



Food and Agriculture
Organization of the
United Nations

The potential impact of the war in Ukraine on rural labour markets

Key considerations and entry points for the promotion of decent rural employment in the recovery phase

Decent Rural Employment Team (ESP)

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Rural labour markets in Ukraine before the war

- Importance of rural employment and labour markets in Ukraine:
 - **31% of labour force and 5.7 million employed** in rural areas ([ILO, 2020](#))
 - **14% of total employment in agriculture**, with 2.5 million employed in the sector ([ILO, 2020](#))
 - Similar unemployment rates in rural (9.4%) and urban areas (9%) ([ILO, 2020](#))
- Vulnerable groups in rural labour markets:
 - **Higher unemployment rate for rural youth** (17% vs. 9% for adults) ([ILO, 2020](#))
 - **Higher share of rural women not in employment, education or training (NEET)** (22.5% vs. 13.5% for rural men and 18.9% for urban women) ([ILO, 2020](#))
 - **Higher share of children aged 5-17 in child labour in rural areas** (25% vs. 3.6% in urban areas) ([ILO, 2020](#))
- Migration and internally displaced persons (IDPs):
 - **6.1 million Ukrainian nationals living abroad** (53% in the Russian Federation)
 - Remittance flows greater than **USD 19 billion and representing 12% of Ukraine's GDP**
 - **734,000 IDPs** in Ukraine before the war

Potential impacts of the conflict on decent rural employment (DRE)

- Implications for the rural labour force:
 - Agricultural supply chains affected by the conflict, both up- and downstream
 - **Reduced labour force availability in rural areas** through internal displacements (6.5 million by March 2022), refugees exile (4 million by March 2022), and nationals' mobilization (OCHA, 2022)
 - Consequently, farms have already been experiencing **labour shortages** (MacDonald, 2022)
- Implications for decent rural employment:
 - Production and logistical risks affecting jobs throughout the supply chain – **both number of jobs and working conditions**
 - **Negative spill-over effects** of reduced farm performance and production on local on- and off-farm employment opportunities
 - Farmers may resort to **child labour to substitute the missing labour supply**
- Implications for rural remittances in Ukraine and Central Asia:
 - **Employment and income of migrant workers** in Russia affected by reduction of economic activities...
 - ... with many Central Asia countries relying on their remittances (FAO, 2022; Ratha and Kim, 2022)

Policy recommendations on the promotion of DRE for the recovery phase

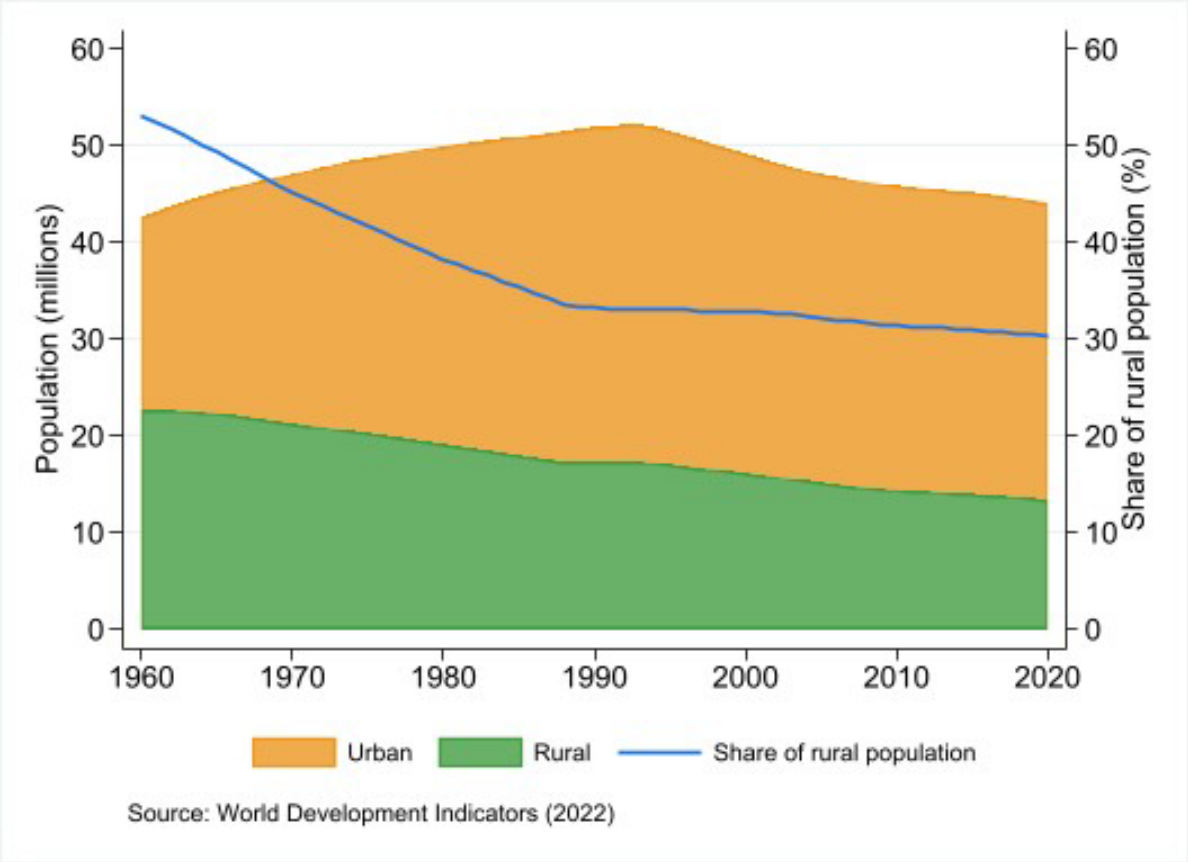
- Promoting decent and productive employment as part of the economic foundations for a peaceful development in fragile contexts is critical
- Promoting temporary rural employment can avoid exposing populations to further insecurities in the recovery phase
- Public work programmes can contribute to create and rehabilitate infrastructure (FAO, 2016), while helping vulnerable workers increase their resilience through income and wages
- Promoting employment for rural youth will help build their resilience and provide stable livelihoods – while contributing to the economic recovery
- Employment opportunities should be provided to returning refugees and internally displaced persons to support their sustainable reintegration in rural areas

References

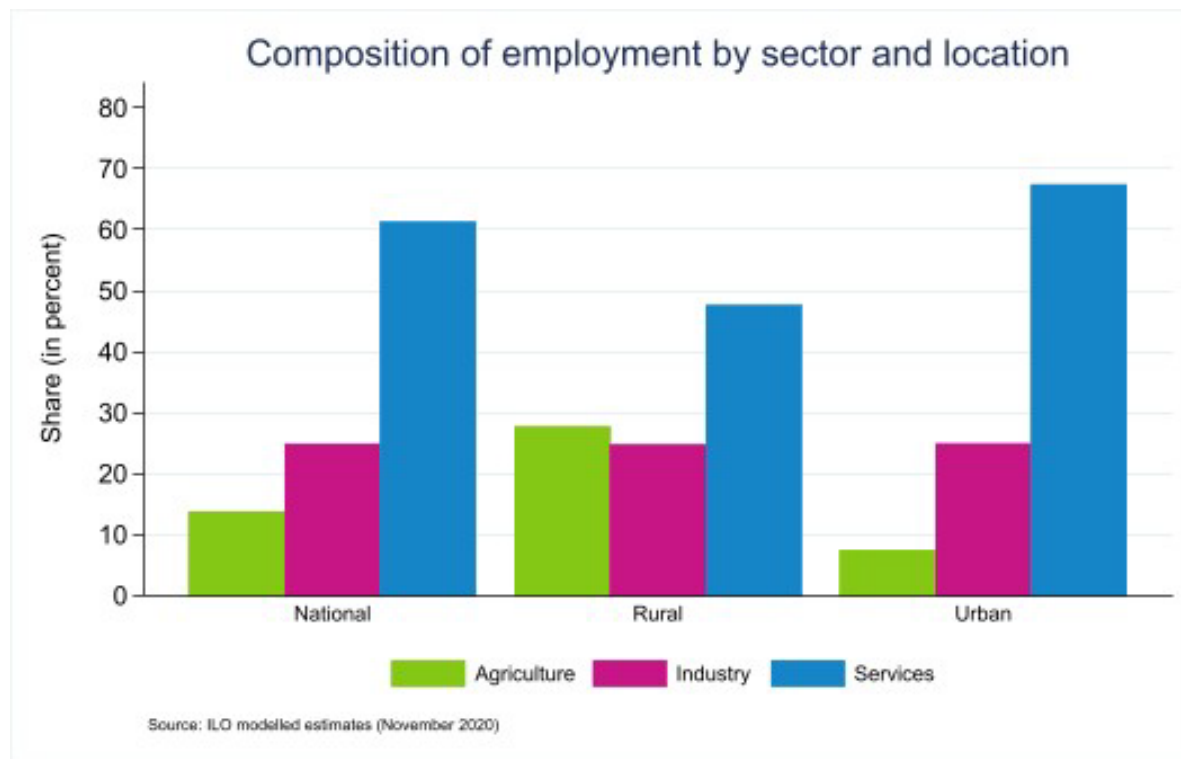
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Appendix

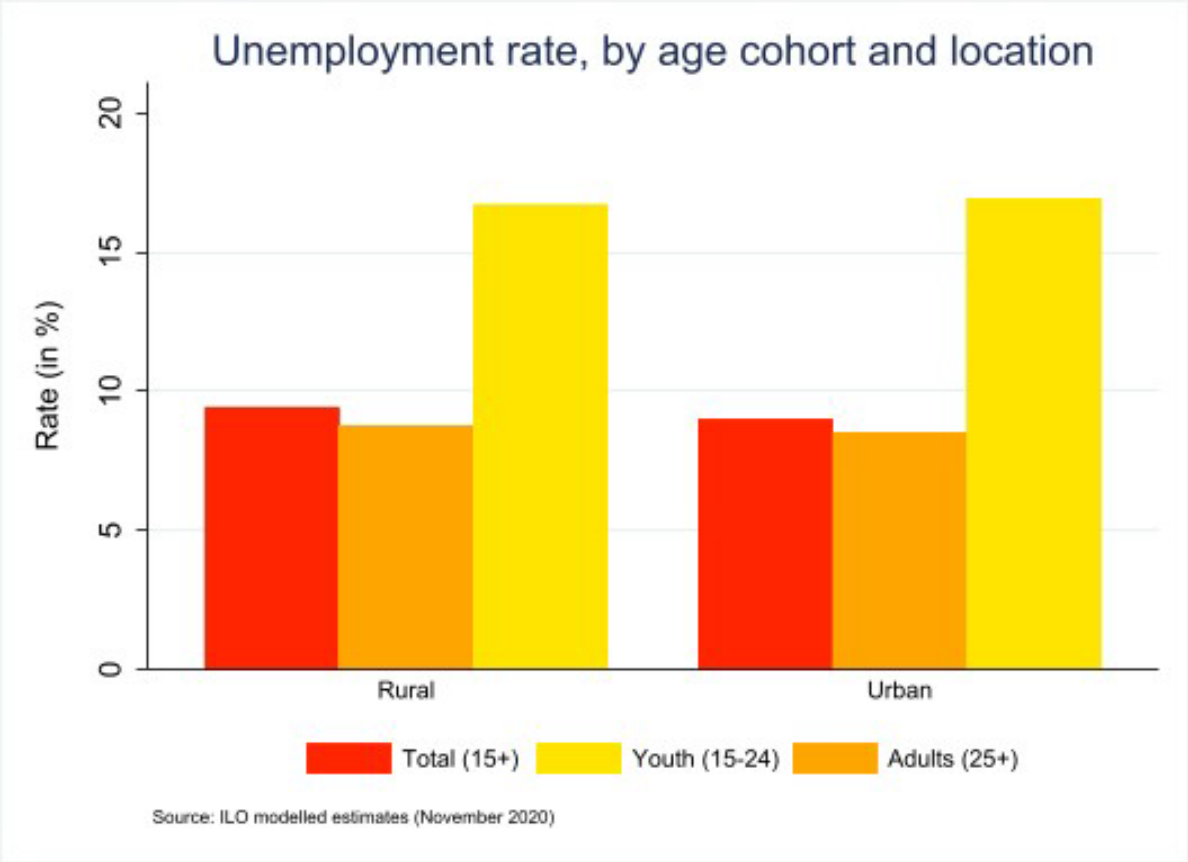
Ukraine's rural and urban populations over time



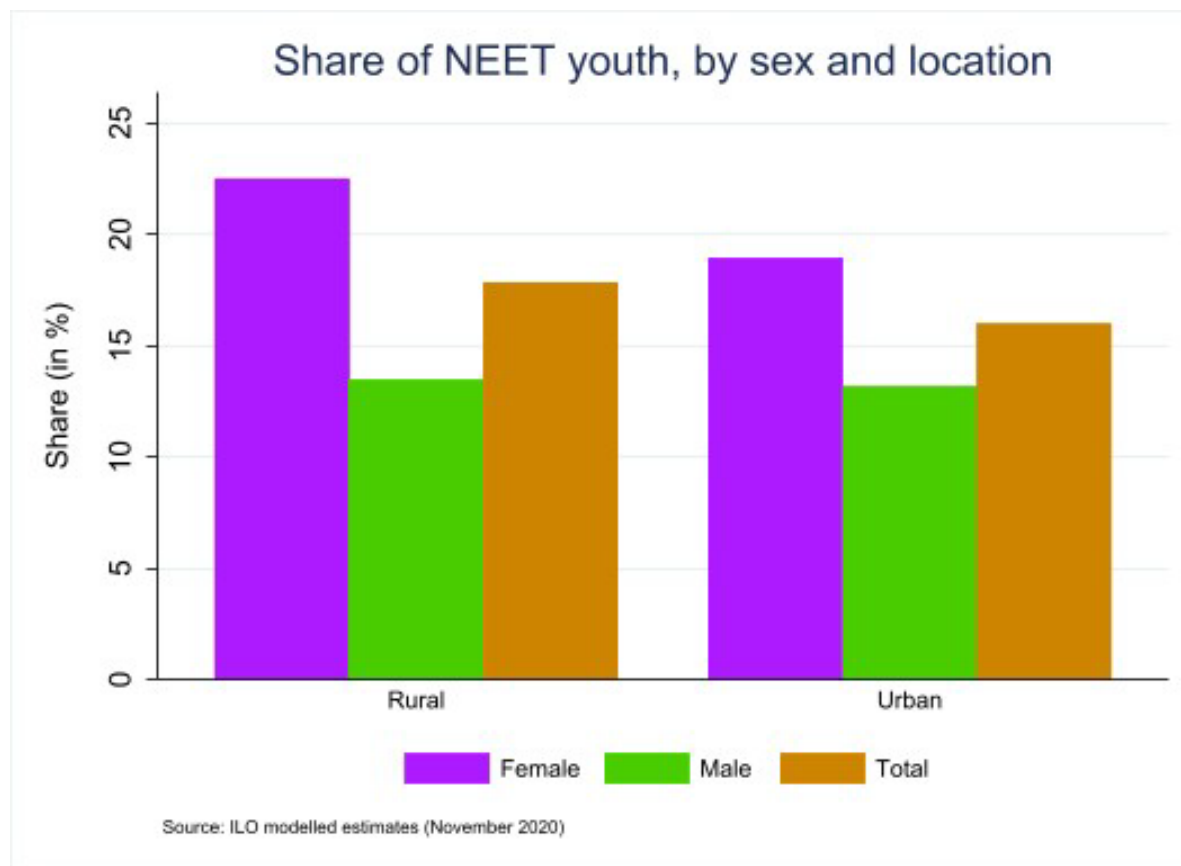
Composition of employment, by sector and location



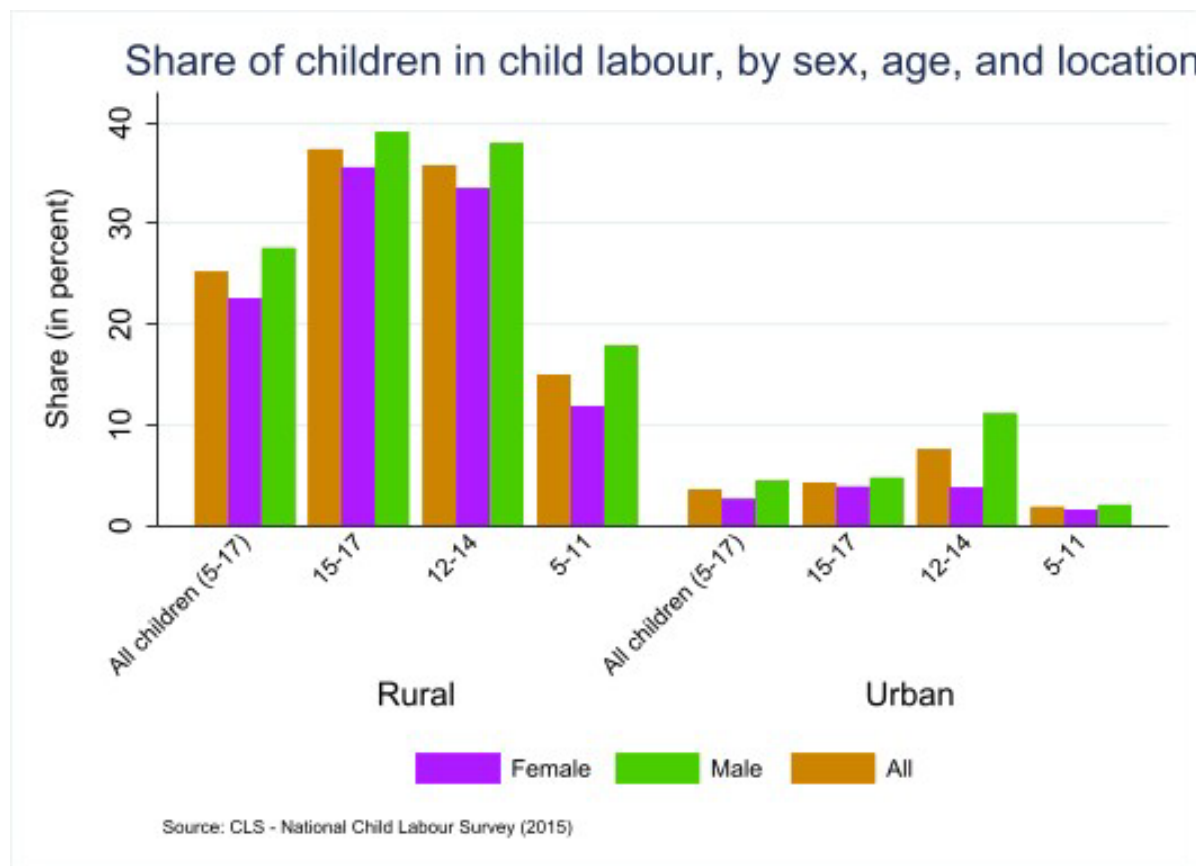
Unemployment rate, by age cohorts and location



Share of youth not in NEET, by sex and location



Share of children in child labour, by sex, age, and location



Thank you.