Global Workplace Law & Policy

Ukraine's Workforce Gap: How Can War Spur Women's Economic Inclusion?

Snizhana Shevchenko (Mentee in the Program for Early-Career Researchers on Business and Human Rights in Ukraine Implemented by the Raoul Wallenberg Institute of Human Rights and Humanitarian Law (Sweden) in partnership with Yaroslav Mudryi National Law University and funded by the Swedish Institute, Consultant at Analytical Center Ukrainian Women-Lawyers Association "JurFem"). Monday, April 28th, 2025



War simultaneously reveals existing societal inequalities, vulnerabilities, and fragility but also provides a window for transformative change. The Ukrainian employment market faces workforce shortages driven by factors of emigration and mobilization. Amidst these challenges, diversity and inclusion emerge as potential solutions to address those shortages. This blog will explore how various stakeholders from both the private and public sectors are coming together to train, reskill, and integrate women into the labor market through collaborative programs and initiatives. It also explains how, by addressing these shortages, Ukraine cannot only mitigate the immediate impacts of the war, but also build a more resilient, sustainable, inclusive economy for the future.

WOMEN IN THE UKRAINIAN WORKFORCE

In most countries, women have narrower economic and employment opportunities in the labor market for various reasons. Among them, we find the fact that women are primarily responsible for caring for the family, and the gender pay gap, which pushes households to prioritize a man's career over a woman's. In Ukraine, women earn 18.6% less than men for work of equal value. All this led to a higher participation of men in the workforce before the full-scale war and hence to better-paid jobs, and overrepresentation in high-income sectors of the economy, like IT, transportation, etc. Before the full-scale war, it was difficult to convince businesses of the benefits of a more gender-diverse workforce, and there was no urgent need for them to change the status quo.

The Russian war has had numerous negative repercussions on everyday life in Ukraine, including the labor market, and created a fragile setting to live in. By its essence, the war disrupts existing societal norms and business operations for the worse: it makes existing inequalities more visible, it deepens social crises, and it leads to unemployment and precarious working conditions. As a side effect, war can also further entrench unjust societal norms, such as the marginalization of women, youth, and people with disabilities in the labor market.

At the same time, the current labor shortages actually push Ukraine and Ukrainian businesses to include under-engagedgroups of society to fill the gap in workforce demand. According to ILO estimates, since 2022, about 2.4 million jobs have been lost (which is 15,5%), and nearly 1.6 million Ukrainians of working age have left the country (mainly women). Women outside Ukraine are at a productive working age, which has decreased the women's workforce in Ukraine in general. It led to an asymmetric impact on some sectors of the economy in which women were mainly engaged (e.g., services, sales workers, education, and health care) and men were not widely included. Also, in 2024, women accounted for 58% of Ukraine's 3.7 million internally displaced persons (IDP). Women IDP often face multidimensional discrimination, including work matching problems, challenges related to poor access to childcare, and balancing work and caregiver duties.

Mobilization of men and emigration outside Ukraine were the main reasons that led to market shortages (especially in the traditionally male-dominated sectors of the economy), which impacted business operations and the economy. The economic recession, a decrease in household income, and sometimes the loss of the main breadwinner drive women's workforce participation decisions. As an outcome, due to different drivers and motivations behind businesses (like labor shortages), women (like a need to increase household income, the mobilization of male breadwinners, and an opportunity window to engage in a new profession) are eager to be actively involved in the workforce market.

By 2032, the state forecasts the need to engage 8.6 million new workers. To achieve this goal, the Ukrainian governmentand private actors suggest increasing the percentage of women and other vulnerable groups of society (e.g., people with disability) in the workforce and building strategies to repatriate refugees to Ukraine. The ratio of women in the workforce to the women's total population is forecasted in 2032 to hit 63,2% vs. 42,9% in 2021. Unfortunately, due to martial law, the State Statistics Service of Ukraine has not published official employment figures since 2022, so the visibility of the active workforce in the market is limited. However, there is data available on private entrepreneurship. Since February 2023, every second new private entrepreneur has been opened by a woman. In 2024, 59% of all new private entrepreneurs were registered by women. Parity in this field does not necessarily constitute a good thing. Around the world, women in low-income countries or situations of fragility tend to engage more in activities like starting businesses.

Such activity by default provides less social protection and security than employment. Thus, precautions by the state should be taken to secure decent work for women in entrepreneurship. Women's workforce post-war settings show that while women receive access to the labor market, the quality of working conditions does not advance.

MEANINGFUL PARTNERSHIPS FOR WOMEN WORKFORCE CAPACITY BUILDING

Inadvertently, the war created a space for dialogue between state and non-state actors and the political will and business buy-in to cooperate to increase women's workforce ratio. Especially by showcasing how homogenous gender involvement in some sectors of the economy creates risks in a crisis of not being able to engage and find the skilled and trained workforce to do the job on short notice. The inclusion of women into the labor market, especially in some sectors of the economy, requires not only investment here and now in training, and reskilling but also focusing on a long-term goal to overcome external, societal biases as well as internal biases that women themselves may have (see the informational campaign "Of Course You Can!" below).

Among the most prominent examples of meaningful multi-stakeholder cooperation, we can mention:

- 1. Reskilling Ukraine Project: training women to become truck drivers, public bus drivers, wheel loaders, and excavator operators. The project started in October 2023. By the end of 2024, more than 300 women have been In 2025, about 1000 women should benefit from this training. The project is implemented by the Swedish non-profit organization Beredskapslyftet in partnership with Scania Ukraine with the informational support of the Ministry of Economy of Ukraine.
- 2. "She Drives" Project aimed to create new jobs for women in the field of passenger transportation and enhance women's rights within public enterprises at the municipal level in the field of passenger transport. It is a pilot project of the NGO "Institutional Development Foundation" the Ministry of Community and Territorial Development of Ukraine and UN Women, with the financial support of Sweden and transportation businesses.

3. "Alef Stroy" School of Construction Equipment Operators: aimed to train women to operate skills related to specialized construction equipment (category D1-D2). 45 women were to be trained between August andDecember 2024, and 15 more enrolled in the Program in January

2025, which was the 5th and final group for participating in this project The project was implemented with the assistance of the Ministry of Economy, the support of the USAID Program "Competitive Economy of Ukraine," Nemyshaiv Vocational College, and the company "Alef Stroy". There is no specific information about the further continuation of the project.

- 4. Information campaign "Of Course You Can!": aimed to raise public awareness of the gender pay gap and calledon government, business, and civil society to cooperate. It was implemented by UN Women, the Ministry of Economy of Ukraine, with the support of the Office of the First Lady and the Government of Sweden. The campaign's goal was to encourage more businesses to sign the Women's Empowerment Principles (WEPs). Currently, only 44 companies signed.
- 5. Program grant for "Own business": aimed to support micro and small businesses. Under the program, entrepreneurs can receive up to 250 thousand UAH (up to 500 thousand UAH if a person is from Kharkiv) tocreate or expand their The program started in July 2022. In April 2024, 57% of fifth-wave micro-grant recipients were women.
- 6. Study vouchers from the State Employment Service: aimed to cover the expenses (capped at 31 thousand UAH) for learning and acquiring a profession in demand on the labor market. The list includes 95 occupations and 60 specialties that can be studied at educational institutions free of

charge. In 2024, more than 1700 Ukrainians received study vouchers from the state, and since 2022, a total of 21000. Nursing, psychology, cooking, driving, and preschool education are among the most popular specialties and professions. The overwhelming majority of recipients are women — 74% of the number of issued vouchers.

7. Projector Foundation: aimed to provide free training in the field of creative and IT industries for 1,000 Ukrainian women who were forced to live abroad because of the war or were internally displaced in 2023. The project is implemented by the Projector Foundation with the financial support of the European Union and the informational support of the Ministry of Economy. In November 2024, it organized the third wave of training.

Relying on foreign investments can be a vital source of support for a war-torn state, providing essential capital and assistance. However, this dependency also entails significant risks. For example, the Executive Order on "Reevaluating and Realigning United States Foreign Aid" issued on January 20, 2025, mandated a 90-day pause on all USAID programs to assess their efficiency and alignment with U.S. foreign policy, thereby jeopardizing ongoing projects (e.g., Reskill UA project from Coursera and Happy Monday, Veteran Hub in Vinnytsia, etc.). Consequently, it is imperative to mobilize and balance national and foreign resources from the government, businesses, and NGOs to develop sustainable programs aimed at reskilling women and integrating them into the labor market.

CONCLUSION

By 2032, Ukraine must involve 8.6 million new workers in the labor market. Workforce shortages due to emigration after the full-scale war launch and further mobilization have showcased the need for diversification of gender participation in different sectors of the economy. Even though the war has exposed societal inequalities, particularly in the labor market, it has also created the opportunity for transformative change backed up by market demand, and a true will and buy-in for dialogue and cooperation between state and non-state actors to increase women's workforce participation to tackle the workforce shortage.

The inclusion of women in the workforce is a solution to immediate labor shortages and a step towards long-term societal change. By training, reskilling, and integrating women into the labor market, Ukraine can address these shortages and build a more resilient and inclusive economy. Various projects and initiatives have been implemented to train and reskill women for different professions (e.g., Reskilling Ukraine Project, "She Drives" Project, etc.), and information campaigns (e.g., "Of Course You Can!") and grant programs (e.g., program grant for "Own business") have been launched to support women's entrepreneurship and raise awareness about gender equality. Meaningful multistakeholder cooperation is essential for not only achieving a short-term goal of addressing workforce shortages, but also, a long-term goal of achieving workforce capacity building, ensuring decent work, promoting gender equality, and ensuring sustainable change in Ukraine's post-war labor market recovery.

This entry was posted on Monday, April 28th, 2025 at 6:00 am and is filed under Economic Inclusion, Economy, Ukraine, Women

You can follow any responses to this entry through the Comments (RSS) feed. You can leave a response, or trackback from your own site.

5