**Statistical and analytical review of labour market in 2018**

According to data from the population (households) sample survey on issues of economic activity, the average monthly **number of economically active population** aged 15-70 in 2018 as compared to 2017 increased by 0,5% and made up 17,9 million persons of which 17,3 million persons (96,4%) were at working age. Out of the mentioned number of persons 91,2% were engaged in economic activity while the rest 8,8% were classified as the unemployed in line with the methodology of International Labour Organization (ILO).

**Economic activity rate of the population** aged 15-70 increased from 62,0% in 2017 to 62,6% in 2018.

**The number of the employed population** aged 15-70 in 2018 compared to 2017 was increased by 1,3% and accounted for 16,4 million persons of which 15,7 million persons were at working age.

**Employment rate of the population** aged 15-70 increased over the mentioned period from 56,1% to 57,1% while among working age population it to the contrary was up from 64,5% to 66,1%.

The highest rate of this indicator was observed among persons aged 40-49 while the lowest one was characteristic for the young aged 15-24 and persons aged 60-70.

In the composition of the employed population by occupational group, the largest share accounted for the persons who worked in the less-skilled occupations (19,1%), professionals (18,4%) and services and sales workers (16,8%). Moreover, the smallest share among the employed population was comprised by technical employees (2,9%) and the qualified workers of agriculture and forestry, fish-farming and fishing (0,7%).

Among the total number of the employed persons, every fourth worked for trade, every sixth for agriculture, forestry and fishery, every seventh for industry.

The number of informally employed population as compared to 2017 reduced by 4,2% and in 2018 it made up 3,5 million persons or 21,6% of the total employed population. At present, an increase in the share of officially employed population was observed; from 77,1% in 2017 to 78,4% in 2018.

The informal labour relations prevailed in the self-employment sector where a share of the population who worked on informal work places was 71,9% and among employees it totaled to 12,2%. At that, a share of the persons working in the self-employment sector was the highest among the women than among the men (74,6% against 70,1%) and in the rural area as compared to the urban area (91,0% against 42,2%).

Agriculture, forestry and fishery are the main type of activity for the informally employed population (42,9%). Also, one in fifth (18,2%) was informally employed in wholesale and retail trade, and one in six (15,9%) construction.

In 2018, the two thirds of the informally employed population had vocational and complete secondary education (66,8%) while among the officially employed population the persons with tertiary education (61,0%) prevailed[[1]](#footnote-1). As a result, the informally employed population in most cases was employed in the simple occupations as compared to the officially employed persons (52,3% against 10,0%).

**The number of the unemployed (by ILO methodology)** aged 15-70 in 2018 as compared to 2017 decreased by 7,0% and made up 1,6 million persons.

Among the unemployed the two thirds were residents of urban area (1,1 million persons), while the rest were the rural residents. The decrease in the number of the unemployed population aged 15-70 was mainly due to the working age persons (by 7,1%).

Out of the total number of the unemployed 81,9% worked earlier while other 18,1% (0,3 million persons) were looking for a job for the first time and did not have work experience. The latter category mainly included the young who were not employed after graduating from educational institutions. Thus, among those unemployed in 2018, a share of persons aged 15-24 composed 80,1%, and among those aged 25-34 accounted for 19,9%.

**Unemployment rate of the population aged 15-70 (by ILO methodology****)** across Ukraine as compared to 2017 decreased by 0,7 percent point and in 2018 made up 8,8% of the economically active population at the mentioned age while among the working age population it was 9,1%.

The relevant indicator among the EU countries (6,8%) was lower than in Ukraine.

Unemployment rate of the working age population (by ILO methodology**)** surpassed by 4,8 times the registered unemployment rate which was calculated with respect to the economically active population of working age (for women by 3,5 times, for men by 6,5 times, for urban area by 5,9 times, for rural area by 3,7 times), (Diagram 1).

Diagram 1

**Unemployment among the economically active population of working age**

**by sex and place of residence, 2018**

(% of the economically active population of working age)

It should be noted that in 2018 as compared to 2017, in the composition of the unemployed by unemployment cause there was the increase in the share of those dismissed through own will according to the agreement with the parties (by 3,5 percent point), the dismissed due to end of contract term or under the labour treaty (by 1,3 percent point), those demobilized from military service (by 0,2 percent point) and others (by 1,7 percent point). At the same time there was the decrease in the share of the dismissed due to economic reasons (by 2,5 percent point), not placed in a job after graduating from general educational and tertiary educational institutions (by 2,4 percent point), the dismissed due to the health status, pension (by 0,9 percent point), those who had seasonal work (0,7 percent point) and not employed due to performance of household (family) responsibilities (by 0,2 percent point).

In the composition of the unemployed by duration of job search in 2018 as compared to 2017, there was the reduction in the share of persons who looked for a job 12 and more months (by 5,1 percent point), from 6 to 12 months (by 0,8 percent point) and to 1 to month (by 0,3 percent point).

Moreover, increased in the share of persons who looked for a job from 3 to 6 month (by 3,5 percent point) and from 1 to 3 months (by 2,7 percent point). The average duration of unemployment (by ILO methodology) compared to 2017 decreased also in 2018 was 6 months.

**The number of economically inactive population** aged 15-70 in 2018 comprised 10,7 million persons or more than the third of the total population at this age. Every second of the economically inactive was a pensioner, every fifth was a pupil, student or performed household (family) responsibilities.

The abovementioned category of persons includes those who were looking for a job but were not ready to go to it within the next two weeks and those who did not know where and how to look for a job and were sure that there is no suitable job. Such citizens, provided they could have a favorable situation, could offer their labour force in the labor market and relate to the potential labour force. So, in 2018 the number of potential labour force among the economically inactive population was 141,7 thousand persons, or 1,3% (in 2017 – 171,2 thousand persons, or 1,6%). Taking into account the potential labour force, the unemployment rate of the population aged 15-70 (by ILO methodology) in 2018 would be 9,5% against 8,8% (Diagram 2).

Diagram 2

**Supply of labour force in 2018**

(% of the economically active population (taking into account the potential labour force)

of relevant sex and place of residence)

**According to administrative data from the State Employment Service,** during 2018the unemployment status had 1 064,2 thousand persons. The number of the registered unemployed compared to 2017 decreased by 3,6% and at the end of 2018 comprised 341,7 thousand persons. Among their the total number 297,2 thousand persons (87,0%) had previous work experience, out of them every third was previously employed in agriculture, forestry and fishery; every seventh was engaged in the wholesale and retail trade; repair of motor vehicles and motorcycles, every eighth was in manufacturing and in the state administrative and defense; compulsory social insurance.

The number of vacancies declared by employers at the end of 2018 was 58,4 thousand that is by 16,1% higher than at the end of 2017.

Out of the total number of vacancies, every fifth was in manufacturing, every sixth was in wholesale and retail trade; repair of motor vehicles and motorcycles, every ninth was in transport, warehouse, mail and courier activity.

The largest number of vacancies was observed among the qualified employees with tools (23,7% of the total number of vacancies at the end of 2018) while the lowest number was among the qualified employees of agriculture and forestry, fish farming and fishing (1,0%).

The structural disproportion between the demand for labor force and its proposal is a factor that limits the satisfaction of employers' demand for employees.

The load of the registered unemployed per one vacancy across the country decreased from 7 persons at the end of 2017 to 6 persons at the end of 2018.

1. Including the complete, base and incomplete tertiary education. [↑](#footnote-ref-1)