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DISPLACEMENT, INTEGRATION, AND RETURN: WHAT REMOTE WORK POSSIBILITIES FOR UKRAINIANS?

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One year after the Russian invasion, much uncertainty remains. Remote work can provide a degree of flexibility for some refugees from Ukraine, supporting integration in the short term and reconstruction in the long term. Supporting Ukrainian teleworkers is a smart move.

More than <u>8 million people</u> have fled Ukraine in the year since Russia's invasion brought a new chapter of interstate war to Europe. In a span of just several months, displacement from Ukraine became <u>one of the largest displacement crises</u> in the world. Persons fleeing Ukraine are entitled to obtain temporary protection (which includes the right to work) in the European Union country of their choice, while other countries in Europe and farther afield have made <u>new or existing pathways</u> available to quickly admit them to their territory. Although exact figures are unavailable, a considerable number of displaced Ukrainians are working remotely thanks in part to an increasingly digital world of work, as well as <u>digital literacy</u>, <u>equipment</u>, <u>and internet access</u>. Some continue to work for Ukrainian companies, while others are working for local employers in their countries of temporary protection or even in a third country. Meanwhile, approximately <u>18% of internally displaced Ukrainians are working remotely</u>. Evidently the ability to telework provides expanded opportunities in challenging circumstances.

Expanding possibilities in the context of displacement

Instead of looking for new job opportunities in host countries, some refugees have been able to keep the positions they held in Ukraine thanks to the possibility of remote work. In a <u>recent</u> <u>Czech survey</u>, 19% of employed respondents reported working remotely for a Ukrainian company. In <u>Warsaw</u>, as many as 24% of persons registered with local labour authorities were working for an employer in Ukraine in September last year. For this group, the possibility to telework from another country means retaining a steady source of income and more stability in a difficult situation. This livelihood continuity can help support the self-sufficiency of those moving to a new place.





For those looking for a new job, remote work offers helpful flexibility, especially for caregivers. Several job platforms, whether focusing exclusively on telework or publishing remote positions alongside in-person roles, have been created over the past year with the aim of supporting Ukrainians. These include <u>EmployUkraine</u>, <u>UA Talents</u>, and <u>JobAidUkraine</u>. At the same time, organisations that were promoting remote jobs prior to 2022 launched new initiatives targeting displaced Ukrainians. This is the case for <u>Fiverr</u>, <u>Native Teams</u>, and <u>Remote</u>. The latter, via its <u>Remote Relocation</u> programme, is also helping businesses relocate Ukrainian team members and their families. This is particularly helpful for facilitating mobility beyond the EU, but it also provides general support in terms of immigration and tax rules, insurance, settling-in, and cross-cultural training. Among the remote vacancies posted on such platforms are positions in IT, design, and marketing (for both refugees and <u>people staying in Ukraine</u>).

Working remotely can also enable newcomers to continue in their previous field or occupation, which may result in higher pay or quality of work than jobs that may be available in host countries. Underemployment is a frequent problem that refugees face, with important repercussions for their income and well-being – and it has been observed in the <u>early labour</u> <u>market outcomes</u> of Ukrainian refugees, who may opt to take up work quickly, in the hopes of returning home soon, rather than wait for a better opportunity. In addition to challenges related to skills recognition, a lack of local language proficiency is another factor contributing to underemployment. Here, remote work <u>could enable refugees to work</u> in a language in which they are proficient. Relatedly, remote work can help to prevent the devaluation and deterioration of professional qualifications that is often observed among refugees once they enter host country labour markets. The possibility of teleworking expands the diversity of available employment opportunities beyond the borders of <u>the particular local economy</u> where someone settles, an additional benefit. Other newcomers may opt to engage in digital entrepreneurship, yet another way in which livelihoods can be made online.

Meanwhile, for those wishing to return to Ukraine, the ability to retain a remote job in EU countries could facilitate return even as local economies recover from the impact of war (providing that <u>local infrastructure</u> is able to support this). Given the destruction that the war has caused, the International Labour Organization estimated a <u>15.5% decline</u> in employment in Ukraine in 2022 compared to the previous year – a loss of 2.4 million jobs. Rural livelihoods in eastern Ukraine are <u>particularly hard hit</u> by the war. While the trajectory of the war remains uncertain, it is clear that reconstruction will be a lengthy process, and remote work might enable some to return sooner.





Despite the clearly important role of remote work amid large-scale displacement from Ukraine, data on how many Ukrainian refugees are working remotely and where their employers are located are lacking – pointing to the utility of collecting such data as the working world becomes increasingly digital. Gathering such information is essential for more accurate monitoring of Ukrainian refugee labour market outcomes and for devising related support measures.

Potential roadblocks to realising the potential of remote work

Working remotely raises <u>questions in terms of taxation</u> as, after <u>183 days</u> of staying abroad, foreigners can be recognised as local tax residents. So far, just a handful of EU Member States have tried to address the specific situation of Ukrainian remote workers. For example, <u>Lithuania</u> (until the end of the war) and <u>Ireland</u> (for the 2022 tax year) have enabled Ukrainians to pay taxes exclusively to the Ukrainian government, allowing remote workers to provide financial support for Ukraine's war effort and/or reconstruction. Additionally, while there are agreements <u>between Ukraine and all EU Member States</u> that aim to avoid double taxation, the necessary procedures are challenging in wartime.

The issue of how national labour markets regulate remote work is also crucial. For example, teleworking in Poland, which was just legislated at the beginning of 2023, refers only to work for Poland-based employers and thus does not cover Ukrainian employers and their employees in Poland. Opinions regarding the legality of the latter's remote work remain divided, illustrating the complexity of the issue. According to some experts, it does not fall under temporary protection regulations or Polish labour law, but rather Ukrainian legislation. Therefore, Ukrainian citizens who work for Ukrainian companies are not subject to Polish labour law. Other observers believe that such a situation should be governed by Poland's regulations pertaining to labour migration.

Additionally, the question remains as to what happens to this group of workers after temporary protection ends or if there is an option to change their status to a more sustainable one. Lithuania, for instance, is now enabling the conversion of temporary protection status into another type of work/residence permit. Poland will soon allow Ukrainians to transition to another status using an eased procedure. Those working remotely in Poland for a Ukrainian employer, though, will be excluded from this <u>regularisation process</u>, as it is reserved for persons who are self-employed or employed locally.



COMMENTARY

Though the approaches of receiving countries may vary, those that have regulations in place to deal with so-called 'digital nomads' might be better prepared. Currently, <u>13 EU Member</u> <u>States</u> offer a visa or temporary residence permit allowing holders to work remotely for a foreign employer.

Finally, it is worth looking at lessons learned from the rise in homeworking driven by the COVID-19 pandemic. The number of teleworkers in the EU <u>doubled during the pandemic</u>, and remains higher than before. The acceleration of digital working has generated benefits for employees but can also take a toll on workers' mental and physical health, with isolation of particular concern with regard to newcomers. Here, remote employers and local integration stakeholders could look to initiatives connecting digital nomads for inspiration. In addition, ILO, the World Health Organization, and others have developed <u>recommendations for employers</u> to help ensure the well-being of remote workers. Just as remote work has gained popularity over the last few years, <u>digital livelihoods</u> have gained traction as an employment strategy for refugees. To <u>support their access</u> to remote work, it is crucial to improve digital skills trainings, address technological barriers, and achieve safe and sufficient working conditions.

Supporting multiple trajectories amid continued uncertainty

Remote work opportunities have typically been seen as a way to negate the need for further movement by increasing opportunities for refugees where they are. However, in the context of displacement from Ukraine, remote work has the potential to complement and even support mobility – including movement out of Ukraine, integration in host countries, and potential return. Not only can this benefit the livelihoods and broader integration of refugees, it also has the potential to assist in the reconstruction of Ukraine in the longer run. For that to happen in a larger and more sustainable way, legal and practical measures must catch up with the growing online work environment to better serve Ukrainian remote workers but also refugees and migrants more broadly.

As the war continues, integration is becoming a bigger concern for receiving countries. Given the wish of many Ukrainians to return home, the desire of the Ukrainian government for them to do so, and the temporary nature of most current protection schemes, <u>'dual intent'</u> approaches are <u>being promoted</u> to support both the integration of those remaining outside of Ukraine and the re-integration of those who wish to return. Remote work can support such dual intentions.





Receiving countries can support Ukrainian remote workers by embedding remote work in migration and integration policies and acknowledging the transnational character of such employment (through, for instance, facilitating the portability of benefits and effective regulations concerning double taxation and working to reduce isolation). Much uncertainty remains, and remote work can provide valuable flexibility for some refugees.

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