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LEGAL ASPECTS OF LABOR MARKET REGULATION IN UKRAINE DURING THE WAR

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The labor market is a crucial component of a country's socio-economic development. The war in Ukraine has created serious challenges for employment, requiring prompt responses and changes in the legal regulation of labor relations. The introduction of martial law led to a transformation of labor legislation aimed at supporting businesses, protecting workers' rights, and adapting the labor market to the new realities.

The onset of full-scale military actions in Ukraine in 2022 caused a complex set of deep structural problems in the labor market, significantly affecting its functioning and stability. According to the International Labour Organization, the unemployment rate in Ukraine reached 24.5% in 2022. This was the result of more than 40% of enterprises ceasing operations, the destruction of production facilities and critical infrastructure, especially in frontline regions [1]. As of the end of 2023, according to the UNHCR, over 6.8 million Ukrainians had become refugees abroad, while more than 5.1 million people were internally displaced within Ukraine. This drastically altered the labor market's human resource structure, leading to a mismatch between labor supply and demand across different regions of the country. Partial mobilization affected hundreds of thousands of individuals, creating a significant need to replace skilled personnel, particularly in industry, agriculture, and the transportation sector [2].

Under wartime conditions, the share of remote work, flexible schedules, temporary contracts, and other non-traditional forms of employment has significantly increased. According to a study by the State Employment Service, nearly 30% of the working-age population in 2023 was employed in a hybrid or remote format. At the same time, inflationary pressures led to the depreciation of real household incomes. According to the State Statistics Service of Ukraine, the consumer price index was 126.6% in 2022 and 115.9% in 2023, reducing the purchasing power of households and complicating the implementation of an effective social protection system for workers [3].

Thus, the impact of war on Ukraine's labor market is multifaceted, encompassing both structural changes in employment and the deepening of socio-economic inequality. These circumstances require an urgent revision of approaches to labor law regulation and the implementation of targeted state support policies to stabilize the labor market during wartime.

Following the introduction of martial law in Ukraine, the Verkhovna Rada adopted a series of amendments to labor legislation. The key changes are presented in Table 1.

Table 1 – Changes in Labor Legislation During Martial Law

Legal act	Description
Law of Ukraine No. 2136-IX of March 15, 2022, "On the Organization of Labor Relations under Martial Law."	This law introduced specific features for regulating labor relations during martial law, temporarily limiting the application of certain provisions of the Labor Code of Ukraine (LCU).
Key Changes: 1. Simplified Dismissal Procedures ➤ Article 3 of Law No. 2136-IX: Allows the employer to dismiss an employee on their own initiative, even without trade union approval, which contradicts the standard requirements of	

Article 43 of the Labor Code of Ukraine.

➤ Direct provision – Part 2 of Article 3: “Trade union consent is not required for dismissal.”

2. Suspension of Certain Provisions of the Labor Code

➤ Article 11 of Law No. 2136-IX: Specifies that during martial law, certain provisions of the Labor Code are not applied, particularly regarding:

- - limitations on working hours (Articles 50 and 51 of the Labor Code),
- - the right to strike (according to the Law of Ukraine “On the Procedure for Resolving Collective Labor Disputes” – temporarily restricted).

3. Introduction of Flexible Working Conditions

➤ Article 8 of Law No. 2136-IX: Officially establishes the possibility of remote (off-site) work and flexible schedules, including based on a written agreement between the parties.

4) Suspension of the Employment Contract

➤ Article 13 of Law No. 2136-IX: Introduces a new mechanism – “suspension of the employment contract,” which is not a termination but a halt of obligations for both parties (no salary accrual); employee payments may be compensated by the state (including under Cabinet of Ministers Resolutions No. 331 and No. 457).

Law of Ukraine No. 2352-IX of July 1, 2022 "On Amendments to Certain Legislative Acts of Ukraine Regarding the Optimization of Labor Relations"	This law clarifies the provisions related to labor changes introduced under wartime conditions.

- **Key Innovations:**
- 1) Flexible Working Time Regulation

➤ Amendments to Article 50 of the Labor Code of Ukraine (LCU): allow for the establishment of a 60-hour work week (compared to the standard 40 hours), subject to agreement between the parties to the employment contract.

➤ Article 53 of the LCU: modified to change the rules for reduced working hours for specific categories of employees.

- 2) Simplified Transfers and Employment Contract Modifications

➤ Article 32 of the LCU was supplemented with a provision allowing the transfer of an employee without their consent to another department or position if required by military circumstances.

➤ Requirements for notifying employees about changes in significant working conditions have been adjusted (previously 2 months’ notice; during martial law – promptly, but with documentation).

- 3) Guarantees for Mobilized Employees

➤ Amendments to Article 119 of the LCU:

- - The employee’s job position must be preserved.
- - The average monthly salary is paid by the employer (with the right to reimbursement from the state budget).
- - Termination of mobilized employees without their consent is prohibited.

The Law of Ukraine No. 2421-IX dated October 18, 2022, "On Amendments to Certain Legislative Acts Regarding the Improvement of Labor Relations Regulation."	The law details provisions regarding social protection and labor organization in the new conditions.
• **Key changes:** • 1) Strengthening social guarantees ➤ Amendments to the Law of Ukraine "On Compulsory State Social Insurance": expanded grounds for receiving unemployment benefits and compensation for destroyed/lost jobs. ➤ Social insurance payments are provided not only in case of job loss but also in case of temporary incapacity due to combat operations. • 2) Remote work and digitalization of labor relations ➤ Amendments to Article 60-2 of the Labor Code: officially confirmed the right of employees to work remotely, without the need for daily presence at the enterprise. ➤ Provision of electronic form for recording contracts (including through the Unified State Register), simplifying the conclusion and preservation of labor agreements amid displacement and limited access to documents.	

Source: compiled by the author based on materials [4; 5; 6]

The aforementioned legislative acts have shaped a new legal reality for labor relations in Ukraine during the war. The changes are aimed at achieving a balance between personnel management flexibility, social protection of workers, and the resilience of the economy under emergency conditions. The further improvement of labor legislation will depend on the effective adaptation of these provisions during the post-war recovery of the country. However, the legislative changes mentioned have both positive and negative consequences for the labor market (see Figure 1).

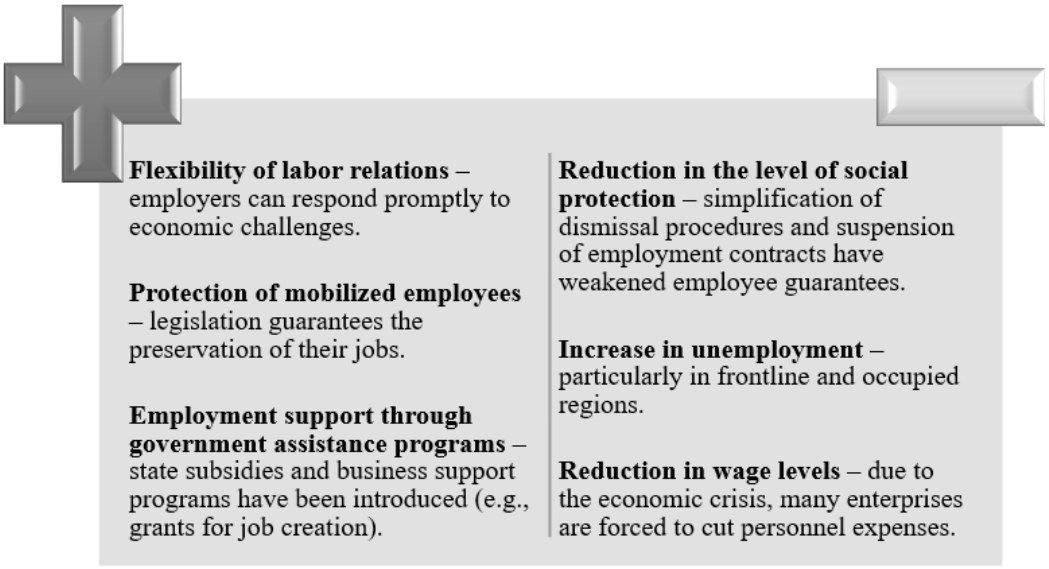


Figure 1 – Positive and Negative Consequences of Changes in the Country's Labor Legislation During Martial Law

Source: compiled by the author

Taking into account the realities and challenges of wartime, Ukraine's labor market requires further reforms. The main directions include:

- Strengthening social guarantees for workers, such as ensuring a stable minimum wage level and insurance against job loss;
- Creating retraining programs to help workers adapt to new labor market conditions, particularly in the fields of IT, logistics, and the agricultural sector;
- Simplifying employment procedures for internally displaced persons (IDPs) by integrating

them into regional labor markets;

- Developing international cooperation, specifically attracting grants and aid from international organizations to support employment.

Thus, the war has caused fundamental changes in Ukraine's labor market, requiring a rapid update of the legislative framework. The legal changes introduced have promoted flexible regulation of labor relations, but also led to a reduction in the level of social protection for workers.

The further development of the labor market requires comprehensive measures, including state support programs, simplification of employment conditions, workforce retraining, and international assistance.

The effectiveness of these reforms will determine Ukraine’s economic stability both during the war and in the post-war period.

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