

Human Resource Development in Ukraine:

State Instruments, Implementation Dynamics and
Strategic Direction

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Executive summary

Key Findings

► Current Labour Market Challenges

Ukraine faces a critical labour shortage and a persistent mismatch between the qualifications of job seekers and the needs of employers, particularly in technical and skilled trades. These challenges have been exacerbated by war, mobilisation and migration outflows.

► State Policy Focus

Government policy is primarily focused on **increasing overall labour market participation**, with particular attention to inactive groups such as homemakers, youth and students. Efforts are also being made to better **align the structure** of labour supply with employer demand by area of specialisation. Key instruments include vocational and reskilling programmes, incentives for employers to hire underrepresented groups, development of digital job-matching platforms and public-private partnerships to improve the quality of training.

► Limitations of Current Approaches

The effectiveness of state orders for education and training is constrained by the fragmented labour market data and limited forecasting capacity. There is also significant competition for young workers from both the military and foreign labour markets. The digital infrastructure supporting labour market operations remains underdeveloped, leading to fragmented data management and limited integration. Furthermore, labour legislation is outdated and not fully aligned with the requirements of a modern market economy or EU standards. These challenges have accumulated over many years, and the government is actively addressing them through reforms in labour legislation, improved forecasting and investments in digital infrastructure for employment services.

► Strategic Directions

The Employment Strategy 2030, currently under development, aims to boost economic activity and formal employment, address imbalances between labour supply and demand through improved training and public-private partnerships, modernise employment services and digital platforms, and align with international standards while promoting the inclusion of vulnerable groups.

Current Problems of the Labour Market (2024-Q3 2025) [1]

► Acute Staff Shortages:

The labour market remains under significant strain, with a **persistent shortage of qualified personnel**. As of July 2025, 5.6 million Ukrainians are living abroad, and the net migration outflow in 2025 is estimated at 200,000 people. Sixty percent of employers report a staffing crisis. The most acute shortages are observed in skilled trades (63%) and mid-level staff (35%), with the construction sector being particularly affected.

► Pressure from Migration and Mobilisation:

Ongoing negative migration trends and mobilisation have **reduced the available workforce**. The unemployment rate (ILO methodology) is projected at 10.9% in 2025, compared to 11.5% in 2024.

► Demand-Supply Mismatches:

The Ukrainian labour market faces a pronounced supply-side mismatch. In Q2 2025, the number of new CVs increased by 27.4% year-on-year, while new vacancies rose by only 5.4%, indicating that demand for labour continues to outpace supply. Most job seekers prefer positions such as accountant, economist or manager, whereas employers are primarily seeking drivers, auxiliary workers, junior medical staff and skilled tradespeople. Skilled trades account for 17.7% of all vacancies, while the majority of CVs (18.4%) target middle management roles. Regional imbalances persist, with candidates concentrated in safer areas.

► Wage and Inflation Dynamics:

Average nominal wages grew by 19.0% year-on-year in Q1 2025, but real wage growth slowed to 5.2%. Rising wage costs are a key driver of underlying inflation, with core inflation reaching 12.1% year-on-year in June 2025.

► Operational Disruptions:

Escalating attacks and destruction of infrastructure have constrained economic activity. In Q2 2025, the number of air and drone attacks increased by 152% year-on-year, further complicating workforce planning and recruitment efforts.

Sources: [NBU - Inflation Report 2025-Q3](#); [Helvetas - Registered unemployment in Ukraine 2025](#); [OLX Work](#); [European Business Association - Labour Market Research 2025](#)

Current Problems of the Labour Market (2024-Q3 2025) [2]

► Recruitment Difficulties:

Ukrainian employers faced **significant recruitment difficulties**. Over a third struggled to fill vacancies, and among large enterprises, this figure reached 58%. The main reasons were a shortage of qualified staff, driven by migration and mobilisation, and inflated salary expectations among candidates. In response, employers began hiring more students, people with disabilities and veterans, while offering additional benefits such as wellness allowances and free transportation. Despite these efforts, the gap between labour demand and supply remains a major obstacle.

► Gender Issues:

The war has **reshaped the gender balance** in the workforce. In 2023, women accounted for 47% of new hires, including in traditionally male-dominated roles such as welding and driving. However, the gender pay gap persists: women earn only 69% of men's average salary, and just 50% in the public sector. Sectors with the highest female employment included healthcare (70%), finance (70%), and hospitality (66%).

► Vulnerable Groups:

Vulnerable groups, including internally displaced persons (IDPs), people with disabilities and veterans, **saw some progress in employment**. IDPs represented 5% of new hires, people with disabilities 4% and veterans less than 1%. Employers expressed willingness to hire these groups: 46% for IDPs, 42% for persons with disabilities, and 36% for veterans. However, many individuals from these groups are not actively seeking employment. Some employers have requested financial support and workplace adaptations to improve inclusion. In regions with relocated enterprises, such as Luhansk, IDPs accounted for up to 46% of the workforce.

State Instruments and Mechanisms for Human Resource Development [1]

System governance

► Strategic framework

The Ukraine Facility Plan (2024-2027) serves as the primary framework for recovery and modernisation. It includes a dedicated Human Capital chapter and cross-cutting priorities such as digitalisation and alignment with EU standards. The plan links funding to quarterly reform milestones and is coordinated by the Ministry of Economy and the Cabinet of Ministers.

► Recovery architecture

The Plan for the Recovery of Ukraine outlines a 10-year vision focused on social infrastructure and human-capital pillars (education, health, social policy).

► Key institutions

HRD is led by the following institutions: the Ministry of Education and Science (general, VET, higher education, qualifications), the Ministry of Economy (employment and labour market), the Ministry of Social Policy (social inclusion), and the National Qualifications Agency, which manages the qualifications system and accredits centres for skills validation.

Sources: [Ukraine Facility Plan](#); [Ukraine Recovery Plan](#)

Strategy and Monitoring

- Ukraine Facility Plan (2024-2027)
- EU Facility Scoreboard

Implementing Ministries

- Ministry of Economy
- Ministry of Education and Science
- Ministry of Social Policy

Delivery channels

- State Employment Service
- Vocational Education and Training (VET) Providers
- Higher Education Institutions
- Qualification Centres

Beneficiaries

- Learners
- Jobseekers
- IDPs
- Veterans
- Women
- Persons with disabilities

State Instruments and Mechanisms for Human Resource Development [2]

Education and Skills Development

► State-Funded Education

State-funded education in Ukraine **provides free or subsidised access to all levels of education**. As of January 2025, 34.5% of higher education students (approximately 370,442) studied at public expense, while 65.3% (around 701,741) paid tuition fees. Most publicly funded students are enrolled full-time at state institutions, with annual allocations prioritising fields such as education, engineering, IT and healthcare.

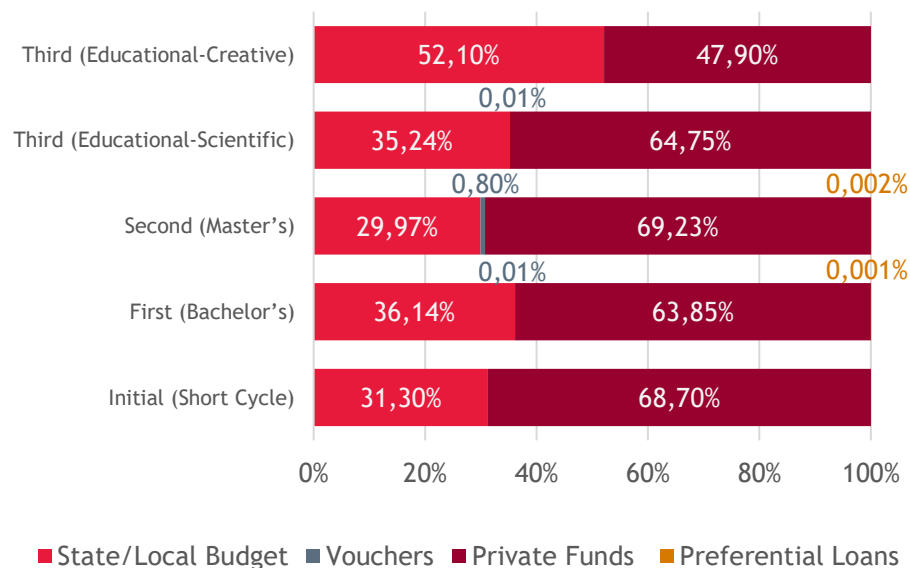
► Voucher-Based Mechanisms

Voucher-based mechanisms support adult education, reskilling and upskilling. In 2025, 2,341 individuals (0.22% of higher education students) received training vouchers, and 14 accessed long-term preferential loans. Vouchers are available to unemployed individuals, IDPs, veterans and other vulnerable groups for short-term courses and retraining at accredited providers.

► General and Vocational Education Reforms

The reforms focus on updating curricula, decentralising management and aligning standards with labour market needs. In 2025, there were 390 higher education institutions, 50 professional pre-higher institutions, and 185 research institutes.

Breakdown of students by level and source of funding



Sources: [National Agency for Higher Education Quality Assurance - Report 2024](#); [State Employment Center - Vouchers](#)

State Instruments and Mechanisms for Human Resource Development [3]

Healthcare and Social Protection Measures

► Health System Modernisation and Access

Ukraine's health system continues to operate under severe strain, serving millions of internally displaced persons and refugees. Ukrainian refugees abroad have benefited from telemedicine, digital health records, humanitarian medical teams and coordinated international support. Despite attacks on healthcare facilities, over 30 million Ukrainians remain registered with primary care providers, and over 90% of public facilities are connected to the eHealth system, ensuring continuity of care.

► Investment in Human Capital and Service Delivery

Healthcare is a cornerstone of Ukraine's human capital strategy. In 2024, more than 580,000 people accessed mental health services, 2,200 primary care workers received mental health training, and over 1,000 professionals completed emergency care programmes. The National Health System Development Strategy 2030 focuses on universal access, efficiency and support for an ageing workforce.

► Social Protection and Inclusion through Health

The health sector supports social protection and inclusion, particularly for vulnerable groups such as IDPs, persons with disabilities and survivors of violence. In 2024, the Health Cluster assisted 3.04 million people with essential health and social services. The reforms aim to improve benefit targeting and digital delivery, reinforcing the role of healthcare in resilience and inclusion.

24 mln

Number of patients who received medical services in 2024

3.47 bln EUR

Total amount payments to medical care providers in 2024

Medical Care Providers By Form of Ownership, 2024

Form of Ownership	Payment Amount (mln EUR)	Number of Providers
State-owned	27.39	13
Municipal-owned	3 304.95	2 163
Private	113.46	523
Individual entrepreneur	34.06	926

State Instruments and Mechanisms for Human Resource Development [4]

Labour Market

► Labour Market Profile: Key Characteristics of Registered Unemployed

Most registered unemployed individuals are aged 36-54 (56.9%), while youth (18-25) account for 6.4%. Educational attainment is high, with 31% holding higher education degrees and 31.4% vocational training. However, most vacancies require technical or manual skills. Internally displaced persons make up 24% of the unemployed, and people with disabilities 8%. The leading causes of unemployment include personal circumstances (37.7%), low wages (20.7%), and a lack of vacancies (19.6%). A majority (78.1%) are unwilling to relocate, primarily due to family and housing constraints. Salary expectations range from EUR 184.12 to 460.3, with men expecting higher pay, and strong regional disparities. Only 23.1% are willing to change professions, and digital engagement remains limited (41.1% use the online portal).

► Economically Inactive Population and Labour Reserve

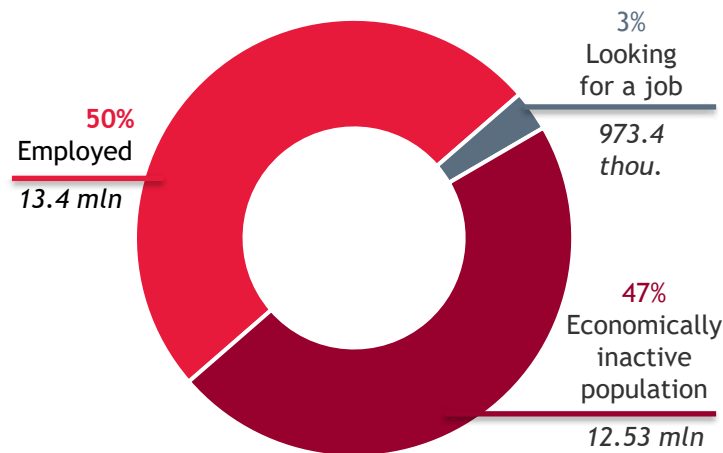
Nearly half of Ukraine's population aged 15 and older, or approximately 12.5 million people, is economically inactive. This group includes homemakers, young people, those who wish to work but lack opportunities, those affected by psychological stress due to the war, and people with family or personal constraints. The Ministry of Economy considers this population a strategic labour reserve and is prioritising measures to encourage their participation in the workforce.

► Active Labour Market Programmes (Training and Reskilling)

The Ministry of Economy, in collaboration with partners, has launched free training programmes for women, veterans and displaced persons. In 2025, 700 women and 100 veterans will receive training in technical professions. Additionally, online courses in IT and consulting are available through ReSkill UA.

Sources: [Ministry of Economy of Ukraine - Vision of the Employment Strategy 2030](#); [Ministry of Economy of Ukraine - Reskilling programs from "Reskilling Ukraine"](#); [Ministry of Economy of Ukraine - ReSkill UA](#); [Helvetas - Registered unemployment in Ukraine 2025](#); [Ministry of Economy of Ukraine - Analysis of the state and problems of the labour market](#)

Population Aged 15+ in Ukraine, 2024



Assessment of Current Frameworks Outcomes and Effectiveness

Evaluation Frameworks and Metrics

Ukraine's HRD policies are increasingly guided by structured evaluation frameworks that integrate both quantitative and qualitative metrics. These include:

- ▶ Employment and unemployment rates
- ▶ Labour force participation
- ▶ Skills mismatch indicators
- ▶ Employer satisfaction with workforce quality
- ▶ Inclusion of vulnerable groups (e.g. IDPs, veterans, women)
- ▶ Regional disparities in employment outcomes

Labour Market and Skills Needs Assessment

A Labour Market and Skills Needs Assessment was conducted by the State Employment Service of Ukraine, in collaboration with Helvetas and the Federation of Employers. Key findings include:

- ▶ High demand for digital and technical skills
- ▶ Persistent challenges in recruiting qualified staff, particularly in manufacturing, construction and IT
- ▶ Increasing need for corporate training and reskilling programmes
- ▶ Greater collaboration required between employers and vocational education institutions

Role of VET and Institutional Cooperation

Vocational and technical education (VTE) institutions play a central role in implementing HRD policies. Key highlights include:

- ▶ 83% of enterprises in some regions cooperate with VTE institutions
- ▶ Corporate training is increasingly used to address immediate skill gaps
- ▶ Future HRD strategies aim to expand dual education models and public-private partnerships to better align training with labour market demands

Limitations of Current Framework of HRD Policies

► Outdated Labour Legislation

Ukraine's labour legislation remains anchored in the Soviet-era Labour Code adopted in 1971, which no longer reflects the realities of a modern market economy. This outdated framework **hinders the development of flexible employment models** and limits alignment with EU standards. Despite more than two decades of debate, comprehensive reform has yet to be implemented. The current draft of the new Labour Code, developed in consultation with trade unions, employers and international partners, represents a complex but balanced compromise that requires parliamentary support.

► Limited Digital Integration:

Ukraine's labour market infrastructure **lacks a unified digital system**, resulting in fragmented data management and inefficient coordination among stakeholders. Paper-based processes remain dominant, slowing down job matching and policy implementation. The absence of integration with national registries impedes accurate forecasting of labour demand and supply. A centralised digital platform is essential to streamline operations, enhance data-driven decision-making and improve responsiveness to market needs.

► Lack of a Unified Employment Strategy:

Ukraine currently lacks a comprehensive and coordinated employment strategy that aligns the efforts of government institutions, educational providers and private sector stakeholders. This absence leads to fragmented policy implementation and inefficient resource allocation. A national Employment Strategy is essential to synchronise labour market policies, enhance workforce planning and support human capital development. The strategy will also serve as a key indicator within the Ukraine Facility framework and is expected to be released for public consultation in the near future.

Employment Strategy 2030 [1]

Ukraine's Employment Strategy 2030 aims to transform labour market challenges into opportunities for economic development. The strategy focuses on increasing economic activity, reducing unemployment and enhancing labour market flexibility. Key priorities include aligning employment policies with EU standards, promoting digitalisation and strengthening institutional capacity. The strategy is being developed through inclusive dialogue with over 300 stakeholders and is supported by international partners, including Germany through the REYOIN project.

Ground Research of the Labour Market	Open Consultations with Stakeholders	Concept Formation and Drafting	Finalisation of Strategy Document
This initial phase involves a comprehensive analysis of Ukraine's labour market. It identifies current trends, challenges and opportunities across sectors, with the goal of gathering evidence-based insights to inform policy development.	In parallel with the research phase, open consultations are held with all relevant stakeholders: government bodies, employers, trade unions, NGOs and international partners. These discussions ensure inclusivity and transparency in shaping employment strategies.	Based on the research and consultations, strategic concepts are developed. This phase includes drafting the core text of the Employment Strategy, outlining goals, tasks and implementation mechanisms aligned with national and EU standards.	The final phase focuses on refining and approving the strategy text. It incorporates stakeholder feedback and ensures the document is ready for implementation, laying the foundation for Ukraine's Employment Strategy 2030.
Timeline: April - June 2025	Timeline: April - June 2025	Timeline: June 2025	Timeline: October - November 2025

Sources: [Office of Effective Regulation - Development of a project for a Strategy for Employment in Ukraine](#)

Employment Strategy 2030 [2]

Goals and Tasks

Strategic Goals	Tasks
1. Increasing economic activity of the population	<ul style="list-style-type: none">▶ Reducing barriers to employment for vulnerable groups, including veterans, women, youth, internally displaced persons, returnees and persons with disabilities.▶ Supporting entrepreneurship and business development through tax incentives and the reduction of administrative barriers.▶ Reducing informal employment and promote the legalisation of non-standard forms of employment.▶ Modernising education and training systems to better align with labour market needs, including flexible retraining and upskilling programmes, and stronger cooperation between educational institutions and employers.▶ Promoting return migration of Ukrainian citizens and attract highly qualified foreign specialists.▶ Digitalising and strengthen public employment services to improve accessibility and effectiveness.▶ Harmonising national labour legislation and standards with those of the European Union, particularly in the areas of occupational safety, equality and social protection.
2. Overcoming imbalances between labour supply and demand	<ul style="list-style-type: none">▶ Aligning with labour market needs through development and adaptation of training programmes.▶ Developing systems for training, retraining, and micro-qualifications for youth and older adults.▶ Expanding partnerships between educational institutions and businesses.
3. Strengthening institutional capacity and digitalisation	<ul style="list-style-type: none">▶ Modernising the State Employment Service (SES): digitising services, developing online platforms, creating a unified employment information space, ensuring interoperability with other state registers.▶ Improving coordination among central executive bodies.▶ Ensuring transparency in public employment services.
4. Integrating standards into employment policy	<ul style="list-style-type: none">▶ Adapting labour legislation to international standards on safety and hygiene (ILO conventions).▶ Implementing European standards (EURES system) into national legislation on social protection against unemployment.▶ Developing mechanisms to prevent discrimination based on gender or age during recruitment.

Sources: [Office of Effective Regulation - Development of a project for a Strategy for Employment in Ukraine](#)

Strategic Directions and Recommendations for Improvement

Strategic Priority	Recommendation
Ensuring policy coherence and integration	Promoting alignment of HRD policies across sectors and administrative levels to facilitate consistent implementation and reducing fragmentation.
Securing sustainable financing and optimising resources	Enhancing long-term financial planning and improving the efficiency of resource allocation to support scalable and inclusive HRD initiatives.
Advancing digital transformation and data-driven governance	Strengthening digital infrastructure and leveraging data analytics to improve transparency, service delivery, and evidence-based decision-making in HRD systems.
Building institutional capacity and strengthening governance	Investing in the professional development of HRD institutions and personnel to improve administrative effectiveness and policy execution.
Mainstreaming equality and inclusion	Integrating inclusive approaches across all HRD programmes to ensure equal access for women, youth, displaced persons and other vulnerable groups.
Fostering stakeholder engagement and social dialogue	Encouraging active participation of employers, business associations and civil society in policy formulation and implementation, with a focus on addressing private sector skill demands and promoting labour market responsiveness.

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