

KyivPost

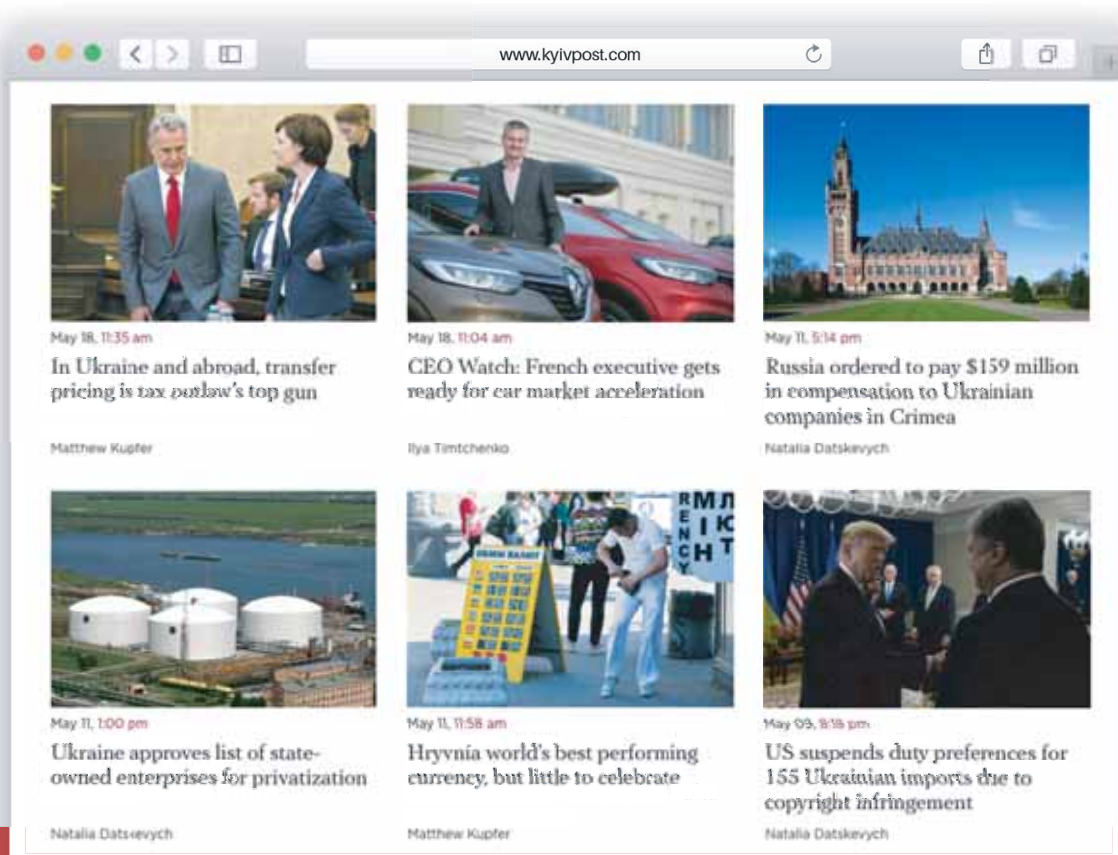
LEGAL
QUARTERLY

July 6, 2018

Vol. 5, Issue 2

**BRAIN
DRAIN**





Helping you make sense of an unpredictable world.

Support independent journalism.

Subscribe!

\$60 per year

Online benefits include:

- **Unlimited access** to all exclusive Kyiv Post stories online
- **Hourly updated** feed of news stories, analysis, multimedia, opinions and more
- **Archives** dating back to 1997

Kyiv Post
UKRAINE'S GLOBAL VOICE
www.kyivpost.com

Editor's Note

Right now, there's few more pressing issues for businesses in Ukraine than brain drain — the problem of Ukrainian professionals leaving the country in search of better living and working conditions abroad.

The term "brain drain" was coined first by the United Kingdom's Royal Society as European professionals emigrated to North America from a Europe ruined by World War II. Ukraine's brain drain today is caused by Russia's war against Ukraine, but it is also caused by a poor economy sapped by pervasive corruption.

As the population continues to shrink, from 45.5 million in 2013 to today's 42 million, this national challenge — the outflow of an estimated four million Ukrainians working abroad — is hitting small local businesses as well as international conglomerates. That's not only a problem for the private sector, but also for Ukraine's government, which is failing to create conditions that will attract more investment to the country. With the brain drain worsening, companies now fear they won't be able to hire a qualified labor force, as the Ukrainians with the top skills leave for other countries. In 2017, Ukraine saw one of its worst years ever for foreign direct investment, drawing in only \$2 billion.

But the news is not all bad. Some hope that while many Ukrainians move abroad, some will come back with new experiences and knowledge, as well as send money. For example, this year Ukrainians working abroad are expected to send back home around \$9 billion in remittances, about the same as last year, according to the National Bank of Ukraine. Moreover, the brain drain is an additional factor putting pressure on lawmakers to pass legislation to root out corruption, create a better standard of living, and make the business environment more attractive.

Others are taking up the challenge at home — such as Lviv's IT Innovation Park, a project that has attracted \$150 million in investment to bring IT professionals to the city. And even if the outflow of Ukrainian professionals continues, Ukraine can still open its doors to workers from other countries, who will bring more cultural diversity and experience to the country — a brain gain.

All of our contacts are available online at <http://www.kyivpost.com/contacts/>

KyivPost | LEGAL QUARTERLY

July 6, 2018, Vol. 5, Issue 2

© Kyiv Post, 2018

The material published in the Kyiv Post Legal Quarterly may not be reproduced without the written consent of the publisher. All material in the Kyiv Post Legal Quarterly is protected by Ukrainian and international laws.

The views expressed in the Kyiv Post Legal Quarterly are not necessarily the views of the publisher nor does the publisher carry any responsibility for those views.

Publisher: Adnan Kivan

Chief Editor: Brian Bonner

Commercial Director: Alyona Nevmerzhytska

Editors: Euan MacDonald, Olga Rudenko, Ilya Timchenko, Alyona Zhuk, Aisha Kehoe Down

Sales Managers: Yulia Kovalenko, Yulia Krus, Vita Shvets, Elena Symonenko

Designers: Vladyslav Zakharenko, Yura Borovik

Project Team: Bermet Talant, Yuliana Romanyshyn, Oksana Grytsenko, Olena Goncharova, Luke Smith

Photo Editor: Pavlo Podufalov

Photographers: Kostyantyn Chernichkin, Volodymyr Petrov, Oleg Petراسиuk

Спеціалізоване видання «Kyiv Post Legal Quarterly» видається ТОВ «Паблік-Медіа». Наклад — 7,000 прим. Розповсюджується безкоштовно.

Матеріали, надруковані у виданні «Kyiv Post Legal Quarterly» є власністю видавництва, захищені міжнародним та українським законодавством і не можуть бути відтворені у будь-якій формі без письмового дозволу Видавця. Думки, висловлені у дописах можуть не завжди співпадати з поглядами видавця, який не бере на себе відповідальність за наслідки публікацій.

Засновник — ТОВ «Паблік-Медіа»

Головний редактор — Брайан Боннер

Відповідальний за випуск — Брайан Боннер

Адреса видавця та засновника співпадають: Україна, м. Київ, 01004, вул. Пушкінська, 31^а, 6^й пов.

Реєстраційне свідоцтво — Кв № 20588-10388Р від 18.03.2014

Надруковано — ТОВ «Новий друк», 02660, Київ, вулиця Магнітогорська, 1, тел.: +38 044 537 24 00

Замовлення № 18-1120

З приводу розміщення реклами звертайтеся: +380 44 591-77-88

Відповідальність за зміст реклами несе рекламодавець.

Contents

- 4 Ukrainian workers are being lured abroad, leaving businesses at home short of staff
- 6 Poland now a top destination for Ukrainians seeking better pay and working conditions
- 9 While many Ukrainians leave to work in Europe, far-off Canada is also proving a draw
- 11 Some of those who leave Ukraine in search of work fall victim to human traffickers
- 12 **Legal Directory**
- 18 Lviv is coming up with strategies to develop its IT sector and attract workers back to city
- 21 With a shortage of labor, Ukrainian business has to work harder to find and keep staff
- 24 Ukrainian scientists, starved of funding at home, are increasingly opting to work abroad



Ukraine's visa-free agreement with European Union countries is an easy way out for Ukrainians in search of better living conditions abroad. For Ukraine, there's no quick fix to stop its brain drain.



A man makes tiles on May 17 at a Ukrainian plant of the Polish tiles and ceramic sanitary ware manufacturer Cersanit. The plant is in the village of Chyzhivka in Zhytomyr Oblast. (Kostyantyn Chernichkin)

Ukrainian industry looks for ways to keep its workers

By **Bermet Talant**
bermet@kyivpost.com

Some four million Ukrainians work abroad, the latest study by the Kyiv-based Center for Economic Strategy has estimated. That's almost 16 percent of Ukraine's working-age population. The majority are men, and manual laborers.

These laborers go abroad seeking opportunity: most importantly, jobs with higher wages. But for businesses back home, this is bad news. As workers move west, Ukraine's shop floor workforce is declining in numbers, and manufacturers are scrambling to lure workers back.

'Zarobitchany'

Not long ago, labor migration was a headache only for the western parts of Ukraine.

But the trend has spread. Today, employers across Ukraine report shortages of skilled and unskilled workers. Hardest-hit are businesses in agriculture, construction, and industry, which rely on manual labor.

Much of this migration is seasonal, according to the study by the Center for Economic Strategy. Ukrainians even have a word for seasonal job-hunters: zarobitchany. These workers tend to leave Ukraine in spring and summer, mostly to neighboring countries like

Poland and Russia, where there is less of a language barrier. Many also go to the Czech Republic, Portugal and Israel.

Ukraine's European neighbors often look to these migrants to ease their own labor shortages.

In Poland, for example, Ukrainians replace Poles who have left for work in Ireland and the United Kingdom. The number of work permits in the EU issued to Ukrainians tripled in 2014-2016, according to the study.

The Czech Republic, Poland, and Israel have even introduced employment quotas for Ukrainians in particular sectors such as construction.

In Russia, migrants from Central Asia do the dirty jobs Russians don't want to take. In Ukraine, however, there's no one to take the place of those who leave.

Low pay

The main driver of Ukraine's worker exodus is wages, which are the lowest in Europe. As of 2018, the minimum salary in Ukraine was Hr 3,200 (\$121) per month, while the average salary was Hr 8,480 (\$326).

These low wages do little to benefit businesses. While cheap labor is touted as a competitive advantage of Ukraine in attracting foreign investment, the supposed benefit is a myth, says Vitaliy Mykhailov, director for Eastern Europe at the World Staff recruitment agency.

"Indeed the official wages are low. But try to find people for that money," Mykhailov said in an interview with the Kyiv Post.

In pursuit of better pay, Ukrainians go abroad, or go on strike.

This, year steel mining company ArcelorMittal in Kryvyi Rih saw massive strikes organized by the trade unions, who demanded a raise of workers' salaries to 1,000 euros per month. The current average salary there is Hr 12,414 (\$471).

While the management agreed to a raise, officials say the union has set its expectations too high.

"Nobody in metallurgy pays salaries of 1,000 euros," said Elena Pilipenko, HR director for ArcelorMittal.

"We believe the issue there is political."

And salary rises are only a short-term solution to keeping staff, says Lyudmyla Yanok, chief of staff at Cersanit, a Polish tiles and sanitary

ware manufacturer based in Chyzhivka village of Zhytomyr Oblast. Their Ukrainian factory employs 1,200 people.

"We raise salaries every year. But it is clear that in Ukraine we can't pay on the same level as in Poland. Similarly, Polish employers can't pay like they can in Germany," she told the Kyiv Post.

Perks

Unable to pay internationally competitive salaries, some Ukrainian companies try to compensate with good work conditions and benefits.

This is a draw; many zarobitchany who work abroad often have long hours without employment contracts, paid leave, and medical insurance.

Besides benefit packages, perks include free lunches and transport from their homes to factories and back.

Different companies find different solutions to keep workers. For example, Cersanit is testing a program to allow its Ukrainian employees to work for three months at its Polish plants. ArcelorMittal subsidizes the utility bills of its low-paid staff and sends employees' kids to summer camps beside the Black Sea.

As a general trend, Ukrainian companies also train employees and help them upgrade their qualifications. They also focus on working with young people and local communities. They organize excursions for high school students to their production facilities. During summer holidays, they provide internships to students and hire them for part-time jobs.

"Improving an employer's brand is crucial. The better the reputation of a company, the more people are willing to work in it," said Yanok of Cersanit.

Most companies have adopted "Bring a friend" program, rewarding an employee for referring someone for a job. This is believed to be more effective way to find new staff than an open call.

Some have started hiring older people, at pre-retirement age, as they are more loyal and less likely to migrate.

Mykhailov of the World Staff recruitment agency forecasts that the shortage of labor force will only get worse due to irreversible migration and unpopularity of blue-collar jobs.

"The only solution for businesses is to adapt: To reduce manual work, increase productivity, switch to robot automation," he said. ■

HILLMONT
PARTNERS

Risk
Reward
In your Favour

36D Evhena Konovaltsya street
office 49, Kyiv, 01133
044 277 24 47



Yaroslava Zagorska, the owner of Pierogi Lwowskie cafe, presents her traditional Ukrainian cuisine at an event in the Polish city of Gdansk on Oct. 15. (Courtesy of Pierogi Lwowskie)

Ukrainians in Poland attracted by average wage 4 times higher

By **Yuliana Romanyshyn**
romanyshyn@kyivpost.com

GDANSK, Poland — When Yaroslava Zagorska was 18 years old, she and her mother packed their suitcases, left their Lviv apartment and moved to a city in northern Poland near the Baltic Sea. Gdansk, located some 1,200 kilometers from Kyiv, now is home for Zagorska and thousands of other Ukrainians.

“I arrived simply as a worker to earn money,” Zagorska said, recalling her arrival in Poland in the early 2000s.

She studied at a private university and worked as a waiter in a bar for over 15 years, while her mom worked as a cook in the

kitchen there. Zagorska had no plans to stay at first, but she later married a Pole and launched her own business.

She decided to bring traditional Ukrainian cuisine to the Polish market, and it paid off.

Today, Zagorska owns Pierogi Lwowskie, a cafe in Gdansk that serves Ukrainian dumplings, or varenyky. Her small business employs 10 people, most of them Ukrainians.

“I never thought that we would be able to develop so quickly,” she said.

But stories like Zagorska’s are not usual for Ukrainians that move to Poland in search of work. Estimates of the number of Ukrainians

working in Poland vary widely, from 500,000 to 2 million, depending on the source. Some come to work as seasonal workers, some take job offers from Polish companies, some pursue careers in tech, while others take advantage of the visa-free regime Ukraine now has with most European Union countries, which allows them to spend up to 90 days in the Schengen area (without a work permit).

The average wage difference is enormous: \$326 monthly in Ukraine compared to at least \$1,200 monthly in Poland.

Pomeranian Voivodeship, a province in northwestern Poland with Gdansk as its capital, issued in 2017 over 216,000 work permits to Ukrainians, who are the biggest group among all foreign workers, according to Poland's Ministry of Family, Labor and Social Policy.

And the numbers are growing. The Ukrainian and Russian languages are now heard on the streets of Gdansk almost as often as Polish, taxi drivers speak those languages too, and currency exchange offices advertise currency transfers in Ukrainian.

It's a win-win situation, experts say, as labor is in strong demand in the region, whether it be factory workers or high-level engineers.

Supply and demand

The factors that have pushed Ukrainians to look for better options in Poland are Ukraine's poor economic situation, the lack of political stability and low salaries. Poland's close proximity, higher salaries and working standards, as well as its similar language and mentality, make the country an attractive option.

But it's not only Ukrainians who benefit from labor migration. Poland has an oversupply of vacancies in its booming industries.

And the Pomerania region in particular has a lot of jobs to offer, as its economy profits from one of the biggest ports on the Baltic Sea and its related industries — shipyards, engineering facilities and logistics — manufacturing and agriculture, along with the dozens of tech companies and international businesses that have recently moved their service centers and operations to the region.

Marcin Grzegory, a deputy director of the regional non-profit organization Invest in Pomerania, said the booming economy in the region especially needs people who are ready to invest in their career and learn.

"So if you want to expand your career, but do not want to go to the far side of Europe or the world, there is always Poland... and it's in huge demand of talent," Grzegory said.

The biggest appetite is for IT workers, according to Grzegory. But once the tech people move to Poland, they also explore other countries and can move further, where "it's even better paid," he said.

Ukrainians fill vacancies in sectors like research and development, electronics production, and services for big Western companies like Thomson Reuters. The maritime industry is another prominent field in the region, and it needs people for logistics, engineering, and construction.

Due to better living conditions and the rule of law, some Ukrainian tech companies have moved to Poland or opened offices there. This is the case for Ukrainian tech firm Ciklum, a software company that launched its office in Gdansk in 2016.

Marcin Kołodziejczyk, the international director at Grupa Progres recruitment agency, said recently there has been a change in the requirements of Ukrainians moving abroad — more and more are looking for high-skilled jobs.

CORPORATE AGREEMENT IN LLC - BRAND NEW IN UKRAINE



Maxim Karpenko
Head of Corporate Law
Practice of ANK Law Office,
Attorney-at-law



Olena Koch
Assistant of attorney-at-law

On June 17 the new law on limited liability companies came into force. This is, undoubtedly, a great event for Ukrainian business. Among the numerous legal instruments foreseen by the LLC law, one article should be focused on as completely new — corporate agreements, better known worldwide as shareholder agreements.

It should be noted that the Ukrainian parliament has already made an attempt to legalize corporate agreements — law 1984-VIII, adopted on March 23, 2017, made it possible to conclude "agreements about exercising the rights of shareholders" (founders') of LLCs," but for some unclear reason this law lay unsigned by the president for almost one year, and finally came into force only on Feb. 18, 2018 — straight after the adoption of the LLC law, which repealed all previous legislation about LLCs.

Article 7 of the LLC law stipulates that a corporate agreement is a free-of-charge written agreement, whereby the shareholders of company undertake to exercise their rights and powers in a specific way, or refrain from exercising them.

Law 1984 also makes it possible to conclude agreements between creditors and shareholders of an LLC in order to secure a legally protected interest of these third parties. The LLC law does not provide the same possibility explicitly, but at the same time does not limit that possibility. Opinions are divided: some are of the opinion that the definitions in LLC law are much broader than those in Law 1984, and the possibility to conclude corporate agreements with third parties remains. Others see LLC law as limiting the scope of potential parties to corporate agreements.

According to the LLC law, a corporate agreement that does not meet the said conditions is null and void. It is interesting to note that a deal defined as null under the law does not require to be nullified by a court.

A corporate agreement may be interesting to Ukrainian businesses as legal instrument for the following reasons:

1. Corporate agreements may stipulate the provisions or a way to determine the conditions under which a shareholder has the right, or is obliged, to buy or sell a share (or part of a share) in the chartered capital of a company, as well as to determine in which cases such rights or obligations arise.

This possibility is, probably, the most long-awaited in Ukraine, as it allows the implementation of such instruments as put and call options, and tag-along and drag-along rights — good solutions to prevent corporate conflicts between shareholders ("deadlocks") and to provide additional protections to minority shareholders.

2. Unlike the statute of a LLC, which is normally available to the state authorities, the content of a corporate agreement is confidential, apart from in the case of agreements to which the party is a state, or the party is a local community, state or communal enterprise or legal entity that is 25 percent or more owned by the state or a local community — these have to be published within 10 days of being agreed.

It should be noted that unlike Law 1984, which obliged one of the agreement's parties to notify the LLC about the conclusion of an agreement within three working days of the signing date, the LLC law does not set out similar obligation. It is also important to note that according to the LLC law, a contract concluded by a party of a corporate agreement that is in violation of such a corporate agreement, is null and void if the other contractual party was aware of or should have been aware of such a violation.

3. Unlike the statute of an LLC, the adoption of and amendments to which require special arrangements from shareholders, the adoption, amending and termination of a corporate agreement are generally much easier and less formal, as they do not require notarization or registration.

4. Corporate agreements may contain vote pooling provisions — a legal way for shareholders to agree ahead of time as to how they will vote on specific questions (the appointment of management, etc.). The LLC law provides that corporate agreements that make it obligatory for shareholders to vote according to the instructions of an LLC's management bodies are null and void.



ANK Law firm
9, Lanzheronovskaya Street, 4-rd floor, office 17,
Odessa, 65026, Ukraine
office@ank.odessa.ua
www.ank.odessa.ua
+38 0482 348 716



A view of the Stocznia Gdańska shipyard in Gdansk, Poland, where many Ukrainians have found work. (Alessandro Conidi)

At his company, which has opened five offices in Ukraine since 2016, around 15 percent of the 300 employees are Ukrainians.

“They are typical white-collar workers, and five of them are managers,” Kołodziejczyk said.

Seasonal advantage

Although Grzegory said Pomerania is rather far from Ukraine to attract seasonal workers, some still go there.

For example, Oleksandr Repetyuk went to Gdansk to build private houses. He typically goes to Poland to work for several months, and then returns to his family in Ukraine’s Khmelnytskyi Oblast.

“I came simply for work,” Repetyuk told the Kyiv Post at the Sunday church service at the Ukrainian Catholic Church in Gdansk which he attended with his brother.

Typically, workers like Repetyuk,

Because of the difference in salaries in Ukraine and Poland, even Ukrainians with higher education often take up seasonal jobs in Poland.



who come to Gdansk for short-term jobs, do not socialize with the Ukrainian diaspora. They also rarely go to restaurants or spend money on other leisure activities, as they are trying to save every penny. In Repetyuk’s case, he has to pay off a loan he took to buy an apartment.

“You can find a job there (in Ukraine) as well, but I don’t like it because it takes too much time to earn what I want,” Repetyuk said.

As a builder, he makes more than \$1,000 per month in Poland, while the most he can earn in his hometown would be half of that, he said.

It’s Repetyuk’s second time as a worker in Poland, and his first with a biometric passport. After almost three months, he has to return to Ukraine under the visa-free regime rules. But this time, his return back home will be short — he said he plans to get a work permit and return to do more construction work.

Working conditions

Although Repetyuk is satisfied with his Polish working and living conditions, working without a permit is a risky business, as employees are in danger of being ripped off. Already saving money on not having to pay wage taxes, the employer might also decide to not provide a proper living space, health insurance, as well as delay payments or simply not pay at all.

Media have reported cases of Ukrainians being dressed in blue-and-yellow uniforms at a factory site to differentiate them from other workers. In another case, builders never received their salaries for their work as they had to leave Poland after their three-month term expired, said Lev Zakharchyshyn, the Ukrainian consul in Gdansk.

Tensions between Ukrainians and Poles have recently been fueled by the anti-Ukrainian rhetoric of the nationalist and conservative Prawo i Sprawiedliwość (Law and Justice) party. The party often raises controversial topics regarding the history of the two nations, and pursues a Polish right-wing agenda.

Win-win

Nevertheless, Ukraine’s labor flow to Poland is a win-win situation for both countries — vacancies in Poland are filled, while Ukrainians make money that they send back home. According to the Polish Foreign Ministry, Ukrainians sent over \$3.2 billion back home in 2017.

While it was mostly Ukrainians from the country’s western regions that used to go abroad to make money, Russia’s war against Ukraine in its eastern Donbas region has increased the flow of Ukrainians coming from the east. Zakharchyshyn said that most Ukrainians in Pomerania now come from Ivano-Frankivsk Oblast in the west, and Donetsk Oblast in the east.

“I believe that Poland and Ukraine should come to an agreement,” Zakharchyshyn said. “I think we are much more alike than different.” ■

Unstable economy, war push Ukrainians to leave for Canada

By **Olena Goncharova**
goncharova@kyivpost.com

EDMONTON, Canada — Ukraine keeps losing young and talented people: every month some 100,000 Ukrainians become labor migrants, according to Ukrainian Foreign Minister Pavlo Klimkin.

Endemic corruption, Russia's war in eastern Ukraine and the impact on Ukraine of the global economic crisis have made the perennial flow of emigrants even more pronounced over the last four years.

While many head to European countries — especially those within the Schengen zone, which since 2017 has welcomed Ukrainians for short-term trips without a visa — there are others who prefer destinations further away.

Canada has been on the radar of many talented Ukrainians for decades: the country has seen five waves of Ukrainian immigrants over the past 125 years, there are now 1.4 million ethnic Ukrainians living in Canada. They constitute 4 percent of Canada's 35-million population.

The number of Ukrainians in Canada grows every year. According to the latest available census information, nearly 24,000 new permanent residents from Ukraine landed in Canada between 2006 and 2015.

Mykyta Gulenko is one of them: He left Kyiv and moved to the province of British Columbia in western Canada in 2013. He currently resides in Edmonton, Alberta where he works as Northeast Area Telecom Team Lead at Alberta Agriculture and Forestry Division. He said he couldn't see himself living and doing business in Ukraine under the regime of President Viktor Yanukovich, who ruled from 2010 until the EuroMaidan Revolution ousted him on Feb. 22, 2014.

Even though Yanukovich is gone, Gulenko never regretted his decision to leave.

Starting anew wasn't easy. Even though he had the qualifications for the job and a degree in telecommunications engineering from the Kyiv Military Institute of Management and Communication and Kyiv Polytechnic University, he started with an entry-level position and worked his way up to the manager's role.

He says that all the immigrants need to be prepared to work in positions lower than they are used to at home.

"Then it all changes as one gains local experience," he explains.

Gulenko acknowledges there's a problem with brain drain in Ukraine. To respond to it, he says, salaries need to be increased as a first step, and employers need to rethink their approach.

"This thing 'I'm a boss, you're an employee and thus a fool' needs to stop," Gulenko said. "Many people (in Ukraine) are fired just because of bad managers. This is very rare here (in Canada)."

Stay or go

The top reason for human capital flight is Ukraine's low salaries. Ukraine's official average wage is nearly \$4,000 a year. This makes any developed country a more attractive option for Ukrainians.



A helicopter-borne firefighting team cuts a defensive perimeter into the brush to halt the spread of a forest fire in British Columbia in western Canada. Mykyta Gulenko, a Ukrainian who moved to Canada from Ukraine in 2013, was a part of the team at that time, and helped it to install radio repeaters. (Courtesy of Mykyta Gulenko)

"World history is a court of judgment"

(Georg Wilhelm Friedrich Hegel)



ATTORNEYS AT LAW
**LITIGATION
GROUP**

23 A, Nazarivska Str., Kyiv

+38 (044) 232 39 48

+38 (067) 804 07 77

llg.com.ua

But even those with good income often decide to leave when a chance emerges.

Anastasiia Bugaienko has been living in Canada for three-and-a-half years. She says her decision to leave Ukraine was “a deliberated and mature choice.”

“I’d wanted to emigrate since 2011, but I didn’t have enough resources and internal strength to act on my plan,” she explains.

Bugaienko worked in one of Kyiv’s banks in a management position and says she “lived a decent life.” She could afford to travel and her purchasing power was above average.

But Ukraine’s problems outweighed these comforts: Among the key reasons she names are negative information in the media, burdening bureaucracy, and corruption at all levels of the government.

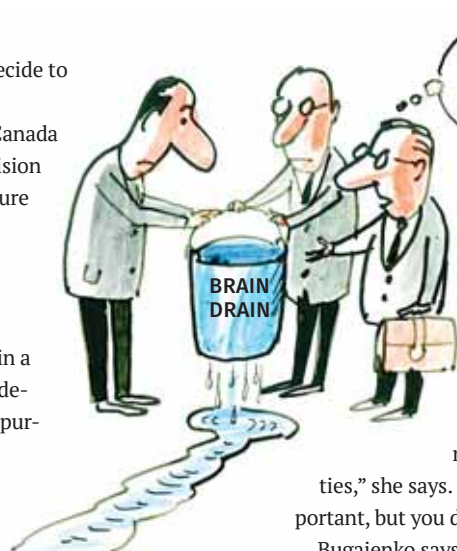
“All of that caused a lot of anxiety and desire to depart even without full understanding of the challenges I would face abroad,” Bugaienko told the Kyiv Post.

Her path to landing a decent job overseas was hard, as she had visa restrictions in the beginning and couldn’t work full-time. After four months of searching, she got her first job in a museum, a seasonal one.

Now Bugaienko is busy at her third job, at Canada’s Revenue Agency. She’s constantly taking courses to improve her knowledge as she admits it’s “tough to successfully get through a job interview here.”

However, it pays: In 2017, the average wage in Canada was \$51,000 a year. The minimum wage varied between 10–14 Canadian dollars (U.S. \$7–11) per hour.

Bugaienko recalled that while interviewing, “HR are assessing not



Some 4 million people left Ukraine to work abroad in 2015-2017, according to Center for Economic Strategy, and Ukraine’s lawmakers have few ideas about how to deal with this pressing problem.

only working knowledge, but also estimates the candidates’ ability to handle conflict in a workplace and how the new employee will fit in an organization.”

She enjoys working under Canadian employers. “What I loved about Canadian employers that in every position they provide training/orientation necessary for the employee to successfully fulfill duties,” she says. “Self-studying and self-motivation are also very important, but you don’t find yourself in a limbo.”

Bugaienko says she misses Kyiv with its historical places and favorite spots, but after living in Canada for more than three years she feels that she “belongs here.”

Finding a cure

To staunch the brain drain, Ukraine should consider a number of options, says Oleksandr Romanko, a senior research analyst at Watson Financial Services division of IBM Canada and adjunct professor at the University of Toronto.

Romanko himself has been living in Canada for 14 years after he came to do his Master’s degree in Computer Science at McMaster University in Hamilton, Canada. Later during his Ph.D. studies, he took two four-month research internships at Algorithmics Inc. in Toronto, a company that creates financial and risk analysis software and services for banks, insurance companies and other financial institutions, which was acquired by IBM in 2011.

After graduating, he joined IBM full-time, working on R&D projects at Watson Financial Services division.

According to Romanko, Ukraine has to create incentives for people to stay and work in the country and motivate people who left Ukraine to come back, as well as to engage people who would not come back to stay engaged with Ukraine via doing voluntary work for the country.

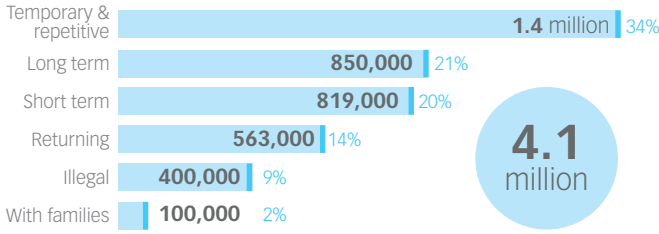
“Countries that understand that and create incentives for people to ‘come back’ are winning the ‘brain drain’ race now,” Romanko told the Kyiv Post. “And ‘coming back’ should be understood in the broadest sense. For instance, for a professor who left Ukraine and became a professor at University of Toronto ‘coming back’ can be teaching a course at a Ukrainian university once a year during his or her vacation.”

During his vacations in Ukraine, Romanko teaches the Master of Data Science program at Ukrainian Catholic University in Lviv. This year he’s involved in the opening of Master of Business and Management in Artificial Intelligence and Data Analytics program at Kyiv School of Economics in Kyiv.

Research and development at companies, collaborations between companies and universities, and innovation are slowly taking place in Ukraine, but at a much slower rate than in Canada, according to Romanko.

“Helping Ukrainian companies and universities to innovate is part of our volunteering efforts,” he says. “This year we managed to convince the Canadian Government to allow Ukraine to join Canada’s Mitacs Globalink Research Internship program, which allowed 50 Ukrainian students to do three-month research internships at Canadian universities.” ■

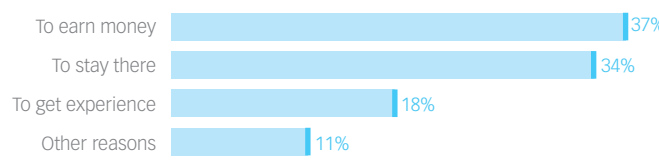
Types of migrants leaving Ukraine



During 2015-2017, 4.1 million Ukrainians migrated from Ukraine for the purpose of working abroad. Most of these migrants left temporarily, according to the Center for Economic Strategy. The State Statistics Service reported only 1.3 million labor migrants over the same period of time.

Source: Center For Economic Strategy

Why do Ukrainians want to work abroad?



Most Ukrainians work abroad to earn higher salaries or to permanently move out of Ukraine, according to a HeadHunter poll that surveyed 700 people during February-March.

Source: HeadHunter

More Ukrainians suffer from human traffickers, endure slave labor as part of exodus abroad

By **Oksana Grytsenko**
grytsenko@kyivpost.com

Oleksandr Pranko was wounded during the EuroMaidan Revolution that ousted President Viktor Yanukovich in 2014 and was beaten by Kremlin-backed militia in Donetsk the very same year.

But his worst ordeal happened in 2016, when he spent almost six months in Russia as a slave laborer.

He worked initially at a brick factory in the suburbs of Makhachkala in Dagestan in Russia's Caucasus region, and later was forced to work at cattle farms, first in Dagestan and then in Kalmykiya in southern Russia.

"Human trafficking is flourishing there," Pranko, now 31, told the Kyiv Post.

It was his luck, persistence, and the help of his friends that brought him back home. Now he is trying to build his life from scratch.

Russia's war against Ukraine — in its fifth year with more than 10,300 people killed — has hit the economy hard, prompting thousands of Ukrainians to look for jobs abroad.

But some end up trapped in other countries as slave labor conditions.

Change of trends

In 2017, the number of reported human trafficking cases from Ukraine was 1,259, the highest level since the International Organization of Migration (IOM) started its count in 2000. As of the end of March, the IOM had recorded 270 cases of human trafficking this year.

Altogether, over 230,000 Ukrainians have been victims of human trafficking since 1991, according to the research.



People take part in the yearly Walk for Freedom march in protest of human trafficking on Oct. 16, 2017, in Kyiv. (Oleg Petrusiuk)

BUSINESS ADVISER

STOP THE FLOW: WHY UKRAINE MUST RETAIN ITS QUALIFIED PERSONNEL



Andriy Dovbenko
Managing partner,
Evris

Today, between three and six million Ukrainians work abroad, according to Deputy Prime Minister Pavel Rozenko. Research by Kyiv International Institute of Sociology shows that of those who plan to work in the European Union over the next six months, 35.6 percent will choose Poland, 12.5 percent will head to the Czech Republic, and 10.6 percent to Germany. Russia, which at one time led the pack in terms of Ukrainian labor migrants until 2014, has moved down to fourth place, with 7.1 percent considering a move eastward.

In the EU, available work for Ukrainians is based on manual labor, where the largest number of vacancies can be found in industry (food enterprises, chemical, cosmetics, etc.), as well as agriculture and construction. Poverty remains the trigger of labor migration from Ukraine, as, since Jan. 1, 2018, the minimum wage in Poland before taxes was set at PLN 2,100 PLN (Hr 14,800). By the end of 2016-2017, Ukrainians in Poland were earning an average of PLN 1,826 PLN (Hr 12,930) to PLN 2,800 (Hr 19,830), depending on their qualifications. The average salary in Ukraine in April 2018 was only Hr 8,480. To explain the constant outflow of labor from Ukraine to the EU using poverty alone is a very dangerous delusion, however, and here's why.

Both Poland and the Czech Republic are pursuing a purposeful policy to attract qualified Ukrainian labor resources. According to the Personnel Service Survey, 24 percent of Polish employers are willing to pay Ukrainians more than their fellow Polish citizens for manual labor. Their reason is that it remains difficult to attract qualified personnel in the domestic labor market. With this regard, in the Czech Republic the local government increased a quota for the reception of Ukrainians more than twice in 2018, which meant the number of jobs grew from just 9,600 to 19,600! Czech Foreign Minister Martin Stropnitski said that his country is simply reacting to a shortage of labor with the necessary skills.

According to the National Bank of Poland, Ukrainians have a very powerful influence on their economy, where more than 90 percent of money transfers out of country are made to Ukraine. This reality refutes the stereotype that Europe needs Ukrainians for little more than housework or the gathering of berries. Ukrainians have long since become a part of the global migration processes, which will only continue to grow in the near future. The question is, is Ukraine ready for this challenge?

Globalization has changed the structure of capital and investment, which means the modern world needs enterprising and qualified personnel. Countries that boast businesses that can create products with high added value through technology and innovation will break away from the pack. The United States and China are already competing for first place with regard to artificial intelligence. According to plans set forth by the State Council of China, this area should accumulate \$150 billion by 2030, and adjacent to that \$1.5 trillion. In practice, as an example, this means that lawyers of the future will not interact more with judges, but with computer systems, in which clear algorithms will be created. Those in the legal system should be ready to participate in court hearings thousands of kilometers away, and they will need to be consultants and advisors able to cooperate in international multidisciplinary teams who are also able to analyze risks and understand project management. If we need specialists at this level, we need to change our education and training systems now. While developed countries consider innovation and creativity to be highly valuable, our universities (and even the students themselves) are still being subjected to written lectures for which they receive the coveted checkmark.

To create comfortable conditions for a qualified workforce in Ukraine, the rule of law along with a transparent public administration are key. We have great resources: Ukraine's own pharmacology options could replace 94 percent of imported medications, as an example. We also have everything to become a leading player in the EU food market: production of sugar, fruit and vegetable products, various kinds of children's and dietary food, etc. At the same time, however, Ukrainian is in a tentative position as its huge intellectual potential look more and more to head to developed countries in search of a decent salary and easier life.

And this is the main threat to the economic future of the country: no one wants to invest in an economy where there is no one to innovate. The competitiveness of Ukraine, like any other country, will be determined by its quality of labor resources.

E V R
I S •
• • •

52 Bohdan Khmelnytsky,
Kyiv, Ukraine, 01030.
office@evris.law,
www.evris.law










LEGAL SERVICES

ADVERTISEMENT

Listing is arranged in alphabetical order

Phone number	Top executives	HQ	Est.	Main Specialization, services	Major clients	Languages
Aleksandr Peremezhko & Partners 36D Yevhena Konovaltsa St., 7th floor, office 54.2, Kyiv 01133, Ukraine; office@opp.com.ua www.opp.com.ua <div style="float: right; text-align: right;"> ALEKSANDR PEREMEZHKO & PARTNERS <small>attorneys at law & consultants</small> </div>						
+38 044 364 3777	Aleksandr Peremezhko	Kyiv, Ukraine	2010	Litigation & Arbitration; Tax and Customs; Corporate and M&A; Competition and Anti-monopoly; Media and Communication; Intellectual Property; White Collar Defense	Bershka Ukraine, Sharp Electronics Ukraine, Lego Ukraine, B&H, UFD, LeDoyen Studio, Ciklum Ukraine, AstraZeneca, Panama Grand Prix, Metinvest, Oysho Ukraine	English, German, Polish, Russian, Ukrainian
Alekseev, Boyarchukov and partners 11 Shota Rustaveli St.; office@abp.kiev.ua www.abp.kiev.ua <div style="float: right; text-align: right;"> ALEKSEEV 'BOYARCHUKOV & PARTNERS </div>						
+38 044 235 88 77	Sergey Boyarchukov	Kyiv, Ukraine	2005	Dispute resolution, Bankruptcy and Debt restructuring, Criminal law, White-collar Crime, Tax	JSB "UKRGASBANK", PJSC "Ukrsofsbank", National Bank of Ukraine, DISCOVERY DRILLING EQUIPMENT, NOVUS, BEEF, Karavan Shopping Mall, PJSC "State Food and Grain Corporation of Ukraine", ZINTECO	Ukrainian, English, Russian, French
Andriy Kravets & Partners Law Offices 58/10 Haidara St., 2nd floor, Kyiv 01033, Ukraine; info@akp-law.com www.akp-law.com <div style="float: right; text-align: right;"> Andriy Kravets & Partners <small>law offices</small> </div>						
+38 044 277 36 06	Andriy Kravets Vladyslav Lyaskovskiy	Kyiv, Ukraine	1997	Banking and Finance, Corporate and M&A, Litigation, Taxes, Competition & Antitrust, Foreign investment, IT, Privatization	Ukrainian and international clients in the following areas: banks and financial institutions, investment funds, agribusiness, heavy industry, real estate and construction business, infrastructure, private equity, IT	English, Ukrainian
ANK Law firm 9 Lanzheronovskaya Street, 4-rd floor, office 17, Odessa, 65026, Ukraine; office@ank.odessa.ua www.ank.odessa.ua <div style="float: right; text-align: right;">  </div>						
+38 0482 348 716	Alexander Kifak Managing Partner, attorney-at-law	Odessa, Ukraine	1996	Agriculture and Land; Arbitration and Litigation; Corporate Law and M&A; Infrastructure and Real Estate; Shipping and Maritime Law; Tax and Legal Due Diligence	Brooklyn-Kiev LLC, China Harbour Engineering Company, Container Terminal Odessa, Fontan Sky Center, HHLA, McDonalds Ukraine, Navibulgar, NORTH P&I, PORTINVEST, Risoil S.A., Riviera Shopping City, SGS, Strabag, TRANSSHIP, TT Club Mutual Insurance, Vector Oil Trade, UK P&I	English, Ukrainian, Russian
Ante Law Firm 45A Nyzhnoyurkivska St., Kyiv 04080, Ukraine; office@antelaw.com.ua www.antelaw.com.ua <div style="float: right; text-align: right;">  </div>						
+38 044 277 2300	Andriy Guck, Kateryna Ishchenko, Roman Storonskiy	Kyiv, Ukraine		Litigation; Corporate; White collar; Transport & Infrastructure; Aviation; Energy & Natural resources; Employment; IP; Tax & Customs; Pharmaceuticals; Antitrust&Competition	Air France, Alitalia, Austrian, British Airways, Emirates, flydubai, Lufthansa, Qatar Airways; Avialiga; DFU AGRO; Omega Pharma Ukraine, Sanofi-Aventis Ukraine; Technomedex group; XPH Ukraine; Zdravo	English, Russian, Ukrainian
Ario Law Firm 7 Panasa Myrnoho St., office 2, Kyiv 01011, Ukraine; office@ario.law www.ario.law <div style="float: right; text-align: right;">  </div>						
+38 044 537 22 90	Oleksii Voronko Managing partner, Julian Khorunznyi Senior partner, Iryna Serbin partner, Yevhen Hrushovets Partner, Sergiy Kyrychenko Partner, Dmytro Boiko Partner	Kyiv, Ukraine	2015	Bankruptcy & Restructuring; Corporate and M&A; White-Collar Crime; Dispute Resolution; Litigation; Criminal	JSC MSP Ocean, JSC Ukrainian Polimetals, Lybyd Hotel Complex, LGF Proletariy, VTB Bank Ukr, Terra Food, Electronic Trade of Ukraine, Ubiz.ua, Brewery Opillya	Russian, Ukrainian, English
Asters Leonardo Business Center, 19-21 Bohdana Khmelnytskoho St., 14th floor, Kyiv 01030, Ukraine; info@asterslaw.com www.asterslaw.com <div style="float: right; text-align: right;">  </div>						
+38 044 230 6000	Oleksiy Didkovskiy, Armen Khachatouryan		1995	Full-Service Law Firm	L'Oreal, Coca Cola, Nissan Motor Ukraine, S.C. Johnson, EBRD, IFC	English, Russian, Ukrainian
Axon Partners 34A Vozdvyzhenska St., Kyiv 04071, Ukraine; poke_us@axon.partners www.axon.partners <div style="float: right; text-align: right;">  </div>						
38 044 578 2337	Denys Beregovyi, Dmytro Gadomsky, Bogdan Duchak, Nazar Polyvka	Kyiv, Lviv Ukraine	2016	Software development, Gaming, E-commerce, Fintech, Agrotech, Legaltech, VC, IT integration, IT outsourcing, Medtech	BlaBlaCar, TripMyDream, 908.vc, DOU, rabota.ua, Hosting Ukraine, Myhelix, RadarTech, DAO.Casino, Poster, TaaS fund, Gravitec, Vitagramma, Grupa Pracuj, Datas, ForkLog, Invisible, LikarniCOM, POA.Networks, Infobip, Preply, SeedStars	Russian, Ukrainian, English

Phone number	Top executives	HQ	Est.	Main Specialization, services	Major clients	Languages
Baker McKenzie Renaissance Business Center, 24 Bulvarno-Kudriavska St., Kyiv 01601, Ukraine; kyiv@bakermckenzie.com www.bakermckenzie.com 						
+380 44 590 0101 +380 44 590 0110	Serhiy Chorny, Serhiy Piontkovsky		1992	Antitrust & Competition; Banking & Finance; Corporate; M&A; Securities; Dispute Resolution; Employment; IP; International Trade; Real Estate and Construction; Tax and Customs; Energy & Infrastructure	Arcelor Mittal, EastOne Group, Horizon Capital, ING Bank Ukraine, Metinvest BV, RaiffeisenBank, MasterCard, UkrSibbank BNP Paribas Group	English, Russian, Ukrainian
CMS Cameron McKenna LLC 38 Volodymyrska St., 6th floor, Kyiv 01030, Ukraine; KyivOffice@cms-cmno.com cms.law, cms-lawnow.com 						
+38 044 391 3377	Graham Conlon	London, UK	2007	Infrastructure; Corporate and M&A; Banking and Finance; Commercial; Tax&Customs; Competition; Dispute Resolution; Compliance; Employment; Property; Technology Media and Communication; Agribusiness; Lifesciences/Pharmaceuticals; Intellectual Property; Energy; Private Equity	WND	English, French, Ukrainian, Russian
ECOVIS Bondar & Bondar 3 Rognydynska St., Office 10, Kyiv 01004, Ukraine; kyiv-law@ecovis.ua www.ecovis.com 						
+38 044 537 0910	Oleg Bondar	Kyiv, Ukraine	1998	Corporate & M&A, Antimonopoly & Competition, Dispute Resolution, Air Law and Transportation, PPP, Privatization, Insurance Law, Real Estate & Construction, Taxation, Energy, Banking & Finance	Ukraine International Airlines, Interavia, Aerohandling, RESO Group, Danske Commodities, Europcar Ukraine, Bionorica SE (Germany), OPower Inc (USA), Advent International, construction company GEOS	Russian, Ukrainian, English, German
EQUITY Law Firm 4 Rylskiy Lane, 01001, Kyiv, Ukraine; info@equity.law equity.law 						
+38 044 277 2222	Viktor Barsuk	Kyiv, Ukraine	2002	Litigation; White Collar Crimes; Restructuring & Bankruptcy; Banking and Finance; Real Estate; Corporate and M&A; Tax; Intellectual property	Azovmash corp., Ferrexpo AG, National Bank of Ukraine, Ukrainian Business Group, Vernum Bank, AIS Group, Concorde Capital, NEST Corp., Arterium Corp., Crystal Bank, AutoKraz, Helen Marlen Group and others	English, Russian, Ukrainian
Eterna Law Sophia Business Center, 6 Rylskiy Lane, 01001, Kyiv, Ukraine; pr@eterna.law eterna.law 						
+38 044 490 7001	Andrey Astapov, Oleh Malskyi, Oleh Beketov, Eugene Blinov, Oksana Kneychuk, Maksym Uslysty	Kyiv, Ukraine	2002	Dispute resolution, corporate, M&A, tax, international finance, compliance, regulatory enforcement, IP, insolvency, construction, real estate acquisitions, oil and gas, infrastructure, public procurement, Chinese Desk	Baxter, Bayer, Bioton, Bunge, CDMA, Huawei, China National Oil Corporation, Energoatom, FHI 360, EFKO, Mriya, United Grain Company, Nemiroff, MasterCard, Mechel, Metagenics, Nutricia, DTEK	English, Russian, Ukrainian, German, Polish, Latvian
EUCON International Legal Center 33 Tarasa Shevchenko Blvd, office 12, Kyiv, 01032, Ukraine; office@eucou.ua www.eucou.ua 						
+380 44 238 0944 +48 226 581 025	Yaroslav Romanchuk – Managing partner, attorney at law, head of Kyiv office; Andrii Romanchuk – Partner, head of Warsaw office	Kyiv, Ukraine	2006	Corporate and M&A, Tax Law, Transfer Pricing, Criminal Law, Accounting and Tax, Labour & Migration Law, Investments and Business Structuring, Dispute Resolution, Agrarian, Compliance, Intellectual Property	Louis Dreyfus Commodities Ukraine; Zepter International Ukraine; Savik Shuster Studio; Ukrichtflot PJSC; TNK-BP Commerce, LLC; Plastics-Ukraine, LLC; Kyivstar, JSC; Consulate General of Poland in Lviv	Ukrainian, English, Polish, Russian
Evris 52 Bohdana Khmelnytskoho St., 01030, Kyiv, Ukraine; office@evris.law www.evris.law 						
+380 44 364 9191	Andriy Dovbenko	Kyiv, Ukraine	2015	Corporate and M&A, Banking & Finance, Dispute Resolution, Tax, FinTech, Investment, Agro & Land, Energy, Capital Markets	WOG, FUJB, PIB, Credit Dnepr, East One, UkrLandFarming, Zeppelin Ukraine, Smart Holding, Evyap, PrivatBank	English, Ukrainian, Russian
EXPATPRO Law Firm 18 Vasylia Lypkivskoho St., 3rd floor, Kyiv, 03035, Ukraine; office@expatpro.co www.expatpro.co 						
+38 044 339 98 81	Liubomyr Kuziutkin, Vasyl Cherednichenko	Kyiv, Ukraine	2016	Immigration law, Corporate and M&A, Commercial/Business law, Real Estate, Family law	WND	English, Russian, Ukrainian
GOLAW 19B Instytutska St., office 29, Kyiv 01021, Ukraine; info@golaw.ua www.golaw.ua 						
+38 044 581 1220	Valentyn Gvozdyi, Sergiy Oberkovych	Kyiv, Ukraine	2003	Taxation; Antitrust and competition; Banking and finance; Government relation; Litigation and dispute resolution; Business defence; Environment protection; Intellectual property; Compliance, Corporate governance and risk management; Corporate and M&A; Criminal Law and White Collar; International trade; Maritime Law; Real estate; Private clients; Anti-Corruption and Anti-Bribery; Insolvency and restructuring; Employment	ADM-Trading; Azelis; Česká exportní banka, a.s.; EGAP; Enkom a.s.; Expobank CZ a.s.; Galicia Distillery; GAP; Inditex Group; KBPP Management Ltd.; Lars Export; Marks&Spencer; Mercator Medical; Omya; Oriflame; Printec; ProCredit Bank; Reckitt Benckiser; Red Bull; Syngenta; Ubisoft	English, Ukrainian, Russian, German

Phone number	Top executives	HQ	Est.	Main Specialization, services	Major clients	Languages
Golovan & Partners Law Firm 33B Bulvarno-Kudriavska (Vorovskoho) St., Kyiv 01054, Ukraine; info@golovan.ua www.golovan.ua 						
+38 044 486 0047	Igor Golovan	Kyiv, Ukraine	1996	Complex Business Protection; Crime & ATO Zone Issues; White Collar Crimes; Litigation & International Arbitration; Investment Disputes; Copyright & Related Rights	Privileged	English, Russian, Ukrainian
Gramatskiy & Partners 16 Mykhailivska St., Floor 2-4, Kyiv 01001, Ukraine; office@gramatskiy.com www.gramatskiy.com 						
+38 044 581 1551	Ernest Gramatskiy	Kyiv, Ukraine	1998	Business-Advocacy; Foreign Investments; Foreign Trade; Business Protection; Real Estate&Construction; Agribusiness; IT; Litigation; Taxation; Business Restructuring; Due Diligence; Debts&Bankruptcy	City Capital Group, Seven Hills, Danfoss, De-vi, PlayTech, Keystone Trading Technologies, Skywind Tech UA, LabsTech, SBTech, IT Enterprise, ULMA Ukraine, Celentano, Banka, Jeltok, Promkabel, Larsen, Fornetti, Graal, All-Ukrainian Advertising Coalition	English, Italian, Polish, Russian, Ukrainian
Gryphon Group 36D Eugene Konovaletsia St., Kyiv 01133, Ukraine; office@gryphoninvest.com.ua gryphongroup.com.ua 						
+38 044 227 9212	Helen Lynnyk, Igor Lynnyk	Kyiv, Ukraine	2011	Banking&Finance; Corporate / M&A, Compliance; Due Diligence; Financial restructuring; Tax; Forensic; IT	Alfa-Bank, Ukrsofsbank, Skyeton, Allianz Group, Donetsk steel, Agrain, Tekom-lease, Pernod Ricard Ukraine, Hotel Dnipro, Hubber, Leogaming Pay	English, Russian, Ukrainian
Jeanetet 4 Volodymyrska St., 3 floor, Kyiv, 01001, Ukraine; bbarrier@jeantet.org www.jeantet.fr 						
+38 44 206 0980	Karl Hepp de Sevelinges, Bertrand Barrier	Paris, France	2015	Corporate and M&A, Banking & Finance, Capital Markets, Dispute Resolution, Competition and Antimonopoly issues, Distribution agreements, Real Estate	Multinational corporations, international financial institutions, foreign and Ukrainian banks, European and Ukrainian companies	Russian, Ukrainian, English, French, German
Jurimex Law Firm 9/2 Velyka Vasylkivska St., office 67, Kyiv 01004, Ukraine; reception@jurimex.ua www.jurimex.ua 						
+38 044 500 7971	Danylo Getmantsev	Kyiv, Ukraine	2003	Taxation; Banking and Finance; Media Law; Intellectual Property; Administrative Law and Licensing; Land Law and Real Estate; Litigation and Arbitration; International Trade and Investment; Pharmaceutical and Medical Law	MSL, ModnaKasta, Volia, Bontrup Ukraine, Travel Professional Group, NEFCO, Espresso.TV, Watsons, High-Point Renderr LTD, Ukrainian Pay Card, Med Expert, Sportland, Kharkov State Aircraft Manufacturing Company	English, French, Russian, Ukrainian
Hillmont Partners 36D Evhena Konovaletsya street, office 49, Kyiv, 01133; office@hillmont.com.ua www.hillmont.com.ua 						
+38 044 277 2447	Halaichuk Vadym, Hart James, Nyzhnyi Serhii	Kyiv, Ukraine	2016	Corporate law; Litigation and dispute resolution; Finance; Criminal law	Foxtrot Group, Studio 95th Quarter, Medoff, UDP Development, Kyiv River Port, Gas of Ukraine, Coveris Rigid Polska Sp. z.o.o., ALAS Baustoff-Holding GmbH, AlixPartners, Stopford Energy & Environment, Jacobs Douwe Egberts	Ukrainian, Russian, English
Lexwell & Partners Sophia Business Center, 6 Rylsky Lane, 5th floor, Kyiv 01001, Ukraine; lexwell@lexwell.com.ua www.lexwell.com.ua 						
+38 044 228 6080	Andriy Kolupaev	Kyiv, Ukraine	2005	M&A & Corporate; Antitrust & Competition; Litigation & Arbitration; Real Estate & Construction; Tax & Customs; Employment	AET, ArcelorMittal, Bridgestone, Chicago Mercantile Exchange, CRH, DuPont, East Metals, Evraz, Honda Trading, Gas of Ukraine, Interpipe, Intesa Sanpaolo, Lexus, Marubeni, Pfizer, Millhouse, Sojitz, Subaru, Sumitomo, Toyota, Ukrainian Ministry of Justice, VS Energy	English, Russian, Ukrainian
L.I.GROUP 36D Eugene Konovalets St., office 4G, Kyiv, 01133, Ukraine; lawyer@ligroup.com.ua www.ligroup.com.ua 						
+38 044 227 0514	Artur Megeria, Mykola Kovalchuk	Kyiv, Ukraine	2008	Banking and Finance, Bancruptcy, Dispute Resolution, International arbitration, Criminal law, Antitrust & Competition, Corporate Disputes	OTP Bank, Alfa Bank, VTB Bank, Sberbank, Ukrsofsbank, Ukrsofsbank, VS Bank, Piraues Bank, TAS GROUP	Ukrainian, Russian, English, German
Litigation Group 23A Nazarivska Street, office 8, Kyiv, 01032, Ukraine www.lig.com.ua 						
+380 44 23 23 948	Yuri Demchenko, Denis Dyomin	Kyiv, Ukraine	2014	White-collar crime and misdemeanor, litigation, defamation and slander suits, real estate, custom law, family law, public procurement, IP, enforcement proceeding	WND	English, Ukrainian, Russian

Phone number	Top executives	HQ	Est.	Main Specialization, services	Major clients	Languages
--------------	----------------	----	------	-------------------------------	---------------	-----------

Pakharenko & Partners, IP and Law firm

72 Velyka Vasylykivska St., 'Olimpiysky' Business Center, Kyiv 03150 Ukraine; pakharenko@pakharenko.com.ua
www.pakharenko.ua



+38 044 593 96 93	Antonina Pakharenko-Anderson, Alexander Pakharenko, Elena Shamrina	Kyiv, Ukraine	1994	IPR Protection and Enforcement, Anti-Counterfeiting and Anti-Piracy, Corporate and Commercial Law, Advertising and Media Law, Pharmaceutical Law, Competition Law, Commercial Litigation	WND	Ukrainian, English, French, German, Polish, Portuguese, Slovak, Russian, Czech
-------------------	--	------------------	------	--	-----	---

Redcliffe Partners

75 Zhylyanska St., 13th floor, Kyiv 01032, Ukraine; office@redcliffe-partners.com
www.redcliffe-partners.com



+38 044 390 5885	Olexiy Soshenko, Dmytro Fedoruk, Rob Shantz, Sergiy Gryshko	Kyiv, Ukraine	2015	Antitrust; Banking and Finance; Capital Markets; Compliance; Corporate and M&A; Data Protection and Privacy; Debt Restructuring and Insolvency; Energy; EU law; Intellectual Property; International Arbitration; Litigation; Real Estate; Tax	Abbott Laboratories, Arawak Energy, BASF, BNP Paribas, Cadogan Petroleum, Ciklum, Citibank, Credit Suisse, Deutsche Bank, EBRD, IFC, ING, Mastercard, Monsanto, Natixis, Raiffeisen Bank, UniCredit, Vitol, Yildirim	English, German, Russian, Ukrainian
------------------	--	------------------	------	--	--	--

Salkom Law Firm

12 Khreschatyk St., 01001, Kyiv, Ukraine, salkom@salkom.kiev.ua
www.salkom.ua



+380 44 591 31 00 +380 44 591 31 01	Evgen Kubko, Valerii Lukomyskiy	Kyiv, Ukraine	1990	Antitrust and Competition, Financial Services, Commercial Contracts, FCPA/UK Bribery Act and Anticorruption, Corporate, International Dispute Resolution, International Trade and Export Controls, Intellectual Property and Technology, Labor and Employment Law, Litigation, Mergers and Acquisitions, Private Equity and Venture Capital, Real Estate, Tax Strategy and Benefits	Accenture, Carlsberg Ukraine, ContourGlobal, Group DF, Lufthansa Ukraine, Vodafone Ukraine, Orithil, Ukrainian Construction Company, United Capital Partners, Velti, Winner Imports Ukraine, Boeing, Yuzhnoye State Design Office, State General Reserve Fund of the Sultanate of Oman (SGRF).	Ukrainian, Russian, English, German
--	------------------------------------	------------------	------	---	--	---

Sergii Koziakov & Partners Law firm

5/24 Irynynska Street, office 93, Kyiv 01001 Ukraine; office@kievbarrister.com
www.kievbarrister.com



+380 44 590 4828	Mykola Podpalov, Andrey Karnaukhov, Nataliia Isakhanova	Kyiv, Ukraine	1994	Corporate Law, Mergers and Acquisitions, Antitrust & Competition Law, International Trade Law, Real Estate, Litigation, Legal Academic Expertise, Ancillary Practice Areas	WND	English, Spanish, French, Ukrainian, Russian
------------------	---	------------------	------	--	-----	---

Skliarenko, Sydorenko and Partners, Attorneys At Law

31 Tarasa Shavchenko Blvd., 3rd floor, office 8, Kyiv 01032, Ukraine; info@s-partners.org
www.s-partners.org



+38 044 235 8575	Oleksandr Skliarenko, Andrii Sydorenko, Yulia Stusenko	Kyiv, Ukraine	2011	White Collar Crime; Dispute Resolution; Mediation; Commercial Law; Corporate/M&A; Restructuring&Bankruptcy; Banking&Finance; Tax&Customs; Medical Law; Agricultural Law; Labor Law; Private Clients	GRAWE Ukraine, OTP Bank, IDS Group Ukraine, MONBAT Ukraine, Kvazar, Mamamusic, PaySpace Ukraine, lifecell, UKRTOWER, KREISEL, IRM	English, Russian, Ukrainian
------------------	--	------------------	------	---	---	--------------------------------

Spenser & Kauffmann

7 Leonida Pervomayskogo St., Kyiv, 01133, Ukraine; office@spensers.com.ua
www.sklaw.com.ua



+38 044 288 8383	Valentyn Zagariya	Kyiv, Ukraine	2006	Banking and Finance; Corporate and M&A, Private Client; Structuring and protection of corporate assets; Forensic and Asset Tracing; Capital Markets; Labor and Employment; Insurance; Tax Disputes; Litigation and Dispute Resolution; Enforcement Proceedings; White-collar crimes	N/D	English, French, Russian, Ukrainian
------------------	-------------------	------------------	------	---	-----	--

VB PARTNERS

Porch 13, Business Center Bashnya 5, 22 Rybalska St., Kyiv, Ukraine, 01011; office@vbpartners.ua
www.vbpartners.ua



+38 044 581 16 33	Denys Bugay, Volodymyr Vashchenko	Kyiv, Ukraine	2005	Dispute Resolution, White Collar Crime	Avellana Gold, British American Tobacco Ukraine, Whirlpool Ukraine, Metro Cash & Carry Ukraine, Mriya agroholding, Nikolaev Alumina Refinery, shareholders of Delta Bank, Bank Khreschatyk, Commercial Bank Premium	Russian, Ukrainian, English
-------------------	--------------------------------------	------------------	------	--	---	-----------------------------------

Vasil Kisl & Partners

Leonardo Business Center, 17/52A Bohdana Khmelnytskoho St., Kyiv 01030, Ukraine; vkp@vkp.ua
www.vkp.ua



+38 044 581 7777	Andriy Stelmashchuk	Kyiv, Ukraine	1992	Agricultural Business; Antitrust & Competition; Capital Markets; Corporate / M&A; Energy & Natural Resources; Finance & Securities; Intellectual Property; International Trade, Project and Trade Finance; Labour & Employment; Litigation & Arbitration; Private Clients; Public Private Partnership; Real Estate & Construction; Taxation; White-Collar Crime	WND	English, German, Swedish, Russian, Ukrainian
------------------	---------------------	------------------	------	---	-----	---

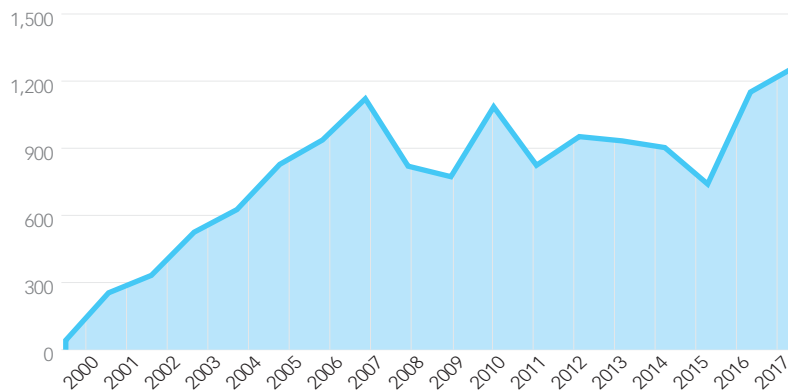


Ukraine touts its highly skilled, educated and low-cost workforce when seeking to lure in foreign investment. But with many skilled workers leaving for jobs abroad, the labor force is becoming less attractive, even if it is cheap.

In contrast to common belief, 90 percent of the human trafficking cases in 2017 were for forced labor and not sexual exploitation, according to the report. And in more than 60 percent of the cases the victims were men.

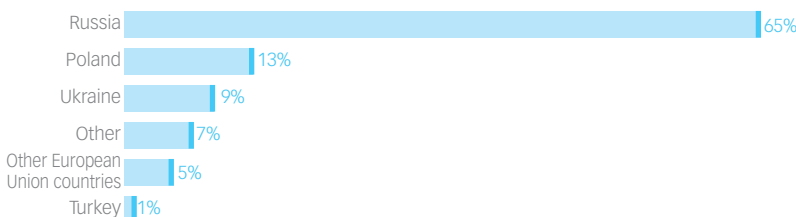
Many men, who still think that human trafficking is mostly a problem for females, “are much less aware of the risks related to labor trafficking,” said Thomas Lothar Weiss, the chief of mission at the IOM in Ukraine.

Identified number of victims of trafficking (number of cases)



In 2017, the International Organization for Migration detected a record high number of human trafficking cases in Ukraine. Experts say that the main reasons for this increasing trend are Russia’s war against Ukraine and Ukraine’s weak economy.

Countries of destination for human trafficking from Ukraine



Russia is where most Ukrainians have been trafficked, followed by Poland and Turkey, according to the International Organization for Migration. Nine percent of the cases involved Ukrainians who have been trafficked domestically.

Source: International Organization for Migration

He added that most often men become victims of labor trafficking when they work in construction, agriculture or manufacturing.

‘Black business’

In 2015, Pranko was desperately looking for a job as a carpenter. Along with dozens of men, he was recruited by a firm in Kharkiv to construct military fortifications near the frontline town of Shchastia in Luhansk Oblast. But he says the firm deceived the workers, refusing to pay them the salary they had agreed to before.

Pranko remembers he was depressed and decided to try his luck in Russia.

He traveled to Moscow, finding work in a vegetable warehouse and then in so-called “working houses” — shelters for the homeless where people work in exchange for food, an opportunity to bathe and a place to sleep.

People were often beaten up and abused there, but the police turned a blind eye to these working houses, Pranko said. “It’s a black business.”

Getting worse

His life got even worse when someone stole his carpenter’s toolkit. So when a man at a train station offered him a job at a brick factory near Makhachkala, Pranko agreed.

“He told me: ‘I’ll pay for your bus ticket, and the driver will pay for your food,’” Pranko recalled.

But at the brick factory, he saw several dozen men like him, including one Ukrainian. “They didn’t pay us, but they gave us food, alcohol, and cigarettes,” he said.

According to what he heard, recruiters were receiving some 15,000 Russian rubles (about \$240) for every person who worked at the factory for at least two weeks.

Pranko said his passport was taken away. He had neither money nor knowledge of where to go. When he eventually did attempt to escape, he was detained by local police officers who, instead of freeing him, resold him into forced labor at a cattle farm in the mountains of north Dagestan.

Pranko made several other attempts to escape, but was captured every time either by his owners or by the police, who returned him to slave work. Later he traveled as a hitchhiker through the Russian republic of Kalmykiya, where he was also forced to work either by local farmers or by the police.

Pranko returned to Ukraine in June 2016, with failing health and psychological problems. Since then, he has worked at various construction sites abroad and in Kyiv.

Low awareness

Despite the war, Russia remains the main destination for human trafficking from Ukraine in 2017. The IOM says that 65 percent of all cases involve Russia, followed by Poland, and Turkey, where many people are still exploited for sexual purposes, Weiss said.

Pranko’s story reflects the anonymous stories of other victims of human trafficking collected by the IOM.

BUSINESS ADVISER

CURRENTS CHANGES IN THE FIGHT AGAINST CORRUPTION IN UKRAINE, AND HOW THEY INFLUENCE WHITE-COLLAR CRIME PRACTICE



Denys Bugay
Partner, head of White-Collar Crime practice at VB PARTNERS

Ukraine inherited the post-Soviet punitive system of law enforcement agencies and lack of independent courts. Prosecutors have tended to scorn human rights and right to defense. For 25 years of independence, system not only has not got rid of the antidemocratic past, but also got another terrible disease - total corruption.

As a result, investigatory bodies have lost professional staff and experience. An attorney's qualification lost its value. Why do you need an attorney, if criminal problems may be quickly resolved with a bribe to a prosecutor or a judge?

The ongoing legal reforms in the field of criminal justice were episodic and had no significant impact. After the Revolution of Dignity, starting from 2014 the legal sphere of Ukraine has been significantly reformed. Part of legal reforms were successful, the results of some of them need the time to be assessed, some reforms failed.

The level of corruption in Ukraine is still extremely high. Ukraine is the 130th least corrupt nation out of 175 countries, according to the report by Transparency International.

Under pressure from society and foreign partners, primarily the United States, two new bodies were created in Ukraine - the National Anti-Corruption Bureau of Ukraine (hereinafter - the NABU) and the Specialized Anti-Corruption Prosecutor's Office (hereinafter - the SAP).

The task of the first body is to identify and investigate corruption among the country's senior officials (politicians, ministers, governors, judges, prosecutors). The SAP's task is to carry out procedural management (to sign notices of suspicion, authorize detectives to conduct separate investigative actions), and also to conduct prosecution in court.

After two years, the newly created anti-corruption infrastructure of the NABU/SAP has shown itself to be quite effective.

There was an innovation never seen before in previous years - official notices of suspicion of corruption are being issued not just to the political opponents of the authorities, but to the country's top officials, regardless of their proximity to the president or the authorities as a whole.

Parliament deputies, the head of the tax service, a member of the Central Election Commission, the mayor of a large city, prosecutors of the General Prosecutor's Office, and a dozen judges have been detained on corruption charges.

SAP detectives and prosecutors effectively use all possible arsenal of criminal investigations - special cover operations, wiretap and covert surveillance, interception, international cooperation. They reveal through their counterparts, similar agencies the beneficiaries of accounts in foreign banks and offshore companies.

NABU-SAP are able to focus on and conduct long-term and comprehensive investigations. They also enjoy effective support from internal analysts (economists, auditors) and technical experts (including IT specialists).

These approaches and opportunities distinguish anti-corruption bodies from the other law enforcement agencies, whose investigations and approaches seem archaic by comparison.

What was the basis for this success?

My guess is that the key condition for success is a properly built structure (the architecture of anti-corruption bodies. The legal structure of NABU-SAP provides for the absence of political influence) and their recruitment systems.

All NABU-SAP employees undergo a tough and multi-stage open selection process (anonymous testing of knowledge and skills, a character test, and polygraph and psychological tests). Representatives of civil society have an opportunity to express their views with regard to specific candidates and participate in interview process.

NABU detectives have a competitive reward system, like that of lawyers of law firms. A strong internal security service has also been formed inside the bodies. NABU employees are periodically tested by polygraphs, and are subject to secret integrity checks.

As a result, the anti-corruption bodies now have an apolitical, highly professional and well-motivated team. We know of no case of the leakage of information regarding investigations, or cases of corruption.

In turn, the lack of corruption and professionalism in the investigations caused a demand for the services of professional attorneys and law firms.

They include the accounts of a 19-year-old student forced to work for free constructing a kindergarten in Moscow; a 37-year-old man who was forced to work at a construction site in Berlin; a 25-year-old hairdresser who was forced by her alleged boyfriend into sex trafficking in Israel; and a five-year-old girl who was forced to beg for money by her stepfather.

Most of the victims were released by the traffickers after several months of work. But they returned home with serious health issues and problems in readapting to freedom.

Most of the victims were released by the traffickers after several months of work. But they returned home with serious health issues and problems in readapting to freedom.

Weiss said the eldest person who had approached the IOM for help was an 80-year-old woman who was forced to panhandle for her traffickers. The youngest victim was just three.

A survey conducted by GFK Ukraine in 2017 by the request of the IOM, shows that 17 percent of respondents were ready to take a job without officially being employed, 6 percent were ready to work in locked rooms where they are not allowed to leave their working sites without permission, 3 percent were ready to work at illegal enterprises, 2 percent were ready to illegally cross the border and 1 percent would agree to hand over their passports to employers.

Weiss said this shows that despite all the information campaigns, many Ukrainians are willing to take murky jobs without understanding that they risk ending up in the hands of traffickers.

Around 25 million people worldwide were involved in forced labor in 2016, according to the International Labor Organization. This is the third most lucrative illegal business, worth dozens of billions of dollars, following only drugs and arms trafficking.

"Trafficking can happen to anyone - young and old, male or female, and Ukrainians as much as foreigners," Weiss said. ■

Many businesses in Ukraine are struggling with high employee turnover as workers get trained and find better wages, conditions abroad.





Lviv has several projects to stimulate the information technology sector, such as the IT Innovation Park, a project that has garnered \$150 million in investment and will create a massive new area for Lviv's programmers to live and work, including 95,000 square meters of office space. (Courtesy)

Lviv comes up with solutions to create 'brain gain,' boost IT

By **Luke Smith,**
Natalia Datskevych
lukesmith@kyivpost.com
datskevych@kyivpost.com

Over the past decade, Lviv has become one of Ukraine's greatest economic success stories, an achievement attributed to the city strategy adopted in 2008. Now, city planners are looking into the future, and developing a new strategy focused on human creativity.

Despite official statistics showing a reduction in Lviv's population by 500 people since 2015, to 757,900 people in 2017, migration to the city is in fact increasing every year, according to Andriy Moskalenko, Lviv's deputy mayor for development issues.

The 2008 plan was developed by Lviv's city government in partnership with Monitor Group (now owned by Deloitte) and focused on developing the information technology and tourism industries.

"Ten years ago, we realized that the city would have to compete in the fields of information technology, science, outsourcing and tourism – these were the areas where we could create new jobs and open up new industries," said Moskalenko.

"There was a lot of resistance" in the beginning, says Alexander Kobarev, the director of Lviv City Institute, a policy planning group controlled by Lviv City Council.

In 2008, Lviv had just 3,000 IT workers, and around 400,000 tourists annually – and not all policymakers wanted to strategize around what were then two relatively minor sectors of the economy.

Despite opposition, Monitor Group's transformative recommendations were adopted. The plan worked.

Today, Lviv has 30,000 IT workers and 2.5 million tourist

visits every year, according to Moskalenko. Every visitor brings \$400 to the local economy on average. About 15 different professions are involved in the plan, and as these areas of the economy grow, new jobs are created.

Currently, Lviv city administration has several projects to stimulate the IT sector. For example, there is a special program to provide a free area for housing construction for IT specialists.

“We’re showing IT workers that we want them to be in Lviv. We’re also working on a new city strategy for the next 5-10 years, which focuses on the creative industries - education, culture, technology,” said Moskalenko.

In addition, the city plans to start this year to support young scientists and startups through a system of grants of Hr 25,000 (or just under \$1,000).

The planners next identified other strengths and how to build on them.

“Our greatest resource is our creativity,” says Kobzarev.

Tourism is one of the areas where Lviv’s creativity really shines, and was a big inspiration for the new strategy.

As Kobzarev points out, the most popular restaurants in Lviv “don’t just sell food, they sell impressions.”

Lviv’s unusual restaurant scene is hugely popular with tourists, and includes a craft brewery with a live brass band, an anti-Soviet partisan themed bunker, a secret “masonic” bar, the medieval-themed First Lviv Grill Restaurant of Meat and Justice, and even an S&M themed bar, Masoch, where staff whips customers on request.

But there’s more to being a creative city than having an interesting restaurant industry. The key is to attract creative individuals, and make sure it’s easy for them to participate in civic life.

On the entrepreneurial side of this equation, Lviv IT Cluster works on bringing IT talent to the city, and coordinates its activities with the city council.

“We have very good synergy,” says Lviv IT Cluster CEO Stepan Veselovskyi. Veselovskyi worked for the City Institute prior to joining Lviv IT Cluster.

Veselovskyi describes himself as an “evangelist” for Lviv. The word is apt, because while he engages in a range of activities, most have the same aim of promoting Lviv.

The IT Cluster projects have largely been successful, and the number of programmers in Lviv is growing steadily.

In fact, the influx of IT workers has been so great that the city’s infrastructure can’t support them all.

So in June, the ground was broken at the city’s IT Innovation Park. The project has garnered \$150 million in investment and will create a massive new area for Lviv’s programmers to live and work, including 95,000 square meters of office space and even a kindergarten. Already, 60 percent of the offices have been rented.

Veselovskyi hopes to see Lviv continue to attract new types of creative, high-skilled professionals, both from Ukraine and abroad. Ukraine’s relatively low tax rate makes it a very attractive destination for freelancers, many of whom could base themselves in Lviv.

Education is another possible boom area, both in IT and in healthcare. Lviv’s universities could attract international students, especially from Asia, because of their high quality and relatively low cost.

Quality of place

Urban planning experts refer to the characteristics that make a city a desirable place to live as “quality of place.”

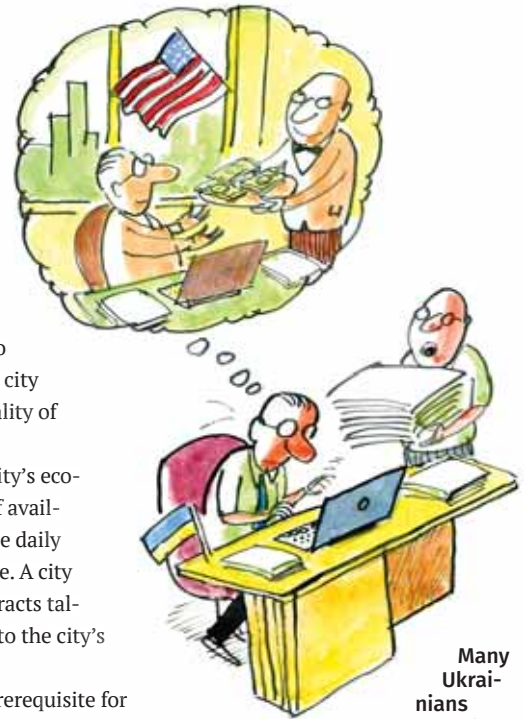
This term refers not to the city’s economic output or the number of available jobs, but rather to what the daily experience of living there is like. A city with a high quality of place attracts talented workers who contribute to the city’s development.

So the quality of place is a prerequisite for growth, and not just a consequence of it. According to Gallup, the qualities most attractive to creative people are openness (a welcoming atmosphere), social offerings (places to meet, and a spirit of community), and aesthetics (natural beauty, including parks and green spaces).

At issue is not just the number of creative people in a city, but that they live and work in proximity to each other and have a sense of community. Open spaces contribute to this, as they provide meeting areas, as does making the city bike-friendly and easy to get around. Lviv is currently working on improving both of these aspects. In addition, the City Institute sponsors sustainable incubators, where entrepreneurs can gather and exchange ideas.

Lviv is improving its quality of place, but there is still work to be done. Polling data from the Rating Sociological Group shows that over 27 percent of Lviv Oblast’s population would move abroad if they had the chance.

Those who have already worked abroad can see the areas where the city falls short. Alexander Skakunov, an IT developer and the founder of the online education platform



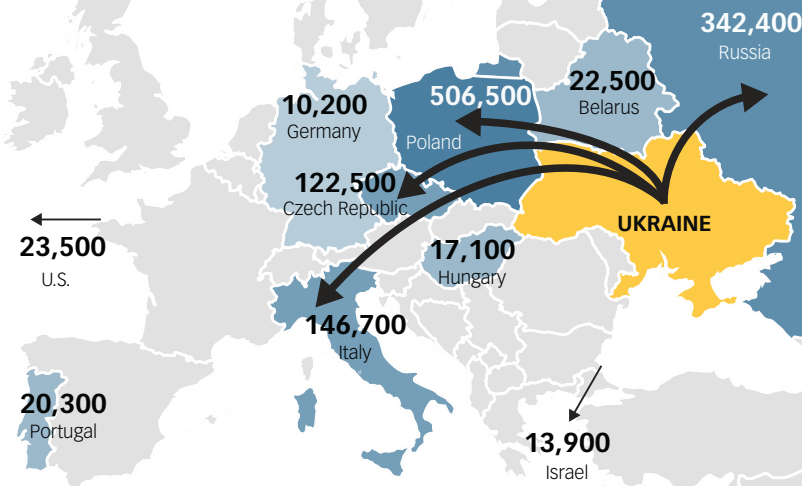
Many Ukrainians dream of living and working in the West, thinking that life and work there are easy. In reality, however, they often learn that competition for jobs, long working hours, and cultural and linguistic barriers make the transition difficult.

Stepan Veselovskyi, the CEO of Lviv IT Cluster, talks with journalists as he presents a model of a real estate project, IT Park, at a tech conference in Lviv in June 2017. (Courtesy)



Where do Ukrainians go to find work abroad?

At least 1.3 million Ukrainians have gone to work abroad since 2015-2017, according to the State Statistics Service. They mostly traveled to Poland and Russia.



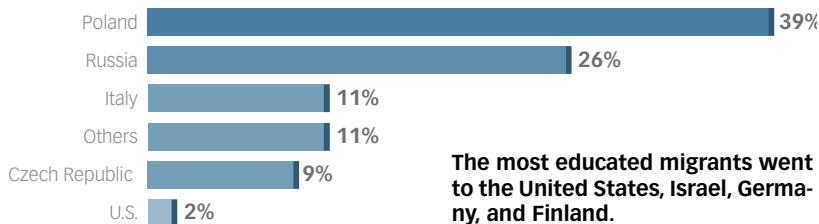
Who are Ukraine's migrant workers?

70% male Most Ukrainian labor migrants are men. They come in equal numbers from rural and urban areas. Italy is an exception, with 71 percent of the Ukrainians working there being female.

Age 15-40 Over the last five years, migrants from Ukraine have become younger, mainly because more younger people are leaving to study abroad. The majority of those who left were from 15 to 40 years old.

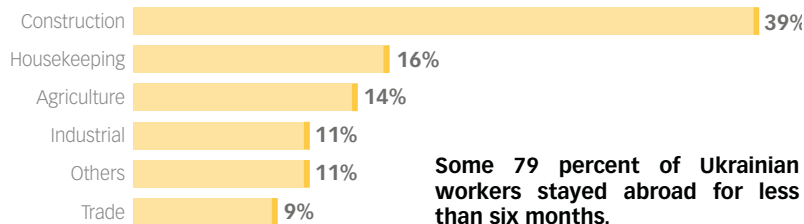
Higher education According to the State Statistics Service, some 16 percent of labor migrants had a higher education. However, the International Organization for Migration reported in its survey for 2015 that 37 percent of labor migrants had graduated from a university.

Top destinations



The most educated migrants went to the United States, Israel, Germany, and Finland.

Occupation by sector



Some 79 percent of Ukrainian workers stayed abroad for less than six months.

In its recent research of Ukraine's labor migration, the State Statistics Service estimated at least 1.3 million Ukrainian went to work abroad in 2015-2017 following the start of Russia's war in eastern Ukraine. However, the Center of Economic Strategy estimates there were 4.1 million labor migrants during that time.

Source: State Statistics Service of Ukraine, Center of Economic Strategy

By Yuliana Romanyshyn, Kyiv Post

Zero 2 Hero, lived in Denmark from 2012-2016 years before settling in Lviv.

He moved back to Ukraine with his wife and two kids as he found the quality of life in Lviv satisfactory.

"It's really close to Europe, it's really cheap to live here... it will develop by itself because it has all it needs," Skakunov said.

Plus, you are always a stranger abroad, he adds.

"You haven't watched their cartoons; you don't know their culture. You're studying it actively, but you're still a foreigner there," he added.

According to Skakunov, Lviv's unreliable public transportation impacts livability, as do the city's constant traffic jams, lack of disability access, and sometimes depressing architecture left over from the Soviet period.

Despite that, on balance, Skakunov is optimistic about Lviv. In fact, he feels Lviv is so attractive that he is not certain that a specific strategy to bring people to the city is needed any longer.

Other former residents are returning too. Valeria Glotova, an English teacher from Creative International School for Children, returned to Lviv in 2016. She went to Brazil in 2010 and worked as an English teacher in a language school.

"I stayed much longer (than planned), worked in several language schools, traveled across Latin America. In principle, I had everything for a comfortable life, but home-sickness tortured me and I finally decided to return," said Glotova.

The disruption to business caused by Russia's war on Ukraine in the Donbas has started to subside, including at ELEKS, one of the top 10 IT software engineering and consulting services firms in Ukraine.

"I think it was an issue, especially when the war started in 2014," said Andriy Krupa, chief compliance officer at ELEKS.

"A lot of people didn't know what to expect. A lot of companies had business continuity plans, moving the core of their teams abroad. But we've seen people coming back now."

Krupa says that quality of life for IT people in Ukraine is actually quite good.

"The IT community kind of lives in its own shell," he said. "They still have income nominated basically in foreign currency, so all of the fluctuations, the economic situation doesn't burden the IT community that much in general."

Only about 2 percent of those who work in the industry are leaving to work abroad now, Krupa estimates. According to him, IT businesses in Ukraine are now starting to compete against each other for the best-qualified staff, rather than competing with companies abroad.

They now have to work out "how to keep best people, and offer them whatever they want," he said.

"The opposite is happening now - we're getting people from IBM or ABB now who went to work for IBM in Poland in 2014." ■



People attend the Kyiv Post Employment Fair in Ukrainian House in Kyiv on March 31. (Volodymyr Petrov)

Ukrainian job market favors employees

By **Luke Smith,**
Natalia Datskevych
luksmith@kyivpost.com
datskevych@kyivpost.com

It's a good time to be looking for work in Ukraine. With Ukrainians leaving the country in record numbers — 1.3 million people in the period from 2015 to 2017, according to the State Statistics Service — the job market has shifted in favor of employees over employers.

Businesses are now in fierce competition for a shrinking pool of workers — offering increased wages, social benefits and improving their corporate culture to attract applicants.

But even this may not be enough.

Problems ahead

The main trend of the labor market is that it is increasingly difficult to find people to perform any job, in any sector.

“Top management, middle management, unskilled labor, young professionals — with each of these categories there will be problems in hiring,” said Serhii Marchenko, the founder of recruitment agency Borsch. He previously

worked as company director for development for recruitment website Work.ua.

With labor migration continuing apace, Ukraine is storing up problems for itself in future.

One problem will be with highly qualified staff: Students are leaving Ukraine to study abroad, and most of them won't come back. According to the CEDOS Analytical Center, 72,000 young people left the country in 2016 and 2017—56 percent more than in the 2012 to 2013 period.

Nine out of 10 of those students are not planning to return to Ukraine, according to Tetyana Pashkina, an HR-expert at Rabota.ua, an online recruiting resource for more than 50,000 companies.

“The lack of young people could be fatal for Ukrainian employers,” she said. “The average salary in European countries is Hr 34,895 (\$1,340), while in Kyiv it is Hr 11,400



Human resources specialists speak with visitors at the Kyiv Post Employment Fair in Ukrainian House in Kyiv on Sept. 16. (Oleg Petراسиuk)

(\$440). Judging by the dynamics of wage growth, foreign employers need our workers more.”

Extra costs

Companies are trying to hire people for low wages, but this leads to a large turnover of staff and brings extra costs on training and searching for replacement employees, experts warn.

“It seems to me that the Ukrainian labor market is now at the point of rethinking the role of wages in the efficiency of the enterprise,” said Marchenko.

“The only way to make the work meaningful for employees is to make the reward meaningful.”

Since 2015 vacancies have tripled, according to the ProHR analytical platform, but this has not been matched by the number of job seekers, so job seekers can shop around for the best offer. The number of job refusals doubled in 2017, while salaries increased by 25 percent. Compared to this time last year, headhunters have seen an increase of more than 30 percent in requests from employers.

The shortage of candidates is so severe that employers and recruiters often complain that applicants fresh out of

university are asking for salaries of \$1,000 a month, which is well above what is commonly offered for entry-level positions in Ukraine — even in the information technology industry.

More experienced candidates have their own set of problems, according to Andrey Krivokorytov, CEO of Brain Source International, a Kyiv-based recruiting agency.

In past years, experienced candidates were often very willing to change jobs if approached by headhunters with a targeted offer. But now, it’s not unusual for an experienced professional to be bombarded by offers from multiple companies. Overwhelmed by the options, many simply choose to remain in their current positions.

Greater choices

This shortage is in large part due to Ukrainians leaving the country for better opportunities abroad. But even foreign countries can’t acquire Ukrainian workers as easily as they used to, because Ukrainians are not leaving the country for the same reasons as before.

In 2014–2015, Ukrainians simply wanted to get out to escape war and economic crisis. Now Ukrainians have greater choices at home and abroad.

Demand for Ukrainian labor and specialists remains strong, but there are fewer people to fill the vacancies. Ukrainian staffing companies that fill vacancies abroad have begun to hire and train inexperienced candidates, and countries such as the Czech Republic and Israel are increasing their quotas for Ukrainian workers, while Poland is taking steps to simplify its work visa application process.

Ukrainian companies are adapting to the new conditions, but aren't able to solve this issue by increasing wages alone — the market is just too competitive. Instead, they are focusing on perks and working conditions. These include a good corporate culture, transport to and from work, team building and social packages.

Human capital

Another big motivator is stability. Employers who can convincingly argue that their businesses are likely to weather Ukraine's recurring economic and political crises will be more attractive, especially to employees with families.

Business also adapts by targeting young people, who compensate for their inexperience with talent and drive. It is less expensive to hire and train an inexperienced candidate than headhunt experienced specialists. The readiness of companies to train new employees has "increased with colossal speed," according to representatives of the Golden Staff recruiting company. Employers understand that by developing an employee, they are also developing their company.

"The IT business, like any creative business, is about human capital. Therefore, in our company there are special services that help people learn, obtain various certificates, in order (for the company) to be in a leading position," said Yuriy Antoniuk, the managing director of IT company EPAM Ukraine.

Fatal factor

Younger employees are cheaper, but companies still have to make an effort to attract them, especially because they often can't pay them what they would like.

On average, they want salaries 10–20 percent higher than employers can pay, according to Katerina Kryvoruchenko, head of expert-analytical center HeadHunter Ukraine, an online resource for job search and recruitment for more than 66,000 companies.

However, "the most effective teams are ones formed with specialists of different ages, since they can exchange experience," said Kryvoruchenko.

Businesses take several approaches here. In addition to cultivating "cool" corporate environments, they also offer flexible schedules for students, often stretching to the very the limit of what is feasible. This is highly beneficial for young people, especially in the IT sector, where employees can get real, well-paid work experience while working to obtain degrees or doctorates at the

same time. After completing their degrees, these students usually transition to full time at the company they worked at during their studies.

But for some positions, only a highly qualified candidate will do. For these, companies often turn to specialized head-hunting agencies, which are seeing a boom in demand. Most large companies now allocate part of their budget to head-

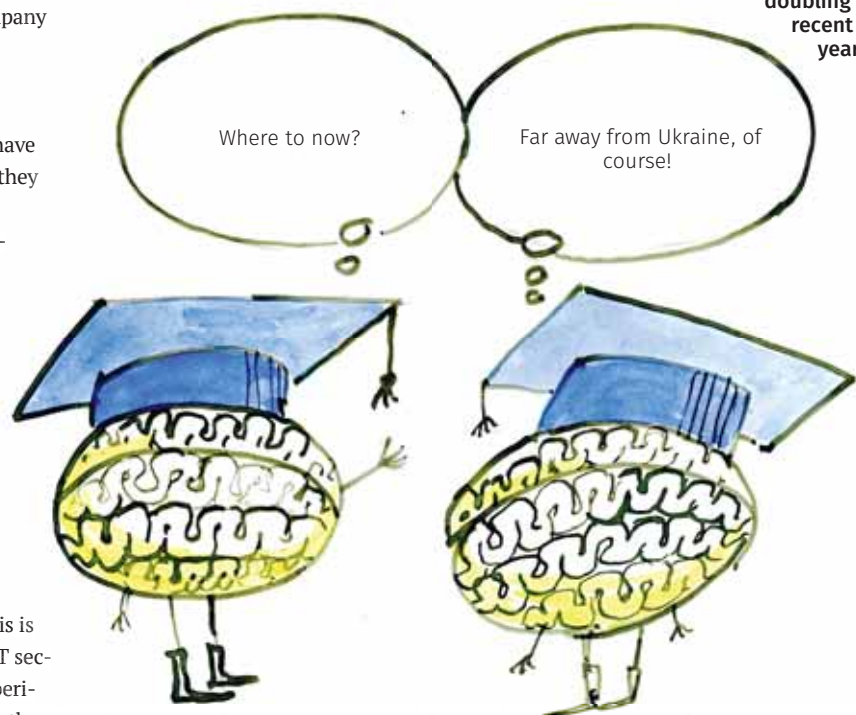
Employers who can convincingly argue that their businesses are likely to weather Ukraine's recurring economic and political crises will be more attractive, especially to employees with families.

hunting services, according to Prohr.com, in addition to hiring experienced HR to retain people. Essentially, they are adopting a more Western model, to compete with Western companies.

But even with all the efforts Ukrainian businesses are making to adapt, Krivokorytov of Brain Source International expects the labor shortage will only get more severe.

"This is going to challenge lots of businesses. And I think for some this could be a fatal factor... only the best businesses will survive." ■

More and more of Ukraine's best and brightest are opting to move abroad for study and work, with the number of young people leaving the country doubling in recent years.





Save
Our
Science

SAVE
science
SAVE
Ukraine

Ukrainian science falling into crisis

By **Luke Smith**

luksmith@kyivpost.com

Borys Paton, the president of the Ukrainian National Academy of Sciences, who has been in office since 1962, will turn 100 this year.

The average age of an academy member is 70.

Meanwhile, the country is seeing an exodus of its brightest young minds to Germany, China and the United States. Less than 1 percent of the scientists who leave ever return.

Scientists from Ukraine's Academy of Sciences protest against government cuts to their budget on Dec. 9, 2015. (Kostyantyn Chernichkin)



Young scientists from the National Academy of Sciences rally near the Cabinet of Ministers on Dec. 8, 2015, in Kyiv demanding better funding for Ukraine's science. (Kostyantyn Chernichkin)

Viktoria Shulga is a rare exception — she returned to Ukraine in 2005, after doing groundbreaking research at the University of Rochester, NY. She had hoped to continue her lab work at home, but Ukraine lacked the facilities she needed. Unable to continue her research, she founded the Ukrainian Science Club, a nongovernmental organization which advises the government on science legislation and reform.

But despite their efforts, and those of other reform-focused organizations, things are only getting worse.

"By 2005, about 20,000 people of Ph.D. level had left the country and never come back," Shulga said. "But after 12 years, I can say the number is now 200,000 scientists at all levels."

According to government statistics, from 2014–2017, the number of employees in scientific organizations dropped by 30 percent, and Ukraine's spending on research relative to gross domestic product fell by four times.

The problem is largely caused by a lack of incentives. For a young person in Ukraine, a Ph.D. in the sciences just isn't worth the effort — the typical stipend for a Ph.D. student is approximately \$40–50 a month, and after finishing their studies, a Ukrainian scientist can expect to earn slightly less than Kyiv's \$300 average monthly wage.

Outside of Ukraine, a qualified researcher can earn as much as \$200,000 annually.

In post-Soviet Ukraine, the government can't forbid workers with critical skills from going abroad, but there are other tools at the government's disposal that could incentivize scientists to stay.

However, it isn't using them.

"It's one thing to have a good law, and another to finance implementation," Shulga said.

Funding new scientific initiatives is the responsibility of the National Council on Science and Technology, which has two committees — a science committee and administrative committee. The function of the science committee is to develop programs and advise the government, while

the administrative committee's function is to secure funding. This division of labor was intended to streamline the funding process.

But this organizational structure has been in place for two years with little to show for it. The administrative committee has not provided sufficient funding to the National Research Fund. What few initiatives there have been have petered out, despite working well while they were funded (whether by the National Research Fund or other government instruments).

For example, the State Key Laboratory program, founded in 2011, funded research in Molecular and Cell Biology. The program produced a variety of widely cited publications, including a review in "Nature Reviews Cancer" which was cited over 360 times by journals worldwide. But despite the program both advancing science and bringing recognition to Ukrainian researchers, the government pulled funding after a year.

Without government support, Ukrainian science is becoming largely a diaspora phenomenon. Unlike in other countries, there is a total lack of the brain circulation of scientists — where scientists are encouraged to do research abroad, but then return home with new expertise. For brains to circulate, there needs to be at least a minimal level of infrastructure, and in Ukraine that just isn't present.

"The problem is not talent — talent is everywhere," said Nikita Lukianets, a Kyiv born entrepreneur and neuroscientist currently based in France. "What is missing is management culture at all levels, at the level of the lab, at the level of a small company, of a large company, (knowledge of how to) create resources..."

Some, however, are wary of the government taking too active a role.

According to the Odesa-based blogger and political analyst Nikolai Holmov, greater state involvement in science and IT could make the situation even worse if it were to result in state/oligarchical capture of what should be dynamic sectors of the economy.

Ukrainian scientists take comfort in the fact that it is not a zero-sum game. Science is an international phenomenon, and so are the achievements of Ukrainian scientists. The work Ukrainians do in other countries can still help the country boost its reputation for producing high-quality research and researchers.

"It's all about having an international mindset," said Lukianets.

But while it is true that science benefits the global community, the benefits are not evenly distributed. Countries where discoveries are initially made typically reap the biggest benefits, and so robust science and research is key to economic development. Those countries that are able to invest significantly in smart, pro-innovation policies attract more talent. If Ukraine isn't able to do this, it will be left behind.

"The government does not realize that we are losing time," Shulga said. ■



JOIN the **CLUB**
CORPORATE CLUB
Kyiv Post
UKRAINE'S GLOBAL VOICE

Subscribe to the Kyiv Post and have fresh issues delivered weekly to your door, plus unlimited access to the Kyiv Post website. Support Ukraine's trusted source of independent English-language news since 1995!

COPIES	STAND (RENT PER YEAR)	1 YEAR	6 MONTH	DIGITAL
5		3,900	1,950	1 account
10		4,400	2,200	1 account
20	1,200	6,000	4,000	3 accounts
50		8,000	5,000	3 accounts
100		10,000	6,000	3 accounts

All prices are in hryvnias including VAT

- Glossy paper, full color, 16 pages
- Weekly delivery Friday through Monday
- Quarterly & annual supplements
- Exclusive analytics, investigations, projects

- Business reviews, expert opinions
- City buzz, events, lifestyle
- Digital access to kyivpost.com

OUR SUPPORTERS



Contact us at 044-591-7788, subscribe@kyivpost.com #kyivpostclub



ON TOP OF YOUR E-MAILS
AT ANY ALTITUDE WITH THE WI-FI*
CONNECTION AVAILABLE ON FLIGHTS

All international flights with
B777-300ER some A330-30020,
please visit corporateclub.turkishairlines.com

TURKISH AIRLINES 

CORPORATE CLUB
WHERE BUSINESS MEETS BENEFITS