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Facts about working conditions and trade unions in Ukraine

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SUMMARY

Ukraine is in the midst of a deep demographic crisis—a situation that has persisted for a long time. There is an acute shortage of people of working age. Consequently, the authorities aim to curb emigration and bring back refugees and migrant workers.

Yet, they are not pursuing policies that make the labor market attractive to workers. This brief examines the ongoing conflict regarding laws, regulations, and various forms of trade union organization in Ukraine.

Conditions in the labour market will be central to Ukraine's post-war reconstruction. The country is, in fact, in the midst of a deep demographic crisis, and has been for a long time. For many years, Ukraine has experienced significant emigration of people of working age. This problem was greatly exacerbated following the major Russian invasion in 2022, which has forced around six million people to flee the country.

The Ukrainian government has outlined a number of measures to address its demographic problems. The country needs people of working age – people who can work and pay tax. For many Ukrainians living abroad, wage levels and working conditions

will be a factor when they consider whether to return home, but in the International Trade Union Confederation's (ITUC) ranking of countries worldwide in terms of workers' rights, Ukraine is placed among the worst offenders, alongside countries such as Saudi Arabia, Nigeria and Russia.

So, what is the situation in the Ukrainian labour market? And how does the Ukrainian trade union movement operate? Here is a brief overview focusing on laws and regulations, and various forms of trade union organisation. This brief is the first in a series from the project 'Working Life and Trade Union Organisation in Ukraine' and will be followed by further briefs that explore specific topics in greater depth.

THE IMPACT OF THE WAR ON THE LABOUR MARKET AND WORKING CONDITIONS

The population of Ukraine is a matter of dispute, and the most recent census was conducted in 2001. The Ukrainian Institute of Demography and Living Conditions estimates the population of the territories controlled by Ukraine at 29 million in 2026. Only five and a half million of these are registered as employed (April 2026), according to the Ukrainian State Statistics Service (Derzhavna Sluzhba Zainiatosti 2026). There are roughly as many people officially in work as there are pensioners in Ukraine. Prior to 2022, there was a slight surplus of people in employment (Matuszak 2026).

According to various estimates, there are between 29 million and 31.1 million people in the unoccupied parts of Ukraine. 10.5 million are officially in employment and pay employer's contributions, of whom around 2 million are self-employed. A further 2.6 million Ukrainians work in the informal sector, according to figures from the Ministry of Economy and Labour. According to various estimates, the country could face a shortfall of around 4.5 million workers over the next few years (UNIAN 2026).

In April 2026, there were 27,000 more people registered as officially employed than in April the previous year. This is a negligible increase, but a closer look at the figures reveals general trends in Ukraine resulting from the war. The economy in certain parts of the country is growing, whilst others are contracting. There has been an increase in the number of wage earners in the city of Kyiv and in the Lviv, Ivano-Frankivsk and Zakarpattia regions, whilst there has been a reduction in the Vinnytsia, Donetsk and Dnipropetrovsk regions (Derzhavna Sluzhba Zainiatosti 2026).

There are also clear differences between the various sectors of the economy. The largest increases in the number of employees were seen in IT and telecommunications, the energy sector and the construction industry. At the same time, there was a decline in the number of employees in agriculture and the

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raw materials industry (Derzhavna Sluzhba Zaynyatosti 2026).

Labour shortage

Although there has been a slight increase in the number of people in formal employment, Ukraine is struggling with a labour shortage. Large sections of the Ukrainian workforce have been called up for military service to defend the country following the major Russian offensive in 2022. In a survey, 48 per cent of businesses reported that employees who were essential to their operations had now been mobilised into the armed forces or had volunteered (Derevianko 2025).

In addition, a very large number of people of working age are absent from the Ukrainian labour market because they have left the country and are receiving collective, temporary protection in other European countries. Taken together, this has led to a severe labour shortage, particularly of skilled workers.

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further 4.5 million workers to the labour market over the next ten years (gov.ua 2026).

The problem is most acute in the southern and eastern parts of Ukraine. These are areas close to the front line and those most exposed to the devastation of war. The metal and raw materials industries are particularly hard hit by this. Added to this is the large-scale exodus of people of working age from these regions. Consequently, it is here that the need is greatest for people to carry out the physical reconstruction of buildings and infrastructure, and for people to keep schools and the health service running.

Wage levels and the cost of living

The labour shortage has led to wage increases of up to 200 per cent over the last couple of years, according to some estimates. This has not been accompanied by an improvement in workers’ rights and conditions in the workplace. Employers are therefore competing to attract workers primarily through wages. However, although wages are rising, they remain far below the levels seen in other European countries.

For example, the average wage in Ukraine is a quarter of that in neighbouring Poland. The average Ukrainian wage is half the officially set minimum wage in Poland (Matuszak 2026).

In January–April 2026, the average monthly wage for permanent employees was 29,000 hryvnia (575 euro). The highest wages were earned by employees in the IT and telecommunications sectors (80,000 hryvnia, 1585 euro) and the finance and insurance sectors (63,000 hryvnia, 1250 euro), whilst the lowest wages were paid in education, as well as in the arts, sport, entertainment and leisure sectors (19,000 hryvnia, 375 euro) and the healthcare sector (20,000 hryvnia, 395 euro) (Derzhavna Sluzhba Zainiatosti 2026). Wage disparities between sectors have increased sharply since 2021 (Matuszak 2026).

The minimum wage is 8,650 hryvnia (1,900 kroner), according to figures from the Ministry

of Finance, which has also set the minimum subsistence level — the amount a person needs to cover basic living costs — at 3,328 hryvnia (730 kroner) for people of working age (Minfin 2026a, 2026b). The Ministry of Social Affairs uses different figures. It is working to develop a new method for calculating the minimum cost of living and estimates that a person must have at least 10,620 hryvnia (2,325 kroner) to cover actual monthly living costs, including local authority charges (PON 2026).

Grey and black labour markets

Statistical data on the Ukrainian economy and labour market must be taken with a considerable pinch of salt. This is due to the large grey and black sectors in the economy, which, for obvious reasons, do not report either the number of employees or the amount paid in wages.

In the grey sector, employees are often paid the minimum wage and pay income tax on it.



Photo: Jørn Holm-Hansen

“The scale of the grey and black economies means that state revenues are far lower than they could have been”

The employer pays social security contributions to the state based on this minimum level. However, in addition to this, employees receive wages ‘under the table’, which are not recorded anywhere. The black sector evades both taxes and social security contributions, and employees are left with no protection when it comes to their rights in the workplace.

The State Labour Service (*Derzhpratsia*) estimates that the number of people in informal (i.e. unregistered) employment stands at 2.7 million, divided roughly equally between men (54 per cent) and women (FPU 2026).

The scale of the grey and black economies means that state revenues are far lower than they could have been. Ukraine’s state budgets have long been in deep crisis, and the war has made the situation even more precarious. The country is dependent on massive transfers from friendly nations to plug the huge gaps in the state budget.

LAWS AND REGULATIONS

The debate over workers’ rights has been ongoing for many years in Ukraine.

The government has, at regular intervals and for many years, proposed legislative changes that weaken workers’ rights. This gained momentum under the cover of the military state of emergency introduced following Russia’s massive attack on Ukraine in February 2022. The result is that workers now have less protection. Consequently, many are less willing to enter into formal employment relationships (*see the black and grey sectors below).

The dispute has centred in particular on Act No. 2136 of 15 March 2022 (on the organisation of employment relationships during the state of military emergency)

The Act on Employment Relationships during the State of Martial Law

The No. 2136 Act restricted several of the statutory provisions that had been in force until then. Although the Act is temporary, it may have long-term consequences for the balance of power between employers and employees. Among other things, Act No. 2136 gave employers the right to suspend employment contracts and collective agreements, as well as to dismiss trade union members without the consent of the trade unions.

. Furthermore, Act No. 2136 allowed for pay cuts without prior notice. Until then, pay cuts had to be notified two months in advance. The probationary period can be negotiated individually with each employee. In short, the Act provided greater flexibility, but in a one-sided manner that favoured employers.

It is worth noting that since Act No. 2136 was passed, the national assembly (*Verkhovna Rada*) has amended it so that some of the rights that were curtailed by the Act have in fact been reinstated. One of the reasons for this is quite simply a labour shortage, particularly in the ‘white sector’, where taxes and social security contributions are paid as they should be. Many people have probably thought that it is just as well to work tax-free in the grey and black sectors, given that workers’ rights are not much better within the black economy.

Some of the most controversial legislative amendments have been reversed. On 13 September 2025, the provision allowing employers to suspend collective agreements without consulting the trade union was repealed. On 1 October 2025, inspections relating to workplace bullying were resumed. Since 14 March 2026, the duration of the suspension of an employment contract has been limited to six months.

Despite the amendments to the law, certain provisions remain that are in breach of the European Social Charter: There is no extra

pay for working on public holidays (Article 2); there is no comprehensive monitoring of compliance with health and safety provisions in the workplace [the only exception is conducting an inspection visit following industrial accident] (Article 3); the provision on a reasonable period of notice has been removed [namely in the case of dismissal due to unwilling to continue work after altering essential working conditions] (Article 4); and the right to strike is limited (Article 6).

The Labour Inspectorate

One of the legislative amendments that has been reversed concerns the Labour Inspectorate. It once again has the right to enter a workplace without prior notice. However, in the wider picture, the Ukrainian Labour Inspectorate is weak. It only has authority in certain narrowly defined areas, such as non-payment of wages, unlawful dismissal, undeclared work and workplace bullying. Furthermore, its powers to impose sanctions are limited.

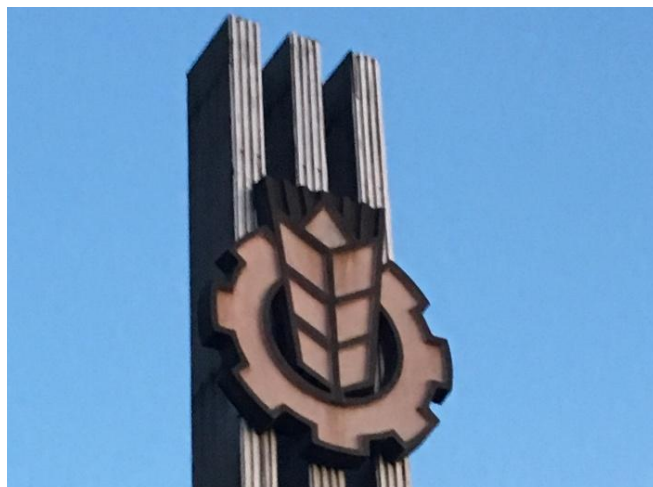


Photo: Jørn Holm-Hansen

«The Ukrainian Labour Inspectorate illustrates a widespread problem: although laws and regulations may well be in place, the organisational and institutional framework for ensuring they are complied with is poorly developed»

In the event of non-payment of wages, the fine may be as little as 33 euros (See Article 41(1) of the Code of Ukraine on Administrative Offenses)¹. Furthermore, even if the employer has been sanctioned by the Labour Inspectorate, there is no guarantee that the employee's rights will be restored.

The Ukrainian Labour Inspectorate illustrates a widespread problem: although laws and regulations may well be in place, the organisational and institutional framework for ensuring they are complied with is poorly developed.

Between January and December 2025, the National Service for Mediation and Conciliation (NSPP) – the equivalent of the Labour Court in Norway – helped to resolve 74 collective labour disputes. Three of these were at national level, three at sectoral level and 68 at company level (NSPP 2025).

Similarly, the number of labour disputes in the courts is on the decline. A total of 17,261 legal proceedings were brought in 2021. In 2025, only 8,096 legal proceedings were brought (Sudova vlada Ukrainy 2026).

The most common issues leading employees to take legal action are non-payment of wages (almost 50 per cent) and unlawful dismissal (7 per cent). Power cuts, air strikes and a shortage of judicial staff have a negative impact on the duration of court proceedings. Nevertheless, the strict time limits are being adhered to. Despite the war situation, Ukrainian legislation sets a three-month time limit for bringing legal proceedings, but claims for unpaid wages may be brought without any time limit.

It is worth noting that key decisions by the Supreme Court during martial law have been in favour of employees. For example, the Supreme Court has ruled that a deterioration in a company's financial situation does not automatically justify the termination of employment contracts (Case No. 753/12518/22). The railway company suspended the terms of the collective agreements due to the martial law. The Supreme Court ruled that an employee may declare this decision unlawful (Case No. 211/7338/23).

¹ See Article 41(1) of the Code of Ukraine on Administrative Offenses.

THE LONG RUNNING DISPUTE OVER LABOUR REFORM

Labour legislation in Ukraine is compiled in a single code, although the number of separate laws on certain aspects (on wage, on vacations) are also in place. The current Labour Code (*Kodeks zakoniv pro pratsiu* in Ukrainian) dates back to 1971 and has, of course, undergone extensive amendments and additions since then. Various attempts have been made to ‘streamline’ the legislation and draft an entirely new Labour Code. In any case, labour legislation needs to be reviewed to bring it into line with international obligations through the ILO and EU standards. From the employees’ perspective, the problem is that these attempts have often sought to lower standards where Ukrainian legislation exceeds international minimum requirements. Furthermore, the draft legislation has often fallen short of international minimum standards.

An initial, unsuccessful attempt to push through a new Labour Code was made in 2003. Various draft codes were passed in 2003, 2008, and 2015 in the first reading, but none of them ever became law. All of them received strong criticism from most militant trade unions. The 2019 elections brought Volodymyr Zelenskyy to the presidency and gave his party, ‘Servant of the People’ (*Sluha Narodu*), a constitutional majority in the Verkhovna Rada. One of the first things the

new government did was to launch a new initiative on the labour reform by developing a draft Labour Act (*Zakon pro pratsiu*) with a minimal set of rights).

They, too, argued that too much of the existing legislation was a relic of a completely different era. Some of the proposed amendments put forward by the government proved controversial and drew criticism from both the trade union movement and the ILO. The proposals were aimed at making working life more ‘flexible’. It was to be made easier to dismiss employees. Based on the theoretical assumption that employees and employers are on an equal footing when entering into a contract, collective bargaining agreements were to be weakened in favour of individual agreements between the individual employee and employer. The Labour Act was withdrawn in March 2020, when the government resigned.

In January 2026, the government presented a new draft to the Verkhovna Rada. The draft was strongly criticised by the trade union movement, which believed it would lead to a weakening of workers’ rights, including by downplaying the role of trade unions and replacing it with terms such as ‘worker representatives’. They were also concerned that the draft would weaken oversight of compliance with labour legislation.

These concerns are summarised in a report by the NGO Trudovi Initsiatyvy (Labour

Initiatives 2026), which works to promote decent working conditions and social dialogue in Ukraine. One of the concerns is that the draft law provides for the employment contract of a trade union member to be terminated on the employer's initiative following 'consultations' with the trade union. At present, the employer must obtain the trade union's consent in order to terminate an employment contract. If the draft is adopted, the requirement for prior consent from the trade union will apply only to the union's elected representatives. Furthermore, there will be a ban on strikes for all categories of public sector employees, which differs significantly from other European practices.

The report also criticises the draft bill for not being clear enough regarding employees' personal safety. The wording in the draft concerning video surveillance and employers' powers to monitor employees' computers is unclear. The report points out that the draft bill provides for a change regarding the dismissal of trade union members. Currently, an employer must obtain the trade union's consent in order to terminate an employment contract.

On the positive side, the report from Trudovi Initsiatyvy notes that the draft bill proposes extending paid annual leave from 24 to 28 days, which is in line with EU rules, and ensuring equal pay for equal work.

There are also some improvements to the rights of temporary workers.

The Council of Europe also identifies positive aspects of the draft Labour Code with regard to compliance with the Social Charter (Council of Europe 2026). It notes that the draft legislation clarifies what is meant by reasonable working hours, but points out that the wording on on-call time is too vague. The draft strengthens health and safety provisions, particularly with regard to remote working. At the same time, the Council of Europe report highlights the need to safeguard the right to organise for workers in the gig economy and on digital platforms, and to ensure the universal application of collective agreements.

After the resignation of Cabinet of Ministers led by PM Yuliya Svyrydenko in July 2026 the draft Labour Code was withdrawn from the parliament.

THE TRADE UNION MOVEMENT

There are two major national trade union confederations in Ukraine. The largest is the Federation of Trade Unions of Ukraine (FPU) and the second largest is the Confederation of Free Trade Unions of Ukraine (KVPU). The FPU and the KVPU have traditionally had different profiles.

The FPU is the successor to the national trade union confederation from the Soviet era and has inherited office premises, training

centres and holiday homes. The trade unions within the FPU have been strong on welfare measures for their members. They have often been responsible for distributing companies' welfare benefits to employees. They also resolve staff issues, typically when someone's pay has been calculated incorrectly or employees complain about tools and machinery at work.

KVPU, for its part, has its roots in the late 1980s. In the midst of the perestroika period, miners in the Donbas went on strike and set up independent trade unions. People in other occupational groups who wanted a more activist and militant trade union movement followed suit. These independent trade unions joined forces, and in 1993 they established the KVPU. It is particularly in typical industrial occupations – such as mines and smelting works – that the KVPU has a strong presence.

Most trade unions in Ukraine have been in decline since 2022. The National Service for Mediation and Conciliation (NSPP) is responsible, amongst other things, for supervising the activities of trade unions. They report that membership of Ukraine's largest national trade union confederation – the FPU – fell to 2.4 million members in 2025 (FPU 2025a). As of January 1, 2026, the number of members of the FPU was 2.418 million people, of which 1.712 million people (70.9%) were working. In addition to the

negative effects of Law 2136, the decline in membership is due to job losses resulting from war damage and emigration.

It is difficult to establish the current size of the KVPU, but, according to the some official data, this confederation unites about 170 thousand people (NTSER

The influence of trade unions varies from sector to sector. It is strongest amongst miners and, to a certain extent, amongst workers in heavy industry. In other sectors, such as the health service, trade unions are much weaker, and alternative forms of advocacy have emerged, for example amongst nurses who have established a hybrid between a trade union and a civil society association.

A significant factor affecting the ability of trade unions to perform their functions is the material base. After the collapse of the Soviet Union, the FPU inherited the property of Soviet trade unions, which gave the Federation a great advantage over other trade unions. At the same time, various governments have repeatedly tried to seize this property in court in favor of the state, also accusing the FPU of real estate fraud.

Disputes also concerned the Trade Union House in Kyiv, which has been under the control of the FPU again since May 2026. Some trade unionists believe that the management of these assets is increasingly

distracting from the unions' role in protecting and representing their members.

The destruction of jobs in industry accelerated the decline in membership dues, and during the war, employers were exempted from transferring funds to trade unions. Act 2136 allowed them to exempt funds to primary trade union organizations for cultural, mass, and recreational work in the amount of at least 0.3% of the wage fund.

LABOUR RIGHTS AS A POLITICAL ISSUE

Trade unions in Ukraine are not affiliated with political parties, but politicians occasionally attempt to gain popular legitimacy by reaching out to them. The opposite trend, however, is stronger. The majority of politicians portray trade unions as an obstacle to economic development and play on the populist perception that trade unions do nothing for their members, but merely line their own pockets with the one per cent of income that members pay in as membership fees.

In the Verkhovna Rada, there is a group of MPs from various parties who have taken an active interest in labour issues and who have championed workers' rights.

SUMMARY

Ukraine is in the midst of a deep demographic crisis, exacerbated by the war. Millions have fled, and only around five and a half million of the country's estimated 29 million inhabitants are in employment.

There is a labour shortage, particularly in the east and south. Wages have risen sharply but remain well below European levels, and the grey and black economies are widespread.

Legislation has been amended under the state of emergency, particularly through Act 2136, which weakened workers' rights by allowing for the suspension of employment contracts, pay cuts without notice and dismissals without trade union consent. Some of these changes have since been reversed, but several provisions still contravene the European Social Charter. The Labour Inspectorate is weak and has limited powers to impose sanctions, which means that rights are often not enforced.

Attempts to adopt a new Labour Code have been ongoing for many years. The latest draft from 2026 has come in for strong criticism from the trade union movement for weakening the role of trade unions and making it easier to dismiss workers, although it also contains some improvements such as more holiday entitlement and strengthened health, safety and environmental (HSE) standards. The trade union movement consists of the FPU and the KVPU, both of which have lost members since 2022. Trade unions are strongest in industry and mining, but weaker in other sectors. Politically, trade union rights are a contentious

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