

Financial Markets International, Inc

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Labor Market Monitoring Project

Final Report

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Executive Summary

On July 31, 1999, Financial Markets International, Inc (FMI) completed its highly successful USAID Employment Policy and Labor Market Monitoring Project in Ukraine. A series of signing ceremonies, presentations and traditional toasts formally ended FMI's 22 month period of technical assistance to the Ministry of Labor's State Committee on Statistics and the State Employment Service. Ukraine's Minister of Labor and Social Protection Ivan Sahan, lauded FMI's support to his colleagues and stated the project was a model of successful U S -Ukraine collaboration.

The project, which began in September of 1997, initially had a broad mandate to assist Ukraine in developing its employment policy, provide advice on unemployment insurance and support both the State Employment Service and the State Committee on Statistics. However, it soon became clear that the need for accurate, reliable employment statistics was a pressing one for Ukrainian decision makers. Thus, FMI began to work intensively with the State Committee on Statistics to implement Ukraine's first ever quarterly household labor force survey.

The design, testing and implementation of the first ever quarterly household labor force survey was a major undertaking. One of the first tasks was to carefully evaluate existing data and methods. This review showed that the data collection system needed to be restructured so it could generate better information, thus giving the Government a more accurate picture of the employment situation. FMI's team worked closely with counterparts to design a pilot survey, select a new sample, train interviewers and upgrade data processing systems and know-how. The pilot, conducted in Lviv, was extremely successful and the momentum from its achievements led to a decision to do a national survey in 1999. The pilot survey was then rolled out on an expanded basis, with additional interviewers hired and trained, training videos produced, software developed to improve data processing and a sample selected. In March of 1999, 30,000 homes were surveyed with a response rate of 85% and within three months the results released (and in June a second survey conducted). FMI and USAID are very proud that the International Labour Organization has praised Ukraine's progress. As a direct result of the Survey, the Government of Ukraine acknowledged publicly that unemployment was 14%, as opposed to the 4% figure previously stated.

Although the survey was the project's biggest achievement, extensive gains were made in helping the Government deal with unemployment and labor markets issues in a more effective and proactive way. These efforts included equipping and staffing six Employment Office Pilots in the Lviv and Donetsk Oblasts to assist people in finding new jobs, provide counseling and generally work on job retraining issues. Through

automation, efficiency was increased by 40% at these pilots, enabling existing staff to cope with increasing numbers of unemployed. Based on the success of these pilot activities, the Government of Ukraine issued a tender to purchase computer equipment and expand automation to additional regions. FMI also worked with the State Employment Service to address problems in the Unemployment Insurance Fund including development of an econometric model to project revenues and expenditures, training of staff on key issues in this area, and contributing to a draft law that would involve both unions and businesses in fund management.

Under the direction of FMI Senior Labor Markets Adviser Von Logan and USAID Social Sector Adviser Vladimir Yatsenko, the program achieved all its key benchmarks, produced measurable results and left behind solid personal and professional relationships at various levels of the Ukrainian Government.

FMI was pleased to have been able to assist USAID and the Government of Ukraine in dealing with the difficult issues presented by economic dislocation and unemployment. We commend our hardworking and talented local staff, engaged counterparts and supportive USAID officials and look forward to continuing efforts in this area in the future.

Foreword and Acknowledgements

The Assistance to the Government of Ukraine (GOU) under the Labor Market Monitoring Project was financed by the United States Agency for International Development (USAID). The project was designed to help GOU improve and restructure their system for monitoring and assisting workers affected by employment restructuring as part of the economic transition to a market economy.

Financial Markets International, Inc (FMI) values the dedication and excellent work of its staff and consultants who made this project succeed. FMI also gratefully acknowledges the support and cooperation it received from the Ministry of Labor, State Employment Service and State Committee on Statistics. The cooperation extended from staff in local offices to Minister of Labor and Social Protection Ivan Sahan. Finally, FMI's work was greatly facilitated by the project management skills of Michele Varnhagen, Vladimir Yatsenko, Marilyn Schmidt and Pamela Mandel of USAID/Ukraine.

Respectfully submitted,

Financial Markets International, Inc
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Introduction

In 1997, the Government of Ukraine requested technical assistance from the Government of the United States to improve and restructure their system for monitoring and assisting workers affected by employment restructuring as part of the economic transition to a market economy. Restructuring Ukraine's employment-related social assistance programs was considered essential to maintaining fiscal stability, advancing the economic transition currently underway, and to sustaining public and government support during this difficult period. In the summer of 1997, the United States Agency for International Development (USAID) decided to increase its support for employment restructuring programs and in September of that year selected Financial Markets International, Inc (FMI) to assist in this process. FMI's specific tasks included

Improve data collection and monitoring of employed and unemployed workers,

Design a system of unemployment insurance to provide meaningful assistance to unemployed workers,

Create a labor market database to provide information on available and prospective job opportunities,

Provide information and assistance to identify and design programs to assess and improve job search and job skills,

Provide information and assistance to understand and develop alternatives to assist unemployed workers find new jobs,

The project was designed to assist USAID with Strategic Objectives related to improving the sustainability of social benefits and services. FMI was tasked with assisting in the development of a redefined public sector, increased public advocacy, improved targeting of public sector programs, improved compliance with financial obligations to the government, an adequate legal and regulatory framework, and improved human capacity to provide sustainable social benefits and services.

Background

Ukraine declared independence from the Soviet Union in August 1991, inheriting much of the legal and institutional structure based on the Russian system. A part of this legacy is that full employment was assumed, all men and women of working age expected to work, and exceptions only made for students, women with children, retirees and the disabled.

Since independence Ukraine's economy has consistently declined with the large state enterprises reducing employment due to a lack of competitiveness or because of their previous links to the Soviet defense industry. Many of the enterprises lack modern equipment or management and, in order to reduce costs, must modernize production methods and reduce the number of workers.

Because unemployment was not an option in the Soviet era, programs to assist jobless workers were new. The basic protection for workers, unemployment insurance, is a combination of severance payment from the company and unemployment benefits by the state. An enterprise is required to pay three months severance pay at 100 percent of the workers previous earnings when the workers are terminated, but many firms do not have sufficient funds to do so. Often workers are shifted to administrative leave, which means they are still shown as a worker for the firm, but are not being paid. As long as a worker is on administrative leave, they can not receive benefits set aside for unemployed workers.

Initially relatively few workers applied for unemployment insurance as the benefit levels are quite low. In addition, the reputation of existing State Employment Centers was poor, meaning workers were inclined to remain on administrative leave in the hopes of their jobs returning. Others did not want to depend on the state for their benefits, although more recently there has been a trend wherein more individuals were applying for unemployment insurance as the prospects at state enterprises diminished.

In general, information on the employment/unemployment situation was unclear. There were several measures of unemployment, none of which seemed to meet the standards of the International Labor Organization (ILO). As a result it was difficult to target programs or even interpret the severity of the situation. Because the measurement methods did not meet international standards, it was not possible to compare Ukraine's situation with those of other countries, nor was it possible to reliably determine the progress of the market economy. USAID estimated the shadow economy at about 30 percent, but others thought it might be even higher, with estimates of 50 percent common.

It was clear unemployment was rising as the FMI/USAID project commenced, with the number of people registered at the State Employment Centers increasing by about 350,000 from the previous year. There were also significant problems in the area of unemployment insurance, a system funded through a 2 percent payroll tax, 1.5 percent from employers and 0.5 percent from the workers. This insurance is used to cover all the unemployed, including those without work experience such as newly graduated students, recent ex-military personnel and mothers returning to the labor force. In recent years, arrears had occurred in the unemployment insurance program, meaning benefit payments were sometimes delayed up to several months. Since training and other active measures were paid from the 2 percent Employment Fund, those efforts were reduced as well.

To measure labor force activity, an annual household labor force survey was initiated for Ukraine in 1995, and repeated in 1996 and 1997. It was based on the last Soviet era census taken in 1989, utilizing an outdated sample. The questionnaire was long and unwieldy and results took a year or longer to publish. Generally, the output of the State Committee on Statistics, which directed the survey, was not trusted or accepted, a carryover from the Soviet era, when information provided by the government was often insufficient.

In summary, after years of economic decline, unemployment was beginning to rise and there was no consistent measure of the extent of the problem. Active efforts to reduce unemployment or shift workers into new fields were limited and there were real questions about the ability of the Employment Fund to support the growing insurance burden. Although the transition to a market economy and associated dislocation was moving forward quite slowly, increased unemployment was likely as large state enterprises were becoming less competitive and the government did not have the resources to invest in their modernization.

Thus, as the FMI/USAID project got underway, the unemployment situation was worsening rapidly, although the magnitude was unknown because the measures related only to people connected with government programs. Active measures to deal with pressing (un)employment issues were limited due to resource limitations. Across the country, many workers were only employed on a part-time basis, were in positions where wages were often in arrears, or moved back to agricultural work, trying to make a difficult living from small family plots of land. All in all, the situation presented many challenges for FMI and USAID in trying to reform Ukraine's Employment and Labor Market Monitoring Programs and Policies.

Contract with USAID

Initially under a one-year contract, the project had broad goals with the title of *Ukraine Unemployment System Restructuring*. The Scope of Work included the following: 1) Examination of the reporting system for unemployment/employment, including pilot

projects, II) Analysis of the unemployment insurance system, including recommendations on improved financing, III) Detailed review of the current system for maintaining information on the employment situation broadly, IV) Efforts to improve job search skills were required, and, V) Research on possible alternative methods to assist the unemployed. Early on it was decided to change the title to "Employment Restructuring" project to place a greater emphasis on jobs and better reflect the intended goal (directly or indirectly), of putting people back to work.

After the initial year passed, FMI worked closely with USAID to process no-cost extensions that would provide a bridge to a new and more narrowly focussed scope of work that would enable continued progress in the employment restructuring area. This bridge period was put to productive use, including beneficial follow-up to the pilots completed during the first year, thorough evaluation of the initial program results, and a focused dialogue on key findings with the Government of Ukraine.

At the end of 1998, a seven-month extension of the contract was issued with deliverables focused on the State Committee on Statistics and implementation of the quarterly household labor force survey. A portion of the Scope of Work dealt with the State Employment Service, the pilots in Donetsk and follow up on previous initiatives.

At the end of July, the contract ended as scheduled with all deliverables from both phases completed and additional work undertaken. Strong relationships were established with local officials because of the pilot projects and subsequently, the government has carried on a number of key activities independently.

FMI Accomplishments

Financial Markets International, Inc (FMI) successfully completed all the deliverables and tasks required by the contract.

The project started with broad goals that spread across all areas of the labor market with its initial objectives being to assess programs at the State Employment Service and the State Committee on Statistics. The former is responsible for all passive and active employment programs, including unemployment insurance, while the latter compiles virtually all the statistical measurements in the country. The project was particularly interested in the labor statistics department of the State Committee and their methods and practices with regards employment/unemployment data.

During the initial stages, FMI's labor market experts conducted a series of assessments of the activities of their counterpart organizations, which provided a detailed set of initial impressions and recommendations. One report focused on the annual labor force survey conducted by the State Committee on Statistics, while two separate analyses dealt with the State Employment Service. One covered the unemployment insurance system in Ukraine and the other evaluated all the other activities.

Although the two Committees appear to function in separate spheres, both impact directly on the functioning of the labor market, particularly in terms of the country's ability to accurately assess trends and develop appropriate policy responses. Much of the available information on Ukraine's labor markets comes from the specific surveys carried out by the State Committee on Statistics, but there is also a wealth of data collected as a byproduct of the services delivered by the State Employment Service. A foremost objective of the project was to improve the quality and depth of available information, both for purposes of planning programs and to provide information to job seekers. Thus a two pronged approach was necessary and appropriate.

Key issues identified by the team included the following: 1) a pressing need to identify the sources of data and their reliability, 2) develop state-of-the-art methods for integrating the two sources of data in order to develop a more comprehensive view of the labor market, and, 3) improving the use of the data by the two departments in their programs and analysis, thereby better assisting the government with decisions on employment programs.

The State Committee on Statistics is a separate, independent department, while the State Employment Service is part of the Ministry of Labor and Social Policy, giving it a different institutional dynamic. Although a working relationship exists between the two departments, and the project required working across their respective areas of responsibility, each requires slightly different tactics in achieving USAID's goals.

The remainder of the report will review the specific activities undertaken by the project, addressing the major tasks and accomplishments within four key functional areas: Unemployment Insurance, the State Employment Service, Labor Market Information and the Household Labor Force Survey.

Ukraine Unemployment Insurance Program

FMI issued four reports regarding unemployment insurance in Ukraine. The first report, completed in 1997, provided an overall assessment of the system to help guide the project's efforts in this area. FMI found that, "Five salient characteristics of the Ukraine labor market are: 1) increasing unemployment, 2) rising caseloads of unemployment benefit recipients, 3) decreasing employment in traditional enterprises, 4) large amounts of involuntary part-time employment and 5) uneven population and labor force growth across the major geographic areas."¹

In the three years preceding the report, unemployment increased sevenfold so that in October 1997 the number of unemployment beneficiaries was 341,000, up from 50,000 in 1994. A second count which measured the number of individuals filing for service

¹ Unemployment and Unemployment Benefit Payments in Ukraine. USAID Employment Restructuring Project, Kiev, Ukraine. Wayne Vroman, Financial Markets International, Inc. December 1997.

showed a figure of 583,000, and a new annual household survey showed about 2 million unemployed in 1996. While all these measures had different definitions, they were all consistent in recording a substantial rise in joblessness.

Unemployment insurance is financed through a 2 percent tax on payrolls that is maintained in the State Fund for the Promotion of Employment, or as it is more commonly known, the Employment Fund. FMI found that arrears were 17.9 million UHA at the beginning of 1997, reaching 53.7 million UHA by September of that year. Our analysis suggested that the fundamental cause of this deficit was the suspension of the payroll tax for four months in the middle of 1997. This occurred as a result of political conflicts, spurred by accusations of misuse of the funds by the State Employment Service. Although these arrears were eliminated in early 1998, this difficult situation serves to highlight the fragile status of the Employment Fund.

At the beginning of each year the State Employment Service often goes into arrears, because they have to build up a balance in the Employment Fund. Even without this constraint, the continual rise in unemployment puts pressure on the Employment Fund. Because benefits were relatively low, particularly for those without work experience, various government officials constantly discussed increasing the benefits.

FMI's experts thought the lack of an independent monitor was a contributing factor to the arrears. Originally, the Employment Fund was separate from the rest of the budgeting process, but more recently it was incorporated into the regular budget process. This means the parliament approves the revenue estimates and expenditures, which has led to unused funds being diverted by the treasury to other programs. Consequently, there is a tendency for the State Employment Service to fully utilize all the funds each year and as a result arrears continue to develop. This is in spite of the fact that, in some cases, if the unused funds were maintained they would provide sufficient revenue for the next year. The problems are thus exacerbated by the fact that either the treasury diverts the funds or the department uses the funds for automation or facilities at year-end.

In order to address this problem, the State Employment Service developed a draft law that proposed a tripartite board composed of government, labor unions and enterprises. This was a difficult negotiation and somewhat unique in Ukraine to involve the private sector so actively in the use of tax funds. However, the State Employment Service was forced to restrict the role of the labor unions during discussions with legislators, while business still had a prominent role in the process. The bill probably will not be taken up by the parliament until after the presidential elections in the fall of 1999.

The involvement of business in the administration of the Employment Fund was suggested and supported by FMI, as this process helps to establish an external monitoring body, with authority and responsibility. Reestablishing trust in the system is important, and opening up the process to the public and particularly those who are direct participants is one way to build credibility. It also provides direct feedback on the

use of the money Should more money be used for retraining? Ask the employers, they hire the workers This approach should be encouraged and assisted

During the project's initial period, a revision of the law covering unemployment insurance proposed a provision that added to unemployment insurance coverage those workers who were forced to accept partial employment This provision would allow companies to move workers from full time to part-time, and partially cover the difference with unemployment insurance benefits FMI reviewed the proposal and recommended against its implementation because of its cost and difficulty of administration ² The law that passed included the partial payment provision, but delayed its implementation until the State Employment Service felt there were sufficient funds to cover its cost It has still not been implemented

FMI analyzed several other possible changes to the Employment Fund with an eye towards improved efficiency and effectiveness The minimum benefit payment was 16.6 UHA a month for students, ex-military and reentrants to the work force with the law calling for this amount to remain consistent with the minimum wage FMI estimated that the cost of raising the minimum benefit to 45 UHA, consistent with the recent change in the minimum wage, would result in a 12 percent cost increase ³ The Government of Ukraine decided to postpone the increase in the minimum benefit, raising it only to 25 UHA a month in mid-1999 This is a very low level, but realistic given the status of the Employment Fund

The tax collection process was also examined By analyzing each of the administrative regions (oblasts), it was possible to compare the relative efficiency of the oblasts When the staff for each oblast was reviewed in comparison to the amount of revenue collected, substantial differences were apparent, with a range of more than 50 percent apparent between the oblasts in terms of collection efficiency ⁴ Some of the differences were the result of a changing tax base within the oblast, some the result of administrative methods As the project continued the efficiency of collections improved sharply, and the Employment Fund was able to keep pace with the rising unemployment, despite the decline in the formal establishment base In 1998 the Employment Fund tax collections increased by 57 percent, during a period when wages rose about 11 percent Revenues are expected to increase another 27 percent by the year 2000⁵ This is a significant gain and other programs dependent on payroll taxes,

² Unemployment and Unemployment Benefit Payments in Ukraine Wayne Vroman Financial Markets International Inc December 1997 USAID Employment Restructuring Project

³ Modeling Unemployment Insurance Benefit Payments in Ukraine, page 34 Wayne Vroman Financial Markets International Inc March 1998 Kiev Ukraine USAID Employment Restructuring Project

⁴ Workload, Staffing and Financing Issues Facing the State Employment Service, page 32 Wayne Vroman Financial Markets International Inc July 1998 USAID Employment Restructuring project Kiev Ukraine

⁵ Ukraine Employment Financial Markets International Inc, USAID Labor Market Monitoring project Kiev Ukraine, No 4 July 1999

such as the pension program, should examine the methods of the State Employment Service

However, this increase will not keep pace with anticipated expenditures because unemployment continues to rise and in January 1999, a provision in the severance payment will be enacted. Currently, if an individual is released by an enterprise he/she is entitled to severance pay by the enterprise for three months at 100 percent of his/her previous earnings. Then unemployment insurance is paid at 75 percent for three months and then at 50 percent for six months. If you leave on your own, you receive a year of benefits at 50 percent of your previous wage, with a maximum of 50 percent of the average wage of the oblast. Starting in January the severance benefit will be paid by the State Employment Service from the Employment Fund. Because there are thousands of workers on administrative leave who are not being released because the enterprise does not have the funds for the severance payments, it is anticipated that many firms will take advantage of the change.

A survey of enterprises found that nearly 600,000 workers may be released in 2000. The cost of this provision is estimated at 260 million UAH in 2000, which the Employment Fund will not be able to cover. Unless other revenue is found, a large deficit will develop, and the only possible sources of the revenue are an allocation from general revenue or a tax increase.

FMI developed a model to forecast revenue and expenditures from the Employment Fund, which was provided to the State Employment Services. The model allows the State Employment Service to test the impact of various proposals on the Employment Fund⁶, and shows a deficit in 2000, depending on which proposals are enacted. The results were demonstrated during a seminar of the oblast administrators and specific hands on training was given to Kiev staff.

Overall the Employment Fund provides a stable source of revenue, although a stable administrative structure needs to be developed. There is a structure in place, but it seems to be the subject of ongoing revisions. The 2 percent payroll tax is low compared to most countries in the region. Poland is 3 percent, Germany is 6.5 percent, Slovakia is 4 percent and Hungary is 6.5 percent.⁷ Ukraine is able to accomplish a lot with a 2 percent tax, but it will not be sufficient for the transition.

State Employment Service

The State Employment Service is responsible for the delivery of all employment-related

⁶ An Aggregate Model of State Employment Service in Ukraine. Wayne Vroman, July 1998. Financial Markets International, Inc. USAID Employment Restructuring Project, Kiev, Ukraine.

⁷ Unemployment Insurance Models in Central and Eastern Europe. Financial Markets International, Inc. January 1998, USAID Employment Restructuring project, Kiev, Ukraine.

services in Ukraine, and was established after independence in 1991, with a small Kiev based central staff. They administer the program through 27 oblast administrative offices, with a total of 656 local offices and about 12,000 workers at the three administrative levels.

The State Employment Service provides a number of services, as unemployment insurance is sought by an increasing number of workers. It applies to virtually all the unemployed, regardless if they had previous work experience, as opposed to the United States where only workers who lost their job through no fault of their own are covered. People without work experience, such as recent students, are covered in Ukraine, as opposed to the U.S. where they may receive assistance through other programs, but not through unemployment insurance.

As mentioned earlier in the report, unemployment insurance covers experienced workers who are released from their jobs. Workers who quit their jobs are also eligible, but for a lesser benefit, students, re-entrants and military draftees are eligible for the minimum benefit for 180 days⁸, and, career military receive the same benefit as released workers.

Training or retraining is available to all applicants to the State Employment Service with trainees receiving a stipend and any training cost paid by the state. Usually the training is at the oblast center in a classroom setting, and it has been found that those who complete the program have more success in finding jobs (a placement rate of about 70 percent is normal). However, these numbers are somewhat skewed as those who no longer show up at the local center are considered to be at work. The reasoning is that if they were not at work, they would still report to the Employment Center for assistance, a method which likely inflates the placement rate to some undetermined extent.

While many countries have programs targeted at specific groups determined to need assistance in the job market, Ukraine has the "5%" social protection program, wherein all enterprises are required to set aside 5 percent of their jobs for individuals in special circumstances. These include young people making the transfer from school to work, mothers with young children or single mothers with older children are included for special help, older workers who are within two years of retirement age, and people released from mental institutions and those released from prisons are also eligible for this program.

While the State Employment Service works with enterprises to enforce the 5% provision, usually it is the large state enterprises that are the most cooperative. These types of enterprises are showing marked declines in employment, while the new smaller enterprises are less likely to be on the list of establishments used by the Employment

⁸ Assessment Report: State Employment Services of Ukraine Von Logan and Kay Raithel May 1998
Financial Markets International Inc. USAID Employment Restructuring project Kiev, Ukraine

Service because they operate in the shadow

There is a "public works" provision in the Employment Law, which provides for unemployed workers to still receive their unemployment benefits while working in short term employment where the employer pays the wages. These jobs are voluntary seasonal agriculture or temporary local government employment in most cases.

The Employment Law requires that all enterprises list all their job vacancies with the local Employment Center each month, although many employers ignore this provision, particularly those operating in the informal sector. Some of the vacancies are for positions which are open because the employer was unable to pay wages, including many at state owned enterprises which have substantial wage arrears. Nonetheless, about 300,000 people are placed in jobs each year by the State Employment Service.

These active employment measures represent a reasonable range of programs to assist unemployed workers. The difficulty is that funds are limited to those available from the Employment Fund, which has trouble keeping up with the unemployment insurance payments, much less this range of assistance efforts. Nevertheless, about 20 to 25 percent of the individuals who seek assistance from the State Employment Service are employed through the efforts of the Employment Center, a very good record considering the high unemployment levels.

A major concern of the State Employment Service was how it could effectively address this growing workload. FMI analyzed the allocation of resources and found that there was a substantial disparity from oblast to oblast. In the western part of the country where unemployment was highest the workload per individual was sometimes double the average for the country, whereas in the low unemployment areas, the workload per individual was much less. When the State Employment Service was established, staffing was allocated based on population not on needs. During the difficult economic transition, unemployment has not developed consistent with population distribution, and thus the workload is uneven. The State Employment Service sought assistance addressing this issue and in handling the increasing workload, with the realization that staff increases were unlikely.

After careful evaluation, FMI proposed assisting in the automation of several pilot offices. New operational software developed by the State Employment Service would be used to determine the productivity impact. The state felt that if there were some improvements in automation, the problems would be solved, although experience with automation projects outside of Ukraine did not always show the kind of productivity improvements expected.

Utilizing a consensus building process, it was decided to have the first pilot offices in the Lviv oblast, with three local Employment Centers of varying sizes chosen. Lviv was a good candidate for a number of reasons: it is on the far western side of the country, bordering Poland and has a mix of industry and agriculture, it has a high level of

unemployment, and, the oblast administration is considered progressive and has tried to introduce automation to the extent that resources were available

FMI recommended that a minimum equipment configuration be installed in each pilot, utilizing four computers and one server, with a network to link the machines built in each office. The offices generally had a computer or two, but each was a stand-alone piece of equipment, able only to perform an individual function. The new software, "Employment 3", provided the capability to work off a network, thus allowing everyone in the office to use the employment database. This means once the data is entered and a client record established there is no need to reenter the data.

The State Employment Service had an objective of a computer for every local office worker, but after working with FMI realized the cost would be prohibitive. The need to build a communication network among all the offices was stressed, with a plan to configure the system so that computers could be added later with relative ease, once the network was established. The three pilots in Lviv would test the premise by constructing a network within the office and building a communication link between the three pilots.

On a personnel level, there was concern about the ability of the staff to adapt to the new equipment. This led to the recommendation that each office designate a database administrator. In one case, an individual with computer experience was on staff, but in the other two offices the office manager asked a worker with interest in computers to take on this responsibility. Although these workers were young and relatively inexperienced, all performed very well and gained considerable expertise.

As part of this pilot program, four or five workers from each office, including the database manager received a week long training session in Lviv. The database managers were given some additional training to help them in handling their new responsibilities. FMI's local systems experts implemented the computer installation which took place over two or three days per office, as network wiring needed to be constructed. In all the offices the server provided more ports than available computers, allowing for easy expansion at a later date. In Stry, the largest office, 16 ports were provided.

After the computers were installed, each of the offices was asked to complete a follow up questionnaire on the progress in using the new systems and its impact on operations. The pilot offices experimented with different configurations, depending on their needs and structure. Each office generally has four or five departments, and some used a computer in each department while others opted to use most of the computers at the intake point. The Personal Registration Card each person completes when they apply for service generally takes about 40 minutes to complete if an applicant sets with an Employment Specialist and manually completes the card. However, when the Specialist entered the data directly into the computer, the time was

reduced to about 10 minutes⁹ In addition, with this increased automation and improved use of resources, other office personnel had access to this basic record for statistical reporting and benefit calculations

As a result of these pilot efforts lines in the offices were virtually eliminated and productivity gains were estimated at 40 percent, which was important because the workload was increasing at an even faster rate The offices used the e-mail connection within the office and between the offices to improve communication, sometimes sharing the limited number of job vacancies available

To complete the pilot testing period, a similar model was used for three local offices in the Donetsk oblast The equipment for the first office was installed in December 1998, the other two were completed in February 1999¹⁰ The results were similar, with productivity gains marked and consistent with Lviv

Training was provided for the staff within the Donetsk offices as well, including installation of updated versions of the "Employment 3" software Furthermore, at this time all pilots were provided the FMI developed "Courier" software which allowed for the communication and exchange of vacancies between the local offices and for the electronic submission of data to the national office

FMI also established the outline of a Web site for the Lviv and Donetsk pilots, including provision of the initial connections to the Internet This proved to be highly utilized and assistance was requested to expand Internet capabilities, as the site initially solely contained the basics for submitting job vacancies and resumes Although the communication network is fragile, substantial progress was made during the last couple of years, and it is our assessment that the Internet offers an opportunity to move quickly to nationwide communication

Building on the positive results of the pilots, the State Employment Service of the Government of Ukraine offered a tender to greatly expand office automation The tender detailed the configuration used in the pilots and was for an amount of 7.5 million UHA, which would automate two-thirds of the oblasts and provide updated software The new software and greater automation would also result in much greater communication between the State Employment Service offices and other government departments, such as housing, pensions and taxation

At the Government's request, FMI served as an observer on the Tender Committee

⁹ Automation in Pilot Employment Centers Results in 40% Productivity Increase, Report on Three Pilot Local Employment Centers in Lviv Oblast Von Logan Financial Markets International Inc July 1999 Kiev Ukraine, USAID Labor Market Monitoring Project

¹⁰ Donetsk Pilot Automation, Report Assessing The Completion of an Office Automation Pilot Program in Two Raion State Employment Centers, Donetsk Oblast Financial Markets International Inc May 1999 Kiev Ukraine USAID Labor Market Monitoring Project

The proposals were detailed and the project is underway, with a pilot oblast should scheduled to begin testing the software before the end of 1999. The project is very ambitious and skips at least a couple of steps in the automation progression developed countries have used ¹¹

Because automation technology as a whole has developed so rapidly, Ukraine's approach is reasonable as long as they do not outpace their own level of experience. Ukrainian experts are very knowledgeable, but because of the general lack of economic progress within the country, they do not necessarily have first hand experience with the latest technology.

The State Employment Service Pilots implemented under the project helped to establish the power of automation on the Employment Center productivity. Because it is very difficult to add staff with the government wide imposed restraints, increased efficiency via greater automation was the only way to keep Employment offices from bogging down in limitless paperwork. The FMI pilots enabled the government to recognize this need, identified a solution, and laid out and helped test a reasonable approach that is now being expanded to the rest of Ukraine.

Labor Market Information

As the project was developed and initiated there was widespread agreement that there was a need to improve the labor market information system in Ukraine. A great deal of data was being collected including an array of statistical reports which are regularly generated, but provide information on a number of activities, detailed data on the applicants to its local offices and the services provided to them, collected by The State Employment Service, and, regular surveys conducted by The State Committee on Statistics. Although the data is exchanged between the State Employment Service and State Committee on Statistics, in general, access is limited to most labor market information.

In spite of these many sources, key components of information are missing. The main data gap is information on occupations, which provides key insight into skill needs and uses within the labor market ¹². Without this knowledge it is difficult to plan training programs or adjust vocational school curriculums. Such information is useful in economic development efforts because it tells potential employers what type of skills are available for new jobs and can help policy makers and businessmen determine whether skills they need are available.

¹¹ Recommendations on Automation System Policies and Implementation for State Employment Service of Ukraine, Michael McLendon and Von Logan. Financial Markets International Inc. November 1998. Kiev, Ukraine. USAID Employment Restructuring Project.

¹² Labor Market Information Assessment Report of the Ukrainian System. Kay Raitel. Financial Markets International Inc. June 1998. Kiev, Ukraine. USAID Employment Restructuring Project.

FMI made a number of recommendations regarding the need for labor market information. Several related to the development of occupational data while others focussed on establishment surveys.¹³ Analysis revealed that the current measures of establishments have several problematic loopholes including the following: all large and medium size firms report their employment every month, but small firms only report once a year, there is no nationwide list of enterprises as each Raion maintains its own list, because automation at the local levels of the State Committee on Statistics is largely nonexistent, electronic files are limited, and, enterprises submit their reports to the local statistical office in person, because the mail system is not trusted in some areas of the country.

The absence of the small firms was not considered a problem by the statisticians, but the FMI staff found it to be a substantial gap which missed an important economic trend. Much of the employment decline was the result of large enterprises closing or scaling back, while the growth was coming from new, small firms. The government began to recognize this problem, but unfortunately, the project ended before any major revisions of the data collection from employers could be implemented. The project's first priority in this area was the implementation of the new quarterly household labor force survey which would provide critical data on employment issues nationwide.

In order to start improving the labor market database, FMI made a number of recommendations regarding the 2001 census.¹⁴ Based on our analysis, an emphasis was placed on the need for occupational data, with specific recommendation for data items in a 1997 report.¹⁵ Although the census was subsequently delayed from 1999 to 2001 (it must go forward at that time), a number of the innovations suggested by the project team for implementation of the household survey will be useful in conducting the census. The government welcomed the census recommendations and hoped to be able to implement them.

In particular, FMI developed software to maintain the household survey. It contains the households and allows for the random selection of new households as the rotation process proceeds. It should be useful in developing the census household list and was being tested in Lviv when the project ended. It was well received and the government had plans to distribute it nationwide.

Labor market data is used in a variety of ways and economists see it as an important measure of current conditions. For example, in Ukraine the large enterprises have

¹³ Labor Market Information Recommendations Report, Kay Raithel and Von Logan, Financial Markets International Inc, December 1998, Kiev, Ukraine, USAID Employment Restructuring Project.

¹⁴ Labor Market Information Report, Kay Raithel, Financial Markets International, Inc, June 1999, Kiev, Ukraine, USAID Labor Market Monitoring Project.

¹⁵ The 1999 Census of Population and the Labor Market Information System, Richard F. Dempsey, December 1997, Financial Markets International Inc., Kiev, Ukraine, USAID Employment Restructuring Project.

declined from 19 million workers in 1991 to less than 13 million in 1998. Many of these workers have found sufficiency jobs in agriculture or the informal sector and it is clear a major transformation has occurred in Ukraine. Much of the old industry structure has disappeared, but because of the lack of investment funds, large modern production facilities have not materialized. The growth is in small firms, providing services in the large cities or the development of new technology in Ukraine.

Information on the job market is also useful to students and individuals seeking a new career. FMI developed a model Resource Center in the Stry pilot Employment Center, with the purpose of providing a site where job seekers can research information on the job market. Information on current job vacancies, duties of various occupations, where training can be accessed and the outlook for employment is available. Brochures on about 40 careers were provided in bulk for Stry and the other pilot offices, in addition to detailed notebooks on about 25 occupational areas. The material at hand included specific information on different job profiles and videos on a number of careers. The videos were developed in Russia, but Ukraine hoped to develop their own. The Stry Center seemed to be popular and effective, and seminars on the job market were frequently given to groups of vocational students. Other offices in the oblast noted the example set in Stry and expressed interest in adding their own Resource Center.

To assist in the development of accurate and insightful labor market data, FMI worked with the Institute for Economic Forecasting to prepare employment forecasts for the 1998 - 2005 period¹⁶. The research showed a continued decline in employment through 2000, with gradual increases after that time, although the forecasts indicate it will take until 2005 for employment to exceed the level obtained in 1998. One area which particularly jumped out was large state supported agriculture, where employment is forecast to consistently decrease throughout the entire time frame.

Improvements occurred in the labor market information system throughout the FMI project period, with the Resource Center providing a real test of labor market information delivery to the unemployed. The new software for the State Employment Service incorporates a number of the FMI recommendations about a comprehensive labor market information system and the household labor force survey addresses a number of data gaps. The next step is to improve the establishment surveys, including adopting the FMI recommendations for a unique identifier system.

Household Labor Force Survey

The most critical gap in unemployment/employment data in Ukraine was a reliable measure of labor force activity. The State Committee on Statistics initiated an annual household labor force survey in the fall of 1995. It was quite flawed, with a sample

¹⁶ Forecast of Employment in Ukraine for 1998 - 2005. Financial Markets International Inc. November 1998, Kiev, Ukraine. USAID Employment Restructuring Project.

based on households from the last Soviet era census in 1989, an overly long and often ambiguous questionnaire, and a data processing methodology which often mean a year or more was necessary to produce results

A registered unemployment rate was produced every month, based on State Employment Service applicants for unemployment insurance and was deemed the "official" unemployment rate. The labor force estimate was based on a labor force balance calculation that used employment and other data to attempt to account for all individuals of workforce age, as defined by the employment Law

The problem with this process is that the labor force balance is calculated annually around the middle of the year and then used for a year. The number of unemployed varies, but the labor force is fixed. The same method is used to develop unemployment rates for each of the oblasts. Because not all the unemployed apply for unemployment insurance and because the age definitions are different, the official rate is very low. Furthermore, many workers do not qualify for unemployment insurance since they worked for companies in the shadow, and those firms do not keep the labor books necessary to qualify for unemployment insurance. In addition, after someone exhausts their unemployment insurance benefits they drop off the unemployment rolls, although they may still be jobless.

In an early assessment of Ukraine's labor force survey, FMI strongly recommended that Ukraine institute a quarterly household labor force survey, with significant revisions in all aspects of the old annual survey.¹⁷ A number of specific suggestions for the questionnaire were made, including significantly the fact that most definitions were often not specific enough for reliable measurement. The International Labor Organization (ILO) agreed with this recommendation and certainly supported it, although the critical question of how to move the government forward remained.

In early 1998, a World Bank consultant involved with the household budget and revenue survey proposed using the same interviewers for the budget survey and the labor force survey. The combined activity would keep the interviewers busy year round and would help to address important staffing issues. The State Committee on Statistics generally used part time interviewers for the annual survey, since it was only conducted once a year, and often they were not paid unless they returned the following year. In addition, there was very little training or supervision and all these factors combined to mean that the survey started off with questionable monitoring and discipline. The full time approach was adopted by the State Committee on Statistics, with the provision that the sample size of both surveys be reduced to help pay for the cost of the interviewers. This proposed alternative sample size produced reliability measures consistent with international standards.

¹⁷ Ukraine's Household Labor Force Survey: Assessment and Recommendations. Ludmila K. Murphy. Financial Markets International, Inc. January 1998. USAID Employment Restructuring Project.

FMI made a number of detailed recommendations on definitions and the questionnaire and prototype interviewer manuals were developed and discussed with officials at the State Committee on Statistics¹⁸ ILO experts were involved in these discussions, because of their long time expertise, with this ongoing dialogue eventually resulting in new definitions that were consistent with international standards

FMI contracted with the Research Institute of Statistics of Ukraine to develop the sample design, and incorporated views from international experts from the World Bank, ILO and Finland who visited Ukraine The Research Institute used the papers and insights provided by this expert group to refine a specific new sample design for all of Ukraine They developed a methodology for selecting the sample households that could be instituted by the staff of the 27 oblasts Each oblast would be responsible for the interviewers and oblasts in their geographic area, while training was provided to the chief of labor statistics for each oblast¹⁹

To test the new survey approach, it was decided to run a full scale pilot test in the Lviv oblast in late August 1998 The sample was selected using the new methodology and a revised questionnaire was developed Twenty-six interviewers were selected, with a mix of current employees and new hires All interviewers went through a full week of training with SOCIS-Gallup International hired to provide the interviewer training, as the organization had conducted household surveys on a regular basis and developed strong interviewer guides It was possible to convert this knowledge and experience into four very well received training sessions, with training class size limited to eight participants A two-day training session was also provided for the local office supervisors

The interviews were conducted as scheduled during the last week of August and the first week of September, with FMI and State Committee on Statistics staff from Kiev on hand throughout the survey In addition interviews were monitored by visiting households after the questionnaire was completed to verify the results Respondents in the rural areas were very cooperative, while those in the cities they were more careful about strangers coming to their door The response rate was around 90 percent, higher than anticipated Initially, there was skepticism as to the response rate because of the generally acknowledged fear of strangers and reluctance to reveal certain information to representatives of the government However, an evaluation of the process revealed that the advance preparation and training enabled the revised survey process to achieve such a high response rate

Another problem in the labor force survey related to data entry Three or four months

¹⁸ Report on Revising the Labor Force Survey and Related Activities in Ukraine John E Bregger Financial Markets International Inc April 1998 Kiev Ukraine USAID Employment Restructuring Project

¹⁹ Recommendations on Improvements of Certain Technology Aspects in Quarterly Household Labor Force Surveying, A Gladun and V Sarioglu Financial Markets International, Inc July 1999 Kiev Ukraine USAID Labor Market Monitoring project

were allowed for the data entry by each oblast under the existing annual survey procedures FMI recognized that this time had to be drastically reduced if the survey results were going to be available on a timely basis, and after some study discovered part of the problem was very cumbersome data entry software It was very slow, had no internal edits and it was impossible to change an item in the questionnaire without going all the way back to the beginning of the questionnaire

FMI developed new data entry software, "Intelligent Input of Questionnaires" to use at the data entry stage which was tested in the Lviv pilot and worked very well Nearly 3,000 questionnaires were entered in eight days, as opposed to the 90 days needed for the annual survey This was a significant step in showing that the processing time could be dramatically reduced

With the success of the pilot survey, the State Committee on Statistics decided to proceed with nationwide implementation with the first survey in March 1999 There were a number of tasks that needed to be completed before the nationwide quarterly survey could be undertaken

The sample size was 30,000 households, which required over 500 interviewers The necessary new interviewers were hired, and sample households for all of Ukraine selected The questionnaire was revised again, based on the experience of the pilot survey and a new interviewer guide developed ²⁰ FMI prepared a training video for the interviewers which was distributed to all the oblasts (Finnish experts, in Ukraine on a short-term visit, asked for a copy of the tape so they could produce something similar for their country)

The "Intelligent Input of Questionnaires" software was updated to reflect the changes in the questionnaire and the new version was distributed to all the oblasts via three training seminars held across the country ²¹ This software was widely accepted and FMI became the technical center for questions from the oblasts The State Committee was investigating its use for other surveys, since it could be adapted to a variety of questionnaires, with users having the ability to design the internal edits they wish to incorporate into the processing

Because of the limited number of computers available to the oblast staff for data entry, it was decided to acquire and install a computer in each of the oblasts Every oblast

²⁰ Report on Training Seminar Organization of Quarterly Household Labor Force Surveys Edited by Von Logan Financial Markets International Inc May 1999 Kiev Ukraine USAID Labor Market Monitoring project

²¹ Assessment and Recommendations for Implementation of the Household Labor Force Survey of Ukraine, Von Logan Financial Markets International Inc August 1999 Kiev Ukraine USAID Labor Market Monitoring Project

received either one new computer or two computers previously used in the project²² These computers were mostly installed in April, with a few of the project computers installed at the project conclusion All the steps taken by FMI and the State Committee on Statistics were successful and the survey was taken at the end of March as scheduled

FMI co-sponsored a national conference with ILO on "Information on the Labor Market" in June, with attendance by approximately 85 participants representing all the oblasts, the Cabinet of Ministers, academics and ILO, USAID and FMI Data from the survey was released at the conference, meeting the goal of processing and releasing the data before the end of the following quarter The conference was very successful with much discussion of labor market issues, including a resolution requesting that the FMI Labor Market Monitoring project be extended

The results from the first survey showed that the unemployment rate continued to rise, with the rate up to 14 percent²³, up substantially from the rate recorded in November of 11.9 percent Part of this could be explained by the use of the new estimating methods Following this experience, the State Committee on Statistics expressed interest in SPSS, a comprehensive statistics software package used worldwide It was purchased, tested with the Lviv pilot data and shown to work faster and more efficiently than existing software The weights for the new sample were reviewed and less weight was given to previous estimates and as a result it is difficult to compare the November results with those recorded in the first quarterly household labor force survey The survey meets the reliability standards of ILO, and while additional quarters of data are needed to verify the results, it appears Ukraine is now receiving a true picture of unemployment/employment in its country

Lessons Learned

Over the course of the project's lifetime FMI gained a number of insights into how labor market reform projects can be best implemented, what are the important factors for working successfully in Ukraine and more generally how can donor funded programs that delve into untested areas be successful FMI is extremely pleased with the implementation of this program of USAID funded technical assistance as it had practical, measurable results which had a significant positive impact on economic development in Ukraine and the relationship between the Government of Ukraine and U.S. Government technical assistance programs In this final section, we wish to share with you some of the key lessons learned

²² Statistical Oblast Computers, Report on Equipment Procurement and Delivery for the State Committee on Statistics Oblast Employment Departments for Quarterly Labor Force Survey in Ukraine, Financial Markets International Inc. May 1999, Kiev, Ukraine USAID Labor Market Monitoring Project

²³ Ukraine Employment Number 3 Financial Markets International Inc. June 1999, Kiev, Ukraine

USAID Support It is critical that USAID is committed to the success of the project. The Labor Market Monitoring Project benefited from the continued assistance and support of the USAID project managers. Volodymyr Yatsenko was the project manager from mid-1998 until the project's conclusion, with Michele Varnhagen the project manager at the start before she returned to the United States. Both were committed to the project and supportive of its objectives.

Commitment To move the Ukraine labor statistics program from the needs of a command economy to those of a market economy is a long-term effort. Once the government identifies a need, USAID should be able to commit to the necessary long-term effort. The contractor may be subject to replacement, but the government should be able to rely on some level of assistance. The government devotes a great deal of time and effort to the education of the contractors and these programs require time to implement.

Focus The objectives of the USAID contract need to be clear. There needs to be agreement between the contractor, USAID and the Government of Ukraine as to the goals of the project.

Government Cooperation The cooperation of the government counterparts is essential. The Labor Market Monitoring project had wonderful cooperation from the government, and their desire for the project to succeed was critical to the project's performance.

America is America, Ukraine is Ukraine America's solutions to problems may or may not work in the Ukrainian environment. It is important to understand the Ukrainian experience so that the knowledge of America can be used as a guide, adjusted to the needs of Ukraine.

Ukrainian Work Force Ukrainian contractors and workers are very capable. The more you use them in your project, the better off you will be. Plus it provides a realistic understanding as to how the Ukrainian economy actually works.

Communication It is important to communicate your project's objectives and efforts to as many as possible, Ukrainian and American. Secrets are the history of Ukraine and openness is a way to build trust, despite potential short-term problems.

Training, Education USAID and the contractor have to take responsibility for training everyone involved in the project and educating everyone who may be impacted. This is expensive and not necessarily part of the Ukrainian experience. The training has to be ongoing, and you can not assume that a two-day training session is going to overcome twenty years of experience. It has to be repeated and repeated in various forms and to various audiences.

Marketing Let people know what you are doing Training and communication are part of an overall marketing effort

Do Something While a key element of the project's accomplishments may be the development of policy recommendations, it is important to show something that is of practical assistance to the government America's signature is the ability to accomplish major tasks, whether it is going to the moon or making a one hundred million dollar movie This ability needs to be demonstrated in the projects

Cut Red Tape We are used to the bureaucracy of the American government Ukraine is not, so they view it as a weakness of America Decisions should not be left to the last minute, when they consistently impact the operation of the Ukrainian government

Technology Use high level technology in the projects, especially in areas of wireless communication It is possible to accomplish widespread communication and access in a shorter time frame Ukraine has many skilled people who can assist in this effort

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Appendix I

List of the Reports Prepared by FMI

Employment Restructuring Project

**LIST OF THE REPORTS
PREPARED BY FMI
EMPLOYMENT RESTRUCTURING PROJECT**

NAME	AUTHOR	LANGUAGE
Assessment Report State Employment Services of Ukraine	Von Logan Kay Raithel	English
		Ukrainian
An Aggregate Model of State Employment Service in Ukraine	Wayne Vroman	English
		Ukrainian
Labor Market Information Assessment Report of the Ukrainian System	Kay Raithel	English
		Ukrainian
Modeling Unemployment Insurance Benefit Payments in Ukraine	Wayne Vroman	English
		Ukrainian
Ukraine's Household Labor Force Survey Assessment and Recommendations	Ludmilla Murphy	English
		Ukrainian
Report on Revising the Labor Force Survey and Related Activities in Ukraine	John Bregger	English
		Ukrainian
The 1999 Census of Population and the Labor Market Information System	Richard Dempsey	English
		Ukrainian
Unemployment Insurance Models in Central and Eastern Europe	FMI	English
		Ukrainian
Workload Staffing and Financing Issues Facing the State Employment Service	Wayne Vroman	English
		Ukrainian
Assessment and Recommendations for Implementation of the Household Labor Force Survey of Ukraine	Von Logan	English
		Ukrainian
Unemployment and Unemployment Benefit Payments in Ukraine	Wayne Vroman	English
		Ukrainian
Labor Market Information Recommendation Report	Von Logan Kay Raithel	English
		Ukrainian

Labor Market Recommendations Report	Von Logan Kay Raithel	English
		Ukrainian
Household s Labor Force Survey – Training Film for Interviewers	FMI	Ukrainian
Labor Market Information Report	Kay Raithel	English
		Ukrainian *
Donetsk pilot automation	M Ronshin	English
		Ukrainian
Report on Training Seminar	Von Logan	English
		Ukrainian
Recommendation on Automation System Policies and Implementation for	Von Logan Michael McLendon	English
		Ukrainian *
Report on Training Seminar on Labor Force Survey for Oblast Staff	Von Logan	English
		Ukrainian
Recommendations on Improvement of Certain Technology Aspects in Quarterly Household Labor Force Surveying	A Gladun V Saroglo	English
		Ukrainian *
Labor Markets in the Economies of Former Soviet Union and Eastern Europe	L Lisogor	English
		Ukrainian *
Design Development and Implementation of the Software Package-Automated Household Selection	M Ronshin	English *
		Ukrainian
Newsletter Issue 1 Issue 2 Issue 3 Issue 4*	FMI	English
		Ukrainian
Final Report *	FMI	English
		Ukrainian

* In preparation

Appendix II

Law of Ukraine on Compulsory Universal State Social Insurance Against
Unemployment

Law of Ukraine

"On Compulsory Universal State Social Insurance against Unemployment "

This law in compliance with the Constitution of Ukraine and the Fundamentals of Ukraine's legislation on compulsory universal state social insurance defines legal, financial and organization principles for compulsory universal state social insurance against unemployment

Chapter I. General Provisions

Article 1. Definition of Terms

Terms in the Law are applied in the following meaning

- 1) universal compulsory state social insurance against unemployment (hereinafter – UI) is system of rights, duties and guarantees, envisaging material security in case of unemployment caused by reasons independent on the insured persons, and social services at cost of Fund of Ukraine for universal compulsory state social insurance against unemployment,
- 2) subjects of insurance against unemployment shall be insured persons, and in the cases envisaged by the Law, members of insured persons families as well, insurant and insurer,
- 3) insured persons hired employees and in the cases stipulated by the Law other persons as well (citizens of Ukraine, foreign citizens and persons without citizenship who permanently reside in Ukraine unless otherwise is stipulated by international agreement of Ukraine ratified by the Verkhovna Rada of Ukraine) in whose favor insurance against unemployment is performed,
- 4) insurants employers and insured persons who in accordance with this Law pay insurance contributions,
- 5) insurer Fund for compulsory state social Insurance against Unemployment,
- 6) object of insurance against unemployment insurance case when insured person (member of his/her family, other person) becomes eligible to receive material support against unemployment and social services stipulated by Article 7 of the Law,
- 7) partial unemployment forced temporary reduction of standard or established by legislation of Ukraine duration of working time, break in receiving wages or reducing its size caused with temporary stoppage of production without canceling labor relations on economic, technological or structural reasons,
- 8) insurance case an event causing the following
 - insured persons lost wages or other earnings stipulated by legislation of Ukraine, because of job loss on circumstances irrespective of them, the persons are registered by established procedure as unemployed, are able and available to start to matching job and are really looking for jobs,
 - insured persons found themselves in partial unemployment,
- 9) loss of job on irrespective from insured persons circumstances – cancellation of labor agreement according to Article 36 (paragraphs 1, 2, 3), Article 38 (when it is impossible to continue work and non-performance by an owner or authorized by him legal agency on labor protection, conditions on collective agreement on issues of labor protection), Article 39, Article 40 (paragraphs 1, 2, 3) of Labor Code of Ukraine,

- owner of an enterprise, establishment and organization or his authorized agency or individuals using hired labor,
- owners of foreign located in Ukraine enterprises, institutions and organizations (including international), branches and representative offices who hire workers unless stipulated otherwise by international treaties of Ukraine ratified by Verkhovna Rada

- Representatives of employers shall be associations and unions of employers or their other authorized agencies representatives),

11) Hired worker – an individual working on labor agreement (contract) at an enterprise, establishment or organization, at their associations or for individuals using hired labor Trade unions or their associations or other authorized by hired workers agencies (representatives) are representatives of the persons insured,

12) insurance period – period (term) during which a person is eligible to insurance against unemployment and insurance contributions were paid for (by the person, or employer)

Article 2. Principles of Insurance against Unemployment

Insurance against unemployment is performed by the following principles

- of State guarantees to insured persons in fulfillment their rights,
- of compulsoriness of insurance against unemployment for all workers occupied on conditions of labor agreement (contract) and on other grounds stipulated by labor legislation,
- of entitling self-employed persons (members of creative unions, creative workers who are not members of creative unions), and individuals being subjects of entrepreneurship, to UI,
- of purpose oriented use of UI funds,
- of solidarity and subsidizing,
- of compulsoriness of funding by the Fund expenditures related to granting material security and rendering social services in the amounts envisaged by the Law,
- of parity of state and representatives of insurance subjects in managing UI,
- of differentiation of the sizes of UI benefits with regard to insurance period and unemployment duration,
- of granting UI benefit and material assistance within the period of vocational training, re-training and advance qualification training, at the rate not lower than living standard established by legislation,
- legal definition of conditions and procedure for insurance against unemployment

Article 3 Legislation on Unemployment Insurance

1 Legislation on UI consists of Fundamentals of legislation of Ukraine on universal compulsory state social unemployment insurance, this Law, Law of Ukraine "On Employment", and other normative and legal acts regulating relations in the sphere of unemployment insurance

Ukraine, established other norms than those stipulated by legislation of Ukraine on insurance, the regulations of international agreement are applied

Article 4 Persons subject to unemployment insurance

1 Persons employed under conditions of labor agreement (contract) are subject to UI including those doing alternative (non-military) service, and persons occupied part-time and on other terms stipulated by labor legislation

- a) at enterprises, establishments and organizations of all forms of ownership,
- b) for individuals

2 A person is regarded insured from the day of entering to labor relations with employer, from the date payment of insurance contributions starts

Employer is regarded as payer of insurance contributions to UI Fund from the day of registration according to paragraph 1 part 2 of Article 36 of the Law

Article 5. Persons not subject to UI

Not subject to insurance shall be the following

- a) employed persons who according to legislation of Ukraine are eligible to pension by age,
- b) foreign citizens and persons without citizenship who temporarily work for hire in Ukraine unless it is stipulated otherwise by international treaties of Ukraine ratified by the Verkhovna Rada of Ukraine

Article 6. Right to material security against unemployment, and social services

1 Insured persons are eligible for material security against unemployment (hereinafter - security) and social services

2 Right for security and social services by the Law is granted to uninsured persons as well, they are the following servicemen discharged from the military service due to staff reduction or personnel without right to the pension, who served in armed forces of Ukraine, National guard of Ukraine, Security service of Ukraine, Border guards of Ukraine, home affairs bodies, other military formations created according to legislation of Ukraine (hereinafter – servicemen), and persons seeking job for the first time, and other uninsured persons in the case of their registration by the established procedure

3 Citizens of Ukraine occupied abroad and not insured in the system of social UI of the country they reside in, are eligible for the security by the Law provided they paid contributions to insurer unless otherwise is stipulated by international agreement of Ukraine ratified by Verkhovna Rada of Ukraine

4 Self-employed persons (members of creative unions, creative workers who are not members of creative unions), and individuals being subjects of entrepreneurship, are eligible for security by the Law provided they paid insurance contributions to insurer

Article 7 Types of security and social services

1 Types of security by the Law are the following

- business,
- b) partial unemployment benefit,
- c) pecuniary aid to unemployed within the period of vocational training, re-training and advance qualification training,
- d) material aid on unemployment, lump pecuniary aid paid to an unemployed person and to his/her disabled dependants,
- e) subsidy aid for funerals in case of death of an unemployed person or his/her dependant

2 The following social services shall be granted according to Law of Ukraine “On employment” and this Law

- a) vocational training or re-training, advance qualification training and vocational counseling,
- b) assistance in finding matching jobs and job placement including by compensating for creating additional jobs to employer to job place unemployed, and funding paid public works for unemployed,
- c) information and consultation services related to job placement

Section II Management Of Social Insurance

Article 8. Insurance Fund

1 Fund for universal state social insurance of Ukraine against unemployment (hereinafter – Fund) is an agency to perform UI management, to collect and accumulate insurance contributions, control over use of funds, provide material security and social services and perform other functions according to this Law and the Statute of the Fund

The Fund is a non-profit self- managing organization subordinated to the State. The State is guarantor for pecuniary security against unemployment and rendering social services by the Fund, and for stable activity of the Fund

The Fund is a targeted centralized insurance fund, cannot be occupied with activities other than it was created for, and use its funds for aims not related to the activities

The Fund is not included into State budget of Ukraine

The Fund's activities are regulated with Fundamentals of legislation of Ukraine on universal compulsory state social insurance, Law of Ukraine “On Employment”, this Law and Statute approved by the Board of the Fund

2 All insured persons are members of the Fund

Article 9 Statute of the Fund

Statute of the Fund should include the following

- 1) Name and location of the Fund,
- 2) Activities of the Fund,

- 4) Managing bodies of the Fund, their duties and responsibilities,
- 5) The procedure for making decisions by the Fund Board of Directors, list of problems to be resolved by the Fund's Board with two thirds of total votes, and with mandatory majority of the votes cast from each part,
- 6) The procedure for electing, authorities and responsibilities of the Fund's Board and his deputies, grounds and the procedure for depriving of their authorities,
- 7) Rights, duties and responsibilities of Fund's Board members, procedure for their election (delegating), grounds and the procedure for depriving of their authorities and for recall,
- 8) Functions of executive direction of the Fund and its working bodies,
- 9) Procedure for executing control over direction of the Fund by the Fund's Board,
- 10) Ways of spending the Fund,
- 11) Procedure for creating the Fund's reserve,
- 12) Procedure for funding expenses related to performing the functions of Executive Direction of the Fund, administration of the Fund, development of material and information database,
- 13) Procedure for introducing changes and amendments t Statute of the Fund,
- 14) Other regulations not contradicting legislation of Ukraine

Article 10 Management of the Fund

1 Management of the Fund is performed on parity basis by the State and subjects of UI, creating the Fund

2 The Fund management is performed by the Board and executive direction of the Fund The Board membership is composed of representatives of executive authorities, insurance subjects creating the Fund, 11 persons on each part, on a voluntary basis The procedure for elections (delegating) those representatives is defined by the Parties

3 Party can be represented by neither a person without citizenship of Ukraine, nor former convict for premeditated crime unless the conviction is canceled by legally established procedure, nor in the case of the person's dismissal from his/her last job on reasons stipulated by Articles 37, paragraphs 3, 4, 7 and 8 of Article 40, and Articles 41 and 45 of Labor Code of Ukraine

3 The Board's terms of reference are three years and are terminated on the day of the first sitting of the new composition of the Board

Head of the Board of the Fund shall be elected of members of the Board from each party for one year Head of the Board of the Fund shall have two deputies representing the Parties along with the Head

5 The Board holds its sittings according to the approved plan but at least once a quarter

composition

Board's decisions are considered adopted if a majority of present members cast their votes in favor of it

Article 11. Authorities of the Board of the Fund

1 Board of the Fund shall

- 1) focus and supervise the work of executive direction of the Fund and its working bodies,
- 2) approve normative documents regulating the Fund activity including that of Executive direction of the Fund,
- 3) elect Chairman of the Board of the Fund and appoint deputy chairmen,
- 4) consider candidates and approve executive director and his deputies by established procedure,
- 5) approve by the established procedure dismissal of executive director and his deputies, initiate their dismissal on reasonable grounds when violations are revealed,
- 6) approve draft annual budget of the Fund and amendments, and submit them to the Cabinet of Ministers of Ukraine,
- 7) approve the procedure for spending amounts from specific items of the Fund's budget,
- 8) consider by legally established procedure creation of the Fund's reserve,
- 9) submit by established procedure proposals on the size of insurance contributions,
- 10) make other decisions in accordance with the Fund Statute

2 Normative documents regulating rights and duties of citizens should be registered by the procedure established for registration of normative acts of executive power

Article 12. Executive Direction of the Fund

1 Executive direction of the Fund is an executive organ of the Fund Board. It ensures execution of the Board's resolutions. Bodies of State employment service shall perform the functions of executive direction of the Fund. Director of State employment center being central organ of executive power in the sphere of labor and social policy, shall by his position execute functions of head of executive direction of the Fund

Head of executive direction of the Fund shall be a member of the Fund's Board having advisory voice

Executive direction of the Fund shall manage and ensure keeping to Ukraine legislation on UI and resolutions of the Fund's Board, operate on behalf of the Fund, and is subordinate to it within the limits and by the procedure stipulated by Statute of the Fund

2 Executive direction of the Fund and its working bodies shall

- 1) keep register of UI contributions,

- 3) manage financial resources of the Fund within the limits of the budget approved,
- 4) pay out security and render social services stipulated by this Law,
- 5) Execute control over correct charging, timely payment of IC, and insurance expenditures stipulated by this Law,
- 6) Represent the Fund at court and other agencies,
- 7) Represent the Fund in relations with the State, public and other organizations of Ukraine on social protection of, and with bodies of social UI abroad, international organizations which activities is related to protection of social rights of a human,
- 8) prepare and submit for the Board's consideration
 - proposals on amount of IC for the next year,
 - draft budget and report on its execution,
 - proposals regarding the amount of reserve funds,
 - report on execution of the functions

3 Functions of operating organs of executive direction of the Fund are entrusted to employment centers of Autonomous Republic of the Crimea, oblast, Kyiv and Sevastopol city, rayon, city and rayon in the cities

Section III. Supervision in Unemployment Insurance

Article 13 Supervisory Council

1 Supervisory Council shall execute control over the Fund activities Supervisory Council shall execute control over the performance of statutory tasks and target-oriented use of the funds

2 Supervisory Council consists of 15 persons, it includes in equal number representatives of executive power, insured persons and employers Delegating these representatives shall be conducted by the procedure established by the Parties No person mentioned in part 3 of Article 10 of the Law can be delegated to Supervisory council

Supervisory Council shall operate free and its members cannot be in the same time members of the Fund's Board or workers of executive and working bodies of the Fund Terms of reference of Supervisory Council members are three years

Head of Supervisory Council is elected for one year of its members from representatives of each Party and cannot represent the Party to which the head of the Fund's Board belong

3 Supervisory Council shall

- 1) elect head of Supervisory Council and his two deputies representing the Parties along with the head,
- 2) listen to reports of the Fund's Board and executive Direction of the Fund on performance of statutory tasks of the Fund and its targeted use,

activities,

4) initiate hearings on responsibility of the Fund's executive bodies officials for violations revealed,

5) get required information on the work of the Fund's bodies

4 The procedure for the work of Supervisory Council shall be defined with regulations, which is usually defined at its first sitting

Supervisory council shall conduct its sittings according to plan at least once in a quarter Extraordinary meetings of Supervisory Council shall be called by head of Supervisory Council and on demand of one third of its members

Meetings of Supervisory council are authorized when attended by two thirds of its list Resolutions shall be approved by majority of votes of members present

5 Head of the Fund's Board, director of State employment center of central body of executive power in the sphere of labor and social policy or their deputies participate in sittings of Supervisory Council and have consultative voice

6 Members of Supervisory Council may participate in sittings of the Fund's Board and have consultative voice

Article 14 State Supervision Body

1 State supervision in UI sphere shall be exercised by specially authorized central body of executive power in the sphere of labor and social policy The purpose of supervision-is execute control over observance of laws and other normative and legal acts regulating relations in insurance against unemployment

2 Insurants and insurer should present all documents and statements required for control, to officials of state supervision body

Article 15. Means of Supervision

1 Should insurant or insurer violated legislation, the State supervisory body on UI shall notify the infringements and fix the term for their elimination If within this period the violation is not eliminated, then the illegal decision shall be canceled by specially authorized central body of executive power in the sphere of labor and social policy with further reimbursement of losses at cost of insurant or insurer who committed violation Within two weeks they may appeal against the decision of State supervisory body at court

State supervisory body may wish to convene and hold meeting of the Board of the Fund If this requirement is not met then the state supervisory body may convene and hold the meeting of the Board of the Fund itself

For non-execution of their duties by the decision of the State supervisory body, members of the Board of the Fund can be deprived of their authorities by the procedure stipulated legislation of Ukraine and the Fund's Statute

State supervisory body is authorized to dissolve Supervisory Council. It can be newly created by the procedure stipulated by this Law.

2 On the initiative of State supervisory body audit revision of the Fund's activities may be appointed.

Section IV. Resources of Social Insurance against Unemployment

Article 16 Sources of Funds and Their Use

1 Fund's resources are created from

a/ insurance contributions of insurants-employers and insured persons paid on the terms and by the procedure stipulated by this Law and other legal acts,

b/ state budget appropriations,

c/ funds of State employment service received from paid services rendered to enterprises and organizations, and share of income fixed by the Statute of the Fund, of enterprises and organizations created by State employment service,

d/ amounts of financial sanctions that according to this Law and Law of Ukraine "On employment" and other legal acts, were applied to enterprises, establishments, organizations and individuals for violation of the established procedure for payment of IC and use of the Fund, violation of legislation on employment and amounts of administrative fines imposed according to legislation on officials and individuals for the infringements,

e/ charity contributions of enterprises, establishments, organizations and individuals,

f/ other revenues according to legislation of Ukraine

2 Insurance funds are spent for

a/ funding material security and rendering social services stipulated by Article 7 of this Law,

b/ reimbursement to Pension Fund of Ukraine of expenses related to early retirement of persons mentioned in part 2 of Article 20 of this Law,

c/ funding expenses for maintenance and securing activities of executive direction of the Fund and its working bodies, managing the Fund, development of its material and information database,

d/ create reserve of the Fund

3 Expenses from the Fund's budget on securing payment of UI benefits shall be protected. Those expenses shall be covered first.

4 In order to protect financial stability of the Fund reserve funds shall be created. The reserve cannot exceed amount required for monthly payment of unemployment benefits.

The reserve fund can be used on purpose by decision of the Fund's Board.

contributions

- 1 Sizes of IC shall be established proceeding from their purpose
 - a) pay out security and render social services stipulated by Article 7 of the Law, to insured persons,
 - b) create reserve fund,
 - c) cover expenses of the Fund related to reimbursement to Pension Fund of Ukraine for expenses related to early retirement of persons mentioned in part 2 of Article 20 of this Law, funding expenses for maintenance and securing activities of executive direction of the Fund and its working bodies, managing the Fund, development of its material and information database,

- 2 Sizes of IC for employers and insured persons shall be established annually by the Verkhovna Rada of Ukraine on presentation of Cabinet of Ministers of Ukraine simultaneously with approval of the State budget of Ukraine

- 3 Employers and insured persons shall pay IC once a month on the day they receive money for wages at bank

- 4 ICs, paid in foreign currency, should be transferred to the Fund in national currency of Ukraine by official rate of National bank of Ukraine for the day of payment of ICs

- 5 Should employer lacks money to pay wages (income) and ICs in full amount, they are charged on wages (income) and IC and transferred to the Fund proportionally

- Should banks do not secure IC to the Fund when giving money for wages ((income) those banking establishments shall pay out the amount equal to unpaid ICs, to the Fund

- Should employers pay IC untimely or incompletely, sanctions fixed in Article 38 of this Law shall be applied to them

- Should legal entity is liquidated or reorganized, an employer should pay ICs to the Fund in full amount by the day of liquidation or reorganization and apply by the place of his registration as ICs payer to close his registration

- 7 Persons mentioned in p 3, 4 of Article 6 of this Law, shall pay IC in full amount within the terms of payment of individual income tax

Article 18. Exemption from Paying Insurance Contributions

The following are exempted from paying contributions

- a/ insured persons for the period of their leave on child care for three years age of the child, and for the period of six years leave on child care by medical statement,
- c/ insured persons regarding received part-time unemployment benefit

Calculating Insurance Contributions

1 Amounts of insurance contributions are determined for a calendar year
a/ for an employer - in percentage to actual sums of workers' labor remuneration, including expenses for payment principal and additional wages, other bonuses and compensations, including in-kind established according to normative and legal acts approved according to Law of Ukraine "On Labor Remuneration", subject to be charged by income tax,

b/ for insured persons – in percentage to wages including principal and additional wages, and other bonuses and compensations, and other payments (including those in-kind) as well, that according to Law of Ukraine "On Labor Remuneration" and respective approved legal acts included to payroll expenses regardless of sources of funding and procedure for taxation those payments,

bonuses (including in-kind) paid for work done (services rendered) by civil and legal agreements regardless of sources of funding and procedure for taxing those payments,

any other payments to workers or individuals doing work (rendering services) by civil and legal agreements or work for pay on other grounds, on the conditions that those payments do not refer to payments mentioned in the first and second paragraphs of this subparagraph and are subject to income tax,

c/ for persons mentioned in parts 3 and 4 of Article 6 of this Law – in percentage to taxed income

2 Should insurer receive (pays to insured persons) simultaneously several kinds of payments mentioned in this Article then ICs should be charged on all those payments

3 List of types of wages and other payments not charged with ICs and are not taken into account when calculating average wages (income) shall be approved by the Cabinet of Ministers of Ukraine

4 Insurance contributions shall be charged on actual payments (incomes) mentioned in the Article that do not exceed maximum size fixed by the Cabinet of Ministers of Ukraine, of actual expenses of economic entities for wages of the workers and earnings (incomes) of individuals from which contributions (collections) to the Fund are charged

5 Employers-subjects of entrepreneurship shall refer IC to gross expenses
Employers funded from state and /or local budgets, shall pay IC from special funds

Article 20 Relations with Other Purpose Insurance Funds

1 The Fund cooperates with other compulsory universal state social insurance funds in collecting ICs and exercising control over their payment, creating and keeping

is entitled to make joint resolutions on financing each specific event

2 Pension payment persons early retired according to Law of Ukraine “On Employment” within the period until they reach the retirement age, shall be done by legally established procedure by the State Pension Fund of Ukraine and compensated for by the Fund

Section V. Material Security in the Case of Unemployment

Article 21. Calculation of Insurance Record

1 Insurance record shall be calculated as sum of periods within which a citizen is subject to insurance against unemployment and paid (personally or employer) insurance contributions

2 The period when insured person had been exempted from IC payments according to this Law is included into the insurance record

3 Working experience, which a person had acquired during labor relations with employer on terms of labor agreement (contract) before this Law had been put into operation, is equated with the insurance record

Article 22. Terms and duration of payment unemployment benefit

1 Insured persons recognized according to the established procedure as unemployed who during 12 months prior to start of unemployment had worked not less than 26 calendar weeks full-time or part-time working day (week), and paid insurance contributions, are eligible for unemployment benefits

2 Persons recognized according to the established procedure as unemployed, who during 12 months prior to start of unemployment had worked less than 26 calendar weeks and as well re-entrants to labor market after long (over 6 months) break, and insured persons released from their last job on terms stipulated by Article 37, paragraphs 3, 4, 7, 8 of Article 40 and Articles 41, 45 of Labor Code of Ukraine, are eligible for unemployment benefit without taking into consideration their insurance record

3 The right to unemployment benefit shall be preserved in the case of break of insurance record on valid reasons, if a person is within one month after the end of the break had been registered by the established procedure at State employment service as unemployed

4 The following reasons are regarded as valid ones
daily training at higher educational establishments and at vocational-training educational establishments, clinical internship, post-graduate courses and postgraduate studies,

unemployed able-bodied person taking care of the first group disabled or of a disabled child under 16 years of age, as well as of a pensioner who according to the expert medical conclusion needs permanent outside care,
other valid reasons stipulated by legislation of Ukraine

4 Unemployment benefit shall be paid on the eighth day after the insured person was registered by established procedure with the state employment service

5 Total duration of UI benefit payment can not exceed 360 calendar days within two-year period

For the persons of pre-retirement age (2 years prior to eligibility for pension) unemployment benefit cannot exceed 720 calendar days

6 During next recognition of a person according to the established procedure as an unemployed person, within two-year period during which unemployment benefit is paid, duration of such payment is taken into consideration cumulatively

7 Should a person move to another area for permanent residence, payment of unemployment benefit continues at the new place of residence after his/her registration at the state employment service and in case of impossibility of job placement

6 Unemployment benefit can be paid once in a time to start own business by an unemployed that cannot be job placed because of absence of matching job at labor market The benefit can be paid to person aged over 18 on their wish

Article 23 Size of Unemployment Benefit

1 Size of unemployment benefit to insured persons mentioned in part 1 of Article 22 of this Law shall be defined in percentage of their average wages depending on insurance record according to effective legislation
under 2 years – 50 percents, 2 to 6 years - 55 percents, 6 to 10 years - 60 percents, over 10 years - 70 percents

Unemployment benefit is paid regarding duration of unemployment in percentage up to amount defined

a) first 90 calendar days - 100 percents, b) during next 90 calendar days - 80 percents, c) further on - 70 percents

2 Unemployment benefit to persons mentioned in part 2 of Article 22 of this Law, shall be fixed in the size of legally established living standard

Insured persons who quitted from their last job for reasons stipulated in Article 37, paragraphs 3, 4, 7 and 8 of article 40 and Article 41 and 45 of Labor Code of Ukraine, total duration of unemployment benefit shall be reduced, and payment shall start from the 91st day

accord with no good reasons shall be fixed according to parts 1 and 2 of this Article, total duration of payment shall be reduced, and payment shall start from the 91st calendar day

4 Size of unemployment benefit can not be higher than average wages formed in the respective branch of national economy of respective oblast during last month and can not be lower than legally established subsistence minimum level

5 Lump aid to unemployed to start own business shall be granted in the size of annual unemployment benefit charged by this Article

6 The procedure for granting UI benefit including lump aid to unemployed to start own business shall be fixed by Central body of executive power in the sphere of labor and social policy on presentation of the Fund's Board

Article 24. Terms for Granting Part-Time Unemployment Benefit

1 Part-time unemployment benefit shall be granted to insured persons in case of loss of part of wages due to forced temporary reduction of usual or that established by the enterprise according to current legislation, working time duration and /or/ interval in receiving wages or reduction of its size caused with suspension of production without termination of labor relations on economic, technological, structural reason

2 Conditions for granting part-time unemployment benefit shall be the following

- lay-off at an enterprise or its section or working shop having closed cycle of production (hereinafter "shop", "unit") of inevitable and temporary nature that lasts not less than one month and does not exceed six months and does not depend on employee and employer,

- lay-off within one month that covered not less than 30% of workers of an enterprise or section, or working shop where lay-off comprise 20 and over percents of working time

An employer should report to the state employment service on possible lay-off

3 If lay-off is of seasonal character or occurs purely for managerial and administrative reasons, and in case workers can be job placed at other divisions, shops and enterprises, then the part-time unemployment benefit is not paid

4 List of reasons for suspending production mentioned in part 1 of this Article, shall be established by specially authorized body of executive power in the sphere of labor and social policy on presentation of the Fund's Board

Article 25 Eligibility for Partial Unemployment Benefit

1 Insured workers who within 12 months prior to the month when lay-off started, had worked at least 26 calendar weeks and paid ICs and whose lay-off is 20 and over percents of working time, are eligible for partial unemployment benefit

- refused from matching full time job at the same or other enterprise,
- combines jobs at the given enterprise,
- serves alternative (non-military) service

Article 22. Amount and Duration of Payment of Part-Time Unemployment Benefits

1 Part-time unemployment benefits are established for a worker for each hour of lay-off, according to terms of part 2 of Article 24 of this Law, at the rate of two-thirds of tariff scale of worker's rate (wages), and its size cannot exceed legally established living standard

2 Part-time unemployment benefit is disbursed beginning on the first day of lay-off, but its duration can not exceed 180 calendar days within one year period

3 Part-time unemployment benefit is disbursed by an enterprise at cost of the Fund

4 An enterprise may not apply to the Fund for receiving next amounts to disburse its workers partial unemployment earlier than in a year after the term of payment of partial unemployment benefit has passed

5 The procedure for funding payment of partial unemployment benefits and partial unemployment aid shall be determined by specially authorized central body of executive power on labor and social policy on presentation of the Fund's Board

Article 27 Material Aid During Vocational Training, Re-training and Advance Qualification Training

1 Insured persons within the period of vocational training, re-training and advance qualification training by referral of state employment service shall be paid material aid according to the terms of granting unemployment benefit and in the sizes according to Article 22 and 23 of this Law and is not subject to reduction

2 The above material aid shall be paid from the first day of training Payment duration of this material aid shall be included to total payment duration of unemployment aid and may not exceed it

3 The procedure for granting material aid to an unemployed within the period of vocational training, re-training and advance qualification training shall be established by specially authorized central body of executive power in the sphere of labor and social policy on presentation of the Fund's Board

Article 28 Unemployment Material Allowance, Lump Material Aid

1 Unemployed persons, for whom term of receiving unemployment benefit has terminated, are given unemployment material aid provided that average monthly overall income per family member does not exceed a subsistence minimum rate established by legislation

Unemployment material aid is paid within 180 calendar days period in the amount of 75 percents of legally established subsistence minimum rate

2 Unemployed, for whom term of receiving material unemployment aid has terminated, or disabled persons being dependants of an unemployed, on the conditions stipulated by p I of this Article, can be paid lump material aid to unemployed and to disabled being his/her dependant, in the amount of 50 percents of legally established subsistence minimum level

3 Procedure for granting unemployment material aid, lump material aid to unemployed and to disabled being his/her dependant, shall be determined by specially authorized central body of executive power in the sphere of labor and social policy on presentation of the Fund's Board

Article 29. Aid for Burial

Aid for burial in case of death of an unemployed person or his/her dependant shall be paid to persons who arranged the funeral, in legally fixed amount

Article 30 Subsidy to Employers for Creating Additional Jobs

The Fund may grant subsidies to establishments, enterprises and organizations for creating additional jobs to job place unemployed, in the size of annual expenses for wages of persons hired on referral of State employment service (may not exceed average rate at national economy branches of respective oblast)

Possibilities and sizes of granting subsidies shall be defined by the Board proceeding of financial status of the Fund

The procedure for granting subsidies to employers for creating additional jobs for unemployed shall be established by specially authorized central body of executive power in the sphere of labor and social policy on presentation of the Fund's Board

Article 31 Termination and Postponing of Unemployment Material Security and Reduction of its Duration

- 1 Payment of unemployment benefit and material aid for unemployment is terminated in case of
- a) job placement of an unemployed person,
 - b) reinstatement of an unemployed person in his/her office according to court decision,
 - c) entering an educational establishment provided that work being discontinued,
 - d) undergoing vocational training, re-training and advance qualification training by referral of State employment service,
 - e) conscription to active military service, alternative /not military/ service,
 - f) coming into force of the court verdict on liberty deprivation or sending to forced medical treatment institution,
 - g) being qualified for pension according to current legislation of Ukraine,

- i) submission of written application on willingness to take care of a child until he/she reaches three years of age,
- j) submission of written application about refusal from services of State employment service,
- k) moving to the permanent place of residence to another area,
- l) canceling registration for non-attendance of State employment service within 30 calendar days and over,
- m) death of unemployed persons

2 Payment of material aid during period of vocational training, re-training and advance qualification training shall be suspended on the reasons stipulated by part I of this Article and in case of expulsion from educational establishment for poor performance and misconduct

3 Payment of unemployment benefit, vocational training allowance, unemployment allowance shall be postponed for a period of sickness of an unemployed over 14 calendar days, and for the period of disability on pregnancy and delivery of an unemployed woman, and for the period of taking care after a child till the child reaches age of three years

4 Payment of unemployment benefit and material aid in the period of vocational training, re-training and advance qualification training shall be postponed for a period of three months when the insured person in accordance with the effective legislation of Ukraine receives a severance pay or other payments in case of being released from establishments, institutions and organizations securing partial compensation for temporary wages' loss, besides state aid to families with children and allowance paid from public funds

5 Duration of unemployment benefits and unemployment material aid in the period of vocational training, re-training and advance qualification training shall be terminated for a period of 90 calendar days in case of

a) quitting from the last job on his/her own accord with no good reasons (by 90 calendar days),

b) refusal of an unemployed from two offers of matching job or vocational training, re-training or advance qualification training,

c) concealment of information on being placed in a temporary job during the period of receiving unemployment benefits,

d) infringement by a citizen of conditions and terms of his/her registration as an unemployed person, and not keeping to recommendations on active employment,

e) re-registration of an unemployed whose registration had been closed for non-attendance of Employment center during the period of more than 30 calendar days without valid reasons and who did not contribute to his/her job placement,

f) refusal to work by occupation acquired after finishing vocational training, re-training and advance qualification training by referral of State employment service ,

enterprises, organizations and institutions, arranged by r. State employment service

Section VI. Security for uninsured persons

Article 32 Payments to Servicemen, Discharged from Military Service Due to Staff Reduction, Not Eligible for Pensions

1 Servicemen discharged from the Army due to staff reduction and not eligible for pensions, shall be paid unemployment benefits including lump material aid to unemployed to start own business according to parts 2, 4, 6, 7 and 8 of Article 22 and parts 1, 2, 4 and 5 of Article 23 of this Law on the condition of their registration with State employment service within one month after registration at military commissariat

Time of military service is equated to duration of insurance record

2 Material aid within the period of vocational training, re-training and advance qualification training of an unemployed shall be paid in the size of unemployment benefit and shall not be subject to reduction. Period of payment of this material aid shall be included to total duration of payment of unemployment benefit and can not exceed it

3 Unemployment material aid, lump material aid to an unemployed and to his/her disabled dependants, aid for burial in the event of death of an unemployed or his/her dependant, shall be paid on the conditions and in the sizes stipulated by Articles 28 and 29 of this Law

4 In case of infringement of the term of registration with State employment service by the established procedure, all types of security are effected according to Article 33 of this Law

5 Payment of unemployment benefits, material aid during the period of vocational training, re-training and advance qualification training, and unemployment material aid shall be terminated or its duration reduced according to Article 31 of this Law

Article 33. Payment of Security to Uninsured Newly Entrants to Labor Market

1 Uninsured seeking jobs for the first time who are recognized as unemployed by the established procedure, unemployment benefits are fixed in the amount of legally established subsistence minimum rate

unemployment benefit is paid from the eighth day after the person is registered by the established procedure with State employment service. Duration of payment of unemployment benefits does not exceed 180 calendar days

2 Material aid within the period of vocational training, re-training and advance qualification training to uninsured persons, registered by the established procedure with State employment service, shall be paid in the amount of UI benefit. Duration of such material aid is included to total period of UI benefit payment and cannot exceed it

3 Material aid on unemployment, lump material aid to an unemployed and his/her disabled dependants, aid for burial in the case of death of an unemployed or his/her disabled dependant, shall be paid on the conditions and in the amount stipulated with Articles 28 and 29 of this Law

4 Payment of unemployment benefits, material aid during the period of vocational training, re-training and advance qualification training and of unemployment material aid shall be terminated, suspended and its duration reduced according to Article 31 of this Law

Section VII

Rights and Duties and Responsibility in the Sphere of Insurance against Unemployment

Article 34. Rights and Duties and Responsibility of the Fund

1 The Fund is authorized to

- apply finance sanctions according to this Law when insurants violate the procedure for IC payment,
- charge fines and apply other punishments stipulated by legislation, from officials and insurants for non-performance of this Law

2 The Fund is liable to

- collect insurance contributions,
- pay out security and render social services stipulated by this Law,
- use reasonably funds and secure financial stability of the Fund,
- execute control over accuracy of charging and timely payment of ICs, and expenses for UI stipulated by this Law and other legal and normative acts on UI, correct calculation and payment to insured persons partial unemployment benefit by employer,
- annually report on the results of its activities and submit it to the Cabinet of Ministers of Ukraine,
- inform insured persons on results of its work via mass media

3 The Fund shall bear responsibility according to legislation of Ukraine for harm caused by untimely or incomplete material security stipulated by this Law

Article 35. Rights, Duties and Liabilities of Employers

1 Employers are entitled to

Fund's Statute,

Protect their rights in court

2 Employers should

1) be registered at executive direction of the Fund as payers of ICs within 10 days after receiving the certificate on state registration as subjects of entrepreneurship or from the day of concluding labor agreement,

2) pay IC on time and in full size,

3) report to Executive direction of the Fund by the established procedure on the following

hire of a worker,

wages, working time use, etc ,

payment of ICs, including by insured persons,

liquidation of an enterprise, establishment or organization, change of legal status or address

3 Reliability of the data mentioned in the documents shall be confirmed by executive direction of the Fund In the cases of their non-authenticity employers should voluntarily or by court resolution reimburse to insurer for the damage caused

Employers should bear responsibility according to legislation for the damage caused to insured persons due to non-execution or improper execution of liabilities defined in part 2 of this Article

Employer is forbidden to execute any deeds that may lead to his along with insured person, making joint decision, which might impede this person or his/her family members implement their right to the security and getting social services according to this Law

4 The following is deducted from employer

amount of security paid and cost of social services rendered to an unemployed in the case of his/her renewal at the job by court decision,

amount of security unlawfully paid to an unemployed provided s/he failed to inform on his/her job placement,

amount of partial unemployment aid received by fraud

Article 36. Rights, Obligations and Responsibility of Persons

1 Insured persons are entitled to participate in UI management through their representatives according to this Law and the Fund's Statute

Insured persons who are granted material security and social services are rendered by this Law, have right to protection of their rights at court

timely on circumstances effecting terms for their material security and social services rendered to them

3 Should insured person abuses or defaults his/her obligations, the amount of security paid and cost of social services rendered to the person, is to be charged from the person according to legislation of Ukraine

In case vocational training, re-training and advance qualification training arranged by referral of State employment service, is terminated with no valid reasons, or refusal to work by occupation (specialty) acquired after the training, amount of expenses for vocational training, re-training and advance qualification training shall be charged from insured persons

Uninsured persons, who get security and are rendered social services by this Law, should carry out duties and bear responsibilities stipulated for insured persons

Article 37 Payment of Non-Received Amount of Unemployment Material Security in the Case of Death of an Unemployed

1 Amount of unemployment material security due to unemployed according to this Law that had not been received because of his/her death, shall be paid to disabled persons being dependants of deceased or who were eligible for getting support from him/her as of the day of his/her death

The following are regarded as such disabled persons

- children under 18, daytime students and pupils (cadets, probationers) till end of training but not longer than they reach 23 years of age,
- unoccupied women over 55 and men over 60,
- disabled members of family of unemployed during the period of disability,
- one of parents of deceased or his/her widow (widower) or other member of the family of deceased provided s/he does not work and takes care after children, brothers, sisters or grandchildren of deceased under 8,
- underage children supported by deceased or who were eligible for getting alimony from deceased

2 Amounts of non-received unemployment material allowance shall be paid as well to parents, wife (husband) and to family members who resided with unemployed on the day of his death and were not referred to disabled dependants of the deceased

3 In the case when several persons applied, due amount of unemployment material aid shall be divided them equally

4 Payment shall be done in the case when application for of unemployment material aid due was submitted not later than 6 months after death of unemployed

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Article 38 Responsibility for Untimely and Incomplete Payment of Insurance Contributions

1 Employers shall bear responsibility for untimely registration as insurance taxpayers, untimely and incomplete payment of ICs, including ICs paid by insured persons from employers' accounts

In the case of untimely including because of avoiding from registration as insurance taxpayers, or incomplete payment of insurance contributions by insurants, they should pay amount of additionally charged by controlling body IC (arrears), penalty and fine

Penalty is charged in the amount of hidden sum of payments on which according to legislation ICs are charged, and in the case of repeated violation - in mentioned amount three times more

Penalty shall be calculated proceeding from 120 percents of discount rate of National bank of Ukraine existing for the moment of payment, charged on full amount of arrears (without penalty) for its whole period

When term of registration as insurance taxpayers is violated, penalty shall be charged in the amount of 50 percents of the sum of ICs due to payment, for all period which passed from the day when the insurant should have been registered

2 Unpaid on time ICs, penalty and fine shall be charged in favor of the Fund's income from the insurant indisputably

Statute of limitation shall not be applied for charging ICs, penalty and financial sanctions stipulated by this Article

3 Amounts charged groundlessly from insurants, should be returned in three days after the decision on groundless charging of these payments with reimbursement for court expenses

4 Officials guilty of the infringements, administrative penalty is charged in the form of fine in the amount of eight to fifteen, and in the case of repeated infringement causing such fine within the year, ten to twenty officially established untaxed minimums of individual incomes

5 Administrative fines mentioned in the Article shall be charged by the procedure established by Labor Code of Ukraine on administrative infringements

The right to charge financial penalty and administrative charges on behalf of the Fund is given to manager of its Executive direction, his deputies, managers of working bodies of Executive direction of the Fund at Autonomous Republic of the Crimea, oblasts, cities of Kyiv and Sevastopol, and their deputies

Disputes arising from legal relations by this Law shall be resolved in court

Section VIII

Interim and Final Provisions

- 1 Law of Ukraine "On Compulsory Social Insurance for Unemployment" shall come into effect six months after its publication, except for Articles 24-26 which introduction shall be considered proceeding from economic situation of the country, annually by Verkhovna Rada of Ukraine along with approval of the size of ICs
- 2 Before Ukraine's legislation is complied with the Law of Ukraine "On Compulsory State Social Insurance for Unemployment", legislative and normative and legal acts shall be applied in the part that does not conflict with this Law
- 3 UI benefit and material unemployment aid and material aid /stipend in the period of vocational training, re-training and advance qualification training charged prior to enactment of this Law, shall be paid in terms and in amounts established by Law of Ukraine "On Employment ", before term of payment or termination of their payment expires according to article 30 of Law of Ukraine "On Employment"
- 4 Prior to legal fixing of subsistence standard to calculate payments stipulated by this Law, social norm established by Verkhovna Rada of Ukraine along with approval of Law of Ukraine on State budget of Ukraine, shall be applied
- 5 Liquidate state fund for promoting employment created according to Article 22 of Law of Ukraine "On employment" Establish that Fund for compulsory universal state social unemployment insurance of Ukraine to be successor of liquidated State Fund for promoting employment
- 6 Ukrainian coordination committee for promoting employment, created according to Article 17 of Law of Ukraine "On employment", shall form first Board of the Fund for compulsory universal state social unemployment insurance and Supervisory Council, and hold their first sittings
- 7 Cabinet of Ministers of Ukraine within six months term from the day of publication of this Law shall
 - prepare and submit for consideration of Verkhovna Rada of Ukraine proposals on bringing legal acts of Ukraine in conformity to Law of Ukraine "On compulsory universal state social insurance against unemployment",
 - bring normative and legal acts of Cabinet of Ministers of Ukraine in conformity with Law of Ukraine "On compulsory universal state social insurance against unemployment",
 - approve respective acts required to implement this Law,
 - ensure revision and canceling by Ministries and other bodies of central executive power, of their normative acts contradicting this Law

Appendix III

1999-2000 Employment Forecast for Ukraine

Forecast of the number of employed in Ukraine for 1999-2000

Forecast of the number of employed in Ukraine for 1999-2000 was made using more detailed classification of branches of economy (and spheres of economic activity) basing on the results of corresponding forecast for 1999-2005 (Table 2.6.2.5, 2.6.2.7)

Material of this forecast consists of two parts: employment forecast by spheres of economic activity (Table 2.6.2.9) and employment forecast by branches and subdivisions of industry (Table 2.6.2.10)

Employment forecast by branches and subdivisions of industry (Table 2.6.2.10) was based on statistical data concerning average annual number of employed by branches and subdivisions of industry presented in the Appendix (Table 4.1a)

Projections were provided using economical/mathematical methods and expert assessments

Therefore relation between quite sensitive trends in the employment changes in aggregated branch of industry and its subdivisions was used in the forecast. For a few branches of economy especially those with unsatisfactory sensitive characteristics expert technique was used.

Analysis of the reported data shows that notwithstanding deep economical crisis, employment growth was observed in certain branches of economy. Since 1994 until 1997 in ferrous metals production (ferrous metallurgy) the number of employed increased from 186.1 thousand persons to 202.4 thousand persons. In steel pipes and tubes production – from 48.6 thousand persons to 50.3 thousand persons. Starting from 1996 a small growth of employment began in non-ferrous industry. Number of employed in major industries has stabilized in the last years but in most of these the employment decrease still continues.

It should be noted that the above-mentioned employment growth in metallurgy sectors is unstable and according to the present forecast employment decrease should be expected there in future due to the metallurgy production decrease which is already happening during the current year.

Moreover it should be taken into account that the presented forecast data reflect the worst case. The optimistic option is that employment situation in certain of the listed industry subdivisions will be better than total situation in the aggregated branch of industry.

It should be taken into account that forecast data for 1998-2000 presented for branches of industry are indicated only for subdivisions with no less than 5 thousand employed persons.



**Forecast of employment at all spheres of economic activity of Ukraine
for 1998-2000**

thousand persons

	1998	1999	2000
<i>TOTAL number of employed</i>	22030	21556	21133
<i>TOTAL number of employed in branches of economy</i>	19279	18839	18557
Industry	4738	4666	4585
Agriculture, forestry, fishery	4752	4522	4278
Agriculture	4665	4436	4192
Forestry	67	67	67
Fish farming	20	19	19
Transport	967	937	942
Communication	275	280	286
Construction	1137	1104	1096
<i>Sphere of commodity circulation</i>	1527	1464	1583
Trade	1074	1022	1121
Public catering	205	201	207
Intermediary services	19	17	19
Material supply and procurements	128	127	131
State procurement of agricultural products	75	70	76
Computing and accounting services	22 4	23	25
Real estate operations	4 1	4 3	4 5
General commercial market supporting services	29	30	32
Geology, geodesy, land survey	31 5	32	33
Production consumer services	130	130	131
Miscellaneous production industries	175	174	175
Housing and communal economy, public utilities and amenities	802	793	793
Public health service, physical culture and social protection services	1443	1432	1430
Public education	1713	1706	1700
Culture and art	270	269	266
Finance, credit, insurance	150	160	170
Governmental and public administration	760	759	750
Other types of economical activity	353	354	278
Employed in other spheres of economy	2750	2717	2576
Religious organizations	21	21	21
Individual labor activity	1025	1013	1010
Businessmen	1660	1640	1500
Self-employed	44	43	45

Table 2 6 2 10

Forecast of the number of employed in branches and subdivisions of industry

		thousand persons		
Codes	Branches	1998	1999	2000
10000	INDUSTRY	4351	4327	4335
11100	Electrical power industry	193 8	201 7	210 2
	Electric energy			
11110	Thermal power stations	65 9	68 6	71 5
11120	Nuclear power stations	29 1	30 3	31 6
11170	Electric power transmission networks	79 7	82 9	86 4
11180	Thermal power transmission networks	15 3	16 0	16 6
11200	Fuel industry	437 7	432 6	443 5
11210	Oil extracting industry	5 8	5 7	5 8
11220	Oil refining industry	21 9	21 6	26 6
11230	Gas extracting industry	9 2	9 1	10 6
11231	Natural gas production	5 7	5 6	5 7
11300	Coal industry	398 3	393 7	394 7
11310	Coal mining	381 5	377 1	368 1
11312	Underground coal mining	377 7	373 4	363 7
11320	Coal dressing and processing	21 1	20 8	26 6
11700	Nuclear power industry	7 1	7 0	6 9
11710	Mining and primary processing of uranium ore	7 0	6 9	6 8
12100	Ferrous metallurgy	424 8	425 5	426 1
12110	Ferrous metal ores mining and processing	82 6	82 7	78 8
12111	Underground mining of ferrous metal ores	30 4	30 5	30 5
12112	Open pit quarrying of ferrous metal ores	52 1	52 2	49 9
12120	Extraction and processing of non-ore ferrous raw materials for ferrous metallurgy	8 9	8 9	8 5
12130	Ferrous metals production	203 9	204 2	206 6
12140	Steel pipes and tubes production industry	48 0	48 1	47 7
12150	Electrometallurgical ferrous products	11 3	11 3	11 5
12160	Coke/chemical industry	27 6	27 7	27 3
12170	Refractories	16 6	16 6	16 2
12180	Collection of scrap metal and other secondary raw materials	8 1	8 1	8 5
12190	Steel wire drawing, steel nails cold rolled steel strips and other primary fabricated structural metal products	17 8	17 9	20 9
12200	Nonferrous metallurgy	35 1	35 2	35 2
12209	Miscellaneous nonferrous metals /subtotal/	15 3	15 4	15 9
12210	Aluminium industry	10 9	10 9	11 1
12212	Primary production of aluminium and by-products	10 9	10 9	11 1
12250	Titanium and magnesium industry	5 4	5 5	5 6
12310	Rare earth and semiconductor primary products	7 9	8 0	7 9
13000	Chemical and petroleum-chemical industry	204 0	201 6	200 0
13100	Chemical industry	172 4	170 3	168 9



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Codes	Branches	1998	1999	2000
13113	Soda chemicals	5 0	5 0	4 8
13101	Chemical mineral mining	4 7	4 7	4 6
13110	Basic /inorganic/ chemicals	101 9	101 2	100 8
13111	Nitrogen products incl Nitrogenous fertilizers	36 0	36 1	36 0
13112	Phosphate fertilizers and other inorganic chemicals	22 7	23 4	24 6
13114	Chlorine chemicals	18 0	18 0	18 0
13116	Other inorganic chemicals	19 3	17 9	16 6
13102	Chemical explosives and other chemicals for ammunition	15 2	14 9	14 7
13120	Synthetic organic and cellulose fibers	15 3	14 6	14 0
13140	Finished plastic products fiber glass and laminated fiberglass and products	17 5	18 3	19 4
13141	Finished plastic products (except phonograph records magnetic tape and compact disks)	11 6	12 6	13 7
13150	Paints varnishes enamels and allied products	10 7	10 8	11 0
13180	Chemical photographic supplies	6 5	6 0	5 6
13300	Petroleum chemical industry	31 8	31 5	31 4
13350	Industry of tires	16 4	16 2	16 1
13351	Tires and inner tubes production	15 2	15 1	15 0
13360	Industry of rubber-asbestos products	13 1	13 0	13 0
13361	Industrial and commercial rubber products	8 4	8 5	8 7
14000	Mechanical engineering and metal-working industry	1517 8	1500 0	1489 1
14100	Mechanical engineering	1180 5	1166 7	1158 2
14101	Industry of machines for heavy power and transport industries			
14110	Power machinery production, except diesel engines	13 5	13 4	13 4
14111	Steam gas hydraulic turbines	11 4	11 3	11 2
14120	Diesel engines production	18 7	18 5	18 3
14130	Metallurgical equipment and machinery	34 0	33 8	33 6
14140	Equipment and machinery for mining	49 9	49 7	49 5
14150	Lifting transport machinery and equipment	21 4	21 3	21 1
14152	Construction of cranes	6 5	6 4	6 4
14156	Production of other lifting transport, loading-and-unloading and warehouse equipment	6 3	6 4	6 4
14160	Railroad equipment	47 3	47 0	46 8
14170	Electric machinery and equipment	130 1	129 0	128 4
14171	Industrial and commercial electric machinery and equipment	92 4	91 3	90 7
14172	Insulated cable products	10 1	10 0	10 0
14173	Electric lamps	12 0	12 0	12 1
14174	Porcelain and other electrical insulators	5 6	5 5	5 5
14175	Storage and primary electric batteries	6 1	6 2	6 2
14180	Chemical and oil refining equipment	78 5	78 2	78 0
14181	Chemical equipment	29 0	28 9	28 8

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Codes	Branches	1998	1999	2000
14183	Oil field and geology drilling machinery and equipment	9 6	9 6	9 6
14194	Pumps except vacuum pumps	12 1	12 2	12 2
14195	Industrial and commercial valves and pipe fittings	11 8	11 7	11 6
14200	Machine tools machinery and accessories	51 4	50 9	50 6
14210	Metal cutting machines	17 8	17 5	17 4
14230	Metal forming and pressing machines	11 0	10 9	10 9
14251	Metal and wood cutting accessories	6 7	6 7	6 6
14253	Man-made industrial diamonds abrasive products and accessories	6 7	6 6	6 6
14290	General machinery semi-fabricated products components and accessories	37 2	37 0	36 9
14291	Production of half-finished products	31 1	31 0	30 9
14292	General industrial components and accessories	5 7	5 6	5 6
14320	Instrument-making industry(including instruments for aviation defence, electronic ship-building factories)	98 7	97 2	96 3
14321	Instruments for controlling and regulating technological	26 7	26 4	26 3
14322	Electric measuring instruments	11 8	11 6	11 5
14323	Radio measuring instruments	14 0	13 8	13 6
14324	Optical and optical-mechanical instruments	22 8	22 4	22 2
14329	Instruments and devices for medical physiological and biological measurements	11 9	13 0	13 8
14330	Industry of computing and accounting machines	13 6	13 3	13 2
14331	Production of accounting hardware and spare parts	13 6	13 3	13 2
14340	Automobile industry	66 3	65 6	65 1
14341	Motor vehicles buses trolley-busses and trailers	54 8	54 1	53 7
14350	Bearings industry	11 6	11 5	11 5
14400	Tractors and agricultural machinery and equipment	110 4	109 0	108 1
14410	Agricultural and industrial tractors	50 2	49 4	48 9
14420	Agricultural machinery and equipment	36 9	36 4	36 2
14430	Livestock and feeding machinery and equipment	23 3	23 1	22 9
14500	Road construction/municipal machinery and equipment	28 6	28 3	28 1
14510	Road construction machinery	15 3	15 1	15 0
14511	Road construction and dredging machinery	11 3	11 2	11 1
14540	Municipal machinery and equipment	8 2	8 1	8 1
14600	Machinery and equipment for light and food industries	53 2	52 5	52 1
14620	Technological machinery for food and feeds industries	25 0	24 7	24 6
14640	Technological machinery for printing industry	2 1	2 1	2 0
14650	Household appliances	17 7	17 5	17 3

Codes	Branches	1998	1999	2000
14651	Electric household appliances and sewing machines except household refrigerators and freezers	10 5	10 2	10 0
14652	Household refrigerators and freezers	7 3	7 2	7 2
14710	Sanitary ware plumbing fixtures heating equipment gas-fire and gas heating equipment	26 1	25 9	25 8
14711	Sanitary ware plumbing fixture production	21 5	21 3	21 3
14709	Defense and miscellaneous machinery industries	316 7	311 2	307 8
14720	Aircraft and parts	54 4	53 9	53 6
14740	Shipbuilding	62 7	62 1	61 7
14750	Radio equipment	40 6	39 4	38 6
14760	Communication equipment	60 6	59 4	58 7
14770	Electronic components and accessories	52 9	51 6	50 8
14771	Electronic components, except special technological equipment	47 0	45 9	45 2
14772	Special electronic technological equipment, including research and measurement	5 9	5 7	5 6
14780	Machinery and equipment not elsewhere classified	9 9	9 8	9 8
14781	Types of production machinery, except transport and glass industry	5 2	5 1	5 0
14800	Fabricated structural metal products and finished metal products	77 3	76 8	76 6
14810	Fabricated structural metal products	24 1	24 0	23 9
14811	Fabricated structural steel products	19 2	19 1	19 0
14830	Industrial and commercial fabricated metal products, except related to ferrous metal industry	43 4	43 3	43 3
14831	Fabricated construction metal products	5 3	5 3	5 2
14839	Miscellaneous fabricated metal products	32 9	32 5	32 3
14840	Household fabricated metal products	9 8	9 5	9 4
14841	Household kitchen ware	6 7	6 6	6 5
14900	Machinery and equipment repair	259 0	256 5	254 4
14912	Other industrial machinery and equipment repair	43 0	42 7	42 5
14914	Railroad stock repair	29 0	28 8	28 6
14921	Ship repair	16 7	15 8	15 6
14931	Truck and bus repair	9 7	9 5	9 4
14934	Tractors and agricultural machinery and equipment repair	126 0	125 2	124 5
14971	Miscellaneous industrial machinery and equipment repair	15 0	14 8	14 2
15000	Forestry, woodworking and wood-pulp industry	212 6	212 2	213 9
15100	Logging	53 5	59 6	61 6
15200	Woodworking industry	136 4	131 2	127 2
15210	Saw timber industry	27 0	25 0	25 0
15220	Prefabricated wood residential buildings	22 0	22 4	23 5
15230	Millwork and particleboard	24 7	22 2	21 0
15270	Furniture industry	56 0	55 0	51 0



Codes	Branches	1998	1999	2000
15300	Paper and wood-pulp industry	21 4	22 4	25 0
15310	Pulp, paper and paperboard products	15 7	14 9	14 1
15320	Paper and paperboard containers and boxes	1 1	0 9	0 7
15330	Paper and paperboard products except containers	4 5	6 7	10 3
15400	Wood-chemical products			
16100	Construction materials	242 0	242 7	245 6
16110	Cement	14 7	14 8	14 9
16140	Concrete products for construction	77 7	75 1	73 1
16150	Bricks and other structural products	68 4	70 1	72 6
16160	Ceramic wall and floor tile industry	9 6	10 0	10 5
16162	Ceramic wall and floor tile product on	7 6	7 9	8 2
16180	Construction sand gravel crushed and broken granite	27 4	26 9	26 7
16210	Dimension stone quarrying, cut stone products	5 7	5 9	6 0
16230	Limestone and gypsum quarrying and lime and gypsum products	9 2	10 2	11 4
16231	Crushed and broken limestone and gypsum quarrying	6 6	8 0	9 7
16270	Miscellaneous construction products	16 2	17 5	19 1
16500	Glass, china and pottery industries	53 5	53 4	53 6
16510	Glass products	33 3	33 3	33 5
16513	Glass containers	10 4	10 7	11 0
16514	Household glassware	12 3	12 8	13 3
16550	China and pottery products	20 2	20 1	20 1
17000	Light (textile, apparel, leather, footwear)	290 2	290 1	290 0
17100	Textile mill products	106 8	100 2	94 1
17112	Primary flax processing	5 7	5 0	4 4
17116	Cotton broad woven fabric mills	27 0	25 8	24 8
17117	Flax broad woven fabric mills	5 8	5 4	5 0
17120	Broad woven fabric and carpet mills	12 9	11 5	10 3
17131	Man-made and natural silk broad fabric mills	7 5	6 7	6 0
17140	Narrow fabrics and other small wares mills	8 2	7 6	7 1
17150	Knitting mills	32 9	31 2	29 6
17200	Apparel and other finished fabrics products	118 3	124 7	131 4
17300	Leather footwear and fur products	62 8	62 5	62 2
17310	Leather tanning and finishing	8 8	8 2	7 8
17370	Footwear except rubber	40 8	40 6	40 4
17371	Footwear (except rubber), except custom footwear	40 2	39 2	38 2
18000	Food products	574 0	559 8	549 1
18100	Food products, except fish, meat and dairy	410 1	404 2	400 2
18111	Sugar industry	97 5	97 7	97 9
18113	Baking industry	107 3	106 5	105 9
18114	Confectionery	33 6	32 4	31 4
18121	Industry of vegetable fats and oils except soap	25 9	26 4	27 7
18141	Grain and other distillery	16 8	17 7	18 7
18142	Vodka and similar alcoholic beverages	8 9	9 2	9 8
18143	Wines and brandy	16 4	16 6	16 8
18144	Beer	16 1	15 7	15 3
18145	Soft drinks and carbonated waters	8 6	8 0	7 2

Codes	Branches	1998	1999	2000
18150	Canned and preserved fruits and vegetables	47 4	43 8	41 5
18152	Canned fruits and vegetables	45 0	41 9	39 9
18160	Salt industry	5 5	5 5	5 6
18180	Tobacco manufactures	7 0	8 0	8 9
18182	Cigarettes and other tobacco products	6 3	6 5	6 8
18200	Meat and dairy products	148 4	143 9	140 7
18210	Meat products	80 5	77 3	75 0
18211	Meat except animal glues	80 0	76 8	74 5
18220	Dairy products	68 0	66 8	66 1
18221	Dairy products except condensed canned milk	64 4	63 2	62 5
18300	Fish industry	17 3	15 2	13 5
18301	Fish industry except canned fish products	14 3	12 3	10 8
19200	Flour, other grain mill and prepared feeds products	64 1	62 2	60 3
19210	Flour and other grain mill products	43 5	45 6	47 8
19211	Flour-milling industry	33 5	34 5	35 5
19212	Other (cereals) grain mill products	9 3	9 6	9 8
19220	Mixed feed industry	22 9	20 7	18 7
19223	Mixed feeds and albumen-vitamin premixes	23 0	20 7	18 8
19300	Medical industry	20 9	21 3	21 3
19310	Chemical-pharmaceutical products	15 6	16 2	16 7
19400	Printing industry	25 6	24 8	25 5
19700	Miscellaneous industries	42 0	46 7	51 0
19730	Jewelry industry	6 4	6 3	6 3
19732	Production and repair of jewelry (except production and repair of jewelry by customers order)	5 6	5 7	5 7
19780	Full-system water pipes	14 1	14 2	14 2
19790	Other industries	16 8	16 8	16 7

Appendix IV

Government of Ukraine Organizational Structure

Figure 2

Government of Ukraine Organizational Structure

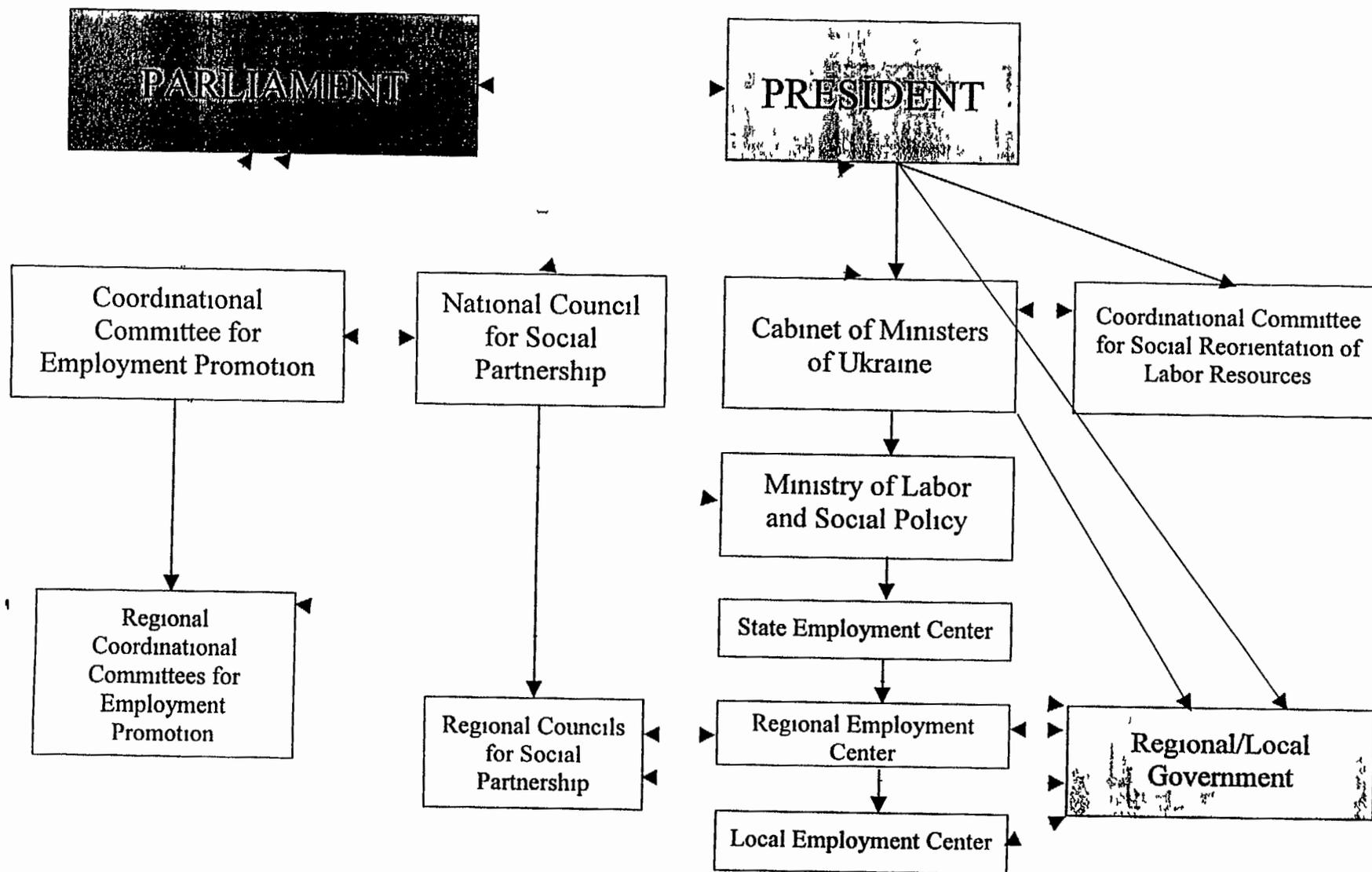


Figure 3

Structure of Ministry of Labor and Social Policy of Ukraine

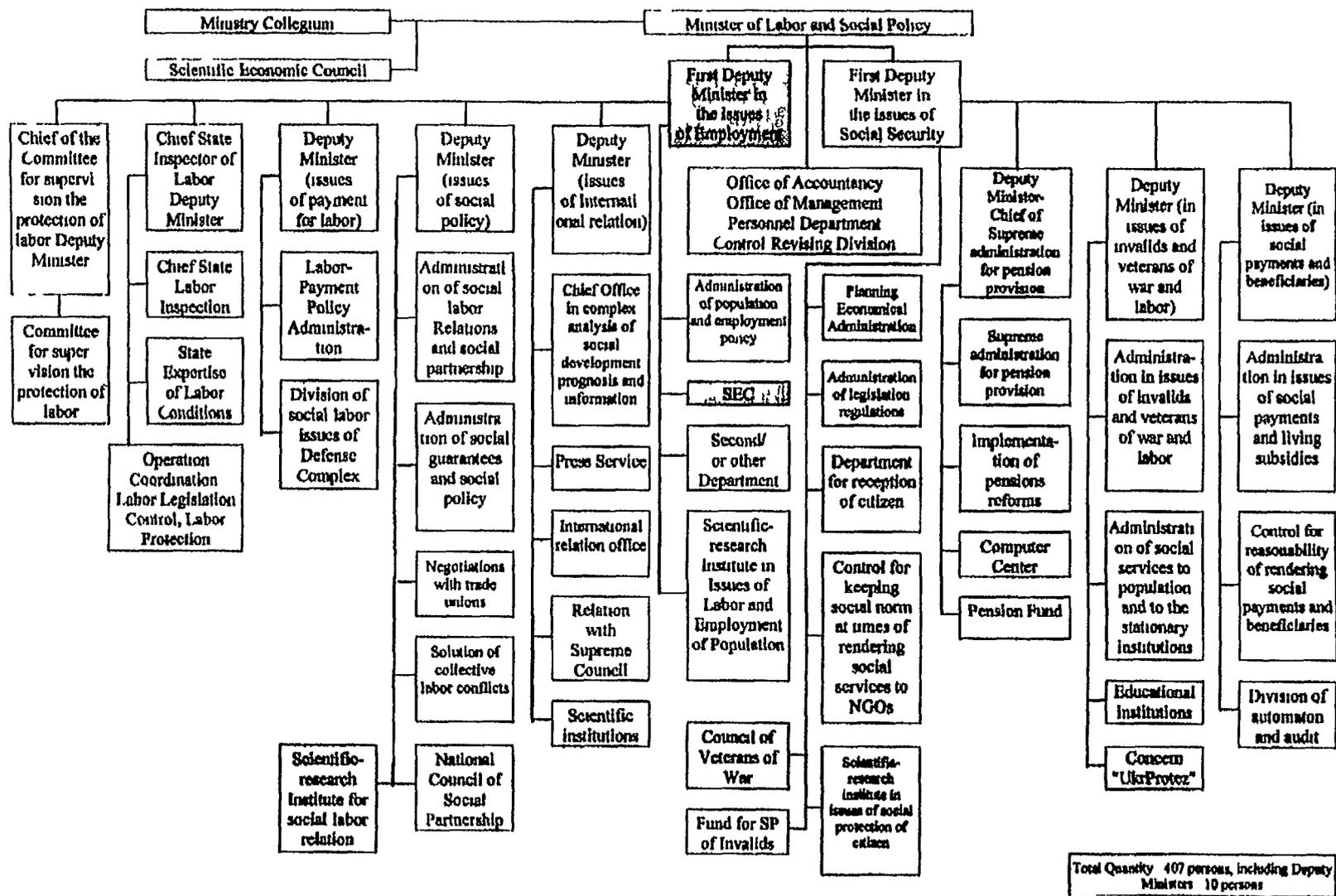


Figure 4

Structure of State Employment Center of the Ministry of Labor and Social Policy of Ukraine

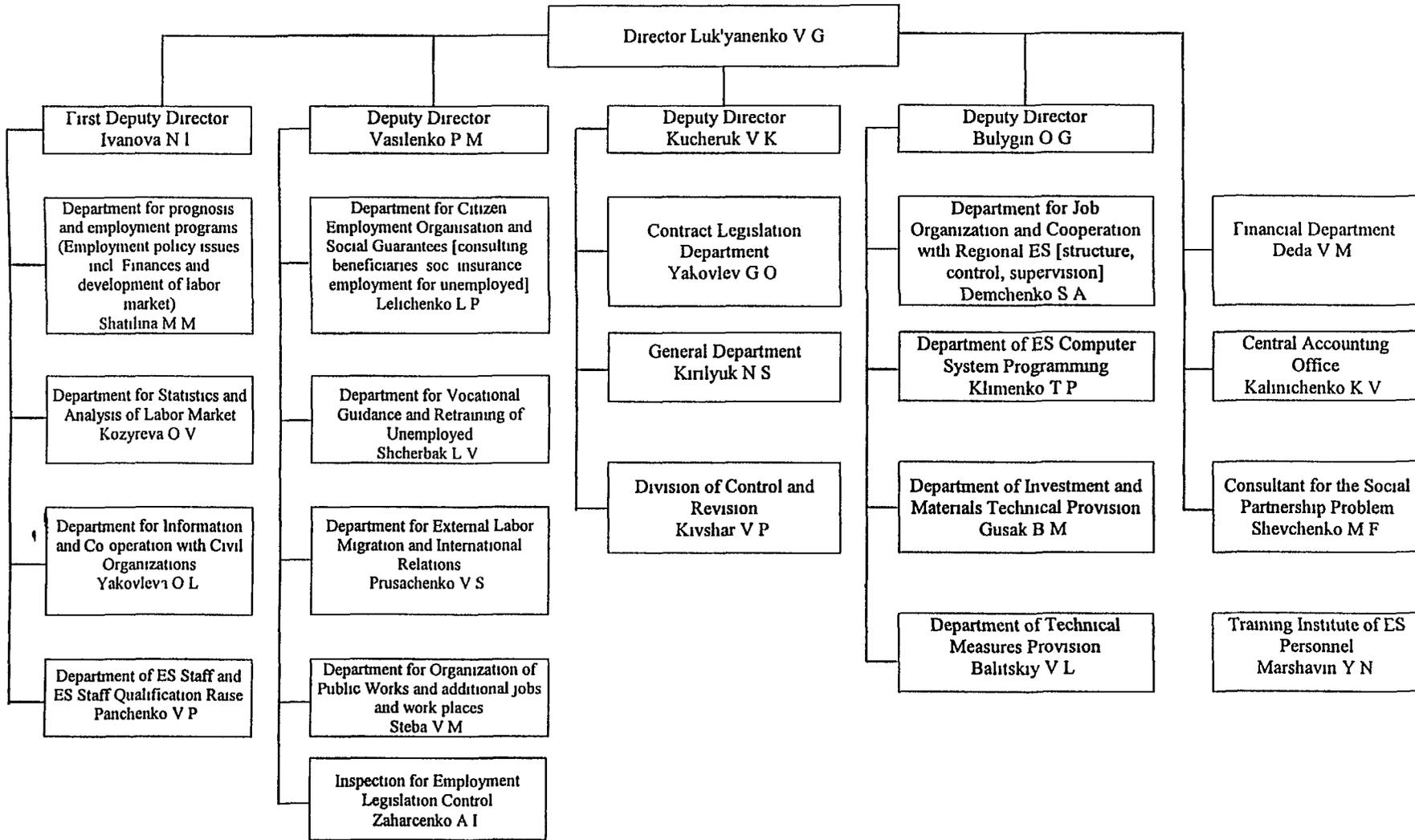
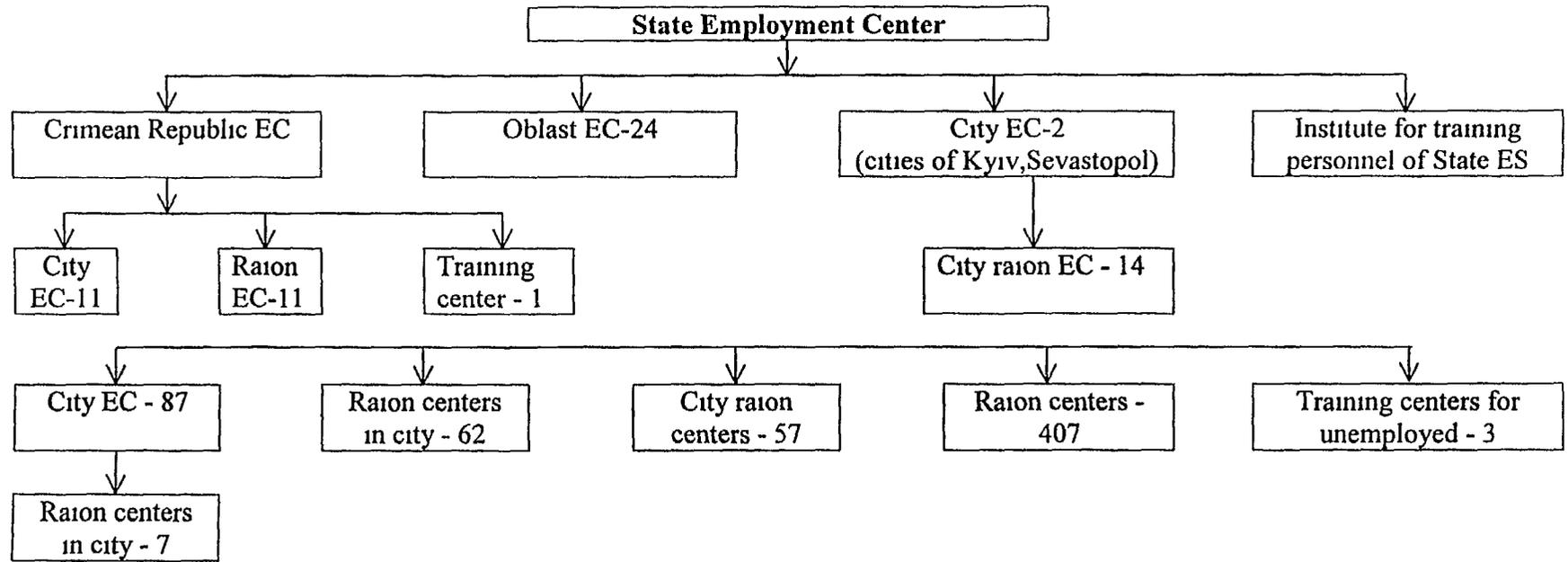


Figure 5
Structure of State Employment Service



Sec Staff as of January 1, 1998	Total Staff	Territorial level						
		National	Republic of Crimea	Oblast	City	Raion in city	Raion	City-raion
Actual number of employment center employees, total	11,996	161	99	1,668	2,711	1,811	4,207	1,339
Numbers of staff of training centers for unemployed (4 centers)	39							
Number of employees of Institute for training personnel of State ES	45							

Appendix V

Table on Ukrainian SES Model

Table A Ukrainian SES Model Page 1		6/22/98	F	G			
	1995	1996	1997	1998	1999	1999	2000
Panel 1 Labor Market Controls							
Annual Unemp Rate - %		7 00	8 52	9 50	10 00	Exogenous	10 00
Labor Force - (000s)		25900	26100	26300	26500	Exogenous	26700
Annual Unemployment (000s)		1813	2224	2499	2650	G6*G7/100	2670
Avg Monthly Wage	80 75	138 49	156 08	170 13	185 44	F9*(1-(G10/100))	202 13
Ann Wage Growth - %		71.5	13.2	9 0	9 0	Exogenous	9 0
Panel 2 SES Workload							
Workload on Jan 1							
Unoccupied	113.2	161 3	392 4	677 9	872 4	F23 F27	941 2
Official Unemployment	82.2	126 9	351 1	637 1	824 3	F24-F28	910 8
UI Beneficiaries	47 8	74 4	214 6	361 6	450 4	0 422*F25	480 2
Inflow During the Year							
Unoccupied	526 9	821 3	1062 9	1194 3	1266 7	0 478*G28	1276 3
Official Unemployment	175 5	431 7	676 7	784 2	831 7	(0 6366+(0 02*SCS158))*G19	838 0
UI Beneficiaries		362 4	640 9	705 7	748 5	0 9*G20	754 2
Total Workload for the Year							
Unoccupied	640 1	982 6	1455 3	1872.2	2139 1	G15-G19	2217 5
Official Unemployment	257 7	558 5	1027 8	1421.2	1656 0	G16-G20	1748 8
UI Beneficiaries		436 7	855 5	1067.3	1198 9	G17-G21	1234 4
Terminations During the Year							
Unoccupied	478 8	590 4	777 2	999.7	1197 9	0 56*G23	1241 8
Official Unemployment	130 9	207 4	390 7	596.9	745.2	0 45*G24	787 0
UI Beneficiaries		222.2	493 9	616 9	718 8	0 6*G17	745 1
Panel 3 Benefit Payments							
Official Unemployment - Annual Workload							
Off U - Released		149 0	289 0	399 5	662 4	G24*G139	699 5
Off U - Common Ground		274 4	506 9	701 0	662 4	G24*G140	699 5
Off U - Students Ex-Military		55.2	89 8	124 2	124 2	G24*G141	131 2
Off U - Reentrants		72 8	129 9	179 6	190 4	G24*G142	201 1
Off U - Pre Pensioners		7 1	12.2	16 9	16 6	G24*G143	17 5
Off U - Total		558 5	1027 8	1421.2	1656.0	SUM(G34 G38)	1748 8
Annual Workload by Type of Beneficiary							
UI Ben - Released		130.2	260 0	359 5	596 1	0 8999*G34	629 5
UI Ben - Common Ground		202 7	406.2	561 7	530 9	0 8014*G35	560 6
UI Ben - Students Ex-Military		43 6	75.2	104 0	104 0	0 837*G36	109 8
UI Ben - Reentrants		54 5	103 2	142 7	151 3	0 7944*G37	159 8
UI Ben - Pre Pensioners		5 8	10 6	14 7	14 4	0 8691*G38	15 2
UI Ben - All Beneficiaries		436 7	855 5	1182 6	1396 6	SUM(G41 G45)	1474 8
Average Benefit Duration (Months)							
Avg Dur - Released		5.29	5 71	6 20	8 64	1 2*(0 46+(0 0467*(G6 7)))*SES139	8 64
Avg Dur - Common Ground		3 46	3 44	3 57	3 65	1 2*(0 4517-(0 0186*(G6-7)))*SES140	3 65
Avg Dur - Students Ex-Military		3 62	3 75	3 99	4 12	1 2*(0 472-(0 0556*(G6 7)))*SES141	4 12
Avg Dur - Reentrants		3 47	3.57	3 78	3 91	1 2*(0 452-(0 0 03*(G6-7)))*SES142	3 91
Avg Dur - Pre Pensioners		5 61	5 68	5 96	6 13	1.2*(0 244+(0 0132*(G6-7)))*SES143	6 13
Avg Dur - All Beneficiaries		4 05	4 20	4 46	5 87	G65/G46	5 87

Table A Ukrainian SES Model Page 2		6/22/98		F	G		
55		1995	1996	1997	1998	1999	2000
56							
57							
58	Panel 3 (Continued)						
59	Total Months of Benefits Accrued						
60	Tot Mon - Released		689	1485	2230	5151	G41*G48 5440
61	Tot Mon - Common Ground		702	1398	2006	1940	G42*G49 2048
62	Tot Mon - Students Ex-Military		158	282	414	429	G43*G50 453
63	Tot Mon - Reentrants		189	369	540	591	G44*G51 624
64	Tot Mon - Pre Pensioners		33	60	88	88	G45*G52 93
65	Tot Mon - All Beneficiaries		1770	3593	5278	8199	SUM(G60 G64) 8659
66	Avg Monthly Benefit						
67	Avg Mon Ben - Released	18 44	35 56	46 49	52 78	62,55	((0 5*G9)+(0 5*F9))*SDS149*SGS149 67,56
68	Avg Mon Ben - Common Ground	15,70	30,27	39,64	45,24	48 84	((0 6*G9)+(0 4*F9))*SDS150*SGS150 52 76
69	Avg Mon Ben - Students Ex Mil	10 59	15,88	16 60	16 60	16,60	G154 16 60
70	Avg Mon Ben - Reentrants	7 96	13 79	16 15	16,60	16 60	G155 16 60
71	Avg Mon Ben - Pre Pensioners		42 6	52 3	56,5	61 0	G156 65 9
72	Avg Mon Ben - All Beneficiaries	14 91	28 73	37,59	42,50	52 91	1000*G79/G65 56 99
73	Total Ben - Current Year						
74	Total Ben - CY - Released		24 5	69,0	117,7	322,2	(G41*G48*G67)/1000 367 5
75	Total Ben - CY - Common Ground		21 3	55,4	90,8	94 7	(G42*G49*G68)/1000 108 1
76	Total Ben - CY - Students Ex-Mil		2 5	4 7	6,9	7 1	(G43*G50*G69)/1000 7 5
77	Total Ben - CY - Reentrants		2 6	6,0	9,0	9 8	(G44*G51*G70)/1000 10 4
78	Total Ben - CY - Pre Retirement		1 4	3 1	4,9	5 4	G45*G52*G71/1000 6 1
79	Total Ben - CY - All Beneficiaries	9 7	50,9	135 1	224,3	433 9	SUM(G74 G77)+(G159*G78) 493 5
80							
81							
82		1995	1996	1997	1998	1999	2000
83	Panel 4 SES Active Measures						
84	Vocational Training - Accruals		21,2	14 1	15,3	16,7	F84*(1+(G10/100)) 18,2
85	Voc Training - Expenditures		17,7	16,6	17,0	16,7	F84*(1+(G10/100)) 18,2
86	All Other		0 6	1,9	2,1	2,3	F86*(1-(G10/100)) 2 5
87	Total	14,3	18 3	18,5	19,1	19,0	G85+G86 20 7
88							
89							
90		1995	1996	1997	1998	1999	2000
91	Panel 5 SES Administrative Expenses						
92	Staff Salaries - Accruals	33 1	40,2	39 8	42 5	45 3	F92+(1+G9/100) 48 3
93	Staff Salaries - Expenditures	31,6	37 1	43 4	42 6	45,3	F92+(1+G9/100) 48,3
94	Administration - All Other	30 3	15 9	6 4	7 0	7 6	F94*(1+(G10/100)) 8 3
95	Trans to Budgets and Pen Fund	47 0	33,5	1 8	0 0	0 0	0 0 0 0
96	Total	108 9	86 4	51 6	49 5	52 9	G93+G94+G95 56 6
97							
98							
99		1995	1996	1997	1998	1999	2000
100	Panel 6 Revenues						
101	Total Employment		24087	23876	23802	23850	G7-G8 24030
102	Establishment Employment	15323	14220	13098	13024	13072	G101 10778 13252
103	Average Monthly Wage	80 75	138 49	156,08	170,13	185 44	G9 202 13
104	Establishment Wage Bill	14848	23631	24533	26588	29089	G102*G103*12/1000 32143
105	Implied Covered Employment		11621	11376	12112	12157	1000*G106/G103/12 12324
106	SES Total Wage Bill		19313	21306	24727	27053	0 93*G104 29893
107	Payroll Tax Accruals		386 3	298 4	494 5	541 1	0 02*G106 597 9
108	Payroll Tax Collections		275 5	212 8	385 7	422 0	0 78*G107 466 3
109							

111 Table A. Ukrainian SES Model Page 3		6/22/98		F	G				
112									
113		1995	1996	1997	1998	1999	1999	2000	
114	Panel 7 Summary								
115	Revenues		275.5	212.8	385.7	422.0	0.78*G107	466.3	
116	Total Outlays Accruals	134.3	162.2	199.0	291.1	505.7	G117-G118+G119+G120	570.8	
117	UI Benefit Accruals	9.7	50.9	135.1	224.3	433.9	+G79	493.5	
118	Proactive Measures Accruals	14.3	21.8	16.0	17.4	19.0	G87+(G84-G85)	20.7	
119	SES Salaries Accruals	33.1	40.2	39.8	42.5	45.3	+G92	48.3	
120	All Other Administration	77.2	49.4	8.2	7.0	7.6	G94+G95	8.3	
121	Total Outlays - Expenditures	132.8	145.6	198.9	309.4	505.7	G122-G123+G124-G125	570.8	
122	UI Benefit Payments	9.7	40.9	128.8	240.8	433.9	+G117	493.5	
123	Proactive Measures	14.3	18.3	18.5	19.1	19.0	+G87	20.7	
124	SES Salaries	31.6	37.1	43.4	42.6	45.3	+G93	48.3	
125	All Other Administration	77.2	49.4	8.2	7.0	7.6	G94+G95	8.3	
126	UI Benefit Arrears - Jan 1	0.0	0.0	9.8	16.5	0.0	0.0	0.0	
127	SES Sal Arrears - Jan 1	0.0	0.0	2.2	0.1	0.0	0.0	0.0	
128	Training Arrears - Jan 1	0.0	0.0	4.4	1.7	0.0	0.0	0.0	
129									
130	Revenues Minus Outlay Accruals				94.6	-83.7	G115-G116	-104.5	
131	Balance after Paying Arrears				76.3				
132									
133									
134	Panel 8 Benefit Control Parameters								
135			Maximum	Maximum	Official Un	Official Un		Official Un.	
136			Duration	Duration	Inflow Mix	Inflow Mix		Inflow Mix	
137			1995-98	1999-00	1998	1999		2000	
138									
139	Released		9	12	0,2811	0,400	Exogenous	0,400	
140	Common Ground		6	6	0,4932	0,400	Exogenous	0,400	
141	Students Ex-Military		6	6	0,0874	0,075	Exogenous	0,075	
142	Rentrants		6	6	0,1264	0,115	Exogenous	0,115	
143	Pre Pensioners		18	18	0,0119	0,010	Exogenous	0,010	
144									
145			Replace-	Replace-	Mon Wage	Mon Wage		Mon Wage	
146			ment Rate	ment Rate	Adjust.	Adjust.		Adjust.	
147			1995-98	1999-00	1995-97	1998	1999	2000	
148									
149	Released		0,58333	0,64583	0,55	0,55	0,54	0,55*(1-1,2*((G154/G9)-0,0975))	0,54
150	Common Ground		0,50000	0,50000	0,55	0,55	0,54	0,55*(1-1,2*((G154/G9)-0,0975))	0,54
151									
152	Minimum Benefit Flat Benefit	1995	1996	1997	1998	1999		2000	
153									
154	Students Ex Military	10,59	15,9	16,6	16,6	16,6	Exogenous	16,6	
155	Rentrants	7,96	13,8	16,15	16,6	16,6	Exogenous	16,6	
156	Pre Pensioners		42,6	52,3	56,5	61,0	Exogenous	65,9	
157									
158	Change in Waiting Period 1998	1					Exogenous		
159	Reimburse Pen Fund (Yes = 1)	0	0	0	0	0	Exogenous	0	
160									
161	Units Employment, Unemployment and UI Beneficiaries in thousands							Benefits and taxes in millions	

Appendix VI

LMI Recommendations for Ukraine

Figure 1

LMI Recommendations for Ukraine

Recommendations	Status June 1999
1 LMI Structure and Infrastructure Enhancements	
a) Improve Employer Listing	Work has begun but much remains to be done
b) Implement ID Numbers for Employers and Individuals	Work has begun but much remains to be done
c) Unify Industry and Occupational Coding	Work nearly completed
d) Simplify/Streamline Employer Reporting	No action has been taken
2 New/Improved Database Development	
a) Labor Force Survey	Quarterly survey implemented in 1999
b) Census of Population	Planning in process for 2001 Census
c) Improve Occupational Information including Wages	Much work needs to be done
d) Develop Industry and Occupational Forecasts	Industrial forecasts developed through 2005
e) Raion Level Labor Force Estimates	SCS and SES invited US expert
f) Increase Availability of Current Job Openings	SES automation contract addressing this issue
g) Implement a Revised Job Matching Database	SES automation contract addressing this issue
h) Develop Estimates of Future Job Openings	Much work needs to be done
i) Measure Employment in the Informal Sector	Much work needs to be done
j) Clarify Administrative Leave Statistics	No action has been taken
k) Implement Employer Survey of Employment	SCS interest has been expressed
l) Improve Occupational Supply Databases	Much work needs to be done
3 Analysis and Use of LMI	
a) Increase Understanding and Use of LMI	Work has begun but much remains to be done
b) Consider Designation of Statistical Areas	No action has been taken
c) Begin Implementation of an Automated LMI System	Work has begun but much remains to be done
d) Improve Career Information	Work has begun but much remains to be done
4 LMI Training	
a) Conduct Training of LMI Data Producers	Work has begun but much remains to be done
b) Conduct Training of LMI DataUsers	Work has begun but much remains to be done



Figure 2

LABOR MARKET INFORMATION DATA SOURCES FOR UKRAINE

Date Category	Source	Coverage	Time Period	Geography	Comments
1 Labor Force					
a current employment b current unemployment c characteristics	Labor Force Survey (SCS) ¹	sample by place of residence	quarterly	national oblast	comparable data from 1995 industry code change for 1997 data
d current job seekers and unemployed	SES ² Activity	universe potential by place of residence	collected monthly and daily	national oblast and raion	comparable data from 1993
2 Industry					
a current employment b current wages	Labor Report (SCS)	universe by place of work	monthly (large firms) annually (all firms)	national oblast, raion	data from 1984, industry code change for 1998 data coverage of small firms is incomplete a new form required beginning 1997
c industry staffing d industrial projections	inadequate Institute for Economic Forecasting	20 industries all industries	annual survey 1998-2005	national national and oblast	20-25 occupations per industry developed by the Institute for Economic Forecasting and funded by USAID/FMI
3 Occupation					
a current employment incomplete	Census (SCS) and LFS	sample by place of residence	every 10 years and quarterly	national oblast	Census information is old , LFS limited number of occupations
b current wages	inadequate	20-25 occupations	annual survey	national	20 industries surveyed 1993-1997
c current job openings	SES Activity	universe potential by place of work	collected monthly and daily	national oblast, raion	enterprises are required to report, but all vacancies not reported occupational code conversion 1998
d projected job openings e occupational projections	None None				

¹ State Committee on Statistics (SCS) is responsible for this data source

² State Employment Service (SES) is responsible for this data source

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Figure 4

COMPARISON OF EMPLOYMENT DATA SOURCES *

	Average number of staff thous Persons (<i>admin statistics</i>)				Population employed thous persons (<i>labor force survey</i>)			
	1995	1996	1997	1998	1995	1996	1997	1998
Ukraine (total number of employed)	23725 5	23231 8	22597 6	22348 7	24125 1	24114 0	23755 5	22998 4
Employment by economic sector	21962 0	20868 3	19835 1	19415 0	21802 6	21556 7	19682 8	
Industry (manufacturing)	5761 3	5335 0	4882 2	4733 2	6299 8	6117 7	4848 4	
Agriculture and forestry	5329 4	5074 6	4968 8	5024 6	3945 1	4137 1	4162 9	
Construction	1485 0	1365 7	1194 3	1097 4	1103 5	1068 1	957 7	
Transport and communication	1449 0	1398 4	1308 2	1281 3	1499 5	1554 7	1486 9	
Trade, public catering, technical and material maintenance	1550 9	1495 0	1466 6	1448 8	1619 2	1569 5	2035 1	
Housing-communal, non-production branch of communal services	820 0	770 0	816 9	775 7	783 8	786 1	801 6	
Health protection, physical training	1515 6	1481 5	1443 2	1433 3	1618 0	1639 5	1505 7	
Public education culture, art, science and scientific service	2609 7	2488 7	2322 5	2265 1	2490 3	2447 4	2138 2	
Other	1414 1	1459 5	1432 4	1355 6	2443 4	2236 6	1746 3	
Unclassified economic activities**	1763 5	2363 5	2462 5	2933 7	2322 5	2557 3	4072 7	

* This chart begins the process of comparing employment counts from the State Committee on Statistics administrative statistics (Labor Report etc) and the Labor Force Survey Both the Labor Report and the Labor Force Survey count persons on administrative leave as employed

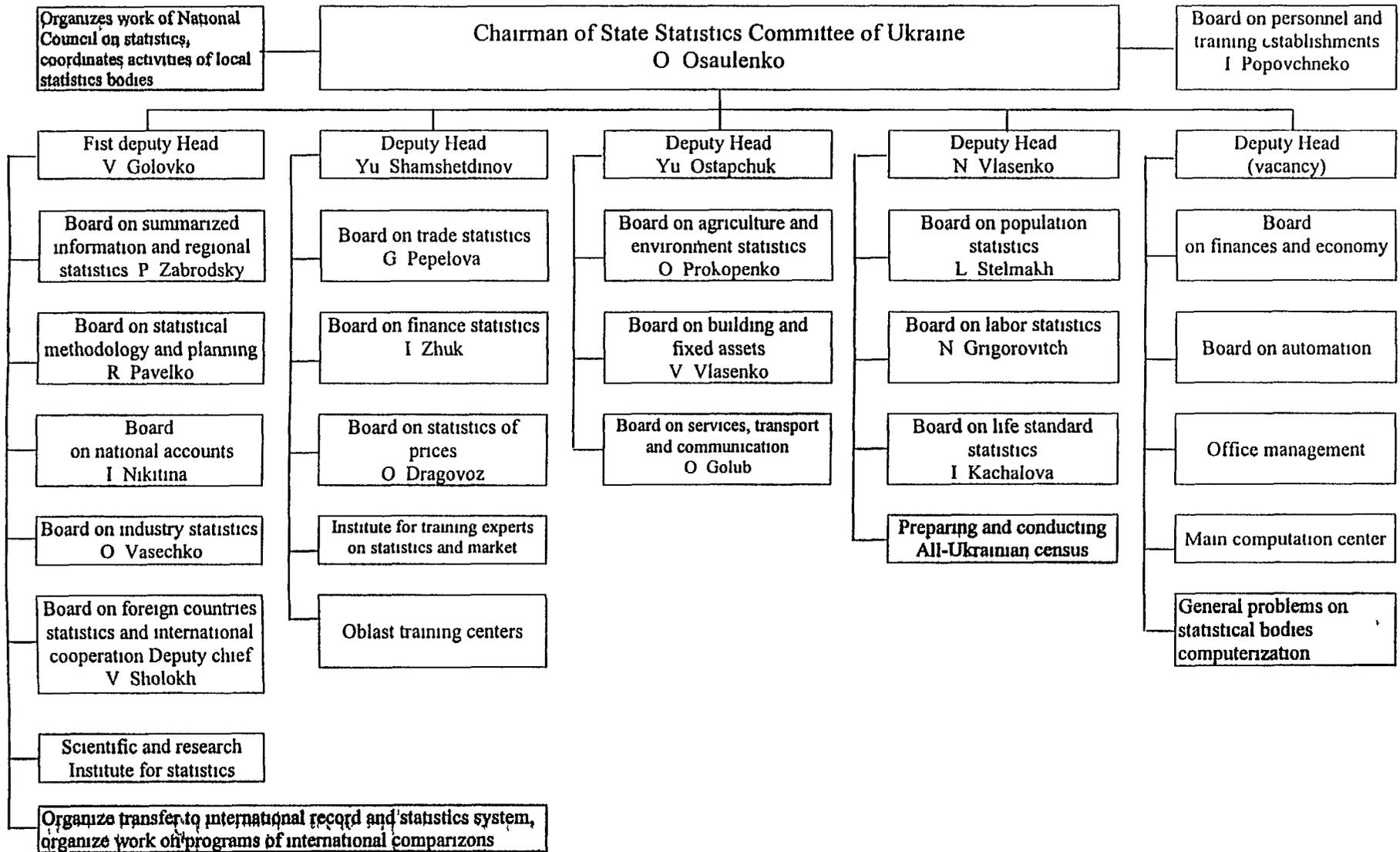
** These figures include employment in religious units, small private business, family enterprises and self-employed The State Committee on Statistics data does not classify these data by economic sector If the industry of the small private business or family enterprise is known the employment numbers will be included by industry, if no industry detail is available the employment is included in this unclassified category

Appendix VII

State Committee on Statistics Organizational Chart

Figure 1

STATE COMMITTEE ON STATISTICS ORGANIZATIONAL CHART



Translated from Ukrainian by Financial Markets International Inc

Appendix VIII

Sample Questionnaire

№	If		Then	
	In question # №	Code (answer)	In question #	Potential codes (answers)
1	10	1	31	1 - 4
2	12 Ta 14	1 2	 31	 Strictly 5
3	23	1	21	Answer > Question #22
4	23	2	21	Answer < Question # 22
5	23	3	21	Answer =question # 22
6	28	1 8 9 10 15 ²	31	Strictly 1
7	28	2 4 5 6 7	31	Strictly 3
8	28	12 13,14	31	2 4
9	31	5	28	12 13 14
10	29	Should be logically consistent	30	
11	32	1	37	2
12	32	2	37	2,3
13	32	3	37	3 4
14	32	4	37	4,5
15	39 Ta 41	1 2	 47	 Strictly 5



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No	If		Then	
	In question # №	Code (answer)	In question #	Potential codes (answers)
16	44	1 8 9 10 15?	47	Strictly 5
17	44	2 4 5 6 7	47	Strictly 5
18	44	12 13 14	47	2 4
19	47	5	44	12 13,14
20	45	Should be logically consistent	46	
21	48	1	53	2
22	48	2	53	2,3
23	48	3	53	3 4
24	48	4	53	4 5
25	74	Should be logically consistent	75	

IV Phase Several questionnaire forms should be checked using the data in Diary

Labour statistics department of the SCS

Contact telephone in Kyiv (044) 224 75 65 local statistics office _____

For Notes

No	Question	Answer

Address of the household						
# of the survey	Territory according to CAAU (Codes of Administrative areas of Ukraine) ²	Areas urban-1, rural-2	National number of PSU	# of household within PSU	# of rotation group	# of interviewer

CODES

Period of interviewing	1999	1	2	3	4	1	2	3	4	
	year	quarter				month			week	

To be submitted by	To be submitted to	Term of submitting
Interviewers	Rayon statistics departments	The 8 th day after interview
Rayon statistics departments	State statistics committee of the Crimea oblast Kyiv and Sevastopol boards on statistics	The 15th day after the interview

QUESTIONNAIRE # _____²

of quarterly labor force sample survey

All data informed by you shall be strictly confidential and used only in summary for labor market statistical analysis

##	General characteristics of the household	Transfer to question #	
1	Are there persons aged 15-70 in your household? Yes No	2 End of interviewing, the questionnaire should not be filled further on	
<i>Questions to filling Interviewer's Diary</i>		<i>Number of persons</i>	<i>Transfer to</i>
2	<i>How many persons reside permanently in your household?</i>		2 1
2 1	<i>How many of them are aged 15-70 (inclusively)?</i>		2 2
2 2	<i>How many children aged under 14 (inclusively)?</i>		3
3	<i>Do persons from age group 15-70 refer to one of the categories below? If yes, indicate how many of them are</i>		3 9
3 1	<i>- students and pupils residing in other area by place of study</i>		1
3 2	<i>- conscripts to military service and students of military educational establishments</i>		1
3 3	<i>- foreign citizens, refugees</i>		1
	<i>- temporary absent over three months</i>		1 X
3 4	<i>- are at medical establishments</i>		1
3 5	<i>Went abroad (business trip, work, visit)</i>		1
3 6	<i>Went to work to other areas of the country</i>		1
3 7	<i>Other, who are absent over 3 months</i>		1
3 8	<i>No, there are not any of the above</i>		0
3 9	<i>I'd like to interview in person everybody aged 15-70 (besides²)</i>		4

When interviewing do not read text in italics

Shall be filled by state statistics bodies

¹Categories of persons not to be interviewed

²Should number of persons indicated in items 3 1 3 3 then statement 3 9 has to be continued for example besides foreign citizens and refugees



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#	Main part of the questionnaire	Code for development					Transfer to #
		# of respondent within the household					
		1	2	3	4	5	
A	B	1	2	3	4	5	C
4	Gender of respondent						
	Female	1	1	1	1	1	5
	Male	2	2	2	2	2	5
5	Major of the following question refer to the week surveyed from Monday through Sunday 1999						6
6	How old you were as of the week surveyed?						7
7	Your marital status (regardless of marriage registration)						
	- married	1	1	1	1	1	8
	- single	2	2	2	2	2	8
	- widow/widower	3	3	3	3	3	8
	- divorced	4	4	4	4	4	8
8	When did you graduate from educational establishment (of higher level for you)? ² Which one?						
	Respectful levels of education						
	Complete higher (Institute Conservatoire Academy University)	1	1	1	1	1	9
	Basic higher (college technical college)	2	2	2	2	2	9
	Vocational-technical (vocational schools)	3	3	3	3	3	9
	Complete general secondary (complete secondary school gymnasium)	4	4	4	4	4	9
	Basic general secondary (7 8 9 classes)	5	5	5	5	5	9
	Primary general (4 classes)	6	6	6	6	6	9
	Has no primary education	7	7	7	7	7	9
9	Name occupation speciality (qualification) according to the certificate(diploma) issued by educational establishment mentioned in the previous question						
	Column #1	+	*				10
	Column #2	+		*			10
	Column #3	+			*		10
	Column #4	+				*	10
	Column #5	+					* 10
	Occupation (qualification) was not received	0	0	0	0	0	10
10	Had you been working within last week (during at least 1 hour) for remuneration or had had any profitable occupation?						
	Yes	1	1	1	1	1	15A
	No	2	2	2	2	2	11

² Give the respondent Card #1 if he/she graduated before 1993 inclusively when later - Card #2 and after the respondent's answer encircle the respectful code

⁴ Enter name according to the respondent



#	Main part of the questionnaire	Code for development					Transfer to #
		# of respondent within the household					
		1	2	3	4	5	
4	B	1	2	3	4	5	C
11	Perhaps you had had any work (business occupation) from where you were temporarily absent or did not work temporary (because of illness vacations studies lay-off or other reasons)?						
	Yes	1	1	1	1	1	23A
	No	2	2	2	2	2	12
12	Had you been doing any unpaid work (during not less than 30 hours) at an enterprise or household belonging to any member of your family?						
	Yes	1	1	1	1	1	14
	No	2	2	2	2	2	13
13	Perhaps you worked (during not less 30 hours) at private subsidiary agricultural household at your own plot adjoining the farmhouse or dacha belonging to you personally?						
	Yes	1	1	1	1	1	15
	No	2	2	2	2	2	60
14	Were you occupied at private subsidiary agricultural household, at plot adjoining the farmhouse or dacha?						
	Yes	1	1	1	1	1	15
	No	2	2	2	2	2	15A
15	You had been working at private subsidiary agricultural household and received production with the aim of						
	- only for personal consumption	1	1	1	1	1	15 1
	- part for personal consumption and for sale (exchange) as well	2	2	2	2	2	38
	Only for sale or exchange	3	3	3	3	3	38
15 1	Does agricultural production received meet main demands of your household for respectful products?						
	- yes	1	1	1	1	1	38
	- - no	2	2	2	2	2	38
15A	The following questions will concern the work you regard principal proceeding from whether the work had brought the highest income or profit						
16	Your work was						
	- permanent	1	1	1	1	1	19
	- for fixed term	2	2	2	2	2	17
	- single-time	3	3	3	3	3	18
17	Indicate duration of the contract						
	- to 1 month	1	1	1	1	1	18
	- 1 to 3 months	2	2	2	2	2	18
	- 4 to 6 months	3	3	3	3	3	18
	- 7 to 12 months	4	4	4	4	4	18
	- over 1 year	5	5	5	5	5	18
18	Why did you have non-permanent job						
	- could not find permanent job	1	1	1	1	1	19
	- satisfied with such work	2	2	2	2	2	19
	- other	3	3	3	3	3	19
19	According to the daily routine you had work on the condition of						
	full working day /week	1	1	1	1	1	21
	partial working day/ week)	2	2	2	2	2	20
	duration of the working day was not fixed	3	3	3	3	3	21

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#	Main part of the questionnaire	Code for development					Transfer to #
		# of respondent within the household					
		1	2	3	4	5	
A	B	1	2	3	4	5	C
20	Why did you have work with partial working day (week)? ⁶						
	could not find work with full working day (week)	1	1	1	1	1	21
	didn't want to have work with full working day (week)	2	2	2	2	2	21
	had been moved on the initiative of administration	3	3	3	3	3	21
	because of health	4	4	4	4	4	21
	because of bringing up children						
	looking after sick or disabled person	5	5	5	5	5	21
	other	6	6	6	6	6	21
21	How many total hours (practically) you had worked out last week including any overtime work either paid or not and not including lunch break? ⁶						
	Hours						22
22	What is normal (fixed) duration of working week at your principal work or own business not including lunch time (hours)? ⁶						
	Hours						23
	Not fixed	0	0	0	0	0	28
23	Compared to question 22 the respondent had actually worked out within the week surveyed ⁶						
	more hours than fixed	1	1	1	1	1	28
	less hours than fixed	2	2	2	2	2	24 1
	established hours	3	3	3	3	3	28
23A	The following questions will refer the job from which you were absent						24 2
24 1	Specify why you worked less hours than fixed last week? ⁶						
24 2	Indicate main reason for why you did not work last week ⁶						
	illness or injury taking care of sick person	1	1	1	1	1	27
	annual vacation or week end	2	2	2	2	2	28
	fixed holidays according to schedule of work (shifts)	3	3	3	3	3	27
	seasonal job	4	4	4	4	4	25
	established vacation on pregnancy and delivery	5	5	5	5	5	25
	training or re-training with break from production study leave						
	established vacation on nursing the child	6	6	6	6	6	27
	unpaid vacation on the initiative of administration	7	7	7	7	7	25
	because of strike	8	8	8	8	8	25
	was moved to such regime of work on the initiative of administration	9	9	9	9	9	27
	started to work during the week surveyed	10	10	10	10	10	27
	finished work during the week surveyed	11	11	11	11	11	28
	Selected such regime of work him/herself	12	12	12	12	12	28
	other reasons	13	13	13	13	13	28
		14	14	14	14	14	27

Compare answers to questions 21 and 22

⁶ Give Card #3

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#	Main part of the questionnaire	Code for development					Transfer to #
		# of respondent within the household					
		1	2	3	4	5	
A	B	1	2	3	4	5	C
25	Had administration informed you on the date when you have to return to work? ⁷						
	Yes	1	1	1	1	1	27
	No	2	2	2	2	2	26
26	Were you ensured that you would be called to work within several next weeks or months? ⁹						
	Yes	1	1	1	1	1	27
	No	2	2	2	2	2	27
27	How long had your vacation or such working regime lasted by the end of the week surveyed? ⁹						
		Calendar days					
	Column #1- years months days	*					28
	Column #2- years months days		*				28
	Column #3- years months days			*			28
	Column #4- years months days				*		28
	Column #5- years months days					*	28
28	Which of the categories from the list describes your work best? ⁷						
	#1						29
	#2						29
	#3						29
	#4						29
	#5						29
29	Which of the categories from the list describes type of enterprise (organization establishment) or your own business (individual occupation) best? ⁸						
	#1						30
	#2						30
	#3						30
	#4						30
	#5						30
30	What was your position and occupation or what was your activities? ⁹						
	#1	*					31
	#2		*				31
	#3			*			31
	#4				*		31
	#5					*	31
31	Which of the categories from the list describes status of your employment best? ¹⁰						
	- hired worker	1	1	1	1	1	34
	- employer	2	2	2	2	2	32
	- member of collective enterprise or a cooperative	3	3	3	3	3	35
	- self-employed	4	4	4	4	4	33
	- unpaid family worker (in question 14-answer "no")	5	5	5	5	5	35

⁷ Give him/her Card #4 Code corresponding to the name indicated by the respondent should be inserted in the code zone. If the respondent fails to select any of responses, enter the vacant line with prevailing type of job of the respondent or name of his/her enterprise.

⁸ Give him/her Card #5 Code corresponding to the name indicated by the respondent should be inserted in the code zone. If the respondent fails to select any of responses, enter the vacant line with prevailing type of enterprise.

⁹ Insert detailed name of occupation (position) at the job according to the respondent.

¹⁰ Give Card #6.

#	Main part of the questionnaire	Code for development					Transfer to #
		# of respondent within the household					
		1	2	3	4	5	
A	B	1	2	3	4	5	C
32	Indicate number of permanent workers (besides you) at your private enterprise or business last week (persons)						
	- 1	1	1	1	1	1	33
	- 2-5	2	2	2	2	2	33
	- 6-10	3	3	3	3	3	33
	- 11- and over	4	4	4	4	4	33
33	Indicate number of temporary workers at your private enterprise or business (persons)						
	- 1	1	1	1	1	1	35
	- 2-5	2	2	2	2	2	35
	- 6-10	3	3	3	3	3	35
	- 11- and over	4	4	4	4	4	35
	- none	5	5	5	5	5	35
34	Indicate form of labor contract (agreement) according to which you were hired						
	- written	1	1	1	1	1	35
	- oral	2	2	2	2	2	35
35	Was your enterprise private business or establishment registered or did you have permit to the occupation (own business)?						
	Yes	1	1	1	1	1	37
	In the process of registration	2	2	2	2	2	36
	No	3	3	3	3	3	36
	I do not know	4	4	4	4	4	36
	Refused to answer	5	5	5	5	5	37
36	Indicate the reason						
	- Complicated procedure for registration	1	1	1	1	1	37
	- I am not sure I will work in the business during long time	2	2	2	2	2	37
	- registration agency is far from my place of residence	3	3	3	3	3	37
	- registration procedure is costly	4	4	4	4	4	37
	- other	5	5	5	5	5	37
37	How many workers approximately worked at the enterprise or were involved in the business (including you) (persons)?						
	- 1	1	1	1	1	1	38
	- 2-5	2	2	2	2	2	38
	- 6-10	3	3	3	3	3	38
	- 11-50	4	4	4	4	4	38
	- 51 and over	5	5	5	5	5	38
38	In hard economic situation many people in Ukraine have additional jobs Had you any additional job or profitable occupation last week?						
	Yes	1	1	1	1	1	38A
	No	2	2	2	2	2	54
38A	The following questions concern your additional job or occupation last week						
39	Perhaps, you had been working unpaid at an enterprise, business or household belonging to any member of your family?						
	Yes	1	1	1	1	1	41
	No	2	2	2	2	2	40

#	Main part of the questionnaire	Code for development					Transfer to #
		# of respondent within the household					
		1	2	3	4	5	
A	B	1	2	3	4	5	C
40	Were you occupied at private subsidiary agricultural household or at your own plot adjoining the farmhouse or dacha belonging to you personally?						
	Yes	1	1	1	1	1	42
	No	2	2	2	2	2	43
41	Were you occupied at private subsidiary agricultural household or at land plot adjoining the farmhouse or dacha?						
	Yes	1	1	1	1	1	42
	No	2	2	2	2	2	43
42	Had you (or members of your household) been selling or changing production received from private subsidiary agricultural household?						
	Yes	1	1	1	1	1	54
	No	2	2	2	2	2	54
43	How many total hours (practically) you had worked out at last week including any overtime work and not including lunch break?						
	Hours						44
44	Which of categories from the list best describes your job ¹¹ ?						
	=1						45
	=2						45
	=3						45
	=4						45
	=5						45
45	Which of the categories from the list describes type of your establishment (organization, institution) or own business (individual occupation) best of all ¹²						
	=1						46
	=2						46
	=3						46
	=4						46
	=5						46
46	What occupation position had you been working at or what did your activities consist of ¹³						
	#1						47
	#2		*				47
	#3			*			47
	#4				*		47
	#5					*	47
47	Which of the categories from the list describes status of your employment best ¹⁴						
	- hired worker	1	1	1	1	1	50
	- employer	2	2	2	2	2	48
	- member of collective enterprise or cooperative	3	3	3	3	3	51
	- self-employed	4	4	4	4	4	49
	- unpaid family worker	5	5	5	5	5	51

¹¹ Give him/her Card #4 Code corresponding to the name indicated by the respondent should be inserted in the code zone. If the respondent fails to select any of responses enter the vacant line with name of job of the respondent or name of the enterprise

¹² Give him/her Card #5 Code corresponding to the name indicated by the respondent should be inserted in the code zone. If the respondent fails to select any of responses enter the vacant line with prevailing business type of enterprise

¹³ Insert detailed name of occupation according to the respondent at his job

¹⁴ Give him/her Card #6



#	Main part of the questionnaire	Code for development					Transfer to #
		# of respondent within the household					
		1	2	3	4	5	
A	B	1	2	3	4	5	C
48	Indicate number of permanent workers (besides you) at your private enterprise or business (persons) last week						
	- 1	1	1	1	1	1	49
	- 2-5	2	2	2	2	2	49
	- 6-10	3	3	3	3	3	49
	- 11 and over	4	4	4	4	4	49
49	Indicate number of temporary workers at your private enterprise or business (persons)						
	- 1	1	1	1	1	1	51
	- 2-5	2	2	2	2	2	51
	- 6-10	3	3	3	3	3	51
	- 11 and over	4	4	4	4	4	51
	- none	5	5	5	5	5	51
50	Indicate form of labor contract (agreement) when you were hired to the job						
	- written	1	1	1	1	1	51
	- oral	2	2	2	2	2	51
51	Is your enterprise private business or establishment registered or do you have permit to the occupation (own business)?						
	Yes	1	1	1	1	1	53
	In the process of registration	2	2	2	2	2	52
	No	3	3	3	3	3	52
	I do not know	4	4	4	4	4	52
	Refused to answer	5	5	5	5	5	53
52	Indicate the reason						
	- Complicated procedure for registration	1	1	1	1	1	53
	- I am not sure I will work in the business during long time	2	2	2	2	2	53
	- registration agency is far from my place of residence	3	3	3	3	3	53
	- registration procedure is costly	4	4	4	4	4	53
	- other	5	5	5	5	5	53
53	How many workers approximately work at an enterprise or are involved in the business (including you) (persons)?						
	- 1	1	1	1	1	1	54
	- 2-5	2	2	2	2	2	54
	- 6-10	3	3	3	3	3	54
	- 11-50	4	4	4	4	4	54
	- 51 and over	5	5	5	5	5	54
<i>The following questions concern persons having (principal or additional) work but besides they were looking for another principal or additional job</i>							
54	Had you been seeking for another or additional profitable work/occupation during the week surveyed?						
	Yes, I had been looking for another principal job	1	1	1	1	1	55
	additional job or occupation	2	2	2	2	2	55
	No, I had not	3	3	3	3	3	76

#	Main part of the questionnaire	Code for development					Transfer to #
		# of respondent within the household					
		1	2	3	4	5	
A	B	1	2	3	4	5	C
55	Why you had been looking for other principal or additional job? ^{1b}						56
56	You had been looking for the work/occupation						
	- permanent	1	1	1	1	1	57
	- for fixed period	2	2	2	2	2	57
	- one-time	3	3	3	3	3	57
	- no matter	4	4	4	4	4	57
57	Were you registered at State employment service as of the week surveyed?						
	Yes	1	1	1	1	1	58
	No	2	2	2	2	2	58
58	Did you have status of an unemployed?						
	Yes	1	1	1	1	1	59
	No	2	2	2	2	2	59
59	Should you get work during the week surveyed could you have started to it within next two weeks?						
	Yes	1	1	1	1	1	76
	No	2	2	2	2	2	76
Persons who did not have work							
60	Had you been seeking for paid work/occupation during four last weeks including the surveyed?						
	Yes	1	1	1	1	1	61
	No	2	2	2	2	2	62
61	How did you look for a job (indicate not more than 3 responses)?						
	applied to employment service	1	1	1	1	1	64
	through press (advertisements)	2	2	2	2	2	64
	personal relations	3	3	3	3	3	64
	applied directly to administration (employer)	4	4	4	4	4	64
	other	5	5	5	5	5	64
62	Had you attempted to start own business during last four weeks including the surveyed?						
	Yes	1	1	1	1	1	63
	No	2	2	2	2	2	65
63	Which way had you attempted to start your own business? (indicate not more than 3 answers)						
	- applied to authorities to get a permit for organization of own business (registration, receiving patent or license)	1	1	1	1	1	64
	- contacted with potential partners (buyers)	2	2	2	2	2	64
	- tried to get loan credit	3	3	3	3	3	64
	- find facilities raw material equipment	4	4	4	4	4	64
	- other (indicate)	5	5	5	5	5	64

^{1b} Give Card #5 to the respondent

#	Main part of the questionnaire	Code for development					Transfer to #
		# of respondent within the household					
		1	2	3	4	5	
A	B	1	2	3	4	5	C
64	Indicate how many months (approximately) you had been trying to start own business? ⁹						
	-less than one month	1	1	1	1	1	66
	-1-3 months	2	2	2	2	2	66
	-4-6 months	3	3	3	3	3	66
	-7-9 months	4	4	4	4	4	66
	-10-12 months	5	5	5	5	5	66
	over 1 year	6	6	6	6	6	66
65	Why had you not looked for a job? ¹⁰						
	start to work within next two weeks	1	1	1	1	1	75
	I have found it already waiting for an answer	2	2	2	2	2	75
	registered at employment service as an applicant/job seeker	3	3	3	3	3	65
	had been assigned to training by employment service	4	4	4	4	4	65
	had been sick during the week surveyed	5	5	5	5	5	65
	hope to return to previous job	6	6	6	6	6	65
	season job	7	7	7	7	7	65
	discouraged to find job	8	8	8	8	8	65
	daytime student (pupil)	9	9	9	9	9	75
	pensioner by age	10	10	10	10	10	75
	pensioner because of disability of P ^I and II nd groups	11	11	11	11	11	75
	housewife	12	12	12	12	12	75
	don't need to be employed	13	13	13	13	13	75
	other	14	14	14	14	14	75
66	Should you get the required job during the week surveyed could you start to it during two next weeks?						
	Yes	1	1	1	1	1	67
	No	2	2	2	2	2	67
67	You would like to have job						
	- Permanent	1	1	1	1	1	68
	- For fixed term	2	2	2	2	2	68
	- One-time	3	3	3	3	3	68
	No matter	4	4	4	4	4	68
68	You would like to work						
	full working day and/or week	1	1	1	1	1	69
	partial working day and/or week	2	2	2	2	2	69
	no matter	3	3	3	3	3	69
69	Had you been registered as an unemployed as of surveyed week?						
	Yes	1	1	1	1	1	70
	No	2	2	2	2	2	71
70	Did you receive unemployment benefit?						
	Yes	1	1	1	1	1	71
	No	2	2	2	2	2	71

¹⁰ Give Card #8 to the respondent

#	Main part of the questionnaire	Code for development					Transfer to #
		# of respondent within the household					
		1	2	3	4	5	
A	B	1	2	3	4	5	C
71	What is the main reason for your unemployment? ¹⁷						
	released because of reorganization liquidation conversion of production staff reduction	1	1	1	1	1	73
	dismissed at own accord	2	2	2	2	2	73
	demobilized from conscript military service	3	3	3	3	3	72
	unemployed after graduating from basic secondary school	4	4	4	4	4	72
	unemployed after graduating from complete secondary school	5	5	5	5	5	72
	unemployed after graduating from vocational school	6	6	6	6	6	72
	unemployed after graduation from University or educational establishment equaled to it	7	7	7	7	7	72
	called up for conscript military service	8	8	8	8	8	72
	dismissed because of health or transition to disability	9	9	9	9	9	72
	dismissed because of contract or of labor agreement expired	10	10	10	10	10	72
	other	11	11	11	11	11	72
72	Had you been working before?						
	Yes	1	1	1	1	1	73
	No	2	2	2	2	2	76
73	How long do you not work?						
	- up to 1 month	1	1	1	1	1	74
	- 1-3 months	2	2	2	2	2	74
	- 4-6 months	3	3	3	3	3	74
	- 7-9 months	4	4	4	4	4	74
	- 10-12 months	5	5	5	5	5	74
	- 1-3 years	6	6	6	6	6	74
	- over 3 years	7	7	7	7	7	74
74	Indicate principal business type of an enterprise (establishment organization), own business or individual occupation where you worked last (occupation) ¹⁸						
	#1						75
	#2						75
	#3						75
	#4						75
	#5						75

¹⁷ Give Card #9

¹⁸ Give him/her Card #5 Code corresponding to the name indicated by the respondent should be inserted in the code zone. If the respondent fails to select any of responses enter the vacant line with prevailing type of enterprise

#	Main part of the questionnaire	Code for development					Transfer to #
		# of respondent within the household					
		1	2	3	4	5	
A	B	1	2	3	4	5	C
75	What occupation position had you been working at or what did your activities consist of at your last job? ¹⁹						
	Column #1	*					76
	Column #2		*				76
	Column #3			*			76
	Column #4				*		76
	Column #5					*	76
76	THANK YOU FOR PARTICIPATION! END OF INTERVIEW						77
77	The questionnaire was filled						
	- while interviewing directly the respondent	1	1	1	1	1	78
	- according to the words of the household's member	2	2	2	2	2	78
78	The questionnaire was filled during the						
	- first visit	1	1	1	1	1	79
	- second visit	2	2	2	2	2	79
	- third visit	3	3	3	3	3	79
79	Estimate approximately level of sincerity of the respondent						
	Up to 25%	1	1	1	1	1	X
	25% to 50%	2	2	2	2	2	X
	51% to 75%	3	3	3	3	3	X
	75% to 100%	4	4	4	4	4	X

The questionnaire was delivered by interviewer _____ (name) _____ (signature) _____ (date) 1999

The questionnaire was accepted by worker of city rayon statistics department _____ (name) _____ (signature) _____ (date) 1999

Worker of oblast statistics department _____ (name) _____ (signature) _____ (date)

¹⁹ Insert detailed name of occupations (position) according to the respondent