Report

Assessing the social impacts of the economic crisis in Ukraine

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1. SUMMARY: KEY FINDINGS OF THE STUDY

Study “Social manifestations of economic crisis in Ukraine “was carried out by the Centre of Social Expertise on request of the World Bank during the period of December 2009 to April 2011. It was carried out in three stages, with each stage involving 15 focus group discussions (at the first stage - 16 FGDs) and 50 in-depth interviews held in five regions of Ukraine, and in human settlements of three types (regional center, district center, and rural village). The list of involved regions and human settlements, where FGDs and in-depth interviews (IDIs) were held remained to be the same during the whole period of the study. Participants FG and IDI at each stage of the study were changed.

Since this is the third and final stage of the study, obtained results make it possible to talk about the following three aspects:

1) overall assessment of impacts of the crisis and conditions of people as observed in January 2011;

2) nature, prevalence and severity of impacts of the economic crisis on different groups of urban and rural population experienced by them in January 2011 in comparison to those they experienced in December 2009,

3) revision of the list of social groups which are most vulnerable to impacts of the crisis, as well as strategies they tend to use in order to deal with consequences of the crisis.

The results of the previous two stages of the study demonstrated that negative social consequences of the crisis were most evident in 5 areas:

1) **Influence of the crisis on level of employment, earnings of people and household incomes.** Growth of unemployment caused by the crisis, in this case, may depend not only on the number of operating enterprises, but also on scale of layoffs at companies that continue to work. Increasing the number of working hours for remaining employees, increased work load imposed upon them, while maintaining the previous level of wages (and, sometimes, even with imposed decreased size of their wages), development of informal sector of employment – all of these aspects are a part of the manifestations of the crisis observed in this sphere.

2) **Impact of the crisis on change of the level of consumer prices.** Increase of prices for food, medicines, services, and items of daily consumption were felt not only by the people who lost their jobs during the crisis, but also by all the other people.

3) **Impact of the crisis on society as a whole through reduced state budget,** which was manifested in redistribution of resources, resulting in reduced funding for social services for the people. As a result we have a decreased access to health care services and education for many people, especially those of them who became impoverished.

4) **Increased scale of migration flows both abroad and within the country (between regions),** so there emerged an additional imbalance of the local workforce.

5) **Emergence of some new trends involving use different types of scams and fraud,** which is most evidently manifested in bogus promises of job employment and in use of free labor during the so-called "job trial period".

Since the most large-scale of the above aspects are the first two manifestations of the crisis they were made a focus of study works during the third stage of the study.
Some special features of employment and labor market changes

Results of focus group discussions and in-depth interviews suggest that caused by impacts of the crisis was a sharp decrease in employment opportunities for all population groups. According to the respondents, situation in the sphere of job employment observed in this country in January 2011 was reminiscent of that which was experienced by the country many years ago and is comparable to the situation in the sphere of employment observed at the times of transition, characterized by high level of unemployment and lack of good prospects for improving quality of life of the people. In addition, respondents are confident that the crisis is still not over and continues to deepen and, therefore, employment situation may, at any time, become impaired.

At the same time, in January 2011, respondents in a more optimistic way discussed employment situation than it was at the previous stages the study. Though, they still do not feel confidence and sense of stability, stressing that quite often they have to adapt to the situation by accepting low-paid jobs (often not at the place of their residence, but in some other settlement), engaging in time-part jobs as well as by increasing level of their engagement in household works (if they have it). Almost all respondents noted that changes in employment which took place in 2008-2011 negatively impacted their lives (70% of respondents in December 2009, 93% - in June 2010 and 73% in December 2011). At the same time, a new way to assess the situation has emerged: life, as a result of the crisis, became somewhat different even if no special changes had happened in it.

Respondents noted that in January 2011 it was still difficult to find work in almost all studied localities, and especially in small towns and villages. It is somewhat easier to find a job at places where there are some running companies (e.g. furniture factory in village of Shkarovka, Kiev region, sausage making factory at Ranevychi, Lviv region, hazardous production facilities like in Slavutych, Kiev region), even though wages paid there are often do not fully compensate conditions of work and available vacancies are often taken by relatives or friends. The most difficult situation with employment still exists in AR of Crimea, which continues to be addressed by applying private jobs such providing services to citizens, coming for holiday vacations. Improvement of employment situation is only observed in summer time due to activation of seasonal works (in particular, in agriculture, construction, and travel services). In summer time people generally try to earn more money in order to be able to survive winter, even if their employment problems will worsen.

Regime of respondents work depends on several factors: a) availability of main job, b) availability of additional, income-generating work c) availability of a plot of land attached to the house where people live or a plot of land attached to summer house or availability of other household facilities and duties. In the first two cases, regime of work greatly depends on the economy sector and areas of activity: regulated working day hours, usually are observed in public institutions, non-regulated working hours per day – is typical at private enterprises, as well as for self-employed citizens is due, primarily, to availability of work orders and volume of proposed work to be done, as well as due to a tendency of workers to earn as much as possible while they can.

Under the influence of the crisis there have been changes in work of almost all studied companies, though, to a varying degree in public and private enterprises, with the most radical changes, according to respondents, taking place in December 2009. Changes that took place under the influence of the crisis at state-budget funded enterprises were mainly associated with reduction of wages, abolition of some additional payments and bonuses, small-scale reductions of the staff. At these enterprises the employment situation is the most stable, and respondents do not expect some massive new layoffs to be made in the near future, although they do not exclude possibility of some layoffs, further reduction of the work load, and, as a result, a decrease in wages.

Much greater changes have occurred in work of private companies: reduction of production capacity, changes in the schedule of work, reduction of wages of workers (often down to the level of budgetary organizations), delays in payments of wages, staff downsizing, increased
workloads on remaining staff, use of unpaid forced leaves. In the recent times, respondents mentioned facts of tightening of labor conditions in private enterprises, non-compliance with which may result in job layoff. Workers of private enterprises do not expect new massive layoffs, though they acknowledge a possibility of reducing duration of their working hours and wages, if work orders and demand for their services will decline.

Confidence that participants of FG will not be personally subject to dismissal, is based mainly on the level of demand for their services and skills by their employers which is due to their education, qualifications and work experience. As at previous stages of the study, assumptions that there will be no new layoffs are not associated with expectations of positive developments in the field of economic and social transformation, but only with the fact that private employers had exhausted their ability of further job reductions and the next possible step for many of such employers can only be a cessation of their business activity. It is also expected that in the event of any individual job cuts, subject to job cuts in the first place will be still working pensioners.

Forecasting future changes at enterprises, about 65% of respondents believe that it is possible, that there will be new job dismissals, reduction in work volumes and reduction of purchasing power of citizens. As before, higher likelihood of further job reductions concerns enterprises located at such towns as Bila Tserkva (Kiev region), Donetsk and Druzhkovka (Donetsk region), Lviv and Drobobyh (Lviv region).

During the period of crisis in the sphere of employment and wages, some specific trends emerged (or, perhaps, they just became more evident) related to non-payment by some customers of money due for work performed for them. In such case, they tend to use as an excuse economic crisis and difficulties associated with it, or they arrange so called, "job trial period" for those job seekers who wish to take that or another vacancy but what happens is a refusal of an employer to pay money for work performed by a job seeker during such a job trial period and refusal to employ him for a job vacancy for which a job seeker had applied before.

Another trend, observed in the course of employment, relates to practice under which when hiring an employee his employer demands that a job seeker has to draw simultaneously two job applications: one for a job, the other – containing a request to be dismissed from the job at employee’s own request. An employer may use the second application at any time and if he wants to dismiss such an employee, which significantly increases the dependence of the hired employee upon the employer.

The next trend - it saves the payroll through the use of "experts on call." This means implementation of a job by specific person (e.g. by a bookkeeper) at a certain time – usually called a "duty day" - without formalization of an employment agreement. It is worth noting that the governmental action to combat the shadow economy has not yet provided any significant results, because getting paid "in envelope" is also beneficial to an employee (he gets a salary without tax deductions) and an employer (he saves on taxation fees).

Additional employment of the population is gradually increasing and in January 2011 this fact was indicated by 44% of FG (in June 2010 – only by 32%). As before, the scale of additional income generating work practices varied in different regions, but was the highest in AR of Crimea - 60%. Also, as before, such additional employment is one of the main ways to either maintain the pre-crisis levels of incomes or to maintain a minimum level of well-being. In some regions, it becomes the main way to overcome impacts of the crisis.

In addition, observed is an increase of time that people spend to work at their personal gardens or at suburban summer houses and land plots which can also be regarded as additional income-generating activities. The greatest scale of increase of working time spent at personal plots of land can be seen in Druzhkovka (Donetsk reg.), Lviv, Ranevychi (Lviv region), Maly Mayak (Crimea). FGD, conducted in January 2011, demonstrated existence among the people of a commitment to diversify as much as possible their sources of income, so that in case of dismissal from the main job not to be left without any sources of income.

The unemployment level is estimated by respondents as still at a high in all regions. In some studied settlements (in particular, at Rubtsy village, Donetsk region) 60 % of adult residents (but also including pensioners) do not have any main place of employment. One of the reasons for
continuing high level of unemployment, despite re-opening of many businesses is the reluctance of employers to employ local people. Getting more spread is a tendency to employ lower-paid people, but who are charged with a wider range of job obligations upon incumbent workers from other villages, districts and regions. These jobs include drivers, watchmen, guards, miners, workers of some other job specialties. According to respondents, mostly such practices are prevalent in Donetsk region and Crimea.

Concerning rural villages, respondents mentioned yet another reason of increased number of unemployed. It is associated with an increase in the number of visitors – who mostly are urban residents who had not withstand the pressure of the crisis (rising prices for food, housing, utilities and other services) and who plan to solve their life problems by using much cheaper housing, use of land and cheaper rural housekeeping.

Remain low, as before, chance to get a job for men and women older than 35-40 (in June 2010, it was mostly about the age of 45) and women with children. According to estimates of the Regus agency, which conducted a feasibility study on opportunities for women’s employment, only 39% of the Ukrainian companies were willing to hire women with children which figure is 20 % lower if compared to the relevant figure obtained for the last year.

In search of jobs people, as before, were using different sources of information (in particular, Internet, newspapers, friends, employment centers, labor exchanges, employment agencies, etc.). But it is considered that the most effective way to get an employment is through friends, because in this case there is a better chance to avoid deception when applying for a job and better chances to get jobs in their field of skills and with higher wages. The tendency towards use of informal payments (bribes) for getting formal employment, though not necessarily for high job position (or highly-paid jobs). According to the testimony of respondents who had to pay for most common job positions (e.g. nurses, medical assistants, archives keepers), though the size of a bribe may be several times higher than the size of offered salary.

Judging by the opinions of respondents, employment centers failed to improve their image (as compared to December 2009), they are not popular as establishment securing an effective job search. It is believed that recourse for help in job search to employment centers is worthwhile only directly after job dismissal event (because one will be put on unemployed registry and will be entitled to receive at least small unemployment benefits ) or, in the case if one wants to find some job (not according to applicants qualification and low-paid one). For unemployed rural residents possibilities to get help from such employment centers remain limited due to their ownership of land plots (shares), confirmed by a certificate of land ownership.

**Impact of the crisis on earnings and household income of people**

The economic crisis in the first place hit the incomes of the population which greatly influenced standards of living of individuals, families and households. Those who continue to work, felt it, primarily through reduced wages (due to abolition of payment of premiums, bonuses, various surcharges and reduction of working time), and / or through delays in payment of wages. For workers of private sector intensified became the issue of stability of payments because their wages to a large extent depend on the availability of work orders.

Due to changes in income level, the crisis has significantly changed the way people treat their work today: now, to a great extent than a year ago, valued became some formal employment, "white" (not in envelopes) wages, stability of the enterprise operation and ability of the leadership to solve crises situations. Significantly increased was the desire to work in the public sector, where salaries are lower but are more are more stable. At the same time, more closed become the subjects concerning the questions about the wage levels of people - they prefer not to talk about their incomes.

In almost all regions remaining is a general trend – namely, reducing size of per capita income in line with decreasing size of place of residence (with the exception of Kiev region). In big cities, per capita incomes tend to be higher than in small towns. The lowest per capita income is in rural villages.
There also observed is some differentiation of human settlements, depending on the dynamics of change in monthly per capita incomes at such settlements during the period from December 2009 to January 2011. In particular, an increase in the minimum and maximum size of per capita income during this period is observed mainly in the cities of regional importance - Donetsk, Bila Tserkva, Kirovograd: here the minimum size of per capita income over the study period has doubled. In some small towns (Druzhkivka, Slavutych) as well as villages (Rubtsy, Donetsk region; Ranevychi, Lviv region and Maly Mayak, Crimea), observed is an increase of per capita income in summer and its decrease in winter.

On average, according to respondents, during the period from December 2009 to January 2011 their income has decreased by 30-65%. In general, rates of per capita income of families of participants to the focus groups are at low level - less than 40% of FG participants have a median income per family member in excess of the statutory minimum subsistence level (839 UAH per month per person - in June 2010 and 894 UAH - in January 2011).

The most frequently used by respondents the assessment of the level of material well-being of their family is "a poor family." Over the entire study period none of the respondents called his family (and himself, respectively) "prosperous" or "rich". Most number of poor families is in rural areas and their number increases (58% in June 2010 and 76% in January 2011). Participants to FG from Rubtsy, Donetsk region evaluate the well-being level of their families in general as "unsatisfactory" and "critical." Also increasing is the number of poor families in towns, regardless of their size.

Many families, whose living standards were viewed by the respondents in December 2009 as corresponding to the level of "middle class" families, in January 2011 moved down into the category of "the poor". Respondents tend not to mention the fact that some poor have become destitute people. In their view, the poor can also be different: "very poor", "poor" and "slightly richer than poor" Families, who during the period of the crisis managed to maintain their standard of living at "average" level, managed to achieve it at the expense of using their stocks and reserves accumulated in the pre-crisis period. According to the FGDs, the minimum number of poor families is concentrated in the Kiev region. Here also is the largest number of households with average incomes.

In January 2011, 71% of FG participants noted deterioration of the health of their families as a result of the crisis (in June 2010 the figure was 93%). Seven respondents (five urban and two rural residents) have noted some improvement in material well-being of their families, and 20 of them indicated to an absence of any changes. Thus, it is hoped that the peak of the negative impact of the crisis on household’s income has passed.

The main causes of deterioration of material well-being of families (not taking into account rising prices for food, goods and services), according to the respondents, is related to the loss of job by one or more family members, decrease in the earnings, termination of payment of premiums, bonuses, allowances at the workplace; termination of financial assistance to children, because they grew up, death of someone from the family members who during his lifetime received salaries or pensions, divorce of a couple, which previously had a disproportionate ratio between the size of wages of spouses; increased costs of alimony to be paid to maintain kids in case of divorce of the couple. Possibility to improve situation as viewed by respondents is connected mainly to possible employment of a family member (s) who lose the work.

Credit obligations of FGDs participants in January 2011 were considerably lower than in June 2010. In some localities (Slavutych, Shkarovka, Kiev region, Simferopol) FG participants had no credit obligations at all. The greatest number of loan commitments was among members of the two FGs in the Donetsk region: Druzhkovka and Rubtsy (4). In other regions their numbers were fairly evenly distributed - 3-4 in each region (in June 2010, this distribution was within 7-9 credit commitments at each studied region).

All loans were short-term, consumer loans, except for one – taken in Glodosy for development of an agricultural business. It is this particular loan which is evaluated by its owner as "problematic" one. The loan owners are trying to repay their loans on time, although there are some delays. So called "credit vacations" are not popular among the respondents, because they believe that it is a simple (and useless) waste of money.
In order to avoid debts to the banks respondents practiced re-borrowing money from their friends, acquaintances, and relatives. This trend has developed itself almost fully in the time of the crisis, because in December 2009, none of the FGDs participants borrowed money from others in order to repay a loan - on the one hand, they did not see any opportunity to earn money to repay the debt, but on the other hand, people did not have the cash to borrow. Now, the dominant attitude toward a credit is as in respect of some objects that need to be used only in extreme cases (in particular, for medical treatment and study).

While in all regions observed was a decrease in the level of household incomes, this situation is seen as less painful than a rise in consumer prices. Even those citizens who had no decrease in their incomes during the crisis, felt the rise in prices for products and services and responded to it by reduction in their personal spending. The situation is exacerbated by the fact that the services and products - these are two main items of expenses of families for which practically almost entire personal incomes have to be spent.

Among services the costs of which were greatly risen, respondents singled out in the first place, the costs of utilities and health services. And if the quality of medical services received in private medical clinics is more or less in line with prices for them, the quality of municipal services is assessed as very low one.

Subsidies for housing and communal services being introduced by the Government to mitigate the effects of the crisis for the poor, cannot significantly improve the situation in many poor households. First, to formalize them, one needs to present a proof of income received by all adult household members. And this is often problematic because of the work in the shadow sector of economy, especially in the families of migrant workers. Second, the law provides for uniform monthly payments of utilities fees if one gets a subsidy which is not good for seasonal workers because there are some months when they have no earnings. Thirdly, many poor families are in arrears for housing and utility fees payment, but granting of a subsidy is possible only after the debt restructuring, formalized as a contract with relevant house management enterprise or other entity responsible for providing those municipal services.

Reception of medical services for members of poor households is difficult due to their limited ability to pay for them. And despite the declaration by the state that medical services are free, actually they have to be paid for, including for: medicines, medical procedures, hospital stay. The most common way of withdrawal of patients' money by medical institutions is the so-called "donation", which depending on type of prescribed treatment (procedures) and the type of medical institution may vary from 30 to 600 UAH.

Concerning food prices during the crisis they rose almost for everything and in all regions. At the same time, the wholesale purchase prices used to purchase agricultural products directly from their producers tend to decrease. The main causes of increase in retail food prices, according to respondents are: high corruption at agricultural sector, artificial price controls and panic mood of the population. The increase in gasoline prices and global upward growth trend in prices for food, weather and climate change, according to respondents, are less important. The most stable were the prices of pork - mostly due to its already high historic prices and reduced demand for it. Most of all price increase was for some cereals (especially, buckwheat), dairy and meat products, fruits and vegetables. As in the case of services, increase in food prices does not mean improving their quality.

**Key strategies to counter the crisis**

In general, all population groups use the same methods of solving financial problems, caused by the crisis. The list of strategies used has not changed significantly since December 2009.

The most effective way to confront the crisis according to respondents is to get an official permanent job. Due to instability of many private companies currently increasing is the willingness of people to get a permanent job in public budgetary organizations. The methods of job search have not changed: through friends, Internet, newspapers, employment agencies, labor exchange. The most effective, as was also before, is search for an employment through a
help of friends because it reduces the risks of fraud in employment and helps to get higher wages.

Due to a rather unstable economic situation and threats to become unemployed, citizens are increasingly practicing more additional earnings, trying to diversify as much as possible their income sources. One of the sources of possible additional income is considered to be a plot of land or garden near the house and such land tends to be used as much as possible both by rural, and urban residents.

General reaction of respondents to the decrease in income and rising prices was introduction of austerity measures in households, first and foremost, in respect of utilities services and food products. Very limited became expenditures for hobbies and personal interests, seaside vocations are often replaced by holidays at places of residence or nearby. Carrying out repairs of housing and clothing, which very recently were nearly fully abandoned, by now are mostly made by household owners themselves. Earlier observed refusal to purchase durable goods, especially household appliances is in direction of renewal of purchase of such items with a help of a loan (but so far this does not apply to buying an apartment or a car). However, the last item to be saved on is reduction of expenditure on education or child development. But if parents cannot pay for attendance by their child of a kindergarten such parents use a strategy implying the use of services of their grandparents or other relatives for their child care.

As a result of increase in food prices, rural residents are trying to replace commercial meat products by their own grown meat produce. Urban residents increased consumption of eggs, lard, soups, cereals, bakery products. According to many participants of FG, for villagers it is easier to survive prices increase than for urban residents, since most of them have land plots and domestic animals with help of which the can subsist in difficult times.

In June 2010, recorded was a trend used by young guys to use service in the army as a way to temporary avoid unemployment and economic problems as well as a way to get some education, which then would help them in finding employment. But there is no evidence scales of this phenomenon. But FG participants did not talk about in January 2011.

New thing, which was observed in the behaviour of respondents in January 2011 was their willingness to change their profession in order to enhance their ability to get some extra earnings (for example, they attend courses on body massage, engage in interior design, start to make ornaments and jewellery, to grow aquarium fish, clean beaches, distribute foods and medicines, organize disco parties, etc.). To higher extent such behaviour is typical for urban residents (regardless of age and gender) who do not have homestead land plots or summer houses with land plots.

As at the previous stages of the study, participants to FGs and IDIs try to determine the social groups most vulnerable to the impacts of the crisis:
- Unemployed aged more 35 years;
- Unemployed young people;
- Working men and women of the middle age, who were laid off and who have children;
- Non-working pensioners with small pensions;
- People with disabilities.

In January 2011, this list did not include “children from large families and asocial families as well as children from families of migrant workers." Most likely this is due to the complexities of countering effects of the crisis faced by the respondents in person, many of whom also have kids. As during the previous two stages of the study, dominant among the participants to FGs and IDIs was the view that during the crisis it is difficult to single out any one population group as the most affected because the fact is that all were affected, though to a different extent.

Regarding the impact of the crisis on the psychological well-being of the population it should be noted that people felt frustrated by the lack of support from the state during the crisis. Though many of them (or their families) during the crisis received their retirement pensions (age or disability related ones), child care benefits for young children, scholarships, "Chernobyl" payments and benefits, subsidies, benefits for war veterans, etc. But such payments are perceive by people as normal thing to get, but a lack of formal support to need to build some
new models of personal behaviour aimed at withstanding impacts of the crisis, is viewed as an attempt of the government to distance itself from the need to solve the existing problems.

2. METHODOLOGICAL BASIS OF ANALYSIS

2.1. OBJECTIVES OF THE STUDY

2.1.1. Introduction

The third and final stage of fieldwork was conducted from January 25 to February 15, 2011. By that time it coincided with the beginning of a series of reforms by the Government (the President was announced more than 21 reforms in different spheres of activity of Ukrainian state), most of which are declared as the crisis. From 1 January 2011 the country entered into force on 28 laws¹ (of which 6 - is completely new, and 22 - making some changes to existing legislation acts), 18 orders, a decree of the Cabinet of Ministers and a decision of the Verkhovna Rada of Ukraine, which caused a significant increase in social tension in the country. In particular, it relates to the adoption of the Tax Code, which provides significant changes in the activities of private entrepreneurs; discussion of reforming the pension sphere of housing and communal sector, health and education, agro-industrial complex. Additional stress associated with discussions of land reform - or may not be rink land in Ukraine.

Therefore, as in the previous stages of research, it is difficult to focus only upon evaluation of the impact of the global economic crisis on the lives of Ukrainian citizens, without also paying attention to impact of internal political development issues. Nevertheless, after the presidential election year has passed, hushed euphoria about a significant improvement in survival after a change in leadership of the country, those with whom she had been in December 2009 and June 2011. People have survived the initial shock and difficulties caused by the first wave of the crisis and the related price increases, layoffs and unemployment. So that the data is quite adequate to assess the condition of people in January 2011 and estimates of changes in their lives since December 2009.

According to the Ukrainian Institute of Social Studies and the Institute of Economics and Forecasting, National Academy of Sciences of Ukraine, in early 2011, 71% of Ukrainians believe that the crisis continues, and 14% - that the crisis has just begun. Moreover, 10% believe that the crisis is over, and 2% - what it really was and never will be.

Because of other sociological data on estimates of impact of the crisis on people's lives over the period of work on this report did not appear, use some of the quantitative data obtained in 2010. In particular, we note that according to the Institute of Sociology of NAS of Ukraine, 19% of the population consider the impact of the crisis in his life as a "catastrophic", 61% - "very sensitive, but not catastrophic", 16% felt only a slight effect, and 5% did not felt any impact of the crisis on their lives². These figures differ little from those of the crisis in 2009³. And we can assume that not much will be different from estimates in 2011.

¹ In particular, adopted were 13 laws relating to financial and economic sphere; 4 laws concerning social sphere; 3 laws relating to legal sphere; 3 laws concerning state management; as well as 1 law relating to each such spheres as technical and labour safety, physical culture and sports, culture, public health and scientific and technical sphere
² Data of monitoring carried out in 2010. Interviewed were 1,800 people who in a representative way presented population according to its gender, age and the type of localities where it lives
Also, according to the Institute of Sociology of NASU, for many citizens the right to work and full employment was only a declaration and in 2010 81% of able-bodied people have difficulty with employment of qualified and with sufficient salary and 72% had difficulty in finding a job with reasonable wages and board, but not by qualification, 62% - when looking for a job qualification, but without sufficient income, 57% had difficulty in finding any work.

More from the crisis affected employees in private business (compared to the budget), as well as those who have the status of self-employed. Private sector workers more affected by the layoffs (decrease) from work, while public sector workers - from the non-payment (or partial payment) of wages, and unemployed - from reducing pension payments. All suffered from the reduction of food.

Judging by the sociological data, in April 2010 the average wage of employees was lower than on statistics, and became 1801 UAH (Equivalent to 170 Euro, at the rate of 10.57 on April 1, 2010). Highest salary - employers - 3,936 UAH, it is more than twice the salary of the self-employed people.

Compared with other countries, living standards in Ukraine is one of the lowest in Europe: the minimum wage in 2009 in Ukraine was 50 Euros, while in the Czech Republic, Poland, Hungary, Romania and Bulgaria - 123-153 Euros, and in Portugal, Slovenia, Malta, Greece, Spain - 500-1000 Euros. At the same time, according to the Institute of Sociology of NAS of Ukraine, to live a normal life, the citizens (in their own self-assessments) should have a monthly income in excess of the existing 2-3 times (including 2626 UAH - for unemployed, 3092 UAH - for employees, 5,906 UAH - for self-employed). As a result, - 43% of people surveyed in 2010 rated the financial status of their families as poor (in 2008 the figure was 39%).

Also, according to the Sociology of NAS, the country lacks effective mechanisms for targeted social protection and assistance, as the existing system of social benefits - an extremely complicated and extensive. As a result - most of the social transfers received relatively wealthy people: in 2010, most of those who needed help, but have not received it - among the unemployed (24%) and employees (21%). At the same time, although employers are not primarily in need of help, some of those who received a one-time cash payment, higher than among non-working and employees.

These data help to understand the participants' evaluation of FGDs and IDIs, which can not be represented in the form of quantitative indicators, because they were obtained by using qualitative methods of data collection.

2.1.2. The main objectives

The main objective of the study is to determine, on the basis of usage of qualitative data collection methods, impact of the economic crisis on the most vulnerable population groups, as well as to monitor dynamics of changes in the lives of the respondents by consistently comparing the results of each of the consecutive stages of the project study.

In addition to one, common objective of the study, put forward at each new stage were some additional tasks. So, additional tasks of the first stage of the study included measures aimed at: a) obtainment of estimates of a general nature which, in the first place, were concerning the labor market, employment, material and financial support provided to participants of the discussions and their families, and b) comparison of these estimates according to a region and type of a settlement. Also, singled out at the first stage of study were those social groups that were, by the respondents themselves, identified as the most affected by the crisis.

At the second stage of the study carried out were: a) an assessment of various effects of the crisis as observed at the beginning of June 2010, b) identified were changes in the nature, prevalence and severity of impacts of the crisis if compared with those observed in December

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2009, c) analyzed also were mechanisms used to overcome the impacts of the crisis and dynamics of their changes over the past 6 months d) identify were some other changes in the lives of respondents that were relevant and applied for explaining a flexibility and sensitivity to economic shocks experienced by the target groups. In addition, during the second stage of the study analyzed were monitoring data of the Institute of Sociology of NAS of Ukraine, which were collected in March 2010 and which were used in order to define what social groups were most vulnerable to the effects of the crisis, and what quantitative characteristics can be applied in order to describe the situation.

The main purpose of assessment at the third stage of the study – to update and supplement general information on the impact of the crisis on different groups of urban and rural population, with special emphasis to be paid to most vulnerable groups, and to compare these estimates with those which were obtained in December 2009 and June 2001.

As during the first stage of the assessment, performance of this defined task was carried out along the following directions with the aim to:

- assess the nature, prevalence and severity of the impacts of the economic crisis on different groups of urban and rural population in January 2011 and to compare them with those ones observed in December 2009,
- determine whether the coping mechanisms, used by the population to deal with these impacts, have changed during the period since the year 2009, and if they have changed, then in what way;
- find out what changes, caused by the crisis, have occurred in the life of the respondents, and how these changes have changed their personal lives;
- how people react to the measures taken by the government in order to overcome consequences of the economic crisis in the country.

In addition, conducted was yet another analysis of data from other studies concerning the crisis as well as other, available for analysis, statistical and sociological data. Also carried out was review of some analytical materials.

### 2.1.3. Specific aspects of the third stage of the project study

The results of the first two stages of the study demonstrated that social consequences of the crisis were mostly evident in several ways, among which the most large-scale were the following:

- **Impact of the crisis on the level of job employment of the people, their earnings and household incomes in general.** The increased level of unemployment, in this case, may depend not only upon the number of actually functioning enterprises, but also upon the number of layoffs at companies that continue to work. Increase in the number of working hours for remaining employees, increased job load they have to bear while receiving the previous size wage (and, sometimes, even reduced one) , development of informal sector of employment – these are components of the manifestations of the crisis in this sphere .

- **Impact of the crisis on the change in consumer prices.** Higher prices for food, medicines, services, items of daily consumption felt were experienced by not only those people who lost their jobs during the crisis, but also all the rest of the population.

It is the study of features of these two main directions of the manifestation of the crisis that has been made a focus of attention at the third stage of the project works. All other manifestations of the crisis are viewed only as derivatives of the above mentioned two main consequences of the crisis.
2.2. TYPE OF STUDY

Rapid assessment of impacts of the crisis at the third stage of the study was conducted with a use of qualitative analysis methods, which also were used at the two previous stages, namely:

- Focus-group discussions (FGDs) with employed people who differ from each other by their gender, age, region of residence, availability of children or adults who need care;
- In-depth, semi-structured interviews (IDIs) with unemployed people, living at the same settlements where conducted were focus group discussions.

In one settlement, such FGD was held with the unemployed group of people and in-depth interviews – were held with the working citizens.

2.2.1. Procedures and Techniques

Two types of qualitative techniques were used at the second stage:

1. Discussions in focus groups – these discussions last approximately from 90 till 120 minutes; they were facilitated by trained moderator (sociologist) and they included from 8 to 12 participants.
2. In-depth interviews – the interviews were performed by trained interviewers based on semi-structured questionnaire. The interview lasted approximately 1 hour.

These techniques makes possible deeper understanding of behavior, attitudes, motives etc, as well as the collection of a big number of information in a relatively short period of time. For the focus-group discussions and in-depth interviews were developed relevant guidelines.

Taking into account some limitations of the method of the focus-group discussions and in-depth interviews, for some type of questions used were card-type answers (in particular, for answers related to the questions concerning trust in official and unofficial institutions) which made it possible to supplement qualitative information by some quantitative characteristics. Nevertheless, results of such studies are not representative ones and they cannot be viewed as complete, statistically adequate reflection of the life reality because they represent a situation only “from within”, as viewed by the respondents.

Participants for focus group discussions and in-depth interviews were selected to pre-chosen criteria, opinions expressed in the focus groups were analyzed with due account for social and demographic characteristics of individual participants. Comparison of their points of view made it possible to single out those social groups and segments of the population which are most vulnerable to impacts of the economic crisis in Ukraine.

2.3. STRUCTURE OF FOCUS-GROUPS AND IN-DEPTH INTERVIEWS

2.3.1. Structure of focus-groups

In general, at the third stage of the project, which, as it had been before, was carried out in five regions of Ukraine, organized were 15 focus-groups. Of these, fourteen involved employed people and one involved unemployed people.
As during the first stage of the project study, focus-group interviews with employed people were carried out in different types of human settlements (regional center or town of regional subordination, district center, town of district subordination, village) located in all five regions, which are the subject of the project study. The main reasons for the emphasis on interviewing employed people were as follows:

a. The need to obtain an overall assessment, especially regarding the labor market, employment level, material and financial well-being of participants

b. Comparison of the results of these studies with due account for peculiarities of a region and the type of a settlement;

c. The need to identify those population groups which happened to become the most vulnerable to the crisis. It was achieved by the use, as the basis, of a broad scale of representativeness made possible by involving into focus groups of respondents who differed from each other by their gender, age, marital status, and the field of employment. Also, whenever possible, singled out among respondents were those crisis impact vulnerable segments of the population, whose incomes were above the formal minimum wages.

The focus group involving unemployed people was organized at the village of Rubtsy of the Donetsk region, because at this village there are no permanently functioning enterprises and its employed people work primarily at public enterprises (village council, school, kindergarten, medical clinic, etc.) or they are employed at other localities. Such job employment situation is typical for many villages in Ukraine.

Conducting focus groups with the unemployed people at this village has allowed to have a better understanding of the ways used by the people to overcome consequences of the crisis in rural regions of this country.

### 2.3.2. Selection of regions and participants

Structure of focus groups and choice of venue where they were organized was based on territorial and administrative units which had been selected for the past stages of the project works. Also used were the same criteria for selection of FG participants. Table 1 shows the detailed structure of the focus groups.

In the process of formation of sampling set, comprising those who were invited to be a part of a FG, taken into account were the following criteria:

- The need to ensure good level of representation of different regions of Ukraine with due account for their geographical, social, and economic parameters (Central, Northern, Western, Eastern, Southern regions);
- The need to represent in an appropriate way different territorial and administrative units (regional center, or a city of an equivalent level, district center or town of district level subordination, urbanized village);
- Good representation of different sectors of economic activity, which were affected by the economic crisis;
- Proper representation of respondents according to their gender, age and education.

The choice of human settlements has been made at the first stage of the study and has not been changed. The process of their selection was as follows: regional centers – were selected by using the target method (except for the Kiev region, because the regional center of the Kiev region is the city of Kyiv - the city of Kiev is also the capital of the country and, thus, is not typical regional center of the Northern geographical region), whereas district centers and urbanized villages – were selected on the basis of a random choice.
Table 1. Structure of focus-groups (December, 2009 – January, 2011)

<table>
<thead>
<tr>
<th>Project study stages</th>
<th>Regional center / city of regional sub-ordination</th>
<th>District center/town of district subordination</th>
<th>Urbanized village</th>
<th>Total number of FGs</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Lviv region</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>December, 2009</td>
<td>Lviv Gender mix</td>
<td>Drogobych Gender mix</td>
<td>Ranevichi Gender mix</td>
<td>3</td>
</tr>
<tr>
<td>June, 2010</td>
<td>Lviv Gender mix</td>
<td>Drogobych Gender mix</td>
<td>Ranevichi Gender mix</td>
<td>3</td>
</tr>
<tr>
<td>January, 2011</td>
<td>Lviv Gender mix</td>
<td>Drogobych Gender mix</td>
<td>Ranevichi Gender mix</td>
<td>3</td>
</tr>
<tr>
<td><strong>Kyiv region</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>December, 2009</td>
<td>Bila Tzerkva Gender mix</td>
<td>Slavutych Gender mix</td>
<td>Shkarovka Gender mix</td>
<td>3</td>
</tr>
<tr>
<td>June, 2010</td>
<td>Bila Tzerkva Gender mix</td>
<td>Slavutych Gender mix</td>
<td>Shkarovka Gender mix</td>
<td>3</td>
</tr>
<tr>
<td>January, 2011</td>
<td>Bila Tzerkva Gender mix</td>
<td>Slavutych Gender mix</td>
<td>Shkarovka Gender mix</td>
<td>3</td>
</tr>
<tr>
<td><strong>Kirovograd region</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>December, 2009</td>
<td>Kirovograd Gender mix</td>
<td>Novo-Ukrainka Gender mix</td>
<td>Glodosy Gender mix</td>
<td>3</td>
</tr>
<tr>
<td>June, 2010</td>
<td>Kirovograd Gender mix</td>
<td>Novo-Ukrainka Gender mix</td>
<td>Glodosy Gender mix</td>
<td>3</td>
</tr>
<tr>
<td>January, 2011</td>
<td>Kirovograd Gender mix</td>
<td>Novo-Ukrainka Gender mix</td>
<td>Glodosy Gender mix</td>
<td>3</td>
</tr>
<tr>
<td><strong>Donetsk region</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>December, 2009</td>
<td>Donetsk Gender mix</td>
<td>Druzhkovka Women</td>
<td>Rubtsy Gender mix</td>
<td>3</td>
</tr>
<tr>
<td>June, 2010</td>
<td>Donetsk Gender mix</td>
<td>Druzhkovka Women</td>
<td>Rubtsy Gender mix</td>
<td>3</td>
</tr>
<tr>
<td>January, 2011</td>
<td>Donetsk Gender mix</td>
<td>Druzhkovka Women</td>
<td>Rubtsy Gender mix</td>
<td>3</td>
</tr>
<tr>
<td><strong>AR Crimea</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>December, 2009</td>
<td>Simferopol Men Gender mix</td>
<td>Yevpatoria Gender mix</td>
<td>Maly Mayak Gender mix</td>
<td>4</td>
</tr>
<tr>
<td>June, 2010</td>
<td>Simferopol Men Gender mix</td>
<td>Yevpatoria Gender mix</td>
<td>Maly Mayak Gender mix</td>
<td>3</td>
</tr>
<tr>
<td>January, 2011</td>
<td>Simferopol Gender mix</td>
<td>Yevpatoria Gender mix</td>
<td>Maly Mayak Gender mix</td>
<td>3</td>
</tr>
<tr>
<td><strong>Total number of FGDs</strong></td>
<td></td>
<td></td>
<td></td>
<td>16 15 15 46</td>
</tr>
</tbody>
</table>

Focus group participants at each stage of the project study were chosen at each selected human settlement through direct selection procedure with due account for such criteria as:

- Gender balance (except for two focus groups at each stage, one of which consisted only of men, and the second - only of women in order to provide to men and women the
opportunity to speak more freely and to better assess the impact of the crisis and mechanisms to cope with its impact on gender; 
- Balanced representation of different age categories of participants (18-30 years, 31-45 years and 46-60 years);
- Balanced distribution of participants by the level of their education;
- Balanced distribution by economic sectors;
- Inclusion of respondents with an average monthly income of not more than 30% of the average income in Ukraine;

Requirements to the participants to FGDs:
1) lack of experience of participation in similar studies during the past 6 months;
2) lack of experience in participation at marketing or social research, both by the participants of FGDs themselves and by their relatives / friends;
3) level of income to be not higher than the average;
4) existence of the impact of the economic crisis upon FGD participant, personally or upon his family;
5) availability of children under age of 18 years or presence of adults, who need participant’s care (adult children with disabilities, parents, other needy relatives, etc.).

The number of participants at each of focus groups at different stages of the study ranged from 8 to 12 people. Somewhat larger size of focus groups (10-12 people) – was at the first two stages of the project works, and somewhat smaller groups - (8-11 people) – were at the last stage of the study. This was because the composition of the focus groups was not repeated and at the final stage it was more difficult to select respondents who would comply with parameters specified in a screening questionnaire. In total, focus-group discussions during the whole study involved: 456 persons, including 223 men and 233 women. In the majority of mixed groups observed was gender and age balance of the participants.

Table 2. Composition of participants to FG in rural human settlements (December 2009 – January 2011)
At each stage, only two mono-gender focus groups were organized: one - involving only men (Simferopol, Crimea), and the second – involving only female participants (Druzhkovka, Donetsk region). In these groups maintained also was a balance of participants by their age, employment and income levels.

**Table 3. Composition of FGD in rural human settlements**

(December 2009 – January 2011)

<table>
<thead>
<tr>
<th>The city's name</th>
<th>Field Stage</th>
<th>Total number of FGD participants</th>
<th>Including</th>
<th>Men,aged:</th>
<th>Women,aged:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Men</td>
<td>Women</td>
<td>18-30</td>
</tr>
<tr>
<td>Donetsk</td>
<td>December 2009</td>
<td>8</td>
<td>4</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>June 2010</td>
<td>10</td>
<td>4</td>
<td>6</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>January 2011</td>
<td>9</td>
<td>4</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td>Druzhkovka (Donetsk region)</td>
<td>December 2009</td>
<td>8</td>
<td>-</td>
<td>8</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>June 2010</td>
<td>11</td>
<td>-</td>
<td>11</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>January 2011</td>
<td>10</td>
<td>-</td>
<td>10</td>
<td>-</td>
</tr>
<tr>
<td>Lviv</td>
<td>December 2009</td>
<td>11</td>
<td>5</td>
<td>6</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>June 2010</td>
<td>11</td>
<td>6</td>
<td>5</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>January 2011</td>
<td>11</td>
<td>6</td>
<td>5</td>
<td>1</td>
</tr>
<tr>
<td>Drogobych (Lviv region)</td>
<td>December 2009</td>
<td>8</td>
<td>4</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>June 2010</td>
<td>10</td>
<td>5</td>
<td>5</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>January 2011</td>
<td>10</td>
<td>5</td>
<td>5</td>
<td>1</td>
</tr>
<tr>
<td>Simferopol</td>
<td>December 2009</td>
<td>10</td>
<td>6</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>June 2010</td>
<td>11</td>
<td>6</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>January 2011</td>
<td>9</td>
<td>9</td>
<td>-</td>
<td>3</td>
</tr>
<tr>
<td>Yevpatoria (AR Crimea)</td>
<td>December 2009</td>
<td>10</td>
<td>5</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>June 2010</td>
<td>10</td>
<td>4</td>
<td>6</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>January 2011</td>
<td>8</td>
<td>4</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>Novoukrainka (Kirovograd region)</td>
<td>December 2009</td>
<td>10</td>
<td>5</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>June 2010</td>
<td>11</td>
<td>4</td>
<td>6</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>January 2011</td>
<td>9</td>
<td>4</td>
<td>5</td>
<td>1</td>
</tr>
<tr>
<td>Kirovograd</td>
<td>December 2009</td>
<td>10</td>
<td>4</td>
<td>6</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>June 2010</td>
<td>11</td>
<td>5</td>
<td>6</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>January 2011</td>
<td>9</td>
<td>4</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td>Bila Tzerkva (Kyiv region)</td>
<td>December 2009</td>
<td>10</td>
<td>6</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>June 2010</td>
<td>10</td>
<td>3</td>
<td>7</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>January 2011</td>
<td>9</td>
<td>4</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td>Slavutych (Kyiv region)</td>
<td>December 2009</td>
<td>10</td>
<td>5</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>June 2010</td>
<td>12</td>
<td>7</td>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>January 2011</td>
<td>8</td>
<td>5</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Total (persons)</td>
<td>December 2009</td>
<td>106</td>
<td>55</td>
<td>51</td>
<td>18</td>
</tr>
<tr>
<td></td>
<td>June 2010</td>
<td>106</td>
<td>49</td>
<td>57</td>
<td>16</td>
</tr>
<tr>
<td></td>
<td>January 2011</td>
<td>93</td>
<td>45</td>
<td>48</td>
<td>16</td>
</tr>
</tbody>
</table>

**Economic status of households.** Distribution of participants to focus groups, depending on the size of gross income per one family member is given in Table 4. Approximately the same level of representation in FG of people with different incomes was secured through the use of a special screening questionnaire. More detailed distribution of focus group participants according to their economic status (by sex, region, and types of settlements where they live) are shown below at the relevant section.
Table 4. Distribution of FG participants according to the size of combined income per one member of a family (%) and official minimum subsistence level (UAH)

<table>
<thead>
<tr>
<th>Size of Combined Income</th>
<th>December 2009</th>
<th>June 2010</th>
<th>January 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to 800 UAH</td>
<td>42</td>
<td>46</td>
<td>39</td>
</tr>
<tr>
<td>801-1000 UAH</td>
<td>39</td>
<td>30</td>
<td>37</td>
</tr>
<tr>
<td>1001 – 1700 UAH</td>
<td>16</td>
<td>19</td>
<td>17</td>
</tr>
<tr>
<td>1701-2150 UAH</td>
<td>3</td>
<td>5</td>
<td>7</td>
</tr>
<tr>
<td>Official minimum subsistence level (UAH)</td>
<td>744</td>
<td>884</td>
<td>894</td>
</tr>
</tbody>
</table>

Spheres of job employment of respondents. Focus group participants were selected so that they would represent different spheres of employment. But due to problems in the sphere of job employment and availability of jobs in almost all localities where the focus groups were to be held, the final distribution of respondents by spheres of their activities at the places of their employment turned out to be rather random. Included into the category of respondents who "did not respond to the relevant question" were those respondents who at the time of the field stage of works did not have some permanent job, but they received some incomes from other sources, for example, from one-off work, rent, financial aid, social benefits, etc.

Table 5. Distribution of FG participants depending on the sectors of economy at which they were employed (%)

<table>
<thead>
<tr>
<th>Sectors of Economy</th>
<th>December 2009</th>
<th>June 2010</th>
<th>January 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industry</td>
<td>11</td>
<td>19</td>
<td>16</td>
</tr>
<tr>
<td>Construction</td>
<td>9</td>
<td>11</td>
<td>19</td>
</tr>
<tr>
<td>Trade and services</td>
<td>12</td>
<td>19</td>
<td>31</td>
</tr>
<tr>
<td>Agriculture</td>
<td>7</td>
<td>8</td>
<td>12</td>
</tr>
<tr>
<td>Other</td>
<td>25</td>
<td>17</td>
<td>22</td>
</tr>
<tr>
<td>Not answered</td>
<td>36</td>
<td>26</td>
<td>-</td>
</tr>
</tbody>
</table>

Table 6 shows distribution of respondents according to their field of activity and gender.

Table 6. Distribution of men and women who participated in FGDs, by sectors of economy at which they were employed (%)

<table>
<thead>
<tr>
<th>Field Stage</th>
<th>Did not reply</th>
<th>Industry</th>
<th>Construction</th>
<th>Commerce and services</th>
<th>Agriculture</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Men</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>December 2009</td>
<td>37</td>
<td>10</td>
<td>11</td>
<td>12</td>
<td>9</td>
<td>21</td>
</tr>
<tr>
<td>June 2010</td>
<td>26</td>
<td>19</td>
<td>19</td>
<td>13</td>
<td>7</td>
<td>16</td>
</tr>
<tr>
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<td>-</td>
<td>18</td>
<td>27</td>
<td>24</td>
<td>15</td>
<td>16</td>
</tr>
<tr>
<td>Women</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>December 2009</td>
<td>35</td>
<td>11</td>
<td>7</td>
<td>12</td>
<td>6</td>
<td>29</td>
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<tr>
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<td>26</td>
<td>19</td>
<td>5</td>
<td>23</td>
<td>9</td>
<td>18</td>
</tr>
<tr>
<td>January 2011</td>
<td>-</td>
<td>15</td>
<td>11</td>
<td>38</td>
<td>10</td>
<td>26</td>
</tr>
</tbody>
</table>
2.3.3. The structure of in-depth interviews

As in the first two stages of the study in January 2011 was held in 1950 in-depth interviews in the same urban and rural settlements in which FGDs took place (involving ten people at each region including eight urban and two rural citizens).

Respondents were men and women aged eighteen years and older who complied with three simultaneous conditions:

- they didn't have main job (generating income) during the period of one week by the time of implementation of the study;
- they were capable to start job (which could bring some income) within two weeks after completion of the project study;
- they actively searched for appropriate job (job generating permanent income) which means that they took special measures aimed at search of job during the period of four weeks before start of the project study or who actually found some job, but will really start to be employed at that job at a later time though it was difficult to tell what time will be needed for them to start their new job after the time of the in-depth interview.

In order to find respondents complying with the above category of the requirements used were data of the Center of social expertise, data of the regional employment services, job advertisements placed at printed or electronic mass-media. Interviews were carried out with recording of the interview content at dictating machine with consequent deciphering of the content of the obtained voice recordings. The detailed structure of respondents for IDIs is given at Table 7.

Table 7. Structure of In-Depth Interviews (December 2009 – January 2011)

<table>
<thead>
<tr>
<th>Administrative Region</th>
<th>Field Stage</th>
<th>Regional center/town of the similar scale</th>
<th>District center/town of district importance</th>
<th>Rural village</th>
<th>Total IDIs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lviv Region</td>
<td>December, 2009</td>
<td>Lviv 3 men + 2 women 1 man + 2 woman 1 man + 1 woman</td>
<td>Drogobych 2 men + 2 women 2 men + 1 woman 1 man + 2 women</td>
<td>Ranevychi 1 man + 2 women</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>June, 2010</td>
<td>2 men + 2 women 2 men + 1 woman 1 man + 2 women</td>
<td></td>
<td></td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>January, 2011</td>
<td>2 men + 2 women 1 man + 1 woman 1 man + 2 women</td>
<td></td>
<td></td>
<td>10</td>
</tr>
<tr>
<td>Kyiv Region</td>
<td>December, 2009</td>
<td>Bila Tserkva 2 man + 2 women 1 man + 3 women 2 women</td>
<td>Slavutych 2 men + 2 women 1 man + 2 women 1 man + 2 women</td>
<td>Shkarovka 1 man + 2 women</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>June, 2010</td>
<td>2 men + 2 women 1 man + 2 women 1 man + 2 women</td>
<td></td>
<td></td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>January, 2011</td>
<td>2 men + 2 women 2 men + 1 woman 1 man + 2 women</td>
<td></td>
<td></td>
<td>10</td>
</tr>
<tr>
<td>Kirovograd Region</td>
<td>December, 2009</td>
<td>Kirovograd 2 men + 3 women 3 women 2 men</td>
<td>Novo-Ukrainka 2 men + 2 women 2 men + 1 woman 1 man + 2 women</td>
<td>Glodosy 1 man + 2 women</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>June, 2010</td>
<td>2 men + 2 women 2 men + 1 woman 1 man + 2 women</td>
<td></td>
<td></td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>January, 2011</td>
<td>2 men + 2 women 1 man + 2 women 1 man + 2 women</td>
<td></td>
<td></td>
<td>10</td>
</tr>
<tr>
<td>Donetsk Region</td>
<td>December, 2009</td>
<td>Donetsk 2 men + 2 women 2 men + 2 women 2 women</td>
<td>Druzhkovka 2 men + 2 women 2 men + 1 woman 1 man + 2 women</td>
<td>Rubtsy 1 man + 2 women</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>June, 2010</td>
<td>2 men + 2 women 2 men + 1 woman 1 man + 2 women</td>
<td></td>
<td></td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>January, 2011</td>
<td>2 men + 2 women 2 men + 1 woman 1 man + 2 women</td>
<td></td>
<td></td>
<td>10</td>
</tr>
<tr>
<td>AR of Crimea</td>
<td>December, 2009</td>
<td>Simferopol 2 men + 3 women 2 men + 1 woman 2 men</td>
<td>Yevpatoria 2 men + 2 women 2 men + 1 woman 1 man + 2 women</td>
<td>Malyj Mayak 1 man + 2 women</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>June, 2010</td>
<td>2 men + 2 women 2 men + 1 woman 1 man + 2 women</td>
<td></td>
<td></td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>January, 2011</td>
<td>2 men + 2 women 2 men + 1 woman 1 man + 2 women</td>
<td></td>
<td></td>
<td>10</td>
</tr>
<tr>
<td><strong>Total IDIs</strong></td>
<td></td>
<td>63 31 men + 32 women</td>
<td>47 24 men + 23 women</td>
<td>40 15 men + 25 women</td>
<td>150 70 men + 80 women</td>
</tr>
</tbody>
</table>
2.4. TIME OF STUDY

Field surveys were conducted:

- The first stage - from 15 to 29 December, 2009;
- The second stage - from May 26 to June 3, 2010;
- The third stage - from January 25 to February 15, 2011.

3. OVERALL IMPACT OF THE CRISIS ON DIFFERENT SOCIAL GROUPS (as viewed by the FGD)

3.1. IMPACTS OF THE CRISIS ON EMPLOYMENT, EARNINGS AND HOUSEHOLD INCOMES OF HOUSEHOLDS

3.1.1. Some features of the population employment and changes at the labor market

To assess the job employment situation in January-February 2011 turned out to be much more complicated thing to do than during two previous stages of the study. The main reason for these difficulties lies in the close interweaving of different manifestations of the crisis in the fabric of social, economic and political life. For example, during late 2010 - early 2011 was marked by a number of reforms proposed by the President and the Government of Ukraine. And though these reforms are still under discussion in the society (in particular, pension reform), and some other reforms began to be implemented (e.g. administrative reform, adoption of a new tax code), all of these events contributed to emergence of an additional stress in the sphere of employment.

"It became materially, financially and morally worse due to the crisis. And now you pay more acute attention to the fact that some new laws are adopted and there is a talk about extending retirement age ... All such measures do not improve your mood... And now I do not know how our children will survive without jobs , especially if they will extend the age of retirement. It looks like a dead end." (Tamilia, FG 9, Novoukrainka, Kirovograd region).

Many respondents in January 2011 indicated their frustration that they had experienced because of the deteriorating situation in the employment market, and, quite often, their assessments were expressed in the context of the actions of the president, who was elected in the early 2010, and the government’s activities.

"You know I was such a devoted person in respect of our president. So, see,for example, I have the Party of Regions membership certificate…. But now I'm very disappointed in this party... Very disappointed... And I told you the truth. I am very dissatisfied with our president... In particular, because the employment opportunities nowadays are much worse..." (Valentin, FG number 6, Kirovograd)

Changes in the labor market which took place in 2009-2011 are viewed by respondents in all regions primarily as such that set the country back by many years, when the unemployment level was very high. And now they do not see any chances for improvement of this situation.

"In general, I think that , especially at the labor market, we were swept back, if we take into account the years 2010 and 2011... As a result of job cuts out a lot of people were thrown
into the street. Even those people who now have a job are looking for something better. But the prospects for these people are absent "(Tatiana, FG number 6, Kirovograd)

"Before the crisis, there was a lot of job offers in Truskavets ... But now job search is more difficult, much more difficult. In 2008, everything was still rolling through inertia. At that time, everything was slightly different. Then, you could still survive. Prices still were normal. But now, all the people tend to have some depressions, they are angry and it seems that they would like to eat each other - it is real horror what is happening now "(Maria 2, FG 13, Drogobych, Lviv region).

"The crisis continues even to this day, and it directly affects people because they are made redundant from their jobs and payment of their salaries is delayed. Currently I work at a private firm and my work is connected computers. People elsewhere have use new technologies, but here we have just the Stone Age, and not because we are so miserable, but simply nobody has money. All personal money stocks have been spent by the people. Many of those who worked in 2009, by today have lost their jobs and they only hope to get some seasonal jobs. No good prospects for people. "(Valery, FY 15, Maly Mayak, Crimea)

However, for some respondents situation with employment in January 2011 looks much better than in December 2009. Improvement of this situation is due to resumption and / or increased level of activity of enterprises, some recovery of the market and overall economic activity. Difficulties, now faced by workers at enterprises, (e.g. partial employment, decrease in wages and delays with its payment), are now viewed by the respondents to be of much less importance than the shock they had suffered in connection with mass layoffs and plant closures in 2008-2009 years.

"I work at an enterprise manufacturing lines for water bottling. Of course, the crisis has greatly affected us. It happened somewhere at the end of 2008, in October- September. Now it became a little bit better - because equipment orders came from Russia. Many very good specialists were fired at that time - they could not sit at the plant without payment. Though, salary so was not that high. Well, they also reduced wages and that was all that happened then... "(Victor, FG 3, Bila Tserkva)

But, the overall employment situation of the population in the regions subject to survey did not fully stabilized. If in 2008-2009, many people lost their jobs due to mass shutdown of businesses as a result of the crisis, in 2010-2011 increased became the risk of losing jobs if an operating company (or a company which resumed its work) can not for a long time to withstand the pressure of the crisis and of the difficulties caused and associated with it. Characteristically, nowadays often suffering are those businesses that were able to survive the first wave of the crisis by using certain inventories and reserves still in their possession at the time, but which still can not withstand the long-term impacts of the crisis for a long time, since all their, previously accumulated material reserves became depleted.

"Situation became bad only six months ago. In principle, there were no changes experienced by our company at the time of onset of the crisis. I do not know why - maybe because there still were some remaining previous equipment orders that we had to execute. But starting from the middle of 2010 we started to experience some disruptions." (Sergei, FG 3, Bila Tserkva)

On the other hand, continued are job losses due to reduced production volumes accompanied by increasing production costs. Reduction of jobs is observed both at large and in small businesses, though the number of laid-off employees is different.

"The problems of finding employment , general labor market problems here in Kirovograd are quite great. Here, even operating companies tend to fire their employees... Also, those firms that have operated on more intensive basis in the past, even they reduced volumes of their production and, as a result, they have to throw their employees at the street Look, for example, at the Ukrtelecom company – it fired 300 people....Or look at schools, other enterprises – many of them were closed and their employees were left without any job..." (Tatiana, FG 6, Kirovograd)

While at the national government level they are increasingly talking about the economic recovery and restoration of production, many respondents noted that the crisis is still not over, but it tends to continues and even to deepen. And according to their estimates the employment situation could deteriorate at any moment.
“So far, the crisis has not gone away. There is a feeling that the crisis is deepening. The farther the worse.” (Andrew, 1 FG 11, Lviv)

The negative impact of changes in employment on the lives of the majority of the respondents was fixed at all stages of the study, regardless of region and type of settlement (Tables 8 and 9). What differs is only in the degree of how categorically do respondents express their views (e.g. life "has deteriorated" or "life became much worse"), and, moreover, in the recent times attention of respondents is increasingly more frequently is focuses on the issues of close relationship between financial instability (both individuals and households) and deterioration of psychological well-being of the people (e.g. "there are no grounds to be sure about the future", "psychological discomfort from the feeling of being of no use at a workplace", "lack of interest in work, etc."). Also, some attention is drawn by a respondent's remark that life, affected by the crisis, becomes "not worse, but quite different one..." (FG 11, Lviv).

Table 8. Assessment of the impact of changes in the sphere of employment on life of respondents in different regions (number of responses)

<table>
<thead>
<tr>
<th>Region</th>
<th>Quality of life</th>
<th>Effect of changes in employment on life of respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>December 2009*</td>
</tr>
<tr>
<td>Kyiv region</td>
<td>Deteriorated significantly</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Deteriorated</td>
<td>21</td>
</tr>
<tr>
<td></td>
<td>Not changed</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>Improved</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Significantly improved</td>
<td></td>
</tr>
<tr>
<td>Kirovograd region</td>
<td>Deteriorated significantly</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Deteriorated</td>
<td>22</td>
</tr>
<tr>
<td></td>
<td>Not changed</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>Improved</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Significantly improved</td>
<td></td>
</tr>
<tr>
<td>Donetsk Region</td>
<td>Deteriorated significantly</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>Deteriorated</td>
<td>16</td>
</tr>
<tr>
<td></td>
<td>Not changed</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Improved</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Significantly improved</td>
<td></td>
</tr>
<tr>
<td>Lviv region</td>
<td>Deteriorated significantly</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Deteriorated</td>
<td>16</td>
</tr>
<tr>
<td></td>
<td>Not changed</td>
<td>9</td>
</tr>
<tr>
<td></td>
<td>Improved</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Significantly improved</td>
<td></td>
</tr>
<tr>
<td>AR of Crimea</td>
<td>Deteriorated significantly</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>Deteriorated</td>
<td>14</td>
</tr>
<tr>
<td></td>
<td>Not changed</td>
<td>18</td>
</tr>
<tr>
<td></td>
<td>Improved</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Significantly improved</td>
<td></td>
</tr>
</tbody>
</table>

* Note. In December 2009, held in Simferopol (AR of Crimea) were 2 Focus Groups.
Table 9. Assessment of the impact of changes in the sphere of employment on life of respondents living in different types of settlements (the number of responses)

<table>
<thead>
<tr>
<th>Time of FG</th>
<th>Quality of life</th>
<th>Regional centers</th>
<th>District centers</th>
<th>Villages</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>December, 2009</td>
<td>Deteriorated significantly</td>
<td>9</td>
<td>4</td>
<td>5</td>
<td>18</td>
</tr>
<tr>
<td></td>
<td>Deteriorated</td>
<td>33</td>
<td>22</td>
<td>34</td>
<td>89</td>
</tr>
<tr>
<td></td>
<td>Not changed</td>
<td>16</td>
<td>20</td>
<td>8</td>
<td>44</td>
</tr>
<tr>
<td></td>
<td>Improved</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Significantly improved</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>June, 2010</td>
<td>Deteriorated significantly</td>
<td>18</td>
<td>43</td>
<td>44</td>
<td>105</td>
</tr>
<tr>
<td></td>
<td>Deteriorated</td>
<td>24</td>
<td>14</td>
<td>14</td>
<td>52</td>
</tr>
<tr>
<td></td>
<td>Not changed</td>
<td>12</td>
<td>-</td>
<td>-</td>
<td>12</td>
</tr>
<tr>
<td></td>
<td>Improved</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Significantly improved</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>January, 2011</td>
<td>Deteriorated significantly</td>
<td>15</td>
<td>8</td>
<td>14</td>
<td>37</td>
</tr>
<tr>
<td></td>
<td>Deteriorated</td>
<td>20</td>
<td>21</td>
<td>22</td>
<td>63</td>
</tr>
<tr>
<td></td>
<td>Not changed</td>
<td>7</td>
<td>13</td>
<td>10</td>
<td>30</td>
</tr>
<tr>
<td></td>
<td>Improved</td>
<td>5</td>
<td>2</td>
<td>-</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>Significantly improved</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

The negative impacts of changes in the sphere of employment on life of respondents, observed in December 2009, also continued to deepen in 2010, reaching a certain peak in June and then declined slightly by January 2011. Among different types of settlements impacts of the crisis were mostly felt by residents of small towns (including district centers) and villages (Table 9). That improvement, which was marked by respondents in January 2011, was mainly due to their employment after a long period of unemployment. Quite often their families during the period of their unemployment were forced to survive only on wages or some social benefits of one family member.

"During the period that you mentioned, I mean the last twelve months, my personal life has improved because I found a job. My husband and I, we had to live for three years only relying on his retirement pension." (Ludmila, 2 FG, 9 Novoukraynka, Kirovograd region).

It still remains difficult to find a job in all surveyed localities, regardless of their size (Table 10). But, whereas in cities one can relatively easily to find low-paying jobs (in the first place, these are jobs of janitors and security guards), at villages even such job opportunities are not always available. Somewhat easier it is to find a job where there are operating companies (e.g. furniture factories in Shkarovka village, Kiev region, a sausage shop at Ranevychi, Lviv region, as well as hazardous production facilities in Slavutych, Kiev region), although even there sizes of wages are often not compatible with severity of working conditions, and existing job vacancies are given to relatives or to friends.
Table 10. Assessments of likelihood of finding job at the place of residence of respondents  
(December 2009 - January 2011, number of responses)

<table>
<thead>
<tr>
<th>Region</th>
<th>City/village</th>
<th>Opportunity to find a job in city/village</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>December 2009</td>
</tr>
<tr>
<td>Kiev region</td>
<td>Bila Tserkva</td>
<td>Impossible – 8</td>
</tr>
<tr>
<td></td>
<td></td>
<td>It is very difficult, especially if there are small children - 2</td>
</tr>
<tr>
<td></td>
<td>Slavutych</td>
<td>Very difficult to find work fitting job applicants' professions and skills – 6</td>
</tr>
<tr>
<td></td>
<td></td>
<td>One can find just a poorly paid job of cleaner, janitor or caretaker - 3</td>
</tr>
<tr>
<td></td>
<td></td>
<td>It is very difficult to find a job - 8</td>
</tr>
<tr>
<td>Shkarivka</td>
<td></td>
<td>It is hard to find a job especially if one takes into account that there were job redundancies at local furniture factoru – 3</td>
</tr>
<tr>
<td></td>
<td></td>
<td>One can find a job of a vendor – 2</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Job can be found at the neighbouring town -2</td>
</tr>
<tr>
<td>Kirovograd region</td>
<td>Kirovograd</td>
<td>Very difficult to find a job - 4</td>
</tr>
<tr>
<td></td>
<td></td>
<td>It is possible to find a job of reseller at local market - 3</td>
</tr>
<tr>
<td>Novoukrainka</td>
<td>Practically it is impossible - 7</td>
<td>Not real because all factories are closed -8</td>
</tr>
<tr>
<td></td>
<td></td>
<td>One can find a job of a watchman -2</td>
</tr>
<tr>
<td>Gliodosy</td>
<td>It is unreal to find a job - 5</td>
<td>Not real because all factories are closed – 9</td>
</tr>
<tr>
<td></td>
<td>One can only work at his own household vegetation garden and try to survive -3</td>
<td>Maximum one can find is a job of a watchman -2</td>
</tr>
<tr>
<td>Donetsk region</td>
<td>Donetsk</td>
<td>Work on your speciality and with good salary is Difficult to find - 3</td>
</tr>
<tr>
<td></td>
<td></td>
<td>You can find a job, but with a salary below UAH 800 - 2</td>
</tr>
<tr>
<td></td>
<td></td>
<td>To find a good, well-paid job in a coal mine can be possible only with the help of friends - 2</td>
</tr>
<tr>
<td></td>
<td>Druzhkovka</td>
<td>It is very difficult to find a job – 5</td>
</tr>
<tr>
<td></td>
<td></td>
<td>For some specialities job can be found but it will take a long time and help of friends -1</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Location</td>
<td>Difficulty</td>
<td>Employment Information</td>
</tr>
<tr>
<td>---------------</td>
<td>------------</td>
<td>----------------------------------------------------------------------------------------------------------------</td>
</tr>
</tbody>
</table>
| Rubtsy        | Very difficult -8 | Difficult to find work at your own profession - 6  
Seasonal work can be found - 1  
You can get the job of a janitor - 1  
If you set a goal, you can find a job - 1  
Rink prats, a yak, a Kirovograd, in moemu, zagalom not issue – 1  Possibly, but only low-paid job – 6  
God job is impossible to fins - 8 |
| Lviv          | Work by profession of a lawyer or doctor can be found but you need to have required job experience - 3  
Very hard to find a job that pays decently - 2  
It is difficult to find employment for those who have small children - 2 | Very difficult to find, nearly impossible -11  
Not so easy -1  
Difficult -2  
You can find a job with high responsibilities but low salary -2  
You can find a job of a salesman -3 |
| Drogobych     | It is difficult to find jobs with sufficient salaries and wages - 3  
You can find a job, but only low-paid ones - 3 | Very difficult to find, nearly impossible -11  
Difficult to find -3  
Very difficult to find -2  
To find a job, complying with your speciality without some help from friends is simply unrealistic -4 |
| Ranevtychi    | Absolutely no work neither here nor in the nearest town - 5  
If you find a free position, there is no guarantee that you will be paid for your work - 2 | It is unrealistic to find a job even in your speciality - 7  
Maximum - you can find a job at a construction site for a couple of days - 1  
Difficult to find – 5  
You can find a job at local sausage-making shop, but work conditions are difficult and the owner is of bad temper - 2 |
| Simferopol    | By to find a job by your specialty is very hard - - 3  
You can work as a private entrepreneur, but now there there no work orders - 3  
You can get a low-paying jobs which are not according to your specialty - 2 | It is hard to find a job of your own speciality - 7  
Seasonal work can be found - 1  
It is the easiest to get a job of a janitor - 1  
You can find a job, if you want to - 1  
Difficult to find a well-paid job -6  
One can find a low-paid job -2 |
| Yevpatoria    | Work is almost impossible to find - 4  
You can get a job of a carpenter, but at minimum wage - 2 | Impossible to find any job -11  
It is hard to find a job related to engineering specialities – 2  
One can find a job at medical sector -2  
Town is the seaside resort – therefore one can find only some seasonal jobs (in trade and services sector) -3 |
| Maly Mayak    | You can only find some seasonal jobs at institutions that work in the field of resorts services - 4 | Impossible to find any job -12  
It is possible to find only some low-paid job (e.g. janitor) - 10 |
"Here in Shkarovka we have a bar, school and we also have a private businessman, named Gorobets. We also have a furniture factory. And here we have more employees coming from Bila Tserkva, than number of employees out from our rural residents. Even if one considers our bar which is good, nice bar - his owner is from Bila Tserkva, he employs his family members here and they work here. Of course, who will employ our people at his bar? So, that is all . . . ." (Elena, FG 4, Shkarovka, Kiev region).

"Even at construction industry now there are many vacancies. But, for example, they announce a vacancy of a handy man at a construction site. They will pay him 50 UAH for the 10 hours working day in cash . . . .But if you take into account the need to travel to the site and back every day then what will be left after paying for travel costs? It will be a kind of working for free . . . .If you want, please, you are welcome. " (Andrey, FG 1, Donetsk)

But it is the most difficult to find a job where all businesses are closed. And also it is hard to find jobs according to personal skills and qualification, particularly in district centers (if compared with the regional centers) and rural areas. In connection with this, a trend spreads under which if a job applicant wants to get a job (even for a post with a small salary, but with the prospect of career advancement) job applicants have to pay significant sums of money. The sum of a bribe often can be several times the size of the salary earned and such people have to work a few months (even a year) to earn enough money to compensate such bribe.

"Irene. In order to have a normal job in Drogobych we always have to pay money in order to get it... Yes, that really means that in order to have a job you have to pay for it...

Moderator: You mean that you have to pay for employment?

Irina. Yes. For normal job which you would like to have..

Moderator: And how much do such services cost?

Irina. Well, it depends on the kind and place of employment . . . . For example, my friend could get a job of a secretary at the tax authority . . . . But to get the job of a secretary at the tax authority two years ago would probably cost you two thousand US Dollars. . . .

Moderator: And what would be the salary paid for the job of a secretary?

Irina. Minimum 800 UAH.

Moderator: So, she hoped that she would be able to earn enough money to compensate the cost of employment?

Irina. She hoped that because she had higher education she could be promoted to a higher position at this tax authority . . . ." (FG 10, Drogobych, Lviv region).

"When the crisis started I worked as the head of the department at a large construction company. But due to the crisis, all building works were stopped and, as a result, the half of the people were fired and the rest were transferred to the half-time regime of work and I had to leave this job because to do the job for three people and to get a part-time salary would be not so good idea . . . . After that I began to apply to labour exchange in order to find a job. As a specialist I was offered only those jobs that had a minuscule salary... And if there was a good vacancy, you will surely get a hint that in order to get such good job it was necessary to pay for it... So, I just found for myself a job of a part-time accountant at the firm, which sells auto parts. "(Ina, FG 6, Kirovograd)

One of the most affordable options for employment is to apply for a seasonal job. This includes agricultural and construction work in all regions of the country, as well as spa services in the Crimea. Nevertheless, in these areas chances for employment depend strongly on the age and gender of an applicant: the work is more often offered to young men. Men and women older than 45 years, as well as in women with a baby / children have much less chances to find such a job.

"People take seasonal work. Some people engage into sunflower or corn fields weeding works for some other farmers - this is a type of a seasonal work... Somewhere, someone illegally works as a watchman or as a guard and in this way people try to survive... As to young people there is no chance for them at all to find a job... It is very hard to survive here or even in Novoukrainka... May be it is possible at the district center... And it is real disaster to live now in rural villages... Especially it is difficult for elderly people of the pre-retirement age because of the lack of any employment here... As to young people they live at the expense of their parents..." (Ludmila 1, FG 9, Novoukrainka, Kirovograd region).
"It is not easy now to find a job of a cook, mostly because all want to employ young people to work at restaurants, cafes ... And for other jobs as well" (Lubov, FG 10, Drogobych, Lviv region).

"In our Novoukrainka it is hard to find work – it is a very big problem. First, jobs at places where people work are occupied by by there own work teams and by their own people.... If you pose a question: do you have a job? The answer is – but how old are you? We recruit only women who are aged under 35 but you are 50 now…. And now, they adopted a law that retirement age is increased to 60 years and to apply for a pension one has to prove that the last 10 years before retirement he was officially employed… So, the question is "Where can I get such pre-retirement employment record?" (Ludmila, FG 9 Novoukrainka, Kirovograd region)

According to estimations of the FGs, the employment situation remains tense in all investigated localities, and unemployment level is almost nowhere tends to be reduced (which does not comply with governmental employment statistics). People who could not for a long time find a job in their towns, quietly moved into villages because, although there are no jobs in villages, housing costs are lower and one can have some income from work at their own gardens and households. These people do not have to necessarily be born here and to be natives of these villages and many of them all their life, before moving to rural villages, had lived in a city. But due to their movement to villages observed is a rotation of inhabitants of many rural areas – because locals die and new settlers tend to stay here for ever. Nevertheless, the majority of villagers are pensioners. And the proportion of working people in many of these rural settlements is low. For example, in Rubtsy village of the Donetsk region, according to the respondents, 70% of the population consists of people who do not have permanent employment (including pensioners).

"Of course, the situation with employment has changed in our village. Now, many people come here from cities... Nobody needs them in these cities and life in the city is difficult. And here it is much easier with the housing. So if you do not pay housing and utilities fees you can be evicted from your apartment. But here no one is evicting anybody... What happens is that they just cut down gas and electricity supply and that is all...." (Yuri, FG 5, Rubtsy, Donetsk region).

On the other hand, many villagers have permanent employment in nearby towns, provincial or district centers because there are no appropriate jobs for them in places of their residence.

"I work in the library in the 22-nd school in Bila Tserkva. I was a full-time employee here. Today, for example, the size of my salary depends on the number of pupils at school and the number of classes. Today my job load is reduced and I have to working on 0,5 of the salary rate, because the number of classes is reduced. Or if the number of students is less than 30 they your salary rate is reduced down not to 0,8 or 0,7 but immediately down to 0,5 of the salary rate. That means that all this reductions have a great impact on the size of your salary...which can be decreased by 50 %. They justify it by the fact that the number of students at the school had declined and, therefore, less teaching classes organized... So, your salary really depends on the number of students and classes... As a result, now I have some free time left so I can devote it to some other part-time job, but now it is very difficult to find a job out Shkarovka village… so, I have to travel to Bila Tserkva to have some part-time job there, though at Bila Tserkva it is also difficult now to find a job and that is true... So, what all this means is that I have free time and I would like to have a part-time job because I have a family to support... But to-day it is not so easy to find a job..."(Tatiana, FG 4, Kiev region, Shkarovka village).

In regional terms, the most difficult employment situation remains to be in the Crimea, in particular in Yevpatoria and at Maly Mayak, where in June 2010 virtually all participants of FGD stated that it is impossible to find work in their settlements. This situation did not change, in fact, in January 2011, although the degree of how categorical were statements of respondents on this issue became somewhat lower due to some employment recovery in the summer months and resumption of tourism and holiday resorts activities. These are the seaside places at the Black Sea coast, to which in summer come lots of tourists and holiday makers. Residents of small towns and villages of the Crimea located along the sea coast, try to earn, as they used to do before the crisis, some money by providing to tourists some services (in the first place - rent
homes and apartments during summer holidays season). For them it is important that the flow of incoming holiday makers would not decrease as a result of the crisis.

“The specifics of our life here include, as you know, tourism. And such jobs as those which are mostly required for our town, we, frankly speaking, do not feel the need for them…. We are not accustomed to rely on these jobs in our life… That is, our main source of income comes not from these town jobs which pay such a meager salary and I emphasize the word “meager” salaries because they are not worthwhile to be paid to any citizen of Ukraine, is almost impossible. This is unrealistic. Even if one takes into account the cost of the minimum food basket calculated by the state. Yes, it is unreal. Therefore, we have a big lack of jobs, due to the fact that people have learned how to adapt in order to earn in such a short period of time (summer season) sufficient amount of money that enables you to somehow survive the hungry winter, if we may call it so…. And once again to live up to the moment when you can really earn again at least some money to pay for sending your children to school, to pay for some personal needs, hobbies and to look to the future in a slightly better mood…. ”(George, FY 15, Maly Mayak, Crimea)

3.1.2. Impacts of the crisis on work of enterprises

Enterprises that are the main place of work of the FGD participants belong to different spheres of economy: industry, construction, trade and services, transportation, communications, education, medicine and agriculture. Among them there are those that belong to the public sector and those that belong to the private sector of the economy. Positions occupied by the respondents at their main places of work are quite different: workers, specialists, managers, directors, owners of small businesses. Some respondents (mainly those who are employed in construction, trade and services) are self-employed.

The economic crisis has affected the work of most enterprises, which in turn affected the work and the wages of workers. Results of FGDs suggest that the impact of the crisis on the companies depends on the sector of economy (public / private), as well as on the type of industries and types of settlements. In this context, the state-owned enterprises are those that are funded from the state budget. Private enterprises are those that operate without the support from the state budget.

In organizations that are financed from the state budget (education, health, transport, communications), the main impact of the crisis is manifested in small wage cuts (as a rule, it was significantly lower than in the private sector), abolition of various bonuses and premium payments. But salaries were paid mostly on time. If there were delays in payment of wages they were not that long. There were also no significant changes in the time schedule of employees’ work. There have been redundancies, but fired were predominantly working pensioners and those who frequently took sick leave. It is not expected that in the near future there will be new reductions of the staff and the respondents evaluate the possibility of such job reductions as “unlikely”).

At state facilities, still remains, according to data obtained during all stages of the study, mostly normalized regime of work, prescribed by the labor laws (8 hours working day, 5 days working week). However, the number of cases of increased work load upon the currently working staff (due to a reduction of staff) became more frequent though salaries of such overloaded employees remain the same (or even partially reduced due to elimination of various bonuses and benefits and due to transfer of employees to a part-time work schedule.

“The budget sphere is also affected by the crisis and , as they say, it also suffers…. For example, here at my school – the school management cancelled to pay us all the previously assigned bonuses – all of them….Our salary was low as such but still they made it even lower…So, now we just work on bare basic wage rates, though in the bust we received some premium payments and all of them have gone away…. ”(Tatiana, FG 4, Shkarovka, Kiev region ..)
"We are working steadily and on a constant basis.... We get our salary on normal and stable basis.... No significant change has occurred if compared to the pre-crisis period. Conditions are the same both before the crisis and now.... So, it seems that everything is normal here... (Galina 2, FG 2, Slavutych)

"Just at the peak of the crisis, I was on the baby-birth leave. Well, since my husband has practically stopped to bring salary I asked for a position of a teacher to work at least on part–time basis . Because my child was small I quickly arranged to send him to a kindergarten – thanks God, I was lucky because I was registered in line for people registered for placement of their children into a kindergarten ... After that I started my job .... In principle, in our college almost nothing has changed. The only thing was that retirees were not very eager to retire, because, after all, their pensions are not very large. Though some people that if you work in the sphere of education you receive good pensions, but in reality pensions here are not that good....And that is why people do not want to retire and try to get even some half-time jobs... What it means is that young teachers are transferred to half-time jobs so as to share such jobs with with retired people in order not to offend these retired people.... ”(Lily, FG, 7 Druzhkivka, Donetsk region).

Many more changes under the influence of the crisis occurred in private enterprises, both in those that are funded from the national capital sources and in those that are financed by foreign capital. In general, these changes are manifested in the following:

- Suspension of operation or reduction of production capacities of enterprises;
- changes in work schedules of enterprises (for example, in winter time construction enterprises could only work a few days a week, whereas in the summer time almost the whole week without days off and more than 7 hours a day in order to catch up with the lost time. Other companies, by contrast, reduce working time of their staff due to lack of work orders;
- reduction of wages (especially if it depends on the number of work orders, number of customers, turnover);
- delays in payment of wages;
- significant reduction of the number of employees and / or certain job positions;
- use of practices involving provision of work leaves for their employees under "shadow" schemes (i.e. workers are often sent on unpaid leave, which is not formally documented);
- reduction of expenditures for purchase of required work robes, uniforms and labour safety protection equipment (e.g. in hospitals).

"Of course, the crisis had an impact on enterprise. If previously working in the shop, were, say, a few people, now their number is subject to regular reductions...As to people's wages they also do not grow that much. And instead of two people who worked in the past their work load now has to be carried out by only one worker. These are examples of how the crisis affected our enterprise "(Natalia 2, FG 1, Donetsk).

"Before the crisis, I studied at university and had part-time income by working with a friend, in the market. So, I had to work on week-ends. This income would not be high enough to support me so I had to relay on support of my parents. But their income also was not enough, because he worked as a physical education teacher and I also have a younger sister who needs some support. At that time my father with a help from his friend decided to open a trading firm. Such firm was opened and at the beginning their revenues were quite good so I had an opportunity to have a part-time job just for earning some money to spend on myself...and on my needs... But when came the crisis, my father had to stop his business and to start to work for another big trading company and to act as its representative. That meant that his income decreased and even more my friend at whose business I worked at ends but also during the working week days or to be fired from this job. I have agreed to work for the whole week and had to shift to extramural for of university studies...in order to be able to help my parents because my mother could not find a job for herself." (Julia, FG 6, Kirovograd)
“They introduced a three days schedule of work per week, meaning that my working week was shortened with resulting reduction of my salary, you know. That is, they did it as if without breaking the law, but you understand that less work means less salary. We personally want to work longer.” (Tatiana, FG 7, Druzhkivka, Donetsk region).

“No changes, but salary payments are regularly delayed” (Sergey, FG 2, Slavutych)

“We have a foreign company. Initially they recruited to this department seventeen people who were performing one work. But now ten people perform the same work but with salaries becoming lower than it had been before. But now we have to fulfill workload which is more than twice higher. Yes, in 2009 we had 17 employees but now just 10 people perform the same volume of work. That is a difference between 2009 and 2011. (Nadezhda, FG 1, Donetsk)

“We took work leave at our own expense for two weeks a month. We worked one week and stayed at home for two weeks. There were no work orders. But formally our working day duration did not decreased... just the size of our wages was reduced” (Natalia, FG 2, Slavutych)

“Well, I work for a private firm, and we deal with car window glass, their repair, and replacement. We bring them from Poland, arrange their custom clearance. How did the crisis affected us? Of course at the time of the crisis custom officers raised the size their fees, prices for car windows glass were increased as well and, of course, for such big money people try to find some Chinese replacement glasses which are cheaper, because not everybody can pay US$800 for a window glass for a good car. We had to cut jobs of window fixers because of decrease in number of orders and, therefore, we lost our bonuses. So, the fact is that all our bonuses and premium fees were canceled and we just get a bare flat-rate wages. ”(Olga, FG 3, Bila Tzerkva)

“I work at art school teaching decorative arts... many little kids just come here to see samples of the Petrkov painting and, of course we make a lot of other toys and art articles using clay and putty so there is a diversity of activities in our school... but the fact is that our school lessons have to be paid. School fees can be not that high but still one have to pay them on a monthly basis. Before, quite a lot of small kids were brought to our school in order to keep them busy and to learn something new. But now mothers will think twice should she pay for our school lessons every month or better to buy for a child needed at his secondary school. And, of course this art school requires some other expenses such as the need to buy putty, beads, paints and all the rest. As a result, now we have less kids and, as a result, lower size of salaries. We felt it a couple of years ago. Even not one and a half years ago. It all really started to be felt two years ago. ”(Nadezhda, FG 3, Bila Tzerkva)

“It was a thriving company but it also was affected by the crisis - very few work orders and, therefore, it became impossible to officially retain the large number of stuff members, to make contributions to the Pension Fund and all related taxes and, therefore, the firm is still afloat only because it employs people unofficially. Yes, there is a possibility that the firm can collapse in the future, because now it only survives at the expense of renting its premises and facilities. That means that now we fully depend upon our tenants. That is if they leave us because of the crisis then for sure we can be closed down.”(Ina, FG 6, Kirovograd)

“The changes were, for example, in respect of work robe allocation for employees. If in the past we used to receive a new set of work robe once a year including new overalls now our managers tell us that existing overalls are still in quite good conditions, so, please keep on using them for your work duties because now we do not have funds to buy new ones for you. The same concerns gloves which also used to be replaced regularly. Well, we really feel the crisis” (Elena, FG 4, Shkarovka, Kiev region ..)

Results of FGDs show how in two years, during which conducted was this study, employees changed their attitude to enterprise managers. If in December 2009, respondents frequently combined the concept of "crisis" with "dissatisfaction with the enterprise leadership, in January 2011, many respondents acknowledged that it is the skill and leadership abilities of the manager that largely define how the enterprise will operate in the future. And that means whether they will have jobs and wages or not.

“I look at my boss as at the God because everything depends on him. If he finds work orders, there will be a work for me”. (Elena, FG, 7 Druzhkivka, Donetsk region).
On average, about 20% of respondents say that at their companies no specific changes took place under impact of the crisis. But they mean changes during the past 12 months (since December 2009). Neither observed can be some particularly distinguished features in the list of changes in the activity of the enterprises, located in the places of different types because, in general, these changes tend to be quite similar, with the only difference being the extent of manifestation of such changes or trends. Attention should be drawn to only one difference - tightening of labor conditions, for non-compliance with which, an employee can be laid off from his job, observed in large cities (regional centers), which is apparently due to existence of large labor market and the large number of unemployed people in large cities.

**Table 11. Changes in the activities of enterprises in the settlements of different types (December 2009 - January 2011)**

<table>
<thead>
<tr>
<th>Regional Centers</th>
<th>District centers</th>
<th>Rural villages</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Reduction of the number of work orders;</td>
<td>- Increased work load on the remaining employees;</td>
<td>- Companies work not to their full capacity;</td>
</tr>
<tr>
<td>- Decline in trade volumes;</td>
<td>- Staff reduction;</td>
<td>- Delays in salary payments;</td>
</tr>
<tr>
<td>- Tightening of labor conditions for non-compliance with which employees can be laid off;</td>
<td>- Reduction of salaries;</td>
<td>- Reduction of salaries;</td>
</tr>
<tr>
<td>- Reduction of salaries;</td>
<td>- Reduction of sales turnover;</td>
<td>- Staff or job positions reductions;</td>
</tr>
<tr>
<td>- Redundancies of the staff;</td>
<td>- Shorter working hours;</td>
<td>- Shorter working hours;</td>
</tr>
<tr>
<td>- Forced work leaves without due paperwork formalities;</td>
<td>- Forced work leaves without due paperwork formalities;</td>
<td>- Forced work leaves without due paperwork formalities;</td>
</tr>
<tr>
<td>- Delays in payment of salaries;</td>
<td>- Reduction in number of work orders;</td>
<td>- Reduction of production capacities;</td>
</tr>
<tr>
<td>- Premium payments are removed and only basic wages are paid;</td>
<td>- Delays in salary payments.</td>
<td>- Forced work leaves and work just two days a week;</td>
</tr>
<tr>
<td>- So-called “13-th salary&quot; is abolished;</td>
<td></td>
<td>- Decline of work orders and production sales.</td>
</tr>
<tr>
<td>- Reduction of the number of working days;</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Plans for future job cuts are fixed.</td>
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</tbody>
</table>

Comparison of data of FGs, obtained at different stages of the study indicates the wide spread of the non-regulated regime of work at many private enterprises. First and foremost it concerns businesses operating in construction, trade, agriculture or provision of various services.

"At private business there are no regulated working hours – you just work when it is necessary. The owner himself decides when someone should be called to do the work. I can have no work for a week, but I also can work for two weeks in a row. Salary depends on the number of hours you work for the entrepreneur. And if there is no work – you are not called. And, of course, you get no money. But officially I am fully employment and have official jobs record book. But the point is that when you employed by private entrepreneurs you may come to your work place and just to find out that you have been fired from your job. This is a private business and its owner may have his own problems" (Vladislav, FG 4, Shkarovka, Kiev region)

The most active these companies are in summer, when they use good weather conditions to perform the maximum volume of work and thus offsetting to some extent the losses they suffered during the last winter. On the other hand, people tend to try to earn as much as possible in order to protect them in case there will be the next round of the crisis. Non-regulated regime of work in summer is widely applied at private enterprises in different cities (provincial and district centers), as well as in rural areas, regardless of region.
The survey revealed that in December 2009, virtually all businesses, regardless of the economy sector and the region of Ukraine, felt impacts of the economic crisis. The worst affected were such areas of business activity: construction, engineering, processing, mining, services, trade, and, to a lesser extent, education sector.

The majority of construction enterprises by the winter of 2009-2010 virtually had ceased to operate because practically all construction projects were frozen. By the summer of 2010, most of them have resumed their works, and by January 2011 they still continued their activities, though many of them failed to reach the pre-crisis levels of production. The main reason for this was significant increase in costs of production activities of these companies (due to rising prices of gasoline, of many other materials as well as due to remaining high rent fees, practically full lack of money lending by banks for support of their activities) and low purchasing power of the population.

Construction works are resumed in almost all cities in all regions, but mostly it is construction works for small private projects. At many large construction sites works remain frozen. Still preserved is the following feature in construction business: if there is some work, then work time of employees is not subject to regulation, but if there is no work then either the personnel remains to be formally employed by the company or workers are dismissed till the time when a new project emerges.

"Yes, situation in construction business now is hard. Though, it is always assumed that it is construction industry which typically is the first to emerge from an economic crisis and it is the first economy sector to be impacted by coming crisis... So, if construction starts again then other businesses start to resume their work. I followed the press and it looks that there was only one construction organization in this town that was able to boast of their successes. Only one building company... and nobody else had any success. It was in the month of August, 2010... by the way, on August 15-th we have our professional holiday – The Day of the builder..." (Valentina, FG 1, Donetsk)

In the summer of 2010 also observed was some revitalization of agriculture - growing crops, vegetables, fruits: cattle breeding. In this area, regime of work has always been not regulated, especially in times of the crisis, when many people rushed to farming activities in order to survive. In January 2011, as usual in winter, many works in agriculture were stopped but only in order to become active again in spring. In cases when an agricultural enterprise terminates its activities, its employees are looking for other ways to earn money, often by starting to work in the spheres of trade and services.

"Before my main source of income was my job at the cattle-breeding farm. Because at that time the whole village lived at the expense of this cattle-breeding farm. With collapse of cattle breeding business the main source of income for us became trade and recreation facilities operating here. Trade is also that stable business As to recreational facilities – they operate on a seasonal basis... And that is all what we have for jobs here. That is why we have so small incomes here." (Youri, unemployed, FG 5, Rubtsy, Donetsk region)

In general, the trade sector today remains the economic sphere, where one most likely can find a job. Although it was significantly affected the crisis. Almost all study participants who were engaged in commerce, noted a significant decrease in sales volumes, reduction of the profitability of trade business enterprises. In summer trade business becomes more active, even though its employees complain about low purchasing ability of the population. Due to declining profitability of the trade businesses, most of their employees were transferred to bare flat wage rate system of payment without any bonuses or commission-type fees. In addition, many retail sellers work at markets without been formally employed.

"Now I work as a seller at the market. Everybody can have this type of job but you are not officially employed with such job. Therefore, no accounting of your working experience for the purpose of retirement pension assignment. At this job you have no social security but people have to agree to such jobs in order to survive. I have no idea what will be next. As to incomes, such sellers earn 10 – 30 UAH per day, but if there are buyers for their goods. (Tamila, FG 9, Novoukrainka, Kirovograd region)

On the eve of the crisis, many people went to work from governmental agencies to private enterprises. But a significant decrease in wages in the private sector, as well as various
changes in the activities of private enterprises in times of the crisis creating additional difficulties for their workers, encourage people to once again to seek employment in the public sector.

“For our company the crisis impacts were expressed in lowering the land and real estate property prices … Also went down with it the volume of market deals involving such property items and because my salary was based on a certain percentage received from a property deals the size of my income has greatly decreased and I started to search for a new job which would be more stable and, if possible, such job should be in public sector.” (Denis, FG 6, Kirovograd)

3.1.3. New trends in the sphere of employment and payment for labour which emerged during the crisis

During the crisis, there emerged some new trends in employment and wages as well as some new forms of different kinds of deception and fraud. Most often damaged by them were self-employed workers, particularly those who were employed in the construction industry.

In particular, the FG participants in December 2009 informed about some cases where customers did not pay money to builders for the work they performed or for services such customers received, using as an excuse for such non-payments the crisis and financial difficulties. In the next stages of the study, such cases were confirmed on a less frequent basis due to both a decrease in volume of construction works and due to more strict control of the payments. But nevertheless they happen.

“I made some work for them. And it is already half a year that I am waiting when they would pay money to me. I installed noiseless European style elevator for 4 stores and even made a design for installation of this lift. But so far no money received for this work. They just tell me “Wait, we will call you”. So, I am waiting, though I understood that it is is futile to wait for their payment. And now you can not enter their office, because their security guards do not allow me.” (Valentina FG 1, Donetsk region)

In the area of employment spread is a phenomenon of usage of free labor through a practice of giving to a job seeker a job vacancy on condition that he has to undergo a month-long work skills test period (primarily for young people, graduates and students trying to earn extra money), during which period job applicants are given work assignments implementation of which is strictly monitored, but at the end of the test period they neither get money for their work or get promised employment at the company.

“<It is easier to recruit young employees for work at supermarkets because they undergo one-two weeks job fitness test. They are not paid for their work during these two test weeks and they are even not getting an employment at such supermarkets… What the only hear is “Sorry, but you do not fit our requirements…” and then they do the employment trick with other young people… (Youri 2, FG 14, Simferopol)

Another trend is the practice when a job seeker at the time of his formal employment has to write to forms of job application – one with indication of the date and personal signature - to take on the job, and the second (also with personal signature, but without date indication) - with a request to dismiss him from this job at his own wish. Thus, the management of a company may at any time dismiss this employee if it wants to get rid of him at any time. Especially if this employee will give a certain reason for job dismissal – late for work duties, breaking some rules, show some criticism of management, etc.

The third trend - is the use of services of the so-called "expert on call" that allows the company to save on wages and to employ an employee only at certain times known as “duty day”. According to the testimony of participants to FG in January 2011, financial accountants became the most widely used as “experts on call" by many companies.

“There are even “on-call financial accountants” who work on predefined “Duty days” They have to work from 9 am till 8 pm, though our official working day duration is from 8 am till 5 pm. They are called to perform their duties whenever it is necessary, for example, to prepare
Still remains widely applied the practice of wage payment “in envelope” mening that for official purposes an employee is assigned one size of his official wage or salary, but in reality he gets “in envelope” – quite a different amount of money – it can be more, but often it can also be less than formally assigned to him. But for respondents it is more important to have a possibility to get some money in official way.

«What is important is to receive so-called “white” salary and your job experience to be formally registered at the official job employment records book. That is the most important. That means that now many people want to have officially registered employment, even though it may be a lower-paid job.» (Tatiana, FG6, Kirovograd)

Another important point is that more widespread becomes the desire of people to diversify their sources of income. In such a case, one source of income is made formally registered, even if it brings a small profit. Its importance is that it makes it possible for a person to gain official record of his work experience which is required for applying for a sick leave, pensions, etc. His other income sources are predominantly remaining to be informal in nature, but it is these informal income sources that enable respondents to survive.

«If in the past I had unofficial part-time job at one company meaning that my job experience was not officially registered, now I have a minimum salary, but I work only to get my job experience here to be officially accounted for the purpose of a pension assignment. For this I will work even free of charge» (Alexandre 2, FG 6, Kirovograd)

«I do not wait for getting laid-off from my job… In parallel I try to establish some kind of my own business or something else generating some income…» (Dimitry 2, FG 14, Simferopol)

### 3.1.4. Forecasts of future changes at enterprises

Forecasts of the respondents with respect to future changes at the enterprises are not unambiguous, however, compared with the previous survey period, in January 2011 evaluation by the respondents are more optimistic. And while about two-thirds of the respondents recognize that at enterprises there may be further job reductions, their estimates are less categorical than they were in December 2009 and June 2010. Significantly more frequent is an assessment such as “likely” and “everything may happen” instead of categorical statement such as “there for sure will be job cuts”

But expectations of further job reductions now are replaced by expectations of possible suspension of work of enterprises due to lack of work orders. This concerns mainly private enterprises, and at these enterprises probability to loose jobs is viewed as the higher are qualification and skill of an employee the less probable is his chance to loose his job.

"To cut my job...? Perhaps not to cut it but there can be simply no work to do. Then they will just tell you: there are no work orders, no work to do, so, just stay at home... And then you wait may be a week, may be a month. It is unpredictable."(Andrew, FG 1, Donetsk)

"I will not be fired, because I am good specialists" (Kirovograd)

"We had a thriving company to sell auto parts. The crisis affected us as well. Now we have very little spare parts orders. And now we are surviving only through the lease of our office space. So, if our tenants leave, then we may have to close our business." (Ina, FG 6, Kirovograd)

"Concerning job cuts – there are no extra jobs to be cut…because nobody knows whether there will be new work orders or not. The thing is that now we have quite a qualified staff with all people having good job experience in our field. If we employ some new staff we would have to train them first which is also difficult."(Nicholas, FG 4, Shkarovka, Kyiv region).

"Job cuts are not very probable. If we would have new work orders we will need people to do the work. And we would not have time to train new workers." (Shkarovka)
On the other hand, private enterprises have undergone significant staff reductions and further job reductions may threaten to stop businesses activities in general. Therefore, quite common now are short-term employment contracts as well as informal forms of employment, which instills into workers some hope to have at least some income in case of worsening of the employment situation.

"In private firms everything is different. All those who were not really needed were fired a long time ago. Their duties were assigned to the remaining employees. If you want to work, please, do not “blather”. And now they employ the people on a contract basis – you just do your work and get your wage in the envelope. No social guarantees, sick leaves payments, premium payments, paid holidays, just nothing. I have no idea how such private companies report to state authorities, no idea for me. But as to job cuts there surely will be none at all.” (Valery, FG 15, Maly Mayak, Crimea)

The most vulnerable in terms of possible job reduction among formally employed people are, according to views of the majority of respondents, and as it had been before, are working retirees or those people who approach retirement age, young professionals after graduation, as well as staff employees who came to an enterprise very recently and have little experience with this company. Quite an important factor influencing possible job reduction of an employee is existence of good relatives at an enterprise because relatives of managers are the last to be fired from a job.

"Moderator: And why retirees young professionals?
Marjan. Well, because young people often want to get bigger salary, you know.
Moderator: So it they themselves that want to have their jobs cut
Marjan. No, they start to treat their work duties not so responsibly, and therefor they become subject to job dismissal. It happens...
Nadezhda. Under the current legislation it is either retirees or young professionals who are the first to be fired from jobs subject to cuts. Those who were employed the last. "(FG 1, Donetsk)

"Now, nobody pays special attention to your family status. Of course for employer it is easier to keep at job those people who had worked at the company for some time and have acquired required better job experience than the person who was employed just a half year ago or even one year ago. Though, I work normally as everybody else here, but I fee that I can be fired from my job… Such is employment policy here – those who were employed the last are the first to be cut from their jobs…” (Ludmila, FG 4, Shkarovka, Kyiv region.)

3.1.5. Nature of the current employment of respondents

Rate of engagement of the population into some kind of extra, income-generating jobs (performed outside the main job) in January 2011 has increased slightly compared with December 2009 - 44% vs. 32%, respectively. It is possible that in fact, involvement in extra work in 2011 was much higher, but many respondents prefer not to speak about it. The main reason was that is that for unofficially received income people do not pay income taxes to the state (such jobs include, for example, sale of vegetables and meat products produced at home, one-time earnings for carrying out some construction works, transportation services, etc.). Quite often, respondents state that: “If we do some extra jobs we do it only for ourselves or our families”. Therefore, although the scale of additional, unofficial employment of the Ukrainian population during the crisis grew up, it would be wrong to say that it has become a basic model of actions taken by the most people in order to overcome the impacts of the crisis.

At the same time, results of the study show that there is a development of certain trends of combining by the citizens their main jobs with some additional, income-generating activities. Firstly, it was noticed among regions, studied in January 2011, that to the greatest degree such practice was characteristic for inhabitants of Crimea (60%), whereas in June 2010 it was more typical for inhabitants of the Donetsk region. Second, in December 2009, such practice was the least spread among citizens of the Kyiv region (it is quite likely that they managed to survive largely due to use of reserves accumulated before the crisis). But during the period ending before January 2011 the share of respondents who had some additional earnings rose more
than 2-fold (See, Table 12). Thus, there are certain reserves, mainly in the form of low-paid jobs (to which jobs some people in their search for a job still do not pay attention) and other sources of income that people can use in case of deteriorating economic conditions.

**Table 12. Share of the FGDs participants who acknowledged that they have some additional income-generating jobs, by regions (December 2009 - January 2011, %*)**

<table>
<thead>
<tr>
<th>Region</th>
<th>December 2009</th>
<th>June 2010</th>
<th>January 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kyiv region</td>
<td>17</td>
<td>16</td>
<td>40</td>
</tr>
<tr>
<td>Kirovograd region</td>
<td>37</td>
<td>34</td>
<td>40</td>
</tr>
<tr>
<td>Donetsk region</td>
<td>40</td>
<td>61</td>
<td>31</td>
</tr>
<tr>
<td>Lviv region</td>
<td>37</td>
<td>22</td>
<td>49</td>
</tr>
<tr>
<td>Crimea</td>
<td>39</td>
<td>20</td>
<td>60</td>
</tr>
<tr>
<td>In general, for all FGs</td>
<td>32</td>
<td>32</td>
<td>48</td>
</tr>
</tbody>
</table>

* Note. Indicated percentiles in this case are of very conditional nature, because the number of respondents in each studied region ranged from 25 to 41. These percentile values are given here only for convenience of comparisons between regions.

Among settlements of various types existence of some additional jobs is the most typical for inhabitants of the cities of regional importance and rural villages. Moreover, for many people used as a source of additional incomes became work at household gardens and plots of land attached to summer houses. Participants of FG conducted in villages, have repeatedly pointed out that almost all of them have a household garden (although the fact that such garden activities were used for getting some profit were acknowledged only by few of them) recognized only a few), which had been used to grow products to be used primarily by the family but if necessary their production volume could be increased so that they could be sold at the market.

**Table 13. Share of the FGDs participants who acknowledged that they have some additional income-generating jobs, by type of settlements (December 2009 - January 2011, % *)**

<table>
<thead>
<tr>
<th>Stages of the study</th>
<th>Regional centers and towns of regional importance</th>
<th>District centers and towns of district importance</th>
<th>Rural villages</th>
</tr>
</thead>
<tbody>
<tr>
<td>December 2009</td>
<td>30</td>
<td>40</td>
<td>34</td>
</tr>
<tr>
<td>June 2010</td>
<td>25</td>
<td>32</td>
<td>37</td>
</tr>
<tr>
<td>January 2011</td>
<td>41</td>
<td>38</td>
<td>53</td>
</tr>
</tbody>
</table>

* Note. Indicated percentiles in this case are of very conditional nature, because the number of respondents in each studied type of settlement ranged from 45 to 60 respondents. These percentile values are given here only for convenience of comparisons between types of settlement.

The main reasons for which people do not engage themselves into additional,income-generating jobs are: a) lack of time due to heavy work load at the main place of work, b) health problems making people not to be able to have even more work to do and c) presence of children or adult family members who need to be taken care of (disabled, elderly people), d) lack of such additional jobs at the place of residence; pre-retirement age of respondents when they try to officially earn as much as possible for getting higher retirement pension.
As it had been before, types of additional employment preferred by respondents were those which connected with their profession and / or qualifications. Although there are exceptions because many people try to use their education potential, learn new skills, and sometimes just apply for it the skills they acquired as a result of their life experience. Since the return to the pre-crisis level of well-being of their families (households) for many respondents is currently somewhat unrealistic, they try to at least maintain a minimum level of their well-being.

Characteristically, the FGD participants avoid talking about their plans for additional employment in the future, due to some instability of the situation in the economic sphere, caused by the crisis. On the other hand, at every stage of the study revealed are new types of activities which are used by the respondents for getting some additional income.

**Table 14. Additional employment-related and not related to the work of the FGDs participants (December 2009 – January 2011)**

<table>
<thead>
<tr>
<th>Study stage</th>
<th>Additional income-generating jobs connected with profession</th>
<th>Additional income-generating jobs not connected with profession</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>December 2009</strong></td>
<td>• teacher gives private lessons and tutoring; • barber serves its regular customers at his home; • seamstress makes dresses for her friends at her own home; • construction worker is engaged in repairs of private homes;</td>
<td>• earning money for work as election campaigns organizers and helpers; • work as cleaners or janitors; • repairs of apartments; • selling of products grown at household gardens or summer houses attached plots of land • work as a taxi driver; • work as promoter; • work as distributor; • distribution of advertising materials</td>
</tr>
<tr>
<td><strong>June 2010</strong></td>
<td><strong>Newly revealed additional jobs</strong> • agricultural worker raises livestock (animals, vegetables, fruits) at his own household for sale in the market; • carpenter makes furniture to order; • teacher takes care of a child who is brought to his home by the child’s parents; • computer operator types texts and prepares study term papers for students</td>
<td><strong>Newly revealed additional jobs</strong> • collection and storage of hay; • carrying out different agricultural works; • distribution of promotional leaflets; • provision of make-up services to female clients;</td>
</tr>
<tr>
<td><strong>January 2011</strong></td>
<td><strong>Newly revealed additional jobs:</strong> • teacher prepares children for school; • lawyer gives legal advice; • massage therapist conducts reception of patients at his home; • entrepreneur engages in trade with use of Internet; • medical nurse performs the work of a nurses and a cleaner and also gives drug injections to</td>
<td><strong>Newly revealed additional jobs:</strong> • work as a handy man at construction sites; • organizing and conducting tours to Crimea and other cities of Ukraine; • giving dancing lessons; • minor construction and gas-welding works; • collecting and selling in the market of forest mushrooms and berries; • cleaning, dish washing work at restaurants and cafes;</td>
</tr>
</tbody>
</table>
patients at their homes;
• computer people adjust computers and deal with re-filling of printer cartridges;
• researchers and students prepare for other students study terms papers, theses and lab works;
• execution of hard physical works (e.g. loading / unloading of goods, tillage of land plots and gardens;
• cleaning of beaches;
• holding discotheque parties
• transportation of foodstuff and medicines;
• interior design and landscaping;
• cultivation of aquarium fish;
• work as “Voice Mail” providers at telephone companies;
• knitting (handbags, hats, etc.) for tourists;
• working as a cook;
• transportation of people by minibus;
• production of jewelry and imitation jewelry;
• work as a security guard.

As a rule, all respondents who were practicing additional income-generating jobs did it in informal way. Greater chances of finding some additional jobs are for those people who have several professions or skills and are more mobile.

"I try to pick up a free time to have a part-time job of a watchman. This time is available for me in between some working days at main job "(Dmitry, FG 1, Donetsk)

"Yes, we look for some additional earnings. Yes, I mean not part-time jobs but really part-time, additional earnings. It means that we have to rest less but to work more. "(Dmitri, FG 3, Bila Tserkva)

"I also have about 5 specialties. In the past I used to work as an engineer at the plant and I also worked as an accountant… and was engaged into some business activities that is I cultivated aquarium fish species for selling them to clients. I also worked as equipment erector, as construction worker and simply as a janitor" (Andriy1, FG 11, Lviv)

The share of the additional earnings that respondents receive in respect to their total combined income per month, including that one received at main place of work, in different settlements ranges from 30% to 70% of the total income. It is not that rare case that a respondent had to live on additionally earned money because of delay in payment of his main job salary.

"But, you understand that it is instability. In the past you knew that if you have a job you would have a salary but know not everything is so sure and clear. You can work to-day, but tomorrow you may stay at home. One surely wants to have a stable salary in order to be able to plan something. Because, now, I can not plan anything for a month beforehand because I do not know whether I will get my salary… We really live by the day… "(Vladislav, FG 4, Shkarovka, Kyiv region).

But for some of the respondents additional job earning become the main source of income after their dismissal from the main place of work.

"That job that I have now back in 2009 was viewed by me as an additional job. Specific of work of a medical representative is such that you have to have unregulated working day hours and time schedule. I also had a chance to have two jobs." (Hanna, FG 6, Kirovograd)

3.1.6. Unemployment and chances of finding a job

The unemployment level, as estimated by respondents, remains high and tends to gradually increase. In January 2011, as had been the case before, it was difficult to find work in villages and in small towns where the labor market is generally quite limited. But chances of finding a job for the unemployed people also remain low in large cities.
“As such there is no labour market in Kirovograd, in my opinion: it really does not exist here. Do you remember the situation which existed back the 90-ies when, for example say, a professor went to the market to sell some goods there? Now, in my opinion, even such job opportunity is difficult to find. To find some place where you can sell something or to be employed by somebody as a saleman is possible but only if you have some good connections and cronies” (Gregory, FG 6, Kirovograd)

In the village of Rubtsy of Donetsk region, where at different times held were three FGs, in January 2011 respondents estimated that the number of unemployed was equal to 70% (in June 2010 - 60%), but into this figure they included all adults who have no permanent place of work. Some residents became jobless in the last 1-3 years but some of them were without job for the last 8 years. On average, people are unemployed from 2 to 5 years. In summer the population in rural areas tends to decrease, as many local men leave villages in order to work or to try to find a work. Left in villages are mostly women of retirement age who are engaged in agricultural works.

“Moderator: What about the percentage of unemployed people in your village?
Lyudmila1. 70 percents
Lyudmila2. Well, here we have mostly not working retired people.
Galina. Well, more than 50 percents and it is for sure.
Lubov. Well, I think that the share of the unemployed here is 70 percents.
Michael. It's a part of people without regular jobs.
Alexander. Without permanent jobs, yes.”(FG 5, Rubtsy, Donetsk region).

It also remains difficult to find a job in smaller towns. Many unemployed people see a way out of such employment situation by searching for a job at the neighbouring, larger cities.

“May be it is necessary to go to Kyiv, perhaps I can find some job there. In Kyiv I am ready to take a job of even janitor...” (Yuri, FG 2, Slavutych)

But another trend is also developing - men who work in other cities are gradually returning back to work (even at another speciality, low-paid or not so popular job) , but at the place where they used to live.

“My husband, at last, thanks God, has left his old job because it was far away. He was constantly on business trips. Now he works with gas appliances, and, thank God, he is always at home. Of course, his salary now is very different, but, nevertheless, he stays at home. “(Lily, FG 7 Druzhkovka, Donetsk region)

Among the unemployed people, there are both men and women of varying ages and professions. Not uncommon are cases when becoming unemployed were qualified citizens of working age who have several specialities and who new several foreign languages.

“My husband, who has higher education received at quite a prestigious education establishment knows a few languages and had experience of management work in the field of foreign economic relations last year lost his job. We were shocked by this fact. Now he is 47 years old and when he started to inquire by phone for job availability at different firms which, for example, deal with export operations and proposed to them his services he was told “You are too old to be employed by our company”. May be he would have failed to find a job even to this time but thanks to his friends’ help he found a job at large enterprise. But not for position of a manager but for a job of his other profession.” (Tatiana, FG 6, Kirovograd)

But, as had been the case before, more often there are cases of unemployment due to the seasonality of certain types of work. For example, in the winter without work left are primarily builders, farm workers, but in the summer unemployed become workers whose jobs are in demand during the winter time but not in the summer (e.g. boiler operators). In this case it is difficult to talk about unemployment caused by the economic crisis, however, during the crisis it often happens that reduced are any types of repair works and workers have, therefore, to wait until the next season.

According to the respondents, in 2011, compared with 2009, the number of unemployed in the villages and towns continues to increase. One of the main reasons for this increase of unemployment is unwillingness of employers to employ local people. There are many cases when workers are brought in from other places (and even from other districts) because they agree to carry out large volumes of work for lower wages than local people. In this case, these
are not highly skilled workers, but drivers, guards, miners, common workers and builders. Among the studied regions the practice of the employment of non-native residents is becoming more popular in villages and towns of the Donetsk region and Crimea.

"And now the problem is that employers began to import their own people to work here. Even if there is a construction project here, the firm which runs this project tries to bring workers for this project, for example, from Kramatorsk. If in the past, employed at such sites were mainly local people, nowadays it is more suitable for an employer to bring workers from other towns or villages because they agree to work for lower salaries." (Yuri, FG 5, Rubtsy, Donetsk region).

Another reason for increasing the number of unemployed people in rural areas is inflow to villages of urban residents who can not withstand the pressure of increased utility bills and prices for basic food products and who hope to survive difficult times of the crisis by running rural household works such as cultivation of vegetables and fruits, and, if possible by finding some job at these rural areas.

"As to local population, in principle, practically very few local people are left here. Their number is significantly less than the number of newcomers. Probably only 20 percents of local, native people are still here..., if not less. All other are newcomers. They come here to live and to work here from various places and localities. Cost of housing here is much cheaper. But the problem is that no new jobs are created here at all. And while new people come here all existing job vacancies here are occupied mainly by those who worked here twenty years ago, and who works here nowadays as well. Many people retire but continue to work on and on. "(Yuri, FG 5, Rubtsy, Donetsk region).

"Recently I talked to my father and he complained that in order to somehow survive, they want to take together with his friend as partner some plot of land to organize a business. But land is such a thing that one year it gives some profit but in another year it may put you into a deb. Recently we met a person riding the bicycle and this man smiled at us and told us that Two years ago I used to drive a jeep, then I changed from my jeep to a “Moskovich” car and now I shifted to a bicycle". And do you know why? Yes, just because the land he had at first gave him good yields and that man was encouraged to take money loans to buy agricultural machinery, but the next season there was no yield at all. So, what I mean is that when you have a business you may earn something or you earn nothing at all. If we talk about the land then one should always be ready either to loose everything or to earn something to be able to “stand on your own feet” "(Julia, FG 6, Kirovograd)

In order to get a job, people use different ways to find a work: through friends, Internet, newspapers, employment agencies, labor exchanges, advertisements in newspapers, though respondents evaluate all these methods as not very promising. But they are quite acceptable if one wants to get at least some job. Luck is also recognized as a factor in job search success because one never knows when and what hot job he can come across. Problems that arise with respect to labour exchanges include prohibition to be registered at such labour exchanges for two times if a person could not find a job after the first registration as a jobless person , as well as the need to spend some time every week in order to confirm jobless status registration. Some respondents plan to go to work abroad, if all their efforts to find a job in Ukraine would be ineffective.

"Well... the labour exchange is a place where unemployed people line in a queue in order to get a job." (Marián, FG 1, Donetsk)

"I will not be registered at the labour exchange because I had been registered there before... My job record book already has a note that I had been registered at the unemployed center... Also, because I had no job after such registration, they do not register you for the second time. May what I have to do is to get foreign passport and to try to go for a search of a job somewhere abroad... "(Lesya, FG 13, Raneyvchi, Liv region).

"By sending a job resume via an e-mail." (Valentina, FG 1, Donetsk)

"One should apply to an employment center or to try to find a job with the help of some friends or relatives." (Irina, FG 1, Donetsk)

"As for me I still search for a job by checking newspapers job ads" (Valentina, FG 1, Donetsk)
It is thought that the most effective method of getting a job is with the help of friends which ensures better chances to get a job and to avoid fraud in the process of job search and to get better job position with better salary.

"If you want to find a normal job, then you should do it with help of your friends. But if you want to find just any job then it can be done by using job ads in magazines, newspapers" (Sergei, FG 3, Bila Tserkva)

"The most reliable way to find a job is only with the help of friends. This may ensure about 80% success rate in job search." (Andrew, FG 1, Donetsk)

"I think that the only way is to be really preoccupied by personal job search and to be concerned with such a search. Only in such case one may hope to find a normal job." (Galina, FG 2, Slavutych)

"Yes, only through relatives or friends. Because it is easier to ask them whether there are job vacancies. Also, they can tell you more exactly about your job duties. What kind of work it is, how much they pay for it, what work schedule. Because, nowadays employers very often tell you one thing, but job reality could be quite different" (Mykola, FG 4, Shkarovka, Kyiv region)

"Even if there is a job vacancy at company, when you come to the company facilities you often start to realize that without proper connections and friends it is impossible to get good job. And it is true both in respect of private and state or communal. In our city even if you have no job experience or proper education, but instead of it you have good connections you can get some good job." (Denis, FG 6, Kirovograd).

One trend that continues to grow (this trend was also pointed out by participants of FG held in June 2010) is the use of unofficial fees (bribes) for formal employment. In this case, the talk can be about the most common positions (e.g. medical assistants, nurses, orderlies, archivist, etc.), salaries for which are much smaller than the size of demanded bribe which job seekers have to pay. By definition of one respondent, current methods of employment rights acquired somewhat new aspects: "Now a job must be bought. Job seeker does not get job and becomes employed - he has to buy a job for himself." (Ludmila, FG 1, Donetsk)

"Yes, that is simple – in order to get a job of a medical assistant in a hospital it is necessary to pay UAH 5,000. And to get a job of a nurse you also have to pay. And here we do not talk about a job of a provincial governor but the fact is that you have to pay even for getting a very simple job." (Ludmila, FG 9 Novoukrainka, Kirovograd region).

"Well, you just pay fifteen US dollars and the job of a hospital attendant is yours! " (Anatolly, FG 9 Novoukrainka, Kirovograd region).

"Our labor market is very corrupt. Recently, there was a proposal to have a job at as bank archivist. You had to pay a decent amount for this job. Just because it was legal employment. And you had to pay about a thousand dollars for it... " (Ilna, FG 6, Kirovograd)

Judging by the views of respondents, employment centers so far failed to improve their image (as compared to that in December 2009), and they are not viewed as popular institution helping people in effective search of employment. Some respondents recognized that they had applied to the employment centers for help. But there, most often were no suitable job offers because offered jobs were with low salaries or job seekers were offered to have a job at another location or town (usually the district or regional center), or job applicants even were proposal to seek for work on their own.

"Well, not an employment center – this is out of question. It is simply very ineffective. It is just nothing. I contacted it, but was told that it will be better if I look for job myself with the help of a PC" (Andrew, FG 1, Donetsk)

"In the employment center there are no job vacancies. In 2009, I was registered at this center and they told me quite openly: "We have no vacancies for you". It is despite the fact that I have three or four professions and, nevertheless, they could not offer me anything." (Constantine, FG 4, Shkarovka, Kyiv region.)
Nevertheless, some respondents think that one shall contact an employment center and to be registered there immediately after the formal job dismissal or job reduction. Then appealing for a help from such a center may be to a higher probability assessed as an effective one.

"Immediately after the job reduction one should immediately go to the employment center. They must receive you and immediately to register you as and jobless person. Yes, you should go there at the first day after your dismissal from the job. In this way it will be much more effective. I was laid off from my job one time in the past, so I know. "(Andrew, FG 1, Donetsk)

As before, in January 2011, observed was existence of some significant limitations in employment opportunities related to age, health status, and presence of young children in job applicants.

"It is some kind of nonsense. The paradox is that young people can not find, because they have no job experience but a person who has more experience is rejected because he is viewed as to be old for a job. Then, the question is what do they really want? "(Tatiana, FG 6, Kirovograd)

It is somewhat easier to find a job for men but it is more complicated for women. If for men and women the cause of the refusal to be hired is their age (after 35 years), for young women the reason of such refusal in employment in addition to having small children also often cited as a cause of refusal is lack of relevant documents confirming their formal employment at the previous job. The situation becomes even more complicated if a woman has only secondary education (and no special education) and if all the time after school graduation she worked only on informal basis (for example, worked as informal seller at the markets). Wide-scale are manifestations by the employers (especially at private companies) of a bias regarding employment of women with children, which fact has also been confirmed by the data of research company "Regus": in 2011 only 36% of the Ukrainian companies have confirmed their willingness to hire women with children (in 2010 - 56%) (4).

"Yes, I was at such an agency, and was registered at the employment center, but as I have only unfinished higher education and no job experience, it was impossible to find any job for me. I'm future economist. So, the staff of the employment center sends me to a company with job assignment issued in my name but when I come to personnel office of the company they ask me "Do you have any job experience?" I tell them that I do not have it...Then, how you can earn some job experience if you are not employed? The fact that you worked somewhere in a shop is of no interest for them... What they only need is the proof of your professional job experience...."(Victoria, FG 4, Shkarovka, Kyiv region).

For rural residents restrictions in their ability to appeal for a help to employment centers are associated with their frequent ownership of private plots of land (or land shares). Under the law, can not be registered as unemployed are those citizens who own land or land shares. But in the rural areas there are many people who often just lease their land plots to farmers, or to some collective enterprises. The man, who for some reason lost his main job even if he wants to get registered as an unemployed person he can not do it because of an existence of a certificate of land ownership issued at his name.

Among other ways of employment search is independent job search through direct contacts with various organizations as well as through recourse to services of job recruitment agencies. Finding a job through recruitment agencies usually costs UAH 50-100, but they do not guarantee a successful job placement. Of the total number of participants to FG, in June 2010, this type of employment search was acknowledged by 10 people, and in January 2011 – by 7 of them. The main reason for the low popularity of employment search through such agencies is the need to pay every time when some job is offered (even if this offered job does not suit you) as well as a limited range of professions for which such agencies offer job vacancies.

"Recently, I tried to find a job with a help of a recruitment agency. I paid money to them and only after that they started to search for some job for me or to offer me some job vacancies, but they fail to find a job suitable for me. (Konstantin, FG 4, Shkarovka, Kyiv region).

According to the respondents, the time during which a person is unable to find a work, alongside with some other reasons, also depends on his personal attitude toward job search process. One of the characteristic features of the unemployed status of men and women is
whether they are ready to accept a job offer. And such job offer may involve low-paid and non-prestigious type of a job. In June 2010, respondents noted that older people are more willing to accept non-prestigious and low-paid kinds of jobs than young people, who often look at employment situation differently and prefer to stay at home, showing a certain infantilism and waiting for a more suitable job. In January 2011 this situation actually has not changed - some respondents noted that their children could not find proper jobs and were waiting for a more suitable job offers. But in the absence of the principal place of work, they often would help with household activities or they are busy with some part-time jobs because young people still need "money to live". On the other hand, people tend to get accustomed to the crisis and to the fact that they are unemployed.

"For example, my son came from the army. Each time I tell him: Oleg, go and look for a job. But for him everything is not what he wants – either job is hard, or salary is low or it is located to far. But as for me I go to work place even if they pay for work only UAH 500, or 600 or 1,000... I just do it." (Galyna, FG 13, Ranevychi, Lviv region)

"Part-time jobs are aimed mainly at trying to earn "hot money"... That is that kind of money which you get immediately after finishing your work." (Julia, FG 6, Kirovograd)

"If you compare the years 2009 and 2010 you start to understand that you somehow got accustomed to the crisis and tend to take it easy. You have adopted to it and you have changed your attitudes. "(Andrew, FG 14, Simferopol, Crimea)

Conclusions:

- Unemployment and lower incomes are among the main characteristics of the impact of the crisis on the Ukrainian population. Labor market changes that have occurred in 2009-2011, according to respondents, set the country back by many years, which is comparable to the situation observed at the times of transition, characterized by high unemployment rate and lack of any prospects for improving lives. And though at the state level authorities tend to increasingly more often talk that the economy is going out of the crisis, respondents noted that the crisis continues to deepen and the employment situation at any time may be impaired even further. In their evaluations, respondents proceed from the fact that many enterprises which managed to withstand the shock of the first wave of the crisis in the years 2008-1009 and were able to retain their activity at those times (even though they had to reduce a little their production capacities), by the present time they have exhausted their potential and are forced to reduce volume of production though production costs tend to drastically increase. Therefore, new job cuts are quite possible.

- Though in January 2011, respondents were more optimistic in discussing employment situation than in the previous stages of the study, they still do not feel enough confidence and stability. People try to adjust to the situation by accepting low-paid jobs (often not the place of their residence but somewhere else), they engage themselves in part-time jobs and use more time working at their households (those who have them). Almost all respondents noted that changes in employment in 2008-2011 negatively impacted their lives (70% of respondents told so in December 2009, 93% - in June 2010 and 73% in December 2011). Somewhat new assessment of the situation has emerged, namely that as a result of the crisis the life became somehow different even if no special changes took place in it.

- It remains difficult to find work in almost all studied localities and especially in small towns and villages. In large cities, it is somewhat easier to find low-paying jobs, but in small towns and villages the problem to find a permanent job still remains. According to the respondents - FG participants, the most difficult employment situation remains in the Crimea, which continues to be addressed in private way through provision of services to
citizens, coming here for holidays. Improvement of the employment situation is observed in the summer time due to activation of seasonal works (in particular in agriculture, construction, travel services). In summer, people tend to earn more in order to survive the winter, in case if the employment problems will worsen. Chances to find a job remain, as had been the case before, low for men and women older than 40 years (in June 2010, that critical age was about 45 years) and for women with children. According to the company “Regus”, which conducted a study of opportunities for women to find an employment, only 39% of the Ukrainian companies are willing to hire women with children which figure is 20% lower compared to the one in the last year.

- Regime of work of respondents depends on a number of factors such as: a) availability of main job b) availability of part-time, income generating work c) availability of household-attached garden or a plot of land attached to the summer house as well as household maintenance activities. In the first two cases, the regime of work greatly depends on the economy sector and the field of activity: established duration of the working day is usually observed in public institutions, irregular working day hours are mostly applied in private enterprises as well as in respect of the self-employed citizens. This is due primarily to availability of work orders and their volumes as well as due to the tendency of workers to earn, whenever it is possible, as much money as possible.

- Under the influence of the crisis observed were changes in activities of almost all studied enterprises though these changes were to varying degrees in public and private enterprises and , according to respondents, the most radical changes took place in December 2009. Changes that took place under the influence of the crisis at the state enterprises were mainly connected to reduction of wages, abolition of bonuses and premium payments and small staff reductions. At these public enterprises employment situation is the most stable and respondents do not expect new massive layoffs in the near future at such enterprises, though they do not exclude that there still can be some job cuts , further reducing the work load and , consequent decrease in the size of wages. Significantly more changes have occurred in private sector enterprises. These changes included reduction of their capacities; changes in schedules of work of these enterprises, reduction of the size of wages of workers (often down to the level of wages at budgetary organizations), late payments of wages, reductions of the staff, increased work load on workers, use of the practice of sending employees on forced unpaid work leaves, etc. In the recent times, observed by the respondents were cases of tightening of labor conditions in private enterprises for non-compliance with which their employees could be laid off. Workers at private enterprises do not expect further massive layoffs, though they expect that there can be reduction of number of working hours and of the size of their wages, if volume of received work orders and demand for their services will decline. Despite the significant reduction of the number of the public sector workers that occurred in late 2010 - early 2011 as a part of state administration reform, observed nowadays is a tendency of the growing of importance of formal employment at budgetary organizations (even if the talk is about low-wage or part-time employment jobs), which is especially true for people approaching retirement age.

- Anticipating future changes at enterprises, about 65% of respondents believe that there is a possibility of yet other job redundancies, reduction of production capacities of enterprises, reduction of the purchasing capacity of citizens. As had been the case before, higher likelihood of further job reductions exists at enterprises located at Bila Tserkva (Kyiv region), Donetsk and Druzhkovka (Donetsk region), Lviv and Drogobych (Lviv region). Confidence of participants to FG that they personally will not be dismissed is based mainly on the existing level of demand for their services at the enterprises where they are employed now due to their level of education, qualification and job experience. As at the previous stages of the study, assumptions that there will be no new job cuts are connected not with the expectation of some positive developments in the field of economic and social transformation, but only with the fact that companies in general had exhausted their possibilities for further job reductions and the next possible step for them may only be going out of their business. It is also expected that in the
event of any further possible job cuts the first to be fired would be still working pensioners.

- During the crisis, it was noticed that in the spheres of employment and wages emerged some new trends (or perhaps they have just became more pronounced and evident) related to a practice of non-payment by the customers of money for work performed for them. In this case, used as an excuse for failure to pay for services and works is reference to the crisis and difficulties caused by it. Also widely spread became the practice according to which after completion by a job applicant of his work under job probation period imposed on job applicants for various job vacancies he does not get any payment for his work during this period and he also does not get promised job vacancy. Another trend is also observed under which employers practice the following approach - when hiring an employee they ask him to to write to applications – one requesting the employer to employ him for a job and the other application in which he asks the employer to relieve himself from this job at his own personal request. In such situation, the employer may use the second application at any time that he would wish to fire this employee from this job, which significantly increases the dependence of the hired employee to the employer. Yet another emerging trend is reduction of the wage fund through the use of "experts on call". This means implementation of works by a specific person (e.g. bookkeeper) who is invited to fulfill the work assigned to him on certain, called "duty days", but who is not formally employed at this company or enterprise.

- The scale of involvement of the people into part-time, income generating jobs and activities gradually increases and in January 2011, 44% of FG participants were engaged in such work (in June 2010 – only 32%). As before, the scale of involvement into such part-time jobs varies in different regions, but is of the highest scale in Crimea - 60%. Also, as it had been before, additional employment is one of the main ways to maintain the pre-crisis level of personal well-being or to maintain a minimum level of personal well-being. In some regions, it becomes the main way to overcome impacts of the crisis. In addition, observed also is an increase of time that people spend on work at their gardens or land plots at their summer houses which fact can also be regarded as a kind of additional income-generating work. The greatest increase in amount of the time spent for work at personal gardens and land plots was observed at Druzhkovka (Donetsk region), Lviv, Ranevychi (Lviv region), Maly Mayak (Crimea). FGDs, conducted in January 2011, demonstrated that there was a desire of the people to diversify as much as possible their sources of money income, so that in case of dismissal from the main job they would not be left without any sources of income.

- The unemployment rate is estimated by respondents as high in all regions. In some study areas (in particular, at Rubtsy, Donetsk region) 60 % of adult population have no jobs (this figure includes pensioners). One of the reasons for continuing high level of unemployment, observed despite the fact that many enterprises had resumed their work, is the reluctance of employers to employ local people. Becoming even more spread is the tendency to invite for employment with much lower wages, but with higher range of work duties people living in other towns, cities and regions. These jobs include jobs of drivers, watchmen, guards, miners, workers. According to respondents, most often such employment practices are practiced in Donetsk region and Crimea. In the villages there is yet another reason for increasing the number of unemployed. It is connected with the increasing number of people coming to villages, mostly urban residents who failed to withstand the pressure of the crisis (rising prices for food, shelter, services of municipal utilities and other services) and who expect to solve their life problems in villages thanks to much cheaper housing costs, ability to use land and other household activities to generate some income.

- In search of jobs, as before, people are using different sources of information (in particular, the Internet, newspapers, friends, employment centers, labor exchanges, recruitment agencies, etc.). But it is considered the most effective way to find an employment is through friends because in this case there is a better chance to avoid
fraud when applying for a job, better possibilities to get a job according to profession and skills, to get better position and wages. The tendency towards informal payments (bribes) for formal employment is getting more widely spread and such bribes are paid not necessarily for a high job position or a highly-paid job. According to the testimony of respondents often one has to for the getting the most common jobs (e.g. nurses, medical assistants, archive keepers) and often the size of a bribe may be several times than expected size of offered salary.

- According to the respondents, employment centers failed to improve their image (as compared to December 2009) and they are not viewed as popular establishments providing a help in effective search of jobs. It is believed that recourse to the help of employment centers is feasible only directly after the job dismissal (one can be registered as unemployed and can obtain some unemployed benefits) or if one really wants to find any job, even the low-paid job not complying with his skills and speciality. For unemployed rural residents there still remain limitations concerning possibility to seek a help from employment centers which is connected with frequent ownership by rural people of land or land shares.

3.2. IMPACT OF THE CRISIS ON EARNINGS PEOPLE AND HOUSEHOLDS INCOME

3.2.1. Wages and their change in times of the crisis

The economic crisis has not only deprived millions of people in Ukraine of their jobs, but also led to a significant reduction in income of those who still continue to work. This happened due to several reasons and particularly due to: a) reduction of wages as a result of abolition of payment of premiums, bonuses, various fees and b) reduction of wages through reduction of working hours (number of working days, reduction in number and volumes of work orders, etc.), c) delays in payment of wages. As a consequence, significantly increased became the number of those employees who receive minimal or very low wages.

"Of course, before the crisis my salary was higher. Because there was bigger demand for our products and, therefore, all people had higher salaries. Our salaries were also affected by the changes in US Dollar exchange rates because in the past prices for raw materials used by our company were cheaper, but now they are more expensive. As a result, our financial situation has deteriorated." (Yuri, FG 2, Slavutych)

*Dmitry. Wages did fell down
Irina. Instability of wages payroll is also quite typical.
Dmitry. Yes, and delays in wage payment as well.
Marjan. You just get chunks of your wage: in half, 25% or 75%  
Natalya1. But volume of work load is increasing
Andrew. We have no work orders and, as a result, less work and lower salary
Marjan. But employers started to demand more work from employees" (FG 1, Donetsk)

"In the past, wages were paid after the 15-th of each month but now we receive our wage with delays/ For example, we even did not get even a half of our salary for November. We receive just a half of the salary due to us. That is they just pay a half of our salary and when we will get the second half of it – nobody knows." (Yelena, FG 4, Shkarovka, Kyiv region).

If for employees of the public sector typical is generally lower level of wages than at the private sector they still have an advantage of receiving their wages on more stable basis that employees of many private companies where wages often depend on availability of work orders and their volumes. Therefore, in this case not there are any grounds to talk about
stability of earnings: it could be high when there is work to do and low when work orders are absent.

"Now I work at the "Modern" furniture factory as a miller. In general I have a milling machine and I produce parts of the furniture ... I work here a little bit more than six months. Before we worked quit normally... That means that I received some work assignments and worked the whole day to implement it... But in the recent times it started to happen that I may have no work for 2 – 4 hours a day and, of course, as a result I have lower salary now" (Mykola, FG4, Shkarovka, Kyiv region)

Also very different wage levels are in urban and rural areas.

"My husband earned at agro-farming company at first 80 UAH, then, after some scandal, it was increased to UAH 120. Even now he still works at this company and the most what they pay him is UAH 200... Sometimes – UAH 300... Per month... How can one live for such salary?" (Liubov, unemployed, FG 5, Rubtsy, Donetsk region)

"At Shkarivtsi, though it is located not far from the city, we have much lower salaries than in the city. Take, as an example, salary of a driver or a watchman in Kyiv and here. Apparently, in Kyiv nobody will pay UAH 1,000 to a watchman but will pay him more. For the same 10 working days in Bila Tserkva they pay watchman UAH 500 but in our village they pay only UAH 200." (Vladislav, FG 4, Shkarovka, Kyiv region.)

According to respondents, official data on the size and dynamics of changes in wages during the crisis were not entirely correct because those average figures which are given in statistical yearbooks do not reflect the situation on the ground. And features of this situation are: firstly, there are significant differences in the wages of workers, depending on the position they occupy, and second, procedures of recruitment of the required number of the stuff employees was changed in such a way as to ensure the maximum savings in wage-related expenditures of companies and, thirdly, quite often while maintaining production volume employers often try to significantly reduce the number of people who carry out production work.

"You know, if, for example, you take the average wages at the company (where higher wages is for bosses and lower one is for workers), then of course it will look normal. But what they do: they select a few people having the different job qualification scales (scale two, three, four and five). In the past it used to be that a work rated at scale five was usually done by two workers who did one and the same work, but now the one and the same work is done by two workers , but one of them ha job qualification scale 5 but the other one has only the scale of 3 and, of course, they get different salaries" (Natalia 2, FG 1, Donetsk)

Many respondents indicate that their earnings in private industry declined significantly during the crisis and almost became equal to salaries in budget organizations. Especially disappointed were those people who went to work from budgetary organizations to the sphere of private business on the eve of the crisis. But on the other hand, nowadays people have begun to value more official employment, even with the lower wages, when they receive their wages not in "envelope" and when their working years job experience is officially counted and registered.

"At the end of 2008 we were waiting for higher wages ... But with the start of the crisis in 2009 we have experienced a plunge in the size of our wages. Our salaries have decreased in two times. But there was only one thing which made us very happy – regular payment of our wages. Our wages were paid once a month and it was paid as required by the law, but not in "envelopes". That was the only advantage we had. Of course, now conditions at our company are not that much better. Though, we hope for the better." (Tatiana, FG6, Kirovograd)

Also, judging by the respondents, the number of applicants who would like to have formal employment has increased significantly.

"If we take the summer time, when we had to employ a courier, instead of the man who left the job, it was difficult to find such an employee. But now we get tired of all telephone inquiries about this vacancy. That means that people are ready to take even a low-paid job if only it is official job "(Tatiana, FG 6, Kirovograd)

A comparison of the size of wages paid in different regions to the respondents under the framework of this study is not possible, because respondents prefer not to talk about the size of their wage and salaries. Relatively in more easy terms they talk and give information on
household incomes. Or they try to compare their current purchasing power with that they had before the crisis.

"I thought one year ago that it is necessary to earn UAH 200 per day but when got a job and earned UAH 200 i thought that I will have enough money for everything: food, to by dresses, footwear, good clothes and, I try to save some money, may be even enough to buy a car and TV-set... But now I start to think “What is UAH 200 per day? Well, this amount now is not high enough even to feed well my family”. The thing is that that our priorities tend to expand all the time but the crisis constantly consumes all our earnings. You try to work more. You are happy that you have job...But everything repeats again and again...- prices grew up and that or another items become more and more expensive." (Michael, FG12, Yevpatoria, AR of Crimea)

3.2.2. Overall assessment of the financial and material well-being of families

Under the well-being of families in this case understood is the degree to which they can satisfy their life and spiritual requirements and how well they can provide means to support their livelihood needs. Material well-being of families was estimated on the basis of objective parameters (wages, number of employed members of the family and the size of the family (household), income per one family member, number of dependents) and some subjective parameters (level of material well-being of the family as assessed by the respondents themselves – “destitute”, “poor”, "average","wealthy", "rich"). I turn, subjective evaluations depend on who makes a comparison or with whom comparison is made by the respondent of the financial status of his family: with those who are wealthier than he is or with those who are poorer than he is.

If in December 2009, respondents often remarked: "It depends on with whom to compare yourself", when it concerned assessment of the level of well-being of their own families but in January 2011 criteria used to assess personal well-being have somewhat changed. The main factors determining its level became changes in the level of available material and financial support, available possibilities and level of satisfaction of essential needs of the members of his own family if compared with the pre-crisis period. And though for people it is still often psychologically difficult to admit that the level of material well-being of their families has decreased considerably and they become poor, in January 2011 it no longer causes such a shock as it used to be in December 2009.

Analysis of monthly figures of per capita income in different periods of the study indicates the following (See, Table 15).

Firstly, in almost all regions observed is a general trend of reduction of tcoinsinsing with the decrease of the size of settlements where respondents live (with the exception of Kyiv region). In big cities, per capita incomes tend to be higher than in small towns. The lowest per capita income is observed in rural villages.

Secondly, there is a certain differentiation between settlements depending on the dynamics of change at them of the size of monthly per capita income in the period from December 2009 to January 2011. In particular, increase in the minimum and maximum size of per capita income during this period was observed mainly in the cities of regional importance - Donetsk, Bila Tserkva, Kirovograd. At these places the minimum size of per capita income over the study period has doubled.

Among small towns, towns of Druzhkivka and Slavutich were distinguished by the fact that their average per capita income tend to increases in summer and to decrease in winter. The same trend in change of the size of per capita income is observed in a number of villages (in particular at Rubtsy, Donetsk region, Ranevychi, Lviv region and at Maly Mayak, Crimea.

Thirdly, the ratio between the minimum and the maximum incomes per person per month in most localities remained approximately the same level in the course of the whole study. On average, the maximum income exceeds the minimum income by the factor of 2-3. The
exceptions are towns of Crimea, as well as Shkarovka village, Kyiv region and village of Glodosy, Kirovograd region where the maximum income exceeds the minimum one by the factor of 4-5. In fact, these differences may be even greater, since in the process of screening of participants eligible for involvement into FG applied as a limiting factor was a requirement that the level of monthly per capita income per family member of eligible participant should not be more than UAH 2,500.

The causes of the large gap between the minimum and maximum income per person in different localities are different. So, for example, residents of settlements of Crimea are focused on employment in tourism and recreational businesses. In the presence of some main regular job they also often have an opportunity of earning extra money (especially in the holiday season).

In Shkarovka village, Kyiv region, there are differences in income among those who have main job (or some part-time job) in the city (especially in Bila Tserkva), and those whose source of money income is just their job at the village where they live.

At village of Glodosy, Kirovograd region, there are also differences in earnings due to the fact that its residents either cultivate the land plot they own or are employed as seasonal workers at agriculture or they travel for work to other towns. Many families which have unemployed family members solve the problem of money income only with the help of their pensions received by other family members, in such cases the average per capita income of such families is, as a rule, quite small.

Table 15. Minimum and maximum monthly per capita household income, UAH
(December 2009 - January 2011)

<table>
<thead>
<tr>
<th>Stage of the study</th>
<th>Type of settlement</th>
<th>Donetsk region</th>
<th>Kyiv region</th>
<th>Kirovograd region</th>
<th>Lviv region</th>
<th>AR of Crimea</th>
</tr>
</thead>
<tbody>
<tr>
<td>December 2009</td>
<td>Regional center</td>
<td>350 - 600</td>
<td>400 – 600</td>
<td>250 – 1000</td>
<td>450 - 1000</td>
<td>500 – 2500</td>
</tr>
<tr>
<td></td>
<td>District center</td>
<td>300 - 700</td>
<td>400 – 1200</td>
<td>300 – 1400</td>
<td>*</td>
<td>500 – 2000</td>
</tr>
<tr>
<td></td>
<td>Rural village</td>
<td>*</td>
<td>600 - 1000</td>
<td>100 - 500</td>
<td>500 - 1200</td>
<td>300 – 500</td>
</tr>
<tr>
<td>June 2010</td>
<td>Regional center</td>
<td>600 - 1500</td>
<td>400 – 1000</td>
<td>300 – 1500</td>
<td>500 - 1200</td>
<td>350 – 2000</td>
</tr>
<tr>
<td></td>
<td>District center</td>
<td>550 - 1000</td>
<td>600 - 2000</td>
<td>300 – 900</td>
<td>200 - 1000</td>
<td>250 – 1100</td>
</tr>
<tr>
<td></td>
<td>Rural village</td>
<td>250 – 800</td>
<td>200 - 2500</td>
<td>50 - 200</td>
<td>250 - 950</td>
<td>200 – 1100</td>
</tr>
<tr>
<td></td>
<td>District center</td>
<td>400 - 1000</td>
<td>500 – 1500</td>
<td>300 – 900</td>
<td>450 - 1000</td>
<td>350 – 1100</td>
</tr>
<tr>
<td></td>
<td>Rural village</td>
<td>200 - 400</td>
<td>600 - 1000</td>
<td>70 - 800</td>
<td>350 - 800</td>
<td>350 – 1000</td>
</tr>
</tbody>
</table>

Notes * - No data available

The FG data suggest that in all regions studied during 2009-2011 there was observed a significant decrease in the size of per capita income and, even more, the smaller the locality was, the greater was reduction in the size of per capita income. On average, for the period from December 2009 to January 2011 incomes decreased by 30-65%. And in families where someone in the family was left without job, the average per capita incomes declined even more (even up to 100%). Three respondents noted that due to job loss, in their families there had been no money income at all for a few months. People manage to survive in such cases only due to use of reserves of foodstuff products and home-made preservations which they had procured beforehand.
“Moderator: Now I would like to ask you to do such calculations: tell me, please, how much did total income per one member of your family change in December 2010 compared with December of 2009?

Andrew 1. Well, for example, my children did not earn anything at that time and they do not earn anything now. But my salary has decreased into two times during this period of time. So, the size of my income became about 50% lower.

Vladimir. I had the similar experience. I earned UAH 1,350 but now my income is just UAH 800.

Andrew 2. I have the same thing. Though, pension of my parents was increased by whole UAH 3 during this period of time!

Vasyl. In December 2009, income per one member of my family was approximately UAH 2,500. At that time my mother was still employed but not retired, and I myself earned more money. But now, in December 2010, my mother has retired and I earn three times less. In short, my income has changed greatly. Because now, per family member income is about UAH 1,000 but then it was UAH 2,500. So, income reduced by 65%.

Liubka. I had a salary in UAH 1,500 and now it is UAH 1,000. That is my income fell down by 30%.

Irina. I had an income of UAH 1,000 at that time. But prices were also much lower and it should be taken into account, you know. Whether it was UAH 1,000 or UAH 800 at that time was not that important. Because this income was more or less sufficient” (FG 11, Lviv)

It should be noted that during all of FG meetings none of the respondents has identified his family as “prosperous” or “rich” (Tables 16, 17).

Table 16. Self-estimation of the level of material well-being of households in different regions (number of cases of usage of the particular self-estimation terminology)

<table>
<thead>
<tr>
<th>Region</th>
<th>Family</th>
<th>December 2009*</th>
<th>June 2010</th>
<th>January 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kyiv region</td>
<td>Destitute</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Poor</td>
<td>4</td>
<td>8</td>
<td>14</td>
</tr>
<tr>
<td></td>
<td>Middle-income</td>
<td>1</td>
<td>25</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td>Prosperous</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Rich</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Kirovograd region</td>
<td>Destitute</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Poor</td>
<td>2</td>
<td>20</td>
<td>14</td>
</tr>
<tr>
<td></td>
<td>Middle-income</td>
<td>3</td>
<td>14</td>
<td>9</td>
</tr>
<tr>
<td></td>
<td>Prosperous</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Rich</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Donetsk region</td>
<td>Destitute</td>
<td>3</td>
<td>-</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>Poor</td>
<td>16</td>
<td>27</td>
<td>20</td>
</tr>
<tr>
<td></td>
<td>Middle-income</td>
<td>1</td>
<td>11</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Prosperous</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Rich</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Lviv region</td>
<td>Destitute</td>
<td>6</td>
<td>-</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td>Poor</td>
<td>6</td>
<td>26</td>
<td>17</td>
</tr>
<tr>
<td></td>
<td>Middle-income</td>
<td>6</td>
<td>8</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Prosperous</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Rich</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>AR of Crimea</td>
<td>Destitute</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>Poor</td>
<td>16</td>
<td>21</td>
<td>12</td>
</tr>
<tr>
<td></td>
<td>Middle-income</td>
<td>10</td>
<td>6</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Prosperous</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Rich</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

*Note. In December 2009 organized in Simferopol were 2 FGs
However, preferring not to use in the course of evaluation of the financial status of their families such term as “the poor” many respondents tried to use related terminology such as: “in very bad condition”, “below average,” “fluctuates between poor and average” ”average but closer to the poor”, ”A family that may still survive, that is the family which is on the brink of survival, but which still will keep on rolling”, etc. Respondents from village of Rubtsy of the Donetsk region offered other terms to describe conditions of their families: ”unsatisfactory” and “critical” (used by 5 and 3 responses, respectively).

Table 17. Self-estimation of the level of material well-being of households in different types of settlements (number of cases of usage of the particular self-estimation terminology)

<table>
<thead>
<tr>
<th>Stage of the study</th>
<th>Quality of life</th>
<th>Regional center</th>
<th>District center</th>
<th>Rural village</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>December 2009</td>
<td>Destitute</td>
<td>2</td>
<td>4</td>
<td>6</td>
<td>12</td>
</tr>
<tr>
<td></td>
<td>Poor</td>
<td>13</td>
<td>16</td>
<td>13</td>
<td>42</td>
</tr>
<tr>
<td></td>
<td>Middle-income</td>
<td>12</td>
<td>2</td>
<td>3</td>
<td>17</td>
</tr>
<tr>
<td></td>
<td>Prosperous</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Rich</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>June 2010</td>
<td>Destitute</td>
<td>2</td>
<td>-</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>Poor</td>
<td>29</td>
<td>24</td>
<td>32</td>
<td>85</td>
</tr>
<tr>
<td></td>
<td>Middle-income</td>
<td>24</td>
<td>31</td>
<td>21</td>
<td>76</td>
</tr>
<tr>
<td></td>
<td>Prosperous</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Rich</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>January 2011</td>
<td>Destitute</td>
<td>7</td>
<td>10</td>
<td>3</td>
<td>20</td>
</tr>
<tr>
<td></td>
<td>Poor</td>
<td>26</td>
<td>21</td>
<td>29</td>
<td>76</td>
</tr>
<tr>
<td></td>
<td>Middle-income</td>
<td>8</td>
<td>10</td>
<td>6</td>
<td>24</td>
</tr>
<tr>
<td></td>
<td>Prosperous</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Rich</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Many families, living standards of which was estimated by the respondents in December 2009 as belonging to the “middle class”, in January 2011 moved down into the category of the “poor”. Respondents tried not to mention the fact that some formerly “poor” families have become destitute. In their view, simply poor people can also be quite different: ”very poor” ”poor” and ”a little bit richer than the poor.” And if in other countries, there are three categories of the population, depending on their level of well-being, in Ukraine, according to some respondents, it makes sense to split the category “poor” into few sub-categories.

"My used to be average income family, but now it is poor family.” (FG 6, Kirovograd)

"I have always been a middle income person in my life, but but now the material well-being has declined, and we are suffering from it. No, I can not say that I am poor. But now I am not belonging to the middle class income category. I was the middle income person, but now I feel like I’m below the average. And still I do not want to view myself as belonging to the poor or the destitute kind of a person” (Valentina, FG 1, Donetsk)

"We should have in our state three categories of the people. In a normal country there are rich, the middle class and poor people. In our country there are rich, we do not have the middle class but our poor should be subdivided into three categories: very poor, poor, and little bit richer than the poor. As to myself, I would put myself somewhere between poor and those who are a little bit richer than poor” (Vladimir, FG 13, Ranevychi, Lviv region).

"I can not call my family income as destitute, though it would also be difficult to call it poor. It is somewhere between the poor and the middle income. Somewhere there” (Sergei 2, FG 14, Simferopol)

"My family has the average level of income though there is tendency to its decline” (Yuri 1, FY 14, Simferopol)
"I would like to call it the average income but in reality everything indicates that ours is a quite low income. No, I can not call myself the man with the average income" (Yuri 2, FG 14, Simferopol)

"To say that we are beggars, this is just to say nothing. We were so humiliated by these salaries, these tariffs. I do not understand why only the common people have to tighten the belt? "(Valentina, FG 1915, Maly Mayak, Crimea)

"Now we are not just poor, but we are very real beggars and it is just luck that since socialist times we live in our own homes, rather than under a bridge. But even this, I think our government will soon manage to solve "(Anna, FG 15, Maly Mayak, Crimea)

Families who during the period of the crisis managed to maintain their standard of living at "average" level did so only at the expense of using reserves that they had managed to accumulated in the pre-crisis period. During FG held in January 2011, no one respondent has indicated that he was able to accumulate some wealth over the last year or two. Rather the opposite was true, because they had to use some reserves they had accumulated during many past years of their life.

"I think that we belong to a family of moderate means and our family’s moderate wealth was earned in the twenty years of our life. But In the recent years nothing has been saved at all. If then we failed to make a repair at our kitchen, then it will not be made now for sure. If three – four years years ago I still could buy a small jar of red caviar for my baby at least once a month or to buy 2 – 3 kg of chocolates, some good fruits, these days I will think whether I should buy a jar of red caviar or, instead, to go and buy just a kilo of meat." (Inna, FG6, Kirovograd)

3.2.3. Changes in the financial and material conditions of families under impacts of the crisis

In January 2011, the rate of reduction of household income level if compared with the previous periods has somewhat slowed down. If in June 2010, more than 90% of the FGD participants noted deterioration of the financial conditions of their families because of the crisis, in January 2011 this figure was just a little over 70% (See, Tables 18, 19). At the same time, 7 respondents reported about some improvement in the material well-being of their families. In this group, 5 respondents were urban residents (2 persons from Druzhkovka, and 1 person, respectively, from Novoukrainka, Simferopol and Yevpatoria) and 2 of this group were rural respondents (1 FG participant from Shkarovka and 1 from Glodosy).

Table 18. Number of times that respondents mentioned the fact of the change of the material well-being of families as a result of the crisis (January 2011)

<table>
<thead>
<tr>
<th></th>
<th>Deteriorated</th>
<th>Improved</th>
<th>Remained unchanged</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cities of regional importance status</td>
<td>35</td>
<td>1</td>
<td>7</td>
</tr>
<tr>
<td>Towns of district importance status</td>
<td>34</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>Rural villages</td>
<td>30</td>
<td>2</td>
<td>10</td>
</tr>
<tr>
<td>Total number of respondents</td>
<td>99</td>
<td>7</td>
<td>20</td>
</tr>
<tr>
<td>Percentage (%) to the total number of FG participants of the study*</td>
<td>71%</td>
<td>5%</td>
<td>14%</td>
</tr>
</tbody>
</table>

Note. * Some of the FG participants did not answer the question.
Another 20 FG participants (or 14% of the total) said that they had not experienced neither negative nor positive changes and the biggest part of such people was from rural areas and the least part of them was from small towns.

Table 19. The number of respondents who indicated to a decrease of income in their families (within the last 6 months) as a result of the crisis

<table>
<thead>
<tr>
<th>Region</th>
<th>Town/village</th>
<th>December 2009</th>
<th>June 2010</th>
<th>January 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kyiv region</td>
<td>Bila Tserkva</td>
<td>8</td>
<td>10</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>Slavutych</td>
<td>9</td>
<td>8</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>Shkarovka</td>
<td>9</td>
<td>11</td>
<td>5</td>
</tr>
<tr>
<td>Kirovograd region</td>
<td>Kirovograd</td>
<td>-</td>
<td>9</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>Novoukrainka</td>
<td>4</td>
<td>11</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>Glodosy</td>
<td>8</td>
<td>12</td>
<td>4</td>
</tr>
<tr>
<td>Donetsk region</td>
<td>Donetsk</td>
<td>7</td>
<td>9</td>
<td>9</td>
</tr>
<tr>
<td></td>
<td>Druzhkovka</td>
<td>9</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>Rubtsy</td>
<td>8</td>
<td>12</td>
<td>5</td>
</tr>
<tr>
<td>Lviv region</td>
<td>Lviv</td>
<td>6</td>
<td>11</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>Drogobych</td>
<td>7</td>
<td>11</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td>Ranevychi</td>
<td>6</td>
<td>12</td>
<td>8</td>
</tr>
<tr>
<td>AR of Crimea</td>
<td>Simferopol</td>
<td>15</td>
<td>10</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>Yevpatoria</td>
<td>8</td>
<td>10</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>Maly Mayak</td>
<td>9</td>
<td>11</td>
<td>8</td>
</tr>
<tr>
<td>Total: - Number of respondents</td>
<td>113 or</td>
<td>153 or</td>
<td>99 or</td>
<td></td>
</tr>
<tr>
<td>- Percentage (%)</td>
<td>73%</td>
<td>93%</td>
<td>71%</td>
<td></td>
</tr>
</tbody>
</table>

According to estimates made by FG participants, the main causes of deterioration of material well-being of families (not taking into account rising prices for food, goods and services) are the following:

- Loss of job by one or more family members;
- Reduction of the size of wages of the employed people;
- Termination of payment of bonuses and various allowances by employers;
- Termination of financial assistance to children because they grew up;
- Death of someone from the family members who worked during his lifetime (and received salaries) or who received retirement pension;
- Divorce of the married couple, at which there previously had been a disproportionate ratio between the size of wages received by spouses (i.e. one spouse - husband or wife – received much higher salary or income)
- Increased size of child maintenance allowances to be paid in case of divorce of the couple.

One of the respondents mentioned as a cause of deterioration of material conditions the current practice of the “tie-up” of the local prices for many goods and services to the exchange rate of the US Dollar. This practice relates mainly to those businessmen who when purchasing raw materials in times of the crisis had to pay for it in US Dollars, while prices for their services (or manufactured goods) have remained unchanged in the national currency.

We should also note that there is some arbitrariness of the notion of “improvement of the material conditions” during the crisis. The fact is that almost all respondents noted that there was some improvement in their material conditions only just because they themselves or someone in their family after a long period of unemployment were able to get a job and, hence, some stable monthly income.

“Well, now we have three family members, but in the past there were just two. My husband died when my child was three years old. The child receives no child care benefits to be paid to him for the loss of his father, because his father died when he was too young and had no
job experience. Now I have another man and life became a little bit easier pension because he is still able to work and to earn some money... And that is the way we live. But before it was very difficult... Very hard to live... But over the past twelve months situation has somewhat improved. This improvement is due to the fact that in our family there appeared some labor force able to earn money." (Ruslana, FG 8, Glodosy, Kirovograd region).

"In 2009, I was out of work altogether, and in 2010 I had some job which brought some earnings to me. So, life goes on without radical ups and downs. So we just keep on rolling, quietly" (Dennis, FG 6, Kirovograd)

3.2.4. Availability of credit obligations

At the previous stage of the study (June 2010) all FG participants had some loan obligations, though their number in different FGs differed, sometimes quite strongly. In January 2011, the number of such loan obligations was much smaller, and in some localities participants of FG did not have them at all (Table 20). In particular, there were no loan liabilities at two FGs in the Kyiv region (Slavutych and Shkarovka), as well as at the FG, which was held in Simferopol (Crimea).

**Table 20. Availability of credit obligations at participants of FGs (December 2009 - January 2011)**

<table>
<thead>
<tr>
<th>Region</th>
<th>Town/village</th>
<th>Stage of the study</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>December 2009</td>
</tr>
<tr>
<td>Kyiv region</td>
<td>Bila Tserkva</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Slavutych</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Shkarovka</td>
<td>1</td>
</tr>
<tr>
<td>Kirovograd region</td>
<td>Kirovograd</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>Novoukrainka</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>Glodosy</td>
<td>1</td>
</tr>
<tr>
<td>Donetsk region</td>
<td>Donetsk</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>Druzhkovka</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Rubtsy</td>
<td>*</td>
</tr>
<tr>
<td>Lviv region</td>
<td>Lviv</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Drogobych</td>
<td>*</td>
</tr>
<tr>
<td></td>
<td>Ranevychtich</td>
<td>1</td>
</tr>
<tr>
<td>AR of Crimea</td>
<td>Simferopol</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Yevpatoria</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>Maly Mayak</td>
<td>3</td>
</tr>
</tbody>
</table>

Most loan obligations were found among participants of the two FG held in the Donetsk region: at Druzhkovka and at Rubtsy where existence of personal loan obligations was confirmed by 4 respondents from each FG. In other their numbers are fairly evenly distributed and are in the range of 3-4 in each region (in June 2010, this range was 7-9 FG participants with loan obligations at each studied region).

All of these loans were consumer loans and none of the participants of FG took a loan in order to buy a car or a house. Only one respondent admitted that her husband had a loan taken to fund development of his agricultural business. This particular loan obligation is assessed by her as a problematic one because they had to take a new loan in order to be able to pay for the previous one.

"My husband took many loans. He is engaged into agricultural business, but nevertheless he does not earn enough money. In order to have an agricultural business one must purchase fuel, agricultural machinery, but the latter is very expensive. We try to pay back our loans by installments and sometimes we pay once in three months or one time each month. But, of
course, for such loan paybacks we need cash so we try to borrow money again and again. "(Ruslana, FG 8, Glosodos, Kirovograd region).

At Maly Mayak village one consumer credit has been taken by a FG participant in order to pay for studies of his son and two others such credit obligations were taken in order to obtain credit cards. In other localities respondents took loans for purchase of household appliances (phones, TV-sets, refrigerators, ovens, electric stoves) as well as computer equipment and coal for house heating.

"I took out a loan – I wanted to buy, for example, a phone. We took out a loan for a year because what else could we do? To pay UAH 200 each month is not the same as to put forward at once the sum of UAH 2,000..." (Nadezhda, FG 3, Bila Tserkva, Kyiv region)

"I bought a TV-set and then I also bought some coal to be able to heat the house during one year...and three last years I repay the loans. This is my last year of loans repayment." (Oksana, FG 9, Novoukrayinka, Kirovograd region) 

"My refrigerator became broken. I bought it some time ago and now I have to pay 450 hryvnas every month to repay my consumer loan used to by this fridge. Imagine what is left of my pension of 900 hryvnas if I have to pay 450 hryvnas every month in order to repay my loan. And I also have a daughter to take care of. Well, I bought the fridge and an electric oven because I have to bake my bread at home because I can’t afford to buy bread at a shop. One needs to find a way out. "(Tamyla, FG 9, Novoukrainka, Kirovograd region) 

Besides this case, participants of FG with loans, try to repay them on time, though there are some delays. They do not use so-called "credit vacations", because they do not view it as a good thing to do.

"The concept of “credit vacations” is a rather complicated joke…. You go to a bank, but there they laugh at you, in the same as they do it at a tax authority office…. You have the right to arrange a credit vacation for three to six months, but they still will tell you: “You have to get money by doing something, may be even by selling newspapers or finding some other job, but you have to pay the loan back...The state needs money...” (Anton, unemployed, FG 5, Rubtsy, Donetsk region).

There is also observed continuation of a tendency identified in June 2010: Owner of money loans repay these loans to banks often by taking money loans from their relatives or other private persons at lower interest rate or quite often without any interest rate at all. This trend was not observed during the first phase of the study in December 2009. At that time people even did not plan to borrow any money in order to repay their existing loans because they did not see any opportunities to earn money in order to be able to pay back their loans. Nowadays, questions of financial management are viewed by the people in somewhat different way.

"You try to borrow from somebody some money, if there is a real need for it. Or you need to buy something... And then to pay money back in little by little manner to your people...It is better than to take a loan at a bank...I better borrow UAH 2,000 from my godfather and will buy a refrigerator" (Galina 1, FG 2, Slavutich, Kyiv region).

Of course now people also are afraid to take new loans because they do not believe in stability of the country's economic situation and in good prospects of their employment. In addition, respondents felt that credits are of higher priority for urban residents who have higher demands. For rural residents it is easier to solve existing problems only on the basis of really available to them material resources (even if they are very limited). Concerning loans in rural areas they are taken only at the most urgent cases (e.g. for medical treatment or to pay for a study)

"It is dangerous to take a loan in our country. If you suddenly will be dismissed from your job tomorrow what will you do with this loan in such a case?" (Nadezhda, FG 3, Bila Tserkva, Kyiv region).

"In the city your needs are bigger. There you need to pay for your apartment, to pay for your food, for transport services. But why should I take a loan at my village? How would I be able to pay it back? I can take a loan in order to buy a car but then my children will be left without a loaf of bread. I will repay this loan, will drive my fashionable but the rest of my family will stay hungry. Simply speaking, there is no sense in general to take a loan. As for now I am quite OK with the fact that we live in line with our financial means and we use what we can afford to have. As to a loan – yes, it probably can be taken only to pay for a medical surgery
operation, to pay for a medical treatment or to pay for studies of the children and that is all. I can not afford to take a loan to pay for anything else. And loan also cost money and you have to pay more. Loan which you take tend to disappear very quickly but to repay it takes a much longer time" (Constantine, FG 4, Shkarovka, Kyiv region)

3.2.5 Changes in the prices of goods and services and other manifestations of the crisis

Almost all FG participants at all stages of the study noted that increase in prices for services and foodstuff products can be viewed as the main manifestation of the crisis in Ukraine. The situation is exacerbated by the fact that the municipal services and food stuff products - these are two main items of daily expenditures of families, which practically fully consume all financial earnings of families.

"There is constant shortage of money. May be it would be better if they do not increase your salary but keep prices unchanged. When prices were stable your salary was viewed as quite normal. Well, we lived more or less OK for some time in the past." (Natalia, FG 1, Donetsk)

The price increase is viewed by the respondents as one of the factors of social tension because rates of prices increase considerably are ahead of the rates of family income growth. Standard of living of the people is often determined by their ability to purchase these or other foodstuff products or services. For example, in materials of some FGs there are estimates of costs, for example, of setting a New Year dinner. The mass media often provides data on dynamics of growth of prices using as an example the cost of vegetables required to cook a family portion of the borsch (Ukrainian national dish).

"It's not your income that matters. The fact is that somehow there was no social tension back then… But now there is a social tension… Now, you wake up in the morning and you see that the price for a thing became just quite different. Everything depends on the prices increase and financial costs - everything is caused by these factors. But your salary remains the same." (Marian, FG 1, Donetsk)

"Maybe someone gets higher income, but prices in 2009 were more or less acceptable and were not comparable to the current prices. For majority of the people income level did not increase, but significantly increased became their expenditures" (Andrew, FG 1, Donetsk)

"Actually it was better in the year 2009. Everything was cheaper. For example in the year 2009 we had good dinner table served for the New Year party, but in 2010 this dinner table was very modes." (Valentina, FG 1, Donetsk)

"You know, potatoes became golden nowadays. In order to fry potatoes once a day you will need to spend 10 UAH. In general, the price level has doubled. We stopped to make borsch because it really becomes as if made of gold." (FG 1, Donetsk)

According to FG participants, as soon as they receive some money income (mainly wages), they have to pay, in the first place, municipal utility bills, without which the normal functioning of their homes is impossible because they need electricity, water, gas. And the size of these utilities fees is much higher than the calculations, which are cited by government. Arrangement of municipal subsidies, according to respondents, is not always possible. The main reason for it is the need to pay in equal installments a certain, agreed upon, amount of money, which is practically impossible for people who do not have a stable salary or other stable cash flows.

"Just recently I was shocked when our Prime Minister said:" Let nobody tell me that it is impossible to survive for a salary of UAH 800. The most what municipal utilities service cost is just UAH 100 taken out of the salary of UAH 800". I was really shocked by it. May be there are in Kyiv such rates. But here, we have normal 3 rooms flat and we try not to overuse anything. We do not have an autonomous heating system because to install it is very expensive thing to do. But, anyway, we have to pay UAH 1,000 of utilities bills every month. And no escape from this" (Tatiana, FG 6, Kirovograd)
"Natalie. We have large arrears for utility charges. I will not mention the amount..., but the point is that I know that many people face such problems – we just are unable to pay such high utility charges...

Grygoriy. Excuse me, please, Natasha, but did you try to take a municipal subsidy? Azarov told that now anyone who wants to take such subsidy can do it.

Tatiana. Well, it is not really a subsidy – it is just a breakdown of charges which one still has to pay, though, during longer period of time...

Natalie. Yes, they can break down these charges, but the point is that I went to and had a talk at the office of the municipal company. They told me: Pay buy small installments the debt amount but you still have to fully pay current utility bills and in such case there will be no problems. But the problem with this arrangement is that for this you need a constant inflow of money, but I have seasonal jobs and I can not pay these utility bills on a monthly basis. Now I have very few students to train because in Kirovograd there are only two classes for those who are at the 11-th year of the scholl studies and that is the problem. I just can not earn required money" (FG 6, Kirovograd)

Though the prices of housing and communal services tend to grow up constantly their quality, according to respondents, remains to be unsatisfactory. Such situation is observed in all regions and in all localities but with only one difference, namely that talk here is about apartments in high-rise buildings or individual private houses.

"Water supply system is too old and its pipes are already 40 years old and may be even more. They have never been repaired by anybody. Then, what water quality do you expect to be delivered by such a system? The water quality is such that you better not talk about it" (Lubov, unemployed, FG 5, Rubtsy, Donetsk region).

"Marina. Now it is very cold at flats. Helena. Yes, it is cold at our flats and the quality of gas supply is also bad. Tatiana. Well, our heating radiators seem to be warm but they do not make rooms warm. Lily. The last year we had the same air temperatures and w used to put our temperature regulators, as far as I remember, to 40 and it was warm. But now we put regulator at pus 60 degrees but still inside temperature hardly climbs up to plus 20 degrees. "(FG 7, Druzhkovka, Donetsk region)

Svetlana. I put my regulator to plus 70 degree, but still i have room temperature of only 15,5 degrees." (FG 7, Druzhkovka, Donetsk region)

"Also, all people complain, especially those who live in a private house that in the past the gas heater could be switched on just to a minimum, but still the house was warm enough. But now heating requires a lot of gas consumption. People suspect that problem is not quality of gas itself, but practice of pumping air (or nitrogen) into gas supply systems. In this country, gas meters are designed not to measure calories in the natural gas, but just to measure volume of gas flow blown through the meter. And it means that even in this case we are cheated. And that is the most disturbing thing because they tend to cheat you twice – with gas supply and prices for this gas..."(Nina, FG 3, Bila Tserkva)

The second type of services that are virtually impossible to obtain without payment for their provision (though, they are declared as free by the state) is health care. Faced with the need to receive some medical services are not all respondents. But if they really had to seek some medical help, then it becomes the most significant item of their expenditures, especially if they need some long-term medical treatment or serious medical interference. Those respondents who have experienced such a need, pointed out to a considerable growth, sometimes even doubling of the costs of medical services, regardless of whether they are provided by a private medical facility or a state-owned one, though, in theory, such medical services should be free.

"Well, you still have to pay for everything. Even if you want to visit a state hospital to have a test of blood taken from your finger you have to buy everything necessary for such test; needle, cotton wool, alcohol... Yes, you have to bring it all yourself. I am not talking about something more serious. To make an X-Ray picture – you have to pay, even to buy a film for it. Concerning medicines? You also have to pay for them. Such is our free medical care" (Nicholas, FG 2, Slavutych)

"In order to receive a medical treatment at some medical clinics in Kirovograd, you need to have money in the range of UAH 1,500 – 2,000 in order to be admitted for such treatment" (Ljudmila 1, Novoukrayinka, Kirovograd region).
"We do not use health services - no money is left for it. In our family we completely canceled to use official medical institutions. We try to treat ourselves with folk medicine preparations and various cures" (Valentina, FG 1, Donetsk)

Respondents also view as manifestation of impact of the crisis a rise in prices of various medicines.

"The prices for medical drugs and medicines grew up radically. I think that they just doubled. During this period there were two considerable increases of prices for medicines." (Nadezhda, IG 1, Donetsk)

From one stage of the study to its other stage it is seen and confirmed by FG participants that continuous growth of prices for medicines is accompanied by ever increasing psychological stress of the people caused by it. Especially when it concerns the needs to treat sick children or other family members.

"Nina. It seems that prices of medicines are raised by pharmacy networks on an hourly basis.

Victor. This is the proof that our government simply wants to get rid of extra people.

Nina. This is correct, they just try to annihilate people. "(FG 3, Bila Tserkva).

"My child is often sick, so the crisis had, in general, affected us in a strong way. It is hard life for us now. Especially, to get some medical treatment is very expensive now" (Irina, 28 years old, FG Nr 1, Donetsk)

On the other hand, some respondents recognize the fact that quality of medical services provided in private clinics often is much better. But in order to have them one has to pay a lot for it.

"In private health institutions (such as dental clinics) about 90% of the value of money you pay for their service complies with the quality of these services". (Yuri, FG 5, Rubtsy, Donetsk region).

"Well, in health care system everything depends on where are you going to be treated. And it also depends on the amount of money that you have for such treatment." (Marina, FG, 7 Druzhkovka, Donetsk region).

Respondents talked extremely rarely about potential of health insurance. And the main reason for this is poor level of development of this type of insurance in the country. Among all FGs (held at all stages of the study) only in one FG, held at Shkarovka village, Kyiv region (January 2011), one respondent told that the company where he works ("Vodocanal Company") has issued health insurance coverage to all its employees. It is quite possible that such insurances are also issued at other companies, but how widely they are spread in other fields of employment is hard to say because this issue requires some further study.

"Our “Vodocanal Company” has provided medical insurance coverage to all its employees. Of course it deducts certain amount of insurance-related fees from our monthly salaries but if one gets ill or gets some trauma he is treated free of charge under medical insurance policy" (Victoria, FG 4, Shkarovka, Kyiv region).

In order to somehow save on payments for services, people try to use different "tricks". So, those who want to save money on medical services and purchase of medicines, treat themselves with herbs. Others, forced to economize on use of electricity, gas and coal, try to develop their own saving strategies. For example, in order not to boil water in electric kettle for each family member (which may consume 2.5 kilowatts of electricity) families try to organize a family tea party. And in order to save on electricity and coal, people go to forest plantations and cut down trees there, wood from which is then used for home heating. So, in short, it looks like many people try to live by one day.

"But do you know how much electricity is consumed by five family members? And each of them makes tea for himself. Can you imagine how frequently is electric kettle switched on every day? And every time it consumes 2.5 kW of electricity. "(Anatoliy, FG 9, Glodosy, Kirovograd region).

"We often go to forest plantations, chopp some trees there and use their wood to heat our house... We do it in order to save on the use of coal." (Tamila, FG 9, Glodosy, Kirovograd region).
Money, which remained after payment of fees for utility services, is used, primarily, to buy food. And food prices are constantly rising as was pointed by all the participants of FGs at all stages of the study. At the same time, it is quite difficult to try to reflect dynamics of change in prices for certain types of food products due to several factors, including: a) difference in prices for local and imported foodstuffs goods, b) differences between wholesale and retail prices, c) seasonal changes in prices, d) difference in prices depending on the location of its sale (supermarket, small shop or market), e) differences in prices across regions, e) the fact that food prices in shops of rural villages are usually 20% higher than in cities. That's why people practice trips (together with neighbors, relatives or acquaintances) to wholesale markets at large cities for shopping. For example, residents of Shkarovka, Kyiv region go to Bila Tserkva or Kyiv.

In addition to selling prices (which were discussed in the preceding paragraph), there are so-called, "purchase prices" at which agricultural products are purchased directly from producers, in order to resell them later on at wholesale or retail trade outlets. So these purchasing prices, oddly enough, according to participants of FG in the last 12 months have decreased. For example, in Glodosy village, Kirovograd region, purchase price of pork meat was 16-18 UAH but it went down to 9 – 8 UAH. Though its retail price now is about 40-45 UAH per 1 kg.

Many respondents noticed that the rise in food prices in the country is artificial and depends largely on corruption in different spheres of business. On the other hand, facilitating price increases are panic moods of the population, which appears periodically and which is caused by reduction in volume of sale or disappearance from the market of some individual foodstuffs products. Rising prices for gasoline, world-wide trend of rising cost of food, weather and climate changes - all of these factors have much less impact on the rise of food prices in this country.

"We save on use of practically all foodstuffs products. I love cheese, but I can not buy it. Very rarely I buy butter but small pieces of it and only when I really feel a desire to have it just for a couple of sandwiches. We mainly use soup sets, chicken meat sets and macaroni. Potatoes is also too expensive for us now. It is only thanks to the fact that I work at this sphere and also go for a procurement missions that I manage to get some foods. It is really only thanks to it. Concerning price increase I see it every day. I also have to talk with other people at the market and it seems that such price increase is mainly caused by panic moods among the people caused by the crisis. Yet another factor is, you know, corruption. Because these cereals they do belong to somebody or to some clans in Ukraine. In principle, there is everything available in our country and there are no objective causes for price increases." (Sergey 3, FG 14, Simferopol)

"Moderator: Do you believe that the prices for some products are artificially raised?"  
Sergey 3. Artificially, and it is for sure. Like the fact that the sugar prices jumped in the summer.  
Sergey2. Pricing policy in our country can not be understood by normal people, or as they say, for the common people. Sometimes I look at this situation and I just became shocked by what is going on. Sometimes, prices are just taken out of the sky … I am economist and it is clear for me that some prices are just fact of real cheating....  
Sergey 3. Harvest was quite good this year.  
Moderator: But we also had some droughts...  
Sergey3. No droughts happened. It was abnormally hot and it is true. But I judge by the situation at the vegetable market to which I go every day. All stalls are full of everything. When talking to sellers, in case that some vegetables or foods were absent, they told me that they were simply waiting for price increase for such absent goods. A seller thinks that why to sell it for 2 UAH today, if he can charge 3 UAH for the same goods tomorrow. That is why no everything is different"  
Sergey 2. Yes, our prices are inflated to the limit. "(FG 14, Simferopol)

Since January 2011, the country experienced a sharp rise in prices for buckwheat, which resulted in a very high demand for it (though buckwheat is not viewed as a staple food product like, for example, potatoes). As a result, prices for buckwheat reached 20-22 UAH per kilogram which compelled the government to order a purchase of buckwheat abroad.

Table 21 gives prices of some foodstuff products, as they are seen by the participants of FGs. Figures in parentheses are respective prices for such products observed 12 months ago. Based on these data, as well as on assessments made by respondents, it can be stated that the rise in food prices is typical for all regions as well as for all urban and rural settlements. But some regions, in particular, Crimea and the Donets region, are characterized by the fact that many food products here are more expensive than in Lviv, Kyiv and Kirovograd regions.
Table 21. Retail prices for selected food products in the regions (according to data provided by the FGs participants) in January 2011

<table>
<thead>
<tr>
<th>Region</th>
<th>Town/village</th>
<th>Pork meat</th>
<th>Potatoes</th>
<th>Cabbage</th>
<th>Sugar</th>
<th>Butter</th>
<th>Sunflower</th>
<th>Buckwheat</th>
<th>Cheese</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kyiv region</td>
<td>Bila Tserkva</td>
<td>45-50</td>
<td></td>
<td></td>
<td></td>
<td>60-70</td>
<td>(28-30)</td>
<td>20</td>
<td>(3)</td>
</tr>
<tr>
<td></td>
<td>Slavutych</td>
<td>47</td>
<td>9</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>20</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Shkarovka</td>
<td></td>
<td></td>
<td></td>
<td>60</td>
<td></td>
<td></td>
<td>22</td>
<td></td>
</tr>
<tr>
<td>Kirovograd region</td>
<td>Kirovograd</td>
<td>5-6</td>
<td>9</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>18-25</td>
<td>(8)</td>
</tr>
<tr>
<td></td>
<td>Novoukrainka</td>
<td>40-45</td>
<td>8</td>
<td>10</td>
<td></td>
<td></td>
<td></td>
<td>16-18</td>
<td></td>
</tr>
<tr>
<td>Donetsk region</td>
<td>Donetsk</td>
<td>50-65</td>
<td>7</td>
<td>8</td>
<td>10</td>
<td>60-70</td>
<td>(40-50)</td>
<td>14-15</td>
<td>(7)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>20</td>
<td>(3)</td>
</tr>
<tr>
<td></td>
<td>Druzhkovka</td>
<td></td>
<td></td>
<td>10</td>
<td></td>
<td></td>
<td></td>
<td>16-17</td>
<td>(8-10)</td>
</tr>
<tr>
<td></td>
<td>Rubtsy</td>
<td>45-50</td>
<td>8</td>
<td>8</td>
<td>10-11</td>
<td>45-64</td>
<td></td>
<td>18</td>
<td>20-21</td>
</tr>
<tr>
<td>Lviv region</td>
<td>Lviv</td>
<td>35-40</td>
<td>5-6</td>
<td>5</td>
<td>10</td>
<td>16-17</td>
<td>(8-10)</td>
<td>16-18</td>
<td>16-21</td>
</tr>
<tr>
<td></td>
<td>Drogobych</td>
<td>45-50</td>
<td>5</td>
<td>7</td>
<td>8-10</td>
<td>50-56</td>
<td></td>
<td>17 (7)</td>
<td>16-17</td>
</tr>
<tr>
<td></td>
<td>Ranevychi</td>
<td>40-42</td>
<td>(5)</td>
<td>6</td>
<td>9</td>
<td></td>
<td></td>
<td>17</td>
<td>18-20</td>
</tr>
<tr>
<td>AR of Crimea</td>
<td>Simferopol</td>
<td>55-68</td>
<td>6-7</td>
<td>8</td>
<td></td>
<td></td>
<td></td>
<td>16</td>
<td>16-20</td>
</tr>
<tr>
<td></td>
<td>Yevpatoria</td>
<td>56-70</td>
<td>6</td>
<td>7</td>
<td>10</td>
<td></td>
<td></td>
<td>18</td>
<td>18-22</td>
</tr>
<tr>
<td></td>
<td>Maly Mayak</td>
<td>60-70</td>
<td>7-8</td>
<td>3</td>
<td>8</td>
<td></td>
<td></td>
<td>10</td>
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</tr>
</tbody>
</table>

The least susceptible to growth were prices for meat (beef and pork), but this stability was maintained mainly due to low demand for meat. Participants to all FGs indicated to a significant reduction in consumption of pork and beef meat and a transfer to poultry meat because it is cheaper. Some respondents (especially those from rural villages and small towns who have personal farming households) try to replace meat and meat products by the self-grown farm products (both meat and vegetables).

"We stopped to eat buckwheat. We only eat home-grown potatoes and beats. Now we do not eat butter but we just eat different spreads, because real butter is very expensive. We also use home-grown meat – chicken or duck meat." (Sergey, FG 8, Glodosy, Kirovograd region.)

Urban residents started to more actively use eggs (prices for which did not change that much), bacon lard (which is cheaper than meat by about 30%), soups, porridges (mainly made of the cheaper cereals), bread products (even though they also became more expensive). “And to make them more palatable and tasty we buy all sorts of spices” as was a comment of one of FG participants in Donetsk.

Significantly less used by rural and urban residents now are dairy products (which became very expensive), fruits, vegetables, meat products, sausage products.

"Now the most real food for us includes only eggs and bacon lard"(Valentina, FG 1, Donetsk)

"Natalya 1. Now we buy much less beef. We take mainly poultry meat
Andrew. Poultry meat. That is what is more affordable for us. And some eggs and bakery goods
Marian. Sausages, ham and the like products we have stopped to buy.
Valentina. Well, we started to eat more bread "(FG 1, Donetsk)

"We buy fruits only for holidays or when somebody of us is sick. As to apples of this year. Did you see their prices? 20 hrivnas per kilo! But the last year it was just 7.5 hrivnas. Well, now their price really often reaches 20 hrivnas" (Natalia 2, FG 1, Donetsk)
"We buy less exotic fruits such as tangerines, bananas which the last year you could still afford to buy. But if you take pomegranates their price this year reached UAH 49 which is really fantastic price! That means that for the price of one pomegranate you can have a lunch in a canteen" (Hanna, FG 6, Kirovograd)

"We have a cut-price department at the supermarket - I buy apples there. At discounted price of only 5 hrivnas per kilo" (Valentina, FG 1, Donetsk)

Respondents noted that for rural residents it is easier to survive impacts of the crisis and associated with them rise in prices than it is for urban residents. Because rural residents tend to have land plots and households at which they can produce some foodstuff to feed themselves, at least, for a while. Urban residents have to pay for everything and, therefore, it is more difficult for them to overcome the growth in food prices.

"In the private sector it is easier to survive the crisis. But for a person living in a city flat? We have our own vegetable garden, but for those who live in a city flat what the have to do? He can not buy meat because he is unemployed and has no money... They just drink tea or hot water, because no tea available... The use as a tea some branches and dry leaves of the cherry tree. And then they go to bed because they want to eat because when you are in bed somehow you do not want to eat. One my acquaintance really complained to me that that was the way he had to live. So, if one wants to it, he really should go to bed" (Anatolia, FG 9, Novoukrainka, Kirovograd region).

"For those who have households with land plots it is easier to survive. But those who have to buy all food at the market life is generally very difficult" (Victor, FG 3, Bila Tserkva)

According to respondents, increase in food prices does not mean improvement of their quality. Quite the contrary - under the guise of natural food products buyers often are offered some food surrogates.

"Very expensive dairy products are. Plus the fact that if it is expensive, it does not mean that it is of high quality. This is the worst aspect. So, it would seem that if you buy some sausages for your child you try to select expensive ones, but still you do not know what are they made of. Or take sour milk cream. It costs 4 hrivnas but when you buy a pack of it and start to read its label you find that it is made of vegetable oils... A cat came from the street, sniffed that cream and run away. So, what I mean is that even when you buy an expensive product its high quality is not guaranteed." (Hanna, FG 6, Kirovograd)

Conclusions:

- The economic crisis in the first place hit the incomes of the population and considerably influenced standard of living of individuals, families and households. Those who continue to work, felt it, primarily through reduction of wages (due to abolition of payment of premiums, bonuses, various fees and reduction of working time), and / or delay in payment of wages. For employees at the private sector also intensified became the issue of stability of wage payments because their wages to a large extent depend on the availability of work orders. Through changes in incomes level, the crisis has significantly changed current attitudes of the people to employment: now, more than it used to a year ago, more valued became an opportunity to get formal employment, "white" (but not in envelopes) form of wages payment, stability of operation of enterprises and ability of their managers to solve emerging crises situations. Significantly increased became the desire to work in the public sector, where wages, though somewhat lower, are more stable. At the same time, topics concerning discussion of the size of somebody’s wage and income become more closed now because people prefer not to talk about their income.

- Nevertheless, the analysis of data on the average per capita monthly income in the families of the respondents suggests that almost in all regions observed is an overall trend – reduction of the size of per capita income coinciding with decrease in the size of
settlements (with the exception of the Kyiv region). In big cities, per capita incomes tend to be higher than in small towns. The lowest per capita income is in rural villages. There is also some differentiation between regions concerning dynamics of change in the size of monthly per capita income in the period from December 2009 to January 2011. In particular, the increase in the minimum and maximum size of per capita income during this period was observed mainly in the cities of regional importance - Donetsk, Bila Tserkva, Kirovograd – at these cities the minimum size of per capita income over the study period has doubled. In some small towns (Druzhkivka, Slavutych) and villages (Rubtsy, Donetsk region; Ranevychi, Lviv region and Maly Mayak, AR of Crimea) the increase of the size of per capita income is observed in the summer and its decrease takes place in winter. In general, data on rates of per capita household income of FG participants indicate that it is of low level – no more than 40% of FG participants have average size of per family income higher than the statutory minimum subsistence level (839 UAH per month per person - in June 2010 and 894 UAH - in January 2011). On average, according to respondents, during the period from December 2009 to January 2011 their income has decreased by 30-65%.

- At no stage of the study none of respondents had referred to his family as belonging to an affluent or wealthy type of family. The most frequently occurring is reference of the type – my family is "a poor family". The highest number of poor families is rural areas and their number tends to increase (58% in June 2010 and 76% in January 2011). The FG participants from village, Donetsk region, evaluate the level of well-being of their own families as "unsatisfactory" and "critical." Also increasing is the number of poor families in urban areas: rising up to 52% in cities of regional importance and from 43% to 51% - in towns of district level. Many families, whose living standards were assessed by respondents in December 2009 as equal to those of the "middle class" families, in January 2011 were downgraded to the category of "poor" families. The fact that many poor have become destitute tends not to be mentioned and discussed by respondents. In their view, the poor also can be of different type: "very poor" "poor" and "slightly richer than the poor". Families, who during the period of crisis, managed to maintain their standards of living at the "average" level, managed to achieve it at the expense of using material stocks and reserves that they had accumulated in the pre-crisis period. According to FG participants, the minimum number of poor families is concentrated in the Kyiv region. Here, in this region, there is also the largest number of households with average incomes.

- In January 2011, 71% of FG participants noted deterioration of the material conditions of their families as a result of the crisis (in June 2010 the figure was 93%). Seven respondents (five urban and two rural residents) have noted some improvement in material well-being of their families, and 20 indicated that they experienced no changes at all. The main causes of deterioration of material well-being of families (not taking into account the rising prices for food, goods and services), according to respondents, related to the loss of job by one or more family members, a decrease in the size of earnings by still employed members of a family, termination payment of premiums, bonuses, various fees by employers; termination of reception of financial assistance to children, because they grew up; death of someone from the family members that during his lifetime received salary or pension; divorce of married couple, which previously had a disproportionate ratio between the size of wages received by each spouse; increased size of alimony paid to keep kids after divorce of married couples. Possible improvement of the situation is attributed by respondents mainly to the possibility of employment of a family member (s) who had been without a job.

- In January 2011, participants were significantly less involved into credit obligations than in June 2010. In some FG (Slavutych, Shkarovka, Kyiv region, Simferopol) there were no holders of credit obligations at all. The highest number of outstanding loan obligations was among participants of the two FGs in Donetsk region: at Druzhkovka and Rubtsy village - 4 people at each FG. In other regions their numbers were fairly evenly distributed, namely 3 - 4 respondents in each region (in June 2010, this
distribution was within the range of 7-9 respondents with outstanding credit obligations at each region). All loans, except for one in Glodosy village which was taken to support development of an agricultural business, were consumer loans. It is this loan that is evaluated by its owner as "problematic. The credit owners are trying to repay their loans on time, though there are delays. In order to avoid debts to the banks the borrowers also practice re-borrowing of money from their friends, acquaintances, relatives. This trend has emerged just during the times of the crisis because in December 2009, none of the FG participants borrowed money from others to repay his loan because, on the one hand, they did no see an opportunity to earn required money, but, on the other hand, people did not have any cash to borrow to other people. The concept of “credit vacations” is not popular among respondents because they believe that it is simply useless waste of money. Nowadays, the dominant attitude towards credit taking is that they should be taken only in the very extreme cases (in particular, for medical treatment and to pay for studies).

- According to respondents, growth of prices for services and food is the main form of manifestation of the impacts of the crisis in Ukraine. At the same time, decrease in incomes is perceived in a less painful way than the rise in prices. Even those citizens who had not experienced any decrease in their incomes during the crisis, still felt the rise in prices for products and services and responded to such increase by reducing their spending. The situation is exacerbated by the fact that the services and products are are two main expense items of families that are almost entirely consume all their money incomes earned by them. Of the services, the costs of which greatly increased, respondents single out in the first place, the costs of municipal utilities services and the costs of medical care. And if the quality of medical services received in private clinics is more or less in line with prices for them, the quality of municipal services is assessed as very low. During the crisis nearly all food products became much more expensive in all studied regions. At the same time, the wholesale purchase prices at which agricultural products are purchased directly from manufacturers tend to decrease. The main causes of increase in retail food prices, according to respondents include: high level of corruption in agricultural business, artificial price controls and panic moods of the population. Such factors as increase in gasoline prices, global upward trend in prices for food, weather and climate changes, according to respondents, are of less importance.

- The most stable were the prices of pork meat, mostly due to their historic higher levels and reduced demand. The highest price increase was observed in respect of some cereals (especially buckwheat), dairy products, meat and milk products, fruits and vegetables. As in the case of services, increase in food prices does not mean improving their quality. As a result of increase in food prices, rural residents try to replace meat and meat products by their own home-grown products. Urban residents increased consumption of eggs, bacon lard, soups, cereals, bakery products. According to many FG participants it is easier for villagers to survive increase in prices than for urban residents because many of them own land plots and carry out household activities through which the can produce some subsistence products to help them to survive in difficult times.
4. MOST VULNERABLE POPULATION

4.1 VULNERABLE GROUPS MOST AFFECTED BY THE CRISIS (BASED ON FGD)

Vulnerability of individuals and social groups due to the crisis and its impact is determined by several factors, among which the most significant are: age, gender, children, health status, region of residence, type of settlement, employment status and sector of the economy where people work. Ukrainian crisis impact is relatively special - according to the Institute of Sociology of NAS of Ukraine, the most vulnerable are women and men of middle age, with children under 18, as well as having the status of employees in the private sector or self-employed in the public sector, who also have problems with their health and living in urban areas in one of regions: South-Eastern, Central, Eastern and Southern.

The participants describe these groups of people in a more compact way, often based on several characteristics that accompany each other (See Table 22). Thereby, material support and psychological feeling are also included - in the answers these characteristics are often complementary.

Some differences in the identification of these groups are observed comparing December 2009 and June 2010.

**Table 22. Social groups most vulnerable to the effects of the crisis as determined by FGDs participants (December 2009 - January 2011)**

<table>
<thead>
<tr>
<th>December 2009</th>
<th>June 2010</th>
<th>January 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Unemployed people of young age after school, people close to retirement age (after 45 years)</td>
<td>• People approaching retirement age who found themselves without job (after 40);</td>
<td>• Retired</td>
</tr>
<tr>
<td>• Employed men and women, falling in the reduction;</td>
<td>• Men and women of middle age, who were laid off and having children or adults to take care of;</td>
<td>• Children</td>
</tr>
<tr>
<td>• Seasonal workers - residents of rural areas;</td>
<td>• Non-working retired people with small pension;</td>
<td>• Disabled</td>
</tr>
<tr>
<td>• Retired - mostly those who have a small pension;</td>
<td>• Disabled;</td>
<td>• Employees of non-state sector</td>
</tr>
<tr>
<td>• Disabled;</td>
<td>• Members of large families (mostly children);</td>
<td>• Youth</td>
</tr>
<tr>
<td>• Women with children</td>
<td>• Family members (especially children) in which one of spouse is left to work abroad;</td>
<td>• People of middle age who lost their jobs</td>
</tr>
<tr>
<td>• Youth;</td>
<td>• Youth;</td>
<td>• Able-bodied young people</td>
</tr>
<tr>
<td>• Children;</td>
<td>• Members (especially children) of asocial families</td>
<td>• Self-employed</td>
</tr>
<tr>
<td>• Parents.</td>
<td></td>
<td>• Employees of small business</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Men and women after 40</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Parents with children</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Young families</td>
</tr>
<tr>
<td>Region</td>
<td>Type of settlement</td>
<td>Most vulnerable groups</td>
</tr>
<tr>
<td>---------------</td>
<td>---------------------------------------------------------</td>
<td>------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Donetsk region</td>
<td>Donetsk – regional centre (FG gender mixed)</td>
<td>- Retired (small pensions that do not allow to survive, and impossibility to find job due to age);</td>
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<tr>
<td></td>
<td></td>
<td>- Disabled (small pensions and impossibility to find job);</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Parents of applicants (they are to pay for the studies of children and participation in free education programs is unreal);</td>
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<tr>
<td></td>
<td></td>
<td>- People who are ill and need medications and medical care (prices for drug and services are growing, and it is difficult for ill man to earn for living, especially during the crisis).</td>
</tr>
<tr>
<td>Donetsk region</td>
<td>Druzhkovka - town of district subordination level (Female FG)</td>
<td>- Everyone is vulnerable to crisis when he lost his job and can not find new;</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Women of 30 years and older, particularly those with children (they have more difficulties in finding work compared to men);</td>
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<tr>
<td></td>
<td></td>
<td>- Retired with small pensions (it is difficult to survive with actual price level);</td>
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<tr>
<td></td>
<td></td>
<td>- Youth after graduation;</td>
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<tr>
<td></td>
<td></td>
<td>- Children (no normal food, no pleasure, no camps – they are to be denied in everything)</td>
</tr>
<tr>
<td></td>
<td>Rubtsy village, (FG gender mixed)</td>
<td>- Retired (they have small pensions that don’t allow to survive with actual increase of prices)</td>
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<td></td>
<td></td>
<td>- People of middle age who found themselves without work;</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Young people after graduation (they are not taken for a job without working experience)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Women (it is harder for them compared to men to find extra money, as they relate to children and can not easily go to work);</td>
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<td></td>
<td>- Low-income families, where family members enjoy a drink (children in such families are nearly without food and not looked after)</td>
</tr>
<tr>
<td></td>
<td>Bila Tserkva -</td>
<td>- Young people – because they often do not any jobs or their own homes;</td>
</tr>
<tr>
<td>Region</td>
<td>Location</td>
<td>Groups</td>
</tr>
<tr>
<td>-------------------------</td>
<td>-------------------------------</td>
<td>-----------------------------------------------------------------------</td>
</tr>
<tr>
<td>Kiev region</td>
<td>town of regional</td>
<td>Children (because they can not get what they really need);</td>
</tr>
<tr>
<td></td>
<td>level importance (FG gender</td>
<td>Youth, People approaching retirement age, Economically unprotected</td>
</tr>
<tr>
<td></td>
<td>mixed)</td>
<td>people.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Youth after school or institute graduation;</td>
</tr>
<tr>
<td></td>
<td></td>
<td>People of the middle age (men and women), falling under reduction of</td>
</tr>
<tr>
<td></td>
<td></td>
<td>jobs (for them it is hard to earn a pension);</td>
</tr>
<tr>
<td>Shkarovka village</td>
<td>(FG – gender mixed)</td>
<td>Pensioners with small pensions (their pensions are small but they face high costs of living); Single pensioners (nobody takes care of them...); Children (they do not get what they normally should get) People coming of age – older than 45 years (they are not employed any more and they have no money to live on, if they happen to lose their jobs...)</td>
</tr>
<tr>
<td>Kirovograd region</td>
<td>Kirovograd – regional centre;</td>
<td>Single pensioners who are not working and have small pensions (they have no one to help them) Members of large families, particularly children (prices rise but incomes in these families usually do not rise and, as a result, children do not receive what they should receive from their parents) Children in anti-social types of families (they do not receive adequate food, clothing, footwear and paternal care) Men and women of the middle age who lost their jobs (it is difficult to find a job at such age and they have to take care of others) Families at which husband or wife have left for search of work abroad (those of their family members who stay in Ukraine have to solve, on their own, all problems they face)</td>
</tr>
<tr>
<td></td>
<td>(FG – gender mixed)</td>
<td>All were affected to the same degree; Young specialists, who could not find work for themselves;</td>
</tr>
<tr>
<td>Novo-Ukrainka</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Location</td>
<td>Affected Groups</td>
<td>Comments</td>
</tr>
<tr>
<td>-------------------------------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>town of district level;</td>
<td>• Working people aged 35-45 years (because they can be fired from their jobs at any time)</td>
<td>• We all are affected</td>
</tr>
<tr>
<td>(FG - gender mixed;)</td>
<td>• Pensioners, who often get sick and have to spend all their pensions on medication drugs and medical treatments</td>
<td></td>
</tr>
<tr>
<td>Glodosy village;</td>
<td>• The crisis has affected all people of the pre-retirement age;</td>
<td>• People of working age who lost their jobs</td>
</tr>
<tr>
<td>(FG - gender mixed)</td>
<td>• Youth after graduation from educational institutions (no work, no job experience)</td>
<td>• Retired</td>
</tr>
<tr>
<td></td>
<td>• Children (who do not have adequate food, and no opportunities for interesting pastime activities)</td>
<td>• Pensionners who lost their jobs</td>
</tr>
<tr>
<td></td>
<td>• Disabled people (they have small pension, but medical treatment costs are large).</td>
<td></td>
</tr>
<tr>
<td>Lviv region</td>
<td>• Each was affected in its own way...;</td>
<td>• Employees of private companies</td>
</tr>
<tr>
<td>Lviv – regional centre;</td>
<td>• Retired people (for they have a small pension, but prices have increased);</td>
<td>• Men and women after 35-40</td>
</tr>
<tr>
<td>(FG - gender mixed;)</td>
<td>• Men and women aged above 25 years (because there is no work for them here and they have to go somewhere else to find some earnings);</td>
<td>• Employees of small business (there are many cases when co-owner’s of the companies became sales-persons)</td>
</tr>
<tr>
<td></td>
<td>• Men and women of the pre-retirement age (because no one wants to re-employ them);</td>
<td>• Everybody is affected</td>
</tr>
<tr>
<td></td>
<td>• Families with children (because parents can not provide the financial needs of children and can not pay enough attention to children because they are busy with additional income-generating activities);</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Young people (because they do not have required work experience).</td>
<td></td>
</tr>
<tr>
<td>Drogobych – town of district</td>
<td>• We are all affected by the crisis. Practically all... All, without exception...</td>
<td>• Everybody is affected</td>
</tr>
<tr>
<td>importance level;</td>
<td>• Workers (they were left without work, and now they have to work hard to earn enough money to survive during the whole winter);</td>
<td>• People of age between 40 and 60</td>
</tr>
<tr>
<td>(FG - gender mixed;)</td>
<td>• Youth (it is very hard for them to find jobs).</td>
<td>• Youth</td>
</tr>
<tr>
<td>Raneyvchi village;</td>
<td>• People of the middle age - women and men (because they stay without work, without pension, without any income, and they become totally dependent upon their children – so they face complete hopelessness);</td>
<td>• Children</td>
</tr>
<tr>
<td>(FG - gender</td>
<td>• People who have children (they have to take care of them)</td>
<td>• Women with children</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• People older then 35</td>
</tr>
</tbody>
</table>
mixed); regardless of whether they have work or not;
- Children (they do not get adequate support in their families);
- Children whose parents went abroad for job employment (they do not receive parental love and care, which can not be replaced by the money their parent send to them from abroad);
- Affected were all, but each one was affected in an individual way;

| AR of Crimea | Simferopol – regional centre; (FG – men); | Young men who lost their job
- Retired
- Disabled
- Everybody is affected|
|--------------|------------------------------------------|--------------------------------------|
| Evpatoria – town of district importance level; (FG - gender mixed); | All were affected;
- Youth (they want to hire young people, but with work experience);
- People aged over 50 (they cannot find job because of their age, but they are still too young to get pensions);
- Retired people who have the minimum retirement pension - it is more difficult for them to find some additional income-generating activities or jobs; | Everybody is affected

| Malyj Mayak village (FG - gender mixed): | Pensioners (they have small pensions, but have to spend too much on medical drugs);
- Young people (there is no work for them, they have no required work experience and, therefore, they often just have to collect empty bottles and to sell them to glass scrap collectors); | Retired
- Disabled
- People of middle age – between 30 and 40
- Young families
- Men
- Youth just after graduation
- Parents with children
- Everybody is affected |
“For people of old age it very difficult now. It seems that our society does not need us. There is a feeling of certain irrelevance in our respect” (Tamila, FG 9, Novoukrainka)

“As for young people they still have to reach their retirement age. Young people still rely upon their strong health and they hope that they will be able to continue to carry out physical work. But old people do not have such strong health and are in such an age when it becomes for them to fulfill some kinds of work.” (Liudmila, FG9, Novoukrainka)

“If you take into account ambitions of the young people, the level of their insolvency in the life, it looks that in this life it is the young people as a group who suffered the most of all from moral and material point of view” (Helena, FG12, Yevpatoria).

Main results of FGD:

In January of 2011 (as in June 2010), the respondents did not name seasonal workers from the countryside as social group most vulnerable to the crisis. The reason is that the demand for seasonal workers increased again (compared to December 2009) and many people were able to settle or adjust (eg, having been engaged in household work or on the land).

Family members (children) of large and asocial families and families of migrant workers were not named either. But the categories of "children", "parents", "young family" returned. For them the issues of material prosperity remain very relevant.

However, the dominant opinion among FGD participants is that it is difficult to specify one group as the most affected by the crisis - "Everyone was affected, just on different levels"

4.2. VULNERABLE TO CRISIS GROUPS (BASED ON MATERIALS OF IN-DEPTH INTERVIEWS)

Unemployed, with whom the in-depth interviews were conducted, name the same social groups most vulnerable to the crisis as the participants of FGD, but also several others:

- Unemployed men and women at the age after 35, who lost their job;
- Young people who don’t have working experience;
- Retired (with small pensions – about 850 hryvnas);
- Disabled;
- Women with children (especially single mothers);
- Men (ill and weak);
- Seniors;
- Parents;
- Children.
Table 24. Distribution of the respondents' opinions about social groups which are the most vulnerable to the impacts of the crisis, depending on region of residence and type of settlement (from IDIs)

<table>
<thead>
<tr>
<th>Region</th>
<th>Name of settlement</th>
<th>Most vulnerable groups</th>
<th>June 2010</th>
<th>January 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Donetsk region</td>
<td>Donetsk</td>
<td>- People, aged above 40-50 years (it is very difficult to find formal work at this age);</td>
<td>• Young families</td>
<td>• Employees of manufacture enterprises</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Working pensioners (low pensions, but prices are rising);</td>
<td>• Men and women older than 50</td>
<td>• Retired</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Disabled people (nobody wants to employ them because employers are afraid that will have to pay to them some additional benefits);</td>
<td>• Young people (no job experience);</td>
<td>• Youth</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Men (they are weaker than women, and are not capable to endure difficulties as stably as women)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Druzhkovka</td>
<td></td>
<td>- Young people (without work experience they will not get any job anywhere);</td>
<td>• Parents</td>
<td>• Retired</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Working pensioners (they may still be subject to job cuts);</td>
<td>• People of middle age who don’t have good education</td>
<td>• People of middle age who don’t have good education</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Elderly people (how will they manage to cope with increase in tariffs for gas, electricity, water, if their pensions remain unchanged);</td>
<td></td>
<td>• Youth</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Representatives of the “lower middle class” (if there is a need, such people can be easily fired from their job but if there is a need for their services they can be re-employed again….);</td>
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<tr>
<td></td>
<td></td>
<td>- People who abuse alcohol (now they have less money which they can spend to buy alcohol)</td>
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<td></td>
</tr>
<tr>
<td>Rubtys village</td>
<td></td>
<td>- Retired people;</td>
<td>• Youth</td>
<td>• Parents who have children that can not find work</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Young people (no work for them)</td>
<td>• Retired</td>
<td>• Retired</td>
</tr>
<tr>
<td>Bila Tserkva</td>
<td></td>
<td>- Young people (after graduation there is no jobs for young people)</td>
<td>• Retired</td>
<td>• Children</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Single women</td>
<td>• Youth</td>
<td>• Youth</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Men (they more frequently face health problems and they can not be strong enough)</td>
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<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Young people (they learn some profession but after that they have to take any job proposed to them);</td>
<td>• Retired</td>
<td>• Youth</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Older people (hard to find work for them);</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Region</td>
<td>Location</td>
<td>Affected Groups</td>
<td>Examples</td>
<td></td>
</tr>
<tr>
<td>-----------------</td>
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<td>---------------------------------------------------------------------------------</td>
<td>---------------------------------------------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>Kyiv region</td>
<td>Slavutych</td>
<td><strong>Single mothers with children</strong> (no one wants to give a job to them, but state help equal to just UAH 130 per month is clearly not enough); Parents (they deny themselves everything for the sake of their children)</td>
<td></td>
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</tr>
<tr>
<td></td>
<td></td>
<td><strong>All were affected equally;</strong></td>
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<tr>
<td></td>
<td></td>
<td><strong>Women</strong> (it is harder for them to work);</td>
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<tr>
<td></td>
<td></td>
<td><strong>Children</strong> (they are not getting what they should receive)</td>
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<tr>
<td></td>
<td></td>
<td><strong>Pensioners</strong> (now nobody wants to employ them)</td>
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<tr>
<td></td>
<td></td>
<td><strong>If somebody in a family suffers then the whole family suffers too</strong></td>
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</tr>
<tr>
<td></td>
<td>Shkarivka village</td>
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<tr>
<td>Kirovograd region</td>
<td>Kirovograd</td>
<td><strong>Pre-retirement age people</strong> (if they lose their jobs then they face real nightmare…); <strong>Young people</strong> (especially with low education level – for them to find good job is impossible); <strong>Middle-age people</strong> (they are still able to work, but no work for them)</td>
<td><strong>Disabled</strong> <strong>Retired</strong> <strong>Youth</strong> <strong>People after 40</strong></td>
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<td></td>
<td>Novoulainka</td>
<td><strong>Young people</strong> (they do not have work, but their life needs are much higher than those of the elderly people) <strong>Children</strong> (they are limited in ability to realize their life requirements)</td>
<td><strong>Retired</strong> <strong>Women are more psychologically vulnerable</strong> <strong>Men are also vulnerable</strong> <strong>Men and women at the age between 45 and 60 who lost their jobs</strong></td>
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<td></td>
<td></td>
<td><strong>All were affected equally;</strong></td>
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<tr>
<td>Lviv region</td>
<td>Lviv</td>
<td><strong>The crisis is now present in every family;</strong> <strong>Young people</strong> (because they still do not know how to do anything); **People who have for the long time worked in the same place (they are no longer able to do anything else, if they are fired from their current job); <strong>Pensioners</strong> (because prices have increased)</td>
<td><strong>Unemployed</strong> <strong>Seniors</strong> <strong>Retired</strong> <strong>Children under 16 years with their unemployed parents.</strong> <strong>Women approaching retirement age</strong> <strong>Youth</strong> <strong>Disabled</strong></td>
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<td>Drogobych</td>
<td><strong>Work able population aged 20 years to the retirement age (such people have no social security coverage and no scholarships); Retired people; Youth people (they need some job experience to be employed);</strong></td>
<td><strong>Men</strong> (difficult to get job even as a sales-person) <strong>Youth</strong> (impossible to find job as you are graduated).</td>
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<td></td>
<td>Ranevychi village</td>
<td><strong>It is impossible to single out any specific social group – all were affected;</strong></td>
<td><strong>Youth</strong> (impossible to find job after graduation); <strong>Women</strong> (less options to work physically) <strong>We all are affected</strong></td>
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<td></td>
<td></td>
<td><strong>People of the middle age (aged after 30) - (they have families with children who had to be schooled - in schools, colleges, universities);</strong></td>
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<tr>
<td>Location</td>
<td>Situation</td>
<td>Groups</td>
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<tr>
<td>AR Crimea</td>
<td>• Older people (who worked for ages, but then in a moment they were left without work).</td>
<td>• Retired&lt;br&gt;• Men and women after 50&lt;br&gt;• Youth&lt;br&gt;• Women older than 45, who lost their job</td>
<td></td>
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<tr>
<td>Simferopol</td>
<td>• People, aged above 35 years (hard to find new job);&lt;br&gt;• Disabled people (it is impossible for them to find a job);&lt;br&gt;• Pensioners (pensions are small and prices are rising);&lt;br&gt;• Women (especially those who were on maternity leave or just after expiry of the maternity leave - it is very difficult for them to be-reinstalled at their previous jobs)</td>
<td>• Retired&lt;br&gt;• Men and women after 50&lt;br&gt;• Youth&lt;br&gt;• Women older than 45, who lost their job</td>
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<tr>
<td>Yevpatoria</td>
<td>• All were hurt;&lt;br&gt;• Young people (everywhere required is work experience);&lt;br&gt;• Women (if they have no income or little income, it affects her husband and children)</td>
<td>• Retired&lt;br&gt;• Youth&lt;br&gt;• Women older than 45</td>
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<tr>
<td>Malyi Mayak village</td>
<td>• Women with children;&lt;br&gt;• Men (they have to agree to any job in order to support their families);&lt;br&gt;• Pensioners (pensions are too small to maintain acceptable standard of life)&lt;br&gt;• The youth (only available work is the seasonally offered jobs and, therefore, there are no good prospects for the future);&lt;br&gt;• People with disabilities;&lt;br&gt;• People after 45 years (they are not employed anymore)</td>
<td>• Retired&lt;br&gt;• Youth&lt;br&gt;• Everybody is affected</td>
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</table>
Main conclusions based on in-depth interviews:

According to most of the unemployed, people who lost their permanent job are the most affected by the crisis. And the age of these people is varied, but in general – from 35 years and up to retiring age. The women with children (especially those who are or were on maternity leave) are in more complicated situations, as well as single women with children.

As the members of FGD, the participants of in-depth interview didn’t name the most vulnerable groups of seasonal workers from rural areas. The question is now raised in a way that seasonal work can be found, but it does not provide any good vision for the future, especially for young people. Also, the question regarding education of the youth is highlighted - the focus is located on the deviation between system of young specialists’ trainings and the demands of labor market.

For many participants of in-depth interview the problem of formal employment to a permanent job still remains. This issue looks very crucial for unemployed women, especially in the context of discussions in regards of retirement age increase.

4.3. MAIN CHARACTERISTICS AND COPING STRATEGIES OF THE KEY VULNERABLE GROUPS (as defined from FGDs and IDIs)

Singling – out social groups most affected by the economic crisis, has been undertaken by the study participants on the basis of different aspects, resulting in the fact that it is of quite a conditional nature. Using one set of aspects a person must be classified as unemployed one, using the other criteria – such person may be referred to category of women with children, and using yet another, the third set of criteria the person can be referred as belonging to category of the youth, etc. Therefore, the presented characteristics are of quite a general nature and are primarily based on estimates of participants to focus-group discussions (FGDs) and in-depth interviews (IDIs). It should be noted that in this section summarizes information about the survival strategies of the two categories of people: those who were to a varying degrees, already affected by the crisis, and those people who belong to vulnerable groups, but the crisis still has not hurt them. A more detailed division of strategies for each of these groups will be done during the third phase of the study.

4.3.1. Unemployed people aged above 35

Respondents do not have the same opinion concerning at what age, people who lose their jobs, are becoming more vulnerable to the effects of economic crisis. Some say "after the age of 45 ", others - "after the age of 50 ", others - "at the pre-retirement age." But during an interview in July 2010, the age limit, at which a person becomes more vulnerable, moved down to the age of 35 years. It was found that just after reaching this age it becomes much more difficult to find any official, permanent job.

The main characteristics of the vulnerability of this population group, according to participants to FGDs and IDIs include:

- **Financial problems** - they had no wages, no pensions and other sources of steady income;
- **Mental and psychological health problems** - they feel psychologically uncomfortable, because at this age most people have families, which should be taken care of. Often, in the absence of incomes, they seek help from their children which had to be provided by the children till the age when such unemployed parents can officially receive a pension;
- **Health problems** - they are forced to seek work that is allowed for them from the point of view of their health conditions, and often they have no money for medications and treatment;
Problems of finding new sources of income - in summer one can find seasonal work, but such work is temporary in nature, and gives no perspective. In addition, due to their age, such people are often not capable to start some new business or to get involved in some new activities;

Lack of social self-realization - after having worked for many years at one company they feel, after job dismissal, as if they are no more of any need for the society;

The main coping strategies they use:

- trying to find a new, official permanent job;
- use opportunities to have some temporary, income-generating activities (e.g. seasonal work);
- imposed austerity measures on all spending that they can avoid;
- reduce consumption of food;
- reduced acquisition of new clothes, footwear and other goods;
- increased cost savings for services of utilities (e.g. gas, electricity, water);
- seeking for cheaper foods, medicines
- use fruits and vegetables, grown in home gardens and land plots attached to summer houses for canning;
- replace, to a maximum degree, use of commercial foodstuff products by home-canned products;
- replace the practice of having annual family holiday at the seaside by recreation at locally available facilities;
- ceased to attend concerts, shows, cafes and restaurants.

4.3.2. Unemployed young people

The problem of employment of young people is still very relevant. After all, in order to have a job one needs some work experience (2-3 years). But it is impossible to obtain it because a young man after graduation is not recruited by any employer. Even more complicated situation is with those who just graduated from high school and received no special education.

The main characteristics of the vulnerability of this population group, according to participants FG and GI include:

- Lack of permanent employment - they often try to get any available part-time or seasonal work, often not corresponding to their profession and educational level;
- Financial problems - they can not support themselves financially and to help their parents, who paid for their studies;
- Psychological problems - they feel themselves frustrated and are prone to feats of depression, especially if their peers were more successful in finding employment;
- Problems of family development - they are afraid to start a family and to have children, because they are not sure that they will be able to raise children properly;
- Their expectations and desires to acquire beautiful and fashionable looks are hampered by financial constraints, which risks to result in a desire to achieve the desired things by any, even and often illegitimate means;
- They do not see the future - temporary and seasonal work does not give young people any prospects; and it is difficult for them to plan and develop their further career after so many disappointments they had experienced.

The main coping strategies they use:

- Trying to find any formal and informal work;
- Use the help of parents, friends, grand-parents;
- Solves financial problems together with other family members;
- Together with parents they work on private and summer house land plots;
- Reduce their expenses for purchase of new items, clothing, footwear;
• Reduce their expenses for recreation, leisure and entertainment;
• Reduce attendance of concerts, theaters, cafés, restaurants;
• Instead of trips to the seaside, they have holidays at nearby, local recreation facilities, water bodies or just go fishing;
• Some young guys prefer to join the army in order, at least temporarily, to solve their own financial and material difficulties.
• Students perform coursework, laboratory, and graduate work to earn some money, tune and repair the computers; filled in cartridges (January 2011)

4.3.3. Employed men and women of middle age, were laid off and having children

Another group, vulnerable to the crisis includes working men and women of the middle age, who were laid off from their jobs and who have children. Among the respondents there still remains a dominant view that men and women were affected by the crisis to an equal degree, but somewhat in different ways. To prove it, the respondents put forward different characteristics of the vulnerability of men and women.

Men:

- Financial reasons – after dismissal from the job, they can not anymore to provide for their family at the level at which they had done it before. Often they have to accept any job, in order just to feed their families. Having a temporary or a seasonal work, they try to earn as much money as possible, in order to be able to support their families in winter season;
- The situation is aggravated availability of loan from a bank, which must be paid back but there is no money available for it;
- Psychological reasons - they feel themselves weak after experiencing job dismissal and often they immediately start to acquire some diseases. In addition, the level of their psychological distress and discomfort tends to increase, if they get into financial dependence from their wives (women);
- When they become ill they do not have money to buy medicines and to afford medical treatment;
- They are forced to make changes in their habits and preferences (e.g. by switching to cheaper products, cigarettes, alcoholic beverages).

The main coping strategies they use:

- Seek permanent or temporary work in different locations, sometimes far away from home;
- They become sellers at the markets;
- Apply money saving measures in respect to household expenses, utility services;
- Reduce their level of consumption – both foodstuff and such things as footwear, clothing;
- Reduce spending on recreation and leisure; spend more time for relaxing activities not requiring material expenditures (fishing, walking in the woods, relaxing by the river or lake, etc.);
- Grow vegetables and fruits in home gardens or summer houses and adjacent plots of land;
- Do more work around the house (repairs, construction);
- Spend more time with children, helping wife at the household duties, so that his wife can devote more time to her work;
- Reduce attendance of concerts, theaters, cafés, restaurants;
- They try to search for cheaper sources and prices of foodstuff products, medicines;
- Help their wives to procure fruits and vegetables for the winter (producing home-made cans of fruits and vegetables);
• Start to purchase cheaper cigarettes, beer, alcoholic drinks.

Women:
• Peculiar features of employment and job search – for women with small children it is hard to get a job. It is also hard to be reinstalled at the previously held job after getting out from the maternity leave and back to work;
• For women it is less likely than for men to find some additional income-generating work. They have to spend a lot of time on housework and family care;
• Financial reasons – after job dismissal they can not contribute their input into family well-being, as they had done before, so there is a risk of reduction of the level of the household income;
• Situation is aggravated by existence of bank loan, which must be paid back but no money is available for it;
• Psychological reasons - they feel responsible for their family and children. They get very distressed by their inability to support materially members of their family; to buy required medicines and to secure proper care;
• Being tied to the need to take care of parents or other family members women often can not quickly enough, as men, to start a search for a new job, and if there is a job opportunity elsewhere, to urgently move to potential paid job place;

The main coping strategies they use:
• Trying to find a formal job, use the possibility of temporary work;
• Minimize the consumption (food, utility services);
• Reduce purchase of clothing, footwear and other goods;
• Look for and buy cheaper food, medicine, clothing, shoes, and other consumer goods;
• Engage themselves in handicrafts (sewing, knitting for themselves, children, and other family members);
• Try to use to a maximum possible degree their garden and plots for growing vegetables and fruits;
• Replace the use of industrial canned goods by home-made food products;
• Reduce attendance of concerts, theaters, cafes, restaurants;
• Abandon the practice of having holidays with the whole family (or with children);
• Replace long-term and distance family holiday trips by short outings (to local water bodies, parks, or to other recreation facilities)
• Trust in the care and supervision for young children (when there is no money to pay for kindergarten) to their parents, relatives, friends (January 2011)

4.3.4. Non-working pensioners with small pensions

During the crisis, dismissed from their jobs were many working pensioners, including those who have a pension to UAH 850. According to the respondents, this is small pension (in December 2009, the size of such pension was UAH 750), which is not enough to live on. Among retirees, there are many who have health problems and need medical treatment.

According to participants of FGDs and IDIs, this group becomes vulnerable because of the following factors:
• Many retirees receive only their pension and have no other sources of income;
• Received pension is primarily spent by them in order to pay for housing and communal services. And the rest of the money they spend on purchase of medicines and foodstuff products; to pay for any other things they have virtually no money to afford;
• Although the government declared the provision of free medical services to many pensioners and free purchase of essential drugs, in fact, they are forced to pay for
everything. Rate of prices increase for medicines and medical services is much higher than the rate of increase in the size of the minimum pension;

- Having only one source of income, retirees are usually quite worried whether their pensions will be paid in time and in full amount;
- Many pensioners are old and sick people and they require additional care and attention. But in the times of the crisis their children, relatives, neighbors, acquaintances had to reduce the level of such concern and care because they had to solve their own problems.

**The main coping strategies they use:**

- Maximum possible reduction in consumption (gas, water, electricity, food, etc.);
- Purchase of food, clothing and footwear at the lowest possible prices;
- Search for and purchase the cheapest medicines.
- Stop buying footwear, clothes and other things;
- If there is a homestead or summer house with plot of land they try to cultivate their own fruits and vegetables;
- If possible, replacement of commercial foodstuff products by their own, home-made products (e.g. fruit and vegetable cans);
- Termination of visits to concerts, theaters, cafes and restaurants.
- Trades in the market vegetables and fruits grown by other relatives, friends (January 2011);
- Fish and sell it to the friends (January 2011);
- Gather mushrooms, nuts, berries in the forests and sell in the market (January 2011).

### 4.3.5. People with disabilities

The respondents tend to talk little about disabled people, though; they set them out as the group the most affected by the crisis. The main characteristics of their vulnerability are defined by the respondents as the following ones:

- Handicapped people during the crisis are almost never can get job;
- They have small pension, which is difficult to live on especially because they have to spend money on medications;
- Level of price rise for food, goods and services was significantly greater than the level of increase in size of pensions and additional social benefit payments;
- They have limited social communication possibilities and often they need assistance and care;
- During the crisis, many of their relatives and friends were dealing with solving the issue of “how to survive at all for themselves” so they paid much less attention to the disabled people around them;
- The state declares to disable people some level of social security, but many of the required services they have to get on the pay-for basis.

**The main strategies they use:**

- The maximum reduction in consumption (gas, water, electricity, food, etc.);
- Replacing the more expensive products and goods by the cheaper ones;
- Purchase of food, clothing and footwear at the lowest possible prices;
- Search for and purchase the cheapest medicines.
- Stop buying shoes, clothes and other things;
- If there is a homestead or summer house with plot of land they try to cultivate their own fruits and vegetables;
- If possible, replacement of commercial foodstuff products by their own, home-made products (e.g. fruit and vegetable cans);
- Termination of visits to concerts, theaters, cafes and restaurants.
4.3.6. Children from large families and asocial families, as well as children from families of migrant workers

In July 2010, the list of social groups that are the most affected by the crisis, compiled by the respondents, included children from families of three types: large, anti-social, and families of labor migrants.

Common factors existence of which makes children especially vulnerable to the effects of the crisis include:

- Children were curtailed in their consumer behavior, their parents can not give them what you need (food, clothing, footwear and other things);
- Alongside with the increase in food a price, observed is decline in their quality;
- Children faced a threat of becoming unable to obtain / to continue their education or staying in children's care institutions, if their parents will be unable to pay for it;
- Quite often children were left without adequate medical care because their parents could not pay for necessary treatment and medication;
- Significantly reduced, because of high prices, became opportunities for children to attend extracurricular activities, cinemas, exhibitions, concerts;
- Significantly increased became prices for dairy products and their quality gets very bad which affects the quality of nutrition for children.

In addition, at the asocial families, children often find themselves without the parents’ attention, because their parents faced more complications in finding money required to buy booze, drugs and other things. In the families of migrant workers, children also find themselves without parents' attention, because their parents had to search for work in other countries and for quite a long time.

Because the participants FGDs and IDIs are adults, the main strategies to counter impacts of the crisis upon children from these types of families can be described only in general terms. This question requires a deeper and more detailed study.

In January 2011 FG participants did not talk about this group as the most affected by the crisis.

GENERAL CONCLUSIONS

Impact of the economic crisis in Ukraine was most evidently manifested through changes in level of employment, earnings of people, incomes of households and significant increases in prices for food, medicines, services and for items of daily consumption. In general, results of the third stage of the study confirmed the findings of the previous stages of the study and also confirmed that the earlier detected emerging trends continue to develop further on. These results also enabled to introduce some corrections and/or additions into the earlier obtained assessments. Found also were somewhat new perceptions by the respondents of changes which took place in their life under impacts of the crisis, namely that nowadays they try to live just “by one day”.

Despite some improvement in the employment conditions in January 2011 compared with that of December 2009, respondents still have not acquired full confidence and tend to continue to talk about the fact that the crisis is still not over, but it continues to deepen and respondents do not exclude arising at any moment can be new negative developments in the field of employment. The main reason for such assessments is instability in activities of many
businesses, particularly of those that managed to survive the first wave of the crisis and retained their activities, but which currently have to slow down their production activities because they have exhausted their material resources. Job cuts, observed in connection with this, as well generally high unemployment rates existing in all regions of the country, do not add optimism to such assessments. About 65% of respondents believe in possible further job layoffs, reductions in work volumes and in further decrease in purchasing power of citizens.

On the other hand, although the majority of respondents spoke about the negative impact of changes in the field of employment on their lives, it seems that the peak of such negative influence has been passed. So, in December 2009 such negative impact was reported by 70% of respondents, in June 2010 by 93%, and in January 2011 -by 73% of respondents. At the same time, there emerged a new assessment of the situation: life, as a result of the, became different, even if there have not occurred some particular changes in it.

The data obtained so far also indicate also that continued at the employment sphere are such trends as the failure of customers to pay money for the work performed for them, use of free labor during imposed job probation periods, demands by employers to write simultaneously two job applications when applying for a job (one requesting to be employed and the other requesting to be relieved from a job), practices by employers to prefer to hire employees coming from other localities instead of employees from the local population. A new trend has emerged as well, namely that employers try to save on wage-related costs of their enterprises through the use of "experts on call" (e.g. financial accountants) to perform certain jobs on the pre-scheduled "duty days" without signing formalized labor employment agreement with such people.

Population seeks as much as possible to diversify its sources of income, so that in case of dismissal from the main job they would not be left entirely without any source of income. Thus, the gradually increasing is the share of the people who practice some kind of supplementary part-time employment and income-generating activities: 32% of them in June, 2010 and 44% in January, 2011. Viewed as the third, very important source of money income by respondents both at rural villages and towns (in the latter case, for those who have plots of land) is availability of a land plot with vegetable garden. Moreover, for many respondents, availability of such vegetable garden was the most important factor from the point of view of its stability and size of additionally generated income. Observed also is a tendency for some urban people to relocate to rural areas in order to try to solve there, at the expense of more affordable housing, possibility to use land and to engage in housekeeping, some of their vitally important issues caused for them by the crisis.

In January 2011, somewhat decreased became the share of respondents who stated that financial conditions of their families have deteriorated during the last 12 months: 93% in June 2010 and 71% - in January 2011. However, the poverty remains on the list of the major consequences of the crisis because during all stages of the study none of the respondents referred to his family (and to himself) as belonging to a group of "rich" or "wealthy" families. The highest number of poor families is in rural areas and this number tends to increase: 58% in June 2010 and 76% in January 2011. In one of the studied villages (Rubtsy, Donetsk region), all FG participants identified the level of material well-being of their families as "poor" and "critical." Also increasing is the number of poor families in urban areas (both at small and in large towns).

At the same time, the fact of decrease in size of income is perceived by the respondents is less painful way than the increase in prices. Such increase was felt even by those citizens whose incomes during the crisis did not significantly decrease. Stable growth of prices over the last couple of years or so is observed in all regions and localities. Especially singled out by respondents is the increase in the prices paid for housing, municipal utilities and health care services, as well as increases in prices for food products, which forces respondents to search all the time for some new strategies to counter this rise in prices. For example, to reduce expenses for use of electricity to boil water for making tea in an electric kettle for each family member, some families practice joint "family tea parties". In order to save on coal and electricity bills many people have to go to forest plantations in order to cut trees there to be used as firewood for house heating. To reduce expenses for foodstuff respondents try to replace commercial meat
and meat products by home-made and grown at their own households and gardens (these practices are mostly relevant for rural dwellers).

As at the previous stages of the study, FG participants and participants to in-depth interviews tried to define the social groups that are most vulnerable to impacts of the crisis:

- Unemployed people, older than 35 years;
- Unemployed young people;
- Working men and women of the middle age who lost their jobs but have children;
- Non-working pensioners with small pensions;
- People with disabilities.

In January 2011, this list did not include "children of families with many children and children of migrant workers families". Most likely this is due to the complexities of countering impacts of the crisis faced by the respondents themselves, many of whom also have kids. As in the course of the previous two stages of the study, remaining as the dominant among the participants of FG and IDIs is the view that at the crisis it is difficult to single out any one particular group as the most affected by the crisis because the crises hurt everybody but to a varying degree.

Strategies used to counter worsening financial conditions remains basically the same as before: search for formal employment; search for additional income-generating jobs and activities; undertaking strict austerity measures in respect of everything (including those aimed at reduction of utilities bills and foodstuff expenses); limitation of expenses for hobbies, leisure and entertainment. Repairs of housing facilities and clothing, which just one year ago would have been cancelled, nowadays are tried to be carried out by the owners themselves. Demand for household appliances is partially met by applying for a short-term consumer loans. The new aspect which is observed now in the behavior of the respondents is their willingness to change the type of personal activities (for example, they get training courses for body massage, engage themselves in the interior design works, start to make ornaments and jewelry articles, grow aquarium fish species, clean seaside beaches, deliver to clients foodstuff products and medicines, to lead discos, etc ).
Appendix 1. Guidelines for Focus-groups

Guidelines for focus groups (working urban and rural residents of Ukraine)

The project "Assessing the social impact of economic crisis in Ukraine"

Introduction:

Moderator:
He/she introduces the title of the project, executive organization (Centre for Social Expertise) and the Customer of the project (World Bank), explains the aims and objectives of the focus group discussion (FGD), namely:

1) to assess the nature, scale of prevalence and severity of the consequences of the economic crisis in respect to different groups of the urban and rural population in December, 2010 compared to these consequences observed in December 2009;

2) to determine whether crisis coping mechanisms used by the population in order to overcome these effects of the crisis have changed during the period since 2009, and if they really changed, then in what way;

3) to find out what changes, caused the crisis, have occurred in the lives of respondents and how did such changes altered the lives of these respondents;

4) to assess how the population responds to actions taken by the government in order to overcome impacts of the economic crisis in the country;

explains the procedure for conducting the focus group interview, guarantees anonymity and says to that the participants' responses are voluntary; invites, one by one, respondents to introduce themselves (tell the name, age, education, sphere of employment, and to briefly describe whether he/she has children or adults, who need their care).

Main section:

Moderator! During the focus-group discussion all the time to remind to the participants the title of the project "Assessing the social manifestations of economic crisis" and, if necessary, remind or list to all participants basic blocks of questions that are to be discussed. Note also that in addition to these basic questions, researches are also interested in what exactly changes took place concerning the respondents (with them personally and with their families) during the crisis and how they affected their lives.

Section 1. Employment and changes in the labor market.

In the preamble to Section 1, the moderator should explain that the need and importance for researchers of this Section is to determine the characteristics of employment and changes in the labor market that have been observed lately in the country.

1. Please, tell us briefly about your main job and the company where you work (name of the company, what it does, position which you occupy, main functions that you fulfill; how long is your experience of work at this company; basic mode of operation - duration of the working day, the number of working days per week, presence or absence of shift work, etc.).

2. Did the financial crisis affect work of your company? If it is affected, then in what way exactly? Are these changes positive or negative personally for you? (For example, dismissal of employees due to staff cuts, offers to employees to get dismissed on their own volition, transfer of staff on reduced working week regime of work (or reduced working day); sending employees to a forced leave, abolition of premiums / bonuses, wage cuts, serious delays in the payment of wages, significant decrease in the company’s profits).

3. What changes at the main place of your work caused by the crisis did you personally feel? (Changes in the duration of the working week / day, changes in size of wages, loss / change of job, the need for re-training, mastering other job skills)

4. How would you rate the probability that your company can implement planned/or another staff reduction and cuts? In this case, who do you think will be included into the list of fired employees, in the first place? Why? What ways to find a new job in your opinion are today the
most promising? (Use of services of the public employment agencies, independent job search, through informal channels, through a friend)

6. Is it easy NOW to find work in your village conforming to your profession and qualifications? (with sufficient salary, without sufficient salary, with sufficient salary but requiring another skills, any job at all).

7. Do you have NOW, except for your main work, some additional earnings or jobs generating income for you? If "YES", then what exactly? Are these additional work and jobs formal or informal in their nature? What share did they comprise (approximately) in your total income that you obtained in December, 2010?

8. Over the past 12 months were there any changes in the amount of time you spend to work on private land or at home? And how did the ratio between paid and unpaid work among the different members of your family change? (For example, increase in share of unpaid work at home by husband, increase in the share of paid work obtained by the wife, etc.)

9. How would you summarize impacts upon your life of all the changes in employment, which you have mentioned? Did your life become better or worse over the past 12 months? (Please, rate it using the scale of: much worse - worse - not changed - better - much better).

**Moderator!** Pay attention of the participants to this discussion, that all information, brought by them, will remain strictly confidential and will be used only in summary form without any reference to particular individuals.

**Section 2 Financial and material conditions of family, households and consumer sentiments.**

In the preamble to Section 2, the facilitator should explain that the need and importance for researchers of this section is to determine the dynamics of changes in material welfare and consumer sentiments of the Ukrainian citizens, which take place as a result of the crisis.

1. What is the composition of your family? Do you have children aged under 18 or any adult family member to take care of? Who in your family works (receives scholarship, pension, social assistance).

2. How would you generally rate the financial status of your family? (Rich, prosperous, of middle-income, poor, wretched). Have there been any changes in the material conditions of your family during the past 12 months? If “yes”, then what changes took place?

3. The extent to which financial and economic crisis affected the financial state of your family? (Estimate, please, these changes, using a scale: became much worse – became slightly worse – did not change – became slightly improved – became significantly improved). Did any tensions occur in relations between your family members due to these changes? If such tensions did take place then how the issue of improvement of worsened relations is solved?

4. **MODERATOR!** Please, distribute cards № 1 to participants of the focus groups and ask them to indicate what manifestations of the crisis did they personally or members of their family experience during the period since May, 2010 till now?

Circles should be used to indicate those manifestations of the crisis which were experienced by the respondents in person or members of their families.

1. Rise in prices for services and products;
2. Reduction of income of family members;
3. Refusal to purchase certain goods and services;
4. Dismissal from work;
5. The need to take a money loan;
6. Suffered from theft, assault, fraud, etc.
7. Shorter working hours, forced work leaves;
8. Reduction of wages, stipends, pensions and benefits;
9. Need to provide assistance to relatives, friends;
10. Delayed payment of wages, pensions, and scholarships, as well as benefits;
11. Manifestation of panic and depression in the personal surrounding;
12. Failure to repay debts;
13. Deterioration of the quality of public services provision;
14. Abolition of some premium and bonus payments;
15. Absence of some common, familiar commodities, products, medicines;
16. Other (specify) ____________________________
Separately, also request participants to indicate those manifestations of the crisis, which affected their lives POSITIVELY. Gather the filled-in cards. Discuss with participants of the focus groups, why do they think that some manifestations of the crisis are regarded by them as positive.

5. How exactly do you try to meet the material needs of your family NOW? Do you use some benefits provided by the system of social security (e.g., benefits, subsidies, possibility to obtain certain free medical, educational, legal services)?

6. On average, what was total income per member of your family for the last month? Is it enough to meet the vital needs? Which particular needs are you trying to solve in the first place? What needs remain unsatisfied? Also, how did the total income per member of your family in December 2010 changed compared to its level in December 2009?

7. Do you or your family members need to repay the loan from a bank? How do you solve this issue today? Whether or not do you pay back the loan on time and without delay or, perhaps, you negotiated extension of the deadlines for loan repayment?

8. What are the ways to control impacts of the crisis which you personally and your family members use? (For example: save on transport expenses; stop buying expensive goods, have combined use of some high value goods (e.g. washing machines) together with your neighbors, relatives or friends; buy the “second-hand” goods; search for cheaper foodstuff products, goods, medicines; reduce your expenses for hobbies and recreation; replace purchases of certain goods and services with “made at home” goods and services.etc.).

9. How did prices for food, goods and services change in your village as compared with December 2009? (Please, name the CURRENT prices for some products, such as meat, sugar, butter, eggs, flour, cereals, vegetables). What products did you start to consume more active, and what products - less active?

10. How much, if compared to December 2009, did tariffs for utilities services (transportation, housing, medical services, electricity) change in your settlement? How do these new prices reflect change in quality of provided services?

11. How did prices for real estate property (e.g. land, houses and flats) change during the last 12 months in your town or village?

12. What can you say about the current level of criminality in your settlement?

Section № 3. Confidence in the future and risk assessment.

In the introductory part to Section 3 the Moderator should explain that the need and importance for researchers of this section is for them to determine the attitudes of working people (urban and rural residents) to potential changes in material well-being of their families which may take place as a result of the crisis, as well as to identify the risks associated with job loss and changes in financial position of households.

1. Who of the residents of your locality do you think was the most affected by the economic crisis? (e.g. women, men, youth, seniors, disabled, children, and so forth). Briefly explain why you think so.

2. What are the main methods to deal with the crisis that these groups of people used? At the same time, also, please, indicate for which groups of people these methods of dealing with the crisis are NOT APPROPRIATE.

3. And who are those who were the most affected by the crisis in your family? Why?

4. Which institutions (regardless of their type of ownership and activity), according to your estimates, were the most stably functioning under conditions of the economic crisis in your town / village? And which of them were the least stable? (This may be the establishment of both national and local level)

5. Did you personally or your family members feel any support (e.g., moral, psychological, financial, and the like) during the economic crisis? If “yes”, then from whom, exactly? From whom do you expect to receive such support in the future?

6. Whose support in the time of the economic crisis is viewed by you as the most important? (It can be specific institutions and individuals - for example, husband, wife, children or family, relatives, colleagues and so forth) and what support exactly do you want to receive in a crisis situation?
7. MODERATOR! Please, distribute cards under № 2 to participants of focus groups and ask them to indicate which institution or persons from those mentioned above, do they NOW trust most of all.

Gather the filled-in cards. Discuss what accounted for the high level of trust in these institutions or persons. Find out why the level of trust and credibility in respect of the institutions is the lowest and why.

8. In your opinion, how will the situation in the country change in the next 6 months? What will change for the better, and what for the worse? From whom the trend of the situation change will depend the most of all?

9. Between which social groups relationships will become stronger (or more meaningful) after the crisis? (These may be the relationships both between different categories of people and between different institutions)

10. Will the crisis affect relations between members of the family (household)? If “Yes”, then what, precisely, changes may be expected at the end of the crisis?

11. How do you think will financial situation of your family change in 3 months? The standard of living of your family members will be above or below the one they have today, or it will remain at the same level? What are manifestations of change of standard of living? Due to what causes may the change happen for the better or for worse?

12. If your family's financial situation deteriorates, how do you plan to solve its financial problems? (For example, borrow money from relatives, friends, and acquaintances; will try to take a new loan; will use your money deposit in the bank; will sell some individual items of domestic consumption or pieces of property, and so forth). On what products or services you will try to save first of all? (e.g. on electricity, gas and water consumption and costs; reduction of the use of some consumer goods, foodstuffs, medicines, utility services or medical services, etc.)

13. If the banks will resume lending to citizens, will you then try to take a new loan? If “yes”, then for what particular purpose? Will you support members of your family, if they will intend to take a loan?

14. If your family's financial situation will improve, what products or services will you purchase for yourself or your family members in the first place?

Final part:

Moderator! Notify the focus group interview participants that the interview is finished, and thank the participants for been so kind as to take part in the discussion. Remind them that the interview was anonymous and their answers will be decoded (input into digital data files), processed for the purpose of scientific analysis and after that destroyed. Also, tell them that their answers are of great importance for this study. Propose to the participants to have coffee and tea as a token of gratitude.

Verify that all cards are filled-in by the focus group participants and are collected. Along with the transcript of the discussion, please, forward them to the Project Manager.

Appendix 2. Guidelines for in-depth interviews

Guidelines for in-depth interviews with unemployed

The project "Assessing the social impact of economic crisis in Ukraine"

Introduction:

Interviewer:

It represents the name of the project, Executive Director (Centre for Social Expertise) and the client project (World Bank), explains the aims and objectives of in-depth interviews, namely:

5) to assess the nature, scale of prevalence and severity of the consequences of the economic crisis in respect to different groups of the urban and rural population in December, 2010 compared to these consequences observed in December 2009,
6) to determine whether crisis coping mechanisms used by the population in order to overcome these effects of the crisis have changed during the period since 2009, and if they really changed, then in what way;

7) to find out what changes, caused the crisis, have occurred in the lives of respondents and how did such changes altered the lives of these respondents;

8) to assess how the population responds to actions taken by the government in order to overcome impacts of the economic crisis in the country;

explains the procedure for conducting in-depth interviews, guaranteed anonymity and said that the participants' responses are voluntary; invites the respondent to submit (your name, age, education, employment, briefly describe the presence of children or adults, which cares ). During the interview, the interviewer monitors the audio.

Main part

1. **The family and its financial conditions**

1. Please, tell us briefly about yourself (age, education, main place of residence, principal occupation, position in last place of work, main reasons for the dismissal)

2. What is composition of your family? Do you have children aged under 18 or adult family members needing you care?

3. Who in your family works (except you)? (Receives scholarship, pensions, social assistance)

4. How do you assess the financial condition of your family now? How did it change over the past 12 months?

5. Interviewer! Please, give to respondent card № 1 and aske him to HIGHLIGHT, with what impacts of the crisis did he personally or his family members experience over the period since May 2010 till now?

Using circles please, indicate those manifestations of the crisis which were faced by the respondents personally or by members of their families:

1. Rise in prices for services and foodstuff products;
2. Reduction of income of family members;
3. Refusal to purchase certain goods and services;
4. Dismissal from work;
5. The need to take a money loan;
6. Suffered from theft, assault, fraud, etc.
7. Shorter working day hours, forced work leaves;
8. Reduction of wages, stipends, pensions and benefits;
9. Need to provide assistance to relatives, friends;
10. Delayed payment of wages, pensions, and scholarships, as well as benefits;
11. Manifestation of panic and depression in the personal surrounding;
12. Failure to repay debts;
13. Deterioration of the quality of public services provision;
14. Abolition of some premium and bonus payments;
15. Absence of some common, familiar commodities, products, medicines;
16. Other (specify) ___________________________

Separately, also request him to indicate those manifestations of the crisis, which affected his life or life of his family POSITIVELY.

7. How do you try to meet the material needs of your family NOW?

8. Do you or members of your family receive any types of social security help (discounts, subsidies, possibility to get some free-of-charge services, e.g. medical, legal or educational ones)? If "yes" then indicate which ones in particular?

9. Do you or your family members need to repay the loan from a bank? How do you solve this issue today? Do you pay back the loan on time and without delay or, perhaps, you negotiated extension of the deadlines for loan repayment?

II. Consumer sentiments and changes in behaviour
1. The extent to which financial and economic crisis affected the financial conditions of your family? (Please, rate these changes, using the scale: became much worse – became slightly worse – did not change – became slightly improved – became much improved). Were there any additional tensions in your family caused by impacts of the crisis? If such tensions did appear the how did you try to improve relations in your family?

2. On average, what was total income per member of your family in December, 2010? Is it enough to meet your vital needs? What particular needs (both yours and members of your family) do you try to solve in the first place? What needs remain unsatisfied?

3. How did the total income per member of your family change compared with December 2009?

4. How did prices for food, goods and services change in your town/village as compared with December 2009? (Please, name the CURRENT prices for some products, such as meat, sugar, butter, eggs, flour, cereals, and vegetables). What products did you start to consume more actively, and what products - less actively?

5. How much, if compared to December 2009, did tariffs for utilities services (transportation, housing, medical services, electricity) change in your settlement? How do these new prices reflect change in quality of provided services?

6. How did prices for real estate property (e.g. land, houses and flats) change during the last 12 months in your town or village?

7. If you have children, please, indicate to what extent did spending for children care change over the past 12 months? Were there any changes in the way your children receive education and medical care?

8. Have you or your family members requested over the past 3 months any medical help? If "YES", then which institutions did you apply for help? How do you evaluate the price and quality of these services?

9. What are the ways to control impacts of the crisis which you personally and your family members use? (For example: save on transport expenses; stop buying expensive goods, have combined use of some high value goods (e.g. washing machines) together with your neighbors, relatives or friends; buy the “second-hand” goods; search for cheaper foodstuff products, goods, medicines; reduce your expenses for hobbies and recreation; replace purchases of certain goods and services with “made at home” goods and services etc.).

10. Did the crisis influenced relations between people? In particular, at home among family members; at place of work - among colleagues, and in inter-personal relations between friends, acquaintances?

11. What can you say about the current level of criminality in your settlement? Did it change over the past 12 months?

III. Employment and search of job

1. How long ago did you lose your job at your main place of work?

2. How actively are you searching for a new job? What organizations and whom personally did you request to help you to find a new job? What was result of such requests?

3. Is it easy NOW to find a job in your settlement which corresponds to your profession? (with sufficient size of salary, with sufficient size of salary, any job)

4. Are there NOW many people in your settlement who for various reasons do not have any job? How did the number of the unemployed people change in comparison to December 2009? How do residents of your settlement try to solve their problems with finding new jobs? What moods prevail among such people?

5. Before loosing your last job had you any other additional work or activities generating some income? If “yes” then what exactly were these work and activities? And NOW, do you have them?

IV. Confidence in the future and risk assessment
1. What groups of the residents of your locality, do you think are the most affected by the impacts of the economic crisis? (e.g. women, men, youth, seniors, disabled, children, and so forth). Briefly explain why you think so.

2. And who are those who were the most affected by the crisis in your family? Why?

3. Which institution (regardless of their type of ownership and activity), according to your estimates, were the most stably functioning under conditions of the economic crisis in your town / village? And which of them were the least stable?

4. Did you personally or your family members received any support (e.g., moral, psychological, financial, and the like) during the economic crisis? If "yes", then from whom, exactly? From whom do you expect to receive such support in the future? Whose support in the time of the economic crisis is viewed by you as the most important? (It can be specific institutions and individuals - for example, husband, wife, children or family, relatives, colleagues and so forth) and what support exactly do you want to receive in a crisis situation?

5. INTERVIEWER! Please, give to the respondent Card № 2 and ask him to indicate which institution or persons from those mentioned above, does he NOW trust most of all.

Take back the filled-in card. Request respondent to briefly explain in respect of what institutions he has now the least level trust and why.

8. In your opinion, how will situation change in the country in the next 6 months? What will change for the better, and that - for the worse? Upon whom, to a greater extent, depends development of this situation?

9. After the crisis, between which social groups, relationships will become stronger (or more important)? (This may be the relationships both between different categories of people and between different institutions)

10. Will the crisis affect relations between members of the family (household)? If yes, then what, precisely, will be changes that can be expected after the end of the crisis?

11. How do you think will financial situation of your family change in 3 months? The standard of living of your family members will be above or below that which the have today, or it will remain at the same level? What can be manifestation of its changes ? Due to what may change for the better or for worse happen?

12. If your family's financial situation deteriorates, how do you plan to solve its financial problems? (For example, borrow money from relatives, friends, and acquaintances; will try to take a new loan; will use your money deposit in the bank; will sell some individual items of domestic consumption or pieces of property, and so forth). On what products or services you will first try to save first of all? (e.g. on electricity, gas and water consumption and costs; reduction of the use of some consumer goods, foodstuffs, medicines, utility services or medical services, etc.)

13. If the banks will resume lending to citizens, will you then try take you out a new loan? If "yes", then for what particular purpose? Will you support members of your family, if they will intend to take a loan?

14. If your family's financial situation will improve, what products or services will you purchase for yourself or your family members in the first place?

15. How would you summarize impacts of all these changes in employment, which we have discussed, on your life? Your life has become better or worse during the last 12 months? (Please rate on scale: much worse - worse - not changed - better - much better).

Final part:

Interviewer! Inform the respondent that interview is finished, and thank the participant for been so kind as to answer the questions posed to him. Remind him that the interview was anonymous and his answers will be decoded (input into digital data files), processed for the purpose of scientific analysis and after that destroyed. Also, tell the respondent that his answers are of great importance for this study. Propose to the participant small honorarium as a token of gratitude for his participation in this in-depth interview.