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To the Question of Application Alternative Methods of Resolving Labour

Disputes in Ukraine and Lithuania

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## Secção I Investigação Científica\*

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### To the Question of Application Alternative Methods of Resolving Labour Disputes in Ukraine and Lithuania

A Questão da Aplicação dos Métodos Alternativos de Resolução de Litígios Laborais na Ucrânia e Lituânia

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**ABSTRACT:** In this scientific work attention is paid to the protection of the right of a person to work. It is emphasized that this right is one of the fundamental human rights. At the same time, attention is drawn to the fact that today the issue of ways to protect the right to work, in the context of the settlement of labor disputes, remains relevant. The judicial method of resolving labor disputes which is currently available in many countries cannot fully provide an adequate level of protection, in particular due to the overcrowding of the judicial system, which leads to excessive length of proceedings. That is why it is proposed to use alternative methods for resolving labor disputes, such as mediation, arbitration, consideration by specially created commissions. The experience and current state of legislative regulation of the procedure for resolving labor disputes in Lithuania and Ukraine is analyzed in order to develop an optimal model for consideration and resolution of labor disputes.

This research is carried out within the framework of the Joint Ukrainian-Lithuanian Research Project "Strengthening Alternative Dispute Resolution in Lithuania and Ukraine: Finding the Cross-Border Solution".

**KEYWORDS:** Labour disputes; Alternative dispute resolution; Mediation; Arbitration; Labour disputes commission.

RESUMO: Neste trabalho científico, é dada atenção à proteção do direito de uma pessoa ao trabalho. Ressalta-se que este direito é um dos direitos humanos fundamentais. Ao mesmo tempo, chama-se a atenção para o facto de que hoje a questão das formas de proteger o direito ao trabalho, no contexto da solução de conflitos trabalhistas, continua relevante. O método judicial de resolução de disputas trabalhistas, atualmente disponível em muitos países, pode não oferecer um nível adequado de proteção, em particular devido à superlotação do sistema judicial, o que leva a uma duração excessiva dos processos. É por isso que se propõe a utilização de métodos alternativos para a resolução de conflitos trabalhistas, tais como mediação, arbitragem, apreciação por comissões especialmente criadas. A experiência e o estado atual da regulamentação legislativa do procedimento de resolução de litígios trabalhistas na Lituânia e na Ucrânia são analisados a fim de desenvolver um modelo ideal para consideração e resolução de litígios trabalhistas. Esta pesquisa é realizada no âmbito do Projeto de Pesquisa Conjunto Ucraniano-Lituano "Fortalecimento da Resolução

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Alternativa de Controvérsias na Lituânia e na Ucrânia: Encontrar a Solução Transfronteirica".

PALAVRAS-CHAVE: Disputas trabalhistas; Resolução alternativa de disputa; Mediação; Arbitragem; Comissão de disputas trabalhistas.

#### Introduction

International community pays special attention to the regulation and protection of the right to work as labor activity is and will always be the main source of well-being of the individual and society as a whole. European legislation emphasizes on the special importance of such human right as the right to work. In particular, the European Social Charter (Article 1) (European Social Charter (revised) of 1996) recognizes one of the main objectives of public policy to achieve and maintain a high and stable level of employment. In addition, Charter establishes the obligation of the state to effectively protect the right of an employee to earn a living by a profession of his choice. However, despite the guarantees established by Labor Law, judicial statistics show a consistently high number of labor disputes considered by the courts each year. It can be also noted that the judicial form of protection that is currently used to consider and resolve labor disputes, cannot always provide timely and prompt protection of labor rights. The global COVID-19 pandemic has exacerbated the labor crisis as the number of illegal layoffs has increased and the possibility of adequate judicial protection within a reasonable time cannot always be ensured.

Thereby, it is important to analyze and consider alternative procedures for resolving labor disputes, which, firstly, would give the opportunity to unload the judicial system, and secondly, would provide prompt consideration and resolution of labor disputes, that is intended to find peaceful ways to resolve such conflicts.

#### Chapter 1. Labour Disputes in Lithuania

In Lithuania, directing labour disputes to a pre-trial dispute resolution procedure has been a common practice for decades. However, purely subjectbased classification of labour disputes in previous versions of the Labour Code dictated different dispute resolution procedures for individual and collective labour disputes. The new version of the Labour Code, which entered into force on July 1, 2017, proposed a new classification system for labour disputes. Instead of distinguishing the dispute categories based only on the subject (i.e., individual and collective disputes), the object criterion was also introduced, distinguishing collective interest-based (economical) labour disputes<sup>4</sup> and individual and collective legal<sup>5</sup> labour disputes<sup>6</sup>.

The importance of such classification is not purely academic: the means of conflict resolution in a country are chosen and adapted on the basis of such classification<sup>7</sup>. The current labour dispute resolution system in Lithuania is based on the object criterion and distinction between legal and interest-based labour disputes, however, before the entry into force of the new Labour Code it was based solely on subject criterion, drawing a line between individual and collective disputes and applying different dispute resolution procedures. Given that only the legal disputes are subject to in substance judicial review, the question of mandatory pre-trial dispute resolution is deemed more relevant. Therefore, the application of alternative dispute resolution for legal disputes is analysed in more detail further in the article. Particular attention is also paid to historical developments of pre-trial dispute resolution schemes, which allows indicating which practices were successful along with the reasons for the changes introduced.

In Lithuania, all legal labour disputes<sup>8</sup> (both individual and collective) are now subject to mandatory pre-trial dispute resolution procedure in labour disputes commissions (hereinafter – LDC)<sup>9</sup>. However, up until the beginning of 2013, the procedure was rather different: it was mandatory to submit individual labour disputes to a commission formed at the employing organization from an equal number of representatives of employees and employer. In order for the decision to be adopted by the commission, a consensus had to be reached among its

<sup>&</sup>lt;sup>4</sup> Collective interest-based labour disputes shall be understood as a disagreement between employees' representatives, on the one hand, and employers' or employers' organizations, on the other, arising from the need to regulate the rights and obligations between the parties or to introduce certain provisions of labour law.

<sup>&</sup>lt;sup>5</sup> Collective legal labour dispute shall be understood as a disagreement between employees' representatives, on the one hand, and employers' or employers' organizations, on the other, over non-compliance or improper performance of provisions of labour law or reciprocal agreements.

<sup>&</sup>lt;sup>6</sup> Labour Code of the Republic of Lithuania..., 2016, Art. 213.

<sup>&</sup>lt;sup>7</sup> Sappia, 2002, p. 4; Petrylaitė ir kt., 2013, p. 279.

<sup>&</sup>lt;sup>8</sup> Except for collective legal labour disputes related to a strike or a lockdown and several marginal examples (Labour Code of the Republic of Lithuania..., 2016, Art. 220 (3)).

<sup>&</sup>lt;sup>9</sup> Currently there are 23 LDCs functioning in Lithuania (National Labour Inspectorate under the Ministry of Social Security and Labour of the Republic of Lithuania, 2021a).

members (Labour Code of the Republic of Lithuania)<sup>10</sup>. Moreover, commissions formed at employing organization had a much more limited competence than LDCs nowadays. For example, in case of allegations of wrongful termination, requests to reformulate the reason for termination or amend the main provisions of the work contract, such a scheme was not applicable, and disputants could file a claim directly in court<sup>11</sup>.

The latter procedure was not effective and criticized for several reasons. First, having commissions formed from members related to the employer and paid by the same institution in question was detrimental to ensuring impartiality and objectivity<sup>12</sup>. Second, the work of conciliatory commissions, consisting of an equal number of representatives delegated by the parties to the dispute, were rarely successful and, in practice, disputes were often left unresolved<sup>13</sup>. This, along with the frequent cases when the commission was not formed at all, or the conclusion was not reached in the timeframe provided by law, meant that the majority of disputes still ended up in courts making the judicial proceedings long, complicated and costly. Third, the employers could not initiate dispute resolution procedure at the conciliatory commission, therefore the principle of equality was not ensured<sup>14</sup>. Hence legislative developments were directed at introducing a new scheme that could ensure objective and impartial dispute resolution process, include social partners into this process, and reduce the administrative burden of employers<sup>15</sup>. These legislative developments resulted in introduction of LDCs in 2013. With the introduction of the new Labour Code the functions of LDCs remained largely unchanged, however, the competence of LDCs was further expanded.

LDCs are permanent institutions formed under the territorial labour inspectorates and consist of three members, including a representative of the inspectorate having a degree in law and representatives of employees and

<sup>&</sup>lt;sup>10</sup> In force until 2013-01-01, 2002, Arts. 289.º e 292.º.

<sup>&</sup>lt;sup>11</sup> It has to be noted that after the introduction of LDCs in 2013, their competence remained relatively narrow (Labour Code of the Republic of Lithuania (in force until 2017-06-30), 2002, Art. 287, 289) until the entry into force of the new Labour Code, which provisions referred all individual labour disputes to mandatary pre-trial resolution at LDCs.

<sup>&</sup>lt;sup>12</sup> The Ministry of the Social and Labour Affairs of the Republic of Lithuania, 2011, p. 3; Usonis ir Filimonenkova, 2013, p. 1391.

<sup>&</sup>lt;sup>13</sup> Petrylaitė *et al.*, 2013, p. 280.

<sup>&</sup>lt;sup>14</sup> Usonis ir Filimonenkova, 2013, p. 1392.

<sup>&</sup>lt;sup>15</sup> The Ministry of the Social and Labour Affairs of the Republic of Lithuania, 2011, para. 4.

employers respectively, assigned from the lists approved by the Tripartite Council<sup>16</sup>. The legal nature of LDCs can be described as a quasi-judicial institution<sup>17</sup> (Bužinskas, 2015, p. 126) that has the rights to exact the documents needed to resolve a dispute, explore the evidence, hear witness testimonies and impose binding decisions on the parties to the dispute. The representative of the inspectorate is always the chairperson of the commission and can adopt a binding decision even when the other members of the commission are not present at the hearing<sup>18</sup>. The decision of LDC is an enforceable title and can be enforced if a claim is not submitted to court with regard to the dispute in question in one month after the LDC adopts the decision (Labour Code of the Republic of Lithuania..., 2016, Art. 225-230). Both parties to the dispute can submit a claim with an LDC as well as file a claim in court if they are not satisfied with LDC's decision. However, it is not considered an appeal. While the courts can use the material collected during the procedure carried out by LDC, they are not obliged to conduct a formal review of LDC's decision and shall try the case in substance and adopt an independent decision (Labour Codic of Lithuania..., 2016, Art. 231).

Such a scheme is primarily aimed at reaching a speedy mandatory resolution, rather than looking for ways to conciliate the parties (Petrylaitė *ir kt.*, 2013, p. 283). Apart from the fact that LDCs can adopt binding enforceable decisions, the timeframe in which the procedure should be concluded is also short. The parties to a legal labour dispute shall file a claim with an LDC in no more than three months since the alleged infringement of their rights occurred<sup>19</sup>. The claim itself has to be examined in no more than a month from the date it was submitted. The decision has to be adopted on the same day of the hearing and has to be put in writing in another 5 business days (Labour Code of the Republic of Lithuania..., 2016, Art. 228).

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<sup>&</sup>lt;sup>16</sup> Tripartite Council of the Republic of Lithuania is an institution formed from an equal number of social partners (representatives of central trade unions, employer organizations and the Government) having equal rights.

<sup>&</sup>lt;sup>17</sup> Bužinskas, 2015, p. 126.

<sup>&</sup>lt;sup>18</sup> Normally the decision is adopted based on the majority of votes of the members of LDC. If only two members of the LDC are present at the hearing and their opinions regarding the outcome of the resolution of the dispute differ, the decision of the chairperson is final (Labour Code of the Republic of Lithuania..., 2016, Art. 228.º).

<sup>&</sup>lt;sup>19</sup> In case of wrongful termination, removal, or breach of collective agreement, this period is reduced to one month. The period for filing a claim at LDC can be prolonged by the commission, or, in case the commission refuses, a claim can be filed in court within one month from the commission's decision not to prolong the term.

LDCs provide speedy and legally sound resolution and play a crucial role in reducing the number of labour cases reaching the courts. In 2020 parties were dissatisfied with LDCs decisions and filed a claim in court in only around 5 percent of cases. For comparison, 7044 claims were filed with LDC in 2020 while only 890 claims originating from labour disputes were filed in courts in the same period<sup>20</sup>. Even though the number of claims filed at LDCs shows a tendency of growth, the statistical data is rather representative for the whole period when the new Labour Code is in force, i.e., since 2017<sup>21</sup>. Even though the number of claims filed at LDCs is growing slowly, the number of individual requests in each of the claims grows much quicker (National Labour Inspectorate under the Ministry of Social Security and Labour of the Republic of Lithuania, 2021b). Evidence can also be found that only a small percentage of LDCs decisions are reverted in courts in cases when parties of the dispute are dissatisfied with LDC's decision (Bužinskas, 2015, p. 130) demonstrating high legal quality of the LDCs activities.

Statistical data also shows that the change in the classification of labour disputes based on object and not only subject along with the subsequent referral of legal collective labour disputes to the mandatory pre-trial resolution at LDCs was a justified decision. Even though the number of such cases is low in comparison to individual disputes (however, it should be the case given the nature of disputes), it is growing steadily from 1 in 2017 to 57 in 2020 (National Labour Inspectorate under the Ministry of Social Security and Labour of the Republic of Lithuania, 2021b). Before the entry into force of the new Labour Code, these disputes were subjected to the same procedure as interest-based collective labour disputes, which reduced the likelihood of their speedy resolution. The fact that the number of claims originating from legal collective labour disputes and reaching the LDCs is growing shows that the object-based classification of labour disputes was necessary.

<sup>&</sup>lt;sup>20</sup> It must be noted that certain labour disputes are not subject to mandatory pre-trial dispute resolution procedure at LDCs and can be filed directly in courts. These include instances of disputing results of the vote electing candidates to labour councils, certain disputes between the employer and its executive officer, collective legal disputes related to strike or lockdown (Labour Code of the Republic of Lithuania..., 2016, Art. 105, 171, 220).

<sup>&</sup>lt;sup>21</sup> Even though LDCs has been functioning since 2013, with the introduction of the new Labour Code their competence was expanded to include legal collective labour disputes as well as certain types of individual labour disputes which were previously excluded (such as requests to reformulate the reason for termination or amend the main provisions of the work contract, allegations of wrongful termination). Therefore, the comparison of the statistical data coming from before 2017 is not objective.

Even though the activities of LDCs are effective, some authors emphasize that LDCs should act more actively trying to conciliate the parties instead of functioning primarily as quasi-judicial institutions (Bužinskas, 2015, p. 130). Such critique, even though relevant, should be primarily directed to the legislator and not the members of LDCs. The chairperson of an LDC is obliged to suggest to the parties to reach a peaceful settlement (Labour Code of the Republic of Lithuania..., 2016, Art. 226), however, legal acts do not require the members of LDCs to be trained as mediators or conciliators. Moreover, the procedure of conciliation is also not regulated in detail while mediation *stricto sensu* could not be conducted by the members of LDCs since confidentiality could not be ensured. The need for further legislative development is also evident from the statistical data: a peaceful settlement was reached in only around 16 per cent of the cases submitted to LDCs in 2020 (National Labour Inspectorate under the Ministry of Social Security and Labour of the Republic of Lithuania, 2021b).

Examples of other European countries where labour disputes are subjected to mandatory conciliation or mediation procedures show that the percentage of peaceful settlements could be significantly higher. For example, in Spain certain individual labour disputes are referred to mandatory conciliation or mediation procedures (The Law on Social Jurisdiction of the..., 2011, Art 63; Hernández, 2016, p. 202). In 2019 a settlement was reached in around 155 000 cases, which equals to around 32 per cent of cases were conciliation took place (The Ministry of Labour and Social Economy of the Kindgom of Spain, 2021). Mandatory pretrial mediation models in labour disputes are also introduced in Azerbaijan (Law on Mediation of the..., 2019 Art. 28.1) and Turkey (Law on Labour Courts..., 2017, Art. 3). While the provisions introducing mandatory mediation in labour disputes in Azerbaijan entered into force only as recently as January 1, 2021 and has not generated enough statistical data to draw definitive conclusions yet, sources suggest that mandatory mediation success rates in labour disputes are above 60 per cent in Turkey (Gün+Partners, 2020)<sup>22</sup>.

It can be concluded that the referral of legal labour disputes to LDCs in Lithuania provides a quick and legally sound resolution as well as effectively reduces the number of legal labour disputes reaching the courts. However, the

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<sup>&</sup>lt;sup>22</sup> However, this statistical data shall be evaluated with caution since it has been eventually removed from the website of the Ministry of Justice of the Republic of Turkey.

potential for conciliating parties to a labour dispute and reinstating the social peace is not fully reached in dispute resolution procedure at LDCs. In order to encourage and empower the parties to reach a peaceful settlement the legislator should consider introducing a mandatory requirement for LDCs member to undergo training in conciliation or mediation skills. Requiring territorial labour inspectorates to ensure that a labour dispute mediator could be assigned to the dispute on the day of hearing if parties so require with the possibility to continue with the resolution of dispute at the LDC if mediation is not successful could also encourage more parties to settle their disputes peacefully.

#### Chapter 2. Labour Disputes in Ukraine

First of all, it should be noted that current Ukrainian labour legislation is characterized by obsolescence. Labour Code was adopted in 1971, when Ukraine was part of the Soviet Union. Although, of course, with Ukraine's independence, this normative legal act has been amended (the code has undergone 95 revisions over the past half century), its norms need to be updated according to current state of labour relations in Ukraine and with taking into account existing world and European standards.

In recent years, various political forces have submitted drafts of Labour Code to the Verkhovna Rada of Ukraine<sup>23</sup>, but we can state that none of them has been adopted yet (Labour Code of Ukraine: Draft № 2410, 2019).

At the legislative level today, labour disputes in Ukraine are divided on the basis of subjective criteria into individual and collective labour disputes. This division is of fundamental importance, in particular, in the context of resolving these disputes. Thus, the Law of Ukraine "On the Procedure for Resolving" Collective Labour Disputes (Conflicts)" of 2012 defines that on the establishment of new or changes in existing socio-economic working conditions and working life, as well as the conclusion or amendment of a collective agreement, collective bargaining agreements are resolved by conciliation commission, and in case of failure to make a decision within the specified time - by labour arbitration. Collective labour disputes on non-compliance with a collective agreement, agreement or some of their provisions, as well as in case of non-compliance with

<sup>&</sup>lt;sup>23</sup> Verkhovna Rada of Ukraine is the only legislative body of Ukraine.

labour legislation are resolved by labour arbitration (Law of Ukraine "On the Procedure for Resolving Collective Labour Disputes (Conflicts)", 2012, Art. 7). It should be noted that consideration by a conciliation commission or labour arbitration is a non-judicial way of resolving conflicts. Thus, for example, labour arbitration is a body that consists of experts and other persons that are involved by the parties and decides on the merits of a labour dispute (conflict). Quantitative and personal composition of labour arbitration is determined by agreement of the parties. The chairman of the labour arbitration is elected from among its members. Labour arbitration may also include deputies of Verkhovna Rada, representatives of public authorities, local governments and other persons. The decision of the labour arbitration on the resolution of the collective labour dispute (conflict) is binding, if the parties have agreed in advance (Law of Ukraine "On the Procedure for Resolving Collective Labour Disputes (Conflicts)", 2012, Art. 11-12).

It should be also noted that National Mediation and Conciliation Service has been established and operates in Ukraine. This service aims to improve labour relations and prevent the emergence of collective labour disputes (conflicts), their forecasting and assistance in their timely resolution, mediation to resolve such disputes (conflicts). This body is modelled on similar services operating in other countries such as: Federal Mediation and Conciliation Service in the United States, which has been operating since 1917, the Arbitration and Conciliation Advisory Service in Great Britain (operating since 1896), and the National Mediation Service in Sweden (functions since 1899).

Thus, in view of the above, we can state that alternative, out-of-court methods of resolving conflicts are used to resolve collective labour disputes in Ukraine.

A radically different situation arises with the resolution of individual labour disputes in Ukraine. Current Labour Code of Ukraine provides only two ways to resolve individual labour disputes: 1) consideration by labour disputes commissions; 2) consideration of labour disputes in courts. At the same time, for some categories of labour disputes there is a mandatory court procedure for their consideration and resolution. In particular, these include issues related to the reinstatement of the employee at work, compensation for material damage

caused by the employee to the company and others (Labour Code of Ukraine, 1971, Art. 221, 232).

According to Art. 224 of the Labour Code, the commission on labour disputes is a mandatory primary body for the consideration of labour disputes arising in enterprises, institutions, organizations, except for disputes for which there is a mandatory court procedure. Although this rule establishes a mandatory pre-trial procedure for certain categories of labour disputes, it should be noted that it is generally not enforced in practice. This is explained, firstly, by the fact that the Constitution of Ukraine guarantees everyone the right to judicial protection and right to go directly to court to resolve the dispute. Secondly, commissions on labour disputes are formed at enterprises where the number of employees is more than 15 people (Labour Code of Ukraine, 1971, Art. 223). Given the above, it can be stated that today in many enterprises such commissions are not formed at all, and in those enterprises where they operate, the effectiveness of their work is questionable, in particular, because of the fact that such commissions cannot be called impartial and independent from employer.

In view of the above, we can say that the judicial procedure for resolving labour disputes today is essentially the only way to consider and resolve this category of cases in Ukraine. As a result, a large number of such cases, along with other categories, causes an overload of the judicial system, violation of reasonable time limits for consideration of cases. In addition, judicial statistics show that more than half of the decisions of the courts of first instance are subject to review by the courts of appeal. This is due to the fact that in a court case one of the parties will not be satisfied with the decision, because the decision is always in favour of one or the other party and cannot satisfy both parties at the same time (except the situation when in court parties enter into amicable agreement). This fact also complicates the process of enforcement of decisions and often participants in the process must apply to the competent authorities for enforcement of court decisions. Given the above, the introduction of alternative ways of resolving labour disputes is a reasonable and justified step for Ukraine.

Analyzing the alternative ways of resolving disputes that can be used in labour cases, we can identify the following:

1) Mediation. Mediation as a way to resolve labour disputes is widely used in the European Union. Mediation is a process of resolving a dispute by negotiations of the parties with the participation of independent mediator. It should be noted that the basis for the formation of the institution of mediation was the Directive of the European Parliament "On some aspects of mediation in civil and commercial disputes" from 21.05.2008. As for the introduction of mediation in Ukraine, this issue has been studied and discussed within the legal doctrine for many years. But the lack of legal regulation is an obstacle in the process of out-of-court settlement of labour disputes. At the same time, draft laws "On Mediation" were submitted to Verkhovna Rada of Ukraine more than once. It should also be noted that on August 7, 2019, the Minister of Justice of Ukraine signed on behalf of Ukraine the UN Convention on International Agreements on the Settlement of Disputes Based on Mediation (Singapore Convention on Mediation). Thus, in order to ratify and implement this Convention Verkhovna Rada has currently registered Draft № 3504 19.05.2020, which defines the main provisions, in particular, on the scope of mediation, its procedure and the status of mediators. According to this document, mediation is proposed to be considered as a voluntary, confidential, structured procedure, during which the parties with the help of a mediator (mediators) try to resolve the conflict (dispute) through negotiations. Thus Art. 2 of the relevant draft stipulates that mediation can be used in any conflicts (disputes), including those arising from employment relationships. However, so far this act only exists at the level of the Draft, and therefore mediation is not yet applied at the legislative level in Ukraine.

It should be noted that the lack of proper legal regulation of mediation in Ukraine is not the only problem on the way to the dissemination of this procedure for dispute resolution. The second obstacle is the lack of awareness of citizens and the established mentality to turn exclusively to the judiciary to resolve legal conflicts.

2) Reconciliation. Analyzing international law, we can note that states, in particular EU member states, have enshrined in the provisions of labour codes such way of resolving labour disputes as conciliation. For example, Chapter 12 of the Labour Code of Poland provides the possibility of implementing a conciliation procedure between the parties of a labour dispute. This procedure is carried out by involving conciliation commissions. The Labour Code of Belarus

also provides the possibility for employers, with the consent of trade unions, to establish conciliation and mediation bodies for the settlement of individual labour disputes (Labour Code of Belarus, 1999, Art. 251). It should be noted that neither the current version of the Labour Code of Ukraine, nor the existing drafts of the Labour Codes do not provide such conciliation procedures, which is of course a disadvantage of such drafts.

3) Arbitration. Arbitration of labour dispute is the resolution of relevant disputes within non-governmental independent bodies, which are formed by agreement of the parties of the conflict and direct their activities to the consideration and resolution of the dispute that has arisen between these parties. The Law of Ukraine "On Arbitration Courts" within Art. 6 stipulates that the jurisdiction of arbitration courts in Ukraine does not include the consideration and resolution of labour disputes. It should be noted that the situation is different within the framework of European legal regulation. For example, the French Labour Code defines that an employment contract may provide the possibility of applying an arbitration procedure to settle an employment dispute. The arbitrator shall be elected by agreement of the parties. The parties shall ensure that the arbitrator has access to all documents that need to be examined to resolve the dispute. However, the arbitrator may not consider issues that go beyond the existing conflict. The decisions of the arbitral tribunal shall be binding.

The advantage of this method of resolving a dispute is its efficiency, speed and effectiveness. In this case, the disadvantage may be the high cost of the procedure itself. However, in our opinion, arbitration can be a good alternative to litigation, which for the most part requires a significant amount of time and effort on both sides of the dispute.

In addition to the mentioned alternative ways of resolving labour disputes, the experience of resolving labour disputes by labour dispute commissions in Lithuania, which operate outside enterprises, is certainly interesting and deserves attention. This procedure, of course, has its advantages, which include: 1) speed of proceedings; 2) the possibility of enforcement of the commission's decisions; 3) the composition of the commission. At the same time, it is noteworthy that the decision of the commission is not a voluntary agreement reached by the parties as a result of negotiations (a compromise), but still the position of the commission members, which they take as a result of the case.

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#### Conclusion

Analysis of the current procedure for the consideration and resolution of labor disputes in Ukraine and Lithuania has given the opportunity to draw the following conclusions and suggestions:

- Judicial protection of labor rights that is provided today in Ukraine and Lithuania should undoubtedly take place but other ways of settling labor disputes should be also provided.
- 2) The practice of Lithuania on the functioning of LDCs deserves attention. The activity of these bodies seems to be successful, statistics show that every year more and more people turn to these bodies to resolve their disputes. We believe that this experience should be implemented in current Ukrainian legislation.
- 3) Despite the positive experience of the functioning of LDCs in Lithuania, we believe that other alternative ways of resolving labor disputes, in particular, for example, mediation should also be used. This method will allow the parties to come to a common decision, which in turn will ensure that such decision will be implemented.
- 4) We consider it expedient to propose for the settlement of individual labor disputes in Ukraine, in addition to litigation, to use mediation, arbitration and consideration in LDCs. In view of the above, it seems necessary: a) adoption of the law "On Mediation"; b) amendments to the law "On Arbitration Courts"; c) adoption of a new version of the Labor Code of Ukraine and introduction of a system of LDCs that are operating in Lithuania.

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