

Ministry of Education and Science of Ukraine
Poltava Technical National Yuri Kondratyuk University

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Kuznetsova Yulia**

EMPLOYMENT MANAGEMENT

WORKBOOK

**FOR STUDENTS OF SPECIALITY
051" ECONOMICS "**



Poltava 2018

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The Workbook comprises the content of the lecture course on
Management Employment, the issues for self-study of educational material,
tests.

The manual also contains a list of recommended literature for processing
and consolidating material during self-study and tutorials, preparation for the
final academic performance rating.

The manual is destined for university students, post- graduate students,
scholars, teachers, specialists of state executive authorities and local self-
government, studying the economy and the labor market.

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INTRODUCTION

Employment management, or management of workplaces creation, is, in fact, a social management, which in the broadest sense of the word is the management of all and any social processes; in the narrow sense - the management of processes and phenomena of the life social sphere, a means of implementing social policy.

According to its task, the employment management system is a set of organizational structures and mechanisms (methods, means) of management, which provides population employment. Therefore, the structure of the employment management system includes employment services (bodies, divisions and organizations) at all levels that regulate employment and interact with employers, trade union bodies and other employment entities.

Functions of the employment management system are adequate to the general functions of management, and its private functions are derived from the specific features of the object: goal-setting, forecasting, planning, organization, coordination, control.

Employment management approach practically excludes administrative influence and relies on the preconditions of another kind:

- legal support (legislative and other normative acts regulating conclusion of labor contracts, duration of working time, retirement age, allocations and state employment fund);
- organizational support (information systems, vocational guidance systems, training and retraining of staff);
- social guarantees (unemployment benefits, employment quotas for citizens in need of social support);
- economic measures (fiscal policy, tax system, loan rates, financing of national economic priorities, government contracts).

Employment management is a form of employment policy implementation, a set of conscious purposeful actions, through which it is carried out.

The essence of employment management is that, taking into account the demographic and socio-economic situation in the country, to create the necessary conditions for population full employment, protection of the work of citizens, improving the quality of manpower through the formation of the legislative and regulatory framework, as well as the implementation of socio-economic reforms and programs of the mechanism for the international standards introduction .

- Employment management objectives are:
- creation of conditions for raising the employment level and reducing unemployment;
- creation of conditions for improving the labor force quality and qualifications;

- improving the possibilities of protecting the population from unemployment, improving the work of employment services;
- ameliorating the image of country on the world stage upon employment indications;
- integration of the country upon these indications into the world community.

Ways of achieving employment management objective are:

- development and implementation by the Government short and long-term economic growth programs (reforms) and improving the welfare of the nation through strategic planning, management and entrepreneurship, the mechanism of individual subsystems interaction of the general labor market system.

The purpose of studying the discipline " Employment Management " is the formation of students knowledge, skills and competences for the effective use of the theoretical and legal foundations of employment regulation in practice of forming employment policy at the state and regional levels.

To achieve this goal, the following tasks are to be solved:

- to form students' stable knowledge of the modern employment and its directions regulation theories basics;
- to help students to acquire practical skills in solving current problems in the labor market;
- to make future specialists aware of the focus area of state employment centers and social institutions on the effective employment;
- to contribute to students' research activity, their self-dependence and responsibility development;
- mastering the methods of collecting, processing and analyzing information on employment in market conditions;
- ability to use acquired knowledge in practical work on solving the employment problems in modern conditions.

The discipline «Employment Management» is naturally considered as an independent subject of the «Labor Market» course, taking into account the great importance of state and regional employment regulation. It makes possible to study in great detail its methodology and practice of applying economic laws. In addition to the discipline «Labor Market», «Employment Management» is closely linked with the courses: «Economics of Labor and Social-Labor Relations», «Labor Potential Management», «Social Economics», «Macroeconomics». The workbook is destined for students of the specialty 051 «Economics» and university students of other economic specialties.

1.Theoretical basis of poplation employment providing

1.1. Basic theoretical and methodological approaches to the development of the employment theory

1.1.1. Employment as an economic category: nature and function.

1.1.2. Classical, Keynesian and Neo-Keynesian Employment Concepts. Contemporary employment concepts.

1.1.3. Conceptual division of employment. Employment forms and types classification.

1.1.1. Employment as an economic category: nature and function

In the system of social and labor relations, employment is the most important element and one of the main macroeconomic indicators. In any country, employment is the head component of state social and economic policy.

Employment is a socio-economic phenomenon, and therefore it has an economic and social nature.

The economic nature of employment consists in the activity of people to create a gross domestic product (national income). Thus, the more people are employed under any other conditions, the more material and spiritual values are produced in society, the higher is the standard of living. This is the first main conclusion on which socio-economic policy and state employment management are based.

The social nature of employment reflects the need of a person in self-expression and self-affirmation through socially useful work, as well as the degree of his needs satisfaction in the income at a certain level of socio-economic development of society. Hence the second main practical conclusion on which the state social and economic policy in the field of employment management is based: if society is aimed at social and economic development, it can not be fussed about those people who wish to work, but for some reason do not have work. After all, people who do not have work, but want to work, marginalize and slip on the edges of society.

This is the nature of employment that gives grounds for clear identifying employment as the most important element of the socio-economic policy of the state. Hence the main functions of the population employment are :

- providing life and development of society, including its disabled members;
- providing life and personality development;
- labor force quality providing.

These employment functions provide narrow, simple or extended population reproduction, as well as extensive or intensive reproduction of the labor force.

The nature of employment and its functions are reflected in the Law of Ukraine «On Employment of the Population» (Article 1), namely: «Employment of the population is a socially useful activity of citizens, which is connected with satisfaction of personal and social needs and such, which usually brings them income in cash or in another form».

Employment also has **demographic content**. The demographic state of a society depends to a large extent on the development of its productive forces, their reproduction, the economic load on the able-bodied population of able-bodied age, social labor productivity, state of the society labor potential use . Therefore, consideration of employment in the practical aspect, without taking into account the specific gravity of different demographic groups of the population, is impossible. Taking into account the socio-economic essence, the demographic situation in the country, the Law of Ukraine «On employment of the population» considers as **employed** the following categories of people:

- full-time or part-time (weekly) employees at enterprises, institutions and organizations, regardless of ownership, at international and foreign organizations both in Ukraine and abroad;
- citizens who independently provide themselves with work, including entrepreneurs, persons engaged in individual work, creative activity, members of cooperatives, farmers and their family members involved in production;
- citizens elected, appointed or approved for a paid position in state and management authorities, public associations;
- citizens which are in the armed forces of Ukraine, the Security Service, the border troops, the forces of internal and guard security, the bodies of internal affairs, other military formations of Ukraine, in an alternative (non-military) service;
- persons undergoing vocational or advanced training off – the- job and studying in day-time secondary schools and higher educational establishments;
- working citizens of other countries temporarily staying in Ukraine and performing functions which are not related to the providing of embassies and missions.

The employed people also include citizens who are engaged in socially useful work such as children or sick persons care and household management.

According to this Law, unemployed people in Ukraine include able-bodied people of able-bodied age who do not have a permanent or temporary job, who are not looking for a job, are not registered with the state employment service and have income outside the work activity.

Temporary unemployed people are able-bodied people of able-bodied age who do not have suitable work, applied to the state employment service and registered as job seekers.

1.1.2. Classical, Keynesian and Neo-Keynesian Employment Concepts.
Contemporary employment concepts

Employment reveals the main direction of social development of an individual and society as a whole through satisfaction of their needs both in the workplace and in connection with labor. Each stage in the society development corresponds to a certain concept of employment, because it highlights the processes of functioning of society.

There are the following theoretical and methodological approaches to employment and unemployment. They depend on conceptual orientation of economic analysis.

Marxist approach (K. Marx, F. Engels, representatives of the Russian economic school – G.A. Lopatin, N.I. Ziber). Historically, in line with this approach, some of the first theoretical developments on the problems of labor and unemployment have been carried out. According to this approach, the labor market is seen as a labor force market, and the unemployed people - as an "industrial reserve labor army" or as a "surplus labor force". At the same time, only one cause of unemployment was discovered: an excessive number of the working population as a necessary product of the capital accumulation era. The growth of capital leads to the division of the working class into an active and reserve labor army, whereby the industrial reserve labor army may increase or decrease, but it never ceases to exist. That is, unemployment appears in the form of an indelible vice of the capitalist society. Hence the conclusion: in order to get rid of social vice, in this case unemployment, it is necessary to change the social order.

Neoclassical approach. In Western economic theories labor (employment) is considered only as one of the productive resources which are distributed through the market. Supporters of this concept, J. Perry and R. Hall, believe that the labor market, like all other markets, operates on the basis of conditional equilibrium, that is, the main market regulator is the price of labor, in this case, wages. In their opinion, it is with the help of wages, that demand and supply of labor are regulated, and market equilibrium is maintained. From the neoclassical concept, it follows that the price of labor is realized according to the needs of the market and is established automatically, depending on demand and supply of labor; unemployment, if is possible, only as voluntary.

Keynesian approach. The concept of J. M. Keynes relied on the social realities of the 1930s, when in many countries the economic crisis prevailed, and mass unemployment and social conflicts led to changes of political regimes in a number of states.

The labor market is considered as a phenomenon of constant economic equilibrium. The Keynesian model is based on the fact that the price of labor (wages) is institutionalized and does not change, especially toward reduction.

Thus, according to the Keynesian model, the labor demand, is governed not by fluctuations in market prices for labor, but by aggregate demand determined by public policy. For example, one of the classics of Keynesianism,

E. Hansen considers three types of anti-cyclical programs for regulation of employment and unemployment: 1) built-in flexibility mechanism; 2) automatic compensating parameters; 3) controlled compensation programs.

Monetarist approach. The most famous supporters of the state regulation neoclassical model are representatives of the monetarist school, primarily M. Friedman. Monetarists introduced the concept of natural unemployment.

In order for the market to be balanced, monetarists propose the use of monetary and credit policy institutions, , also other measures aimed at the development of entrepreneurship are foreseen, that a number of direct forms of economic activity state regulation are eliminated - a policy of deregulation is being implemented. These measures include the elimination of regulation for prices and wages, and so on.

The contractual theory of employment, introduced in the mid-1970s by M. Bailey and D. Gordon, represents a significant interest. Its character feature is the emergence at the junction of several concepts. The heart of this theory is the provision that entrepreneurs and workers enter into a long-term contractual relationship. These contractual relationships link the agents to the labor market even when they do not enter into a written contract in legal form. In this case, the contract becomes implicit, that is, an implicit, legally not executed agreement, the terms of which both the entrepreneur and the hired workers still want to follow because it is mutually beneficial. And employees who have special education and professional training on the profile of the company and entrepreneurs are interested in to maintain their relationship quite stable and lasting. As a result, a conditional agreement between the workers possessing special training and the entrepreneurs arises. This is an implicit contract, which they follow not because it is required by the legal agreement, but because it is efficient. Currently, the contract theory of employment is one of the theoretical foundations of the labor market functioning mechanism.

Consequently, the Marxist and Keynesian concept of the labor market considered the fact of unemployment as "inevitable unemployment" and "forced" phenomenon, that is due to external social causes. In neoclassical and monetarist concepts, unemployment is seen as a "voluntary" and "natural" phenomenon, that is, the emphasis here is on the private motives.

None of the approaches considered separately does not fully characterize either the unemployment phenomenon, nor the employment phenomenon , and all of them together do not cover all problems of the labor market and labor force. New approaches and ideas are now being considered within the social (socio-economic) paradigm, which does not so much deny the economic approach, rather develops it.

When analyzing the sociological approach to the problems of employment and unemployment, several theoretical and methodological prospects can also be distinguished. The whole system of social and labor relations can be divided into

two large blocks. The first block covers relations in the field of labor and employment in terms of inclusion in socially meaningful forms and forms of labor activity. The main thing here is the way of labor force distribution at workplaces. The second block covers relations within the productive sector, which are related to the division of labor between the employed people. In the modern socio-economic literature dealing with the problems of employment and unemployment, it is common to denote these two blocks of social and labor relations, respectively, as the external and internal labor markets.

The above-mentioned approaches to the characteristics of the individuals' behavior in the field of employment have been embodied in numerous socio-economic studies, carried out both by economists and sociologists.

Currently, the problems of employment and unemployment are generalized and are being theoretically developed mainly within two sociological disciplines: sociology of labor and economic sociology.

Sociology of labor is a part of general sociology, which subject of study is a diverse set of social-labor relations and social processes in the field of labor. Moreover, the sociology of labor is oriented mainly to the domestic labor market. Economic sociology considers (in the aspect of employment and unemployment) the external labor market problems.

Study of the employment and unemployment problem is also carried out within the sociology of management. This approach focuses primarily on the study and synthesis of specific social management technologies for employment. Studies of employment and unemployment problems within social work is focused on finding social technologies for the unemployed people.

The concept of employment as a social and economic phenomenon is not something unchanged. It corresponds to a particular stage of the society socio-economic development. Therefore, its priorities, development lines and other aspects may change, leaving, however, the socio-economic essence of employment unchanged.

1.1.3. Conceptual division of employment. Employment forms and types classification

Conceptually, the employment of the population can be divided into the following forms: complete, global and forced.

Total employment is a type of employment in which the supply of labor is fully covered by labor demand in social production. Full employment of the able-bodied population means the use of all labor resources. The full employment of the population in the macroeconomic sense must not be confused with the full employment of an individual, which is determined by the individual use of working time: part-time or full-time (week).

Full-time employment in a macroeconomic concept can be achieved at any level of labor engagement if this level meets the needs of the population in

workplaces in the terms of economic feasibility of the proposed workplaces. **An economically efficient workplace** is a workplace that allows a worker to achieve high productivity and earn enough income.

Full employment can never be 100% because there is always some level (4-6%) of voluntary unemployment. Even in Soviet times, when the need for workers was the highest, the maximum employment of the population of Ukraine did not exceed 97.6%. There are always a certain number of able-bodied citizens of able-bodied age who, for various reasons, do not work or do not want to work.

Global employment is the consideration of all types of useful activities both in social production and outside of it, that is, household management, child and sick people care, temporary employment of citizens. Global employment can also include unregulated and shadow employment in terms of labor productivity.

In accordance with the Constitution of Ukraine (Article 43) and international norms, a person chooses any type of employment voluntarily, except that the forced employment under court sentence or under emergency state or in other cases, if they are stipulated by law.

– Types of employment are classified according to the following features:

- according to the form of working time organization - full, incomplete, visible, invisible, voluntary, forced;
- according to the status - primary and secondary;
- according to the nature of the organization of workplaces and working hours - standard and non-standard;
- according to the stability of labor activity - permanent, temporary;
- according to the the form of legal regulation - legal, illegal, unregulated.

In addition to **full employment** according to the working time organization of a person, there is the concept of part-time employment. **Part-time employment** may be voluntary use of incomplete work shift (week) according to the employee's consent or desire. It has a social character (retired people, endow citizens, people who have their health worsened, mothers who have children of minority age, etc.). But there also may be **incomplete forced employment (hidden unemployment)**. It has an organizational and economic character, that is, it arises due to various production and business problems (untimely supply of raw materials, components, sales decline, various idle periods, etc.).

Visible part-time employment is a concept used by statistics. This is employment that can be measured through wages or through sample surveys.

Invisible part-time employment is an analytical concept used to represent an imbalance between labor force and other factors of production. It can be defined at low incomes and low labor productivity.

Primary employment is the employment of citizens at their main place of work (where the work-record book is located). It should be the main source of income. Although additional employment may be unregulated employment, which income is often higher than at the main place of work. Primary employment in this case serves more for the legal definition of a person as an

employed one than the main source of income.

Secondary employment includes additional employment, in another enterprise or not regulated employment for obtaining additional income.

Standard employment is the employment at a specific workplace with standards of statutory time of work, with a definite beginning and end of the working day.

Unconventional employment is the employment that does not have certain standards and full regulation of working time. These are temporary, seasonal employment, self-employment of citizens and their families, seasonal work, etc.

Permanent employment – is the employment at a permanent place of work.

Temporary employment is related to the temporary or seasonal nature of work, as well as to the individual occasional work of the individual.

Legal or regulated – is the employment, which is not prohibited by law, regulated by state legislative acts, and from which taxes are paid. It includes the work of hired workers at organizations of any form of ownership and management, individual work activities, other types of registered activities.

Unregulated (sometimes informal) **employment** - it is not regulated by state acts of citizens activity, which is excluded from the sphere of official social and labor relations. It is carried out without a written employment contract, it is not taken into account by state statistics and from which no taxes are paid. It includes different types of trade beyond the norms and rules established for this purpose, "economic" tourism, home-made and cooked various unsustainable conditions food products for sale, jobbing workmen (brigades of builders and repairers), unlicensed tutoring and other types of permitted, but hidden from registration activity. Unregistered employment is not identical to a criminal one, but is at its fringe.

Unregistered employment, due to its enormous scale, significantly affects the formation of the labor market and, in general, socioeconomic and psychological processes that take place in society. Its main threat (together with hidden unemployment) is the deterioration of labor morality, the deskilling of labor, the loss of professional interests and skills, the expansion of the shadow economy and the marginalization of a large part of society. However, unregulated employment largely removes state care for the employment of citizens.

The purpose of **illegal employment** is to conceal prohibited activities (clandestine production of weapons, explosives, drugs, medicines, vodka, etc.), or illegal hiring of workers and their excessive, almost slavish exploitation.

If unregulated employment has the sole purpose of hiding income, the purpose of illegal employment, besides this, is to hide the forbidden activity and its participants.

It should also emphasize the main characteristics of employment for **its**

socio-economic nature. In this aspect, employment can be productive and unproductive.

Productive employment (sometimes the term “efficient” is used -) - is a such activity, which at the expense of useful and highly-productive labor creates the resources which are necessary for the society development and gives the employee income not less than necessary to reproduce his physical, intellectual and professional qualities, that is, at least, makes it possible to simply reproduce the labor force.

Employment that does not meet these criteria is **unproductive**. It can include the production of defective and illiquid products, employment in the shadow economy, unregulated and illegal activities. The shadow economy, unregulated and illegal employment does not allocate money from their activities, thus not giving the society resources, and therefore do not meet the main criterion of productive employment.

Efficient employment should be defined as the degree of the labor use. But Professor R.P. Kolosova gives the definition and characteristics of employment, which almost coincide with the definition of productive employment. Population employment can be considered efficient, if it provides sufficient income, health, development of the person, raising the educational and professional level of each society member, based on the growth of social productivity. These are the following characteristics:

– proportions of the society labor resources distribution according to the nature of their participation in socially useful activities;

– the level of employment of the able-bodied population in social production;

– the structure of the employees distribution in the economy branches, which represents the proportions of the labor potential distribution by the activity type;

- professional qualifications structure of the workers, which reflects the division of labor among the professional qualifications structure.

Questions for self-study:

1. Modern employment theories.
2. The economic, social and demographic nature of employment.
3. Non-standard forms of employment.
4. Structure of employment in Ukraine and Poltava region.

1.2. Labor market as a regulator of employment and unemployment

1.2.1. Employment scope, labor reproduction and social division of labor.

1.2.2. Labor cost and price. Duplicity of the labor market and its impact on employment, the link between the flexibility of the labor market and employment.

1.2.3. Employment in the basic models of the labor market.

1.2.4. Discrimination in the labor market and employment.

1.2.5. Types of unemployment and migration. Socio-economic and psychological consequences of unemployment.

1.2.1. Employment scope, labor reproduction and social division of labor.

Since the labor market is an economic form of labor, employment can only be done on the labor market. If the circulating part of the external labor market, that is, the scope of the labor force outside of a specific organization, contains only unemployed citizens, they get employment at the internal labor market (labor movement field at the enterprise) where the purchase-sale of labor is taking place.

The potential labor market as part of the external labor market is called potential, because there is a certain potential of hired workers who at any moment can enter the circulating labor market in search of work. In addition, a certain category of citizens (farmers, entrepreneurs, servicemen, students, full-time students, etc.) are employed in this part of the labor market. Therefore, the population is not a given and constant value. As is shown in the socio-organizational structure of the labor market, it is in constant motion, always quantitatively and qualitatively changing. It is this change that is the object of state regulatory intervention.

Providing the life of the society and the development of the individual as a function of employment is carried out in the labor market through the phases of reproduction of labor resources: formulation, distribution, redistribution and use. The labor market is a sphere of labor force reproduction, a special, proper to developed goods-money relationship, the way of its inclusion in the economic system. Such inclusion of the labor force into the economic system is carried out through employment. Through employment, the matching of the labor price is compared with the state of its reproduction.

The primary labor market is a market where so-called "good" jobs are available. They are characterized by five characteristics:

- stable employment;
- high wages;
- official career availability ;
- use of advanced technologies that require highly skilled workers;
- availability of strong trade unions.

Specialists and highly skilled workers engaged in high-tech and complex manufacturing processes belong to this labor market.

The secondary labor market, unlike the primary one, has reciprocal characteristics. It contains «bad» works, and it has the following features:

- high turnover of personnel;
- low wages;
- lack of career possibilities;
- use of primitive technology;
- lack or weakness of trade unions.

The secondary labor market includes low-skilled workers of simple auxiliary industries and auxiliary workers of the main industries.

The reasons for this division are as follows. First, the technology state of the company determines the structure of jobs. Not all jobs require high qualifications. At enterprises, especially at large ones which requires skilled workers (for example, auxiliary workshop of a fuselage locksmith), there are auxiliary jobs that do not require special knowledge. At the same company there are lifters, cleaners, loaders and others related to the secondary labor market.

Secondly, production depends on market conditions and recessions. Under such conditions, enterprises should be able to increase or reduce the amount of labor. Therefore, their staff is divided into permanent and temporary workers related to the secondary labor market. The reducing of its size is carried out at the expense of the latter.

The division of the labor market into primary and secondary is of practical significance not only for employment regulation at enterprises, but also for local government employment services (SES), which are directly involved in the promotion of job placement of the unemployed people.

1.2.2. Labor cost and price. Duplicity of the labor market and its impact on employment, the link between the flexibility of the labor market and employment

If there is demand and supply of labor, then the special place is for the cost of labor, with which its price and the economic nature of wages is organically linked. The role of wages in the labor market is primarily due to the fact that it is one of the main tools in the competition between employers for attracting the most skilled workers to the company. In their turn, wages themselves are the subject of negotiations between employers and employees in the establishment of employment conditions. In a situation where hired workers compete with each other about a vacancy, it is wages that determine the degree of a particular workplace attractiveness.

Thus, **wages** should be understood as a full remuneration, which includes wage, extra earnings, bonuses, other benefits and benefits that an enterprise provides to its employees. It is necessary to distinguish nominal and real wages. Nominal wages are the amount of money received for a certain working period or for a specific workload. Real wages are the number of goods and services that can be purchased at nominal wages, in other words, it is the purchasing power of nominal wages - it is necessary to judge the true size of your earnings by the quantity, quality and assortment of those life's goods that you can buy for your salary. It depends not only on the size of the nominal wage, but also on the movement of prices for consumer goods. Here you can distinguish three variants of the ratio of nominal and real wages:

a) nominal wage increases with the increase in prices of consumer goods - in this case real wages are unchanged, as the purchasing power of money wages are kept;

b) the nominal wage ahead of the growth of prices on the consumer market - in this case, the real wage increases; the same thing happens if the salary is unchanged, and prices in the market are falling;

c) the nominal wage lags behind the rise in prices on the consumer market - in this case, the real wage falls; the same will happen if the money wage is unchanged, and the prices on the consumer market are increasing. In this case, the minimum labor costs limit, ie the

minimum wage creates price of the commodity mass consumer market, without daily consumption of which labor can be maintained and the labor market as a commodity will lose its former ability to work. Meanwhile, the labor market, like any other market, is in demand for normal quality goods.

If the real salary for any reason does not ensure the normal life and work capacity of the labor force, the labor market quality is reduced, consequently, the vital activity of society as a whole decreases. Thus, the main feature of the labor force price as a productive purpose commodity is that its fluctuations determine the fluctuations in the life of society as a whole. Therefore, an important economic category is the minimum wage.

Flexibility of the labor market is its ability to adapt quickly to changes in the ratio of labor demand and supply at the expense of high levels: general and vocational education, labor force activity and mobility, and changes in the regulated working time (day, week, year). But the main thing is that the flexibility of the labor market is, at the same time, the flexibility of the labor relations that take place there. The labor market can be flexible or rigid, depending on what relationship has been developed between employers and employees and what opportunities are available to regulate this relationship.

The labor market flexibility contributes to the deepening of the labor market duality, pushing an increasing number of unemployed into the periphery. Embodiment of employment flexible forms in case of a shorter working day (week), division of the workplace, etc, especially contributes to this. This contradiction is objective and shows the complexity of combining economic and social goals, short-term efficiency and long-term prospects in the field of employment and employment.

The following factors influence the flexibility of the labor market or its rigidity: the developed or underdeveloped competitive environment, rational or non-rational labor costs, developed or undeveloped integration into the world labor market, and the age structure of workers.

Flexible forms of employment (FFE) are part or parcel of the labor market flexibility, in which there is a change of the regulated working time. Their nature provides the employee with the opportunity to choose between free and working time both by the amount of time and by the mode of its use. But one should bear in mind the fundamental thesis: FFE can be used only at those enterprises or at its separate units, where it is allowed by organizational and technological process of production and the state of industrial relations (the cooperation labor level, technology, relations between employees and employers and employees themselves).

The marketing of the intra-firm labor market serves as a precautionary measure to provide the organization with the appropriate personnel in quantity and quality.

The main objective of the labor market marketing is carried out due to the implementation of the necessary measures to achieve the providing of relevant current tasks and strategic objectives of the staff quantity and quality. For this, the process of personnel management in the organization is radically changing.

The strategic problems of personnel management at the enterprise take the main place. This process becomes an integral system. Personnel policy entirely combines the enterprise development concept and is expressed in the complex of its branches.

1.2.3. Employment in the basic models of the labor market

Every country has its own socioeconomic strategy that takes into account the characteristics of its population, which manifests itself in the inherent mentality, the level of education, cultural environment and traditions. Accordingly, a model of the labor market should be chosen. There are three main models.

Paternalistic model. Its main feature is the care about the employee by the employer. The most completely this model is implemented in Japan, where its foundation was a «lifelong» hiring. This system provides guarantees of employment for employees up to retirement age and the growth of all payments in accordance with the length of service.

Such a system involves the training and retraining of personnel within the organization. The organization, counting on the prolonged use of wage workers (in 10 years, three or four scheduled relocations within the firm), causes the desire to solve the problem of redundant labor force not at the expense of layoffs, but at the expense of the working time reduction, the transfer by mutual agreement of subsidiaries, etc. The length of working time in Japan is the greatest among developed countries. This is a peculiar «pay» of workers to employers for the benefits of «lifelong» hiring.

In this case, the state is engaged in employment regulation and social protection of the population, mainly at the macro level, providing companies and enterprises according to the paternalistic concept of laws and state regulations.

– Social-Democratic Model. It relies on active policy in the labor market. Its paragon is Sweden's labor market. It was here that in the 40's and 50's of the last century, R. Meidner and G. Rehn formed this concept. The main elements of the Swedish model are:

– indirect taxes on goods and services that hinder the rapid growth of demand and inflation, stimulate the bankruptcy of unprofitable enterprises. The increase in profits is restrained in order to avoid inflationary competition between high-income enterprises;

– equal pay for equal work, regardless of the enterprise financial condition. This forces less profitable enterprises to reduce the number of employees or even stop their activities, and more profitable - to pay below their possible level;

– a combination of low inflation and full employment in the long run, in particular through enterprise subsidies to keep uncompetitive workers or providing them with jobs in the public sector;

– selective state support for employment in ineffective spheres of the economy, which provide socially necessary services.

The Swedish model effectively worked for 25 years - until the mid 70's, when inflation sharply increased and national debt increased. In 1991 there was

a new recession, this goes to prove the need to make allowances to this model.

The social-democratic model can also include the labor markets of Germany, France, Austria, Finland.

Liberal model is peculiar to the USA, Canada, Australia. It is characterized by a pronounced decentralization associated with the federal structure of the country and the corresponding existence in each state of its own legislation on employment and unemployment. The labor force in these countries is characterized by a high level of mobility. The liberal model is the most dynamic, since its basis is the subsidiary type of social and labor relations, when all is aimed at preserving the rights of people to self-responsibility and self-realization. A professional career is linked to a change of the official place, and when employers reduce their needs in the labor force, they resort to layoffs rather than the transfer to incomplete employment. It is estimated that about 10% of employees in the United States, including 20 to 40% of young people, change their profession every year.

Ukraine does not still have a well-defined model of the labor market, which is

explained by the transition period. But, taking into account the historical peculiarities of the people mentality, the social-democratic model may be the most suitable for Ukraine.

1.2.4. Discrimination in the labor market and employment

As practice shows, regardless of the model, in any labor market there are at some point the elements of discrimination against citizens. The extent of discrimination depends on the development of social and economic relations, the level of legislative activity (availability and quality of the relevant laws) and, that is the most important, on the reliability of the control over the adopted laws implementation. Since discrimination is an illegal phenomenon, it is difficult to reveal it, because the employer will refuse to hire an employee for virtually discriminatory reasons, but will find many formal legal reasons for refusal.

The theories of discrimination puts forward three main sources of discrimination in the labor market. The first source is the personal bias of the employer, colleagues or consumers who do not like the interaction with an employee of a particular sex or race. The second major source of discrimination is the statistical bias when employers transfer certain features of the group to individuals. The third source is a model according to which attempts to own and use monopoly power are the cause of discrimination.

Discrimination based on personal bias of an employer for one or another motive to a certain category of employees, for example for women, usually leads to some losses by the firm that maximizes profits. If the market has competitive forces, discrimination can not last long. When an employer, for example, has a predominant tendency to employ men at high-paying jobs, despite the fact that women with the same characteristics are at his disposal, he will act as if the work of women is less productive than men. The greater employer's bias is, the more often he underestimates the real productivity of women's work

Discrimination in the labor market not only negatively affects employment and its regulation, impeding the employment of women, young people, persons of pre-retirement age and other categories, but also discrediting public institutions and disturbing their confidence. Therefore, each state fights such a phenomenon, that is an essential part of employment state regulation. In Ukraine there are corresponding services for this purpose, except for law-enforcement agencies. This is an inspection of the State Employment Service to monitor employment law compliance. The Article 24 of the Constitution of Ukraine prohibits discrimination in Ukraine and emphasizes that citizens have equal constitutional rights and freedoms and are equal before the law.

1.2.5. Types of unemployment and migration. Socio-economic and psychological consequences of unemployment

Technological unemployment is a consequence of the release of employees as a result of equipment modernization and carrying out the new technologies.

Economic unemployment is caused by market conditions and the defeat of the commodity producer in a competitive struggle due to poor management of a particular enterprise, a lag in the application of new technologies and equipment. It exists constantly, including Ukraine, but increases with a decline in the economy and a decrease in demand for goods and services.

Regional unemployment is caused by various reasons incident to a specific region, such as the shutdown of coal mines in the Donbas. However, for an individual region, it is either structural, seasonal, or some other type phenomenon.

Technological unemployment is a consequence of the employees release as a result of equipment modernization and the implementation of new technologies.

Seasonal unemployment – is an increased unemployment in the off-season, incident to certain sectors of production, such as agriculture, sugar, meat and dairy industry, etc.

Hidden unemployment is an incomplete forced employment of workers who became unnecessary for various organizational and economic reasons, but continue to be part of the enterprise.

The forms of hidden unemployment are as follows:

- the unprofitable number of employees who receive wages;
- registration of vacations on the initiative of the administration;
- increase of daily and operating shift idle periods because of organizational and economic reasons

Partial unemployment is the loss of a part of the salary as a result of the forced temporary reduction of the normal working hours and (or) breaks in receiving wages or reducing in size because of the temporary production stop without interruption of labor relations for reasons of economic, technological and structural nature. As we see, partial unemployment is not a form of hidden unemployment. This is one of the forms of part-time employment.

In the time aspect, there are two types of unemployment - stagnant and chronic.

Stagnant unemployment includes a steady layer of unemployed marginalized citizens: homeless, beggars, vagrants. It is not necessarily a consequence of a long unemployment period, although chronic unemployment is a significant "supplier" of citizens to stagnant unemployment.

Chronical unemployment arises along with mass unemployment, usually during cyclical recessions, when the creation of new jobs is long behind the available number of hired workers who offer their work. Today it is inherent with Ukrainian labor market. So, in 2001, the average unemployment rate in our country was 12 months, and therefore the stagnant unemployment also was spreading. It should be emphasized that the duration of unemployment is the most important characteristic of the labor market. It reflects the labor market flexibility and the state of employment management.

Migration of the labor force is the displacement of the able-bodied population caused by economic causes. If such a move passes national boundaries, labor migration is international. Migration of the labor force reflects the process of redistribution of labor resources between national economies

The causes of labor migration are different. In general, they can be

divided into two groups: general, which determine the trends of development of all forms of international economic relations, and specific, which are related only to migration. The first group of reasons includes: internationalization of economic life; uneven social and economic development of certain countries; structural changes in the economy caused by scientific and technological progress, which cause the displacement of labor from certain industries and the additional need for others; the economic policy of transnational corporations that concentrate labor-intensive production in some countries and high-tech in others; political and economic instability in some states.

The second group of reasons includes: the differences between countries in the level of wages and social security (in developed countries, wages are several times higher than others, they have better housing conditions, higher levels of health care, education, retirement and social security), which undoubtedly attracts labor from other countries; labor shortage of certain specialties and qualifications (for example, in Western European countries heavy and unskilled labor is performed mainly by immigrant workers, with a special warning being made that a foreigner can take a job if there are no candidates for it among the local population); a relative surplus of labor in many countries, especially in developing countries; differences between countries in opportunities and conditions for professional growth.

There are various criteria for classifying forms of international labor migration. According to directions of its movement we can distinguish emigration (departure of labor outside the country) and immigration (its entry into the country). Depending on the level of qualification, migration of both low-skilled labor force and highly skilled specialists is possible. The first of these flows is directed mainly from developing countries to developed ones.

The second flow is characterized by the transfer of specialists between developed countries, for example, within the EU, as well as their immigration to developed countries from developing countries. This process was called "brain drain". It can take place in an explicit form, when a specialist moves to another country, or remains in it after graduation, and in a secret one, when he does not go anywhere, but employs at an enterprise owned by foreign capital.

Migration of highly skilled specialists is becoming increasingly widespread. Outgoing specialists are primarily attracted by higher wages and living conditions in developed countries, as well as greater opportunities for professional growth.

Almost all countries of the world are regulating the flow of migrants.

Socio-economic unemployment consequences are considered together with the problems of poverty and social instability as one of the most acute global and national problems.

Indeed, during the transition period, the only means to encourage large masses of people to move towards a more rational formation of the employment structure is to squeeze them out of inefficient productions. At the same time, it is

obvious that the holding of bad measures can lead to mass bankruptcy of enterprises and the emergence of such a wave of unemployment, which will inevitably lead to a social explosion. It is necessary to observe "reasonable measures" of rigidity.

The only economic effect of unemployment is very often estimated in the form of the number of redundant workers and the amount of benefits paid, and the social consequences that are difficult to allocate and which are of cumulative character; they are practically not evaluated.

Questions for self-study:

1. Types of unemployment and its socio-economic implications.
2. Flexibility and rigidity of the labor market.
3. Marketing and regulation of the labor market.
4. The labor market situation regarding age and gender discrimination: main approaches and methodology.

1.3 The internal firm labor market and the peculiarities of its regulation

1.3.1. Concepts and elements of the internal firm labor market. Formation and features of the functioning of the internal firm labor market.

1.3.2. Development of the company labor capital as a strategic orientation of the internal firm labor market.

1.3.3. Adaptation of the internal firm labor market to changes at the enterprise.

1.3.1. Concepts and elements of the intra-firm labor market. Formation and features of the functioning of the internal firm labor market

The internal firm labor market is the main part of the sphere where the population is occupied, and plays a decisive role in the processes of labor reproduction and distribution. There is a system of social-labor relations, which are limited within the framework of one organization (in the broadest sense). The main features of the internal firm labor market are that, firstly, the price of labor is determined within this limitation, and secondly, it is carried out according to administrative rules and procedures established at a particular enterprise, subjected to mandatory legislative acts.

At the macro level, through the internal firm labor markets, there is an aggregate demand and aggregate supply of labor. Therefore, the state should develop and apply such measures, which, in accordance with economic laws, would have a regulatory effect on administrative decisions of enterprises of any ownership form and subordination.

In this aspect, the important part of the internal firm labor market, which

needs state influence, is the internal firm labor movement. At each enterprise there is an imbalance between available labor and workplaces periodically, that is, between demand and supply of labor. Therefore, there are two reasons.

The first reason is the temporary failure of part of the workplaces, with the unscheduled outflow, due to accidents, interruptions in the supply of raw materials, components, fuel, electricity, etc. As a result, a certain number of employees for a certain period of time become unemployed. There is a temporary forced unemployment or internal firm unemployment. Sometimes it leads to the dismissal of workers and their release on the external labor market.

The second reason is the temporary absence of workers in the workplace due to injuries, illnesses, accidents, absenteeism or the emergence of vacancies as a result of the release of workers for various reasons (retirement, military conscription, etc.) from existing jobs or putting into operation new work places

When an imbalance arises from the first cause, the firm tries to maintain this reserve of labor and not spend on the training and qualification of new employees. If the imbalance arises from the second reason, it weakens production discipline and worsens work due to a temporary labor shortage. Therefore, it is necessary to take preventive measures to this phenomenon.

The marketing intercompany labor market, ie a set of management methods and relationships that combine the main functions in relation to internal firm balancing of labor demand and supply, providing its improvement in quality and increasing competitiveness, serves as a preventive measure to provide the organization with the appropriate personnel in quantity and quality.

Програма управління системою створення робочих місць, як правило, пов'язується з розвитком виробництва, умовами відтворення робочої сили, з ефективністю використання факторів виробництва, структурними змінами і пр.

The main objective of the labor market marketing is due to the implementation of necessary measures to achieve the provision of relevant current tasks and strategic objectives of the staff quantity and quality. For this purpose, the process of personnel management in the organization is radically changing.

The strategic problems of personnel management at the enterprise take the main place.

Management program of job creation system, as a rule, is associated with the production development, the conditions of labor reproduction, the effectiveness of the use of factors of production, structural changes, etc.

The term "workplace" can be defined as a physical or economic category. As a physical category, the workplace requires of a worker a certain level of qualification and can use the work of one (individual place) or several employees (collective place). As an economic category working place must also have current assets that provide it with objects of labor, energy, information, wages, etc. In addition, the reproduction of the physical workplace is possible

only if there is a solvent demand for products or services produced with the help of this work place.

Economic workplace is the employment of an employee in the physical workplace (collective or individual), which provides him with a level of income (wages) not lower than the corresponding (for a given region) subsistence rate, in accordance with the rules of the working day (working week) duration established by the legislation.

- The tasks of workplace creation and preservation management are:
 - ~ creation of an information base to form an effective system for workplace creation and preservation;
 - ~ definition of the formed employment structure (regional, branch, professed-qualified, sex-age ones, etc.);
 - ~ definition of the general needs of the population (regional, sectoral) in the workplaces;
 - ~ the main directions of employment promotion, based on general economic trends and the needs to change the employment structure ;
 - ~ determining of priority directions of economic sectors development and socio-economic potential of the regions;
- resolution of labor market stabilization problems in the regions of difficult socio-economic situation.

In addition to the tasks of restructuring the economy structure, it is also necessary to save jobs in strategically important objects and in a number of city-forming industries. It is necessary to create of jobs in the tertiary sector (transport, communications, tourism, information technology, human services) and in socially important areas of production and services (food production, processing of agricultural raw materials), food industry and construction. It is envisaged to protect the industries that provide the economic and social interests of the state, unique high technologies, high level of human resources. An important principle of preserving and creating jobs is preventative measures and cost minimization.

Management of the workplaces creation system is inextricably connected with the formation and regulation of the labor market, the pursuit of an active employment policy.

The significance of domestic labor markets and social guarantees of employment in a market economy manifested itself the most brightly in the concept of "life-long employment," developed and long used successfully at Japanese enterprises.

The experience of Japanese entrepreneurship convincingly proved that the internal firm motion of demand and labor supply should be used as much as possible because of the undoubted advantages over external demand and supply. These advantages are that there are more opportunities to rely on the reliability of the staff; huge profits by creating mobile and professional staff; when moving to new jobs (even if it is horizontal mobility), the dissatisfaction of employees

with the former jobs is eliminated and the possibility of dismissal disappears, that is, the staff turnover is reduced to a minimum and, therefore, the employer's expenses associated with the dismissal of employees and the recruitment of new ones from external labor markets ; at internal movements, conflict nodes are broken.

However, all of these advantages turn into disadvantages from the standpoint of employment guarantees and human resources development, both from the viewpoints of this enterprise employees and from the side of those who offer their labor force in foreign labor markets. Here the social-psychological factors become important, the interior collective relations, the character of interpersonal relations becomes the form of conflict competition for the workplace as a means of life, the intensity of labor increases, including the forced one and it is not compensated by the employer.

Functioning of the internal firm labor market is a set of measures aimed at ensuring conditions for the most effective implementation of labor potential of employees. It should be consistent with the objectives of the organization, protect the interests of employees and ensure accordance with labor legislation in the process of work.

The basic principles of the personnel rational use include ensuring: rational employment of employees; stability and uniform workload during the working period (day, week, month, year); conformity of the labor potential of the worker, his psychophysiological data to the requirements of jobs and production through the transition from one workplace to another; the maximum possibility of performing various operations in the workplace, which ensures alternating loads for different parts of the body and human sensory organs.

Comparison of the planned needs and the actual number of employees makes it possible to determine changes in the number of occupations and job groups, which serves as the basis for the development of personnel development programs. At the same time, vacancies are used primarily for the rotation of personnel, career planning and professional growth of employees, the development of retraining and advanced training programs for the successful mastering of work in the new workplace.

The source of job vacancies should primarily be employees who are free from other types of activities and production sites, since work at each enterprise, at each workplace, requires unique knowledge and skills that constitute specific labor capital. Employees who already work at an enterprise have such specific labor capital, so they have advantages over workers who can be hired in the foreign labor market. Secondly, to acquire a special qualification for a given enterprise, professional training is required at the workplace. Thirdly, the worker who works at the enterprise knows the traditions, informal rules that regulate labor relations at the firm. Each of them has its own complex of labor ethics, which reflects corporate values and determines the production culture of the enterprise, which knowledge and execution will increase the efficiency of

production and achieve stability and conflict-free in the team

The functioning of the internal labor market benefits firms (employers) and hired workers. The benefits for employers are that reducing labor turnover increases the company's returns on the cost for training. In addition, the firm has limited information on the quality of the worker from the external labor market and has enough complete information about its employees. Therefore, the promotion within the firm reduces the cost of hiring and the risk of mistakes while accepting employment. The advantage for employees of the interior firm labor market is the availability of a clearly defined career. It creates incentives for workers to support discipline, productivity and qualifications.

1.3.2. Development of the company labor capital as a strategic orientation of the internal firm labor market

The development of the enterprise labor capital takes place at the expense of labor assessment, the identification of the labor potential of each employee for its most optimal use, further training and retraining of employees.

Staff development for each enterprise is an important area of productive investment. Priority of investment in personnel development is determined by the need to increase the business activity of each employee in order to develop the organization, introduce new technologies, increase productivity, etc.

Successful staff development is conditioned by three factors: knowledge, capabilities and behavior of employees. Knowledge is the basis of the development of staff abilities, it contributes to the formation of personal potential. Opportunities express the conditions for using the knowledge gained, determine their usefulness, implementation. The development of personnel is primarily due to the alignment of employee knowledge and their capabilities. Based on its capabilities and based on its activities, staff acquires necessary experience.

Behavior of the staff plays an increasingly important role in group management and solidarity leadership style. The staff development can not be ensured only through increased knowledge and capabilities. It is necessary to take into account the features of behavior, relationships, interpersonal and informal communications.

There are two groups of knowledge formation and activation methods, capabilities and behavioral aspects: the formation of human resources, staff development; development of each employee potential.

The first group includes methods of organizational development, organizational structures improvement; management style improvement; conflict management, which facilitates interpersonal communications and favorable microclimate creation; technics of group work manager.

The second group includes methods of training and retraining of workers, professionals, professionals and managers; certification training; holding

seminars, conferences, group discussions.

The need for continuous professional training is conditioned by certain factors: the introduction of new technology, technology for the production of modern goods, the growth of communication possibilities; entry into the market with a high competition level; the fact that for the organization is more effective to increase the returns from already working employees on the basis of their continuing training than to hire new employees.

There are two types of vocational training: general (perpetual) vocational training; advanced training and retraining. One element of the human resources management system is (career planning. There are two types of careers: professional and internal organization one.

Professional career is characterized by the fact that a specific employee in the process of his working life has different stages of development: training, entry into employment, professional growth, support of individual professional skills and, finally, retirement. All these stages an employee can go through successively in different organizations

An internal organization career involves a consistent change in the stages of employee development in the same organization. It can be: vertical - raising to a higher degree of a structural hierarchy; horizontal - moving to another functional area or performing a certain official role on a step that does not have a rigid formal attachment to the organizational structure (for example, the role of the head of the temporary target group or the program, etc.). In addition, horizontal career also includes expansion or complication of tasks within the employee's position, with the corresponding change in remuneration. An employee must know not only his short- and long-term prospects, but also the results he must achieve in order to advance in rank.

One of the staff development forms, in particular the senior management, is the creation of a reserve for the senior positions replacement and regular work with it.

Management reserve is a certain group of employees selected to move to management positions based on the evaluation of their professional knowledge, abilities and skills, business and personal qualities. Formation of the personnel reserve should ensure the timely replacement of vacant positions by new employees, the sustainability of the organization management and its structural units; appointment of competent, capable employees; training applicants for positions; constant accumulation of their necessary experience in a new position.

1.3.3. Adaptation of the internal firm labor market to changes at the enterprise

Economics is a complex dynamic system in which the change of economic activity of individual enterprises is constantly taking place. The revival of economic activity increases the amount of production (works,

services), and, accordingly, the increase in the staff number, and the decline of business activity - the staff reduction. Enterprise staff must constantly adapt to such changes, and management is to develop a strategy for managing these processes

To this end, the strategy of the "trefoil" is used, where all staff is divided into three parts: permanent workers, temporary workers, peripheral labor force. In the event of a failing labor-market situation, the so-called "leaflets" fly away alternately, starting with the latter.

The most common forms are the staff adaptation to economic changes.

1) In the permanent staffing and permanent working hours: there is the transfer of employees to other enterprises; reduction of additional voluntary services and special rewards; transfer of work time and holidays; internal staffing; reduction of labor intensity.

2) At a permanent staffing, but with reduced working hours there is: reducing the time of overtime work, the permission of unpaid absenteeism; introduction of part-time work; longtime reduction of regular working hours without wage compensation; transition from full-time to part-time working day.

3) When reducing the staff without layoffs there is termination of employment. Temporary employment contracts are not renewed upon expiration; promotion of fluidity, assistance to employees in finding a job; termination of employment by agreement, early retirement

4) By dismissal of personnel - these are individual dismissals, temporary dismissals; mass layoffs.

The second line of adaptation of workers to economic changes, as it was mentioned, is the dismissal. Providing the widespread use of this adaptation type to economic change, it is important to plan the release of personnel, which is needed to establish and timely or progressively reduce its "surplus". Outrunning staff dismissal planning is widely used in Western European companies. This is because the staff is seen as human capital, as a decisive factor for the success of the company, as staff is to be used for a long period and investments were made in it (for example, in activities related to initial and further training of employees).

Demand in the domestic labor market will increase as workers are released and the number of jobs increase, creating an absolute labor shortage. At the same time demand should be determined quantitatively and structurally. The absolute demand for labor can be quantitatively expressed in human changes or in hours of work, multiplying the number of vacancies by the number of vacancy changes and the number of hours of man hours. Structural demand is determined by two factors: the differences of the reasons for the vacancies emergence:

1) through layoffs;

2) in connection with the creation of new jobs and professional qualifications. Vacancies of the first reason form the current demand, vacancies

of the second reason give birth to a new, additional demand. In these cases, it is necessary to address the external, circulating and potential labor market.

However, if for a sufficiently long time there is no external labor reserve in the potential and circulating labor markets, in the interior firm labor market, the temporary shortage of labor weakens the labor discipline, worsens the quality of work, etc.

The aggravation of the labor shortage at the enterprises is accompanied by the emergence of an internal firm labor reserve, the so-called «intra-factory unemployment», which in countries of market economy is called «unemployment at work» due to the lack of employees at the enterprise at the moment for various reasons. Then, it turns out, it is expedient to have a "reserve" of labor. This is the movement of labor in the domestic labor market.

When technology is updated, the strategy is to reduce the number of jobs, respectively, the number of employees. If the business is associated with strong market fluctuations (either part of the firm, or in connection with the business cycle), the contract hiring strategy is applied. At automated manufacturing firms the strategy of enriching the functions of employees, giving them power in the adoption of business decisions is carried out. On the contrary, by standardizing mass production, a line is pursued to simplify labor functions. The economic internal firm mechanism of staff differentiation based on the criterion of its consolidation, participation in profits, etc., begins to operate.

Recruitment services should be engaged in constant planning of labor resources for mastering the situation in the production and labor market. It is one of the best ways to properly allocate labor resources abroad. It helps the company to anticipate and avoid critical and non-standard situations (for example, sharp contractions or increase staff turnover), to formulate a of training and retraining program of the entire staff, to develop a method for professional promotion of employees, to minimize the cost of wages, keeping it at the same time at a competitive level. In addition, this approach gives workers' representatives the opportunity to make warranties in collective agreements when conducting technical, technological and other industrial and organizational changes.

The basic rights of the personnel include the following.

- 1) Employment and wages. The right to free choice of professional activity must be ensured. Guarantees of such wages should be provided that would allow them to live at an adequate standard of living.

- 2) Freedom of association and negotiation of tariff payment terms should be ensured. The initial provisions are the provisions proclaimed in the documents of the International Labor Organization and recognized in the Law of Ukraine "On Collective Contracts and Agreements". In order to facilitate the resolution of labor disputes, consideration should be given to the introduction and implementation of mediation, conciliation and arbitration proceedings. The guarantees of employment also include the right of everyone to use the services

of employment agencies free of charge. All workers and employees have the right to free movement.

3) The principle of improving living and working conditions must be respected. This process is carried out through the unification of all types of employment contracts that are different from the permanent job (for example, temporary employment agreement, part-time work, temporary work on the basis of a contract with the assignment of labor force by one employer to another, seasonal work). The working conditions of every employed person must be regulated either by law, by a tariff agreement, or by an employment contract.

4) All workers and employees should have access to professional development and must have this opportunity throughout their working lives. All workers and employees have rights to weekly rest and paid annual leave.

5) Equal opportunities between men and women must be ensured and continuously evolve. It is necessary to take measures primarily on issues such as employment, wages, social protection, general and vocational training, as well as opportunities for career advancement.

6) In the field of social protection, all workers have the right to adequate social protection and payment, regardless of the position and size of the organization. All persons excluded from the labor market or because they have not been able to access it, or because they could not be reintegrated into it, and who do not have the means to live, should receive sufficient assistance in an amount appropriate to their individual situation.

7) In the field of occupational safety, compliance with relevant health and safety standards should be observed, and special attention should be paid to the labor protection of children and young people.

Certain categories of workforce require additional guarantees. These are young people, people of retirement age, handicapped people.

8) Staff awareness is a necessary mechanism for providing guarantees in the social and labor field. Organizations need to develop processes for making aware the staff: a) of the introduction of technological changes, if they significantly change the labor conditions and organization of workers and employees; b) of the change of structure or merger of organizations, if it affects the employment of workers and employees; c) of mass layoffs.

The implementation of the above-mentioned rights of personnel is ensured by a system of labor agreements. At the organizational level, a larger number of specific basic human rights should be given to organizational decision making.

In relation to the tendency of labor collectives division (or labor resources of the enterprise) into the "core" and "periphery", employers often began to use temporary labor contracts (especially with emigrants) through intermediary organizations, since they rationalized the amount of labor without the guarantees of employment; temporary workers are used at non-prestigious workplaces; temporary workers replace permanent ones, absent because of sickness, vacation, or those who are in training. Although temporary hiring is increasingly practiced

for highly skilled people.

The collective agreement initially not only reflected the struggle between labor and capital, but also was some compromise achieved during this struggle, as well as the current modifications of the collective-contractual system.

The development of the employment management program, job creation system, requires analysis of the problems and the forecast of demographic and migratory behavior of people, as well as making up balance of labor resources. The complexity and unpredictability of the current socio-economic situation makes it necessary to abandon any monovariant scenarios and to develop flexible, multi-variant forecasts that allow for prompt response to possible changes in the country.

Questions for self-study:

1. The competitiveness of the population in the labor market and the factors that form it.
2. Employees' motivation for professional development.
3. Professional selection in the internal firm market.
4. Methods of the enterprise staff assessment.
5. Types of personnel policy at the enterprise.

1.4. Impact of globalization on employment and social and labor relations

1.3.1. The essence and role of globalization. Impact of globalization on employment and social and labor relations.

1.3.2. Globalization and ILO. The role of the ILO and the EU in providing employment.

1.3.3. State regulation of employment in developed market economy countries. The role of certain socio-demographic groups in employment.

1.3.4. Features and trends in the employment structure. Problems of labor quality in Ukraine.

1.3.1. The essence and role of globalization. Impact of globalization on employment and social and labor relations

Globalization as a process was not born in recent decades. The very term "globalization" originated more than 400 years ago, but more and more widespread use it has become within the last century. This is an **objective, necessary process** that accompanies humanity throughout its history. At the same time, it is a **social** process that takes place in the activities and relationships of individuals, different social groups and strata, nations and civilizations. It relates directly to their goals and interests.

Globalization is manifested in the wide penetration of companies into

the economy of foreign countries with the help of exports, and with the help of foreign investment in the opening of factories for the production of component parts, production enterprises or product sale subsidiaries. In this way, companies receive additional opportunities for sales, which is constrained by the insufficient size of the domestic market of a certain country. By doing so, they reduce their dependence in a single internal market when they receive a profit.

Globalization became possible in the modern form and gained additional activity through investments in financial markets. For example, it allows investors, for example in London, to buy stocks or securities directly to Japanese brokers in Tokyo, without intermediaries.

Other factors also contribute to the **development of globalization**. Technical progress in the field of transport and communication, in particular, reduces transaction costs. Among the economic factors, the gradual reduction of restrictions on trade in goods plays an important role. This is facilitated by the World Trade Organization (WTO), the liberalization of the capital market based on the introduction and spread of national currency convertibility.

Globalization, raising the level of productivity due to the latest technology, can lead to a reduction in the number of employees and, above all, workers. To prevent this, it is necessary to raise the level of education, i.e. is to increase investment in human capital at all levels.

The potential or real threat of job losses under the influence of globalization creates an atmosphere of uncertainty in society and negatively affects the maintenance of a power balance between the hired workers and employers.

Components of the globalization processes are increasing labor force mobility, the intensification of migration processes, which consequences are contradictory.

The intensification of the globalization processes is accompanied by massive efforts by employers to reduce wages and expenses for improving labor conditions. This can not but negatively affect employment.

1.3.2. Globalization and ILO. The role of the ILO and the EU in providing employment

In relation to the current increase in the negative impact of globalization on social and labor relations, the ILO focuses its attention, above all, on the following measures:

- control of international labor standards;
- protection of human rights;
- ensuring equal opportunities for citizens;
- promotion of the population employment;
- the economy restructuring;

- improvement of living conditions;
- environmental protection.

The ILO Declaration on Fundamental Principles and Rights at Work defines four basic principles to be followed by all ILO Member States, namely:

- freedom of association and recognition of the right to conduct collective bargaining;
- the abolition of all forms of forced or compulsory labor;
- prohibition of child labor;
- the inadmissibility of discrimination in the field of labor and employment.

Under the current conditions, the problem of openness of the Ukrainian economy is of prime importance. ILO specialists, analyzing it, came to the conclusion that in transition economies, including Ukraine, the economy has become one of the most open. At the same time, the experience of most developed countries undeniably suggests that the processes of liberalization of foreign economic relations are regulated in the state scale the most seriously and decisively.

1.3.3. State regulation of employment in developed market economy countries. The role of certain socio-demographic groups in employment

Most developed economies have gradually established a good regulation system of social and labor relations and the use of labor resources, although the subjects, forms and methods of regulation often differ significantly.

Depending on the specific conditions of a country, it is practicable to conduct negotiations and conclude tripartite (government, entrepreneurs, trade unions) or bilateral (employers and trade-unions) contracts or collective employment agreements.

Depending on the level of negotiations and powers of the parties, we can differ national, sectoral (industry-regional) agreements and collective agreements at the level of enterprises.

National treaties regulate the level of minimum wages, working conditions guarantees and rest, determine the procedure for indexation of wages, include obligations of the parties on employment issues, etc.

Sectoral agreements, taking into account the specific conditions of production, regulate the sectoral level of minimum wages, branch principles of tariff system structure, duration of working time and rest, employment guarantees, labor safety, etc.

An important role in the regulation of labor relations in the West developed countries belongs to collective bargaining and agreements, which are concluded at the level of enterprises. Here the protective function of trade unions is especially visible.

The experience of organizing social partnership in Germany, which

belongs to two influential social forces - professional unions and business alliances - deserves close attention. The principle of tariff autonomy, enshrined in the Constitution of the Federal Republic of Germany, gives entrepreneurs and employees the right to free negotiations on labor issues without state interference.

The supreme body of German employers is the federal union, which include almost 80 percent of all employers. The structure of the federal association embraces about 800 small entities of entrepreneurs, organized in 46 branch and 11 territorial (land) inter-industry unions. Along with the federal there are also separate independent unions covering the rest of 20 percent of entrepreneurs.

The partner of entrepreneurs at the conclusion of tariff agreements are trade unions, organized on a branch basis. Such collective representation of hired employees is enshrined in the constitution.

In accordance with the order in force in Germany, the tariff agreement consists of a legal and normative part. The first determines the rights and obligations of the parties to the tariff agreement, the second - the rules governing the content of labor agreements. Tariff agreements have the following functions:

- ~ protective: they are intended to protect employees from employer's abusing the advantages of his economic position in determining the terms of employment, i.e. they contribute to the equalization of the chances of employers and employees;

- ~ organizational: they contribute the typification of labor relations, provide in practice the implementation of the principle of tariff autonomy;

- ~ conciliatory: tariff agreements during their validity do not allow the struggle for improvement of working conditions and payment, and the introduction of new requirements regarding labor norms.

Today in Germany, tariff agreements regulate the working conditions and pay for almost 90 percent of workers employed in the manufacturing and non-manufacturing sectors. Annually there are about 8 thousand tariff agreements, some of which are replaced by those that have expired. In total, about 32 thousand such agreements are in force today.

In its own way, the experience of regulating social and labor relations in France is interesting. This country is characterized by a significant role of the state in regulating labor relations.

Central core of the social and labor relations regulation is the Labor Code and collective agreements between trade unions, ministries, enterprises and certain workers.

The Labor Code adopted by the parliament establishes the basic social guarantees for workers: the minimum wage, the conditions for unemployment benefits applying, the size of the pension and the necessary length of service for obtaining it, the length of paid leave, the principles of hiring, some other social issues.

An important role in the regulation of labor relations is given to agreements of sectoral trade unions with ministries (national treaties), which establish common sector tariff systems with a fairly wide range of payments within each category, as well as other sectoral social guarantees.

The Sweden market economy is characterized by well-established entrepreneurship, a high level of membership of workers in trade unions, the cooperation of entrepreneurs and trade unions and the high organization of labor relations. The main subjects of the social partnership system are organizations of entrepreneurs and trade unions.

Among the largest entrepreneurial organizations, there are: the Association of Entrepreneurs of Sweden, which includes nearly 43 thousand companies, which are organized in 35 business associations, as well as the Organization of Entrepreneurs of Banking Institutions and Association of Newspaper Entrepreneurs.

The main task of this association is to participate in negotiations on collective agreements, as well as to provide services and advice on such issues as labor organization, labor participation in management, wage statistics, and labor protection.

At the national level, since 1898, a central union of Swedish trade unions has been operating. It is a confederation of 23 trade unions that includes almost 90 percent of all workers in the country.

Until the mid-80s, the system of centralized negotiations in Sweden was criticized by business circles, according to which centralization does not allow to adapt collective agreements to the conditions, features and tasks of industries and companies. Consequently, since the early 1990s, collective bargaining in Sweden has been the subject of sector-level agreements between trade union organizations and entrepreneurs, as well as at company level. In the event of a deadlock, the government may appoint a mediation commission.

Sweden has a well-functioning system for preventing labor conflicts. In the event of unsuccessful preliminary negotiations, the strike may be announced officially no earlier than one week after the warning. If a labor agreement is already in place, the strike can not be conducted because of conflicts that fall under the current treaty. In Sweden, in 1928, a special labor court was established to resolve conflicts arising from existing collective agreements. Two of the seven members of the court are appointed by the organizations of entrepreneurs and workers and three by the government.

In Japan, an agreement on key social policy issues is annually concluded at the national level. The development of an agreed policy of social and labor relations is carried out by a special association of entrepreneurs and the national trade union center. The named partners annually develop recommendations for optimal wage growth in view of increased production volumes. They (recommendations) are discussed separately by entrepreneurs and trade unions in all regions, and are therefore taken as the basis for concluding collective

agreements at the enterprise level. The actual deviation from these recommendations does not exceed, as a rule, one percent.

The socio-economic policy of the state, which is carried out in the labor market, must constantly take into account and actually takes into account the influence and socio-economic role of certain demographic groups. Let's consider why it is extremely important.

The current socio-demographic situation in Ukraine, as mentioned above, is characterized by the fact that since 1993 mortality annually significantly exceeds the birth rate, and the number of of retirement age citizens has increased. This means increasing the economic burden on able-bodied working-age population.

1.3.4. Features and trends in the employment structure. Problems of labor quality in Ukraine

Let's consider four separate socio-demographic groups that can be occupied.

1. *The economic and social functions of youth* (people aged 15-28) are determined by their role in forming the labor potential of the country. In the population number the youth is almost the fourth part. Conditionally, in this group of people, two large subgroups can be identified: young people who study and young people who work. Young people studying at full-time form of education can not exercise a stable economic activity, but remain potentially economically active. In addition, a significant proportion of young people are employed in various armed groups and is also outside the economy, although it is also a potential economically active part of the workforce. However, more than 20% of young people are part of an economically active population.

It should be especially emphasized that traditionally in Ukraine, young people were contributed to the staff of material production enterprises. That is, due to these industries, the state produces a gross domestic product and creates a national income, which influences the welfare of the entire population.

The further reduction of unemployment among young people, which has reached almost a third of all unemployed population is of particular importance in this regard.

In solving the problems of youth employment, one should proceed from the fact that with the increase in the level of education, the competitiveness of the young person in the labor market and the labor force of Ukraine as a whole increases. Taking advantage of the high economic activity of young people, in order to replenish material production by young people, it is necessary to strengthen the professional orientation of young people, to increase the possibility of obtaining a profession and education, especially in isolation from production.

In Ukraine, the necessary measures are taken to support the professional

training of young people which should be prolonged in view of the need to increase ерyшк competitiveness and quality as a workforce.

Thus, the economic growth of the country and the well-being of its population depend to a large extent on the maximum involvement of young people with high professional knowledge, experienced, physically and mentally capable of withstanding high labor intensity, primarily in the field of material production. This category of workforce is the basis of the future labor potential of the country.

2. *The largest group in the labor force is the people of average age (29-49 years old).* They have a basic labor load. This group of people represents in different periods from 45 to 48%, or almost half of Ukraine's labor resources. Its feature is already sufficiently accumulated professional experience and skills, high work ability and sufficient labor mobility. However, due to structural changes in the economy, this contingent of labor requires a reorientation of new activities and large-scale re-training. In this case, one should proceed from the fact that the citizens of this group - middle-aged people - form the basis of the modern labor potential of the country.

3. *The next socio-demographic group of the population that is part of the labor force is able-bodied persons over the age of 50 and of the pre-retirement age.* In this socio-demographic group, the level of employment is reduced mainly due to the state of health. The features of this category of labor force consist of a high level of professional knowledge, skills and education, the availability of great practical experience and, at the same time, a certain reduction in the level of physical capacity, limiting the intensity of work. The most effective use of the potential of such workers in the positions of the lower and middle managers - brigadiers, masters, heads of sites and shops, etc.

The able-bodied people over 50 and the pre-retirement age can be considered as a "living bank" of practical experience and skills of the country's labor force. However, this category of workforce has the least labor mobility. It will not change its place of residence and profession. The restructuring of the economy will most negatively affect this demographic group. However, its potential should be used by the society, first of all, for share great industrial experience, which these workers have.

4. *Similar to this group of population is the socio-demographic group of economically active pensioners, in particular in the first three -five years after the retirement age.* The insufficient high education of many retirees, the higher proportion of women among them, and almost zero labor mobility reduce the limits of the employment of retirees, reduce the possibility of their redistribution in both industries and professions, and make most of them uncompetitive in the labor market. However, older workers are more tolerant to the disadvantages of wage labor, the rejection of appropriate measures to improve working conditions, and the implementation of low-skilled and unprincipled work;

because of a low standard of living, they are afraid of losing their jobs. All this, as well as the large practical experience of many retirees, who are valued by employers, hold a significant number of retirement age people in the economy.

The basis for a different approach to the gender of citizens as a labor force is their natural difference. Men are physically stronger and more determined in their actions. Women are more diligent, attentive and careful at work. Therefore, the work of the latter is more effective at those jobs that require the listed qualities. However, maternity plays a decisive role for women as workers. One should proceed from the fact that women largely determine the quality of the active labor force, as well as the contribution they make in recreating a healthy generation.

Women are taking advantage of any opportunities that help them to find employment, take an active part in all social protection measures offered by employment centers. Among those who were in vocational training, retraining, raising their qualifications, participating in public works, women accounted for two thirds.

The analysis of the current demographic situation in Ukraine allows us to determine the range of problems, namely:

- rapid decline in reproductive capacity;
- crisis of the Ukrainian family;
- high mortality of the population, especially working age men;
- negative migratory tendencies that aggravate the aging process;
- high level of aging and practically full exhaustion of the demographic growth potential;
- depopulation.

State policy measures to overcome the negative trends in changing the structure of employment should provide for maximum optimization in the given conditions of the structure of employment, on which basis in the future it would be possible to count on achievement of full productive employment. The optimal structure of employment at this stage of economic development should envisage and take into account the state of the labor market and the competitiveness of enterprises. It should be enterprises of high technologies, energy, mechanical engineering, and, of course, reconstruction and re-equipment of enterprises of the light and food industry, building materials.

Changing the structure of employment, depending on the changing patterns of ownership and management has its own peculiarities. They need to be considered with taking into account quantitative changes in the status of economic entities. It should be emphasized that the change of ownership in general is the basis of all transformations. One of the main factors that can largely «extinguish» negative globalization trends in the employment structure and make the national labor market much more flexible is the improvement of the quality and competitiveness of the labor force

The quality of labor, of course, depends on its competitiveness. But these

categories, being interconnected, are not identical. Competitiveness of the labor force is a very influential problem in the economy and, at the same time, it is little studied. Competitiveness of the workforce is a set of qualitative and cost characteristics of a specific product, "labor force", which provides for the satisfaction of the specific needs of employers, including state-owned enterprises, in workers of a certain qualification (profession).

In the aspect of quality, it characterizes certain features due to the combination of the labor force suitability and its ability to work effectively (profession, experience, age data, etc.). In the aspect of quantitative characteristics, the competitiveness of an employee can be determined by the productivity and efficiency of labor, the cost of working time to perform certain operations, the quality of products, the cost of raw materials, fuel, etc. The competitiveness of labor is an indicator of labor management.

The qualitative characteristics of the labor force include the working ability of a person. The scientifically substantiated definition of working ability is given by Associate Professor Y. V. Krushelnytska. Working ability - is the maximum efficiency of human activity at a level of functional mobilization, which does not cause strain of the organism.

In turn, the functional state is an integral complex of physiological functions and human qualities that ensure the effective performance of professional work at a certain level of physiological losses of an organism.

This indicator depends not only on the objective characteristics of individuals, such as age, gender, physical and physiological data, but also on subjective factors: rational nutrition depending on occupation (specialty), working conditions, adequate medical care. All this depends on the level of wages and incomes in general.

Questions for self-study:

1. Positive and negative consequences of labor migration.
2. Globalization impact on the sectoral structure of employment in Ukraine.
3. The ILO activities to get over the negative effects of globalization.
4. Trends in the employment structure of the world.
5. Ways to increase the competitiveness of labor force in Ukraine.

1.5. Social partnership and social problems of employment

1.5.1. Nature and components of social partnership.

1.5.2. Trade unions as a subject of social partnership: functions and tasks in the functioning of social and labor relations. Participation of trade unions in the implementation of measures to contribute to employment. Co-ordination committees for employment contribution .

1.5.3. Participation of local executive authorities in the preparation of territorial employment programs and carrying out measures for their implementation.

1.5.4. Participation of economic entities in the employment policy implementation.

1.5.1. Nature and components of social partnership

Social partnership can and should be based on the dialectic of interests. When one or the other party or subject of social-labor relations really seeks for civilized relations, they must come from the fact that the interests of the other part or subject must be "their" interests. Social partnership recognizes the difference, the peculiarity of the basic interests of certain social groups, and simultaneously implies awareness of their interdependence and the impossibility of existence without each other.

The task of social partnership is not to balance differences of interests, but rather the need to take into account their inequality, in pursuing an agreed policy, which could contribute to the adoption of mutually acceptable decisions through mutual concessions, compromises, convergence of positions.

The social partnership from the functional point of view should be considered as a system of legal and organizational norms, principles, structures, procedures (measures) aimed at ensuring interaction between employees, employers, state authorities in regulating social and labor relations at the national, sectoral, regional levels and levels of enterprises (organizations). Its aim, as in the early stages of its formation, is to achieve social peace in society, to ensure balance of socio-economic interests of workers and employers, to promote mutual understanding between them, to prevent conflicts and to resolve contradictions in order to create the necessary conditions for progressive economic development, and to increase the living standard of the working people.

Social partnership can be an effective method of regulating social and labor relations, if it functions on principles that are scientifically based and which validity is confirmed by practice. At the level of the enterprise (organization), social partnership between the subjects of social and labor relations should be carried out in the following forms:

- joint consultations;
- collective bargaining and conclusion of collective agreements;
- a joint study of income policy, employment and other components of industrial relations and socio-economic policy of the enterprise as a whole;
- a joint resolution of collective labor disputes (conflicts), their prevention , organizing conciliation and arbitration procedures;
- participation of employees in production management;
- participation of representatives of the parties in the work of the social partnership bodies;
- participation of employees in the distribution of profits, incomes under the conditions specified in the collective agreement;
- necessary information exchange;

- control over the implementation of joint agreements.

While forming the modern system of social partnership, it is extremely important to define the principles on which relations between partners should be built.

Social partnership at the organizational level should operate on the basis of these principles:

- respect and taking into account the interests of the negotiators;
- authority of social partners and their representatives;
- full representation of the parties;
- equality of the parties and confidence in relations;
- non-interference in the affairs of each other;
- freedom of choice and discussion of issues which are the subject of social partnership;
- social justice as a manifestation of the correspondence between the role of certain subjects (individuals) and their social status; between their rights and duties; labor contribution and remuneration for labor services, public recognition;
- voluntary assuming of obligations on the basis of mutual consent;
- priority of reconciliation methods and procedures for the coordination of interests;
- regularity of consultations and negotiations on issues that are part of the social partnership subject;
- reality of ensuring obligations assumed by social partners;
- mandatory implementation of the reached agreements;
- systematic control over the implementation of the decisions taken;
- the responsibility of the parties and their representatives for failure of their obligations fulfillment.

1.5.2. Trade unions as a subject of social partnership: functions and tasks in the functioning of social and labor relations. Participation of trade unions in the implementation of measures to contribute to employment. Coordination committees for employment contribution

Trade unions are the main subject of social partnership and the main spokesman of the social and labor interests of hired workers. Trade union movement is generated by the market. The first trade unions arose in 1792 in the cotton-processing industry of England and after some time became a massive self-governing association of workers for the protection and representation of their social and labor interests.

–Hence, the functions performed by modern trade unions in society, namely:

- ensuring the protection of the economic and social interests of

employees in the labor process;

-- social protection of the hired staff interests outside production (in everyday life, during vacation, in conditions of temporary disability, etc.).

Thus, trade unions are self-governing collective organizations whose primary task is to improve the financial and non-financial conditions of employment of its members. Consequently, developed trade unions also have a significant impact on employment regulation. In their activity there are three main problems:

- formation of goals and policies of trade unions;
- the negotiation process, which determines the degree of goal achievement;
- the influence of trade union activity on the level and structure of earnings, income distribution, employment, production and productivity.

In the Law of Ukraine «On employment of the population» Article 51: «Participation of trade unions and their associations in ensuring employment of the population states» it is said:

1) The rights and obligations of trade unions and their associations to ensure employment of the population, protection against unemployment and its consequences are determined by this Law, the laws of Ukraine «On Trade Unions, Their Rights and Guarantees of Activity», «On Social Dialogue in Ukraine», other normative legal acts, collective agreements and agreements concluded at the national, sectoral and regional levels.

2) Trade unions and their associations take part in:

- implementation of measures to ensure the population employment;
- drafting legislation acts on employment and labor migration issues;
- developing a mechanism and monitoring compliance with legislation on employment, labor migration, vocational training and qualification of workers;
- developing measures for the social protection of workers dismissed from enterprises, institutions and organizations on the initiative of employers;
- work of the coordination committees to provide the population employment;
- consultations on invitation and use of foreign labor in Ukraine;
- management of compulsory state social insurance in accordance with the legislation, in particular, the Fund budget drafting for the compulsory state social insurance of Ukraine in the event of unemployment;
- development and updating of professional standards (qualification characteristics), promotion of the system of training, retraining and professional development of workers, ensuring their proper quality and job placement of graduates of vocational and higher educational institutions;

The engagement degree of workers in trade union movement is called **the level of unionization**. It depends on two factors, as in any market: on the **demand** for membership and **the offers** of trade unions. Demand, as it is

known, depends on the "price", i.e., on the initial and monthly contributions and on how much time an employee can spend for participation in trade unions. In this case, there is a market law of demand and supply: the higher is the "price", that is, the expenses of the individual to membership in the trade union, the less is the demand, and vice versa.

- **The strike** is an extreme form of trade union protest, i.e. , an attempt to refuse of the work for the employer of all the trade union members in the case of the employer's concession absence in the negotiations with trade unions .

We know many models of collective bargaining and strike activity. The most widespread model by Chamberlain, which determines **the strength of negotiating positions** – it is the ability to provide an agreement with the opponent on their own terms.

Negotiation model by Hicks. It is assumed that the employer and the trade union agree only on wages. From the employer's point of view, the longer is the strike, the greater are the losses. Therefore, with the increase in the duration of the strike, the employer will be ready to provide more and more wages. This dependence is shown by the s employer's concession curve.

On the part of the trade union, demands for wage increase may slightly rise or remain at the same level at the beginning of the strike, as the strike will cost the strikers themselves too much. These changes are reflected in the trade unions contradiction curve.

The strike serves to strengthen the positions of trade unions in future negotiations and to support the solidarity of workers.

Political model of strike activity by Ashenfelter-Johnson. Its main idea is that, in fact, the negotiation process is carried out by three parties. One party is the employer, and the other is trade union leaders and ordinary members of the union, whose interests may not coincide. If ordinary members of the union are mainly concerned with their wages and working conditions, union functionaries, first of all, are concerned about their personal position in the trade union, and thus, the welfare of the whole organization.

The above-mentioned models of negotiation and strike activity are of practical importance in the area of employment management and labor market.

Studies have found that the level of strike activity is influenced by changes in wages and prices, as well as the rates of return that the employer receives.

In modern economic theory, there are two views on the possible consequences of trade unions activity. The neoclassical theory, represented in this case by Reese, argues: the activities of trade unions lead to a difference in the level of wages, and also reduces the distribution of resources in the economy, reducing production and employment. Institutionalists Freeman and Madoff emphasize that trade unions have "two faces". The first face is shown by the model of monopoly power. The second one, where unions act as "voice of the collective", is reflected by an institutional model. According to the latest

unions can have a positive effect on productivity. The productivity growth, in turn, shifts the demand curve of labor to the right in the unionized industry, as the marginal product of labor increases. If we adhere to this theory, the conclusions of the previous one are put in question. There is no single view on the activities of trade unions.

Members of trade unions can be persons who work in enterprises, institutions or organizations, regardless of the ownership forms and management types. The law on trade unions consists of the Constitution of Ukraine, the above-mentioned Law of Ukraine "On Trade Unions, Their Rights and Guarantees of Activity", the Law of Ukraine "On Citizens' Associations", the Code of Labor Laws of Ukraine, the Law of Ukraine "On Social Partnership", the Law of Ukraine "On Collective Labor Disputes" and other legislative acts.

The main task of trade unions in Ukraine is the social protection of working people.

To coordinate the positions of social partners, the **National Social Partnership Council** was created as an advisory body involved in the preparation of laws and regulations in the field of social partnership. The council consists of 66 members with 22 representatives from trade unions, business associations and government.

The role of enterprises and trade unions is not limited to participation in the development of the State Employment Program. In accordance with the Law of Ukraine "On Employment of the Population" (Article 20), enterprises, institutions, organizations irrespectively of the ownership forms, their officials are obliged to facilitate the implementation of the state employment policy. Enterprises that actively contribute to solving employment problems in the region through the creation of additional jobs for the employment or organization of paid public works or the use of persons who need social protection and are not able to compete on the labor market, over the established quota of labor, are provided with tax exemptions to the budget.

1.5.3. Participation of local executive authorities in the preparation of territorial employment programs and carrying out measures for their implementation

In accordance with the provisions of the European Charter on Local Self-Government, the basic powers of local self-government are established by a constitution or by law. In Ukraine, they are enshrined in the general form in Article 143 of the Constitution of Ukraine, and their details are contained in the Law «On Local Self-Government in Ukraine», the Regulations on the General Meeting of Citizens at place of Residence in Ukraine , as well as in the sectoral legislation – the Laws of Ukraine: «On the Basics of Urban Development», «On Transport», «On Communication», «On Labor Protection», «On Physical Culture and Sports», «On Education», «On Fire Security», «On the Legal Status of Emergency Situations», «On Provision of Sanitary and the Epidemic Well-being of the Population», «On the Nature Reserve Fund», in the Land, Forest,

Water Codes of Ukraine and in other legal acts.

The powers of local self-government can be realized directly by the territorial community population, since it acts as the primary subject of local self-government, the main carrier of its functions and powers and can independently solve any issue of local significance, assigned by the legislation to the authority of local self-government. It is this position that determines the name of this paragraph as functions and powers of local self-government as a whole, and not only its organs, since the whole system of local self-government is included in the mechanism of their implementation, not only its organs.

Some issues can be solved only directly by the population of the community.

1.5.4. Participation of economic entities in the employment policy implementation

The Law of Ukraine «On employment of the population», article 50 «Participation of employers in the provision of employment» states:

1) The rights and obligations of employers and their associations to ensure employment of the population, protection against unemployment and its consequences are determined by this Law, the laws of Ukraine «On Employer Organizations» and 2) «On Social Dialogue in Ukraine», other normative legal acts, collective agreements and agreements concluded at the national, sectoral and regional levels.

2) Employers are involved in the implementation of measures to ensure employment by:

- creation of conditions for citizens to exercise their right to work;
- compliance with labor legislation requirements, employment and compulsory state social insurance against unemployment;
- agreement of the vocational training content;
- realization of the right to elect educational establishments, enterprises, institutions and organizations for vocational training of the unemployed people in accordance with established requirements;
- participation in state qualification attestation, state attestation of persons on the professional training results and professional qualification confirmation by the labor professions of persons who wish to confirm results of non-formal education;
- submission of proposals to draft of legislation acts on employment and labor migration;
- participation in monitoring the observance of legislation in the field of employment, labor migration, vocational training and the confirmation of qualifications of employees.

3) Employers are required to:

- to provide decent working conditions that meet the requirements of legislation on wages, health and occupational health;

- take measures to prevent mass release, including through consultations with trade unions in order to develop appropriate measures aimed at mitigating their consequences and reducing the number of dismissed workers;

- implement other measures to promote employment, which are provided in collective agreements and agreements concluded at the national, sectoral and regional levels;

- in a timely and complete manner, in accordance with the procedure approved by the central executive authority, which implements the state policy in the field of employment and labor migration, in agreement with the central executive authority to ensure the implementation of the state policy in the field of statistics, submit to the territorial authorities of the central executive authority, which implements state policy in the field of employment and labor migration, information about:

- a) demand for labor (vacancies);

- b) the planned mass dismissal of workers due to changes in the organization of production and labor, including the liquidation, reorganization or re-organization of enterprises, institutions, organizations, reduction of the staff number or the employees of the enterprise, institution, organization irrespectively of the ownership form, type of activity and management previous two months before dismissal ;

- carry out preliminary consultations with the primary trade union organization with which a collective agreement has been concluded, the involvement of employees of other employers, in particular, employees of the business entities who provide intermediary services in employment.

- 4) Organizations of employers and their associations take part in:

- formation and implementation of state and regional employment policies and implementation of measures for ensuring the population employment;

- drafting legislation acts on issues of employment and labor migration;

- management of compulsory state social insurance in accordance with the legislation;

- development and updating of professional standards (qualification characteristics), promotion of the system of training, retraining and professional development of employees, ensuring their proper quality;

- organizing and carrying out research on the current and future needs of the labor market.

- 5) Organizations of employers have the right to make proposals to executive authorities and local government on employment of the population which are compulsory for considering .

- carrying out research on the problems of the current and future needs of the labor market;

- carrying out, together with organizations of employers and their associations, executive authorities and local government, consultations on issues of the population employment.

Questions for self-study:

1. Contractual process of social partnership as an element of employment regulation.

2. Participation of enterprises of different ownership forms and various subjects of entrepreneurship in the employment policy implementation.

2. Providing and organization of employment regulation

2.1. State employment policy in Ukraine as a component of socio-economic policy

2.1.1. Subjects of state regulation of employment.

2.1.2. State employment policy as a component of socio-economic policy.

2.1.3. Interconnection of state regulation employment methods. Active and passive state policy in the field of employment.

2.1.4. State and regional employment programs. Bodies of State Employment Regulation.

2.1.1. Subjects of state regulation of employment

State regulation of the labor market and employment is a significant part of state regulation of economic and social processes. It is directly provided by the legislative, executive and judicial authorities of various levels, with the active participation of trade unions. The general organizational structure of state governance includes:

- The Verkhovna Rada of Ukraine which is the supreme legislative body which adopts laws, defines the principles of internal and external economic policy, approves national programs of economic, social, scientific and technical development, environmental protection, forms the state budget and makes other decisions;

- The President of Ukraine - for the realization of his powers, he creates his own apparatus - the Administration of the President of Ukraine, which analyzes economic, political, social processes and, according to the results of the analysis, submits relevant proposals to the President of Ukraine;

- The Cabinet of Ministers of Ukraine which is the supreme body in the system of executive bodies, which directs and coordinates the work of ministries and other executive bodies, provides in the field of economic management policy in the field of labor, social and cultural development;

- Ministries subordinated to the Cabinet of Ministers of Ukraine which are the main link of the system of central executive authorities and are called upon to formulate and implement state policy in the relevant spheres of public life;

- Government committees that assist ministries and government in

implementing state policy;

- local state administrations, which are undivided authorities of general competence.

2.1.2. State employment policy as a component of socio-economic policy

Only labor as a conscious, purposeful and organized activity is the basis and source of the existence of man and society. It is also a form of self-expression and self-affirmation of a person and a citizen. Labor is carried out only through employment both of an individual and a certain part of the population of the country. The forms, types, number and outcomes of the population labor-intensive part depend on how the state implements the policy of its population employment.

In general, the social and economic policies of the state represent a certain system of targeted activities of this policy subjects at a particular stage of state development, which are developed and implemented on the basis of certain principles. Since employment is one of the main macroeconomic indicators and human occupation is, on the one hand, a source of the population and labor reproduction, and on the other hand - the possibility of the individual self-expression, employment becomes the main component of the economic and social or socio-economic policies of the state.

- The function of employment management relies on the state. It implies the impact on demand and supply of labor through implementation:

- the state system of minimum social standards in the field of employment;

- analyzing and forecasting the state of the labor market and its conjuncture;

- development of specific legal, economic, organizational and social measures based on the analysis and forecast carried out;

- developed measures;

- monitoring of processes taking place in the labor market;

- systematic monitoring of events.

The subjects of state regulation of employment are: carriers of social and labor interests, represented by individual citizens and groups of citizens, combined by common social and labor interests; spokesmen for social and labor interests, namely: trade unions, strikes, unions of entrepreneurs and farmers; performers, that is, state bodies of different levels of legislative, executive and judicial power.

The object of state regulation is the individual and aggregate demand and supply of labor, its price and value, the income of the population, the processes of influencing these categories and the results of this influence, the use of positive and the prevention of negative globalization tendencies and other elements of socio- labor relations.

The directions of employment regulation include state and regional measures that increase (decrease) the supply or demand for labor, the structure of supply and demand for labor; measures aimed at converging of supply-demand and labor supply.

- The level of influence on employment regulation measures can be:
 - national;
 - branch;
 - regional;
 - internal firm.

The purpose of the state employment policy is to create, through legal, economic and administrative-organizational methods of state regulation, conditions for the maximum possible employment of the population, increase of labor productivity at the expense of which to ensure sustainable economic growth, increase of well-being and stability in society, necessary protection the unemployed and their family members. The stated goal - the achievement of the maximum possible employment - is relevant to the transition economy which Ukraine belongs now. This goal will exist until the full-scale system transformations in Ukraine take place and stable civilized market relations are established. After that there will be need to achieve **full productive employment**.

In accordance with this, **the state employment policy task** is to ensure the reliable functioning of all institutions, which are defined as subjects of this policy; to carry out scientifically grounded forecasting of processes occurring in the labor market. On this basis, it is necessary to develop and implement the necessary measures, prevent the unemployment spread. One of the major tasks is the development and implementation of measures for the entry of Ukraine as a worthy partner in the world labor market. It is also necessary to ensure full compliance of national labor and employment legislation with international norms. The purpose of the state employment policy will require measures to improve the quality and competitiveness of the labor force. This requires improvement of labor force activity and labor mobility both professional and territorial.

State employment policy should be based on certain principles, the introduction of which is mandatory for all institutions of the state.

The main principles of the state employment policy are in Article 3 of the Law of Ukraine «On Employment of the Population».

2.1.3. Interconnection of state regulation employment methods. Active and passive state policy in the field of employment

In the processes taking place in practice, the methods of influencing employment are organically interconnected and related to the organization of implementation of concrete measures. Their division into economic, legal and organizational measures is somewhat arbitrary. It serves, primarily, to target each of the executives (three branches of government) to develop specific measures, implement them and control.

The triad of the actions of economic, legal and administrative-organizational methods is clearly illustrated by the scheme (Fig. 2).

It should be noted that the basis of all methods is: information, analysis, forecast and conclusions, and only on the basis of this in any case - the adoption of an administrative decision to adjust existing current measures and programs, as well as making adjustments or drafting laws, regulations The Cabinet of Ministers of Ukraine, orders from the Ministry of Social Policy and other state bodies.

Thus, the effectiveness of the implementation results of the economic, legal and administrative-organizational methods is in their unity, complexity and systematic development and implementation, i.e., when they are implemented within the legal field and economic (financial) opportunities and in close interaction of performers.

The practice of using employment impact methods has revealed two types of state policy in the labor market - active and passive. Administrative-organizational methods are aimed, first of all, at introducing an active policy of the state in the labor market.

Active policy consists in directing actions aimed at increasing the competitiveness of the labor force and broadening the scope of employment to prevent unemployment and increase the number of employed people. It is aimed at providing employment for non-active citizens. The active state policy in the field of employment is implemented through such instruments as the State and Regional Employment Programs, which include a number of active measures to expand the scope of labor application.

Active state policy measures are a complex of organizational, economic and legal actions that directly affect the change in the ratio of labor demand and supply.

Objective and subjective factors influence the nature of the active state policy in the field of employment. **Objective factors** include:

- **economic state of the state.** The higher is the economic growth, the greater is the financial capacity to implement a variety of active measures to expand the scope of labor application. And vice-versa, with a production reduction, such measures are limited;

- **compliance degree of national labor standards to the international ones.** The higher it is, the more effectively active measures are implemented;

- **political stability.** It provides predictability of processes and implementation of long-term plans.

The subjective factor influencing the nature of the active state policy in the field of employment is the unprofessional nature of individual subjects in the executive and other branches of government, which does not result in an integrated approach to the problems of employment and consequences are negative.

In general, active measures include: creation of additional workplaces,

provision of informational and career guidance services; the organization of a bank of vacancies, the search for suitable work, assistance in the employment of citizens, assistance to citizens in opening their business, employment of non-competitive groups of the population in the reserved workplaces, promotion of self-employment and entrepreneurial activity; improving the competitiveness of the labor force through the organization of vocational training, retraining and improving its qualifications; the organization of temporary public works, resettlement to another area, etc.

In Ukraine **paid public works** are available and do not require, as a rule, special professional training. Public works are organized for providing temporary work to the citizens who have lost their job, as well as to provide work for persons of pre-retirement age and for the labor rehabilitation of those who had a significant break in their professional activities.

The organization of public works is carried out by state administrations with the participation of the State Employment Service. Types and volumes of work are determined on the basis of the situation prevailing in a particular region. This may be seasonal agricultural work, disaster clean-up operations, cleaning up of streets and territories of individual enterprises, etc. Workplaces for carrying out such works are also created in the field of domestic services, health care, social insurance.

The station to public works is provided by the State Employment Service.

The level of competitiveness of citizens in the labor market depends to a large extent on the degree of their acquisition of the profession, which is in demand in a specific regional labor market. And this, in turn, depends on the quality of the provided professional orientation with the unemployed population.

Professional orientation is a complex system of scientifically grounded forms, methods and means of influence on a person in order to optimize his professional self-determination on the basis of taking into account personal characteristics of each individual and demand in the labor market.

Professional orientation consists of:

- professional information, i.e. accumulation and dissemination of information on the character and prospects of modern professions;

- professional counseling, i.e. interaction of the individual and a professional consultant to help with the choice of profession;

- professional selection, i.e. prophylactic examination of the individual in order to identify the most suitable specific professions for mastering by the individual;

- professional screening, i.e. professional diagnostic examination of a person, aimed at determining the degree of its suitability for certain types of professional activities in accordance with regulatory requirements.

Primary training of unemployed citizens is aimed at mastering special knowledge, skills in professions that are in demand in the regional labor market

or are necessary for self-employment. It is understood that these citizens did not have any occupations.

Retraining of citizens who already have a profession or specialty is carried out in order to acquire special knowledge, skills for a new profession (specialty), by dismissed workers, unemployed people and other unoccupied citizens who can not be offered suitable work in their profession.

The employment of the population is a multifaceted, complex problem and, apart from it, there can be no other structures of public administration. All of them are, to some extent, involved in the implementation of the State Employment Program and regional programs that are the mechanism for implementing the state employment policy

2.1.4. State and regional employment programs. Bodies of State Employment Regulation

In accordance with Article 14 of the Law of Ukraine "On Employment of the Population" in order to promote the employment of the population, satisfy the needs of citizens in the work, the Cabinet of Ministers of Ukraine and executive bodies of the relevant councils should develop annual and long-term state and territorial programs of employment.

Measures of the state employment policy of the population, both active and passive, were carried out at the expense of the State Fund for the Employment Promotion. But since January 1, 2001, the fund has ceased to exist. Instead, the Fund of Obligatory State Social Insurance of Ukraine in Case of Unemployment entered into force. In addition, state employment policy and regional programs are funded at the expense of enterprises to create new jobs, at the expense of budget funds for research on employment issues, as well as through technical assistance from the Council of Europe (TACIS program) to create an effective employment management system taking into account directions and volumes of expenses provided by territorial programs.

The program is aimed at fulfilling the tasks defined by the Law of Ukraine «On Employment of the Population». Like the previous ones, it is a mechanism for implementing the state employment strategy.

The Program defines its purpose:

- providing the state employment policy;
- prevention of mass unemployment as a result of the economy structural adjustment;
- creation of additional guarantees regarding the employment of able-bodied citizens of working age who are in need of social protection and unable to compete in the labor market;
- social protection of the unemployed through the implementation of the laws of Ukraine «On Compulsory State Social Insurance against Unemployment» and «On Employment of the Population».

The main objectives of the Program are:

- assessment of the state of the national labor market and forecasting labor potential, employment, job creation and unemployment;
- definition of the main directions of the state employment policy and its implementation;
- coordination of efforts of central and local executive authorities related to the development and implementation of labor market regulation measures;
- monitoring and providing information to the Cabinet of Ministers of Ukraine on the implementation of the Program tasks and activities.

The purpose and objectives of the Program clearly define the systemic and complex nature of the problem of employment state regulation. It consists of seven sections and five annexes, which contain diverse information on the projected labor market parameters; organization of new jobs; creation of additional guarantees regarding the employment of citizens in need of social protection; stimulating motivation for work, etc. The determined directions of implementation of the employment policy should be ensured both at the state and at the regional level through coordinated cooperation of local executive authorities of enterprises, organizations and institutions, trade union associations, employment services. Responsibility for the implementation of the State Employment Program is attached to the ministries and other central executive authorities, regional state administrations, and employment services which are designated as the executors of each its activity. The Ministry of Social Policy of Ukraine, the bodies of the State Employment Service system, carry out organizational, scientific and methodological support and control over the implementation of the Program activities both at the national and territorial levels.

Development of the State Employment Program begins six months before its entry into force. The Draft Program on the basis on an analysis of the status of the previous program implementation, statistics, data of sample surveys, individual inspections and taking into account the directions of the state employment policy is developed by the State Employment Center with the participation of scientific institutions and relevant departments of the Ministry of Labor and is considered at a meeting at the Coordinating Committee for the employment promotion.

The monitoring of the State Employment Program is systematically carried out by the State Employment Service and the Ministry of Labor and Social Policy of Ukraine. Quarterly summary reports on the state of implementation of the Program and proposals for the implementation of corrective measures are submitted to the Cabinet of Ministers of Ukraine .

Questions for self-study:

1. State Employment Program: goals, objectives and main content.
2. Regional problems of employment management.

3. Regional employment programs in Ukraine.

2.2. Mechanisms of employment regulation

2.2.1. Use of a market mechanism in the employment state regulation.

2.2.2. Influence of the labor price and cost on employment. Impact of population incomes on employment.

2.2.3. Institutional mechanism of employment regulation.

2.2.4. Labor market infrastructure. System of the State Employment Service of Ukraine. Significance of non-state employment services.

2.2.5. Social entrepreneurship as an effective mechanism for solving social problems.

2.2.6. Labor activity, labor motivation, labor mobility and labor migration.

2.2.1. Use of a market mechanism in the state regulation of employment

The market mechanism used by the state to regulate employment, is based on a classic concept of the labor market functioning. Its graphic representation is the so-called "Cross Marshal", on which the curves of supply and demand form the function of labor prices, i.e., wage rates. In economic theory, the price of labor is taken to reflect the wage rate per hour.

The use of the market mechanism (which means the effect of objective economic laws) ensures the implementation of the economic method of employment state regulation or economically encouraging. This method may have direct or indirect effects on employment. Direct effects include irrecoverable financing of industries, territories, enterprises; direct subsidies, allowances, additional payments from special funds, tax benefits. Indirect effects include leverage of monetary, depreciation, foreign exchange, foreign economic policy. Affecting with their help economic interests and incentives, the state influences the behavior of subjects of social and labor relations, changing the labor demand and supply in the right direction. But any form of employment regulation is effective when taking into account the interests of all interested parties.

Production increase at state-owned enterprises due to state subsidies, for example, for increasing the production of school textbooks and school equipment, will lead to an additional need for workers at these enterprises. And this means increasing the number of workers employed at these enterprises (Fig. 1) and not only at them. The production of additional school supplies and textbooks requires additional materials - paper, paint, chemicals, wood, metal, cardboard, fuel, electricity and others. All or some of them are placed as a public order at private enterprises. Due to the growth of government orders, demand for labor is increasing at private firms and enterprises. But the increase in employment means the shift of the demand curve D to the right to D_1

position. And this, in turn, destroys the existing market equilibrium of a particular labor market. In this case, to maintain equilibrium, it is necessary to raise wages to the appropriate level of W_1 .

In addition, the growing volume of public goods provided by the state is equivalent to an increase in unearned income (a subsidy is unearned income). There is a **net income effect for busy employees**. In connection with this, a situation is created in which **the individual labor offer may decrease** because of the individual's receipt of a certain amount of benefits for free. However, these cash payments will increase the demand for goods, and therefore the **aggregate supply of labor** to L_1 .

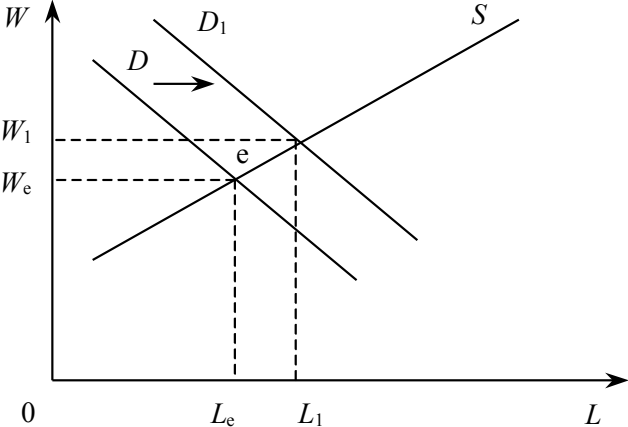


Fig. 1. Dependence of employment growth on production volume increase at the expense of subsidies

If subsidies, as we have seen, have a specific purpose for the producing of certain goods or services, then **transfers** are not targeted, but they are destined for certain categories of population (pensions, scholarships, help for large families, single mothers, etc.). However, the transfer has a significant impact on the labor supply and demand. Thus, increase in scholarship and various forms of youth assistance will increase the demand for consumer goods that are in demand among young people. An increase in pensions will lead to an increase in demand for goods needed by the elderly. And this again leads to the revival of production of these goods and the improvement of employment. Economic methods of employment regulation are based on the new economic theory of J.M. Keynes and the neo-Keynesians as the main regulator of employment.

Let's see how taxes affect employment, in particular, income tax (Figure 2).

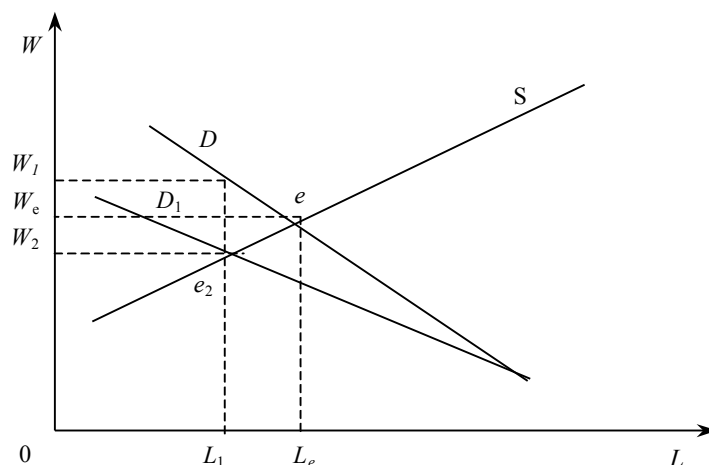


Fig. 2. Income tax and employment

Before the introduction of the tax, the price equilibrium of the given labor market was at the point e . According to the hourly wage rate W_e and the number of employed L_e after the introduction of the tax, there is a certain difference between the level of salary that the employer agrees to pay employees and the salary they actually receive. Even if the employer agrees to pay wages at level W_1 higher than it was before tax, employees will only receive wages W_2 , because in this case the demand for this category of workers will decrease (before the introduction of the tax - the curve D and after the introduction - D_1). The equilibrium point shifted to e_2 , and the employment dropped to L_1 .

How will taxation affect the individual? The tax for an employee is the same as the reduction in wages. Having worked the same time, he will receive a lower income with the same as before, the ratio of time and leisure time. Consequently, the cost of leisure has decreased (if one level of good, income, or leisure increases, this can only be done at the expense of another). What is the way out of this situation?

There are two options. First, the citizen will try to work more, since after the new tax he began to receive less money. Secondly, since the rest time has become cheaper, and this is a good that you can buy, then the person will want more leisure. In both cases there is a replacement effect, but in opposite directions. That is, the effect of taxation on the individual level will be ambiguous. This happened because the person was taxed in a condition of maximizing utility.

The above-mentioned examples of the market mechanism use implement **economically encouraging methods** of state employment regulation, if we take into account that the tax policy will be directed towards this. Incentive measures include special subsidies to stimulate employment. They have the appropriate titles: **employment subsidies** and **hire subsidies**. In the first case, the employer receives from the state a certain amount in the calculation for all employed, and in the second - for each newly hired employee.

2.2.2. Influence of the labor price and cost on employment. Impact of population incomes on employment.

The labor cost is the monetary expression of the fund of vital goods necessary for the reproduction of the labor force. This is the amount of money the employee receives for his work. In practice, the price of labor is deviating from its value (it is lower by 30-60%). **The labor value** is determined by the employer, who not only pays wages, but also has considerable expenses related to the statutory norms of production, deductions to the state budget, qualification improvement, improvement of working conditions, and others.

In Ukraine, the former Ministry of Statistics on May 29, 1997, developed and approved the methodology for determining the labor cost in accordance with the international notions of this economic category. The cost of labor according to this methodology is determined by the following components:

- direct payment;
- payment for non- worked time;
- rewards and irregular payments;
- remuneration in kind, privileges, services;
- assistance in kind and in cash;
- expenses of enterprises for payment of housing for employees;
- expenses of enterprises for social security of employees;
- expenses for training;
- expenses for maintenance of public services;
- labor force expenses which are not included in other groups.

The market value of labor has a tendency to increase. This is because human needs are constantly expanding. Over time, they increasingly include goods of traditional demand, and the new ones - the goods of long-term use. For example, recently things like a refrigerator, TV, VCR, computer, and others were related to luxury items. But over time, they became indispensable in everyday life and should be considered as the things needed to recreate the labor force at this stage of society development. The labor cost increase is affected by the increasing stickiness of working conditions and their organization, which requires a lot of money.

The enterprises and firms for which the employee works, for objective or subjective reasons, increase the price of products used by this enterprise (gas, fuel, electricity, components, repair services, etc.). An entrepreneur of the enterprise can not increase the price of its products without losing its competitiveness, and therefore holds the wages of employees at a certain level, without allowing reduction of this level of profit.

What kind of wages-the price of labor-will not be «low», not «overestimated», but effective?

It is known that the productivity of an individual employee varies over

time under the influence of various circumstances. But the main prerequisite for the theory of effective wages is to increase the productivity of workers due to high wages. For underdeveloped countries, a high salary level is better food and higher labor intensity.

In developed countries, a higher salary level, first, reduces staff turnover, and secondly, makes it possible to allow selectivity in the hiring of employees. Growth of wages - this, on the one hand, increase of the employer's expenses for the labor force, and on the other - additional income at the expense of higher productivity. In this case, an effective increase in salary will be observed when 1% of its growth will be at least 1% of the increase in production.

Thus, the effective wage is set by the employer at the point where the elasticity of the wage production is not less than 1.

The incomes of the overwhelming majority of the population have a direct connection with employment. This follows from the definition: population income is the sum of money and natural resources received both from work and non-labor activity (dividends, inheritance, winnings, etc.) to maintain the physical, intellectual and moral status of a person at a certain level. Since the overwhelming majority of population in developed countries account for 65-85% of the labor income, it is not difficult to conclude that income and hence the standard of living of a person depend on his employment. The aggregate income in domestic statistics is the main indicator of material maintenance of the population and can consist of wages, transfers (pensions, scholarships, aids and other payments from social funds and free services); income from entrepreneurship, property income (interest, dividends, etc.), revenues from the sale of products of a personal auxiliary farm, the cost of natural proceeds.

A substantiated and consistent policy of formation and regulation of incomes of various socio-demographic and professional population groups is important from the point of view of both social stability in society and the formation of the population solvency and positive motivation for high-efficient labor. However, before implementing such a policy, you need to know how income is distributed among the population.

In economics there are different ways of income differentiation measuring. The easiest way is to graphically display the income distribution by histogram, which shows how many people received the same income over some period of time. Annual earnings of workers are postponed horizontally, provided that workers are grouped according to the income level at certain intervals, and vertically the absolute or relative number of employees, who received one or another income, is postponed.

The most typical income is called the **fashion indicator**. A more complex way of analyzing income differentiation is the calculation of accumulated or cumulative frequencies and the construction of cumulative curves, which are called **Lorentz curves**.

The Gini coefficient is an inequality of the distribution of a certain value that takes values between 0 and 1, where 0 means absolute equality (the value

takes only one value), and 1 denotes complete inequality. The most well-known coefficient is the measure of income inequality in households in a particular country or region. The Gini coefficient for household income is the most popular indicator of economic inequality in the country.

The Gini coefficient is the most easily determined using the Lorenz curve.

Differentiation of incomes in countries depends on the achieved level of economic and social development. As a result of many studies, it has been found that the level of income differentiation in developed countries is significantly lower than in developing countries. The income of the more rich 10% people exceeds the income of 10% of the poor people by no more than 6-7 times. The difference in incomes and property, in its turn, affects the availability of education and health care, that is, the quality of life and labor force.

The main importance belongs to the principle of income distribution and its compliance to social justice prevailing in society. But it should be noted that social justice is a concrete historical concept. Adam Smith understood, under this term, the right of everyone to freely compete using his ability and capital with the ability and capital of another person. That is, under social justice he meant equality of rights and opportunities. The need for justice relates to important social needs of a man. The quality of life and the effectiveness of economic activity depend on the degree of its satisfaction. In his opinion, every person has an idea of justice, but it is difficult to define it. [

Different understanding of justice is manifested, first of all, in the spheres and directions of the realization of opportunity equality. They are the following:

- distribution of social wealth and labor products;
- protection of the dignity and property of citizens;
- availability of education and medical care;
- development and use of natural abilities;
- behavior in labor, goods and resources markets;
- participation in production management, participation in activities of regional and state authorities.

In a market economy, justice is seen as the equality of opportunities in labor, goods and resources markets. This is what it is meant by fair competition. The opportunity to participate in the management of production, as well as in the activities of the authorities is not only an important aspect of justice in a democratic society, but also a field of self-expression and self-affirmation of a man.

An effectively organized labor market and productive employment ensure in general a fair and equitable income differentiation between the labor force and the population as a whole.

According to the conviction of the vast majority of economists (and this is confirmed by empirical studies), the difference in wages is the main factor determining income inequality. It explains up to 80% of change in income. But this is true when the labor income is 65-85% of the total population income, as is the

case of developed capitalist countries. However, another picture has emerged in Ukraine. The share of wages in total revenues in 1990, according to the State Statistics Committee, corresponded to this level (67.5%), and now it has decreased by almost a third (49%).

The distribution of income among the population has a direct impact on its employment. First, in the case of a large discrepancy in the differentiation and when the total income of the poorest population strata is lower than the subsistence minimum, the secondary, unregulated and illegal employment increases due to the need to have at least minimal means of subsistence. At the same time, the larger is such a stratum of citizens, the greater is the amount and the specific weight of listed negative phenomena in the labor market. This complicates its analysis, forecasting and regulation, requiring additional economic, legal and organizational state measures.

Secondly, the labor market with a high income differentiation of citizens is more vulnerable to discrimination by entrepreneurs, infringement of labor rights, non-compliance to collective agreements due to fear of work loss in the event of disagreement and complaints.

Thirdly, the number of employed retirees and adolescents increases.

At the same time, such a differentiation can, to a certain extent, revive labor mobility, especially among young people. What can the state do to make the income differentiation not too high?

First, with the introduction of the progressive taxation scale, higher-income groups pay a significant part of their income to the state budget, while poor strata of the population pay taxes at low concessional rates. This contributes to reducing the income gap.

Secondly, at the expense of revenues to the budget of high-income groups of the population, the state will be able to pay increased transfers to the poorer strata, which will reduce the differentiation even more.

Third, in the context of increasing the fight against shadow revenues, their transition to legal ones will again increase revenues to the budget with all the positive consequences for the low income population.

Income differentiation reducing will lower unregulated and illegal employment, reduce the number of employed retirees and adolescents.

2.2.3. Institutional mechanism of employment regulation

The features of a market economy at the present stage consist in the fact that it undergoes radical institutional changes in the system of legal, political, economic and social relations. Formation of a competitive labor market in Ukraine is one of the important and complex tasks, because its development should promote balanced and effective functioning of the national labor market. However, the labor market of Ukraine is currently characterized by its imbalance. Therefore, one can not fully rely on the element of the market. This

can lead to unmanaged processes in employment and unemployment.

In order to cope with this element, make the necessary adjustments to the market mechanism, use its driving force in the right direction, each state has its own **institutional mechanism** for the the labor market functioning. It represents a broad legal field (Constitution, laws, regulations, codes), as well as mass media, various institutions of market infrastructure, administrative (state) statistics, etc.

The institutional mechanism is a set of institutional levers, incentives and measures aimed at ensuring the effective development of the labor market, based on a combination of the micro and macroeconomic environment factors, taking into account elements of both state and market regulation.

Let's consider the effect of the institutional mechanism in Ukraine. Employment of people in enterprises, institutions, organizations creates certain social and labor relations. Social-labor relations - is an objective relationship and interdependence in the process of labor, the subjects of these relations, which are aimed at regulating the quality of working life [5, p. 48]. Such subjects are the most skilled workers, employers and the state (carriers, spokesmen and performers). The scheme of the institutional mechanism of employment regulation is carried out through three lines of communication.

The first communication of, on which there is a connection between the parties of the labor market, is the appeal of the carriers to the state apparatus on the basis of their social and labor interests in the form of information, complaints, and proposals. With these media, they can also appeal to the representatives of their social and labor interests. This right is guaranteed by Art. 40 of the Constitution of Ukraine. Appeals of citizens and individual groups should be analyzed by the relevant authorities and serve as a benchmark for the development or adjustment of relevant socio-economic programs and measures.

The second communication line between the subjects of social and labor relations, which is implemented by the spokesmen, is the holding of consultations, meetings, seminars for the purpose of working out a single direction of joint actions; various statements, memorandums, discussions of collective agreements and agreements and other means of influence on state bodies. Speakers have their own printed publications, training centers with higher education and broad public relations, thus making the two-way communication possible. At the enterprise level, there are collective agreements between the representatives of the interests of hired workers and employers.

The third communication line is development in conjunction with the spokesmen and implementation by the executives of the state socioeconomic policy through tariff agreements of different levels, a variety of programs, individual measures, operational work at various levels of government, through collective bargaining.

2.2.4. Labor market infrastructure. System of the State Employment

Service of Ukraine. Significance of non-state employment services

The labor market infrastructure, which provides state regulation of employment operates in the unified system of public administration economic and social processes.

Market infrastructure in general and **the labor market infrastructure** as a system, in particular, are a set of subjects of logistical, organizational, informational, financial and legal nature that ensure the fluent functioning of the market mechanism and the continuity of the process. The labor market infrastructure guarantees the observance of law and order and takes into account the interests of the whole society and individual subjects of the market economy.

The purpose and main tasks of the labor market infrastructure are to ensure the effective functioning of the labor market and maximum productive employment of the population, increasing its level of flexibility by:

- timely and reliable information of unemployed citizens, which should ensure them reducing the time of looking for a job with appropriate working conditions and a satisfactory level of wages; informing employers of the necessary labor force availability;
- professional counseling, training, development and retraining of unemployed citizens;
- the quotation of jobs for those categories of persons who are not able to compete in the labor market;
- organization and promotion of the expansion of the labor application sphere, including by increasing the implementation of employment flexible forms ;
- restraint of mass uncontrolled layoffs and preventing mass unemployment;
- development and rational financing of activities;
- timely and just social protection of the unemployed and members of families who are in their care;
- forecasting the development of processes in qualitative and quantitative aspects in the labor market and in the field of employment, scientific substantiation and development of state policy on employment regulation;
- development of effective mechanisms for implementation of planned activities;
- systematic monitoring of the compliance of subjects of social and labor relations with the legislation and other normative acts on employment of the population.

The infrastructure of the labor market includes: the Ministry of Social Policy of Ukraine; the system of the state employment service, the Fund of compulsory state social insurance of Ukraine in case of unemployment; subjects of entrepreneurial activity of agency work in employment of Ukrainian citizens abroad (commercial exchanges of employment), who work

under the licenses of the State Employment Center; Research Institute of Labor and Employment of the Ministry of Social Policy and the National Academy of Sciences of Ukraine in Kyiv; Institute for Advanced Training of Personnel of the State Employment Service. These may also include various charitable foundations; commercial, licensed by the State Employment Center, job placement and training and career guidance centers.

The explanation is given to this structure. According to Clause 6 of Art. 18 of the Law of Ukraine "On the population employment " entrepreneurs may provide paid services related to vocational guidance of the population, through the placement of citizens in Ukraine and abroad, but only **on the basis of a license (permit)**. Such a license is issued by the State Employment Center in accordance with the procedure established by the Cabinet of Ministers of Ukraine.

Like every management system, the State Employment Service has **main indicators** of its activities. They include:

- the number of citizens who applied to employment centers on various issues during the reporting period (month, quarter, year);
- the number of services provided to citizens (counseling, career guidance, training, retraining and advanced training, assistance in opening his business, etc.);
- the number of citizens who contributed to employment and their share among those who applied to this matter;
- organization of public works and the number of citizens involved;
- the state of the Fund finances use for active and passive measures.

In addition, the activity of the employment centers is assessed by the level of employment and unemployment, the implementation of the State and regional employment programs as a whole, the amount of training and retraining of specialists of all service units, the ability to predict the conditions of the labor market, its nature and trends of processes and to take preventive measures.

The State Employment Service is able to interact with private employment agencies, although it must be acknowledged that such agencies are still poorly structured, organized and methodically trained in the labor market of Ukraine, and there is practically no competition between them and the employment service.

Large agencies often offer a range of services when looking for a job: provide information, advise or prepare a resume, prepare for an interview, perform psychological testing and career guidance, etc. Regarding the issues of the selection of qualified and exclusive staff of a private agency, sometimes they act sufficiently constructively and professionally.

These agencies can be both multi-profile and specialize in the selection of a certain category of employees. Recruitment agencies usually work under contracts with employers, so these services are free for customers, as they are paid by the employer. However, employment guarantees by recruiting agencies

are lower than those for others, and requirements for candidates are often quite high, since the client (future employer), as a rule, makes specific and very stringent requirements for candidates for employment.

Employment agencies abroad are quite popular in the world, especially in developing countries. The reason for their popularity and development is a huge difference in earnings and labor force needs in different countries.

2.2.5. Social entrepreneurship as an effective mechanism for solving social problems

Social entrepreneurship is an activity aimed at solving or mitigating social problems on the basis of self-financing, innovation and sustainability.

Criteria for social entrepreneurship:

Social impact (focus on solving or mitigating a specific social problem).

Innovation (application of new approaches, new ways of solving both the long-standing and new-born social problems).

Self-sufficiency and financial sustainability (independence from external financing).

Duplication (reproducibility of a model of a social enterprise in other geographical and social conditions).

Social entrepreneurship is a business with a social mission.

Social entrepreneurs are innovators who use innovative ideas and resources to solve social problems. As a result, their activities lead to sustained positive social change.

Social entrepreneurship is at the confluence of traditional entrepreneurship and charity. Social entrepreneurship takes the social orientation of activities from philanthropy, and an entrepreneurial approach from the business.

Social entrepreneurship is a qualitatively new approach to solving social problems.

2.2.6. Labor activity, labor motivation, labor mobility and labor migration

Implementation of organizational measures to raise the level of employment and prevent unemployment is greatly facilitated by high activity and mobility of the population, labor motivation and rational labor migration. The listed categories are quite complex and have a direct or indirect impact on employment.

Labor activity of the population is the desire of the able-bodied person to apply the existing knowledge and experience in practice and to receive remuneration for this. A person who shows such a desire is a bearer of labor or economic activity.

Labor activity may be potential that corresponds to the person's desire to

work for remuneration and realized when the person is already occupied. Potential labor activity creates the basis of the labor force formation, and the realized one - its employment

Labor motivation is one of the acute problems of reforming the whole economy and creating a new quality employment status. In the general, motivation is a set of driving forces that motivate a person to perform certain actions, and labor motivation is an employee's desire to satisfy the needs (to obtain certain benefits) through labor activity. The structure of the motive includes: the need that the employee seeks to satisfy; benefit, able to satisfy this need; labor activity necessary for the benefit; price, that is, the costs of material and moral nature, associated with the labor implementation. Practical requirements for work predetermine a specific motivation of a person. Particularly important in this case is the fact that the labor motive is formed only when the labor activity is the main condition for obtaining the benefit

Labor mobility is a person's readiness to change the position, profession, place of work, place of residence and lifestyle in general. High labor mobility forms the basis for ensuring a balanced labor market and a high level of competitiveness of the workforce and each of its carriers. To assess the level of mobility of labor, two fundamentally different approaches are used:

- according to the actual data of statistical reporting, the level of realized mobility is measured by analyzing the data on the intensity and volume of migratory movement and personnel turnover;

- by the results of sample surveys of households, which reveals the level of potential mobility. From the standpoint of labor market regulation, priority is given to the analysis and forecast of potential mobility.

Questions for self-study:

1. Migration processes and their role in the employment management.
2. The basic principles and regulatory framework of monetary policy in Ukraine.
3. The Tax Code of Ukraine.
4. Contemporary concepts of wages.
5. National taxpayer service system.
6. Recruitment, outstaffing, outsourcing agencies and employment agencies.

2.3. Information, scientific and legal support of employment management

2.3.1. Development of information provision system for employment state regulation in Ukraine. Methods of information provision of employment state regulation .

2.3.2. The innovation activity main directions of the State Employment

Service and the peculiarities of their implementation at the regional level.

2.3.3. Analysis, scientific support, monitoring and forecasting of employment in Ukraine. International norms of administrative statistical reporting.

2.3.4. Constitutional norms of employment state regulation and labor market in Ukraine.

2.3.1. Development of information provision system for employment state regulation in Ukraine. Methods of information provision of employment state regulation

The sources of improvement of the information base were practice, analysis and scientific research. They created the preconditions for the fact that at present government bodies have a sufficient basis for comparing the development of processes in the labor market in many years, for in-depth analysis, forecasting and monitoring of processes in the field of employment and unemployment. This is primarily the state statistical reporting form №1-PN, PN number 2, number 3-PN, PN number 4, quarterly statistical compendium economic activity Ukraine State Statistics Committee of Ukraine issued on results of a sample survey of households by the international methodology; annual statistical compendium in Ukraine «Labor Ukraine», full of comprehensive information on employment, unemployment, wages, social protection, working conditions and other materials that characterize the state of industrial relations in Ukraine; annual analytical and statistical digest of the Ministry of Labor of Ukraine and the State Employment Center «Labor Market of Ukraine in the N-th year». Several periodicals, such as «Labor and Wages», also come out of print.

The computerization of both the links of the State Employment Service and the State Statistics Committee of Ukraine contributed to the implementation of measures for the application of international norms of statistics and accounting in the labor market and employment.

A special service is created that programs the necessary computer operations and serves the computer network.

The State Employment Service implements the Unified Information and Analytical System, which is used by district and city centers. The Unique Technology of Unemployed Services is also being implemented.

All this is an extensive, integrated system of labor market information provision and employment state regulation, which satisfies the necessary requirements of employment state regulation at all levels of management.

The activities of the employment centers of Ukraine in the system of state administration include forecasting, planning, organization, regulation, coordination, promotion and execution of other functions provided by the legislation of Ukraine. Although the law does not directly indicate the role of the

public employment service in public administration (regulation), these functions are part of the overall process of public administration.

2.3.2. The innovation activity main directions of the State Employment Service and the peculiarities of their implementation at the regional level

The State Employment Service that works on the development of information systems in the labor market, consists of four main elements:

- collection of primary information on the labor market from its own sources based on the appeals of job seekers and employers, analysis of social services provided to clients;
- collection of primary information from other sources - state executive authorities, statistics, trade unions, employers' organizations
- generalization and analytical processing of information, its interpretation;
- bringing the processed information to customers (those who are looking for work and employers), "external" consumers, the use of certain types of information in their own activities.

The units of the State Employment Center can be divided into five groups. The first is the unit that directly perform the functions of organizing the process of providing social services to the population and employers, and manage the local employment centers, including control over their activities, methodological support. The second-units that collect and process various statistical information, they are engaged in analytical work and forecasting. The third is the units that provide communication with the central executive and legislative authorities, the media and the public. The fourth includes units providing personnel, financial and economic work, accounting, development of material base and material and technical supply. The fifth consists of units that perform control and inspection functions.

The structure of regional employment centers is determined by their functions: communication with the central unit and the local (base) centers; coordination of its activities with state authorities and public organizations of the regional level (first of all, trade unions and employers' organizations), participation in the development and implementation of the regional employment policy, provision of methodological and practical assistance to the base centers.

The structure of the regional employment centers of Ukraine repeats the structure of the central apparatus in a somewhat simplified version.

Successful implementation of the tasks related to participation in the implementation of the state employment policy, the provision of high-quality social services to the population and employers is determined not so much by the organizational structure of the employment centers, but by the composition of their staff, its professionalism and responsibility, the level of cooperation with

state authorities, local self-government, trade unions and employers' organizations.

2.3.3. Analysis, scientific support, monitoring and forecasting of employment in Ukraine. International norms of administrative statistical reporting

In Ukraine, there are three methods of obtaining information on the state of the labor market, employment and unemployment: **the method of fixing** the state of the labor market through the direct appeal of citizens to the units of the state employment service and reports on a certain range of indicators as the main official method; **the method of a quarterly sample survey** of households on economic activity as an indicative method; **the method of checking certain issues** that is being carried out by the public employment service agencies both planned and unscheduled or on their behalf by scientific or other units as a refining control method.

The method of fixing through the appeal of citizens to the civil service of employment is carried out by the lower levels (district, inter-district, city in cities without division into districts) of the state employment service. Relevant data are submitted to the State Statistics Committee in the form of the entry into force of state statistical reporting. **The purpose of the method** is to obtain official information on the state of the labor market and employment. The data obtained by this method as official, are used by all state bodies. According to them, all calculations are made for necessary funds for unemployment benefits, differentiation of the number of unemployed, their composition, gender-age structure, professional orientation and professional training, participation in public works, etc.

This method is carried out in accordance with Art. 2 of the Law of Ukraine «On Employment of the Population» and the statements approved by the Cabinet of Ministers of Ukraine regarding the registration of persons as unemployed, public works, etc. As a result of this method implementation, the forms № 1-PN, № 2-PN, № 3-PN, № 4-PN are the basic documents.

The advantages of the method of fixing through the appeal of citizens to the PES are, firstly, relatively low cost; and secondly, the high reliability of the recorded data on registered persons, since registration is based on the documents required for this. Its **disadvantage** is some kind of unreliability of individual data in the territorial aspect.

The sample surveys of households of the population economic activity of the State Statistics Committee of Ukraine began to be conducted annually from 1995, and from 1999 - quarterly.

The purpose of the surveys is to obtain comprehensive information on the state of the labor force, the employment structure, and the directions of the population activity. The data obtained by the method of sample surveys

characterize the state of employment and unemployment in March, June, September and December. On the basis of the indicators for the four months, the annual figures are calculated.

The materials of the conducted surveys give an opportunity to more realistically assess volumes and changes in the labor supply, changes in the labor market and also serve to forecast the development of processes in the labor market. Unlike the previous one, this method makes it possible to establish a more accurate picture of employment and unemployment across the territory. But since it is not done on documentary, but on oral testimony, with respect to specific individuals, its **disadvantages** are that it is less reliable and, moreover, more expensive than the registration method. The **advantages** of this method are obtaining more diverse data that are necessary for a thorough analysis of the state of affairs in the labor market and forecasting.

The method of sample checks of business entities by the State Employment Service is applied in a planned and unscheduled manner in order to obtain current information on specific issues and with subsequent analysis and taking necessary measures. Such checks may be charged with state or regional employment centers, scientific organizations. The subject of verification can be various aspects of the activities of the abovementioned executives in the labor market, information on which at the level of official data is questionable and requires verification, or if, in general, there is no statistical data or for other reasons, for example, leave on the initiative of the administration, execution the legislation of Ukraine on the population employment, the use of funds to open own business, vocational training and retraining quality, quality of information on vacancies, etc.

Since all these methods have certain errors and inaccuracies associated with such subjective factors as the concealment by individuals and officials of information about the actual state of the labor market or reluctance to visit the organs of the PES due to mistrust or other reasons, concealing the state of affairs at the enterprise, their results complement each other.

The state of the labor market is conducted **in order to** identify the nature and trends of ongoing processes and timely intervention, if necessary, to correct them. The main basis of such analysis is the information received by the State Statistics Committee of Ukraine and inspections of business entities by the State Employment Service. Additional information may be related to the media of social and labor relations; decisions, recommendations, resolutions, made by the spokesmen of social and labor relations; mass-media materials, letters, appeals, etc.

The analysis of the state of the labor market and the population employment is an integral and important part of the employment state regulation. It is carried out at the level of :

- **macroproportion** i.e. national development. Regulation of

macroproportions on the basis of a comprehensive analysis of the labor market is carried out through government decisions, the State Employment Program and the General Tariff Agreement;

- **mesoporporation** i.e. the ratio of demand and supply of labor in the context of individual regions and industries. They are governed by certain government decisions on specific issues, as well as sectoral orders, regional decisions and relevant tariff agreements;

- **microproportion** i.e. intern firm demand and labor supply in the context of occupations and specialties. They are governed by staff management measures and collective agreements.

The implementation state of the regulatory documents of macro-, meso- and microproportions is monitored and analyzed.

Analysis areas at all levels are the following:

- absolute and relative indicators of employment of the population and its economic activity;

- absolute and relative indicators of unemployment;

- analysis of the availability of jobs and vacancies and the load factor for one vacant job (vacancy);

- analysis of the implementation of the State and regional programs of the population employment (at the micro level it is implementation of the collective agreement on the relevant articles);

- analysis of expenditures of funds approved by the articles.

The analysis is carried out for a month, a quarter, from the beginning of the year and for a year, and if necessary, the dynamics of individual indicators for several years is determined. Thus, **the employment analysis at any level has a complex and system character**. The above-mentioned information security allows to carry out a thorough analysis of the labor market state, to make some conclusions on this analysis, and to develop some necessary for improvement measures.

The Research and Development Research Center for Employment and Labor Market of the National Academy of Sciences of Ukraine and the Ministry of Social Policy of Ukraine was the first specialized research unit that carried out basic applied research and provided scientific services in the field of employment and labor market. Scientists of the Center ones of the first expressed their opinion on the socially oriented market economy construction in Ukraine. Hence the made an important conclusion: **the labor market in Ukraine needs to be built on a socio-democratic model**. The Center developed many methodological recommendations on various aspects of the labor market and employment.

Fundamental research in the field of the labor market and employment is carried out mainly by the Institute of Economics of the National Academy of Sciences of Ukraine, to a large extent by the Council for the Study of Productive Forces of Ukraine of the National Academy of Sciences of Ukraine, by

departments and by certain departments of various research institutions and universities of our country.

The leading unit on the issues of developing manuals and textbooks in Ukraine on this subject is the Department of Labor Resources Management of KNEU. Its employees take part in scientific researches on employment, labor market and social-labor relations, develop educational and methodological base and create educational literature.

In order to control the processes occurring in the labor market and in the field of employment, the implementation of State Employment Program, the State Employment Service **monitors** these processes.

Labor market **monitoring** is a system for monitoring the status and nature of processes, both in the labor market as a whole, and in its individual parts and areas of functioning, with a purpose of timely and effective adjustment. It represents a set of observations and studies that determine changes in employment, unemployment and other aspects of the labor market. Labor market, employment, and unemployment monitoring is carried out by the public employment service at all levels.

Monitoring is carried out in certain areas: the population employment monitoring, which requires additional social guarantees, unemployment, employment of the disabled people, social protection of unemployed youth, the status of women in the labor market, etc., what enables to respond in a timely manner to the manifestation of different trends in the labor market. The state of implementation of active measures to promote employment is monitored and necessary adjustments are made in order to improve the case.

Monitoring - as a scientific term is formed from the Latin "monitor" - it is cautious. Monitoring is observing, estimating and forecasting the state of an object, and should contain answers to the following questions: 1) what is happening? 2) why is this happening? 3) what are the consequences of what is happening? 4) what to do? Thus, the main effort is aimed at the constant research of the past, present and future tasks and ways of their solution.

The monitoring is considered as an element of the state system of the country economy management, since it is possible on its basis to give conclusions and suggestions on trends and problems that do not follow from the state statistics.

Quantitative indicators of monitoring should be supplemented by qualitative, the relevance of the information received by them is ensured by the systematic and continuous observation.

Monitoring indicators are always correlated indicators, that is, indicators that contain an assessment of the changes which take place (that is, in the forecast model, we determine in advance the factors that improve or worsen the cash situation). Consequently, indicators should fix this by "adjusting" the behavior of various socio-demographic groups in the labor market (including the formation of the necessary labor motivation) in order to achieve rational

employment.

The monitoring indicators should reflect the process being studied, the behavior of its subjects, their interconnection, the set of "external" factors that influence the course and results of the process (plus, for some prior period), which ultimately allows each of the participants to make decisions for joint activity optimization.

The monitoring system should perform informational, scientific-analytical and methodological functions, and the monitoring system itself will consist of socio-economic, sociological and information monitoring.

A special place is the assessment of the effectiveness of national employment promotion programs and the development of regional ones. At the same time, their goal will be not just job placement or reduction of the number of applicants for one vacancy, but the correspondence of the professional qualification structure of the economically active population with quantitative indicators of the possibilities of the market of resources and services (ie not only existing jobs, but also those expected to be reduced, and the creation of new workers places)

Here we are talking about the monitoring of educational services (including vocational training), which effectiveness increases in the implementation of measures for psychological support in the event of employment loss, in the formation of human resources (training, retraining, advanced training for specific jobs) and the market formation for professions that provide effective employment in the region.

Organization of all information in the monitoring system should be subject to the principle of typology at the level of «problem – the ways and methods of its solution».

It is necessary to say some words about the resource support of monitoring. This applies to both financial and organizational as well as human components, since monitoring is not a system but an action. It can be deployed in stages, but it is necessary to imagine all the set of measures that are necessary to carry out.

The effectiveness of monitoring the social and labor sphere as an instrument of social policy lies in the creation of mechanisms for regulating crisis situations in the labor market.

Unemployment, however, is a macroeconomic indicator of the economic development of a society or a region, and reflects the degree of crisis and social conflict (as one of the factors), as well as the level of losses in human resources development both in the forecast plan and in relation to the expenditures for training an employee. The task is to identify the crisis characteristics of the labor market, which is especially relevant for the development of a regional employment promotion policy, and the development of a normative model of monitoring, which central indicator is the workplace.

Monitoring the emergence of crisis situations in the labor market should ensure the following tasks:

- definition and forecasting of the volume and structure of labor supply;
- definition and forecasting of the volume and structure of labor force demand (first of all, variants of socio-economic development of the region, number and structure of workplaces);
- identification of opportunities for balancing supply and labor supply (including forecasts of employment and unemployment, active employment policy measures);
- efficiency analysis of the regional labor market functioning (including the efficiency of the employment service, the development of the social partnership system, the use of financial resources for the formation of effective employment, etc.).

The analysis of the economically active population status pursues the following objectives: to obtain basic information on the size and structure of the labor force in the region and provide a basis for measuring the supply of labor, its quantity and quality; about the level of unemployment and employment, including various socio-demographic groups. The joint measurement of employment and income provides a basis for analyzing the employment rate of different categories of workers, the profitability of certain types of economic activity and the economic difficulties experienced by different categories of employed persons. Data on employment and income in terms of occupations, sectors of the economy and other socio-demographic characteristics are needed, in particular, for the development of the social partnership system.

These data need to be clarified according to the socio-demographic parameters: age, education, professional qualifications, employee's requirements for the workplace, temporary employment characteristics (length of working day and week, seasonality, flexible schedule, part-time employment), conditions and level of remuneration, social guarantees, opportunities for professional promotion (professional careers), requirements for social and living conditions.

It is necessary to imagine the socio-demographic structure as well as the labor motivation of potential labor reserves, especially young people, persons of pre-retirement and retirement age.

In this regard, it is necessary to monitor the balance of the personnel movement (retirement and adoption) by industry, age and professional groups, taking into account, if possible, the share of external and internal migrants.

The target orientation of professional employment regional programs reflects the strategic line adopted in the country on providing jobs for the population, efficient use of available labor potential, and the introduction of market relations in the activities of enterprises.

The logical scheme of analysis and formation of the problem of employment, which is to be solved within the framework of the program, is as follows: «inevitable - desirable – possible».

Inevitable - at this stage it is forecasted the assesment of the situation state using employment in the foreseeable future based on the study of

retrospective information and identified trends and extrapolation of its future development.

Desirable is the normative-objective assessment of the situation of labor resources.

Possible is the analysis and selection of possible ways to achieve the goals, taking into account resource constraints (balance of needs and availability of labor in the region).

The labor market forecasting is an assessment of the prospects for the development of its business environment and changes in conditions that affect the quantitative and qualitative aspects of supply and demand for the forecast period. **The main purpose of the forecast** is to determine the trends of changes in the factors affecting the supply and demand of the labor force and to evaluate the possible consequences of decisions taken in the field of their regulation.

In economic theory, there are several approaches to forecasting the labor market, including employment and unemployment. However, in Ukraine, for a long time, the **variant balance method of forecasting** employment and unemployment proved itself. It was in the fact that the distribution of population by employment was associated to labor resources. The indicators of the consolidated balance of labor resources widely reflect the main aspects of employment. But now forecasting is based on household survey data.

Output data for forecasting the level and structure of employment are the results of demographic forecast, implementation of economic programs, indicators of employment analysis and unemployment in the base period, government decisions that will affect the change in the structure of the economy and the change in the number of jobs.

2.3.4. Constitutional norms of employment state regulation and labor market in Ukraine

Legal support is one of the main areas of employment state regulation, and the main state document of legal protection is the Constitution of Ukraine. The Constitution of Ukraine sets forth the rights to work and social protection of Ukrainian citizens and foreigners living in Ukraine. This chapter is devoted to the second Constitution of Ukraine "Rights, Freedoms and Responsibilities of a Man and a Citizen".

According to the Constitution, the right to work is a priority social right of citizens. Taken into account the importance of this right and in order to prevent its ambiguous interpretation, the Constitution provides a general definition of this right and provides for a number of guarantees of its implementation. In particular, the Constitution states that everyone has the right to work, which includes the possibility of earning for living with a job that a person freely

chooses or freely agrees to. By guaranteeing this right, the state, as defined in the Basic Law, creates conditions for the full exercise by citizens of the right to work, gives equal opportunities in the choice of professions and kind of employment, implements programs of vocational education, training and retraining in accordance with public needs.

The main article of the Constitution in this regard is the article 43. It, in addition to the above said, includes the right to proper, safe and healthy working conditions, salaries not lower than those specified by law, and guarantees protection against unlawful dismissal. The right to receive a remuneration for work is protected by law. At the same time, this article forbids: use of labor of women and minors in dangerous for their health work, as well as forced labor.

The article 24, which was considered in connection with discrimination in the labor market, establishes the equality of constitutional rights and freedoms.

The right to use the above-mentioned legal norms and freedoms to foreigners and stateless persons who are legally in Ukraine is provided by the Article 26 of the Constitution of Ukraine.

The right to social protection of citizens, including the right to provide them in the event of full, partial or temporary loss of disability, loss of breadwinner, unemployment from circumstances beyond their control, as well as in old age and in other cases provided for by law, is contained in the Article 46. In The Constitution of Ukraine states that this right is guaranteed by compulsory state social insurance at the expense of insurance premiums of citizens, enterprises, institutions and organizations, as well as budget and other sources of social security.

The entrepreneurial activity of deputies, officials and officials of state authorities and local self-government bodies is limited by law, as evidenced by the Article 42 of the Constitution of Ukraine. This article provides protection for competition in entrepreneurial activity. It is important for state regulation of employment by preventing abuses of a monopoly position in the market, unjustified restriction of competition and unfair competition.

It is assumed a qualitatively new social law, set forth in the Article 44. It is the right of workers for strike, which is carried out by them to protect their economic and social interests. The procedure for exercising this right is established by law, taking into account the provision of national security, health care, rights and freedoms of other people. The strike is voluntary action, and therefore nobody can be forced to participate or not participate in it.

In addition to these, there are other laws and regulations, which are in varying degrees related to state regulation of employment, such as the Laws of Ukraine «On Labor», «On Collective Contracts and Agreements», «On Occupational Safety», «On Trade Unions, their rights and guarantees of activity», «On Collective Labor Disputes», etc. However, even this list of legislative acts convinces in the absolute necessity and complexity of reaching full coherence between them and the Laws of Ukraine «On employment» and

«On compulsory state social insurance against unemployment».

- «On the State Employment Service»;
- «On the organization of paid public works»;
- «On the Fund of Compulsory State Social Insurance of Ukraine in Case of Unemployment»;
- «On State Labor Inspection of the Ministry of Labor of Ukraine»;
- «On the Inspection to monitor compliance to legislation on population employment».

Control over the implementation of numerous normative acts on employment is carried out by the **Inspection on the employment legislation control**, created in the system of the State Employment Service.

The main tasks of the Inspection are:

- control over observance of the employment legislation of enterprises, establishments and organizations of all forms of ownership, farmers and other employers;
- providing citizens with rights and guarantees in the field of employment by taking measures to prevent and eliminate the revealed violations of the population employment legislation.

Questions for self-study:

1. The rights of citizens for work and employment.
2. ILO Employment and Unemployment Protection Convention.
3. The practice of using the employment law.
4. Monitoring of social and labor relations.
5. Computerization of the information-analytical process in the state employment service.
6. Scientific organizations of Ukraine dealing with labor market and employment issues.
7. Contents and application of forms of state statistical reporting on employment issues.
8. Unique technology for the unemployed population maintenance .

2.4. Social protection of the unemployed people. Social services providing of citizens in the employment field

2.4.1. Social protection of the unemployed people as an element of the state social policy. Compulsory state social insurance against unemployment.

2.4.2. Types and groups of social services in the employment field. Types of social services provided for employers by the State Employment Services.

2.4.3. Career guidance for customers of service centers. Providing clients of employment centers with services for professional information and vacancy information. Services in recruitment of job vacancies.

2.4.4. Organization of vocational training of the unemployed people .

Involvement of unemployed people to entrepreneurship and self-employment.

2.4.5. Solution of the employment problems of socially vulnerable population groups. Youth employment contribution.

2.4.1. Social protection of the unemployed people as an element of the state social policy. Compulsory state social insurance against unemployment

Since a person loses his work because of the objective reasons concerning the market economy development, society has to worry about it. The above – mentioned objective reasons are both moral and legal basis for the unemployed people assistance. The state care is carried out in the form of **social protection system** of the unemployed and members of their families that are on their charge. Such a system is determined by the legislation of each country. In Ukraine, it is defined by the Constitution of Ukraine (Article 46) and the Law of Ukraine «On Compulsory State Social Insurance Against Unemployment».

The implementation of state guarantees of social protection of citizens from unemployment is provided by: compulsory state social insurance in case of unemployment; providing guarantees to employees who have lost their jobs due to changes in the organization of production and labor; providing additional guarantees for certain categories of citizens who are not able to compete on the labor market; provision of guarantees for handicapped persons; voluntary participation of citizens in non-state insurance against unemployment.

Recognition of a citizen as unemployed person is carried out by the state employment service at the citizen's place of residence by registration on the day of treatment.

Legislation defines the following aspects of social protection of the unemployed:

1) **the source by which social protection is carried out.** In Ukraine, it is the Fund of Compulsory State Social Insurance of Ukraine in the event of unemployment. All insured persons are members of this Fund;

2) **the principles of assistance payment**, which include:

- payment conditions;
- payment terms;
- payment size;
- non-payment terms;

3) **compensations and guarantees** in case of work loss for those population strata who are not able to compete on the labor market.

The conditions for the payment of unemployment benefits are the mandatory registration in the civil service of the person as unemployed on the eighth day after the submission and registration of a written application and the personal account card establishment. Persons are entitled to unemployment benefit on the basis of the insurance record, which during the 12 months preceding the start of unemployment, worked on a full or part-time basis (week)

for at least 26 calendar weeks and paid insurance premiums.

The amount of assistance to insured persons is determined as a percentage of their average wage (income) depending on the insurance period:

- up to 2 years - 50%;
- from 2 to 6 years - 55%;
- from 6 to 10 years - 60%;
- over 10 years - 70%.

The insurance record is equivalent to the length of service acquired by the employee during the employment period under the terms of the employment contract before the entry into force of the said law on unemployment insurance.

Unemployment benefit is paid depending on the duration of unemployment to a certain size:

- the first 90 calendar days – 100%;
- during the next 90 calendar days - 80%;
- in the future - 70%.

The total duration of unemployment benefits can not exceed 360 calendar days for two years, and for persons of pre-retirement age (two years before the right to receive a pension) - 720 calendar days.

The right to assistance is retained in the event of a break in the insurance record for valid reasons if the citizen, after a break, within a month was registered by the State Employment Service as an unemployed person. In this case, valid reasons are:

- full-time studies (vocational schools, colleges, post-graduate courses, etc.);
- regular military service;
- caring for a disabled person of the first group or a child - a disabled person under 16, as well as a retired person who needs constant supervision.

There may be some other reasons provided by the legislation of Ukraine.

Payment of benefits is suspended in the event of employment or the job renewal of the unemployed person by a court decision. Duration of unemployment benefit can be reduced for up to 90 days when leaving the last place of work at will, refusing two proposals for suitable work or professional training, concealing information about employment for temporary work, in case of violation of terms and conditions of registration and re-registration.

In Ukraine, the state provides additional guarantees regarding the employment of citizens in need of social projection.

The conditions for providing partial unemployment benefits are:

- loss time of inevitable and temporary nature, lasting not less than a month but not exceeding six months and not dependent on the employee and employer;

- loss time during the month, reaching no less than 30% of the number of employees, when the idle time is 20% or more of working time.

In the case of loss time that has a seasonal nature and if the employee

refuses to work in a suitable job or works in another enterprise as a part-time worker or undergoes an alternative service, partial unemployment assistance is not paid.

2.4.2. Types and groups of social services in the employment field. Types of social services provided for employers by the State Employment Services

Provision of social services is the main task of the state employment service. Today, the State Employment Service is the only state-owned institution in the Ukrainian society that provides social insurance on a non-discriminatory basis with a wide range of services for both job seekers and employers to provide them with a labor force.

The main types of social services and material provision provided by the employment service to the population, including as the executive directorate of the insurance fund, are:

- finding suitable employment and assistance in employment, including by providing employers with subsidies for creating additional jobs for the employment of the unemployed; financing of the organization of paid public works for the unemployed people in the order established by the Cabinet of Ministers of Ukraine;

- professional training or retraining, professional development in vocational schools and higher educational institutions, at educational institutions of the State Employment Service, at enterprises, organizations;

- vocational guidance;

- information and consulting services related to employment;

- unemployment assistance, including a one-time payment for the organization of unemployed entrepreneurship;

- partial unemployment assistance;

- material assistance during the period of professional training, retraining or professional development of the unemployed person ;

- assistance for burial in case of death of the unemployed person or a person who was on his charge.

Various information events are regularly held at all employment centers - Days of Employment Centers, Open Door Days, Job Fairs, Vacancies Fairs and Trade Fairs, Career Days, Information Workshops, etc. Constantly expanding and introducing new types of information and consulting services related to employment: organization of gender and Internet centers in the basic employment centers; informational rooms for people with disabilities; computer classes on training programs for the unemployed people and employers; informational rooms at village councils, tax inspectorates, labor and social protection institutions, general educational institutions, which contributes to the real maintenance of the constitutional rights of the population, increase in number of social service users.

The State Employment Service implements a set of measures to support and develop an entrepreneurial initiative among the unemployed people.

First of all, it is the involvement of individuals wishing to set up their own business to various informational and thematic seminars, where they can obtain information on self-employment, the choice of a promising type of activity for a particular region, information on the actions to be taken to start their own business. Representatives of the territorial bodies of the State Tax Service of Ukraine, Justice Departments, the Pension Fund of Ukraine and others are invited to conduct such seminars.

All citizens who show a desire to start their own business can undergo a professional diagnostic examination in possibilities to open their own business.

In order to acquire theoretical knowledge on the basics of small business accounting and taxation, microeconomic issues, marketing, management and practical skills in business planning, those who wish to open their own business should be encouraged to study in the courses on the Entrepreneurship Basics.

In order to consider the issue of receiving unemployment benefits, the unemployed person submits an application for the payment of such assistance and a business plan to the employment center once for the organization of entrepreneurial activity. These documents are considered by the Commission on issues of lump sums of unemployment benefit for the entrepreneurial activity organization. The final decision is taken by the director of the employment center, taking into account the conclusions of the commission.

In the case of a positive decision, the unemployed person, within certain time limits, has to carry out state registration of business activity and submit documents to the employment center confirming the documentary fact of its registration.

The recalculation of the unemployment benefit amount is made to the personal account of the unemployed person within 30 calendar days from the day of the relevant documents submitting to the employment center.

The main directions of of unemployed people entrepreneurship organization for today are: provision of household services to the population (construction and repair of residential premises, hairdressing services, repair of household appliances, repair of footwear, tailoring, clothes, video and photo services), as well as trade- intermediary activity.

2.4.3. Career guidance for customers of service centers. Providing clients of employment centers with services for professional information and vacancy information. Services in recruitment of job vacancies

Professional orientation is one of the key means for increasing motivation to work and controlling labor movement in the labor market. The vocational guidance of the state employment service increases the competitiveness of the individual in the looking for a job, contributes to its effective employment and

includes professional information, professional counseling and professional selection.

The labor market is making increasingly high requirements to the labor power quality, therefore the development of vocational training for the unemployed is becoming increasingly important. The list of professions according to which the state employment service prepares personnel is expanding.

The most recent popular trends in the training of the unemployed people are: internship directly at the workplaces of enterprises, training in flexible modular programs, individual training plans and programs on demand of employers.

Paid public works - publicly available types of unskilled work, as well as skilled works that are organized to provide additional social support and provide temporary employment for job seekers.

Participation in public works allows unemployed citizens to have temporarily work and receive real wages, increase motivation for work, provide opportunities for further employment at enterprises where public works are carried out.

The main fields of social work organization are: provision of social services to the disabled people, elderly citizens, veterans of war and labor; work in hospitals, social protection territorial centers; improvement of territories of reserves, cities, socially significant objects, memorials, monuments, etc.

Mutually beneficial cooperation with employers is a priority in the activity of the employment service at the present stage. The quality of applicants for job vacancies and employment growth generally depend on the availability of vacancy information provided by employers to the employment service.

The main types of social services provided by employers to the employment service, including the Executive Directorate of the Insurance Fund are:

- information and consulting services;
- selection of personnel, including using profound diagnostic techniques;
- professional training of the unemployed people at the request of employers for a specific workplace;
- granting subsidies to create additional jobs for the employment of the unemployed people;
- assistance in the organization of paid public and seasonal work;
- organization and holding of fairs for the selection of applicants for filling vacancies;
- providing opportunities through self-study touchscreens in the center of employment with the professional qualifications of jobseekers;
- conducting a variety of workshops for employers, including for

individuals who have hired employees.

At the current stage of the country socio-economic development, one of the most promising areas of the state employment service cooperation with employers is the economic stimulation of employers of all forms of ownership to the unemployed people employment.

Granting a subsidy to an employer is a «double» social service: for the employer, compensation is provided for the employee's wages, for the jobseeker, it is the real work place with the guaranteed salary payment. The grant is the funds of the Fund for Compulsory State Social Insurance of Ukraine in case of unemployment to cover the wage costs of persons employed under the direction of the state employment service provided to the employer.

Employment of the unemployed people by providing subsidies to the employer is a component of active influence on the labor market state. This kind of social services is provided for the Article 7 of the Law of Ukraine «On Compulsory State Social Insurance against Unemployment».

The conditions and mechanism for providing the employer with subsidies for the employment of unemployed people, responsibility for violation of the procedure terms for its provision and use is determined by the procedure for providing subsidies to the employer to create additional jobs for the employment of the unemployed people.

To improve the efficiency of the State Employment Service work for the provision of social services for jobseekers and employers by specialists of the Institute for Personnel Training of the State Employment Service, State, Regional, City and District Employment Centers, a new, adapted to the conditions of a market economy the Unified Technology for the Maintenance of the Unemployed Population has been created. It is an advanced work out , the only of such scale in the social sphere. The introduction of unified technology allowed to increase the throughput of employment centers, labor productivity of workers, to ensure the implementation of the self-help concept, providing comprehensive information for employers and the population.

Types of services provided by employers to the public employment service are:

1) Information on the state, main trends and processes in the local labor market.

2) Informing employers according to the profile of enterprises about the professional qualification of persons registered with the employment center (the EC).

3) Informing employers about people who are looking for work and having unique (rare) professions, specialties or personal qualities by placing information about them (without mentioning names) on special stands in the employer sector and in the general database of jobseekers on the Internet-portal «TRUD» (www.trud.gov.ua).

4) Informing about the expenses of the insurance fund with the

information on the provided services and the provision of social guarantees.

5) Studying the needs of the employer and assisting in the staffing of the enterprises.

6) Implementation by the employer's request of the selection of the necessary workers using psychodiagnostic techniques: testing, evaluation and interpretation of the results.

7) Organizing community work and meeting the needs of the labor force in carrying out certain types of work that requires workers to carry out temporary work.

8) Assistance in prompt recruitment of the necessary staff by presenting vacancies for potential employees during the holding of job vacancies.

9) Organization of training, retraining and upgrading of the unemployed people, taking into account the current and future needs of employers in educational establishments, as well as directly in production.

10) Stimulation of the activities of employers aimed at creating new jobs through the monthly compensation of a single contribution to the compulsory state social insurance.

11) Provision of a complex of special services in solving the problem of working with the labor collective in the situation of the planned dismissal of employees. To this end, the implementation of preventive and adaptive measures aimed at the selection of work, vocational training, involvement in self-employment of these citizens, counseling on the content of their rights and state guarantees, psychological adaptation of workers before their actual dismissal.

12) Advising on the implementation of certain norms of labor and employment legislation, state social insurance against unemployment, incl. at the dismissal of employees.

13) Assistance in the preparation of job vacancy announcements for placement in job portals and job placement sites, mass media and job search.

14) Assistance in conducting employer interviews with jobseekers - development and provision of appropriate guidance on the technique of their carrying out, providing premises for meetings with candidates.

15) Carrying out workshops for employers on of disabled people employment.

16) Placement of information about enterprises, their history, products they produce, socio-economic status, etc., information on vacancies in employment centers.

17) Advising on the employment of foreigners.

18) Advising on employment of disabled people.

19) Advising on the employment of citizens who need of social protection and unable to compete in the labor market.

20) Advising on the provision of intermediary services in recruitment abroad.

2.4.4. Organization of vocational training of the unemployed people. Involvement of unemployed people to entrepreneurship and self-employment

The Employment Service pays special attention and implements new approaches to solving the problems of employment of disabled people.

The State Employment Service in accordance with the laws of Ukraine «On Employment of the Population» and «On the Fundamentals of Social Security of the Disabled People in Ukraine» promotes labor rehabilitation and employment of people with special needs taking into account the recommendations of the Medical and Social Expert Commission (MSEC) for free and newly created jobs declared by enterprises.

To this end, the records of persons with disabilities who have applied for employment assistance and the recording of workplaces, which, according to the company, can be employed by citizens of this category, is constantly maintained.

Persons with disabilities have the right to receive social services and material support in accordance with Article 7 of the Law of Ukraine «On Compulsory State Social Insurance Against Unemployment».

The employment promotion is based on the conclusions of the MSEC and the medical advisory committees (MACs) of the medical and prophylactic institutions.

One of the priority tasks of the state employment service is to assist [vulnerable segments of the population](#), including people with special needs. Considerable attention is given to such citizens at employment centers during their individual work with a consultant on the study of the possible ways of their labor rehabilitation and employment.

At the same time, people with disabilities need special attention. Therefore, the state employment service, using modern information technology, implements new tools to accelerate their employment.

On the Internet media portal of the State Employment Service «TRUD» (www.trud.gov.ua), where the national vacancy database and resume of jobseekers are located, special designations of the summary of persons with a disability are introduced:

- Assistance in the selection of suitable work, employment in accordance with vocational training, education and labor market needs, including for booked jobs and by providing subsidies to employers.

- Advising on professional orientation.

- Proficiency in the selection of suitable work.

- Vocational training, retraining and advanced training in accordance with the needs of the labor market by the assignment of the employment service.

- Participation in paid public works.

- Facilitating the establishment of their own business.

The norm of the Law of Ukraine "On employment" prohibits employers in

advertisements (vacancies) to offer employment only to women or men only, except for specific work that can be performed exclusively by persons of a certain gender, to make different requirements, preferring one of the genders, to demand persons who are hired for work, information about their private life, plans for the birth of children. Under current Ukrainian legislation, men and women are absolutely equal in their procedural rights. However, in practice, there are situations when women are not able to exercise their rights, and legal equality does not guarantee actual equality.

Information and reference interactive multichannel telephone systems is operating to provide full information on the services of the State Employment Service.

Questions for self-study:

1. Experience of foreign countries in matters of social insurance against unemployment.
2. Socio-psychological aspects of the employment service activity.
3. Solving the problems of employment of socially vulnerable population segments.
4. Employment problems of disable persons.
5. Ensuring gender equality in the process of providing social services at employment centers.

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