



SUMMARY

Population dynamics affect virtually all national and subnational development objectives of the 2030 Sustainable Development Agenda. In order to capitalise on the opportunities population dynamics may present and become demographically resilient, Ukraine requires a wide-ranging and comprehensive strategy. Such strategy must factor in the effects of its changing population in both size and structure, attendant changes in the dependency ratio, and the impact of migration, including the internal displacement of people.

- Low fertility rates, high mortality rates and growing levels of increasingly permanent out-migration are the main causes of Ukraine’s shrinking population. However, a shrinking population itself is not a problem. What matters is the quality of life and living standards of the Ukrainian people.
- Low fertility is likely to stay in any scenario. Policy measures are therefore needed to ensure the development and efficient utilization of the country’s human capital, as well as sufficient levels of politically and financially sustainable social protection.
- Policies to this effect must be based on up-to-date, accurate, reliable and disaggregated population data to ensure adequate budgeting and the provision of people-centred goods and services. Conducting a regular population census is of key importance for generating such data.
- Only a human rights-based, gender responsive and non-discriminatory policy approach can positively influence family composition and size, fully leverage the development potential of migration, and allow all individuals including older persons, the vulnerable and marginalised to fully contribute to society.
- Investment in human capital throughout the life course is the most expedient and sustainable policy response with particular focus on health, education, poverty reduction, decent work, social protection and the environment.
- Labour market participation and the statutory retirement age should be reviewed vis-à-vis population projections to reduce the expected decline in labour force and ensure fiscal sustainability.
- The government must establish a comprehensive migration governance framework to fully leverage the development potential of out-migration and to carefully plan for strengthening national human capital attracting foreign migrants.
- Migration related policies must aim beyond high poverty levels and difficulties in finding employment with decent pay, but also address political, social and security related push and pull factors.

OVERVIEW

Ukraine’s population is one of the fastest shrinking in the world and likely to decrease to 35 million by 2050. Low fertility and high mortality rates together with high levels of outmigration are eroding Ukraine’s human capital and thus the basis for sustainable development. Insufficient wellbeing and lack of opportunities for women to combine career and care for children remain among the factors preventing Ukrainians from having the desired number of children. The prevalence of high-risk behaviour and non-communicable diseases are among the main causes for one of Europe’s highest mortality rates, especially among men. About one third of Ukrainians die before the age of 65. More than half of these deaths are preventable. There are an estimated 3 million Ukrainian workers abroad at any given time and numbers are likely to increase. High poverty levels and difficulties to find employment with decent pay are reinforced by political, social and security related push factors. Almost half of Ukrainian migrants work in low-skilled occupations for which





they are overqualified and are attracted by gradually relaxed access to EU labour markets. A third of the recent growth in migration is represented by Ukrainians under 35, who are mostly better educated than those they leave behind. Rising numbers of Ukrainian students abroad add to the brain-drain, with only a few planning to return causing skill mismatches and labour shortages in different economic sectors and regions of the country. Ukraine’s rural population is declining, driven by migration of the young, better educated and well-off, and with serious long-term implications on rural economic sustainability and social cohesion. Ukraine has one of the most rapidly aging populations in Europe as a direct consequence of declining fertility. More than a fifth of the population is older than 60, a share projected to rise to 36% by 2050. Women constitute about two thirds of the population aged 65+ and almost ¾ of the population aged 80+ and face increased vulnerability and poverty risks. Rising health care and pension expenditures burden public finances funded by a shrinking and unhealthy labour force. Age-related spending in Ukraine is set to experience some of the highest increases in Europe and projected to reach 25% of GDP by 2050. Ukraine’s workforce, characterised by a low participation rate, especially of older Ukrainian men and women and women of working age, and is set to decline by more than 30% by 2050. The prevalence of informal employment and undeclared earnings further diminishes social security contributions and resulting fiscal space.

SUSTAINABLE DEVELOPMENT GOALS

Population dynamics and the 2030 Sustainable Development Agenda are intricately linked. Fertility and mortality rates, migration affect consumption, production, employment, income distribution, poverty and social protection, including pensions. Understanding population dynamics in the development context should inform policies to ensure universal access to health care, education, housing, sanitation, food and energy. Both Cairo+20 and Rio+20 in 2012 reaffirmed these linkages and committed governments to systematically consider population trends in their national, rural and urban development strategies through forward looking planning. A human rights-based and gender-responsive approach is critical to develop such strategies. The strengthening of human capital throughout the life course and a focus on non-discrimination, equal opportunities, supporting young people in their self-fulfillment, women’s empowerment and participation in the labour market are fundamental in setting the stage for economic and social transformation that delivers sustainable development, social cohesion and wellbeing for society at large.

POLICY CONSIDERATIONS

- Responding effectively to Ukraine’s population dynamics is central to promoting sustainable development. The 2006 Government Strategy of Demographic Development for the period until 2015 clearly identified Ukraine’s main population challenges and proposed a wide-ranging set of mitigation policies. It still provides a comprehensive framework and guideline for implementation together with the Government Strategy on Migration Policy and the measures planned and implemented in accordance with the State Strategy for Regional Development for the period of 2021 – 2027.
- There is no single remedy to address demographic challenges or to fully offset the negative effects of Ukraine’s population dynamics. Adaptive measures are therefore needed to ensure sufficient levels of social protection, to nurture human capital, to foster productive per capita economic growth and to ease fiscal pressures.
- Ukraine has not held a census since 2001. Accurate, reliable, disaggregated data on population quantity, geographic distribution and main socio-demographic features must





provide the basis for evidence-based policy, accurate budgeting, and the provision of people-centred goods and services.

- Only a human rights-based and gender-responsive policy approach can positively influence decisions about family composition and size, fully leverage the development potential of migration and ensure access to essential services and social protection.
- Non-discriminatory policies are needed to ensure inclusiveness and allow the young, older persons, and vulnerable and marginalised groups to contribute fully to society while receiving the care, services and social protection they need.
- Investment in human capital throughout the life course is the most expedient way to respond to Ukraine’s changing population dynamics and positively change Ukraine’s Human Development Index. Particular focus must be placed on health, including sexual and reproductive health and rights and the adoption of healthy lifestyles, education, poverty reduction, decent adequately remunerated urban and rural work, social protection and a clean, safe and sustainable environment.
- Financial incentives to increase fertility are costly and their impact negligible. Gender-sensitive policies are needed to boost gender equality, to promote a better work-life balance and so increase female labour market participation. This includes affordable child and elderly care arrangements, flexible work schemes and more equal parental leave provisions to create conditions for families to have the desired number of children.
- The Government must continue with the ongoing health financing reform to ensure efficient health related spending and to address projected age-related expenditures. Prevention of non-communicable diseases through the promotion of healthier lifestyle and improvements in delivering improved primary and preventive care delivered in particular in newly amalgamated hromadas, will help to reduce the need for more costly treatments at a later stage. Better management of hospitals, improved cost control systems and incentives in the remuneration of health service providers will help to reduce costs.
- Policies to increase labour force participation are an important factor in reducing the expected decline in labour force. Increases in the statutory retirement age need to be reviewed in the context of a national dialogue with all concerned actors to assess options for guaranteeing the sustainability of the social protection safety net. This needs to be complemented by increased women’s labour force participation in line with educational attainments and support for youth transition from education to work.
- The high share of informality and undeclared work must be reduced to broaden the social security contribution base and ensure fiscal sustainability. The Government must implement clearly defined long-term economic growth policies that are focused on sustainable job creation.
- Boosting productivity in the context of a declining workforce is critical. The Government must continue to build strong and efficient institutions and ensure consistent application of the rule of law and property rights to boost investment, encourage efficient allocation of capital and to foster investment in human capital that is thus more likely to be retained.
- Policies must be designed to effectively slow and reduce out-migration in a human-rights-based and gender-sensitive way, to stimulate permanent and temporary Ukrainian migrants and diaspora return and to stimulate foreign worker inflow together with incentives to remain.
- The government must establish a comprehensive migration governance framework to this effect as envisaged in processes such as the Global Compact for Safe, Orderly and Regular Migration (GCM) and the Ukraine-EU Association Agreement.
- Migration-related policies must aim beyond wage and employment differentials, but address poor standards of living, corruption, the quality of institutions, as well as access to basic services such as education, health care, security and the justice system.





- Harnessing the development potential of Ukrainian migrants advances economic growth and domestic opportunities. Formal remittance channels at better cost need to be established to encourage domestic investment, together with circular migration mechanisms to stimulate knowledge and technology transfer.
- In order to attract human capital, the Government should consider opening pathways for safe and regular migration in line with demographic and labour market demands to incentivise foreign workers to seek jobs in Ukraine. Proper mechanisms and programs for regularising irregular migrants already on Ukrainian territory must also be established.

