

PLATFORM EMPLOYMENT AND HYBRID MODELS OF LABOUR RELATIONS AS A RESPONSE TO THE ECONOMIC AND SOCIAL DANGERS OF MILITARY SHOCKS

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Abstract. *The relevance of the work is due to the challenges faced by the Ukrainian labour market in the context of critical instability. Ukraine is losing human capital as a result of deaths or disability of people in the areas of military operations, as well as due to the displacement of millions of people from the areas of military operations to safer regions of Ukraine or to other countries. The purpose of the article is to identify a promising response to the economic and social dangers of military shocks in the context of preserving human capital in Ukraine during the war and restoring the labour market in the post-war period. Research methods. The study was conducted using system analysis, structural and functional analysis, and expert assessments. The analytical assessment was based on data from international organizations and opinion polls. Results of the study. The author proposes ways to improve regulatory policy in the field of employment by modifying traditional models of labour relations. The author identifies non-standard forms of employment that can most effectively harmonise the situation in the Ukrainian labour market. The article considers the use of such non-standard forms of employment as hybrid models of labour relations and work on digital platforms. The author outlines the prospects of their use for persons returning to civilian life after discharge from military service for health reasons, for internally displaced persons, migrants and persons who have left Ukraine.*

Keywords: *platform employment, hybrid models of labour relations, human capital, strategic management of human resources, dangers of military shocks.*

JEL: J18, J24, J41, J50, J63

UDC: 331.5

Introduction. The full-scale invasion of Ukraine in February 2022 led to dramatic social changes, economic turmoil and massive population displacement. Ukraine's labour market has undergone irreversible transformations caused by the loss of labour, firstly, as a result of the mobilisation of a part of the population into the Armed Forces of Ukraine, and secondly, due to the displacement of millions of people from the war zone to safer regions of Ukraine or other more prosperous countries.

In the context of critical instability, Ukraine's strategic challenge is to preserve human capital. This can be achieved by modifying traditional models of

labour relations and using non-standard forms of employment, including platform employment and hybrid models of labour relations. The purpose of these transformations is to increase motivation to work in Ukraine during the war and create prospects for the recovery and development of the labour market in the post-war period. For this purpose, it is important to attract to the labour market the domestic workforce, people living outside the country, and migrants whose labour activity can balance the labour market and strengthen human capital that suffers losses from the economic and social dangers of military shocks.

Literature review. Platform employment is still a relatively uncommon model of labour relations, but digital changes in the world of work have been the subject of many studies (Dustmann et al., 2003; Urzì Brancati et al., 2020; Piasna et al., 2022). The lack of representative statistical information on the quantitative and qualitative characteristics of digital platform workers is compensated to some extent by sociological surveys and scattered academic studies. In the studies of most scholars, the employment of platform workers is covered in the context of low-skilled work that involves the direct presence of a worker at a particular location, such as taxi, delivery, cleaning, or personal services (Arnoldi, 2021; Kaboth, 2023; Low, 2024). Some scholars argue that platform work is mostly for migrants (van Doorn and Vijay, 2021; Piasna et al., 2022; Kowalik et al., 2023). A smaller body of research has focused on platform work that is performed remotely and involves the provision of high-skilled services (Bandeira et al., 2019; Idowu et al., 2022).

This article looks at several different types of platform work, both on-site and remote, and thus significantly extends the focus of previous research.

Research methodology. In order to achieve these goals, it is necessary to focus on the study of two poles of employment on digital platforms. Firstly, it is low-skilled employment, and secondly, works and services requiring specialised knowledge and a high professional qualification level. Information on employment on digital platforms is not provided by official state statistical services, so the article uses the results of reports of international organisations and sociological studies. To solve the tasks set, the author also used the methods of systemic and comparative analysis, structural and functional analysis, statistical grouping method, hierarchical analysis, expert assessments, etc.

Main results. Non-standard forms of employment may be a promising response to the economic and social dangers of military shocks (Huk, 2014). Non-standard forms of employment are a general term for various forms of employment that differ from standard employment, which is characterised by full-time work at the employer's premises under a formal employment contract for an unlimited period. Non-standard employment can be determined by various criteria (Huk, 2016):

- by the formalisation of employment - informal employment

- by the nature of working hours - part-time and overtime employment (forced or voluntary)
- by the term of the contract - non-permanent employment under an agreement (contract) for a fixed term or for the duration of the performance of certain work
- by the form of workplace organisation - remote employment (home-based work, ICT-based mobile employment, hybrid models of labour relations, platform work);
- by the method of hiring - employment under a civil law contract, in particular, possibly with the involvement of a third party - a business entity providing employment agency services; employment without a written contract by oral agreement.

Recently, special attention has been drawn to non-standard forms of employment, which are developing due to the digitalisation of the economy and the proliferation of information and communication devices with Internet access, which operate on the basis of cloud technologies. Examples of such non-standard forms of employment include hybrid models of labour relations and work on digital platforms.

Hybrid models of labour relations have become widely used during the restrictive measures related to the COVID-19 pandemic. They have made it possible to organise remote work during the quarantine, helped to preserve the health of employees, and demonstrated that this development path has a strong potential to optimise the operations of enterprises in critical situations.

Work on digital platforms is a product of technological progress and allows more workers to integrate into the labour market. The quality of employment on digital platforms depends on the professional qualification level of employees, their skills in using interactive technologies (e.g., social media applications and platforms in the Internet environment using information and communication devices), and personal characteristics (adaptability, flexibility, ability to learn and improve professional skills, etc.). In this context, employment on digital platforms accumulates workers with both low and high qualifications.

At one pole of employment on digital platforms are low-skilled jobs and services that require the direct presence of the worker at a particular location, such as taxi drivers, delivery, and cleaning services. The pole of low-skilled employment on the platform often accumulates workers from among internally displaced persons and migrants who, although they may have higher qualifications, are forced to perform work offered by the platform because they have not adapted to the language environment of the host country. As a result, work on digital platforms is often seen as an unstable, precarious model of employment for unskilled labour.

At the other pole of digital platform employment are jobs and services performed remotely and requiring specialised knowledge and high qualifications. The pole of highly skilled workers on digital platforms is represented by specialists who perform work remotely and provide interactive, highly skilled services. The activities of highly skilled digital platform workers are related to education and

culture, science, technology and innovation, design, marketing, etc. The work of this category of digital platform workers is based on the implementation of individual projects, so it is also unstable, but can be in high demand and highly paid.

Consider the low-skilled employment pole on digital platforms. Digital platforms can be the first step for internally displaced persons and migrants to enter the labour market immediately upon arrival, as formal requirements for workers to perform work on the platform are lower than in the formal economy. The platforms offer a wide range of low-skilled jobs, and individuals, lacking alternatives, often accept such work for their livelihoods immediately upon arrival. Low-skilled workers are engaged to perform localised service-oriented tasks such as deliveries, transporting goods and passengers, running errands or cleaning.

Further integration of displaced persons and migrants into the labour market can take place in two ways. First, in the optimistic scenario, platform employment serves as a springboard to higher quality employment that matches the professional qualifications of workers, their experience and existing skills, with correspondingly better conditions and pay. Secondly, in a negative scenario, low-skilled employment on the platform becomes a long-term precarious employment trap that absorbs the labour force and acts as a barrier to the most effective integration into the labour market.

Low-skill local tasks may be more attractive to labour migrants given the generally lower skill profile of these jobs and lower language requirements.

The displacement of millions of people from the areas of hostilities to safer regions of Ukraine has resulted in the emergence of a persistent socially vulnerable group of internally displaced persons whose positions in the labour market have become vulnerable and whose employment is becoming precarious. The movement of labour within the country poses certain challenges to the labour market:

- insufficient supply of labour in regions affected by active hostilities;
- insufficient demand in the western regions of the country for labour formed by displaced persons
- mismatch of available jobs with the qualifications and skills of job seekers;
- inability to preserve livelihoods (loss of employment and, consequently, wages as a result of displacement or problems with access to social protection);
- insufficient wages to maintain a decent standard of living.

There is an estimated International Organization for Migration (IOM) 4,734,000 returnees in Ukraine. The main oblasts of return are Kyiv City (where 22% of returnees reside), Kyivska, and Kharkivska Oblasts (about 15% each), with most returnees having returned more than a year ago (60%). People in Kyiv as well as the west, north and centre of Ukraine on average returned longer ago, while more recent returns were comparatively more concentrated in the East and South. Almost half of all returnees (48%) returned from displacement in another oblast in Ukraine. Twenty-eight per cent of all returnees stated that they had spent at least 14 days abroad since February 2022 because of the full-scale war. Five per cent of

returnees (eqv. 228,000 individuals) were considering re-displacement (highest in Odeska Oblast, 9% of returnees). The share of those crossing back into Ukraine from abroad intending to stay for more than one month (prospective returnees) decreased from 38 per cent in Q1 2023 to 25 per cent in Q1 2024. Proximity to family and friends was the most commonly reported reason for returning to the place of origin (29%). This was followed by the availability of housing (20%), perceptions of employment opportunities (18%) and an improved security situation (16%). Irrespective of rank, returnees reported food among their three main material and assistance needs (25%) with cash as the preferred modality for assistance (38%) or creation of employment opportunities (34%) so that respondents can meet this need sustainably. Coping strategies, such as the spending of savings (57%) switching to cheaper food and NFIs (55%), alongside reducing utility expenditure (50%) continue to be used among high proportions of returnees. (IOM, 2024).

The pole of highly skilled digital platform workers. Interactive remote work on a platform can also be attractive for migrants, as it opens up a much wider labour market, meaning that language and cultural barriers with the host country are more likely to be levelled. For highly skilled migrant and displaced workers, the opportunity to perform professional work through remote digital labour platforms may be more relevant, especially if various discriminatory barriers make it difficult to perceive their qualifications. For highly skilled workers who have acquired specialised knowledge and perform projects and provide services remotely, working on digital platforms becomes a convenient way to be active and fully realise their potential.

Based on the results of a sociological survey conducted on the Freelancehunt platform, a portrait of Ukrainian freelancers who provide highly skilled services through a digital platform was created (Bondarenko, 2024). It is estimated that the largest share of freelancers in 2024 is aged 24-29 (23.5%), which is almost unchanged from 2023 (23.7%). The age groups of 30-35 and 36-41 increased by 1.8% and 2.2% respectively. This may indicate that more professionals at the peak of their careers are moving to digital platforms as self-employed.

Young people (18-23 years old) are most represented in categories related to audio and video, translation, and programming. In most categories, there is a high percentage of freelancers in the 24-29 and 30-35 age groups, which indicates that they are actively involved in the development of the labour market. Older freelancers (48+ years old) are more represented in areas requiring more experience, such as architecture and engineering.

More than 70% of freelancers have a university degree or higher education. The ratio of men and women is almost equal, although there are slightly more men - 53.4% vs. 46.6%. This may indicate the general attractiveness of freelancing for both sexes, meaning that both men and women find interesting areas for themselves and earn money.

The largest share of freelancers lives in Kyiv region (19.9%). This may be due to the concentration of business centres, higher education institutions, and a more developed economy in the region. Many freelancers also live in

Dnipropetrovska (10.3%), Kharkiv (9.3%), Odesa (8%), and Lviv (7.8%) regions. These regions are economically active and have large cities with appropriate infrastructure.

More than half of freelancers (56.8%) do not consider freelancing as their only source of income, which confirms the thesis that for many it is a part-time job. However, a significant percentage of professionals (43.2%) prefer freelancing as their main job. According to the statistics on prices for freelance services of the digital platform Freelancehunt, the average earnings of freelancers as of August 2024 were UAH 25280 per month, which was equal to USD 617 and exceeded the minimum wage in Ukraine (UAH 8000) by more than 3 times, and the average wage (UAH 18903) by almost 30 percent.

Among translators and copywriters, the largest share of those earning less than \$500 is 64.7%. This is due to the fact that customers delegate some tasks to AI. The huge demand for the services of these specialists, as it was at the beginning of the war with the adoption of the law on Ukrainianisation, has somewhat subsided. This category is also quite easy for beginners. 46.1% of designers earn more than \$500 on average. Those who have knowledge in narrow specialisations can earn more for their work. The highest income for work on digital platforms is in the mobile apps and programming category, where most freelancers earn more than \$1000.

The biggest challenge for 77.2% of freelancers is finding clients. It takes a lot of time and can be very tiring, especially for beginners. Unstable income is a significant problem for 66.1%, as freelancers cannot always predict their income. This is more true for those who see freelancing as a part-time job. Discipline and effective planning are critical for success, but 20.2% of professionals find it difficult. Freelancing is not only about freedom and flexibility, but also about the many challenges faced by those who choose this path. The war has made its own adjustments to the lives of professionals, forcing many to adapt to new conditions.

Discussion and conclusions. First of all, when improving regulatory policy in the field of employment, attention should be focused on displaced persons who have changed their region within Ukraine or moved outside the country. They should have a chance to continue working, performing their functional duties remotely, if the production process allows for such a model of labour relations. This step will preserve jobs and the opportunity to earn income, and thus create the preconditions for the return of those who have left the dangerous areas where hostilities are taking place. In addition, freelancing continues to develop as a flexible and effective employment model that allows professionals to combine work and personal life, improve their skills and adapt to the new challenges of the modern world. Interactive technologies, including digital employment platforms, can play an important role in achieving this goal.

Digital employment platforms include both web-based platforms that connect employers and clients with workers, and outsource work through an open request for specific tasks to workers from different regions and countries, and geolocation-based applications that distribute work to individuals in a specific geographic area.

Highly skilled workers in the fields of culture, media, IT, education and science, publishing, design, marketing, etc. can be involved in remote tasks and projects. Low-skilled workers are usually involved in local tasks, such as taxi drivers, delivery, and cleaning.

Thus, the development of digital platforms should be an important step in improving regulatory policy in the field of employment. Such platforms can be used by internally displaced persons, migrants and persons residing outside the country to obtain jobs that require both low-skilled and specialised knowledge, professional skills and high qualifications.

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