



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*

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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

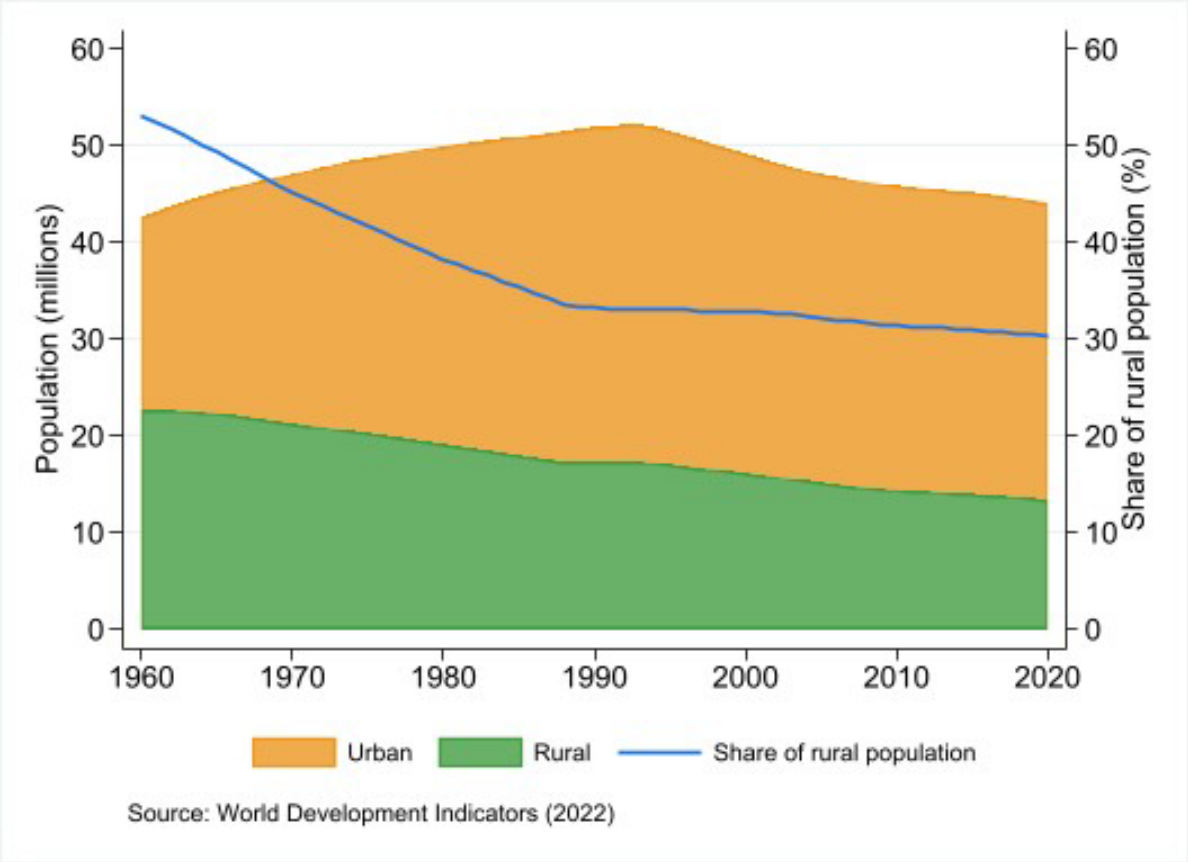
- Promoting decent and productive employment as part of the economic foundations for a peaceful development in fragile contexts is critical
- Promoting temporary rural employment can avoid exposing populations to further insecurities in the recovery phase
- Public work programmes can contribute to create 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

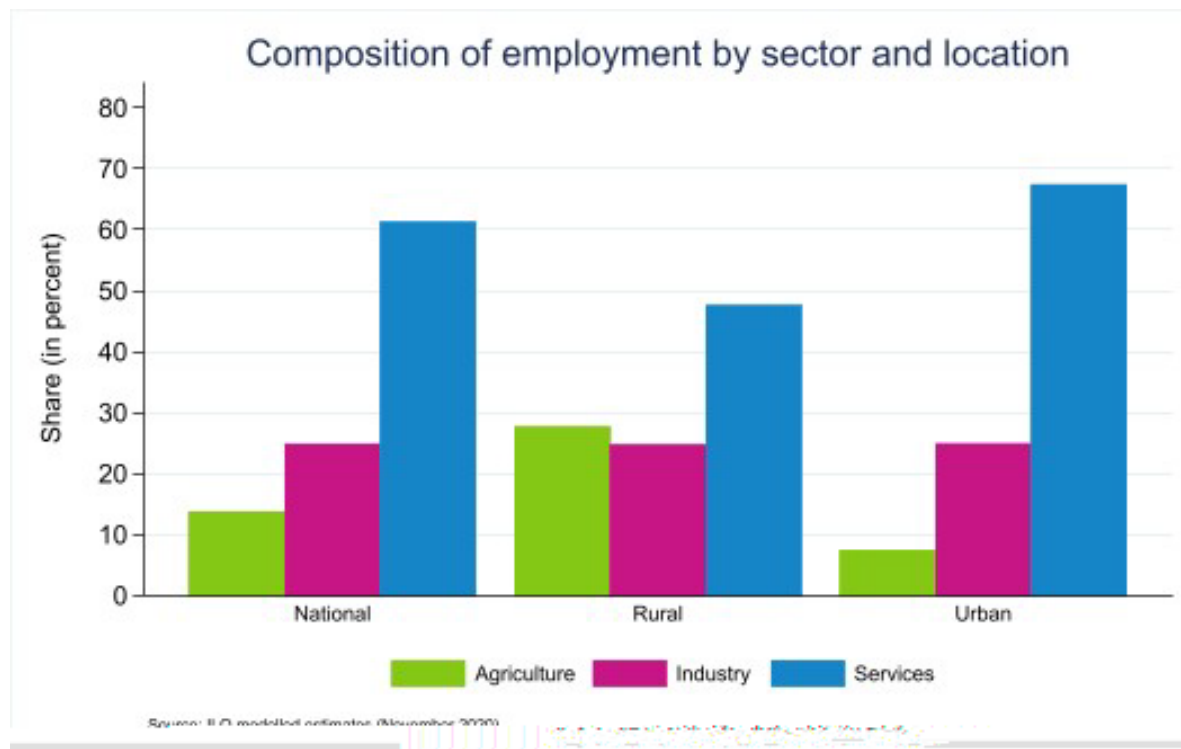
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# Appendix

# Ukraine's rural and urban populations over time

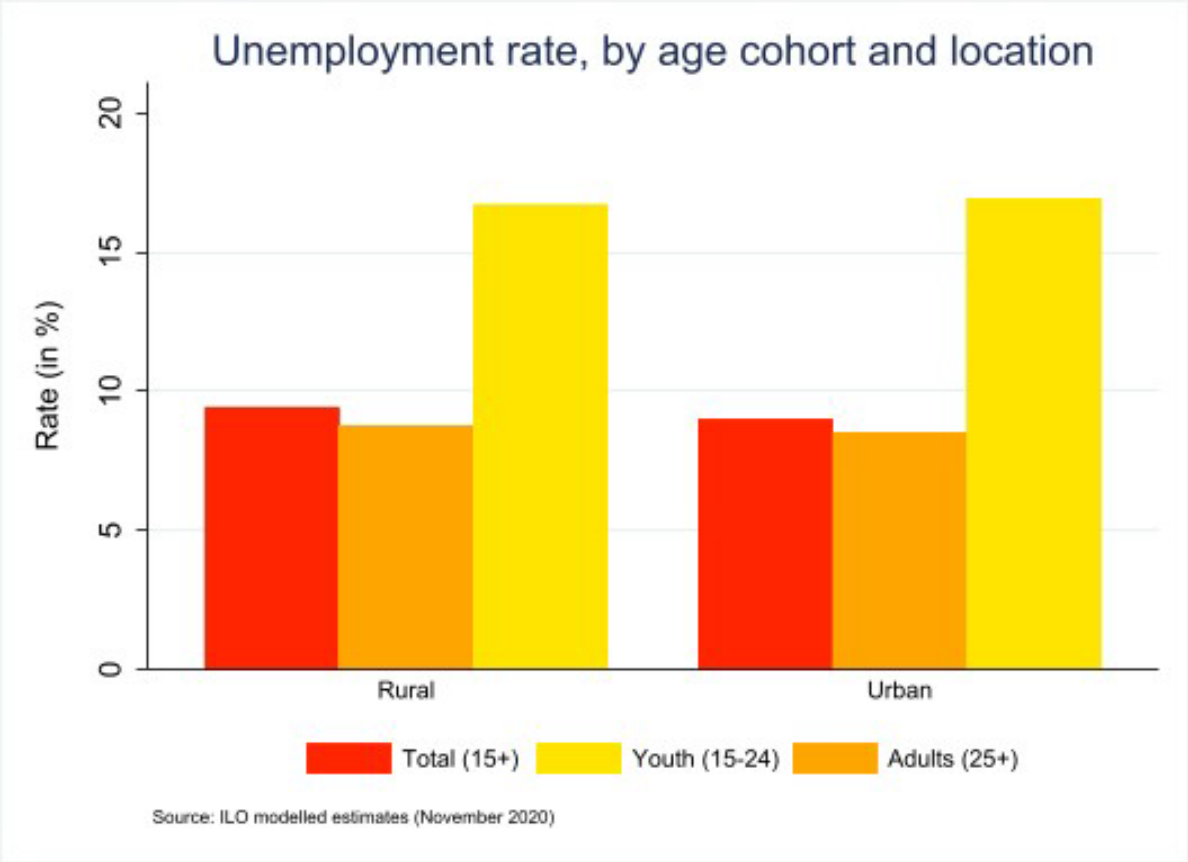


# Composition of employment, by sector and location

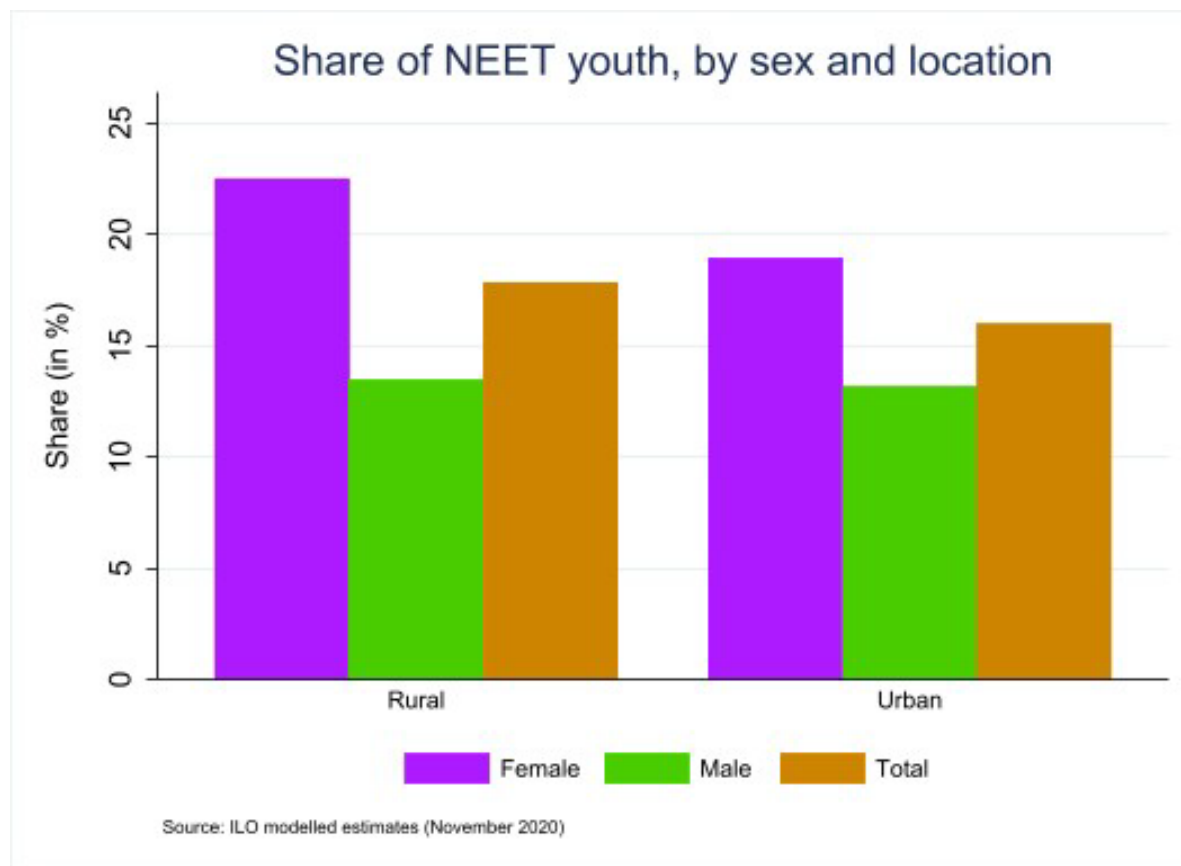




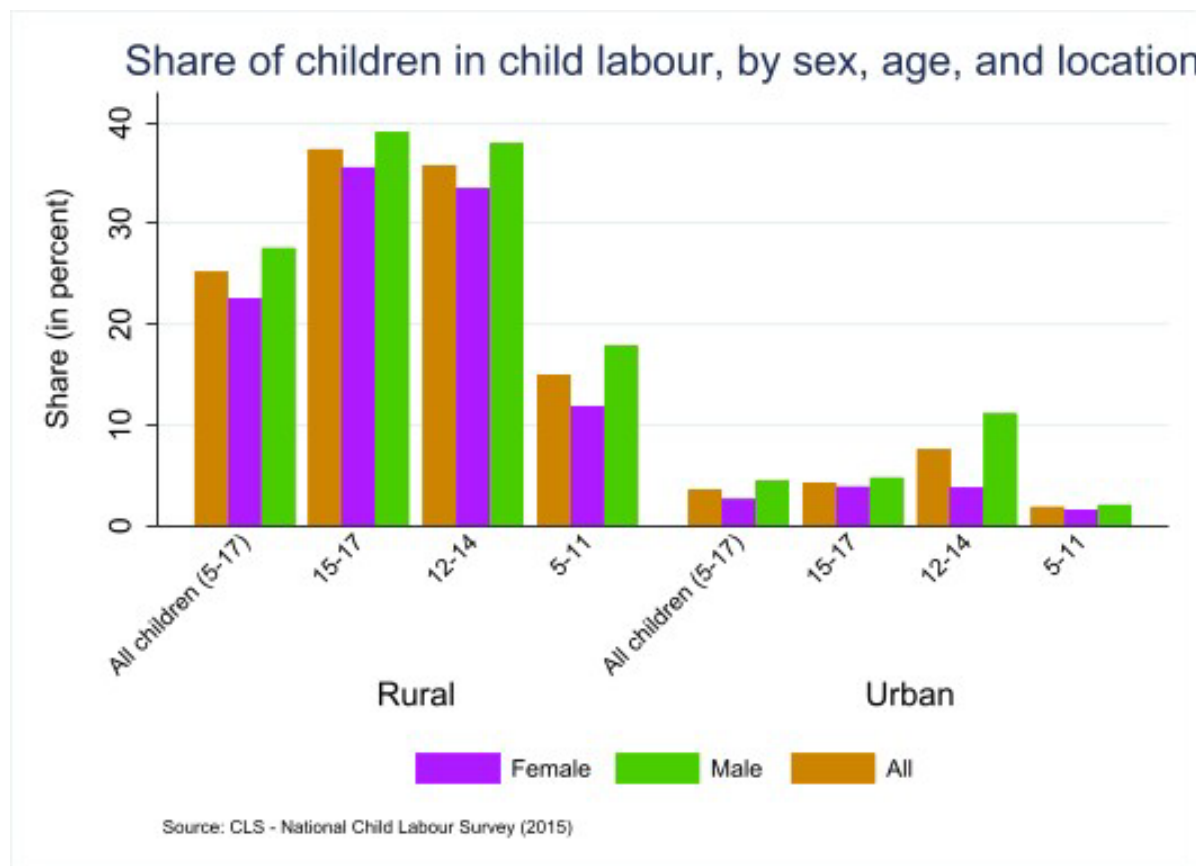
# Unemployment rate, by age cohorts and location



## Share of youth not in NEET, by sex and location



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



Thank you.

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