



THE LABOR MARKET IN UKRAINE UNDER MARTIAL LAW CONDITIONS: STATE AND PROSPECTS OF DEVELOPMENT

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Abstract

Research background: During the period of martial law in Ukraine, there was a decrease in both the demand for the labor force and its supply. Negative processes in the labor market create difficulties with the recovery of the economy of Ukraine.

Purpose: The purpose of the article is to present the results of research of the processes taking place in the labor market in Ukraine and to determine the prospects for solving the problems in this market in the post-war period.

Research methodology: The research used data from the State Statistics Service of Ukraine as well as from non-governmental organizations. The research methodology is based on the general dialectic approach and includes the methods: induction, deduction, statistical analysis methods, and graphical.

Results: The peculiarities of the formation of labor demand and labor supply in Ukraine have been revealed. The difficulties of martial law exacerbated the existing problems, connected with negative trends in the labor market in Ukraine, which existed in the pre-war period. The role of migration and of the wage level in shaping the labor market in Ukraine was noted. Measures to ensure the effective functioning of the labor market are outlined.

Novelty: A differentiated assessment of changes in individual parameters of the labor market in Ukraine was carried out. The earlier conclusions of other researchers regarding the long-term impact of migration processes on the labor market in Ukraine, in particular regarding the use of immigrant labor in the post-war period, have been clarified.

Keywords: labor market, labor force, unemployment, employees, employers, wages, martial law

JEL classification: E24, J21, J23, J30, J61

Introduction

According to the Law of Ukraine “On Population Employment”, the labor market is a system of legal, social, labor, economic and organizational relations, which arise between job seekers, employees, trade unions, employers and their organizations, bodies state authorities in the field of meeting the needs of employees in employment, and employers in hiring employees in accordance with the legislation (Verkhovna Rada of Ukraine, 2012). The transition of the Russian-Ukrainian war to an active phase in 2022 caused a pronounced negative impact on the labor market in Ukraine, which was not characterized by stability also before. The hostilities in a large part of the territory of Ukraine led to a decrease in both the demand for labor due to the complete suspension or partial closure of the activities of many enterprises, and its supply due to irreparable losses among the population and temporary losses of workers because of forced external and internal migration (Honcharuk, Tomashuk, 2023). The consequence of the war was a significant increase in unemployment, a certain decrease in real wages, but the negative consequences of labor market processes for the post-war revival of Ukraine appear to be much more critical. Prospects for this revival may be hampered by labor shortages (Melnik et al., 2022; Popelo et al., 2023).

Delay in making appropriate decisions at all possible levels will lead to an increase in non-renewable losses of labor resources. The development of appropriate tools requires clarifying the content and expected consequences of the processes, currently taking place on the labor market in Ukraine, and predicting new challenges, which may appear on this market in the future, which was the purpose of the conducted research. The choice of the topic of this research was made taking into account that without solving the above problems in the near future it will be difficult to talk about the possibility of solving the economic problems of Ukraine in general.

1. Literature review

In a number of publications, researchers like Voytyk and Mazii (2022); Gudz (2023); Lunova (2023); Petrenko, Melnykova and Petrenko (2023) examine the processes, which were formed on the labor market in Ukraine under the extreme conditions of martial law. Blyzniuk and Yatsenko (2022) identified threats on the labor market in Ukraine and its possible consequences during the war and post-war recovery, classifying these threats by the significance of its impact on the country's economy. Rybalko-Rak, Husakovska and Kuzhel (2022), Popelo et al. (2023) made conclusions about the problems of employment of young people, caused by the martial law in the country, in certain industries in the context of certain professions. Pham, Talavera and Wu (2023) concluded, that skilled workers experienced greater wage losses, than those employed in unskilled jobs. They emphasize also the importance of finding out the change in demand for workers' skills in the post-war period.

The acuteness of problems on the labor market in Ukraine is exacerbated by the fact that negative processes and phenomena were observed in it even in the pre-war period as cosequences of negative demographic trends, insufficient control over compliance with labor legislation (Honcharuk, Tomashuk, 2023), disproportion between demand and supply in this market, which intensified during the COVID-19 pandemic (Aloshyna, Kozenkov, 2022), low productivity and low wages, the shadowization of labor relations (Libanova, 2012), the lack of incentives for managers and business owners to invest in improving the quality of human capital (Yurchuk et al., 2021). Drozach, Doroshenko and Zaiats (2023) emphasize the legal unsettlement of a number of issues, related to the labor process organization, for example, the mobility of workers under wartime conditions. Lunova (2023) examines the actions of the Ukrainian authorities, aimed at increasing employment under martial law.

Sokolovskyy (2023) examines the question of the place and meaning of non-standard employment during the war, the role of digitalization as a factor influencing the ability to adapt to new conditions of employment and of the labor market.

According to the results of the study by Ueffing et al. (2023), even under an optimistic scenario of future migration trends, when Ukraine quickly recovers and becomes a country, which receives migrants in the long term, the population is expected to decrease by 21% by 2052. Tucha et al. (2022) note, that most countries of the European Union are implementing job search support, training and education for adults, and language courses for migrants from Ukraine. Bobrova and Don (2023) point out, that EU countries, spending significant funds to support Ukrainian migrants, seek to provide as many preferential conditions, as possible to stimulate their integration into their society, understanding, that over time these costs can be offset by income from the employment of economic migrants. There are signs, that EU countries have begun to compete for Ukrainian migrants as for a labor resource (Miroshnychenko, 2023).

Researchers like Havrylenko, Pasternak, Gavrylenko (2023); Vasylytsiv, Levytska, Rudkovsky (2022) consider the impact of forced migration and the need to relocate enterprises in connection with hostilities on the state of the labor market in certain regions of Ukraine. Kravchuk et al. (2023) among the consequences of migration point to the presence in certain regions of a high level of unemployment, and an unprecedented number of open vacancies. Libanova, Pozniak and Tsymbal (2022) note insufficient effective use of the labor potential of internally displaced persons due to difficulties with employment. Harmider et al. (2022) believes, that due to the uneven development of individual territories, it is more appropriate to solve practical issues of labor market regulation at the regional level.

Blyzniuk and Yatsenko (2022) note, that the relevant policy should be bipolar and focus on both the internal segment and the external segment – forced migrants outside the country. Popelo et al. (2023) considers the measures of state influence on the labor market in the war and post-war period, highlighting, among the priority tasks, the strengthening of the deshadowization of entrepreneurial activity, and the use of economic levers to revive the innovative activity of business entities. Honcharuk and Tomashuk (2023), considering measures to stabilize the labor market in the post-war period, count it appropriate to pay attention to the attraction of foreign migrants.

Despite the uniqueness of the situation related to the martial law conditions in Ukraine, Bashynska et al. (2023) proposed to study the experience of European countries in the formation of policies regarding unemployment and employment regulation. The peculiarities of state regulation of the labor market under crisis conditions were studied by Shpak et al. (2023).

So, the researchers' proposals for ensuring the effective functioning of the labor market in Ukraine are characterized by broad diversity, which justifies the need for an integrated approach to existing problem solving.

2. Data and methodology

The data of the State Statistics Service of Ukraine (SSSU) served as the source of information for most of the indicators, which characterize the supply of labor and demand for it, the results of the use of labor resources. The main concepts, which characterize the labor supply and the methodology for determining the relevant indicators, are developed on the basis of the standards of the International Labor Organization. In particular, the components of the labor force, which together form its volume, are employed and unemployed. (State Statistics Service of Ukraine, 2022).

It should be noted that since the introduction of martial law in Ukraine, the SSSU has not published data on the number of the workforce, the level of employment and unemployment. Our study used relevant information from the SSSU for the period 2015–2021. Data from a number of research agencies, non-governmental Ukrainian and international organizations were used to characterize the processes observed in the labor market during the period of martial law. The analysis both of labor demand and the level of wages was carried out, using the data of the SSSU on the number of employed and hired workers in economic entities. Some indicators are calculated depending on the size of enterprises – large, medium and small ones (State Statistics Service of Ukraine, 2024a).

The research methodology involved the use of such methods as induction, deduction, abstraction, and comparison. Information processing was carried out using statistical research methods. The methods of dynamics were used to analyze processes in the labor market. Then, a correlation-regression analysis was used to identify the relationship between labor productivity, which characterizes the economic efficiency of the use of labor, and the remuneration of employees in Ukraine.

3. Results and Discussion

3.1. Analysis of the dynamics of labor supply and demand

The population of Ukraine in the period before the introduction of martial law was characterized by a tendency to decrease. This is an objective process, caused by the difficult

demographic situation in the country, in particular, low birth rate, and large volumes of external emigration of the working-age population. The result of this was a decrease in the size of the labor force and the employed population (Table 1). The negative nature of this trend is also exacerbated by a decrease in the level of participation of the population in the labor force and the level of employment of the population.

Table 1. Participation of the population of Ukraine in the formation of labor supply in the pre-war period

Index	2015	2018	2019	2020	2021	2021 to 2015 (%, $\pm$ p.)
Present population at the end of the year (thsd. prs.)	42,760.5	42,153.2	41,902.4	41,588.4	41,167.3	96.3
Labor force aged 15–70 years (thsd. prs.)	18,097.9	17,939.5	18,066.0	17,589.5	17,321.6	95.7
Participation rate of population in the labor force aged 15–70 years (%)	62.4	62.6	63.4	62.1	61.8	–0.6 p.
Employed population aged 15–70 years (thsd. prs.)	16,443.2	16,360.9	16,578.3	15,915.3	15,610.0	94.9
including elementary occupations	3,027.8	3,131.0	2,989.5	2,848.7	2,729.7	90.2
Employment rate of population aged 15–70 years (%)	56.7	57.1	58.2	56.2	55.7	–1.0 p.

Source: calculated by the authors using data from the State Statistics Service of Ukraine (2023).

In the noticeable changes in the structure of the employed population aged 15–70 in Ukraine by professional groups, it is worth highlighting a decrease in the number of workers in the elementary occupations by 9.8% and of their share in the structure of the employed population – from 18.4 to 17.5%, which can be considered as a positive trend.

Until 2021 there was a trend towards an increase in the number of employed and hired workers both in enterprises and in individual entrepreneurs (Table 2).

Table 2. Dynamics of the number of employees of business entities of Ukraine (thsd. persons)

Index	2015	2020	2021	2022	2023	2021 to 2015 (%)	2023 to 2021 (%)
Number of persons employed, total	8,331.9	9,057.1	9,056.1	7,606.0	7,514.3	108.7	83.0
including enterprises	6,041.6	6,491.3	6,511.6	5,486.0	5,144.8	107.8	79.0
individual entrepreneurs	2,290.3	2,565.8	2,544.5	2,120.0	2,369.5	111.1	93.1
Number of employees, total	6,589.5	7,379.6	7,368.7	6,088.1	5,827.1	111.8	79.1
including enterprises	5,930.0	6,413.6	6,409.6	5,438.7	4,674.6	108.1	72.9
individual entrepreneurs	659.5	966.0	959.1	649.4	764.1	145.4	79.7

Source: calculated by the authors using data from the State Statistics Service of Ukraine (2024a).

With the beginning of active hostilities in a significant part of the territory of Ukraine, the number of operating enterprises has noticeably decreased. The number of employed workers in these enterprises in 2021–2023 decreased by 21.0%, and the number of hired workers – by 27.1%. The number of employees of individual entrepreneurs decreased by 20.3%.

The most noticeable losses in the labor force during martial law took place in small economic entities (Figure 1).

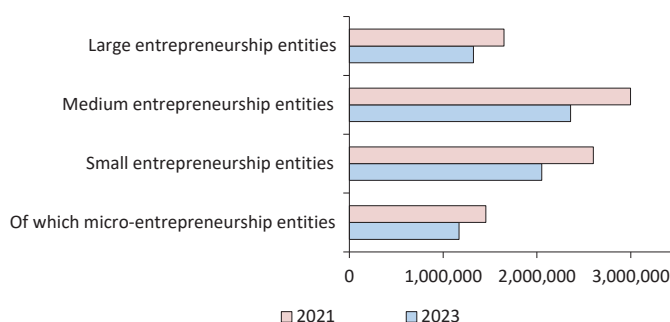


Figure 1. Number of employees of entities of entrepreneurship in Ukraine depending on their size (persons)

Source: calculated by the authors using data from the State Statistics Service of Ukraine (2024a).

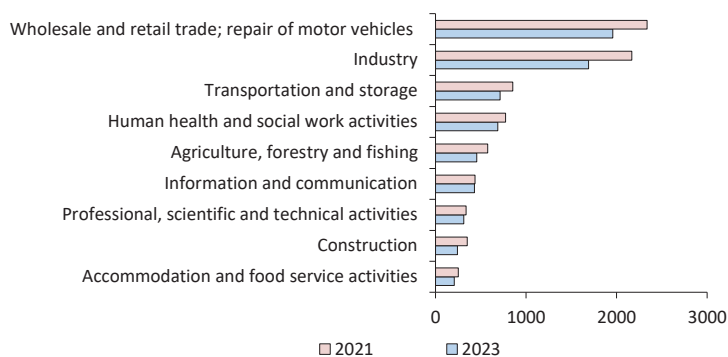


Figure 2. Number of persons employed in business entities of Ukraine by main types of economic activity (thsd. persons)

Source: calculated by the authors using data from the State Statistics Service of Ukraine (2024a).

The survey of the labor market (HR portal GRC.UA) in 2023 showed, that 29% of companies managed to retain 100% of staff, another 44% of companies retained from

70% to 99% of employees, 15% of companies retained from 50% to 69% of staff (GRC.UA, 2024). Obviously, larger companies had better opportunities to provide social support to their employees.

The largest number of workers in Ukraine are employed in retail and wholesale trade (Figure 2). Among the main sectors of the economy, relatively small labor losses occurred in agriculture.

Businesses in Ukraine are adapting to the challenges of the war and increasing activity on the labor market. According to the National Bank of Ukraine, throughout 2023 the demand for labor grew and more and more enterprises felt a shortage of qualified workers (National Bank of Ukraine, 2024, pp. 18, 20). The Confederation of Employers of Ukraine stated that, the country lost up to 30% of its labor potential because of emigration and mobilization. The total number of employees in 2023 was estimated at 9.28 million people (Miroshnychenko, 2023).

Obviously, the change in demand and in supply of labor in Ukraine will depend primarily on the course of the hostilities.

3.2. Unemployment Analysis

Thanks to the increase in wages and the revival of entrepreneurial activity, the number of unemployed people in Ukraine aged 15–70, calculated by the SSSU, decreased from 1,655,000 people in 2015 to 1,488,000 people in 2019. This positive trend was interrupted by the COVID-19 pandemic, and in 2021 the number of unemployed people in Ukraine was estimated at 1,712 thousand (State Statistics Service of Ukraine, 2022).

In 2021 the unemployment rate was estimated among the entire population aged 15–70 at 9.9% (Table 3). For comparison, in the same year in the countries of the European Union, the unemployment rate of the workforce aged 15–74 was estimated at 7.0%. Overall, in Ukraine, the unemployment rate was slightly higher among men than among women, and among rural residents compared to urban residents.

Since the beginning of the full-scale invasion, the SSSU has not published data on unemployment in Ukraine. The non-governmental research organization “Economic Strategy Center”, using the data of the research agency Info Sapiens, which estimates the level of unemployment in Ukraine by the method of telephone interviews with calls to mobile numbers, provides the following information (Figure 3). The unemployment rate in Ukraine reached its peak (more than 30% of the workforce) in the spring of 2022.

Table 3. Unemployment rate of the population of Ukraine aged 15–70 years, as a percentage of the labor force

Year	Total population	Including			
		females	males	urban area	rural area
2015	9.1	8.1	10.1	9.0	9.4
2016	9.3	7.7	10.8	9.2	9.7
2017	9.5	7.7	11.1	9.3	9.9
2018	8.8	7.4	10.0	8.6	9.2
2019	8.2	7.9	8.5	8.0	8.7
2020	9.5	9.1	9.9	9.1	10.4
2021	9.9	10.2	9.6	9.5	10.7
2021 to 2015 (±p.)	+0.8 p.	+2.1 p.	–0.5 p.	+0.5 p.	+1.3 p.

Source: calculated by the authors using data from the State Statistics Service of Ukraine (2023).

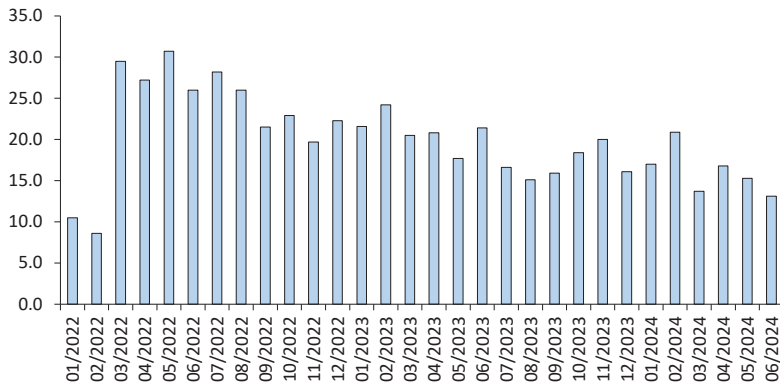


Figure 3. The level of unemployment of the population of Ukraine (% of the workforce)

Source: Centre for Economic Strategy (2024).

As of January 1, 2023, 186,500 people had the status of being unemployed. On the other hand, according to the Ministry of the Economy of Ukraine at the beginning of 2023, the number of unemployed in the country was 2.6 million people, according to the National Bank of Ukraine – 4.2–4.8 million people (The National Institute for Strategic Studies, 2023).

As of January 1, 2024, 96,100 people had the official status of being unemployed in Ukraine, that is, during 2023, their number halved. More than 70% of the officially registered unemployed are women (State Employment Center, 2024). Data from the research organization “Economic Strategy Center” and from the State Employment Service on the relationship between the number of job seekers and vacancies are shown in (Figure 4).

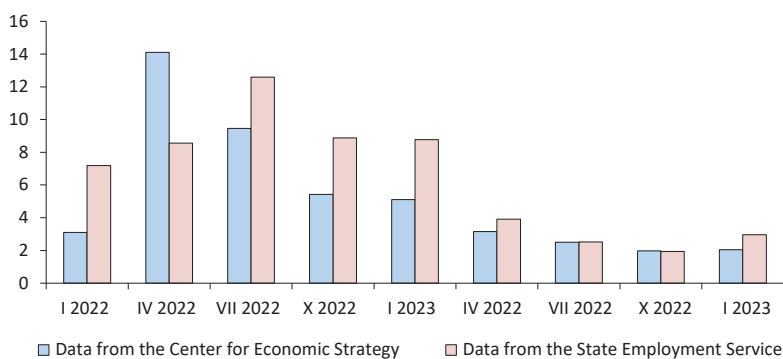


Figure 4. The number of job seekers per vacancy at the beginning of the period (quarter) (persons)

Sources: Centre for Economic Strategy (2024); State Employment Center (2024).

According to GRC.UA, structural unemployment can be observed on the labor market in Ukraine. In particular, there is a rather high demand for labor professions, specialists in logistics, sales and procurement. At the same time, the demand for workers in humanitarian, cultural, administrative and management fields, and IT specialists is low, while the number of job seekers with appropriate professional training remains quite significant (GRC.UA, 2024). Therefore, we can state the existence of a rather sharp competition between sellers and buyers of labor.

The National Bank of Ukraine gives its analysis of the situation on the labor market. The estimated unemployment rate in January 2024 was at 17.3%, which is quite close to the estimate of the Center for Economic Strategy. The NBU presents its scenario regarding the dynamics of the unemployment rate: it will decrease to 14.6% by the beginning of 2025, and to 12.8% by the beginning of 2026. Unemployment will remain high in the coming years due to the long-term effects of the war. Disproportions will be observed in the labor market due to the change in the structure of the economy, in particular the uneven revival of industries and regions in a post-war period (National Bank of Ukraine, 2024, p. 20).

The high level of unemployment and difficulties in finding a decent place to work in Ukraine will stimulate the search for employment options abroad.

3.3. The impact of migration on the formation of the labor market

One of the main factors affecting the labor market situation in Ukraine is external and internal labor migration. According to the Ministry of Social Policy of Ukraine, in 2019 there

were 3.2 million labor migrants from Ukraine, 7–9 million migrants were abroad during seasonal work. With the onset of the COVID-19 pandemic, these indicators have slightly decreased (Slovo i dilo, 2021).

The main reasons for labor migration in the pre-war years were socio-economic: the majority of Ukrainians explained their desire to work abroad by the lack of decent labor income in Ukraine. However, according to Academician Libanova (2019), the real motives for their migration to economically developed countries are much more complicated. Employment on a long-term basis in a European country with the prospect of changing their permanent residence is considered by many migrants as the acquisition of high social status, a criterion of prestige (Slovo i dilo, 2021).

By the end of 2022, because of Russian military aggression, almost 8 million people have become displaced persons from Ukraine (Ueffing et al., 2023). Later, part of the migrants returned to Ukraine, but the process of asylum seekers leaving the country did not stop. According to the UN, as of March 14, 2024, there were 6,486,000 refugees from Ukraine (people who left the country because of the war) in the world. Of them, 5,983,000 people were in Europe, and 503,000 people were outside Europe (UNHCR. Operational Data Portal, 2024a).

According to the forecast of the National Bank of Ukraine, approximately 400,000 people may return to Ukraine after the reduction of safety risks in 2025, and about 800,000 people in 2026, provided the number of jobs increases due to the growth of the Ukrainian economy (National Bank of Ukraine, 2024). According to the results of the surveys of families of Ukrainian refugees in Europe, the share of refugees, who plan or hope to return to Ukraine, decreased from 77% at the beginning of 2023 to 65% at the beginning of 2024, the share of those, who reported no hope of returning, increased during this period from 5 to 11 percent (UNHCR. Operational Data Portal, 2024).

In previous years, international migrants, who arrived in Ukraine, had a significant impact on the formation of the supply on the labor market (Figure 5). In 2020, there were 5 million migrants from other countries in Ukraine. As to this indicator, Ukraine ranked 13th among countries in the world, and 7th – in Europe (United Nations. Population Division, 2020).

According to UN data, the share of international migrants in Ukraine was 11.4% of the total population in Ukraine in 2020 (United Nations. Population Division. 2020). Probably, a significant number of them left Ukraine because of the introduction of martial law. According to the Ministry of Social Policy of Ukraine, there were 4.9 million officially registered internally displaced persons in Ukraine in November 2023, of which 3.6 million were persons, who moved after the start of a full-scale war (Ministry of Social Policy of Ukraine, 2023).

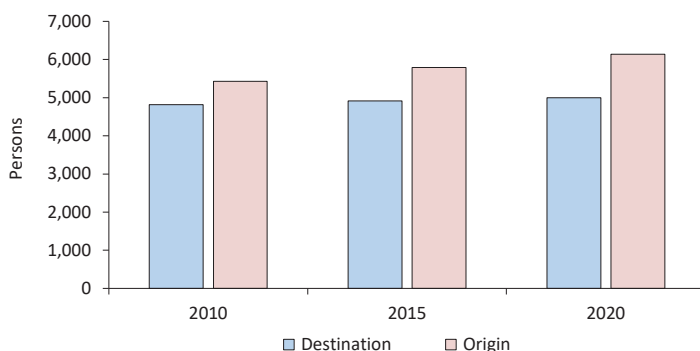


Figure 5. Number of persons affected by migration processes in Ukraine (thousands)

Source: United Nations. Population Division (2020).

The share of internally displaced persons, who plan or hope to return to their previous place of residence is decreasing – from 84 percent at the beginning of 2023 to 72 percent at the beginning of 2024 (UNHCR. Operational Data Portal, 2024). Although IDPs shape the labor supply in the labor market. This, in particular, is evidenced by the experience of Bosnia and Herzegovina many years after the end of the war in the Balkans (Kondylis, 2010).

3.4. Salary as an indicator of the labor market situation

An important indicator of the market situation is the price of the goods, sold on the market. In the case of the labor market it is the wage level.

High rates of wage increase in Ukraine were observed in the period until 2021 (Table 4). They were based on the development of the country's economy and increased competition in the labor market. During martial law, nominal wage growth slowed significantly, but did not stop.

The wages of workers in agriculture and healthcare grew at relatively high rates. To some extent, this is the result of the elimination of the wage gap between these and other major sectors of Ukraine. The wages of scientists, although slightly higher than the national average, remained low by world standards.

The wage level reflects the social efficiency of labor use. An important indicator of this efficiency is the real wage index, which characterizes the change in the purchasing power of nominal wages under the influence of inflation and reflects the social efficiency of the use of labor. The real wage index was determined by dividing the nominal wage index for the period under study by the consumer price index in the country for that period. In 2021,

compared to 2015, the real wage in Ukraine almost doubled, which is positive phenomenon. In 2023, compared to 2021, the nominal average monthly wage (in hryvnias) increased by 24.5% in Ukraine, while the inflation index in 2022–2023 was 133.1%. So, there was some decrease in real wages, which, however, should not be considered critical.

In Ukraine, there is a clearly expressed relationship between the level of labor costs and the size of enterprises (Table 5). In 2023, labor costs per employee in large enterprises were 2.3 times higher, than in small enterprises and 2.9 times higher, than in micro-enterprises – primarily by the lower level of employment of employees (working hours worked by them) in small enterprises. During martial law, the rate of the growth of wages in small enterprises was somewhat higher, than in large and medium-sized enterprises.

Table 4. Average monthly wages of regular employees in the main sectors of the economy of Ukraine (euros)

Index	2015	2020	2021	2022	2023	2021 to 2015 (%)	2023 to 2021 (%)
On average for an economy	173	376	434	437	441	250.9	101.6
Agriculture	130	316	363	360	359	279.2	98.9
Industry	198	414	461	447	465	232.8	100.9
Construction	147	319	349	288	319	237.4	91.4
Wholesale and retail trade; repair of motor vehicles and motorcycles	194	367	417	444	521	214.9	124.9
Transportation and warehousing, postal and courier activities	192	388	428	404	434	222.9	101.4
Professional, scientific and technical activities	205	418	470	481	489	229.3	104.0
Human health and social work activities	117	287	360	404	371	307.7	91.8

Source: calculated by the authors using data from the State Statistics Service of Ukraine (2024).

Table 5. Labor costs per employee in enterprises in Ukraine depending on their size (thousand UAH)

Year	All enterprises	including			
		large enterprises	medium enterprises	small enterprises	of them – micro-enterprises
2020	130.4	190.0	124.3	84.3	69.2
2021	153.5	217.7	154.4	88.8	70.9
2022	161.4	221.5	161.7	101.4	81.6
2023	200.9	285.8	197.0	122.3	99.1
2023 to 2021 (%)	130.9	131.3	127.6	137.7	139.7

Source: calculated by the authors using data from the State Statistics Service of Ukraine (2024a).

The indicator of the economic efficiency of labor use is the volume of turnover (goods, services) per employed person (Figure 6).

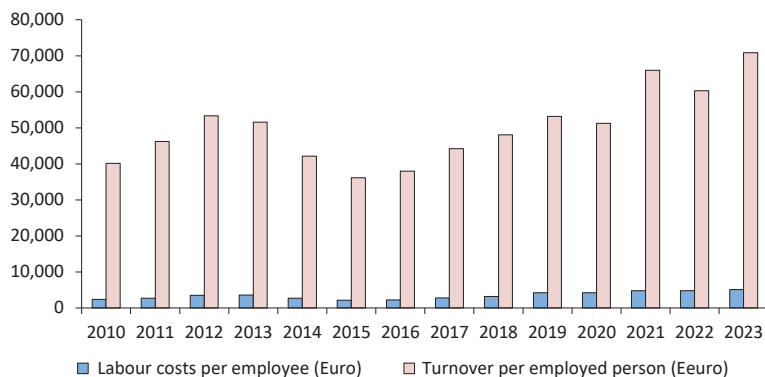


Figure 6. Indicators of social and economic efficiency of the use of the labor force by Ukrainian enterprises in 2010–2023

Source: own elaboration based on data from the State Statistics Service of Ukraine (2024, 2024 a).

The decrease in the economic efficiency of the use of labor in 2014–2015 was a consequence of the beginning of the military aggression by the Russian federation against Ukraine. The regression equation, which characterizes the relationship between the indicators shown in Figure 6, looks like this:

$$Y = -1052,4 + 0.0915x$$

where Y – labor costs per employee, euros, x – turnover per employed person, euro.

An increase in the volume of product sales by 1 euro ensured an increase in labor costs by an average of 0.09 euro. The correlation coefficient between these features was 0.96, which indicates a close relationship between the economic and social efficiency of the use of labor. The actual value of the Student's t -test is 10.66. It significantly exceeds its critical value, confirming the significance of the regression parameters.

In 2023, the average level of annual wages in Ukraine was 5,291 euros, the labor costs of one employee in Ukrainian enterprises were 5,080 euros. This is significantly less than in the countries of the European Union, where a large number of refugees from Ukraine are located. So, despite the economic problems, employers in Ukraine should focus on further increasing the wages of their employees.

3.5. The main principles of ensuring the effective functioning of the labor market in the post-war period

A situation has developed on the labor market in Ukraine that causes acute dissatisfaction among both employers and job seekers. Dissatisfaction with working conditions is often expressed by employees. Disparities in the labor market are mainly structural in nature: there is a shortage of workers in certain professions, the ratio between the number of vacancies and the supply of labor varies significantly in different regions.

In the post-war period the problems will intensify: the demand for labor will grow, which will be difficult to satisfy. An increase in the labor supply in the labor market can be achieved as a result of a set of measures related to: improving the demographic situation in Ukraine, which is currently assessed as critical; changes in migration flows vectors; involvement of a potential and underutilized labor force, in particular those covered by informal employment, persons with disabilities into labor relations. This concerns not only the increase in the level of wages. An important task is to improve the institutional conditions for entrepreneurial activity.

Measures to use the potential of international migration, which should include not only the return of Ukrainian migrants, but also the attraction of migrants from other countries to live and work in Ukraine, can be fully implemented in the post-war period.

The steps, related to the legalization of labor relations, the involvement of war veterans in the labor process, in particular persons with disabilities, must be developed and implemented urgently. At the national level state bodies should work on: simplifying business conditions by fighting corruption, eliminating excessive administrative barriers when obtaining licenses, permits, etc.; promotion of the principles of social responsibility of business, the concept of decent work in institutional norms. In the post-war period, the state must create legal conditions for the return of migrants. It is necessary to develop a special state program for attracting foreign labor migrants. International migration is a process on a global scale, which makes it possible to solve the problems of the labor market in many countries.

At the national and regional levels, in cooperation with interested investors, including foreign ones, the implementation of special programs for the socio-economic development of territories that have been particularly affected by hostilities should be ensured. These programs should provide security guarantees for business investors in such territories. The result of the implementation of the relevant programs will be the restoration of jobs lost during martial law and the creation of new jobs.

At the national, regional and local levels, a mechanism should be developed to provide benefits to war veterans, many of whom are disabled, for opening their own businesses. According to the survey conducted by the Ukrainian Veterans' Fund, 64% of veterans and active members want to do it (Miroshnychenko, 2023). An example of such a program – government grant program for the creation of one's own business – “yeRobota”.

As a part of supporting the functioning of the labor market in the regions, the authorities at the appropriate organizational level should be assigned tasks related to: the introduction of proposals for training in educational institutions of specialists in professions, which are especially needed for the region; infrastructure development to provide consulting support for business initiatives; the development of high-tech clusters, of technological or industrial parks in territories where appropriate conditions have been created for this.

Employers will be able to apply for qualified and responsible employees if they ensure an increase in the level of wages. In order to attract employees, it is advisable for them to pay attention to: the return of its former employees who emigrated, offering special social assistance packages to them and their families; the introduction of flexible forms of organization and remuneration in order to more fully satisfy requests regarding the organization of the employment of certain groups of employees; the formation of special offers to attract talented youth; participation in programs, involving immigrants in the work process; and the implementation of well-being programs in enterprises.

The Law of Ukraine “On the Basics of Social Protection of Persons with Disabilities in Ukraine” (Verkhovna Rada of Ukraine, 1991) for enterprises, institutions and organizations, which use hired labor, establishes a standard of workplaces for the employment of persons with disabilities in the amount of 4 percent of the average annual number of full-time employees. Employers should pay more attention to the formation of inclusive workplaces, creating conditions for the involvement of persons with special needs in the work process.

Conclusions

During martial law, the situation on the labor market in Ukraine became significantly more complicated. This was manifested in a sharp decrease in the number of employed workers due to the termination or curtailment of the activities of some enterprises and organizations, in a noticeable increase in the level of unemployment. It should be noted that negative trends in the labor market in Ukraine have been observed for many years. The supply of the labor force

decreased due to its reduction because of the demographic crisis of the permanent population, high levels of labor migration abroad, and the full-scale military aggression against Ukraine.

The result of a certain adaptation of the labor market in Ukraine to the conditions of martial law was the tendency to decrease during 2023 – the beginning of 2024 the level of unemployment, which, however, remains significantly higher than the indicators in 2021. On the part of employers, there are reports of difficulties in recruiting labor, and a lack of workers in certain professions. Many job seekers are not satisfied with the level of pay and other working conditions for the vacancies offered to them, which complicates the prospects of migrants returning to Ukraine after the end of martial law.

Mass external and internal population migration has become one of the main factors complicating the functioning of the labor market in Ukraine. It is advisable to consider international migration as a tool to increase the supply of labor in Ukraine in the post-war period, this could help to cover part of the need for labor resources.

The prospects of the functioning of the labor market depend on the solution of tasks, related to the increase in the labor supply and the formation of attractive conditions for employment in Ukraine. Improving the situation requires a number of complex measures which need to be implemented at different organizational levels – national, regional territorial, and individual economic entities.

The results of the study of processes occurring in the labor market in Ukraine and the determination of prospects for solving the problems of this market in the post-war period presented in the paper indicate the achievement of the set purpose.

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