Ukraine National Identity through Youth (UNITY)

Labor-Market Assessment

Final Report

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Acronyms and Abbreviations

AgriTech	Agricultural Technology
AI	Artificial Intelligence
AR	Augmented Reality
ARDS	Agriculture and Rural Development Support
ATM	Automated Teller Machine
BMZ	Federal Ministry for Economic Cooperation and Development
CBO	Community-Based Organization
CIAU	Creative Industries Association of Ukraine
DevOps	Development and Operations
EBRD	European Bank for Reconstruction and Development
EGAP	E-Governance for Accountability and Participation
EIB	European Investment Bank
EdEra	Educational ERA
FinTech	Financial Technology
FFA	Future Farmers of America
FFU	Future Farmers of Ukraine
FGD	Focus Group Discussion
FINREP	Financial Sector Development Program
FST	Financial Sector Transformation
GDG	Google Developer Groups
GDP	Gross Domestic Product
IA	Information Architecture
IEA	International Energy Association
IFC	International Finance Corporation
ILO	International Labour Organization
INFE	International Financial Education Network
IOM	International Organization for Migration
IT	Information Technology
LMA	Labor-Market Assessment
LMIS	Labor Market Information System
MSME	Micro-, Small-, And Medium-Sized Enterprises

NABU	Independent Association of Banks of Ukraine
NEET	Not in Education, Employment, or Training
NGO	Non-Governmental Organization
NQA	National Qualifications Agency
OECD	Organisation for Economic Co-operation and Development
ONAFT	Odesa National Academy of Food Technologies
POS	Point of Sales
PPA	Power Purchase Agreement
PR	Public Relations
PUMB	First Ukrainian International Bank
SECO	Secretariat for Economic Affairs
UHRA	Association of Hotels and Resorts of Ukraine
UNDP	United Nations Development Programme
UNICEF	United Nations Children's Emergency Fund
UNITY	Ukraine National Identity through Youth
USAID	U.S. Agency for International Development
VET	Vocational Education and Training
VR	Virtual Reality
WYSE	World Youth Student and Educational

Introduction

This report summarizes the findings from a labor-market assessment (LMA) completed during March–April 2021 in Ukraine in support of the U.S. Agency for International Development (USAID) Ukraine National Identity through Youth (UNITY) project. The purpose of the LMA was to identify the most youth-friendly sectors and value chains for employment and entrepreneurship, pinpointing sectors, regions, and public-private partnerships that will support increasing youth employment (for those aged 18–35) over the course of the project. The assessment takes a deep dive into specific opportunities to train and place youth in available jobs or prepare them for immediate entrepreneurial activities. Assessment findings will be used to refine local efforts in youth workforce development; private-sector engagement; entrepreneurship-curriculum development and training; micro-, small-, and medium-sized enterprises (MSME) support; and access to finance. Based on a desk review, consultations with UNITY colleagues and partners, and review of other UNITY studies the assessment team selected the following 'opportunity' sectors for study: 1) information technology (IT), 2) creative industries (e.g., arts, graphic design, filmmaking, and music), 3) agriculture/agribusiness/agro-processing, 4) wholesale trade/retail (e.g., sales, financial services, transportation, and logistics), and 5) renewable energy.

Research Questions

Key overarching questions that guided the assessment are:

- What roles do youth play—or have the potential to play—in target sectors? How immediate are employment possibilities?
- What are the power relationships and partners within each sector? What partners would be key to UNITY's youth employment goal?
- Are there public-private partnership opportunities that can be developed, scaled, or replicated in UNITY's target geographies?
- What are the constraints to employment/entrepreneurship within these target sectors that adversely impact youth? What could UNITY do to help youth overcome these challenges?

Methodology

The assessment team, made up of two consultant experts (one in workforce development and one in entrepreneurship) completed this assignment through:

- A desk review of 50+ documents, including statistical reports, published articles, project reports, donor studies, etc.;
- Twenty-eight interviews with key stakeholders including private-sector companies, government officials, non-governmental organizations (NGOs), community-based organizations (CBOs), USAID, other donors, etc. (see Annex 1 for list); and
- Five focus groups comprising a total of 55 youth aged 18–35 (see Annex 2 for demographics).

Youth focus group participants were overwhelmingly female (70 percent) and had a university education (66 percent). They were split between the two investigated age groups 18–24 (55.5 percent) and 25–35 (44.6 percent), with youth from Kyiv (41.1 percent) the most highly represented, followed by Ivano-Frankivsk (33.9 percent), Kherson (19.6 percent), and Rivne (5.4 percent). Most were employed either formally (42.9 percent) or informally (16.1 percent), with a quarter noted as unemployed but seeking employment (26.8 percent), and the rest not seeking employment (14.3 percent).[1] A validation-of-findings session was also held with five youth members of the UNITY youth advisory council, with a post-session follow-up survey producing three responses. Due to the COVID-19 pandemic, all assessment activities took place virtually via Zoom, telephone, and email.

Interview and focus group protocols are included in Annex 3. While interview and focus group questions were adjusted over the course of the assessment based on answers and feedback from participants, they largely stayed the same. Due to the age of respondents (18 years +) the following ethical protocols were followed: 1) interview and focus-group participants were informed that their participation was voluntary and that they could end their participation at any time or skip any questions they did not wish to answer; 2) informed verbal consent was obtained from each participant after a consent form was read to them; and 3) no identifying information was collected from any participant.

The assessment team conducted full investigations in four out of six UNITY-prioritized regions: Kyiv, Kherson, Kharkiv, and Ivano-Frankivsk. Kyiv, Kherson, and Kharkiv were selected because they fully represent identified sectors: Kyiv–wholesale trade/retail; Kherson–renewable energy; and Kharkiv–IT and creative industries; all three are further characterized by agriculture development. Ivano-Frankivsk was selected to better understand migration influences on the labor market. The desk review and national-level interviews included data relevant to all six UNITY-prioritized regions.[2]

The economic progress of the specific sectors chosen for further study during this assessment is described in the Opportunities and Challenges section of the report. Sectors were chosen based on several factors: 1) potential immediate job growth (based on past performance and expectations for the future); 2) importance to the country's economic development; 3) youth-friendliness (ease of entry, gender inclusiveness, geographic coverage); and 4) ability to build on other donor investments. In the table are the prioritized sectors for this assessment along with the studied geographic locations that were relevant to the sector considering their economic structure and strategic development (see Table 1).

Table 1: Prioritized Sectors

IT	Creative Industries	Agriculture and Processing	Wholesale Trade and Retail	Renewable Energy
Kyiv	Kyiv	Kherson	Kyiv	Kherson
Kharkiv	Kharkiv	Kharkiv	Kharkiv	Kyiv

[1] Youth focus group participants were recruited through outreach to NGOs, youth centers, employment agencies, and universities. Youth attended from the following organizations: Community Center Etalon, Ivano-Frankivsk; Ostrog Philanthropist Foundation, Rivne; Association of Private Employers, Kharkiv); and two universities - Kherson Economic-Agrarian University and Kyiv Institute of Economics and Law.

[2] Kyiv, Kherson, Kharkiv, Ivano-Frankisvk, Odesa, Rivne

Ivano-Frankivsk	(Odesa)*	Kyiv	Ivano-Frankivsk	Ivano-Frankivsk
(Odesa)*		Ivano-Frankivsk (Odesa and Rivne)*	Kherson (Odesa and Rivne)*	(Odesa)*

**UNITY-prioritized district not studied in-depth during this assessment*

Assessment Limitations

Because the assessment was conducted virtually, the team was limited in observing first-hand economic realities, and accessing youth and public officials was more difficult. This led to less-than-optimal engagement of a diverse set of youth and government institutions. Youth focus-group discussion (FGD) selection criteria were age group (i.e., 18–24 versus 25–35) and region (i.e., Kyiv, Ivano-Frankivsk, Kherson, and Rivne). Further diversification was difficult since schools were closed due to COVID-19 and the team relied on a handful of organizations willing to support the assessment. There was also limited statistical data available based on youth age segmentation (10–14, 15–19, 20–25, 29–35), as well as sub-sector categories.

Economic Conditions and Youth Employment Overview

Ukrainian and Regional Economic Context

Ukraine's real gross domestic product (GDP) declined by an estimated 4.6 percent in 2020 due to the economic impact of the COVID-19 pandemic, which is somewhat moderate compared to other international economies. The lockdown in 2020 greatly reduced business activity and decreased the movement of people within country by about 20–40 percent.[3] As of mid-2020, growth was seen only in retail trade while other economic activity showed reductions, such as agriculture (18.7 percent), wholesale trade (.5 percent), industrial production (8.3 percent), and construction (5.5 percent). The industries that suffered the most were passenger transport and tourism.[4] The World Bank estimates that in 2021, the economy will expand by 3.8 percent—not reaching pre-crisis real GDP levels until 2022.[5]

Despite the crisis, indicators show that the macroeconomic environment is stable due to the government's recent economic reforms focusing on increasing the country's export potential, achieving energy efficiency and energy independence through modernization of production facilities, introduction of energy-efficient technologies, and the development of renewable energy. Though decentralization in Ukraine is helping create the conditions for the formation of effective and responsible local governments and is considered one of the country's most successful reform efforts, not all regions have done so skillfully. Development in many places has been hindered by the lack of resources, motivation, and skills within local state bodies, as well as the ability to attract local and regional investments. Foreign investors are especially hesitant to engage in some of the selected UNITY geographies, such as Kharkiv, Odesa, and—to a certain extent—Kherson, due to the perception of higher levels of Russian influence and risk.[6]

[3] Ibid.
[4] Consensus Forecast, Ukraine – Covid –19 influence on economy, www//gov.me.ua
[5] World Bank, Ukraine Overview, https://www.worldbank.org/uk/country/ukraine/overview#3
[6] British Ukrainian Chamber of Commerce, Odesa Development Webinar, April,15, 2021

The restructuring of the economy has had significant implications in the distribution of employed people by economic sector. The share of agriculture and industry in total employment has decreased, while employment in the services sector has increased. In 2019, services accounted for the majority of the labor force (61.2 percent), followed by industry (25.1 percent) and agriculture (13.7 percent). The self-employment rate is relatively low, but it has increased from 15.9 percent in 2015 to 16.3 percent in 2019.[7]

Table 2. Employed Ukrainian Population by Economic Activities (2019)

Sector	Total	Females	Males	Urban	Rural
Total employed people, ml	16,578.3	79,23.1	8,655.2	11,414.8	5163.5
Services ▪ Wholesale, retail, repair ▪ Transport, post and delivery services, warehousing ▪ Temporary accommodation and meals ▪ Information and communication	61.2 18.2 6.9 2.4 1.8	29.6 21.4 3.5 3.7 1	29.2 15.3 10 1.3 2.6	34.4 21.3 7.9 2.7 2.5	18.2 11.3 4.6 1.9 0.4
Industry (including construction)	25.1	14.6	34.7	27.7	19.3
Agriculture, forestry, and fishery	13.7	11.4	15.8	3	37.3
Other (education and science, healthcare, administrative management)	31.9	44.4	20.3	34.9	25.2

Female employment is characterized by high engagement in education, healthcare, administrative management, and other types of employment (44.4 percent), followed by services (29.6 percent). Involvement in industry and agriculture is much lower for females. Conversely, male employment is highest in industry (34.7 percent), but closely followed by services (29.2 percent), education and science, healthcare, and administrative management (20.3 percent). Males are least likely to be employed in agriculture.

Urban residents are mainly engaged in education and science, healthcare, administrative management, and other types of employment (34.9 percent), followed by services (34.4 percent) and industry (27.7 percent). Those who live in rural areas are most likely to be employed in agriculture (37.3 percent) and other education and science, healthcare, and administrative management employment (25.2 percent).

The percentage of informal employment is highest in the agriculture sector (42.3 percent), with services and industry much lower (25.1 percent and 23.9 percent respectively). Not surprisingly, informal employment is highest for Rivne (43.6 percent), Kherson (38.3 percent), and Ivano-Frankivsk (37.3 percent), where the percentage of those working informally is almost two times higher than the Ukrainian workforce average (20.9 percent).

[7] EFT, Education Training and Employment Developments, 2020 https://www.etf.europa.eu/sites/default/files/document/Countr%20yFiche%202020%20Ukraine%20-%20Education_%20Training%20and%20Employment%20Developments.pdf

The Situation of Youth Employment in Ukraine

During the 2014–2018 period, the number of young people aged 15–34 in Ukraine decreased from 12 million to 10 million.[8] The reduction is largely the result of declining birth rates in the 1990s and early 2000s.[9] During the same time period, the percentage of employed youth aged 15–34 went from 54.1 to 56.1 percent; those unemployed went from 7.0 to 8.6 percent; and those economically inactive went from 36.6 to 37.7 percent.[10] In general, youth-employment indicators have worsened in recent years, and unemployment rates are artificially deflated by the high proportion of youth not in education, employment, or training (NEET).[11] Traditional employment indicators also do not often account for the high percentage of youth in informal employment and underdeclared work. While official statistics demonstrate youth informal employment at around 10 percent,[12] an International Labour Organization (ILO) survey from 2013 shows that 57 percent of young Ukrainian workers are informally employed.

Data show that young people aged 30–34 are the most economically active at 83.3 percent, with those aged 25–29 following closely behind at 79.6 percent. Ukrainian youth aged 15–24 show a lower level of employment (33.7 percent) compared to their EU peers (41.7 percent). The low rate of economic activity in the youngest cohort is mainly due to their high level of engagement in education (84.1 percent), postponing their entry into the labor market. [13]

Getting a First Job

"Three to six months of on-the job training are needed for inexperienced staff to fully get on-board. Large companies have the financial and institutional capacities to select and train inexperienced youth, while MSMEs do not."
– Key informant, private-sector employer

Many young people have a difficult time finding a first job, making the transition from education to work challenging. Furthermore, those who come out of the education system and have to wait for long periods of time to find employment gradually lose their qualifications and experience increasing difficulty finding work in their chosen professions.

[8] [redacted], PhD (Econ), Senior Researcher, Head of the Department of Social and Economic Problems of Labor at Institute of Economics and Forecasting of the National Academy of Sciences of Ukraine [redacted], Chief Advisor of the Social Policy Department at National Institute for Strategic Studies Youth employment in Ukraine: challenges and the ways to overcome them.
[9] Ibid
[10] Ibid
[11] ILO, Inclusive LM for job creation in Ukraine, https://www.ilo.org/budapest/what-we-do/projects/WCMS_617840/lang--en/index.htm
[12] Calculated based on the data provided by Ukraine Statistic Agency
[13] [redacted], PhD (Econ), Senior Researcher, Head of the Department of Social and Economic Problems of Labor at Institute of Economics and Forecasting of the National Academy of Sciences of Ukraine [redacted], Chief Advisor of the Social Policy Department at National Institute for Strategic Studies Youth employment in Ukraine: challenges and the ways to overcome them.

This difficulty often leads them to securing employment outside of their profession, in the informal sector, or outside the country.

A further challenge is the skills mismatch–young people in Ukraine are graduating from school without the skills required by the labor market. A recent ILO School to Work Transition Survey shows that 37 percent of young workers work in occupations that do not match their qualifications. While higher education remains popular because it provides the best labor market outcomes, the perceived lower prestige for manual labor positions has resulted in low acceptance of vocational education and training (VET) as an option. As a result of this mismatch, private-sector companies express difficulties in filling available job vacancies.[14]

In the Words of Youth Focus Group Participants

"Young people lack practical skills, starting from applying for vacancies." – Female aged 18–24

"I tried to find a job in my profession, but employers required specific working experience, so as a result, I had to find myself outside the profession." – Male aged 18–24

"Most of my peers do not work in the profession in which they study." – Female aged 25–35

Lack of Career Awareness and Hands-On Training

Young people in Ukraine find it difficult to make educational and professional choices as they often do not have access to information on prosperous or promising sectors and respective job opportunities. In addition, they are frequently driven by long-held stereotypes and their parents' outdated perceptions. Most youth look for job placement support from relatives and friends instead of searching on specialized career-search platforms. In a recent survey of Ukrainian youth aged 16–35, 24 percent said they had experienced corruption and/or nepotism in hiring.[15] Young people also lack curriculum vitae (CV) development and interview skills.

Despite recent reforms, the formal education system is still operating with outdated training facilities and methods, as well as limited options for hands-on experience through internships and apprenticeships. Since most job vacancies require at least one year of experience, it is difficult for employers to justify hiring youth who often lack organizational and communication skills, are unable to work in a team, and/or have gaps in their critical-thinking and problem-solving abilities. Employers also note a lack of digital literacy in the workplace. Some employers do offer unpaid or low-paid internships for youth with little experience.

[14] European Training Foundation, presentation conference Torino Process, Lviv 2019
[15] IRI Youth Opinion Survey, 2021.

In the Words of Youth Focus Group Participants

"I study marketing, but I work in banking. My relatives work in a bank, they offered this opportunity to me. But in fact, I am fond of music and dream that one day I will find myself in this field." – Male aged 18–24

"Only about 30 percent of my peers have made their own decision on what profession to choose and where to study, others have followed their parents' suggestions and wishes." – Female aged 18–24

"Sometimes parents choose professions. All my friends were convinced that after university they would become employees. When I was growing up, no one talked about starting a business. And it was perceived as too difficult." – Female aged 25–35

Little Flexibility in Career Outlook

Most Ukrainians still believe that they will work in only one profession for their whole life and are anxious at the thought of changing professions.[16] However, recently job 'switchers' have appeared in the labor market have used informal education courses to make that change. Examples of informal education include ad hoc courses in English, web design, psychology, and information technology (IT). The seeming abundance of such courses is undermined by the fact that they are very expensive, and it is often difficult for youth to know the reputation of the training provider. In fact, some providers exaggerate youth expectations by promising unrealistically high salaries and quick employment after the course.

According to a study conducted by the Women's Professional League (2021), the skills in need of development amongst youth were: design thinking, creative thinking, internet marketing, career planning, emotional resilience, change management, and project management. At the same time, the study identified barriers to education access for women, such as financial costs, lack of flexibility in schedule, lack of access to childcare, and inflexible working hours. [17]

In the Words of Youth Focus Group Participants

"I took the IT-related course but was disappointed because I didn't receive the skills promised and it didn't help me to find a job." – Male aged 18–24

"There are plenty of courses nowadays, but they are quite expensive and often are unbearable for youth without family support." – Female aged 18–24

"During lockdown, some of my acquaintances began studying for another profession because they see more prospects in it. However, there is need to have the financial ability to do that." – Female aged 25–35

[16] Ibid
[17] http://ipq.org.ua/ua/news/428

COVID-19

The greatest economic impacts of COVID-19 have fallen on low-wage workers, women, youth, and vulnerable groups, as well as on small and medium-sized enterprises (SMEs) and the informal sector. As a result of the expected economic downturn, poverty is anticipated to increase significantly in 2020. Based on the macroeconomic forecast issued by the Cabinet of Ministers of Ukraine, 6.3 million people are expected to fall into poverty in 2020, including 1.4 million children.[18] According to a survey conducted by the European Business Association, 33 percent of Ukrainian SMEs have reported a 50–75 percent loss of revenue. More than 50 percent of entrepreneurs responded that it would take up to two years for their business to recover from the economic impact of COVID-19 on the precondition that they have customer demand and access to financial support.[19] 'High-touch' businesses such as retail, tourism, hospitality, and beauty salons have been the most affected by the pandemic. All of these impacts have been felt by young employees as entry-level staff are normally the first to be impacted by staff reductions; however, consumer behavior and labor adaptations amid the pandemic have also opened up new opportunities for employment.

Migration

The increasing outmigration of young Ukrainian workers in recent years has created a huge outflow of skilled youth workers who move for better jobs and working conditions, as well as superior living environments (e.g., developed infrastructure, comfort, and secure lifestyle). Many of these young workers send remittances back to relatives in Ukraine, providing critical financial support. The International Organization for Migration (IOM) estimates that approximately three million Ukrainian migrants were working outside the country in early 2020.

The origin of most Ukrainian migrants is the western part of the country, which is geographically closer to the European Union and less industrialized. Each of the other parts of Ukraine (north, east, south, center) accounted for only six to nine percent of the total number of migrants. The education level of migrants is lower than the average in Ukraine: only 16 percent of migrants had higher education, compared to 48 percent for the country as a whole.[20] Men represent 70 percent of Ukrainian labor migrants. Only migration to Italy has a different gender composition, with 71 percent being women.

Half of Ukrainian migrants originate from rural areas, while the share of the rural population in Ukraine overall is only 31 percent. This means that the rural population is relatively overrepresented among migrants. The age cohorts of 30–40 and 40–50 years are the most strongly represented amongst Ukrainian migrants, totaling slightly more than half (52 percent).

Only 58 percent of migrants were employed in Ukraine before they migrated. Out of this group, 70 percent gave up their jobs in Ukraine because of low salary; some 15 percent

[18] OCHA, Ukraine: Humanitarian Impact of COVID-19 – Situation Report No. 4, June 2020: www.humanitarianresponse.info/sites/www.humanitarianresponse.info/files/documents/files/ukr_humanitarian_impact_of_covid-19_sitrep_no.4_updated.pdf

[19] ILO, COVID-19 rapid assessment: Federation of Employers of Ukraine releases business impacts and responses, May 2020: www.ilo.org/wcmsp5/groups/public/---europe/---ro-geneva/---srobudapest/documents/publication/wcms_745558.pdf

[20] SSSU 2017; European Commission / EACEA / Eurydice 2018

because they had been dismissed or their temporary contract had ended; and 15 percent for other reasons. These figures suggest that emigration attracted between 1.3 and 1.6 million directly from employment in the Ukrainian labor market, or eight to 10 percent of the total number of employed people in Ukraine.[21]

The COVID-19 crisis has complicated the situation, with the many governments forcing migrants to return to their home countries, leading to a mass re-entry of 500,000 to two million Ukrainians returning (through forced expulsion or intentional return) in 2020 before the country's borders closed. Tracking the return of migrants has been difficult, especially for the western part of Ukraine, from which the highest volume of workers seek employment in neighboring EU countries (especially Italy). Consequently, these regions have been especially hard hit by the COVID-19 pandemic as infected workers have returned.

Inclusion Issues

"This is such a challenge for me to work from home because my child also stays at home." – Female aged 25–35

While employment issues for youth, women, and other marginalized populations have improved in recent years, many discriminatory practices remain in place. In 2012, Ukrainian law[22] changed to prohibit age or gender requirements in publishing job vacancies, however, sensitive questions such as whether a person is married or plans to have children are allowed during interviews. During the assessment's focus groups with youth, participants noted many factors that can hinder employment, including age (18 percent), health status (9.1 percent), gender (3.6 percent), physical disability (1.8 percent), lack of citizenship (1.8 percent), and political views (1.8 percent).

Gender: The Global Gender Gap Index measures gender disparities in 153 countries, with Ukraine ranking 59 in 2020.[23] The labor market exhibits significant gender inequality with a majority of men believing there should be a division of "female" and "male" occupations.[24] Additionally, since 2014, the pay gap between men and women has increased from 24 percent to 26 percent. Finally, more than 40 percent of men in Ukraine believe that a woman should leave her paid work to spend more time with her family.

Employment for young women with children has been especially challenging during COVID-19 since schools have been closed, yet no gender-specific measures to address the socioeconomic impact of the pandemic are in place, according to the Organisation for Economic Co-operation and Development (OECD). The employment drop related to social-distancing measures has a disproportionately large impact on sectors with higher women's employment shares. In addition, women are more vulnerable to health risks due to greater

[21] European Commission, The Impact of Labour Migration on the Ukrainian Economy, Jerzy Pieńkowski, Discussion Paper 123 | April 2020

[22] Law of Ukraine on Advertising, Article 24-1. Advertising of employment services

[23] Global Gender Gap Report (2020). http://www3.weforum.org/docs/WEF_GGGR_2020.pdf

[24] ReliefWeb. UNFPA 2021: https://reliefweb.int/report/ukraine/ukraine-fight-gender-inequality-education-work-and-home-enuk

exposure: women account for 82 percent of total health and social workers in Ukraine (compared to 70 percent average worldwide). Closures of schools and daycare centers have significantly increased childcare needs, which has a particularly large impact on working mothers. The effects of the crisis on women, particularly working mothers, are likely to be persistent: given high returns to experience in the labor market, women absent from the labor market for any extended period are likely to suffer a lasting disadvantage in terms of earnings and potential advancement.[25]

People with disabilities: The situation in the Ukrainian labor market is quite challenging for people with disabilities, with 73.8 percent or 2,062,259 people unemployed. [26] In 2015, the Cabinet of Ministers approved a plan for the implementation of Council Directive 2000/78/EC on the establishment of a common system of equal treatment in employment and occupation, including for those with disabilities (See Annex 4 for more information). However, obstacles to the successful employment of such persons continue because employers are not interested in providing jobs for people with special needs, considering the greater investment necessary in financial costs, time, and the need to implement special occupational safety measures, as required Ukrainian law. Finally, many are not ready to accommodate employees that are somewhat different into their workforce.

According to the European Business Association (2021), Ukraine has drafted a *National Strategy for a Barrier-Free Environment* dedicated to promoting the inclusion of vulnerable groups in the economic life of the country.[27] The strategy would achieve the following goals: 1) ensure the transparent use of funds for the adaptation of jobs and workplaces; 2) promote the real employment of people with disabilities; provide companies with advice on creating an accessible environment and inclusive employment; 3) develop and publish standard provisions and information materials on diversity and inclusiveness; 4) add inclusivity specialists to classifiers of professions; and 5) develop a system of tax benefits for employers who employ more people with disabilities.[28]

The COVID-19 crisis has exacerbated existing barriers that persons with disabilities face regarding access to habilitation and rehabilitation services, education, social protection, work, and employment.[29] The lockdown also has further aggravated the isolation and exclusion of persons with disabilities in Ukraine, highlighting the need for comprehensive community-based support services that would enable persons with disabilities to live and work in the community.

[25] The COVID-19 crisis in Ukraine, 2020, OECD https://www.oecd.org/eurasia/competitiveness-programme/eastern-partners/COVID-19-CRISIS-IN-UKRAINE.pdf

[26] Interview with [redacted], lawyer, manager of [redacted] Law Office, member of the Committee for the Protection of the Rights of Persons with Disabilities, which operates within NAAU, https://www.hsa.org.ua/blog/pratsevlashtuvannya-osib-z-invalidnistyu-zakonodavchi-garantiyi-ta-realnist/

[27] European Business Association 5/3/2021: https://eba.com.ua/en/v-ukrayini-budut-pereglyadaty-kvoty-z-pratsevlashtuvannya-lyudej-z-invalidnistyu/

[28] The current norm is 4 percent.

[29] United Nations (2020) https://ukraine.un.org/en/99869-briefing-note-impact-covid-19-pandemic-persons-disabilities-ukraine

Opportunities and Challenges by Sector

This section of the report describes the conditions of each sector selected for the possibility that they are 'youth-friendly' and offer immediate employment/self-employment opportunities. First, each sector is described overall and then employment and entrepreneurship possibilities are discussed. Because IT (especially software development) was found to be highly linked to the creative-industries sector during the assessment, it is included under that section of the results below.

Creative Industries (Inclusive of IT)[30]

The Ukraine creative-industries sector is relatively young, being officially defined in 2019 as inclusive of visual art, stage art, publishing, design, fashion, IT, audiovisual art, architecture, advertising, libraries, archives and museums, folk arts, and crafts. Employment in the sector and the number of creative-industry entities in Ukraine is growing rapidly, rising 40 percent between 2013 and 2019, with 252,000 employed in 2013 to 352,000 in 2019. The number of companies in the sector went from 97,000 in 2013 to 205,500 in 2019. In 2018, the gross value added[31] amounted to 97 billion hryvnias (3.9 percent of total value added), but had risen to 117.2 billion hryvnia (3.95 percent of the total value added) by 2019.

Most of the added value of creative industries is created by computer programming (i.e., IT), which made up 59 percent of the sector in 2019. The other top five largest economic activities within creative industries were advertising agencies (12 percent), consulting on informatization[32] (10 percent), television broadcasting-related activities (9 percent) as well as the production of films and videos, television programs (4 percent), and advertising mass media (4 percent).

IT Sub-Sector

The number of entities in the field of IT tripled between 2013 and 2019, likely due to the introduction of a simplified reporting and taxation system that motivates professionals to register as sole proprietors.[33] Foreign investors do not always accept this new taxation system stating it is not fully transparent. As a result, some IT companies have initiated the enactment of a new law that may introduce an alternative, more transparent tax system for IT companies.[34]

Regardless, Ukrainian IT is skyrocketing despite the turbulence caused by the COVID-19 pandemic outbreak. Over 92 percent of Ukraine's tech businesses switched to remote work just a few weeks after the government enforced a strict quarantine, which for most was a matter of habit. Ukraine's tech community has gained worldwide recognition and the IT sector has become a significant contributor to the country's economy as the third-largest service exporter. Activities in this sub-sector include computer programming, consulting on

[30] This section of the report is built based on the Creative Industries - influence on Ukraine economy Study, USAID, Competitive Economy of Ukraine Program. The report developed by the team of the Center for International Trade Analysis Trade + at the Kyiv School of Economics in partnership with Kimonix International Inc. at the request of the Ministry of Culture and Information Policy of Ukraine. The team of authors consists of [redacted], [redacted], [redacted], [redacted], and also [redacted] from the Center for Macroeconomic Modeling.

[31] Gross value added is a measure of the contribution to GDP made by an industry or sector

[32] Services and support related to the automation of processes to government organizations and public entities

[33] Creative Industries - influence on Ukraine economy Study, USAID, Competitive Economy of Ukraine Program.

[34] Presentation of special regime programme by the Ministry of Digital Transformation of Ukraine, https://ukraine.ua

informatization, and developing computer games or other software. Ukrainian software-development companies focus on e-commerce, enterprise, finance, education, health, travel, and telecom.[35]

Employment

With between 3,000–5,000 IT companies in Ukraine, the government's Tech Ecosystem Overview lists 1,142 product companies and 858 service vendors. In 2019, the IT industry employed 191,000 specialists—twice more than in 2013 (88,600). Ukraine is home to more than 100 research and development centers owned by or working with global companies, including Google, Samsung, Siemens, and Huawei. Many of them have significantly expanded the number of employees or/and opened new offices. To support development, the IT community holds more than 1,000 events for specialists, startups, and investors annually.[36]

The IT industry is extremely attractive for Ukrainian youth, and IT companies are interested in boosting youth talent. Interviewed IT companies and youth focus-group participants acknowledged however that while youth integrate fairly quickly into the IT sector, young employees do not always grasp full awareness of IT frameworks and processes–for example, youth do not always understand that it can take a long time to fix software bugs, since software development can move rapidly in comparison.

"Many candidates can't meet basic requirements, such as sufficient English skills and technical skills, to get the employment and capacity-building opportunities within the IT sector." – Key informant, NGO

Though a plethora of IT schools are available for young people, skills gaps for youth include interviewing/pitching, critical thinking, business communication, and team collaboration, according to the representatives of EPAM System Ukraine[37]—the largest employer among Ukrainian IT companies—and Ukraine IT Association. Furthermore, a large number of junior specialists are on the market, while middle managers and senior experts, especially, are in high demand.

Entrepreneurship

In 2020, according to Startup Blink, Kyiv was named as the 32nd-best IT ecosystem in the world, the eighth best in Europe, and first-ranked in the emerging Europe region.[38,39]

As discussed below, the Ukrainian IT ecosystem is particularly favorable for startups due to an array of factors:

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[35] 2021 Tech Market Report, www.beetroot.se
[36] 2021 Tech Market Report, www.beetroot.se
[37] The company receives 15,000 applications annually, out of which 3,000–4,000 are selected for an internship, and only 1,000 are offered long-term employment.
[38] https://www.startupblink.com/
[39] http://www.outsourcingportal.eu/en/ukraine-on-the-path-to-becoming-the-european-go-to-tech-destination-the-tech-job-market-trends-in-ukraine-and-lviv

A growing number of successful Ukrainian startups entering the global arena and constantly inspiring new entrepreneurs.

The abundance of quality talent, as well as accessibility to first-job experiences, are a key driver fueling the growth of Ukrainian IT startups and the number of Ukrainian success stories is impressive and growing. Gitlab, created in Kharkiv, is now one of the most widely used development and operations (DevOps) collaboration platforms that today has 1,289 employees in 67 countries and regions. Founded in Kyiv were Grammarly, a cross-platform writing assistant valued in October 2019 at more than $1 billion; Preply, an ed-tech startup founded in 2013 that has so far attracted USD 15.5 million in funding, according to Crunchbase; and Petcube, which became one of the most successful crowdfunded pet products in history after graduating from the prestigious Y-Combinator incubation program. The city Odesa is the home to famous tech product companies such as Readdle, KeepSolid, Augmented Pixels, Adtelligent, Clickky, Kwambio, as well as prominent startups, such as Looksery that was bought by Snapchat. These success stories make IT entrepreneurs local heroes, influencers of youth trends, and even pop culture icons.

Quality state-owned and private educational institutions that offer many opportunities for youth to affordably learn IT skills.

With 19 state universities with technical programs, as well as an abundance of private schools that train professionals in IT and software engineering, over 3,000 IT specialists graduate annually from Ukraine's technical universities and colleges. Many ambitious middle-class parents, furthermore, understand the benefits of early education and encourage their kids to take extra curriculum courses in software engineering and coding as early as in primary school. For example, Kyiv Smart City School brings junior and high-school students to lessons of coding and new technology platforms at the *Academy of Coding*.[40] Another great educational initiative is *Brainbasket Foundation*, founded in April 2014 by a group of leading Ukrainian IT companies with the participation of the Ministry of Economy of Ukraine and Kyiv City Administration with the purpose of facilitating training of IT specialists and boosting the educational ecosystem.[41]

Lviv is the only city in Ukraine that has officially announced the technological industry as one of the main elements of the city's competitiveness strategy.[42] According to IT Research 5.0, the number of IT specialists residing in Lviv is 25,000 as of 2019, and the number is estimated to increase to 30,000 by the end of 2021. The number of jobs created by the IT industry in 2018 was 63,000, and in 2019 it was 71,000. The predicted annual growth of the IT sphere has been 20 percent, and the size of the IT market has tripled in five years.[43]

Kharkiv also boasts excellent IT universities, with the National Aerospace University–Zhukovsky "Kharkiv Aviation Institute", National Technical University "Kharkiv Polytechnical Institute" and Kharkiv National University of Radio Electronics voted as the top three IT companies in Kharkiv.[44] In 2015, Kharkiv made a big step towards the development of its IT educational infrastructure by establishing its Kharkiv IT Cluster, a non-governmental

[40] https://www.kyivsmartcity.com/en/projects/academy-of-coding/
[41] https://brainbasket.org/en/vision-2/
[42] IT research 4.0 by Lviv IT Cluster
[43] https://itcluster.lviv.ua/en/about-us/lviv/
[44] Kharkiv IT research 2019, by Kharkiv IT Cluster and PWC

organization (NGO) supported by major Ukrainian companies, local authorities, and technical universities.[45]

Abundance of high-quality local talent that makes it relatively easy for entrepreneurs to source needed skills.

More than 4,000 Ukrainian students graduate with a tech degree annually, many of which go on to seek internship opportunities in IT or with ideas for startups of their own.[46] In Odesa, as early as in 2015, the number of IT specialists surpassed 6,000 people, according to dou.ua, and in 2018 it reached 10,000 professionals. Odesa's state universities (e.g., Odesa National O.S. Popov Academy of Telecommunications, I.I. Mechnikov National University, Odesa National Academy of Food Technologies (ONAFT) and Odesa National Polytechnic University) are helping to ensure a constant inflow of new talent into the sector.[47]

Large network of incubators, accelerators, and mentorship networks that ease access to contacts, experience, and funding.

Ukraine has an excellent network of incubators, accelerators, and science parks that has profoundly influenced the local startup ecosystem, providing access to contacts, mentorships, and funds. One of the largest strategic projects is Unit City, which started in 2016 on the property of a former motorcycle factory near the city center of Kyiv. Over the course of four years, it became a focal point of ideas, community, events, prospective companies, ambitions, and energy, with now more than 100 resident companies in various fields, such as Fintech, agricultural technology (AgriTech), blockchain, manufacturing, virtual reality/augmented reality (VR/AR), artificial intelligence (AI). Around 60 percent of them are conducting joint projects at the crossroads of these technologies. Companies inside Unit City are mentored by entrepreneurs from Silicon Valley, can apply for one of the eight acceleration programs, and/or meet investors from Europe and the U.S. Some of the incubators and accelerators around the country include:

- Kyiv: home to a number of business incubators such as: YEP!, 1991 open data incubator, Radar Tech, Concepter, Sector X, Growth Up, Demium Startups, Kyiv Smart City Hub, EY Startup Accelerator, IoT Hub, Agro Hub, Sikorsky challenge, Intecrator, and Blue Lake Accelerator.
- Kharkiv: the largest are Eō Business Incubator, YEP! and Startup Grind.
- Odesa: has IT venues, business centers, and coworking spaces strategically located around the city center—all within a 15-minute walk from one another. They include Impact Hub Odesa, Innovation Kitchen, Hub Living Room, Hub Lab, and Green Theatre.
- Lviv: home to Startup Depot and Center for Entrepreneurship, coworking spaces, and knowledge hubs. The city is famous for the organization of major tech events such as IT Arena (yearly in September), Lviv IT Jazz (yearly in June), Google Developer Groups (GDG) DevFest (yearly in October), GameDev Lviv, LvivCSS (yearly in November), Lviv iCamp (yearly in autumn), among others. Lviv offers many professional communities,

[45] https://www.strategeast.org/wp-content/uploads/2019/09/Innovative-Ukraine_web.pdf
[46] https://techukraine.org/tech-hubs/lviv/
[47] https://techukraine.org/tech-hubs/odesa/

such as: Lviv IT Cluster, iHUB Community Lviv, PMI Ukraine Lviv Branch, Lviv.NET Community, and Juniors Club Lviv.

In the Words of Youth Focus Group Participants

"I wanted to get into IT but selection criteria are very high. First of all, they require English skills and certain technical skills. It is not [as] easy to get there as it seems!" – Male aged 18–24

"[I have] acquaintances who studied finance but are now studying computer programming, or already working at IT, and are well paid." – Male aged 25–35

"I'm 35 years old, an experienced finance expert, and I'm already old for IT (laughing). I spent one year and went through many interviews with 25–27-year-old start-up owners before I managed to enter IT. This is a completely different world with different language, but I am happy to [be here]." – Female aged 25–35

Other Creative Industries (e.g., Arts, Graphic Design, Filmmaking, Music)[48]

In this section we look at visual art, stage art, publishing, design, fashion, IT, audiovisual art, architecture, advertising, libraries, archives and museums, folk arts, and crafts.

Employment

"I think professions related to digital marketing and web-design are [in] extreme demand currently."
– Female aged 18–24

In terms of gross value added, advertising, public relations (PR), and marketing are ranked second (17 percent) after IT, and audiovisual art is ranked third (16 percent). Significant contribution to the development of creative industries is made by advertising agencies, which comprise six percent of all enterprises in the industry, as well as specialized design activities (three percent) and activities in the field of architecture (three percent). These industries also show high growth rates. In terms of employment, a significant contribution is made by advertising agencies (nine percent), activities in the field of architecture (5.4 percent), and activities in the field of television broadcasting (4.7 percent).

In 2019, there were 16,600 business entities in the creative industries or 8.1 percent of all companies of Ukraine. The creative industry is more developed in big cities, such as Kyiv, Lviv, Odesa, and Kharkiv. The audiovisual art industry is showing an increase in the number of

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companies and employment. In 2019, 4,900 audiovisual art companies were operating. The highest demand is for 3D designers, web designers, and specialists in audiovisual production.

While there is a wide range of informal education courses available, youth often struggle in the selection of appropriate schools, the cost of tuition, and weak connection between the skills taught by training programs and what is needed in the job market. Formal education is challenged by inconsistency in the professional classification of creative-industries jobs, as well as outdated training facilities and methodology.

During youth focus groups, participants demonstrated a distorted understanding of the Ukrainian creative-industries sector and low awareness about professions and opportunities. Youth as a whole associated creative industries with a "art, fashion, luxury environment, and 'star' lifestyle."

Employers in the creative-industries sector reported wanting to hire youth with two to three years of experience, and noted that common skills gaps among youth included: interviewing, team collaboration, business communication, digital communication, responsibility (e.g., responsible reputation building), digital literacy, and critical thinking.

Inclusion, in all aspects, is much more apparent in the creative industries compared to other sectors. According to key informants, creative people are more tolerant with inclusion of those with varying backgrounds and characteristics. For example, they say "sexual orientation, look, race, age, and physical disability do not play a role for youth employed within the industry." People are "more tolerant in all these aspects and successfully collaborate despite existing diversities."

Entrepreneurship

The Ukrainian creative-industries sector actively uses music and video to innovate. The more acclaimed startups include:

- GlobalLogic (Kyiv), which has been working with Avid Technology for over 10 years, developing software for the Pro Tools digital-audio workstation and Venue's digital-mixing consoles. World-renowned artists, such as Linkin Park, Maroon 5, and Coldplay among others, actively use them to record albums.
- Intellectsoft (Kyiv), which developed an application that allows owners to interact with the fan community through music streaming, exclusive news, and gamification. The app's format has been developed for artists, such as Madonna and Red Hot Chili Peppers.
- Pibox, which is a startup developed to remotely work on shared music compositions. The project received the 'Better Sound 2020: Services and Sound Start-ups' Award from International Sound Awards. Universal Production Music and Epidemic Sound have already put Pibox to use.

In Ukraine, an expert committee on AI development was formed within the Ministry of Digital Transformation. Within the Ukrainian music scene, VR and AR projects have also commenced, though belatedly.

Ukraine is a fertile ground for the creation of different cultural initiatives, such as festivals and events, and it is expected that the following trends/needs will shape the festival market in the years to come:

- A significant number of youth residing in Ukrainian cities are becoming part of more affluent middle class that is more educated and well-travelled by Ukrainian standards. As they study and aspire to become future creative-economy entrepreneurs,[49] they have become more ambitious, often wanting to continue their educations abroad, possibly in the EU or U.S. As they experience increases in disposable income and follow international cultural trends, they have developed appetites for more sophisticated cultural content.
- An analysis by the World Youth Student and Educational (WYSE) Travel Confederation estimates that global youth travel represents around 23 percent of all arrivals.[50] This segment of the population tends to travel "with purpose" and enjoys participating in conceptual tourism formats, preferring to spend time in contemporary cultural settings surrounded by peers and local crowds. With the connectedness of Kyiv, Lviv, and Kharkiv to a number of other cities through direct flights, international visitors could well support the festival market.
- The shift in the music industry toward digitalization has elevated the role of live performances as an essential driver in marketing.[51] Playing at festivals can help young artists raise their profiles and build a following.

Agriculture

The agricultural sector is one of Ukraine's key industries, generating nine percent of the total GDP in 2019.[52] Ukraine is expanding agricultural processing to increase the potential of the industry and boost the social and economic development of rural areas, which to date has seen low levels of product processing.[53] Though the country is one of the top world exporters of food and one of the 10 largest agricultural suppliers, its agricultural sector is under-equipped, and much of its existing agricultural machinery is outdated. [54] Innovation in agricultural methods and the techniques is a priority, as is a focus on the impacts of climate change. The COVID-19 pandemic has raised the issue of food security to the forefront as it threatened production-and-logistics chains sensitive to trade restrictions and disruptions.

Employment

Ukraine's agriculture sector is divided into corporate farms that monopolize economic power thanks to state interventions, and family farms that receive no state support. Corporate farms produce the most commercially attractive and export-oriented types of products and possess well-developed value chains. Meanwhile, individual small-scale farms and farming

[49] https://ukraine.ureport.in/poll/2734/
[50] https://www.wysetc.org/2015/09/youth-and-student-travellers-age-15-to-29-represent-23-of-international-tourist-arrivals/
[51] https://www.researchgate.net/publication/249631050_The_Economy_of_Live_Music_in_the_Digital_Age
[52] International Trade Administration (2020) https://www.trade.gov/knowledge-product/ukraine-agricultural-sector
[53] Ministry for Development of the Economy, Trade, and Agriculture of Ukraine https://agro.me.gov.ua/storage/app/sites/1/for-investors/%20%D0%BF%D0%BE%D1%80%D1%82%D1%84%D0%BE%D0%BB%D1%96%D0%BE_2020.pdf
[54] Ibid.

households are not well-organized and produce low-gain and labor-intensive products, such as potatoes, vegetables, fruit, and milk. Small farms are aimed at food self-sufficiency and the domestic food market.

Though the agriculture sector nominally employs almost 14 percent of the labor force in Ukraine (3.26 million people were employed in 2019)[55]; it is informal employment that makes up the overwhelming 42 percent of the industry. Hiring adequately skilled Ukrainian workers poses a real challenge because the skills provided by the education system are mismatched to those needed in the agricultural labor market. Such divergence results from the lack of cooperation between the agricultural education and training system and the private sector, outdated and theoretical curricula that do not offer practical training, and widespread corruption that undermines the quality of education. Recent institutional and legal reforms may help strengthen the involvement of the private sector in designing curricula that respond to existing needs.

"The average age of our employees is 40--50. This is a real challenge to find young, healthy (referring here to alcohol use), and qualified staff. Some farm owners are ready to pay a higher salary, but, unfortunately, it does not help to attract youth to the rural area." – Key informant, private farm co-owner

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Though rural youth can seek work on family farms, poor underdeveloped rural and transport infrastructure—as well as cultural and education infrastructure—presents obstacles to youth being employed in agriculture. Furthermore, young people consider agriculture as hard, dirty work and those employed in the sector tend to perceive that they have few available choices. Meanwhile, there is a severe need for trained production technicians, such as agronomists and veterinarians, as well as tractor drivers and mechanics.[56]

The assessment's youth focus groups revealed that even students of the Kherson State Agrarian and Economic University do not plan to be employed in agriculture, despite the fact that the Kherson region ranks sixth (2,644 units, of which 2,047 are farms) in the number of agricultural enterprises in Ukraine with of 1,000-hectare size. Though youth perceive there to be poor agricultural infrastructure, they admit a lack of understanding about what opportunities for sustainable employment exist in the sector.

Before COVID, foreign internship opportunities for students through partnerships between universities, as well as other non-commercial and commercial organizations were in abundance. However, youth were more interested in the opportunity of going abroad to earn income and improve their language skills than in obtaining experience from foreign agriculture farms and bringing best practices back to Ukraine. According to the Director of the Youth Farmers Association, the share of young people who ultimately end up working in Ukrainian agriculture businesses is extremely low.

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[55] Ukrainian Business and Trade Association (UBTA) based on data provided by the Ministry of Agrarian Policy and Food

[56] https://www.swpberlin.org/fileadmin/contents/products/arbeitspapiere/Horovetska_Rudloff_Stewart_Agriculture_in_Ukraine.pdf

Entrepreneurship

Household food production is so widespread a practice in Ukraine that nearly all rural residents and half of urban dwellers are engaged in food self-provisioning from household plots using manual labor and organic fertilizers in accordance with local traditions. Prior to the disintegration of the USSR, urban and peri-urban agriculture[57] were also common. Largely overlooked by the Ukrainian government, these practices have a crucial role in the country's national food security.

The widespread custom of cultivating land within urban areas makes it fertile ground for the implementation of new modern urban farming practices, techniques, and technologies, such as greenhouses and vertical farming.[58] However, the greenhouse business is still developing poorly because this kind of farming has expensive fixed costs (i.e., high investment in equipment that needs to be imported and high variable costs, mainly due to energy needed to run vertical farms).[59] The Kyiv city administration has expressed willingness to help drive of agricultural modernization projects.[60]

Entrepreneurial activity in the agricultural sector is an important source of income and employment especially for the rural population of Ukraine, whose small-scale farmers account for close to 50 percent of the country's agricultural output. To modernize production and achieve feasible levels for investments of their funds and time, governmental incentives are needed, "as well as the formation and implementation of public policy to provide alternative employment opportunities, including employment of young graduates," according to a Kherson State University paper.[61]

For rural small-scale farmers nor urban agricultural dwellers, the development of the agricultural sector in Ukraine is hindered by several trends:

- The Ukrainian government provides more support to commercial farms than family farms.[62]
- The agricultural land is restricted from free circulation in Ukraine. Hence, all agricultural companies in Ukraine have built their land banks based on rent agreements with large numbers of small-scale individual landowners.
- Small-scale producers are generally discouraged by the lack of investment and low competitive power against retail trade networks, such as Auchan, Novus, Metro, Cash & Carry, and Billa.[63]

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[57] Urban agriculture refers to city areas designated for growing crops and raising small livestock for self-consumption or sale on neighborhood markets. Peri-urban agriculture refers to farms, located in the vicinity of the cities, to grow vegetables and other crops, raise livestock, and produce milk and eggs.

[58] Urban and Peri-urban Agriculture in Kyiv (Ukraine): "Crisis Induced Strategy" versus Recreational Resource (2005)

[59] According to [redacted], President of the "Greenhouses of Ukraine" Association

[60] http://agroportal.ua/publishing/analitika/kak-rabotayut-vertikalnye-fermy-v-ukraine/?utmpercent5Fcampaign=agrodaidzhestpercent2D29percent2Dagrarnie&utmpercent5Fsource=sendpulse&utmpercent5Fmedium=email&spush=a2llLWxudkBtaW5idXphLm5s

[61] Kherson State University, Prospects of youth agriculture entrepreneurship in Ukraine, Agriculture and Resource Economics, International scientific E-journal

[62] http://www.oecd.org/eurasia/competitiveness-programme/eastern-partners/Agricultural_Investment_Policies_Ukraine_ENG.pdf

[63] http://www.fao.org/3/au851e/au851e.pdf

- Small-scale producers in rural areas are fragmented and with unfavorable transport connections. Remoteness from the processing enterprises makes provision of services to potential value-chain actors very expensive. They lack funds to invest in production and raw materials and suffer from lack of awareness about information infrastructure.
- The almost non-existent public funding of extension services and the low public funding of agricultural research and development hinder farmers' access to technical advice and innovation.[64]
- High and volatile interest rates and the lack of information on borrowers' creditworthiness have hindered the growth of bank lending and made access to finance difficult to all but large input suppliers, producers, retailers, and exporters. In contrast, most small-scale enterprises cannot access finance due to a lack of collateral.

From 2017 to 2020, a two-phased sociological research study was conducted at Kherson State Agrarian and Economic University in which students were asked to identify the key restraining factors to the development of youth entrepreneurship in Ukraine's agricultural sector. The responses that were given included restrictions on access to borrowed capital; limited number of programs for youth lending and financing; risk of agricultural production and dependence on climate conditions; limited knowledge in the field of agribusiness; lack of legislation to regulate and stimulate youth entrepreneurship, in general, and youth agribusiness, in particular; unstable conditions for doing business; and a limited number of state programs for the development of youth entrepreneurship.[65]

Despite the obstacles described above, potential opportunities include:

- With the rise of income and standard among the middle class, there is a growing demand for organic farm products among the Ukrainian population. Recently, international organizations such as Organic World and the Research Institute of Organic Agriculture (FiBL) have launched several campaigns arguing that the country could become the largest organic food supplier to the European market as it has a total 300,000 hectares of land that can be certified under EU Organic Farming standards.[66] This opportunity could also be interesting for small-scale producers or family farms, but potentially for startups as well.
- There is great potential for development in the intersection of IT and agriculture. AGRITECH UNIT, a new initiative within innovation park UNIT.City, is a platform for cooperation among innovative startups, traditional businesses, agroholdings, corporations and experts, bringing new solutions for digital transformation of agriculture industry in Ukraine and Central and Eastern Europe.
- The knowledge and skill gaps, not only in up-to-date agricultural technology but also entrepreneurship, could be bridged by training. Providing training is an essential factor for the development of agribusiness among youth. For example, the Central

[64] http://www.oecd.org/eurasia/competitiveness-programme/easternpartners/Agricultural_Investment_Policies_Ukraine_ENG.pdf
[65] https://are-journal.com/are/article/view/376/271 - Prospects of youth agricultural entrepreneurship in U Ukraine
[66] https://www.arc2020.eu/ukraine-small-scale-farms-will-persist-and-develop-in-parallel-to-large-scale-industrial-agriculture/

European Initiative supported training for grain farmers in Ukraine that combined both theory and practice: it included several classes at Sumy National Agrarian University, as well as field visits to experimental farms, seed companies, and research institutes. The impact was tangible. "We updated our farming techniques and, also, looked into new crops," one young trainee said, "I started to plant spelt on my farm, which is a very popular and profitable crop, especially on the European market."[67]

- Another great initiative is Future Farmers of Ukraine (FFU), modeled closely after the 92-year-old Future Farmers of America (FFA) and already supported by USAID's Agriculture and Rural Development Support (ARDS) program.[68] FFU is a non-governmental youth organization that trains youth aged 14–18 in skills related to leadership, personal growth, and career success in the agrarian sector.[69]

In the Words of Youth Focus Group Participants

"I don't imagine myself in the agriculture sector… I will try to find employment in banking or accounting outside agriculture." (student of economic-agrarian university) – Female aged 18–24

"I'm from the rural area, and I can say that 70 percent of my peers went to study marketing and economy." – Male aged 18–24

"There is nothing to do for youth in rural area—no infrastructure, no cultural life, no choices…" – Male aged 18–24

"It is impossible to enter agrobusiness. Maybe some kinds of city farming are more attractive and accessible for youth." – Female aged 25–35

Wholesale Trade/Retail

Wholesale trade and retail employed about 30 percent of Ukrainian labor force in 2020[70] and is important to youth employment because it offers a high number of entry-level jobs. In this assessment, the sector includes sales, tourism (e.g., hotels, restaurants), financial services, and transportation and logistics.

Employment

Sales

Most traditional retailers have long realized the importance of an online presence, and many classic retailers had already achieved an online operation prior to the pandemic and associated total closure of non-food stores. Large fashion groups, chains of children's and sports goods stores, players in the drugstore segment, cosmetics, perfumes, and even do-it-yourself and fast-moving consumer-goods networks continue to launch their own online stores or increase their virtual presences through partner online platforms.[71]

[67] http://www.fao.org/europe/news/detail-news/en/c/460272/
[68] https://www.usaid.gov/ukraine/news-information/news/ukrainian-agrarian-lyceum-grows-future-farmers
[69] https://uacouncil.org/en/post/future-farmers-of-ukraine
[70] National Statistics Agency
[71] https://rau.ua/novyni/onlajn-ritejlery-v-oflajni

The COVID-19 pandemic has significantly accelerated the development of e-commerce as businesses from mini-factories to coffee shops to large online and offline stores have shifted and strengthened their positions. Almost nine percent of all purchases in Ukraine are currently made online versus seven percent in 2019. It is expected that in 2021 online commerce's growth will increase 30 percent.[72]

Buyers have become more demanding, and sellers have adjusted: instant-order processing, same-day shipping, and simple return of goods have become commonplace. Demand for delivery from shops and restaurants has increased several times. Importantly, it is unlikely that buyers will abandon online shopping behaviors even following the pandemic.[73]

"Recent trends, [such as] process automation [and] product digitalization, change occupation requirements and require high flexibility, and youth fit these better than adults." – Key informant, private sector

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These trends create huge opportunities for youth; at the time of this report's development, there were 11,800 vacancies in e-commerce alone on Jooble, Ukraine's largest job-seeking site, including open positions for call-center specialists, sales managers, and product managers. Many of the vacancies require a foreign language, mainly English, but also other languages.

Tourism

Prior to the COVID-19 crisis, tourism in Ukraine was improving, with Kyiv, Lviv, and Odesa as the most-developed tourist destinations. Key international markets for Ukrainian tourism are bordering countries such as Belarus, Moldova, Poland, and Turkey. Visitors also come from Canada, China, France, Germany, India, Israel, Italy, Japan, Republic of Korea, Saudi Arabia, U.A.E., U.K., and the U.S. Tourism has great potential in Ukraine, but development has been hampered by a lack of government effort and international marketing.

While official statistics say that tourism contributes three to four percent of the Ukrainian GDP, according to other studies, tourism together with satellited activities, such as transport, culture, sports and recreation tourism agents/intermediation, vehicle rental, and catering, contributes an estimated seven to 10 percent of the GDP.[74] Total tourism-related employment can be roughly estimated around 700,000–900,000 since it includes accommodation and food-service activities together with arts, entertainment, and recreation.

According to a 2021 study by the Association of Hotels and Resorts of Ukraine (UHRA),[75] 93 percent of owners confirmed a general decline in the revenue of their hotels. Gross revenue decreased by 25–40 percent for almost a quarter of hotels; by 40–60 percent for a third; and

[72] https://rau.ua/novyni/e-commerce-v-ukrayini-2020/
[73] https://rau.ua/novyni/e-commerce-v-ukrayini-2020/
[74] EBRD, Update of the "Roadmap for a Competitive Development of Ukrainian Travel and Tourism Industry" 2019
[75] https://www.ukrinform.ua/rubric-tourism/3174593-gotelnij-biznes-v-ukraini-zaznav-serjoznih-zbitkiv-cerez-pandemiu-goteleri.html

60+ percent for another third. Only four percent of hotels showed an increase in annual revenue.

City and luxury hotels suffered the most from the crisis as they are mainly focused on business travelers, business events, and foreigners, while demand for budget hotels, outside, and seaside resorts from Ukrainians has become high. In the pandemic, many city hotels reduced their number of staff and shifted from highly qualified staff to those who cost less.

According to the owner of Michelle School of Hotel Business , 95 percent of hotel owners in Ukraine are not actually trained hoteliers. Many of them have other businesses and consider hotels one of their investments. As a result, owners lack sector knowledge and skills. In fact, most hotels are relatively small and have weak human resources functions. Staff turnover ranges from 30–70 percent, with labor seasonality being a key factor.

As a first job, working in hotels is attractive for youth but does not provide a lot of opportunities for career development because Ukrainian hotels are small- or medium-sized. To work in the hospitality industry, young job seekers need strong communication skills and computer literacy. Unfortunately, the formal education system does not provide sufficient knowledge and skills on these topics, and, as a consequence, many Ukrainian hotels do not meet international standards.

Entrepreneurship

The tourism, hospitality, and catering industry offer promising opportunities for young entrepreneurs in Ukraine. Several areas of tourist and service sector are especially attractive, namely:

Rural Tourism

Local agriculture and farming, i.e., growing fruits, vegetables, and animals, are highly complementary to the development of rural tourism, with a rising demand from urban dwellers to visit rural areas. Beginning with the need to escape urban condense space and the urban rhythm,[76] rural tourism is essential in the context of the revival and socioeconomic development of rural areas. Furthermore, the recent Russian aggression and military conflict in the east of the country has galvanized patriotic sentiments and created a powerful movement in Ukraine to discover local roots and identity through rural culture,[77] including customs, traditional food recipes, and nature. Creatively and strategically engaging rural youth in the development of these regions could be achieved through supporting various youth-initiative startups.

Active Ecotourism

Without the requirement of large material investments, the creation of favorable conditions for active ecotourism in Ukraine is possible by laying an extensive chain of ecotourism routes across conservation areas where outstanding natural, cultural, and/or historical objects are concentrated.[78] Western Ukraine in particular features varying altitudes, large forest areas, terrain, snowpack, water recreational and mineral water resources, and a chain of protected

[76] https://green-ukraine.com/green-and-rural-tourism-in-the-carpathians
[77] https://www.atlanticcouncil.org/blogs/ukrainealert/east-ukraines-european-roots-and-the-myths-of-putins-russian-world/
[78] https://www.researchgate.net/publication/286385059_Active_Tourism_Development_in_Western_Ukraine

sites, historical, and cultural preserves, that could be ideal for active tourism.[79] Accordingly, there lies great opportunity for youth entrepreneurs to organize and lead tours involving walking, hiking, and biking, as well as mountain and downhill biking, kayaking, rafting, paragliding, mountaineering, rock climbing, cave and underwater exploration, and other adventure tours.

Chernobyl and Industrial Heritage Tourism

As a unique attraction of great historical significance and taking advantage of its raised profile following the award-winning HBO series, Chernobyl also has great further potential. In 2015 only 10,000 citizens entered the exclusion zone; by 2019, the amount had risen to over 75,000 visitors—half of which were foreign.[80] In 2020, the Artefact music festival was held for the first time in Chernobyl's exclusion zone.[81]

In a similar vein, industrial tourism is booming as old factory locations, mines, quarries, and different vast industrial complexes across the country have begun to attract visitors. Many international tourists visit Ukraine because Ukrainian cities have a wide variety of old Soviet architecture that is particularly attractive among the elderly.

Cultural Content Tourism

Before the conflict in the east of the country, Ukraine hosted the biggest summer music festival in the former USSR called Kazantip,[82] which gathered hundreds of thousands of visitors for dance, music, and friendship—many of whom were from abroad. Although Kazantip itself is now defunct, Ukraine remains home to a growing number of music and cultural festivals (e.g., Atlas[83] in Kyiv, or Impulse[84] in Kharkiv) that have the potential to attract international tourists. Young entrepreneurs can take advantage of the cultural events and offer various services around them, including tourist arrangements, transportation, hospitality, and accommodation.

Cafes and Restaurants

The rise of Ukraine's local coffee scene accelerated in the era following the 2014 Euromaidan revolution and subsequent Russian invasion, partly driven by the boom in the country's IT sector[85] and Ukrainian youth increasingly gathering in cafes.[86] Young entrepreneurs accordingly are opening smaller cafes, healthy-food restaurants, bakeries, and services to cater to the young workforce. These newer locations complement the growing number of smaller boutique hotels and rental apartments in Ukraine's urban areas.

Financial Services

The financial-services sector in Ukraine includes banking institutions (74), insurance companies (234), non-banking loan market (689), factoring companies[87] (642), private

[79] http://activeukraine.com/
[80] https://www.cnbc.com/2019/06/16/traveling-to-the-chernobyl-exclusion-zone.html
[81] https://amuse.vice.com/en_us/article/mby9nq/chernobyl-art-rave
[82] https://en.wikipedia.org/wiki/KaZantip
[83] https://atlasweekend.com/
[84] https://impulse-fest.com/
[85] https://europeancoffeetrip.com/ukrainian-coffee-culture/
[86] https://perfectdailygrind.com/2020/04/insides-ukraines-booming-coffee-scene/
[87] A business that purchases another company's invoices

pension funds (63), and pension-fund administrators (22).[88] Over the past decade, Ukraine's banks have invested heavily in building a sizeable and highly accessible banking infrastructure. However, as the country moves forward with reforms, the country's banking sector urgently needs to improve productivity and efficiency. Further consolidation of small- and medium-sized banks would likely have a positive impact on productivity by eliminating sub-scale and less efficient players. Future trends envisage the growth of outsourced services by banks including call centers, debt collection, payment-card processing, automated teller machine (ATM)/point of sales (POS) network management, and cash collection. Implementing cloud technologies would help reduce bank infrastructure demands, while the growth of outsourcing services would be of additional benefit to the wider economy by creating employment for thousands of people outside of major urban centers.[89]

The banking sector employs 210,000 Ukrainians[90] and has long been known as youth-friendly, welcoming students, fresh graduates, and other youth. Most banks have established training centers offering internships and in-house trainings, and key sector players have built strong partnerships with colleges and universities and play an important role in providing youth-employment opportunities.

Though the COVID-19 pandemic presented a challenge for these training programs, more mature banks are responding to the pandemic by introducing online internship programs and onboarding courses for newcomers and providing distance-work options for employees. Entry points for youth within the banking sector are call centers, front desk, sales, medium and small business retail lending, debt collection, and IT-related occupations. Banks often have a well-implemented HR function, including a sophisticated recruitment system. Thus, they can select youth who meet certain basic requirements, such as communication and presentation, critical and analytical thinking, computer literacy, and foreign language skills. Youth are important for the banking sector and help not only to implement innovative solutions but also better understand young people as an extremely important target group.

In the Words of Youth Focus Group Participants

"All young people work in the service sector and consider this as a first step, temporary work, as well as part-time employment." – Female aged 18–24

"I worked as a waiter and cook. This is a profession of endurance, not everyone can cope. However, it may certainly offer good career opportunities." – Male aged 18–24

"This sector has suffered the greatest losses due to the pandemic and thus affected youth employment." – Female aged 25–35

[88] German Economic Team Ukraine, Banking Sector Monitoring Ukraine Assessment of past reforms and COVID-19 impact, 2020
[89] McKinsey & Company, Inc. Raising Ukraine's productivity: banking sector as an engine for growth
[90] Ibid.

Renewable Energy[91]

International Energy Association, according to the International Energy Association (IEA), electricity generation from renewables will expand almost 50 percent in the next five years. By 2025, the share of renewables in total electricity generation is expected to be 33 percent, surpassing coal-fired energy generation. Ukraine is a strategic player in energy transit and, at the same time, one of the largest producers of hydrocarbons in the Eastern Partnership region. However, political and economic turbulence, declining population, and the falling GDP reduced overall energy consumption, while inadequate governance, tight regulation of business, and outdated technology have negatively affected the development of the energy industry. Despite some positive changes in Ukrainian legislation and technical upgrades (e.g., modernization of power grids), Ukraine's energy system is still one of the most inflexible in the world.

2020 was challenging for the Ukrainian national renewable energy sector, with all solar, wind and bioenergy all suffering. However, the number of companies supplying green electricity increased, with 933 entities in place at the end of 2020. The top five regions for renewable-energy activities are Dnipropetrovsk, Kherson, Mykolaiv, Zaporizhzhia, and Odesa. The renewable-power sector remains one of the most investment-attractive sectors of the economy, with EUR 1.2 billion invested in green projects in Ukraine. According to the State Agency on Energy Efficiency and Energy Saving of Ukraine, over the last five years, Renewable-energy source projects have to date attracted more than EUR 6.2 billion of foreign investment into Ukraine's economy.

Employment

The renewable-energy sector does not encompass only power-generating entities, but also developers, equipment manufacturers and their suppliers, engineering and service companies, legal and consulting firms, and related companies involved in the implementation of green projects—all of which are serving as an effective platform for creating jobs. According to the International Renewable Energy Agency, 11 million jobs were created in the global renewable energy sector in 2018, and their number will increase to 42 million by 2050.

In the summer of 2020, the Ukraine Wind Energy Association Secretariat conducted a survey of its member companies regarding employment in Ukraine's renewable energy sector and counted a total 4,000 employees, the largest employers involved in wind equipment manufacturing and green electricity generation, as well as in the construction of wind- and solar-power plants. Overall, the number of hired contractors' personnel per project ranges from 10 to 300 people.

Despite the prospects of the renewable-energy industry and a significant number of people already being employed, 36 percent of the companies surveyed face shortages of qualified staff. In other words, every third company requires new, highly qualified specialists. Specialty

[91] This section is built based on the Market Overview 2020, developed by Public Union Ukrainian Wind Energy Association in collaboration with its member company – law firm ARZINGER. The reported statistics is based on the official information published by the Ministry of Energy of Ukraine, NPC Ukrenergo, National Energy and Utilities Regulatory Commission, SE Guaranteed Buyer, State Agency on Energy Efficiency and Energy Saving of Ukraine, Ukrainian Wind Energy Agency-K LLC and the UWEA member companies. Section 2.2 "Ukrainian electricity wholesale market functioning" is built upon the information produced within the Low Carbon Ukraine project

skills needs include IT technologies, engineering, and renewable power law. English skills are also a key requirement.

A high majority (80 percent) of surveyed renewable-energy companies state that employee qualifications have improved over the past five years, most likely due to employer-based training programs. As a result, there does seem to be some economic growth potential in the green power industry, thus a need for more public awareness of the job prospects in renewable-energy sectors. One concern is that many of the jobs in the sector are automated and may provide relatively limited employment opportunities.

Youth focus-group participants had little knowledge of the renewable-energies sector, and those with some knowledge voiced that they thought it was highly regulated and hard to break into. Data also show that there are few women in the industry's technical jobs; most women are employed in the legal and regulatory part of the industry.

Entrepreneurship

The field of renewable energy appears to have a high entry barrier for young entrepreneurs, especially when speaking of developing and installing alternative energy sources (e.g., solar farms or wind parks) which require huge investments and support from major financial institutions and development funds such as the European Investment Bank (EIB) and European Bank for Reconstruction and Development (EBRD). In addition, the field does not seem to be clearly regulated in Ukraine, as there is currently an ongoing dispute between the government and investors regarding the power purchase agreement (PPA) and green tariffs that were guaranteed by the government.[92]

Grid stability has also become a problem due to the installment of the record number of megawatts from both solar and wind parks.[93] However, the diversification of energy production in Ukraine is of strategic importance for the future of the country, namely because of the urgent need to lower dependency on fossil fuels and reduce energy imports from abroad. The government is trying to boost environmentally friendly projects in general and make them attractive for entrepreneurs.

On December 19, 2019, the Verkhovna Rada adopted the first reading of bill №2284 on the introduction of a system of bonds to finance environmentally friendly projects. These can be alternative-energy projects as well as adjacent fields that can be of great potential for startups, such as energy conservation, waste disposal and recycling, introduction of environmentally friendly transport, efficient use of land resources, conservation of flora and fauna, water resources, and adaptation to climate change.[94]

Much has been done previously to promote the idea of green energy startups. As early as 2009, several green hackathons were organized to generate ideas for the development of an ecosystem of sustainable entrepreneurship, climate innovation, and a green economy in Ukraine and Eastern Europe, networking energy talents and moving towards green entrepreneurship. *Greencubator* is a project that pioneered this approach, opening opportunities for business development, networking, and investment for Ukrainian green

[92] https://ceelegalmatters.com/ukraine/13475-disputes-of-res-producers-on-power-purchase-agreements-ppas
[93] Wind Power Sector of Ukraine 2019 report, Ukrainian wind energy association
[94] https://greencubator.info/energy-law-2020/

startups, social businesses, and innovators in sustainable development.[95] In 2013, a startup called Ecois.me won one of the competitions, receiving 80,000 euros in venture capital from Deutsche Telekom to develop an app. The app aims to help households reduce their energy consumption and works with a sensor installed in an electrical meter that sources data from cooperating utility providers to help smooth out the peaks and troughs in electricity demand. While it is difficult to break in, it is not impossible, [redacted] the 27-year-old engineer and founder of [redacted] said, "Actually, nobody from our team worked in the energy sector and no one knew anything about energy–we just started. And, then, we learned, learned, learned,"[96]

In the Words of Youth Focus Group Participants

"To enter the renewable energy market, you need to invest a lot of money. Among acquaintances, no one works in the industry." – Male aged 25–35

"Unstable and regulated market. I have heard that last year you could make good profit selling energy, but this year everything has changed." – Male aged 18–24

"There are probably prospects … I have a somewhat vague idea about this industry and opportunities. I guess the industry is interesting because it's a relatively new direction, in addition, it's environmentally friendly, energy efficient and cheaper." – Female aged 25–35

Conclusions and Recommendations for Activities and Key Partnerships

Youth employment and self-employment prospects are strong in many of the sectors chosen for study in this assessment. Entry-level jobs are abundant in the wholesale trade/retail sector, as well as in the agriculture sector. Entrepreneurial opportunities abound in the creative industries, where IT also sits, and, to a lesser extent, the agriculture sector. The renewable energies sector is still gaining its foothold in Ukraine and will likely be a popular employer for young people in five to eight years.

Based on these findings, the following section proposes possible activities to support youth employment and self-employment through UNITY. Recommendations relevant to cross-cutting skills development are discussed first, followed by opportunities within each sector. A table summarizing the recommendations is found at the end of the section.

Cross-Cutting Skills Development

Build financial literacy skills. Assessment findings demonstrate poor financial literacy not only among youth but also Ukrainians in general. Ukraine's overall financial literacy index on the OECD methodology is 11.6 (out of 21), but the 18–24 age group is lowest.[97] Youth are not well-equipped to make financial decisions: The lack of financial literacy hinders youth from

[95] https://greencubator.info/
[96] https://www.bbc.com/news/business-29840214
[97] Financial Literacy, Financial Inclusion, and Financial Well-Being in Ukraine Survey, 2019, USAID Financial Sector Transformation Project

starting their own businesses or engaging in other types of investments. At the same time, a low culture of savings prevents the creation of a financial cushion that would allow more time to find the desired job and gain additional skills and qualifications.

To improve financial literacy in Ukraine, various initiatives have been implemented and supported by the World Bank, OECD, USAID, and the German government. UNITY could partner with some of these initiatives to improve youth understanding of financial issues.

- Global Money Week is an annual international educational campaign aimed at expanding young people's knowledge of finance to build a secure financial future. Since 2020, the organizer of the event at the global level is the International Financial Education Network (INFE) of the OECD. The National Bank of Ukraine is a member of the OECD/INFE and the official coordinator of the event in Ukraine. To increase the financial literacy of Ukrainian youth, the National Bank, as coordinator, together with event partners, USAID's Financial Sector Development Program (FINREP) in Ukraine and the Ministry of Education and Science (MoES), developed a rich educational and interactive program. Active pupils and students invited to take part in cash-flow games and interactive classes for students. The National Bank and commercial banks open their doors for Ukrainians to learn how banks function, gain awareness of financial services, and more.
- Sparkassenstiftung for International Cooperation implements projects in Ukraine, financed by the Federal Ministry for Economic Cooperation and Development–BMZ Germany, is designed to promote responsible finance through financial education (e.g., business games for entrepreneurs, savings games for kids and adults, business games for farmers), consumer protection, and the creation and delivery of a responsible range of financial services.
- The Financial Sector Transformation (FST) Project is a USAID-funded five-year, $26 million program designed to offer financial literacy courses for high school students, provide a free-of-charge online loan comparison tool for consumers (i.e., money.liga.net), and offer consumer-protection services, amongst other things. One activity of particular interest is their 'Defeat the Fraudster' online simulation game, which aims to increase the awareness of young people about security issues related to cashless payments.
- The International Finance Corporation (IFC), a member of the World Bank Group, announced in 2020 that it will be working with the National Bank of Ukraine to develop a national financial-inclusion strategy aimed at improving access to digital financial services, creating jobs, and boosting the country's economic growth. The IFC Ukraine Financial Inclusion for Growth Program—in partnership with the Swiss State Secretariat for Economic Affairs (SECO) and the UK Government's Good Governance Fund— will support the National Bank of Ukraine in creating a national financial-inclusion roadmap, expanding responsible access and usage of financial services.[98]

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

[98] https://pressroom.ifc.org/all/pages/PressDetail.aspx?ID=26054

be able to independently install and configure applications, as well as use specialized software solutions (e.g., inventory management, booking and accommodation of guests, accounting, client relationship management software, etc.) To improve these skills, UNITY could partner with Diia Digital Education. The National Online Digital Literacy Platform was developed and launched in collaboration of the Ministry of Digital Transformation of Ukraine and E-Governance for Accountability and Participation (EGAP) Program implemented by the Swiss Agency for Development and Cooperation. The purpose of this project is to teach digital competence to at least six million Ukrainians by 2023—with youth among the key target groups—through expert instructors and Ukrainian celebrities hosting free educational serials. New specialized and niche courses for business professionals, lifestyle courses, and courses in new digital careers will be available through the online platform nearly every month. At the end of every course, participants can take a final test and get a certificate confirming that they have passed successfully.

Improve employment-related soft and technical skills. There are many government, non-profit, and private-sector led skills trainings efforts that support youth employment. The following is a list of those that could be considered for partnerships by UNITY:

- ***Ukrainian startup Choi ZY*** is a platform that supports career development with an information architecture (IA)-based career guidance app. It provides opportunities for youth to identify interests, discover careers, identify soft skills, improve technical skills, and get a desired job. https://choizy.org/
- ***Educational ERA (EdEra)*** is an online education studio that makes high-quality online education in Ukraine affordable. The project team creates online courses, special projects, interactive textbooks, and educational blogs. The project has a wide range of partners, including the MoES, Kyiv Institute of Economics, Impact Hub Odesa (part of the global Impact Hub), as well as organizations that represent teachers and other educational projects and platforms. https://www.ed-era.com/
- ***The social innovation project "Educational Hub of the City of Kyiv"*** is a structural subdivision of the Educational Agency of the City of Kyiv. The project's mission is to help ensure the systematic implementation of 'lifelong learning', giving everyone the opportunity to get or improve soft skills for free. Participants of the project can acquire and receive a certificate on the skills necessary for getting a job and building a successful career, starting a business, and self-development. Project partners are the Association of Innovative and Digital Education, the social project for learning foreign languages "Lingva.Skills," the ICTV TV channel, Channel 24, and TRK Kyiv. https://eduhub.in.ua/
- ***Private Employers Association*** is based in Kharkiv and works in collaboration with NGO partners from Kharkiv, Lviv, Kyiv, Ivano-Frankivsk, Rivne, Vinitsa, and Symi to support employment. They work in collaboration with educational platform Gravitation to build the entrepreneurial and soft skills of Ukrainians, including youth.
- ***Vocational education and training institutions*** are operated by the MoES. The COVID-19 pandemic has had consequences for the implementation of vocational schooling, however VETs responded in a timely manner by mobilizing available resources to organize distance learning. Career centers are also available in VET institutions and help to mediate the relationship between youth, VET institutes, and

employers, including helping them with access to internships and jobs. The Ministry plans to establish career centers across Ukraine by the end of the 2021 education year.

"In the context of youth employment, the lack of soft skills is a more crucial point than the lack of practical skills." —Key informant, NGO

Create inclusive skill-building opportunities. There are a few efforts underway that provide inclusive skills development opportunities with which UNITY could partner:

- ***Inclusive Coworking*** was established by the Kharkiv Employment Center with the support of the United Nations Development Programme (UNDP). This is a coworking space equipped to provide equal opportunities for people with disabilities to gain employment-related skills and experience.
- ***ILO Inclusive Labor Markets*** is a five-year program that aims to modernize the services of the Ukrainian public-employment services enabling them to offer more inclusive labor-market policies, including equipping offices to provide equal access to people with disabilities and supporting social dialogue on gender discrimination.
- ***The Center of Gender Culture*** located in Kharkiv organizes IT training specifically for girls.
- ***The Paragraph Youth Center*** was created by students to focus on the needs of young people. Its mission is to unite, develop, and strengthen the youth of Ivano-Frankivsk through non-formal education, meaningful leisure, and support for youth initiatives. https://paragraph.if.ua/

Build the capacity of VET centers. While reforms to improve the system are currently happening in Ukrainian VET education (see Annex 5), there are opportunities for UNITY to support improvements in training and career-development capacity. One important partnership for UNITY would be with the EU4Skills program started in 2019 that is designed to support VET reform by improving VET governance, the development of modern educational standards, and the modernization of VET infrastructure. The program is supported by the EU and its member-states Germany, Finland, Poland, and Estonia with EUR 58 million in funding. EU4Skills will help establish centers of excellence in seven pilot regions: Chernivtsi, Lviv, Mykolaiv, Poltava, Rivne, Vinnytsia, and Zaporizhia. An area of particular importance for UNITY could also be in developing a methodology for providing training and technical assistance to VET career centers so that they can better serve young people with career exploration, defining their strengths, and creating career pathways. Supporting VET centers in private-sector engagement to establish and maintain internships, apprenticeships, and employment pipelines is also needed.

"There is the lack of human resources to provide sufficient career awareness building among youth. There is also a need for self-assessment tools for youth which would help them make the right professional choice." —Key informant, public institution

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Connect with social labs around Ukraine. Social labs are platforms for addressing complex social challenges via entrepreneurial pursuits and generally provide skills-development programs and educational platforms, as well as shared space for cross-pollination and generation of new ideas. They also raise capital for prototype development (see Annex 6 for a list of social labs).

Sector-Based Opportunities

The following is a list of possible partnerships in the **creative-industries sector:**

- The ***Creative Industries Association of Ukraine (CIAU)*** is a non-profit organization that creates products and provides services aimed at fostering the development of creative industries in Ukraine. They support organizations with communications, quality improvement, and national and international networking. The association has developed an online platform on which to hold competitions for creative ideas. Through such a competition system, participants register, can view the briefing, and submit ideas. Last year, the Association held several competitions for young creators using this platform with the United Nations Children's Emergency Fund (UNICEF) and the All-Ukrainian Youth Center. https://ciau.org.ua/
- ***Creative Practices Platform*** is an online space offering affordable courses related to creative industries, in particular, web and graphic design. A web-design course costs 990 hryvnia per month whereas other schools might offer a similar course for 5000–6000 hryvnia per month. There are 8,000 students from all regions of Ukraine, including smaller cities and rural areas. Creative Practices has also developed a network of about 1,000 companies representing creative industries and connects students with possible employers. https://cases.media/creativepractice
- ***Film School*** is the first Ukrainian film school and prepares workers for the national film industry. Students learn how to make a film and gain knowledge from the best professionals in the industry. Their courses are designed to benefit both beginners and more experienced specialists. https://filmschool.com.ua/

The following is a list of possible partnerships in the **wholesale trade/retail sector:**

- The ***Auchan supermarket chain*** offers internships for students and young people in commerce, economics, law, management, finance, computer science, logistics, and marketing. The company selects students based on a competitive basis. https://brand.auchan.ua/ru/editorial/career/for-students
- ***Nova Poshta Group***, a leader in the logistics sector in Ukraine, has launched a project for cooperation with young people and students called KRUTO Nova Poshta that successfully combines career development and education. The company works with higher-education institutions in Ukraine (e.g., Kyiv National Economic University named after V. Hetman) and helps students master soft skills for a successful career starts, regardless of the field of activity. In addition, students will have the opportunity for internships and employment at Nova Poshta.
- ***The Michelle School of Hotel Business*** offers comprehensive training for students, hotel staff, and managers. The material and technical base of the school fully models

the work of a hotel, giving students the opportunity to immerse themselves in the work of the hotel, going through all the business processes of each department. http://michelle.school/

- ***UKRSIBBANK's*** online internship program uses interactive seminars and competitions to train youth in banking services. The bank has created UKRSIB Praktyka online, an accessible virtual course that provides the same training that students would have received in-person at the bank. Learners can practice at a time convenient for them and always return to the topic that interests them most to cover in detail the intricacies of banking. UKRSIB Praktyka online is currently available to all interested students and is becoming increasingly popular. https://my.ukrsibbank.com/ua/careers/online_practice_for_students/
- ***Raiffeisen Bank Aval*** has an online internship program for students of partner educational institutions and is preparing to offer it for all youth in Ukraine. Raiffeisen Bank Aval has also established the Innovation Garden, an incubator open for startups that can bring fresh, innovative solutions to banking services and products.
- ***Urban Space*** is a project designed to finance social projects and startups aimed at city development. Developed out of an urban restaurant in Ivano-Frankivsk, 80 percent of the business's profits are directed exclusively to the implementation of public projects. The purpose of the project is to create a platform to support the city's development. https://urbanspace.if.ua/

The following is a list of possible partnerships in the **agriculture sector:**

- ***Syngenta Students*** internship project invites students to experience hands-on business development in the production and sales of high-quality seeds and plant-protection products. The internship is available to agricultural students who demonstrate they are able to learn quickly and adapt, show leadership skills, diligence and initiative. Selected students have opportunities for part-time employment.
- ***Future Farmers of Ukraine*** is a non-governmental youth organization that trains young people aged 14–18 in leadership, personal growth, and career success in the agrarian sector. The organization's operation is based on the awareness that its members will promote successful development of agriculture in Ukraine.
- The ***USAID Agrarian Development Project (AGRO) Food Education Program*** is designed to support those working in food and nutrition to gain new skills and start businesses. Students can learn to make a business plan, calculate budgets, keep documentation, organize logistics, and successfully market their own brands. Students who complete the program receive a diploma, and the most successful students are invited to test the sale of their product(s) with local supermarket chains.
- The ***USAID Credit Resources for Agricultural Producers*** program funded through early 2023 aims to build the capacity of Ukrainian credit unions to expand lending to agricultural producers. The project will contribute to the formation of a regulatory environment to strengthen credit unions as non-bank institutions providing financial services. It will help develop the capacity of the two national credit-union associations to develop better strategic measures and provide better services to those unions that are members of these associations. The project will also help credit unions expand

their portfolio of agricultural loans while ensuring timely lending to their members. https://www.facebook.com/USAID.WOCCU.CAP/

- ***Green for You*** is located in Kharkiv and owned by internally displaced farmers who have successfully expanded their costumer network through six local supermarket chains and supply products to over 40 shops, as well as through online shopping and delivery to local restaurants. The owners have been working for three years with children who have Down Syndrome, through a project called Sprouts of the Future that teaches them how to grow microgreens and eat healthier.

The following is a possible partnership in the renewable energy sector:

- The ***Ukrainian Wind Energy Agency and Kyiv Polytechnic University*** have recently established a partnership to collaborate in the development of a training program. In general, there are a lack of education and training organizations providing programs in renewable energy due to a limited experience and expertise in Ukraine. UNITY could help to support the establishment of the program by helping bring in foreign expert trainers and/or otherwise create skill-building opportunities for youth through internships, etc.

"The renewable energy sector is characterized by high-tech and automated processes. It limits employment opportunities in term of number of jobs but can open up opportunities for technology-friendly youth."
– Key informant, NGO

	Opportunities	Actions	Partnerships
Cross-cutting Skills			
Financial literacy	Improve youth financial literacy, including business finance skills	Partner outreach, possible training	World Bank, OECD, USAID, German government
Digital literacy	Improve youth digital skills	Partner outreach, possible training via online platform	Swiss Agency for Development and Cooperation
Soft skills	Improve soft skills awareness and use	Partner outreach, possible training	Choi ZY, Educational Hub of the City of Kyiv, Private Employers Association
Career guidance	Improve access to career guidance	Partner outreach, possible training	Choi ZY, Educational Hub of the City of Kyiv, VET institutions
Entrepreneurship	Improve understanding and application of	Partner outreach, possible training, access to financing	Educational Hub of the City of Kyiv, Private Employers

	Opportunities	Actions	Partnerships
	business development		Association, Various social labs (Annex 6)
Work skills	Improve needed technical work skills	Partner outreach, linkages for training	Choi ZY, EdEra, VET institutions
Inclusive skill-building	Improve labor-market inclusion of young women and youth with disabilities	Partner outreach, linkages for training	Kharkiv Employment Center, ILO, Center of Gender Culture, Paragraph Youth Center
Vet capacity	Improve the capacity of VET institutions	Partner outreach, support with capacity-building on internships and apprenticeships	EU4Skills
Sectors			
Creative industries	Link youth to jobs in IT, music, film, cultural initiatives (festivals, etc.)	Partner outreach, linkages to training, career guidance, employment. Private-sector engagement.	Creative Industries Association of Ukraine, Creative Practices Platform, Film School
Wholesale trade/retail	Link youth to jobs in grocery, tourism, banking, and other retail	Partner outreach, linkages to training, career guidance, employment. Private-sector engagement.	Auchan supermarket, Nova Poshta Group, Michelle, UKRSIBBANK, Raiffeisen Bank Aval, Urban Space
Agriculture	Link youth to jobs in agriculture and agribusiness	Partner outreach, linkages to hands-on training, internships, loans. Private-sector engagement. Inclusion of people with disabilities.	Syngenta Students Internship, Future Farmers of Ukraine, Food Education Program, Credit Resources for Agricultural Producers, Green for You
Renewable energy	Help to build the renewable energy sector as youth-friendly	Partner outreach, build local capacity, create linkages to future jobs for youth	The Ukrainian Wind Energy Agency and Kyiv Polytechnic University

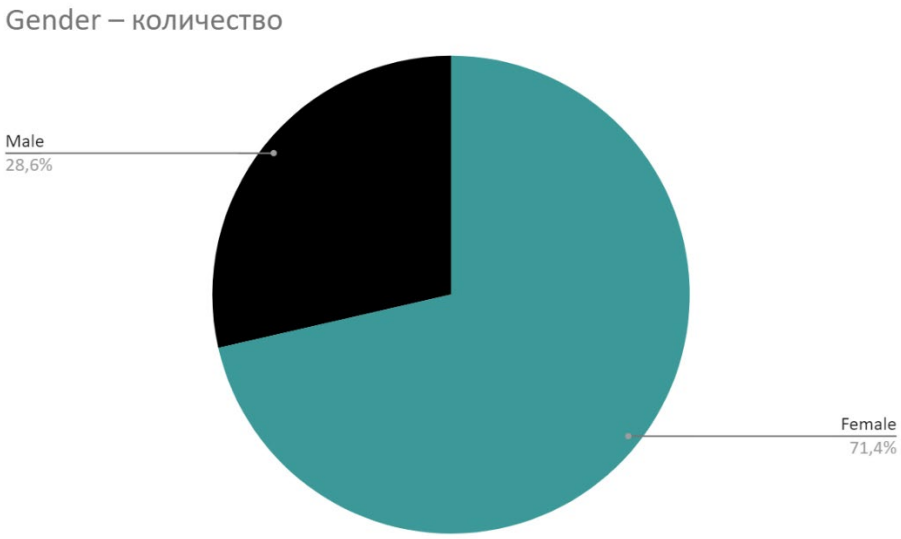
Annex 1: List of Key Informants

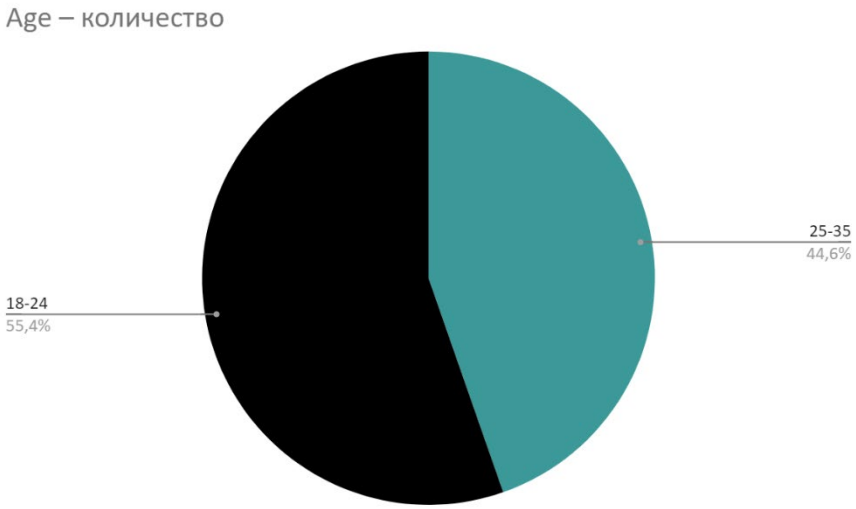
	Date	Region	Participant(s)
1	17.03.2021	Kyiv region	Kyiv Regional State Administration Deputy Head of the Department of Youth and Sport, [redacted]
2	17.03.2021	National	Renewable Energy Association President, [redacted]
3	18.03.2021	National	The Ministry of Youth and Sport, Deputy Director of the Department of Youth Policy Development
4	18.03.2021	Kyiv region	Employment Agency, Kyiv Region, Brovary Director of the Employment Agency, [redacted]
5	18.03.2021	National	Confederation of employers of Ukraine Advisor to the Confederation, [redacted]
6	18.03.2021	National	Ukraine Wind Energy Association President of Association, [redacted]
7	19.03.2021	Kharkiv region	Association of Private Employers President of Association, [redacted]
8	19.03.2021	National	Ministry of Education and Science VET DepartmentGeneral Director of the VET Department, [redacted]
9	23.03.2021	National	IT Association of Ukraine Director of Resources Development Programme at EPAM System, [redacted]
10	23.03.2021	National	Ukrainian Association of Young Farmers President of Association, [redacted]
11	24.03.2021	Kharkiv region	State Employment Center Deputy Director, [redacted]
12	24.03.2021	National	Michelle School of Hotel Business Owner/Director, [redacted]
13	25.03.2021	Ivano-Frankivsk region	NGO Community Center Etalon, co-founder [redacted]
14	02.04.2021	Odesa	Employment Center Head of Professional Orientation Department, [redacted]
15	02.04.2021	National	PUMB–First Ukrainian International Bank Head of Department of Internal Communication, [redacted]
16	05.04.2021	Kherson	Farm Owner, [redacted]
17	06.04.2021	National	Creative Industries Association Ukraine PR & Communications Manager, [redacted]
18	06.04.2021	Kharkiv region	Family Farm 'Green for You,' Owner

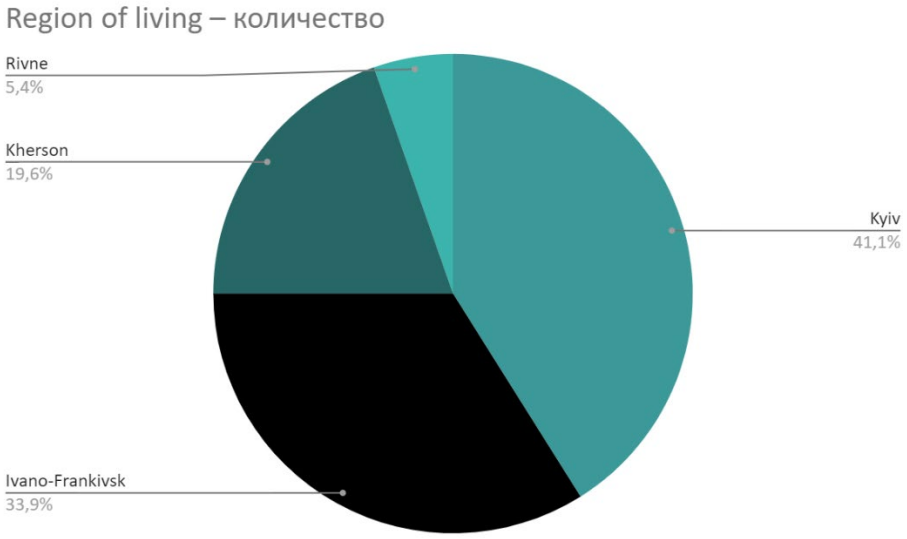
	Date	Region	Participant(s)
19	07.04.2021	National	Creative Practices Platform Co-founder, [redacted]
20	07.04.2021	Kyiv region	Visual Communication School Business Development Manager, [redacted]
21	07.04.2021	Kherson	Department of Youth, Regional Administration
22	08.04.2021	National	NABU–Independent Association of Banks of Ukraine, [redacted]
23	08.04.2021	Western Ukraine	Bank Lviv, [redacted]
24	09.04.2021	Rivne	NGO Ostroh Philanthropist Foundation
25	12.04.2021	Kyiv region	IT Integrator Head of HR Department, [redacted]
26	13.04.2021	National	UA Suspilne, Head of HR Victoria Sydorenko
27	14.04.2021	National	Ukrsibbank, Head of Recruitment Department, [redacted]
28	22.04.2021	National	Reiffeizen Bank Aval, Head of HR department [redacted]

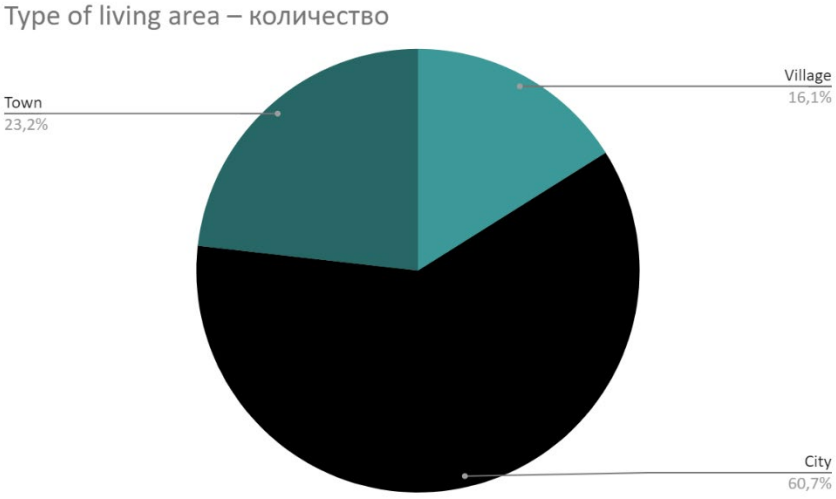
Annex 2: Youth Focus Group Data

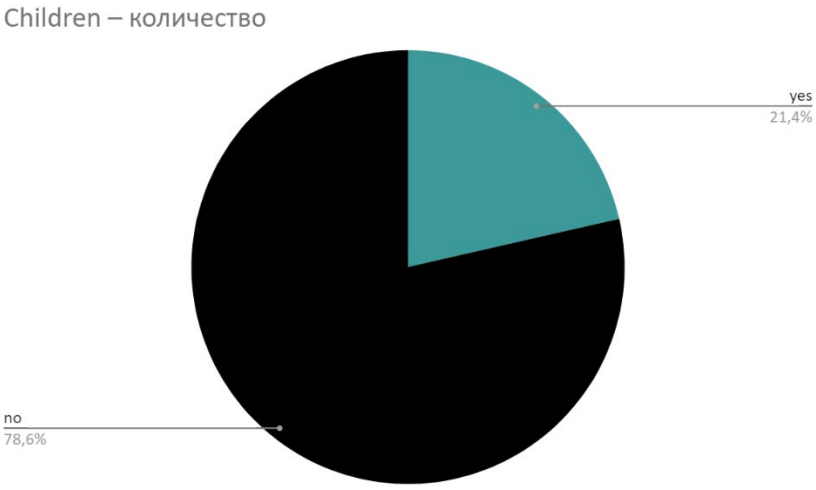
For this assessment, five virtual FGDs were conducted with youth aged 18–35. There were two FGDs with youth from the Ivano-Frankivsk region, one with youth aged 18–24 and another with youth aged 25–35,. There was one FGD held with youth aged 18–24 from Kherson, and another with youth 25–35 from both Rivne and Kyiv. A final FGD was held with youth aged 18–24 from Kyiv. In total, 55 youth participated in FGDs and demographic information collected is displayed below.

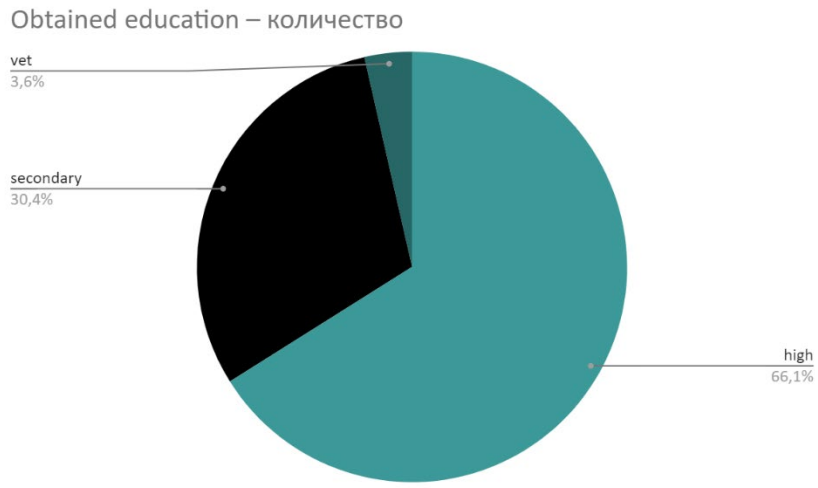


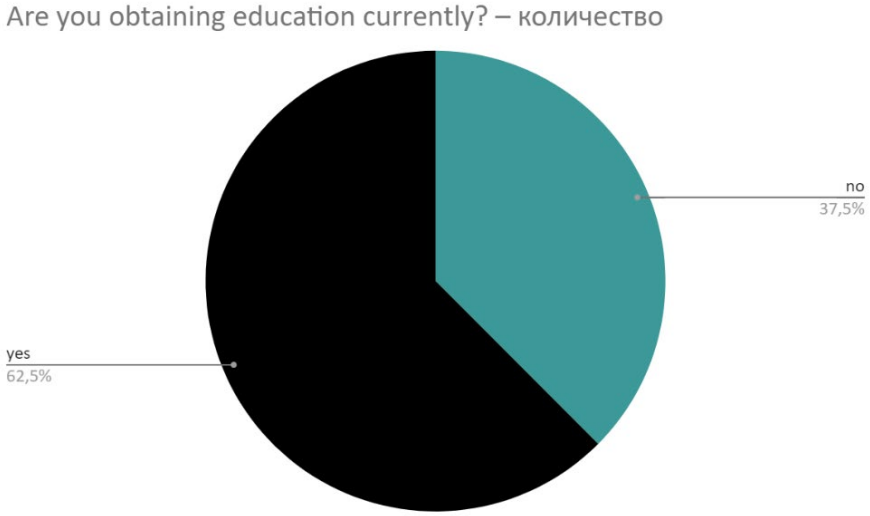


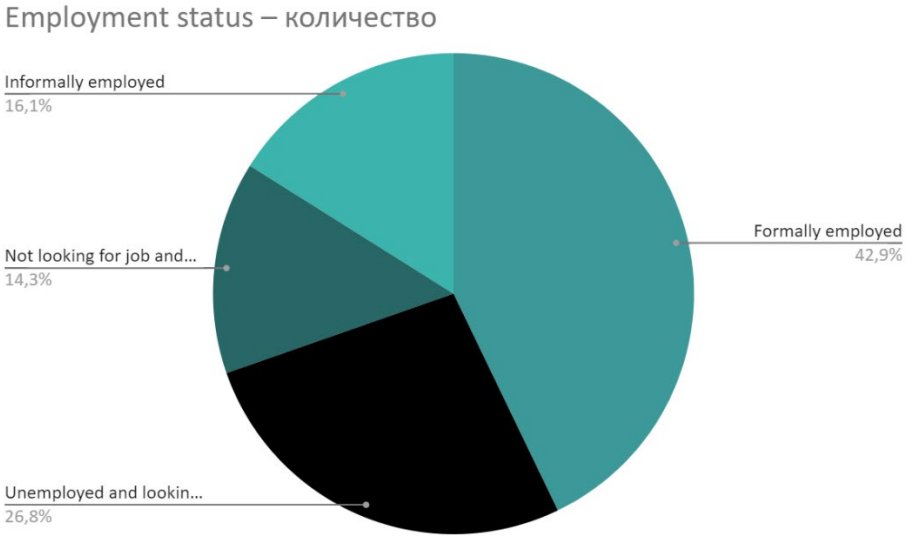

Region of living – количество
Rivne
5,4%
Kherson
19,6%
Kyiv
41,1%
Ivano-Frankivsk
33,9%


Type of living area – количество
Village
16,1%
Town
23,2%
City
60,7%

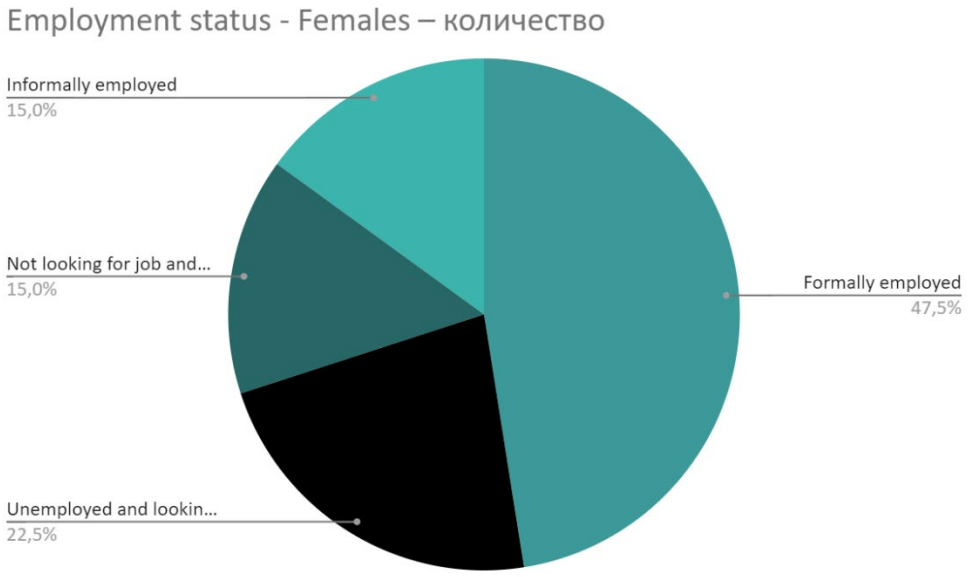

Children – количество
yes
21,4%
no
78,6%

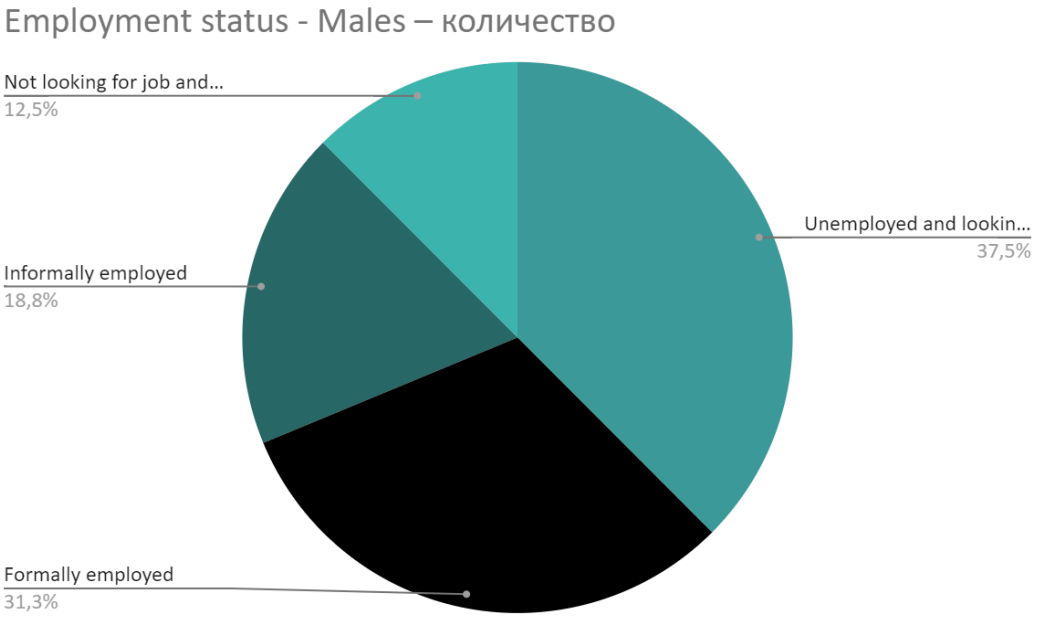

Obtained education – количество
vet
3,6%
secondary
30,4%
high
66,1%


Are you obtaining education currently? – количество
no
37,5%
yes
62,5%


Employment status – количество
Informally employed
16,1%
Formally employed
42,9%
Not looking for job and...
14,3%
Unemployed and lookin...
26,8%

Most demographic data was equal amongst males and females, however, on employment status, young women were more likely to be formally employed than young men. Young men were more likely to be informally employed and unemployed, looking for a job.





Annex 3: Focus Group Discussion and Key Informant Interview Protocols

PGD INFORMATION		Date: ___/____/_____
Name of Facilitator:		
Name of Recorder:		
Oblast:	Municipality:	FGD # in this location: _____
PGD gender: ( ) Male ( ) Female	Age cohort: ( ) Ages 18–24 ( ) Ages 25–35	Number of FGD participants:
COMMENTS/OBSERVATIONS		

INTRODUCTION

Hi! Welcome, and thank you so much for agreeing to participate with us in this Focus Group Discussion! I am _____ and this is _____ and we are here on behalf of the UNITY Project funded by the U.S. Agency for International Development and led by IREX. We're excited to be here with you!

As mentioned earlier, during this Focus Group Discussion, we would like to talk with you about the lives of Ukrainian youth such as you, with particular focus on what aspirations young people have and what challenges you face. We would like this be a *conversation* between us here in the room. As such, in this process, there are *no right or wrong answers*, only differing points of view. You don't need to agree with others, but we would request that everyone listen respectfully as others share their views. In that spirit we would ask that you speak one-at-a-time. We look forward to this being a lively and energetic conversation where everyone feels safe and comfortable speaking. Remember, participation is voluntary, and you can choose to leave the group at any time. However, we hope you will participate since your views are important. And we also think it will be fun and informative for all of you!

My role will be to facilitate the discussion. I will not record your names. Instead, I will use the information you provide us to generate a report and recommendations for USAID regarding potential future strategic investments to better support youth in Ukraine.

Remember, in keeping with our commitment to the confidentiality of all participants, we ask that you not share with people outside of this group EITHER who took part in this discussion OR what they have said during the course of our discussion

Do you have any questions for us before we start? [Record both questions raised by participants, as well as responses]

Okay, let's get started!

FGD QUESTIONS

Note: Due to time limits and amount of discussion, many FGDs will not cover all questions within a 60-minute period. As such, each FGD may include any of the questions listed here so that across all FGDs, all questions are covered in the assessment.

1. Because this is a *conversation*, we think it's important that we all be on a first-name basis! So we have left name cards in front of each of your chairs (if done virtually, can be in the chat box). Take a minute or two to write your name on the card— first name or nicknames only; no need to include your last names. Then we would like to go around the table and have everyone tell us their name (first name or nickname only!) and something you would like the group to know about you. We will collect and destroy the cards at the end of the session.

[Work with youth facilitators to determine the most appropriate way to address introductions; IF CARDS ARE USED, THESE SHOULD BE COLLECTED AND DESTROYED AFTER THE SESSION]

2. We'd like to start by asking what you think it means to feel satisfied in life? In an ideal world, what are the factors or things that make life feel full and satisfying?

Probes:

Another way to think about this is by thinking about the factors that help a person feel like they can achieve their potential. What kinds of things make a person feel that way? What are the components that help a person achieve his or her potential?

3. *[Give each young person the three faces.]* To answer this next question, I'd like you to use the faces we've given you. Now, I'd like you to think about you and the people you know who are your age. Reflecting on our discussion about the factors that influence how satisfied people feel in their lives, how satisfied do you think people your age are with their daily life here in *[COMMUNITY NAME]*?

To start the conversation, I'd like you to use the faces we've given to you. There are three options:

(1) If you think people your age are GENERALLY SATISFIED with their daily life here (have all the factors they need to feel satisfied), place the smiley face in front of you.

(2) If you think that people your age are GENERALLY NOT SATISFIED with their daily life here, place the sad face in front of you.

(3) If you think people your age are generally NEITHER SATISFIED NOR UNSATISFIED with their daily life here, place the neutral face in front of you.

You can take a minute to think about this.

Now, we'd like to discuss your choices. Does anyone want to tell us why they chose the face they chose? Remember, there is no right or wrong answer; everyone's answer is meaningful and valid. *[The recorder should note how many youth choose each face.]*

Probes: [Refer back to the factors that participants mentioned under question 2]

Let's start with the smiley faces- why do you think you are generally satisfied? What are the conditions that help people your age feel generally like their lives are moving in the right direction?

Neutral faces- why do you think people your age are neither satisfied or unsatisfied? What things might be making them feel this way- what are some good things? What are some bad things?

For the sad faces what's missing? What do you think are the greatest frustrations of people your age? What priorities and ambitions do those youth have that they are unable to achieve? What keeps them from achieving those things?

4. I'd like to pick up on the topic of the goals of people your age. If you think about the people your age that you know in *[COMMUNITY NAME]*, what are some of the dreams and goals they have for the future?

Probes:

What do some of the people your age that you know seek to achieve or become in the future? (university studies, office jobs, jobs as farmers, etc.)

Do males and females have different ambitions here in [COMMUNITY NAME]? If yes, why?

What are some of your own goals and ambitions? These can be related to education, work, family or anything else you like. (They're your goals so they can be anything you like!)

Do you feel like these goals are achievable? Why/why not? [Ask them to use the faces to rate interest]

6. Are you aware of any opportunities here in *[COMMUNITY NAME]* that support people your age to reach their employment goals/ improve the quality of their lives? *[Try to fully engage around one topic before moving on to the next]*

Probes:

Are you aware of any vocational / entrepreneurship education programs in [COMMUNITY NAME]? If so, which ones? Who sponsors those programs (government, CBOs, NGOS)? What are the key barriers to accessing those opportunities? If you think about what you have heard about those programs, are they helping people get the skills they need for a job or to start a business?

- Are you aware of any programs that friends your age have participated in that have helped them secure employment (on/off-farm, local businesses, etc.)? Which ones? Who sponsors those programs (government, CBOs, NGOS)? What have you heard about those activities (PROMPT USAID)?

7. Can you think of any other challenges or barriers that keep people you age from achieving their goals?

Probes:

To what extent are youth moving between rural and urban areas and/or migrating to other countries or regions? Why do they go? How does this affect [COMMUNITY NAME]?

Are there other community issues we have not discussed that impact you? [note for female peer groups add: Are there issues in [COMMUNITY NAME] that impact young women especially?]

8. Suppose that you were in charge and could make changes to help young people like you achieve their goals and ambitions. What would you do?

Probes:

What could be done to improve the educational system? What improvements could be made for teachers and students to be successful?

What do you think could be done to improve job opportunities / vocational training / agriculture and food systems programs / links to private businesses, etc.?

Note for female peer groups add: Are there changes you would like to see that impact young women especially?

10. Thinking about youth in your community, describe the young people who have been most successful at obtaining employment, starting a business, or earning an income.

- What has allowed these youth to be successful in earning a livelihood?
- What sectors or occupations are youth most interested to engage in? Why?
- What sectors are least attractive to youth? Why?
- What opportunities exist for youth in the wholesale and retail trade, and services sectors? What is the level of interest in participating in these sectors among the people your age that you know? High interest, neutral or little interest? [Ask them to use the faces to rate interest] How these sectors have been changed recently? What kind of skills does this transformation require?
- What opportunities exist for youth in the agriculture and food systems sectors? What is the level of interest in participating in agriculture among the people your age that you know? High interest, neutral or little interest? [Ask them to use the faces to rate interest]
- What do you know about renewable energy sector and opportunities exist for youth in this sector? What is the level of interest in participating in renewable energy sector among the people your age that you know? High interest, neutral or little interest? [Ask them to use the faces to rate interest]
- What are the key barriers to earning an income? [note for female peer groups add: Are there any special barriers for young women in [COMMUNITY NAME] especially?]
- Do youth in your community save money? Tell me more about the savings habits of young people you know.
- Do youth in your community take out loans? Tell me more about how youth are able to access credit. Are there any barriers to accessing credit in [COMMUNITY NAME]?

11. How do young people in your community share and obtain information about what's going on?

▪ Radio, Internet, Texting Apps, Word of Mouth (peers, family), newspaper, community bulletin board, community events, etc.
12. Wrap-up: As I mentioned earlier in our discussion, in our study we are trying to understand the employment situation of young people like you living in Ukraine today. Of all the things we discussed today, what do you think is the <u>most important</u> thing for us to understand? *[Recorder to highlight the key issues raised]* Have we missed anything? Is there anything else we need to know about what it's like to be a young person living in Ukraine today? *[If they add anything else, probe for rationale and other relevant information as youth share their thoughts with the group.]* As we finish our discussion, do you have any questions for our team? *[Recorder to capture questions and answers]*
THANK YOU VERY MUCH for your thoughts and insights today. We really appreciate your time and energy!

Key Informant Interview Questions

These are key questions that will be raised across KIIs. Specific questions will be selected based on the lens, experience and specialization of the given stakeholder(s)

Education

- What are the main issues in relation to education?
- Secondary education
- Technical and vocational education (considering recent VET reforms)
- Higher education
- What do youth feel about the quality of education in the Ukraine? Would their feelings align with yours?
- Do you feel that the current education system prepares youth for their future jobs and careers? Would their feelings align with yours?
- What can be done to improve education, so it is more relevant to youth needs and interests in relation to their future jobs and careers?
- What needs to be done to improve education? In order of priority:
- What would be the three big things to focus on?
- What would be three small things but that would have major impact?
- How important is the need to develop youth soft skills?
- What role might the private sector play in improving the quality of education or its ability to better prepare youth for their future jobs and careers?

Employment

- What are the main issues in relation to youth employment? How might these be different for male and female youth?
- What are the main issues in relation to formal and informal sector employment?
- How does youth unemployment or underemployment vary by subgroup and region?
- How does youth unemployment or underemployment vary by sectors (wholesale, retail trade, services, agriculture, IT, renewable energy) and sectoral value chains?
- What challenges do businesses face in hiring new young workers? How might these be different for male and female youth?
- What are the skills that are most in demand by employers?
- How important are soft skills?
- How might internship programs more effectively connect students to businesses and gain practical skills and experience.
- What are the professions for young people that are of high demand by the government/business?
- What needs to be done to improve youth employment prospects? In order of priority:

- What would be the three big things to focus on?
- What would be three small things but that would have major impact?
- What role might the private sector play in improving youth employment prospects?

Enterprise Development

- Do many Ukrainian youth aspire to starting and running their own businesses or is their overwhelming preference for paid employment? What do you think are the underlying reasons for their preferences?
- What are the main issues and trends in relation to youth enterprise development? Are youth faced with the increasing prospect of having to be self-employed in the future? How might these issues and trends be different for male and female youth?
- What do you see as the main risks associated with supporting youth led businesses or entrepreneurial ideas and how might they be overcome? Are the risks different for males and females?
- How important is training in relation to building youth entrepreneurship development?
- What part do you see the education system playing in relation to building youth entrepreneurial skills and a more entrepreneurial mindset amongst youth?
- What entrepreneurial practices, models or policies – like hackathons, hubs co-working spaces and pitching competitions - adopted in the Ukraine, the region and other places do you think need to be benchmarked for youth entrepreneurship development in the Ukraine? What do you think is the key to their effectiveness?
- What role might incubators or hubs might play in youth entrepreneurship development?
- What needs to be done to improve youth entrepreneurship? In order of priority:
- What would be the three big things to focus on?
- What would be three small things but that would have major impact?
- What organizations do you know of that have been effective in relation to youth entrepreneurship development? What do you think is the key to their effectiveness?

Agriculture

- What are the main issues in relation to youth inclusion in agriculture? How might these be different for male and female youth?
- What role does patriarchy play in relation to youth inclusion in agriculture?
- Where are the biggest opportunities for youth inclusion in relation to:
- Productive agriculture?
- Agricultural processing and value adding services?
- Livestock and poultry production and value adding services?
- What agricultural value chains offer the most potential?

- What is the level of youth interest in agricultural entrepreneurship and how might it be grown?
- Is there currently enough investment in the agriculture sector to produce career and self-employment opportunities for youth?
- How might negative youth perceptions of a life in agriculture be countered? How might these be different for male and female youth?

Wholesale, retail trade and services (sales, financial services, transportation and logistics)

- How is this sector transforming (including IT and COVID influence)? How does it affect youth employment and unemployment?
- How does sector transformation influence required skills for entry-level employees? Do youth seem prepared for work in this sector?
- What do you recommend are the best ways to fill-in any skills gaps? Where can youth get training in this sector?
- What is your role as an employer in hiring and training youth for work in this sector?
- Where are the biggest opportunities for youth within the sector value chain?

Information Technology

- How is employment developing within the sector? What skills are in demand?
- Where could youth fit well in this value chain (both in software/app development and cross-cutting hardware support)? Where are the biggest opportunities for youth within the sector value chain?
- What do you recommend are the best ways to fill-in any skills gaps? Where can youth get training in this sector?
- What is your role as an employer in hiring and training youth for work in this sector?
- Are there any government/private initiatives for youth inclusion within the sector?

Renewable energy

- How is employment developing within the sector? What skills are in demand?
- What role do youth play in the sector? Where could youth fit well in this value chain?
- How do youth fit entry level positions in this sector? What are key reason / issue if mismatch?
- Are there any government/private initiatives for youth inclusion within the sector?
- What is your role as an employer in hiring and training youth for work in this sector?

Annex 4: Council Directive 2000/78/EC

The Implementation Plan of Council Directive 2000/78/EC states that in accordance with the Constitution of Ukraine, the Labor Code of Ukraine, legislation in the field of education and employment, all persons should be given the opportunity to develop and apply their skills on an equal basis without discrimination, and work in their own interests and in accordance with their aspirations, based on the needs of society.[99]

As of 2020, Ukrainian law guarantees a person the right to appeal against discrimination to public authorities and self-government bodies; however, violators will still not be able to be punished (the Code of Administrative Offenses does not provide for administrative liability for discrimination). Thus, there is no such administrative offense as violation of equality of citizens, discrimination, etc.

In Ukraine, employment lawsuits are heard in civil proceedings, but it is very difficult to prove discrimination against people with disabilities in court. Thus, from January 1, 2017 to August 31, 2020 in the Unified State Register of Court Decisions recorded very few cases of claims of persons with disabilities in disputes arising from employment relationships that could contain an analysis of discrimination. For 2017, only seven such decisions are available in the register in the first instance, for 2018–one decision, for 2019–2020–four decisions. Of these, decisions on only three lawsuits have been fully satisfied.

In Ukraine, the legislative level establishes a quota with which employers must comply when hiring people with disabilities. According to Art. 19 of the Law "On the basics of social protection of people with disabilities in Ukraine," for enterprises, institutions, organizations, individuals who use hired labor, if the number of employees is eight or more, the standard of jobs is set at four percent of full-time employees; if it employs from 8–25 people, an employee with a disability must be provided one job. This system is called the "Quota-deduction system." It operates successfully in EU member states, in particular France, Germany, and Poland, but in Ukraine this mechanism is not fully implemented.

Under current law, employers independently employ people with disabilities in accordance with job standards that apply to both the public- and private-sectors of the economy. If the company does not comply with the standard of jobs, it is threatened with administrative and economic sanctions, but employers have found means to avoid punishment. It is also "easier" for some employers to pay a fine for not providing jobs to people with disabilities than to issue them.

It is interesting to note that state-owned enterprises, institutions, and organizations are not subject to the conditions for paying sanctions for non-compliance with the established standards for the employment of people with disabilities. Accordingly, most budgetary institutions in Ukraine evade this quota, according to the audit of the Accounting Chamber of Ukraine of state institutions and enterprises. Though non-public enterprises and organizations are obliged to pay sanctions for non-compliance with the quota, even this does

[99] Interview with [redacted], lawyer, manager of [redacted] Law Office, member of the Committee for the Protection of the Rights of Persons with Disabilities, which operates within NAAU, https://www.hsa.org.ua/blog/pratsevlashtuvannya-osib-z-invalidnistyu-zakonodavchi-garantiyi-ta-realnist/

not force many employers to hire workers with disabilities, as they may decide it is easier to pay sanctions than to create the right conditions for disabled employees.

Another side to this problem is that many employers do not pay sanctions because they have done everything in their power to meet the employment standards for people with disabilities: they have created special jobs and searched for people with disabilities, including through the State Employment Service. However, they have not been able to meet the employment standards for people with disabilities. Therefore, the courts see no reason to impose sanctions on such employers.

Thus, the current procedure for employers to pay administrative and economic sanctions, firstly, does not encourage them to employ people with disabilities, and, secondly, does not make sense in an environment where employers are unable to find and employ the required number of employees. This means that to effectively employ people with disabilities, Ukraine must take care not only to finalize the laws, but also to reform the Employment Service.

Annex 5: Ukrainian VET Background

Both the government that came to power in November 2019 and the succeeding government appointed in March 2020, have intensified reforms towards a decentralized, competency-based education system. The ambitious targets are to increase the level of VET enrollment to 45 percent by 2024 and to cut the time needed by VET graduates to find employment. Following ministerial changes, the Ministry of Economic Development, Trade and Agriculture (MoEDTA) has assumed greater responsibility by taking over the State Employment Service and taking charge of lifelong learning as a core element of a modernized VET system. The MoES is also undergoing a transition as part of the overall reform process in Ukraine. The decentralization process and the establishment of the National Qualifications Agency (NQA) requires the MoES to coordinate contributions from a wider range of actors. [100]

In April 2020, the Cabinet of Ministers of Ukraine approved the National VET Action Plan to implement the reform concept of 'modern vocational education.' The plan sets out 29 actions to change the governance and financing of the VET system, redesign the content and quality management of vocational training and education, and introduce an independent assessment system and a comprehensive training program. In addition, the Law on Adult Education, which is still in initial draft form, seeks to strengthen adult education as an integral part of the Ukrainian education system. A new Labor Market Information System (LMIS) also provides easy-to-use tools and methodologies to collect and analyze labor market information for the purpose of both strategic and operational planning of the country's regional VET systems.

[100] The MoES, https://mon.gov.ua/ua/tag/profesiyno-tekhnichna-osvita, https://mon.gov.ua/ua/tag/eu4skills; CABINET OF MINISTERS OF UKRAINE ORDER of June 12, 2019 № 419-r On approval of the Concept of implementation of state policy in the field of vocational (vocational) education "Modern vocational (vocational) education" for the period up to 2027, https://zakon.rada.gov.ua/laws/show/419-2019-%D1%80#Text;

Annex 6: Social Labs in Ukraine

name of the lab	Garage Hub	Precious Lab	Beta Lab	Prom Prylad	Fabrika	REMA Zavod
type of lab	community lab	community lab	community lab	Hybrid Social Lab	Hybrid Social Lab	Hybrid Social Lab
location and concept	rented offices filled with cnc cutters, 3d printers, computers, mills, etc and lost of recycled soviet machinery	plastic molders, recycling machines, computers, etc.	developed machine that uses recycled plastics in order to design different objects - home made precise 3d printer	old factory space that was transformed into offices - format of giant co working space & adjacent cultural centre	old shoe factory that used to be pride of the city, employing thousands of people located at the very central location	old factory space that was transformed into offices - format of giant co working space
scope of work	various programs, hackatons, residechips, media projects, architecture projects, prototypes	environmental projects, recycling	product design	coworking space + offices for start ups in IT; offices for CSOs; artists' spaces; conference rooms; hotel and hostel space,	combination of cultural centre, co working space, music club, concert club, entrepreneurship incubator, theatre, hostel, etc.	60 organizations all work in the area of creative industry, festivals, educational platforms, etc.
# size of community	10 people in core team + few 100 people who make GH community	# 4 people in core team + few 10s of people as community	# 4 people in core team + few 10s of people as community	# 6-8 people in the core team + 50 people from different communities	# 10 people in the core team + different communities on board of the project	10 in core + several hundred people
vision	to save the city from decay	to bring tech to people	to develop recycled plastic objects	to save the city through development of ideas and entrepreneurship	to save the city from decay by opening a Lab Space	ned ideas generation, entrepreneurship improvement
source of income/ financing	80% grants vs 20% income from consulting, services, design projects, rent of spaces, fees	grants & services	product design & services	shares, VC funds, 2nd round of fundraising, grants, + self financing + rent of office space	grants vs self financing / rent of office space, bar, concerts' tickets	self financing 100% from services
sustainable	yes	yes	yes	yes!	likely	yes
tangible & intangible assets	could come from % on IP developed?	no info	none	factory real estate, hotel, hostel + good will/ brand(s)	factory real estate	IP and brand from projects developed
initial capital? how it started?	seed money from the core team	no info	seed money from the team	seed money from the team + citizens crowd finance	seed money from the team + private investment	ReZavod CSO formed to govern community
core team profile & competence	engineers, strong technical background	engineers	engineers & product design	business development, financial services, social entrepreneurship	event managers, event production	product desig, design services, community management

rest of the team competence	art, new media, culture, operational management, business	no info	no info	operational management	educational platforms, art and culture	most diverse
innovation dynamic, new ideas	strong, good cross fertilization due diverse team	medium - low	strong, extremely creative team	medium - low // due to not being connected community	no info at this point	strong - very collaborative network
entrepreneurship development	medium - strong	medium - low	low, 1 project, self centred	medium	no info at this point	strong
job generation, self-employment	medium	medium	low, 1 project, self centred	medium	no info at this point	medium
educational programs & skill development	strong, focus is on this	medium	low, 1 project, self centred	strong	no info at this point	medium

Source: Bojan Boskovic (2020), Innovation in Social Labs

About UNITY (Mriemo ta diemo) Program

UNITY is a five-year program aimed at developing and supporting the Ukrainian youth, fostering a friendly environment in which they can realize their dreams, ideas, and visions of their country's development. By adopting an approach centered around the young generation – an approach not just for youth, but together with them – UNITY promotes youth innovation and entrepreneurship; more active participation in decision-making processes; and youth involvement in resolving issues at the national and local levels. UNITY aims to enhance the potential of Ukrainian youth and become a driving force for pluralism and respect for diversity. UNITY engages youth in developing and implementing projects and initiatives and conducts research to inform youth policy and bring effective and sustainable change.

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