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STRUCTURAL TRANSFORMATION OF THE LABOUR MARKET OF UKRAINE DURING THE WAR

The protracted nature of hostilities in Ukraine systematically deforms most spheres of society. Security issues acquire a priority status in managerial decisions both at the level of state and non-state institutions, and at the level of business entities and individual behavior. At the same time, war is a powerful factor of external influence that brings the socio-economic system out of balance and initiates its qualitative transformation. In terms of the theory of nonlinear dynamical systems, this corresponds to the passage of a bifurcation point, that is, a state after which the system no longer returns to the previous trajectory of development, but moves to a fundamentally new one. Empirical indicators of this transition include demographic shocks, labor market restructuring, disruption of pre-war logistics chains, transformation of the sectoral structure of the economy, changes in consumption patterns and spatial distribution of the population, etc. Ukraine is forming a unique but extremely expensive institutional memory – the experience of confrontation in conditions of total war in military, diplomatic, and economic dimensions, which will determine the vector of its socio-ecological and economic development in the long term.

The difficult course of hostilities in Ukraine exacerbated a number of chronic problems and led to a large number of new imbalances and contradictions in the labour market, in particular:

- shortage of both low- and high-skilled labour;
- growth of shadow employment;
- growth of labour income imbalances.

The mobilisation of more than 1 million men of working age into the ranks of the Armed Forces of Ukraine, the internal and external movement of 30% of the able-bodied population of Ukraine during the “great” war [1] led to a structural transition to a labour shortage market. The demographic

dimension of children's emigration deserves special attention: it forms a long-term reduction in the supply of labour with a delayed effect of 15–20 years. Thus, the competitive advantage that the Ukrainian economy enjoyed in foreign markets is being undermined by the availability of relatively cheap and qualified labour against the background of the risk of irreversible labour integration of millions of citizens into the economies of recipient countries. In 2023, the employment rate of displaced Ukrainians who had temporary protection status in Europe ranged from 8 to 66%, depending on the country [1].

Overcoming the structural deficit requires a comprehensive response. The priority area is the policy of returning and retaining our own migrant workers. The involvement of foreign labour as the main tool for compensating for the deficit, in the author's opinion, is controversial, since a significant part of labour income will be transferred outside the national economy, which reduces the multiplier effect of employment. At the same time, this tool may be justified in narrow sectors with critical deficits and subject to appropriate tax regulation. A more promising systemic solution is technological substitution – automation of routine operations and the introduction of digital employment platforms (primarily in industry, logistics, and public administration).

A separate problem remains the difficulty of comprehensively assessing labour needs in accordance with the new sectoral structure of the national economy in the post-conflict transition period, which complicates the planning of educational and migration policies.

As historical experience shows, in times of crisis and in the face of exogenous shocks, the level of shadow economy tends to increase. According to expert estimates, in Ukraine in 2025 the level of informal employment was 23.4–30% [2] of the total number of employed, which corresponds to more than 2.5 million workers. In 2021, this indicator was estimated at 12.3%. In today's realities, along with a number of objective reasons for the aforementioned trend, the main ones are the need for simple survival in extremely difficult conditions and the low level of trust in state institutions.

In the context of military operations, there has been a tendency for imbalances in wage levels to increase. In particular, there has been an increase in wages for blue-collar workers and middle-level employees. A worrying factor for the medium and long-term development of Ukraine's national economy is the erosion of highly qualified labor potential that was employed in high-tech industries (metallurgical, chemical), which dominate the structure of eastern regional economic systems. The physical

destruction of production facilities led to the loss of jobs for highly qualified personnel, the formation of which requires a lot of time, since it was not possible to compensate for these losses in other regions due to different specialization and industry structure. As is known, the failure to use the competence potential of the workforce leads to its erosion and degradation.

A characteristic feature of the labor market during wartime is the increase in the duration of the job search. Sociological data record a significant lengthening of the recruiting cycle in wartime conditions: the deadline for closing a vacancy more than doubled compared to the pre-war baseline – from 2–3 weeks to 2–3 months [3]. Vacancies in highly specialized segments of the labor market remain open for more than 12 months, which is an indicator of a structural, rather than cyclical, shortage of personnel.

A serious threat to the reproduction of labour potential is the rapid growth of poverty, which makes it impossible to normal expanded reproduction of the labour force. Military actions systematically destroy the institutional infrastructure of human capital – educational and medical ecosystems, the degradation of which will have a long-term negative effect. The deterioration of the environmental situation as a result of hostilities – pollution of soil, water and air – directly affects the health of the population as a key component of human capital. Chronic psycho-emotional stress caused by the 24-hour threat of aerial bombardment of the civilian population significantly reduces the quality of life, cognitive abilities, and working capacity of the population, which negatively affects labour productivity in the short, medium, and long term.

The presented results reflect only a part of the systemic transformations of the wartime labour market and do not claim to be exhaustive. A promising direction for further research is a comparative analysis of the post-war recovery models of the Balkan countries, as the most relevant historical analogue for the development of scientifically based recommendations for the recovery of the Ukrainian labour market.

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