

Dehumanization of labor? The risks of employment reform in war-torn Ukraine

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In addition to its immediate dire consequences, the war in Ukraine has caused great damage to labor rights. In parallel with the destruction of the industry and infrastructure by Russian bombs, a new system of socio-economic relations in the field of employment is emerging. The reforms are aimed at *deregulation* (elimination of norms that limited the freedom of employers), *precarization* (emergence of vulnerable categories of workers) and *the decadence of social dialogue* (reduction of the influence of trade unions on dismissal procedure and collective bargaining). If Russian aggression poses an immediate threat to workers, then labor reform (which is undercovered by war) threatens to make them disenfranchised in the context of the growing crisis.

Socialist principles in world of oligarchic capitalism

“With the beginning of the war, the activity on the labor market practically stopped... The supply of labor will continue to significantly exceed the demand,” says the Inflation Report for July 2022 from the National Bank of Ukraine. It is recognized that the war “caused an unprecedented jump in the unemployment rate” (about 35% of the workforce). The same situation will persist in 2023 if hostilities continue for a long time. It is clear that the owners will try to compensate for the losses at the expense of the employees. To “disarm” the working class oligarchs and other capitalists need to dismantle labor protection legislation.

Despite decades of market reforms, Code of Labor Laws (Labor Code) adopted in 1971 is still in force in Ukraine. Experts from the Kyiv School of Economics labeled it as based on ‘socialist legal principles’ (especially in the terms of dismissals). The preservation of this act favorably distinguished Ukraine from Russia, where the codified labor act was replaced by a more neoliberal document in the early 2000s. Being updated in line with the realities of the economy, Ukrainian Labor Code still allows to counteract most of the attacks of capitalists, such as wages arrears, introduction of involuntary part-time work, and illegal dismissal. For the last decades the level of violations tends to be high, but workers could protect their rights in courts (in 80% of cases local courts sided with the claimants). The employer, as the stronger party in labor relations, could actually fire everyone, but sometimes it is too expensive for him. The judicial system is not ideal, but it is more independent than in Putin’s Russia. The weakness of Ukrainian legislation is in the limited powers of labor inspections and merely non-existent anti-discrimination provisions. However, all plans for the gradual evolution of labor legislation towards best European practices were destroyed after the war broke out on February 24.

Pursuing the goal of protecting employers from the consequences of the crisis, Ukrainian parliament adopted the following four laws amending Labor Code:

Official name of law	Number and date of adoption	Most dangerous provisions	How it will liberalize dismissal procedure	Categories of workers affected
On the Organization of Labor Relations Under Martial Law*	No 2136 15.03.2022	Suspension of individual employment agreements, which means temporarily canceling wage payment. Suspension of collective agreements, leading to depriving workers extra surcharges and allowances. Increasing working week to 60 hours and refusal to grant extra leave (for critical infrastructure workers)	Ordinary union members can be dismissed without negotiation with the trade union. If employee refuses to continue work after deterioration of working conditions he can be dismissed without warning two-month in advance	All workers, especially employed near war zone and critical infrastructure workers
On Amendments to Certain Legislative Acts of Ukraine on Optimization of Labor Relations	No 2352 01.07.2022	Salary retention for employees called up for military service is canceled	New grounds for dismissal of employees: a) inability to provide work for worker if employers' property is damaged as a result of hostilities; b) absence of worker during 4 month if the reason of absence is unknown	Workers, employed on the territory affected by hostilities and workers, called up to military service

Official name of law	Number and date of adoption	Most dangerous provisions	How it will liberalize dismissal procedure	Categories of workers affected
On Amendments to Certain Legislative Acts of Ukraine Regarding the Regulation of Labor Relations with Non-Fixed Working Hours	No 2421 18.07.2022	Employers may conclude employment contracts with non-fixed working hours (analogue of 'zero-hour contract') without a guarantee of providing work on a permanent basis. Salary will not be paid constantly, but only in case of performance of duties on call	Employment contracts with non-fixed working hours may provide additional grounds for dismissal. Member of trade union could be dismissed on such grounds without consent of trade union	Workers, employed in sectors with unstable demand for labor (but not more than 10% of staff)
On Amendments to Certain Legislative Acts of Ukraine on Simplifying the Regulation of Labor Relations in the Field of Small and Medium-Sized Entrepreneurs and Reducing the Administrative Burden on Entrepreneurial Activity*	No 2434 19.07.2022	Introduction of a special contractual regime on small and medium enterprises (up to 250 employees), namely the possibility of concluding a 'simplified' employment contract. The parties will be able to agree on some issues of working time (e.g., extra grounds for overtime)	'Simplified' contracts may provide additional grounds for dismissal. Member of trade union could be dismissed on such grounds without the consent of trade union. The employer has the right to dismiss the employee without reason and warning (at will), but with payment of compensation (not less than half of minimum wage)	Workers at private enterprises with staff below 250 employees (near 70% of all employed population)

* *The period of being in force is limited to martial law.*

New menace

Presumably in such a legal field employers have no incentive to raise social standards, because merely any dissatisfied worker can be fired. But corporations need total flexibility on their side, without any restrictions in relation to certain periods (martial law), type of enterprise (less than 250 employees) and type of contract (contract with non-fixed working hours). Following these wishes, the Cabinet of Ministers of Ukraine recently drafted a "**Labor Act**". This act will replace today's predictable system of rules by an extremely individualized system which is similar to civil law.

Employers will be able to impose disadvantageous decisions on employees by drawing up “additional agreements” and ignoring the presence of trade unions. The most dangerous innovations including as follows: the possibility of suspension of the labor contract on the grounds specified in the collective agreement, dismissal for a one-time “gross” violation of the terms of the employment contract, deterioration of the terms of payment without justification, etc.

Unlike the Labor Code, the proposed draft does not contain a sections devoted to occupational health, union rights, benefits for youth and mothers. The appearance of such a draft law contradicts the previous plans of the authorities: the “Law on De-Sovietization” adopted on April 21, 2022, foresees the need to develop the Labor Code within a year, and not a law that only partially regulates certain issues of labor relations.

Apart from using political arguments like the need for ‘fighting socialist heritage’ authorities will say that workers will hardly feel any deterioration. This is not true, because the majority of workers still worked officially and enjoyed the benefits of the protective provisions of the law. About a third of refugees continue to work remotely, being in labor relations with Ukrainian enterprises. In addition, the conditions of the war made the efforts of workers in such vital professions as doctors, railway workers, drivers, repairmen, and this gave them a chance to fight for better working conditions. New legislative provisions will constitute a serious obstacle for workers to organize in the post-war period.

At the new stage of social struggle

What are the real reasons for curtailing labor rights? Does liberalization bring any advantages to the economy? No. The explanation is as follows. **First**, the authors of reforms are consecutive opponents of any state intervention in labor relations and consider labor rights as just a ‘burden’ on the economy. **Secondly**, trade unions appeared to be unprepared for crisis conditions. They are still aiming their critics at particular changes, avoiding criticizing the overall neoliberal course which puts the interests of employers first.

During the war, society is in dire need of security, and full employment. The reforms of the ruling party “Servant of the People” obviously offer the opposite, namely dehumanization of labor, and unemployment. Those steps demonstrate that the ruling class will not stop oppressing the workers, even considering the war or European integration plans. Therefore, there is no force that would stop the implementation of anti-social policies. None, except labor, strengthened by international solidarity! The working class must become more **radical**, because it will be less protected by legal means. Union organizing will be more politicized than ever, because one has to challenge not only the employer, but also the existing consensus, within which any conflicts are undesirable. Hope that workers (e.g., ore miners from Kryvyi Rih) that withstanding Russian aggression on the frontline are ready for new challenges and will return to their workplaces to demand justice.

The main question for workers today is how to protect the remaining rights that allow them and their families to survive. However, in order to have a decent future, they must ask: are they ready to continue suffering for the prosperity of oligarchs? It is time to reorganize the economy on a different basis, socializing control over production and making society the ultimate beneficiary of labor. Then, objectively, there will be no need for the systematic deterioration of labor legislation in order to please greedy owners.

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