

Engaging economically inactive sections of the population in retraining and employment

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Conclusions and recommendations

The research conducted leads to the conclusion that the modern Ukrainian labor market is undergoing not just another cycle of development, but a structural transformation. Unlike previous crises, this transformation is driven primarily by external factors — war, demographic losses, large-scale migration, mobilization of the population and changes in the structure of the economy. In such conditions, the traditional mechanisms governing the labor market are increasingly proving inadequate, whilst the contradictions between its various participants are becoming ever more apparent.

A recurring theme of the study is the phenomenon of numerous **‘discrepancies’** that arise at virtually every level of the system.

The first gap is observed between the needs of the economy and the actual behavior of the population. On the one hand, employers report a chronic labor shortage. On the other, a significant number of people have long declared themselves to be jobseekers, yet do not exhibit behavior typical of an active job search. Consequently, the problem lies not only in the balance between labor supply and demand, but also in the gradual decline in economic activity amongst a section of the population.

A second gap arises between declarations and practice. The population expresses a willingness to learn new skills, yet is unwilling to invest in training without guarantees of success. Employers claim to be open to inclusive recruitment, yet are largely unwilling to invest resources in the adaptation of employees. The State Employment Service rates the effectiveness of its own work highly, whilst external assessments reveal significant potential for improvement. It is precisely these gaps that largely determine the current limitations of employment policy.

The third gap concerns the pace of change. The economy is already operating under new conditions, whilst the perceptions of many market participants remain shaped by the previous reality. Blue-collar occupations continue to be associated with low pay and hard physical labor, even though modern production facilities are becoming increasingly automated and wage levels are rising rapidly. Similarly, the State Employment Service and the vocational education system continue to be assessed through the lens of long-standing stereotypes that do not always reflect their current state.

At the same time, the study's findings point to significant potential for positive change. Ukrainian society is already demonstrating a readiness for occupational mobility. Formal education is no longer the sole determinant of a person's entire career path, and changing one's specialty is increasingly seen as normal practice. In the absence of public resistance, the development of reskilling programs has far better prospects than it might have had just a few years ago.

Research shows that the development of individual programs alone will not ensure a large-scale return of the economically inactive population to the labor market. A significant proportion of the barriers lies beyond the remit of individual institutions. Access to nurseries, transport infrastructure, psychological support, workplace adaptations, tackling discrimination, and the development of partnerships between the education sector and business — all these factors directly influence the level of economic activity among the population, although they do not formally fall within the remit of employment policy.

This is precisely why the central conclusion of the study is the need to move away from a narrow understanding of employment policy towards a much broader policy on the population's economic activity. Employment is increasingly rarely an isolated issue. It is becoming the final link in a long chain that includes career guidance, training, psychological support, addressing social and domestic difficulties, cooperation with employers, and support for individuals after they start work.

In these circumstances, none of the key stakeholders in the process — the State Employment Service, employers, vocational education institutions, local authorities or civil non-governmental organizations — are capable of achieving the necessary outcome on their own. Only by establishing a system in which each of these actors fulfils their own role within a shared strategy will it be possible to transform the labor shortage from a risk factor into a catalyst for the modernization of the Ukrainian labor market.

In this context, it is not only the improvement of individual tools that takes on particular significance, but also the establishment of permanent mechanisms for inter-agency coordination. It is the quality of interaction between the state, business, the education system, local communities and the civil society sector that will determine whether Ukraine can harness its existing human potential for post-war economic recovery.

Recommendations

For the government and the State Employment Service

The most important direction for the development of public policy should be a shift from a model of unemployment management to a model of active human capital development.

- First and foremost, it is advisable to design retraining programs based on the **‘training-to-employment’** principle, whereby an agreement is in place with a specific employer regarding the subsequent employment of graduates even before training begins. Where possible, such training should be accompanied by a grant or other mechanism to compensate for loss of income during the training period, as financial risks remain one of the main barriers to participation in reskilling programs.
- At the same time, the transformation of the State Employment Service into a modern career service needs to be accelerated. Research shows that what clients value most is not simply the fact of registration or access to a job database, but personalized guidance, assistance in mapping out a career path, and support during the job-seeking process. Accordingly, career counselling should become a standard service, rather than the result of individual initiative on the part of specific specialists.
- At the same time, it would be advisable to review the system for evaluating the service’s effectiveness. Performance metrics should shift from quantitative indicators (the number of registered unemployed people, consultations held or referrals made) to an assessment of the end result — employment, retention in the workplace, and the satisfaction of both clients and employers.
- Particular attention should be paid to working with the economically inactive population. The findings suggest that a significant proportion of potential jobseekers will not seek assistance on their own initiative, even where high-quality programs are available. It is therefore advisable to develop proactive engagement models — such as mobile advisory teams, outreach work, case management, and collaboration with locations where target audiences are concentrated. Given the scale of the potential audience, such work is unlikely to be carried out entirely by the State Employment Service alone; it is therefore advisable to develop partnership models with non-governmental organizations and charitable foundations that already possess relevant practical experience.

- At the same time, information campaigns to promote the State Employment Service's services should only be conducted in parallel with capacity-building within the service itself. Otherwise, a successful communication campaign could lead to a sharp increase in enquiries without the ability to ensure an adequate quality of service, which would risk undermining existing public trust.
- Systematic monitoring of the outcomes of state programs should be a separate priority. It is advisable to track not only the completion of training but also subsequent employment and retention at work 3, 6 and 12 months after the programs end. It is precisely these indicators that will enable an assessment of their actual effectiveness.
- For certain groups, particularly veterans, it would be advisable to consider developing specialized support models, notably peer-to-peer mentoring, as well as the possibility of more flexible mechanisms for financial support whilst seeking employment.

For vocational education and training institutions

The research findings indicate that the problem with vocational and technical education is largely one of image. A significant proportion of the population perceives VET as an educational pathway 'for others', even without having had any negative personal experience of such institutions.

- In this regard, the primary task is to carry out systematic communication efforts to refresh the image of vocational education. It is advisable to focus not on general appeals, but on showcasing modern equipment, real-life stories of graduates, salary levels, and opportunities for a quick career start and its subsequent development.
- It would be advisable to make study programs more flexible. Short, modular programs appear more attractive to the adult population, as they allow people to quickly acquire specific skills without having to undertake years of study.
- It is also worth developing separate study groups, as well as evening and distance learning formats, for adult learners. This will help reduce the psychological discomfort of studying alongside teenagers and make programs more accessible to people who are already at work or have family responsibilities.
- Particular attention must be paid to engagement with employers. Research has shown an extremely low level of business involvement in the design of

- educational programs, although such collaboration is a prerequisite for ensuring that training meets the needs of the labor market.
- A separate priority should be the systematic adaptation of vocational education institutions for people with disabilities. This concerns not only the physical accessibility of premises, but also the adaptation of curriculum, equipment and teaching methods.

For employers

Against a backdrop of a structural labor shortage, employers are becoming one of the key players in policies aimed at engaging the economically inactive population.

- The primary task is to improve the transparency of communication with potential employees. Much of the mistrust surrounding job vacancies stems from the discrepancy between the information provided in the advert and the actual working conditions. A detailed description of job responsibilities, working conditions, the remuneration system and opportunities for development can significantly reduce this barrier.
- At the same time, businesses would do well to review their own inclusive recruitment practices. A high level of stated willingness to work with vulnerable groups must be accompanied by concrete organizational measures — adapting workplaces, training managers and HR professionals, developing mentoring schemes, and creating an inclusive corporate environment.
- Particular attention should be paid to the integration of veterans. Research has shown that one of the key factors for successful adaptation is the psychological atmosphere within the team. This is precisely why preparing teams for the return of veterans may prove to be no less important than the professional training of the veterans themselves.
- It is also advisable to become more actively involved in shaping vocational education programs, developing dual education and corporate training programs in collaboration with vocational education and training institutions and the State Employment Service.
- Furthermore, it is important to ensure systematic feedback to the State Employment Service regarding the results of interviews, reasons for rejections and the filling of vacancies. This will significantly improve the quality of labor market mediation.

For state authorities, local government and the public sector

Research shows that a significant proportion of barriers to employment do not fall within the remit of the labor market at all. This is precisely why resolving the issue requires broad inter-agency cooperation.

- One of the priorities should be the restoration of childcare infrastructure. For a significant proportion of women, access to nurseries and schools is a key factor in their return to economic activity.
- At the same time, it is necessary to improve transport accessibility, develop remote working and learning formats, and establish mechanisms to compensate for the costs of adapting workplaces to make them accessible for people with disabilities.
- A separate focus should be on systematically combatting discrimination on the grounds of age, gender, family status and health. It is important not only to improve the regulatory framework, but also to change recruitment practices and corporate culture.
- It is also advisable to draw on the experience of civil society organizations in working with the most vulnerable sections of the population. It is these organizations that are currently demonstrating the most effective models of proactive client outreach, comprehensive support and interdisciplinary assistance, which can be scaled up in partnership with state institutions.
- Finally, it is advisable to advocate for the creation and maintenance of permanent coordination mechanisms between government bodies, the State Employment Service, vocational education institutions, employers, local authorities and the civil society sector, with a view to jointly forecasting labor market needs, developing educational programs and evaluating the effectiveness of employment policy.

Abbreviations and acronyms

IDPs internally displaced persons

SES State Employment Service of Ukraine

PwD people with disabilities

VET vocational and technical education

TCK Territorial Recruitment Centre

FGD focus group discussion

Job Centre Employment Centers

VET centers vocational and technical education center

CAWI (*Computer-Assisted Web Interviewing*) — an online survey conducted via a web interface

NEET (*Not in Employment, Education or Training*) — young people who are not in employment, education or training

Chapter 1. A Profile of the Economically Inactive Population

The economically inactive population is heterogeneous. The study examined several target groups, each of which has its own patterns of behavior in the labor market, its own barriers and its own incentives for participation. Reducing them to a single category of ‘unemployed’ is one of the reasons for the ineffectiveness of existing tools.

Group	Characteristics	Key barrier
NEETs (under 30)	Believe they will find a better job on their own; know little about the State Employment Service; ~70% were unable to name a single blue-collar occupation	A ‘blank’ perception of occupations; distrust of the state; for men aged 25 and over, issues relating to mobilization and military service deferrals are a concern
Older people (aged 50+)	Negative past experiences with the State Employment Service; twice as likely to prefer private sector employment; lowest ratings for the effectiveness of employment centers (36%)	Lack of employment guarantees; age discrimination; concerns about physical and digital workloads
Women aged 30–50	The largest demographic segment, the main domestic labor reserve for the economy ¹ . The top priority is a flexible working schedule to balance work with childcare	A shortage of nurseries; employers’ reluctance to hire mothers due to anticipated sick leave
IDPs	One of the highest levels of readiness for training; they value formal employment	Inaccessibility of workplaces by transport (particularly from rural areas); housing and living conditions
Veterans	The wealthiest among the inclusive groups; heightened interest in blue-collar and technical professions	Physical injuries, PTSD, difficulties with socialization; a clash of values with the civilian workforce
People with disabilities	Work is often a means of socialization and self-fulfilment; nearly one in three has been looking for work for over a year	Workplaces and vocational training institutions are not physically accessible; rejection following disclosure of disability status
Single parents	~80% are single mothers; they are the most active jobseekers (34%); they face the worst financial circumstances	Balancing work with childcare without a partner; a need for stability

¹ FROM INACTIVITY TO PRODUCTIVITY: <https://voxukraine.org/wp-content/uploads/2026/07/Ekonomichnyy-efekt-integratsii-zhinok-u-rynok-pratsi-analitychnyy-zvit.pdf>

Chapter 2. Ukraine's labor market: transformation as a system of gaps

The Ukrainian labor market is undergoing a period of large-scale transformation. Unlike natural structural changes, which occur gradually under the influence of technological development or economic growth, the current transformation is largely driven by external factors: full-scale war, demographic losses, internal and external migration, mobilization, changes in the structure of the economy, and the accelerated reallocation of the labor force across sectors. This means that different elements of the system are changing at different rates, and the previously established mechanisms of interaction between them are no longer functioning properly.

The study has revealed signs that a key characteristic of the modern Ukrainian labor market is the presence of numerous gaps between individual participants in the system. Virtually every stage of the study, regardless of its thematic focus, identifies situations where the expectations, perceptions and actual behavior of various stakeholders do not align. Eliminating or mitigating these gaps will help to increase the effectiveness of labor market transformation, in particular by engaging the economically inactive population.

The most obvious gap is between labor supply and demand. Ukrainian employers are increasingly reporting acute staff shortages, whilst at the same time a significant number of citizens speak of difficulties in finding employment. These two trends coexist within the same system. The problem lies less in the physical absence of vacancies and increasingly in the lack of coordination between the mechanisms that are supposed to match the actual supply in the labor market with the expectations of jobseekers.

Similar gaps can be observed at other levels too. Employers declare their willingness to hire members of vulnerable groups, yet are far less willing to invest resources in adapting workplaces or organizational processes. The general public views the need for lifelong vocational training positively, but is not prepared to invest time and resources in retraining without clear confidence in the outcome. The State Employment Service enjoys a relatively high level of declared trust, yet for the majority of the population it is not the first port of call when looking for work. At the same time, the service itself assesses its own performance much more positively than is reflected in its clients' experiences.

A separate type of gap relates to the information landscape. Respondents to the public survey and focus groups demonstrate a rather limited understanding of the

current state of the labor market, even if they are actively interested in employment issues. During focus groups, the presentation of real job vacancies offering competitive pay often elicited genuine surprise from participants. Similarly, employers report a shortage of candidates for vacancies that have remained unfilled for a long time. Thus, information about existing opportunities is formally accessible, but this formal accessibility does not lead to a change in behavior among a significant proportion of potential employees.

The research also shows that these gaps tend to accumulate and reinforce one another. Mistrust of job vacancies is combined with negative stereotypes regarding certain professions; physical or infrastructural barriers are combined with psychological insecurity; and insufficient career support is combined with passive behavior on the part of jobseekers themselves. As a result, even support programs that may be sufficiently effective on their own fail to deliver the expected outcome because they address only one aspect of the problem.

Consequently, the task of engaging the economically inactive population cannot be viewed solely as a problem for the employment service, the vocational education system or individual employers. What is required is a comprehensive transformation of the entire labor market ecosystem, in which success depends on the ability of various stakeholders to act in a coordinated manner. Accordingly, the following analysis focuses not only on individual barriers or the tools for overcoming them, but primarily on the systemic gaps that currently define the functioning of the Ukrainian labor market.

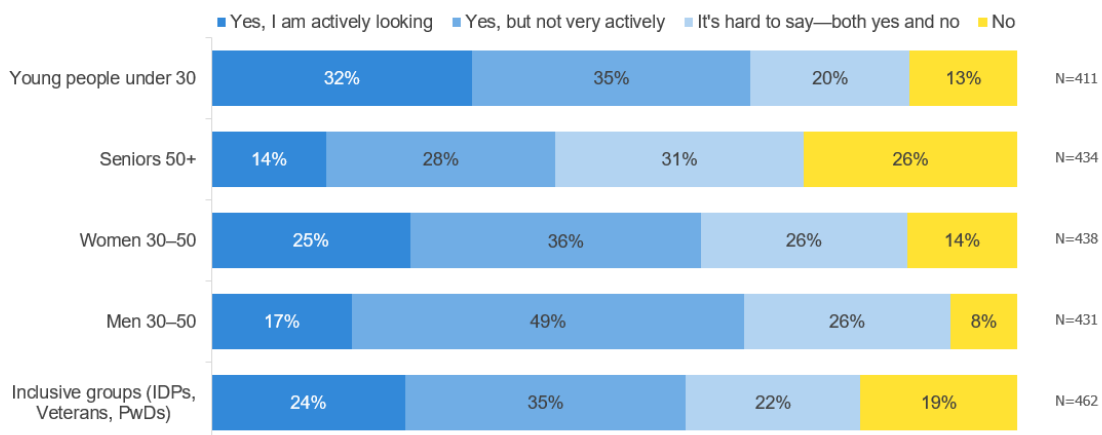
We will now examine these systemic gaps in turn.

Chapter 3. Job-seeking under a labor shortage

One of the most paradoxical findings of the study is the simultaneous existence of two trends that, at first glance, appear to be mutually exclusive. On the one hand, employers in virtually all sectors report an acute labor shortage, which has already become one of the main factors holding back economic development. On the other hand, a significant proportion of the population continues to report difficulties in finding work, and certain groups of people have been jobseekers for months or even years.

Indeed, a significant proportion of respondents are at least passively seeking work (this applies to a lesser extent to people over 50 and inclusive groups, among whom 26% and 19% respectively answered 'no' to the question about job-seeking, Fig.1).

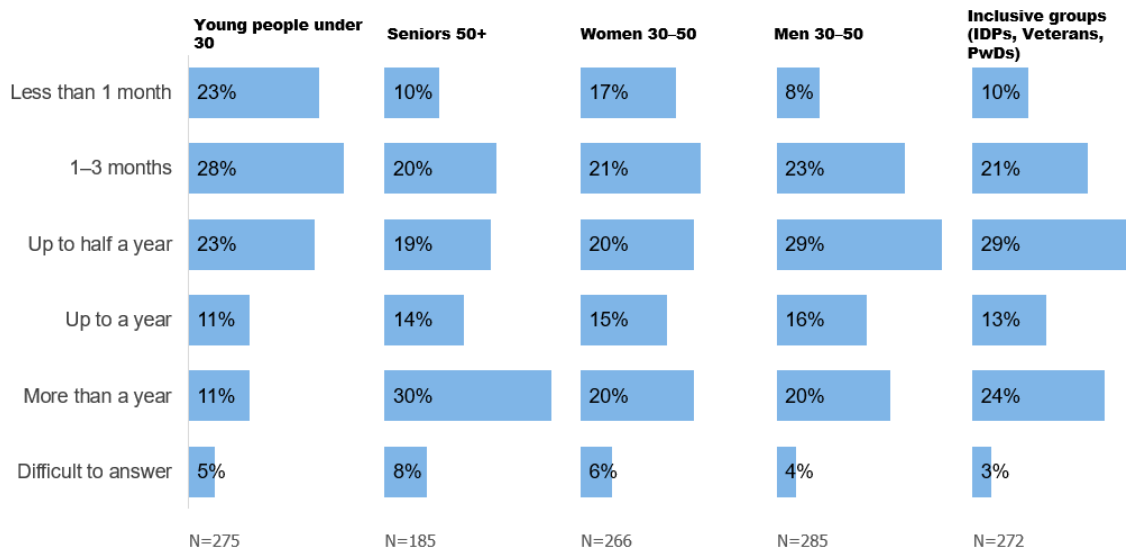
Fig.1 . Would you say that you are looking for work? (% of responses, mass survey)



However, among those who state that they are looking for work (more or less actively), a larger proportion have been searching for more than 3 months (Fig.2). The exception is young people under 30, in this group, the majority of jobseekers (51%) have been searching for up to 3 months. In other demographic groups, the majority have been looking for work for longer – 62% among women aged 30–50 and nearly 70% in other groups. In a labor shortage, such a prolonged job search indicates the presence of significant barriers across various dimensions – ranging from informational to psychological (social passivity).

A prolonged job search period in itself does not necessarily indicate passivity; however, the qualitative part of the study suggests that for some respondents, the job search takes on a rather formal character and is not accompanied by systematic, active efforts.

Fig.2 . How long have you been looking for a job? (% of responses, mass survey)

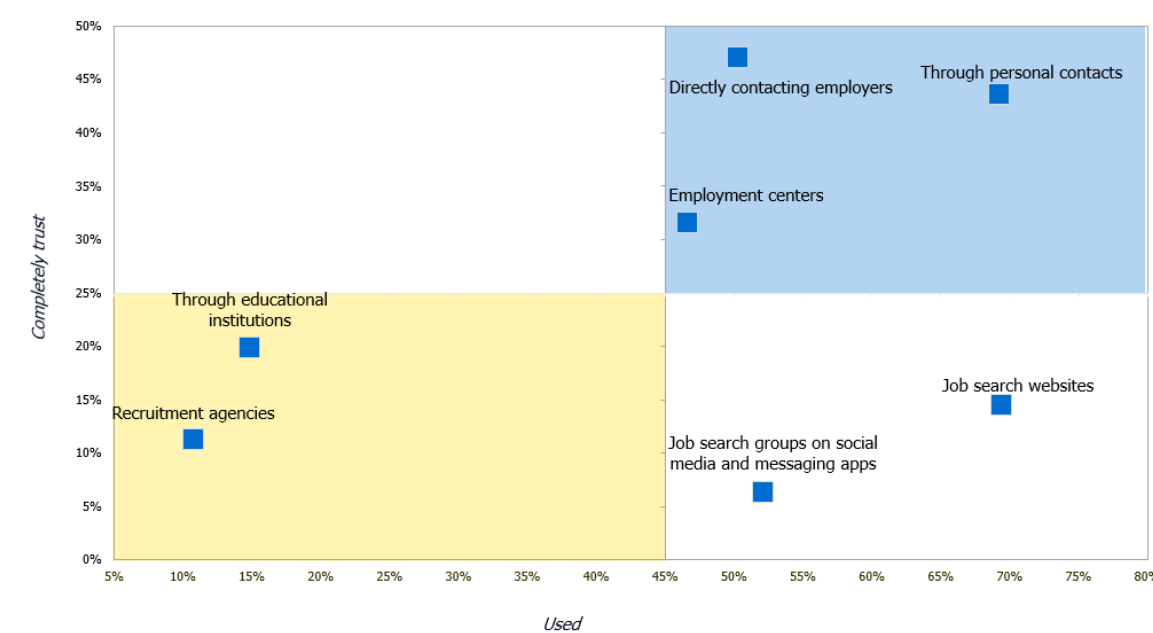


The assumption of ‘social passivity’ amongst jobseekers is confirmed by the results of focus group discussions. When discussing actual vacancies offering competitive salaries, many participants expressed genuine surprise at the very fact that such opportunities existed. Such a reaction would be unlikely if respondents regularly analyzed the current job market. Thus, at least for a section of the population, the stated search for work is not accompanied by constant monitoring of employers’ vacancies.

It is also important to take into account the methodological aspects of the study. The quantitative survey was conducted via an online panel and therefore covers a relatively active segment of the population who use digital technologies, have internet access and possess a sufficient level of digital skills. Even if signs of a formal job search are observed among this audience, it can be assumed that the scale of the problem may be even greater among less digitally engaged sections of the population. This is not a directly proven finding of the study; however, this interpretation is consistent with the conclusions of the qualitative phase and requires further verification.

Further support is provided by the pattern of use of job search sources (Fig.3). Although specialized job sites remain the primary search tool, the level of trust in them was found to be lower than that in the State Employment Service, which is used much less frequently (data on trust and usage for women aged 30–50 are given as an example; for other groups, the results do not differ significantly).

Fig.3 . Use of and trust in various job search sources: women aged 30–50
(% of responses, large-scale survey)



This suggests that the problem is not merely one of the availability of information on job vacancies. Even with a large number of information resources available, a significant proportion of potential employees do not engage actively with the labor market. This hypothesis is confirmed by the direct comments of focus group participants:

With this war, a lot of people have turned into zombies, you could say. They just sit at home on their computers and phones, not wanting to do anything. I’ve even noticed this among my friends. A lot of them have become like that. They just sit at home. (Male NEET, aged 16–19)

At the moment I’m looking for a job; I’m not doing anything else. I’m waiting, because I want to find a good job. ... I don’t have any side jobs at the moment, because I’ve got a vegetable patch and a summer house. So we’re waiting until the job I want comes along. (Unemployed woman, aged 45–54)

This means that the problem isn’t simply a matter of access to information about job vacancies. Even with a wealth of information resources available, a significant proportion of potential workers do not actively engage with the labor market.

In our view, the results obtained allow us to formulate a working hypothesis that goes beyond the traditional explanation based on an information deficit. It is likely that, for a section of the economically inactive population, the key barrier is not a lack of information about job vacancies, but a reduced willingness to take active steps towards finding employment. The behavioral patterns described in the study are partly reminiscent of manifestations of social apathy or learned helplessness. At the same time, the study was not intended to provide a psychological diagnosis of these conditions; therefore, such an interpretation should be regarded precisely as an analytical hypothesis requiring separate verification.

If this assumption is correct, the practical implications for government policy are fundamental. Under such conditions, the further development of information resources, job-search websites or other information channels will not, in itself, ensure a significant increase in employment. Alongside the development of the information infrastructure, tools are needed to restore proactive behavior among potential workers, foster a sense of personal agency in shaping their career paths, and provide individual support to those who have been outside the labor market for a long time.

Case management: opportunities and risks

Thus, the research findings indicate that the key challenge facing the modern labor market is not a lack of information about job vacancies, but a lack of effective support for individuals on their path to employment. The traditional assumption that it is sufficient to publish a vacancy, and that jobseekers will find it and apply on their own, is increasingly at odds with the actual behavior of a significant proportion of the economically inactive population.

It is telling that representatives of various stakeholder groups have independently reached the same conclusion. Representatives of the largest job search websites, civil society organizations working with vulnerable groups, and labor market experts agree that the greatest challenge lies in reaching precisely those people who are most in need of support. They are less likely to use specialized platforms, less likely to turn to state institutions, and often do not take active steps to change their own situation.

This is precisely why models that go beyond traditional information provision prove to be the most effective. Civil society organizations and charitable foundations are increasingly adopting an approach based on proactively seeking out potential

clients. Rather than waiting for people to reach out, they work directly in areas where their target audiences are concentrated — centers where internally displaced persons live in close proximity, humanitarian aid distribution points, social benefit registration centers, veterans' centers, and so on. Only after initial contact has been established does comprehensive support begin, which may include legal advice, psychological support, assistance with social and domestic issues, and only then — the actual search for work or vocational training.

This approach differs fundamentally from the traditional model of how the labor market operates. Employment ceases to be an isolated service and becomes one component of comprehensive social support. This is particularly true for people who have been out of the labor market for a long time, have lost their professional skills, have experienced forced displacement, have become disabled, or have faced other difficult life circumstances.

At the same time, scaling up such a model at the national level presents significant resource challenges. Whilst non-governmental organizations work with relatively small target groups, the potential audience among the economically inactive population is incomparably larger. This calls into question the feasibility of delivering proactive support solely through the State Employment Service without a substantial increase in resources or a change to its organizational model.

In this context, the issue of cross-sectoral collaboration takes on particular relevance. The experience of non-governmental organizations that are already implementing successful outreach and case management models can serve as the basis for scaling up these practices at the national level. This is not merely a matter of transferring individual tools, but of establishing a partnership model in which different organizations perform complementary functions depending on their own expertise and resource capacity.

At the same time, the research findings indicate that even a successful information campaign can create new challenges. One way to overcome social passivity could be the active promotion of the State Employment Service's services and vocational training opportunities. However, in the event of a sharp increase in the number of enquiries, there is a risk that the service will not have sufficient resources to provide high-quality individual support. Under such circumstances, the positive effect of the information campaign could quickly turn into a loss of trust due to the inability to meet the expectations of new clients.

Readiness for reskilling

One of the most encouraging findings of the study is the absence of any fundamental public resistance to the idea of changing careers in adulthood. Across all the groups surveyed — from young people to older adults, including members of vulnerable groups — the majority of respondents have a positive attitude towards the possibility of reskilling, at least in principle. Thus, in terms of societal attitudes, reskilling is already perceived as a normal practice, rather than a forced or undesirable scenario.

This creates fundamentally favorable conditions for the development of state-run reskilling programs. Whilst a few decades ago, changing profession mid-career might have been seen as a sign of professional failure, such perceptions are now virtually non-existent. Even if some of the responses are of a declarative nature, the absence of public resistance is in itself an important prerequisite for the successful implementation of reskilling policies. Where a positive social norm exists, individual barriers are much easier to overcome with the help of well-designed support programs.

Equally telling is the transformation of the role of formal education in today's labor market. A significant proportion of respondents either never worked in their chosen field of study or worked in it only at the start of their career, before moving into other areas of work. This indicates a gradual decline in the importance of initial vocational education as a determining factor in one's career. In fact, the Ukrainian labor market is already operating in an environment of high occupational mobility, although the institutions of education and public policy themselves have not yet fully adapted to this reality.

At the same time, there is a significant gap between a general willingness to retrain and a willingness to participate in specific programs. Virtually all studies reveal the same pattern: people are positive about the idea of training, but only provided there is a clear and predictable outcome. The main deterrent is not the training itself, but the risk of being left without a job once it is completed.

This is precisely why the key motivator is not the content of the training program, but the guarantee of subsequent employment. If training is accompanied by a prior agreement with an employer, a job guarantee and, ideally, financial support for the duration of the training, the willingness to participate in such programs increases significantly, regardless of age or social group. Thus, the most promising model appears to be not a standalone educational product, but an integrated 'training–

employment' pathway, in which the educational component is just one element of a comprehensive service.

At the same time, the study revealed another significant structural disconnect — between employers and the vocational education and training system. Despite the business sector's stated interest in skilled workers, cooperation between employers and vocational education and training institutions remains limited. Only around one-fifth of employers agree that training programs meet the current needs of the labor market, provide the necessary practical skills, or are developed with business involvement. Instead, most enterprises are forced to organize vocational training for their staff on their own, which affects the quality of the training.

This finding points not only to insufficient integration between education and business, but also to significant scope for developing partnership-based models of workforce training. In a situation of widespread labor shortages, employers effectively become co-commissioners of vocational education; therefore, their involvement in shaping programs must evolve from an isolated practice into a systematic mechanism.

An additional challenge is the difference in how the quality of training programs is perceived by various stakeholders within the system. Whilst employers assess the alignment of programs with the needs of the economy rather cautiously, representatives of the State Employment Service give significantly higher ratings to their own educational programs. This gap in perception creates a risk that the system itself will not sufficiently recognize the need to update programs. As in other areas of this study, the key problem is not the absence of individual successful practices, but the discrepancy between institutions' internal assessments and external perceptions of their effectiveness.

Thus, the potential of reskilling programs in Ukraine is significant, but realizing this potential requires a change in the logic underpinning their design. Such programs should focus not on the learning process as an end in itself, but on achieving the ultimate outcome — successful and sustainable employment. Only under such a model can the population's high declared willingness to undergo professional change be transformed into actual participation in reskilling programs.

Chapter 4. The State Employment Service: Potential for Transformation and Institutional Constraints

A separate cross-cutting theme of the study was the role of the State Employment Service in the future transformation of the labor market. Virtually all stakeholder groups agree that it is the SES that could potentially become the central institution coordinating the process of reintegrating the economically inactive population into the labor market. However, the study's findings indicate that, in order to fulfil this role, the Service requires a significant transformation of its operating model.

Today, the State Employment Service is still largely perceived as an institution whose main function is to administer unemployment benefits, rather than providing professional career support. There remains a persistent perception amongst the public that the service is a place where mainly low-skilled vacancies are offered, which is particularly off-putting to young people and those with higher education. This perception has developed historically and continues to shape the behavior of many potential clients, who do not even consider approaching the State Employment Service as a viable means of finding work.

At the same time, the research revealed an important pattern: the service's negative image is largely perpetuated by people who have never used its services. Conversely, among employers and jobseekers who have direct experience of dealing with the State Employment Service, ratings of the service's performance are significantly higher. A similar conclusion was confirmed by a 'mystery shopper' study: despite initial skepticism, the majority of 'mystery visitors' rated the engagement, friendliness and professionalism of employment center staff positively.

Thus, one of the main challenges is not only to improve the quality of services but also to bridge the gap between the actual experience of interaction and the service's public image. In fact, the State Employment Service faces the same problem as blue-collar professions: the institution's image lags behind the changes that have already taken place in practice.

At the same time, the research findings showed that the problem is not limited to external perceptions. An equally important challenge is the service's internal self-perception. According to the results of a survey of State Employment Service staff, the overwhelming majority of specialists rate the extent to which services are tailored to the needs of different sections of the population highly and, overall, assess the effectiveness of the service's work positively. These results indicate a high level of internal confidence in the quality of their own work.

However, this is precisely where another systemic disconnect arises. Data from other components of the study show that clients assess the effectiveness of services much more cautiously, whilst an independent study of the service delivery process revealed that career counselling is often limited to selecting a few job vacancies without mapping out an individual career path or providing further support to the client. In other words, the service remains largely focused on carrying out administrative procedures, whilst the modern labor market increasingly requires personalized guidance.

It is precisely this gap between internal self-assessment and external evaluation of effectiveness that could become one of the main barriers to future reform. If an organization considers its own operating model to be sufficiently successful, the motivation for profound change naturally diminishes. Therefore, the transformation of the State Employment Service will require not only new tools or programs, but also a change in the management culture itself, one focused on continuously measuring results from the clients' perspective, rather than solely through internal indicators.

At the same time, the research helps to identify a promising direction for the service's development. In the current climate, the Public Employment Service has the potential to evolve into a coordinator of comprehensive support for individuals on their path to employment. This goes beyond simply selecting job vacancies or organizing training; it involves combining career counselling, psychological support, vocational guidance, engagement with employers and, where necessary, referral to other social support services.

For example, a similar model is already being partially implemented by certain non-governmental organizations and charitable foundations that work with vulnerable groups using a case-management approach. Their experience shows that finding employment is rarely an isolated issue. In most cases, the search for work is preceded by the need to resolve psychological, legal, social and domestic, or medical issues. Only then is a person ready to actively re-enter the labor market.

At the same time, the scale of such work far exceeds the capacity of individual non-governmental organizations. The size of the economically inactive population in Ukraine is incomparably larger than the individual target groups with which the civil society sector traditionally works. This is precisely why a partnership model looks promising, whereby the State Employment Service coordinates the employment process, whilst individual components of comprehensive support are implemented jointly with local authorities, non-governmental organizations, social

services and psychological support projects, in particular the network of Resilience Centers.

At the same time, such a transformation must be accompanied by a realistic assessment of the Service's own resource capacity. If information campaigns or efforts to improve the State Employment Service's image prove successful, the influx of new clients could increase significantly. In the absence of appropriate staffing and organizational reinforcement, there is a risk that the system will simply be unable to provide the necessary level of individual support, which, in turn, could quickly erode the trust that still exists amongst the population today. This is precisely why communication initiatives, institutional reform and capacity-building within the service must take place simultaneously as interlinked elements of a single strategy.

Chapter 5. Employers: (un)readiness for change

Another key finding of the study was the significant gap between employers' expectations and those of jobseekers. Unlike in previous years, when the main problem was an abundance of candidates, the labor market is now increasingly operating in a context of labor shortages. This is forcing employers to rethink traditional approaches to recruitment, though the pace at which different market participants are adapting varies.

Virtually all employers state their willingness to work with new categories of workers. This applies in particular to vulnerable groups — veterans, internally displaced persons and people with disabilities. According to the survey results, 88–94% of employers state their willingness to hire people from these groups. At first glance, these results suggest a high level of openness on the part of businesses towards an inclusive labor market.

However, a more detailed analysis shows that this willingness is largely declarative in nature. Almost three-quarters of employers do not plan to incur any additional costs or make any organizational changes to adapt workplaces or the process of integrating new employees. In other words, businesses are prepared to hire members of vulnerable groups provided that this does not require changes to their usual business processes.

It is precisely this gap between declared openness and practical readiness to invest resources that constitutes one of the main risks to future inclusive employment policy. If, in the coming years, the proportion of people from vulnerable groups in the labor market does indeed begin to rise, a significant

number of employers may find themselves unprepared for the challenges involved in integrating new employees. This could result in mutual disappointment between the parties and the creation of new negative experiences, which will only reinforce existing stereotypes.

The study also revealed that employers and jobseekers assess the nature of the main barriers to employment differently. Business representatives, particularly during expert discussions and professional events, emphasize the acute labor shortage and their willingness to train candidates practically 'from scratch'. Jobseekers themselves, however, regularly report experiences of discrimination during the selection process, which differ significantly from employers' public statements.

Age discrimination is the most common issue. Young candidates face requirements for work experience that they have not yet had the opportunity to gain, whilst older people regularly report being turned down solely on the basis of their age.

'A friend of mine's experience. She worked as a chief accountant for over 20 years. Well, she had to move to Dnipro... She's got, as they say, a wealth of practical experience. But the one thing was that three firms told her she no longer fitted the age criteria. She's 60 years old.' (FGD_8_Unemployed_Women_65+ years)

A similar situation is observed with regard to women. Young women face employers' assumptions about future maternity leave or caring for young children, whilst older women are often associated with the need to care for elderly parents or other family members. Thus, regardless of age, women are much more likely than men to be viewed by employers through the lens of a potential burden of unpaid care work.

'The thing is, they don't want to hire someone who's already over 40. They want someone younger. But if you're younger, they won't take you on because you'll be going on maternity leave. Let's say you're 25 – you'll be going on maternity leave. If you already have a child, they say: 'We won't take you on because you have a young child; you'll be constantly taking sick leave.' Once you reach a certain age... You're already nearly 40. You're no longer suitable – you're too old. We're looking for someone young and energetic. So it's just a vicious circle.' (FGD_2_young people_NEET_Women_20–24 years old)

At the same time, it is important to note that by no means all these practices constitute deliberate discrimination. To a large extent, they are the result of

employers' attempts to minimize their own risks in the face of labor shortages and high levels of uncertainty. This is precisely why the fight against discrimination cannot be limited solely to tightening controls or imposing sanctions. It is equally important to create conditions that reduce the objective risks faced by employers: developing childcare infrastructure, supporting staff onboarding, establishing compensation mechanisms, and promoting successful practices in inclusive recruitment.

The study paid particular attention to collaboration between businesses and vocational education institutions. Despite the acute labor shortage, interaction between these institutions remains fragmented. Most employers continue to tackle the shortage of skilled workers on their own, organizing in-house training directly at the workplace. At the same time, the level of trust in vocational education programs remains low: only a small proportion of employers believe that current programs adequately address the needs of the labor market or provide the necessary level of practical training.

At the same time, the research findings indicate that the potential for such a partnership is extremely high. It is employers who currently have the best understanding of the labor market's current needs, whereas the average jobseeker only encounters the job search process sporadically and is unable to keep pace with rapid changes. This creates the conditions for a shift from a model in which the education sector independently determines the content of training to a model of joint curriculum design with the direct involvement of the business sector.

A separate issue requiring particular attention is support for entrepreneurship. In the public consciousness, starting one's own business is often perceived as a universal alternative to salaried employment. During the focus groups, many respondents described entrepreneurship as an opportunity for complete independence, the absence of conflicts with management, and the freedom to set one's own working hours. At the same time, participants who already had experience of running a business described a very different reality — constant responsibility, high levels of stress, irregular working hours and significant financial risks.


Майя Тульчинська

1 дн. · 🌐

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Доросле життя - це коли ти запрошена в суботу аж на дві вечірки ділових партнерів. І на жодну не зможеш піти, бо мушиш працювати у власному магазині продавцем.

Власний магазин - а в мене їх два - це коли ти в пів на шосту згадуєш, що востаннє їла о дев'ятій. А потім тупо не було ані хвилини, щоб навіть відчувти, що голодна.

Малий бізнес - це коли всі навколо хочуть з тебе грошей, як з великого. Твого бізнесу не існує, якщо його нема в соцмережах і в гугл пошуку, а щоб він там був, треба гопки стрибати щоденно без вихідних. І все одно нічого не вийде, бо у великих бізнесів там гопки стрибають спеціально найняті люди, які більше в тих бізнесах не відповідають ні за що. Лише за гарні картинки, відяшки та їхнє регулярне викладання в потрібних форматах. А ти в своєму маленькому бізнесі відповідаєш приблизно за все день і ніч. Картинками з відяшками займаєшся за остаточним принципом, результат відповідний.

Я знаю мільйон всього, що можна зробити в моєму бізнесі краще. Але у мене є тільки я, і я ніколи не зроблю своїми двома руками те, що в інших бізнесах роблять цілі команди.

Я знаю чудово, скільки всього я не встигаю. Але я об'єктивно не уявляю, як то все встигнути. Ввечері, коли нарешті ніби настає момент тиші, щоб придумати щось креативне... у мене вже очі в голову провалюються від втоми.

Але сьогодні моя улюблена тренерка **Мирослава Синицька** вранці сказала: ви, дівчата, маєте собою пишатися! Інші прогуляли сьогодні тренування, а ви прийшли! Ви молодці!

От і я думаю. Можна концентруватися на тому, скільки всього я не встигаю. А можна ж подивитися об'єктивно, скільки я встигаю. Скільки вже встигла. І потужно оху... бути враженим, коротше.

In this context, mass incentives to set up new sole traders without adequate preparation may create additional risks. If business grants or vouchers are viewed as a one-size-fits-all solution to the employment problem, there is a likelihood of a large number of economically unviable businesses emerging, which will quickly cease operations once state support ends. Given the acute labor shortage, a policy of supporting existing enterprises with stable business models and a genuine need for staff may prove more effective than mass incentives to create new micro-enterprises without sufficient foundations for their sustainability.

Thus, the research findings indicate that employers have already become active participants in the transformation of the labor market; however, this transformation is still in its early stages. The next step should be a shift from a mere declaration of readiness to systematic changes in recruitment practices, staff induction and interaction with state institutions and the vocational education system. Only under such conditions can the labor shortage become a catalyst for the modernization of the labor market, rather than a source of new imbalances.

Chapter 6. Inclusion: an economic necessity, not a social policy

A separate section of the study was devoted to the possibilities of integrating into the labor market those population groups that traditionally face the greatest number of barriers: veterans, internally displaced persons, people with disabilities, women with children, single parents and older people. Despite the differences between these groups, the study's findings reveal a common pattern: most barriers are systemic rather than individual in nature and cannot be removed by the efforts of a single institution alone.

An important finding is that vulnerable groups do not show lower motivation to work or study compared with the rest of the population. On the contrary, the willingness to retrain and find employment remains high in almost all the categories studied. Differences arise at the next stage — when a person encounters specific barriers that prevent them from acting on this motivation.

At the same time, the nature of these barriers varies significantly depending on the target group. For people with disabilities, the key issues remain the physical accessibility of workplaces, the adaptation of training programs, and the infrastructure of vocational education. For internally displaced persons, transport accessibility, housing instability, and the ability to combine study with meeting the family's basic needs are of crucial importance. For older people, the greatest deterrent is the uncertainty surrounding the outcome of retraining and doubts about the prospects for future employment.

Women occupy a special position amongst all the groups studied. They appear to be the most promising pool for addressing labor shortages, yet at the same time face the greatest number of structural constraints. Whilst for men the barriers are predominantly linked to the labor market situation, for women they are largely shaped outside its boundaries.

The same pattern recurs in virtually all components of the study: employers often assess female candidates not only on the basis of their professional competencies, but also in terms of the potential burden of care work. For younger women, such risks are seen as having and raising children; for older women, they include caring for elderly parents or other family members. Thus, different age groups face different forms of the same phenomenon.

Consequently, a significant proportion of gender inequality in the labor market stems from the unequal distribution of unpaid care work. Accordingly, it is unlikely that women's participation in the labor market can be substantially increased through employment programs alone. Equally important are policies to develop

care infrastructures, primarily a network of nurseries, after-school clubs, social care services for the elderly and other mechanisms that enable people to combine paid work with family responsibilities.

The situation regarding the employment of veterans is no less complex. Veterans themselves rarely view their own combat experience as the main barrier to finding work. Far more often, they speak of the need to find a workplace where their experience will be understood and accepted. During in-depth interviews and focus groups, the view was repeatedly expressed that the psychological atmosphere within a workplace can be more important than specific material working conditions.

This issue is particularly relevant in the context of social polarization surrounding the topic of mobilization. The study identified a certain degree of tension between different groups of men of conscription age. Some respondents reported that, due to irregularities in their own military registration or a fear of dealing with regional recruitment centers, they avoid even actively seeking work, being reluctant to physically visit companies or attend job interviews. At the same time, a representative from the Ministry of Veterans' Affairs described the difficulties faced by demobilized veterans in adapting to workplaces where military service is not perceived as a social value. The consequence of this conflict of values is difficulty in retaining veterans in their jobs even after what would appear to be successful employment.

It is important to emphasize that these phenomena extend far beyond the remit of employment policy. However, they have a direct impact on the functioning of the labor market and must be considered when developing state programs for the employment of veterans. The successful integration of this group requires not only vocational training or compensation for employers, but also the creation of a safe social environment capable of supporting the process of returning to civilian life.

Overall, the study's findings demonstrate that inclusive employment should not be viewed as a separate strand of social policy. Against a backdrop of acute human capital shortages, it is gradually becoming one of the key conditions for the country's economic recovery. However, realizing this potential will require a shift from one-size-fits-all programs to models that take into account the specific needs of different sections of the population.

This is precisely why inclusion cannot be reduced merely to formally ensuring equal access to job vacancies. It is about building a support system that compensates for people's differing starting points, enabling them to compete on

an equal footing in the labor market. This means that effective employment policy is becoming increasingly integrated with policies on education, social protection, healthcare, veterans' affairs and local community development. Only through such an inter-ministerial model can we expect a significant expansion of the economically inactive population's participation in the recovery of Ukraine's labor market.

Appendix. Methodology

WP1. Focus group discussions

Method: Focus group discussions (FGDs)

Format: online

Sample: 10 FGDs

Target audiences:

- [1] NEET young people (not in employment, education or training), various age groups
- [2] Unemployed people who are ready to take up employment, various age groups
- [3] Vulnerable groups (people with disabilities, demobilized veterans, single parents)

All participants in the FGD are currently unemployed but are considering the possibility of finding work (their level of motivation and job-search activity varies: from actively seeking work to passively considering opportunities). Each group includes at least two respondents with IDP status.

Geography: They reside throughout Ukraine, excluding the temporarily occupied territories (TOT) and areas of active hostilities, or areas where the security situation does not allow for a safe place of residence for the entire duration of the FGD.

Fieldwork dates: 27 May 2026 – 3 June 2026

Details:

No.	Target group	Gender/age	Date
1	NEET young people	Males, aged 16–19	3 June 2026
2	NEET young people	Women, aged 20–24	3 June 2026
3	NEET young people	Men, aged 25–29	27 May 2026
4	NEET young people	Women, aged 30–34	27 May 2026
5	Unemployed	Men, aged 35–44	28 May 2026
6	Unemployed	Women, aged 45–54	28 May 2026
7	Unemployed	Men, aged 55–64	29 May 2026
8	Unemployed	Women, aged 65 and over	29 May 2026
9	Vulnerable groups	Women aged 18 and over	2 June 2025
10	Vulnerable groups	Men, aged 18 and over	2 June 2025

WP2. Stakeholder survey

Method: Interviews

Target audiences:

- [1] Experts: In-depth interviews via the ZOOM online platform
- [2] Employers: telephone interviews
- [3] Representatives of the State Employment Service and Employment Centers: the survey was conducted in two stages:
 - [I] – an email campaign sent to the State Employment Service and Employment Centers to gather quantitative data and contact details for follow-up
 - [II] – telephone interviews

Sample size: 100+ interviews

Fieldwork dates: June–July 2026

Geography: Interviews were not conducted in the temporarily occupied territories of the Autonomous Republic of Crimea, the city of Sevastopol, the Donetsk and Luhansk regions and other areas under occupation, nor in territories where Ukrainian mobile network coverage is unavailable.

RP3. Mass survey of target audiences

Method: Online survey using the CAWI method

Samples: 5 surveys, each comprising 400 (or more) respondents.

Survey specifications:

Survey 1. Young people, men and women (aged up to 30), who meet the following criteria:

- are unemployed,
- or are in work but are dissatisfied with their current situation,
- do not rule out the idea of changing their field of study.

Label on slides: *‘Young people under 30’*

Survey 2. Men and women aged over 50 who meet the following criteria:

- are unemployed,
- or are in work but are dissatisfied with their current situation,
- do not rule out the idea of changing their field of work.

Label on the slides: *‘Older people aged 50+’*

Survey 3. Women aged 30–50 who meet the following criteria:

- are unemployed,
- or are in work but are dissatisfied with their current situation,
- do not rule out the idea of changing their field of work.

Label on slides: *'Women aged 30–50'*

Survey 4. Men aged 30–50 who meet the following criteria:

- are unemployed,
- or are in employment but are dissatisfied with their current situation,
- do not rule out the idea of changing their profession.

Label on slides: *'Men aged 30–50'*

Survey 5. Groups requiring additional inclusive support (internally displaced persons, veterans, people with disabilities)

Label on slides: *'Inclusive groups (IDPs, veterans, people with disabilities)'*

Fieldwork dates: June–July 2026

Geography: Residents throughout Ukraine, excluding the temporarily occupied territories and areas of active hostilities

Caveats: The specific nature of the online panel survey method should be taken into account. There may be a systematic bias in the sample towards people who are more digitally literate and more active. Consequently, the estimates obtained through the CAWI survey should be interpreted as the upper limit of the values for the indicators under study. Further research using other methods may be useful and reach a wider audience.

RP4. Mystery shopping

Method: Mystery shopping – unannounced visits

Sample: 11 mystery shopping campaigns

Profile of 'mystery shoppers':

- [1] NEET young people (not in education, employment or training)
- [2] Unemployed people
- [3] Vulnerable groups of unemployed people

Fieldwork dates: 11 June 2026 – 27 July 2026

Geography: Dnipro, Zaporizhzhia, Kyiv, Kryvyi Rih, Lviv, Odesa

Details: The initial visit was made to an employment center. Following this, the mystery shopper went through all the stages of interaction provided by the employment center, with the aim of assessing how the employment system functions through this job-search channel (as well as retraining and upskilling mechanisms).