



Fostering economic participation of vulnerable groups including IDPs in the Sea of Azov region

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The project aims to boost economic participation of the population in the Sea of Azov region, in particular vulnerable groups. The annexation of Crimea, conflict in eastern Ukraine, continuous domestic political upheavals, the COVID-19 pandemic have negative consequences for the country's economic development. Interrupted value chains and trade routes have hit the port cities of Mariupol and Berdiansk the hardest, resulting directly in huge job losses in the ports and also at related economic sectors. The project therefore focuses on three main intervention areas: assistance to local and regional authorities in developing and implementing economic development strategies, support of business start-ups and MSMEs, improvement of entrepreneurial skills of vulnerable groups. The vulnerable groups include internally displaced persons, war veterans, women (especially single mothers), young people, the older long-term unemployed, and people with disabilities.

Gender context of labour market and entrepreneurial activity

Ukraine is ranked 59th out of 153 countries in the World Gender Gap Index with the gender gap between women and men in four key areas: health, education, economy and politics. The issue of economic participation of women is crucial for financial safety of households and sustainable development of economy on the local and national level. Still stereotypical attitudes toward gender roles are the largest obstacles in empowering women. In society's expectation men are seen as breadwinners, engaged in working outside the household, keeping control over property, money and family economic decision-making. Women can participate in the labour market but childbirth and care as well as housekeeping are referred as women predominant responsibilities.

In Ukraine with present total population of 42.438.630¹ women constitute 54% of the total population, while men make up only 46%.² High mortality rate among males due to unhealthy risky lifestyles and high levels of stress³ is one of the reasons for disproportion. An average male lives approximately 10 years less than an average female. The country is also facing a serious demographic crisis: its population is rapidly ageing and has decreased by 17% between 1989 and 2014.⁴ Migration is another factor that contributes to depopulation. According to research done by the State Committee of Statistics, migrants constitute 25% of the population of working age,⁵ the majority of them being men (68%).⁶ Protracted armed conflict, economic stagnation of the Sea of Azov region along with continuous pandemic of COVID-19 create more challenges for displaced women and women in

1 The Global Gender Gap Report. World Economic Forum. 2017. http://www3.weforum.org/docs/WEF_GGGR_2017.pdf

2 Population Data. State Statistic Service of Ukraine. https://ukrstat.org/en/operativ/operativ2007/ds/nas_rik/nas_e/nas_rik_e.html, retrieved 13.08.2018.

3 Life Expectancy in Ukraine: Why is It So Low? Katerina Lisenkova. Vox Ukraine. 2015. <https://voxukraine.org/en/life-expectancy-in-ukraine-why-is-it-so-low/>

4 Ukraine's population challenge. C Bialik. FiveThirtyEight. 2014. <https://fivethirtyeight.com/features/ukraines-other-big-challenge-is-a-demographic-one/>

5 Freedom of choice and working migration, a Ukrainian survey. Vladimir Vlasuk. Epravda. 2017. <https://www.epravda.com.ua/rus/columns/2017/02/2/619422/>

6 Migration in Ukraine, Facts & Figures. International Organisation for Migration. 2011.

<https://www.iom.int/jahia/webdav/shared/shared/mainsite/activities/countries/docs/Ukraine/Migration-in-Ukraine-Facts-and-Figures.pdf>

affected communities in the regions close to contact line. Women make 67% among internally displaced persons and are significantly affected by displacement, family separations, trauma, and gender-based violence which make their way to labour market or business even more challenging.

47% of the labour force in formal jobs are women. However, the labour market, the state employment services and educational institutions expect that women and men will work in professions, which are considered more appropriate for their sex. Concentration of women in the low-income economy sectors has been frequently reported for Ukraine. Recent data shows that men are dominating the IT-related industries, transportation, construction, and engineering, while many women occupy positions in accounting, service provision, education, healthcare, or tourism. Hence, as of 2016, on the average women earn up to 41% less than men.

Number of women among independent entrepreneurs equals 63%, while among heads of medium or large entities - only 30%. In the sector State Administration and Compulsory Social Insurance as well as in the Hospitality sector, participation of women in top management positions equals those of men, whereas in other sectors the gap is even bigger than the general statistical figures show. Limited access to land, finance and market information are usually mentioned among impediments for women entrepreneurial activity. Another important aspect is women's law integration into formal and informal business networks.

Gender mainstreaming within the project team

Results and recommendations from the gender analysis conducted during the appraisal mission and during the design phase of the project have been taken into account during its current implementation stage. A project coordinator has been appointed gender focal point within the project and forms part of the wider network of gender focal points within GIZ Ukraine. Gender as a topic has been included into agendas of team workshops and financial resources for activities targeting gender issues have been put in place. Furthermore, the gender analysis has been updated and further expertise and support from GIZ experts has been included to shed light on specific aspects, such as psychosocial support for vulnerable groups.

Gender mainstreaming in project activities

The preparational phase of the project included conduction of needs assessment of vulnerable groups in labour, retraining and restraining factors; research on challenges and potentials of support of start-ups and MSMEs in the Sea of Azov region; analysis of existing regional strategies of MSMEs; gender analysis; baseline study for entry points, mapping of the stakeholders on the national level and in the regions of operation.

The inclusion of the gender topic into the different analysis/studies helped to mainstream gender in all components of the project and in many activities that have been conducted so far. Our experience shows that if gender aspects are taken seriously in design, preparation, implementation and evaluation stages of a project, it can be included in basically all activities and especially all components of a technical assistance project. How gender has been included into the main components of the project and in certain activities are outlined below:

a) improvement of entrepreneurial skills of vulnerable groups

Needs assessment showed that 26% of women of vulnerable groups are not working because they are looking after a child or other family member while among control group there are only 10% of such women. None of the men of both groups named this reason. Women of vulnerable groups are less protected as 14% of them work informally vs. 5% of women of control group. They

demonstrated the lowest wage expectations among all the groups and are less willing to take courses than women of control group.

The findings of needs assessment and the recommendations of GIZ expert on MHPSS topics, become the base for developing the approach of provision comprehensive support to beneficiaries. It includes general and specific training depending on the needs of people and services of psychosocial support which are provided by state and public actors. Our project supported the idea of Charity Fund “Right to protection” to combine legal support, job advisory to beneficiaries with four months online training aimed to cover gaps in digital and financial literacy, develop knowledge and confidence in starting self-employment or entrepreneurial activity. Together with State Employment Service offices in Zaporizhzhia and Donetsk region the Fund unrolled 126 participants from vulnerable groups (113 of them are women). The program will strengthen self-confidence, improve digital inclusion and business soft skills of vulnerable groups, improve their employability, and prepare for starting individual entrepreneurial activity.

The needs assessment proved high interest in training for IT specialties and remote working possibilities. Our project, together with the IT NGO “StrategEast” is going to conduct a training in different IT specialties. Through this training members of vulnerable groups have the opportunity to learn an IT speciality that offers a good wage and gives the flexibility to work from home and avoid barriers that otherwise would impose challenges (no barrier free working spaces, inflexible working hours) to certain groups of the population, especially people with disabilities and single parents.

b) Support of business start-ups and MSMEs

Due to the results of needs assessment survey, 7% of vulnerable group representatives and 11% of control group representatives plan to start their business – there are no differences among men and women vulnerable group. The highest number of potential businessmen are among young adults (18%) and IDPs (13%). Announced by our project call for start-uppers business ideas has attracted 544 applications, 342 were sent by women.

In comparison to the enterprises, headed by men, enterprises, headed by women, are mostly concentrated in the sector of service provision, and appeared to be more vulnerable in the reality of pandemic restrictions. In the survey 2/3 women, heading the enterprises, acknowledged their business was in decline/ closure phase as a result of previous lockdowns in 2020. For this group of beneficiaries grant program is provided by Ukrainian NGO “Creative Centre Counterpart” along with business development consultations from certified CMC alumni. In total 100 MSMEs will be supported. Grant program prioritizes HoReCa and small scale production as sectors where business women are traditionally active, especially in resort area of Azov Sea region.

c) Assistance to local and regional authorities in developing and implementing economic development strategies

As the survey of business managers and owners showed great majority of respondents without reference to gender were not aware or not enough aware of the full powers and responsibilities of local authorities and confuse them with the responsibilities of the government. They had no trust to local authorities and government in general. In such situation development of strategic documents on business development lacks participation of target audience and appear to be fragmentary. In addition to that on all the levels official statistics has no age and/or gender breakdown for data in the sphere of business ownership and development. Thus, even being enclosed chapters on support for women business activity are rather schematic. As a result of all these factors, implementation of regional strategies already approved on the regional level is challengeable. The situation may

change as the National strategy on accessibility with relevant indicators in support of economic activity for vulnerable groups, including women, was approved in 2021.

On the level of municipalities and communities lack of expertise and focus on large-scale investments result in low engagement of the decision makers into the issues of MSMEs development. Local elections in 2020 significantly updated the composition of regional and numerous local councils. In cooperation with key chosen local councils the project focuses on providing expertise to strategic documents preparation (i.e. Tourism development strategies), capacity building for local Agencies of development and support to the initiatives of local NGOs encouraging local development and public-private dialogue.

In order to engage women entrepreneurs into closer cooperation with local authorities and to improve the public-private dialogue a project with the NGO “Agents of Change!” was implemented in 2 cities and 3 rural communities of Azov Sea region. Within the project the research on the models of communication between authorities and business was prepared. The aim of the research was to analyse interaction between women-entrepreneurs and local authorities in such issues as forming of business climate in the targeted communities, business regulatory acts development within local councils, impact of the COVID-19 pandemic on local women’s business.

The vast majority from 50 women respondents (78%) felt a significant negative impact of the COVID-19 pandemic on their business activities and (92%) stated that they were not supported by local authorities during the pandemic and are currently overcoming the problems on their own. Regarding the existing problems in interaction with local authorities, the entrepreneurs mainly focused on the lack of communication (closedness, lack of transparency in activities, bureaucratization), lack of dialogue between local authorities and micro, small business. Among the findings of the research – lack of knowledge on the procedures of regulatory acts development and unawareness of business women on the ways to influence local budget spending. Respondents demonstrated controversial attitude by distancing themselves from these areas of cooperation with local authorities and at the same time showing openness to learn and be proactive to protect their rights. In order to support cooperation between authorities and entrepreneurs, micro grants were proposed to mixed working groups to implement joint projects. First results of the project show an increase level of trust among women entrepreneurs and local authorities of the participating municipalities.

Our project also supported the regional administration of Donetsk Oblast and the Chamber of Commerce of Donetsk Oblast in holding annual contest among 41 women entrepreneurs. This event also incorporated online workshops and conference with speakers on the topics identified by women as important for the development of their business activity. The main objective of the competition is to raise awareness regarding women entrepreneurs and their role for Ukrainian economy. The participants serve as role models for other women and women entrepreneur in the region.

Encouraging economic activity of women, their financial independence is one of the ways to prevent various forms of inequality, discrimination and violence against women, especially against those with multiple vulnerabilities. Cooperation between private and public sector is a crucial prerequisite for gender mainstreaming and socially responsible business development. In our work project team members address gender issues to the wide circle of stakeholders – educational institutions, regional and local authorities, NGOs, Chambers of commerce, private companies.

In the future the project will further implement activities that foster the economic activity and participation of women in Ukraine, increase the visibility of women entrepreneurs as role models and encourage dialogue between public and private actors so gender aspects are taken more into consideration in design and implementation of public policies.