



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

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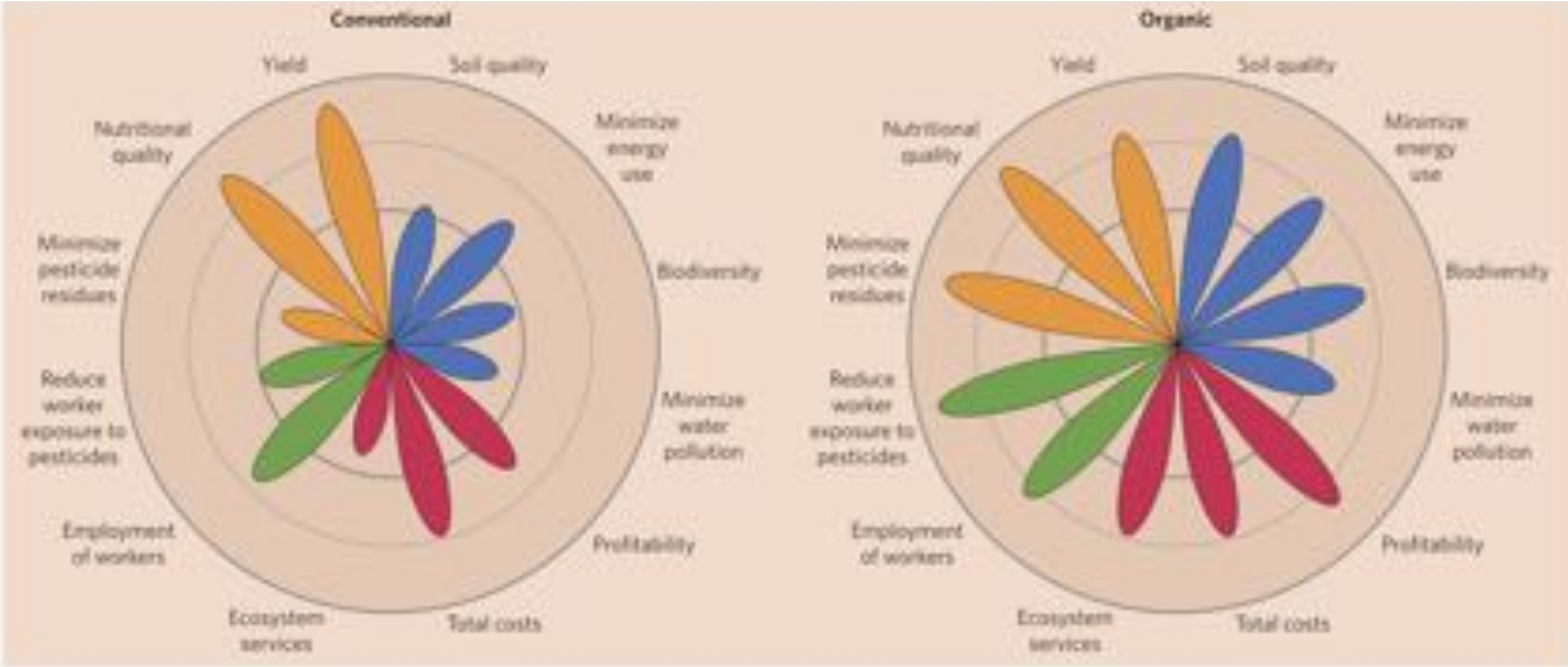
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Organic & employment?

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

Source: Reganold J. P., Wachter J. M. 2016. Organic agriculture in the twenty-first century. *Nature plants* 2(2): 15221.

Ukraine

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



Development of organically certified land & farms in Ukraine

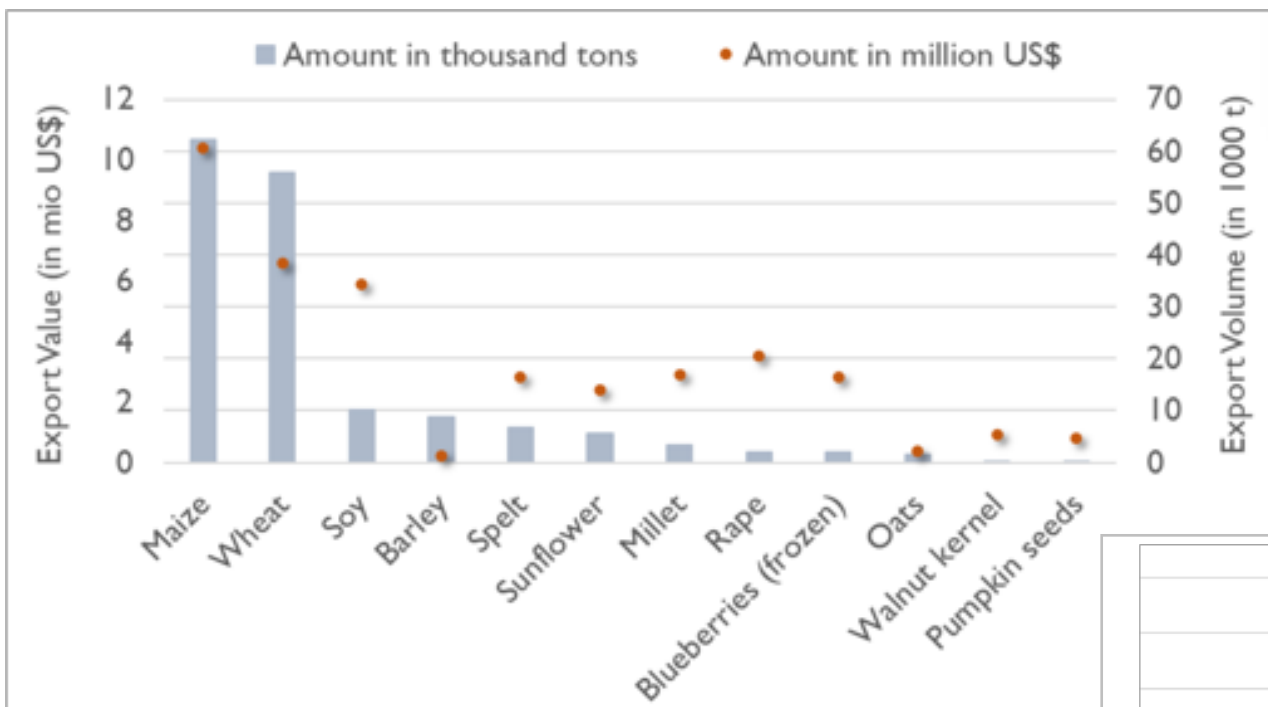


Sources: OFU (2002-2015) & Reform Support Team at the MoAF (2016)

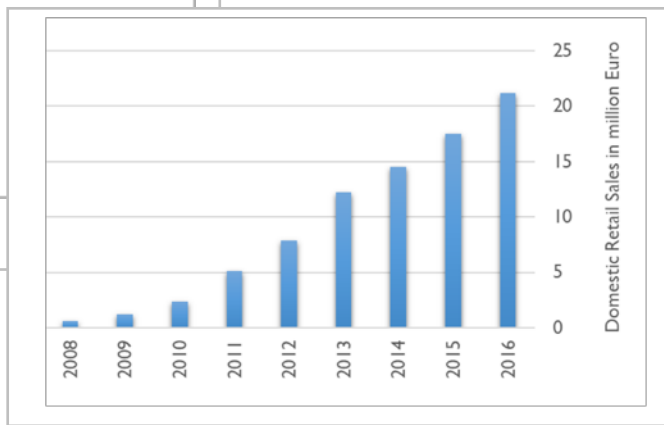
Ukraine's organic sector – 2016



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

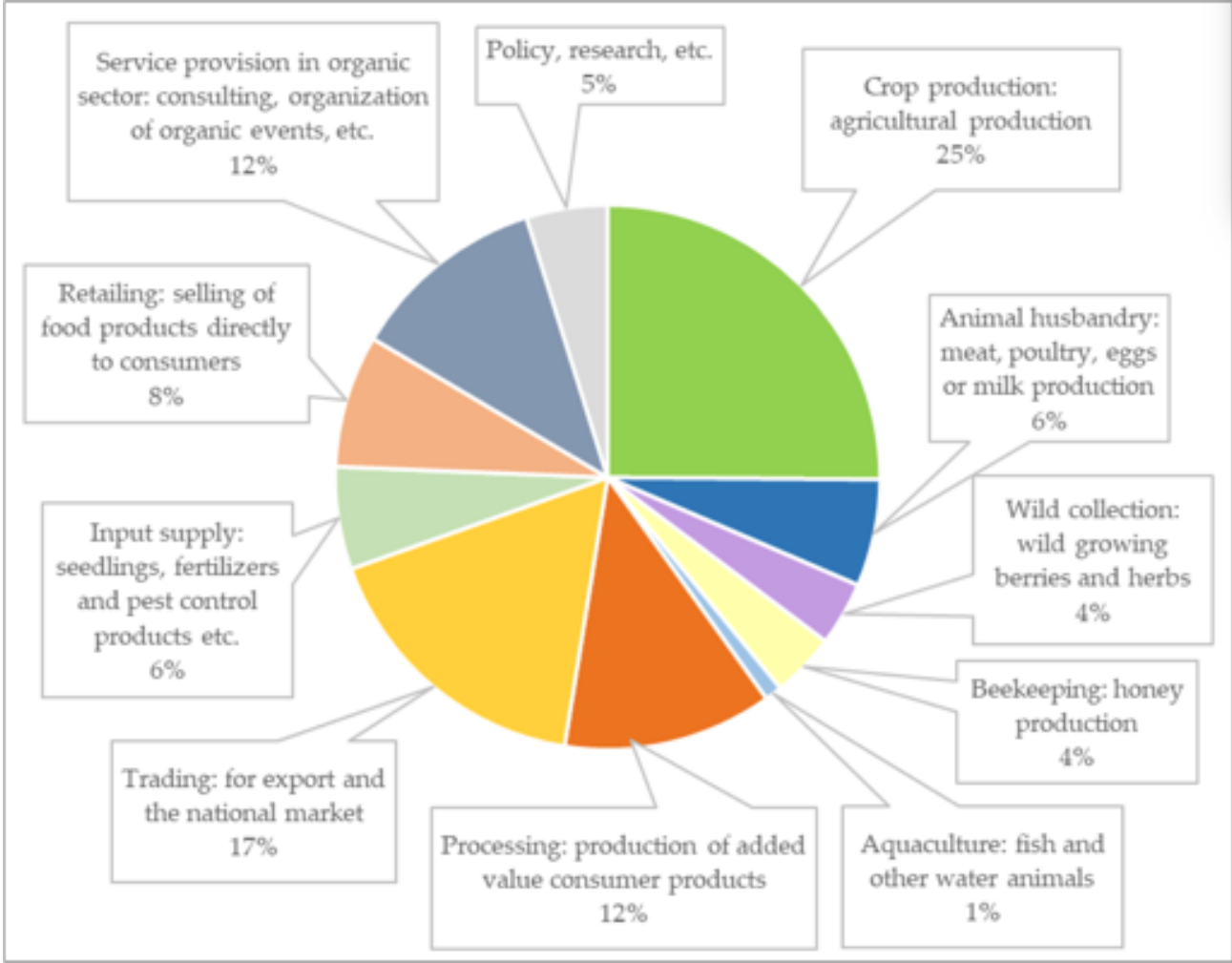
Methods used to assess employment effects

Aspects to be covered	1. Desk research	2. Online survey	3. Case studies	4. Focus group	5. Expert interviews
A. Sector overview	+++	+++	+	++	++
B. Sector development trends	+++	+++	++	+++	++
C. Project attribution to sector development	+	+++	++	+++	++
D. Employment effects	+	+++	+++	++	++
E. Value addition effects	+	++	+++	+++	++
F. Competitiveness organic sector versus conventional	+	++	+++	++	+++



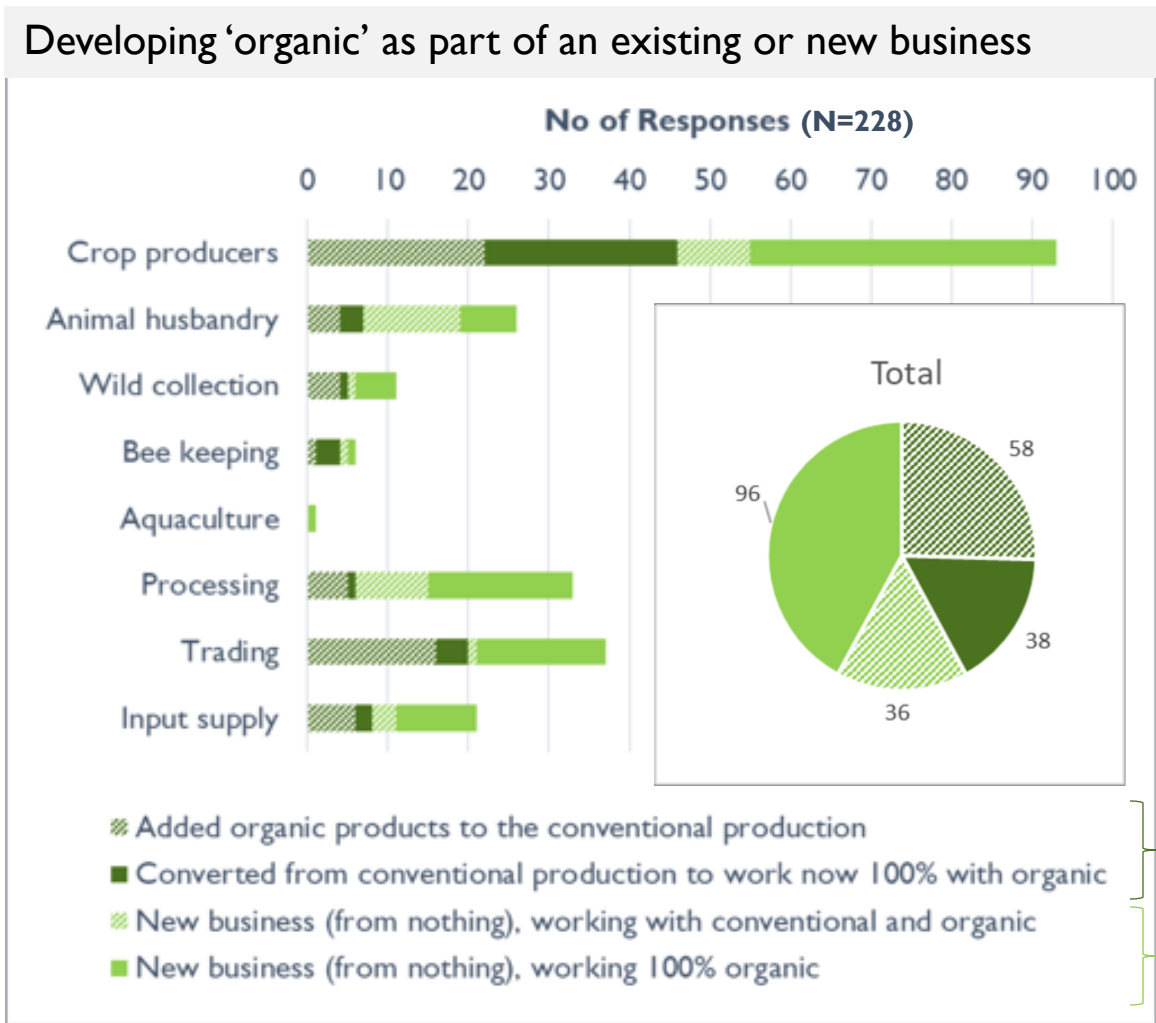
140 respondents

Structure of survey responses



▸ Most actors answered in different categories.

Varying organic business development strategies!

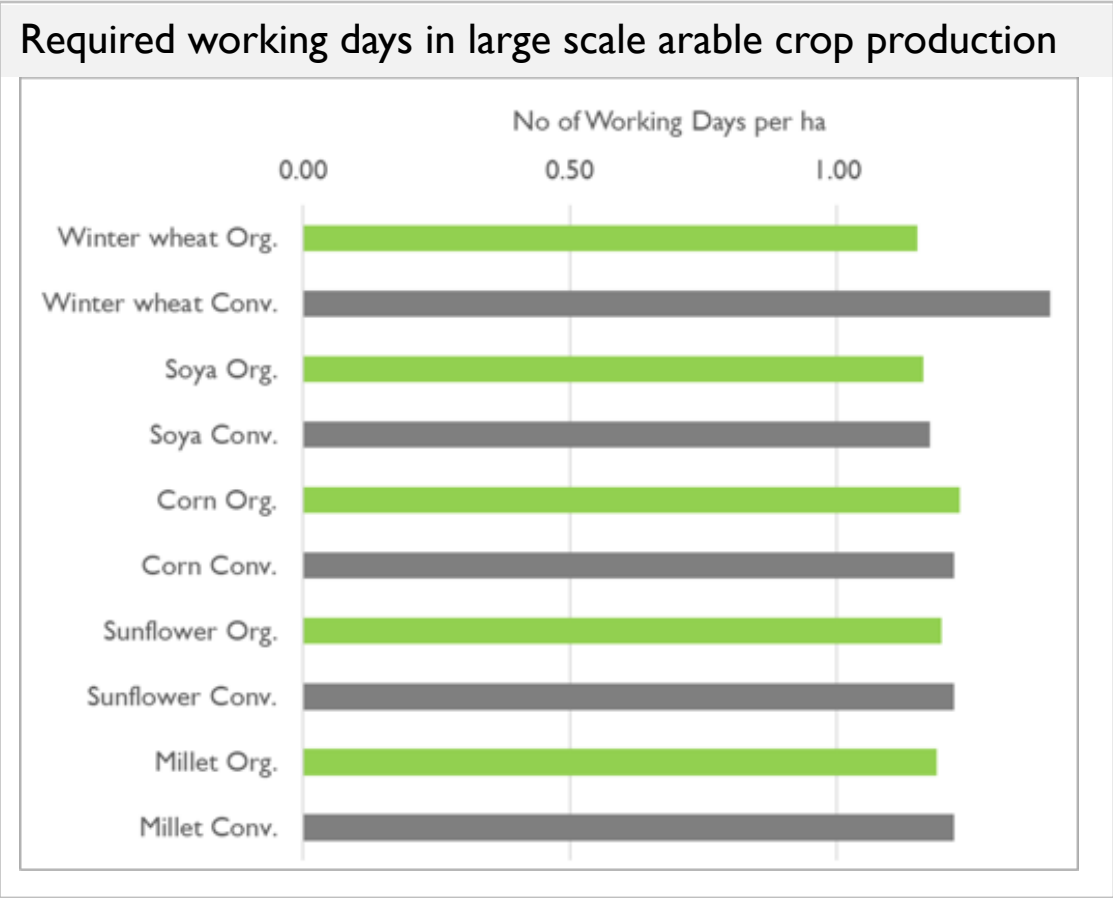


- In all categories, organic is introduced in existing and new businesses.
- Relevance of organic crop production.

Organic in existing businesses: 41%

Organic in new businesses: 59%

Employment effects in arable crops



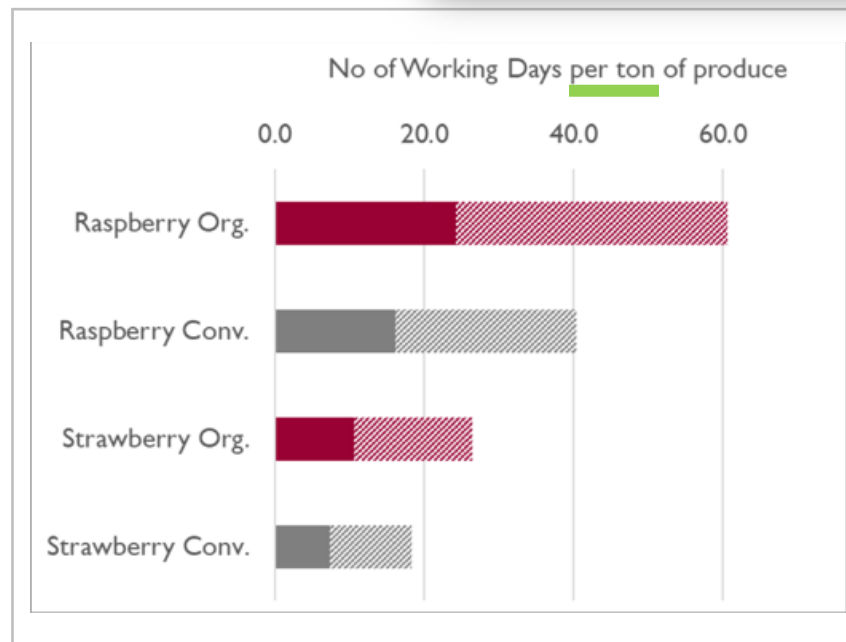
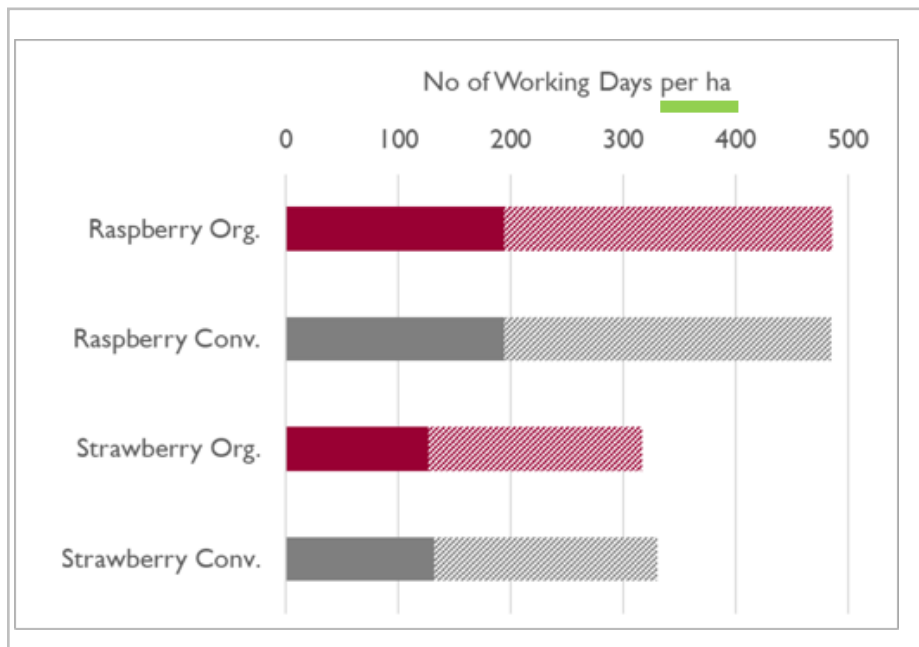
Source: Institute of Organic Agriculture

- › 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.

Employment effects in berries



Required working days in organic vs. conventional berry production

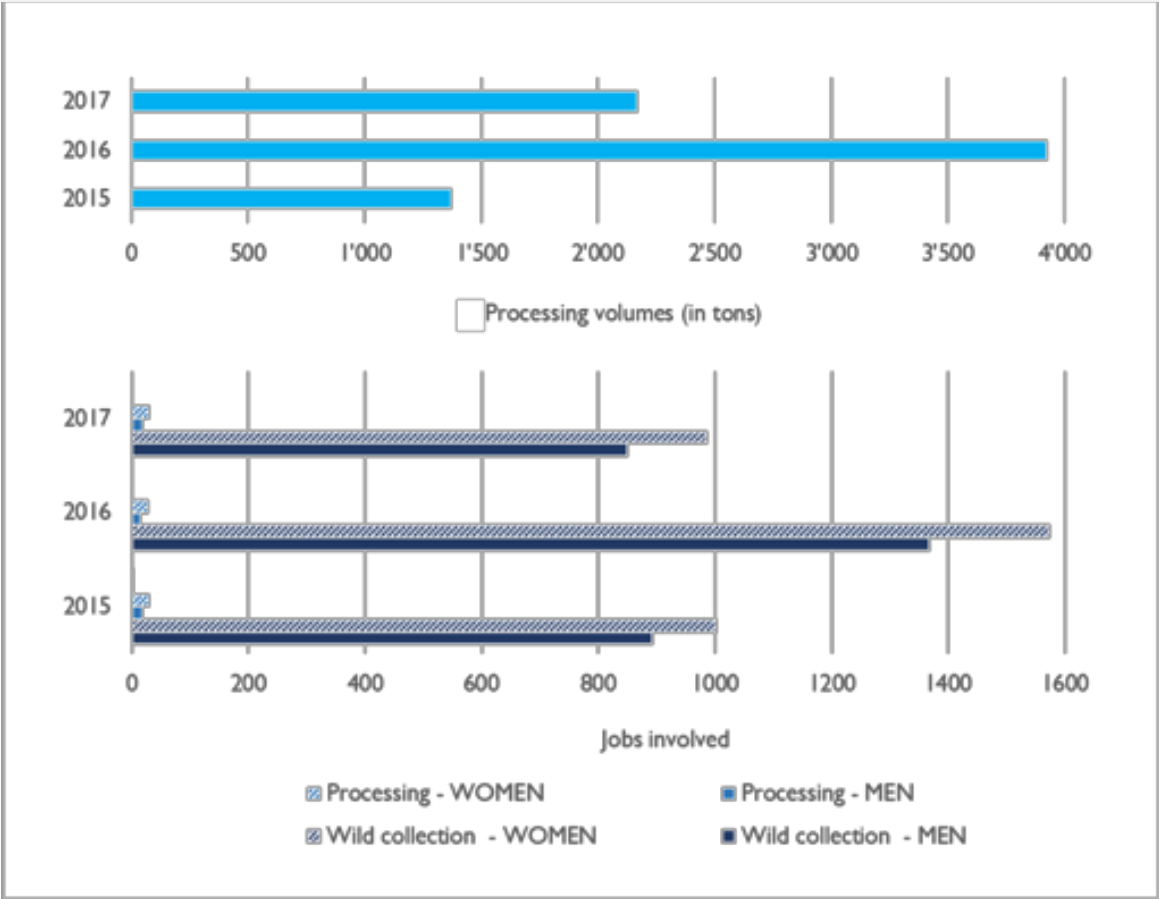


Source: Organic Business School ■ Men labor ■ Female labor

- › 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

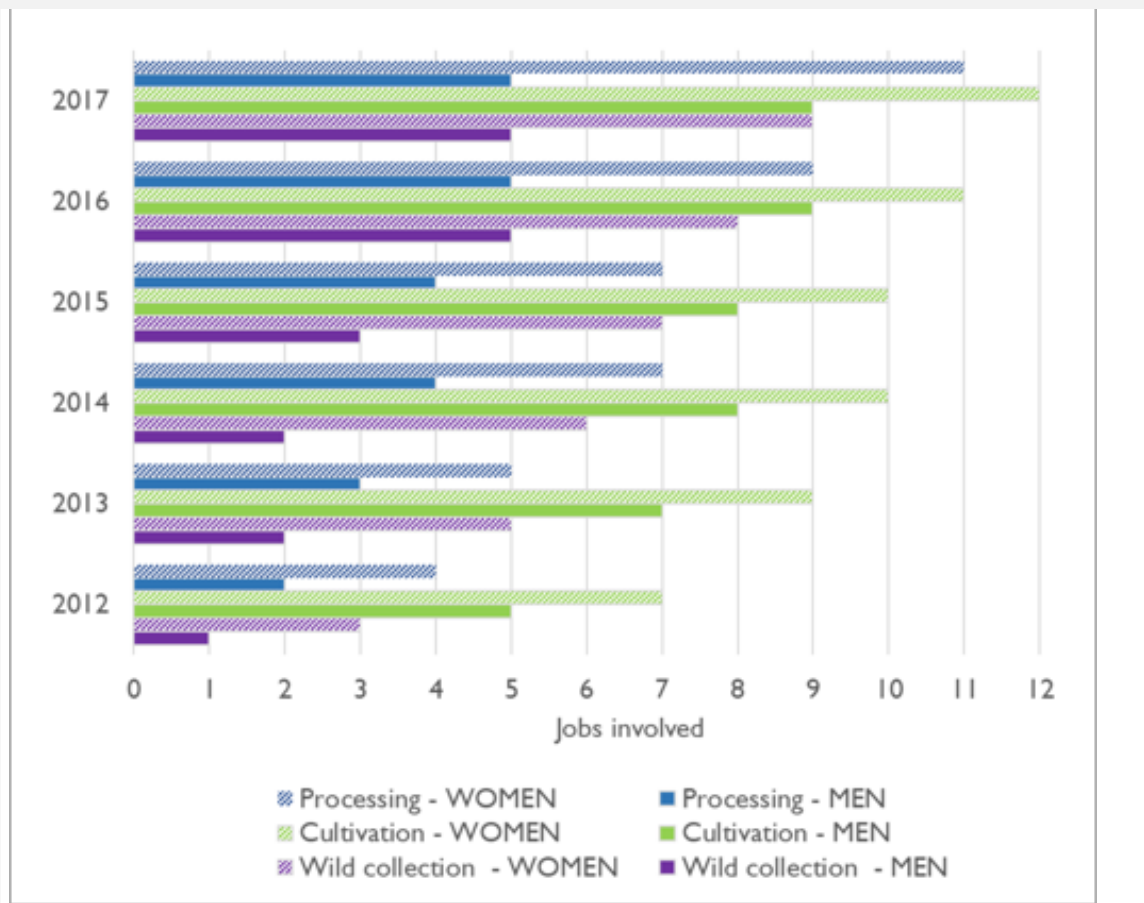


- › Job creation effects relating to wild collection highly important.
- › Low job creation through industrial processing.
- › Good harvests boost rural income, especially for women.

Source: Rivneholod

Employment effects in herbs cultivation

Jobs involved the cultivation and processing of organic herbs



Source: Phytosvit



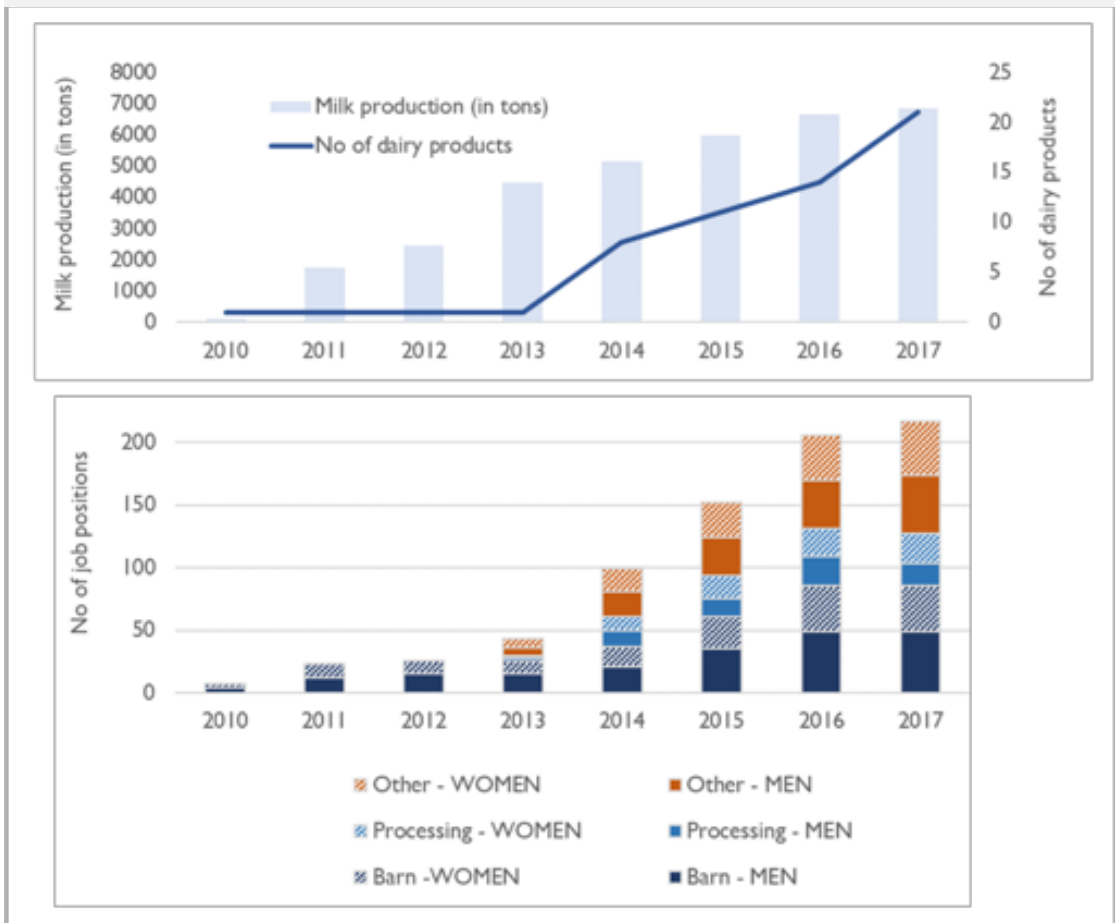
- Labor use for cultivation, harvesting and processing is very crop specific.
- SMEs tend to involve more jobs in processing than big companies.

Employment effects in organic dairy



› Organic milk production requires not more labor than conventional production.

Jobs involved in milk production and processing



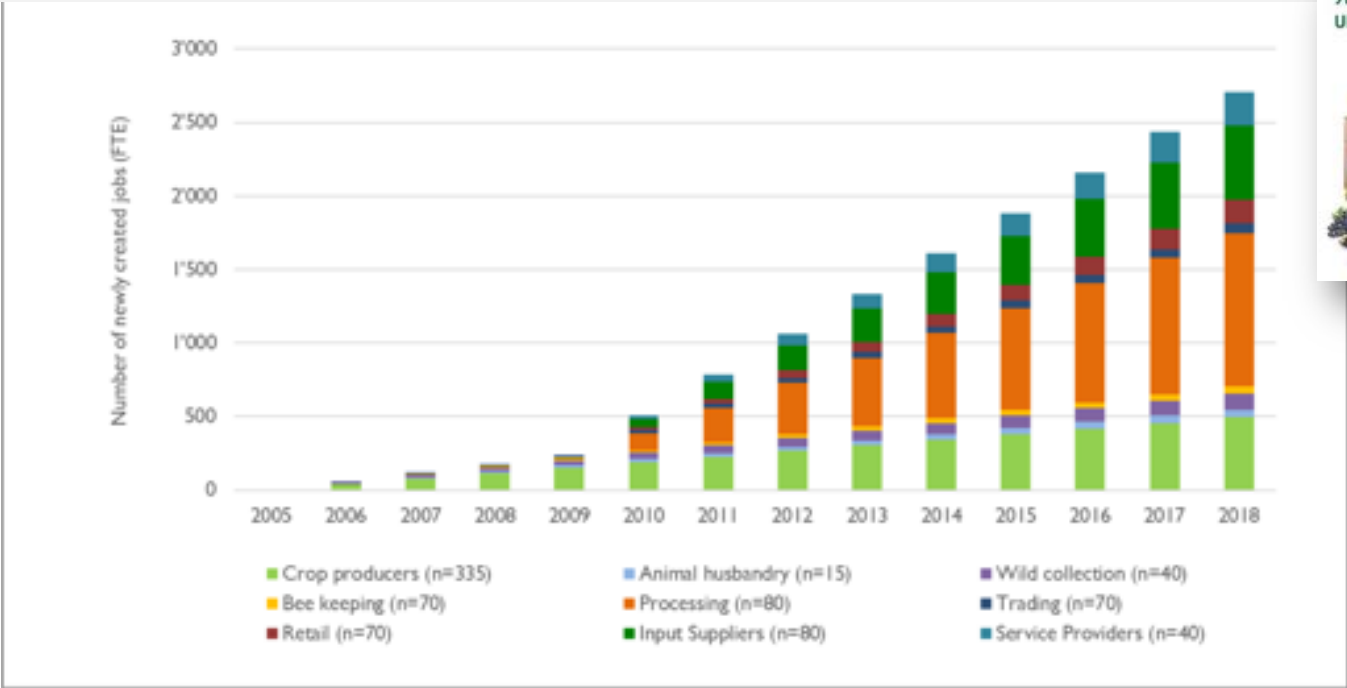
Source: Galeks Agro & Organic Milk



› Meaningful jobs are created through processing – with product diversification.

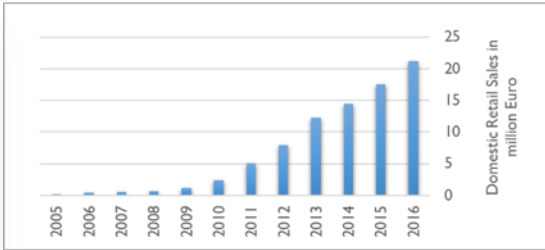
Estimated new full time jobs in the organic sector

Calculated newly created jobs relating to organic production in Ukraine



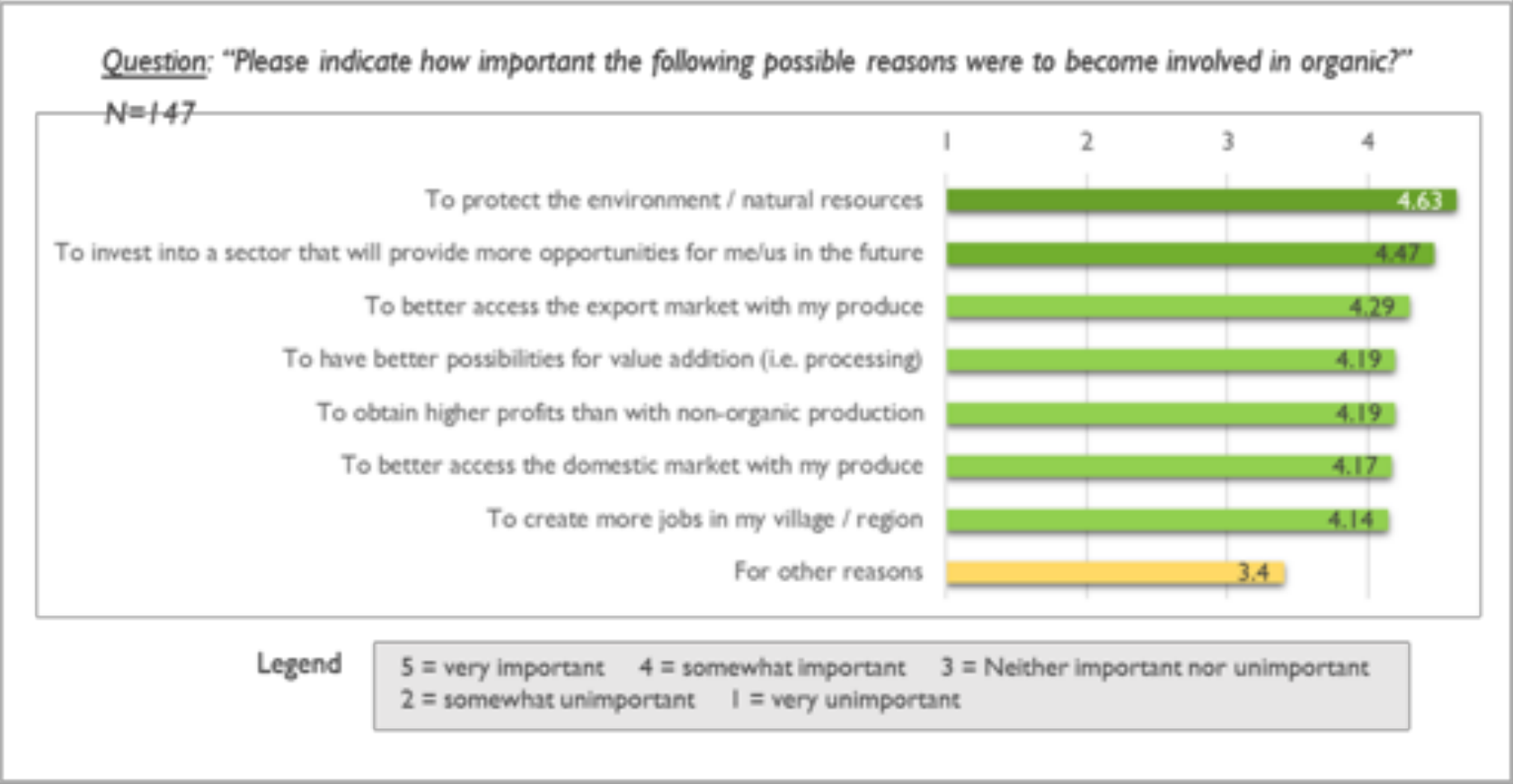
- Job creation effects strongly depend on overall sector development.
- Meaningful jobs are created thanks to domestic processing opportunities.

Date source: Online survey



Expected organic sector development trend

Reasons of stakeholders to shift towards organic

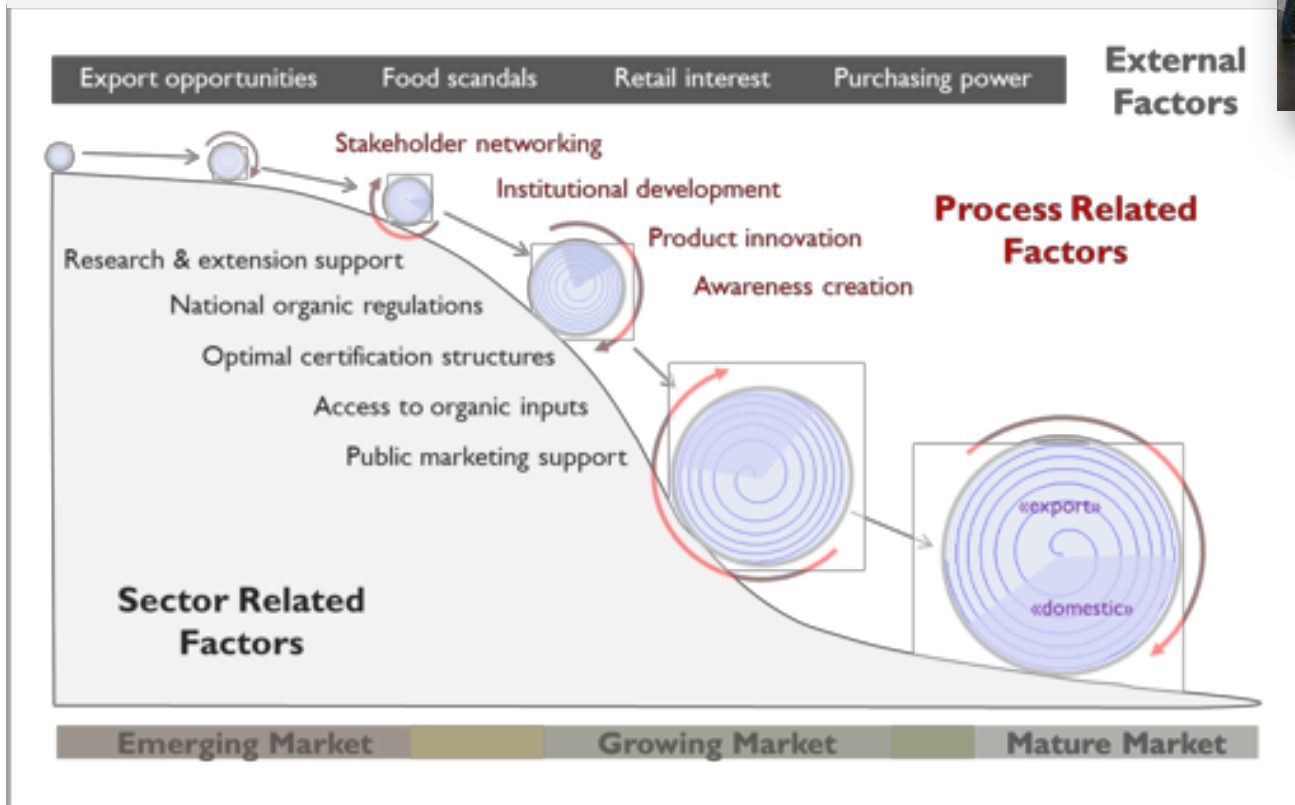


› Organic is clearly perceived as a viable option to develop a competitive business that at the same time has the advantage to create new jobs.

Importance of sound sector development interventions to boost sector growth



Generic process model for organic market & sector development

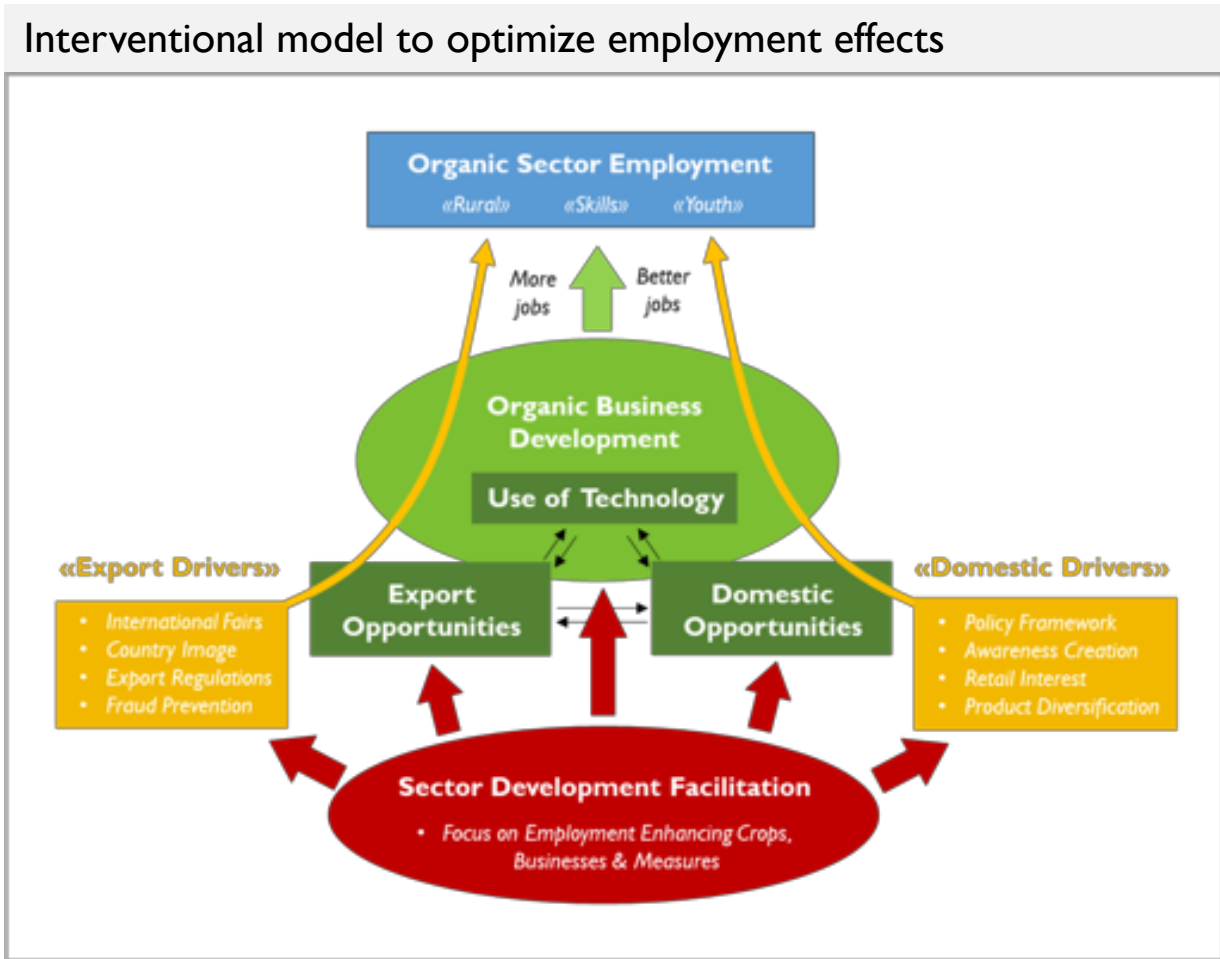


Intervention approach:

- ▶ 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»



- › 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

