

# Profile on economic inclusion for people with disabilities and older workers: Ukraine

**Purpose and scope:** This profile responds to the three pillars of the EBRD's *Economic Inclusion Strategy* (access to employment and skills, finance and entrepreneurship, and services) and aims to provide targeted support to the efforts of the EBRD and its partners to better understand the needs of people with disabilities and older workers. It is not intended to be an exhaustive overview of all issues affecting people with disabilities and older workers in this country. It was prepared for the EBRD using publicly available sources.

<b>Country context</b>	<ul style="list-style-type: none"> <li>• <b>Population:</b> Ukraine has a population of 44.3 million (World Bank, <a href="#">2020a</a>). Russians are the largest minority ethnic group, comprising 17.3 per cent of the population. Other significant minority groups include Belarusians, Moldovans, Crimean Tatars and Roma (Minority Rights, <a href="#">2020</a>). The rural population was 30 per cent in 2019 (World Bank, <a href="#">2020b</a>). Ukraine faces a depopulation crisis as young people seek economic opportunities abroad (The Atlantic, <a href="#">2020</a>).</li> <li>• <b>Economy:</b> Ukraine is a lower middle-income country (World Bank, <a href="#">2020b</a>) with GDP in 2019 of US\$ 139.1 billion and GDP per capita of US\$ 3,140 (World Bank, <a href="#">2020a</a>). In 2018, services contributed 51 per cent of GDP, industry 23 per cent (manufacturing 11.6 per cent), agriculture 10 per cent and natural resources 3.7 per cent (WB <a href="#">2020b</a>; CGA, <a href="#">2020</a>). Growth has slowed during the Covid-19 crisis with a 5.5 per cent contraction in GDP in 2020 (World Bank, <a href="#">2020a</a>) and up to 700,000 job losses (UNDP, <a href="#">2020</a>).</li> <li>• <b>Prevalence / responses to Covid-19:</b> As of 6 January 2021, Ukraine had reported 1,083,585 cases of Covid-19 and 19,129 deaths (WHO, <a href="#">2020</a>). Ukraine enacted a three-week national quarantine and lockdown measures from March-May (OECD, <a href="#">2020</a>). The government has increased spending on social assistance to mitigate economic impacts of the crisis.</li> </ul>
<b>People with disabilities (PWD)</b>	<ul style="list-style-type: none"> <li>• There were 2.7 million registered people with disabilities (PWD) in January 2020 (UN <a href="#">2020</a>). In 2020, 776,000 PWD were in employment – 73.9 per cent of whom were aged 18-60, and 48.5 per cent of whom were women (GoU, <a href="#">2020a</a>).</li> <li>• <b>Employment and skills:</b> Discrimination (direct and indirect) on the grounds of disability is prohibited by the <a href="#">Labour Code</a> (Art. 2) and the <a href="#">Law on Social Security of Disabled Persons</a> (LSSPD) prohibits discrimination in recruitment, promotion, dismissal and post transfer (Art. 17). The LSSPD (Art. 19) also sets out quotas for public and private employers: PWD should comprise 4 per cent of full-time employees, or at least one employee for organisations with between 8 and 25 employees. Targeted subsidies and loans are available for businesses who create jobs for PWD (LSSPD, Art. 18, 20). Some progress has been made in expanding access to vocational and special education in recent years, but unemployment among PWD remains high, discriminatory practices are prevalent and enforcement of non-discrimination legislation is limited – many companies reportedly opt to pay fines for non-compliance rather than fulfil quota obligations, while others comply “on paper” by formally registering PWD employees who are not employed in practice (OPCHR, <a href="#">2020</a>; PCHR, <a href="#">2019</a>; Yatskeyych, <a href="#">2017</a>; USDoS, <a href="#">2020</a>).</li> <li>• <b>Finance and entrepreneurship:</b> The right of PWD to engage in entrepreneurship is enshrined in the LSSPD, which also stipulates that organisations of PWD have the right to engage in economic and business activity by creating independent establishments (which are entitled to tax benefits) (Art. 14, 17). Training and informational support for PWD entrepreneurs is provided through the State Employment Service’s Model of Employment and Employment of Persons with Disabilities (SEC, <a href="#">2017</a>), while a business support fund for entrepreneurship activities of PWD has been established on the basis of the provisions of the LSSPD (Silicheva and Kichuk, <a href="#">2020</a>). The Western NIS Enterprise Fund, funded by USAID, is a significant supporter of projects supporting PWD, including through the provision of low-interest loans for sustainable social enterprise start-ups and mentorship of social businesses in the process of business plan development and implementation (Pact, <a href="#">2018</a>). However, in general, PWD face significant difficulties accessing finance due to a perception that they are high-risk clients (USDoS, <a href="#">2020</a>; Druhov and Dudynets, <a href="#">2019</a>). Inaccessible physical infrastructure also restricts the ability of PWD to access banking and financial services (Druhov and Dudynets, <a href="#">2019</a>).</li> <li>• <b>Services:</b> People with more severe disabilities (Categories I and II) and carers are entitled to free public transport (LSSPD, Art. 38). There are also legal provisions regarding the accessibility of media outputs for visually / hearing impaired people and on the physical</li> </ul>

accessibility of buildings (LSDDP, Art. 23; GoU, [2020a](#)). A [National Action Plan](#) for the implementation of the Convention on the Rights of Persons with Disabilities (UNCRPD) includes specific objectives to improve and monitor transport and ICT accessibility for PWD. A permanent Working Group on Accessibility for Persons with Disabilities, Transport, and Road Infrastructure was established in 2017 and includes disability NGOs (GoU, [2020a](#)). However, despite progress, much of the built environment remains inaccessible to PWD (OPCHR, [2019](#)), while the Parliamentary Commissioner on Human Rights noted that access to ICT for PWD is an “urgent” issue to be addressed, especially in rural areas (PCHR, [2020](#)).

- **Covid-19:** PWD were disproportionately affected by certain preventative measures enacted in response to Covid-19, including the suspension of public transport and the introduction of social distancing measures. Information about Covid-19 was not always accessible to PWD or adequate for their needs. PWD are reported to have been put on unpaid leave or dismissed during lockdown. Some PWD organisations reported that they received no government support and, in some cases, had to suspend operations. During the March-May 2020 lockdown, the state supported PWD with a one-time cash transfer (to those receiving disability allowances) and the distribution of food packages in many cities (UN, [2020](#)).

#### Older workers

- Older workers (50-64) comprise around 27 per cent of the working-age population with a labour force participation (LFP) rate of 53 per cent, compared to 83 per cent for 25-49 year-olds (ILO, [2017](#)). The population’s age profile is increasing (Horbovy et al, [2018](#)). Age discrimination (against people aged 50+) is the most prevalent form of discrimination in the country, according to 2016 research (UNDP, [2017](#)).
- **Employment and skills:** Age discrimination is prohibited by the [Law on Employment of the Population](#) (LEP) (Art. 11) and the Labour Code (Art 2). A quota of 5 per cent (or at least one worker for organisations of between 8 and 20 people) applies to private and public sector organisations for the employment of workers with fewer than 10 years before retirement (LEP, Art 14). Policy priorities include increasing employment of people aged 55-64, improving the legal framework against age discrimination (OHCHR [n.d.](#)) and providing lifelong learning opportunities (Horbovy et al, [2019](#)). The State Employment Centre promotes measures to counter age discrimination in advertisements, engages with businesses on employment of older workers, and provides information on jobs tailored to the needs of workers of all ages (SEC, [2020b](#)). Despite lower LFP of workers aged 50-64 compared to 25-49 year olds, they face slightly lower rates of unemployment (7.2 per cent vs. 9.4) (ILO, [2017](#)).
- **Finance and entrepreneurship:** There are no legal provisions for the right of older workers specifically to access finance and entrepreneurship, though the constitution (Art. 42) and LEP (Art. 3) enshrine the right of *all* citizens to engage in entrepreneurship and business. The National Human Rights Action Plan affirms support for entrepreneurship for the population as a whole (President of Ukraine, [2015](#)). Older people comprise a disproportionately large share of Ukraine’s internally-displaced persons (700,000 out of 1.4 million) so may benefit from several entrepreneurship schemes targeting this group (UN CESCR, [2020](#); Pact, [2018](#)). Policies to promote financial literacy have focused on youth (Ministry of Finance, [2020](#)).
- **Services:** Older people stand to benefit from [2019 regulations](#) regarding accessibility of buildings for low-mobility groups and the [National Transport Strategy 2030](#), which aims to improve accessibility and quality of public transport. Older people are reported to be particularly affected by mobility restrictions and inadequate transport infrastructure in conflict areas (HRW, [2018](#)). Limited internet access remains an issue for older people. Just 25 per cent of people over 60 had internet access in 2017, compared to 86.4 per cent of 15-34 year olds (Naumenkova et al, [2019](#)). In recognition of the generational gap in ICT skills, the Universities of the Third Age project has offered computer literacy training to students aged over 50 (EU in Ukraine, [2018](#)). The Digital Economy and Society Strategy for 2018-20 aims to improve broadband access, digitise education and integrate ICT into areas including transportation and infrastructure (Ukraine Digital News, [2018](#)).
- **Covid-19:** Older workers represent a significant proportion of informal workers (ILO, [2018](#)) who benefit from expanded eligibility for the Guaranteed Minimum Income unemployment programme. There were also one-off cash payments for vulnerable pensioners, including those still working (Gentilini et al, [2020](#)). Job losses among older workers are comparable to those experienced by the general population (UNDP, [2020](#); UKRSTAT, [2020a](#); [2020b](#)).

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