



## CONFLICT IN UKRAINE

# SOCIO-ECONOMIC IMPACTS OF INTERNAL DISPLACEMENT AND VETERAN RETURN

## Summary Report

MAY 2017





2017 The International Bank for Reconstruction and Development/The World Bank  
1818 H Street NW  
Washington DC 20433  
[www.worldbank.org](http://www.worldbank.org)

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*Cover Design and Text layout:* Duina Reyes-Bakovic

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# ABBREVIATIONS AND ACRONYMS

<b>ATO</b>	Anti-Terrorist Operation
<b>B20</b>	Bottom 20 Percent
<b>FGDs</b>	Focus Group Discussions
<b>GCA</b>	Government-Controlled Areas
<b>GDP</b>	Gross Domestic Product
<b>GoU</b>	Government of Ukraine
<b>IDPs</b>	Internally Displaced Persons
<b>IT</b>	Information Technology
<b>KIIS</b>	Kyiv International Institute of Sociology
<b>MOT</b>	Ministry for Temporarily Occupied Territories and Internally Displaced Persons
<b>NGCA</b>	Non-government Controlled Areas
<b>NGO</b>	Non-governmental Organization
<b>PPS</b>	Probability Proportional to Size
<b>PTSD</b>	Post-Traumatic Stress Disorder
<b>RPA</b>	Recovery and Peacebuilding Assessment
<b>SME</b>	Small and Medium Size Enterprises
<b>SADR</b>	State Agency of Ukraine for Donbas Recovery
<b>SES</b>	State Employment Service
<b>STP</b>	State Target Programme for Recovery of the Eastern Regions of Ukraine
<b>UAH</b>	Ukrainian Hryvnia

# ACKNOWLEDGEMENTS

This report presents findings of research carried out by the World Bank and its partners—the Cadmus Group, Inc. (Cadmus) and the Kyiv International Institute of Sociology (KIIS). The core World Bank team included Holly Benner, Senior Social Development Specialist/Task Team Leader; Sergii Grabskyi, Security Specialist; Ray Salvatore Jennings, Consultant; Klavdiya Maksymenko, Senior Operations Officer/CoTask Team Leader; Sarah Michael, Program Leader; Harika Masud, Young Professional; Mariia Nikitova, Consultant; Oleksandra Shatyrko, Project Assistant; and Stavros (Aki) Stavrou, Senior Social Development Specialist. Valuable guidance and inputs to the team on survey design and analysis were also provided by Caterina Ruggeri Laderchi, Senior Economist and Abla Safir, Economist. The team is grateful to the Ukraine Country Management Unit (CMU), including Satu Kahkonen, Country Director and Ludmilla Butenko, Program Leader, for their leadership, guidance, and support to the team.

The research also benefited from the guidance and strategic direction provided by the Ministry of Temporarily Occupied Territories and Inter-

nally Displaced Persons (MOT) of Ukraine. Lesia Valylenko (Legal Sotnya NGO) provided valuable data and inputs at various stages of this process on veterans' issues.

We thank the internally displaced persons, host community representatives, and veterans who shared their valuable time experiences and recommendations to inform this research. The research also benefited from consultations with a variety of national and international partners as part of survey design and implementation, including the Center for Social Expertise, Embassy of Canada/Ukraine, International Crisis Group, International Organization for Migration, Razumkov Center, REACH, State Service for Veterans, Ukrainian Organization of Veterans, United Kingdom Department for International Development, United Nations Development Programme, United Nations High Commissioner for Refugees, United Nations Office for the Coordination of Humanitarian Affairs, United States Agency for International Development/Office of Transition Initiatives. The team thanks Warren A. Van Wicklin III for editorial support and Duina Reyes-Bakovic for design and text layout.



This research was possible through support from the World Bank's State and Peacebuilding Fund (SPF) and delivered by the World Bank in collaboration with the UK's Good Governance Fund with funding from the UK Government. The views expressed herein are those of the author(s) and may not reflect the UK Government's official position.

# 1. INTRODUCTION

The following report presents key findings from research on the socio-economic impacts of the continuing conflict in eastern Ukraine on internally displaced persons, veterans, and host communities. Data was collected from October 2016 through March 2017 by the World Bank and its partner organizations; the Cadmus Group, Inc. (Cadmus) and the Kyiv International Institute of Sociology (KIIS). The report is organized into four sections: 1) *Introduction*, which sets the context for the research and provides an overview of the research methodology; 2) *Socio-Economic Impacts of Internal Displacement-Findings and Priorities for Development Action*; 3) *Socio-Economic Impacts of Veteran Return-Findings and Priorities for Development Action*; and 4) *Conclusions*. Details on the survey methodology, survey questionnaires, and more extensive findings are provided in supplementary annexes (available on request).

## 1.1. Conflict in Eastern Ukraine – Development Impacts

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As the conflict in eastern Ukraine enters its fourth year, ongoing violence continues to cast a long shadow over Ukraine's overall development prospects as well as the lives and livelihoods of millions of Ukrainians. Over 10,000 individuals have been killed, 2.7 million persons displaced, and over 4 million people in the eastern Donbas region of the country have been directly affected by continuing hostilities. Severe humanitarian impacts remain, particularly in non-Government controlled areas and along the 'contact line' which separates Government-controlled and non-Government controlled areas of Ukraine. However, these immediate needs are increasingly accompanied by mid-to long-term development challenges as the conflict becomes protracted.

Continued insecurity has interrupted industry and led to job loss, impacted service delivery, infrastructure and urban development, and put additional

pressures on Ukraine's already overstretched social protection systems. As the crisis continues, these development deficits have become more pressing, with more frequent calls for Government of Ukraine (GoU) outreach and support to eastern populations and long-term integration solutions for internally displaced persons (IDPs), veterans, and host communities. The conflict and its impacts also intersect with Ukraine's broader political and economic reform process that promised sweeping changes following the "Maidan" uprising in 2014. While the Government has taken many important steps to stabilize its earlier political and economic crises, these steps represent only the start of a long and arduous reform process.

Conflict has paralyzed economic activity in Ukraine's eastern industrial heartland. Pre-conflict the Donetsk and Luhansk regions accounted for almost one-quarter of Ukraine's industrial activity and an equal share of its exports.<sup>1</sup> Disruptions in industry, transport and small- and medium- size enterprise activity have led to widespread job loss and a crisis of investor confidence has undermined business development. Hostilities have led to a decline of Ukraine's exports and imports due to deterioration of trade with Russia and an overall decrease in economic activity.<sup>2</sup> Real GDP grew modestly by 2.3 percent in 2016 after contracting by a cumulative 16 percent in the previous two years of instability. Poverty rates also increased significantly in 2015, with access to services and livelihoods particularly impacted in conflict-affected areas. While poverty is estimated to have moderated slightly in 2016, stronger economic recovery has also been held back, in part, due to the continuing conflict in the East.<sup>3</sup>

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1 UN, EU, WB, 'Recovery and Peacebuilding Assessment for Eastern Ukraine'; March, 2015.

2 Economic Connectivity of Trade in Ukraine, Swiss Confederation, 2016.

3 World Bank, 'Macro Economic Update for Ukraine,' April 2017. <http://www.worldbank.org/en/country/ukraine/publication/economicupdatespring2017>

Of the over 1.7 million internally displaced, more than half of IDPs have stayed in Donetsk and Luhansk regions in the eastern Donbas near the conflict zone, however, IDPs have also settled throughout the country in search of security and opportunity. Nearly 60 percent of registered IDPs are pensioners, 60 percent are women, 13 percent are children and 4 percent are disabled. While the Government of Ukraine (GoU) and international partners have taken steps to protect and support conflict-affected populations by adopting relevant legislation and allocating available resources, the overall economic situation and the increasingly protracted nature of ongoing hostilities means IDPs and host communities are confronting growing socio-economic pressures.

Increasing numbers of Ukrainians (enlisted, conscripted, volunteers) returning home from military service also face challenges in reintegrating back into their communities. As of April 2017, over 300,000 veterans have been demobilized after serving in eastern Ukraine. An estimated 10,000 volunteers have also taken part in the conflict.<sup>4</sup> Furthermore, it is projected that up to 30,000 individuals per year will continue to join the ranks of veterans if the conflict continues.<sup>5</sup> Many veterans have trouble acclimating to civilian life, including experiencing post-traumatic stress disorders and other health challenges. The overall contraction of Ukraine's economy means that jobs and livelihood opportunities are even more limited for veterans and former fighters often face barriers in receiving the benefits for which they are eligible.

As displacement and conflict-related pressures mount, there is a need to build the resilience of communities to cope in the mid-to longer-term. The GoU established in 2015 the *State Agency of Ukraine for Donbas Recovery* (SADR), which was elevated in April 2016 to a new *Ministry for Temporarily Occupied Territories and Internally Displaced Persons* (MOT). MOT has been charged with developing a *State Target Programme for Recovery of the Eastern Regions of Ukraine* (STP). The STP represents a Government-led strategy and financing approach for recovery and peacebuilding activities, including priorities for international support and investments in recovery programs that focus on displacement

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4 Data from *Legal 100*, a nongovernmental organization in Ukraine focused on veterans' issues and a Cadmus partner in WB survey research on veterans.

5 Projections from survey consultations with veterans' organizations.

and veterans' challenges in addition to the chronic issues facing host communities that are impacted by the conflict.

## 1.2. Rationale for Survey Research

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In order to design effective and targeted conflict-recovery programming, robust data is needed on the development impacts of the crisis. At the GoU's request, the World Bank, United Nations, and European Union conducted a Recovery and Peacebuilding Assessment (RPA) for Eastern Ukraine that was endorsed by the GoU in August 2015. The RPA provided a joint assessment of initial needs in the areas of: (i) critical infrastructure and social services; (ii) economic recovery; and (iii) social resilience, peacebuilding, and community security. The Assessment represented a snapshot in time, and did not include primary or survey research. Many Ukrainian researchers and international partners have also collected a range of valuable data on the status and needs of IDPs and conflict-affected communities.<sup>6</sup> In order to build on, complement, and leverage existing research, this study identified the following key gaps:

- Most recent data was focused around humanitarian needs rather than information that would be useful in development planning.
- Available data that could be used for development planning purposes often derived from small samples, had limited geographic scope or was not sufficiently disaggregated or representative to permit analysis of effects among diverse conflict-affected populations.
- There were limited studies that took a national perspective—including the impacts of the conflict on IDPs, veterans, and host communities

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6 IOM National Monitoring System (NMS); REACH Inter-Agency Vulnerability Assessment of Conflict-Affected Communities in GCA of Donetsk and Luhansk; UNHCR Ukrainians' Attitude toward Internally Displaced Persons from Donbas and Crimea; Council of Europe Enhancing Legal in Ukraine for Rights of IDPs; EU Study on Mental Disorders and Access to Services among IDPs; Global Affairs Canada - Assistance to Conflict Affected Population Report; ILO Employment Needs Assessment of IDPs; UNHCR/ Crimea SOS Monitoring Report on Relationship between Host Communities and IDPs; UN OHCHR/ East SOS Freedom of Movement in Eastern Ukraine; UNICEF Out of School Children in Ukraine; USAID UMedia Project; European Research Association IP and host community. This represents a partial list of the many existing studies on conflict-affected populations in Ukraine.



throughout Ukraine (not just in the East).

- Often studies focused only on IDP populations rather than the impact of conflict on both IDPs and host communities.
- There was no significant research nor empirical data on veterans’ issues in Ukraine, particularly on socio-economic status, reintegration challenges and service needs.

### 1.3. Research Goals and Areas of Focus

To fill these identified gaps and build on earlier studies, the World Bank together with its partners—the Cadmus Group, Inc. and the Kyiv International Institute of Sociology—carried out research from October 2016 through March 2017 focused on the socio-economic impacts of displacement and veteran return.

**Research Goal:** Generate data on socio-economic impacts of the conflict throughout Ukraine to strengthen the evidence base for the GoU and international partners to better identify, design, and implement development policies and programming.

In recognition of the scope of the challenge and the diversity of populations to be sampled, a ‘two-track’ approach was taken. Track 1 focused on IDPs and host communities and track 2 research focused

on the experience of veterans and veterans’ families. A combination of secondary desktop data, extensive consultations, and primary quantitative and qualitative methods were used to explore a series of socio-economic conditions across surveyed populations. This included common areas of research focus across populations sampled, as well as some targeted questions by population type (see table 1 below).

The research also focused on capturing Ukraine-wide results and trends with sampling techniques that weighted surveys toward areas of Ukraine with the greatest concentrations of IDPs and veterans, but also ensuring representation of oblasts neighboring the conflict zone, central Ukraine, Kyiv and the west of the country. Due to restrictions on the World Bank’s areas of operations, research was limited to the government-controlled areas of Ukraine. See figure 1 for an overview of the geographic spread of survey research.

### 1.4. Methodology – Track 1 IDPs and Host Communities

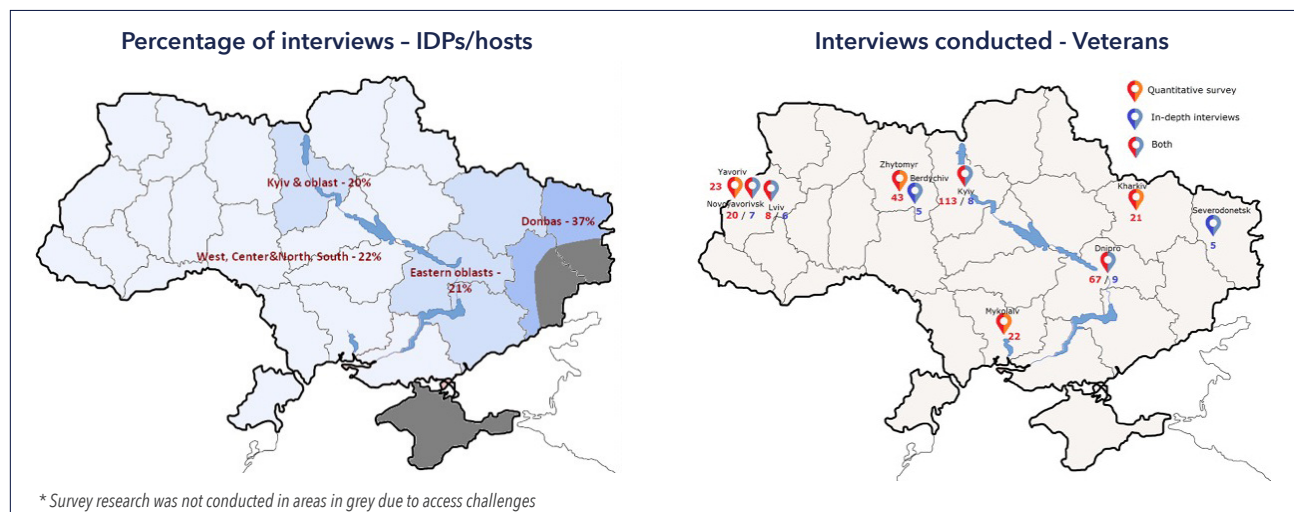
Survey research on IDPs and host communities included a combination of quantitative and qualitative methods, including a survey of 2,004 IDPs and 2,021 hosts and 20 focus group discussions. The IDP quantitative sample was drawn proportional to the number of officially registered IDPs in a given geographic area based on data from the Ministry of Social Policy. A stratified and multi-stage sample design ensured reliable estimates of the survey indicators, including the

whole country, urban and regional areas, and rayons by distance from the conflict zone (Donbas, neighboring eastern oblasts, Kyiv and ‘other’ oblasts). The IDP survey utilized a time-location sample and snowball technique, recognizing the challenges in sampling displaced populations. Each interview was conducted face-to-face and the data entered digitally into tablets for geocoding.

**TABLE 1: SURVEY RESEARCH - FOCUS AREAS BY POPULATION TYPE**  
(italicized areas of inquiry tailored to specific concerns of target population)

IDPS	HOST COMMUNITIES	VETERANS
<ul style="list-style-type: none"> <li>- Household data</li> <li>- Poverty/welfare status</li> <li>- Employment and economic prospects</li> <li>- Development concerns</li> <li>- Access/quality of housing and services</li> <li>- Inclusion and accountable governance</li> <li>- <i>Displacement duration</i></li> <li>- <i>Registration status</i></li> <li>- <i>Return intentions</i></li> </ul>	<ul style="list-style-type: none"> <li>- Household data</li> <li>- Poverty/welfare status</li> <li>- Employment and economic prospects</li> <li>- Development concerns</li> <li>- Access/quality of housing and services</li> <li>- Inclusion and accountable governance</li> </ul>	<ul style="list-style-type: none"> <li>- Household data</li> <li>- Poverty/welfare status</li> <li>- Employment and economic prospects</li> <li>- Access to benefits and services</li> <li>- Inclusion and accountable governance</li> <li>- <i>Length of service</i></li> <li>- <i>Demobilization status</i></li> <li>- <i>Post-traumatic stress and psycho-social challenges</i></li> <li>- <i>Return/reintegration to communities</i></li> </ul>

**FIGURE 1: SURVEY RESEARCH NATIONWIDE - IDPS, VETERANS, HOSTS**



Source: Image (map) by Sven Teschke, Germany; Terms of Use: GNU Free Documentation License 1.2; adapted by Kyiv International Institute for Sociology

The host community sample of 2,021 individuals was also weighted to consider the areas where the largest populations of IDPs reside, based on GoU-provided data. Urban settlements and regional districts were selected using the Probability Proportional to Size (PPS) technique, based on the number of displaced individuals registered in the district. At the second stage, voting precincts were selected randomly and systematic selection of households (every third household) was then applied in the third and final stage. Respondents were either heads of their households or were most informed decision-makers and interviews were conducted with a digital tablet for geocoding.

Among the sample of respondents, the research sought to target specific subgroups that may be uniquely impacted by the conflict, including: 1) women (heads of household); 2) returnees (hosts who were former IDPs that had returned to their communities of origin); and 3) pensioners.

Track 1 also included qualitative research in the form of focus groups discussions (FGDs) across Ukraine (see table 3). Twenty focus groups were held with mixed demographics and geographies, to obtain a diverse cross section of respondents and explore quantitative survey findings in further depth.

## 1.5. Methodology – Track 2 Veterans

The veterans’ track of the research consisted of two components: a quantitative survey and in-depth interviews. In the first component, 317 surveys were conducted amongst veterans of military operations in eastern Ukraine using personal interviews. Surveys were conducted in Kyiv, Zhytomyr, Kharkiv, Mykolaiv, Dnipro, Lviv, and the Lviv region (the towns of Yavoriv and Novoyavorivsk). The study participants were recruited with the help of the Ukrainian non-governmental organization (NGO) Legal Hundred and its network of partner veteran organizations and associations.

For each region, a quota target was created that included the total size of the sample, as well as the desired number of interviews with the following sub-categories: female veterans, veterans with physical disabilities, and veterans from rural areas. The sample was not random since the research team could only reach respondents through local organizations and/or their networks. Therefore, it can be concluded that respondents to this survey are relatively well integrated, at least within the veteran community (they have networks, are aware of or participate with organizations that support veterans, etc.).

**TABLE 2: OVERVIEW - QUANTITATIVE RESEARCH**

IDPS	HOSTS
Sample of 2,004 IDPs	Sample of 2,021 hosts
Sample is proportional to the number of officially registered IDPs	
TLS and Snowball Technique	District/rayon/precinct/ address (third household)
Personal interview with tablet	
Head of household (or most informed)	

**TABLE 3: FOCUS GROUP DISCUSSIONS - IDPS/HOST COMMUNITIES**

<b>TYPE</b>	<b>GENDER</b>	<b>AGE</b>	<b>EMPLOYMENT</b>	<b>LOCATION</b>
IDP	Mixed	20-60	Currently employed	Kharkiv
IDP	Mixed	20-60	Currently employed	Chuguiv
Host	Mixed	20-60	Currently employed	Kharkiv
Host	Mixed	20-60	Currently employed	Chuguiv
IDP	Mixed	20-60	Self-employed	Kyiv
IDP	Mixed	20-60	Self-employed	Severodonetsk
IDP	Mixed	20-60	Unemployed	Odessa
IDP	Mixed	20-60	Unemployed	Belgorod-Dnistrovsk
Host	Mixed	20-60	Unemployed	Odessa
Host	Mixed	20-60	Unemployed	Belgorod-Dnistrovsk
IDP	Women	30-50	Varied	Zaporizhzhia
IDP	Women	30-50	Varied	Melitopol
Host	Women	30-50	Varied	Zaporizhzhia
Host	Women	30-50	Varied	Melitopol
IDP	Mixed	18-24	Students	Kyiv
IDP	Mixed	18-24	Students	Severodonetsk
IDP	Mixed	60+	Recipients-pensions	Lviv
IDP	Mixed	60+	Recipients-pensions	Severodonetsk
Returnees	Mixed	21-39	Mixed	Severodonetsk
Returnees	Mixed	40-65	Mixed	Severodonetsk

Recognizing the potential sensitivities and limitations of focus group discussion (FGDs), the second portion of the veterans' research involved in-depth, qualitative interviews with 40 individual veterans, family members, and/or representatives of veteran organization to explore the survey findings in

greater depth. Participants responded to questions regarding their place of residence, education, voluntary or forced (enlistment) entry into service, disability, and experience of receiving psychological help. The interviews were held in Kyiv, Berdychiv, Severodonetsk, Novoyavorivsk, Lviv, and Dnipro.

## 2. SOCIO-ECONOMIC IMPACTS OF INTERNAL DISPLACEMENT – FINDINGS AND PRIORITIES FOR DEVELOPMENT ACTION

### 2.1. Overview of Key Findings

**Three years since the outbreak of conflict, the situation of internally displaced in Ukraine is increasingly static.** As IDPs approach three years of forced displacement, most have moved infrequently from their place of first refuge. Over half have not returned to their home areas since becoming displaced and only 15 percent of IDPs claim to visit home areas on a regular basis. Overall, a quarter of IDPs have no intention to return. Another quarter are prepared to return when conditions are right and half of IDPs express uncertainty about returning home at all. Those IDPs that do not intend to return or are ambivalent frequently describe their home areas as “ruined.” The primary condition for any return is an end to the conflict, yet the overwhelming majority of IDPs see no end in sight to the violence in the east.

**Among the most striking features of the research is the convergence of the economic well-being of IDPs and hosts.** Hosts cite a rise in prices and communal tariffs while IDPs reference rent, utilities and an inability to find permanent, well-paying employment as causes for anxiety and economic concern. IDPs piece together an average household monthly income of 3813 UAH typically composed of salaries, pensions, and social payments, with incomes rising as distance increases from the line of contact. Salaries and pensions make up the majority of income for hosts, averaging 4752 UAH per household each month.

**Non-displaced populations have lost more ground, essentially bringing them closer to the socio-economic “level” of IDPs.** While host households are slightly better off than IDP households, resident populations maintain that their economic status has deteriorated in the last twelve months whereas IDPs have endured chronic and consistent fragility since their displacement.

**Yet IDP populations are less resilient and face more uncertainty in securing permanent employment, housing, and accessing services.** They are more likely

to be unemployed, less likely to find a permanent job, and when they start businesses of their own as an income-generating strategy, many find general economic decline has reduced their client base. Moreover, large numbers of IDPs experience a mismatch of their skill-sets with labor markets in host communities. Women IDPs face particular difficulties balancing family responsibilities and childcare with their desire for employment and income.

**Hosts and IDPs share negative perceptions regarding access to services (particularly health) and the performance and responsiveness of government authorities (national and local).** Both IDPs and hosts express low levels of satisfaction with public services in general and with the cost and poor quality of health care provision, in particular. Overall, IDPs in Kharkiv, Zaporizhzhia, and Dnipropetrovsk have the highest levels of concern over social service delivery, their financial status, and discrimination. Important exceptions are new administrative service centers that receive high marks by IDPs and host alike. IDPs and hosts share remarkably common anxieties over the future and similar crises of confidence in government institutions.

**Both populations report little discrimination in accessing services and limited social tensions between IDPs and hosts in most areas.** IDPs and hosts generally regard the other with feelings that range from neutrality to appreciation for their common hardships. Relatively few IDPs or hosts express hostility or cite systemic discrimination based on residency status. Key exceptions are unemployed IDPs and pensioners that appear to be more socially isolated. Despite improvements in social relations, IDPs maintain they rarely feel “at home” in their locations. They cite being unable to own a home and find permanent employment as factors in their alienation. Moreover, an inability to vote in local elections and limitations on their rights as citizens also contribute to a sense of marginalization.

## 2.2. Profile of Survey Respondents – IDPs and Hosts

As explained in the methodology section, data was collected and then collated by region. The majority of interviews took place in the Donbas (37 percent of IDPs and hosts); the three neighboring oblasts (21 percent); Kyiv city and Kyiv oblast (20 percent); and in remaining areas of the country (22 percent). More than a half of the respondents were residents of cities with a population of over 50,000 people.

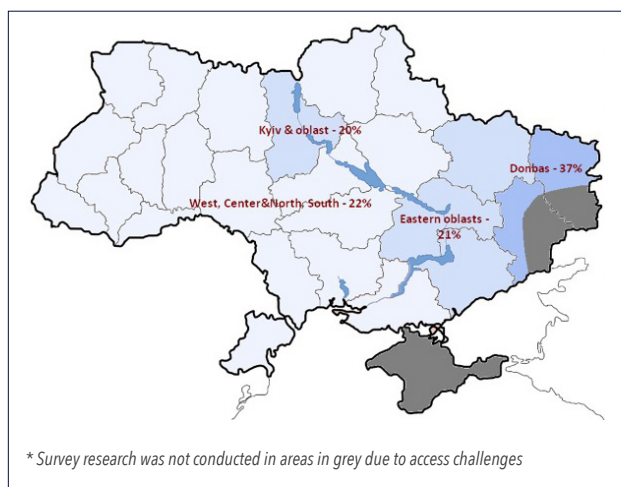
*“We ran there in our underwear and slippers. Because I live right next to the airport, next to the old terminal in Donetsk. I don’t remember how we ran at all. It was just a shock; the most important thing was to grab the children.”*  
(IDP, Zaporizhzhia)

*“In our area, the shelling started as well, and the military boarded us on a train. And here, we called and some people of faith told us that there is this resort in Odessa region. It was temporary for the summer, everybody thought. Nobody expected it and we came here without our possessions. We came as we were, with my son.”*  
(IDP, Odessa)

percent of IDPs originated from Crimea. Whereas all IDPs from eastern Ukraine cited physical security as the primary driver of their displacement, nearly all IDPs from Crimea cited differences over political orientation as the reason they left their home areas.

Over three quarters of the IDPs in Ukraine were displaced in 2014 and are now enduring protracted

**FIGURE 2: AREAS OF GEOGRAPHIC CONCENTRATION FOR IDP/HOST RESEARCH**

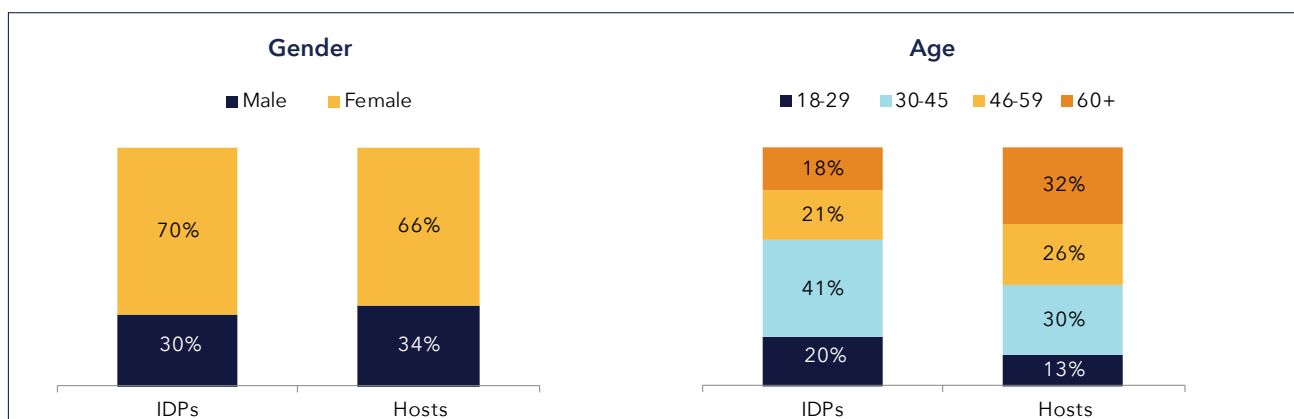


Source: Image (map) by Sven Teschke, Germany; Terms of Use: GNU Free Documentation License 1.2; adapted by Kyiv International Institute for Sociology

displacement after leaving their homes. Departure from home areas was often rushed in many cases, taking place on short notice and with few possessions. As IDPs approach three years of forced displacement, most have moved infrequently from their place of first refuge.

Among IDPs selected for this survey, nearly three quarters currently live in larger towns (population > 50,000) or large cities. Respondents were predominantly women (as were host participants), yet IDPs were younger (with more participants 18-45 years of age) than the host population that took part in the research. More IDP respondents completed higher education than hosts as well. When comparing IDP and host respondents from the same age groups, IDPs are, in general, more educated than hosts, but have a lower level of employment. For both IDPs and hosts, the average household size is 2.5 persons.

**FIGURE 3: GENDER AND AGE OF RESPONDENTS (PERCENTAGE OF IDPS AND HOSTS)**



Over 95 percent of IDPs report being registered; one focus group member captured the sentiments of many others when she stated, “Without that, we are nobody here.” The small percentage of IDPs that are not registered claim they were ineligible, uninformed, not in need of assistance, or fearful of government intrusion in their lives. Overall, 78 percent of IDPs indicate they left no members of their household behind in NGCAs yet most maintain that they have relatives that are still in home areas and who have not left due to age; bad health or difficulty moving; fear of unemployment; fear of leaving property unattended; or fear of leaving their businesses.

IDPs had differing reasons for why they chose to move to their displacement locations. Most respondents in rural areas away from the Donbas suggest that the key factor for choosing a place of refuge was the presence of family and friends. Having relatives and friends in a new location gave IDPs some flexibility in their length of stay, the ability to put off negotiating a lease, deferring rent or utility payments or contending with other burdens associated with independent housing. However, more IDPs in urban areas (>50,000) were pulled there in search of employment than to be near relatives. Respondents that settled in the Donbas and regions nearer the conflict were more influenced by proximity to home areas than either family or employment. Other less influential factors impacting settlement patterns include available housing and a desire to be far away from conflict-affected areas of the country.

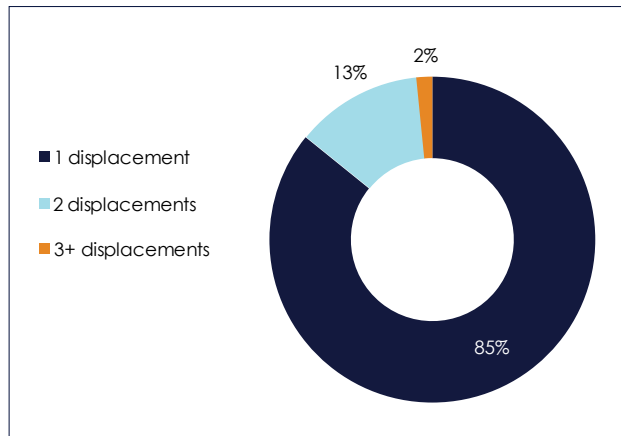
## 2.3. Key Findings

### 2.3.1. Key Finding – The displacement situation for IDPs is increasingly static.

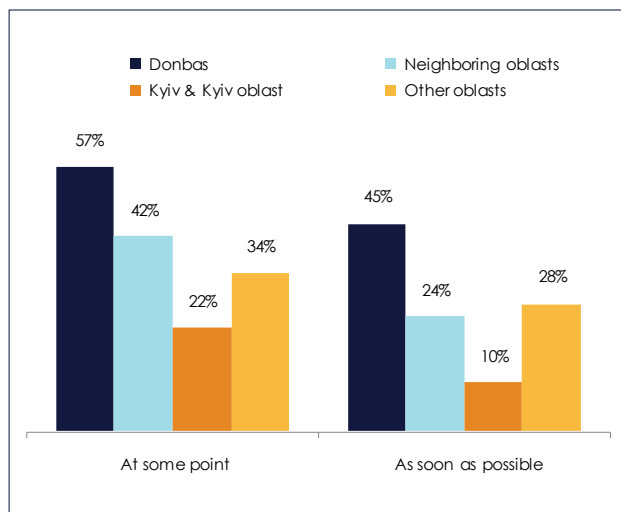
As IDPs approach three years of forced displacement, most have moved infrequently from their place of first refuge, over half have not returned to their home areas since becoming displaced and few claim to visit home areas on a regular basis.

Once IDPs were settled in places of first refuge, the majority did not move very often: 85 percent of respondents have changed their living place only once. Only 13 percent of IDPs surveyed changed their location twice, and 2 percent changed three and more times. The chance to be with family and friends, the opportunity to find a job, and the quality of the living space and seasonal considerations were the most important factors for those IDPs that relocated several times.

**FIGURE 4: TOTAL NUMBER OF DISPLACEMENTS (AS PERCENTAGE OF ALL IDPS)**



**FIGURE 5: IDP RETURN INTENTIONS BY REGION**



Half of IDP respondents have not visited their home areas since their initial displacement. Another quarter of IDPs reported visiting once a year or less; 15 percent visited 2 to 3 times a year; and only 7 percent of respondents indicated that they visited more frequently. IDPs who left areas that are now back under government control indicate that they visit their original homes more often with 29 percent returning once per year or less frequently, 16 percent returning several times a year, and 20 percent returning more frequently. Nearly all IDPs indicate that visits to home areas in NGCAs and GCAs are 30 days or less in duration.

The primary reasons IDPs travel to home areas are to look after property and to visit relatives and friends. At times, this entailed bringing medicine or neces-

sities to relatives, settling business-related issues, selling property, or collecting documentation. Yet the visits are typically short. *"We cannot bear to stay longer,"* said one focus group participant and many more complained that crossing the line of contact was the biggest impediment to frequent visits. Survey and focus groups respondents cite long lines, the expense of travel, corruption at checkpoints, and humiliating treatment during the crossing as factors discouraging visits.

While issues like these limit visits, other factors appear to defer return. Security remains the overriding deterrent, followed by the political orientation of authorities in NGCAs, social tensions with family, and poor employment prospects in home areas. Overall, nearly 75 percent of IDPs either do not want to return home, or remain uncertain of their intentions compared to over 80 percent that intended to return in surveys that took place in July 2015 and 43 percent that stated they wished to return in March 2016.<sup>7</sup> Just over a quarter of IDPs fear that they may be forced to return due to economic hardship (including eviction) or to care for relatives remaining in NGCAs.

Regional differences can be found in the return intentions of IDPs, however. Overall, more educated, highly skilled, and younger IDPs are less inclined to return, while those closer to the line of contact and NGCAs are more intent on return. IDPs in the Donbas are also more likely to express greater discomfort being away from home areas and to experience financial distress, including difficulty in finding employment. Overall, however, the trends over the last three years illustrate declining intent to return across all demographic categories of IDPs, signaling a loss of confidence in near-term peaceful resolution to the conflict and the viability of return to home areas.

IDPs in Ukraine are a population caught between an inability to fully adapt to life in displacement and declining hopes for successful return to their homes.

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7 See, for instance, the high percentage of IDPs intending to return home ranging from 97 percent among IDPs in Kharkiv to 56 percent among IDPs in Donetsk. REACH, *"Shelter and NFI Needs Assessment: Ukraine"* August 2015, p. 18; also see IOM, Displacement Tracking Matrix data from March 2016 (Round 1 - March 2016) that placed the number of individuals intending to return to their place of residence at 43.7 percent. As of April 2017, the number that were certain they wished to return fell to 25 percent in the current research (allowing for methodological differences in how intention questions were formatted), with increasing numbers of IDPs now uncertain of their intentions.

For many IDPs, return is a distant and distasteful prospect. Focus group participants cite *"being viewed as an enemy there,"* and *"having nowhere to go back to."* They describe home areas as *"ruined"* and maintain *"normal life is impossible there."* Yet, in their current place of residence it remains difficult to fully integrate, advance economically, or to remain hopeful about the future.

*"Home does not exist. ...In our memories, it is the same, but you understand that people are totally different there, thoughts are different, life is different, the situation is different." (Kharkiv, IDP)*

*"The more time goes by, the more I don't want to (return), that's how you could put it." (Kyiv, IOP)*

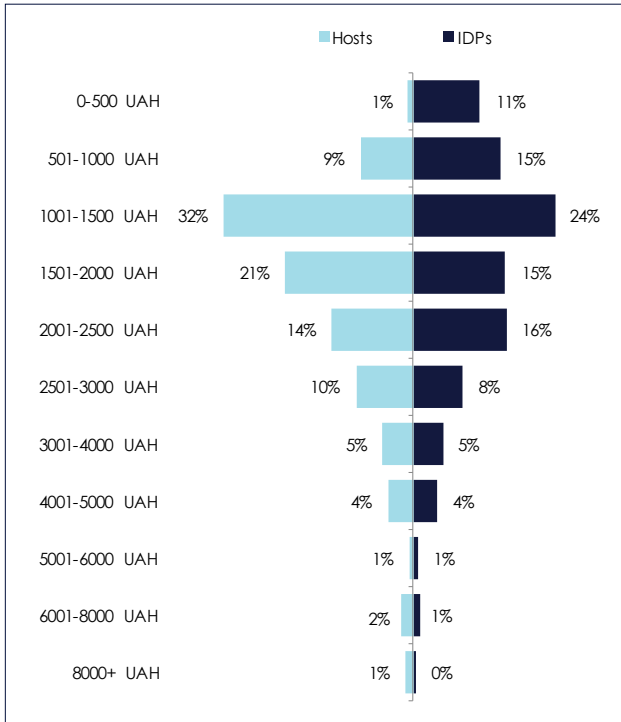
*"If I see that some conditions are created there. ...That it's possible not just to live, but to work. ... To do something (I will return then). (Kyiv, IDP)*

### 2.3.2. Key Finding – There is a convergence of economic circumstances among IDPs and hosts.

Among the most striking features of the research is the convergence of IDP and hosts perceptions of their economic well-being: 68 percent of IDPs report that after suffering a dramatic decline in living standards after displacement, their subsequent economic situation has remained fragile and generally unchanged. In contrast, 75 percent of hosts report marked declines in their economic situation in the last twelve months. As such, non-displaced populations have lost more ground, essentially bringing them closer to the socio-economic "level" of IDPs. This decline in fortunes has contributed to increasing pessimism, with twice as many hosts than IDPs believing that their economic situation will worsen over the next year. IDPs, for all the challenges they face, are more inclined to anticipate their economic situation staying the same or improving over the next twelve months; even though the data suggest they remain far less resilient to economic shocks than hosts.

IDPs are more reliant on social assistance and more likely to have trouble securing permanent employment. The most common sources of income in IDP households are social payments, salaries, pensions, humanitarian aid and financial assistance from relatives and friends. One IDP in six earns income from casual, often intermittent and nontaxable employment. Indeed, the lack of permanent, "reliable" employment is cited as a significant stress for IDPs in

**FIGURE 6: MONTHLY INCOME PER PERSON FOR HOSTS AND IDPS**



survey research. Moreover, social assistance infrequently totals more than 1000 UAH per month and salaries are the main source of income for nearly half of IDPs followed by social assistance and pensions. Comparatively, hosts receive less social assistance and rely more on salaries and pensions.

The average monthly income of an IDP household is 3813 UAH, while the average for host community households is 4752 UAH, with regional variations. As their economic status converges, however, IDP and host strategies for overcoming economic hardships have also become similar. Both groups deny purchasing essential items (67 percent of IDPs and 73

percent of hosts) and attempting to procure allowances or subsidies ranks second (54 percent of IDPs and 60 percent of hosts). Other common practices include spending savings, borrowing money, selling personal items or property, and postponing rent or utility payments. Yet, IDPs worry far more than hosts about losing their accommodation. Among hosts, the majority (77 percent) believe that they are financially stable enough to continue living in the same home during the next 12 months. Less than half of IDPs feel financially secure enough to anticipate living in their current accommodation over the next year, despite programs aimed at helping IDPs secure shelter.

In addition, host community residents have more property at their disposal than IDPs and are better able to withstand unexpected demands by resorting to selling their assets. Over 72 percent of hosts have large household items in their possession, 69 percent own an apartment, 33 percent own a house or a summer house, 25 percent possess crops for gardening or agricultural purposes, 22 percent own the land, and 17 percent own small animals. Conversely, only 33 percent of IDPs possess large household items, 27 percent own an apartment, and 12 percent own a home or a summer home. Households headed by men have higher incomes than ones headed by women, across all age groups and for both IDPs and hosts.

Both hosts and IDPs complain about common expenditures being too high, especially food, utilities and health care. Poorer IDPs (bottom 20 percent or “B20”) spend far more than B20 hosts on food, for example. In addition, more than half of IDPs (53 percent) pay rent and report this as their greatest and most burdensome expense. Additionally, an average of 66 percent of household expenditures are covered by social transfers for B20 IDPs and these transfers, along with unconventional sources (e.g., remittances), are often the largest share of income for IDPs versus pensions for the poorest hosts.

The average income of IDP households is somewhat higher in oblasts located farther away from the conflict zone and the level of social assistance and humanitarian aid as a percentage of income also declines with distance from the Donbas. Regional trends for hosts are somewhat different from those of IDPs with incomes for hosts highest in Kyiv and the level of social benefits as a percentage of income peaking in the three eastern oblasts neighboring the Donbas.

*“Communal utility fees have been raised, the wage has dropped even lower, tax rates have increased; financially, it is very difficult, prices in the store have spiked, it is impossible to buy anything.*

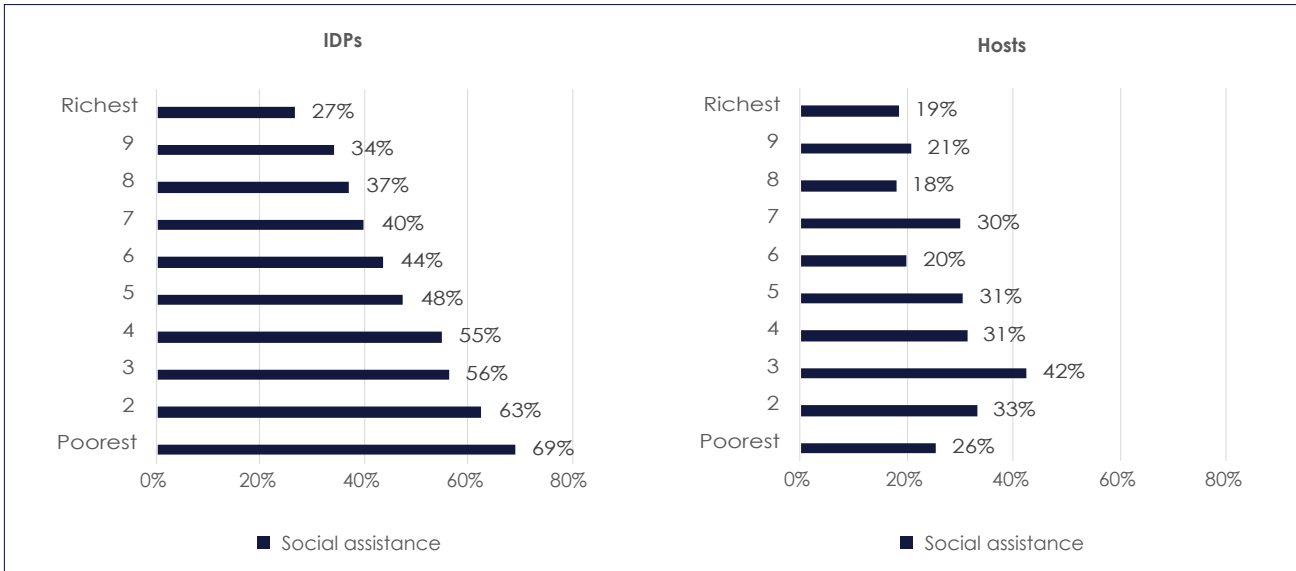
*Now I have debts. Prices have grown, and, naturally, it was a blow to our budget.”*  
(host, Odessa)

*“The wage now includes the army fee, one more tax, one more expense.”*  
(host, Zaporhizhia)

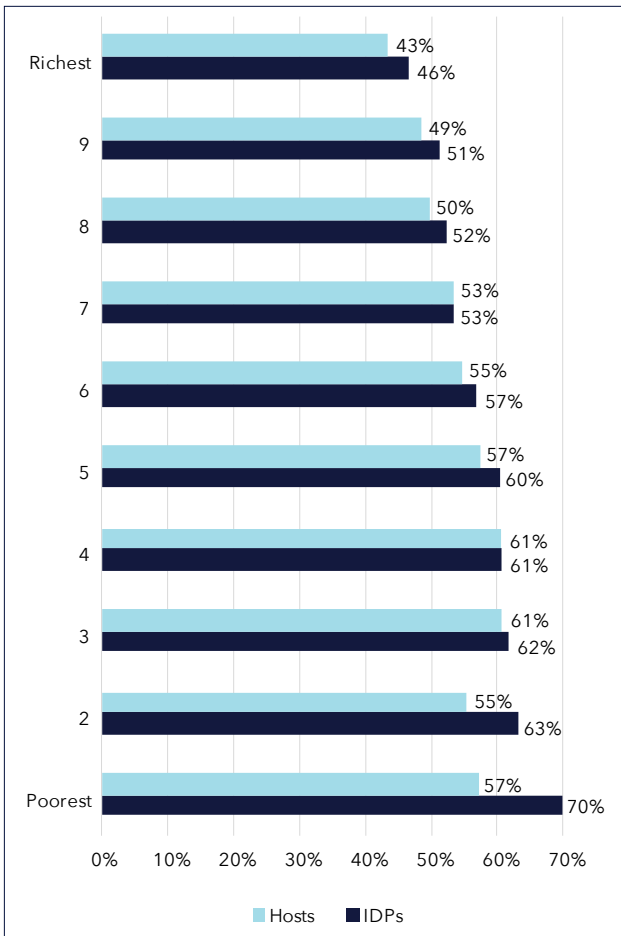
*“Men have left for the Anti-Terrorist Operation. And women are now like draft horses, they are both here and there, both at a focus group and at work. And then there’s some other additional work, because you have to pull all that.”*  
(host, Kyiv)



**FIGURE 7: AVERAGE MONTHLY OVERALL SOCIAL ASSISTANCE RECEIVED FOR IDPS AND HOSTS (PERCENT OF OVERALL HOUSEHOLD EXPENDITURES)**



**FIGURE 8: SHARE OF HOUSEHOLD BUDGET ALLOCATED TO FOOD EXPENDITURES (PERCENTAGE OF ALL IDPS/HOSTS)**



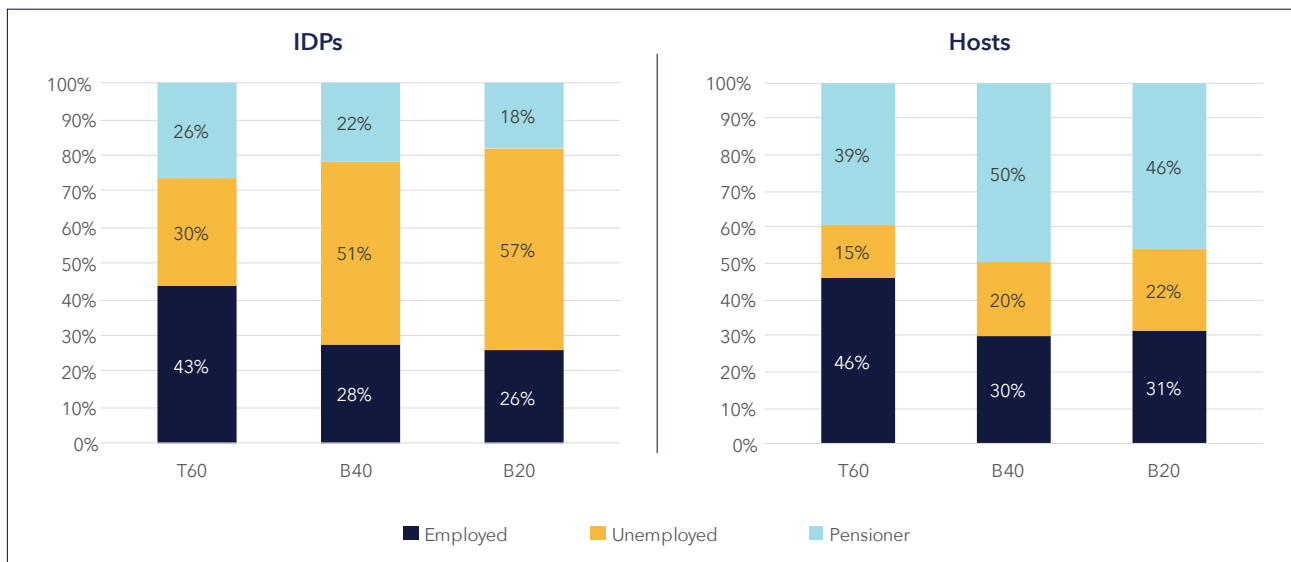
In Kyiv and Kyiv oblast, both IDP and host respondents more often list salaries as a source of income. In the Donbas, pensions are a greater source of income. This may be due to the increased numbers of older residents and IDPs in the Donbas with large numbers of youth (<35 years of age) having left for urban areas further west. IDPs from territories located near the conflict zone more often mention receiving humanitarian aid and having access to reserves of food and other essentials. Local populations in Donbas are also more likely to report subsistence farming as a source of income.

*Comparative Employment Figures*

Compared to other displacement crises, Ukraine’s IDPs have managed to attain impressive rates of employment in a moribund and conflict-affected economy. Most working IDPs have also secured employment in many of the same professional fields that capitalize on their pre-displacement skill sets. However, many of these jobs are not considered permanent and there is still a large unemployed and under-employed cohort of working age IDPs.

Overall, employment levels within IDP and host communities are similar but there are differences between both populations when assessing employment at different income levels. Taken together, 41 percent of IDPs and 44 percent of hosts are currently employed. The unemployment rate is 17 percent among IDPs and 7 percent among hosts. However, as many as 57 percent of B20 IDPs are unemployed

**FIGURE 9: EMPLOYMENT STATUS OF IDPS AND HOSTS BY PERCENT OF IDPS/HOSTS OVERALL**



compared to 22 percent among hosts. The difference is also notable, although not as dramatic, when comparing employment figures. Twenty-six percent of poor IDPs are employed compared to 31 percent among hosts. IDPs have also experienced a decrease in income compared with pre-displacement employment. Many working IDPs have reentered the same fields and professions, yet permanent and fulltime employment is more elusive and less lucrative than it was in the past.

placement, the employment rate of IDPs dropped to 41 percent with only 78 percent being engaged in permanent employment. Moreover, fewer IDPs hold full time jobs (84 percent compared with 90 percent prior to displacement) and the number of IDPs that identify as working on a temporary basis has risen from 4 percent prior to displacement to 12 percent during displacement. Overall, employment has become more tenuous and temporary for IDPs than it was before displacement.

*“Now people don’t have much choice about what job is better or what is worse. They need income to live.” (IDP, Chuhuiv)*

*“When the heating season started, the flow of clients fell sharply.” (IDP, Kyiv)*

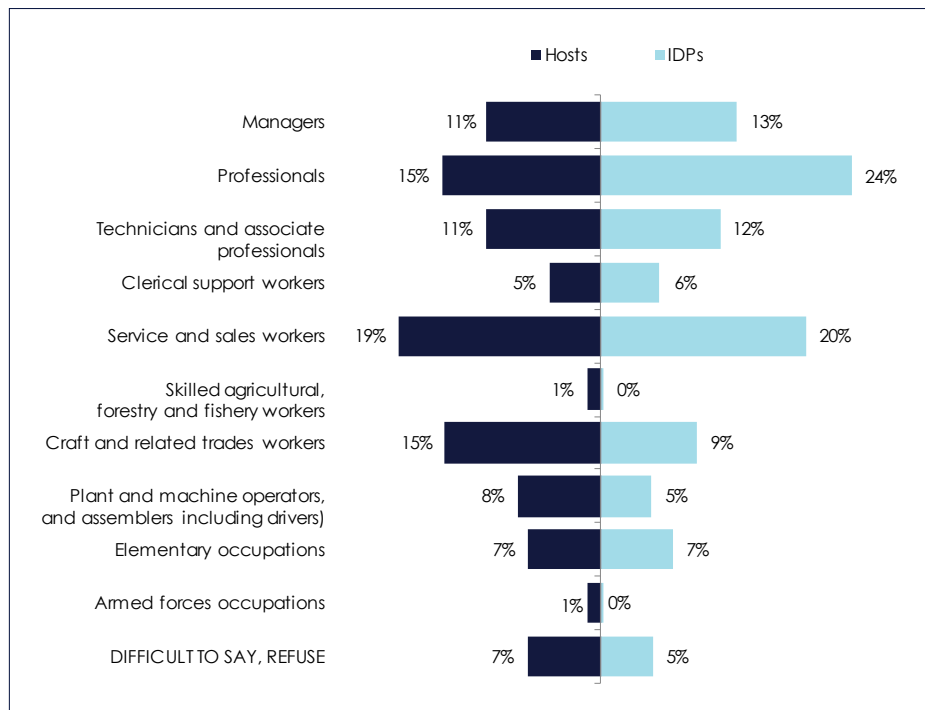
*“Jobs are inherited here, it is explicit. ...Good jobs are, 100%.” (IDP, Bilhorod-Dnistrovskyi)*

*“Well, you have to work more here. Here you have to do three to four times more to have at least the same income I had in Luhansk. I would make four times more money there for the same work. And here, you work more, but for the same money.” (IDP, Severodonetsk)*

Stress due to not having enough work or income is more common among IDPs than hosts, in part due to the more unpredictable and less permanent nature of the employment experience for IDPs. Prior to displacement, 47 percent of IDPs were working and 42 percent report being unemployed (including pensioners). Of those that were working before displacement, 91 percent had permanent employment. In dis-

The reasons IDPs cite for difficulties in finding more predictable and permanent employment are the shortage of jobs (layoffs, closure of enterprises due to the economic crisis, the seasonal nature of some employment), as well as low wages, poor terms, and exploitative working conditions. Many respondents also note that it is difficult to find a high paying job without connections, something IDPs generally lack in their new place of residence. Several IDPs in focus groups also complain of discrimination against Donbas residents in hiring practices (certain good paying jobs are described as “hereditary”). Women’s employment is limited by their family responsibilities. Women IDPs in focus groups suggest that childcare that was once provided by relatives in NGCAs was no longer available. Other women participants mention that employers prefer hiring men to women since women may take maternity leave and are perceived as taking sick leave more often. Nearly half of unemployed IDPs (48 percent) and 22 percent of unemployed hosts are actively seeking employment.

**FIGURE 10: CATEGORIES OF OCCUPATION FOR IDPS AND HOSTS**



Poor employment prospects have also impacted the host community, but to a lesser degree. There has been far less volatility in hosts' employment experience in the last 36 months when compared to IDPs. Of the 7 percent that report as unemployed, three-quarters have not worked for three to five years. Fewer than two percent of the total number of unemployed hosts were forced to resign due to economic reasons, including industrial closure or staffing reductions.

Among the 41 percent of IDPs that are employed, nearly 70 percent work in areas that match their skill set. Most individuals (56 percent) are working in the same fields, inclusive of education (78 percent), sales and repair of motor vehicles (63 percent), construction (65 percent), and health services (74 percent). IDPs also typically work in the same professions, including machine fabrication, technical specialists, and sales and service workers (70 percent). IDPs that were self-employed prior to displacement typically continue to work independently in displacement. However, many complain of a decrease in the number of clients and income compared to their experience prior to displacement.

At the same time, those IDPs who worked in certain industries in eastern Ukraine find it difficult to locate similar work; over half of IDPs that worked in the refinery industry indicate that they had to seek

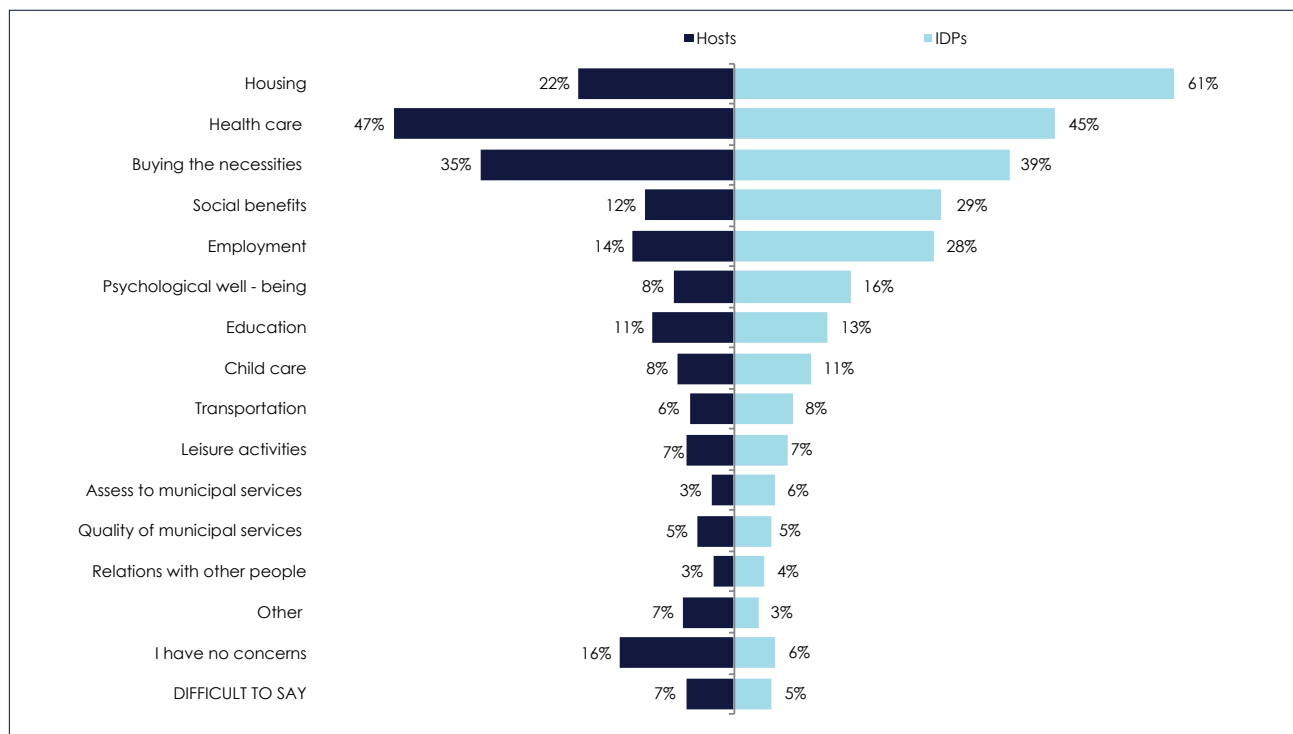
work in a new field. Likewise, almost half of skilled craft workers also indicate that they changed their field of employment. These shifts are explained as being necessary due to lower demand for these skills with the closure of heavy industry facilities in the east of the country and associated value chain impacts. Of those that are working, 27 percent are dissatisfied with the conditions and income-generating potential of their position. Most maintain they need additional training or employment alternatives to survive economically or to advance their careers. Among IDPs that are unemployed but seeking work, a mismatch

of their skills (e.g., refinery operations, machine fabrication, and chemical engineering) poses barriers to new and viable employment. Together, the underemployed and unemployed constitute as much as 35 percent of working age IDPs. As the displacement crisis lengthens and the likelihood of local integration and non-return increases, this sizeable population should not be overlooked.

**2.3.3. Key Finding - Hosts and IDPs also share common concerns in regard to quality and access to services (particularly health) and the performance and responsiveness of government authorities (national and local).**

Both IDPs and hosts express low levels of satisfaction with public services in general and with the cost and poor quality of health care provision, in particular. Overall, IDPs in Kharkiv, Zaporizhzhia, and Dnipropetrovsk have the highest levels of concern over social service delivery, their economic conditions, and discrimination based on their residency status. They are also the most pessimistic concerning their own economic prospects, resolution of the conflict, and the future of Ukraine. IDPs and hosts share remarkably common anxieties over the future and similar crises of confidence in government institutions. The primary complaints by both IDPs and hosts are that government officials do not understand them, are

**FIGURE 11: ISSUES OF GREATEST CONCERN TO IDPS AND HOSTS (PERCENTAGE OF ALL IDPS AND HOSTS)**



not responsive, are corrupt or removed from their everyday lives.

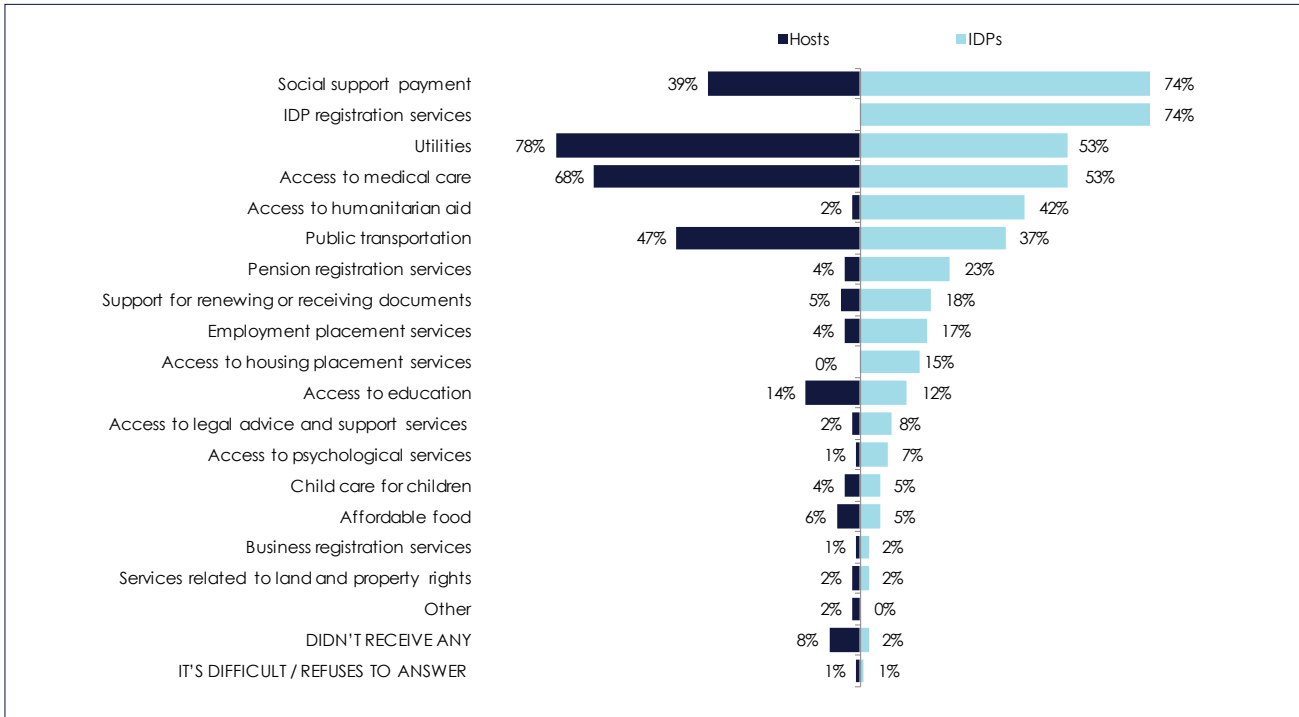
IDPs and host communities share common concerns over health care and buying basic necessities. Forty-five percent of IDPs and 47 percent of hosts are concerned about health care expenses with 39 percent of IDPs and 35 percent of hosts worried about having enough money to purchase necessities. While taking special note of the disparity between IDPs that are concerned about housing (61 percent) and local community members that expressed concerns about housing (22 percent), it is still compelling how both communities register similar priority concerns over their economic well-being.

When data is examined for IDP and host concerns by sector (e.g., education, health, social service delivery) the primary concern in each instance is the expense of each service or the small size of payments; a financial anxiety and not a concern over the quality of service delivery. However, secondary and tertiary concerns that are common to both IDPs and hosts do focus on quality of service delivery and access. These include slow and complicated processes and paperwork, long lines, a lack of information, impolite behavior on the part of public servants, and a lack of availability of services through the internet.

More state services have been accessed by IDPs in the past two years. Even so, large majorities of host and IDP households report no differences in their ability to access state services. In general, IDPs are satisfied with humanitarian aid, public transportation, IDP registration and pension registration, education access, and utilities services. However, they express dissatisfaction with employment services, housing placement assistance, childcare, medical care, social payments, and affordable food services. As noted, spending on necessities (including food), employment, utilities and rent are among the most urgent concerns for IDPs. It should be noted that higher levels of satisfaction among IDPs toward services tend to come from less vulnerable IDPs, including those that live in their own or relatives' housing, those who are employed or have someone working in the family, or those that were displaced without children. Hosts gave mostly positive assessments to public transportation, education, and childcare services but also gave lower marks to employment and housing placement services.

An examination of IDP and host concerns by region suggests that IDPs find housing (the affordability of housing in particular) as the number one concern across regions. For hosts, the priority issue is the affordability of health care, with significant varia-

**FIGURE 12: STATE SERVICES ACCESSED SINCE DISPLACEMENT (IDPS) OR OVER THE LAST TWO YEARS (HOSTS) AS A PERCENTAGE OF EACH RESPONDENT GROUP**

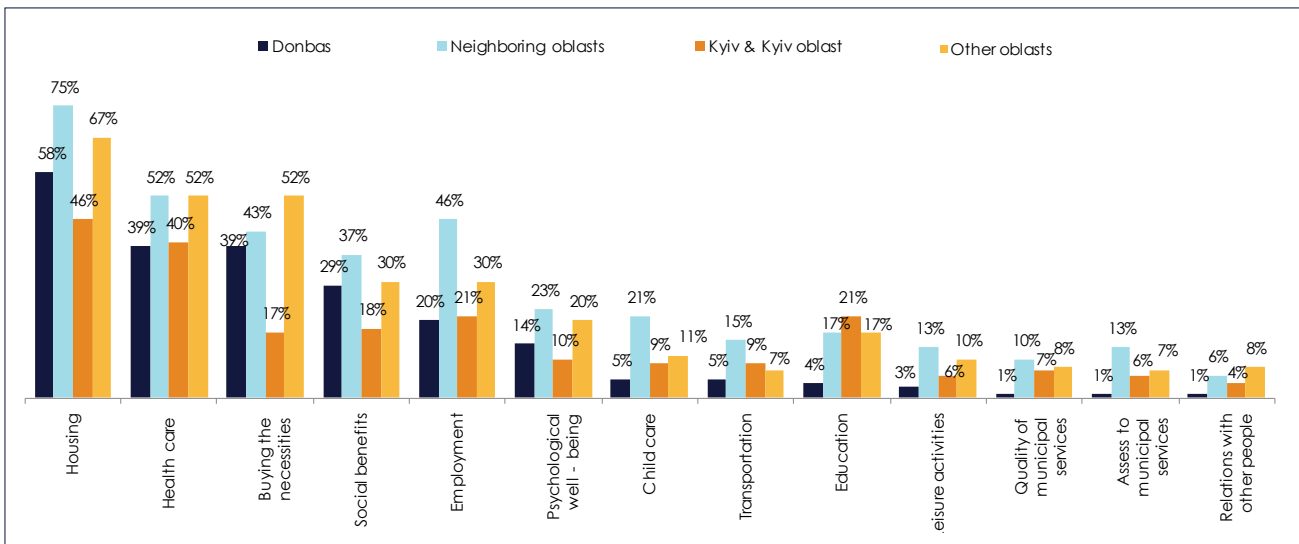


tion across regions. However, IDP populations vary in their concerns across areas with the displaced in Kyiv worried far more about access to education than IDPs elsewhere and IDPs in eastern oblasts significantly more concerned about employment than IDPs in the rest of the country. Among hosts, concerns over access to education in Kyiv are also more pronounced than elsewhere. Hosts in eastern oblasts are also concerned about employment, so-

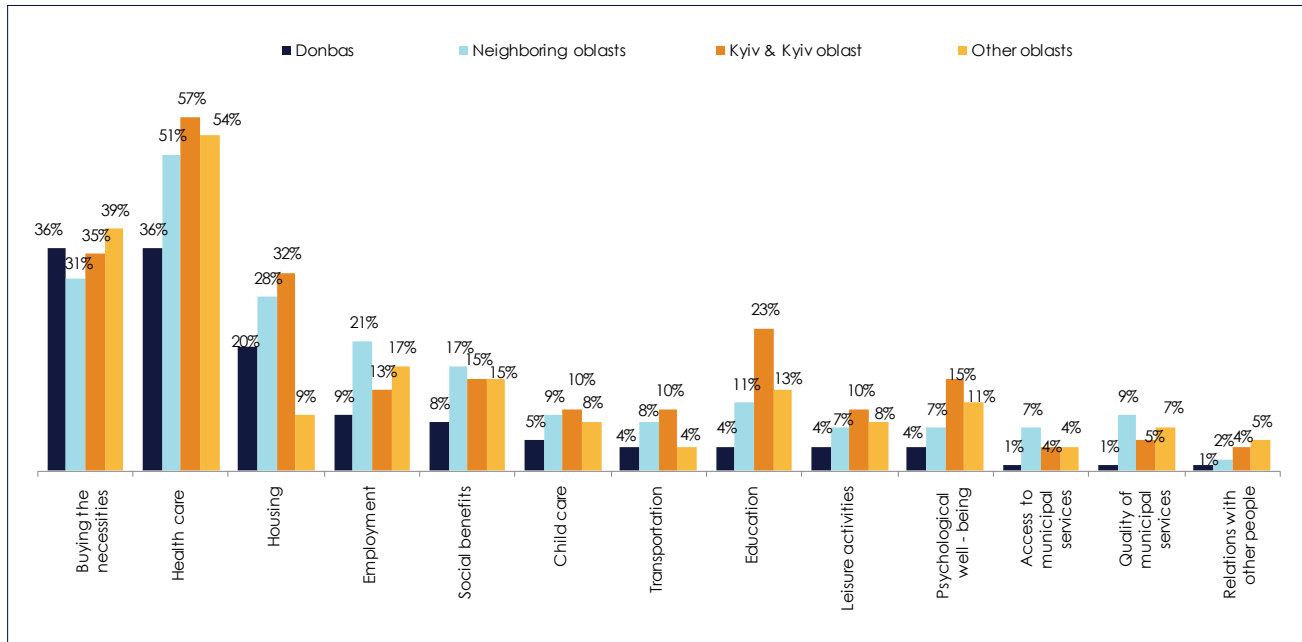
cial benefits and the quality of municipal services in greater measure than hosts in the rest of the country.

A more directed line of questioning on certain services reveals an interesting pattern of higher levels of satisfaction among hosts and IDPs in the Donbas. Alternatively, IDPs and hosts in adjoining eastern oblasts are the least satisfied with selected

**FIGURE 13: IDP CONCERNS BY REGION**



**FIGURE 14: HOST CONCERNS, BY REGION**



*“As for the service sector, hospitals, everything is the same here.” (IDP, Kyiv)*

*“They have the same level of service. For example, I was sitting in a clinic, my mother needed a doctor, and they were served in exactly the same way.” (host, Odessa)*

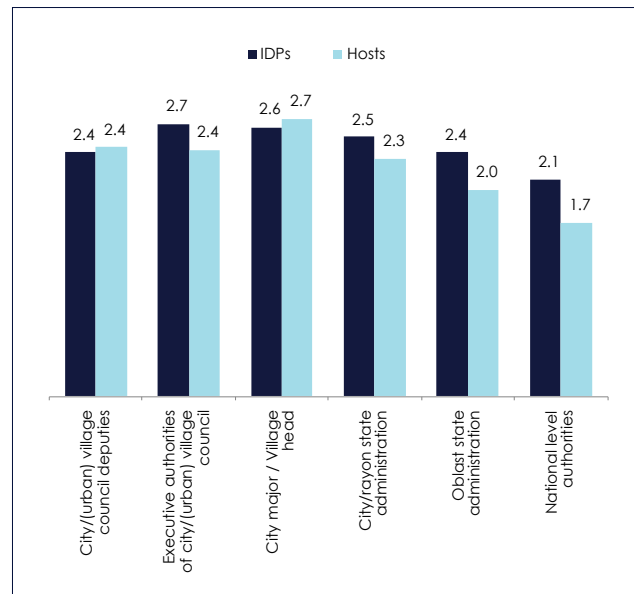
*“No difference, I was there with my child, and there were IDPs, sick children, on the same standing, both us and them.” (host, Odessa)*

services. One reason for this dissatisfaction may be that host and IDP populations in Kharkiv, Dnipropetrovsk, and Zaporizhzhia oblasts express greater concern over their economic future than others. IDPs in these eastern oblasts are also the most concerned about the affordability of housing whereas IDPs in

the Donbas, Kyiv, and Kyiv oblasts claim they have fewer concerns about housing, childcare, municipal services, or social benefits. Generally, IDPs and hosts in Kyiv are most optimistic about the future.

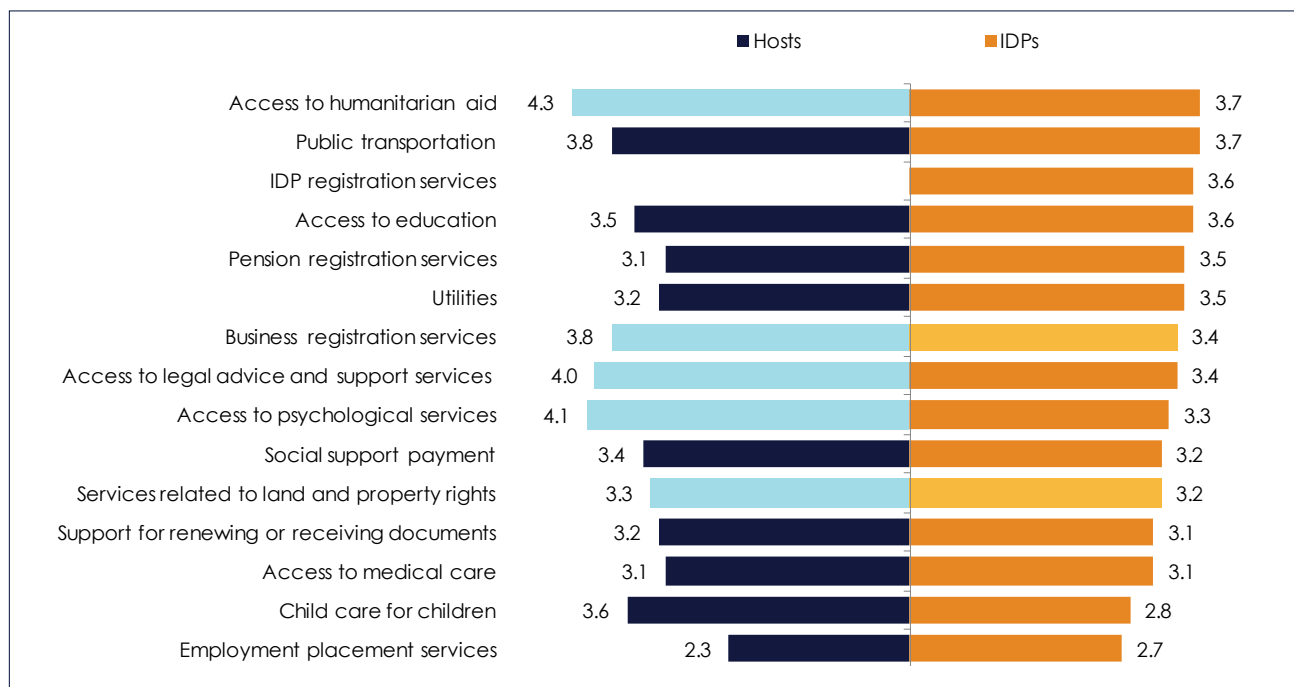
The majority of focus group and survey respondents from both populations express low rates of confidence in national, provincial and local level authorities. For both IDPs and hosts, regard for local and national level authorities is quite low, although local authorities have slightly higher performance ratings. Interestingly, hosts are slightly more skeptical on the question of whether authorities care about their concerns than IDPs. Yet hosts rarely fault IDPs for service deficits. Blame more often falls on high prices, corruption and lack of availability.

**FIGURE 15: PERFORMANCE RATINGS OF LEVELS OF GOVERNMENT: SCALE OF 1 - 5 WITH 1 BEING “VERY BAD” AND 5 BEING “VERY GOOD” (AVERAGE OF ALL HOSTS AND IDPS)**



Relatively few IDPs and hosts have regular contact with government officials and tend to base their negative ratings of government on the long lines, red tape, and excessive formalism they experience when accessing many services and interacting with government services. The negative light cast on

**FIGURE 16: LEVELS OF SATISFACTION WITH SPECIFIED SERVICES ON A SCALE OF 1 (VERY DISSATISFIED) TO 5 (VERY SATISFIED) AS A PERCENTAGE OF IDPS/HOSTS THAT RECEIVE THESE SERVICES**



government officials and institutions in various media outlets may also contribute to such attitudes.

There are two important and promising exceptions to this negative trend. Several IDPs and hosts that have met with local government officials report positive outcomes from such encounters. In focus groups, several participants describe going into such interactions with low expectations and being pleasantly surprised when positive and concrete results came of these meetings.

*“Previously all those services were dispersed between many establishments, and there was a queue at each establishment; it was done expressly to create corrupt schemes. Now all this was eliminated and done to be convenient and good. This is very encouraging.”*  
(host, Belgorod-Dnestrovsky)

*“I have a very good impression of this center. ...Everything is well-organized and takes a minimum amount of time. I was very satisfied.”*  
(host, Kharkiv)

Second, IDPs and hosts that utilized new administrative service centers report a more favorable rating of their experience, giving high marks for efficiency and effectiveness. Both of these developments suggest that there is room to reverse low confidence in government institutions but that this will require constructive

and productive community outreach by authorities (and may require “quick wins” to build confidence).

**2.3.4. Key Finding - Both populations report little discrimination toward IDPs in accessing services and limited social tensions, though IDPs still perceive barriers to full integration.**

While the survey did not explore social cohesion in depth given the availability of other studies that examined the topic, the data does reveal that social relations between IDPs and hosts are of limited concern to most respondents.<sup>8</sup> IDPs and hosts generally regard the other with feelings that range from neutrality to appreciation for their common hardships. Relatively few IDPs or hosts express hostility or cite systemic discrimination based on residency status. IDPs and hosts tend to participate in civic activities in the same proportion (18 percent of IDPs and 20 percent of hosts). Majorities in both communities describe mixing socially with the other, particularly in work settings and in neighborhoods.

<sup>8</sup> See, in particular, the recent and comprehensive *Social Cohesion and Reconciliation Index (SCORE)* data, (USAID Ukraine, 2016). Available on request.

*"My friends are 50/50 (IDP and hosts)." (IDP, Odessa)*

*"After all, it is easier for young people to adjust to the situation, [we have] made some friends, it seems fine." (IDP, Chuhuiv)*

*"I already have more friends here in Kharkiv than I used to have in Donetsk. I mean, I feel as if I fell and I was caught by supporting hands. Back there, I didn't have this." (IDP, Kharkiv)*

*"I have many connections and friends, I am an outgoing person. With the Kharkiv locals, it's not like we're one community, but we do talk on the everyday level." (IDP, Kharkiv)*

*"Thanks to some of the doctors that have arrived... the problem was covered." (host, Melitopol)*

(collective housing for IDPs). Nevertheless, despite improvements in social relations, IDPs maintain they rarely feel "at home" in their locations. They cite being unable to own a home, the inability to have large networks of family and relatives around them, and the absence of economic safety nets that come with strong family bonds as factors in their alienation. Moreover, an inability to vote in local elections, limitations on their rights as citizens, and the sometimes invasive practices of government authorities confirming their IDP status also contribute to a sense of marginalization.

Hosts typically do not blame IDPs for the negative changes they note in their lives although several hosts cite positive improvements in the availability of doctors and other trained medical personnel. Infrequent attributions to IDPs for negative influences are increased difficulty entering university, an inability to find rooms in dormitories, and greater difficulty finding employment. Moreover, relatively few hosts associated an increase in crime or prices with IDPs in their communities, or expressed the opinion that IDPs were content to live off of state welfare and not look for work.

There are interesting regional variations in integration patterns. About one third of IDP respondents residing in the three eastern oblasts neighboring

This is significant, especially given the longstanding pre-conflict misgivings that characterized relations between eastern regions and the rest of Ukraine.

Hosts and IDPs tend to report that relations have improved over time as hosts and residents grow more familiar with other's lives and share many of the same hardships. Key exceptions to this integration are pensioners that appear to be more socially isolated as are IDPs that are unemployed and those living in sanatoriums

the Donbas claim that they have experienced discrimination by landlords due to their IDP status while fewer IDPs cite this problem in other parts of the country. Overall, IDPs in these eastern oblasts felt more discrimination by local authorities and residents than elsewhere in the country. They cite legal restrictions, difficulties with registration, and problems with getting housing contracts more often than IDPs in the rest of Ukraine. The majority of IDPs in cities and regional centers throughout each region face difficulties related to high rent, while IDPs in small towns and villages cite poor transportation in their area as a more unique problem in their daily lives. The political and civic participation rates of IDPs are much higher in oblasts outside of Kyiv, the Donbas, or the three eastern oblasts neighboring the Donbas. Overall, integration appeared to be further developed in these other oblasts as well.

Finally, hosts and IDPs tend to share the same views on how to improve integration. Both agree that the first priority is to resolve the conflict in the east and to improve employment prospects for all Ukrainians. IDPs cite housing and securing permanent employment as priorities in an integration process. Less discussed is any reluctance by IDPs to fully integrate among those that hold out the possibility of return. Instead, more immediate economic and housing concerns dominate decision-making about the future.

*"[The attitudes of locals are changing] for the better, I think." (IDP, Zaporizhzhia)*

*"It has calmed down by now." (IDP, Kyiv)*

*"Make yourself at home, but don't forget you're just visiting. Something like that." (IDP, Kyiv)*

*"It is all strained. It's not as if you were at home. ... To settle down here like we did there, we have to live here for 15, 20, 30 years." (IDP, Bilhorod-Dnistrovskiyi)*

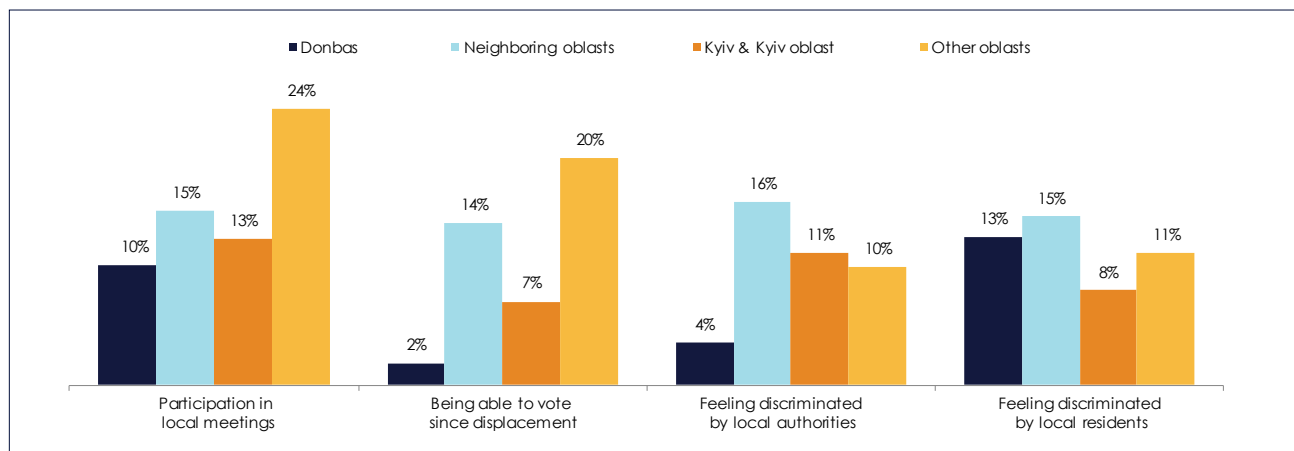
*"It is different. Kyivians are at home. I am also in my homeland, I am Ukrainian, but still, my rights have been limited." (IDP, Kyiv)*

*"We are guests, and we will be for a long time to come. ...because we have no voting rights." (IDP, Lviv)*

*"Since 2014, everyone saw their purchasing power, their wages drop. I am talking about Kharkiv residents. So everyone had to cut their expenses drastically. And then these people came, and, of course, the Kharkiv locals are jealous of them, 'Who has come? How do they live?' The Kharkiv locals probably think that IDPs receive more attention, more subsidies, but if the Kharkiv locals lived (knew how IDPs live) they would have no reason to be jealous of those who arrived." (host, Kharkiv)*



**FIGURE 17: INCLUSION OF IDPS BY REGION (BY ISSUE AS NOTED)**



## 2.4. Priorities for Action – Addressing the Development Impacts of Displacement

### 2.4.1. To the Government of Ukraine

- *Integration solutions for the displaced are a priority and will require improved access to permanent employment, the ability to own their own accommodation, and full political participation in the communities in which IDPs live.* As forced displacement within Ukraine becomes static and the conflict becomes protracted, the need for developmental solutions to the challenges IDPs face become more pressing, especially as fewer IDPs intend to return home. Ensuring IDPs can vote in local elections and that IDPs have access to credit for home ownership, or home repair, will help address the need for reliable accommodation for IDPs while promoting the integration of displaced persons.
- *A convergence of economic status among hosts and IDPs will require the formulation of policies and programs that benefit both IDPs and their hosts.* IDPs are economically vulnerable, yet hosts are also experiencing a deterioration of their economic status. Increasingly, IDPs and hosts contend with similar hardships and share similar concerns over services and unfavorable views of government institutions.
- *Prioritizing work in Ukraine’s five eastern-most oblasts should be a priority to promote inclusion, growth and stability in Ukraine.* Residents and IDPs in eastern Ukraine express the deep-

est economic concerns, the highest level of skepticism toward government institutions, the greatest levels of political marginalization and the most pronounced lack of integration between IDPs and residents.

- *Policies and programs that help match and develop the skills of IDPs and hosts with existing and emergent labor markets will be required for economic growth and integration.* While finding and securing long-term employment is more of a challenge for IDPs, both hosts and IDPs express demand for skills that make them more marketable and adapted to the emergent economy in Ukraine.
- *To improve conditions in the health sector, ensure swift and effective implementation of new health care reforms while considering tailored health care support in areas hosting large concentrations of IDPs.* Health care provision is the most heavily criticized service sector in Ukraine. IDPs and hosts alike express dissatisfaction with the costs and availability of health services.
- *Improving access to childcare for female IDPs, especially those that are heads of households, will reduce vulnerability and improve education, health, and welfare outcomes.* Women-headed displaced households are particularly vulnerable and IDP access to childcare services is limited, posing barriers to women

that require additional income to provide for their households.

- *Continue the establishment of highly regarded administrative service centers and ensure ongoing, timely, and effective delivery of services in these facilities.* Develop parallel social service delivery centers to address IDP and resident concerns over poor social service delivery and access.
- *Improve outreach by oblast-level and local authorities to communities.* Consider civic-government consultative engagement for “quick win” community-level projects benefitting hosts and IDPs, beginning in five eastern oblasts of Ukraine.

#### 2.4.2. For the Development Community, including the World Bank

- *Development assistance should be scaled up in areas most affected by the ongoing conflict to expand integration opportunities for the displaced and to address the economic, service delivery, inclusion, and social stability challenges impacting the lives of hosts and IDPs.* Development support is needed now to promote effective integration policies and programs and to avoid protracted displacement that could be generational—as has been the case globally in many IDP contexts.
- *Leverage technical expertise in access to finance and financial risk management to promote SME development.* Options for access to finance should be identified; a range of practical risk-sharing product offerings developed; and targeted advisory services and capacity building made available to banks and SMEs to support the growth prospects of selected businesses, especially women owned/managed SMEs. Given the unprecedented double economic shocks of conflict in eastern Ukraine and considerably lower global commodity prices, access to finance for small and medium-size enterprises (SMEs) in eastern Ukraine is particularly constrained. SMEs in the region may provide one of the best ways to promote economic growth and help transition Ukraine’s economy toward emergent markets.
- *Identify areas and extent of demand for vocational and technical training to improve employment prospects, particularly for IDPs that face challenges with matching skills with new jobs and in finding permanent, well-paid employment.* Survey research underscores that IDPs are more likely to work on a temporary or casual basis which may result in a higher risk of income loss, instability, unofficial employment, and lack of protection by labor laws. Well over half of unemployed IDPs are willing to find a job, with a high preference for vocational training, language courses, and entrepreneurship training.
- *A program of small-scale consultative community improvement programming focusing on a menu of public infrastructure options should be implemented in the five easternmost oblasts in GCAs.* Consultative community level programming focusing on visible and tangible outcomes for both hosts and IDPs will improve cooperation and relations between local authorities and communities in conflict-affected oblasts and reinforce nascent decentralization efforts. Pilot activities may include: small-scale community improvement projects that bring together IDPs, veterans, hosts, and local governments to improve marketplace areas, parks, street lights and pedestrian areas, recreational facilities, and community centers.
- *Support policies and programming around housing and home ownership for the internally displaced.* Activities could include pilots that: explore/map local level solutions to housing for IDPs; provide options to ease credit for home ownership – or home repair through credit unions in Ukraine; foster more regulation and formality in establishing legal contracts and leasing in the local housing markets; and provide protection/referral services for IDPs on issues related to housing and landlord disputes.
- *Support the establishment of additional administrative service centers and the internal processes that make them successful.* IDPs, veterans and hosts express low levels of satisfaction with public services in general and low levels of confidence and trust in the responsiveness of national and local authorities. Important exceptions are new administrative service centers that receive high marks by IDPs and host respondents alike. Building on these successes, pilot activities could support the design and establishment of additional local level ‘one-stop-shop’ administrative centers and much needed social service delivery centers that include a focus on delivering transparent/effective services to IDPs, veterans and other conflict-affected populations.

# 3. SOCIO-ECONOMIC IMPACTS OF VETERAN RETURN – FINDINGS AND PRIORITIES FOR DEVELOPMENT ACTION

## 3.1. Overview of Key Findings

**Since the outbreak of conflict, there has been an overall increase in unemployment among veterans, who contend with various challenges in their transition to civilian employment:**

Twenty-eight percent of respondents who were employed prior to the Anti-Terrorist Operation (ATO)<sup>9</sup> are now unemployed. Veterans in rural areas and those in eastern and southern Ukraine are most concerned about a lack of work, and a higher percentage of veterans in the age group of 18-29 years are likely to have temporary or casual employment (23 percent) compared to 18 percent of veterans aged 30-45 years and 46+ years.

**Employers' perceptions of veterans and views on the conflict have implications for veterans' transition to civilian employment.** Their mistrust towards veterans and concerns about hiring employees contending with post-traumatic stress disorders (PTSD) or physical disabilities feature among the top reasons for why more than half of the survey respondents believe that it is harder for veterans to find employment compared to the general population.

**Half of all veterans surveyed highlight the limitation of the current provision of both problem-solving counselling and enhanced psychosocial support in the country and articulate the need for enhanced therapy options.** A key obstacle for veterans to acquire adequate psychological care is the proliferation of volunteer psychologists who do not have actual professional

experience. The overwhelming majority of veterans would like this counselling to be provided by veteran peers.

**Gaps in the provision of medical services with high demand have a disproportionate impact on older, disabled and unemployed veterans.**

Although most veterans are receiving the medical services that they need (70 percent), there are gaps in the provision of medical services that are required by a higher percentage of respondents overall, including access to sanatorium, physical therapy and other direct medical assistance (non-medication).

**Although limited knowledge appears to be the main reason for gaps in providing social benefits, denial of eligible benefits by service providers and the extent to which veterans believe certain benefits are relevant are also key issues.**

The denial of eligible benefits by service providers is particularly relevant for veterans who have disabilities and those who are based in the eastern and southern oblasts.

**The general assessment of national, regional and local government authorities' performance and responsiveness to veterans' issues is low.**

A little over one-third of all respondents feel that government officials at all levels pay attention to their concerns. The average rate of performance across all levels of government does not exceed 2.8 points on a scale of one to five (1 - being very bad, 5 - very good).

9 The Government of Ukraine refers officially to the conflict in the East as the 'Anti-Terrorist Operation.'

## 3.2. Profile of Survey Respondents – Veterans

As referenced in the methodology section, quantitative and qualitative data on veterans who participated in the ATO in eastern Ukraine was compiled and consolidated by region. Survey interviews for quantitative data collection included 317 veterans, the majority of which took place in Kyiv (36 percent), Dnipro (21 percent), and Zhytomyr (14 percent) and the rest in the remaining locations: Kharkiv, Mykolaiv, Lviv and the Lviv region (the towns of Yavoriv and Novoyavorivsk).

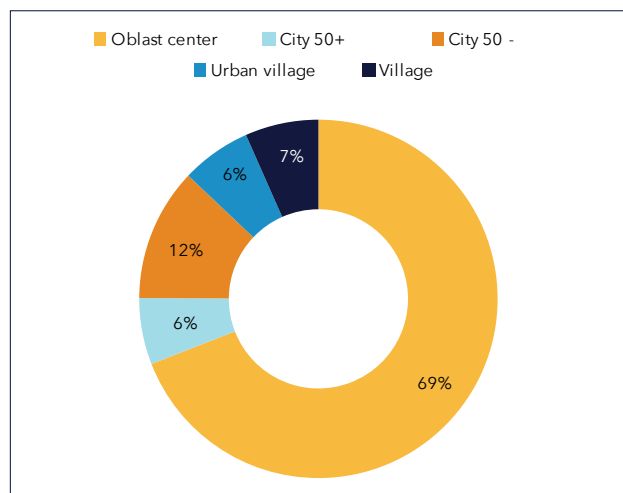
In-depth, qualitative interviews were conducted with 40 persons in six locations: *Dnipro* (23 percent), *Kyiv* (20 percent), *Novoyavorivsk* (18 percent), *Lviv* (15 percent), *Severodonetsk* and *Berdychiv* (13 percent), including veterans, family members and representatives of veteran organizations.

Most survey respondents were men: 84 percent of respondents for the quantitative survey were men and 16 percent were women. Although the actual ratio of women in the military is smaller, there was a conscious effort to include a higher number of female respondents in the survey to allow for meaningful analysis of the data. The majority of survey respondents (64 percent) were between 30-45 years of age, followed by 19 percent in the age range of 46-59 years, 17 percent who are 18-29 years of age, and 1 percent aged 60+ years. Almost one third of survey respondents are residing in oblast centers; 12

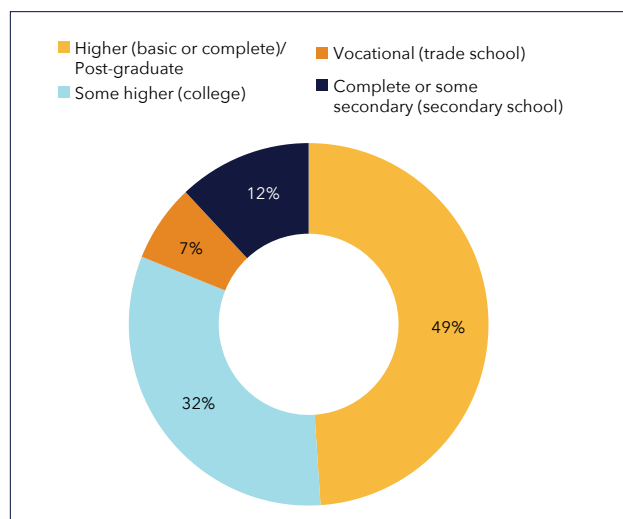
**TABLE 4: AREAS OF GEOGRAPHIC CONCENTRATION FOR QUANTITATIVE RESEARCH**

CITY	PERCENTAGE
Dnipro	21%
Lviv	3%
Zhytomyr	14%
Kyiv	36%
Kharkiv	7%
Mykolaiv	7%
Yavoriv	7%
Novoyavorivsk	6%

**FIGURE 18: GEOGRAPHIC LOCATION (PERCENT OF ALL RESPONDENTS)**



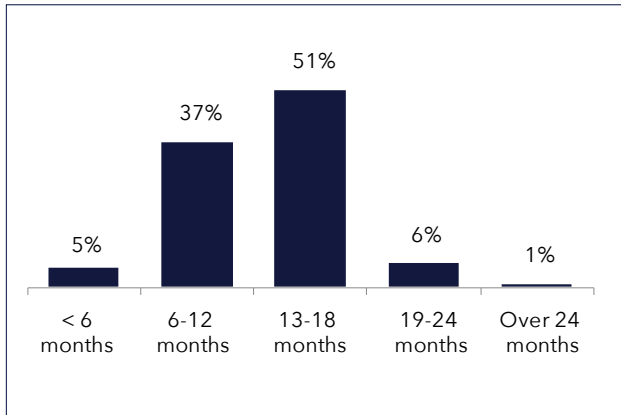
**FIGURE 19: EDUCATION (PERCENT OF ALL RESPONDENTS)**



**TABLE 5: AREAS OF GEOGRAPHIC CONCENTRATION FOR QUALITATIVE RESEARCH**

CITY	PERCENTAGE
Kyiv	20%
Berdychiv	13%
Severodonetsk	13%
Novoyavorivsk	18%
Lviv	15%
Dnipro	23%

**FIGURE 20: DURATION OF MILITARY SERVICE (PERCENT OF ALL RESPONDENTS)**

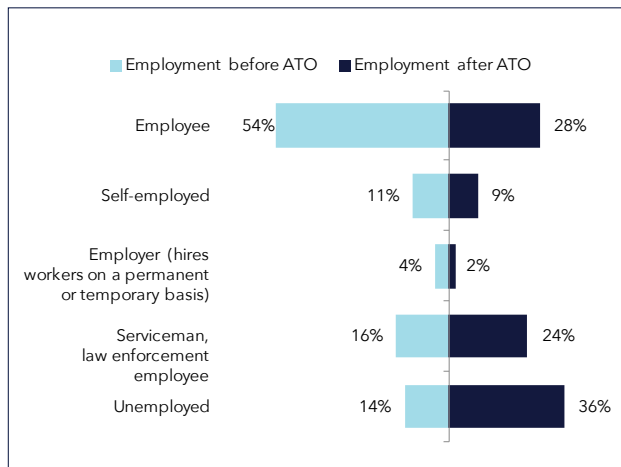


percent are in smaller cities (population < 50,000); 7 percent in villages; and 6 percent in urban villages as well as larger cities (population > 50,000).

Overall, the level of education among survey respondents is high: almost half have a post-graduate degree, and about one third have a college degree. Almost two thirds (64 percent) of the veterans surveyed are currently employed, 26 percent are unemployed, and 6 percent are retired.

Eighty-three percent of respondents served in the Armed Forces of Ukraine, with a smaller number of veterans from volunteer battalions (8 percent) and the National Guard (6 percent) and other divisions subordinate to the Ministries of Defense and Internal Affairs. More than half (56 percent) of respondents served in the military voluntarily and the rest (44 percent) were conscripted. More than half (56 percent) commenced with their military service in 2014 and

**FIGURE 21: EMPLOYMENT BEFORE AND AFTER ATO (PERCENT)**



24 percent began their tenure in 2015. The majority (42 percent) were demobilized in 2015, 27 percent in 2016 and 6 percent in 2014. While 42 percent of respondents served for less than one year, 50 percent served for more than one year but less than 18 months. Per local veteran organizations, the average duration of military service is 18 months.

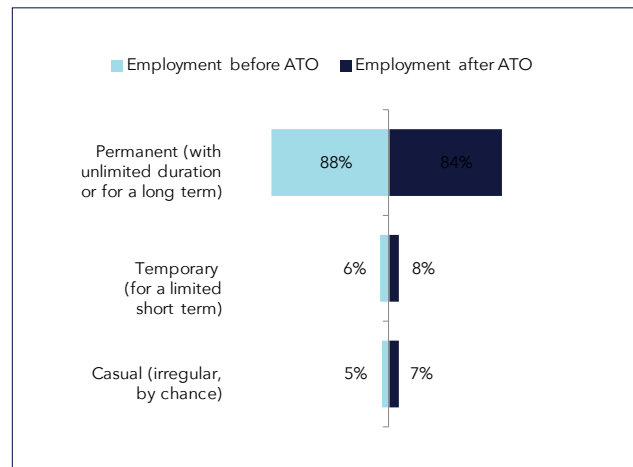
For the qualitative part of this research, respondents for the 40 in-depth interviews included 36 veterans, including 35 men and 1 woman. In addition, two interviews were conducted with veterans' family members (both female) and two with local veteran organizations.

### 3.3. Key Findings

#### 3.3.1. Key Finding - Since the outbreak of conflict, there has been an overall increase in unemployment among veterans who contend with various challenges in their transition to civilian employment.

There has been an overall increase in veteran unemployment since the outbreak of the conflict. Nearly a third (28 percent) of respondents who were employed prior to the ATO are now unemployed, while 6 percent of those who were unemployed prior to ATO operations have acquired jobs after demobilization. In terms of geographic differences, veterans in rural areas and those in eastern and southern Ukraine are most concerned about the lack of work; those in rural areas often cite the instability of work as a significant factor in their well-being. Compared

**FIGURE 22: NATURE OF EMPLOYMENT BEFORE AND AFTER ATO**



to 17 percent of respondents from the center and western oblasts, almost twice as many based in the eastern and southern oblasts admit that they are frequently stressed or depressed because of not having enough work.

The public administration and defense sector emerges as a key source of employment for both male and female veterans. There is a high and persistent concentration of veterans engaged in the public administration and defense sector; evidence from indepth interviews suggests that many veterans choosing to reenlist after their return from the war. Many feel that salaries and service conditions are more favorable in the military, and that they have the skills and experience to contribute. While this is a short-term solution for gainful employment, it may be problematic once the conflict has ended and there are less resources and opportunities for military service.

Aside from the public administration and defense sector, the research findings indicate that employment patterns for veterans are related to geographic location. Compared to 6 percent of veterans in the center and western oblasts who have jobs in the manufacturing sector, and 7 percent who are engaged in wholesale and retail trade, more than double this percentage in the eastern and southern oblasts are employed in these sectors. On the other hand, in comparison with the 11 percent of veterans based in the center and western oblasts, only 3 percent of respondents in the eastern and southern oblasts work on human health and social work activities

Compared to their middle aged and older peers, younger ATO veterans appear to have a different mindset towards their transition to civilian employment. Although the level of unemployment across the three age groups is similar, a higher percentage of veterans in the age group of 18-29 years are likely to have temporary or casual employment (23

percent) compared to 18 percent of veterans aged 30-45 years and 46+ years.

The survey data also suggests a degree of passivity towards civilian job prospects on the part of younger veterans. Among younger veterans, 59

*"It was kind of a private enterprise, I was not officially working there. Who will wait for me there for 1.5 years? They have already recruited other people. Anyway, I myself do not want to work in sales anymore." (volunteer, disabled, 29, male, Severodonetsk)*

percent confirm that they opted not to return to their previous place of employment. Of these, 44 percent indicate that their rationale was lack of interest in the former job, a notable contrast to the situation of older veterans, of whom less than 40 percent state that their primary reason is that their place of employment no longer existed. Within the pool of 23 percent of younger veterans who are unemployed, 21 percent say that they do not desire fulltime employment. When asked whether they would rather opt for part-time/casual income generation opportunities in a subsequent question, almost one-third of 18-29 year-old respondents profess their lack of interest.

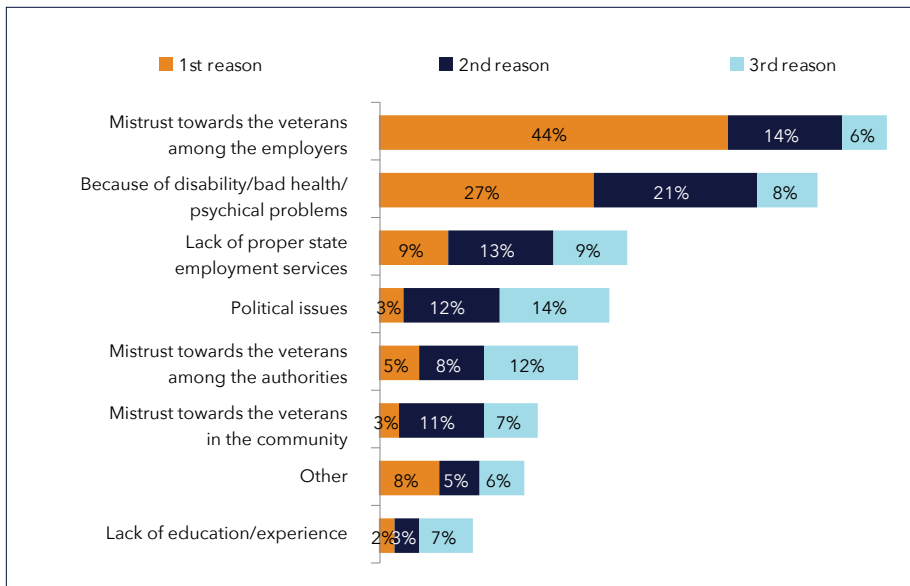
Information compiled from qualitative interviews attests that for some younger veterans, experiences during the conflict led to renewed or changed attitudes and values, including the desire to explore different types of employment opportunities. For others accustomed to receiving adequate compensation during their military service, it is difficult to reconcile this stability with job prospects that do not offer at least the same or higher level of income upon demobilization. Moreover, factors such as the availability of unemployment compensation, the need for recuperation and time for reunification with family may play a role. However, this trend of apathy toward follow-on employment may signal the need to intervene during demobilization to facilitate the transition of former ATO participants, and to provide career guidance and counseling, particularly for younger veterans.

Employers' perceptions of veterans and views on the conflict also have implications for veterans' transition to civilian employment. Although employment challenges stem, in large part, from the impact of the economic downturn on the labor market, the views of survey and focus group participants suggest that the impact of employers' perceptions and biases on veterans' economic prospects is also a factor.

Employers' mistrust towards veterans and their concerns about hiring employees contending with PTSD or physical disabilities feature among the top reasons for why more than half of the survey respondents believe

*"Entrepreneurs are afraid to take in veterans. They are now in the first category of officers, not officers, soldiers of reserve. No one knows how the situation will turn out in the future. And an entrepreneur understands this, and this is a risk for the entrepreneur, to give such person a job." (NGO, female, 30, Novoyavorivsk)*

**FIGURE 23: EMPLOYMENT SEARCH DIFFICULTIES (PERCENT OF THOSE VETERANS WHO THINK IT'S MORE DIFFICULT TO FIND A JOB FOR A VETERAN)**



that it is harder for veterans to find employment compared to the general population. Also, many employers have misgivings that veteran employees may be conscripted again if there is escalation of the conflict in the Donbas.

However, some in-depth interview revealed examples of employers who have demonstrated their patriotism and gratitude toward veterans by giving them hiring preference over other candidates. Respondents have also specified instances of state enterprises and companies that managed to weather the economic downturn and retain their jobs for them.

Employment and economic outcomes for disabled veterans in particular suggest that social perspectives hold sway on decisions regarding employability. While unemployment rates for disabled veterans and nondisabled veterans are almost identical (26 percent and 27 percent), closer examination of the nature of employment for these groups reveals that 38 percent of disabled veterans have temporary or casual/irregular jobs compared to 10 percent of their peers who do not report any disability. The percentage of disabled veterans who believe that their employment is unstable is three times that of their nondisabled counterparts.

Survey findings also reveal differences in employment, job search and training preferences across different categories of veterans for market opportu-

nities. These are manifested by variations in job search modalities and training preferences for urban and rural respondents, for example, as well as older veterans and those based in the eastern and southern oblasts compared to their peers residing in the center and western oblasts. It is more likely that respondents based in urban areas apply through job advertisements posted online (50 percent) or in published mass media (32 percent) or conduct their job search through volunteer organizations providing assistances to veterans (28 percent). In contrast to the 12 percent of urban residents, almost twice as many veterans in

rural areas would avail of job fairs and a mere 5 percent would consider using volunteer organizations providing assistances to veterans as an avenue for their job search. Compared to 1 percent of veterans in urban areas, 10 percent of respondents in rural locations specified their desire for training to work in the service sector (barber, waiter). On the other hand, language courses (41 percent) and IT education (32 percent) are a higher priority for urban based veterans.

In comparison with to their younger peers, veterans in the 46+ age group are more likely to apply for jobs advertised by the State Employment Service, published mass media or in the streets. They are also least likely to turn to private employment agencies for help in conducting their job search. Compared to 17 percent of younger veterans, only 7 percent of veterans in this age group confirm that they would avail of high quality vocational or business development training provided by the private sector.

Almost half of the respondents who have completed secondary education or lower would respond to online job advertisements and 29 percent would be willing to contact employers or HR directly or start own business from scratch. They are also particularly inclined towards opportunities for entrepreneurship training (43 percent). On the other hand, more educated veterans appear to be more comfortable with responding to SES job advertisements and using private employment agencies. About one third

of the respondents from this pool have expressed preference for vocational training (auto mechanic, electrician, seamstress etc.).

**3.3.2. Key Finding – Veterans cite limitations of the current provision of both problem-solving counselling and psychosocial support. The overwhelming majority of veterans would like this counselling to be provided by veteran peers.**

Survey findings show that almost one quarter (23 percent) of all veterans have accessed some form of psychosocial counseling. However, most have found this to be both inappropriate and substandard. Notwithstanding both the criticism and limitations, an additional 19 percent say they plan to attend counselling when the opportunity arises, increasing to 47 percent if improvements were made to existing programs.

Over three quarters (78 percent) of veterans recognize the importance of the support given to them on their return, by their spouses and families. A significant 85 percent felt that that both veterans and families would benefit from psychosocial counselling as part of their adjustment back to civilian life. In interviews, veterans confirm the role of their spouses and other family members in helping them readjust to civilian life. In addition to assisting them to cope with any residual physical injuries, illness, and mental distress, they mention: (i) realigning roles and responsibilities in the home that might have changed during the veteran’s absence; (ii) working on spou-

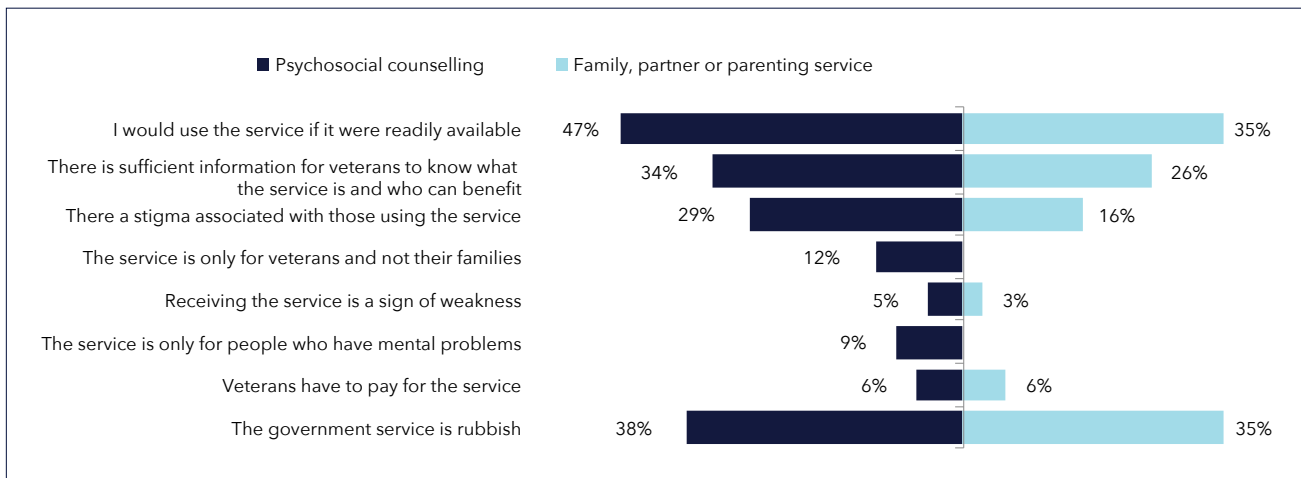
sal relationships and parenting; and (iii) easing them back into the extended family and community. Currently, only four percent of veterans have attended counselling related to family, partner and parenting issues, with less than 12 percent considering going with their spouses. However, if an improved problem-solving counselling program were available, then this figure would increase to 35 percent.

Respondents mentioned several major drawbacks preventing veterans from obtaining psychosocial support. One of those is the lack of professional psychologists. Around one half (47 percent) of veterans agree that they the reason for not using psychosocial counselling is its lack of availability. Likewise, a little over one third (35 percent) of veterans cannot access problem solving family, partner and parenting counselling, due to its unavailability. Furthermore, thirty-nine percent of veterans and all NGO representatives interviewed, expressed dissatisfaction with the quality of work from psychologists.

According to the respondents, there are too many volunteer psychologists who do not have actual professional experience. For example, veterans pointed to the proliferation of ‘internet psychologists,’ which refers to non-professionals who complete a short course on the

*“A person who had been fighting, killed and witnessed close friends being killed, got injured ... This person subconsciously cannot understand how a professional psychologist, with no such experiences, may help. The person is certain that a psychologist cannot understand them. It is a problem.” (NGO, male, 37, Kyiv)*

**FIGURE 24: ATTITUDE TOWARD PSYCHOSOCIAL COUNSELLING/PSYCHOSOCIAL SUPPORT FOR FAMILY MEMBERS (PERCENT OF ALL VETERANS)**





*"In this regard, it would be better for it to be obligatory, so to say. That is, a man comes from the front, and must during, say, the next month to work for 2 hours with a psychologist."*  
(conscripted, male, 28, Lviv)

internet and then provide services, either as a volunteer or for a fee. Many respondents also believe that even the bonafide psychologists do not know how to work with veterans. Many veterans would only trust those who

have military experience themselves. Such respondents believe a nonveteran psychologist is unable to understand and help former combatants because of their unique wartime trauma. To overcome this obstacle, veterans suggested training veteran peers in lowintensity counselling skills and working with foreign psychologists with experience in military operations could provide assistance to veterans.

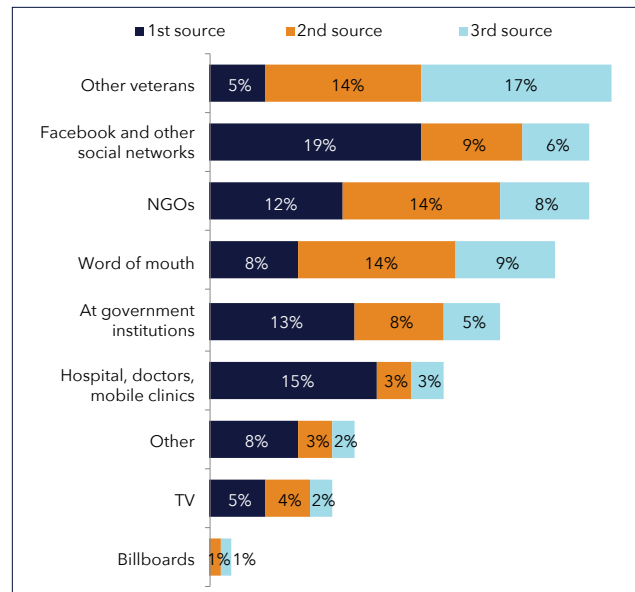
Some veterans believe that a basic course of low-intensity psychosocial counseling should be made mandatory for all those who return from the service. However, respondents also underscored that psychological help for veterans is not always readily available, especially in smaller cities and rural areas. Almost two-thirds (63 percent) of respondents also highlighted that veterans do not have access to sufficient information about what psychosocial counselling is and how it can help, and emphasized that acquiring information from trusted sources is important.

**3.3.3. Key Finding – Gaps in information and in the provision of medical and other social services has a disproportionate impact on older, disabled and unemployed veterans.**

Survey findings point to the need for more comprehensive information on medical assistance and health services. Overall, 85 percent of respondents indicate that they would like to receive more information. Those veterans who are volunteers, age 30-45 years, and who have completed secondary education or lower, believe that they are less informed about their benefits. Veterans with disabilities cite receiving information from public organizations the most often.

The dearth of information is more apparent for some social assistance benefits compared to others and appears to be related to the geographic location of veterans. For example, 69 percent were not aware of the onetime free renovation grant and 51 percent indicated the same for construction loans, as well as

**FIGURE 25: HOW DO YOU RECEIVE INFORMATION ON HEALTH BENEFITS/ SERVICES AVAILABLE TO YOU AS A VETERAN? NAME 3 SOURCES FROM THE MOST IMPORTANT TO THE LESS IMPORTANT (PERCENT OF ALL VETERANS)**



free tax advice, court or notary fees. Consequently, veterans have been unable to avail of these benefits.

Several respondents note that after returning home, veterans often find themselves in somewhat of an information vacuum. Although information on social and medical assistance is available on the Internet (e.g., Facebook), using the internet is not an option for all veterans. There are also instances when public service employees either do not possess information about veterans' benefits in some cases, or provide information that is incorrect or outdated; the most reliable source of information then becomes other veterans. Ideally, veterans would like to have access to various sources of information, including the Internet, brochures, billboards, and advertising on TV. In addition, they would like to have places where they could get information and advice.

*"When my husband was gone, we were given brochures in the enlistment office, where we can call in case we need some support. I did not call anywhere, but his mother did, and out of all the phones listed there, not one was working... Some were no longer in service, there was no one picking up on others."*  
(veteran's widow, female, 34)

*“Information in all regional military enlistment offices would be good - in detail. An Internet portal with schemes of interaction with all state departments, a list of documents and an updated list of both acts and by-laws, that is, everything available in a simple language for non-lawyers.” (volunteer, disabled, male, 29, Kyiv)*

Gaps in the provision of medical services in high demand have a disproportionate impact on older, disabled and unemployed veterans. Although most veterans are receiving the medical services that they need (70 percent), there are gaps in the provision of medical services

that are required by a higher percentage of respondents overall, including access to the sanatorium, physical therapy and other direct medical assistance (non-medication).

Veterans aged 46+ years require other medical care and pharmaceutical supplies (59 percent), physiotherapy (52 percent) and support for treating chronic illnesses (38 percent). The percentage of veterans who have not acquired access to these services (sanatorium - 37 percent, physiotherapy - 15 percent, pharmaceutical supplies - 18 percent) attests to the service delivery gap for this group. The data suggests that disabled veterans also struggle with gaining access to medical assistance, i.e., compared

to 27 percent of nondisabled veterans, 44 percent of disabled veterans who require sanatorium services do not have access. Similarly, 23 percent of disabled veterans have not acquired pharmaceutical supplies in contrast to 15 percent of their peers who do not have disabilities.

Respondents from the unemployed pool of veterans also struggle more to get these services. There is a shortfall of 44 percent and 27 percent respectively for unemployed veterans (compared to 23 percent and 11 percent of employed veterans) who require sanatorium services and pharmaceutical supplies. Access to medical assistance also varies between rural and urban areas. For example, service gaps for health resort treatment are higher for urban based respondents (33 percent compared to 19 percent for rural respondents).

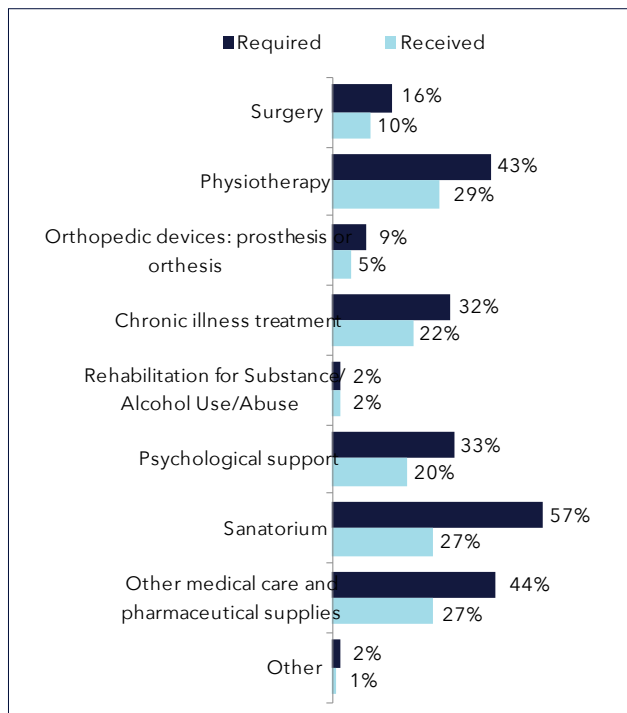
Although 85 percent of survey respondents indicate that they are satisfied with the quality of services overall, closer examination of the survey data reveals that there is a higher proportion who are more dissatisfied among more vulnerable groups of veterans. In fact, almost one third of disabled veterans who availed of treatment for chronic illness, psychological support, and the sanatorium indicate that they are either dissatisfied or very dissatisfied with the quality of these services.

A shortage of medicines was the most common problem cited in interviews. In such cases, respondents had to purchase all or some medications themselves, instead of being provided with them free of charge if they were not available at the hospital. In addition, some veterans' conditions have not been covered by free services. Most often, when it came to non-wound related conditions, costly surgery, or long-term treatment and rehabilitation, veterans reported having to pay for the cost of the entire treatment.

Some respondents also point out that there is practically no institution that is qualified to provide services for rehabilitation of veterans in Ukraine. Trained specialists only are found in a few military hospitals. In the institutions where most veterans are sent, neither doctors nor staff appear to be properly trained in veteran specific health care or rehabilitation.

There is also a shortfall between the supply and provision of land and apartments that are in high demand. Overall, 98 percent of veterans are aware that they are eligible for access to free land. Of this, 79 percent attempted to access this benefit and 22 per-

**FIGURE 26: SINCE DEMOBILIZATION, HAVE YOU REQUIRED/RECEIVED THIS SERVICE?**



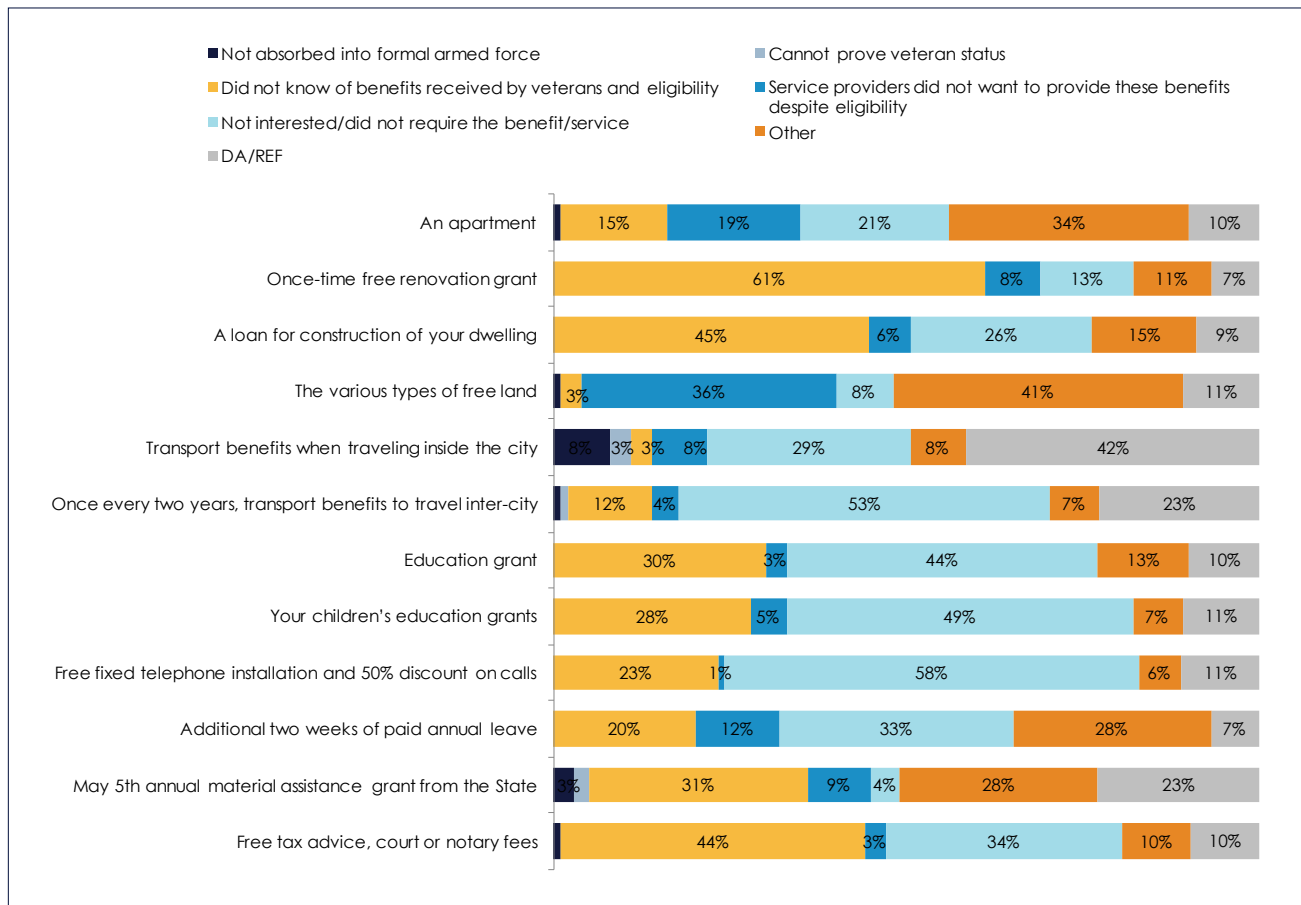
cent ended up gaining access to this benefit. Overall, 87 percent of respondents indicate that they are familiar with their eligibility for an apartment, of which 37 percent made the attempt to claim it, and only 2 percent succeeded in acquiring this benefit. The data suggests that veterans based in urban areas in particular have difficulty in accessing apartments and housing construction loans. Their peers in the rural areas are contending with the same, but with regard to their requests for free land, child education grants and telephone discounts.

Some of the respondents have tried to exercise their right to the plot (going to the government and standing in line, collecting necessary documents, participating in protest initiatives designed to solve the problem). Other veterans, after seeing how their acquaintances have been treated, have decided to temporarily abandon the idea of applying since they do not see real prospects for themselves. When veterans have received land, they have often found it to be unsuitable for use. In addition, cases of fraud have become frequent, when veterans are forced to

exchange their plots or their rights to it for substantially smaller financial compensation. In addition, some respondents suspect the local authorities of corruption and selling the good plots set aside for veterans.

Although limited knowledge appears to be the main reason for gaps in providing social benefits, denial of eligible benefits by service providers and the extent to which veterans believe certain benefits are relevant are also key issues. The role of service providers is particularly relevant for veterans who have disabilities and those who are based in the eastern and southern oblasts. Of the disabled veterans who have attempted to gain access to land for instance, 57 percent (compared to 30 percent of their peers without disabilities) believe that they were unsuccessful because service providers did not want to provide these benefits despite eligibility. Twice as many disabled respondents as nondisabled veterans indicate the same for their applications for apartments.

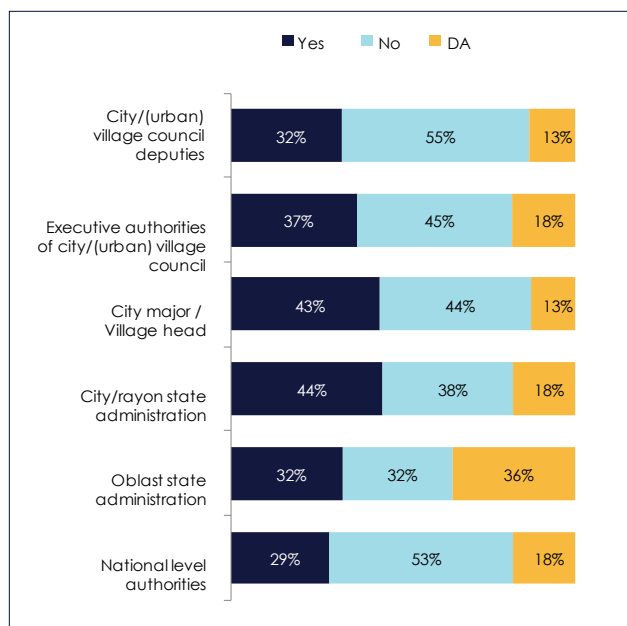
**FIGURE 27: CHALLENGES IN ACCESSING SOCIAL BENEFITS (PERCENTAGE OF RESPONDENTS)**



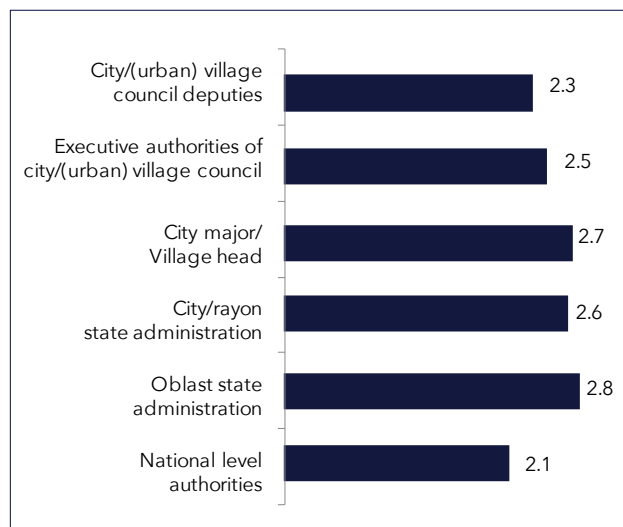
Veterans based in the eastern and southern oblasts also refer to denial by service/benefit providers as an impediment to gaining eligible benefits, though lack of knowledge about certain benefits still features as the primary reason for them. Interestingly, this appears to be an issue not only for benefits that they require which are in high demand overall (land, apartments), but also other less desired benefits, such as renovation grants, children’s education grants, tax advice, court or notary fees.

To improve local level service delivery, one-stop-centers were established within regional councils in 2015. However, funding for one-stop centers has been a challenge since they were intended as advisory drop in hubs to be staffed by volunteers, and further support from local Councils has not been forthcoming. Several have not been functioning effectively since they have been unable to address the complexity of some of the service delivery issues or assist the number of drop-in veterans asking for assistance, thereby undermining the confidence of veterans’ in their efficiency and viability which was low to begin with. Still, there are a few examples of well-functioning one-stop centers that have managed to be successful mainly due to sustained sources of funding. For instance, the Center for ATO Participants of the Dnipropetrovsk Oblast Council is working as originally intended since it is funded by the Head of the Regional Council. Another useful

**FIGURE 28: DO VETERANS BELIEVE THAT GOVERNMENT OFFICIALS PAY ATTENTION TO THEIR CONCERNS?**



**FIGURE 29: AVERAGE RATE OF GOVERNMENT PERFORMANCE (SCALE OF 1 TO 5)**



example is the Combat Veteran Assistant Center in Lviv that is funded directly by the City Council, which allocates up to 10 percent of the city budget to the needs of veterans. This Centre provides information and low-intensity counselling for veterans and their families, and is staffed by veterans and their families with a remuneration of no less than UAH 4000 per month (US\$150/month).

Finally, half or more than half of the respondents indicate that they did not acquire intercity transport benefits, discounts on telephone installation and phone calls and children’s education grants because they were either not interested or did not require them. Local transport benefits and housing renovation grants for instance, are not considered to be relevant by veterans based in rural areas. The majority of veterans aged 18-29 years (69 percent) have not expressed interest in children’s education grants. More than one third of female veterans expressed lack of interest in loans for construction of housing.

**3.3.4. Key Finding – Veterans’ general assessment of authorities in terms of paying attention to their concerns is low.**

The prevalent sentiment is that politicians and national government authorities generally do not serve in the conflict, do not understand veterans’ needs and concerns, and actively benefit from their military service. Most respondents stay away from political parties and do not cooperate with them.

The general assessment of the performance and responsiveness to veteran issues by national, regional and local government authorities' is low. A little over onethird of all respondents feel that government officials at all levels pay attention to their concerns. The average rating of performance across all levels of government does not exceed 2.8 points on a scale of one to five (1 being very bad, 5 being very good). The highest average score was assigned to regional government administrations (which are directly engaged in establishing ATO participants support centers). Almost the same score was given to city mayors and village heads and regional/city government administrations. Veterans give the lowest scores to local council deputies and national authorities.

The majority (83 percent) percent of veterans have never interacted with officials at the national level, with 47 and 44 percent respectively not having done so at the oblast and rayon levels. When asked who was of greatest assistance to veterans on their return, public authorities rank seventh with only 6 percent. Friends, other veterans, civil society, NGOs, employers, and religious institutions were all ranked significantly higher than government.

Respondents' primary concerns with the government are that promises around living conditions,

medical supports and benefits generally have not been fulfilled. The majority of veterans (69 percent) agree with the statement that the war in the Donbas intensified existing problems in Ukraine (poverty, unemployment, poor infrastructure conditions, etc.), but that the conflict itself is not the main reason for these problems. The residual perception is that government has not 'done enough', not only for them but also the country at large.

Survey findings point to lack of information in all regions as a serious barrier to receiving assistance, especially since the government still has not put forth a comprehensive information policy. Although some noted that in the ATO zone information is spread among the fighters, after returning home veterans often find themselves in somewhat of an information vacuum. The main source of information regarding health, benefits, and employment opportunities for veterans is usually word of mouth from other veterans, social networks or the internet/social media. A total of 85 percent of veterans indicate that they would like to receive more information primarily through the internet, but also interactively through dedicated consulting centers. This lack of information does not only apply to veterans, but is also a cause of concern for families with active service men and women on the front.

### 3.4. Priorities for Action – Addressing the Development Needs of Veterans

#### 3.4.1. To the Government of Ukraine:

- *Take measures to improve on its overall communications strategy towards veterans and messaging about veterans to the rest of society.* There is a need to inform, persuade, prevent misunderstandings, present specific points of view and reduce bias towards veterans. This could entail elaborating on the positive contribution that veterans have made to the security of the country and potentially to the economic sector and social space within the country. The ultimate objective is to improve social cohesion and employment prospects of veterans.
- *Consider funding a network of NGOs to enhance the provision of services and counseling at the current one-stop-centers.* In addition

to providing information and guidance, these centers would assist veterans, IDPs and members of host communities navigate the procedures and requirements to acquire access to public benefits, veteran's benefits, employment opportunities, housing, mental health, education, and other social services at one location. The funding would aim at training NGO staff to provide: (i) general information and legal assistance, and (ii) lowintensity counselling. Such a program would have to be coordinated with the GoU and City Councils, in order for the trained NGO staff to be located within the existing Centers. Some of this information could also be made digitally available in one portal.

- *Develop an evidence-based vocational and well-being "re-training" program for veterans*

prior to separation that clearly articulates some of the unique challenges that may affect military veterans in the transition process. This training should emphasize adapting their military identity to their new civilian life focusing on perceptions of employers and civilian colleagues; setting realistic expectations around job opportunities and compensation; and understanding how unresolved mental and physical health issues can lead to more severe behavioral health issues that impact employment opportunities.

- *Use a variety of channels to enhance recruitment outreach to all veterans via the State Employment Service.* In addition to helping employers target labor market segments more effectively about geographic location and the range of qualifications and experiences required for hiring, this approach could also be helpful to address the issue of information asymmetry for veteran applicants who may be suited for advertised positions, but lack information about job openings, to assist the transitioning of veterans back into civilian life.
- *In parallel, consider putting in place a package of career counselling, training and internship programs for veterans.* This would help with opportunities to: i) to assist what in the future are likely to be young men with secondary education to make informed career choices that result in employment and/or microentrepreneurship prospects; ii) refer veterans to appropriate vocational training or tertiary education institutions and support them with their applications; and (iii) actively engage the private sector to gauge the willingness to establish and support internship programs for veterans, particularly in lagging regions within Ukraine.
- *Examine the impact of potential tax breaks and credits on nonprofit and private sector enterprises.* As part of a larger national strategy to enhance the employability of the disabled, the GoU could examine the feasibility of establishing such a tax regime that would result in an incentivized program that potential employers can ascribe to in hiring persons with disabilities. Such a program would also target disabled veterans as part of this larger group.
- *Strengthen the mandatory psychosocial screening of veterans prior to demobilization and receiving state benefits* with the objectives of determining the level of counselling required.

- *Provide due consideration to initiating a low-intensity, simplified and scalable problem-solving counselling or problem-solving therapy national program that focuses on working on problem management.* Such an intervention would target cater to the needs of the overwhelming majority of veterans who deal with low level psychological problems such as: stress, fear, feelings of helplessness, etc., as well as practical readjustment challenges related to conflicts within families, issues with communities, seeking work and workplace difficulties, etc.
- *Recruit, train and deploy veterans to deliver a national problem-solving counselling/therapy program.* The World Health Organization Problem Management Plus (PM+) is an individual psychological program aimed at assisting adults impaired by distress due to exposure to adversity. It is designed for training persons who are not mental health professionals.
- *Urgently identify and fast-track training of specialized physicians and mental health practitioners to improve their psychological and pharmacological skills when engaged in conflict related trauma counselling.* Such mental health care coverage needs to have a national coverage and can also be extended to IDPs and civilians who have been effected by the conflict. An existing program that could be considered is the previously funded World Bank Harvard Program in Refugee Trauma that focuses on the identification and treatment of extreme trauma and has been used in numerous postconflict environments.
- *Consider putting into place a robust reinsertion information and sensitization campaign to inform veterans, their families and communities of PTSD, what families should expect with regard to such problems and how a simple treatment plan can address most needs.* Such a campaign should be delivered through trusted sources and target veterans families.

### 3.4.2. To Employers in Ukraine

- *Educate managers on the value of veteran interns and employees.* This will be helpful to ensure that human resources in enterprises are able to better understand, communicate and effectively interact with veterans in order to better understand specific competencies that veterans

have which could potentially enhance their employability or internship prospects and opportunities their firms.

### 3.4.3. To Development Partners, including the World Bank

- *Collaborate on support to government to develop an appropriate low-intensity counselling program, assist with the training and subsequent countrywide deployment of counsellors to provide services to veterans, IDPs and other conflict affected persons.* Such assistance could be extended to run for 24 months, include periodical trainer-to-trainer peer learning events and refresher courses before handing over to government. Similar collaboration could be considered for the development and training of a

program for specialized physicians and mental health practitioners.

- *Consider supporting the GoU in improving 'one-stop-shop' service centers by designating them as information hubs to disseminate information on benefits and services available to veterans and IDPs.* Such hubs would provide guidance to assist understanding of procedures and processes related to public benefits for IDPs and host communities, veterans' benefits, jobs, housing, mental health, education, and other social services available to them. It would also help those who have served in the military overcome barriers to services. Such hubs would be based in physical locations to strategically ensure maximum geographic coverage and in the form of an online portal.

## 4. CONCLUSIONS

As the conflict spills into its fourth year, recent economic blockades between GCAs and NGCAs have led to a further deterioration of the socio-economic situation in eastern Ukraine. The blockades have reverberated across the Ukrainian economy—cutting off vital industrial links, with significant job loss and threats to energy and communication services. The blockades underscore the continued tenuousness of a sustainable settlement to the conflict and they augment the growing psychological and physical divide between areas of control in the Donbas.

Indeed, repeated attempts to implement a lasting ceasefire through the Minsk (negotiation) Process have thus far been unsuccessful. The increasingly protracted nature of the crisis, which risks becoming the ‘new normal,’ highlights the urgency of mid- to longer-term integration solutions for conflict-affected populations. Survey findings that internal displacement is relatively static, that social cohesion is relatively intact, and that the numbers of veterans continues to grow points to a moment of opportunity to consider more sustainable options, including on employment, housing, services, and community relations.

Urgent attention to integration efforts would also address the risk that Ukraine slip down the path of the majority of displacement contexts—average displacement is now 12 years globally. There has traditionally been a lack of early engagement by development actors, alongside humanitarians, to manage the early onset of development needs of both displaced populations and the communities that host them.<sup>10</sup> Joint analysis and multi-year

planning and engagement from development and humanitarian actors in Ukraine would assist in bridging this divide. The Multi-Partner Trust Fund on Peacebuilding and Recovery can also serve as a platform for this type of conversation and coordination, especially as the humanitarian community increases its calls for development actors to become more engaged.

Progress will also require that the Government of Ukraine send a strong message regarding its commitment to outreach and socio-economic support to conflict-affected populations in GCAs. The research underscores a crisis of confidence in Government institutions across all surveyed population groups. To achieve a durable solution and future integration, Ukraine needs to win the ‘hearts and minds’ of eastern populations in particular. This would include a strong program of support and communications campaigns. Both surveys (IDPs/hosts and veterans) also point to the potential of citizen service centers or service delivery ‘hubs’ as a visible mechanism of more efficient, targeted and transparent Government delivery mechanisms at the local level. Areas near the line of contact that are oversubscribed by residents in GCAs and those traveling from NGCAs would be excellent places to begin improving such services. Ukraine’s overall reform effort, including on decentralization, would benefit from improved outcomes and progress amongst these conflict-affected communities.

The convergence of the experience of IDPs and hosts in terms of economic circumstances and service delivery challenges points to the cumulative impacts of the crisis on the Ukrainian economy and social support systems, particularly in eastern Ukraine. This finding also highlights the need for Government and donor investments that target both population groups and prioritize holistic pro-

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10 Center on International Cooperation, *Addressing Protracted Displacement: A Framework for Development- Humanitarian Cooperation*, [http://cic.nyu.edu/sites/default/files/addressing\\_protracted\\_displacement\\_a\\_think\\_piece\\_dec\\_2015.pdf](http://cic.nyu.edu/sites/default/files/addressing_protracted_displacement_a_think_piece_dec_2015.pdf)



programming with broader benefits for communities impacted by the conflict.

Survey research also highlights that the direct impacts of the conflict are faced by eastern populations but also by internally displaced persons, veterans, and host communities across Ukraine. The socio-economic stresses on eastern populations, particularly those closest to the 'contact line' are profound—but effects of the conflict are felt across Ukraine where communities and social systems are unable to cope. While support should focus on the most acute areas of need, there is scope to consider tailored development solutions across the country.

Moving forward, findings and recommendations from survey research will be utilized to inform priorities and programming for recovery and development efforts in Ukraine. As the GoU advances the elaborated *State Target Programme for Recovery in the Eastern Regions of Ukraine*, results can assist in better targeting services and support and informing GoU policies and financing. Research findings will also shape pilot programming designed under a World Bank State- and Peacebuilding Fund grant to the Ministry of Temporarily Occupied Territories and IDPs and the early programming of a Multi-Partner Trust Fund on Peacebuilding and Recovery with potential programming and donor investments across diverse sectors.





