



Working life in Ukraine (2022)

Preamble

Eurofound and the European Training Foundation (ETF) have developed the first working life country profile for Ukraine as a result of Ukraine's new status as an EU candidate country. The Ukrainian authorities and stakeholders reviewed the draft document and provided comments and suggestions in September 2022.

Similar country profiles have been created for all EU Member States, EU candidate and potential candidate countries, and a few other countries around the world. The currently available <u>country profiles</u> are updated by Eurofound every two years.

This profile describes the key characteristics of working life in Ukraine. It aims to provide relevant background information on the structures, institutions and relevant regulations regarding working life in the country. This includes indicators, data and regulatory systems on the following aspects: actors and institutions, collective bargaining, industrial action, individual employment relations, pay, working time, health and well-being, skills and training, and equality and non-discrimination at work.

This summary covers the main legal and institutional developments from 2018 to August 2022 and takes into account the impact of Russia's war against Ukraine on the economy, labour market working relations and conditions, education, and skills development.

The profile is intended to provide an overview of key socioeconomic characteristics and regulations to serve as a background for Ukraine's work in strengthening its labour market and social regulatory framework in line with the acquis communautaire and European practices.

Background

Economic and labour market context

Over the past three decades, Ukraine has advanced towards a functioning market economy, the consolidation of democracy and rule of law, and greater labour market flexibility and digitalisation. On 24 August 2021, Ukraine marked its 30th anniversary of independence from the Soviet Union and the establishment of an independent state. On 24 February 2022, Russia launched a large-scale military invasion, attempting to expand the conflict in eastern Ukraine and consolidate the illegal annexation of Crimea in 2014.

The war against Ukraine has inflicted devastating destruction, human losses and displacement on the country. Ukraine has a population of 41 million (excluding the temporarily occupied territories of the Autonomous Republic of Crimea and the city of Sevastopol (State Statistics Service of Ukraine 2022 data)) and, of these, 6.6 million had been internally displaced and 5.6 million had taken refuge across Europe (UN Refugee Agency (UNHCR) and International Organization for Migration (IOM) estimates, July 2022) at the time of drafting this profile. According to various estimates, the majority of internally and externally displaced Ukrainians are women, around 50% are highly skilled and many became unemployed or inactive because of the war. Emigration and fast ageing trends were present before the invasion, but the current large-scale displacement could lead to catastrophic human capital loss in Ukraine.

In its assessment of Ukraine's EU membership application in May 2022, the European Commission noted Ukraine's macroeconomic and financial stability and resilience, despite the invasion, and called on the Ukrainian authorities to pursue a reform and reconstruction agenda focused on improving the functioning of the market economy and labour market flexibility, strengthening private property rights, improving educational outcomes and innovation, and upgrading infrastructure and physical capital.

Before the invasion, Ukraine's economy was on a recovery path after the COVID-19 pandemic; its real gross domestic product (GDP) grew by 3.2% in 2021 compared with 2020, when it fell by 4% compared with the previous year, thanks to a record grain harvest and strong consumer spending (according to the International Monetary Fund (IMF)). Current estimates show a GDP contraction ranging between -35% (IMF, 2022) and -45% (World Bank, 2022) in 2022. The State Statistics Service of Ukraine announced a GDP decline of -15.1% in the first guarter of 2022.

The activity rate has been declining, from 63.4% in 2019 and 62.1% in 2020 to 61.8% in 2021 (among 15- to 70-year-olds), with a 12-percentage-point gap between male and female participation in the labour force; however, the same indicator is rather even between urban and rural areas. Employment losses due to the war are currently estimated by the International Labour Organization (ILO) to be -30%. The COVID-19 pandemic took a heavy toll on employment, with an almost 3 percentage-point loss between 2019 and 2021. By 2021, the employment rate stood at 55.7% (among 15- to 70-year-olds), with a gender gap of over 10 percentage points. Among all those employed, 83.7% had the status of employees. The informal employment rate reached 19.5% in 2021, the majority of whom were self-employed.

Before the invasion, the unemployment rate in Ukraine ranged between 8.8% in 2018 and 9.9% in 2021. Against the backdrop of the COVID-19 pandemic, the total number of jobseekers increased from 1.4 million in 2019 to 1.7 million in 2021, with only 25% of these being long-term unemployed. The average duration of a job search was six to seven months in 2020–2021. In 2021, one in five young people aged 15–29 was not in employment, education or training (NEET); most of them belonged to the category 'inactive', while, overall, young women were more exposed to the risk of becoming NEET.

As in other countries, the search for employment in Ukraine can be done individually through direct contact with employers or online or via specialised institutions and organisations. The main player in the areas of supply–demand matching and job placement in Ukraine is the <u>State Employment Service of Ukraine</u>. The State Employment Service has over 600 employment centres throughout the country and provides a wide range of activation programmes, job orientation activities, employment, (re)training and placements for the unemployed, as well as specialised services for employers.

Digitalisation is an important economic driver in Ukraine. Online work modalities, including platform work, have been on the rise in recent years for both web-based and on-location work in Ukraine; various sources consider Ukraine to be among the main exporters of platform labour in Europe and globally (ETF, 2021a).

In February 2021, the Cabinet of Ministers of Ukraine launched 94 digital transformation projects in the fields of education, healthcare, justice, economy and trade, energy, and infrastructure, among others, which will contribute to the development of a digital state (President of Ukraine, 2021a). The law on stimulating the development of the digital

<u>economy in Ukraine</u> (2021) aims to stimulate the digital economy by creating favourable conditions for conducting innovative business, building digital infrastructure and attracting both investments and talented specialists.

Legal context

The main legal act in the field of labour in Ukraine is the <u>Labour Code</u>, adopted in 1971. The code is one of the few legal acts that was adopted in the Soviet period and not cancelled, although hundreds of amendments have been made since Ukraine gained its independence in 1991. The code is composed of 19 chapters, covering the main areas of labour relations, including collective and individual labour agreements, working and rest time, wages, labour discipline, the material responsibility of workers, women and young people's labour regulation, individual labour disputes, trade union activity and safety at work.

The representation of social partners (trade unions and employers) is regulated by the <u>law on social dialogue in Ukraine</u> (2011). As regards collective bargaining, it is regulated by Chapter 2 of the Labour Code and by the <u>law on collective agreements</u> (1993).

On 19 July 2022, the <u>law on amendments to certain legislative acts on simplifying the regulation of labour relations in the field of small and medium-sized businesses and reducing the administrative burden on business activity was adopted. The law is aimed at reducing the bureaucratic burden on employers, simplifying labour regulation and reducing unnecessary bureaucratic procedures in the field of labour relations, as well as creating favourable conditions for the activity and development of small and medium-sized enterprises.</u>

This law introduced, in particular, a contractual regime for the regulation of labour relations, which could be applied, on a voluntary basis, to labour relations arising between:

- employees and employers of small and medium-sized enterprises with up to 250 employees
- an employer and an employee whose salary is more than eight times the minimum wage per month

The contractual regime sets out:

- a special procedure for concluding an employment contract under the conditions of the contractual regime
- specific regulations of the essential conditions of an employment contract (including the general principles of the organisation of individual working conditions and changes to these conditions, safety at work, an employment contract, and the specifics of granting annual paid and unpaid vacations)
- terms and the periodicity of salary payment

The social partners had differing reactions to the adoption of this law: trade unions asked the President to veto the law (Новини, 2022), while business associations expressed support for the law (ЛІГА.Бізнес, 2022). A short analysis of the legal changes and social partners' views is available in Shemakov (2022).

In addition to the specific chapters of the Labour Code, separate laws further regulate labour relations and social partners, for example the laws <u>on trade unions, their associations, rights and guaranties of their activity</u> (1999), <u>on leave</u> (1996), <u>on collective agreements</u> (1993), <u>on safety at work</u> (1992) and others.

The COVID-19 pandemic has changed the traditional regulation of labour relations. In particular, the unpaid leave taken in the period of quarantine was excluded from the general period of unpaid leave per year (Article 84 of the Labour Code); a written form of the labour contract was introduced for those working remotely or from home (Article 29 of the Labour Code); and the definition of discrimination in labour relations was adjusted in line with ILO Convention No 111, the Convention Concerning Discrimination in Respect of Employment and Occupation (Article 2-1 of the Labour Code).

In the context of Russia's war against Ukraine, certain limitations and special provisions concerning labour relations were imposed in accordance with the <u>special law on the organisation of labour relations in the conditions of martial law (2022)</u>.

Industrial relations context

Ukraine has a transitional industrial relations system for the market economy. It has been undertaking privatisation processes with a significant proportion of state property, trying to sell the less profitable property.

From a business perspective, weak court and law enforcement systems make Ukraine unattractive to foreign investments (Кінах, 2021).

The country's system of social dialogue is tripartite and, although it is functioning, its effectiveness is quite low owing to the high degree of formality regarding the social partners' engagement mechanisms. Such shortcomings of the social dialogue system have led to trade unions not being very active. Trade unions seem to consider such social

dialogue forms as collective labour disputes and collective bargaining at sector and national levels as efficient means for protection of their members' interests (author's opinion).

The COVID-19 pandemic has greatly affected the industrial relations system in Ukraine, leading to new developments in the area of labour regulations. Although the Labour Code of Ukraine has not changed significantly, new types of employment and labour relations have become instrumental in reducing the devastating impact of the COVID-19 pandemic on the economy and jobs and in avoiding an escalation of inequality and poverty. In practice, the crisis triggered the emergence of new forms of work: for example, telework, part-time work and employment through digital platforms.

The war that the Russian Federation started in Ukraine on 24 February 2022 led to the adoption of the Ukrainian law on the organisation of labour relations under martial law (No 2136-IX). This law influenced Ukrainian labour legislation, in particular the validity of employment contracts, the definition of essential working conditions, new provisions concerning the transfer of employees, the performance by the employee of work not stipulated by the individual employment contract at the request of the employer for the period of the imposed martial law, the introduction of remote work from abroad, the increase in the normal duration of working time from 40 to 60 hours per week, and other significant changes to labour legislation for the duration of war in Ukraine.

Actors and institutions

Trade unions, employers' organisations and public institutions play a key role in the governance of the employment relationship, working conditions and industrial relations structures. They are interlocking parts in a multilevel system of governance that includes the European, national, sectoral, regional (provincial or local) and company levels. This section looks into the main actors and institutions and their role in Ukraine.

Public authorities involved in regulating working life

The main executive body in the field of industrial policy and labour relations is the Ministry of Economy of Ukraine, whose activities are directed and coordinated by the Cabinet of Ministers of Ukraine through the First Vice-Prime Minister of Ukraine, who is in charge of the determination and implementation of state policy in the fields of labour, employment, labour migration, labour relations and social dialogue (as set out in the <u>regulation of the Ministry of Economy of Ukraine</u>).

The <u>State Service of Ukraine on Labour Issues</u> is an executive authority subordinated to the Ministry of Economy; it is authorised to implement the state policy in the fields of industrial safety, labour protection, occupational hygiene, handling of explosive materials, implementation of state mining supervision, supervision and control over compliance with labour legislation, employment, mandatory state social insurance in terms of rights, accrual and payment of assistance, compensation, and provision of social services and other types of material support in order to comply with the rights and guarantees of insured persons.

The Verkhovna Rada of Ukraine (Parliament) and specifically its Parliamentary Committee on Social Policy and Veterans' Rights Protection deals with all regulations and relations in the sphere of labour, social dialogue and social policy.

There are no specialised courts to ensure the enforcement of employees' rights other than courts of general jurisdiction. In 2021, the <u>law on mediation</u> was adopted, which sets out mediation in the field of labour relations. This new law was reflected in a special article of the Labour Code (Article 222(1)).

Representativeness

The representativeness of social partners at national, as well as sector and regional, level is regulated by the <u>law on social dialogue in Ukraine</u> (2011). The law defines the tripartite system of social dialogue in Ukraine, setting out its implementation at regional, sector and national levels.

According to this law, social dialogue – understood as the process of defining and converging positions, reaching joint agreements and making agreed decisions by the parties of the social dialogue, which represent the interests of employees, employers and bodies of executive power and local self-government bodies on issues of the formation and implementation of state social and economic policy, the regulation of labour, and social and economic relations – is executed at national, regional and sectoral levels on bi- and tripartite bases and at local (enterprise) level on a bipartite basis (Articles 2 and 4 of the law on social dialogue in Ukraine).

As regards national-level social dialogue, the law sets out concrete criteria for the representativeness of social partner organisations.

The criteria for trade union associations are to:

- be legalised in accordance with the law
- be all-Ukrainian¹ associations with at least 150,000 members
- have in their composition trade unions with established organisations in most of the administrative and territorial units of Ukraine², as well as at least three all-Ukrainian trade unions.

¹ An 'all-Ukrainian' status for both trade unions and employers' associations is given if the members of the trade unions and employers' associations are present in the majority of administrative-territorial units (regions) of Ukraine, defined in the Constitution of Ukraine, and in most of those administrative-territorial units of Ukraine where enterprises, institutions or organisations in the specific sector are located.

² According to Article 133 of the Constitution, Ukraine consists of 24 regions (oblasts), two cities of national importance (Kyiv and Sevastopol) and the Autonomous Republic of Crimea. Despite the war in Ukraine, the territorial and administrative structure of Ukraine has not changed since 2014. This means that, for the purposes of social dialogue, to create an all-Ukrainian association of employers or trade unions in line with the territorial criteria, it is necessary to establish regional (oblast) organisations in 15 regions (oblasts) of Ukraine. The number of sectoral associations could vary because of the location of the enterprises of the sector in question, but if the sector is widely present across Ukraine (for example, sales) the all-Ukrainian association of employers or trade unions for that sector should consist of at least 15 sectoral regional (oblast) associations.

The criteria for employers' organisations are to:

- be registered in accordance with the law
- be all-Ukrainian associations of employers' organisations whose member enterprises employ at least 200,000 workers
- have in their composition associations of employers' organisations that are present in most of the administrative-territorial units of Ukraine, as well as at least three all-Ukrainian associations of employers' organisations.

Trade unions

About trade union representation

The <u>law on trade unions</u>, their associations, rights and guarantees of their activity (1999) defines the right to join trade unions. In particular, Article 7 of this law stipulates that members of trade unions can be people who work at an enterprise, institution or organisation regardless of the form of ownership and type of management; individuals who use hired labour; people who work independently; or people who study at an educational institution.

Article 3 of the same law mentions sectors in which the general right to create trade unions is restricted: the armed forces of Ukraine (for servicemen), the national police, the State Criminal Enforcement Service of Ukraine, the Security Service of Ukraine, the Foreign Intelligence Service of Ukraine and the Court Security Service of Ukraine.

Trade unions are quite numerous in Ukraine. According to data from the National Mediation and Reconciliation Service (NSPP) of Ukraine, as of 31 January 2022, there were five trade union associations authorised to conduct social dialogue at national level and 67 associations authorised to conduct social dialogue at sector level (ΗСΠΠ, undated).

There are no accurate data on the number of trade union members in Ukraine. The largest trade union association – the Federation of Trade Unions of Ukraine (FPU) – declares that it has 4.8 million of members (FPU, undated).

In 2012, the five all-Ukrainian trade union associations authorised to conduct social dialogue at national level established the <u>Joint Representative Body of Trade Union Associations at National Level</u>. This body was established on the basis of an agreement (National Academy of Sciences of Ukraine, 2012) concluded with the purpose of consolidating the trade unions' positions concerning:

- the definition and implementation of the state social and economic policy, as well as the regulation of labour, social and economic relations
- maintaining the proper representation of employees' interests and securing guarantees for the realisation of their interests by state authorities
- maintaining participation in international events and social dialogue at national and international levels.

Trade union membership and trade union density

	2015	2016	2017	2018	2019	Source
Trade union density in terms of active employees (%)	44 ^a	n.a.	n.a.	n.a.	36.6 ^b	ILOSTAT
Trade union membership (thousands)	n.a.	n.a.	n.a.	n.a.	n.a.	

Notes: a Taken from Danish Trade Union Development Agency (2022, p. 5). b Taken from ILOSTAT (undated).

Main trade union confederations and federations

According to the representativeness criteria established for trade union associations by the law on social dialogue in Ukraine, a trade union association should have at least 150,000 members. Based on the register of those trade unions that met the criteria to conduct social dialogue at national and sector levels, as of 31 January 2022 in Ukraine there were five all-Ukrainian associations of trade unions deemed qualified to conduct social dialogue at national level (HCΠΠ, undated):

- 1. Federation of Trade Unions of Ukraine 4.8 million members (FPU, undated)
- 2. <u>Federation of Trade Unions of the Transport Sector</u> 308,500 members as of December 2020 (PZTBU, undated)

- 3. <u>Association of All-Ukrainian Trade Unions 'Unity'</u> 165,000 members (Національна тристороння соціальноекономічні рада, undated)
- 4. <u>Confederation of Free Trade Unions of Ukraine</u> 170,000 members (Національна тристороння соціальноекономічні рада, undated)
- 5. <u>Association of Autonomous Trade Unions</u> 160,000 members (Національна тристороння соціальноекономічні рада, undated)

As mentioned above, the trade union associations have combined their efforts to represent the interests of their members through the Joint Representative Body of Trade Unions Associations at National Level. The vast majority of their work is done by the Secretariat of this body. In particular, the work relates to legislation drafts and other forms of social dialogue (for example, consultations, information exchange and collective bargaining at national level).

Main trade union confederations and federations

Long name	Abbreviation	Estimated membership	Year	Involved in collective bargaining?	Affiliation to a European trade union organisation
Federation of Trade Unions of Ukraine	FPU	4,800,000	2021	At all levels	International Trade Union Confederation (ITUC)
Federation of Trade Unions of the Transport Sector	PZTBU	308,500	2021	At all levels	European Transport Federation (ETF)
Association of All- Ukrainian Trade Unions 'Unity'	Unity	165,000	2021	At all levels	
Confederation of Free Trade Unions of Ukraine	KVPU	170,000	2021	At all levels	IndustriALL Europe ITUC
Association of Autonomous Trade Unions	OVAP	160,000	2021	At all levels	

Employers' organisations

About employers' representation

The main legal act regulating the establishment and activity of employers' organisations and their associations is the law on employers' organisations, their associations, rights and guarantees of their activity (2012).

Ukrainian employers are not obliged to become members of employers' organisations or their associations. According to Article 2 of the above-mentioned law, 'Employers have the right to unite in employers' organisations, to freely join and leave such organisations, to participate in their activities under the conditions and in the manner determined by their (employers' organisations) statutes'. A member of an employers' organisation or an association of employers' organisations has the right to terminate this membership at any time by submitting an application to the relevant statutory bodies. Membership in an employers' organisation or association of employers' organisations is terminated from the date of submission of such an application and does not require additional decisions.

As in the case with the trade union associations, in 2009, Ukrainian employers established a Joint Representative Body. The main task of this body is to represent the consolidated opinion of Ukrainian employers during the development and implementation of state policy in social, labour and economic spheres. Taking into account the changes to the legislation (the adoption of the law on social dialogue in Ukraine in 2010), the Joint Representative Body of Employers was reorganised on 15 December 2011 through the conclusion of an agreement between the all-Ukrainian associations of employers' organisations, which at the time of the conclusion of this agreement gained representativeness at national level in accordance with the criteria stipulated in the above-mentioned law.

The possibility of establishing a joint representative body of employers' organisations and their associations at equivalent (regional, sector or national) level is set out in Article 12 of the law on employers' organisations, their associations, rights and guarantees of their activity.

The agreement of 2011 (FRU, undated-a) set out the new composition of the Joint Representative Body of Employers at national level.

Membership and density

In Ukraine, employers' organisations can be created in line with the regional or sector criteria at local (community) and regional (oblast) levels. The regional criteria stipulate that a regional employers' organisation can be created by at least 10 employers from the region, while a sectoral employers' organisation can be created by at least two employers in the sector.

Associations of employers' organisations can also be created in line with the regional or sector criteria at local (community), regional (oblast) and national levels. To create an association of employers' organisations at local (community) or regional (oblast) levels, at least two local (regional) employers' organisations are needed. To create an all-Ukrainian association of employers' organisations, at least 14 regional (oblast) associations of employers' organisations (that is, a simple majority of the regions of Ukraine according to the Constitution of Ukraine) or the majority of regional (oblast) associations of employers' organisations of a specific economic sector are needed. In the case of sector-level all-Ukrainian associations of employers' organisations, the number of constituents can be fewer than 14 regional organisations. For example, to create the all-Ukrainian association of employers in the metal-producing sector, it was enough to unite three of the six regional sector employers' organisations (FMU, undated).

Companies cannot have direct membership of the associations of employers' organisations; companies can be direct members only of local organisations of employers. Moreover, membership is not compulsory for either private or public companies in the employers' organisations or chambers.

In general, there are fewer employers' organisations and their associations in Ukraine than trade union organisations and their associations. As of 31 January 2022, in Ukraine, there were three all-Ukrainian employers' associations authorised to conduct social dialogue at national level (so-called umbrella employers' associations) and 23 all-Ukrainian associations at sector level (HCΠΠ, undated).

These three umbrella associations of employer's organisations unite the majority of employers' organisations and their associations:

- 1. The Federation of Employers of Ukraine unites approximately 140 sector and regional employers' organisations and represents companies that employ more than five million employees (FRU, undated-b)
- 2. The Association of Employers' Organisations of Ukraine unites 24 regional associations and eight all-Ukrainian sector employers' associations of Ukraine, and represents companies that employ more than two million employees (OORU, undated)
- 3. The Confederation of Employers of Ukraine unites six all-Ukrainian associations of employers' organisations and represents companies that employ more than 990,000 employees (KPU, undated-a).

Both regional (oblast) associations and all-Ukrainian associations of employers' organisations conduct social dialogue at regional, sector and national levels and are the formal representatives of employers in all types of social dialogue (for example, collective bargaining, collective agreements at all of the levels mentioned, and the participation of representatives of employers' organisations in decision-making and legal drafting processes). However, the effectiveness of their participation in social dialogue is quite low, as, although their voice and position can be taken into consideration, there is no consequence if their position is not included in the final version of certain decisions. This makes social dialogue in Ukraine quite formal and unappealing to companies, which can find other opportunities for advocating and lobbying their interests.

Main employers' organisations and confederations

Long name	Abbreviation	Year	bargaining?	Affiliation to a European/international employer organisation
Federation of Employers of Ukraine	FRU	2021	At all levels	

Association of Employers' Organisations of Ukraine	OORU	2017	At all levels	
Confederation of Employers of Ukraine	KPU	2021	At all levels	

Tripartite and bipartite bodies and concertation

Article 4 of the <u>law on social dialogue in Ukraine</u> (2011) stipulates that social dialogue can be carried out at national, sectoral and territorial levels on a tripartite or bilateral basis, and at local level (at the level of enterprises, institutions and organisations, as well as by individuals who use hired labour) on a bilateral basis.

Article 9 of the same law provides for national tripartite socioeconomic councils and territorial tripartite socioeconomic councils to be established to conduct social dialogue at national and territorial levels. These councils should be composed of an equal number of representatives of the parties to the social dialogue. At the initiative of the parties, sectoral (intersectoral) tripartite or bilateral socioeconomic councils and other tripartite bodies of social dialogue (for example, committees or commissions) may be established.

In line with the provisions of the aforementioned law, national (<u>Національна тристороння соціально-економічні рада</u>) and territorial councils (for example, the regional tripartite socioeconomic council in Rivne region; see Рівненська обласна державна адміністрація, undated) have been established.

Tripartite social dialogue is the primary model used in Ukraine. Bipartite bodies are usually established on an ad hoc basis and are used for information exchange, consultations and coordination procedures in the framework of social dialogue processes.

Neither national nor territorial tripartite socioeconomic councils are directly involved in the collective bargaining processes. Separate procedures and mechanisms are used to conduct collective bargaining and sign the collective agreements.

Article 12 of the law on social dialogue in Ukraine stipulates that the National Council performs advisory, consultative and coordinating functions by developing a common position and providing recommendations and proposals for the parties to the social dialogue regarding, in particular:

- the formation and implementation of state economic and social policy and the regulation of labour, economic and social relations
- drafts of legislative and other normative legal acts on issues of social and economic policy and labour relations, state programmes of economic and social development and other state-targeted programmes
- state social standards and wage levels
- the main economic and social indicators of the draft state budget of Ukraine for the relevant year
- Ukraine's ratification of the ILO conventions, intergovernmental agreements and EU regulations on issues related to the rights of employees and employers.

The composition of the regional socioeconomic councils follows the same algorithm and these councils issue opinions on:

- drafts of territorial programmes of economic and social development
- the drafting of the local budget for the relevant year
- local legal drafts relating to the regulation of economic and social—labour relations of the parties of the social dialogue of the corresponding administrative territorial unit
- wages and ensuring decent working conditions at enterprises, institutions and organisations in the territory of the relevant administrative territorial unit.

The effectiveness of tripartite socioeconomic councils at both national and regional levels is quite low, as there are no legal provisions that make it obligatory for the authorities to take the position of social partners into consideration. As stated on the official website of the President of Ukraine, 'Since 2016, the activities of the National Council did not have adequate organisational support, and therefore, it could not be fully effective, as defined by law' (President of Ukraine, 2021b).

Main tripartite and bipartite bodies

Long name	Abbreviation	Involved in collective bargaining?	Members
National Tripartite Socioeconomic Council	NTSER	No	Employers' side: 20 representatives of the all-Ukrainian employers' associations authorised to conduct social dialogue at national level Trade unions' side: 20 representatives of the all-Ukrainian trade unions associations authorised to conduct social dialogue at national level Governmental side: 20 representatives of the central executive authorities appointed by the Cabinet of Ministers of Ukraine

Workplace-level employee representation

There are several forms of workplace-level employee representation used in Ukraine. According to the Commercial Code of Ukraine, decisions on socioeconomic issues related to a company's activities are made and adopted by its management bodies with the participation of employees and bodies representing them (<u>Article 65 of the code</u>).

The Labour Code of Ukraine mentions trade unions and trade union representatives among the bodies that can represent employees, namely the head of a trade union or another person authorised to represent the trade union by the statute or relevant decision of the trade union body (Article 1 of the <u>law on trade unions, their associations, rights and guarantees of their activity</u>).

In the absence of a trade union at enterprise level, employees' rights are represented by 'freely elected and authorised representatives (representative) of employees'; such representatives have quite broad responsibilities and, for example, could even agree different systems of wage payments with the employer (Article 96 of the Labour Code of Ukraine).

Article 245 of the Labour Code of Ukraine mentions 'works councils' among the bodies that can represent the interests and rights of employees in the management of companies, but there is no specific regulation of such councils in the modern (post 1991) legislation of Ukraine. The most recent regulation of works councils refers to the <u>law of the Union of Soviet Socialist Republics on labour collectives and increasing their role in the management of enterprises, institutions, and organisations</u> (1983), which is still in effect in Ukraine.

Regulation, composition and responsibilities of the representative bodies

Regulation Is the regulation of these bodies codified by law or in collective agreements?	Composition Who is part of the body?	Responsibilities of the body Involved in company-level collective bargaining?	Thresholds/rules When do they need to be or when can they be set up?
Article 3 of the law on collective agreements	Two or more local (company-level) trade unions	 To initiate collective bargaining To participate in collective bargaining and other forms of social dialogue at company level (consultations and the exchange of information) To participate in reconciliation procedures during collective bargaining To regularly consult with employees on the draft collective agreement To sign the agreement To monitor the implementation of the collective agreement To propose amendments to the collective agreement 	If several local trade union organisations are established at the enterprise, they must, on the basis of proportional representation (according to the number of members), form a joint representative body to conduct negotiations for the conclusion of a collective agreement by concluding a corresponding agreement and notify the employer in writing (Article 4 of the law on collective agreements)

Collective bargaining

The central concern of employment relations is the collective governance of work and employment. This section looks into collective bargaining in Ukraine.

Bargaining system

In general, the collective agreements system in Ukraine is quite centralised. Social guarantees at national level and agreements of a higher level (national and sectoral) prevail; therefore, there is an opportunity for negotiations at enterprise level to improve the norms and standards established at national or sectoral level (the so-called principle of favourability). Meanwhile, the legislation of Ukraine does not establish any hierarchy of provisions of sectoral or regional agreements.

The main legal act concerning collective bargaining in Ukraine is the <u>law on collective agreements</u> (1993). It defines the levels of collective bargaining (company, territorial, sector and national; Article 2), the parties of collective agreements (Article 3), the content of collective agreements (Articles 7 and 8) and bargaining procedures (Articles 10 and 11).

The law on social dialogue in Ukraine (Article 6) sets out the criteria for the all-Ukrainian and sectoral associations of employers and trade unions to participate in collective bargaining at national and sectoral levels.

To participate in collective bargaining at national level, an association of trade unions must:

- be authorised by law
- be an all-Ukrainian association that has no fewer than 150,000 members
- have in its structure trade unions and their associations in the majority of the administrative-territorial units mentioned in Article 133 of the Constitution of Ukraine.

To participate in collective bargaining at national level, an association of employers must:

- be registered
- be an all-Ukrainian association whose members employ no fewer than 200,000 employees
- have in its structure associations of employers in the majority of the administrative-territorial units mentioned in Article 133 of the Constitution of Ukraine.

For those all-Ukrainian associations of trade unions that wish to participate in collective bargaining at sectoral level, it is necessary to prove that their number of members constitutes no less than 3% of all employees employed in the sector; for employers' associations, this criterion is 5% of the employees employed in the sector (Article 6 of the law on social dialogue in Ukraine).

At company level, section 2 of the Labour Code sets out the rules concerning collective agreements and collective bargaining.

As in many other countries, the legislation of Ukraine includes the so-called *erga omnes* provision, which extends the conditions established in the collective agreement of a certain enterprise to all employees of the given enterprise, regardless of whether or not they are members of the trade union that signed the agreement.

According to the legislation, collective bargaining is an obligatory process if one of the parties has initiated it according to the law. As set out in Article 14 of the Labour Code, collective bargaining precedes the conclusion of a collective agreement; however, the conclusion of a collective agreement is desirable, but not obligatory.

The following are considered administrative offences:

- avoiding participation in collective bargaining at the conclusion, amendment or addition of a collective agreement (Article 41(1) of the Code of Ukraine on Administrative Offences)
- violation or non-fulfilment of a collective agreement (Article 41(2) of the above-mentioned code)
- failure to provide information for conducting collective bargaining and exercising control over the implementation of collective agreements (Article 41(3) of the above-mentioned code).

Recently, in May 2022, the law on collective agreements was amended, with a special article introduced on the extension of the sectoral (intersectoral) agreement (Article 9(1) of this law). This means that the corresponding central executive body (in Ukraine, the Ministry of Economy) can extend both sectoral (intersectoral) agreements and their separate provisions to all employers, regardless of the form of ownership, belonging to the relevant sector.

Wage bargaining coverage

In Ukraine, wage payments are set in line with legislation through a system of collective agreements at general, sectoral, regional and enterprise levels, individual employment agreements and contracts (Article 5 of the <u>law on wage payment</u> of 1995). Owing to the high degree of legal regulations of wage payments, there are few possibilities for collective wage bargaining. The law on wage payment states that the minimum wage is the legally established minimum wage for the monthly (hourly) rate of work performed by the employee. Being a state social guarantee, the minimum wage is mandatory throughout the territory of Ukraine for enterprises of all forms of ownership and management and for individuals who use the labour of employees, under any system of payment.

The minimum wage policy has been used since 1998 as a key tool for raising wages. Decisions to increase the statutory minimum wage are often made for political rather than economic reasons. When the Government of Ukraine decided to significantly increase the minimum wage, namely to double it, in 2017, it did not take into account the significant impact that this decision would have on both private and public sectors.

The minimum wage and the minimum cost of living are set in the <u>law on the state budget of Ukraine</u> for the corresponding year; this constitutes the basic mode of wage bargaining in Ukraine. For example, this law in 2022 set two values for the minimum wage: from 1 January to 31 September 2022, UAH 6,500 (€210), and, from 1 October to 31 December 2022, UAH 6,700 (€220) (<u>Article 8 of the law on the state budget of Ukraine for 2022</u>). The minimum wage is applied to all workers working under employment contracts covered by the Labour Code of Ukraine.

This means that wage collective bargaining covers the increasing of workers' salary coefficients based on the real situation in the sector and agreements concluded with the trade unions. As the proportion of employees covered by collective agreements in 2019 was 73.2% of all employees in Ukraine (ILO, 2021, p. 43), it is possible to all consider this as the wage bargaining coverage, as the wage coefficient is obligatory for all collective agreements (Articles 7 and 8 of the law on collective agreements of 1993).

Bargaining levels

National level is the most important level for the whole collective bargaining system of Ukraine. Article 8 of the law on collective agreements stipulates that sector and regional collective agreements make the position of employees worse than what is set out in the general agreement, that is, the collective agreement concluded at national level on a tripartite basis. The provisions stipulated in the general agreement set the minimum standard for the whole spectrum of labour and social relations referred to as the regulation of collective agreements.

According to the law on collective agreements, the general agreement must include:

- labour guarantees and guarantees of the provision of productive employment
- conditions for labour relations, work and rest regimes
- · conditions of labour protection and natural environment
- conditions for the growth of wage funds and the establishment of inter-industry correlations in wages
- assurances of equal rights and opportunities for women and men
- the prohibition of discrimination.

The sector agreement includes the regulation of, among other things:

- tariffs and wages, that is, the establishment of minimum wage guarantees for enterprises in the sector, the
 definition of the minimum amounts of surcharges and allowances, and the definition of working conditions of
 individual professional groups and categories of employees in the sector
- the establishment of minimum social guarantees, compensation and benefits in employment
- labour relations
- labour conditions and labour protection
- residential, medical and cultural services and health and recreation organisations
- the establishment of inter-qualification (inter-position) ratios in remuneration
- · assurances of equal rights and opportunities for women and men
- the prohibition of discrimination.

The current general agreement concluded for 2019–2021 is still active and is not due to be revised given the conditions of martial law in the country.

According to the State Statistics Service of Ukraine, over 43,000 collective agreements covering around 70% of total payroll staff were concluded and registered on 31 December 2021.

Collective agreements concluded and registered on 31 December 2021

	Total	Employees covered by agreement			
Type of activity	number of collective agreements	Number (thousands)	% of total payroll staff		
Total	43,154	5,064.4	70.2		
Agriculture, forestry and fishing	3,160	235.3	63.2		
of which agriculture	2,635	187.1	58.4		
Manufacturing	5,005	1,360.0	76.4		
Construction	814	81.7	37.3		
Wholesale and retail trade; repair of motor vehicles and motorcycles	1,617	300.3	35.7		
Transportation and warehousing, postal and courier activities	1,420	469.8	77.3		
Transportation	606	247.9	93.1		
Warehousing and support activities for transportation	756	164.6	59.0		
Postal and courier activities	58	57.3	90.7		
Accommodation and food service activities	220	17.1	24.6		
Information and communication	423	50.0	47.1		
Financial and insurance activities	212	91.5	50.0		
Real estate activities	773	27.9	39.1		
Professional, scientific and technical activities	1,390	126.4	61.0		
of which scientific research and development	418	65.1	86.5		
Administrative and support service activities	930	86.2	48.3		
Public administration and defence; compulsory social security	3,927	312.1	76.3		
Education	17,343	1,077.7	89.5		
Human health and social work activities	3,766	728.8	88.9		
of which human health	2,891	666.4	89.7		
Arts, sport, entertainment and recreation	1,880	90.2	74.0		
Arts, entertainment and recreation activities	1,056	52.0	78.1		
Libraries, archives, museums and other cultural activities	567	27.9	79.8		
Other service activities	274	9.4	38.1		

Source: State Statistics Service of Ukraine

Levels of collective bargaining

In Ukraine, the vast majority of issues traditionally referred to in collective agreements (wages and working time) are regulated through the legislation, leaving collective agreement-level regulation with a mostly explanatory and duplicating role.

Articulation

Given the dominant character of the state regulation of labour and social relations, both sector- and enterprise-level agreements are present, but do not hold significant importance.

Timing of the bargaining rounds

The legislation does not provide for restrictions on the validity period of collective agreements. A brief analysis of the titles of industry agreements as of August 2019 (Міністерство соціальної політики України, 2019) shows that the vast majority of agreements are concluded, as a rule, for a period of two to four years.

Coordination

The Ukrainian collective bargaining system is characterised by strong vertical coordination, driven by the state through mandatory minimum wage levels and indexation rules. On the other hand, horizontal coordination between industries and enterprises is practically absent in Ukraine, especially in industries in which wage bargaining mechanisms are weak and collective bargaining coverage is low.

Extension mechanisms

According to Article 9 of the law on collective agreements, after the expiration of a collective agreement, the agreement continues to apply until the parties sign a new agreement or revise the current agreement. The validity of contracts and agreements after their expiration (the so-called additional validity or consequence) ensures the inseparability of collective bargaining regulation from the coverage of employees by collective agreements and other agreements after their expiration.

On the other hand, the 'consequence' may leave workers with an outdated contract or agreement that does not take into account changes in labour market conditions in the longer term. In addition, it reduces the ability of employers to respond appropriately and flexibly to emerging challenges.

The reason for the obsolescence of agreements does not lie in the consequence as such, but in the fact that the social partners do not reach agreement on certain issues or on the continuation of their social partnership in general. Given the automatic consequence, collective agreements and other agreements include many statements of a general and declarative nature that do not require regular updating. In addition, the parties are more interested in making changes to the current agreement than in a lengthy negotiation process to conclude a new actual agreement. As of 1 January 2018, only 43% of registered agreements were concluded for the period that included 2018, and the remaining agreements were automatically extended ILO, 2021, p. 42).

Derogation mechanisms

There are no derogation mechanisms outlined either in the corresponding legislation or in the signed collective agreements.

Expiry of collective agreements

There are no specific provisions in the legislation on the expiry date of collective agreements. Article 9 of the law on collective agreements stipulates that, after the collective agreement expires, the agreement continues to apply until the parties conclude a new agreement or revise the current agreement, unless otherwise provided by the agreement. An analysis of the current general agreement shows that there is a specific indication of the official start of collective bargaining for concluding a new general agreement (no later than 12 months before the end of the term for which the agreement was concluded). If the collective bargaining is not completed within 12 months, the validity of the general agreement is extended for the duration of the negotiations, which is determined by the parties.

Peace clauses

There are no explicit peace clauses in the legislation of Ukraine or in the text of the general agreement (the collective agreement concluded at national level). However, some sector-level collective agreements contain provisions stating that, during the term of the agreement, the trade unions must refrain from organising strikes provided that its rules and regulations are fulfilled fully and in a timely manner (for example, the <u>sector collective agreement of the mining and metal producing sector for 2011–2012</u> and the <u>sector collective agreement in the sphere of education for 2021–2025</u>).

Industrial action and disputes

Legal aspects

The notion of industrial action in Ukraine refers to collective labour disputes (conflicts) and strikes as the 'last resort (when all other possibilities have been exhausted) to resolve a collective labour dispute (conflict) in connection with the refusal of the employer or a person authorised to satisfy the demands of employees, a trade union, association of trade unions' (Article 17 of the law on the procedure for resolving collective labour disputes (conflicts) of 1998).

There are no specific types of strikes set out in the legislation, except for the different levels of realisation (Article 19 of the law on the procedure for resolving collective labour disputes (conflicts)):

- enterprise level
- sector level
- territory level
- national level.

The cases in which a strike is prohibited are defined (Article 24 of the law on the procedure for resolving collective labour disputes (conflicts)) as follows.

- It is prohibited to hold a strike if the termination of work by employees poses a threat to life or the health of people or the environment or limits the prevention of natural disasters, accidents, catastrophes, epidemics or epizootics or the elimination of their consequences.
- A strike by employees (except for technical and service personnel) of the prosecutor's office, the court, the armed forces of Ukraine, state authorities, and security and law enforcement agencies is prohibited.
- Personnel of providers of electronic communication services are prohibited from participating in strikes if such
 actions lead to the termination of the functioning of electronic communication networks or the provision of
 electronic communication services that creates obstacles to ensuring national security, health protection, or
 human rights and freedoms.
- If martial law is declared, strikes are automatically prohibited until it is lifted (this was in place at the time of drafting this country profile).

Industrial actions that could be taken by employers are not foreseen.

Industrial action developments in 2017-2021

Features of industrial actions	2017	2018	2019	2020	2021	Source
Working hours lost per employee	66	n.a.	n.a.	n.a.	4	https://ukrstat.gov.ua/
Number of strikes	23	n.a.	n.a.	n.a.	11	https://ukrstat.gov.ua/
Total number of collective labour disputes registered	216	312	370	377	370	https://nspp.gov.ua/home/struktura- nspp-5

Dispute resolution mechanisms

Collective dispute resolution mechanisms

According to Article 2 of the law on the procedure for resolving collective labour disputes (conflicts), a collective labour dispute (conflict) is a disagreement that has arisen between parties regarding:

- a) the establishment of new or changes to existing socioeconomic conditions of work
- b) concluding or changing a collective agreement
- c) the implementation of a collective agreement, other agreement or individual provisions thereof
- d) a failure to comply with the requirements of labour legislation.

Disputes types 1 and 2 are dealt with by a conciliation commission, while types 3 and 4 are dealt with by labour arbitration (Article 7).

Collective labour disputes (conflicts) are considered by the conciliation commission at enterprise level within five days, by sectoral and territorial conciliation commissions within 10 days and by the conciliation commission at national level within 15 days from the moment of the commission's establishment. On agreement of the parties, these terms can be extended.

The decision of the conciliation commission is drawn up in a protocol, has binding force for the parties and is executed in the order and terms established by this decision. Non-acceptance by the conciliation commission of an agreed decision on the resolution of a collective labour dispute of types 1 and 2 or the occurrence of a collective labour dispute (conflict) of types 3 and 4 is the basis for the establishment of labour arbitration.

A collective labour dispute (conflict) is considered through labour arbitration, with the participation of representatives of the parties and, if necessary, representatives of other interested bodies and organisations being mandatory. The labour arbitration must make a decision within 10 days from the date of its creation. According to the decision of the majority of members of the labour arbitration, this term can be extended up to 20 days, but not more.

The decision of the labour arbitration is adopted by a majority vote of its members, drawn up in a protocol and signed by all its members, and is binding if the parties have previously agreed on it.

The <u>National Mediation and Conciliation Service</u> (NSPP) was established by the President of Ukraine with the purpose of preventing the emergence of collective labour disputes (conflicts), forecasting and promoting their timely resolution, and mediating the resolution of such disputes (conflicts).

The NSPP, at the request of the parties to a collective labour dispute (conflict), offers suggestions of independent mediators and members of labour arbitration, coordinates the work of labour arbitration, and sends its specialists and experts to participate in the work of conciliation bodies.

Representatives of the NSPP can participate in the resolution of a collective labour dispute (conflict) at all stages.

The parties to a collective labour dispute (conflict), after complying with the conciliation procedure provided for by this law, have the right to apply to the NSPP for assistance in resolving this dispute (conflict), which reviews all materials and sends its recommendations to the parties within 10 days (Article 16 of the law on the procedure for resolving collective labour disputes (conflicts)).

Individual dispute resolution mechanisms

Individual labour dispute procedures are set out in the Labour Code of Ukraine (section XV).

According to Article 221 of the Labour Code, individual labour disputes are considered (1) by commissions on labour disputes (at enterprise level) and (2) by local general courts (courts of general jurisdiction).

The commission on labour disputes is elected by a general conference of enterprise employees in which at least 15 employees must participate (Article 223 of the Labour Code).

The commission on labour disputes is the mandatory primary body for the consideration of labour disputes arising within enterprises, institutions and organisations, with the exception of disputes specified in Articles 222 and 232 of the Labour Code of Ukraine. A labour dispute is subject to consideration by a labour dispute commission if the employee, alone or with the participation of a trade union organisation representing the employee's interests, did not settle the differences during direct negotiations with the employer (Article 224 of the Labour Code of Ukraine).

The commission for labour disputes is obliged to consider a labour dispute within 10 days from the date of submission of the application. Disputes must be considered in the presence of the employee who submitted the application and the representatives of the employer (Article 226 of the Labour Code).

The commission on labour disputes adopts decisions by the majority of its members present at the meeting (Article 227 of the Labour Code).

In the case of disagreements with the decision taken by the commission on labour disputes, the employee or the employer may appeal the decision to the court within 10 days from the date of delivery of the extract from the minutes of the commission meeting or its copy (Article 228 of the Labour Code).

If the employer fails to comply with the decision of the labour dispute commission within the prescribed period, the labour dispute commission of the enterprise, institution or organisation will issue to the employee a certificate that has the force of a writ of execution. On the basis of a certificate presented to the body of the state executive service or a private executor within three months, the state executor or private executor enforces the decision of the commission on labour disputes in a compulsory manner (Article 230 of the Labour Code).

Use of alternative dispute resolution mechanisms

Until 2021, there was no alternative individual labour dispute resolution mechanism. In 2021, the <u>law on mediation</u> was adopted and mediation was introduced as a means of dispute resolution in civil, family, labour, economic and administrative cases, as well as in cases of administrative offences and in criminal proceedings with the aim of reconciling the victim with the suspect (accused) (Article 3 of this law).

Based on this provision, the Labour Code of Ukraine was amended in Article 222(1), which specifically mentions that a labour dispute between an employee and an employer, regardless of the form of the employment contract, can be

settled through mediation in accordance with the law on mediation, taking into account the features provided by this code.

There are no statistics available yet on the implementation of this mechanism in the resolution of individual labour disputes. In the courts of general jurisdiction, individual labour disputes are traditionally one of the most numerous types. In only the first half of 2020, their number in the civil court for cassation (the court that takes on the highest number of individual labour disputes) was 1,415, second only to disputes arising from contractual relations and regarding compensation for damage (Судова влада України, 2020).

Individual employment relations

Individual employment relations are defined as the relationship between the individual worker and that person's employer. This relationship is shaped by legal regulation and by the outcomes of social partner negotiations over the terms and conditions governing the employment relationship (see the definition of 'employment relationship' in Eurofound, 2011). This section looks into the start and termination of the employment relationship, as well as entitlements and obligations in Ukraine.

Start and termination of the employment relationship

Requirements regarding an employment contract

The main legal act on the start and termination of employment in Ukraine is the Labour Code of Ukraine. Employment starts with the concluding of an employment agreement, which is an agreement between an employee and an employer, according to which the employee undertakes to perform the work specified in this agreement and the employer undertakes to pay the employee wages and provide working conditions necessary for performance of the work (Article 21 of the Labour Code).

According to Article 23 of the Labour Code of Ukraine, an employment contract can be:

- · open ended, that is, concluded for an indefinite period
- for a specified period, established through the agreement of the parties
- such that it is agreed upon during the performance of certain work.

An employment contract is concluded, as a rule, in written form; however, a verbal form is also acceptable.

When concluding an employment contract, a person is required to submit a passport or other identity document, an employment record (if available) or information on employment from the register of insured persons of the State Register of Mandatory State Social Insurance, and, if working conditions require, documents on the level of education (qualification), state of health, relevant military registration and other areas as set out by the legislation (Article 24 of the Labour Code of Ukraine).

An employee may not be allowed to work without concluding an employment contract and a notification to the regional tax administration on the acceptance of the employee.

The established age for starting employment is 16 to 18 years old (Article 187–188 of the Labour Code of Ukraine). Some exceptions and conditions allow a person to work from the age of 16. It is not permissible to hire persons under the age of 16. With the consent of one of the parents or a legal guardian, persons who have reached the age of 15 may, as an exception, be hired. Practical professional training for students and apprentices is allowed from the age of 14 (Article 188 of the Labour Code of Ukraine).

Dismissal and termination procedures

An employment contract can be terminated on the following grounds (Article 36 of the Labour Code of Ukraine):

- on the agreement of the parties
- at the expiration of the employment contract
- on the conscription or entry of an employee into military service
- at the termination of the employment contract on the initiative of the employee, on the initiative of the employer or at the request of a trade union or other body authorised to represent the labour collective
- at the time of the transfer of the employee, with the employee's consent, to another enterprise, institution or organisation or to an elected position
- on the employee's refusal to transfer to work in another area in the same enterprise, institution or organisation or refusal to continue working in connection with a change in essential working conditions
- on entry into legal force of a court verdict by which the employee was sentenced to imprisonment or to another punishment that excludes the possibility of continuing this work
- grounds stipulated by the employment contract itself
- grounds provided by other laws.

An employee can terminate an employment contract themself. To proceed with this, an employee has to officially inform the employer about the termination of the employment contract at least two weeks before the day of the termination (Article 36 of the Labour Code of Ukraine).

Both an employment contract concluded for an indefinite period and a fixed-term employment contract before the expiration of its validity period may be terminated by the employer only in the following cases (Article 40 of the Labour Code):

- 1. changes in the organisation of production and work, including liquidation, reorganisation, bankruptcy or repurposing of an enterprise, institution or organisation, or a reduction in the number or staff of employees
- 2. a revealed inadequacy of the employee in relation to the position held or the work performed as a result of insufficient qualifications or a state of health that prevents the continuation of this work
- 3. systematic non-fulfilment, without good reason, by the employee of the duties assigned to them by the employment contract or the rules of the internal labour procedure, if disciplinary sanctions were previously applied to the employee
- 4. absenteeism (including absence from work for more than three hours during the working day) without valid reasons
- not showing up for work for more than four months in a row due to temporary incapacity, not including maternity leave
- 6. reinstatement of an employee who previously performed this job
- 7. appearing at work in a drunken state or a state of narcotic or toxic intoxication
- 8. committing theft (including small) of the employer's property, established by a court verdict, at the place of work
- 9. conscription or mobilisation of an employer who is a natural person during a special period
- 10. establishment of the employee's incompatibility with the position they were hired for or the work performed during the probationary period.

Dismissal for the reasons specified in clauses 1, 2 and 6 is allowed if it is not possible to transfer the employee, with their consent, to another job.

In the following circumstances, termination of an employment contract can be carried out only with the prior consent of an elected body (trade union representative), that is, the primary trade union organisation of which the employee is member: on the grounds provided for in clauses 1 (except in the case of liquidation of an enterprise, institution or organisation), 2–5 and 7, as well as in the case of criminal acts committed by an employee who directly serves monetary, commodity or cultural values, if these actions provide grounds for loss of trust in the employee on the part of the employer or in the commission of an immoral offence incompatible with the continuation of this work by an employee performing educational functions (paragraphs 2 and 3 of Article 41 of the Labour Code).

Entitlements and obligations

Parental, maternity and paternity leave

The constitutional guarantee of the right of employees to rest is stipulated in the <u>law on leave</u> (1996) and the Labour Code of Ukraine, which define the procedure, duration and conditions for granting leave to employees for the purpose of restoring work capacity, improving health, raising children, overall personal development, and fulfilling a person's interests and vital needs.

The right to leave in accordance with Article 2 of the law on leave is available to citizens of Ukraine who are in employment relations with enterprises, institutions or organisations, regardless of the form of ownership, type of activity and industry affiliation, or who work under an employment contract with a natural person. The right to leave is ensured by the guaranteed provision of leave of a specified duration, with preservation of the place of work (position) and wages (benefits) in the cases provided for by this law.

In particular, among other types of leave, the following types of 'social' leave are provided for by this law: leave in connection with pregnancy and childbirth (Article 17), leave to care for a child before the child reaches the age of three (Article 18), leave in connection with the adoption of a child (Article 18(1)), and additional leave for employees who have children or a dependent adult with a childhood disability of subgroup AI (Article 19).

To ensure equal opportunities for mothers and fathers in caring for a child, in 2021 changes were made to the procedure for granting social leave for childcare, and a new type of social leave was introduced – childbirth leave (Article 19(1) of the law on leave) with a duration of up to 14 calendar days, which is provided to one of the following categories of employees: (1) a man whose wife has given birth; (2) the child's father, who is not in a registered marriage with the child's mother, provided that the mother and father live together, are connected by common life, and have mutual rights and obligations; and (3) the grandmother or grandfather or another adult relative of the child if they are the persons who actually care for the child.

On the basis of a medical report, women are granted paid leave in relation to pregnancy and childbirth for a duration of 126 calendar days (or 140 calendar days in the case of the birth of two or more children or in the case of childbirth

complications). This type of leave is granted regardless of the number of days' leave actually used before childbirth (Article 20 of the law on leave).

At the end of leave in relation to pregnancy and childbirth, either the child's mother or father on request can be granted leave to take care of the child until it reaches the age of three. An enterprise, institution or organisation can provide one of the child's parents with partially paid leave or unpaid leave to take care of the child for a longer period of time.

This leave may be used in whole or in part also by a grandmother, a grandfather or another relative who actually cares for the child, by a person who has adopted or taken care of the child, or by one of the adoptive parents or foster parents.

At the request of the child's mother, father or the persons specified in Article 18(3) of the law on leave, they may work part time or at home during their time on leave to care for the child.

Statutory leave arrangements

Maternity leave	
Maximum duration	126 calendar days (or 140 calendar days in the case of the birth of two or more children or in the case of complications during childbirth). Women who suffered as a result of the Chernobyl disaster are entitled to 180 calendar days.
Reimbursement	100% of the wage (income)
Who pays?	Social insurance fund of Ukraine ^a
Legal basis	<u>Labour Code of Ukraine</u> (1971)
	Law on leave (1996)
	Law on compulsory state social insurance (1999)
Childcare leave	
Maximum duration	Three years
Reimbursement	On 1 July 2014, the reimbursement of paternity leave for three years was cancelled (law on preventing a financial disaster and creating prerequisites for economic growth in Ukraine (2014). Instead, this law now combines assistance for the birth of a child and care for a child until the child reaches the age of three into one type of assistance. The amount of assistance at the birth of a child is UAH 41,280
	A one-off payment will be made of UAH 10,320, followed by a monthly allowance paid over 36 months (at UAH 860 per month)
	Payments for a second child amount to UAH 61,920 and for a third and any subsequent children amount to UAH 123,840
Who pays?	State budget
Legal basis	<u>Labour Code of Ukraine</u> (1971)
	Law on leave (1996)
	Law on compulsory state social insurance (1999)
	Law on state assistance to families with children (1993)
	Law on preventing a financial disaster and creating prerequisites for economic growth in Ukraine (2014)

Note: ^a Article 25 of the <u>law on compulsory state social insurance</u> (1999) states: 'Pregnancy and childbirth benefits are provided to the insured person in the form of material support, which compensates for the loss of wage (income) during the period of leave due to pregnancy and childbirth.'

Sick leave

All employees working under an employment contract are entitled to state compulsory social insurance on temporary disability (<u>Article 19 of the law on state social insurance</u> of 2015).

All insured persons (employees) who, according to the State Register of Mandatory State Social Insurance, have used fewer than 6 months of the insurance period during the 12 months prior to the occurrence of the insured event are entitled to temporary disability benefits. The amount of this benefit should not be higher than the amount of the

minimum salary established by law in the month of the occurrence of the insured event (<u>Article 19 of the law on state</u> social insurance of 2015).

Responsibility for funding the period of temporary incapacity of the employee is divided between the employer and the State Social Insurance Fund: the employer pays for the first five days and the State Social Insurance Fund pays for a longer period (Article 22 of the above-mentioned law).

Temporary disability benefits are paid to insured persons depending on their length of insurance as follows (Article 24 of the above-mentioned law):

- 50% of the average salary (income) to persons who have been insured for up to three years
- 60% of the average salary (income) to persons who have been insured for three to five years
- 70% of the average salary (income) to persons who have been insured for five to eight years
- 100% of the average salary (income) to persons who have been insured for more than eight years.

There are specific terms for the duration of sick leave. Normally, in the case of temporary inability to work due to illness or injury, the department doctor issues a sick leave sheet for up to five calendar days. If the person has not recovered and work capacity has not been restored after this time, the doctor has the right to extend the sick leave for up to 10 calendar days. If the health of a person has not improved after the 10-day period, the doctor can extend the leave to 30 days, but the head of the hospital department then becomes involved in the examination and treatment. At the end of the 30-day period, the Medical Control Commission meets and decides whether to extend the sick leave for a period of 10–12 months or to refer the case to the Medical Social Expert Commission, which may issue a special decision on the permanent disability of a person (see the instruction on the procedure for issuing documents certifying the temporary incapacity of citizens).

An employer has the right to terminate the employment agreement if an employee fails to report to work for more than four months in a row owing to temporary disability, not including maternity leave, unless the legislation establishes a longer period of retention of the workplace (position) in the event of a certain illness (Article 40 of the Labour Code of Ukraine).

Retirement age

The law on compulsory state pension insurance states that the retirement age and the entitlement to a state pension are determined by the number of years of required contribution for an old age pension. The minimum retirement age is 60 years and, since 2021, there has been no difference in the pension age for men and women.

It should be noted that the number of years of contribution for retirement are gradually increasing: in 2020, at least 27 years of contributions were required for a state pension while this will gradually increase a minimum of 35 years by 2028 (Article 26 of the law on compulsory state pension insurance).

Pay

For workers, pay is the reward for work and their main source of income; for employers, pay is the cost of production and the focus of bargaining and legislation. This section looks into minimum wage setting in Ukraine and guides the reader to further material on collective wage bargaining.

Since 2010, the nominal salary index has been growing relative to previous years. The most noticeable growth was in 2017 (by 37.1%). On average, between 2015 and 2018, an annual increase of more than 20% was observed (Слово і Діло, 2021). Despite the continuous increase in the average nominal wage, the index of the real wage relative to previous years has been consistently decreasing.

At the beginning of 2020, the average nominal salary was about UAH 11,000 (about €400 in January 2020 prices; National Bank of Ukraine, 2020). At the beginning of 2021, the average nominal salary was around UAH 12,500, although in reality its level in relation to the euro decreased (equivalent to €360 as of 1 January 2021; National Bank of Ukraine, 2021a).

Looking at the level of salaries at sectoral level, the highest average salary levels as of August 2021 were registered in IT (almost UAH 25,000), finance and insurance (UAH 23,537), public administration and defence, and mandatory social insurance (UAH 21,207) – the exchange rate of Ukrainian hryvnia to euro in August 2021 was 31.9 (National Bank of Ukraine, 2021b). Regionally, the city of Kyiv has traditionally been the leader in terms of average wages. As of August 2021, the average salary in Kyiv was UAH 20,358, while in other regions the average salary ranged from UAH 11,000 to 13,000.

The following legal provisions regulate the payment system and mechanism in Ukraine: the <u>Labour Code of Ukraine</u> includes a special section (VII) on 'payment of work', which defines salaries (Article 94) and the minimum wage, as well as how to set up the minimum wage (Article 95). It also provides a general description of the payment systems used in Ukraine (Article 96).

In addition, the <u>law on pay</u> (1995) generally replicates the main provisions on pay and payment systems stipulated in the Labour Code of Ukraine and provides additional details on the procedures of setting the minimum wage in Ukraine (Article 3), the state regulation and control mechanism of payment (Articles 8–13) and employees' guarantees for pay of work (Articles 21–34).

Minimum wages

The minimum wage is established, at least once a year, by the Parliament of Ukraine (Verkhovna Rada) at the request of the Cabinet of Ministers of Ukraine in the <u>law on the state budget of Ukraine</u>, taking into account proposals made through negotiations of the Joint Representative Body of Trade Unions and the Joint Representative Body of Employers' Organisations at national level (Article 10 of the <u>law on pay</u> (1995).

The amount of the minimum wage is determined by the Cabinet of Ministers of Ukraine, taking into account the positions of social partners at national level, in accordance with the procedure provided for in clause 2.19 of the general agreement for 2019–2021 (currently in force). In particular, during the creation of economic and social development forecasts, the main macro-indicators of the economic and social development of Ukraine, the budget declaration and the law on the state budget of Ukraine for the relevant year, the parties to the social dialogue at national level conduct negotiations (consultations) regarding the amount of the average salary, the wage fund and the amount of the minimum wage.

As a result, the legislation on budget for the corresponding year usually contains two values for the minimum wage, for example UAH 4,723 as of 1 January 2020 (equivalent to €180 in January 2020 prices, National Bank of Ukraine, 2020a) and UAH 5,000 as of 1 September 2020 (equivalent to €152 in September 2020 prices, National Bank of Ukraine, 2020b) as set by Article 8 of the law on the state budget of Ukraine for 2020, and UAH 6,000 as of 1 January 2021 and UAH 6,500 as of 1 December 2021 as set by Article 8 of the law on the state budget of Ukraine for 2021.

In Ukraine, the minimum wage regulation does not set a specific amount for the minimum wage for young people.

Minimum wage rates (monthly)

Minimum wage rate	2015	2016	2017	2018	2019	2020	2021
Ukrainian hryvnia	1,218 (from 1 January)	1,378 (from 1 January)	3,200°	3,723 ^d	4,173 ^e	4,723 (from 1 January)	6,000 (from 1 January)
(UAH)	1,378 (from 1 September) ^a	1,450 (from 1 May)				5,000 (from 1 September) ^f	6,500 (from 1 December) ^g

		1,600 (from 1 December) ^b					
Euro ^h	63 (from 1 January)	53 (from 1 January)	112	111	131	178 (from 1 January)	172 (from 1 January)
	56 (from 1 September)	50 (from 1 May)				152 (from 1 September)	210 (from 1 December)
		59 (from 1 December)					

Notes: ^a Article 8 of the <u>law on the state budget of Ukraine for 2015</u>. ^b Article 8 of the <u>law on the state budget of Ukraine for 2016</u>. ^c Article 8 of the <u>law on the state budget of Ukraine for 2017</u>. ^d Article 8 of the <u>law on the state budget of Ukraine for 2019</u>. ^f Article 8 of the <u>law on the state budget of Ukraine for 2019</u>. ^f Article 8 of the <u>law on the state budget of Ukraine for 2020</u>. ^g Article 8 of the <u>law of on the state budget of Ukraine for 2021</u>. ^h All rates are taken from the <u>National Bank of Ukraine official rates</u> on the specific day.

Pay system

The main pay system in Ukraine is based on a tariff system. The tariff system of pay is based on the complexity of work and on the category of employees, that is, based on their qualifications and the categories in the tariff grid. This constitutes the basis of the formation and differentiation of wages. The tariff grid (the scheme of official salaries) is based on the tariff rate of a first-class worker and inter-qualification (inter-position) ratios of tariff rates (position salaries).

The minimum official salary (tariff rate) is set at an amount no less than the living wage established for able-bodied persons on 1 January of the calendar year in the budget law for the corresponding year.

The assignment of performed work to certain tariff categories and of qualification categories to workers is carried out by the employer in accordance with occupational standards (qualification characteristics) in agreement with the trade union organisation (trade union representative) (Article 96 of the Labour Code of Ukraine).

Article 96 of the Labour Code also sets out the possibility, at enterprise level, of developing and using another system of pay upon agreement with the trade union or trade union representative. If there is no trade union at enterprise level, this decision is taken by the employer after consultation with the employee representative(s).

Monthly basic wages and salaries per worker, annual average (UAH)

NACE group	NACE category	2017	2019	2021
Entire ec	onomy	7,104	10,497	14,014
Α	Agriculture, forestry and fishing	6,057	8,856	12,287
В	Mining and quarrying	9,704	15,630	19,309
С	Manufacturing	7,631	11,788	14,902
D	Electricity, gas, steam and air conditioning supply	8,493	13,989	19,752
E	Water supply; sewerage, waste management and remediation activities	5,199	8,396	11,032
F	Construction	6,251	9,356	11,289
G	Wholesale and retail trade; repair of motor vehicles and motorcycles	7,631	10,795	13,488
Н	Transportation and storage	7,688	11,704	13,837
I	Accommodation and food service activities	4,988	6,730	8,543
J	Information and communication	12,018	17,543	25,530
K	Financial and insurance activities	12,865	19,132	23,975
L	Real estate activities	5,947	8,626	11,142
M	Professional, scientific and technical activities	10,039	14,550	19,369
N	Administrative and support service activities	5,578	8,700	11,186
0	Public administration and defence; compulsory social security	9,372	14,785	19,048

Р	Education	5,857	8,135	11,817
Q	Human health and social work activities	4,977	7,020	11,616
R	Arts, entertainment and recreation	6,608	8,659	12,508
S	Other service activities	6,536	9,096	13,279
Т	Activities of households as employers; undifferentiated goods – and services – producing activities of households for own use	n.a.	n.a.	n.a.
U	Activities of extraterritorial organisations and bodies	n.a.	n.a.	n.a.

Source: State Statistics Service of Ukraine

Collectively agreed pay outcomes

The general agreement (national collective agreement) usually establishes the general correlation between the minimum wage at enterprise level and the legally established living wage. The current general agreement (2019–2021) sets out that, in both public and private enterprises and organisations in the non-budgetary sphere, the minimum wage rate of a qualified worker is established by the relevant sectoral (intersectoral) or territorial agreement and, therefore, by a collective agreement. If there is no collective agreement concluded at the enterprise in question, the minimum wage rate of a qualified worker is calculated on the basis of the minimum wage established by the law on the state budget of Ukraine for the corresponding year.

For enterprises belonging to industries in which no sectoral agreements have been concluded or the provisions of concluded agreements do not regulate the tariff rate for a worker of the first grade, the wage rate is set at no less than 110% of the amount of the subsistence minimum for able-bodied persons. For example, in 2021, the living wage for able-bodied persons was set at UAH 2,481 (approximately €70) in Article 7 of the law on the state budget of Ukraine for 2021, which resulted in the minimum possible tariff rate for a worker of the first grade being UAH 2,729 approximately €79). This is the basic salary figure, that is, the salary of an employee cannot be less than this officially established minimum wage.

It should also be noted that the social partners at national level are keen to ensure that the average salary in Ukraine remains at least 50% of the average salary of the four eastern European countries that use the Ukrainian workforce the most (in order: Poland, Hungary, Czechia and Lithuania) (see clause 2.13 of the general agreement for 2019–2021).

Working time

Working time is defined as 'Any period during which the worker is working, at the employer's disposal and carrying out his activities or duties, in accordance with national laws and/or practice' (Working Time Directive). This section briefly summarises regulations and issues regarding working time, overtime, part-time work and working time flexibility in Ukraine.

Working time regulation

The general legal regulation of working time is set out in the <u>Labour Code of Ukraine</u> (section IV). This section includes provisions on normal and shortened working hours (Articles 50 and 51), the number of working days during the week (Article 52), night work (Article 54), flexible working hours (Article 60) and other relevant regulations.

The possibility for a reduced duration of working hours is established in Article 51 of the Labour Code and is defined by other legislative acts for certain categories of employees. It can also be established by enterprises independently at their own expense. The starting and ending times of daily work (shifts) (Article 57) and the rotation of employees in shifts (Article 58) are determined by the rules of the internal work schedule of the enterprise, institution or organisation.

Articles 7 and 8 of the <u>law on collective agreements</u> stipulate that a collective agreement (at enterprise, sectoral or regional level) establishes the mutual obligations of the parties regarding the regulation of industrial, labour and socioeconomic relations, in particular the work regime, duration of working hours and rest.

The general agreement (2019–2021) does not contain any provisions on the regulation of working time. Sectoral agreements (for example, the collective agreement for the mining and extracting sectors (2011–2012), which is still valid) mostly repeat the legal provisions of the general agreement, but also include additional provisions concerning specific issues such as workers' shifts (for example, Article 4.3 of the above-mentioned sectoral agreement) and limiting the time spent by employees in shift meetings, changing clothes and travelling to and from the workplace (Article 4.4 of the same agreement).

The individual labour agreements concluded between an individual and an employer to perform work under conditions of flexible working time (Article 60 of the Labour Code of Ukraine), remote working (Article 60(2)) and home working (Article 60(1)) can contain specific provisions on working time.

Overtime regulation

The Labour Code of Ukraine regulates overtime work, which is considered to be work in addition to the stipulated working days (Articles 52, 53 and 61 of the Labour Code) and in general is not permitted (Article 62 of the Labour Code).

The employer may apply overtime only in the following exceptional cases (Article 62 of the Labour Code of Ukraine):

- when carrying out work necessary for the defence of the country, as well as averting natural disasters, or industrial accidents and the immediate removal of their consequences
- when carrying out necessary public works on the water supply, the gas supply, heating, lighting, sewerage, transport or communication to eliminate accidental or unexpected circumstances that disrupt their proper functioning
- if it is necessary to finish work started, which, due to unforeseen circumstances or an accidental delay, could not be finished during normal working hours, if its termination could lead to damage or the destruction of property, as well as in the case of the need for the urgent repair of machines if their malfunction causes a stoppage of work for a significant number of workers
- if it is necessary to carry out loading and unloading operations to prevent or eliminate the inactivity of rolling stock or the accumulation of goods at the points of departure and destination
- to continue work in the case of the non-appearance of the substitute employee, when the work does not allow for interruption.

The following categories of people are not allowed to engage in overtime work:

- pregnant women or women with children under the age of three
- those under the age of 18
- employees who study in secondary schools or vocational and technical schools without a break from production, on the days of classes.

Women who have children between the ages of 3 and 14 or a child with a disability, as well as employees with disabilities, may engage in overtime work only with their consent and, in the case of employees with disabilities, on the condition that it does not run counter to medical recommendations (Article 63 of the Labour Code).

Moreover, in general, overtime work must not exceed four hours for each employee on two consecutive days and 120 hours per year (Article 65 of the Labour Code).

Part-time work

According to the agreement between the employee and the employer, a part-time working day or a part-time working week can be established.

At the request of a pregnant woman, a woman who has a child under the age of 14 or a child with a disability, including one under her care, or a woman who is caring for a sick family member in accordance with a medical opinion, the employer is obliged to allow her to work part time or to set her a part-time week. The payment for labour in these cases is proportional to the time worked or depending on the output. Part-time work does not entail any restrictions on the scope of the labour rights of an employee (Article 56 of the Labour Code).

Introducing part-time working hours for company employees is regulated by the Labour Code of Ukraine. Part-time working hours in the form of a part-time working week or part-time working day are established through an agreement between the employer and the employee. This can be done immediately upon hiring or later. Work in this mode is paid in proportion to the time worked or depending on the output (if the system of payment for concrete output is established) (Article 56 of the Labour Code of Ukraine).

As mentioned above, part-time working hours can be established only through an agreement between the employer and the employee. If such an agreement is reached, it must be executed in writing. To do this, the employee makes an application in writing to transfer to a part-time working mode, and the employer issues an order based on this application. As there is a mutual agreement, the work regime can be changed from any date agreed between the parties of the employment contract.

Involuntary part-time work

Involuntary part-time workers can be defined as those working part-time because they could not find a full-time job.

If the employees do not agree to working part time but the employer is forced to take this measure because of changes in the organisation or production of work, a change in essential working conditions is allowed if the employee continues working in the same specialty, qualification or position (Article 32 of the Labour Code of Ukraine). In this case, the employer issues an order on the introduction of a part-time working regime at the enterprise for certain categories of employees (or for all employees), notes the date of introduction of such changes and notifies the employees affected by the order. In this case, the application of the employees will not be required.

Night work

In the context of labour relations, night time is considered to be the interval from 22:00 to 06:00 (Article 54 of the Labour Code of Ukraine). When working at night, the set duration of work (shifts) is reduced by one hour.

The following categories of people are prohibited from engaging in work at night:

- women, except those who work in a family enterprise or in a sector where this is deemed necessary and only
 as a temporary measure
- people under the age of 18

Working at night by people with disabilities is allowed only with their consent and on the condition that it does not run couter to medical recommendations (Article 55 of the Labour Code of Ukraine).

Shift work

Shift work is a method of organising work in two, three or four shifts, in which employees successively replace each other at the same workplace according to a shift (work) schedule (according to a letter of the Ministry of Social Policy (no. 493/13/84-16) dated 29 April 2016).

Employees who work in shifts must rotate shifts evenly in the order established by the rules of the internal work schedule. The transition from one shift to another, as a rule, should take place every working week during the hours specified in the shift schedules (Article 58 of the Labour Code of Ukraine). The duration of a work break between shifts must be at least twice the duration of the work time in the previous shift (including the lunch break). Assigning an employee to work for two consecutive shifts is prohibited (Article 59 of the Labour Code).

Weekend work

The general day off is Sunday. The second day off in a five-day working week, if it is not defined by legislation, is determined by the work schedule of the enterprise, institution or organisation and must be agreed with the elected body of the primary trade union organisation (trade union representative) of the enterprise, institution or organisation. As a rule, employees' must also be granted days off on public holidays in their contract (Article 67 of the Labour Code of Ukraine).

Working on weekends is generally prohibited. Selected employees can work on weekend days only by written order of the employer, with the permission of the trade union organisation (trade union representative) of the enterprise, and in the following exceptional cases (Article 71 of the Labour Code of Ukraine):

- to avert or eliminate the consequences of natural disasters, epidemics, epizootics or industrial accidents
- to prevent accidents that endanger or may endanger the lives or normal living conditions of people, lead to death or damage to property
- for the carrying out of urgent, unforeseen, works, the immediate performance of which depends on the further normal operation of the enterprise, institution or organisation as a whole or its individual units
- to carry out urgent loading and unloading operations to prevent or eliminate the inactivity of rolling stock or the accumulation of goods at the points of departure and destination.

There are enterprises that do not follow the general rule. At enterprises, institutions and organisations in which work cannot be interrupted on a general day off owing to the need to serve the population (for example, shops, household service enterprises, theatres and museums), days off are set by local representative bodies (councils) (Article 68 of the Labour Code of Ukraine). The same approach is used for enterprises, institutions and organisations whose work is impossible to stop owing to production or technical conditions or because of the need for continuous service to the population, as well as for loading and unloading work related to the operation of transport. In such cases, days off are given on different days of the week to each group of employees in turn according to the shift schedule approved by the employer in agreement with the trade union organisation (trade union representative) of the enterprise, institution or organisation (Article 69 of the Labour Code of Ukraine).

Rest and breaks

In general, according to the labour legislation, rest time includes daily breaks; weekends, public holidays and non-working days; and annual and other leave.

Regarding other rests and breaks during the day, employees are given a break for rest and food lasting no more than two hours. The break is not included in the working time. A break for rest and food should be provided, as a rule, four hours after the start of work. Employees use break time at their discretion. During this time, they can be absent from the workplace (Article 66 of the Labour Code of Ukraine).

As regards breaks in each week, employees with a five-day working week are given two days off per week and those with a six-day working week are given one day off per week (Article 67 of the Labour Code of Ukraine).

Working time flexibility

In the working time regulation, flexibility is reflected in the following formats: flexible working hours, home working and remote working.

The provisions on flexible working were introduced to the Labour Code of Ukraine in 2021, except for the article on flexible working hours (Article 60), which was previously part of the Labour Code but has been significantly changed.

According to Article 60 of the Labour Code of Ukraine, a flexible working time regime is a form of work organisation that allows a different work regime to be established from that defined by the rules of the internal work schedule. This is possible as long as the daily, weekly or other number of working hours for workers who intend to work according to the flexible working time regime remains the same as for those workers who continue working according to the work regime defined by the rules of the internal work schedule.

Flexible working hours

This regime includes:

- a fixed time during which the employee must be present at the workplace and perform their official duties (the working day may be divided into parts)
- variable time, during which the employee determines, at their own discretion, the periods of work within the established norm of the duration of working hours
- break time for rest and food.

Flexible working hours can be set:

- at the request of the employee, who can choose the time limits of the work schedule that are acceptable to them, without notifying the employer no later than two months in advance about the change in the work regime
- by the employer, in the case of production necessity, with a mandatory notification of employees no later than two months in advance about the change of work regime

The employer is obliged to notify employees about the conditions and specifics of the flexible working time regime at least two months before the introduction of such a regime.

The employer coordinates the working time of an employee for whom a flexible working time regime has been established with the working regime of other employees by regulating the fixed times, variable times and break times for rest and meals.

The introduction of a flexible working time regime does not entail changes in rates or wages and does not affect the scope of the labour rights of employees.

Work from home

Home working is a new feature in the labour legislation of Ukraine and was introduced in 2021 in response to the COVID-19 pandemic, which had severe consequences for the labour market and economy of Ukraine in general. According to Article 60(1) of the Labour Code of Ukraine, working from home is a form of work organisation in which work is performed by the employee at their place of residence or in other premises determined by the employee and is characterised by the presence of a fixed location; the tools, devices and inventory necessary for the production of products or the provision of services; and the performance of work or functions outside the production location or workplace of the employer.

When a working from home regime is introduced, the employee's workplace is fixed and cannot be changed by the employee without agreement with the employer.

When performing work under an employment contract and a working from home regime, employees are subject to the general operating regime of the enterprise, institution or organisation, unless otherwise stipulated by the employment contract. At the same time, the duration of working hours cannot exceed the norms defined by the labour code.

The performance of work at home does not entail changes in rates or wages and does not affect the scope of the labour rights of employees.

The provision of the means for production and the materials and tools necessary for the employee to perform the homework is the responsibility of the employer, unless otherwise stipulated by the employment contract.

During the threat of the spread of an epidemic, during a pandemic, in case of the need for self-isolation of the employee in cases established by law, in the event of a threat of armed aggression and/or in an emergency situation of a man-made, natural or other nature, a working from home regime may be introduced by order of the employer without necessarily concluding an employment contract on working from home in written form. The employee must be notified of such an order within two days from the day of its adoption, but before the introduction of home working.

A working from home regime can be introduced only for employees who have the practical skills to perform certain jobs or can be trained in such skills.

Remote work

Remote working was introduced into the Labour Code of Ukraine together with home working. It is a form of work organisation in which work is performed by the employee outside the workplace or the territory of the employer, in any place of the employee's choice and using information and communication technologies (Article 60(2) of the Labour Code of Ukraine).

In the case of remote work, the employee independently determines the workplace and is responsible for ensuring safe working conditions there.

When working remotely, the employee allocates working time at their own discretion and the rules of internal labour regulations do not apply unless otherwise determined by the employment contract. At the same time, the total duration of working hours cannot exceed the norms stipulated by the articles of the Labour Code.

An employee performing remote work is guaranteed a period of free time for rest (a disconnection period), during which the employee can interrupt any information and telecommunication connection with the employer, and this is not considered a violation of the terms of the employment contract or labour discipline.

As in the case of home working, during the threat of the spread of an epidemic, during a pandemic, in cases of the need for self-isolation of the employee in cases established by law, in the event of a threat of armed aggression and/or in an emergency situation of a man-made, natural or other nature, remote work may be introduced by order of the employer without necessarily concluding an employment contract on remote working in written form. The employee must be notified of such an order within two days from the day of its acceptance, but before the introduction of remote work.

Fixed start and finishing times

There is no obligatory or even recommended start and finishing time of daily work set out in the labour legislation. The start and finishing time of daily work (shifts) is defined by the rules of the internal work schedule of an enterprise and by shift schedules concluded in accordance with the legislation (Article 57 of the Labour Code of Ukraine).

Health and well-being

Maintaining health and well-being should be a high priority for workers and employers alike. Health is an asset closely associated with a person's quality of life and longevity, as well as their ability to work. A healthy economy depends on a healthy workforce: organisations can experience a loss of productivity through the ill-health of their workers. This section looks into health and safety and psychosocial risks in Ukraine.

Health and safety at work

Two main legal acts regulate health and safety at work in Ukraine: the Labour Code (1971) and the specific law on labour protection (1992). The Labour Code sets out the general principles of health and safety at work and still reflects the realities of Soviet times, while the specific law is more focused on the state policy in this area and on the spheres of responsibility of authorised state bodies and agencies.

The Labour Code regulates health and safety at work in Ukraine (<u>section XI</u>). Among the topics regulated by the Labour Code of Ukraine in the sphere of health and safety at work are:

- conducting briefings (or training) for employees on safety at work and fire safety
- the mutual responsibilities of employers and employees on compliance with safety at work
- protection equipment and other means of personal protection
- breaks in work for heating and rest
- · mandatory medical examinations of employees belonging to certain categories
- the investigation and recording of occupational diseases and accidents at work
- the employment of persons with disabilities
- compensation in the case of damage to the health of employees.

The law on labour protection (1992) sets out further detailed provisions. In particular, the law:

- provides the basis for the state policy in the area of safety at work
- identifies the functions of the state body authorised to execute public policy in this sphere
- defines the rights and responsibilities of employers and employees in the sphere of safety at work
- sets out regulations for certain categories of staff (young people, people with disabilities and women)
- describes the system aimed at securing safety at work at enterprise level,³ in particular the obligation of the employer to create safe working conditions at the workplace, the establishment of a labour protection division at enterprises with 50 or more employees⁴ (Article 15 of the law) and the obligation to conduct compulsory training on safety at work both for the responsible persons and for the management (Article 18 of the law)
- sets out the rights and responsibilities of employers and employees in the sphere of health at work (for example, regular medical examinations for employees and restrictions on work because of health).

A general provision of the law states that the state policy in this sphere is achieved by:

ensuring the coordination of the activities of state authorities, institutions, organisations, and citizens' associations that solve the problems of health care, hygiene and occupational safety, as well as cooperation and consultations between employers and employees (their representatives), between all social groups when making occupational health and safety decisions at the local and state levels.

According to the current practice of defining the state policy in this and other fields, the social partners are involved in this process through the law on social dialogue.

³ The law does not set out different rules on safety at work for different sizes of enterprise. The only exemption from the rules concerns self-employed entrepreneurs, who are not obliged to follow all the rules set out by the law.

⁴ At an enterprise with fewer than 50 employees, the functions of the labour protection division can be performed on a part-time basis by persons who have the appropriate training (Article 15 of the law).

State Service of Ukraine on Labour Issues

The State Service of Ukraine on Labour Issues is the central body established by the Cabinet of Ministers of Ukraine in 2014 to oversee the enforcement of labour regulation pertaining to health and safety at work (in the <u>resolution of 10 September</u>).

The main tasks of the State Service of Ukraine on Labour Issues are:

- the implementation of state policy in the areas of industrial safety; occupational health and safety; handling of
 explosive materials; state mining supervision; the supervision and verification of compliance with labour
 legislation; employment; mandatory state social insurance in the sphere of the appointment, calculation and
 payment of salaries, benefits and compensation; and the provision of social services and other types of
 financial support to comply with the rights and guarantees of insured persons
- the comprehensive management of labour protection and industrial safety at state level
- the implementation of state regulations and control in areas of increased risk
- the organisation and implementation of state supervision (control) in the field of functioning of the natural gas
 market in terms of maintaining the proper technical conditions for natural gas accounting systems, units and
 devices at production facilities and ensuring safe and reliable operation of the facilities of the Unified Gas
 Transportation System.

Accidents per 1,000 employees and percentage change from previous year

	2018	2019	2020	2021
Total number of accidents (all accidents)	4,805	5,829	40,737	30,203
Percentage change from previous year	n.a.	21.3	598	-25.9
Per 1,000 employees	n.a.	n.a.	n.a.	n.a.

Note: 'All accidents' includes both accidents and acute occupational diseases; the definition changed in 2020, in the context of the pandemic, which particularly affected health and other essential sectors. ^a The official statistics include both accidents and occupational diseases. The surge in COVID-19-related cases has had an effect on the incidence of occupational accidents since 2020.

Source: Social Insurance Fund of Ukraine

Before the COVID-19 pandemic, the number of accidents, including occupational diseases, was relatively low. The seven-fold increase in 2020 reflected the impact of the COVID-19 pandemic on employees in the health sector, which became one of the most dangerous sectors of the Ukrainian economy. The infection of medical and other workers with COVID-19, 'whose work is related to the performance of professional duties in conditions of increased risk of infection' were investigated as cases of acute occupational diseases in 2021 (which represented 83.2% of the total number of accidents). In 2020, 64.2% of all persons injured in Ukraine were injured in the sectors of healthcare; mining industry and quarrying; and transport, warehousing, postal and courier activities (Marina, 2021a).

The monitoring of occupational injuries shows that there has been a decreasing number of occupational injuries in Ukraine: the total number of injuries in 2020 was 20 times lower than in 1992. However, owing to the large number of illnesses among medical and other workers during the performance of their professional duties in relation to COVID-19, there was a significant increase in the total number of injuries in 2020 compared with 2019. Moreover, although the number of fatal accidents has been increasing in recent years, after independence the number of deaths at work decreased to a quarter of its previous level. Analysis of industrial injuries in Ukraine shows that, compared with 2020, in 2021 the number of accidents related to production decreased by 7% (that is, by 240 accidents: 3,394 persons were injured at Ukrainian enterprises in 2021 compared to 3,634 persons in 2020) and the number of production-related fatal accidents in 2021 increased by 2% (that is, by eight accidents: 386 persons were fatally injured at Ukrainian enterprises in 2021, compared to 378 persons in 2020; State Service of Ukraine on Labour Issues, undated).

Psychosocial risks

In Ukraine, there are several legal acts directly addressing psychosocial risks at work. There are clauses in the Labour Code of Ukraine that regulate the quality of work and the working environment, in particular:

- the creation of safe and harmless working conditions (Article 153)
- the employer's duty to facilitate and improve the working conditions of employees (Article 158)

transfers to an easier job (Article 170).

Since 2020, several initiatives have attempted to prevent mobbing at work, such as the <u>draft law on amendments to</u> the Code of Ukraine on administrative offenses in relation to countering mobbing (No. 4306), the <u>draft law on amendments to some legislative acts of Ukraine on countering the violation of rights in the field of labour (No. 5748) and the <u>draft law on amendments to the Code of Ukraine on administrative offenses on combating violation of rights in the labour relations</u> (No. 5749). Owing to the exceptional situation triggered by Russia's aggressive attack on the country, the Parliament of Ukraine has not achieved significant progress in the consideration and approval of these legal initiatives.</u>

Available statistics on psychosocial accidents⁵ in Ukraine reveal that such accidents accounted for 16.6% of the total number (1,100), and the main reasons for such accidents were (Marina, 2021a):

- personal carelessness of an employee 7.5% of the total number of injured persons in Ukraine (500 injured persons)
- other psycho-physiological reasons 4.6% of the total number of injured persons in Ukraine (307 injured persons)
- injury (death) as a result of the illegal actions of other persons 3.3% of the total number of injured persons in Ukraine (218 injured persons).

Work intensity: Do you have enough time to get the job done?

There is no clear definition of the concept of 'work intensity' in the legislation; therefore, the general definition of work intensity that is used to establish surcharges is intense work that ensures the highest productivity, which is usually the subject of a collective agreement.

Article 8 of the <u>law on collective agreements</u> establishes the right to set minimum amounts of additional payments and allowances for enterprises in a collective agreement at sector level, taking into account the specific working conditions of individual groups and categories of employees.

⁵ Usually, the following causes/reasons are included in this category of accidents: alcoholism, substance abuse, toxicological poisoning and intoxication, low neuropsychological stability, unsatisfactory physical data or health condition, unsatisfactory psychological climate in the team, injury (death) as a result of illegal actions of other persons, and personal carelessness of the employee (Marina, 2021b).

Skills, learning and employability

Skills are the passport to employment; the more skilled individuals are, the more employable they are. Good skills also tend to lead to better quality jobs and better wages. This section briefly summarises the Ukrainian system for ensuring skills and employability and looks at the extent of training.

National system for ensuring skills and employability

With public spending on education at 6% of GDP and private spending adding another percentage point, Ukraine's spending on education is among the highest in the world. This is partly because of the requirements in the law on education to allocate at least 7% of GDP to education (ETF, 2021b). Educational attainment in Ukraine is high, with only around 2% of the active population holding primary education level or lower.

However, the participation of adults (25–64 years old) in continuing education and training is extremely low in Ukraine, even compared with the neighbouring EU region. In 2015, this indicator stood at 0.8%, by 2019 it had decreased to 0.7% and in 2020 it reached a meagre 0.5%, compared with the EU27 average of 9.2%. This highlights the need to encourage adults and companies to develop new skills and competences, to improve the outreach and availability of continuing training services from a lifelong learning perspective, and to reorient skills development to serve reconstruction efforts, innovation and the digitalisation of the economy and society.

The European Training Foundation (ETF) analysis of the skills mismatch incidence (ETF, 2022) in EU neighbouring countries shows that, in 2019, one in three Ukrainian workers was overskilled, that is, working in a job requiring skills below the worker's level of education. The learning losses due to extended pandemic closures and war are estimated to be more than one schooling year, while the projected loss in future earnings per student is estimated to be over 10% (Angrist et al, 2022).

The law on education (2017) sets out the strategic framework for the implementation of reforms and endorses the concept of the New Ukrainian School, establishing a new structure for the general education system, including elements of vocational education and training, in the last three years of school education. Ukraine is also pursuing an agenda to improve the relevance and excellence of professional education (vocational and technical), aiming at consolidating vocational education institutions as multifunctional educational institutions fit to provide high-quality initial and continuing education, that is, both formal and non-formal professional (vocational and technical) education for all age groups, thus playing a significant role in satisfying the skill needs of the labour market (ETF, 2020).

In the area of adult learning, the legislation concerning the qualifications system regulates professional qualifications, the validation of non-formal and informal learning, the independent assessment of acquired skills by qualification centres and the development of sector qualification frameworks.

The National Qualifications Framework (NQF) plays an important role in lifelong learning and education based on key competences, along with the National Agency for Qualifications (NQA), a collegial body supported by the government and social partners, established in 2019. In 2020, the levels in the NQF were updated from 10 to 8 levels, in line with the European Qualifications Framework. In 2021, Ukraine began preparing for self-certification with the Qualifications Framework for the European Area for Higher Education.

The NQF is intended for use by public authorities and local governments, institutions and organisations, educational institutions, employers, other legal entities and individuals for the development, identification, correlation, recognition, planning and development of qualifications. Ukraine is still in the activation stage of the qualifications framework but is moving towards the operational stage (ETF, 2021c).

The system of validation of non-formal and informal learning is at an early stage of development in Ukraine. The government approved a regulation on granting the right for educational institutions to recognise the learning outcomes of non-formal learning in the workplace. Validation in the labour market sector is implemented, although on a limited scale. The procedure was determined by the Ministry of Social Policy in consultation with the Ministry of Education and, until 2022, it was implemented by the State Employment Service. From 2022, validation procedures have been concentrated within qualification centres, accredited by the NQA. Boosting validation practices is linked with the establishment of qualification centres, the development of professional qualifications and assessment standards, and the training of assessors.

According to Article 35 of the law on employment of the population, for those who are registered as unemployed, the fund of the compulsory state social insurance of Ukraine funds the validation of professional qualifications and the recognition of the results of informal and non-formal learning in accredited qualification centres. All other individuals pay for validation either themselves or via their employer (Article 16 of the <u>procedure for validation of the results of informal professional training of persons in working occupations</u>).

The <u>State Employment Service</u> has set up an educational portal to provide users with updated information on labour market trends, employers' requirements, and rules and regulations concerning job searching and employment. The platform offers learning opportunities for those who are registered as unemployed to acquire or develop knowledge and skills, including key competences, as well as information concerning existing (re)training courses and institutions. The State Employment Service also runs an online platform for professional guidance and career development aimed at providing career guidance services remotely. The services are provided free of charge to all users interested in choosing or changing a profession, future professional training or the assessment of their own abilities and (soft) skills and to those who have an inclination towards entrepreneurial activity and self-development, for example.

Role of social partners and civil society organisations

In Ukraine, the social partners are involved in ensuring skills and employability, mainly through contributions to the development of occupational standards, participation in sector skills bodies and input into initiatives on the identification of skills needs. The occupational standards development procedures require the presence of employers and trade union representatives. In addition, the recently adopted amendments to the law on education define the composition of the sector skills bodies (councils) in which social partners must participate. As regards the involvement of social partners in skills forecasting and the identification of skills needs, their engagement could be strengthened and both the identification of skills needs and anticipation processes should become systematic. The State Employment Service together with the EU4Skills programme(https://mon.gov.ua/ua/tag/eu4skills), conducted, in 2020, a survey among employers aimed at the identification, among other issues, of the skills gaps of employees (https://www.dcz.gov.ua/storinka/eu4skills).

Other actors in the skills development area in Ukraine are civil society organisations. Their main activities involve delivering non-formal learning to young people and adults, conducting research and analysis in the areas of skills development and employment, developing key competences and maintaining relationships with authorities and the public sector.

Equality and non-discrimination at work

The principle of equal treatment (see the definition of this term at Eurofound, 2019) requires that all people, and in the context of the workplace all workers, have the right to receive the same treatment, and will not be discriminated against on the basis of criteria such as age, disability, nationality, sex, race and religion.

The Constitution of Ukraine guarantees the equality of citizens' constitutional rights and freedoms. There can be no privileges or restrictions based on race; skin colour; political, religious or other beliefs; sex; ethnic or social origin; property status; place of residence; language; or other characteristics. Equality in the rights of women and men is ensured by giving women and men equal opportunities in sociopolitical and cultural activities, in obtaining education and professional training and in work and remuneration; the provision of special measures regarding labour protection, women's health and the establishment of pension benefits; the creation of conditions that give women the opportunity to combine work with motherhood; and legal protection and material and moral support during motherhood and childhood, including the provision of paid leave and other benefits to pregnant women and mothers (Article 24 of the Constitution of Ukraine).

The state and public bodies responsible for ensuring equality between men and women are:

- the Parliament of Ukraine
- the ombudsperson of the Parliament of Ukraine
- the Cabinet of Ministers of Ukraine
- a specially authorised central body of the executive power for ensuring equal rights and opportunities for women and men (the Ministry of Social Policy of Ukraine in line with Article 1 of the <u>resolution dated 17 June</u> 2015)
- local regional administration and local self-government bodies, which have responsible persons (coordinators)
 for ensuring equal rights and opportunities for women and men (Article 7 of the <u>law on ensuring equal rights</u>
 and opportunities for women and men (2005).

On 7 June 2017, the Cabinet of Ministers of Ukraine adopted a <u>resolution on a governmental ombudsperson on</u> <u>gender policy</u>, which introduced an official position appointed by the Cabinet of Ministers of Ukraine. This person is entrusted with the function of organising the exercise of powers by the Cabinet of Ministers of Ukraine in the field of ensuring equal rights and opportunities for women and men in all spheres of social life.

Strict adherence to the principles of non-discrimination and equal opportunities is key to developing high-quality and diverse human capital. Ukraine has ratified the most important international conventions on non-discrimination and equal opportunities, which have become an integral part of national legislation, in particular:

- the United Nations Convention on the Elimination of All Forms of Discrimination against Women (1999)
- the <u>Council of Europe Convention on Preventing Violence against Women and Domestic Violence and Combating these Phenomena</u> (2022)
- the <u>ILO Convention on Discrimination in the Field of Work and Occupation</u> (1975)

National legislation reflects the international obligations assumed by Ukraine. In 2013, the <u>law on the principles of preventing and countering discrimination in Ukraine</u> determined the organisational and legal principles of preventing and countering discrimination to ensure equal opportunities for the realisation of the rights and freedoms of a person and a citizen. Article 4 of this law included labour and social spheres in the scope of relations covered by the law. The law also defined the forms of discrimination and specified the competence of different state and non-governmental actors in preventing discrimination in Ukraine.

In 2015, the Labour Code of Ukraine was amended to prohibit any discrimination in the field of labour, in particular violations of the principle of equal rights and opportunities or direct or indirect restrictions of the rights of employees based on race; skin colour; political, religious or other beliefs; sex; gender identity; sexual orientation; ethnic, social or foreign origin; age; state of health; disability; suspicion or presence of HIV/AIDS; family or property status; family responsibilities; place of residence; membership of a trade union or other association of citizens; participation in a strike; appeal or the intention to apply to the court or other authorities for the protection of their rights or to provide support to other employees in the protection of their rights; language; or other features unrelated to the nature of the work or the conditions of its performance.

According to Article 7 of the <u>law on collective agreements</u>, a collective agreement establishes the mutual obligations of the parties regarding the regulation of industrial, labour and socioeconomic relations, in particular regarding the provision of equal rights and opportunities for women and men and the prohibition of discrimination, which is in line with the provisions of Article 18 of the <u>law on ensuring equal rights and opportunities for women and men</u>.

In accordance with Article 18 of the law on ensuring equal rights and opportunities of women and men, collective agreements must assign one of the employees to be a gender representative – an advisor to the head of an enterprise, institution or organisation and its structural subdivisions.

Equal pay and the gender pay gap

The issue of ensuring an anti-discriminatory approach to remuneration is one of the key issues of gender equality, the empowerment of women and the protection of human rights. Despite the fact that the position of women has improved in recent years, such progress has not been uniform and the inequality between men's and women's wages still exists.

According to the <u>data of the UN European Economic Commission</u>, the gender gap in monthly wages in Ukraine was as follows between 2014 and 2017:

2014	2015	2016	2017
23.7%	25.1%	25.3%	21.2%

The <u>State Statistics Service of Ukraine</u> identified a gender pay gap of about 21% in 2018 and 23% in 2019. In the second quarter of 2021, the gender pay gap reached the lowest level in the history of Ukraine's independence: 17.4%.

Ukraine has ratified the main ILO documents in the sphere of equal opportunities and non-discrimination:

- the ILO Equal Remuneration Convention (1995)
- the <u>ILO Convention Concerning Equal Opportunities and Equal Treatment for Men and Women Workers:</u>
 Workers with Family Responsibilities (1999)
- the ILO Discrimination (Employment and Occupation) Recommendation (No. 111) (1961).

However, despite all of this progress, there are some gaps in Ukrainian legislation concerning the equal payment of men and women for equal work. The Labour Code of Ukraine does not enshrine the right to equal pay for men and women. Article 2 of the Labour Code provides the right to work only as the right to receive a wage not lower than the minimum amount established by the state, including the right to freely choose a profession, type of occupation and work. A positive development is the amendment of the Labour Code in Article 2(1), which enshrines the principle of equal labour rights of citizens of Ukraine, namely the prohibition of any discrimination in the field of labour, in particular violations of the principle of equality of rights and opportunities and direct or indirect restrictions of the rights of employees, including based on gender.

However, in practice, there is no mechanism for ensuring an equal approach to the remuneration of men and women. Neither section VII (on wages) of the Labour Code nor the law on wages takes into account the gender aspect.

The social partners in Ukraine are actively addressing the pay gap in the country. In 2019, the Confederation of Employers of Ukraine, one of the largest all-Ukrainian associations of employers, became the first Equal Pay International Coalition (EPIC) member from Ukraine and the first employers' association in the world that joined this initiative (EPIC, undated). As of 2019, all social partners, including the Government of Ukraine, joined this coalition in order to raise awareness on equal pay for work of equal value (FRU, undated-b).

Quota regulations

The <u>law on employment of the population</u> (2013) defines the following categories of the economically active population in Ukraine that have additional guarantees in gaining employment (that is, there are quotas for hiring such people):

- 1. a parent or legal guardian who:
 - has a dependent child (or children) under the age of six
 - raises a child under the age of 14 or a child with a disability as a single parent
 - has supported a person with a disability since childhood (regardless of age)
 - supports a person with a disability of group I (regardless of the cause of the disability) as a single parent.
- 2. orphans and children deprived of parental care who have reached the age of 15 and who may be hired
- 3. persons released after serving a sentence or forced treatment
- 4. young people who have finished or stopped studying in educational institutions, who have resigned from fixed-term military or alternative (non-military) service or who are hired for the first time
- 5. persons who have 10 or fewer years left before the right to an old age pension
- 6. persons with disabilities who have not reached retirement age
- 7. persons who have reached the age of 15 and who, with the consent of one of their parents or a legal guardian, can be hired

- 8. participants in hostilities
- 9. unemployed able-bodied persons who receive state social assistance for low-income families.

Enterprises with more than 20 full-time employees have a quota for the employment of those in categories 1–4, 7 and 8 of 5% of the average number of full-time employees in the previous calendar year. For those persons who have 10 or fewer years left before the right to an old age pension (category 5), enterprises with 8 to 20 full-time employees are set a quota of at least one person of the average registered number of full-time employees (Article 14 of the law on employment of the population).

For enterprises, organisations of public associations of persons with disabilities and individuals who use hired labour, the quota for the employment of persons with disabilities (category 6) is 4% of the average number of full-time employees of the accounting staff for the year, and if the number of staff is between 8 and 25, the quota is one position (Article 19 of the law on the basics of social security for persons with disabilities in Ukraine of 1991).

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