

POST-WAR RECOVERY OF THE LABOR MARKET IN UKRAINE: TRENDS AND THREATS *(Annotation)*



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The Ukrainian National Platform of the Eastern Partnership Civil Society Forum (<http://eap-csf.org.ua/>) is a network of more than 140 non-governmental organizations in Ukraine that advocates Ukrainian interests within the framework of the Eastern Partnership. The platform is part of the Eastern Partnership Civil Society Forum (EaP CSF).

The Eastern Partnership Civil Society Forum is unique multi-layered regional civil society platform aimed at promoting European integration, facilitating reforms and democratic transformations in the six Eastern Partnership countries - Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine. Serving as the civil society and people-to-people dimension of the Eastern Partnership, the EaP CSF strives to strengthen civil society in the region, boost pluralism in public discourse and policy making by promoting participatory democracy and fundamental freedoms. The EaP CSF is a non-partisan bona fide non-governmental organization.

PREFACE

In recent years, Ukraine's labor market has faced a severe crisis, struggling to meet the demand for workers in real workplaces. By examining the current and anticipated challenges facing Ukraine's labor market, we can proactively address these issues to mitigate future negative impacts. With focused priorities, balanced policies from both the state and businesses, and active engagement from employees and trade unions, the labor market can stabilize. Otherwise, these challenges risk becoming threats, potentially leading to destabilizing effects on the labor market and Ukraine's broader economic situation.

The International Labor Organization (ILO) forecasts a deficit of 8.6 million workers in Ukraine's labor market over the next decade, while the Ministry of Economy offers a slightly lower estimate of 4.5 million. How can we minimize the war's impact on the labor market? Where can Ukraine find these 4-8 million workers? Will the labor market return to pre-war levels, and could these changes foster societal development? The analytical document "Post-War Recovery of the Labor Market in Ukraine: Trends and Threats" seeks answers to these pressing questions.

RESEARCH METHODOLOGY

The goal of the study "Post-War Recovery of the Labor Market in Ukraine: Trends and Threats" is to assess Ukraine's current labor market, analyze the war's impact, and provide recommendations for post-war recovery.

The primary method was a desk review, which analyzed existing studies, statistics, legislation, assessments, and reports on the war's impact on Ukraine's labor market, including regional, sectoral, gender, and age-specific aspects. Data sources covered 2021–2024, with priority given to the most recent information. Official statistics on the number of formally employed individuals, internally displaced persons, people with disabilities, veterans, pensioners, shadow employment rates, and gender pay gaps were supplemented by research findings and recommendations.

Over 20 interviews and consultations were conducted with labor market experts, including representatives from trade unions, employer organizations, government agencies, and other stakeholders. These discussions helped clarify specific labor market issues, verifying and enriching the findings of the desk review.

LABOR MARKET IN FIGURES

The labor market in Ukraine is gradually adjusting to new conditions. Economic activity is beginning to recover, with both individuals and businesses demonstrating a high degree of adaptability and re-engagement.

With *many specialists joining the country's defense efforts*, numerous jobs have opened up. Nearly 1 million Ukrainians are currently defending the country, and in 2024, the Armed Forces of Ukraine already have 880,000 servicemen.

Ukrainians abroad. The rate of migration has slowed compared to 2022, but Ukrainians continue to leave, while some are also returning. As of September 2024, about 7.5 million Ukrainians are abroad, with just over 4.1 million in the European Union. A growing number of Ukrainians are assimilating into their host countries, with fewer expressing interest in returning home. Employment rates for Ukrainians abroad vary by country, but work connections with Ukraine remain strong for some. Approximately 8% of Ukrainians abroad continue working remotely for the same job in Ukraine they held before the war, and about 2% have found new remote jobs within Ukraine.¹

Internal migration. Many Ukrainians fleeing the front-line areas have relocated to other regions, affecting the labor force distribution across Ukraine. The Ministry of Social Policy reports that about 4.9 million Ukrainians are registered as internally displaced persons (IDPs), with 2.1 million of working age.

At the same time, there is a trend of returnees to their usual places of residence. By April 2024, 4.7 million people had returned home. Survey data shows that the majority of IDPs (57%) plan to remain in their current location for the near future, while 3% are considering relocation. Among those contemplating a return (31%), most (60%) intend to go back only “once the war is over”².

Businesses amid war. Direct losses to enterprises are estimated at \$13.1 billion. Since the war began, at least 426 large and medium-sized private and state-owned enterprises, along with tens of thousands of smaller private businesses, have suffered damage or destruction. The actual figure may be higher due to limited data on businesses in temporary occupied areas. Manufacturing, construction, hospitality, and tourism have been hit hardest by the invasion, while the IT and agriculture sectors have shown resilience.

¹Ukrainian Refugees: Future Abroad and Plans to Return. Analytical Note, Center for Economic Strategy, 2024, 104 pages.

²Report on Internal Displacement in Ukraine. International Organization for Migration, April 2024.

TRENDS

REGIONAL AND INDUSTRY-SPECIFIC DISPARITIES IN LABOR MARKET RECOVERY

While Ukraine's labor market is gradually stabilizing, with a declining unemployment rate and the opening of new businesses, regional imbalances remain a significant challenge.

Unemployment rate. As of January 1, 2024, 96,120 people were officially registered as unemployed in Ukraine, a reduction from 186,508 on January 1, 2023. The unemployment rate fluctuated between 20.9% and 13.1% during the first half of 2024 but remains high. The labor market has recovered over 90% in terms of job vacancies, but this recovery is uneven. Regions close to conflict face the dual challenge of preserving resources or relocating them to safer areas. Western regions have absorbed more labor and businesses, with the highest job openings found in Kyiv, Dnipropetrovsk, Lviv, Odesa, and Ivano-Frankivsk. In contrast, front-line regions—such as Kharkiv, Zaporizhzhia, Mykolaiv, and Kherson—show minimal recovery, with residents reporting significant difficulty in finding work. Only 13% of unemployed individuals in these areas are actively job-seeking, often due to limited access to retraining programs.

Business relocation. Relocating businesses has become crucial for continuity amid hostilities. Many entrepreneurs initially moved from Kyiv, Kyiv and Dnipropetrovsk regions, while some businesses also moved into these areas. Odesa, Lviv, and Zakarpattia regions are popular relocation destinations. Interestingly, Kharkiv region sees both high rates of business departures and substantial business relocations within the same region. The relocation of enterprises has increased employment opportunities for internally displaced persons (IDPs) and local specialists in these areas, shaping local labor markets. Although an outflow of relocated enterprises began in the latter half of 2023, their numbers are not yet sufficient to make a significant impact on regional labor markets.

Even as relocated businesses return and reconstruction begins for those destroyed, labor market recovery will take time. Restoring destroyed businesses, especially major metallurgical facilities like Azovstal Metallurgical Combine PrJSC, MMK PrJSC named after Ilyich, and PJSC Avdiiv Coke Chemical Plant, will require extensive financial and time investment, with some efforts spanning months or even years.

Business registration. As of December 29, 2023, Ukraine recorded 304,048 new FOP (individual entrepreneur) registrations—7% higher than in 2021. By May 2024, the number of FOP openings was more than twice the number of closures, with nearly 60% of new FOPs registered by women.

In contrast, new company formations have lagged, not yet reaching pre-invasion levels. In 2023, 37,297 new companies were registered, about a third less than the 56,267 registered in 2021.

Since the full-scale invasion began, *foreigners have founded 3,075 companies in Ukraine*, with business owners from 101 countries choosing to operate in Ukraine despite the war. Turkish citizens lead, opening 396 companies (12.9% of foreign-owned businesses), followed by Uzbek citizens with 312 businesses (10.1%), and Polish citizens with 224 (7.3%). Kyiv stands out as the most attractive region for foreign business investment.

LACK OF QUALIFIED PERSONNEL

In 2024, the labor market has shifted significantly, with nearly an equal number of resumes and job vacancies—67,000 resumes to 62,000 vacancies. This one-to-one ratio indicates that some employers may struggle to find suitable candidates, as a widespread shortage of qualified personnel now affects every sector of the economy.

A unique situation has developed where *a high unemployment rate exists alongside a significant labor shortage*. Many job seekers cannot find work within their field, while employers increasingly face difficulty filling roles. Businesses now experience a stark *"personnel shortage" as finding qualified workers becomes more challenging*. According to businesses, the main reasons for this shortage include the mobilization of men, which complicates employment (79%), and migration abroad (53%).

The highest demand is for skilled tradespeople, such as electricians, plumbers, welders, and carpenters. Demand is also growing for doctors in various specialties, including family and general practitioners. This shortage of qualified professionals presents serious challenges for businesses and hinders economic growth.

SHADOW EMPLOYMENT

Shadow employment remains a significant issue for Ukraine's labor market. As of March 2023, around 3 million people were estimated to be working without official registration, according to the State Employment Service of Ukraine.³

New mobilization rules have affected all sectors of the labor market, especially where the workforce is predominantly male. Many employers are anxious about filling vacancies, and there has been a notable increase in workers avoiding official employment to sidestep mobilization obligations. A 2024 study on the state of business in Ukraine revealed that almost half of companies have mobilized employees, while 40% reported that some men

³Inflation Report, April 2023, National Bank of Ukraine

resigned to avoid mobilization.⁴⁵ Mobilization is now the most cited cause of labor market challenges, with 73% of workers seeing it as a critical issue⁶.

Over the past year and a half, between 1.5 to 2.5 million workers have left the official labor market to avoid military registration. This exodus includes those resigning to evade mobilization risk, opting for unofficial "gray" work, or leaving altogether. As a result, Ukraine's shadow labor market now includes over 4.5 million people, over 3 million of whom are men.

The possibility of reserving positions for mobilized employees has now become a draw for job seekers. Work.ua, for example, now features a section and filter for vacancies that offer reservations for employees.

Mobilization's impact on hiring qualified workers is substantial, as many employees never reach official registration. Developing a program that allows both job and employee reservations, not just the job reservation, could help address this issue.

GENDER TRANSFORMATION OF THE LABOR MARKET: WOMEN IN "MEN'S" PROFESSIONS

Businesses are increasingly involving women in traditionally male-dominated roles. This shift includes not only drivers but also many other professions. For example, there are now 159 women pumping plant drivers, 119 crane operators, and 105 woodworking machine operators. In 2023, women also took on roles as drivers, loaders, and mechanical assembly workers.

However, business surveys indicate that most employers are not yet ready to hire women in large numbers for traditionally male roles. Instead, over half of employers prefer to focus on retraining current employees, redistributing team responsibilities, and engaging young people. Hiring women for male-dominated professions ranks only seventh (15.5%) among steps that businesses consider necessary to address Ukraine's workforce shortage.

REMOTE WORK

During the full-scale war in Ukraine, remote job vacancies increased by nearly 40%, with the most significant growth in large cities.

In 2023, many of the world's largest companies required employees to return to the office, using strategies ranging from mandatory hybrid models to offering bonuses for in-office

⁴Survey of the State of Business in Ukraine, March 2024. [URLhttps://drive.google.com/file/d/1s7FYlxspcUy-2IcguplNm40AfcojpWuJ/view](https://drive.google.com/file/d/1s7FYlxspcUy-2IcguplNm40AfcojpWuJ/view)

⁵Personnel Shortage in Ukraine: Causes, Consequences, and 8 Strategies for Getting Out of the Situation, 2024.

⁶The Results of the Sociological Survey Conducted by the Sociological Service of the Razumkov Center, June 6-12, 2024. Supported by the Konrad Adenauer Foundation in Ukraine. [URLhttps://razumkov.org.ua/napriamky/sotsiologichni-doslidzhennia/trudovi-resursy-dlia-povoienno-vidnovlennia-ukrainy-cherven-2024r](https://razumkov.org.ua/napriamky/sotsiologichni-doslidzhennia/trudovi-resursy-dlia-povoienno-vidnovlennia-ukrainy-cherven-2024r)

attendance. Although Ukraine's situation is quite different, the question of reducing remote work remains relevant. Should remote work be entirely abandoned or only partially reduced? Employers and job seekers share some views on this issue, while in other respects, their opinions differ significantly.

YOUTH IN THE LABOR MARKET

Youth employment remains low in Ukraine. In June 2024, 35% of job seekers were under 25, and 24% were between 25 and 34. The share of unemployed youth under 25 has risen over the past six months.

A study by Rating Lab in August 2023, surveying young Ukrainians aged 15–30, revealed a *strong preference for self-employment and entrepreneurship, with 73% favoring these options, while only 19% preferred traditional employment.* The desire for independence is highest among young people who work or study (75%), while unemployed youth show slightly less interest (61%).

Study abroad trends and mobilization concerns. The trend of studying abroad remains strong in Ukraine. In 2022 and 2023, the Netherlands, Great Britain, and Poland were the top destinations for Ukrainian students.

Fear of mobilization. Additionally, students in grades 10–11, particularly boys, are increasingly seeking study opportunities abroad to avoid potential mobilization, trying to leave Ukraine before they turn 18.

Labor professions and "unprestige." Trades like welding, turning, and locksmithing are considered unprestigious, leading to a shortage of young Ukrainians pursuing these careers, even when offered higher salaries. Ironically, many young Ukrainians who move abroad take up these very trades, despite their lack of appeal domestically.

LOW REINTEGRATION OF IDPS IN THE LABOR MARKET

Of the 2.1 million working-age internally displaced persons (IDPs), only 800,000 are officially employed. Nearly 40% of working-age IDPs have found employment or are self-employed, and another 14% are actively seeking jobs. However, 39% have had to relocate multiple times due to limited job availability, and 26% are considering moving abroad.

Several factors contribute to the low employment rate among IDPs:

- Psychological trauma
- Mismatch between current qualifications and local labor market demands
- Lack of available jobs that meet quality expectations
- Underdeveloped professional retraining systems
- Limited access to childcare and care services for family members in need
- Disparities between expected salaries and employers' valuation of competencies
- Bureaucratic barriers for job applicants

Many IDPs view their current relocation as temporary, contemplating further moves or returning home. Employment is further complicated by family care needs; for instance, many IDPs prefer their children to continue schooling remotely, which requires at least one parent to stay home. Additionally, a longstanding shortage of kindergarten placements and caregiving options for the elderly or ill persist. Men also face general mobilization concerns, as their employment information is shared with recruitment centers when they officially register or seek employment assistance.

PENSIONERS IN THE LABOR MARKET

Before the war, ageism was prevalent in Ukraine, but the conflict has transformed retirees into a valuable labor resource. There is now both demand from employers for retirees and a willingness among pensioners to work. Among retirees seeking jobs, 48% cite insufficient pension benefits as the main motivation, while 36.5% need additional income, and 27.6% look for work to fill free time or seize opportunities. Other reasons include gaining experience to qualify for a pension, social interaction, and supporting the Armed Forces of Ukraine⁷.

As of June 2024, demand for older candidates has risen by 6%, while vacancies for students and newcomers increased by just 1%.

However, pre-war challenges persist, such as mismatches between candidate salary expectations and employers' budgets. Additionally, many employers remain reluctant to hire individuals over 40.

CHALLENGES

MIGRATION POLICY

Effective migration policy requires a clear direction, beginning with economic policy as a foundation. At the national level, Ukraine is working on rules and laws, while regional needs are being analyzed. The labor market deficit in Ukraine could be partly resolved by *encouraging the return of Ukrainians living abroad.* To coordinate this, a new Ministry of Return of Ukrainians is proposed, aiming to support Ukrainians abroad and provide incentives to return. This strategy relies on creating conditions—such as security, housing, and job opportunities—that make return desirable, not forced.

Another option for addressing Ukraine's labor shortage, currently under discussion, is *attracting foreign workers.* However, numerous polls show that most community, business, and government representatives in Ukraine do not support this approach. Instead, they

⁷The labor market for pensioners: what vacancies and salaries are offered?, June 20, 2024. URL: <https://www.liga.net/ua/all/opinion/rynok-pratsi-dlia-pensioneriv-iaki-vakansii-ta-zarplatniu-proponuiut>

favor policies that would encourage Ukrainians to return from abroad, reduce shadow employment, and integrate youth, pensioners, people with disabilities, and veterans into the workforce. Common arguments against bringing in foreign workers include concerns about increased competition, depreciation of the local workforce, potential impacts on the national gene pool, cultural and religious differences, heightened social tension, and the risk of religious conflicts.

Among the arguments in favor of attracting foreign labor, the following are highlighted: attracting foreigners to the labor market will contribute to the revitalization of the economy, will bring here large companies of investors who will create jobs, will provide an opportunity to exchange experience and train for specialists who are in short supply in the community.

Ukraine will, in any case, need to encourage labor migration, as it cannot and does not wish to completely close its labor market to foreign workers. The question lies in the scale of this integration. Key factors to consider include Ukraine's standard of living, which influences the level and types of migrants it can attract, and Ukraine's prior experience in integrating foreign labor. Analyzing current trends, advantages, and challenges is essential for effective migration policy planning.

Successfully attracting labor migrants also requires an employee integration system, ranging from basic housing arrangements to more comprehensive language courses. The example of foreign students in Ukraine is particularly relevant. Before martial law, education was a significant migration driver, with many international students studying in Ukraine, learning the language, and often adapting well culturally. By creating incentives for these foreign graduates, Ukraine could encourage them to join its labor force, potentially expanding their presence from educational hubs like Kyiv, Kharkiv, and Odesa to other parts of the country.

An equally important, yet less discussed, resource for *addressing Ukraine's labor shortage lies within its own borders. This includes Ukrainians of working age who are underemployed or not employed at all*, such as those in shadow employment, youth, internally displaced persons (IDPs), people with disabilities, pensioners, and veterans.

ADAPTATION TO THE NEEDS OF VETERANS IS THE NEW NORM OF UKRAINIAN SOCIETY

Throughout 2024, the number of job vacancies aimed at veterans surged by 82%, compared to an overall market growth of 22%. Despite this growth, veterans still represent only 11% of available job offers.

Regions like Kyiv and sectors with remote work options—such as IT, marketing, and sales—have the highest demand for veteran hires. Job opportunities for veterans primarily cluster in traditionally male-dominated sectors, including transportation, communications, and security.

According to forecasts by the Ministry of Veterans Affairs, *around 5 million people connected to veteran policy will emerge after the war, reflecting the direct participants in*

combat. This demographic is expected to play a significant role in shaping the labor market. Currently, veterans make up only 2% of the employment structure, while people with disabilities comprise 6%.

Many companies already have experience employing veterans or employees currently serving in the defense forces. However, 65% of businesses report they have no experience working with veterans, indicating much room for development.

Today, a key task is adapting the environment to meet the needs of every individual, as an integral part of society. *This means that while veterans must adjust to civilian life, society must also adapt to ensure veterans' return to civilian work is as comfortable as possible.*

INTEGRATION OF PEOPLE WITH DISABILITIES IN THE LABOR MARKET

Since the beginning of the invasion, the number of people with disabilities in Ukraine has been rapidly increasing. As of September 2024, the Ministry of Social Policy reports that slightly more than 480,000 people with disabilities are employed in Ukraine, out of a total of 2.7 million, which is less than 18%. In contrast, the employment rate for persons with disabilities in Europe reaches 50%. According to the European Disability Forum, the percentage of officially employed persons with disabilities in various EU countries is as follows: Poland - 43.3%, Sweden - 58.4%, Romania - 46.3%.

This means that over 80% of specialists with disabilities in Ukraine are currently unemployed. A significant barrier preventing individuals with disabilities from applying for jobs is the lack of suitable working conditions. This concern is also commonly cited by employers, contributing to their reluctance to hire people with disabilities. Notably, about 1.5 million of the 2.7 million people with disabilities in Ukraine have a third-group disability and do not require special workplace accommodations.

To avoid losing this invaluable human capital, integrating people with disabilities into the labor market should be a priority for both the state and businesses. It is crucial to begin developing effective strategies to attract people with disabilities to the labor market in Ukraine, drawing on positive international experiences.

Forecasts from the Ministry of Social Policy suggest that involving 50% of people with disabilities in the labor market could reduce the expected labor shortage to 3 million people.

Employers need to acknowledge the growing prevalence of disability among the able-bodied population, even though many do not currently perceive the scale of this issue. Importantly, one of the obstacles to employment for vulnerable groups, including those with disabilities, is that they often do not apply for jobs due to a lack of awareness of available vacancies, disbelief in their chances of employment, and insufficiently adapted infrastructure. While employers admit they are unprepared to create special conditions for employees with disabilities, they express a willingness to adapt existing conditions to accommodate them.

PROFESSIONAL ADAPTATION, REQUALIFICATION AND NEW EDUCATION

Professional adaptation and retraining should not be "implanted from above." This process should combine the desires and capabilities of the state (through state retraining programs), businesses (by implementing retraining programs for their employees), and workers (by actively participating in these programs).

Among the main obstacles to the popularization and spread of retraining programs are:

- Lack of information about available state retraining programs and how to participate in them (many IDPs, pensioners, and veterans have limited skills in searching for information online and access to such information);
- Reluctance of businesses to invest their own funds in employee retraining programs or courses;
- The duration of studies, which can range from several months to several years;
- The unattractiveness of working professions for young people.

The development and implementation of retraining and training programs pave the way for employment in new areas. Currently, these programs are showing effectiveness by attracting women to traditionally "male professions," increasing labor market participation among IDPs at the local level, and equipping pensioners with essential skills in the context of labor market digitalization. However, it is crucial that professional training aligns with the needs of regional labor markets. This includes introducing modular training programs in cooperation with local businesses for rapid retraining and skills upgrading, as well as expanding dual education and training programs at the workplace.

MENTAL HEALTH OF EMPLOYEES

Mental health is a state of well-being in which a person realizes their creative abilities, can withstand life's stresses, work productively, and contribute to society. According to WHO estimates, one in four Ukrainians will face mental health issues after the war, ranging from anxiety and stress to more severe conditions. Beyond the primary stressor—a full-scale invasion—many also experience fear about the future. Currently, the most common emotions among Ukrainians are tension, hope, and fatigue, all of which naturally impact productivity in the workplace.

Public demand for mental health care is rising. Since the full-scale invasion, the need for psychologists has tripled. However, not all Ukrainians can seek psychological help due to financial or other limitations. Thus, it is essential to develop and broadly implement employee mental health programs now.

EUROPEAN INTEGRATION: CHALLENGE OR ACHIEVEMENT?

European integration remains Ukraine's top foreign policy priority. But how does this process affect Ukraine's labor market, now and in the future? Ukrainian society holds diverse views on this.

Advantages of European integration include expanded foreign policy and economic opportunities, enhancing Ukrainians' quality of life through European laws and practices. Key benefits include access to EU subsidies, development programs, EU loans, EIB credit programs, and private investments from within and beyond the EU. Access to the EU market is another significant advantage. With the dual objectives of recovery and transformation, Ukraine is positioned to adopt a green development model, potentially driving new high-paying jobs and attracting both returning Ukrainians and foreign investors. Ukrainian businesses entering the EU market could further stimulate job creation and increase wages by exporting to high-demand economies.

Challenges of European integration mainly center on the risk of increased labor emigration, potentially depleting Ukraine's skilled workforce, hindering labor market stability and growth.

Integration also poses competitiveness challenges for Ukrainian businesses on the domestic market. As integration opens pathways for Ukrainian firms into the EU, it also introduces European businesses to Ukraine, intensifying competition within the local market.

INSTITUTIONAL WEAKNESS OF SOCIAL DIALOGUE PARTIES

Social dialogue is built on the "moral obligations" of social partners—trade unions, employers' organizations, and the government—to uphold essential social rights and agreements. These include employment and fair wages, quality of life and work, social protection, gender equality, workplace health and safety, and minimum income guarantees for the elderly.

In Ukraine, however, social dialogue has long been in crisis. Public trust in social dialogue institutions is low, and trust between the dialogue parties themselves is similarly limited. Current Ukrainian laws that regulate social dialogue are also problematic. Representativeness criteria exclude many labor market participants, and decisions are often recommendations rather than binding obligations. The ongoing war has further amplified these challenges.

Ukraine's national social dialogue model falls short of addressing current needs and fails to meet its intended goals. Contributing factors include the limited influence of employers and trade unions on management decisions, particularly in setting key socio-economic parameters. The outdated communication model used today has hindered effective interaction between parties.

An effective social dialogue model would allow Ukraine to make more inclusive social and labor decisions through negotiation and consultation rather than top-down imposition. It would also enable the government to better address the needs of both employers and employees across regions and sectors—a highly relevant priority for Ukraine in today's challenging context.

RECOMMENDATIONS

Despite its challenges, Ukraine's labor market has shown resilience and adaptability, creating new employment opportunities and pathways for developing professional skills.

Ukraine faces the critical task of economic recovery and development. This study highlights that, to achieve these goals, it is essential to cultivate a workforce equipped to drive long-term, sustainable growth.

To stabilize and rebuild the post-war labor market, the following measures are recommended:

Migration policy. Ukraine should prioritize efforts to encourage Ukrainians abroad to return. However, migration policy should derive from a strong economic foundation, with emphasis on incentives over mandates. Key factors that will drive Ukrainians back are security, housing, and employment. Therefore, efforts should focus on creating attractive working conditions specifically for Ukrainians and prioritizing incentives to encourage their return.

Integration Policy. Ukraine will inevitably need to encourage migrants to help meet labor market demands, without fully closing the market to foreign workers. The task lies in carefully managing the scale of this involvement and understanding the specific types of skilled workers Ukraine needs.

Regulation of foreign worker involvement. Effective immigration is not solely about the number of foreign citizens; it is also about ensuring their qualifications match market needs. A strategic approach can help align foreign workers with relevant jobs based on their education, skills, and experience. Structured integration measures—such as language programs, education about Ukrainian laws and cultural practices, and policies fostering community interaction—are essential to prevent social tensions and discrimination.

Foreign students as a labor resource. Foreign students who have completed education in Ukraine also represent valuable labor potential. Before February 24, 2022, over 84,000 international students were enrolled in Ukrainian universities. Legislative efforts should facilitate employment pathways for these students, who often possess language proficiency and have already integrated into Ukrainian society.

Prioritizing domestic labor resources. Implementing legislative measures that prioritize domestic labor resources could address concerns about the potential negative impact of foreign labor on Ukraine's cultural and social dynamics. This approach can help alleviate fears of increased social tensions or conflicts due to cultural and religious differences, ensuring a balanced integration process.

Labor Market Data Analysis. Employing advanced tools and methodologies to analyze labor market data is essential. This should encompass skills assessment across various

sectors and regions, including workforce abilities, experience, professional development aspirations, demographics, and training needs.

Developing and implementing a comprehensive system to forecast short-term labor demand for emerging specialties, skills, and qualifications is crucial. This system should be tested at the regional and local levels to refine training programs for high-quality, competitive specialists.

Creating a national "demand map" of the labor market, reflecting regional distinctions, would enhance workforce planning. As before the war, wages remain a central factor in addressing worker shortages in specific fields. Certain sectors may struggle to increase wages, risking shortages of skilled workers in those areas. When evaluating labor shortages, it's critical to specify the "who" and "where" of labor demand, pinpointing the sectors and regions most in need.

This demand map should identify vacancies that cannot be filled by the local workforce, allowing targeted recruitment of foreign talent to avoid misalignment and potential unemployment among locals. Coordinated efforts among government, regional authorities, and businesses will clarify labor needs and capacity across sectors and regions.

Economic Freedom for Business. To foster economic growth, reducing the tax burden—particularly for small and medium-sized businesses—and simplifying administrative requirements for entrepreneurial activity are essential steps to enhance economic freedom in Ukraine

Business Support. Supporting entrepreneurship is crucial for job creation and economic advancement. State-backed programs for startups and small businesses can play a transformative role in labor market development.

Providing access to low-interest loans and grants for job creation will empower businesses to scale their operations, creating new employment opportunities.

Enhancing Job and Employee Reservation Systems. Mobilization and migration have notably impacted the labor market, necessitating optimization. Balancing defense needs with economic stability requires a dual approach, reserving both positions and employees for critical economic roles. A mechanism for the automatic extension of employee reservations and provisions for increasing the number of reserved personnel could help maintain workforce stability during mobilization efforts.

Focus on Transparent Salaries. Promoting transparent ("white") salaries and reducing undeclared income will strengthen Ukraine's labor market by drawing millions into formal employment. This shift will enhance worker protections, increase tax revenue, and support future pension funding. Programs aimed at formalizing wages, especially for those currently paid off-record for non-mobilization reasons, are essential for stabilizing the economy.

Gender Balance in the Workforce. Addressing gender stereotypes, especially in traditionally male-dominated fields, and encouraging female hiring can transform Ukraine's

labor market. Gender parity is not only a matter of social equity but a strategic imperative for sustainable economic development. Supporting gender equality enhances economic competitiveness and growth potential.

Achieving gender balance requires *equitable access to jobs and career advancement for both genders, along with flexible work arrangements that reflect diverse life needs*. Promoting family-friendly policies, encouraging women's active participation in top management, and enabling women's strategic decision-making can foster a dynamic workforce.

Greater gender balance leads to increased productivity, improved job satisfaction, reduced social conflicts, and a more stable economic environment. These changes contribute to sustainable development and improve quality of life, benefiting both the economy and society as a whole.

Remote Work and Flexible Scheduling. The pandemic has demonstrated that remote work can be both effective and productive. Continuing to develop infrastructure that supports remote employment is essential for preserving jobs and enhancing labor productivity.

Flexible working hours are vital for creating a high-quality work-life balance. Demand for flexibility is particularly strong among women, students, and retirees. Students and young professionals often need to juggle their studies with work commitments, making flexible schedules crucial. For women, flexible hours enable a better balance between professional responsibilities and family life. Similarly, retirees find flexible schedules appealing for re-entering the labor market.

Moreover, the remote work model and flexible hours are especially relevant for internally displaced persons (IDPs), Ukrainians living abroad (particularly those seeking employment), and individuals with disabilities.

Involvement of Youth. Engaging youth in the labor market represents a strategic investment in social development for the state. Therefore, during the full-scale war and post-war reconstruction, it is essential for state policy to prioritize active measures that promote youth employment. This includes implementing transparent and effective mechanisms to encourage employers to hire young people, motivating youth to enter the workforce, and challenging the stereotypical perceptions that employers may hold about their professionalism.

To achieve these goals, a coherent system of regulatory, motivational, and stimulating measures should be developed, focusing on:

- Assisting youth in securing their first job;
- Modernizing the professional training and retraining system;
- Promoting flexible forms of employment;
- Stimulating the demand for labor through the formation of a state order for specialties that are strategically important for the country;
- Encouraging employers to hire young workers;

- The development of state support for youth entrepreneurial initiatives, which will lead to a reduction in the level of youth unemployment, and ultimately to a reduction in youth labor migration.

Employment of veterans. Currently, the legislative framework governing the labor rights of veterans is fragmented across more than ten legal acts, complicating access to information and, consequently, to the benefits and guarantees provided by the state. Large-scale programs should be implemented to assist veterans, particularly those with disabilities, in finding employment and receiving psychological support. Additionally, a comprehensive support system must be established, encompassing professional retraining, educational financing, active collaboration with employers, mentoring programs, and consideration of gender aspects.

Creating jobs for people with disabilities involves addressing their specific needs and minimizing bureaucratic obstacles. The primary barriers to the inclusion of people with disabilities in society stem from outdated stereotypes and misconceptions about their capabilities. While individuals with disabilities are increasingly participating in society, they still encounter numerous obstacles to self-realization.

Retraining and training programs should be accessible to everyone, not just the unemployed, as they pave the way for employment in new fields. This approach will help close the gap between labor supply and demand while also facilitating the reintegration of forced migrants.

Ensuring effective social dialogue in Ukraine. Social dialogue is a key tool for implementing labor reforms and promoting Ukraine's recovery. Effective social dialogue is crucial for addressing the issue of unemployment.

It is essential that social dialogue goes beyond theoretical foundations and declarations to become effective and practical at the national, sectoral, and especially regional levels. This can be achieved by ensuring participation from both representative and non-representative parties in the dialogue, establishing mechanisms to monitor the implementation of agreements (so that there is accountability for unmet results), and creating systems for holding parties accountable for the decisions made and their execution.

Communication campaign. Stereotypical thinking persists in Ukrainian society, significantly hindering the involvement of women, people with disabilities, and pensioners in the labor market. The communication campaign should aim to elevate societal attitudes towards these groups and focus on creating an inclusive environment and favorable working conditions.

CONCLUSIONS

In general terms, the current labor market situation reflects a disconnect where neither employers nor job candidates are satisfied with the available options. This imbalance between the needs of employers and job seekers manifests in several ways:

1. *Structural.* Business relocation and the movement of internally displaced persons (IDPs) do not always align. For instance, businesses have moved to regions like Zakarpattia, Lviv, and Kyiv, while IDPs are primarily concentrated in Dnipro and Kharkiv regions.
2. *Qualification.* There is a high demand for skilled manual workers. However, among the registered unemployed, 43% (and 60% in large cities) hold higher education degrees.
3. *Quantitative.* There is a significant disparity between the number of people wanting to work remotely and the available remote job offers. While many employers are satisfied with remote work arrangements, there are many more candidates for whom remote work is a necessary condition.
4. *Financial.* There is a mismatch between businesses' capabilities and candidates' needs, leading to unemployment among former managers, professionals, and top specialists.

The balance between these needs will not be established quickly; substantial efforts are required. Currently, many individuals cannot find jobs for several months, while employers waste resources trying to fill vacancies.

After the war, Ukraine will face several challenges stemming from demographic changes that have occurred over the past decade, which will significantly impact the labor market:

- Aging population and an increasing percentage of pensioners compared to working individuals may pose difficulties for pension provision. This situation will necessitate fundamental changes in how we approach the employment of older individuals and require flexibility in regulating this area;
- A significant number of people with disabilities, veterans, and others may need retraining, long-term rehabilitation, or a complete change in their field of work due to various objective reasons.
- Lack of young specialists due to mass migration of youth;
- Certain fields, such as agriculture, may face acute shortages of specialists due to mobilization, injuries, or fatalities among workers in these sectors.

These challenges represent just a portion of the serious issues that legislators and employers in Ukraine will confront in the near future.

To successfully develop the labor market during post-war reconstruction, it is essential to implement comprehensive strategies. Only a holistic approach can help overcome these challenges and leverage all available opportunities to strengthen Ukraine's labor market.

Continued stabilization of regional labor markets amid war and post-war reconstruction requires measures focused on enhancing education quality, stimulating entrepreneurship, developing infrastructure for remote work, and integrating youth, IDPs, veterans, people with disabilities, and pensioners into the labor market. Encouraging the return of emigrants and learning from successful cases in other European countries will also be crucial. The effectiveness of these efforts will depend on collaboration among businesses, the state, and the workers themselves, particularly in creating measures for their integration into the labor market. Otherwise, personnel shortages will remain a significant barrier to the country's recovery.

The new economic model for Ukraine must be tailored not only by industry but also by region, focusing on clusters, reconstruction, factories, large enterprises, and agricultural areas. This will require extensive work that should begin immediately.

If we aim for a qualitative transformation of both society and the economy rather than merely restoring existing practices, we must address the profound transformation of the labor market—and that process needs to start now.