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Ukraine: civil society and labour in the third winter of Russia's all-out war

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This article by Serhii Guz, trade unionist and journalist, is based on a talk he gave at a discussion meeting on "Ukraine: civil society and labour in the third winter of Russia's all-out war" in London on Wednesday 30 October.

Serhii is a member of Ukraine's Commission on Journalistic Ethics, a journalism self-regulation body, and runs Pilnyi Pohliad, a high-quality local media in the city of Kamianske, Dnipro region. He was a contributor to openDemocracy for many years, and has prepared expert reports on reconstruction and the energy sector for the TUC and Rosa Luxemburg Foundation. In 2005, he headed Ukraine's first independent media workers trade union in the wake of the Orange Revolution.

The meeting that Serhii addressed was organised by the Ukraine Information Group and the Ukraine Solidarity Campaign. We publish his talk as a contribution to discussion about the war in Ukraine and how we can build solidarity with Ukrainian resistance.

The current situation in Ukraine

The country faces huge challenges: the consequences of war, economic hardship, crisis in the energy sector and the need to reform the trade union movement. Ukraine has been given the status of a candidate for membership of the European Union, which has implications for labour rights, social policy and for stability of the energy system.

International and domestic politics

Every day we hear more and more talk about Ukrainian society being exhausted by war. The signs are all around us. Volunteer organisations say that less and less money is being donated for the purposes of war, and that more and more men try to avoid mobilisation, which has in recent months taken on an openly compulsive, and sometimes even violent, character. The number of people who agree that there should be negotiations with Russia in current circumstances is rising.

This exhaustion is also evident in the army. This year, desertion has sharply increased.

It is hard to say whether all this might lead to more open expressions of discontent, such as protest actions. All forms of protest such as rallies or strikes are forbidden. Moreover, the government constantly reminds us that calls for protest action could be treated as subversive activity.

At the same time, it is important to note that many Ukrainians have adapted to life in wartime. In cities that are not under constant bombardment, people do not take cover or go to bomb shelters. Most shops and organisations providing services keep working even when the air-raid sirens go off.

Refugees have been returning from other countries, including families with children.

In other words, on a psychological level many people accept the war as a day-to-day reality.

As for the political situation outside Ukraine, everyone recognises that the elections in the USA will play a key role. As you have already seen, Ukraine's partners gave a fairly cool reception to Volodymyr Zelensky's "victory plan". Above all, expert opinion is that the demand to accept Ukraine into NATO now is not realistic. And it is unlikely that NATO will confront Russia directly.

The situation with financial and other economic support for Ukraine is not much better. It is becoming more and more difficult to access money for the Ukrainian budget and for the purchase of arms. The situation with the USA is especially unclear. Donald Trump, as presidential candidate for the Republican party, has made it clear that he wants to find a quick solution. Furthermore, Congress may put an end to its generous support for Ukraine.

It is not surprising that, in this situation, the Ukrainian president has directed the government to work on a "domestic" victory plan, focused on the things that Ukrainians can do independently of outside help. The possibilities depend to a great extent on how the Ukrainian economy fares, on whether the energy system makes it through this winter, and the extent to which the population will support post-war reconstruction and under what conditions.

The economic situation

In 2024, the Ukrainian economy has grown for the second year running - by 3.5% according to current estimates, compared to about 5% last year. This reflects a tendency towards recovery after the crisis caused by the war from 2022.

But it is important to bear in mind the low level to which gross domestic product (GDP) sank in 2022; that year it fell by 30%. If we compare GDP currently to the situation at the start of the all-out war, it is clear that it has not recovered to the level of 2021. Then, annual GDP was almost \$200 billion, compared to \$145-150 billion at present.

On a longer-term view, we can see that Ukraine has suffered from long-term economic crisis. Even in the best times, GDP has never recovered its level of 1990 (about \$290 billion).

The main problem is deindustrialisation, the shift of the economy's structure towards the production of raw materials, including minerals and agricultural products, rather than processed and value added products. These changes began long before the war.

For example, in 2007, processed and value added products comprised an 18% share of GDP, and in 2021, only 10%.

The war has exacerbated these problems, since it is the main industrial regions of Ukraine - Donbass, Zaporozhzhia, and the Dnepropetrovsk, Kharkiv and Sumy regions - that have borne the brunt of the destruction.

At the same time, the government has declared that it will prioritise support for the export-oriented industrial sectors: metallurgy, agriculture and IT. Last year, a range of industrial associations and research bodies publicly warned of the danger of the complete deindustrialisation of Ukraine after the war.

In agriculture, despite the support announced by government, not everything is uniformly positive. For example, experts have noted the increasing level of control over agriculture by international

companies. International companies control a significant proportion of Ukrainian agricultural exports, and also control ports and logistical chains.

Even in wartime, the concentration of land ownership has continued. Today the big agro-holding companies control about 60% of arable land. Statistics published at the start of this year showed that the 10 largest agro-holdings together control more land than all that owned by small farmers.

It is noteworthy that of these 10 agro-holdings, the largest by the size of their land, only three have Ukrainian ownership. The others are controlled by companies based in Luxemburg, Cyprus, the USA, the UK and Saudi Arabia.

Researchers and environmentalists are concerned by these structural changes in the agricultural sector. The big agro-holdings are shifting land to production of grain and oilseed crops that can generate a rapid profit.

According to [research](#) by the Institute of Geography of the Ukrainian Academy of Sciences, undertaken for the Ekodiya campaign group, about 40% of agricultural land could lose its fertility due to the intensified use of crops that deplete the soil.

Ukrainian agriculture is focusing more and more on products for export. At the same time, value-adding processing in the country has sharply declined. Unemployment and non-legal employment in rural areas is frightfully high, and the population is suffering from the constantly rising prices of foodstuffs.

The labour market

One of the paradoxes of the current situation is the constant public declarations about labour shortages, at a time when there is indirect statistical evidence that unemployment is actually higher than it was before the all-out war began.

Labour shortages may well be a long-term challenge for the reconstruction of the Ukrainian economy. These shortages have a strong effect, especially, in the building industry.

But today the shortages are of a very different character, related to the war and to the opening of European labour markets to Ukrainian workers.

On one hand, the government is compelled regularly to undertake fresh mobilisations to replenish the army. These are easiest to do at workplaces, where employees are registered. And this leads to a shortage of qualified staff in industry. In agriculture, military mobilisation has resulted in a shortage of tractor drivers, combine harvester operators and other technically qualified specialists.

Making good these shortages is not so simple, because of the opening of European labour markets. There is a choice now for any highly qualified worker: go and work in Europe for higher wages, or stay in Ukraine?

The resulting situation is paradoxical. Employers are extremely reluctant to raise wages, and they talk about this significant shortage of labour, at a time when analysis of advertised vacancies suggests that the level of unemployment is almost twice what it was before the Russian invasion. This may be a reflection of the fact that the wages offered in the Ukrainian labour market simply do not meet the expectations of those who are looking for work.



Left: portable generators, donated by French trade unions, delivered to ambulance workers in Zaporizhzhia, near the front line, by Ukrainian union officials in July. Right: miners from the Lvivvugilla coal company in western Ukraine lobbying the energy ministry in Kyiv in August over unpaid wages. Photos from the Confederation of Free Trade Unions of Ukraine

What is the solution? Representatives of business are calling on the government to permit labour migration into Ukraine, in the first place from Asian countries, since it is unprofitable for them to raise pay to European levels – even to the levels of those countries such as Poland, Czechia, Slovenia and Ukraine’s other neighbours.

At the same time, Ukrainian workers find themselves in an extremely tough situation because of the constant increases in prices, especially for basic foodstuffs. This year drought and poor harvests have driven food price inflation upwards. For example the price of potatoes, the main vegetable in Ukrainians’ diets, has trebled in the last month.

And while prices are leaping up in this way, the government has announced that, due to the shortage of budget resources, it needs to freeze pensions, the minimum wage and other social standards.

The energy sector

There is a critical situation with the power stations. In 2024 Ukraine’s energy infrastructure was subject to ten major bombing attacks, which caused the loss of about 9 gigawatts of electricity generation capacity, including thermal (coal- and gas-fired) and hydro power stations.

It is estimated that at the start of the winter heating season, the shortage of generation capacity will still be at around 20%, raising the risk of power cuts at times of cold temperatures, and constraining electricity supply to industry.

There are problems with renewable power generation too. A large part of Ukraine’s solar and wind generation capacity has been lost due to the war. Many of the large hydro plants have been destroyed or damaged. This casts a shadow over plans to develop the renewables sector.

The situation with energy poverty has also become much more acute. A simple example: at times of prolonged power cuts, many people that rely on electric or gas heating appliances can not use them, since without electricity they do not work. At the same time, because of high demand, the prices for autonomous generation equipment – generators and storage batteries – have risen several times over, and are out of reach for the poorest parts of the population.

All this will become a huge problem in the winter, when it is expected that electricity could be cut off in some places for 14-20 hours per day.

The complete destruction by war of heating systems could turn in to a real catastrophe, especially in large towns with populations of between 100,000 and one million. There are very few places remaining in Ukraine that could accommodate such numbers of internally displaced persons. So any breakdown of heating systems could result in a new wave of migration to Europe, which will also cause problems.

And, even though the government promises to bring on line additional electricity generation

capacity and heat provision, we should also be ready for the possibility that hundreds of thousands of refugees will need to be provided for in winter.

The trade unions

Ukraine's status as a candidate for EU membership is stimulating reforms in the trade union sphere, aimed at complying with European standards, which require all-rounded social dialogue and the defence of labour rights.

With regard to social dialogue: although we have a law "On social dialogue", its implementation in practice is problematic. Since August 2022, the government's national commission on social and economic issues has not functioned.

There is the imitation of dialogue by the government, which in recent years has tried to replace trade unions in "civic dialogue" with organisations that support official policy, and thereby reduce trade unions' influence on decision-making.

Labour law and trade union rights

There have been changes to labour law as a result of the war. In March 2022 law no. 2136 was adopted, which increased maximum hours of work, reduced statutory holidays and allowed employers to suspend collective agreements.

Requirements for small and medium businesses, with regard to employment, have been liberalised. Law no. 2434 allows the conclusion of individual labour agreements outside the framework of national employment legislation. These measures have been criticised by the EU and the International Labour Organisation for breaching employment standards.

Constraints have been placed on trade union activity under martial law. Strikes and mass protests are prohibited, which makes it more difficult for trade unions to resist the reform of labour laws and standards, and to defend workers' rights.

The role of trade unions in reconstruction

There will be international support for, and participation in, reconstruction projects in Ukraine. The trade unions must insist on the necessity of defending workers' rights in the reconstruction process, especially in the construction and infrastructure sectors.

There are issues about training and retraining to which we must be alert. The Profbud construction trade union is opening centres to provide training to internally displaced persons. The courses provided are focused on construction skills, and this will help to ensure employment and social partnership.

Recommendations and potential courses of action for trade unions

1. Institutional support. Strengthening trade union structures and the establishment of new unions in the private sector.
2. Participation in negotiations with government. Widen the trade unions' role in discussions about reconstruction in Ukraine.
3. Revive social dialogue. Work in collaboration to renew all-round social dialogue, taking into account best practice on a European level.

4. Media and communication. Active use of the media to make know the trade unions' activity and their defence of workers' interests.

Serhii Guz

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P.S.

Ukraine Information Group (Ukraine Solidarity)

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