Employment effects relating to organic market development in Eastern Europe – the case of Ukraine

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Organic & employment?

Organic agriculture has clear advantages for sustainable economic growth – but how relevant is it for creating new and better jobs?

Assessment of organic versus conventional farming in the 4 areas of sustainability

Ukraine

A country with abundant natural resources to develop a strong organic sector → employment effects?

Development of organically certified land & farms in Ukraine

Swiss-Ukrainian Organic Market Development Project

Ukraine’s organic sector – 2016

Export value and volume of most relevant organic crops/commodities*

- Arable crops for export still dominates volumes, but the domestic market is gaining importance.
- Export market still around 2x bigger.

*Operators of Organic Standard

Source: Organic Standard

www.fibl.org
# Methods used to assess employment effects

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140 respondents
Structure of survey responses

- Most actors answered in different categories.
Varying organic business development strategies!

Developing ‘organic’ as part of an existing or new business

- In all categories, organic is introduced in existing and new businesses.
- Relevance of organic crop production.

Organic in existing businesses: 41%
Organic in new businesses: 59%

Added organic products to the conventional production
Converted from conventional production to work now 100% with organic
New business (from nothing), working with conventional and organic
New business (from nothing), working 100% organic
Employment effects in arable crops

Required working days in large scale arable crop production

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- General very low employment per ha.
- Organic arable crop production requires good (time-saving) mechanical weed control to be competitive.
- Big companies that shift towards organic invest into machinery and reduce labor.

Source: Institute of Organic Agriculture
For being very labor intensive, job creation effects are much higher – very much linked to harvesting volumes.

Important employment for women especially.
Employment effects in wild collection

Jobs involved in berry wild collection and processing activities

- Job creation effects relating to wild collection highly important.
- Low job creation through industrial processing.
- Good harvests boost rural income, especially for women.

Source: Rivneholod
Employment effects in herbs cultivation

Jobs involved the cultivation and processing of organic herbs

- Labor use for cultivation, harvesting and processing is very crop specific.
- SMEs tend to involve more jobs in processing than big companies.

Source: Phytosvit
Employment effects in organic dairy

Jobs involved in milk production and processing

- Organic milk production requires not more labor than conventional production.
- Meaningful jobs are created through processing – with product diversification.

Source: Galeks Agro & Organic Milk
Estimated new full time jobs in the organic sector

Calculated newly created jobs relating to organic production in Ukraine

- Job creation effects strongly depend on overall sector development.
- Meaningful jobs are created thanks to domestic processing opportunities.

Date source: Online survey
Expected organic sector development trend

Reasons of stakeholders to shift towards organic

Organic is clearly perceived as a viable option to develop a competitive business that at the same time has the advantage to create new jobs.
Importance of sound sector development interventions to boost sector growth

Conclusions & Recommendations

Generic process model for organic market & sector development

Intervention approach:
- Enabling actors to create new businesses.
- Strong focus on demand and value addition opportunities.
- Process support to enhance social and human capital.
- Relevance of what type of jobs are created where for whom.

Source: FiBL
Facilitating organic sector development with a stricter «employment focus»

Interventional model to optimize employment effects

- Relevance of what type of jobs are created where and for whom.
- Better understanding of skill development needs and effects.
- Strategic partnerships to boost employment effects.
Thank You