 persons. 70 percent of respondents have at least one working adult in their household, 59 percent have at least one minor (up to 18 years old), and 9 percent have an elderly person of age 70+ years. These household parameters are significantly different from official statistics for Donetsk and Luhansk oblasts before the armed conflict: the average household size of IDPs and the percentage of households with children is higher, and the number of children in the family is larger (see Table B.8 in Annex B). Even the availability of a working person in the household is a bit higher. The possible explanations may be the following:

- underrepresentation of pensioners in the sample and, consequently, the smaller number of households consisting of only pensioners;
- specific pattern of forced migration, with children and their mothers being evacuated in the first place;
- specific pattern of settling of IDPs, with several families belonging now to one larger household and living in one accommodation.

65 percent of interviewed IDPs are married or in partnership (civil marriage), 16 percent have never been married and have no partner, 11 percent are divorced and 7 percent are widows/widowers. An interesting finding is that about 16 percent of those who are married live without their spouse or partner at the moment. These data may indicate the pattern of migration from the conflict-affected area, when women with children live in the non-occupied territory of Ukraine, while men are either stay in their original place of residence or move somewhere else to earn money.

Income sources

Almost a half of all surveyed IDPs (45.6 percent) receive the main income from permanent work, their personal or of their household members. Each fifth respondent has a pension as a main source of livelihood, and 14.2 percent of IDPs rely on social assistance (Figure 2.15). As expected, the main income sources largely depend on the labour market status: for currently employed IDPs it is labour income from permanent (77.8 percent) or casual work (6.7 percent); currently inactive people rely more on pension (34.5 percent), labour income of their household members (27.1 percent) or social assistance (17.3 percent); the top three most popular income sources for unemployed are the same as for all IDPs and inactive people but they also rely relatively more often on help of relatives or friends and own savings.

Figure 2.15. Main source of income during the last month by labour market status of IDPs (%)

Note: Respondents were asked to choose one major source of income. Only sources with a share of at least 1% are shown here.

The survey also reveals significant regional differences in the main income sources. In Donetsk, Luhansk, Dnipropetrovsk, Kyiv, Lviv and Kharkiv oblasts 40-60 percent of respondents receive the main income from permanent employment. At the same time, in Zaporizhia oblast there are only 31 percent such IDPs, in Poltava – 25 percent, and in Odesa – less than 12 percent. In the last three oblasts the same or bigger shares are made up by social payments (Poltava, Zaporizhia) and pensions (Odesa). These differences can be explained by the differences in the composition of surveyed IDPs in the selected regions by age and current labour market status (see Table A.3 in Annex A).

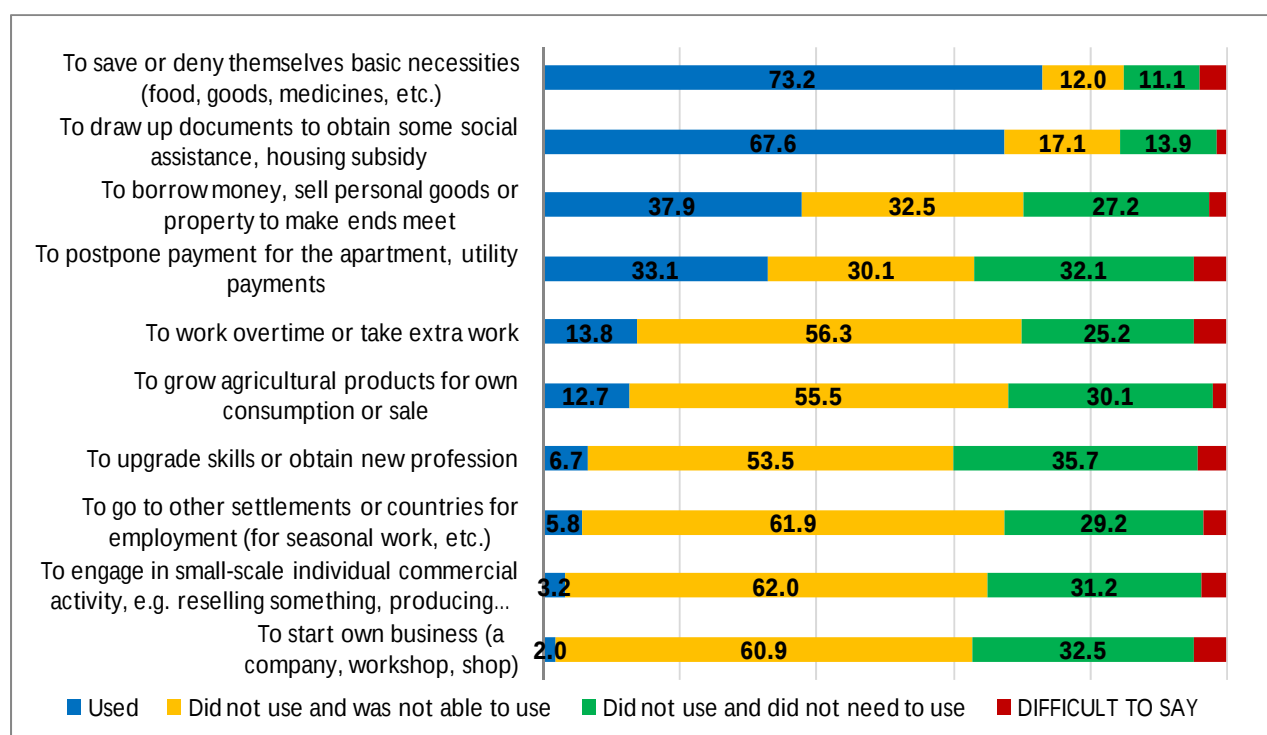
The additional sources of livelihood are more diverse and focused on the outside help from the state, charity funds and volunteers. The absolute leaders among them are humanitarian aid and social payments – more than half of interviewed migrants reported about receiving such help. One fifth of surveyed IDPs are supported by their relatives and friends.

Survival strategies of IDPs

Financial hardship, caused by resettlement from the conflict-affected areas, can be partially solved by different strategies. Our analysis shows that the most widespread strategy among IDPs is revision of their essential needs: three out of four respondents were forced to deny themselves in good nutrition, necessary treatment etc. that can be used as a indication of subjective poverty (Figure 2.16). Two-thirds

of IDPs asked for help from the state, drawing up documents to obtain some social assistance or a housing subsidy. These strategies are followed by sale of personal property, borrowing money and delaying obligatory payments.

Figure 2.16. Survival strategies used by surveyed IDPs (%)



As regards subjective poverty reported by IDPs depending on the household structure, the most vulnerable households are those where the proportion of working to not working members is 1 to 2 or more (Table 2.4). 81.3 percent of respondents from such households had to deny themselves the essentials (food, goods, medicines) to cope with financial difficulties. Households with non-working members are in a slightly better situation as 75.2 percent had the experience of saving on the essentials. The difference between these types of households is that households with non-working members mostly rely on pensions and social payments, while households with at least 1 working person per 2+ not working members rely on income from work, social payments and humanitarian aid. The presence of children in the household also makes the financial situation more difficult to some extent (Table 2.4).

Table 2.4. Financial hardship depending on the structure of the household of IDPs

Structure of household	% of those who were forced to deny themselves the essential products
No children	69.0
With children	76.8
No working members	75.2
2 and more non-working members per 1 working member	81.3
1-2 not-working members per 1 working member	69.0

Less than 1 not-working member per 1 working member	66.3
All working members	60.8

According to the previous studies of KIIS, work on the private land plots (so called dacha economy) is among the most widespread coping strategies in Ukraine. More than 70 percent of the economically active population of Ukraine are engaged in this activity to some extent, including more than half of the urban population who own plots of land for growing vegetables for personal consumption and sale (Grushetsky and Kharchenko, 2009). It is found that this strategy is not as popular among the surveyed IDPs: less than 13 percent of respondents were involved in these practices (Figure 2.16). This finding may be explained by high urbanization of the Donbas region, where engagement of population in subsistence farming was traditionally less widespread. Besides, the unstable status and living conditions of IDPs and limited access to arable land prevent the spread of this survival strategy among them.

Each fifth forced migrant used one or another active survival strategy. Most often it was a search of additional or overtime work (13.8 percent). Besides, IDPs upgraded their skills or obtained new profession (6.7 percent), and went for seasonal work (5.8 percent). Only a very small part of respondents (2-3 percent) tried to engage in a small-scale commerce or to open own business.

Survival strategies differ between IDPs of different age and gender. For example, young people are less inclined to deny themselves the basic necessities and draw up documents to obtain social assistance. Older people (60+ years) borrow money and engage in active entrepreneurial strategies less often, but they deny themselves in basic necessities and prefer to work on land plots more often. Women, especially older, are inclined to deny themselves in basic necessities, while men try active strategies, including commercial activities. In general, the majority of surveyed IDPs use at least two different survival strategies.

CHAPTER 3:

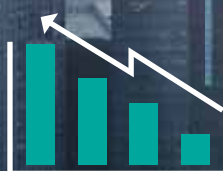
CURRENT LABOUR DEMAND IN UKRAINE AND EMPLOYMENT OPPORTUNITIES FOR IDPS



WORKER'S **SKILLS** AND COMPETENCES ARE **MUCH** MORE IMPORTANT FOR EMPLOYERS THAN **ANY** STATUS (E.G. IDP)

UNCERTAINTY

ABOUT DURATION OF IDP'S STAY AT A **NEW** LOCALITY IS ONE OF THE MAIN BARRIERS FOR EMPLOYERS



THE OVERALL **IMPROVEMENT OF ECONOMIC SITUATION** IN UKRAINE IS THE **MOST** IMPORTANT FACTOR TO IMPROVE **EMPLOYMENT** OPPORTUNITIES FOR IDPS



COMPENSATION OF WAGES AND/OR TRAINING COSTS, **TAX BENEFITS**, ETC. ARE ALSO OF INTEREST TO EMPLOYERS WHO COULD HIRE IDPS

3. Current labour demand in Ukraine and employment opportunities for IDPs

This section presents the main findings from the in-depth interviews with the representatives of employers and employment agencies conducted in June 2015. Before the analysis of employment and training opportunities for IDPs it first presents the employers' assessment of the current situation on the Ukrainian labour market in general, problems in hiring faced by employers and important skills and personality traits of workers for the employer.

3.1 Labour demand and hiring problems

Current situation on the Ukrainian labour market

Experts from both categories (employers and employment centres) deem the overall situation on the labour market as more favourable to employers now than to job-seekers. During the last year and a half the number of those looking for a job has grown considerably while the number of vacancies has shrunk. The respondents explained these changes by the economic recession in Ukraine as a whole and by mass labour mobility in the context of IDPs.

"I'm tracking the dynamics, and during the last two months we get about 25 to 30 resumes from the internet for each vacancy." <Dnipropetrovsk 7_2>

Majority of the surveyed employers mentioned that the worsening economic situation in the country has also influenced their companies considerably. Almost all respondents regardless their region and economic sector were talking about shrinking profits and the number of orders. As a consequence, employers had to review their staffing strategies during the last 12 to 18 months, with many of them laying off their employees. Besides, many respondents significantly reduced their needs in hiring new workers due to the aforementioned factors.

"If I get some worthwhile order for production, I'm ready to hire people, expand staff. Now we are working one shift but we are ready to work two shifts. But then again, it only depends on the national economy". <Luhansk 3>

Another important factor is a decreasing turnover, as employees working at their companies now tend to cling more to their jobs because of the bad economic situation and do not intend to leave. Hence, most employers are not planning to expand their core workforce in the near future, and there is no need to look for new workers. Employers at smaller companies are generally less prone to firing and hiring new workers as they have permanent employees who work with them for a long time and with whose work they are satisfied.

"You know, we've not been doing this at all lately. Half a year, maybe seven months ago I've hired people, and they are working for me since then. First of all, because they cling to their jobs. I cling to them, and they cling to me". <Donetsk 8>

Somewhat other situation is in sectors which need seasonal workers such as agriculture and fishing, and construction. Employers distinguish here between core permanent employees and temporary seasonal workforce which is more fluid, up to several hires and firings a day.

Hiring problems

While hiring a new worker, employers pay attention first of all to his/her relevancy to the job requirements. According to the respondents, the major problem is the lack of necessary qualifications and skills to meet employer's needs. The list of required qualifications and skills depends on a concrete vacancy but it most often includes relevant education, work experience, and communication skills. These are the most frequently lacking ones. Also, employers complained about low literacy proficiency, especially among the youth, poor command of English, and generally low communication culture.

It is easier for an employer to find unskilled seasonal workers. The most valuable personality traits of such workers are accountability, punctuality, and decency. On the other hand, irresponsibility, excessive alcohol consumption, and theft are very common problems employers are having with this category of workers. The situation can be improved to some extent by the constantly high number of candidates for such jobs that allows to replace one worker by another.

"Theft is flourishing. We have to let people go." <Kharkiv 9>

Finding highly-skilled professionals and workers is the most difficult task for employers. That is true for engineers of industrial enterprises, agronomists and veterinarians of agricultural companies, doctors, accountants, middle managers, as well as for highly skilled manual workers such as turners, fitters, welders, mechanics etc. The search is especially difficult when a worker has to combine several narrow professional skills, or to manage the equipment from different generations.

"The factory shops stop and cease production because of the lack of millers, borers with a peculiar qualification. Among the 100 thousand-strong population of Horlivka or 60 thousand-strong Druzhkovka nobody can find 3 to 5 persons who can be put to work with the machines. And the whole factory shops are standing idle because of that. A person who finds such a specialist is offered a bonus equal to his/her two-month wage". <Kharkiv 14>

Representatives of public employment centres run by the SES or by voluntary organizations confirm the existence of this problem. According to them, highly-skilled technical workers are the most needed in all industries, and search for such workers poses many problems.

"Everything is much more complicated with technical workers. In my experience, seamstresses are one such problem now. Companies can't find seamstresses. Also, technical workers, turners, stampers. Everything about metalworking is actually very complicated now". <Kyiv extra 2>

Generally, all employers agree that it is hard to find a good, decent, and energetic worker of any skill level, especially technical and manual workers.

“Bricklayers don’t know how to work with some materials – they lack the qualification, that’s right. An electrician doesn’t know how to route a wire. One will route it so that it will work for years, while another one will set on fire the junction box”. <Donetsk 6>

Aging of the workforce is another challenge for employers from many economic sectors, especially manufacturing, agriculture, and transport. On the one hand, young people are not willing to take blue-collar jobs because of low wages and tight working schedule. On the other hand, they lack experience and skills for working in managerial positions which could be interesting for them. The problem is even more acute for jobs that require great responsibility of an employee (material responsibility, working with expensive equipment, or responsibility for a person’s life). When an employee’s mistake implies great risks for an employer, the latter is even less willing to hire young workers.

“Today it’s scary to hire a doctor who’s younger than forty years old”. <Kyiv 17>

Employers and employment centres expect that the situation will only get worse in the future as there are already problems with replacement of the retiring workers.

“Many workers in the transport maintenance segment are already behind their pension age, especially in public companies such as municipal trolleybus and bus depots. Now we feel that such working pensioners are quitting their jobs and retiring more massively than before. But there’s really no one to replace them”. <Kyiv extra 2>

Meanwhile, all the respondents noted the surplus of lawyers, economists, and accountants on the labour market. But, according to the respondents, recent graduates with these diplomas have rather low level of competence. As a result, it is still quite hard for many employers to find a highly skilled lawyer or accountant.

“we have lots of certified lawyers who don’t have anything to do with jurisprudence. Once I had to hire a lawyer, and I must say I’ve had 70 interviews with candidates... But eventually I just went to a university and obtained a lawyer’s profession by myself”. <Donetsk 13_1>

Generally, while evaluating the candidates’ competences, the employers most often complained about the lack of relevant practical experience and low motivation to “do their utmost for the job”.

“I can say which [qualification] is abundant. It is laziness”. <Luhansk 3>

Methods of searching for workers

Employers use a whole array of methods in searching for workforce, depending on the peculiarities of the labour market and of a concrete job vacancy. The most popular methods are:

- **Search by recommendations / through personal connections** is one of the most popular options since it allows an employer to get information about a candidate from a third party. Some employers look for such information via the Internet (through professional associations and networks, contacts with former employers). Some respondents note that one of the advantages of cooperation

with employment centres is that it is possible to get a reference about workers, at least informal, from a candidate's previous workplace.

"Personal connections, personal acquaintances are the most effective. You know who you are hiring". <Kharkiv 2>

"These days there are lots of associations of narrowly focused specialists, there are clubs, there is an internet service called "Ask a doctor". When a person comes and you read his resume, it's not hard to find information about him in the Internet, to talk to his colleagues and patients. The information is found very quickly and easily". <Kyiv 17>

- **Cooperation with education agencies** is more typical for large companies and some narrow professions. Internship in a company is an effective way of getting to know more about the potential young worker.

"A university sends us fourth-year students for internship. The students keep track of their internship in a special journal, every week the project leader signs everything for them. Before presenting their final academic thesis, they come to us for half a year, gathering material for their thesis project. About 50 percent of the former interns are staying with us". <Zaporizhia 14>

- **Placing classified ads in the Internet** (on the websites for job-seekers like robota.ua, work.ua, headhunter.ua, or websites with free ads like OLX) is used more often when looking for higher skilled or younger workers who use the Internet more actively.
- **Placing classified ads** in the press are useful when looking for low-skilled workers or when trying to reach a specific audience in small towns.

"I had a very interesting experience, I don't even know how it happened – we placed an ad that we were looking for energetic young retirees who would like to help themselves and others. An enormous number of people came; and some of these retirees were 38 or 40 years old" <Donetsk 13_1>

- **Applications to employment centres of the SES** are used for finding workers with a narrow or rare qualification (profession), as well as for unskilled workers. There are mixed attitudes about this method of looking for workers. Some respondents cooperate actively with the SES, while others refuse from cooperation because of its ineffectiveness. Employers complain mainly about a very complex bureaucratic procedure of placing applications and about the lack of professionalism of candidates sent by the SES.

"We used to find people faster by our own means. The SES is not working... Or they offer candidates who turn out to be wrong people. They come, then leave again, we fill in the papers, exchange our reports and that's all for it". <Kyiv 3>

As has been already mentioned, most respondents normally use several methods at once. Some respondents said they did not need to look for candidates at all because potential employees were constantly applying on their own, due to the lack of jobs.

“Mostly they find me. We live in a small town. Everyone knows what I do. People come and say: I want to do this or that”. <Donetsk 2>

Only few respondents used services of private employment agencies, mostly when looking for middle/top managers. Participation in job fairs is also not very popular. The main reasons are the lack of need for it and lack of supply. In many sectors, namely construction, manufacturing, fishing, transport, equipment maintenance, and telecommunications, employers complained that nobody teaches students the professions they are interested in, or the quality of that education does not meet the needs of the employer.

“There is no special university or something like that which would teach specifically how to repair cell phones. Therefore, here we have people who graduated from the polytechnical university, who understand what is a contact, resistance, specific things like coil, condenser. Thanks to that knowledge they can understand what should be replaced where. Then they read phone schemes and understand everything. Also, we have self-taught people who’ve been working for a long time here and there”. <Odesa 19>

Head hunting has been almost never practiced because most respondents consider it a bad manner. Meanwhile, when there is a need for narrow-focused technical workers with a rare qualification (profession), employers try to track the career of such workers in other companies to offer them a job if workers quit or are laid off by their previous company. This method is quite effective in some industries, for example in metallurgy.

3.2 Training of personnel in companies

All surveyed companies have personnel training programmes in one way or another. The company’s size is the most important factor influencing the form of training. In small companies regardless of the economic sector, training is usually conducted spontaneously, whenever necessary, and usually by the manager personally. The main phases are normally acquaintance with the company and with the employees’ responsibilities, introductory lecture (more typical for companies engaged in trade), and practical training – work under the supervision of a manager or a more experienced colleague.

“Training is conducted by a previous specialist. We hire a specialist instead of a current one. The latter, after having received the notice, is obliged to train the new employee during a month”. <Kharkiv 2>

“In the beginning you are telling and showing the worker everything by yourself. I’ve been working in trade for a long time, and I know how to work with people. I show and tell everything. Perhaps it’s not very nice but I send my friends and relatives, checking how it’s going and how the employee works with customers”. <Odesa 8>

Large companies, mainly in manufacturing and construction, and branches of multinational companies often have a more formalized training of personnel. Such companies mostly have a schedule of personnel training and developed standard training materials, they can have special workers responsible

for training. The training itself usually consists of lecture courses (multinational companies practice online training or send employees to seminars) as well as practical training under the supervision of a foreman or more experienced worker.

“There is an electronic platform which has a lot of training courses. A person coming to our company is obliged to take a certain number of courses in understanding our product... and a course of mandatory trainings in so-called compliance, that is an employee's ethical code, anti-corruption and other legal aspects”. <Kyiv 9>

Upgrading skills is often done by visiting lectures or seminars organized by industrial trade unions, producers or trade representatives. Some employers also practice sharing experience with other companies from their industry.

“We have an organization called ASMAP – Association of international vehicle cargo. They often offer lectures, on the changes in legislation and so on”. <Kharkiv 9>

Some employers said that for effective personnel training they lack short-term external courses where they could send an employee for gaining additional skills. In some cases an employee lacks a formal certificate while having practical experience that can hinder the employee's further career. In such cases employers would like to be able to arrange a meeting of a qualification committee instead of sending such workers for long training courses out of employers' premises.

The employment centres (both those run by the SES and by volunteers), on their part, stipulate that they are actively working on it, and implement new types of trainings on new skills. There are also plans to establish a qualification committee by the SES-run centres. So, partially the problem lies in the lack of communication between employers and employment centres.

Possibilities for employers' participation in education and training

Most respondents think that education and training of the workforce should be the common task of the government and the employer. The government should provide the general foundation. In the context of tertiary (higher) education this should include special and wider theoretical knowledge, basic practical skills, self-learning skills, information search and analytical skills. Employers, on their part, should be responsible for practical part of education and training providing firm-specific skills.

As regards specific forms of an employer's participation in the workforce development, an opportunity to influence the curricula was least attractive to them for a number of reasons. Small companies and companies having very specific narrow demands do not see any need to influence curricula on the national or even regional level as their needs in workers are modest, and they won't be able to employ all the future alumni.

Large industrial companies also have reservations. Respondents were convinced that the material base of educational institutions would not be able to upgrade in time, reacting to technological innovations in their field, and so curricula would become outdated too fast; while investing the employers' resources in the material base of educational institutions is deemed ineffective by them.

“Now there are no such vocational schools. There are a few lyceums but they have a weak base, they are kind of weak themselves. They even don’t have lathes. Besides, lathes are being upgraded now. One should be able to program them”. <Kharkiv 4>

On-the-job training is deemed by the employers to be the most effective form of cooperation between educational institutions and business.

“it’s faster and easier to teach a person in the workplace atmosphere than in some college”. <Kharkiv 6>

Some respondents have the experience of such a cooperation and deem it to be positive or having good potential, given that educational institutions treat it responsibly, not just formalistically.

Some respondents would be also interested in reading lectures or seminars in educational institutions themselves, but it detaches them from business that should be compensated decently.

All the employers are interested first of all in training of their new workers and deem it necessary. When asked about the possibilities of training other workers and holding certificate programmes in their companies, the respondents said they mostly were not ready to provide such services without additional incentives.

The examples of such incentives provided by respondents are tax breaks, assistance in getting loans, introducing contracts for young specialists who will have to work in the company for several years after graduating, and allowing free training for employees of the company which houses these certificate programmes.

“The state should give companies preferences in order for this company to at least take these guys for internship, allow them to get on-the-job training and obtain some skills. Now there’s no such obligation. We take a person for internship but we don’t pay him anything. This is an unpaid internship. So, this person is not really interested, too”. <Donetsk 6>

3.3 Experience of hiring internally displaced persons

A large part of the surveyed employers has the experience of employing internally displaced persons (IDPs) in their companies. The largest number of such respondents was in Donetsk, Luhansk and Kharkiv oblasts. Among the IDPs hired by the respondents there are employees whose new job is matched to their previous profession (occupation) as well as employees who work in some other occupation, e.g. drivers, professionals in some field (called managers in Ukraine), or sellers. In some instances employers transferred workers of their branches from the conflict-affected areas in Donetsk or Luhansk oblast to some other place.

“I had a regional office in Donetsk, and all my workers have left that place”. <Donetsk 13_1>

Most employers who have hired IDPs have quite positive impressions. According to them, IDPs as employees have little differences from the rest of their workforce, often they are even more diligent workers because they cling to their jobs and depend on having a job more than local workers.

But not all employers trust IDPs. Some respondents have heard negative feedback about such workers from other employers: they recounted instances of theft or lack of professionalism. Also, many respondents said they didn't like the attitude of some IDPs towards the other people.

"A person came from Luhansk last summer. He applied for a job and was hired out of pity. He had worked for a week and he didn't like it. He didn't like anything. Now there emerged a category of people who think we should pity them. They are miserable, poor, and we owe them something".
<Zaporizhia 19>

Respondents from Lviv oblast said that IDPs gained a somewhat negative image because they are allegedly prone to criminal activities and unwilling to work. The respondents themselves acknowledged this impression could be false and were potentially ready to consider IDPs as candidates for jobs in their companies.

"The crime rate has grown up in our region because many criminal acts have been committed against cars. It's a bad economic situation, maybe people have no job and at least thus they survive... But the crime rate has increased, and in our region people associate this with the fact that many people have come here from the East". <Lviv 12>

Among the negative moments some employers noted that not all IDPs who came to the Ukrainian-controlled territory are loyal to Ukraine having pro-Russian sympathies. This can cause psychological discomfort to the collective of workers or to the employers themselves and potentially lead to conflicts.

"Let's not touch politics. Let's say there is a city of Kriviy Rih, there's a police dormitory there. There are people displaced from that side, who consider Ukraine their enemy. We understand that we won't send them there. Because it will be a sure conflict". <Donetsk 6>

Overall, though, the employers said that their main criterion for hiring is whether the candidate's skills and competences meet job requirements, and that they don't see any fundamental difference between IDPs and local employees.

Benefits and barriers of hiring IDPs

Majority of surveyed employers do not see any benefits in hiring IDPs provided by the state. Only one respondent in Lviv oblast has heard about the Law which provides compensation for employers who hire IDPs,⁸ but he himself has not had relevant personal experience.

"As far as I understand, employers don't know anything about [the new law] at all, they are not informed. And I know that there are many different nuances which make this procedure harder... It

⁸ A Law of Ukraine On Introduction of amendments to certain legislative acts of Ukraine to strengthen social protection of IDPs (№ 245-VIII, March 5, 2015).

was 3 to 4 months ago, a long time. And the strangest thing is that nobody talks about it. Nobody knows about it. I know there was a lot of fuss about it. We even took part in writing it, contributed our recommendations. But then it all just stalled somehow". <Kyiv extra 1>

The most frequent barrier to hiring IDPs cited by the respondents is the tough economic situation: decline in production, no need in new workers, inability to pay wages in full even to the already hired workers.

"If there is a vacancy and I prefer locals to IDPs that's one thing. But if I don't have a vacancy, he applies for a job and I don't take him... I have to pay him wages tomorrow, excuse me, but where shall I get the money?" <Luhansk 3>

Another barrier for some respondents was the uncertainty about how long will IDPs stay at the new place. Employers are mostly sympathetic to the IDPs' desire to return home but they say they are not ready to invest their resources into such employees, particularly if some training is required.

"We've had such a man. He came, but then Popasna was liberated and he said: OK, I'm leaving. That's obvious. I think even wages won't hold them". <Luhansk 3>

Some problems with documents (e.g. lack of local registration ("*propiska*") or a labour book) are not seen by employers as a major barrier in hiring IDPs. Most respondents said they were ready to hire IDPs as long as they had temporary certificate issued by authorities, and would look for ways to "*avoid problems with a labour book*" if the worker suits them. But for some employers, especially when speaking about sectors which entail a high level of employee's responsibility, like healthcare, lack of the necessary documents is a serious barrier in hiring IDPs. Representatives of employment centres, on their part, noted that IDPs often do not want to register at a new workplace officially, even when they have the necessary documents. The main reasons include hope of IDPs to return to the previous workplace and reluctance to break their long official employment period. For men it is also a fear of draft to the armed forces.

As regards the question on whether an IDP's financial hardship and the need to settle in a new environment can be considered a benefit for an employer, respondents' thoughts divided sharply. On the one hand, such workers are more diligent, tend to cling to their jobs, and are often willing to work for less money than the locals. On the other hand, that is only true for those companies and/or professions which pay comparatively well. For small and medium enterprises this is rather a barrier than a benefit: receiving the average wage of 1000 to 2000 UAH monthly, an IDP will not be able to pay rent and therefore will not be even interested in a constant job with such level of wage. That benefits substantially local workers who do not need to pay rent.

A small part of those surveyed admitted that they would pay less than they usually do if an IDP agreed to such conditions. The employers who have or had IDP workers say they pay the same wages to all employees and consider it wrong to try and make use of other person's hardships.

Lack of personal connections and weak orientation in the new environment can be also barriers for working at some positions, e.g. in insurance, trade, real estate, and transport. Several respondents also mentioned psychological state of some IDPs as a barrier to their employment. They claim that psychological traumas experienced by IDPs can cause instability, bad mood, and negative attitudes. Such traits can prevent employment in service industries where customers “*don’t want to face negative people*”.

“Those guys are also jumpy – one doesn’t have housing, another one doesn’t have something else. That leaves a mark on the work they do”. <Kharkiv 6>

Opportunities to raise attractiveness of hiring IDPs

Respondents indicated two main things which could make hiring IDPs more attractive. The majority of them think that the overall improvement of economic situation would be the most important. It would allow them to expand their business and hire new workers, and IDPs then would be able to compete with other candidates on general terms. When discussing incentives to hire specifically IDPs right now, respondents mostly suggested introducing compensation of wages and/or training costs for a company from the state.

“there used to be a scheme under which for one year the wages are paid by the SES, while for the next year it’s my obligation. Now that’s something which can interest me”. <Luhansk 8>

Tax benefits would also be attractive: exemption from the military tax, a tax holiday for some period. Other frequently named options were various kinds of assistance from the government in placing orders, finding new markets etc. that would help the company to expand.

“Help in business expansion. Expansion abroad, for example in Africa. For example, I have a company which produces humus substance. It’s not needed here but Arabs need it. I don’t have connections. Therefore I have to waste my time, go to the Sahara desert and meet Bedouins”. <Donetsk 2>

Employment opportunities of IDPs in various industries and regions

Most respondents that the situation on the labour market does not vary substantially across regions. But some employers from Donetsk and Luhansk regions think that it is becoming harder for IDPs to find jobs in the near-conflict oblasts (Kharkiv, Dnipropetrovsk) because the number of IDPs there is already too high. Therefore they have to move further to West. Overall, employers believe it is easier to find a job for IDPs either in large cities or in the countryside, but the latter can offer only seasonal jobs.

“It’s easier for IDPs in the countryside, provided they are manual workers. There are more options, more jobs in the fields”. <Kharkiv 2>

Also, skilled workers with specific skills in metalworking and coal industries may find it hard to find a job because there is little demand for such workers beyond the regions adjacent to the conflict-affected area.

CHAPTER 4:

OVERCOMING THE EMPLOYMENT-RELATED PROBLEMS OF IDPS IN UKRAINE: RECOMMENDATIONS



UP-TO-DATE
LABOUR MARKET
INFORMATION AND
**MORE WELL-
TARGETED**
SERVICES TO IDPS

BETTER
MATCH OF JOB SEEKING
IDPS BY ENHANCING
INFORMATION ON
AVAILABLE VACANCIES



MORE
LABOUR DEMAND DRIVEN
TRAINING AND
TARGETED APPRENTI-
CESHIP OPPORTUNITIES

MORE
LABOUR SUPPLY DRIVEN
PUBLIC AND TEMPORARY
WORKS AND **MORE**
SUBSIDIZED EMPLOYMENT



MORE
FLEXIBLE WORK
ARRANGEMENTS
AND AFFIRMATIVE
ACTIONS TO TACKLE
DISCRIMINATION

4. Overcoming the employment-related problems of IDPs in Ukraine: Recommendations

The evidence suggests that the Ukrainian labour market is currently facing many challenges that will need to be addressed in the near term to help the country emerge successfully from a negative chapter in its history. One of the most burning issues is to help disadvantaged workers, particularly among the IDPs, improve their livelihood and integrate into the new place as best as possible.

General wisdom and experience of countries affected by the heavy influx of refugees or internally displaced persons suggest that successful integration of displaced people and the critical move from humanitarian assistance to long-term, sustainable development assistance depends largely on employment self-reliance. Therefore, the focus of the state policies and programmes targeted at IDPs should be on enhancing their employability and improving access to employment.

Taking into account that many IDPs seeking for jobs are left outside the SES and therefore are not entitled to longer-term and more costly ALMPs, an important issue is to strengthen the capacity of the State Employment Service to respond to the needs of all job seeking IDPs and to encourage employers to cooperate with the SES and hire workers among the job seeking IDPs.

The goal of this section is to highlight the priority measures to overcome employment-related problems of IDPs, leaving aside the fundamental measures to boost the economic and employment growth in Ukraine such as macroeconomic stabilization, political stability, improvement of the investment climate and doing business, employer-friendly changes in payroll taxes and employment protection legislation, etc. In our view, five priority measures are the following:

Provide more and better information on existing job opportunities and SES services for IDPs in a specific, visible, regular and accessible format and overcome bureaucratic and legal barriers which hinder access of IDPs to SES services. Our study finds that about 10 percent of the unemployed IDPs in our sample did not know about the possibility of registering with the SES, and this share is even higher among young and less educated job-seekers. Many IDPs would like to participate in temporary works or training schemes but they did not register with the SES because they did not see suitable jobs in the SES vacancy dataset and did not want to have records about unemployment in their labour books.

From this follows that the procedure and criteria for registration of IDPs who paid insurance payments before resettlement and are looking for a job now should be simplified. Moreover, the emphasis of the SES should be not on matching of job-seekers only to the jobs available in their dataset of vacancies or on paying unemployment benefits but on the effective help to IDPs in line with their expectations. Like in the Swedish program of integration of refugees (see Box 2), integration plan should respect an IDP as a job-seeker responsible in finding a suitable job for himself/ herself.

An important role of the SES and volunteer organizations providing assistance to IDPs is to provide an initial training course focused on up-to-date job search skills, including skills on writing resumes and cover letters, interviewing by potential employers, social networking, and using the modern IT technologies (on-line job portals, social networks, etc.) for job search and free on-line training opportunities. The target group includes IDPs who did not work before at all or had a long break in

employment (e.g. women being on maternity leave) as well as skilled professionals and workers who worked with one employer for a long time.

Box 2. Best practice: work and refugee integration in Sweden

Sweden accepts a unique approach in putting work first when welcoming refugees. Newly arrived refugees and asylum seekers in Sweden are not left waiting in camps or parked in social support systems; instead, they are enrolled in a work integration programme. After their residence status is settled, the national public employment service (Arbetsförmedlingen) helps the refugee to gain a foothold in their new environment.

This programme invests in the employability of each refugee. The skills assessment component of the Swedish integration programme looks not only at formal qualifications but also at employment history, soft skills and other employment-relevant experiences. The refugee also expresses their personal expectations of the programme and of the assistance they would like to receive from the job advisor at the public employment service. The resulting integration plan respects the refugee as a job-seeker who will take his or her share of responsibility in finding a suitable job. Arbetsförmedlingen supports and guides where necessary with preparatory training courses.

A strength of the Swedish programme is that it starts parallel paths to training and integrating the refugee; refugees do not, for example, spend a long time sitting in a language course and then start looking for a job but do both at the same time. As its focus is not only on finding a job, the programme also helps refugees to look for appropriate housing.

The public employment service also reaches out to employers, identifying those who are willing to hire refugees and negotiating with those who show less readiness to invest in skills development. Subsidies for work experience posts and preparatory training courses help pave the way to a mutually positive kick-start. Continued assistance after the refugee starts working helps ensure sustainability of employment.

The fact that the programme is not ruled by monitoring deadlines or budgetary constraints helps to establish migration policy as a long-term approach, rather than a quick fix to a temporary phenomenon.

Source: Peromingo (2014).

In order to cope with a large amount of potential beneficiaries of SES services and to channel the most vulnerable categories of IDPs to a targeted assistance so that to allocate limited resources effectively and deliver high-quality services, the SES needs to implement a functional system of job-seeker profiling and reemployment services. Based on a best-practice synopsis of job-seeker profiling methods adopted by key SESs of Organization of Economic Co-operation and Development (OECD) member countries, Loxha and Morgandi (2014) argue that for emerging middle-income economies where the SES are often constrained in the quantity and the capacity of their case managers, an automatized statistical profiling model could be a suitable tool to improve SES efficiency. But it will be useful only if the SES has a variety of interventions that can really meet the specific needs of particular groups of individuals. In this context it is also important that the SES invests in collecting sufficient information on job seekers and in building

data-based evidence about the net impact of its ALMPs, ideally by client profile typology (Loxha and Morgandi, 2014).

Improve match of job seeking IDPs to available jobs in the host labour market or outside it. Current and previous studies of the Ukrainian labour market shows that both job-seekers and employers rely heavily on informal channels (personal connections) and social or professional network to find a proper job/worker. IDPs who have relocated to a new environment with few personal connections face significant barriers in access to jobs. Our study also shows that better-educated and skilled IDPs most often use the Internet and mass media to find a job. In order to help them make their job search more efficient, improvements should be made in all job search portals, public and private ones, and mass media providing job ads, so that vacancies are up-to-date and include maximum information about a job, including required education, experience and skills, offered wage, fringe benefits, working conditions, additional requirements, etc.

In this respect it is also important for the SES and its private partners to reach out more employers who are willing to hire IDPs and establish effective partnerships with them to increase the number of job opportunities for the unemployed IDPs and also to improve the quality of matches for employers. Continued assistance to employers after the unemployed starts working helps ensure sustainability of his/her employment (see example of Sweden in Box 2).

Our study also shows that if a suitable job is located in some other settlement in Ukraine, many job-seekers would be ready to relocate, given availability of affordable housing and jobs for other family members. About 20 percent of surveyed IDPs would relocate to a new locality if mobility allowance from the government is provided. This suggests that parallel help in finding of suitable jobs for all household members willing to work and of appropriate housing along with mobility allowance to cover initial migration costs could be an effective tool to avoid the development of high-unemployment areas in localities where a lot of IDPs are clustered.

Increase employment opportunities for IDPs through public and temporary works and subsidized employment, with active involvement of the private sector. As learned through in-depth interviews with employers, negative economic trends in Ukraine since early 2014 and quite pessimistic outlook on the developments in the near future limit employment opportunities of IDPs. However, if some targeted incentives are provided to employers to hire IDPs, these employment opportunities could be extended, at least for a short period of time.

Given that employers often refrain from hiring IDPs because the latter might stay in a new locality for a limited duration, while IDPs are often not willing to take low-paid unskilled jobs, support of private sector employers in creation of temporary works for IDPs might be beneficial for employers (providing them with necessary workers at lower cost) as well as for IDPs (providing wage income and work experience). Creation of such temporary works can be facilitated through a wage subsidy or through a social security exemption. Discussion with heads of local SES offices shows that the former method (wage subsidy) which was used by the SES of Ukraine before 2013 is much more effective than a social security exemption envisaged by the new Law On employment of population (effective since January 2013). In order to minimize the possible abuse of this subsidized employment scheme it is important to set up clear eligibility criteria and limit its maximum duration.

As regards public works, we find some interest of the unemployed surveyed in our study in participation in public work activities provided by the SES. But taking into account that most IDPs are well educated and have high-skilled or semi-skilled backgrounds, it is important to offer activities that cover all skill levels and not only elementary unskilled occupations as it is now.

Offer training and apprenticeship opportunities to increase employability of IDPs and to smooth their transition from inactivity/ unemployment to employment and accompany these opportunities with substantial information campaigns. Although the unemployed IDPs are well educated and have high-skilled or semi-skilled backgrounds, they often face difficulties in finding a job in a new locality because available jobs do not match their skills and profession and/or because they do not have the relevant work experience (true for previously employed job-seekers as well as for students and women coming back to the labour market after maternity leave). If these IDPs plan to settle in a new locality, one of the most helpful solutions in the longer term is to provide more training and apprenticeship opportunities which are aligned with labour market needs.

In view of a rapidly changing situation in Ukraine, it is important to equip them with skills and competences which are demanded not only by the employers in some region or sector but are transferable across sectors and occupations and therefore can give people better chances of rewarding employment in the longer-term. Training in computer skills (Microsoft office, Internet, special software for accountants, engineers, designers, etc.), Ukrainian and English languages, business communication (both oral and written), interpersonal relations and customer handling, problem-solving and decision-making skills, entrepreneurship and management are examples of such courses. Training vouchers offered to job-seekers among IDPs could help them cover the cost of training while ensuring autonomy in selection the course and its provider but the SES should provide the list of providers of adult training services assuring relevant and reliable education standards.

Offer more flexible work arrangements to meet the specific needs of IDPs (women with care responsibilities, older workers, people with disabilities or health problems) and tackle possible discrimination of employers against these workers through affirmative actions. Answering different questions in our survey of IDPs respondents often mentioned old age, having small/disabled children or problems with health (including some disability) as a barrier to their employment. To improve the employment opportunities of these categories of IDPs, including through public works and subsidized employment, it is important to implement specific measures for them to be able to work. For example, provide child or elderly care services for women with care responsibilities, offer incentives for employers to hire older workers in jobs that are not physically demanding, channel workers with disabilities to special enterprises and organizations (e.g. for deaf or blind) or to employers which have job vacancies for people with disabilities. Access to information about available part-time jobs or jobs with flexible forms of work (including distance work) would be also very helpful for all these categories of IDPs.

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Annex A

Table A.0. Distribution of surveyed IDPs by region and city (persons)

Region	City, town	Number of interviews
Donetsk oblast	Slavyansk	106
	Mariupol	115
	Kramatorsk	125
	Artemivsk	158
	Total	503
Luhansk oblast	Severodonetsk	100
	Bilovodsk	49
	Starobilsk	50
	Total	200
Dnipropetrovsk oblast	Dnipropetrovsk	118
	Kryvyi Rih	50
	Total	168
Kyiv City and oblast	Kyiv and its suburbs	401
	Total	401
Zaporizhia oblast	Zaporizhia	148
	Total	148
Lviv oblast	Lviv	80
	Total	80
Odesa oblast	Odesa	51
	Serhiivka	50
	Total	101
Poltava oblast	Poltava	100
	Total	100
Kharkiv oblast	Kharkiv	299
	Total	299
Total		2000

Table A.2. Surveyed IDPs by region and channel for selection of respondents (persons)

Region	Places of compact residence	Charity funds and volunteer organizations	Public institutions	Snowball	Total
Donetsk oblast	81	141	272	9	503
Luhansk oblast	15	39	113	33	200
Dnipropetrovsk oblast	46	113	4	5	168
Kyiv City and oblast	24	212	152	13	401
Zaporizhia oblast	100	25	23	0	148
Lviv oblast	0	51	18	11	80
Odesa oblast	72	29	0	0	101
Poltava oblast	0	90	10	0	100
Kharkiv oblast	32	196	51	20	299
Total	370	896	643	91	2000

Table A.3. Surveyed IDPs by selected characteristics and region (% , column total=100%)

Characteristic		Donetsk	Luhansk	Dnipropetrovsk	Kyiv	Zaporizhia	Lviv	Odesa	Poltava	Kharkiv	Total
Gender	Male	37.8	38.0	22.6	24.9	26.4	28.8	31.7	23.0	31.1	30.7
	Female	62.2	62.0	77.4	75.1	73.7	71.3	68.3	77.0	68.9	69.3
Age	18-29 years	23.5	17.5	27.4	23.7	21.0	30.0	18.8	29.0	26.8	23.9
	30-44 years	38.4	41.0	44.6	43.6	45.3	35.0	42.6	41.0	50.8	42.8
	45-59 years	29.2	20.0	20.8	22.0	18.9	21.3	29.7	21.0	15.1	22.6
	60+ years	9.0	21.5	7.1	10.7	14.9	13.8	8.9	9.0	7.4	10.8
Period of migration	August-September, 2014	39.8	51.5	57.7	53.1	46.0	56.3	43.6	51.0	70.2	51.6
	October-December, 2014	30.4	34.5	19.6	27.2	18.2	18.8	19.8	29.0	14.1	24.9
	January-March, 2015	25.3	10.0	15.5	13.0	23.7	16.3	21.8	15.0	10.4	17.1
	April-June, 2015	4.6	4.0	7.1	6.7	12.2	8.8	14.9	5.0	5.4	6.6
	Crimea	0.0	0.0	1.8	4.3	0.7	13.9	0.0	0.0	0.3	1.7
Former place of residence	Donetsk oblast	95.0	5.0	63.7	58.2	78.4	58.2	74.3	50.0	43.8	62.3
	Luhansk oblast	5.0	95.0	34.5	37.6	21.0	27.9	25.7	50.0	55.9	36.1
Labour market status at the time of survey	Employed	36.8	34.5	40.5	44.8	20.3	30.0	10.9	28.0	36.1	35.1
	Unemployed	16.3	12.5	15.5	8.8	23.7	28.8	17.8	28.0	30.4	18.2
	Inactive	46.9	53.0	44.1	46.5	56.1	41.3	71.3	44.0	33.4	46.7

Table A.4. Surveyed IDPs by selected characteristics as compared with official data of the State Employment Service (% , column total=100%)

Characteristic		Sample of IDPs not registered with SES	Data of State Employment Service (for registered in SES IDPs) for all Ukraine
Gender	Male	30.7	30.0
	Female	69.3	70.0
Age	18-29 years	23.9	27.7*
	30-44 years	42.8	49.6
	45-59 years	22.6	22.7
	60+ years	10.8	-
Education level	General secondary and lower (school)	10.1	11.4
	Secondary vocational (PTU)	18.6	18.6
	Tertiary short-cycle (college)	28.2	70.0
	Tertiary long-cycle (university)	43.1	
Occupational group at the last job before displacement (those who worked)	Senior officials and corporate managers	4.4	21.6
	Professionals	22.6	20.4
	Technicians and associate professionals	16.2	15.2
	Clerks	8.5	6
	Service and sales workers	25.5	11.5
	Skilled agricultural, forestry and fishery workers	0.7	0.8
	Craft and related trades workers	11.1	8.4
	Plant and machine operators, and assemblers (including drivers)	7.4	7.7
	Elementary occupations	3.4	8.4
	Armed forces occupations	0.3	-

Note: * Age groups in SES statistics: 15-29, 30-44, 45-60.

Table A.5. Surveyed IDPs by selected characteristics and channel for selection of respondents (% , column total=100%)

Characteristic		Places of compact residence	Charity funds and volunteer organizations	Public institutions	Snow-ball	Total
Gender	Male	31.1	26.8	34.4	41.8	30.7
	Female	68.9	73.2	65.6	58.2	69.3
Age	18-29 years	23.2	24.8	23.0	23.1	23.9
	30-44 years	42.2	45.0	40.8	38.5	42.8
	45-59 years	24.1	20.3	24.3	26.4	22.6
	60+ years	10.5	9.9	12.0	12.1	10.8
Education level	General secondary and lower (school)	13.2	9.9	9	6.6	10.1
	Secondary vocational (PTU)	24.3	16.8	17.6	20.9	18.6
	Tertiary short-cycle (college)	31.6	25.5	29.9	28.6	28.2
	Tertiary long-cycle (university)	30.6	47.8	43.5	44	43.1
Occupational group at the last job before displacement	Senior officials and corporate managers	2.7	4.6	0.9	2.2	3.0
	Professionals	6.2	17.9	16.8	19.8	15.5
	Technicians and associate professionals	8.4	12.8	10.4	8.8	11.1
	Clerks	4.3	6.9	4.7	7.7	5.8
	Service and sales workers	17.8	18.1	17.1	13.2	17.5
	Skilled agricultural, forestry and fishery workers	0.3	0.9	0.0	1.1	0.5
	Craft and related trades workers	9.5	5.8	8.7	9.9	7.6
	Plant and machine operators, and assemblers (including drivers)	7.8	3.7	4.8	8.8	5.1
	Elementary occupations	4.6	2.3	1.1	1.1	2.3
	Armed forces occupations	0.0	0.3	0.0	0.0	0.2
	Did not work before displacement	38.4	26.6	35.2	27.5	31.6
Use of computer	Cannot and never used it	22.0	12.9	16.6	14.3	15.8
	Can and use it from time to time	49.1	43.6	40.4	36.3	43.2
	Can and use it regularly (including for work purposes)	28.2	43.1	42.9	49.5	40.6
Use of Internet (multiple answers)	Have no need and never use	21.4	12.7	15.8	13.2	15.3
	Have a need, but have no possibility to use now	10.3	9.6	9.5	9.9	9.7
	Use at home or via mobile connection	60.4	72.7	68.6	72.5	69.1
	Use at work	6.5	11.8	13.9	14.3	11.6
	Use in the Internet cafés, clubs, in public places etc.	10.0	4.1	11.4	9.9	7.8
Labour market status at the time of survey	Employed	23.5	34.8	41.5	39.6	35.1
	Unemployed	20.3	20.0	14.8	15.4	18.2
	Inactive	56.2	45.3	43.7	45.1	46.8

Table A.6. Distribution of quotas for the selection of enterprises for in-depth interviews, by economic sector and size

	Sector (type of economic activity)	Big	Medium	Small	Total
1	Agriculture, forestry and fishing		2	3	5
2	Industry	3	2	3	9
3	Construction			3	3
4	Wholesale and retail trade; repair of motor vehicles and motorcycles		2	9	11
5	Transportation and storage			3	3
6	Accommodation and food service activities			1	1
7	Information and communication			1	1
8	Financial and insurance activities			3	3
9	Real estate activities			3	3
10	Professional, scientific and technical activities	1		2	3
11	Administrative and support service activities			1	1
12	Education			3	3
13	Human health and social work activities			2	2
14	Arts, entertainment and recreation			1	1
15	Other services			6	6
	<i>Mediators in employment</i>	1		1	2
	Total	5	6	45	56

Annex B

Table B.1. Composition of the employed, unemployed and inactive IDPs by selected characteristics (% , column total=100%)

Characteristic		Employed	Unemployed	Inactive	Potentially active *
Gender	Male	41.5	32.0	22.1	17.4
	Female	58.6	68.0	77.9	82.6
Age	18-29 years	23.1	26.7	23.2	40.1
	30-44 years	54.0	47.1	32.8	47.7
	45-59 years	21.5	22.3	23.5	10.0
	60+ years	1.4	3.9	20.6	2.2
	Median/min/max age (years)	36/18/68	36/18/69	40/18/70	31/18/66
Education level	General secondary and lower (school)	6.1	13.5	11.7	10.4
	Secondary vocational (PTU)	17.7	17.9	19.7	18.7
	Tertiary short-cycle (college)	26.5	22.3	31.7	28.3
	Tertiary long-cycle (university)	49.7	46.3	36.9	42.6
Previous employment experience	Worked before displacement	90.5	81.8	46.4	57.7
	Didn't work before displacement	9.5	18.2	53.6	42.3
	Mean work experience (years)	14.9	13.3	17.3	12.9
	Mean tenure at the last job (years)	7	6.7	9	7.7
Use of computer	Cannot and never used it	8.7	12.2	22.5	6.2
	Can and use it from time to time	35.5	48.6	47.0	49.0
	Can and use it regularly (including for work purposes)	55.7	38.1	30.2	44.2
Use of Internet (multiple answers)	Have no need and never use	7.9	11.1	22.5	5.2
	Have a need, but have no possibility to use now	8.4	12.5	9.7	9.0
	Use at home or via mobile connection	75.0	70.1	64.3	82.0
	Use at work	26.5	5.0	2.9	4.4
	Use in the Internet cafés, clubs, in public places etc.	9.6	8.9	6.1	8.8

Note: See Box 1 for the definition of employed, unemployed and inactive used in the study. Potentially active are currently inactive people from the following categories: (i) those who mentioned the reasons for not searching a job during the reference period which are related to some employment-related difficulties (lack of documents, discouragement, short period of stay on a new place, etc.) (Table 2.1); (ii) students; (iii) women aged 18-44 years with care responsibilities.

Table B.2. Reasons for not registering with the SES by current labour market status of IDPs (% , column total=100%)

Reason for not registering with the SES	Employed	Unemployed	Inactive	Total
Students, disabled, pensioners, women with small children	3.6	12.7	65.9	34.4
The SES offers very low-paid jobs	20.5	26.5	8.3	16.0
Is searching/found work without SES (including via transfers)	39.2	3.9	1.7	15.3
There is lack of vacancies matching my profession in the SES	11.1	19.3	5.6	10.0
Did not know about this possibility	10.3	9.6	5.2	7.8
Lack of all documents necessary for registration with the SES	7.3	12.1	6.3	7.7
DIFFICULT TO SAY	5.9	10.7	4.2	6.0
Negative experience with SES, lack of trust in SES	1.0	3.6	0.8	1.4
Came recently, did not have time, is planning to register	0.4	1.1	1.2	0.9
Other	0.7	0.6	0.9	0.8

Note: See Box 1 for the definition of employed, unemployed and inactive used in the study.

Table B.3. Reasons of unemployed IDPs for not registering with the SES by selected characteristics (% , row total=100%)

	The SES offers very low-paid jobs	There is lack of vacancies matching my profession in the SES	Students, disabled, pensioners, women with small children	Lack of all documents necessary for registration with the SES	DIFFICULT TO SAY	Did not know about this possibility	Is searching work without SES	Negative experience with SES, lack of trust in SES	Came recently, did not have time, is planning to register
Total	26.5	19.3	12.7	12.1	10.7	9.6	3.9	3.6	1.1
Male	30.2	17.2	8.6	12.9	9.5	14.7	3.5	1.7	1.7
Female	24.7	20.2	14.6	11.7	11.3	7.3	4.1	4.5	0.8
18-29 years	26.8	17.5	9.3	13.4	11.3	15.5	4.1	1.0	0.0
30-44 years	27.5	19.3	12.3	11.7	9.9	7.0	4.7	5.3	2.3
45+ years	24.2	21.1	16.8	11.6	11.6	8.4	2.1	3.2	0.0
General secondary and lower (school)	10.2	16.3	22.5	10.2	6.1	26.5	2.0	6.1	0.0
Secondary vocational (PTU)	27.7	20.0	10.8	18.5	9.2	7.7	1.5	3.1	1.5
Tertiary short-cycle (college)	25.9	23.5	8.6	12.4	12.4	6.2	6.2	3.7	1.2
Tertiary long-cycle (university)	31.0	17.9	12.5	10.1	11.9	7.1	4.2	3.0	1.2
Worked before displacement	28.0	20.5	8.8	13.8	10.8	9.1	3.7	3.4	1.4
Didn't work before displacement	19.7	13.6	30.3	4.6	10.6	12.1	4.6	4.6	0.0

Table B.4. Current and previous employment of IDPs by economic sector and occupation (% column total=100%)

Sector/ occupational group	Current employment, IDPs	Previous employment, IDPs				Ukraine, 2014*
		Employed	Unempl.	Inactive	Total	
Sector (type of economic activity)						
Agriculture, forestry and fishing	1.4	0.8	1.7	0.5	0.9	17.1
Mining and quarrying	0.4	5.8	3.7	8.6	6.2	
Manufacturing	2.7	5.7	10.1	9.0	7.7	
Electricity, gas, steam and air conditioning supply	2.3	3.0	2.0	1.9	2.4	16.0
Water supply; sewerage, waste management and remediation activities	0.4	0.5	1.0	1.4	0.9	
Construction	11.0	7.9	9.8	6.0	7.7	4.1
Wholesale and retail trade; repair of motor vehicles and motorcycles	29.3	27.2	25.6	26.3	26.6	21.9
Transportation and storage	5.3	7.4	9.4	4.6	7.0	6.2
Accommodation and food service activities	3.3	3.6	3.0	3.2	3.4	1.7
Information and communication	2.7	2.7	2.7	0.9	2.1	1.6
Financial and insurance activities	3.9	4.9	3.7	4.4	4.5	1.6
Real estate activities	0.9	0.8	1.0	0.7	0.8	1.6
Professional, scientific and technical activities	1.3	0.6	1.0	0.9	0.8	2.5
Administrative and support service activities	3.6	2.4	3.4	3.7	3.0	1.8
Public administration and defence; compulsory social security	2.6	3.8	4.7	3.9	4.0	5.3
Education	8.8	11.0	6.7	8.1	9.2	8.8
Human health and social work activities	5.4	5.2	4.4	7.9	5.9	6.4
Arts, entertainment and recreation	1.9	1.9	2.7	1.6	2.0	1.2
Other activities	13.0	4.9	3.4	6.5	5.1	2.1
Occupational group						
Senior officials and corporate managers	2.3	4.4	5.1	3.7	4.3	8.0
Professionals	18.2	25.0	21.9	18.9	22.4	17.1
Technicians and associate professionals	14.3	14.3	13.1	20.8	16.1	12.2
Clerks	6.8	6.8	8.1	10.9	8.4	3.2
Service and sales workers	28.5	26.0	24.6	25.6	25.6	15.9
Skilled agricultural, forestry and fishery workers	0.6	0.9	1.0	0.2	0.7	1.0
Craft and related trades workers	8.8	12.0	9.4	11.1	11.1	12.8
Plant and machine operators, and assemblers (including drivers)	6.0	7.7	10.4	4.9	7.4	11.4
Elementary occupations	13.1	2.4	5.4	3.5	3.4	18.3
Number in the sample	702	635	297	433	1365	

Source: author's calculations for IDPs, SSSU (2015) for Ukraine.

Note: * Data for Ukraine refer to population aged 15-70 years excluding the occupied territories in Crimea and Donbas.

Table B.5. Current employment of IDPs by selected job characteristics, gender and age (% , column total=100%)

	Male	Female	18-29 years	30-44 years	45+ years	Total
Ownership						
State (public) or municipal	11.4	28.8	13.0	25.9	20.0	21.6
Private, including foreign	77.5	62.7	77.0	64.8	70.0	68.8
Mixed (public and private)	4.5	2.7	3.1	2.9	5.0	3.4
DIFFICULT TO SAY/ REFUSE TO ANSWER	6.6	5.9	6.8	6.4	5.0	6.2
Size						
Up to 5 employees	15.3	17.4	15.0	15.1	21.3	16.5
5-10 employees	20.1	16.9	18.8	17.2	20.0	18.2
11-50 employees	24.3	31.3	25.6	30.5	26.3	28.4
Over 50 employees	26.7	21.8	26.9	23.1	22.5	23.8
DIFFICULT TO SAY/ REFUSE TO ANSWER	13.5	12.7	13.8	14.1	10.0	13.1
Type of employment						
Permanent (with unlimited duration or for a long term)	70.6	70.7	68.9	71.8	69.6	70.6
Temporary (for a limited short term)	16.3	20.3	17.4	18.1	21.1	18.6
Casual (irregular, by chance)	12.1	5.9	11.8	7.7	6.8	8.5
DIFFICULT TO SAY/ REFUSE TO ANSWER	1.0	3.2	1.9	2.4	2.5	2.3
Work schedule (only for workers with permanent or temporary employment)						
Full-time	82.1	72.8	75.7	78.8	71.8	76.5
Part-time	10.0	12.7	12.9	10.6	12.8	11.6
With flexible work schedule	8.0	13.5	11.4	9.7	14.8	11.3
DIFFICULT TO SAY/ REFUSE TO ANSWER	0.0	1.1	0.0	0.9	0.7	0.6

Table B.6. Unemployed IDPs by duration of job search and selected characteristics (% , row total=100%)

	Up to 1 month	From 1 to 3 months	From 3 to 6 months	Over 6 months	DIFFICULT TO SAY
Total	9.4	36.8	30.5	21.3	1.9
Male	8.6	37.9	31.9	19.8	1.7
Female	9.8	36.3	29.8	22.0	2.0
18-29 years	12.4	36.1	33.0	18.6	0.0
30-44 years	9.5	36.1	30.2	21.9	2.4
45+ years	6.3	39.0	28.4	23.2	3.2
General secondary and lower (school)	12.5	31.3	35.4	18.8	2.1
Secondary vocational (PTU)	12.3	38.5	32.3	15.4	1.5
Tertiary short-cycle (college)	5.0	46.3	25.0	21.3	2.5
Tertiary long-cycle (university)	9.5	33.3	31.0	24.4	1.8
Worked before displacement	9.2	34.6	32.5	21.7	2.0
Didn't work before displacement	10.6	47.0	21.2	19.7	1.5

Table B.7. Unemployed IDPs by the reservation wage and selected characteristics

	Share of unemployment accepting a job with net monthly salary of at least..., %			Mean reservation wage, UAH	Median/ min/ max reservation wage, UAH
	UAH 1000-2499	UAH 2500-4999	UAH 5000+		
Total	26.1	52.9	21.0	3495	3000/ 1000/ 22000
Male	16.5	53.0	30.4	4071	3500/ 1500/ 22000
Female	30.6	52.9	16.5	3221	3000/ 1000/ 10000
18-29 years	26.0	58.3	15.6	3291	3000/ 1000/ 10000
30-44 years	18.6	55.7	25.8	3765	3000/ 1000/ 22000
45+ years	39.4	42.6	18.1	3225	3000/ 1000/ 10000
General secondary and lower (school)	49.0	34.7	16.3	2980	2500/ 1000/ 10000
Secondary vocational (PTU)	39.1	56.3	4.7	2784	2500/ 1000/ 7000
Tertiary short-cycle (college)	34.2	41.8	24.1	3467	3000/ 1000/ 22000
Tertiary long-cycle (university)	10.3	62.4	27.3	3934	3700/ 1000/ 10000
Worked before displacement	20.9	56.9	22.3	3604	3000/ 1000/ 22000
Didn't work before displacement	49.2	35.4	15.4	3008	2500/ 1000/ 10000

Table B.8. Surveyed IDPs by their perception of when the conflict in Donbas will come to an end, by region (% , column total=100%)

	Donetsk	Luhansk	Dnipropetrovsk	Kyiv	Zaporizhia	Lviv	Odesa	Poltava	Kharkiv
Within few months	14.9	4.0	5.4	4.0	1.4	1.3	5.9	4.0	2.0
During the next year	29.4	1.5	17.9	11.0	9.5	7.5	6.9	23.0	11.7
After 2-3 years	19.7	15.1	23.2	28.4	23.0	13.8	12.9	28.0	15.1
After 4-5 years	6.2	9.0	16.7	16.7	16.2	13.8	14.9	10.0	17.4
More than 5 years	7.2	9.5	12.5	9.2	23.0	12.5	5.9	3.0	17.8
Never	4.6	4.0	4.8	7.7	4.1	6.3	2.0	2.0	3.4
DIFFICULT TO SAY	18.1	56.8	19.6	22.9	23.0	45.0	51.5	30.0	32.6

Table B.9. Surveyed IDPs by their intentions to move during the next 12 months, by region (% column total=100%)

	Donetsk	Luhansk	Dnipropetrovsk	Kyiv	Zaporizhia	Lviv	Odesa	Poltava	Kharkiv
To the other settlement in Ukraine	2.8	4.5	6.5	0.8	4.1	1.3	7.9	2.0	2.3
Back to the previous place of living	40.0	5.5	6.5	12.8	14.2	8.8	17.8	3.0	5.0
To Russia	4.4	2.0	1.8	0.5	0.0	0.0	0.0	0.0	1.3
To Belarus or other CIS country	0.2	0.0	0.0	0.5	0.0	0.0	0.0	0.0	0.7
To Europe, USA or other countries far abroad	0.8	1.5	1.2	2.3	0.7	5.0	1.0	1.0	2.0
No plans for further migration	39.0	48.5	76.2	72.4	68.2	63.8	50.5	86.0	72.8
DIFFICULT TO SAY	12.9	38.0	7.7	10.8	12.8	21.3	22.8	8.0	15.8

Table B.10. Comparison of household parameters of surveyed IDPs and of inhabitants of Donetsk and Luhansk oblasts before the conflict

	Sample of IDPs not registering with the SES	Data of SSSU (end of 2013 - beginning of 2014)	
		Donetsk	Luhansk
Average household size (people)	3.2	2.4	2.4
% of households with children 0-17	59.1	35.1	36.0
1 child	61.6	90.1	96.5
2 children	28.9	9.8	3.4
3+ children	9.5	0.1	0.1
% of households with a working person	69.6	66.4	63.1

The gap in information regarding the employment and unemployment status and needs of IDPs is posing serious constraints to developing strategies and responses in support of livelihood recovery and labour market (re)integration of IDPs. The present report features a detailed picture of employment needs and employability of the Internally Displaced Persons, their coping strategies, and offers a set of recommendations aiming at enhancing the national labour market information system and supporting the reform of relevant labour market institutions to lead to more targeted, cost-effective active labour market programmes addressing rising unemployment specifically of IDPs.

