

# LABOUR MARKET PROFILE

# Ukraine

2025/2026

This profile brings insights and useful information of the labour market's structure, status, and challenges in the country.



## PREFACE

The Danish Trade Union Development Agency (DTDA) is the development organisation of the Danish trade union movement. DTDA's work aligns with the International Labour Organization's global Decent Work Agenda (DWA), based on its four pillars: creating decent jobs, guaranteeing rights at work, extending social protection, and promoting social dialogue. The overall development objective is to eradicate poverty and support the development of just and democratic societies by promoting the DWA.

The DTDA collaborates with trade union organisations in Africa, Asia, Eastern Europe, Latin America, and the Middle East. The programmes' immediate objective is to assist the partner organisations in becoming change agents in their own national and regional labour market context, capable of achieving tangible improvements in the national DWA conditions and the labour-related Sustainable Development Goals (SDGs).

The Labour Market Profile (LMP) format is a comprehensive resource that offers a detailed overview of the structure, development, and challenges of the labour market. It covers key indicators such as unionism, social dialogue, bi-/tri-partite mechanisms, labour policy development, legal reforms status' compliance with international standards, just transition, and the Fourth Industrial Revolution, providing a wealth of information for stakeholders.

This profile is prepared by national statistical institutions and international databanks (e.g., ILOSTAT and NATLEX, World Bank Open Data,

and other internationally recognised labour-related global indexes) are also used as sources of data and information.

The profile is regularly updated to reflect the latest developments. The current version was prepared at the end of 2024 and published on January 27, 2025.

Labour Market Profiles for more than 20 countries are available on DTDA's website, ensuring stakeholders have access to the most recent information:

<https://www.dtda.dk/>.

The DTDA supports development programmes in Ukraine in collaborates with the Federation of Trade Unions of Ukraine (FPU) and the Confederation of Free Trade Unions of Ukraine (KVPU).

If you have any comments about the profile, please contact Mr. Kasper Andersen ([kan@dtda.dk](mailto:kan@dtda.dk)) from DTDA.

The front-page photo is from Maidan Nezalezhnosti (Independence Square) in Kyiv in 2024. The photo was taken by Mr. Rasmus Holm.

Address:  
Fagbevægelsens Udviklings samarbejde  
Islands Brygge 32D  
DK-2300 Copenhagen S  
Denmark  
Telefon: +45 33 73 74 40  
<https://www.dtda.dk/>

## EXECUTIVE SUMMARY

**Russia's full-scale invasion against Ukraine since February 2022 has had a devastating impact, contracting economic output by around a third, ballooning unemployment, and high inflation that triggers deep drops in wages.**

Projections suggest that poverty rose rapidly on a high scale due to these shocks. As part of the climate change agenda, the country planned to shut down state-owned coal mines that could push job transition demand for 40,000 employees, but wartime effects project setbacks to progress on the energy sector reform.

**Since the war was initiated, Ukraine entered martial law, restricting constitutional rights and specifically prohibiting workers from public protests and strikes.** Several new rules were approved to liberalise the labour market further and deregulate industrial relations. This situation has stalled the long-standing review of the complex labour-related legal framework to align with the European Union's legislation. Additionally, the country's relatively high national compliance with labour rights compared with the Eastern European average is likewise brought in limbo.

**In Ukraine, social dialogue at the national level via central tripartite institutions has been undeveloped, and a long track record of collective bargaining agreements is losing pace.** This situation is mirrored in the decreasing trade union density rate but still stands notably on the high-end at the world level. Some factors fuelling the conflictive social dialogue ambience are structural shifts driven by privatisation that has reshuffled the business landscape, shrinking workforce, and emerging waves from the fourth industrial revolution.

**The ongoing war has profoundly affected Ukraine's labour market.** Some of the central matters concern the mobilisation of the armed forces affecting the volume of personnel recruitment; changed personnel turnover; a shortage of competent employees due to enormous migration flow. These structural difficulties echo the historically high unemployment rate. A reaction to a shortage in professions traditionally involving male employees attracted more women to work in these areas.

**Ukraine's employment by education at the advanced level is upward and among the highest in the world.** In contrast, vocational education and training (VET) has been under-prioritised, representing a significantly lower ratio of VET students to total education, as well as firms offering formal training experienced a significant drop during the last two decades due to changes in the business environment. The country is also among the world's big players in the information and communication technology (ICT) sector, generating a high level of employment. Local digital platforms are emerging, which brings concerns about its effect on the social model.

**Ukraine's social protection system is at the low-end involving population covered by at least one social protection benefit compared with Eastern Europe countries.** The social protection system delivers full pension coverage but below the living standards at the subsistence minimum level. The complex subsidy system strains public spending, and the health sector struggles with a relatively low health expenditure per capita. The current war harm central staff and caused financial losses in social protection.

## FACT SHEET

### Significant improvements

- During wartime, social partners support a national spirit, including an integral part of the large-scale mobilisation of civil society to respond to the devastation of war.
- New laws on collective agreements, structural shift in multidisciplinary teams in healthcare settings, and on domestic work.
- Experiences with public-private partnerships in VET, such as employers' industrial centres and sectoral skill councils, have been significantly enhanced.
- An increase in the number of women among the economically active population is expected.

### Social dialogue

- Although a long-standing privatisation process has led to a gradual decline in collective bargaining coverage, the country has a relatively high collective bargaining coverage rate of 40% for employees in 2023.
- Several central tripartite institutions have been dormant.

### Main challenges

- Rebooting the employment volumes in the private sector, especially generate jobs in the commerce and service sectors.
- The shrinking workforce and a high older population bring pressure on the tax system to safeguard social protection's financial sustainability.
- The prospects for European integration determine the growing demand for knowledge of European norms and standards.

### Unionism

- Trade union density of 37% for employees in Ukraine.
- Trade union density rate fell by 20 percentage points during the 2010s.
- Violations of trade union rights rank 5 of 5+.

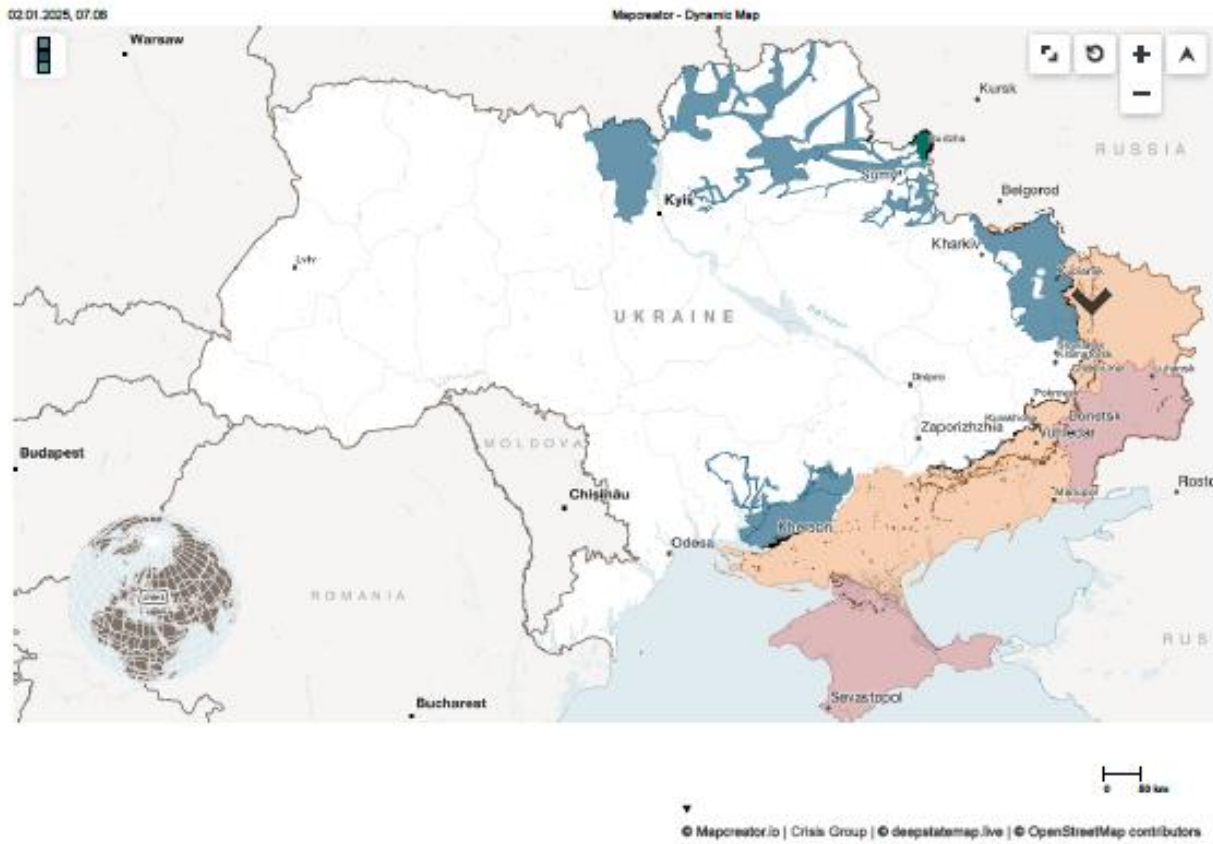
The trade unions' main factors to address challenges triggered by wartime:<sup>1</sup>

- More vigorous enforcement of labour rights during martial law and after.
- A relaunch of industrial relations in the country is conducive to tripartite and bipartite negotiations.
- A revision of labour legislation via social dialogue.
- Deploy the Ukraine Facility – an instrument within the European Union's strategy – to support trade unions' capacity building.
- To prevent at all levels the substitution of participation of trade unions and social partners with non-governmental/civil-society organisations in tripartite formats.

### Workforce

- Substantial reduction of employment became the most significant change in the labour market since 2022.
- During wartime, the employment structure changed, including a fall in commerce and service workers.
- The workforce faces a shortage of qualified VET technical specialists.
- Providing employment for vulnerable population groups have worsened due to the complication of the process of jobs creation in war conditions.

## COUNTRY MAP



Source: Crisis Group.

## TABLE OF CONTENTS

<b>PREFACE</b> .....	<b>I</b>
<b>EXECUTIVE SUMMARY</b> .....	<b>II</b>
<b>FACT SHEET</b> .....	<b>III</b>
<b>COUNTRY MAP</b> .....	<b>IV</b>
<b>ECONOMIC PERFORMANCE</b> .....	<b>1</b>
Just Transition.....	2
Special Export Zones.....	2
<b>LABOUR LEGISLATION</b> .....	<b>3</b>
Observations on Labour Legislation.....	4
Ratified ILO Conventions .....	4
Trade Agreements .....	5
<b>SOCIAL PARTNERS</b> .....	<b>5</b>
Government.....	5
Trade Unions .....	6
Employers’ Organisations.....	7
<b>SOCIAL DIALOGUE</b> .....	<b>7</b>
Central tripartite institutions.....	9
Labour dispute resolution system .....	9
<b>TRADE UNION RIGHTS VIOLATIONS</b> .....	<b>10</b>
<b>WORKING CONDITIONS</b> .....	<b>10</b>
<b>WORKFORCE</b> .....	<b>12</b>
Unemployment .....	13
Migration .....	13
Informal Economy .....	15
Child Labour.....	16
Gender.....	16
Youth.....	18
<b>EDUCATION</b> .....	<b>19</b>
Vocational Training.....	20
Fourth Industrial Revolution .....	21
<b>SOCIAL PROTECTION</b> .....	<b>23</b>
<b>APPENDIX: ADDITIONAL DATA</b> .....	<b>26</b>
Table 1: Ukraine’s key economic data, projections, 2019-2025 .....	26
Table 2: Ukraine’s main acts of legislation most relevant to the governance of the labour market .....	26
Table 3: Ratified ILO Conventions in Ukraine .....	27
Table 4: Labour market efficiency in Ukraine, 2019 .....	28
Table 5: Ease of Doing Business in Ukraine, 2020.....	29

Table 6: Central trade union membership rates trend in Ukraine, 2012-2022 .....	29
Table 7: Ukraine - Scores for Women, Business and the Law, 2024 .....	29
Table 8: Central laws covering the education sector in Ukraine.....	30
Table 9: Proportion of population covered by social protection systems and health in Ukraine and Eastern Europe, %, latest year .....	30
<b>REFERENCES .....</b>	<b>31</b>

## Tables

Table 1: Ukraine’s key economic data, projections, 2019-2025 .....	26
Table 2: Ukraine’s main acts of legislation most relevant to the governance of the labour market...	26
Table 3: Ratified ILO Conventions in Ukraine .....	27
Table 4: Labour market efficiency in Ukraine, 2019 .....	28
Table 5: Ease of Doing Business in Ukraine, 2020.....	29
Table 6: Central trade union membership rates trend in Ukraine, 2012-2022 .....	29
Table 7: Ukraine - Scores for Women, Business and the Law, 2024 .....	29
Table 8: Central laws covering the education sector in Ukraine .....	30
Table 9: Proportion of population covered by social protection systems and health in Ukraine and Eastern Europe, %, latest year .....	30

## Figures

Figure 1: Gross domestic product, inflation, and unemployment growth trends in Ukraine, %, 2010-2025 .....	1
Figure 2: Level of national compliance with labour rights among Ukraine and neighbouring countries, 2022 .....	5
Figure 3: The collective bargaining coverage rate in Ukraine and neighbouring countries, %, 2010-2020 .....	8
Figure 4: Ukraine’s nominal minimum wage per month (Hryvnia) and yearly real minimum wage growth (%), 2014-2024 .....	11
Figure 5: Population pyramid based on the Age-Sex structure of the population in Ukraine, 2023.	12
Figure 6: The unemployment rate in Ukraine and Europe & Central Asia (ECA) average, Total and Youth, %, 2010-2023 .....	13
Figure 7: Ukrainian internally displaced persons and refugees, 2014-2023.....	14
Figure 8: Ukraine’s net migration and personal remittances trends, 2010-2023 .....	15
Figure 9: Key indicators for employed gender gaps in Ukraine, 2021 .....	17
Figure 10: Proportion of women in senior and middle management positions and managerial positions in Ukraine and neighbouring countries, %, 2021 .....	18
Figure 11: Proportion of youth (aged 15-24 years) not in education, employment or training in Ukraine and neighbouring countries, %, latest data .....	19
Figure 12: Employment by the education levels in Ukraine, %, 2011-2021 .....	20
Figure 13: Number of VET students and VET schools in Ukraine, 2015-2023 .....	21
Figure 14: Individuals using the Internet (% of population) and mobile cellular subscriptions (per 100 people) in Ukraine and Europe & Central Asia (ECS), 2000-2021 .....	23
Figure 15: Current health expenditure per capita (current US\$) and out-of-pocket expenditure (% of current health expenditure) trends in Ukraine and Europe & Central Asia (ECS), 2010-2021 .....	25

## ECONOMIC PERFORMANCE

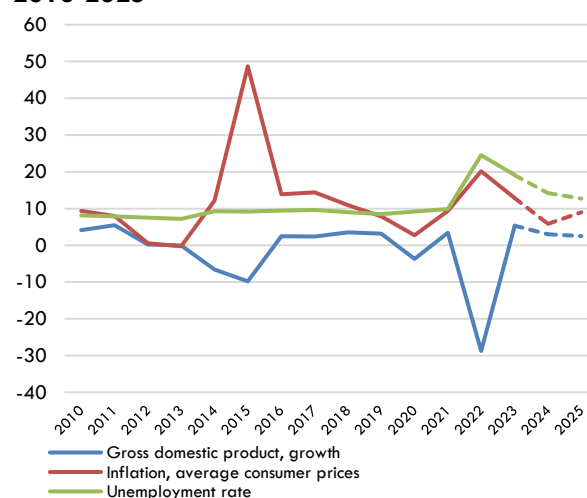
Ukraine is a lower-middle-income country and located at the European geo-political hotspot. Its economy benefits from fertile agricultural land, heavy industries, and rich deposits of metals, coal, oil, gas, and other natural resources.

During the last decade, the economy has confronted massive challenges. The three main factors concern: firstly, Russia annexed the Crimean Peninsula from Ukraine in 2014, costing Ukraine access to coal production in the Donbas region and causing a hard economic downturn. This situation has fuelled Ukraine's aspirations to join the European Union (EU) and the North Atlantic Treaty Organization (NATO).

Secondly, it became among the countries in Europe most severely affected by the global COVID-19 pandemic in terms of health in 2020, negatively impacting economic growth.

Thirdly, the socio-economic landscape has dramatically faced deep structural ruptures since February 2022 due to the full-scale invasion of Ukraine by the Russian Federation. Inflation in consumer prices rose high, cutting real wages, the unemployment rate accelerated, and the workforce radically shrunk due to extreme emigration. Although a boost from the public administration, which has been supported by foreign aid and accelerated government debt, military expenditure exploded and the economy did not generate enough decent and secure jobs to curb the rising structural unemployment (see Figure 1 and Appendix Table 1). Ukraine's economic situation is highly unpredictable and is likely to remain uncertain. It is worth mentioning that the ongoing war has even brought problematic repercussions to the global economy in 2022.

**Figure 1: Gross domestic product, inflation, and unemployment growth trends in Ukraine, %, 2010-2025**



Source: International Monetary Fund, World Economic Outlook Database, October 2024.

Economic development was concentrated in the service sector at the beginning of the 2020s. The agricultural sector's value-added experienced a downturn but is significantly higher than the regional average. The industry sector's value-added has plummeted.

The country's business regulations and labour market efficiency, detailed in Appendix Table 4 and Table 5, were at the high-medium level. However, the legal framework has been challenged since February 2022, when martial law was launched (see more in the Labour Legislation section). The prevalence of the informal economy also poses challenges in applying labour and business regulations in practice.

The Human Development Index (HDI) places the country as "high human development", but the HDI rank fell by 13 steps from 2015 to 2022, landing at 100 out of 193 countries (1 is best) in 2022.<sup>2</sup> In 2020, Ukraine poverty headcount ratio at national poverty line was down to 1.6% of population. However, the impact of wartime has been severe, with estimations suggesting that poverty has drastically

increased, indicating that more than nine million Ukrainians are now living in poverty.<sup>3</sup>

Within the tax system, Ukrainian employees are required to pay from their gross wage 18% of personal income taxes, 1.5% of war tax and another 22% of social security contributions (SSC). However, this system has been challenged by the prevalence of the informal economy, with at least two out of five companies operating in this “sector”. Some survey estimations suggested that around 90% of businesses are focused on minimizing the tax on their employees, not to mention about 60% of this tax was collected from public-sector employees despite they represent for less than 15% of total employment.<sup>4</sup>

### Just Transition

Impacts from climate change make Ukraine increasingly vulnerable to droughts, high temperatures, heat waves, heavy precipitation, mudflows, and floods. These factors primarily affect the agricultural and health sectors. In recent years, the number of natural disasters has increased in the geographic region, causing fatalities and significant economic losses.<sup>5</sup>

In 2016, Ukraine ratified the Paris Agreement, establishing a 40% reduction target reducing Greenhouse Gas (GHG) emissions from 1990 levels. The country updated the 2030 climate target under this agreement, which aimed to slightly reduce emissions compared to 2019 while pursuing economic growth and operating with climate policies and regulations. The country recently committed to carbon neutrality by 2060 and supported the European Green Deal for net-zero emissions by 2050.

Ukraine is one of Europe’s largest energy markets with high energy intensity. Their energy mix is dominated by nuclear power, coal, and

gas, leading to its reliance on imports. A carbon tax exists in Ukraine, although it remains low. The carbon neutrality transition could bring massive challenges due to outdated industry technologies and governance capacities. The country plans to phase out coal by 2035, shutting down state-owned coal mines. This initiative leads to structural change that will pose challenges for up to 40,000 employees in the mining sector and several suppliers, leading to job transition demand.<sup>6</sup>

Central reforms in the energy sector were launched during the last decade, phasing out many subsidy schemes, including universal fossil-fuel subsidies, which were largely eliminated. Subsidies in the electricity sector and the vast, indebted gas sector remain contested.<sup>7</sup> On the other hand, investment in renewable energy emerged in the years preceding the full-scale war in 2022. Although the country entered wartime in 2022, it has not significantly altered the government’s position on climate change, but effects could constitute major setbacks to progress on climate objectives.<sup>8</sup>

### Special Export Zones

Transition economies in Eastern Europe began adopting SEZ regimes in the 1990s. Ukraine approved the Law on General Principles of Special (Free) Economic Zones Creation and Functioning, No. 2674-XII, 1992, last amended 2006. However, the privileges of zones in Ukraine were withdrawn in the mid-2000s, and the zones were formally closed in 2016. In contrast, all other transition economies have some form of SEZ.<sup>9</sup> Proposals of the free economic zone (FEZ) in the Donbas region surfaced in 2020 to attract investments to the area and in the West of Ukraine. Currently, the country does not maintain SEZs/FEZs, and the recent initiatives have not moved forward.<sup>10</sup>

## LABOUR LEGISLATION

A complex labour-related legal framework in Ukraine regulates and sets standards and restrictions for the industrial relations (see Appendix Table 2). This framework has a heritage from the Soviet Union period with a social and labour relations system that is not in sync with the current structural economic landscape. Transitional provisions to replace the overarching Labour Code of 1971 have been in progress, including a revised new Labour Code, currently under review to align with EU legislation. Studies found that draft laws often faced poor legal quality and lack of consultations.<sup>11</sup> Generally, Ukraine's level of national compliance with labour rights has been relatively high compared with the Eastern European average (see more in the Ratified ILO's Conventions sub-section).

Since Russia's full-scale invasion in February 2022, Ukraine has operated under martial law, lasting until the invasion official ending. This situation restricts the constitutional rights and freedoms of citizens and specifically prohibits workers from public protests and strikes. Several other new laws were approved to further liberalise the labour market and deregulate industrial relations.

Some of the changes are i) the Law on Organising Labour Relations under Martial Law, which allows employers to suspend specific provisions of the collective bargaining agreement unilaterally; ii) a law limiting collective bargaining rights for workers for any employer with 250 or fewer employees under Martial Law; iii) the Law on Collective Agreement, modernising the collective bargaining procedures and allowed minority unions to join collective bargaining agreements; iv) a law establishing administrative liability and increased fines for parties of collective agreements for ignoring or avoiding

participation in collective negotiations; v) the Ministry of Economy approved minimum requirements for safety and health signs at work and for the health and safety of workers in explosive environments.

Several of these reforms have been considered controversial. It has created concerns by the Ukrainian trade union movement for no protection of workers' rights, as well as ILO and EU argue that Ukraine's government should follow international labour standards and social dialogue principles.<sup>12</sup>

On a positive note, a new law regulating domestic work was introduced in May 2024, marking a significant step towards recognizing domestic workers and their labour rights. This law, which includes provisions for working conditions and establishes an employment contract as the primary means of formalizing the working relationship, has the potential to greatly improve the situation for domestic workers in Ukraine. The law also sets a minimum age for domestic workers, addressing an area that was previously underdeveloped. While uncertain, the impact of this new law holds promise for the future of labour rights in Ukraine.<sup>13</sup>

Ukraine currently lacks a separate strategy on employment. The national economic development strategy, which runs until 2030, includes the strategic objective of increasing employment.<sup>14</sup> However, the severe labour market distortion caused by the war since 2022 has thrown this strategy into uncertainty. Additionally, the European Union agreed to start membership negotiations with Ukraine in June 2024. This process is supported by the EU's Ukraine Facility (2024-2027), addressing the multifaceted challenges confronting Ukraine in the wake of Russia's war of aggression (see more in the Trade Agreements sub-section).

## Observations on Labour Legislation

The labour-related legal framework contains several limits to freedom of association and the right to collective bargaining. Trade unions have considered several laws excessively complex and contradictory, creating obstacles for workers seeking to form trade unions. The registration process is particularly burdensome, with bureaucratic hurdles such as the payment of notary fees and the requirement to visit as many as 10 different government offices is adding to the frustration.

The mentioned law of administrative liability sets the fine not to be imposed on social parties at enterprises with fewer than 25 workers. Unions have expressed that this threshold was too high and did not correspond with those imposed by the Law on Collective Bargaining Agreements, which was ten workers.<sup>15</sup>

Due to wartime, information about the effectiveness of labour laws' enforcement was scarce. Collective agreements remain in force under martial law but are not always respected, and employers can suspend parts of collective agreements without consulting unions. In addition, the constitution prevented judges from being members of trade unions, and it cannot be modified under conditions of war or state of emergency.

## Ratified ILO Conventions

International Labour Organization's (ILO) conventions enumerate international principles and rights at work. Ukraine has ratified 72 conventions. The latest endorsed convention was the Chemicals Convention (C170) in December 2023, entering into force in December 2024. Appendix Table 3 shows that Ukraine approved nine of ten fundamental conventions, all four Governance Conventions,

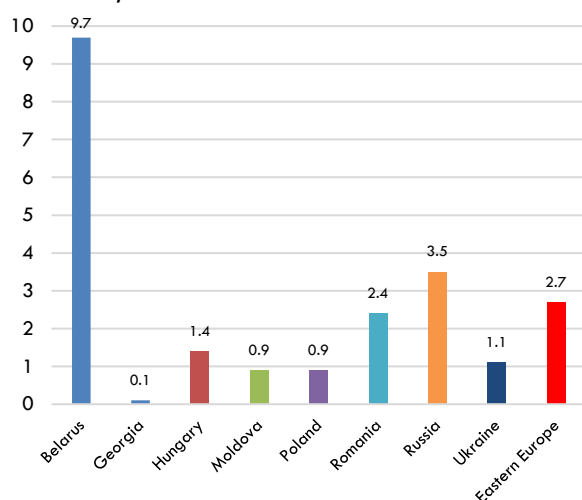
and 59 of 177 Technical Conventions, of which 28 are Up-To-Date and actively promoted.<sup>16</sup>

The independent ILO body, known as the Committee of Experts on the Application of Conventions and Recommendations (CEACR), listed observations and direct requests for a wide range of conventions in recent years. For example, in 2023, regarding the Freedom of Association and Protection of the Right to Organise Convention (C087), CEACR focused on concerns of draft laws that have been prepared unilaterally or without prior consultation and restricted the exercise of the right to organise. CEACR mentioned that an issue regarding the right to strike for public servants has been flawed and is under observation for the preparation of the draft Collective Labour Disputes bill, which is not included in full consultation with the most representative workers' organisations to find a mutually agreeable solution.

Regarding the Right to Organise and Collective Bargaining Convention (C098), the committee also detected several other issues, including requesting Ukraine's government to take the necessary measures to ensure that negotiation with individual workers is not detrimental to collective bargaining with trade union organisations.

The Sustainable Development Goals indicator 8.8.2 measures compliance with fundamental labour rights. Based on ILO textual sources and national legislation, Ukraine's scoring has weakened in recent years but stood among the best among the neighbouring countries in 2022 (see more in Figure 2). Ukraine's capacity to achieve SDGs is in limbo due to the martial law and on-going war.

**Figure 2: Level of national compliance with labour rights among Ukraine and neighbouring countries, 2022**



Note: The value ranges from 0 to 10, with 0 being the best possible score (indicating higher levels of compliance with freedom of association and collective bargaining (FACB) rights) and 10 the worst (indicating lower levels of compliance with FACB rights based on ILO textual sources and national legislation).

Sources: International Labour Organization, Key Indicators of the Labour Market (KILM).

## Trade Agreements

Ukraine is linked to 19 regional trade agreements (RTAs), three of which have labour provisions with the United Kingdom, Canada, and the European Union (EU).

The EU and Ukraine have provisionally applied their Deep and Comprehensive Free Trade Area (DCFTA) since 2016, linked with the economic part of the EU-Ukraine Association Agreement (AA). The AA, a cornerstone of Ukraine's reform package, is a comprehensive agreement that goes beyond trade, incorporating political and social aspects. As indicated, the political pillar of the AA incorporated labour rights clauses to protect migrant workers' rights. It included a chapter on civil society cooperation, opening for capacity building to strengthen transparency, social dialogue, and collaboration between social actors. Ratifying the AA has influenced Ukraine's foreign policy, taking some steps ahead to become more aligned with the EU and

other Western institutions. A Priority Action Plan (PAP) 2023-2024 to progress the EU-Ukraine DCFTA outlined concrete actions to accelerate and monitor the agreement's full implementation, providing Ukraine with further access to the EU Single Market. The current PAP has not emphasised labour provisions.

In 2025, the European Commission will monitor the country's new framework legislation in labour relations and occupational health and safety. This process is central to bringing the legal framework in line with applicable EU directives to ensure an enabling environment for bipartite and tripartite social dialogue and strengthen the capacities of social partners, not to mention EU legislation on non-discrimination in employment.<sup>17</sup> Controversial labour-related martial laws that deteriorated workers' rights could bring limited progress to EU regulations, challenging the DCFTA approval, not to mention the absence of a specific employment policy. On the other hand, since 2022, the EU has introduced a series of trade-related measures, including granting Ukraine full trade liberalisation, suspending import duties, quotas, and trade defence measures for imports from Ukraine temporarily.<sup>18</sup>

## SOCIAL PARTNERS

Social partners are central to promoting the realisation of core labour rights and social justice for workers by protecting freedom of association and collective bargaining. These organisations are usually represented as the government, trade unions, and employers' organisations.

## Government

The government of Ukraine is a key factor in negotiating general economic and social issues at the national level and representing public

sector employers at sectoral-level bargaining, as well as revises the national minimum wage and subsistence minimum, which are used in collective agreements at all levels.

The Ministry of Social Policy of Ukraine is responsible for instituting labour relations, family and children, immigration and trafficking, women's rights, children's rights, and humanitarian aid. The ministry monitors several state agencies that are specialised in specific fields and coordinate operations of government institutions with labour affairs.

Other ministries are players on labour-related issues, such as the Ministry of Healthcare involved in social protection; the Ministry of Education and Science that implements the state policy in the sphere of education and science, including the vocational education and training (VET) system; the Ministry of Youth and Sports directs the Ukrainian Youth Fund.

## Trade Unions

In the collapse of the Soviet Union, structural shifts started in the 1990s, which was driven by a massive privatisation and deregulation of enterprises. This process led to dramatically reshuffle the labour market landscape. Large-scale privatisation continues during the ongoing war. As a part of this process, new forms of work like the digital labour platforms and gig economy emerged, bringing difficulties in recruiting new members for trade unions unionism and by the same token for employers' organisations.

Other ruptures like the demographic changes, the impact of Russia annexing the Crimean Peninsula, the Covid-19 pandemic, and the ongoing war have also led to shocks in the labour market, challenging unionism. These factors are echoed in a significant slump in the

trade union density from around 85%-95% of all employees in the early 1990s to 57% in 2010 and further to 37% in 2019. This density remains notably higher than the closest neighbouring countries and even on high-end at the world level.<sup>19</sup> Other data from three prominent trade union organisations show that they lost at least two million members from 2019 to 2022, with a drop of 42%, landing at 2.9 members in 2022 (see more in Appendix Table 6). Since 2022, this number has most likely dropped further due to the impact of the ongoing war, leading to displaced populations, the closure of businesses in the eastern region, and drafting for the Ukrainian army, not to mention trade unions lost contact with their members in the territories currently occupied by Russia.<sup>20</sup>

Some of the main risks that have posed the biggest threat to the unionism in Ukraine in recent years are:<sup>21</sup>

- The institutional weakness of trade unions results in the inflexibility of trade union structures. The limited use of digital technologies and the outflow of the most active members of the army have undermined their ability to react promptly in a crisis environment.
- The economic disruption due to the current war has affected workers' daily lives in large parts of the country, particularly in logistics, energy, transportation, and industry.
- A political environment unfriendly to trade unions, linked with legal restrictions, prevents trade unions from effectively protecting their membership under martial law. The government is also promoting a policy of employment deregulation.

Although Ukrainian trade unions are facing immense challenges, they are an integral part

of the large-scale mobilisation of civil society to respond to the ongoing war. For instance, the labour movement across regions and industries has actively aided on the ground, soliciting international support via networks for humanitarian support, and members of trade unions are joining the military to defend Ukraine. Although it could lead to some improvements to unite as a nation, including among social partners, this effect is not yet registered by research.<sup>22</sup>

The Joint Representative Body of Representative All-Ukrainian Trade Union Associations coordinates the trade union movement, aiming to protect workers' labour, social, and economic rights (see more in the Social Dialogue section).

The two leading trade union organisations are briefly outlined below, while there is also a myriad of more minor associations:

- The Federation of Trade Unions in Ukraine (FPU) is Ukraine's largest confederation, with 43 affiliate trade unions and 27 regional bodies. The membership rate was registered as 2.7 million in January 2024, of whom 70% (1.9 million workers) are active working members of trade unions.<sup>23</sup>
- The Confederation of Free Trade Unions in Ukraine (KVPU) is the second-biggest trade union confederation, listing ten affiliate trade unions representing 159,500 members in 2022.

In the process of EU accession and granting of candidate status for EU membership to Ukraine, the FPU and KVPU became members of the European Trade Union Confederation (ETUC) at the end of 2022, not to mention they are members of the International Trade Union Confederation (ITUC).

## Employers' Organisations

Employers – those working on their account or with one or a few partners holding “self-employment jobs” – represent 1.2% of the total employment in Ukraine, significantly lower than the Europe & Central Asia average of 3.7%.<sup>24</sup>

Based on the Global Risks Report 2024, identified by the Ukraine Executive Opinion Survey, the five risks that are the most likely to pose the biggest threat to the country in the next two years are interstate armed conflict, involuntary migration, use of biological, chemical or nuclear weapons, public debt, and inflation.<sup>25</sup>

The employers' organisations are coordinated through the Joint Representative Board of Employers Organisations of Ukraine.<sup>26</sup>

An overview of the central employers' organisations is summarised below:<sup>27</sup>

- The Federation of Employers of Ukraine (FEU) represents 140 sectoral and regional organisations of employers, listing over 8,000 enterprises in 2024.<sup>28</sup>
- The Association of Organizations of Employers of Ukraine (AOEU) consists of 8 all-Ukrainian and 24 territorial associations of employers' organisations in 2024.<sup>29</sup>
- The Confederation of Employers in Ukraine represents six sectoral employers' organizations.<sup>30</sup>

## SOCIAL DIALOGUE

Ukraine has ratified central international conventions concerning social dialogue, including ILO's Tripartite Consultation Convention (C144) and the Collective Bargaining Convention (C154) (revisit Appendix Table 3). The national legal

framework for social dialogue in Ukraine is governed by the 2010 Law of Ukraine on Social Dialogue, prescribing specific obligations at the national, sectoral and territorial levels. A new law on collective agreements was adopted in February 2023, which is a new mechanism for extending collective agreements to non-union employees, but it will not enter into force until six months after the cessation of martial law.<sup>31</sup>

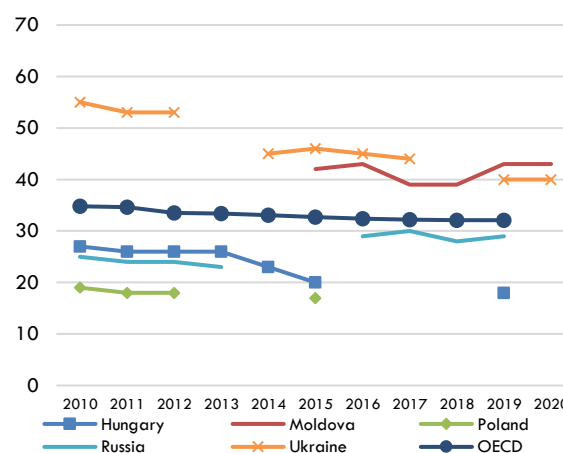
The unstable political and economic situation in Ukraine has significantly impacted labour regulation enforcement, leading to an unbalance in labour market relationships that heavily favour employers. This imbalance is evident in the emergence of fixed-term contracts and unions stymied role. The resulting polarisation of social partners' positions and erosion of social dialogue further exacerbate the situation.

Only a few central tripartite bodies are set to promote social dialogue and operate somewhat dormant (see more in the Central Tripartite Institutions sub-section). Instead, conducting social dialogue has a long record via collective agreements, such as the national (state) General Agreement; sectoral (cross-sectoral) agreements; regional agreements within a specific administrative-territorial unit; firm-level at enterprises, institutions, and organisations.<sup>32</sup>

The changes in the labour market landscape have led to a gradual decline in the coverage of collective bargaining during the 2010s. While the coverage remained above that of neighbouring countries and the OECD average, the decline is a cause for concern (see more in Figure 3). Official data on the collective bargaining coverage rate at the beginning of the 2020s are scarce. Under martial law, trade unions can exercise their rights to participate in

collective bargaining to conclude collective agreements and industry agreements. However, specific provisions of collective agreements may be suspended by Law 2136 on Organisation of Labour Relations during Martial Law.

**Figure 3: The collective bargaining coverage rate in Ukraine and neighbouring countries, %, 2010-2020**



Source: International Labour Organization, ILOSTAT; Organisation for Economic Co-operation and Development, OECD Data Explorer.

Reports found that during 2022–2024, employers actively suspended specific provisions of collective agreements unilaterally based on Law No. 2136, and trade unions failed to counteract this. These realities of martial law have led to a decline in the role of collective bargaining.<sup>33</sup> Nevertheless, several new sectoral agreements were registered in the cultural sector for 2023–2028, in road transport for 2024–2026, and in agriculture for 2023–2025 were registered.<sup>34</sup> These sectoral agreements will only function after martial law. In addition, at this sub-national level, the structure of trade unions and employers' organisations have some difficulties in social dialogue; for example, trade unions that are representatives in certain economic activities sometimes negotiate with employers' organisations with representation in other economic activities.

## Central tripartite institutions

Few central tripartite institutions are set to promote social dialogue in Ukraine. The government coordinates the tripartite institutions at the national level. The status of central tripartite institutions is summarised below.

### National Tripartite Social and Economic Council

The National Tripartite Social and Economic Council (NTSEC) is a permanent body established to ensure social dialogue between employees, employers, and the state. It is the leading platform for social dialogue in Ukraine.

The council's main tasks are to promote a consolidated position and recommendations on the development of economic and social policies as well as regulation of labour. The institution is composed of an equal number of authorised representatives of the parties to the social dialogue at the national level, 20 from each: Government, all-Ukrainian trade unions and their associations and all-Ukrainian associations of employers' organisations.<sup>35</sup>

In practice, the NTSEC was dormant at least since 2018 but resumed some sessions late in October 2021 with a reinforced mandate. This positive step indicated an emerging interest in living up to the stated intentions of bringing it in line with ILO standards and relevant EU directives. Still, the council has suffered from high staff turnover, understaffing and a lack of clear duties and responsibilities. Since September 2022, its rotating presidency has not been renewed, creating a period of inactivity, as well as martial law also affects its functioning.<sup>36</sup>

### Social Insurance Funds

Ukrainian social insurance funds are managed on a parity basis by the state, representatives

of the insured (trade unions) and representatives of insurant (employers' organisations) (see more in the Social Protection section).

## Labour dispute resolution system

By law, procedures are outlined on how to manage a collective labour dispute in Ukraine via mandatory conciliation commission processes, which is the non-jurisdictional body. If it fails, arbitration bodies are required. The development of mediation faced a long absence of a particular Law of Ukraine "On mediation", but it was eventually approved in 2021. If mediation fails, it could end in court. The country has no special labour/employment courts; the general courts generally consider individual employment disputes under general civil procedural rules. It is worthwhile to mention that the Constitution prevents judges from being members of trade unions.

Labour disputes are often not handled at the workplace in Ukraine; cases frequently escalate and require formal intervention by a third party, such as national labour inspection bodies, state mediators in case of collective disputes, or courts if individual conflicts arise.

There are no official statistics on court cases dedicated to discrimination at work. An overview of court cases demonstrates that discrimination is usually not among the main reasons for disputes. Some estimations suggest that the level of rejected appeals against discrimination is high. Ukraine is still to adopt legislation obliging employers to prove the legality of their decision, action or inaction in discrimination-related court cases, as provided for in the national human rights strategy for 2021-2023.<sup>37</sup>

In the wave of new labour-related alternative dispute resolution (ADR) systems receiving more attention around the world, it also emerged in Ukraine to curb the heavy workload in court. However, it is still not widely used in the country. This ADR lacks legislative regulation for voluntary mediation, low level of public awareness, lack of qualified specialists (arbitrators and mediators).<sup>38</sup> Some ongoing developments in Ukraine's labour dispute resolution system is a working group, which includes representatives of the social partners, preparing a draft Law on Collective Labour Disputes.<sup>39</sup>

## **TRADE UNION RIGHTS VIOLATIONS**

Ukraine was reintroduced to the Global Rights Index in 2024, ranking 5 (from 1 to 5, 5 is worst), characterised by “no guarantee of rights”, i.e., countries with a rating of 5 are the worst countries in the world to work in. While the legislation may spell out certain rights, workers have effectively no access to these rights and are therefore exposed to autocratic regimes and unfair labour practices.<sup>40</sup>

Ukrainian workers' rights have continued to be restricted since February 2022, introducing several regressive emergency laws that have limited workers' rights. For instance, martial law restricted citizens' constitutional rights and freedoms and prohibited workers from public protests and strikes. This situation is making it very complicated for unions to function freely to protect workers and for working families to access livelihoods, as they are forced to face the catastrophic consequences of war.<sup>41</sup>

The ILO complaints procedures have no active Freedom of Association case but registered one follow-up involving the Federation of Trade Unions of Ukraine (FPU), which alleges gross and systematic violations by Ukrainian public

authorities, courts and employers of the right of trade unions to freely and independently organise their activities.<sup>42</sup>

Crises heighten the risk of all forms of modern slavery, and climate crisis has accelerated these circumstances. Russia's invasion of Ukraine could have further increased its risk with mass displacement and emigration. Estimations suggest that about 559,000 people were living in modern slavery in Ukraine, which is 1.3% of the population and ranking as number 4 out of 47 in Europe and Central Asia on the Global Slavery Index (1 is the worst score) in 2023. This index measures modern slavery, i.e., slavery-like practices (such as debt, bondage, forced marriage and sale or exploitation of children), human trafficking, and forced labour. Taking into consideration a lack of data in countries experiencing conflict could fall short of the true extent of modern slavery.

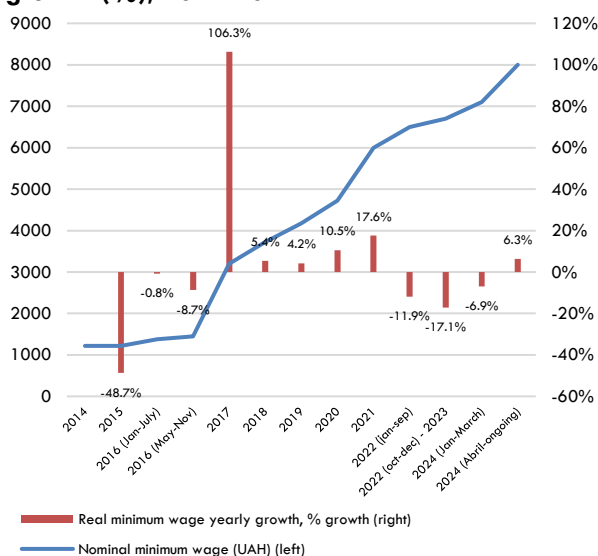
## **WORKING CONDITIONS**

In Ukraine, the minimum wage is a state social guarantee, mandatory for enterprises of all forms of ownership and management and individuals who use employees' labour under any payment system. It was set at an amount not lower than the national poverty line.

The Remuneration of Labour Law sets a yearly review of minimum wage through consultations of the joint representative bodies of social partners at the national level. The law provided that employees' regular working hours could not exceed 40 hours per week. During martial law, a standard workweek could be increased to 60 hours for critical workers in infrastructure. Ukraine's nominal minimal wage has experienced a steady hike, landing at UAH 8,000 (US\$201) in April 2024. It was growing in real terms (deducted inflation), except for dips in 2022-2023 (see more in Figure 4). The

country has the lowest minimum wages among European countries.

**Figure 4: Ukraine's nominal minimum wage per month (Hryvnia) and yearly real minimum wage growth (%), 2014-2024**



Source: WageIndicator.org; own calculations on real minimum wage based on the IMF's projections of inflation in consumer prices, deducted from the nominal minimum wage growth.

The minimum wage is not linked to the overall level of wages in the country set via collective bargaining, leading to a significant gap between the minimum wage and the average wage. As of 2024, the average gross monthly salary in Ukraine stood at about UAH 18,491 (US\$465), more than double the minimum wage. Salary levels can vary significantly depending on factors such as geographic location, industry, and job role. Moreover, many workers operate in informal or casual jobs, receiving incomes below the established minimum wage (see more in the Informal Economy sub-section). It is worth mentioning that a drop in salaries was detected in the private sector, averaging from 25% to 50% compared to the pre-war period.

Although a labour inspectorate system functions in Ukraine, it only sometimes conducts worksite inspections and faces cumbersome regulations. There were registered 803 labour inspectors in

2023, equalling about one per 20,000 in employment.<sup>43</sup> The ILO is concerned if the relation exceeds one inspector per 10,000 workers in industrial market economies or one inspector per 20,000 workers in transition economies.<sup>44</sup> Under martial law, the powers of labour inspectors are primarily limited to information and advice, as inspections have been suspended. The State Labour Service is being reformed but remains underfunded and has a high staff turnover.

Ukraine's labour occupational safety and health (OSH) system is out-of-date and has limited alignment with the EU acquis. But, in 2023, some steps were taken in minimum requirements for safety and health at work and established a list of hazardous chemicals prohibited for production and use at work, among others.

Data show that non-fatal and fatal occupational injuries fell significantly during the last two decades in Ukraine. However, it has risen considerably recently, particularly in the non-fatal group. A part of this factor was related to changes in legislation, which provided for COVID-19 to be included in the statistical group of accidents at work, not to mention the level and structure of industrial injuries have changed. Russia initiated its invade Ukraine in 2022, further triggering cases of injury and death of workers during the performance of labour duties in war zones.<sup>45</sup>

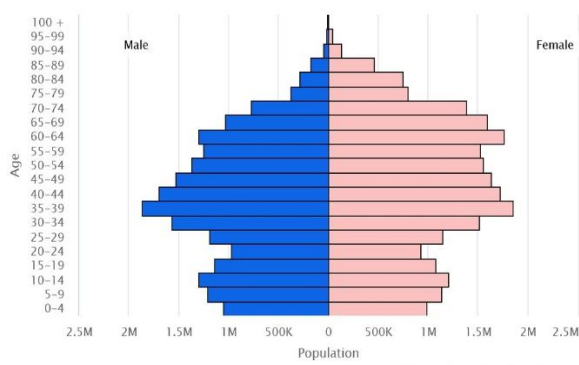
Although labour-related anti-discrimination legislation has improved in recent years, few cases have reached the courts. Reports found that the level of rejected appeals against discrimination is high, struggling to adopt legislation obliging employers to prove the legality of their decision, action or inaction in discrimination-related court cases.<sup>46</sup>

## WORKFORCE

Ukraine's population has been steadily declining over the past three decades, primarily due to a significant drop in the fertility rate. This decline was further exacerbated in the previous decade by a surge in emigration, particularly in 2022, a year marked by heightened conflict with Russia (see more in the Migration sub-section). The country's population, estimated at 37 million in 2023, was a stark 14 million less than in 1991.<sup>47</sup> Projections paint a grim picture, suggesting that the population could plummet to 30 million by 2037 and a mere 15 million by the end of the century.<sup>48</sup> This alarming trend not only points towards a looming demographic catastrophe but also underscores the potential loss of workforce, which will have profound economic implications.

Figure 5 shows that the population structure benefits from a “demographic dividend”, i.e., when the share of the working-age population is larger than the non-working-age share of the population. The youth population segment is falling while the old segment is growing, especially for women, and is positioned among the oldest population share in the world. This situation will lead to a mounting financial strain on public services due to a shrinking workforce.

**Figure 5: Population pyramid based on the Age-Sex structure of the population in Ukraine, 2023**



Source: Central Intelligence Agency, *The World Factbook, Ukraine*, October 2024.

The crisis since February 2022 dramatically changed Ukraine's labour market landscape. Although the State Statistics Service of Ukraine stopped survey-related activities, some initiatives were launched to identify critical changes in the labour market during 2022. Some of the main results affecting the employment are summarised below:<sup>49</sup>

- The Ukraine workforce already fell by 8.3% from 2010 to 2021, reaching 20.3 million in 2021. In 2022, threats to the personal safety of the population led about eight million people to leave Ukraine, and around 5 million people became internally displaced (see more in the Migration sub-section).
- Martial law and mobilization into the ranks of the Armed Forces of Ukraine substantially affected the volume of personnel recruitment, changed personnel turnover, determined the specifics of supply and demand, and augmented the shortage of competent employees.
- The reduction in employment is echoed in the 21% drop in the number of companies not financed by the state budget in Ukraine.
- The number of employees at non-budget companies decreased by 15%, representing 6.7 million people, and the number of employees working for individual entrepreneurs fell by 28% or about 604,000 workers. A significant share of the decline in employment occurred in industrially developed regions.
- The share of managers, specialists, technical experts, and machine and equipment maintenance workers increased, while those in commerce and skilled tool workers decreased; the share of the simplest professions decreased the most.
- A significant shortage in professions traditionally involving male employees has

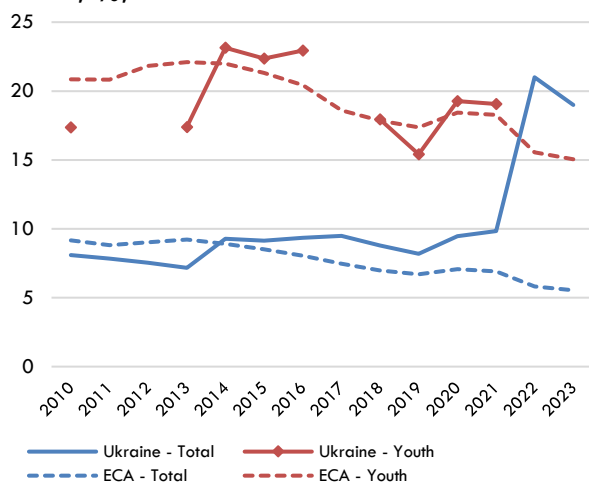
pushed businesses to attract women to work in these professions.

- The share of employees in the main age category of 36-60 decreased in the employee structure. Instead, the share of working people over the age of 60 increased, and the share of working youth stood more stable.

## Unemployment

Before Russia's full-scale invasion in 2022, Ukraine's unemployment rate did not follow the pace of falling trend like in the Europe and Central Asia average, even with an upsurge at the beginning of the 2020s due to the global Covid-19 pandemic, reaching 9.8% in 2021. As mentioned, the State Statistics Service of Ukraine stalled labour force survey since 2022, including to measure unemployment, but other household surveys estimated the unemployment rate in 2022 grasped 21% and is expected to decrease to 19% in 2023 (see Figure 6).<sup>50</sup>

**Figure 6: The unemployment rate in Ukraine and Europe & Central Asia (ECA) average, Total and Youth, %, 2010-2023**



Source: The World Bank, World Development Indicators, basing on national estimates; International Labour Organization.

This worrisome unemployment upsurge was linked with structural factors, such as loss of production assets; massive migration flows

within Ukraine or abroad, often to places where their skills and professions were not in demand; and many people who lost their jobs being unable; for example, because public transport stopped; or unwilling, for instance, due to security concerns, to seek a new job.

The significant informal economy obscures the real unemployment scale. Besides, 45% of the Ukrainian working-age population was economically inactive. This latter group has a potential untapped workforce but could also lead to even higher unemployment.

The Law on Employment Law of 2012 confirmed the right of unemployed people to have validated their skills obtained through informal learning. Unemployed Ukrainians receiving unemployment benefits have low coverage compared with the Eastern European average, 17% and 48%, respectively (see also the Social Protection section). By martial law, employees cannot apply for unemployment or partial unemployment benefits. Instead, the defence sector has transformed in response to the Russian aggression against Ukraine, leading to an expansion in the number of soldiers and a boost in the defence industry as a central economic driver.

## Migration

Ukraine has ratified central European and other international conventions in migration, and it is enshrined as a fundamental right in the constitution. Specific laws and regulations handle issues concerning migration, asylum, and human trafficking. The displacement crisis in Ukraine during the last decade, which was initially triggered by Russia annexing the Crimean Peninsula from Ukraine in 2014, led to the Law on Ensuring the Rights and Freedom of Internally Displaced Persons of 2014. This landmark legislation, a reference linked to

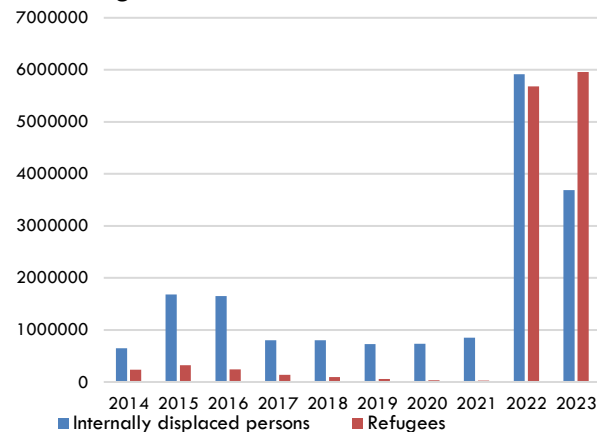
other national legislation, has improved the rights and freedoms of internally displaced persons. The government also has promoted policies and strategies to promote a wide range of migration issues.

The national migration legal framework still has flaws that challenge the migration system; for instance, the country has no measures explicitly aimed at the ethical recruitment of migrants, even though the constitution guarantees proper working conditions, remuneration and protection from forced labour to nationals and migrants alike. In addition, as a part of the country's martial law since February 2022, reshuffling the right of migration. Generally, Ukrainian men aged 18 to 60 were initially banned from leaving the country, subject to certain limited exceptions. In July 2024, all Ukrainian men aged 18 to 60 are subject to a military registration document check upon crossing the Ukrainian border if they leave the territory of Ukraine.

Migration is a critical factor in population dynamics influencing Ukraine's labour market. The country has been one of the most migration-affected countries in Europe during the last three decades. This situation started to accelerate in 2014 in the aftermath of the annexation of Crimea by Russia, pushing a massive, forced displacement of people, as well as the following economic crisis led to the intensification of labour migration. This situation exploded in February 2022 due to Russia's full-scale invasion, triggering an extremely high number of internally displaced persons (IDPs) and refugees (see Figure 7). Nearly 12 million people – more than a quarter of Ukraine's population – fled their homes and communities within the first two months of the war. Recent studies found that 58% of IDPs have been displaced for six months or more, and a quarter

of all IDPs only have a monthly cash allowance for IDPs as a source of income.<sup>51</sup>

**Figure 7: Ukrainian internally displaced persons and refugees, 2014-2023**



Source: The World Bank, World Development Indicators.

Ukrainian IDPs' track record has significantly higher inactivity rate and unemployment rate than the total population in Ukraine. The most popular reasons for not registering with the State Employment Service (SES) are that the institution offers very low-paid jobs and a limited number of vacancies that would match their profession.<sup>52</sup> Concerning Ukrainian refugees' integration into the labour market show the relatively positive result with two out of three (66%) were economic activity in the host countries, out of which 44% were employed.<sup>53</sup>

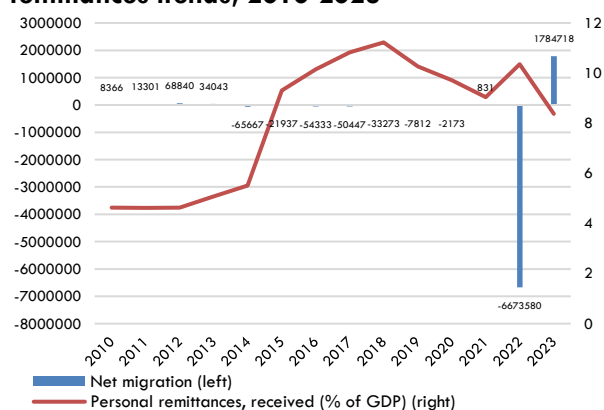
Since the war broke out, Ukrainian trade unions have assisted millions of Ukrainians by providing shelter, food packages, and information about the risks of human trafficking and forced labour.

Ukraine has demonstrated a stable urbanisation rate during the last decade, close to 70%. The rural population could gradually decline due to a structural population shift and young people moving towards urban areas. Many Ukrainians are also involved in internal labour migration, linking to seasonal,

rotational, and even longer work in the capital and the most important industrial centres. It is uncertain how much the recent turmoil has affected urbanisation.

Since 2014, the country has experienced more leaving than entering, but net migration turned quite balanced at the beginning of the 2020s due to the global COVID-19 pandemic. However, in 2022, the net migration imbalance burst out with a shocking high emigration but quickly rebounded in 2023. Generally, a Ukraine diaspora evolved during the last three decades, gathering between 12-20 million people worldwide.<sup>54</sup> The impact of this size is reflected in the population pyramid with a pinched ‘youth bulge’ (revisit Figure 5), stymieing the country’s future workforce population size. On the other hand, the contribution of remittances has become a central part of the economy, which was significantly higher than in other neighbouring countries. These remittances accelerated as an impact of Russia annexing the Crimean Peninsula from Ukraine and peaked in 2018, then started to descend, except for an upturn in 2022 due to massive emigration (see Figure 8).

**Figure 8: Ukraine’s net migration and personal remittances trends, 2010-2023**



Note: Net migration is the total number of immigrants minus the annual number of emigrants, including both citizens and noncitizens.

Source: The World Bank, World Development Indicators.

Ukraine has experienced climate and environmental challenges reflected in warmer

winters, extreme weather events, heat waves, and the mounting issue of water scarcity. These phenomena can potentially disrupt lives and cause significant damage to the Ukrainian economy, particularly given the strategic importance of Ukraine’s agricultural sector. Data show that national disasters – flood, wildfire, and storms – have caused at least 5,000 IDPs since 2010, which was concentrated at the start of the 2020s.<sup>55</sup>

### Informal Economy

The breakup of the Soviet Union at the beginning of the 1990s impacted the country’s structural transformation, including a privatisation process that reshuffled the economy’s modus operandi, which led to a widespread informal economy.

The latest national labour force survey data showed that the ratio of informally employed to employed population fell from 21% in 2019 to 19% in 2021 (three million workers).<sup>56</sup> This shift is more supported by the shrinking workforce than creating more formal jobs, reflecting in the relatively high unemployment (revisit Figure 6). Considering the ongoing wartime impact, such as eliminating jobs, mass internal and external migration, change the working conditions’ regulations, and suspending the labour inspection system could keep the number of individuals employed in the informal economy at least the same rate.

The relatively high informality of many Ukrainian workers means they need more awareness or incentives to follow labour regulations. Many attempts to increase personal income by evading taxes and others take up undeclared jobs while remaining eligible for social benefits or subsidies. Formal wage, hour, or OSH laws and labour inspections often do not cover informal workers.

Other factors are that many employers sideline workers' legal rights and obligations; for instance, Ukrainian firms are haunted by the highest informal payments to public officials compared to neighbouring countries. The state also promotes some cumbersome labour and doing business regulations, administrative obstacles, unattractive social protection when social security benefits are too small to encourage payment of social contributions, inefficiency of regulatory authorities and insufficiently stringent sanctions to discourage any failure to comply with legislative requirements.<sup>57</sup>

No direct functioning tripartite national informal economy forum or another national forum addressing the status of informal economy workers has been detected. On the other hand, reducing the level of informal employment and extending the guarantees provided by labour legislation to employees who currently work without formalisation of labour relations turned into a strategic priority.<sup>58</sup>

## Child Labour

Around 18% of Ukraine's population is children aged 0-17, equalling 7.3 million children in 2022.<sup>59</sup> As outlined in the Population Pyramid, this group's size is diminishing (revisit Figure 5).

The country has endorsed central international treaties and conventions on children and child labour, including ILO's conventions dealing with child labour (C138 and C182). It has also established laws and regulations related to child labour, linking with the Criminal Code, the Labour Code, and the Protection of Childhood Code. The legal framework has some flaws in complying with international standards, including the minimum age for hazardous work because children between 14 and 16 are not

forbidden from engaging in hazardous work as part of a vocational training programme. The government launched new initiatives to address child labour. Reports found that the country made only minimal advancement in efforts to eliminate the worst forms of child labour.<sup>60</sup> Some of the reasons are limitations on inspection scope, which was further stretched by martial law, prohibiting labour inspectors from conducting routine or targeted inspections, not to mention the lack of coordinating mechanisms or policies to address all forms of child labour.

Based on the latest National Child Labour Survey, child labour caught 5.0% (264,100 children) of total children aged 5–17 years in Ukraine in 2015, which is mainly a rural phenomenon, and above Europe and Central Asia average at 4.1%. Hazardous work was performed by 29% (76,400 children) of the total number of children in child labour.<sup>61</sup> Since February 2022, many Ukrainian children's living conditions dramatically changed, including more than half being forced to flee abroad or displaced internally. It has further challenged the education system and social protection, which could lead at risk of child labour.

Child labour in rural areas is linked to farming and raising livestock, while in urban areas, it happens in construction and mining, including extracting and transporting coal and amber, and street work, such as street trade, washing cars, and begging.

## Gender

Ukraine has demonstrated political will to promote gender equality and is committed to international gender-related conventions and protocols. Gender equality is enshrined in the Constitution. Generally, the country's laws and regulations around the life cycle of a working

woman score 85 out of 100 (100 is best) in 2024, which was in line with the regional average across Europe and Central Asia at 86. The country encounters a lower ranking on the indicator measuring laws affecting women's pay and their work after having children (see more details in Appendix Table 7).<sup>62</sup> Despite the relatively advanced legal framework on protecting women, cultural heritage still halts its implementation in practice, especially in rural areas. Although legislation obliges employers to take measures to prevent and protect against sexual harassment and other forms of gender-based violence, still there is a lack of direct requirements or procedures for prevention and protection. It is worth noting that since February 2022, all jobs in the Ukrainian armed forces, including combat roles, were opened to women due to the ongoing war.

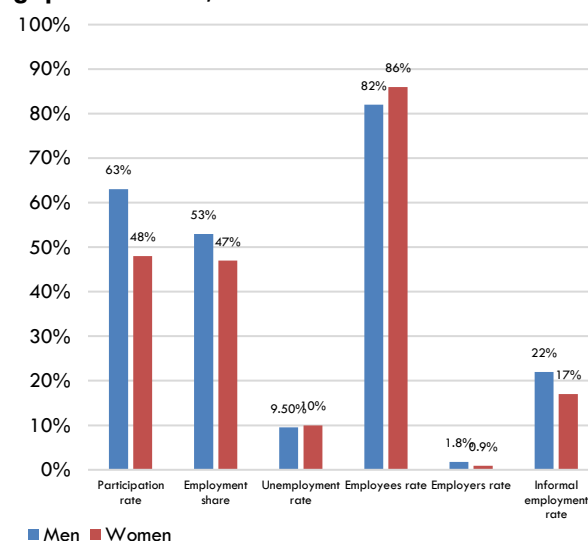
In August 2022, Ukraine adopted a state strategy to ensure equal rights and opportunities for men and women for the period up to 2030. The country is currently reviewing the preparation for the ratification of ILO Convention 190 concerning the elimination of violence and harassment in the world of work.

The global Gender Inequality Index (GII) reflects the scope of gender disparities, ranking Ukraine 48 out of 162 countries (1 is best) in 2022. This relatively high-medium ranking is supported by the country's women having a relatively low maternal mortality ratio and slightly better education than men. However, women face a significant gender gap in the workforce participation rate.

Figure 9 below shows a gender gap of fifteen percentage points in the labour force participation rate, favouring men. Ukrainian working women are slightly more present among employees than men and have a lower

rate concerning informal employment. Another factor that reflects the gender gaps in Ukraine's labour market is the gender pay gap of 19% in 2021. On the positive side, the gap was 26% in 2015, and curbing the gap is led by engaging women in professional and technical fields.<sup>63</sup> In May 2022, Ukraine also presented the National Strategy and Action Plan to reduce the gender pay gap, address occupational separation, gender-based discrimination and harassment at work and close legal loopholes preventing the full application of the equal pay for equal work principle.

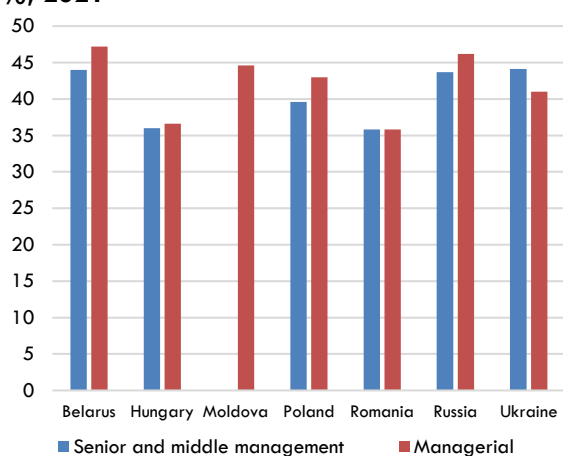
**Figure 9: Key indicators for employed gender gaps in Ukraine, 2021**



Source: Ukraine Labour Force Survey 2021.

Ukraine's proportion of senior and middle management women rose before the Russian invasion of Ukraine. At the same time, those in managerial positions stood stable, generally landing almost on average among the neighbouring countries (Figure 10). Other data from Ukraine's enterprise survey reported that firms with women participation in ownership was significantly higher than the Europe and Central Asia average, 39% vs 33%, respectively.

**Figure 10: Proportion of women in senior and middle management positions and managerial positions in Ukraine and neighbouring countries, %, 2021**



Source: International Labour Organization, ILOSTAT.

## Youth

Youth is the future backbone of the labour market that generates economic development and welfare. In Ukraine, this group (aged 15-24 years) is shrinking, representing 9.5% of the population, or 3.9 million persons in 2022.<sup>64</sup> As previously indicated, it contests Ukraine's future workforce's scope and stabilisation of the economy, not to mention its reconstruction.

The National Youth Strategy until 2030 and the Law "On the Basic Principles of Youth Policy" of 2021, as amended in 2022, are key legislative acts to promote youth development in Ukraine. The law sets the National Council on Youth, a consultative and advisory body under the government, and local state administrations and local self-government bodies to be empowered to develop youth councils. It should further create an extensive network of youth centres to provide relevant services for youth and promote the activities of youth and children's public associations. Currently, 49 youth councils across the country have been established. They are actively forming proposals for the local authorities.<sup>65</sup> Nevertheless, the capacity to implement youth

strategy was considerably reduced with the outbreak of the ongoing military conflict.

Ukraine's youth unemployment rate was high at 19% in 2021, which was in line with the Europe and Central Asia average of 18% (revisit Figure 6). There was no updated national data on youth unemployment, but as previously indicated in the Unemployment sub-section, youth unemployment could have skyrocketed since 2022. Reports noted that the Russian aggression against Ukraine triggered the rise of active young job seekers from 7% to 12% in 2022.<sup>66</sup> It was to some extent contrary to the otherwise unwilling (e.g., due to security concerns and falling salaries) to seek a new job.

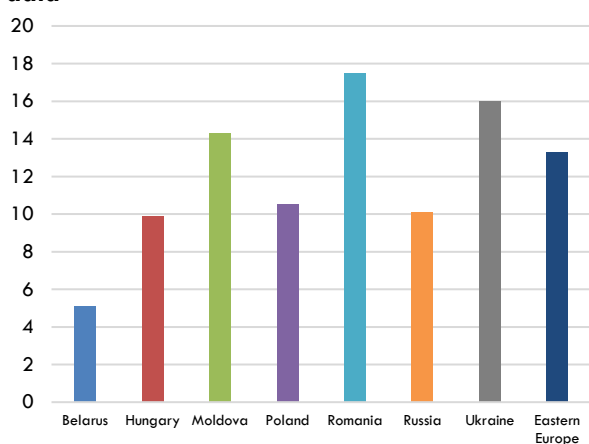
The country's latest ranking on the Global Youth Development Index fell to 105 out of 183 countries (1 is best) in 2023, a significantly lower position than the neighbouring countries. The country's best scoring was regarding employment & opportunity rank (30), while weak on health & welfare (181), peace & security (142), and political & civic participation (126).

Other survey data illustrated the full-scale invasion of Ukraine has had significant impacts on youth. About four out of five (82%) of young people reported experiencing losses due to the war. On the positive side, youth gained a significant increase in civic engagement; a growing proportion do not wish to emigrate from Ukraine; a strong unity in vision for peace and the future of Ukraine.<sup>67</sup>

The not-in-education, employment, or training (NEET rate) indicator better indicates the extent of barriers fronting young people in the labour market than the unemployment rate. Ukraine's NEET rate was 16% in 2020, falling by four percentage points since 2014 and one of the highest among the neighbouring countries

(Figure 11). The country's NEET rate is significantly higher for women than men, 20% vs 14%, respectively.<sup>68</sup> Young people from lower-income families are usually more present in the NEET rate. The impact of the full-scale invasion in 2022, including the skyrocketing unemployment rate, will most likely lead to an upsurge in the NEET rate.

**Figure 11: Proportion of youth (aged 15-24 years) not in education, employment or training in Ukraine and neighbouring countries, %, latest data**



Source: International Labour Organization, ILOSTAT; European Training Foundation.

Many young Ukrainians do not have enough awareness of their rights of social protection; survey data suggested one out of five (20%) of young workers said they were unaware that employers are obliged to contribute to the social security fund on their behalf. Youth do not have enough knowledge about the state guarantees, including which guarantees can be made voluntarily by employers within the framework of their corporate social responsibility.<sup>69</sup>

## EDUCATION

The Constitution of Ukraine guarantees the right to education. After the collapse of the Soviet Union, the country implemented a series of education sector reforms, including a closer

integration with the EU through the education system. A list of the central laws covering the education sector is available in Appendix Table 8.

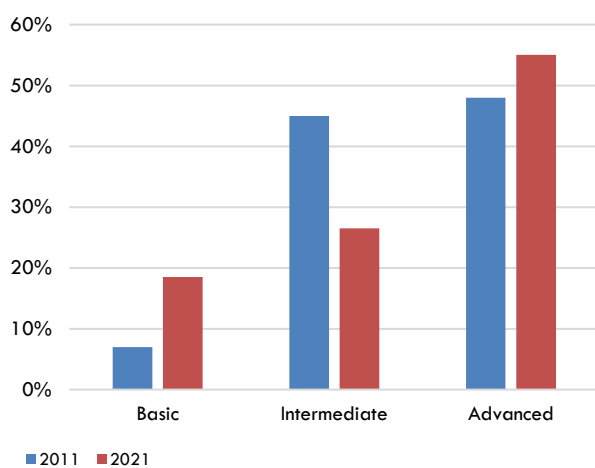
Ukraine's adult population is among the most educated societies in the world, with high coverage of the enrolment rate at the tertiary education level. The fast-shrinking population has indeed affected the education system, leading to closures of hundreds of education institutions, with more closures expected. However, before the ongoing war, Ukraine's government expenditure on education had one of the highest levels among the neighbouring countries and complies with the international Education 2030 Framework for Action's benchmark for government financing of education within 4% to 6% of GDP.<sup>70</sup>

Russia's full-scale invasive war against Ukraine has negatively impacted the education sector, such as the safety of children and staff, as well as students in conflict zones, occupied territories, or living abroad primarily engaging in online learning. UNICEF listed 5.3 million children encountered barriers preventing access to education, including 3.6 million children directly affected by school closures. This situation places children in Ukraine at risk of losing critical years of schooling and social development.<sup>71</sup> Many children could not return to their original schools, targeted by Russian attacks. Hundreds of educational institutions have been destroyed, and thousands of others have suffered damage.

The current trend in employment by education reveals a significant shift. Many at the intermediate education level have either moved down to basic education or up to the advanced education level (see Figure 12). These shifts are prompted by an education system that is inflexible and out-of-sync with

labour market demands. Education has been more concentrated on theoretical university education instead of technical vocational education and training.<sup>72</sup> Other studies have found additional challenges for the school-to-work transition, such as obstacles to obtaining the first work experience and declining work-based learning mechanisms. The current mechanisms for easing skills mismatch and providing social protection for young workers are also inadequate.<sup>73</sup>

**Figure 12: Employment by the education levels in Ukraine, %, 2011-2021**



Source: International Labour Organization, ILOSTAT.

## Vocational Training

The vocational education and training (VET) system plays a vital role in ensuring the training of skilled workers and professionals for all economic sectors, but these “blue-collar” professions have been underestimated in Ukraine for decades. Many youths already left the country in the aftermath of the annexation of Crimea by Russia in 2014 to find work in the EU, generating a high demand for skilled labour in the Ukrainian economy.

The ongoing war, introducing martial law, brought changes to the education system to reduce unemployment and facilitate rapid retraining for those displaced by the war. This situation promoted the reshaping of the

National VET Action Plan for 2020, identifying actions to form a modern vocational education system. For instance, Ukrainian VET institutions became licensed to train drone operators and launched other programmes in IT, renewable energy, and other fields. Other factors that currently are prioritised concern the quality of VET, including adapting educational programmes to market needs; expanding career guidance centres; modernising material and technical resources; strengthening cooperation with the business sector.<sup>74</sup>

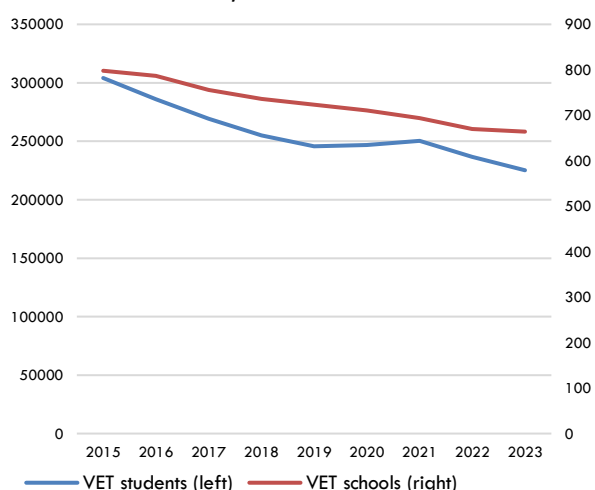
Ukraine’s VET governance is hybrid regionalised, and attempts are being made to move towards decentralisation in the Ukrainian regions, which is considered a big initiative in education. It is worth noting that the VET sector has been underfinanced, resulting in a decline in the quality of this educational subsector.

The Ministry of Education and Science, the Ministry of Finance, and the Ministry of Social Policy dominate the VET policy. Social partners’ involvement in policymaking is still to be fully institutionalised. On the other hand, experiences in public-private partnerships have been significantly enhanced, such as employers’ industrial centres and sectoral skill councils, and the social-public dialogue on policy initiatives is a prerequisite for the legislation process.<sup>75</sup> In Ukraine, firms offering formal training to their permanent and full-time staff experienced a massive drop from 79% in 2002 but started to rebound at the end of the 2010s, grasping 24% in 2019. This downturn has been part of changes in the business environment; for instance, it often lacks systemic interaction and communication among the actors and little knowledge of each other, highlighting the need for improved collaboration and coordination in the VET sector.

In 2019, the Government of Ukraine established the National Qualification Agency (NQA), which, among other things, maintains communication with enterprises, trade unions, and the central executive bodies regarding qualifications and forecasting labour market skills needs.

As part of the decelerated population, the enrolment rate in VET and the number of VET schools have been falling (Figure 13). However, there has been no extraordinarily high drop in enrolment since 2022. The ratio of VET students to total students of general secondary education stood stable at close to 6% from 2019 to 2023. This stance suggests that VET enrolment's scope was not boosted despite enterprises' high demand for hiring employees from vocational professions. Other figures showed that the share of all secondary education students enrolled in vocational programmes was at least half-lower than that of the neighbouring countries, indicating room for improvement and growth in the VET sector.<sup>76</sup>

**Figure 13: Number of VET students and VET schools in Ukraine, 2015-2023**



Source: Derzhstat, Data Bank.

The meagre progress in enrolment in the VET sector indicates that the education system and the labour market still face a mismatch between

educational and vocational training. Some of the central barriers to the school-to-work transition concern poor efficiency within the system for the identification of skills and labour abilities of youth, relatively high informal employment, and a shallow level of youth awareness about their employment conditions, among others.<sup>77</sup> However, during the current period of war, nine out of the ten highest-demand professions are professions trained in vocational and technical institutions, as well as economically active enterprises mainly hired employees of vocational professions.

### Fourth Industrial Revolution

The Fourth Industrial Revolution (4IR) – known as the next phase in the digitisation of the manufacturing sector – is evolving in Ukraine. As part of this phenomenon, the country is recognised among the world's strongest players in the information and communication technology (ICT) sector. It is also a preferred destination for outsourcing services due to its highly skilled workforce, cost-effectiveness, and proximity to Western Europe.

The ICT sector mainly focuses on software development, testing and quality assurance, and IT consulting, linking with the VET sector development. Generally, the tech industry has gained leverage in the economy; for example, the share of IT in the structure of exports grew steadily, accelerating at the beginning of the 2020s with a peak of 15% at the start of 2022, but lost pace afterwards. Dynamics of the number of active ICT individual entrepreneurs also grew, increasing by 184% from 2017 to August 2023, generating almost 300,000 jobs.<sup>78</sup> A distinctive feature of this sector is the predominance of individual entrepreneurs, ranking among the best in the world in "IT freelance".

Some parts of the ICT sector were negatively affected during wartime, especially mass media and information content production, which has experienced an extreme decline in the advertising market, as well as the introduction of certain restrictions in the information space in the interest of state security. One of the difficulties with finding employees was pointed out by internet service providers, and educational institutions struggle to ensure an adequate quality of training. Instead, many companies train young people without cooperation with academic institutions. Companies in telecommunications – internet service providers, corporate network operators, and cybersecurity companies – also suffered losses due to mass migration and the respective market decrease. In contrast, software developers have continued to grow in recent years, benefitting that most companies in this sub-sector have foreign customers or are branches of foreign companies.<sup>79</sup>

The evolving local digital labour platforms (also known as the gig economy) alter the nature of work and how people access jobs. In Ukraine, new professions and branches of application of human labour are emerging. This new trend brings risks in inequalities between different sections of the population due to the disappearance of occupations, changes in industrial relations, automation, and computerisation. For instance, many permanent employees who delivered products were fired and instead used via platforms.

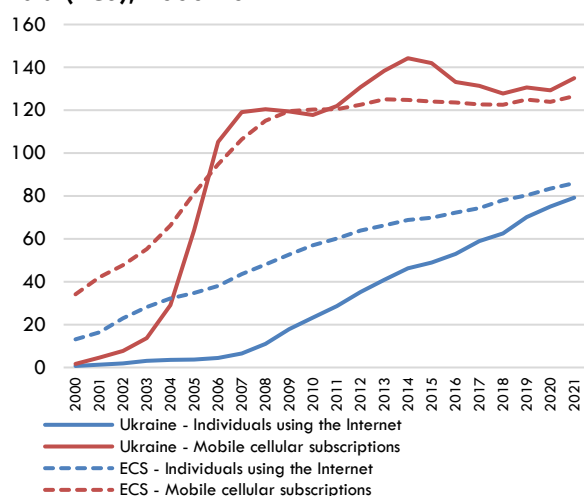
The gig economy is on the rise. Survey data reveals that approximately one out of five Ukrainian workers are already using online web-based platforms as their primary source of income. An overwhelming 85% of these workers express a desire to undertake more online work. These platforms, known for their flexibility and the absence of employer

pressure, offer the potential to earn an income that surpasses what traditional companies offer. However, it's crucial to address the fact that fewer than 10% of respondents reported being covered for old age pension or retirement benefits, a figure that could grow as the gig economy expands.<sup>80</sup>

While the gig economy presents new opportunities for Ukrainian workers, it also raises significant concerns about its impact on the social model. For instance, ITUC has argued that the law “On Stimulating Digital Economy Development” establishes the gig economy and special “gig contracts” could potentially lead to exploitation. These changes could deprive IT workers of payment guarantees, rights to holidays, regulated working hours, safe working conditions, protection against unlawful dismissal, and the rights to join a trade union, strike and conclude collective agreements. This underscores the urgent need for robust worker protections in the gig economy.<sup>81</sup>

Despite the country is among the world's strongest players in the ICT sector, the economy still faces a vulnerable position in the global distribution of digital labour, including many Ukrainian workers operating with technological backwardness. Generally, the number of Ukrainians using the Internet increased swiftly during the last two decades, getting closer to the regional average. Their demand for mobile cellular subscriptions started to soar and superseded the regional average since the beginning of the 2010s (see Figure 14).

**Figure 14: Individuals using the Internet (% of population) and mobile cellular subscriptions (per 100 people) in Ukraine and Europe & Central Asia (ECS), 2000-2021**



Source: The World Bank, World Development Indicators.

## SOCIAL PROTECTION

Ukraine's constitution states that citizens have the right to social protection and has ratified several regional and international conventions within this sector, including two of the fifteen up-to-date ILO Social Security conventions (C102 and C131, see Appendix Table 3). The basic legal framework and the mechanisms to ensure compliance with social safeguards have been incorporated in the general resolution on social security.

The country has a well-developed social protection system, representing a myriad of contributory and non-contributory social assistance, insurance, benefits, subsidies, and entitlements. This system has undergone significant changes and reforms during the last two decades, not to mention massive ruptures that emerged from the conflict in the Donetsk and Lugansk regions and the Crimea annexation in 2014, the impact of the Covid-19 pandemic, and the accelerating humanitarian emergency during the current

war. Estimations suggest that the social protection and livelihoods sector has suffered losses of about US\$51 billion in 2022, relating to the loss of jobs, reduced household income from wages, higher poverty and lower affordability of basic needs, including energy and food.<sup>82</sup> The social protection system has continued functioning during wartime, but minimum social benefits have not been adjusted in response to the highly increased needs caused by the war.<sup>83</sup>

The social protection system is managed by several national executive organs of the government, including the Ministry of Social Policy and other ministries. Trade unions are represented in social welfare agencies, whose jurisdiction extends to the industry. The scope of collective bargaining agreements at the branch level is governed by industry standards, including an agreement on the rules governing the territorial level of social protection of employees in enterprises. The social security system links with regional management to implement social policies in selected administrative-territorial units, collaborating with local authorities.

In recent years, public expenditure on social protection in Ukraine has experienced a downturn but started to rebound, reaching 16% of GDP in 2022.<sup>84</sup> While a significant share of social protection expenditures is due to pensions, a considerable portion comes from social assistance programmes (see ahead).

For decades, Ukraine faced a de-population due to relatively low fertility and substantial emigration. Additionally, the country had a poverty level below 2% before 2022, but since then, it is projected to increase dramatically, requiring radical shifts to the composition of social assistance. These factors face shock responsiveness for the current alarming

situation and a need for social policy reform addressing longer-term coverage and adequacy of social benefits.

Based on the latest available data, the system for non-contributory social protection programmes that provide cash or in-kind benefits to vulnerable groups landed low in 2020. About 37% of the population was covered by social safety net programmes, with leakage to the richest quintile. Social security coverage is just above half of the population (55%), again with leakage to the richest quintiles. Overall, close to three out of four of the population are covered by at least one social protection benefit, which was 14 percentage points lower than the Eastern European average (see also Appendix Table 9).

The pension system changed during the last decade, including increasing the women's retirement age from 55 to 60 years and the contribution period required for the minimum pension by 5 years for both sexes. Older people receiving a pension reached 96% of the population at the beginning of the 2020s, which was in line with the regional average. Ukrainian pensioners represented around 27% of the total population. Currently, the monthly minimum pension is UAH 2,361 (US\$59). It was lower than the constitutional guarantee of citizens for sufficient living standards at the subsistence minimum level, which was set at UAH 2,920 (US\$73) in January 2024. Estimations suggest that 80% receive pensions below the subsistence budget, and 20% of pensioners have disabilities and require additional assistance. Additionally, many pensioners in the non-government-controlled areas in eastern Ukraine have been challenged in accessing their pensions due to logistic challenges, movement restrictions, and complex administrative requirements.<sup>85</sup>

In Ukraine, only those citizens who are officially unemployed are entitled to unemployment benefits, and to get official unemployed status, one needs to register at the State Employment Center. Based on the last available data, Ukrainian unemployed receiving unemployment benefits was falling, landing remarkably lower than the European and Central Asia average, 17% vs 47%, respectively.<sup>86</sup>

Ukrainian pregnant women in formal employment are entitled to paid maternity leave 70 calendar days before the due date and 56 calendar days after the birth of a child. As indicated in the Gender sub-section, working women have a lower ranking in the laws affecting parenthood. Still, mothers with newborns receiving maternity benefits reached 100%, significantly higher than the regional average of 78%.<sup>87</sup> Fathers in Ukraine are entitled to paid paternity leave for 14 calendar days; data on its coverage are scarce.

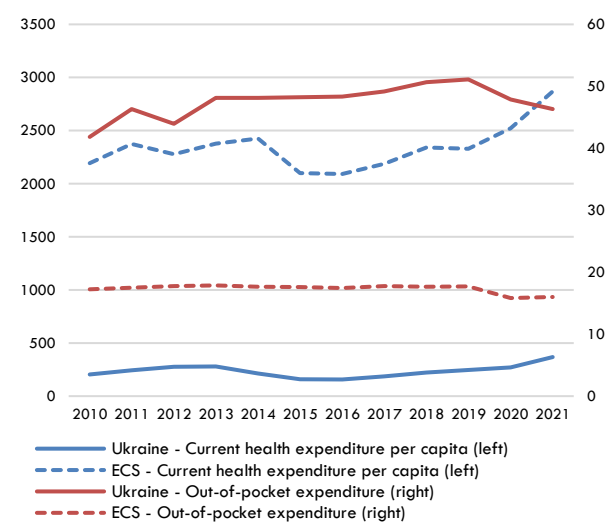
Subsidies for several goods and services (e.g., housing and utility, energy, mobility grants, settling-in grants, or wage subsidies for employers) are part of the complex social assistance system in Ukraine, covering nearly half of the population before the ongoing war. In 2024, the government launched the "Made in Ukraine" subsidy scheme to encourage domestic production of goods to raise tax revenues and make the economy less reliant on foreign aid, such as grants and loans, to support Ukraine's macro-financial stability and public administration. Trade unions and employers' organisations are also active in supporting the population via their networks; for instance, the FPU distributes financial aid to families of union members who have been injured or killed at the front.

Ukraine inherited the Soviet system of free public medicine for all, and social dialogue was carried out about the health sector. The country has achieved progress in healthcare during the last decades, marked by reductions in maternal and child mortality rates. Still, at the beginning of the 2020s, life expectancy slowly fell and stood nine percentage points lower than the regional average. The access to free public medicine has eroded due to budget deficits, economic crises, and a lack of reform, echoing in the country's health out-of-pocket expenditure increased and situated pointedly higher than the regional average (see Figure 15).

Employment in healthcare fell by 3% from 2022 to 2023. However, an amendment to Ukraine's healthcare legislation, the Resolution of the Cabinet of Ministers of Ukraine No. 1 285 of December 2023, revolutionises the structure of multidisciplinary rehabilitation teams in healthcare settings by mandating the inclusion of social workers in inpatient and outpatient settings. This resolution sets the functions of social workers in healthcare institutions. Besides, two primary medical professions indicate an extremely high need for medical and auxiliary medical personnel, which was confirmed by expert assessments in most regions of Ukraine.

However, a recent reform of government health financing started to curb the out-of-pocket trend. Government health expenditures increased during the last decade, reaching 8.0% of GDP in 2021, far above the World Health Organization's minimum threshold of 4% of GDP at the beginning of the 2020s. Health expenditure per capita slowly increased but was significantly lower than the regional average (Figure 15).

**Figure 15: Current health expenditure per capita (current US\$) and out-of-pocket expenditure (% of current health expenditure) trends in Ukraine and Europe & Central Asia (ECS), 2010-2021**



Source: The World Bank, World Development Indicators.

## APPENDIX: ADDITIONAL DATA

**Table 1: Ukraine's key economic data, projections, 2019-2025**

Values	2019	2020	2021	2022	2023	2024	2025
GDP (current, US\$)	154bn	157bn	200bn	161bn	177bn	189bn	194bn
GDP per capita (PPP, US\$)	13,420	13,186	14,412	12,806	14,704	15,464	16,290
Total investment (% of GDP)	14.9%	8.9%	14.5%	12.6%	16.3%	17.6%	19.0%
Gross national savings (% of GDP)	12.2%	12.2%	12.5%	17.6%	10.8%	11.9%	10.8%
General government expenditure (% of GDP)	41.5%	45.6%	40.5%	66.0%	74.9%	57.3%	48.9%
Government gross debt (% of GDP)	50.6%	60.5%	48.9%	78.4%	82.9%	94.0%	96.7%
Military expenditure (% of GDP)	3.5%	3.8%	3.2%	33.5%	-	-	-

Source: International Monetary Fund, World Economic Outlook Database, April 2024; The World Bank, World Development Indicators.

**Table 2: Ukraine's main acts of legislation most relevant to the governance of the labour market**

Laws and procedures
<ul style="list-style-type: none"> <li>• Constitution of Ukraine, 1996 (as amended by Law No. 2680-VIII of 07.02.2019)</li> <li>• Labor Code of Ukraine (LC), 1971 (as amended by Law 2728-VIII of 30.05.2019)</li> <li>• Law No. 3356-XII of 1 July 1993 on Collective Agreements and Contracts.</li> <li>• Act No. 1045-XIV of 15 September 1999 on Trade Unions, their Rights and Guarantees for Activities.</li> <li>• Law of Ukraine on Employers' Organisations, their Associations, and the Rights and Guarantees of their Activities (LEO), No. 5026-VI of 22.06.2012 (as amended by Law № 1666-VIII of 06.10.2016)</li> <li>• Act No. 137/98-VR of 3 March 1998 on the procedure of settlement of collective labour disputes (conflicts) (Text No. 227).</li> <li>• Law of Ukraine on Security Service of Ukraine (LSS), No. 2229-XII of 25.03.1992 (as amended by Law No. 2740-VIII of 06.06.2019)</li> <li>• Law of Ukraine on Armed Forces of Ukraine (LAF) No. 1934-XII of 06.12.1991 (as amended by Law No. 144-IX of 02.10.2019)</li> <li>• Law No. 565-XII of 20/12/1990 on Police.</li> <li>• Law of Ukraine No. 4572-VI of 22/3/2012 on Public Associations.</li> <li>• Law No. 4050-VI of 17 November 2011 on Civil Service.</li> <li>• Law No. 5067-VI of 5 July 2012 on Employment of the Population.</li> <li>• The procedure for notification and registration of collective agreements (PNR), No. 115 of 13.02.2013</li> <li>• Law No. 2862-VI on Social Dialogue.</li> </ul>

Source: International Labour Organization, IRLX – Legal Database on Industrial Relations, Ukraine, 2021.

**Table 3: Ratified ILO Conventions in Ukraine**

Subject and/or right	Convention	Ratification date
<b>Fundamental Conventions</b>		
Freedom of association and collective bargaining	C087 - Freedom of Association and Protection of the Right to Organise, 1948.	1956
	C098 - Right to Organise and Collective Bargaining Convention, 1949.	1956
Elimination of all forms of forced labour	C029 - Forced Labour Convention, 1930.	1956
	C105 - Abolition of Forced Labour Convention, 1957.	2000
Effective abolition of child labour	C138 - Minimum Age Convention, 1973.	1979
	C182 - Worst Forms of Child Labour Convention, 1999.	2000
Elimination of discrimination in employment	C100 - Equal Remuneration Convention, 1951.	1956
	C111 - Discrimination (Employment and Occupation) Convention, 1958.	1961
Occupational safety and health	C155 - Occupational Safety and Health Convention, 1981.	2012
	C187 - Promotional Framework for Occupational Safety and Health Convention, 2006.	-
<b>Governance Conventions</b>		
Labour inspection	C081 - Labour Inspection Convention, 1947.	2004
	C129 - Labour Inspection (Agriculture) Convention, 1969	2004
Employment policy	C122 - Employment Policy Convention, 1964.	1968
Tripartism	C144 - Tripartite Consultation (International Labour Standards) Convention, 1976.	1994
<b>Technical Conventions (Up-to-date)</b>		
Working time	C014 - Weekly Rest (Industry) Convention, 1921.	1968
	C106 - Weekly Rest (Commerce and Offices) Convention, 1957.	1968
Elimination of child labour and protection of children and young persons	C077 - Medical Examination of Young Persons (Industry) Convention, 1946.	1956
	C078 - Medical Examination of Young Persons (Non-Industrial Occupations) Convention, 1946.	1956
	C124 - Medical Examination of Young Persons (Underground Work) Convention, 1965.	1970
Social security	C102 - Social Security (Minimum Standards) Convention, 1952.	2016
Occupational safety and health	C115 - Radiation Protection Convention, 1960.	1968
	C120 - Hygiene (Commerce and Offices) Convention, 1964.	1968
	C139 - Occupational Cancer Convention, 1974.	2010
	C161 - Occupational Health Services Convention, 1985.	2010
	C174 - Prevention of Major Industrial Accidents Convention, 1993.	2011
	C176 - Safety and Health in Mines Convention, 1995.	2011
Wages	C095 - Protection of Wages Convention, 1949.	1961
	C131 - Minimum Wage Fixing Convention, 1970.	2006
	C173 - Protection of Workers' Claims (Employer's Insolvency) Convention, 1992.	2006
Freedom of association, collective bargaining, and industrial relations	C135 - Workers' Representatives Convention, 1971.	2003
	C154 - Collective Bargaining Convention, 1981.	1994
Vocational guidance and training	C140 - Paid Educational Leave Convention, 1974.	2003
	C142 - Human Resources Development Convention, 1975.	1979
Seafarers	C147 - Merchant Shipping (Minimum Standards) Convention, 1976.	1994

Specific categories of workers	C149 - Nursing Personnel Convention, 1977.	1979
Labour administration and inspection	C150 - Labour Administration Convention, 1978.	2004
Occupational safety and health	C170 - Chemicals Convention, 1990.	2023
	C184 - Safety and Health in Agriculture Convention, 2001.	2009
Equality of opportunity and treatment	C156 - Workers with Family Responsibilities Convention, 1981.	2000
Employment Policy	C159 - Vocational Rehabilitation and Employment (Disabled Persons), 1983.	2003
Labour administration and inspection	C160 - Labour Statistics Convention, 1985.	1991

Note: Fundamental Conventions are the eight most important ILO conventions that cover four fundamental principles and rights at work. Governance Conventions are four conventions that the ILO has designated as important to building national institutions and capacities that serve to promote employment. In other words, conventions that promote a well-regulated and well-functioning labour market. In addition, there are 73 technical conventions.

Source: International Labour Organization, NORMLEX, Country Profiles: Ukraine, October 2024.

**Table 4: Labour market efficiency in Ukraine, 2019**

Indicator	Rank
Total	59
Redundancy costs (weeks of salary) **	44
Hiring and firing practices *	34
Cooperation in labour-employer relations *	88
Flexibility of wage determination *	110
Active labour market policies *	52
Workers' rights *	93
Ease of hiring foreign labour *	65
Internal labour mobility *	81
Reliance on professional management *	89
Pay and productivity *	45
Ratio of wage and salaried female workers to male workers **	46
Labour tax rate **	124

\* Survey data. \*\* Ranked by per cent.

Note: Rank from 1 to 141 (1 is highest).

Source: The Global Competitiveness Report, 2019, 8<sup>th</sup> pillar: Labour market efficiency.

**Table 5: Ease of Doing Business in Ukraine, 2020**

Topics	Ranking
Overall	64
Starting a Business	61
Dealing with Construction Permits	20
Getting Electricity	128
Registering Property	61
Getting Credit	37
Protecting Minority Investors	45
Paying Taxes	65
Trading Across Borders	74
Enforcing Contracts	63
Resolving Insolvency	146

Note: Doing Business 2020 indicators are ranking from 1 (top) to 190 (bottom) among other countries. The rankings tell much about the business environment, but do not measure all aspects of the business surroundings that matter to firms and investors that affect the competitiveness of the economy. Still, a high ranking does mean that the government has created a regulatory environment conducive to operating a business.

Source: World Bank & IFC, Ease of Doing Business 2020 in Ukraine.

**Table 6: Central trade union membership rates trend in Ukraine, 2012-2022**

	2012	2019	2022	Growth, 2012-2022
All-Ukrainian Union of Workers' Solidarity (VOST)	151,120	20,620	10,690	-93%
Confederation of Free Trade Unions of Ukraine (KVPU)	267,000	174,100	159,500	-40%
Federation of Trade Unions of Ukraine (FPU)	8,480,000	4,750,000	2,700,000	-68%
<b>Total</b>	<b>8,898,120</b>	<b>4,944,720</b>	<b>2,870,190</b>	<b>-68%</b>

Source: ITUC - List of affiliated organisations.

**Table 7: Ukraine - Scores for Women, Business and the Law, 2024**

Mobility	Workplace	Pay	Marriage	Parenthood	Entrepreneurship	Assets	Pension	Index score
100	100	0	100	80	100	100	100	85

Note: Overall scores are calculated by taking the average of each indicator, with 100 representing the highest possible score.

Source: The World Bank, Ukraine: Women, Business and the Law 2024.

**Table 8: Central laws covering the education sector in Ukraine**

<b>Laws</b>
Law on Education
Law on General secondary education
Law on Preschool education
Law on VET education
Law on Higher Education
Law on Professional pre-higher education
<b>Other specific VET laws</b>
Law on Professional regulates for validation of non-formal and informal learning.
Law number 4312, stipulating that the State Employment Service can establish recognition centres for the validation of non-formal and informal learning.
Law Number 5067-VI of 5 July 2012 “Law on Employment” confirmed the right of unemployed people to have validated their skills obtained through informal learning.

**Table 9: Proportion of population covered by social protection systems and health in Ukraine and Eastern Europe, %, latest year**

<b>Indicator</b>	<b>Ukraine</b>	<b>Eastern Europe</b>
Population covered by at least one social protection benefit	73%	87%
Persons above retirement age receiving a pension	96%	97%
Persons with severe disabilities collecting disability social protection benefits	100%	98%
Unemployed receiving unemployment benefits	17%	40%
Mothers with newborns receiving maternity benefits	100%	80%
Employed covered in the event of work injury	-	70%
Children/households receiving child/family cash benefits	100%	93%
Poor persons covered by social protection systems	43%	-
Vulnerable persons covered by social assistance	39%	61%
SDG 3.8.1: Universal health coverage, % of population	76%	-

Source: International Labour Organisation, Key Indicators of the Labour Market (KILM); World Health Organization, Coverage of essential health services (SDG 3.8.1) (%).

## REFERENCES

- <sup>1</sup> Confederation Syndicat Europeæen Trade Union, Trade Union Summit for Ukraine: Declaration, April 23, 2024.
- <sup>2</sup> United Nations Development Programme, Human Development Report 2023/2024, Breaking the gridlock: Reimagining cooperation in a polarized world, 2024.
- <sup>3</sup> The World Bank, The World Bank in Ukraine, Overview, August 1, 2024.
- <sup>4</sup> Maryan Zablotskyy & Simeon Djankov, Towards a new tax system in Ukraine, Center for Economic Policy Research, April 6, 2023.
- <sup>5</sup> World Bank Group, Climate Change Knowledge Portal, Ukraine, Country: Ukraine, September 2024.
- <sup>6</sup> Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, Shaping Structural Change: Despite the ongoing war, Ukraine plans to phase out coal – and get society as a whole involved, August 2024.
- International Monetary Fund, Policies to Address Climate Change, Ukraine, IMF Selected Issues Paper, February 2024.
- <sup>7</sup> Organisation for Economic Co-operation and Development, Review of energy subsidies in the context of energy sector reforms in Ukraine, Environment Working Paper No. 228, 2023.
- <sup>8</sup> Conflict and Environment Observatory, Ukraine conflict environment briefing: The Climate crisis, November 2023.
- <sup>9</sup> United Nations Conference on Trade and Development, World Investment Report 2019, Chapter IV: Special Economic Zones, 2019.
- <sup>10</sup> U.S. Department of State, 2023 Investment Climate Statements: Ukraine.
- <sup>11</sup> Inna Kudinska & George Sandul, Labor Law Reform in Ukraine: Key Points, Labor Initiatives lawyers, November 9, 2020; ILO, Ukraine on its way to reform 50-year-old Labour Law, November 5, 2020.
- <sup>12</sup> IndustryAll, Protecting workers' rights in Ukraine during the war and in the reconstruction of the country, July 20, 2023; openDemocracy, Exclusive: EU concerned by Ukraine's controversial labour reforms, February 28, 2023.
- <sup>13</sup> Solidarity Center, Ukraine: Domestic Workers Win as President Signs New Law, May 24, 2024.
- <sup>14</sup> European Commission, Ukraine 2023 Report, Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, 2023 Communication on EU Enlargement policy, November 2023.
- <sup>15</sup> U.S. Department of State, Annual Country Reports on Human Rights Practices: Ukraine 2023.
- <sup>16</sup> International Labour Organization, NORMLEX, Ratifications for Ukraine: Ukraine, September 2024.
- <sup>17</sup> European Commission, Ukraine 2023 Report, Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, 2023 Communication on EU Enlargement policy, November 2023.
- <sup>18</sup> European Commission, Trade: Ukraine, September 2024.
- <sup>19</sup> International Labour Organization, ILOSTAT, Trade union density rate (%) – Annual.
- <sup>20</sup> Social Europe, Workers' rights—a casualty of the war in Ukraine, May 14, 2024.
- <sup>21</sup> Friedrich-Ebert-Stiftung, Ukraine – Trade Union Monitor, FES Briefing, September 2024.
- <sup>22</sup> Alena Ivanova, Trade Union Perspectives and the War on Ukraine, LSE Conflict and Civiness Research Group, January 30, 2024.
- <sup>23</sup> Friedrich-Ebert-Stiftung, Ukraine – Trade Union Monitor, FES Briefing, September 2024.

<sup>24</sup> The World Bank, DataBank, World Development Indicators, Employers, total (% of total employment) (modeled ILO estimate).

<sup>25</sup> World Economic Forum, Global Risks Report 2024, Global Risks Perception Survey 2023.

<sup>26</sup> International Labour Organization, Employers' organizations of Ukraine.

<sup>27</sup> International Labour Organization, Decent Work Country Programme 2020–2024: Ukraine, 2020.

<sup>28</sup> Federation of Employers of Ukraine website, October 2024.

<sup>29</sup> Association of Organizations of Employers of Ukraine website, October 2024.

<sup>30</sup> Confederation of Employers of Ukraine website.

<sup>31</sup> European Commission, Commission Staff Working Document: Ukraine 2023 Report, November 8, 2023.

<sup>32</sup> International Labour Organization, Collective bargaining in Germany and Ukraine: Lessons learned and recommendations for Ukraine, 2021.

<sup>33</sup> Friedrich-Ebert-Stiftung, Ukraine – Trade Union Monitor, FES Briefing, September 2024.

<sup>34</sup> Friedrich-Ebert-Stiftung, Ukraine – Trade Union Monitor, FES Briefing, September 2024.

<sup>35</sup> National Tripartite Socio-Economic Council website.

<sup>36</sup> European Commission, Commission Staff Working Document: Ukraine 2023 Report, November 8, 2023; International Labour Organization, The ILO in Ukraine, March 18, 2024.

<sup>37</sup> European Commission, Commission Staff Working Document: Ukraine 2023 Report, November 8, 2023.

<sup>38</sup> Ustinova-Boichenko, H. M., Skriabin, O. M., Fatah, A. A., Yunatskyi, M. O., & Yamkovyi, V. I., Alternative forms of resolution of labor disputes, *Amazonia Investiga*, 13 (73), 100–113, 2024.

<sup>39</sup> International Labour Organization, NORMLEX, Observation (CEACR) - adopted 2023, published 112nd ILC session, Freedom of

Association and Protection of the Right to Organise Convention, 1948 (No. 87), 2024.

<sup>40</sup> International Trade Union Confederation, 2024 ITUC Global Rights Index: The World's Worst Countries for Workers, 2024.

<sup>41</sup> International Trade Union Confederation, 2024 ITUC Global Rights Index: The World's Worst Countries for Workers, 2024.

<sup>42</sup> International Labour Organization, NORMLEX, Ukraine - Freedom of association cases, October 2024.

<sup>43</sup> U.S. Department of Labour, Findings on the Worst Forms of Child Labour: Ukraine, Bureau of International Labor Affairs, 2023; own estimation of ratio of labour inspectors to total employment based on labour force survey data from 2021.

<sup>44</sup> International Labour Organization, Press Release, ILO calls for strengthening labour inspection worldwide, November 16, 2006.

<sup>45</sup> Nagorna A., Padionov M., Kompaniiets O., Dynamics of Industrial Injuries in Ukraine During the Period of Socioeconomic Transformations: The Covid-19 Pandemic, Martial Law, *Znanstvena misel journal*, No. 87, 2024.

<sup>46</sup> European Commission, Commission Staff Working Document: Ukraine 2023 Report, November 8, 2023.

<sup>47</sup> The World Bank, DataBank, World Development Indicators, Population – total, October 2024.

<sup>48</sup> The Kiev Independent, Ukraine's population could drop to 15.3 million by end of century, UN says, July 15, 2024.

<sup>49</sup> Sudakov M., Lisohor L., State Employment Service of Ukraine, Federation of Employers of Ukraine, Ministry of Education and Science of Ukraine, European Bank for Reconstruction and Development, Solidarity Fund PL, Labour Market of Ukraine 2022-2023: state, trends, and prospects, 2023.

<sup>50</sup> International Labour Organization, How did the war impact the Ukrainian labour market?, January 24, 2024.

---

<sup>51</sup> Alena Ivanova, Trade Union Perspectives and the War on Ukraine, Conflict & Civiness Research Group, January 30, 2024.

<sup>52</sup> International Labour Organization, Employment Needs Assessment and Employability of Internally Displaced Persons in Ukraine: Summary of survey findings and recommendations, 2016.

<sup>53</sup> International Organization for Migration, Labour Market Integration of Ukrainian Refugees, April 2024.

<sup>54</sup> Danish Refugee Council, Ukrainian diaspora, October 2024.

<sup>55</sup> Internal Displacement Monitoring Centre, Country Profile: Ukraine, October 2024.

<sup>56</sup> Derzhstat, Data Bank, October 2024.

<sup>57</sup> International Labour Organization, Undeclared Work in Ukraine: Nature, Scope and Measures to Tackle It, Working paper, April 2018.

<sup>58</sup> Ministry of Economics of Ukraine, Labour Market Development.

<sup>59</sup> Derzhstat, Data Bank, October 2024.

<sup>60</sup> U.S. Department of Labour, Findings on the Worst Forms of Child Labour: Ukraine, Bureau of International Labor Affairs, 2023.

<sup>61</sup> International Labour Organization, the Ukrainian Centre for Social Reforms, and the State Statistics Service of Ukraine, Ukraine National Child Labour Survey 2014-2015 - Main findings, 2017.

<sup>62</sup> World Bank Group, Women, Business, and the Law 2024: Ukraine.

<sup>63</sup> Ukraine Government Portal, Reducing the gender pay gap from 18.6% to 13.6% and launching the national campaign 'Sure You Can' - how is Ukraine moving towards women's economic empowerment in times of great war, September 18, 2024.

<sup>64</sup> Derzhstat, Data Bank, October 2024.

<sup>65</sup> United Nations Development Programme - Ukraine, "I Want to Change": How Youth Councils are growing stronger and revitalising communities, June 30, 2024.

<sup>66</sup> Iryna Bodnar and Evgeniia Petrivska, Contribution of Partner Countries to EU Youth Wiki Chapter lii: Ukraine, Employment & Entrepreneurship, July 29, 2023.

<sup>67</sup> United Nations Development Programme, Impact of War on Youth in Ukraine: Findings and Recommendations, 2023.

<sup>68</sup> European Training Foundation, Ukraine – Education, Training and Employment Developments 2021, 2021.

<sup>69</sup> International Labour Organization, Labour market transitions of young women and men in Ukraine: Results of the 2013 and 2015 school-to-work transition surveys, Work4Youth Publication Series No. 41, August 2016.

<sup>70</sup> The World Bank, World Development Indicators.

<sup>71</sup> United Nations Children's Fund, War has hampered education for 5.3 million children in Ukraine, warns UNICEF, January 24, 2023.

<sup>72</sup> College Learners, Education system in Ukraine.

<sup>73</sup> International Labour Organization, Labour market transitions of young women and men in Ukraine: Results of the 2013 and 2015 school-to-work transition surveys, Work4Youth Publication Series No. 41, August 2016.

<sup>74</sup> European Commission, Ukraine: Reforming vocational education as a cornerstone for national development and recovery, October 15, 2024.

<sup>75</sup> United Nations Educational, Scientific and Cultural Organization, TVET Country Profiles: Ukraine, October 2024.

<sup>76</sup> The World Bank, DataBank, Education Statistics.

<sup>77</sup> International Labour Organization, Labour market transitions of young women and men in Ukraine: Results of the 2013 and 2015 school-to-work transition surveys, Work4Youth Publication Series No. 41, August 2016.

<sup>78</sup> YC Market, The aggressive full-scale invasion of Russia stopped the rapid growth of IT services exports, September 28, 2023.

---

<sup>79</sup> Sudakov M., Lisohor L., State Employment Service of Ukraine, Federation of Employers of Ukraine, Ministry of Education and Science of Ukraine, European Bank for Reconstruction and Development, Solidarity Fund PL, Labour Market of Ukraine 2022-2023: state, trends, and prospects, 2023.

<sup>80</sup> International Labour Office, World Employment and Social Outlook 2021: The role of digital labour platforms in transforming the world of work, 2021.

<sup>81</sup> International Trade Union Confederation, Ukraine: ITUC concerned about wave of regressive labour laws, September 10, 2021.

<sup>82</sup> The World Bank, Ukraine Rapid Damage and Needs Assessment, 2022.

<sup>83</sup> World Food Programme, National Social Protection System Support in Ukraine, Programme brief — Social benefits top-up, January 2024.

<sup>84</sup> Derzhstat, Data Bank.

<sup>85</sup> United Nations – Ukraine, UN in Ukraine launched a Policy Paper on social protection with a focus on pensions within a high-level international conference, April 15, 2021.

<sup>86</sup> International Labour Organization, ILOSTAT, SDG indicator 1.3.1 - Proportion of population covered by social protection floors/systems (%) | Annual, Ukraine.

<sup>87</sup> International Labour Organization, ILOSTAT, SDG indicator 1.3.1 - Proportion of population covered by social protection floors/systems (%) | Annual, Ukraine.