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Labour Shortages, Informality, and Migrant Precarity in Ukraine's Agricultural Sector During Wartime

In spite of the war and partly because of it, Ukrainian agriculture is experiencing a shortage of workers and turning to migrant labour. In this issue, Yevheniia Hryhorieva from Europe without Barriers, Kyiv, and Agnieszka Fihel from the CMR describe the legal steps taken by the state to attract migrant workers for various sectors, from farming to IT, and the effects on the ground in agriculture: the expansion of intermediaries and flexible employment schemes, which lead to precarity for the workers.



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Agriculture, National Security, and the Problem of Informality

The DignityFIRM project investigates the regulatory frameworks and working conditions that influence the vulnerability of international migrants in food production and distribution. One of the countries under study is Ukraine, which is facing a dual challenge: maintaining the strategic importance of agriculture for national security and post-war recovery, while also combatting informal employment of native and migrant workers.

Informal employment can take different forms depending on the legal status of the firm and work. The most frequent form is legal employment that is not fully declared to social security, with part of the remuneration being paid 'off the books'. Outsourcing and delegating tasks based on civil contracts are also becoming increasingly common. Although such contracts are fully legal, they should take the form of conventional employment if the relationship is permanent, thereby guaranteeing full access to social security.

Forms and Drivers of Informal Employment in Agriculture

The 'shadow' economy has been widespread in Ukraine. Pre-war estimates indicate that one in five people were engaged in some form of informal work, and

as many as 46% among those employed in agriculture (State Statistics Service of Ukraine, 2021). Although the collection of statistical data was suspended during the war, representatives from the agricultural sector who participated in our project assess that informality has increased since 2022. This applies to both native and migrant workers.

Informality is partially related to structural features of Ukrainian agriculture. Dominated by large and medium-sized enterprises, it relies heavily on hired labour, particularly during the harvest season. Large farms tend to implement a hybrid strategy, employing core staff on a permanent, formal basis and seasonal workers on a temporary, often informal, basis. Already before the war, the sector experienced labour shortages due to rural population ageing and increasingly better work opportunities for natives in other sectors.

Wartime Labour Market Shocks

Since 2022, the military mobilisation and population displacement have exacerbated labour market shortages, particularly in the frontline regions, which are also the most agrarian. According to employer associations, over 240,000 people who were previously employed in agriculture have been mobilised, accounting for around one-fifth of the sector's official workforce.

Although many agricultural workers received military deferments, up to 40% of farms reported labour shortages in 2024–2025 (Ministry of Economy of Ukraine, 2025; Interfax-Ukraine, 2025).

Women have begun to enter occupations that were previously dominated by men, but these shifts remain insufficient at all levels of production, from machinery operators and drivers to technicians and seasonal workers. Consequently, demand for seasonal and low-skilled labour has increased, making the recruitment of foreign workers a necessity.

Migrant Labour Before and After the Full-Scale Invasion

International migration into Ukrainian agriculture started well before the full-scale war. Migrant workers from Moldova, Romania, the Caucasus and Central Asia complemented the local labour force, especially in high season. According to the information made available to the authors by the State Employment Center, between 2019 and 2021, the number of work permits issued to foreigners in all economic sectors increased from 10,700 to 16,300. Additionally, estimates of the number of irregular migrants in the country ranged from 37,700 to 60,800, but this figure decreased after 2022.

The full-scale war has had a dual effect on informal employment in agriculture. On the one hand, the acute labour shortage prompted employers to retain workers by offering them more advantageous contracts, such as permanent ones. On the other hand,

the overall decline in economic activity and investment, logistical barriers and high operational risks have created an environment in which employment decisions are primarily pragmatic and adaptive. All operating costs increased, including those relating to wages, fuel, fertiliser, logistics, and security. To reduce these costs, and also to adapt to unstable conditions, farmers increasingly resort to temporary and informal forms of employment. Employers consider these forms of employment to be a survival strategy in times of economic instability. They do not perceive formal employment as a guarantee of a permanent working relationship; rather, they see it as an additional cost and risk.

The situation was exacerbated by the State Labour Service's implementation of a general moratorium on labour checks from 2022 to mid-2023. Since then, the institution has partially resumed inspections, but primarily in response to complaints or workplace accidents (Parliament of Ukraine, 2022; Ministry of Economy of Ukraine, 2023).

Intermediaries and the Expansion of Flexible Employment Schemes

Migrant workers frequently find themselves working in the shadow economy without a formal contract. They lack access to social insurance and safe working conditions, and their income depends on the season and weather. Those working without proper permits are in an even more precarious position. Their rights are not protected by

any legal mechanism, and the fear of losing their job or being deported forces them to accept substandard conditions. Experts participating in our project reported frequent cases of unpaid wages, informal deductions for housing or transport, a lack of days off and excessive working hours.

Migrants in (formal) employment via international employment agencies on civil-law contracts face similar problems. This form of employment has recently become widespread because farmers seek 'flexible' arrangements for seasonal work, such as harvesting berries, fruits, and vegetables. These working arrangements limit workers' access to social protection and the insurance system. Migrants' relationships with agencies are governed by commercial contracts that refer to the provision of commercial services. This mechanism blurs the responsibility of employers to ensure working conditions required by labour law; migrant workers may be formally registered in the social security system, but still lack full social protection. Last but not least, migrants working on short-term contracts find it difficult to obtain long-term status in Ukraine.

Informal employment among migrants in agriculture stems not only from employers' measures to reduce the operating costs, but also from the lack of institutional support for labour immigration. The experts emphasised that even when employers fully comply with legal requirements, they often face visa denials without explanation. Companies encounter lengthy work permit procedures, visa

refusals or requests for additional permits. To speed up recruitment, some employers resort to informal hiring practices such as using short-term permits, hiring via international employment agencies or registering foreigners as individual entrepreneurs to avoid work permit requirements.

This creates mutual dependency: businesses require a workforce, but wish to avoid excessive bureaucracy, while workers seek stability, but must accept informal arrangements. This fragile balance sustains the sector's short-term functioning, but it undermines its long-term sustainability, including prospects for Ukraine's recovery and agricultural development.

Evolving Labour and Migration Governance

At the same time, Ukraine's labour and migration policy is changing irreversibly, albeit slowly. Since 2023, several legislative changes have been introduced to facilitate the employment of foreigners:

- the requirement that a migrant has to receive a monthly salary equivalent to at least 10 minimum wages was abolished,
- foreign students were allowed to work during their studies,
- the IT sector rules were simplified.

In 2025, the Ukrainian government drafted the Law of Ukraine 'On Amendments to Certain Laws Regarding the Employment of Foreigners and Stateless Persons', introducing a single permit for residence and employment. According to the Ministry of Economy, this law will enable foreigners to combine residence and work rights in a

single document, while also streamlining administrative procedures through digitalisation. Consequently, applications and administrative procedures will be conducted via electronic portals. The bill also identifies categories of foreigners who will have the right to free access to the Ukrainian labour market and introduces special provisions for foreign graduates, giving them three months to find employment after completing their studies. As of November 2025, the law is being considered in the Ukrainian parliament.

Although the state is gradually liberalising foreign recruitment mechanisms, the practical implementation of these reforms is limited by bureaucratic and security constraints. The excessive bureaucracy involved in issuing work permits, coupled with insufficient coordination between government institutions, remains an important obstacle to improving international recruitment.

However, our experts concede that the current administrative system still does not sufficiently incentivise formal employment. Government oversight remains weak, and sanctions for informal hiring are rarely applied. Informal work continues to play a compensatory role, helping businesses survive, yet it also undermines workers' social protection and delays Ukraine's integration into the European labour market. Without stronger control mechanisms and simpler pathways to formal employment, this situation is likely to persist until martial law ends.

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